

Honolulu, Hawaii

March 20, 2015RE: S.B. No. 1174
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 1174, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a process for conducting an independent medical examination or a permanent impairment rating examination of an injured employee in a workers' compensation claim. Specifically, this measure:

- (1) Provides that following an injury and after a claim is filed by an injured employee, the employer may authorize an independent medical examination or a permanent impairment rating examination of the injured employee to be conducted by a qualified physician mutually agreed upon by the parties and paid for by the employer; and
- (2) Establishes a process for determining a physician by the parties should the parties be unable to reach a mutual agreement on the selection of a physician to conduct the independent medical examination or permanent impairment rating examination.

Hawaii Injured Workers Association, Work Injury Medical Association of Hawaii, ILWU Local 142, and numerous individuals supported this measure. The City and County of Honolulu, Hawaii

SB1174 HD1 HSCR HLT HMS 2015-2704



Insurers Council, General Contractors Association of Hawaii, S & M Sakamoto, Inc., Healy Tibbitts Builders, Inc., LYZ, Inc., Property Casualty Insurers Association of America, Forest City Hawaii, The Chamber of Commerce of Hawaii, Kauai Chamber of Commerce, Maui Chamber of Commerce, Commercial Sheetmetal Co., Inc., Hawaii Restaurant Association, Jayar Construction, Inc., PVT Land Company, Ltd., Robert M. Kaya Builders, Inc., Rons Construction Corporation, M. Shiroma Painting Co., Inc., TOMCO CORP., National Federation of Independent Business, and the Building Industry Association of Hawaii opposed this measure. The Department of Labor and Industrial Relations and the Department of Human Resources Development commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the definition of "medical stability" to be consistent with the definition of "medical stabilization" in section 12-10-1, Hawaii Administrative Rules;
- (2) Changing its effective date to July 1, 2112, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests the Committee on Labor & Public Employment to note the concerns raised by members of the public regarding the effect of this measure in raising workers' compensation costs, thereby resulting in a higher cost of doing business; limiting businesses' ability to compete; adversely affecting job availability, pay, and benefits for employees; and further impacting the costs of goods and services in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1174, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1174, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.



Respectfully submitted on
behalf of the members of the
Committee on Health,

Debra A. Belatti

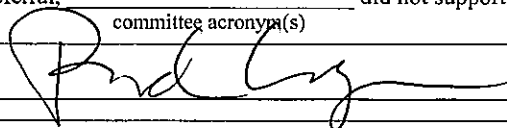
DELLA AU BELATTI, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 991

Record of Votes of the Committee on Health

Bill/Resolution No.: SB1174 SD2	Committee Referral: HLT, LAB, FIN	Date: 3/18/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. BELATTI, Della Au (C)	✓			
2. CREAGAN, Richard P. (VC)	✓			
3. HASHEM, Mark J.	✓			
4. JORDAN, Jo		✓		
5. KOBAYASHI, Bertrand		✓		
6. MORIKAWA, Dee		✓		
7. OSHIRO, Marcus R.	✓			
8. FUKUMOTO CHANG, Beth		✓		
9. TUPOLA, Andria P.L.				✓
TOTAL (9)	4	4		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) _____ did not support recommendation.				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				