

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 1174
S.D. 2
H.D. 2

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

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 1174, S.D. 2, H.D. 1, 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 for examinations by a qualified physician mutually agreed upon by the parties and paid for by the employer; and
- (2) Establishes a process for selecting a physician by the parties should the parties be unable to reach a mutual agreement.

The Hawaii Injured Workers Association; ILWU Local 142; Vocational Management Consultants, Inc.; International Association of Rehabilitation Professionals in the Private Sector; and numerous individuals supported this measure. The Department of Human Resources of the City and County of Honolulu; General Contractors Association of Hawaii; Building Industry Association of Hawaii; Sheet Metal Contractors Association; Hawaii Restaurant Association; Property Casualty Insurers Association of America;



Chamber of Commerce Hawaii; Healy Tibbitts Builders, Inc.; Ralph S. Inouye Co., Ltd.; LYZ, Inc.; Dorvin D. Leis Co., Inc.; Standard Sheetmetal & Mechanical, Inc.; and AwaPiilani Farms, LLC opposed this measure. The Department of Labor and Industrial Relations; Department of Human Resources Development; Hawaii Insurers Council; National Association of Mutual Insurance Companies; and Hawaii Association for Justice commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that should the parties be unable to reach a mutual agreement on the selection of a physician, the selection may be submitted to the Insurance Commissioner, arbitration, or circuit court;
- (2) Changing the effective date to July 1, 2115, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



