

Honolulu, Hawaii
February 16, 2018

RE: H.B. No. 1640
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1640 entitled:

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

begs leave to report as follows:

The purpose of this measure is to prevent employers from denying a worker medical treatment without reasonable cause or while the workers' compensation claim is pending investigation and to impose fines and penalties on employers who continue to deny such claims without reasonable cause.

Work Injury Medical Association of Hawaii; American Physical Therapy Association, Hawaii Chapter; Automated HealthCare Solutions; Hawaii Chapter of the American Physical Therapy Association; and three individuals testified in support of this measure. The City and County of Honolulu Department of Human Resources testified in support of the intent of this measure. The Department of Labor and Industrial Relations; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; Hawaii Insurers Council; Society for Human Resource Management - Hawaii Chapter; Orthopedic Surgery of Hawaii; and National Association of Mutual Insurance Companies opposed this measure. The Department of Human Resources Development and Wayne H. Mukaida, Attorney at Law provided comments on this measure.



Your Committee notes that Hawaii's workers' compensation system serves many workers and often meets their needs. However, there are a number of instances when the present system does not meet the needs of the injured worker.

Your Committee finds that many of the provisions in this measure are currently in the Hawaii Administrative Rules. Your Committee notes that section 12-15-94, Hawaii Administrative Rules (HAR), provides that when a service provider notifies or bills an employer, the employer is required to inform the provider within 60 calendar days for such notification or billing should the employer controvert the claim for services.

Your Committee has amended this measure by:

- (1) Repealing the reasonable cause requirement for disputing workers' compensation claims;
- (2) Amending the period of time employers must notify service providers of certain disputed workers' compensation claims for medical services, from thirty days to an unspecified time;
- (3) Providing that the employer is not allowed to use its investigation to determine compensability as the basis of denying medical services to the employee; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1640, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


AARON LING JOHANSON, Chair



Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: <i>HB 1640</i>	Committee Referral: <i>LAB, FIN</i>	Date: <i>30 JAN 2018</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. HOLT, Daniel (VC)	✓			
3. EVANS, Cindy	✓			
4. ICHIYAMA, Linda	✓			
5. KEOHOKALOLE, Jarrett	✓			
6. YAMASHITA, Kyle T.	✓			
7. MATSUMOTO, Lauren Kealohilani	✓			
TOTAL (7)	<i>7</i>	<i>0</i>	<i>0</i>	<i>0</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				