



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

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February 8, 2018

To: The Honorable Jill N. Tokuda, Chair,
The Honorable J. Kalani English, Vice Chair, and
Members of the Senate Committee on Labor

The Honorable Rosalyn H. Baker, Chair,
The Honorable Jill N. Tokuda, Vice Chair, and
Members of the Senate Committee on Commerce, Consumer Protection,
and Health

Date: Thursday, February 8, 2018

Time: 2:45 p.m.

Place: Conference Room 229, State Capitol

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

Re: S.B. No. 2660 RELATING TO MEDICAL COVERAGE

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. It also proposes to increase the fees for medical care, services and supplies for treatment provided to firefighters for these specific diseases, to not exceed 137% of fees in the Medicare Fee Schedule applicable to Hawaii. The bill adds two new sections to Chapter 386, Hawaii Revised Statutes (HRS).

DLIR 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 SENATE BILL

DLIR 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. DLIR has general concerns where a class of workers is treated differently.

DLIR notes that 137% is the average cost of medical codes on Exhibit A of the Workers' Compensation Medical Fee Schedule rules (§12-15, Hawaii Administrative Rules).

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LEONARD HOSHJO
ACTING DIRECTOR

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February 5, 2018

The Honorable Rosalyn Baker, Chair
Committee on Commerce, Consumer
Protection, and Health
The State Senate
State Capitol, Room 230
Honolulu, Hawaii 96813

The Honorable Jill Tokuda, Chair
Committee on Labor
The State Senate
State Capitol, Room 202
Honolulu, Hawaii 96813

Dear Chairs Baker and Tokuda:

Subject: Senate Bill (SB) 2660 Relating to Medical Coverage

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 SB 2660, which proposes to provide fire fighters the presumption that cancer developed or manifested out of or in the course of employment.

Over the last decade, the fire profession 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 as a result of the initial findings. They are the most comprehensive investigations into cancer-related diseases incurred by career fire fighters to date and support the initial findings.

A State of Hawaii (State) cancer taskforce performed an investigative study with assistance from medical insurance companies and found that fire fighters in the State

The Honorable Rosalyn Banker, Chair
The Honorable Jill Tokuda, Chair
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are also experiencing elevated levels of exposure to the effects of cancer-related diseases, which correlate 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 committees' passage of SB 2660 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.

Sincerely,



MANUEL P. NEVES
Chair

MPN/LR:clc



HAWAII MEDICAL ASSOCIATION

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TO:
COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Senator Rosalyn H. Baker, Chair
Senator Jill N. Tokuda, Vice Chair

DATE: Thursday, February 8, 2018
TIME: 2:45 p.m.
PLACE: Conference Room 229

FROM: Hawaii Medical Association
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Government and Community Relations

Re: SB 2660

Position: SUPPORT

Chairs & Committee Members:

The HMA supports this bill. Having an injured patient's health insurance cover medical expenses while the claim is being contested serves to initiate care in a timely fashion, and encourages better outcomes.

HMA OFFICERS

President – William Wong, Jr., MD President-Elect – Jerry Van Meter, MD Secretary – Thomas Kosasa, MD
Immediate Past President – Bernard Robinson, MD Treasurer – Elizabeth A. Ignacio, MD
Executive Director – Christopher Flanders, DO

TESTIMONY OF LINDA O'REILLY

COMMITTEE ON LABOR
Senator Jill Tokuda, Chair
Senator J. Kalani English, Vice Chair

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Senator Rosalyn Baker, Chair
Senator Jill Tokuda, Vice Chair

Thursday, February 8, 2018
2:45 p.m.

SB 2660

Chair Tokuda, Vice Chair English, and members of the Committee on Labor, and Chair Baker and Vice Chair Tokuda, and members of the Committee on Commerce, Consumer Protection, and Health, my name is Linda O'Reilly, Assistant Vice President of Claims - Workers Compensation of First Insurance Company of Hawaii. I am testifying today on behalf of Hawaii Insurers Council. 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.

SB-2660

Submitted on: 2/5/2018 3:47:59 PM

Testimony for LBR on 2/8/2018 2:45:00 PM

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

Comments:

Strong Support for SB2660

Injured worker or injured patient; regardless of it being a work injury or not, injured worker/patient needs medical treatment.

Insurance policies are paid to cover these costs. The insurance companies should pay for the medical treatments so that patients can get back to work and back to their lives.

Most patients dont have the money to cover full medical treatment costs out of pocket, nor should they have to when they have insurance coverage. That is the reason they pay for medcial insurance.

Hawaii law doesnt recognize "Denied Pending Investigation", yet work comp insurance companies (or payors) use this term frequently. The term should be treated as "Denied", because technically, that is what the work comp payor is doing, denying payment for treatment.

When an injured workers' claim is "denied pending investigation", there is no sense of urgency to investigate the claim, therefore some patients wait for very long lengths of time. This is not right, nor should it be allowed to continue.

I respectfully ask the legislators of Committees of both Consumer and Protection and Health and Labor to please support this measure SB 2660, so that patients whose claims are "denied pending investigation", can receive medical treatment paid for by their insurance company.

Thank you,

Cathy Wilson

SB-2660

Submitted on: 2/7/2018 10:04:45 AM

Testimony for LBR on 2/8/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Maverick Kanoa		Support	No

Comments:

In most recent years the practice of denying medical treatment is common and it takes the injured worker to go through many hoops and obstacles to get approvals sometime up to 120 days. This would speed the process because the doctors can treat the injured person without waiting for any type of approvals and the insurance companies must compensate the injured person medical cost instead of these tactics to not approve and have the injured worker wait for the insurance companies to approve the treatment for the injured person

LATE

SB-2660

Submitted on: 2/7/2018 2:59:53 PM

Testimony for LBR on 2/8/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Moore		Support	No

Comments:

LATE

SB-2660

Submitted on: 2/7/2018 5:18:12 PM

Testimony for LBR on 2/8/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
dean hirata		Support	No

Comments:

I'm in support of this bill because I am in this position right now. I had previously been hurt and received medical and workmans comp. pay, had an IME and had pay stop while still receiving medical. Only to be forced back to work because I had not been receiving pay for 3 months. Two weeks after being forced back to work, had gotten hurt again. this time, no workmans comp. pay and no medical. Workmans comp. insurance said claim is under investigation. Soon to be forced back to work again due to claim being under investigation. thank you for your time.

LATE



HAWAII FIRE FIGHTERS ASSOCIATION

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 1463, AFL-CIO
1018 PALM DRIVE, HONOLULU, HAWAII 96814-1929
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WEBSITE: www.hawaii firefighters.org

**THE SENATE
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018**

February 8, 2018

**Committee on Labor
Committee on Commerce, Consumer Protection and Health**

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

S.B. No. 2660 RELATING TO MEDICAL COVERAGE

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 S.B. No. 2660** which improves access to comprehensive medical benefits (including care, services and supplies) for fire fighters who are diagnosed with cancer presumed to arise out of and in the course of five or more years of services/employment.

Thirty-seven 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 S. B. No. 2660 addresses the concerns of the fire service.

HFFA appreciates the Committee's favorable consideration of this measure and ask that you **pass S.B. No. 2660**. Thank you for the opportunity to testify.