

HB 211

RELATING TO WORKMANS COMPENSATION

LAB, FIN

HB211



Submit Testimony

Measure Title: RELATING TO WORKERS' COMPENSATION.
Report Title: DLIR; Appropriation; Positions (\$)
Description: Appropriates funds for 2 FTE positions in the disability compensation division of DLIR.
Companion: [sb116](#)
Package: None
Current Referral: LAB, FIN
Introducer(s): JOHANSON, HOLT

Sort by Date		Status Text
1/19/2017	H	Pending introduction.
1/20/2017	H	Pass First Reading
1/23/2017	H	Referred to LAB, FIN, referral sheet 1
2/3/2017	H	Bill scheduled to be heard by LAB on Tuesday, 02-07-17 9:00AM in House conference room 309.

S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment
Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

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

1 SECTION 1. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$79,644 or so much
3 thereof as may be necessary for fiscal year 2017-2018 for two
4 permanent full-time equivalent (2.00 FTE) positions in the
5 disability compensation division of the department of labor and
6 industrial relations, as follows:

7	Position	Twelve-Month Salary
8	1.0 FTE hearings officer III, 9 Kona office	\$50,772
10	1.0 FTE office assistant IV, 11 Honolulu office;	\$28,872

12 provided that any individual hired to work as a hearings officer
13 shall have appropriate medical and legal training.

14 The sum appropriated shall be expended by the department of
15 labor and industrial relations for the purposes of this Act.

16

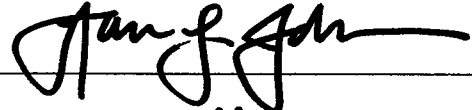



H.B. NO. 211

1 SECTION 2. This Act shall take effect on July 1, 2017.

2

INTRODUCED BY:

JAN 19 2017



H.B. NO. 211

Report Title:

DLIR; Appropriation; Positions

Description:

Appropriates funds for 2 FTE positions in the disability compensation division of DLIR.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

RYKER WADA
DEPUTY DIRECTOR

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

February 6, 2017

**TESTIMONY TO THE
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT**

For Hearing on Tuesday, February 7, 2017
9:00 a.m., Conference Room 309

BY

JAMES K. NISHIMOTO
DIRECTOR

House Bill No. 211
Relating to Workers' Compensation

(WRITTEN TESTIMONY ONLY)

TO CHAIRPERSON JOHANSON, VICE CHAIR HOLT, AND MEMBERS OF THE
COMMITTEE:

Thank you for the opportunity to testify in **strong support** of H.B. 211.

The purpose of H.B. 211, is to appropriate funds for two full-time equivalent positions in the Disability Compensation Division ("DCD") of the Department of Labor and Industrial Relations ("DLIR").

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 hearings officer, with appropriation medical and legal training, and an office assistant for the DCD would markedly improve the DLIR's administration of workers' compensation claims in this State. DHRD believes that such additional positions would benefit all stakeholders in the workers' compensation system by allowing the DCD 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.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
Representative Aaron Ling Johanson, Chair
Representative Daniel Holt, Vice Chair

Tuesday, February 7, 2017
9:00 a.m.

HB 211

Chair Johanson, Vice Chair Holt, and members of the Committee on Labor & Public Employment, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

The Hawaii Insurers Council **supports** this bill. Adequate staffing, including hearings officers, is vital to the administrative process for workers' compensation and to resolve disputes as soon as possible. We believe an appropriation for one Kona hearings officer and one Honolulu office assistant is necessary and we urge the committee to pass this bill.

Thank you for the opportunity to testify.

The Twenty-Ninth Legislature
Regular Session of 2017

HOUSE OF REPRESENTATIVES
Committee on Labor & Public Employment
Rep. Aaron Ling Johanson, Chair
Rep. Daniel Holt, Vice Chair
State Capitol, Conference Room 309
Tuesday, February 7, 2017; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 211
RELATING TO WORKERS' COMPENSATION**

The ILWU Local 142 supports H.B. 211, which appropriates funds for two FTE positions in the Disability Compensation Division of the Department of Labor and Industrial Relations.

The Disability Compensation Division has been short-staffed for several years. The hiring of the additional two positions will first, ensure that hearings are held in a more timely manner on the west side of the Big Island, and second, that there will be greater clerical support to help improve the efficiency of processing workers compensation cases on Oahu.

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 their 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 requires a thorough evaluation and assessment 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.

By allowing the additional staff positions provided in H.B. 211, the Department of Labor will be more able to effectively address the "inequality" within the workers compensation system, and administer the law as it was originally intended.

The ILWU urges passage of H.B. 211. Thank you for the opportunity to provide testimony on this matter.

HB 211

LATE TESTIMONY

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LATE

LATE

LINDA CHU TAKAYAMA
DIRECTOR

LEONARD HOSHINO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
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LATE

February 7, 2017

To: The Honorable Aaron Ling Johanson, Chair,
The Honorable Daniel Holt, Vice Chair, and
Members of the House Committee on Labor & Public Employment

Date: Tuesday, February 7, 2017
Time: 9:00 a.m.
Place: Conference Room 309, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 211 Relating to Workers' Compensation

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal seeks to appropriate for FY 2017-2018 one hearings officer III position in the Kona office of DLIR and one office assistant IV position in the Department's Disability Compensation Division's (DCD) Honolulu office.

The department supports this measure that will help restore the capacity to conduct workers' compensation (WC) hearings in a timely manner in the Kona office and will further increase the ability of DCD to service claims processing in a timely manner. DLIR's support is contingent upon whether its passage negatively affects the priorities identified in the Governor's Executive Budget request.

II. CURRENT LAW

The Division is responsible for providing economic security and stability for Hawaii's workforce through education, enforcement, and adjudication of the WC, TDI, and PHC laws. To this end, the division's hearings branch is tasked with conducting necessary hearings to ensure parties are provided with the statutory and necessary benefits in compliance with the WC laws and ensuring the decisions are issued to the parties in a timely manner and in accordance with statutory guidelines.

The Kona office lost one of its two hearings officer positions during the Reduction-

in- Force (RIF) in 2009, leaving that office with only one hearings officer to adjudicate the claim disputes in West Hawaii. Consequently, the Kona office is suffering delays in scheduling hearings causing inconvenience to all parties involved, delays in processing decisions within the 60 days mandated by section 386-86, HRS, and delays in processing and reviewing stipulations and settlement agreements.

III. COMMENTS ON THE HOUSE BILL

The department supports this measure that will help restore the capacity to conduct timely workers' compensation (WC) hearings in the Kona office, and will further increase the ability of the Division to effectively service WC claims processing in Honolulu as long as its passage does not adversely affect the priorities identified in the Governor's Executive Budget request.

The estimated cost to fund the two positions is \$90,646. The cost differential from the amount cited in the bill (\$79,644) results from bargaining unit increases effective January 1, 2017, and the startup office costs that are necessary with newly created positions. The cost breakdown follows:

- Salary
 - Hearings Officer III \$50,772
 - Office Assistant IV \$29,340
- Current Expenses \$1,034
- Equipment \$9,500

DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU
850 SOUTH KING STREET, 10TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8500 • FAX: (808) 768-5563 • INTERNET: www.honolulu.gov/hr

KIRK CALDWELL
MAYOR



CAROLEE C. KUBO
DIRECTOR

NOEL T. ONO
ASSISTANT DIRECTOR

LATE

February 7, 2017

LATE

The Honorable Aaron Ling Johanson, Chair
The Honorable Daniel Holt, Vice Chair
and Members of the Committee
on Labor & Public Employment
The House of Representatives
State Capitol, Room 309
415 South Beretania Street
Honolulu, Hawaii 96813

LATE

Dear Chair Johanson, Vice-Chair Holt and Members of the Committee:

**SUBJECT: House Bill No. 211
Relating to Workers' Compensation**

H.B. 211 appropriates funds for the hiring of two full-time positions within the State of Hawaii, Department of Labor and Industrial Relations, Disability Compensation Division (DCD), a Hearings Officer III for the division's Kona office and an Office Assistant IV for its Honolulu office. The funding provided by H.B. 211 will enable the DCD to carry out its mission in a more efficient and effective manner. The City and County of Honolulu, Department of Human Resources, fully supports the measure.

Thank you for the opportunity to testify.

Sincerely,

Handwritten signature of Carolee C. Kubo in black ink.

Carolee C. Kubo
Director

cc: Mayor's Office



Chamber of Commerce HAWAII
The Voice of

LATE

LATE

LATE

**Testimony to the House Committee on Labor & Public Employment
Tuesday, February 7, 2017 at 9:00 A.M.
Conference Room 309, State Capitol**

RE: HOUSE BILL 211 RELATING TO WORKERS' COMPENSATION

Chair Johanson, Vice Chair Holt, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 211, which appropriates funds for 2 FTE positions in the disability compensation division of DLIR.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We support these resources being added to the department to increase the timeliness and efficiency of processing workers compensation related matters. These additional resources will help employers get back to work quicker which is both good for employees and employers.

Thank you for the opportunity to testify.

LATE

LATE

LATE

holt1 - Joyleanne

From: mailinglist@capitol.hawaii.gov
 Sent: Monday, February 6, 2017 7:32 PM
 To: LABtestimony
 Cc: cwilson@ahcs.com
 Subject: *Submitted testimony for HB211 on Feb 7, 2017 09:00AM*

HB211

Submitted on: 2/6/2017

Testimony for LAB on Feb 7, 2017 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
cathy wilson	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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