

TESTIMONY OF ALISON UEOKA

COMMITTEE ON LABOR, CULTURE AND THE ARTS
Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

Tuesday, March 19, 2019
2:45 p.m.

HB 912, HD1

Chair Taniguchi, Vice Chair Ihara, and members of the Committee on Labor, Culture and the Arts, and Chair Baker, Vice Chair Chang and members of the Committee on Consumer Protection, and Health, my name is Alison Ueoka, President of 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 **opposes** this bill. HB 912, HD1 attempts to codify Hawaii Administrative rules (HAR) 12-15-94 regarding the handling of medical payment disputes. However, the bill does not track exactly with HAR and leaves out an important process in which to handle disputes. If this bill becomes law, HAR will need to be amended so as not to exceed statutory authority which may leave the injured worker without treatment if disputes are not handled in a timely manner.

Unnecessarily prolonging injury cases hurt all involved including the injured worker, the employer, and the medical provider.

If the Administrative rule is codified, it should be left as it is currently written without any changes. If not, we do not believe this bill is necessary, therefore, we ask that you hold the bill.

Thank you for the opportunity to testify.

HB-912-HD-1

Submitted on: 3/18/2019 9:18:48 AM

Testimony for LCA on 3/19/2019 2:45:00 PM

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

Comments:

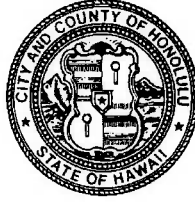
Support for House Bill 912 HD1

As a patient advocate, I strongly support HB 912 HD1

This bill aims to allow DLIR a mechanism to discourage bad practices by some payors. Not all payors practice these bad practices, but some do. Thank you for introducing this bill and hearing it today.

DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU
650 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

March 18, 2019

The Honorable Brian T. Taniguchi, Chair
The Honorable Les Ihara, Jr., Vice Chair
and Members of the Committee
on Labor, Culture and the Arts

The Honorable Rosalyn H. Baker, Chair
The Honorable Stanley Chang, Vice Chair
and Members of the Committee on Commerce,
Consumer Protection, and Health

The Senate
State Capitol, Room 224
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Taniguchi and Baker, Vice Chairs Ihara and Chang, and Members of the Committees:

**SUBJECT: House Bill No. 912, H.D. 1
Relating to Workers' Compensation**

H.B. 912, H.D. 1, requires an employer to pay for all medical services related to an employee's compensable injury and the employee's rehabilitation within 60 days of receipt of the bill for services; and establishes a process for employers to dispute the payment of an employee's medical bill.

The City and County of Honolulu, Department of Human Resources, offers the following comment on the bill.


This bill is duplicative and unnecessary because it restates long-existing language in the Workers' Compensation Law, specifically Section 386-21, HRS, and Section 12-15-94, HAR. The former requires payment for reasonably needed medical care as the nature of the work injury requires and the latter provides payment is not required for care unrelated to the work injury. Section 12-15-94, HAR, requires

March 18, 2019
Page 2

employers to pay all charges within 60 days of receipt, unless the employer controverts the bill. This administrative rule further provides a detailed administrative process for such billing disputes to be resolved and adjudicated.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink that reads "Carolee C. Kubo". The signature is written in a cursive style with a large, sweeping initial 'C'.

Carolee C. Kubo
Director

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



SCOTT T. MURAKAMI
DIRECTOR

LEONARD HOSHIJO
DEPUTY DIRECTOR

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

830 PUNCHBOWL STREET, ROOM 321

HONOLULU, HAWAII 96813

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March 19, 2019

To: The Honorable Brian T. Taniguchi, Chair,
The Honorable Les Ihara Jr., Vice Chair, and
Members of the Senate Committee on Labor, Culture and the Arts

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

Date: Tuesday, March 19, 2019
Time: 2:45 p.m.
Place: Conference Room 224, State Capitol

From: Scott T. Murakami, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 912 HD1 RELATING TO WORKERS' COMPENSATION

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal seeks to add a new section to Chapter 386, Hawaii Revised Statutes (HRS), that requires an employer to pay for all medical services related to a compensable injury within 60 days. This measure also provides a process for an employer to dispute the payment of medical bills.

DLIR supports this measure.

II. CURRENT LAW

Section 386-21, HRS, "Medical care, services, and supplies." (a) states in part, "Immediately after a work injury sustained by an employee and so long as reasonably needed the employer shall furnish to the employee all medical care, services, and supplies as the nature of the injury requires. The liability for medical care shall be subject to the deductible under section 386-100."

The Workers' Compensation Medical Fee Schedule (Section 12-15-94, Hawaii Administrative Rules [HAR] "Payment by employer") provides for penalties for unpaid uncontested bills and a process for bill disputes.

III. COMMENTS ON THE HOUSE BILL

DLIR supports this measure to ensure medical service is timely paid for or disputed by the employer. This proposal partially codifies §12-15-94, HAR, and does not affect the current bill dispute process.

HB-912-HD-1

Submitted on: 3/18/2019 11:55:46 AM

Testimony for LCA on 3/19/2019 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott McCaffrey, MD	Testifying for Hawaii Injured Workers Association--President	Support	Yes

Comments:

Aloha Senator Baker and Committee Members:

Please support this measure which strengthens our Workers Compensation System by insuring providers of care get paid promptly. As you know, there are many access to care barriers for the WC patient due to the opting out of so many doctors and practitioners. This will strengthen your current efforts to qualify more providers to treat injured workers.

Mahalo and please contact me for additional discussion and questions if needed.

Scott McCaffrey, MD

President

Hawaii Injured Workers Association

The Thirtieth Legislature
Regular Session of 2019

THE SENATE

Committee on Labor, Culture and the Arts

Senator Brian T. Taniguchi, Chair

Senator Les Ihara, Jr., Vice Chair

Committee on Commerce, Consumer Protection, and Health

Senator Roslyn H. Baker, Chair

Senator Stanley Chang, Vice Chair

State Capitol, Conference Room 224

Tuesday, March 19, 2019; 2:45 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 912, H.D.1
RELATING TO WORKERS' COMPENSATION**

The ILWU Local 142 supports H.B. 912, H.D.1, which requires an employer to pay for all medical services related to an employee's compensable injury and the employee's rehabilitation within 60 days of receipt of the bill for services and establishes a process for employers to dispute the payment of an employee's medical bill.

At times, injuries can be emotionally difficult to handle and can be costly to the employee while they are away from work. The last thing an employee should be worrying about is whether an employer will be covering the cost of their legitimate injuries sustained on the job. H.B. 912, H.D.1 helps prevent undue stress on the injured worker.

The ILWU Local 142 urges the passage of H.B. 912, H.D.1. Thank you for the opportunity to offer testimony on this measure.

**TESTIMONY BEFORE THE SENATE
COMMITTEE ON LABOR, CULTURE AND THE ARTS, AND
COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH**

H.B. 912 HD1

Relating to Workers' Compensation

Tuesday, March 19, 2019
2:45 p.m., Agenda Item #2
State Capitol, Conference Room 224

Marleen Silva
Manager, Workers' Compensation
Hawaiian Electric Company, Inc.

Chairs Taniguchi and Baker, Vice Chairs Ihara and Chang, and Members of the
Committee,

My name is Marleen Silva and I am testifying on behalf of Hawaiian Electric
Company Inc. and its subsidiary utilities Maui Electric Company, Limited and Hawai'i
Electric Light Company, Inc. (collectively "the Hawaiian Electric Companies") offering
the following comments on H.B. 912 HD1, and Relating to Workers' Compensation.

This measure proposes to add a new section to Chapter 386, Hawaii Revised
Statutes (HRS), related to payment of bills by the employer and a process to resolve bill
disputes between the employer and medical providers.

While we support the intent, we believe the provisions in this proposal are
duplicative of current legislation and therefore, unnecessary. The current statutes have
effectively addressed responsibilities for the parties for a long time.

- Section 386-21, HRS requires employers to pay for all medical treatment
reasonably needed by a compensable work injury, unless the employer is
controverting the charges.

- Section 12-15-94, Hawaii Administrative Rules (“HAR”) requires employers to pay all medical services which the nature of the compensable injury and the process of recovery require. The employer is not required to pay for care unrelated to the compensable work injury. It also requires an employer to pay all charges billed within sixty calendar days of receipt, subject to penalties for late payment of uncontested charges, and includes a bill dispute resolution process and procedures for controverted claims.

Accordingly, the Hawaiian Electric Companies thanks you for this opportunity to submit testimony.

HB-912-HD-1

Submitted on: 3/18/2019 5:01:37 PM

Testimony for LCA on 3/19/2019 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Moore	Testifying for Hawaii Injured Workers Association	Support	No

Comments:



**To: Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair
Members of the Committee on Labor, Culture and the Arts**

**Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair
Members of the Committee on Commerce, Consumer Protection and Health**

Date: Tuesday, March 19, 2019

Time: 2:45 p.m.

Place: Conference Room 224

State Capitol

415 South Beretania Street

Support for House Bill 912 HD1

As Chair of the Legislative Committee and Past President of Work Injury Medical Association of Hawaii representing the providers treating injured workers in our state, we strongly support HB 912 HD1.

The key provisions of this bill provide for the following:

(a) In the event that the employer fails to dispute the employee's claim with the health care provider within the sixty-day period, the employer shall be liable for the services provided, with reasonable evidence showing that the billing was received; and

(b) The employer shall pay for all charges billed within sixty calendar days of receipt of such charges; except for items where: (1) there is a reasonable disagreement; and (2) the employer has submitted timely notice as required by the bill.

Justification:

- Hawaii's existing workers' compensation has been plagued by delays and denials, and in many of those cases, insurers seem to automatically deny the claim "pending investigation" or simply not respond to the billing.
- For many workers with severe injuries, the workers' compensation system is the only thing that stands between them and a downward spiral of unemployment, debt and even homelessness.

- This bill is an attempt to eliminate the unsavory practice by some insurers of simply ignoring legitimate billings.
- There exists a framework for resolving disputes when an insurer controverts a claim in Hawaii Administrative Rules 12-15-94; however, it's unclear whether this dispute process is well-suited for a situation where the insurer simply ignores a legitimate billing. The aforesaid HAR states, "Failure of the employer to notify the provider of service shall make the employer liable for services rendered until the provider is informed the employer controverts additional services." However, an employee would still need to file a dispute with the DLIR to enforce this conditional employer liability.
- This bill aims to allow DLIR a mechanism to discourage bad practices by some insurers.
- We would also suggest that Florida's Non-Payment Complaint Process be reviewed as another potential option to address this problem:
<https://www.myfloridacfo.com/division/wc/Provider/non-payment.htm>.
- Finally, if you are not intending to hear HB389 HD1 (Requires persons performing an independent medical exam or permanent impairment rating exam for a workers' compensation work injury examine the employee within an unspecified period of time upon receipt of notice. Requires that the employee be provided a copy of the exam.), we would respectfully request that the contents of that bill be inserted into the vehicle of HB390, such that these committees could take a holistic approach in addressing the issues faced by the workers compensation system.

Sincerely,

Scott J Miscovich MD

Chair of Legislative Committee and Past President

Work Injury Medical Association of Hawaii

HB-912-HD-1

Submitted on: 3/18/2019 7:42:09 PM

Testimony for LCA on 3/19/2019 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
laurie hamano	Individual	Support	No

Comments:



**To: Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair
Members of the Committee on Labor, Culture and the Arts**

**Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair
Members of the Committee on Commerce, Consumer Protection, and Health**

Date: Tuesday, March, 19 2019

Time: 2:45 p.m.

**Place: Conference Room 224, State Capitol
415 South Beretania Street**

COMMENTS ON HOUSE BILL 912 HD1

Automated HealthCare Solutions (AHCS) understands the intent of HB 912 HD1 to outline a process for which an employer shall pay or dispute a workers' compensation claim but believes additional changes should be considered. Accordingly, AHCS submits the following comments on HB 912 HD1.

HB 912 HD1 provides in part:

- (a) In the event that the employer fails to dispute the employee's claim with the health care provider within the sixty-day period, the employer shall be liable for the services provided, with reasonable evidence showing that the billing was received.
- (b) The employer shall pay for all charges billed within sixty calendar days of receipt of such charges; except for items where: (1) there is a reasonable disagreement; and (2) the employer has submitted timely notice as required by the bill.
- (c) If more than sixty calendar days has lapsed between the employer's receipt of an undisputed billing and date of payment, payment of the billing shall be increased by one per cent per month of the outstanding balance.

While AHCS notes the objective to establish a timeframe by which an employer must pay or deny a bill for medical services, the current language of HB 912 HD1 does not address what should happen when an employer simply ignores a bill for payment altogether or is not responsive to a provider's request for a status on the billing. As such, AHCS believes HB 912 HD1 should address these issues. AHCS appreciates this Committee's further deliberations on the matter.

Thank you for your consideration.

Jennifer Bean
Vice President of Government Affairs
Automated HealthCare Solutions, LLC