
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The department of labor and industrial
2 relations, disability compensation division (the "division"),
3 plans, directs, and coordinates statewide activities relating to
4 the interpretation, implementation, and administration of
5 workers' compensation, temporary disability insurance, and
6 prepaid health care laws, rules, regulations, policies, and
7 procedures. The division's mission is to provide economic
8 security and stability for Hawaii's workforce through education,
9 enforcement, and adjudication of the workers' compensation,
10 temporary disability insurance, and prepaid health care laws.

11 The division's primary objectives include ensuring the
12 efficient processing of claims; the timely provision of medical
13 services and payment of benefits to injured workers; employer
14 compliance with workers' compensation, temporary disability
15 insurance, and prepaid health care insurance coverage
16 requirements; and monitoring health plans to ensure employees



1 are provided with the benefits that are required under the
2 prepaid health care law.

3 According to the State of Hawaii Department of Labor and
4 Industrial Relations Annual Report 2012, the division lost
5 thirty-two per cent of its staff between 2009 and 2012, which
6 adversely affected the division's ability to effectively protect
7 the economic and medical security of the working public for whom
8 workers' compensation, temporary disability insurance, and
9 prepaid health care laws were intended to provide. For
10 instance, monitoring employer compliance with workers'
11 compensation, temporary disability insurance, and prepaid health
12 care laws dropped as a result of the loss of two investigator
13 positions; therefore, more employees lost the economic and
14 health care protections afforded to them by these laws.

15 The reinstatement and funding for two investigator
16 positions in the division is essential to investigate the large
17 number of delinquent employers failing to secure and provide
18 workers' compensation, temporary disability insurance, and
19 prepaid health care. These delinquent employers expose the
20 workers' compensation special compensation fund, temporary
21 disability insurance special fund, and the prepaid health care



1 premium supplemental fund to greater risks of having to pay
 2 workers' compensation, temporary disability insurance, and
 3 prepaid health care to employees who are not covered by their
 4 delinquent employers. Inadequate funding for these funds will
 5 drive up the costs of workers' compensation and temporary
 6 disability insurance for Hawaii's employers. Moreover,
 7 shortfalls in the prepaid health care premium supplemental fund
 8 would require the appropriation of general fund moneys to
 9 sustain the prepaid health care premium supplemental fund.

10 The purpose of this Act is to appropriate funds for two
 11 full-time equivalent (2.00 FTE) enforcement specialist IV
 12 positions to be primarily responsible for the enforcement of
 13 Hawaii's workers' compensation, temporary disability insurance,
 14 and prepaid health care laws.

15 SECTION 2. There is appropriated out of the general
 16 revenues of the State of Hawaii the sum of \$ or so much
 17 thereof as may be necessary for fiscal year 2017-2018 and the
 18 same sum or so much thereof as may be necessary for fiscal year
 19 2017-2018 to establish two full-time equivalent (2.00 FTE)
 20 enforcement specialist IV permanent positions in the department
 21 of labor and industrial relations, disability compensation



1 division, to assist with the enforcement of Hawaii's workers'
2 compensation, temporary disability insurance, and prepaid health
3 care laws.

4 The sums appropriated shall be expended by the department
5 of labor and industrial relations for the purposes of this Act.

6 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Department of Labor and Industrial Relations; Disability
Compensation Division; Appropriation

Description:

Appropriates funds for two full-time equivalent (2.00 FTE)
enforcement specialist IV positions to be primarily responsible
for the enforcement of Hawaii's workers' compensation, temporary
disability insurance, and prepaid health care laws. (HB1208
HD1)

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