

STAND. COM. REP. NO.

1519

Honolulu, Hawaii

APR 04 2023

RE: S.C.R. No. 134  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred S.C.R. No. 134 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO CONTINUE TO RECOGNIZE AND ACCEPT THE RIGHT OF A PROVIDER OF SERVICE TO ASSIGN THE RIGHT TO PARTICIPATE IN A WORKERS' COMPENSATION BILLING DISPUTE TO A BILLING COMPANY,"

begs leave to report as follows:

The purpose and intent of this measure is to request that the Department of Labor and Industrial Relations continue to recognize and accept the right of a provider of service to assign the right to participate in a workers' compensation billing dispute to a billing company.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Vintage Medical and Billing, LLC; Hawaii Injured Workers Association; Work Injury Medical Association of Hawaii; Pharmco Inc.; and one individual.

Your Committee finds that the State has an established precedent of allowing assigned billing review companies to participate in workers' compensation billing disputes regarding prescription medical claims on behalf of service providers. Your Committee further finds that there have been recent attempts to



prohibit a service provider's ability to assign its right to participate in these disputes to billing review companies and recognizes that this prohibition may lead to adverse impacts, including refusal to pay legitimate claims, backlog in workers' compensation billing disputes, and delay the reasonable return of injured employees to work. Your Committee notes that there is a lack of clarity regarding the Department of Labor and Industrial Relations' policy of allowing a billing company the right to negotiate workers' compensation bill disputes on behalf of a service provider because chapter 386, Hawaii Revised Statutes, regarding workers' compensation, is silent on the service provider's right. Your Committee believes that statutory amendments to the State's Workers' Compensation Law are necessary to ensure that service providers have the legal right to assign their rights to negotiate a bill dispute to their billing companies.

Therefore, your Committee has amended this measure by:

- (1) Requesting the Department of Labor and Industrial Relations to:
  - (A) Review the State's Workers' Compensation Law for proposed amendments to ensure that service providers may assign the right to negotiate a bill dispute to a billing company; and
  - (B) Include the proposed amendments in a report to the Legislature prior to the Regular Session of 2024;
- (2) Removing the Director of Human Resources Development from the list of certified copy recipients;
- (3) Amending its title to reflect its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R.



No. 134, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 134, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor and  
Technology,

  
SHARON MORIWAKI, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Labor and Technology**  
**LBT**

Bill / Resolution No.:* <b>SCR134</b>	Committee Referral: <b>LBT</b>	Date: <b>3/29/23</b>
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The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)	✕			
LEE, Chris (VC)	✕			
IHARA, Jr., Les	✕			
KEITH-AGARAN, Gilbert S.C.				✕
FEVELLA, Kurt				✕
<b>TOTAL</b>	<b>3</b>			<b>2</b>

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature:

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**\*Only one measure per Record of Votes**