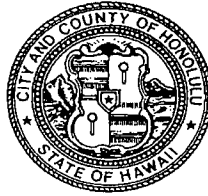


DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET 10TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8500 • FAX: (808) 768-5563 • INTERNET: www.honolulu.gov/hr

LATE

KIRK CALDWELL
MAYOR



CAROLEE C. KUBO
DIRECTOR

NOEL T. ONO
ASSISTANT DIRECTOR

April 4, 2013

The Honorable David Y. Ige, Chair
and Members of the
Committee on Ways and Means
State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Ige and Members of the Committee:

Subject: House Bill No. 152, HD1, SD1, Relating to Workers'
Compensation Medical Fee Schedules

House Bill No. 152, HD 1, SD1, proposes to increase the workers' compensation reimbursement rate for health care providers to 130% of the Medicare Resource Based Relative Value Scale for Hawaii. The City and County of Honolulu, Department of Human Resources, respectfully opposes the measure as an increase to the reimbursement rate for the entire Medical Fee Schedule is both unnecessary and ill-advised.

The measure is unnecessary because there is already an established procedure which allows the Director of the Department of Labor and Industrial Relations ("Director") to adjust the Medical Fee Schedule to ensure reasonable allowances for reimbursement. Hawaii Revised Statutes ("HRS") Section 386-21(c) specifically provides that "[i]f the director determines that an allowance under the Medicare program is not reasonable the director, at any time, may establish an additional fee schedule or schedules not exceeding the prevalent charge for fees for services actually received by providers of health care services, to cover charges for that treatment, accommodation, product, or service." Thus, with proper justification, the Director already has the authority to increase allowances for medical care and services that are not considered reasonable or adequate.

HB 152, HD1, SD1, is also ill-advised as the fiscal impact of the proposal to the public will be considerable. An 18% across-the-board increase for all services under the Medicare Fee Schedule will significantly escalate workers' compensation costs for

The Honorable David Y. Ige, Chair
and Members of the
Committee on Ways and Means
State Senate
April 4, 2013
Page 2

employers, including the City and County of Honolulu. The State of Hawaii, Department of Human Resources Development, has already testified that HB 152, HD1, SD1 will drive its medical costs higher, estimating that if the measure passes, its workers' compensation medical costs will increase by close to half a million dollars.

Moreover, the proposed wholesale change to the fee schedule and the resulting increase in costs is not required for many of the medical services that fall under the Medical Fee Schedule. As the Department of Labor and Industrial Relations ("DLIR") noted in its January 28, 2013 testimony to the House Committee on Labor and Public Employment, H.B. 152 "health care providers **who are already adequately compensated for their services** would receive an increase in allowable charges if the ceiling for charges were raised to 130% of Medicare."

The City suggests that rather than providing an unwarranted and unnecessary "across the board" increase in the Medical Fee Schedule, this committee convene a task group to identify the specific areas and services where workers' compensation reimbursements in Hawaii are causing providers to not accept workers' compensation patients. The Director can then include the group's findings as part of the DLIR's process of adjusting allowances for those medical care and services for which the current reimbursement is found to be inadequate.

In light of the foregoing, we respectfully urge this committee to file House Bill No. 152, HD 1, SD1. Thank you for the opportunity to testify.

Sincerely,



Carolee C. Kubo
Director



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: stab625@yahoo.com
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Wednesday, April 03, 2013 12:26:32 PM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Arnold	Ironworkers Stabilization	Support	Yes

Comments: We support HB152HD1SD1.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

IRONWORKERS STABILIZATION FUND

April 4, 2013

David Y. Ige, Chair
Senate Committee on Ways and Means
Room 208 - State Capitol
Honolulu, HI 96813

Re: H.B. No. 152, HD1, SD1 - Re: Workers' Comp Med Fee Schedules

Mr. Chair and Members of the Committee:

Thank you for providing me the opportunity to testify on this measure.

Adequate compensation to physicians treating workers who are injured on the job has been a long-standing issue.

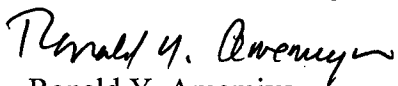
In 1973, 40 years ago, as a young deputy attorney general advising the state labor department, I sat through a whole day of testimony on a Saturday, at the Mabel Smyth auditorium, listening to testimony from physicians and insurers on this very issue. The hearing had been called by the director of the department of labor, the late Robert Hasegawa from Lanai, who had started his career as an electrician and later became the head of the Electricians Union, Local 1186.

I can't speak of knowing of examples of injured workers who did not receive adequate care because of the present fees not being adequate to compensate physicians to care for such injured workers. At the same time, I would imagine that there are such examples. If so, I believe a strong case can be made for raising the rate to one hundred thirty per cent as called for in this measure.

On this basis, the Ironworkers Stabilization Fund supports this measure.

Thank you.

Sincerely,



Ronald Y. Amemiya
Government Affairs



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: catherynn.pthawaii@gmail.com
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Wednesday, April 03, 2013 3:33:27 PM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Catheryn	PT Hawaii	Support	No

Comments: I 100% strongly support HB 152 which will help increase the Workers compensation fee code schedule.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: cherice.pthawaii@gmail.com
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Wednesday, April 03, 2013 3:36:22 PM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Cherice	PT Hawaii	Support	No

Comments: I 100% strongly support HB152 which will help increase the Workers Compensation Fee Code Schedule.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: vangie.pthawaii@gmail.com
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Wednesday, April 03, 2013 2:45:14 PM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Evangeline Kaleikini	PT Hawaii, Inc.	Support	No

Comments: I 100% strongly support HB152 which will help increase the WC fee code schedule to medicare + 30%.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: JASMINEK.PTHAWAII@GMAIL.COM
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Wednesday, April 03, 2013 3:44:35 PM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
JASMINE KEPAA	PT HAWAII	Support	No

Comments: I 100 % STRONGLY SUPPORT HB152 WHICH WILL HELP INCREASE THE WC COMP FEE CODE SCHEDULE.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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House Bill 152 HD1 SD1
BILLING TO WORKERS COMPENSATION FEE SCHEDULES

INCREASES MAXIMUM ALLOWABLE MEDICAL FEE UNDER WORKERS' COMPENSATION TO 130% OF THE MEDICARE RESOURCE BASED RELATIVE VALUE SCALE.

WORK INJURY MEDICAL ASSOCIATION OF HAWAII STRONGLY SUPPORTS HOUSE BILL 152 HD1 SD1.

WITH THE UNITED STATES DEPARTMENT OF LABOR WORKERS' COMPENSATION FEE SCHEDULE AT 143% OF MEDICARE FOR THE STATE OF HAWAII IN THE YEAR 2012. WORK INJURY MEDICAL ASSOCIATION OF HAWAII BELIEVES THIS IS A GOOD TIME TO INCREASE THE MEDICAL FEE FOR WORKERS' COMPENSATION TO 130%.

THIS WILL GET MORE PHYSICIANS TO PARTICIPATE IN HEALING THE INJURED WORKERS. THE PASSAGE OF THIS BILL WILL BENEFIT BOTH THE INJURED WORKER AND THEIR EMPLOYER.

YOUR PASSAGE OF THIS BILL WILL BE GREATLY APPRECIATED.

SINCERELY,

Paola Grover
General Manger,
PT Hawaii



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: cwilson@ahcs.com
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Wednesday, April 03, 2013 3:21:46 PM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Cathy Wilson	AHCS	Support	No

Comments: Few physicians accept workers' compensation patients in the State of Hawaii due to the low fee schedule. As you can imagine, this has resulted in an access to care problem for the State's injured workers -- magnified by the state's shortage of physicians in general. I urge you to raise the fee schedule to become more in line with national averages, thereby increasing access and choice for Hawaii's injured workers.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Honorable Senator David Ige
Chair, Committee on Ways and Means

Honorable Senator Michele Kidani
Vice-Chair, Committee on Ways and Means

RE: HB 152, HD 1 SD 1-RELATING TO WORKERS' COMPENSATION FEE SCHEDULE

Aloha Chair Ige and members of the committee,

InVision Imaging stands in **STRONG SUPPORT** of HB 152 HD 1. In 1995, the legislature reformed the workers' compensation fee schedule in response to rising insurance premium cost and cut reimbursements by 54%. Hawaii's workers' compensation medical fee schedule still remains to be that of the lowest in the nation. Those actions have adversely affected the medical community in Hawaii. Physicians are forced to limit their acceptance of patients and the quality of care given to a workers' compensation patient is also negatively affected.

The current law allows for charges for medical care, services and supplies to not exceed one hundred ten percent (110%) of fees prescribed in the Medicare Resource Based Relative Value Scale System (MRBRVS). This proposal would raise the fee schedule to not exceed one hundred thirty percent (130%) of fees prescribed in the MRBRVS. The twenty percent (20%) increase will allow workers' compensation patients to have better access to quality medical care for their injuries and a speedy recovery to return to work. The State's no fault insurance fee schedule is linked to the workers' compensation fee schedule, thus the same problem exists for physicians who provide services for no fault insurance patients.

I strongly urge the legislature to recognize that the practice of medicine is also a business. Hence, no business can survive if they are forced to take a cut in revenue. It has been over ten years since the current law for workers' compensation has been revised. As the medical community in Hawaii advances in the technology era, fee schedules should reflect the existing need of medical costs which a provider incurs.

Thank you for the opportunity to submit testimony.

Sincerely,

Eric Hannum
President

Chace Shigemasa
Government Relations Representative



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: carpenterd@hawaiiantel.net
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Thursday, April 04, 2013 8:39:43 AM

HB152

Submitted on: 4/4/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Dante K. Carpenter	Democratic Party of Hawai'i	Support	No

Comments: Chair Sen. David Ige, V. C. Sen. Michelle Kidani and Members: My name is Dante K. Carpenter. I am the State Chair of the Democratic Party of Hawai'i (DPH). The DPH is in full support of HB 152 HD1 SD1 which increases the maximum allowable medical fees under worker's compensation to 130 per cent of the Medicare Value scale. We strongly urge your support for this important measure. Thank you very much. DKC

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(Rm. 411 @ G Ann)

WAMtestimony@capitol.hawaii.gov, HB 152 - HD1, SD1 - Pacific Management Services, LLC - IN F

To: WAMtestimony@capitol.hawaii.gov
From: "David R. Griffith" <dgriffith@pmsllc.com>
Subject: HB 152 - HD1, SD1 - Pacific Management Services, LLC - IN FAVOR
Cc:
Bcc:
Attached:



Dear Honorable Senator David Y. Ige, Chair, and Senator Michelle N. Kidani, Vice Chair -

Please note that Pacific Management Services, LLC represents approximately twenty-two medical practices throughout the State of Hawaii including practices on the Big Island, Maui and numerous locations across Oahu. I personally served as the administrator for Orthopedic Associates of Hawaii for over twenty years, and I have several physical medicine and rehabilitation physicians who have ALL been greatly affected by the ongoing declining medical fee schedule as it relates to worker's compensation. I can attest that many of my clients no longer see worker's compensation patients, because of both the "paperwork hassles, and the fact that it's simply not worth 110% of Medicare" to see these patients; especially if you are a surgeon, because you don't get paid anything for any follow up visit that may occur within 90-days of the global period after surgery.

In any case, we strongly urge your support of this bill to increase the worker's compensation fee schedule from 110% of Medicare to 130% of Medicare which is still below the original bill proposed back in 1996 when the fee schedule was dramatically cut and physicians requested consideration at 135% of Medicare.

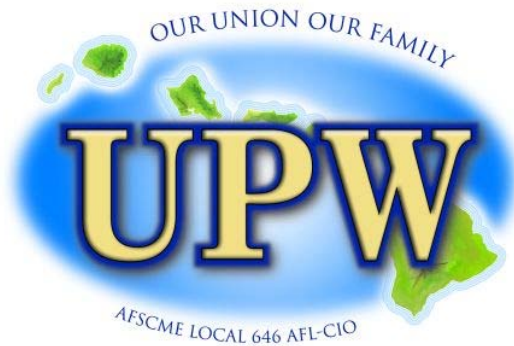
Thank you for your kind support and consideration.

Much Aloha,

David R. Griffith - President/CEO, MBA, CMPE
Pacific Management Services, LLC

Phone: 808.440.5256
<http://www.pmsllc.com>

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THE HAWAII STATE SENATE
The Twenty-Seventh Legislature
Regular Session of 2013p

COMMITTEE ON WAYS & MEANS
The Honorable Sen. David Ige, Chair
The Honorable Sen. Michelle Kidani, Vice Chair

DATE OF HEARING: Thursday, April 4, 2013
TIME OF HEARING: 9 a.m.
PLACE OF HEARING: Conference Room 211

**TESTIMONY ON HB152 HD1 SD1 RELATING TO WORKERS' COMPENSATION
MEDICAL FEE SCHEDULES**

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW supports HB152 HD1 SD1 that increases maximum allowable medical fees under workers' compensation to 130 percent of the Medicare Resource Based Relative Value Scale.

We believe the current version of the bill will bring more immediate relief to our State's injured workers while providing fair compensation to physicians willing to serve workers' compensation patients.

Thank you for the opportunity to testify on this measure.

826 S. King Street
Honolulu, Hawaii 96813
Telephone (808) 523-9043
Fax (808) 526-0673

LATE



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Active Rehabilitation Training

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**To: The Honorable Senator, David Y. Ige, Chair Senate Committee on Ways & Means
The Honorable Senator Michelle N. Kidani, Vice Chair**

Date: Wednesday, April 4, 2013

Time: 9:00am

Place: State Capitol, 415 S. Beretania Street, Conference Room 211

RE: HB 152 HD1 SD1 Relating to Workers' Compensation Medical Fee Schedules

Dear Honorable Chair Ige, Vice Chair Kidani, and members of the Senate Committee on Ways & Means:

Thank you for the opportunity to present testimony regarding HB 152 HD1 SD1. My name is Frieda S. Takaki and I am writing on behalf of the 35 employee owners of CHART Rehabilitation in ***STRONG SUPPORT*** of HB 152 HD1 SD1.

CHART Rehabilitation of Hawaii, is an Employee Stock Ownership Plan (ESOP) organization that has been successfully providing physical and occupational therapy services in Hawaii since 1979.

We are in support of HB 152 HD1 SD1 for the following reasons:

1. The fee schedule for medical care for injured workers is based on a rate structure that is over a decade old. Access to effective medical services are not always available to all injured workers because the level of compensation received by physicians and other healthcare professionals has not kept pace with inflation and the increasing costs of medical care. In some cases, the reimbursable rates for certain medical procedures and services have actually gone down since 1995 when the 110% of Medicare fee schedule was enacted by our state. We support the increase in the fee schedule to 130% of fees prescribed in the Medicare Resource Based Relative Value Scale system applicable to Hawaii to encourage physicians and other medical providers to provide much needed treatment to injured workers.
2. It is estimated that 70% to 80% of physicians in Hawaii will no longer see workers' compensation patients creating a major barrier to medical care for injured workers.

3. Although the Director of the Department of Labor and Industrial Relations and the Insurance Commissioner has the ability to increase reimbursements, no significant action has been taken in this area.
4. We believe that HB 152 HD1 SD1 will be a critical step towards a more comprehensive solution to the issues affecting injured workers so that they can return to work in a more expedient and safe manner, **thus saving costs for all parties involved.**

Thank you again for the opportunity to provide written testimony in support of HB 152 HD1 SD1. If you have any further questions regarding our testimony or the workers' compensation medical care environment, please feel free to contact me at 808-523-9043.

Sincerely,



Frieda S. Takaki,
President & CEO

SENATE COMMITTEE ON WAYS AND MEANS
Senator David Ige, Chair

April 4, 2013 at 9:00 a.m.
Conference Room 211

Supporting HB 152 HD 1 SD 1: Relating to Workers' Compensation Medical Fee Schedules.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, a majority of home health agencies and hospices, as well as long term care facilities and other health care organizations. Our members contribute significantly to Hawaii's economy by employing nearly 20,000 people statewide, delivering quality care to the people of Hawaii.

Thank you for this opportunity to comment in support of HB 152 HD 1 SD 1, which authorizes the Director of Labor and Industrial Relations to raise the workers' compensation payments for health care from 110% to 130% of the Medicare fee schedule.

The workers' compensation law represents an arrangement between employers and employees in which both parties benefit. The law ensures that employees injured in the course of employment receive wage replacement and medical benefits from employers in exchange for relinquishing the right to sue employers for negligence.

The workers' compensation law requires that payments to health care providers are adequate. However, current payments to health care providers under Hawaii's workers' compensation law do not take into consideration the high costs of practicing in Hawaii. As a result, many physicians decline to take workers' compensation patients, and many injured employees do not have the same access to health care as the hundreds of thousands of Hawaii residents with private health care insurance.

Medicare fees to physicians are theoretically adjusted to reflect differences in practice costs in different areas of the nation. However, although overall costs in Hawaii are about 150% of the national average (Department of Business, Economic Development, and Tourism), Hawaii's FY2012 Medicare fee schedule was only 106% of the national average (Centers for Medicare and Medicaid Services).

An increase to 130% of Medicare fees would increase Hawaii's workers' compensation payments for health care to about 138% of the national average. This would still be below overall costs in Hawaii at 150% of the national average. However, the increase would give healthcare providers a more equitable rate relative to the costs of doing business in Hawaii. Ultimately, it would likely improve access through greater participation.

A study of workers' compensation fees is being contemplated instead of an increase in fees. The study would only delay reasonable access to care for many workers who have been injured on the job. There is ample evidence to show that the increase is needed now.

For the foregoing reasons, the Healthcare Association of Hawaii supports HB 152 HD 1 SD 1.



April 3, 2013

To: The Honorable David Ige, Chair,
The Honorable Michelle Kidani, Vice Chair, and
Members of the Senate Committee on Ways & Means

Date: Thursday, April 4, 2013
Time: 9:00 a.m.
Place: Conference Room 211, State Capitol

From: Laurie H. Hamano, M.Ed. CRC
Owner of Vocational Management Consultants Inc.
Vocational Rehabilitation Counselor

Re: H.B. No. 152 HD1 SD1 Relating to Workers' Compensation Fee Schedules

We are in support of this bill.

Vocational Management Consultants, Inc. supports this bill as this would allow the medical providers to be paid so that Hawaii can have medical providers to service the work injured. The injured workers do not have many options and are turned away due to the lack of appropriate medical doctors when they are injured.

Please pass this very important bill for the Injured Workers in our State.

Thank you,

Vocational Management Consultants, Inc.

Laurie H. Hamano M. Ed. CRC
Kirsten Harada Yonamine M. Ed. CRC
Patti Inoue, M.Ed CRC
Jessica Bohne, M.Ed. CRC
Liane Murai, M.S.
Beverly Tokumine, M.Ed. CRC



April 3, 2013

To whom it may concern,

As an outer island specialty interventional pain clinic of two physicians, my husband and I, we are desperate for changes to the current workers comp fee schedule. Seeing any work comp patients is the most time consuming process we ever encountered and are within a few months of NOT taking any more work comp patients. This is an unfortunate situation for the injured worker.

Since we are currently a) the fifth lowest paid physicians in the nation (NCCI 2012 data) and b) trying to run clinics in one of the most expensive states in the union (see Forbes—multiple articles) supporting HB 152 HD 1 should be a “no brainer” .

Moreover, WC is already being “silently boycotted” by over 90% of Hawaii’s doctors (University of California Study, 2008) in state with a growing doctor shortage (University of Hawaii Study) of over 500 physicians and the future does not bode well for an aging local population dependent on tourism and autumn years boomers for its future economic well-being.

Finally, since a) providers currently only use 19% of the premium dollar (NCCI 2012 data) an 18% fee increase will only cost employers and carriers ~2%, can someone please come up with a better way to end this access-to-care crisis? Or perhaps the opponents of this rescue measure could provide us with a list of neurologists, ophthalmologists, dermatologists and other specialists who will take a WC case on Oahu and the outer islands.

Ask yourself what would happen if YOU were injured on the job and couldn’t find a physician to see your claim. I promise if any of you were stuck in the work comp system you would support any bill in favor of the injured worker.

Bottom line we are dealing with a failed social “safety net” in a geographically isolated part of the world where, lacking adjacent –state talent, we must “recycle” our injured workers back to economic productivity.

Sincerely,

Lynn Puana, MD and Rudolph Puana, MD

WIMAH



WORK INJURY MEDICAL ASSOCIATION OF HAWAII
91-2135 FORT WEAVER ROAD SUITE #170
EWA BEACH, HAWAII 96706

MAULI OLA THE POWER OF HEALING

APRIL 4, 2013

To: Honorable Chair Senator David Ige and WAM Committee Members
From: Scott McCaffrey, MD
Occupational Medicine

Re: HB 152 HD 1—Access to care crisis intervention

Here are the facts:

1. The 1995 53% cut in physician reimbursement placing Hawaii as the 5th lowest in the nation caused an exodus of specialists and primary care providers and led to the collapse of the state's largest and strongest Occupational Medicine Program at Straub furloughing eight board certified occupational MD specialists.
2. This "silent boycott" of worker comp has gradually worsened with time to its current crisis level where only one out of twenty physicians will even see an industrial patient and even on Oahu there are no available specialists willing to see work comp in Neurology, Dermatology, ENT or Psychiatry.
3. The neighbor islands scarcity is even worse where the number of physicians of any field willing to treat work comp can be counted in-toto on the fingers of one hand.
4. If more orthopedists or neurosurgeons opt out (as many already have), we will have no choice but to fly our work injured citizens to the mainland to obtain essential, restorative surgery.

If someone on this distinguished committee or any of the opponents of this bill have a better idea of how to bring doctors back to work comp I would appreciate hearing it. Until then perhaps you wouldn't mind taking distress calls from those seeking help in what is suppose to be one of the community's most solid "safety nets".

Respectfully submitted:

Scott McCaffrey, MD
Work Injury Medical Association



55 Merchant Street
Honolulu, Hawai'i 96813-4333

HAWAII PACIFIC HEALTH
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www.hawaiiipacifichealth.org

Thursday, April 4, 2013 – 9:00 am
Conference Room 211



The Senate Committee on Ways and Means

To: Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair

From: Virginia Pressler, MD, MBA

Re: **HB 152, HD1, SD1 Relating to Worker's Compensation Medical Fee Schedules**
Comments in Support

My name is Virginia Pressler, MD, MBA, Executive Vice President and Chief Strategic Officer for Hawai'i Pacific Health (HPH). HPH is a nonprofit health care system and the state's largest health care provider anchored by its four nonprofit hospitals: Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital on Kauai. HPH is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four affiliated hospitals, 49 outpatient clinics and service sites, more than 5,400 employees and 1,300 physicians on staff.

I am writing in **support** of HB 152, HD1, SD1 which proposes to increase the maximum allowable medical fees under worker's compensation to 130 percent of the Medical Resource Based Relative Value Scale. This measure helps to align the workers' compensation medical fee schedule with the current cost of health care. An immediate increase to the fee schedule is needed to ensure that providers are compensated for the medical services rendered.

However, should this Committee feel that it may be necessary to have the auditor conduct a study of the workers' compensation system fee schedule prior to making any increases, we support the Proposed SD2 of HB 152 which calls for such a study.

Thank you for the opportunity to provide comments on this matter.





- * My name is Brittaney Lauren Nishizaki and I testify in strong HB 152, HD1, SD1 and oppose the planned study in SD2 because I need serious help and would hold that other injured workers do not have to suffer the same experience that I have been subjected to after I was injured on the job.
- * I have worked as a server at the Sheraton Waikiki Edge Bar poolside for over three years.
- * I consider myself a very good worker. I rarely called in sick and I worked poolside 40 hours a week.
- * I am engaged in repetitive work, walking up and down stairs, bending and leaning to serve drinks and food in an eight hour shift while holding the tray with one arm which contains at least 15 drinks and food.
- * Essentially it is like working as a waitress, but in the hot sun. The work is considered very hard.
- * Because there are tables and long chairs in the aisle, I am constantly walking over these with heavy trays on dangerous slippery floors.
- * In one working shift I walked as much as 7 to 10 miles.
- * In May 2012, I injured myself but instead of leaving and seeking medical treatment, I continued working to finish up my shift. My injury was witnessed by a coworker. I made a report with the security and was instructed to see the Doctors-On-Call at the Princes Kaiulani. At that time, I asked if it was possible for me to see my own doctor and was told I could do so.
- * The next day was a Saturday and I rested over the weekend until Monday when I called my primary care physician, Dr. Asari, at about 8:30 am. When I arrived at my appointment, I informed Dr. Asari that I had been injured at work. She told me that she does not treat patients who have work injuries and gave me two names of doctors who may be able to help me. I thanked her and proceeded to contact the two doctors and left messages, but no one called me back. I never realized how difficult it would be to find a doctor who would be willing to treat me as an injured worker.
- * I called HMA and other places in an attempt to get the names of other possible doctors. In four days. I made 33 calls and left messages and no physician was willing to accept me or they never returned my calls.
- * Still in pain, I decided to see an acupuncturist and paid for treatments in cash.
- * By Wednesday or Thursday, I called Dr. Asari again and asked she would accept me if I did not file my need for medical treatment as a workers' compensation claim and placed all treatment under my private medical plan. I was devastated and desperate. All I wanted was some relief for the pain, recover promptly, and return to work. She answered "no."
- * Because I could find no one and I needed income, I returned to work in pain. I tried self-care by using a back brace and working smart by carrying less on every tray and avoiding stepping over lounges and tables. The pain was tolerable, and I had to work because I could not get a doctor to certify me is disabled.
- * By December 2012, my condition was getting worse and I called Dr. Asari. When asked if I had sustained a work injury I responded no because I knew that she would not see me if I mentioned any work injury. I was prescribed anti-inflammatories, Vicodin for pain, and referred to a physical therapist.
- * The pain was too painful and by my February 6, 2013 appointment Dr. Asari prescribed me stronger pain medications.

* My condition continued to worsen with tremendous back and leg pain, foot numbness, SI joint pain, etc.. I was also prescribed stronger muscle relaxers. Dr. Asari sent me out for an MRI and when the results came back I was told that I had that disc problem.

* I called my workplace immediately to report my condition as a work accident but was told to come in the day after Valentine's Day on a Saturday. I indicated that my work injury was the result of repetitive work activities. When it came to witnesses, I was told that it was unnecessary to name them because my coworkers knew that I was injured on the job by repetitive hard work leading up to the Friday when I went to see the doctor. He did not see any problems making a claim and having it approved.

* My claim was denied, but I was never told why. I was forced to retain an attorney because I was not getting paid workers' compensation benefits.

* My attorney worked it out where I was given the chance to promptly see the insurance company's doctor on March 27, 2013.

* I have yet to receive a copy of the insurance company's report even though I continue to be disabled and have been told that I would need surgery because all conservative measures have been exhausted.

* I find it very unfair that I am being punished because no doctor was willing to treat me for my work injury until recently. I am still using my private medical plan until a few days ago when I was informed that I would need to pay cash, \$200.00, monies I don't have, for my prescription medications.

* I am worried sick that if I don't get proper treatment soon my low back condition will continue to worsen. I am frustrated that this is what I must go through as an injured worker when it is obvious to everyone that I worked with that it was the repetitive hard work that caused my injury.

* My attorney has filed a claim on my behalf and we are merely in a holding pattern. It was most upsetting to learn that I cannot get even the most simple pain medications for relief at this point. Hopefully it will not take months from now and going to a hearing to address whether or not I was injured on the job.

* I will be seeing a specialist today to decide whether I can wait until my case is decided or whether I should proceed with emergency surgery.

I can be reached at 1418 Makiki Street, Honolulu, Hawaii or my cell at 808-589-8145.

I thank you very much for giving me the opportunity to express my concerns that there must be many, many other injured workers like myself in the same situation.



April 3, 2013

To Whom It May Concern:

I can not emphasize enough the importance of injured workers having access to physicians who are sincerely concerned with the patient's healing and well-being. They are the trained experts in the diagnosing and treating worker injuries. In my experience since suffering work related injuries in 2010, the care and treatment I received from my doctors was essential to my healing to the extent that I have. They asked questions, performed tests and determined my treatments based on their expert knowledge of both my injury and current studies in successful treatments. I left my doctors' office with hope because I knew they were genuinely focused on helping me. They understood that the consequences of an employee injury go beyond just the physical- the anxiety of not knowing how the injury will effect future prospects for employment; the struggle to keep relationships solid when every waking hour you are either on drugs or complaining about the pain, and much more. An employee's own physician is not only focused on healing the injuries, but in helping patients cope in the aftermath of a work related injury.

In contrast, it should come as no surprise that doctors hired to provide a service for an insurance company often do not share the same commitment to discovering the true extent of the employee's injuries and suffering. In my own experience, they focused on belittling my pain, disbelieving my injuries, and taking advantage of my suffering by manipulating my answers, making false accusations, and discrediting the diagnosis and treatments prescribed by my doctors. In reports they wrote for the insurance company, they disregarded the injuries to my bilateral wrists and elbows, which my doctors' correctly diagnosed and was documented in a nerve conduction test. Whether by omission or oversight, the physician hired by the insurance company rated me and a settlement was offered that excluded these documented and proven injuries. This omission would not have occurred if my doctors had provided the rating. Not only did I feel doctors working on behalf of the insurance company were unsympathetic to my suffering, they added more anxiety and forced me to endure prolonged healing.

The effort of my Worker's Compensation doctors has been and is to return me to the best possible state of health, mobility, and a fully functioning life. In my experience, doctors who are compensated by the insurance company are not interested in assisting an injured employee to achieve that goal. Without Worker Compensation doctors, many injured employees will face even greater hardship, prolonged suffering, and far less confidence that their injuries have been correctly diagnosed, that they are receiving the best treatment available, and that they have a partner in their painful, and often depressing road to recovery. For these reasons, which support an employee's hope of returning to work after an injury and/or their receiving compensation to meet the challenges they and their families face with disability, I hope you will give your best effort to ensuring that injured employees receive the expert service of Worker Compensation doctors.

Sincerely,

Caroline H. Shimabukuro
(aka Florence Mona Shimabukuro)
1241 A 10th Avenue
Honolulu, HI 96816



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: ckoike@hawaiiantel.net
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Wednesday, April 03, 2013 9:01:42 AM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Catherine Koike	Individual	Comments Only	No

Comments: I am in support of this bill.

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Cc: moonkahele@gmail.com
Subject: Submitted testimony for HB152 on Apr 4, 2013 09:00AM
Date: Thursday, April 04, 2013 6:08:30 AM

HB152

Submitted on: 4/4/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Dana Moon Kahele	Individual	Oppose	No

Comments: Loyalty, sacrifice and trust are a few words to describe the efforts an employee invests into a work environment regardless of the discipline. In return and when a work-related minor/major work injury occur, its "due process" that an injured employee receive all required medical care, as needed, regardless of time, procedures or fee adjustment that are incurred by the Provider. Lastly, its the Fiduciary duty of the Employer to provide this protection and the Medical Facility to provide medical care & rehab', where applicable. Without the latter, this entire process would be a mute point. The goal of this WC program is to get the injured employee back to work or back into a compatible work field appropriate after care is concluded. Fees should never be adjusted below the value of the medical care provided. Mahalo for allowing me this voice.

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DENNIS W. S. CHANG

ATTORNEY-AT-LAW

WORKER'S RIGHTS - LABOR LAW
WORKER'S COMPENSATION
SOCIAL SECURITY DISABILITY
LABOR UNION REPRESENTATION
EMPLOYEES RETIREMENT SYSTEM
BODILY INJURIES



April 3, 2013

VIA ELECTRONIC MAIL

To: The Honorable Senator David Y. Ige, Chair, Michelle N. Kidani, Vice Chair
and Members of the Committee on Ways and Means

Date: Thursday, April 4, 2013

Time: 9:00 a.m.

Place: Conference Room 211, State Capitol
415 South Beretania Street

From: Dennis W. S. Chang
Labor and Workers' Compensation Attorney

Re: HB 152, HD 1, SD1 Relating to Workers' Compensation

I. OVERVIEW OF PROPOSED LEGISLATION

House Bill 152, HD1, SD 1 amends section 386-21(c), Hawaii Revised Statutes, for the exclusive purpose of increasing medical providers' charges from 110% to a maximum of 130% of the Medicare Resource Based Relative Value Scale (Medicare) applicable to Hawaii as prepared by the United States Department of Health and Human Services in the workers' compensation process. It is intended to correct a long-lasting inequity, which started in 1995, when the reimbursement rates were slashed by an arbitrary 54%. The crisis has been compounded by the dramatic rise in costs for the delivery of quality medical services in Hawaii, and Medicare has not kept pace with the historical developments. Dwight Y. Takamine, the Director of the Department of Labor and Industrial Relations (Director), and his dedicated staff have gone out of their way to provide the Legislature with ample statistical data to justify the need to address the crisis at hand.

II. JUSTIFICATION

Even before the Director provided substantial unmistakable statistics to show that there is a crisis for medical providers and injured workers, proponents have reiterated that access to quality medical care for injured workers, in particular, on the neighbor islands, is literally nil. The same can be said for medical providers on the Island of Oahu as well. Since 1995, there has been a mass exodus of quality medical providers in the Workers' Compensation field. The end result is that there are few dedicated medical providers who continue to deliver quality medical care. There is also a downside and wake-up call from a social policy perspective. Some medical providers who remain in the Workers' Compensation process have developed a monopoly over the delivery of medical care and sadly, they are providing sub par medical care for injured workers.

I have gone over all of his testimony on this bill, including the testimony presented during the 2012 session for HB 2150. All of the evidence is there that medical providers are struggling to keep their practices going with each passing year. Aside from the need to attract more dedicated medical providers, even with the nominal increase from 110% to 130% of Medicare, current medical providers are facing a crisis like injured workers who cannot access quality medical care.

There is absolutely no reason to conduct a study and further delay and punish medical providers and injured workers. This is a classic dilatory tactic to avoid addressing an ongoing crisis. HB 152, HD1, SD1 should promptly be passed out of your committee or allowed a vote. All the Chair needs to do is to consult with his colleagues. They will be readily able to tell you that their constituents have faced and continue to face horrible experiences following work injuries .

We must question the propriety of HB 152, HD1, SD1 and SD2, which calls for a study. There is absolutely no reason to conduct a study in light of the common knowledge among the public and legislators that medical providers in the Workers' Compensation field have been underpaid, go through crisis after crisis at the beginning of the year by reduced payments that cannot be recovered, and will continue to suffer more with the inevitable changes under the Affordable Care Act. On the flip side, injured workers are also unduly suffering in total contradiction to the long unwavering line of Hawaii Supreme Court cases which have articulated that the full costs of doing business for the payment of workers' compensation benefits should be placed squarely on the shoulders of employers and their insurance carriers.

The only question is whether the Honorable Chair and Vice Chair and other Members of the Committee have the will to make the easy decision of helping honest struggling medical providers and injured workers who oftentimes placed their injuries under their private medical plans because their doctors are unwilling to treat them under the cumbersome Workers' Compensation process. As I stated previously, injured workers were robbed of their right to sue in exchange for access to prompt quality medical care and other statutory entitlements. The Grand Bargain has become a disaster for all medical providers and injured workers alike.

III. CONCLUSION

Employers and insurance carriers agree that there is a gross shortage of medical providers today and that any measure, however small, should be embraced as Barbara Kreig, the Director for the Department of Human Resources Development, candidly stated when questioned about the passage of HB 152, HD1, SD1. She is more far-sighted and certainly does not want a monopoly by some unsavory doctors who have taken advantage of the mass exodus of dedicated medical providers who previously provided quality medical care. As importantly, any potential increase in premiums are far outweighed by the savings and profits since 1995 and curbing inevitable bigger problems to come if HB 152, HD1, SD1 is killed or delayed by another unnecessary study. More savings can be achieved by going after those gaming the system. As a practicing attorney for more than 36 years, I have no stake in this bill.

Thank you for the privilege of allowing me to wholeheartedly support this vital bill.

DWSC:ty



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Subject: *Submitted testimony for HB152 on Apr 4, 2013 09:00AM*
Date: Thursday, April 04, 2013 7:23:01 AM

HB152

Submitted on: 4/4/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Damm	Individual	Support	No

Comments:

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Subject: *Submitted testimony for HB152 on Apr 4, 2013 09:00AM*
Date: Wednesday, April 03, 2013 2:59:00 PM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Lori Mott	Individual	Support	No

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Date: Wednesday, April 03, 2013 3:02:42 PM

HB152

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Toni Sturdivant	Individual	Support	No

Comments: We have no providers of certain specialties taking ANY Workers' Comp patients. This is because our WC system leans WAY to much to the insurance carriers who don't care about the injured workers of Hawaii by proof of how broke the system is. This ends up costing the state and tax payors money all while still giving poor medical care to the people of Hawaii.

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