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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

December 5, 2023

TRANSMITTED VIA LEGISLATIVE WEBSITE

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Enclosed is a copy of the 2023 Annual Report on the Medical Inquiry and Conciliation Panel and Design Claim Conciliation Panel, as required respectively by sections 671-20 and 672B-17, Hawaii Revised Statutes (HRS).

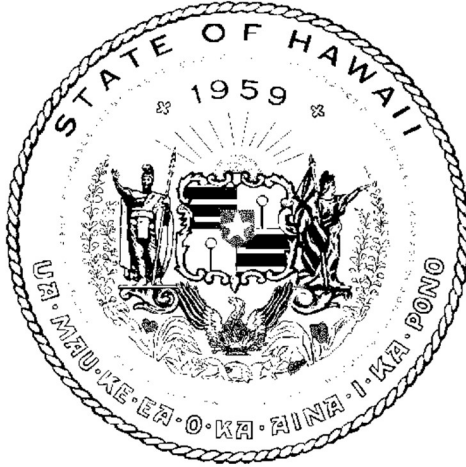
In accordance with section 93-16(a), HRS, a copy of this report will be transmitted to the Legislative Reference Bureau Library and viewable electronically at cca.hawaii.gov/oah/reports/. Copies will also be transmitted to the State Publications Distribution Center and the University of Hawaii pursuant to section 93-3, HRS.

Sincerely,

NADINE Y. ANDO
Director

Enclosure

- c: Legislative Reference Bureau Library (1 hard copy)
State Publications Distribution Center (2 hard copies, 1 electronic copy)
University of Hawaii (1 hard copy)



THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2024

**Annual Report on the
Medical Inquiry and Conciliation Panel
and
Design Claim Conciliation Panel**

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

Submitted December 2023

INTRODUCTION

The **Annual Report on the Medical Inquiry and Conciliation Panel and Design Claim Conciliation Panel** is submitted pursuant to Hawaii Revised Statutes (HRS) sections 671-20 and 672B-17, respectively, and covers the period of January 1, 2023, through November 30, 2023.

MEDICAL INQUIRY AND CONCILIATION PANEL

A. Program Information

Established pursuant to HRS section 671-11, the Medical Inquiry and Conciliation Panel (MICP) is a program of the Department of Commerce and Consumer Affairs (DCCA) that facilitates the resolution of inquiries regarding the rendering of professional services by health care providers that involve injury, death, or other damages to a patient.¹ A patient's inquiry² is submitted to the MICP in writing, and panel proceedings are conducted in a non-adversarial manner consistent with the primary purpose of conciliation.

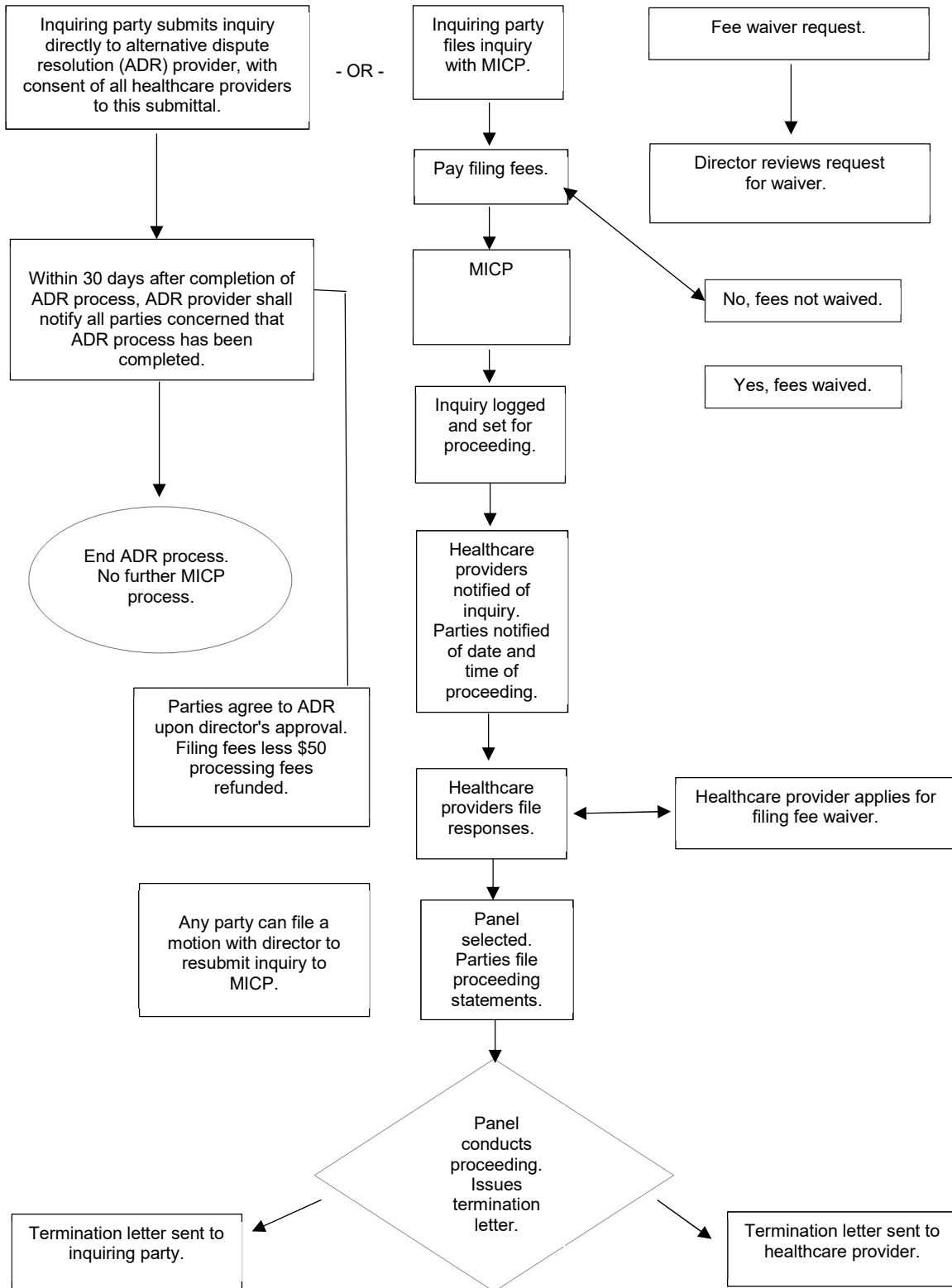
During the MICP proceedings, the parties make conscientious and thorough presentations to the panel, which consists of one chairperson (an attorney licensed to practice in the courts of the State and appointed by the DCCA director from a list of individuals who are experienced in trial practice and the personal injury claims settlement process) and one physician, osteopathic physician, or surgeon licensed to practice in Hawaii. The panel may also call a consultant to appear at the proceeding to provide expertise in the relevant field.

In lieu of issuing a non-binding advisory decision, the MICP narrows and defines potential claims when complete resolution cannot be achieved, and it employs approaches to liability, causation, or damages in the context of conciliation and mediation. The MICP also helps the parties evaluate whether the inquiry should be pursued as a judicial claim or through additional conciliation and mediation outside of the MICP. By providing the parties with helpful interactions and accurate views of the merits of the inquiry, the MICP discourages parties from pursuing frivolous or fraudulent legal inquiries.

¹ Effective January 1, 2013, the MICP replaced the Medical Claim Conciliation Panel (MCCP) that had been in existence since 1976.

² Due to the conciliatory nature of the MICP, the word "claim" has been eliminated from the MICP vocabulary.

Flowchart of the MICP Process



MICP contact information:

Medical Inquiry Conciliation Panel
Office of Administrative Hearings
Department of Commerce and Consumer Affairs
335 Merchant Street, Suite 100
Honolulu, HI 96813

Phone: (808) 586-2823
Fax: (808) 586-3097
Email: micp@dcca.hawaii.gov

MICP forms and publications are available at: cca.hawaii.gov/oah/forms/micp/.

B. Operations

1. Expedited Inquiry Filing Process

For parties who prefer an expedited filing of their inquiry, the MICP Fast Track Filing System allows an inquiry to be heard within four months of the filing of the inquiry with the panel, or even sooner if all parties agree.

2. Electronic Filing of Documents

Electronic filing has become the primary method for parties to submit their inquiries, claims, and other documents to the MICP. The parties have been using this electronic filing option more frequently, including submitting voluminous records, documents, and graphics via CD or DVD.

3. Revised Filing Fee Process

In the past, the MICP routinely issued refund checks to the parties once their inquiries were terminated. These refunds represented the balance of the parties' filing fees after compensating panel members and applying processing fees. This process of requesting, processing, and issuing refund checks to the parties after each inquiry placed an undue burden on MICP staff. Accordingly, in 2018, the MICP began calculating and charging each party its revised filing fee at the beginning of each inquiry, thereby eliminating the need to issue refund checks.

After further review of the revised filing fee process, the MICP found that the process often caused the same burden on the MICP staff as the initial filing fee process. For example, the revised process sometimes required MICP staff to "chase" parties to pay the revised fee while the proceeding was ongoing. As a result of these findings, the revised filing fee process was terminated on May 1, 2023.

4. Recruitment

In 2021, as a result of the ongoing public health emergency, several panel members informed the MICP that they were no longer willing or able to serve on the panels. In order to replace these members, the MICP undertook an effort to recruit and train new members. Those efforts have included contacting qualified members of the Hawaii State Bar Association and advertising in the Hawaii Bar Journal. This recruitment campaign has resulted in the addition of a number of experienced chairs and panel members. The MICP plans to place an ad in the Hawaii Bar Journal on an annual basis.

Recruitment of physicians to serve as medical panel members has also proven to be difficult. Many of the physicians who have served in this capacity for years have retired or are unable to continue to serve on MICP panels. The MICP will be providing resource materials regarding the program to medical societies and health care facilities to educate members and to facilitate the recruitment process.

5. Future vision

The MICP has started to compile hours spent by Panel members on each assigned case. Exit interviews with Chairs will also be conducted on an intermittent basis with the goal of eliciting feedback and suggestions on how to improve the Program, including increasing the number of attorneys approved to serve as Panel Chairs.

C. Statistical Overview

1. Number of Inquiries Filed in 2023

As of November 30, 2023, 60 inquiries were filed with the MICP. Of these 60 inquiries: the DCCA director granted 8 requests to waive the MICP filing fees for parties unable to pay³; 19 inquiries were filed by parties who were not represented by attorneys (i.e., *pro se* inquiring parties); and the panel rejected 0 inquiries because it was not accompanied by a certificate of consultation as required by HRS section 671-12.5.

See Figure 1: Claims and Inquiries Filed from 2016 through 2023 to compare the MICP's number of filed inquiries with those filed in previous years.

³ The MICP uses the same financial guidelines to determine a party's eligibility for waiver of MICP filing fees as the courts in determining whether a party can proceed *in forma pauperis* in a judicial proceeding.

Figure 1: Claims and Inquiries Filed from 2016 through 2023⁴

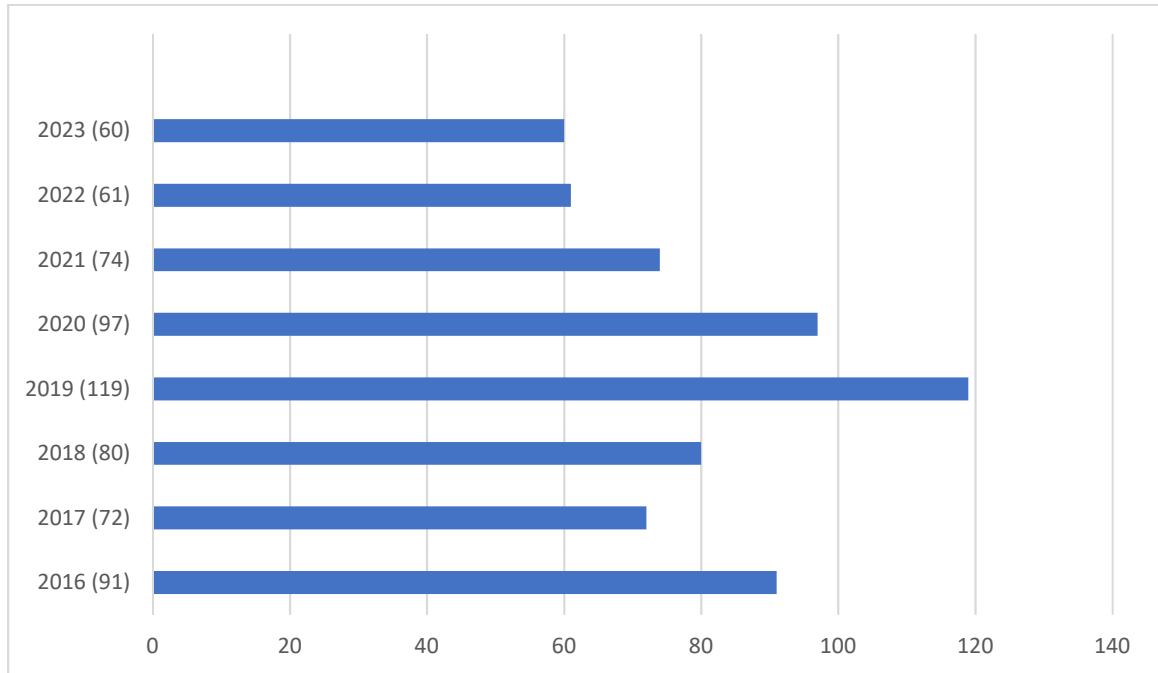


Figure 1

2. Disposition of Inquiries Heard in 2023

As of November 30, 2023, the MICP heard 25 inquiries: 9 inquiries were dismissed, withdrawn, or otherwise terminated; and 5 inquiries resulted in the parties entering formal mediation outside of the MICP program.

Of the 25 inquiries the MICP heard in 2023, 10 were proceedings involving *pro se* inquiring parties.

Because the MICP does not issue opinions on actionable negligence, the DCCA does not report on the substantive disposition of MICP inquiries.

⁴ The number of claims for years preceding 2023 is for the entire calendar year. Due to the deadline to submit this report, the number of inquiries for 2023 listed in this report refers to the first 11 months of the year.

DCCP ANNUAL REPORT

A. Program Information

Established pursuant to HRS section 672B-3, the Design Claim Conciliation Panel (DCCP) is a program of the DCCA that reviews and renders findings and advisory opinions on liability and damages in tort claims against design professionals licensed to practice under HRS chapter 464.

Pursuant to HRS section 672B-5, effective January 1, 2008, all malpractice claims against design professionals must first be submitted to the DCCP before any suit based on the claim may be commenced in any court of this state. The DCCP is modeled after the former MCCP and operates under the same procedures and guidelines. The DCCP was not affected by the establishment of the MICP in 2013.

DCCP contact information:

Design Claim Conciliation Panel
Office of Administrative Hearings
Department of Commerce and Consumer Affairs
335 Merchant Street, Suite 100
Honolulu, HI 96813

Phone: (808) 586-2823
Fax: (808) 586-3097
Email: dccp@dcca.hawaii.gov

DCCP forms and publications are available at: cca.hawaii.gov/oah/forms/dccp_forms/.

B. Operations

1. Panel Composition

DCCP panels consist of a chairperson, an attorney member, and a design professional member. Both the chairperson and attorney member are appointed from a list approved by the Hawaii Supreme Court, and the design professional member must be licensed in the State and in good standing. Because of the technical nature of the claims submitted to the panels, the DCCP requires and is constantly seeking qualified design professionals willing to serve on the panels, and, consequently, active recruitment of prospective panel members is ongoing.

2. Decisions Aid Conciliation Efforts

The decisions rendered by the DCCP panels provide the parties with fairly accurate advisory determinations of the relative merits of their claims; this helps

the parties evaluate whether their claims should be pursued through the judicial system. The DCCP also provides an opportunity for the parties to exchange information expeditiously and inexpensively, which in turn allows the parties to explore the conciliation of meritorious claims prior to those claims being brought before the courts. In addition, the requirements of exchanging information between the parties and making conscientious and thorough presentations to the expert panels discourage the pursuit of frivolous claims and encourage a realistic assessment of those claims.

3. Recruitment

Recruitment of design professionals, especially professional engineers, has been challenging. The DCCP will endeavor to contact the University of Hawaii school of engineering, as well as work with the Board of Professional Engineers, Architects, Surveyors and Landscape Architects to recruit design professionals to serve on DCCP panels.

4. Electronic filing of Claims and Documents and hearings

DCCP claims and documents are filed primarily by email. Hearings are held by Zoom, in person, or in hybrid formats.

C. Statistical Overview

1. Number of Claims Filed in 2023

As of November 30, 2023, 5 claims were filed with the DCCP. By comparison, in 2022, 5 claims were filed, in 2021, 7 claims were filed, and in 2020, 13 claims were filed.

2. Disposition of Claims Heard in 2023

As of November 30, 2023, one claim was heard by the DCCP. The parties in matter agreed to submit their disputes to mediation or arbitration. See Figure 2: Disposition of DCCP Claims in 2023. The remaining claims filed in 2023 have been scheduled for hearing in early 2024.

Figure 2: Disposition of DCCP Claims in 2023

Total claims filed in 2023	5
Total number of hearings conducted	1
Liability found	0
Some Respondents liable	0
No liability found	0

Total damages recommended by panel	\$0.00
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Disposition of claims in 2023	
Withdrawn/dismitted	0
Settled	0
Mediation/alternative dispute resolution	1
Tolling period lapsed	0

CONCLUSION

By the end of 2023, the MICP will have been operating for approximately 10 years. Based on routine panelist interviews and participant feedback, both panelists and the attorneys representing the parties have become very comfortable with the mediation and conciliation program, and this has resulted in more satisfied participants. These interviews have also confirmed the success of the MICP in bringing parties together for a frank discussion of their inquiries, with the assistance of a neutral medical expert, before deciding whether to pursue medical claims in the court system.

Similarly, the DCCP has provided parties an accessible and informal forum to meet, exchange information, clarify questions and misunderstandings, and ultimately, receive the benefit of neutral expert opinions on the merits of tort claims against design professionals. As a result, the parties leave the hearing process with a better understanding of their claims, defenses, and potential exposure. This, in turn, allows for a realistic evaluation of the case while encouraging the parties to reach a fair and acceptable compromise.