

SB2064

LATE

TESTIMONY

DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU
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KIRK CALDWELL
MAYOR



CAROLEE C. KUBO
DIRECTOR

NOEL T. ONO
ASSISTANT DIRECTOR

February 25, 2014

The Honorable Clayton Hee, Chair
and Members of the Committee
on Judiciary and Labor
The Senate
State Capitol, Room 016
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Hee and Members of the Committee:

SUBJECT: Senate Bill No. 2064 Relating to Workers' Compensation

S.B. 2064 seeks to amend Hawaii Revised Statutes (HRS) Section 386-24 in order to provide that any employee suffering a workers' compensation injury be entitled to up to twenty psychological and psychiatric services. The City and County of Honolulu strongly opposes the measure as it fails to take into account the nature of the work injury and will significantly increase workers' compensation costs for workers' compensation insurers and self-insured employers.

Although the City appreciates the intent behind S.B. 2064, the measure fails to account for whether the nature of the work-related injury requires psychological intervention. An employee injured on the job is currently entitled to such treatment as long as psychological or psychiatric services are reasonable and necessary due to the injury. However, if S.B. 2064 is adopted, every workers' compensation claimant would be entitled to twenty psychological and/or psychiatric visits irrespective of whether such treatment is medically necessary. A claimant who may not need any medical intervention for a sprained ankle would nevertheless be entitled to the twenty visits should S.B. 2063 be adopted into law.

This will significantly impact the costs of workers' compensation for the City and County of Honolulu. If each new claimant receives even half of the twenty allotted treatments, the City's workers' compensation costs would increase by approximately \$2,287,490 each year. If each claimant were to receive the entire twenty visits for psychological and psychiatric treatments, the City's annual workers' compensation

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costs would increase by \$4,574,980. This further assumes that the costs for a single office visit for psychotherapy does not increase in the upcoming years.

In light of the foregoing, the City and County of Honolulu respectfully requests that S.B 2064 be held. Thank you for allowing us the opportunity to testify on this measure.

Sincerely,

A handwritten signature in black ink, reading "Carolee C. Kubo". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Carolee C. Kubo
Director

WIMAH

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

MAULI OLA
THE POWER OF HEALING

FEBRUARY 25, 2014

COMMITTEE ON JUDICIARY AND LABOR

SENATE BILL 2064 RELATING TO WORKERS' COMPENSATION

ENTITLES INJURED EMPLOYEES TO UP TWENTY VISITS FOR PSYCHOLOGICAL AND PSYCHIATRIC SERVICES UNDER WORKERS' COMPENSATION. REQUIRES THE VISITS TO TAKE PLACE OVER A SIXTY DAY PERIOD.

WORK INJURY MEDICAL ASSOCIATION OF HAWAII STRONGLY SUPPORTS SB2064. WE BELIEVE THIS AMENDMENT WILL SUPPORT THE REHABILITATION OF THE INJURED WORKER.

YOUR PASSAGE OF THIS BILL IS GREATLY APPRECIATED.

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