
HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO
CONDUCT A STUDY TO ASSESS THE CAUSES OF NON-COMPLIANCE WITH
THE STATE'S WORKERS' COMPENSATION SYSTEM.

1 WHEREAS, in 1915, the Hawaii Territorial Legislature
2 adopted the first workers' compensation law in the State; and

3
4 WHEREAS, under Hawaii's workers' compensation law,
5 employees who are injured or disabled on the job are provided
6 medical treatment and a fixed monetary compensation; and

7
8 WHEREAS, Hawaii's workers' compensation system, an all-
9 important part of American social insurance, was introduced to
10 provide medical and financial assistance to workers who are
11 injured or disabled on the job; and

12
13 WHEREAS, commonly cited goals of the workers' compensation
14 system include:

- 15
16 (1) Promoting injury prevention;
17
18 (2) Providing timely and quality medical service to
19 injured workers;
20
21 (3) Providing adequate and equitable benefits for injured
22 workers;
23
24 (4) Providing timely and non-litigious delivery of
25 benefits;
26
27 (5) Promoting a speedy return to work; and
28
29 (6) Controlling the cost of administering the workers'
30 compensation system, which is paid by employers; and



1 WHEREAS, the workers' compensation system is intended to
2 help workers who are injured on the job and ensure that workers
3 with legitimate claims get the benefits and treatment they need
4 to recover and return to work; and
5

6 WHEREAS, Hawaii's workers' compensation system is one of
7 the most complex in the nation and, because of its unique
8 makeup, some areas within the system are problematic and require
9 stakeholders to come together as an industry to effect
10 meaningful change; and
11

12 WHEREAS, some medical providers "hold treatment hostage"
13 unless they are paid a certain amount, which is not allowed by
14 the medical fee schedule; and
15

16 WHEREAS, other specialists and medical providers give up
17 caring for injured workers after providing treatment and not
18 being paid for services rendered until months or years later;
19 and
20

21 WHEREAS, there are medical providers who routinely charge
22 insurers the State-authorized and -mandated medical fee schedule
23 for prescription drugs, yet do not get paid based on statute;
24 and
25

26 WHEREAS, some medical providers also routinely overcharge
27 employers for prescription drugs and durable medical equipment
28 and demand payment, as well as prolong treatment unnecessarily,
29 thereby impeding the injured worker's recovery and return to
30 work; and
31

32 WHEREAS, some medical providers are forced to stand up and
33 fight for their patients whose treatment is prolonged
34 unnecessarily by insurers who ignore existing laws and community
35 standards of care only to enhance their profits, thereby
36 impeding the injured worker's recovery and return to work; and
37

38 WHEREAS, some insurance companies and employers routinely
39 deny claims "pending investigation", even though the law
40 contains no provision explicitly allowing them to do so; and



1 WHEREAS, some insurance companies and employers routinely:

2
3 (1) Deny complete or reasonable and necessary treatment
4 plans; and

5
6 (2) Ignore legitimate billings instead of controverting
7 the claim for services,

8
9 even though the law does not allow them to do so; and

10
11 WHEREAS, the Department of Labor and Industrial Relations
12 has not updated the workers' compensation medical fee schedule
13 to comport with decisions awarded by the Department of Labor and
14 Industrial Relations' Disability Compensation Division and
15 therefore employers are not informed as to how to comply with
16 new decisions and how much to reimburse for items previously not
17 covered by the medical fee schedule; and

18
19 WHEREAS, even though the Department of Labor and Industrial
20 Relations is attempting to update the medical fee schedule to
21 comport with decisions awarded by the Disability Compensation
22 Division, insurers fail to reimburse for items previously
23 supported by decisions made by the Department of Labor and
24 Industrial Relations relating to the medical fee schedule for
25 treatment required and guaranteed by the Hawaii Supreme Court's
26 decision in *Pulawa v. Oahu Construction Co., Ltd.*; and

27
28 WHEREAS, it is crucial that the State understand the causes
29 of non-compliance with its workers' compensation system in order
30 to determine solutions to these issues and concerns; now,
31 therefore,

32
33 BE IT RESOLVED by the House of Representatives of the
34 Thirtieth Legislature of the State of Hawaii, Regular Session of
35 2020, that the Department of Labor and Industrial Relations is
36 requested to conduct a study to assess the causes of non-
37 compliance with the State's workers' compensation system; and

38
39 BE IT FURTHER RESOLVED that the Department of Labor and
40 Industrial Relations is requested to complete the study no later
41 than November 30, 2020; and



H.R. NO. 120

1 BE IT FURTHER RESOLVED that the Department of Labor and
2 Industrial Relations is requested to submit the results of the
3 study, including findings, recommendations, and any proposed
4 legislation, to the Legislature no later than twenty days prior
5 to the convening of the Regular Session of 2021; and

6

7 BE IT FURTHER RESOLVED that a certified copy of this
8 Resolution be transmitted to the Director of Labor and
9 Industrial Relations.

10

11

12

OFFERED BY:

A handwritten signature in black ink, appearing to be "Stacy", written over a horizontal line.

MAR 06 2020

