

Honolulu, Hawaii  
**FEB 14**, 2024

RE: H.B. No. 1637  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1637, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION LAW,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify that, for purposes of controverted claims, an injured employee's private health care plan must, by default, pay for or provide medical care, services, and supplies pending acceptance of the claim or determination of compensability; and
- (2) Impose a civil penalty on a private health care plan for failing to comply.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Institute for Pain; Primary Care Clinic of Hawaii; and five individuals. Your Committee received testimony in opposition to this measure from the Society of Human Resource Management - Hawaii. Your Committee received comments on this measure from the Hawaii Insurers Council and Hawaii Medical Service Association.



Your Committee finds that there is a tangible impact of delayed treatment on workers' health outcomes. Workers who have suffered an injury often face not just physical setbacks, but also significant emotional and financial strain. This measure mitigates the likelihood of further health issues by requiring private health plans to cover the expenses of medical care, services, and supplies pending acceptance of the claim or determination of compensability.

Your Committee has amended this measure by:

- (1) Clarifying that the private health care plan is entitled to seek reimbursement from the employer if the controverted claim is accepted or determined to be compensable;
- (2) Deleting language that authorized the private health care plan to charge an administrative fee equal to the greater of three percent of the total amount paid by the private health care plan if the investigation is not completed within ninety days; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1637, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1637, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



MARK M. NAKASHIMA, Chair



