

Honolulu, Hawaii

April 26, 2013

RE: H.B. No. 152
H.D. 1
S.D. 2
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 152, H.D. 1, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION MEDICAL FEE SCHEDULES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to facilitate and ensure appropriate adjustments to the workers' compensation medical fee schedule.

More specifically, this measure:

- (1) Requires the Auditor to help the Director of Labor and Industrial Relations make administrative adjustments to the medical fee schedule by:



- (A) Identifying those medical or health care services or procedures for which fee adjustments are necessary to ensure that injured employees have better access to treatment;
 - (B) Identifying a methodology for conducting the statistically valid surveys of prevailing charges that are necessary for adjustment of the fees; and
 - (C) Recommending adjusted fees to the Director after applying the methodology;
- (2) Makes available to the Director a limited opportunity to expedite the adjustment of fees identified by the Auditor;
 - (3) Requires the Auditor to recommend to the Director and Legislature a formalized process for the mandatory periodic review of the adequacy of the medical fee schedule; and
 - (4) Appropriates an unspecified sum to the Auditor to assist the Director of Labor and Industrial Relations.

Your Committee on Conference recognizes that the workers' compensation medical fee schedules are complex. Your Committee on Conference believes that this measure provides a thoughtful and deliberate process for making specific adjustments to the workers' compensation medical fee schedules that avoids the unintended consequences that might flow from an across-the-board adjustment.

Upon further consideration, your Committee on Conference has amended the measure by:

- (1) Specifying that the Auditor shall transmit any recommendations to the Director of Labor and Industrial Relations no later than June 1, 2014;
- (2) Specifying that, only between June 1, 2014, and January 1, 2015, the Director of Labor and Industrial Relations shall be authorized to adjust the fees for medical or health services or procedures identified by the Auditor as requiring adjustment, without the necessity of complying with the rule making procedures under chapter 91, Hawaii Revised Statutes; and



- (3) Inserting \$150,000 as the amount to be appropriated to the Auditor.

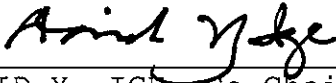
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 152, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 152, H.D. 1, S.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE



CLAYTON HEE, Chair



DAVID Y. IGE, Co-Chair

ON THE PART OF THE HOUSE



MARK M. NAKASHIMA, Co-Chair



MARK J. HASHEM, Co-Chair



