

STAND. COM. REP. NO.

569

Honolulu, Hawaii

**MAR 02 2017**

RE: S.B. No. 1236  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1236, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend Act 188, Session Laws of Hawaii 2016, to facilitate completion of the study of closed workers' compensation claims mandated by the Act.

More specifically, this measure:

- (1) Stipulates that the Auditor will contract with a suitable entity, rather than an actuarial firm, to perform a study of closed claims in the workers' compensation system;
- (2) Requires the study to include the processing time for closed claims;
- (3) Extends the deadline for completion of the study by one year to November 30, 2018, and the deadline to submit the study to the Legislature to twenty days prior to the convening of the Regular Session of 2019; and
- (4) Makes an appropriation for the study, contingent on a dollar-for-dollar match by fees assessed to workers'



compensation insurers, workers' compensation captive insurers, and workers' compensation self-insureds.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Office of the Auditor, and ILWU Local 142.

Your Committee finds that in order to make reasoned decisions on amending the State's workers' compensation laws, the Legislature enacted Act 188, Session Laws of Hawaii 2016, which requires the Auditor to contract with an actuarial firm to conduct a study of closed workers' compensation claims to be completed by November 30, 2017. This study will provide the Legislature with valuable information on how to optimize the processing of claims and delivery of workers' compensation benefits. Your Committee further finds that this measure requires additional information to be included in the study and therefore believes that the deadline for the study's completion should be extended.

Your Committee has amended this measure by changing the amount of the appropriation from \$150,000 to an unspecified amount to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1236, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1236, S.D. 2.

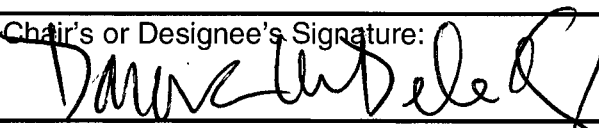
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1236, SD1	SDL, WAM	8/02/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
<b>TOTAL</b>	11			
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes