

Honolulu, Hawaii

MAR 02 2018RE: S.B. No. 2364
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2364, 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 ensure that employees who suffer from a workplace injury receive workers' compensation benefits in a timely manner.

Specifically, the measure facilitates payments to injured workers by:

- (1) Prohibiting any employer from denying a workers' compensation claim without reasonable cause or while the claim is pending investigation; and
- (2) Imposing fines and other penalties on any employer who continues to deny a workers' compensation claim without reasonable cause.

Your Committee received written comments in support of this measure from AHCS, the Hawaii Chapter of the American Physical Therapy Association, Hale Lea Medicine, ILWU Local 142, Vally Medical Group, WIMAH, and five individuals.



Your Committee received written comments in opposition to this measure from the Department of Labor and Industrial Relations and SHRM Hawaii.

Your Committee received written comments on this measure from the Hawaii Medical Association.

Your Committee finds that ongoing investigations of pending workers' compensation claims delay care for seriously injured workers, and patients waiting for follow up from insurance companies are often not compensated until decisions are rendered. These workers may be forced to return to work with serious injuries, find less suitable employment, or apply for public assistance. Your Committee finds that this measure will help to protect workers from employers who delay payments in bad faith.

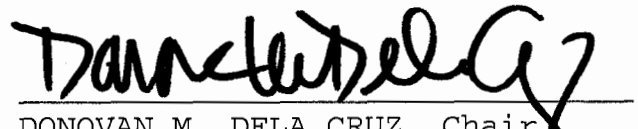
Your Committee has amended this measure by:

- (1) Inserting a reference to Chapter 393, Hawaii Revised Statutes, which is the Prepaid Health Care Act;
- (2) Amending the notice to providers to more clearly convey that a provider of services forfeits the right to dispute an employer's denial of payment if the provider fails to submit a timely bill dispute request;
- (3) Clarifying that the service fee assessed against a party that has failed to negotiate in good faith is a fine;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

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. 2364, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2364, S.D. 2.




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


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB2364, SDI	Committee Referral: LBR/JDC, WAM	Date: 2/23/18		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	10			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