

HAWAII INJURED WORKERS ASSOCIATION
(HIWA)

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February 21, 2013

**Statement to the House Finance Committee in SUPPORT of
H.B. 152, HD1
Relating to Workers' Compensation Medical Fee Schedules**

The Hawaii Injured Workers Association supports H.B. 152, HD1, which increases maximum allowable medical fees under workers' compensation from 110 to 130 percent of the Medicare Resource Based Relative Value Scale.

The current medical fee schedules were set almost 20 years ago. The cap accomplished its objective—to reduce workers' compensation premiums. However, a perhaps unintended consequence of this policy has been the exiting of medical providers from the workers' compensation arena. Low reimbursements, coupled with inordinate paperwork requirements, have driven providers to no longer take injured workers as patients.

When workers are injured on the job, they often find that even their own primary care physicians refuse to treat them for their work injuries. Furthermore, they soon find themselves unable to find any physician willing to treat them, which results in delays in treatment and worsening conditions. Injured workers often resort to using their health plans and giving up their right to workers' compensation altogether.

The lack of physicians willing to treat injured workers is especially problematic on the neighbor islands where a shortage of physicians already exists. However, if medical providers are compensated fairly, more of them will likely agree to treat injured workers. Increasing the medical fee schedules will provide a tangible incentive to these providers.

The Hawaii Injured Workers Association urges passage of H.B. 152, HD1. Thank you for considering our views on this important matter.

WIMAH

LATE

WORK INJURY MEDICAL ASSOCIATION OF HAWAII
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MAULI OLA
THE POWER OF HEALING

FEBRUARY 21, 2013

COMMITTEE ON FINANCE

HOUSE BILL 152 HD1 RELATING TO WORKERS' COMPENSATION

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.

WORK INJURY MEDICAL ASSOCIATION OF HAWAII BELIEVES THIS IS A GOOD STEP. 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.

GEORGE M. WAIALEALE
EXECUTIVE DIRECTOR
WORK INJURY MEDICAL ASSOCIATION OF HAWAII

LATE

LAW OFFICES OF

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Feb. 21, 2013

TESTIMONY IN SUPPORT OF HB 152

MARK NAKASHIMA, CHAIR

This measure raises the medical fee schedule for those few health care providers who are still willing to treat injured workers under the Workers' Compensation system. Aside from obstacles of administrative paperwork required by law and insurance second-guessing of treatment plans by non-medical adjusters and administrators, lack of fair compensation is driving health care providers out of the system.

This bill is partial restoration of fee allowances previously provided and would encourage those willing to treat injured workers to remain in the system. At the present time, only a handful of generalist (internists and physiatrists) on Oahu will accept Workers' Compensation referrals. On most of the Neighbor Islands ***no physicians*** and few other providers will accept such referrals. In Hilo only ***one or two*** medical offices will accept Workers' compensation patients. On the Kona side ***only one physician*** (at the Kaiser Occupational Health clinic) is willing accept such cases. As far as I know, no physician accepts workers compensation cases on Maui and Kauai. (***Should anyone hear of any doctors accepting cases on any island, we would appreciate the information***).

There are also only a handful of specialists, such as orthopedic surgeons, neurologists, and psychiatrists ***statewide*** who are willing to contend with the frustration of the system and low rates presently allowed under the fee schedule.

This measure would provide some incentive and financial assistance to medical and related health care providers to continue treatment of injured workers.

LATE

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair
Rep. Scott Nishimoto, Vice Chair
Rep. Aaron Johanson, Vice Chair

HEARING

Date: Thursday, February 21, 2013
TIME: 4:00 PM
PLACE: Conf Rm 308

Chair Luke, Vice Chairs, and committee members:

Allow me to submit testimony on this bill on behalf of the Hawaii State Chiropractic Association. The HSCA fully **supports** this bill and has done so for the past many sessions that this subject has been introduced. I am the current President and Executive Director of the HSCA.

We have been waiting since the legislature's own LRB study concluded in 2007 that the work comp fee schedule fixed at 110% of the Medicare RBRVS was inadequate to reimburse providers of service for the work they do. Since 2007, our economic picture has changed and grown dramatically, but our work comp reimbursement rate has remained stagnant. The LRB study summarized that the fee of 110% of Medicare was inadequate even in 2007, and recommended that it be raised to 130% of Medicare. In the last 5 years, the legislature has failed to act on the LRB's recommendation. In addition, the Medicare RBRVS has not kept up with the cost of living or the cost of doing business, compounding the problem faced by providers today.

Medicare should never have been the model on which to base work comp reimbursements because the demographic populations are so very different, as are the causes of their need for care. Medicare beneficiaries and work injured employees have little in common and a fee based on the former does not compensate providers adequately for the care of the latter.

The HSCA urges the legislature to finally recognize this problem as one needing remedy. Too much time has gone by and too much has already been lost: for providers and for injured workers. Please pass HB 152 without delay.

Sincerely,



Dr. Gary Saito
President and Executive Director
Hawaii State Chiropractic Association