

STAND. COM. REP. NO.

3374

Honolulu, Hawaii

APR 04 2014

RE: H.B. No. 1974  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1974, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to assist the Director of Labor and Industrial Relations in adjusting the workers' compensation medical fee schedule.

Specifically, this measure:

- (1) Requires the Director of Labor and Industrial Relations to update the workers' compensation medical fee schedule annually, rather than every three years or annually, as required;
- (2) Authorizes the Director of Labor and Industrial Relations to annually establish a maximum allowable fee ceiling in excess of one hundred ten per cent of fees prescribed in the Medicare Resource Based Relative Value Scale applicable to Hawaii;
- (3) Appropriates funds for a report to the Legislature analyzing the measure's impact on workers' compensation claimants' access to appropriate treatment; and



- (4) Appropriates funds for two positions to implement an annual review process and to support the annual fee schedule rule-making process.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; United Public Workers; ILWU Local 142; Kaiser Permanente; Work Injury Medical Association of Hawaii; and two individuals. Written comments in opposition were received from The Chamber of Commerce of Hawaii, Hawaiian Electric Company, Inc., Hawaii Insurers Council, and Property Casualty Insurers Association of America. The Department of Human Resources Development and the Office of the Auditor submitted written comments.

Your Committee feels that the current schedule of maximum allowable fees for the medical treatment of injured workers has resulted in limiting the number of physicians willing to treat injured workers, thus preventing many injured workers from obtaining the medical treatment necessary to return to work. Your Committee finds that providing the Department of Labor and Industrial Relations the authority to increase the maximum allowable fees to physicians for the treatment of injured workers will increase access to treatment for injured workers and allow them to return to work sooner.

Your Committee has amended this measure by:

- (1) Removing the civil service exemption for the research statistician III and office assistant IV positions funded by this measure; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1974, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1974, H.D. 2, S.D. 1.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

*David Y. Ige*

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DAVID Y. IGE, Chair



The Senate  
Twenty-Seventh Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1974 HDZ	JDL, WAM	3-28-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert				✓
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
	10	1	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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\*Only one measure per Record of Votes