

Honolulu, Hawaii

FEB 13 2017

RE: S.B. No. 857
S.D. 1

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

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 857 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 limit employers'
denial of workers' compensation claims pending investigation.
Specifically, this measure:

- (1) Requires employers to pay for all medical services
required by an employee with a compensable injury;
- (2) Prohibits employers from denying a claim without
reasonable cause or during a pending investigation;
- (3) Establishes notification procedures regarding billing
disagreements;
- (4) Imposes penalties for employers who fail to adhere to
notification requirements; and
- (5) Establishes resolution procedures for employers and
providers who have reasonable disagreements over
liability for services provided to an injured worker.

Your Committee received testimony in support of this measure
from the Hawaii Chapter-American Physical Therapy Association;
Kauai Community Health Alliance, Hale Lea Medicine; Work Injury



Medical Association of Hawaii; ILWU Local 142; and three individuals. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of Human Resources, Hawaii Insurers Council, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America, Chamber of Commerce Hawaii, Society for Human Resource Management-Hawaii, and Solera Integrated Medical Solutions. Your Committee received comments on this measure from the Department of Human Resources Development and Department of Labor and Industrial Relations.

Your Committee finds that Hawaii's workers' compensation system is plagued by employers' delays and denials of claims, which exacerbate the recovery of injured workers. Your Committee finds that employers must be held accountable for processing claims for medical services in a timely manner to assure that injured workers may recover and return to work within a reasonable time.

Your Committee has amended this measure by:

- (1) Creating a presumption of compensability for a claim submitted by an employee who is excluded from coverage under the Hawaii Prepaid Health Care Act;
- (2) Clarifying that a provider of services may issue a notification of services rendered or bill to an employer;
- (3) Requiring the employee to reimburse the source from which compensation was received for services rendered whenever a claim is found to be non-compensable;
- (4) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 857, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,




GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB857	Committee Referral: JDL, WAM	Date: 2/7/17		
<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
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike				✓
KIM, Donna Mercado	✓			
THIELEN, Laura H.	✓			
TOTAL	4	0	0	1
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