



**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321

HONOLULU, HAWAII 96813

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January 25, 2018

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

Date: Thursday, January 25, 2018  
Time: 9:00 a.m.  
Place: Conference Room 309, State Capitol

From: Leonard Hoshijo, Acting Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. No. 1778 RELATING TO MEDICAL COVERAGE FOR FIREFIGHTERS**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This proposal is intended to improve access for firefighters to comprehensive medical coverage for specific organs affected by disease that are presumed to arise out of and in the course of employment. The bill adds two new sections to Chapter 386, Hawaii Revised Statutes (HRS).

The Department appreciates the intent of this proposal and provides comments.

**II. CURRENT LAW**

Section 386-3, HRS, defines injury and provides that the employee's employer shall pay compensation to the employee or the employee's dependents as provided in chapter 386 if an employee suffers personal injury either by accident arising out of and in the course of employment, or by disease proximately caused by or resulting from the nature of the employment.

Section 386-21 (c), HRS, establishes the liability of the employer for medical care, services and supplies shall not exceed 110% of Medicare. Rates or fees provided for in this section shall be adequate to ensure at all times the standard of service and care intended by this chapter to injured employees. If the director determines

an allowance under the Medicare program is not reasonable or not covered may establish additional fee schedule(s) not exceeding the prevalent charge for fees for services actually received by providers of health care services, to cover charges for treatment, accommodation, product or service.

Section 386-73.5, HRS, establishes that the DLIR Director has original jurisdiction over all controversies and disputes arising out of workers' compensation.

Section 386-85, HRS, provides a presumption of employment and compensation for a work-covered work injury, in the absence of substantial evidence to the contrary.

Section 386-86, HRS, establishes an informal hearing process that is not subject to chapter 91.

### **III. COMMENTS ON THE HOUSE BILL**

The department appreciates the intent of this proposal to ensure that firefighters receive proper medical treatment in a timely manner, as well as lessen the impact due to the effects of cancer. The department has general concerns where a class of workers is treated differently.

DAVID Y. IGE  
GOVERNOR



RYKER WADA  
INTERIM DIRECTOR

DEPUTY DIRECTOR

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

January 23, 2018

TESTIMONY TO THE  
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

For Hearing on Thursday, January 25, 2018  
9:00 a.m., Conference Room 309

BY

RYKER WADA  
INTERIM DIRECTOR

**House Bill No. 1778**  
**Relating to Workers' Compensation Medical Benefits**

**WRITTEN TESTIMONY ONLY**

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

Thank you for the opportunity to provide **comments** on H.B. 1778.

The purposes of H.B. 1778, are (1) to ensure that firefighters receive proper medical treatment for specific organs affected by leukemia, multiple myeloma, non-Hodgkin lymphoma, or cancer of the lung, brain, stomach, esophagus, intestines, rectum, kidney, bladder, prostate, or testes arising out of and in the course of their employment and (2) to increase the fees for medical care, services, and supplies for treatment provided to firefighters for these specific diseases and cancers.

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.

The first part of this bill relating to payment of medical bills is currently addressed in Hawaii Administrative Rules ("HAR") Section 12-12-45, Controverted Workers'

Compensation Claims, which provides the following:

In the event of a controverted workers' compensation claim, the health care contractor shall pay or provide for the medical services in accordance with the health care contract and notify the department of such action. If workers' compensation liability is established, the health care contractor shall be reimbursed by the workers' compensation carrier such amounts authorized by chapter 386, HRS, and chapter 10 of title 12, administrative rules.

Health care plans already are required to, and do, pay for medical care, services, and supplies when a claim is controverted in accordance with their private health care contract. The Department of Labor presently has the authority to require and enforce the above administrative rule to insure that injured workers, including injured firefighters, whose claims or request for medical treatment are controverted. Thus, the first part of the bill is unnecessary.

The second part of this bill states in part “...**medical care, services, and supplies for a minimum of one hundred ten per cent, and not to exceed \_\_\_ per cent of fees...**” This will increase the cost of claims filed by firefighters. Hawaii Revised Statutes Section 386-21 presently provides for billing of medical services at a rate **not to exceed one hundred ten percent** of fees prescribed in the Medicare Resource Based Relative Value Scale applicable to Hawaii as prepared by the United States Department of Health and Human Services. This bill would increase the fees paid for medical services by mandating a **minimum fee of one hundred ten percent and an unspecified maximum of fee** that is greater than presently allowed.

The creation of a separate fee schedule for firefighters who suffer from certain cancers and diseases arising out of their employment would result in discrimination against other injured workers and their treating physicians who would receive the same medical services for the same cancers and diseases but would be paid at a lower fee. This would result in unequal treatment of injured workers who are not firefighters and decrease the health care providers willing to treat non-firefighters for these same cancers and diseases.

Accordingly, the present law and administrative rules mandate that private health care plans cover and pay for medical care and services for injured workers whose

claims are controverted. Moreover, the overall impact of this bill would likely result in DHRD requesting future increases in our HRD appropriation to pay workers' compensation claims as required under Chapter 386, Hawaii Revised Statutes.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE  
GOVERNOR

SHAN S. TSUTSUI  
LIEUTENANT GOVERNOR



LEONARD HOSHUO  
ACTING DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
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January 23, 2018

The Honorable Aaron Ling Johanson, Chair  
Committee on Labor and Public Employment  
House of Representatives  
State Capitol, Room 426  
Honolulu, Hawaii 96813

Dear Chair Johanson:

Subject: House Bill (HB) 1778 Relating to Workers' Compensation Medical Benefits

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support HB 1778, which proposes to provide fire fighters, who develop cancer arising out of and in the course of employment, with improved access to comprehensive medical coverage for certain diseases.

Over the last decade, the fire profession has experienced an increase in fire fighter deaths related to cancer. The University of Cincinnati and the National Institute for Occupational Safety and Health conducted studies and found that fire fighters have a higher cancer risk than the general population. They are the most comprehensive investigations into cancer-related diseases incurred by career fire fighters. The state of Hawaii (State) cancer taskforce performed an investigative study with assistance from medical insurance companies and found that fire fighters in the State are also experiencing elevated levels of cancer-related diseases that correlate Hawaii's information with the national studies.

If passed, this bill would provide fire fighters and their family with the financial and moral support they need during this crisis.

The SFC and the HFD urge your committee's passage of HB 1778, for the welfare of our fire fighters.

The Honorable Aaron Ling Johanson, Chair  
Page 2  
January 23, 2018

Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers at 723-7176 or [lrogers@honolulu.gov](mailto:lrogers@honolulu.gov).

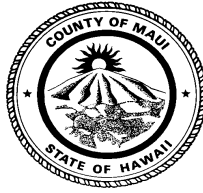
Sincerely,



MANUEL P. NEVES  
Chair

MPN/LR:clc

ALAN M. ARAKAWA  
MAYOR



200 South High Street  
Wailuku, Maui, Hawai'i 96793-2155  
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E-mail: mayors.office@mauicounty.gov

**OFFICE OF THE MAYOR**  
Ke`ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui

January 23, 2018

TESTIMONY OF ALAN M ARAKAWA  
MAYOR  
COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Thursday, January 25, 2018  
9:00am – Conference Room 309

HB1778 RELATING TO WORKERS' COMPENSATION MEDICAL BENEFITS.

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

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Thank you for this opportunity to testify in SUPPORT OF HB1778.

This bill proposes to provide fire fighters, who develop cancer, improved access to comprehensive medical coverage for certain diseases arising out of and in the course of employment.

Over the last decade, the fire profession has experienced an increase in fire fighter deaths related to cancer. The University of Cincinnati and the National Institute for Occupational Safety and Health conducted studies that found fire fighters have a higher cancer risk than the general population. These studies are the most comprehensive investigations into cancer related diseases incurred by career fire fighters. The State of Hawaii (State) cancer taskforce performed an investigative study with assistance from medical insurance companies and found that fire fighters in the State are also experiencing elevated levels of cancer-related diseases, correlating Hawaii's information with the national studies.

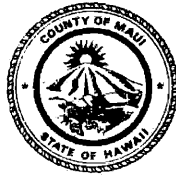
If passed, this bill will provide the fire fighter and their family with the financial and moral support they need during this crisis.

Sincerely,

Alan M. Arakawa  
Mayor, County of Maui



**ALAN M. ARAKAWA**  
MAYOR



**JEFFREY A. MURRAY**  
FIRE CHIEF

**LIONEL W. MONTALVO**  
DEPUTY FIRE CHIEF

**COUNTY OF MAUI**  
**DEPARTMENT OF FIRE & PUBLIC SAFETY**

200 DAIRY ROAD  
KAHULUI, HI 96732  
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January 23, 2018

The Honorable Aaron Ling Johanson, Chair  
Committee on Labor and Public Employment  
House of Representatives  
State Capitol, Room 426  
Honolulu, Hawaii 96813

Dear Chair Johanson:

Subject: House Bill (HB) 1778 Relating to Worker's Compensation Medical Benefits

I am Jeffrey A. Murray, Member of the Hawaii State Fire Council (SFC) and Fire Chief of the Maui County, Department of Fire and Public Safety. The SFC and the MFD support HB 1778, which proposes to provide fire fighters who develop cancer improved access to comprehensive medical coverage for certain diseases arising out of and in the course of employment.

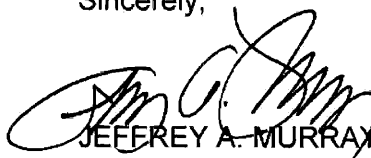
Over the last decade, the fire profession has experienced an increase in fire fighter deaths related to cancer. The University of Cincinnati and the National Institute for Occupational Safety and Health conducted studies that found fire fighters have a higher cancer risk than the general population. They are the most comprehensive investigations into cancer-related diseases incurred by career fire fighters. The State of Hawaii (State) cancer taskforce performed an investigative study with assistance from medical insurance companies and found that fire fighters in the State are also experiencing elevated levels of cancer-related diseases, correlating Hawaii's information with the national studies.

If passed, this bill will provide the fire fighter and their family with the financial and moral support they need during this crisis.

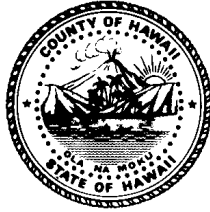
The SFC and the HFD urge your committee's passage of HB 1778, for the welfare of our fire fighters.

Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers at 723-7176 or [lrogers@honolulu.gov](mailto:lrogers@honolulu.gov).

Sincerely,

  
JEFFREY A. MURRAY  
Member

**Harry Kim**  
Mayor



**Wil Okabe**  
Managing Director

**Barbara J. Kossow**  
Deputy Managing Director

**County of Hawai'i**  
**Office of the Mayor**

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(808) 323-4444 • Fax (808) 323-4440

January 24, 2018

Representative Aaron Ling Johanson, Chair  
Committee on Labor and Public Employment  
Hawai'i State Capitol

Dear Chair Johanson and Committee Members:

**Re: HB 1778 Relating to Medical Benefits for Firefighters**  
**Hearing Date: January 25, 2018**

As Mayor, and as a father of a firefighter, I wish to join my Fire Chief and the State Fire Council in expressing my support for HB 1778.

Improving access for firefighters to comprehensive medical benefits upon a diagnosis of cancer is clearly the right thing to do, and I hope that Hawai'i will join other progressive states which have recognized the extraordinary risks faced by these brave men and women on a daily basis.

I urge you approve HB 1778.

Respectfully submitted,

Harry Kim  
Mayor, County of Hawai'i

**HB-1778**

Submitted on: 1/23/2018 10:32:56 AM

Testimony for LAB on 1/25/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Debby Gatioan	County Fire Department	Support	No

Comments:

January 23, 2018

The Honorable Aaron Ling Johanson, Chair  
Committee on Labor and Public Employment  
House of Representatives  
State Capitol, Room 426  
Honolulu, Hawaii 96813

Dear Chair Johanson:

Subject: House Bill (HB) 1778 Relating to Worker's Compensation Medical Benefits

I am Robert Westerman, Vice Chair of the Hawai'i State Fire Council (SFC) and Fire Chief of the Kauai Fire Department (KFD). The SFC and the KFD support HB 1778, which proposes to provide fire fighters who develop cancer improved access to comprehensive medical coverage for certain diseases arising out of and in the course of employment.

Over the last decade, the fire profession has experienced an increase in fire fighter deaths related to cancer. The University of Cincinnati and the National Institute for Occupational Safety and Health conducted studies that found fire fighters have a higher

cancer risk than the general population. They are the most comprehensive investigations into cancer-related diseases incurred by career fire fighters. The State of Hawaii (State) cancer taskforce performed an investigative study with assistance from medical insurance companies and found that fire fighters in the State are also experiencing elevated levels of cancer-related diseases, correlating Hawaii's information with the national studies.

If passed, this bill will provide the fire fighter and their family with the financial and moral support they need during this crisis.

The Honorable Aaron Ling Johanson, Chair

January 23, 2018

Page 2

The SFC and the KFD urge your committee's passage of HB 1778, for the welfare of our fire fighters.

Please contact me at (808) 241-4975 or [rwesterman@kauai.gov](mailto:rwesterman@kauai.gov) should you have any questions or require additional information regarding this matter.

Sincerely,



Robert Westerman

Fire Chief, County of Kaua'i

RFW/dag



## HAWAII FIRE FIGHTERS ASSOCIATION

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 1463, AFL-CIO  
1018 PALM DRIVE, HONOLULU, HAWAII 96814-1929  
TELEPHONE (808) 949-1566 FAX: (808) 952-6003  
WEBSITE: [www.hawaiifirefighters.org](http://www.hawaiifirefighters.org)

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### HOUSE OF REPRESENTATIVES THE TWENTY-NINTH LEGISLATURE REGULAR SESSION OF 2018

January 25, 2018

Committee on Labor and Public Employment

Testimony by  
Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO

#### H. B. No. 1778      RELATING TO WORKERS' COMPENSATION MEDICAL BENEFITS

The Hawaii Fire Fighters Association (HFFA), Local 1463, IAFF, AFL-CIO represents more than 1,900 professional active-duty and 800 retired fire fighters throughout the State. On behalf of our members, HFFA **supports H. B. No. 1778** which improves the access for fire fighters to gain comprehensive medical benefits upon diagnosis from cancer that is presumed to arise out of and in the course of employment.

Thirty-three states and nine Canadian provinces already have cancer presumptive laws that provide fire fighters with medical and service-connected disability benefits. Several studies, as recommended by the International Association of Fire Fighters (IAFF), serve as the basis that demonstrates the need for cancer presumptive legislation locally. These studies are consistent with other previous studies assessing the cancer risks in fire fighters associated with occupational exposure. As a stakeholder participating in the Cancer Presumption Task Force that convened in 2016 as a response to H.C.R. No. 32, H.D. 1, S.D. 1, HFFA is grateful that H. B. No. 1778 addresses the concerns of the fire service.

HFFA appreciates the Committee's favorable consideration of this measure and ask that you **pass H. B. No. 1778**. Thank you for the opportunity to testify.

## TESTIMONY OF ALISON UEOKA

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

Thursday, January 25, 2018  
9:00 a.m.

### **HB 1778**

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.

Hawaii Insurers Council **supports** the first new section proposed in Section 2 of the bill. This new section would codify substantially similar language that presently exists in Hawaii Administrative Rules under the Prepaid Health Care Act in 12-12-45. We believe the insertion of this language into the workersqcompensation law will clarify that a health insurer must pay for medical care, services, and supplies in the event of a controverted claim with the ability to get repaid if it becomes a compensable workersqcompensation claim.

Ultimately, this is good for many in the workersqcompensation system: The person injured, providers, and employers in that it allows access to care for the injured person to receive medical care by having the health care provider paid and allows due process for the employer.

Thank you for the opportunity to testify.

**HB-1778**

Submitted on: 1/25/2018 8:23:01 AM

Testimony for LAB on 1/25/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl		Support	No

Comments:

Please note that while I agree that the firefighter are exposed to many chemicals and other cancer causing agents doing their jobs, I would like to NOTE that there are others directly related to them who should also receive these benefits. The civilians who work in the FIRE departments storeroom and other areas come into contact with these cancer causing agents as well. They do not make nearly as much money as the firefighters, nor have their benefits or union support but are exposed as well. Thank you for reading. Just speaking up for the "civilians" who seem too often get past by too often in this dept.

**LATE**