

DAVID Y. IGE  
GOVERNOR



JAMES K. NISHIMOTO  
DIRECTOR

CINDY S. INOUE  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT**  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

April 4, 2016

**TESTIMONY TO THE  
SENATE COMMITTEE ON WAYS AND MEANS**

For Decision Making on Monday, April 4, 2016  
2:00 p.m., Conference Room 211

BY

JAMES K. NISHIMOTO  
DIRECTOR

**House Bill No. 2161, H.D. 1, S.D. 1**  
**Relating to the Disability Compensation Division**

**WRITTEN TESTIMONY ONLY**

TO CHAIRPERSON JILL TOKUDA AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to testify in **strong support** of H.B. 2161, H.D. 1, S.D. 1.

The purpose of H.B. 2161, H.D. 1, S.D. 1, is to appropriate funds for the hiring of six identified hearings officer positions and support staff within the Department of Labor and Industrial Relations' Disability Compensation Division and to provide the officers and staff with legal and medical training.

The Department of Human Resources Development ("DHRD") has a fiduciary duty to administer the State's self-insured workers' compensation program and its expenditure of public funds.

DHRD believes that an additional hearing officer, vocational rehabilitation specialist, and other support staff, with the proper legal and medical training, will allow the Disability Compensation Division to expedite hearings, decisions, and resolutions of contested issues of compensability, medical treatment, vocational rehabilitation, and myriad other issues that arise in workers' compensation claims. This would benefit all stakeholders in the workers' compensation system.

The Twenty-Eighth Legislature  
Regular Session of 2016

THE SENATE

Committee on Ways and Means

Senator Jill N. Tokuda, Chair

Senator Donovan M. Dela Cruz, Vice Chair

State Capitol, Conference Room 211

Monday, April 4, 2016; 2:00 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2161, HD1, SD1  
RELATING TO THE DISABILITY COMPENSATION DIVISION**

The ILWU Local 142 **supports** H.B. 2161, HD1, SD1, which appropriates funds for hiring of six identified hearings officer positions and support staff within the Department of Labor and Industrial Relations' Disability Compensation Division and to provide the officers and staff with legal and medical training.

The Disability Compensation Division (DCD) has been short-staffed for several years. The hiring of additional hearings officers and staff will ensure that hearings are held in a timely manner, avoiding delays to medical treatment for injured workers and delays in payment of benefits.

However, the real concern is the trend by employers to challenge compensation for injured workers, resulting in injured workers left in limbo waiting for medical treatment to help them return to gainful employment or being denied monetary compensation that would allow them to survive while they are not able to work.

The workers' compensation law was intended to be a no-fault law that provides compensation to workers who are injured in the course of employment. In exchange, workers are prohibited from filing legal action against their employers. Yet, in recent years, employers have been using the tactic of denying liability in order to conduct an "investigation" of the claim, which often means hiring so-called independent medical examiners who are paid by the employer or the employer's insurance carrier and may not be entirely "independent" or unbiased.

The workers' compensation system could benefit from a thorough evaluation to ensure that the original intent of the law is enforced and that injured workers are provided benefits and services to allow them to return to work. Delays that ultimately result in workers injured on the job no longer being gainfully employed and thus having to rely on government assistance is a gross injustice.

The ILWU urges passage of H.B. 2161, HD1, SD1. Thank you for the opportunity to provide testimony on this matter.