

Honolulu, Hawaii

FEB 06 2014

RE: S.B. No. 2123
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 Judiciary and Labor, to which was referred
S.B. No. 2123 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to promote
impartiality in independent medical examinations and permanent
impairment rating processes and potentially reduce the number of
workers' compensation medical disputes by:

- (1) Requiring independent medical examinations and permanent
impairment examinations for workers' compensation claims
to be performed by physicians mutually agreed upon by
employers and employees; and
- (2) Allowing the use of an out-of-state physician to perform
independent medical examinations and permanent
impairment examinations under certain conditions.

Your Committee received testimony in support of this measure
from the Department of Labor and Industrial Relations; Hawaii
Government Employees Association, AFSCME Local 152, AFL-CIO;
Hawaii State AFL-CIO; International Longshore and Warehouse Union,
Local 142; Work Injury Medical Association of Hawaii; and two
individuals. Testimony in opposition to this measure was
submitted by the Department of Human Resources Development;
Building Industry Association-Hawaii; Hawaii Insurers Council;
General Contractors Association of Hawaii; Property Casualty



Insurers Association of America; Hawaiian Electric Company, Inc.; National Federation of Independent Business; Society for Human Resource Management, Hawaii Chapter; Hawaii Pacific Health; and Island Princess.

Your Committee finds that under existing law, an employee, whenever ordered by the Director of Labor and Industrial Relations, is required to submit to a medical examination related to a workers' compensation claim by a duly qualified physician designated and paid for by the employer. However, the physician's impartiality is often questioned because the physician is selected and paid for by the employer. This measure establishes a process by which the physician who is to perform an independent medical examination and permanent impairment rating examination is selected by mutual agreement between the employer and injured employee.

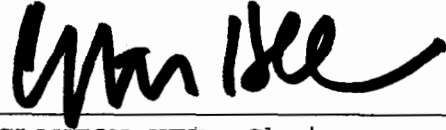
Your Committee notes that the companion to this measure, H.B. No. 1961 (2014), is currently moving through the legislative process. The amendments recommended to H.B. No. 1961 by the House Committee on Labor alter the process proposed by this measure for determining the physician when the employer and employee initially fail to reach a mutual agreement. Your Committee believes that both processes merit further discussion as these two measures move through the legislative process.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2123, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



