

JAN 25 2017

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# 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



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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, 2017.

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INTRODUCED BY:

~~SEN. SCOTT AGUIRRE~~  
James Inoué  
Kal Roush



# S.B. NO. 1115

**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.

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