

Honolulu, Hawaii

FEB 02 , 2024

RE: H.B. No. 1637
H.D. 1

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

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 1637 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify that:

- (1) With controverted claims, an injured employee's private health care plan must by default pay or provide medical care, services, and supplies pending acceptance of the claim or determination of compensability, subject to penalty, and may seek reimbursement from the employer if accepted or compensable; and
- (2) Controverted claims include any claim not accepted, including but not limited to a claim that is denied, pending investigation.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations. Your Committee received comments on this measure from the Hawaii Insurers Council; American Property Casualty Insurance Association; and Hawaii Medical Service Association.



Your Committee finds that in cases of a controverted claim, requiring the injured employee's private health care plan to pay for medical care pending the acceptance of a workers' compensation claim or determination of compensability ensures that the injured employee receives appropriate medical care in a timely manner. This measure further clarifies the reimbursement and other responsibilities by affected parties in providing much needed timely medical care to injured employees.

Your Committee notes that the administration fee of three percent that is referenced in this measure was included for inflationary purposes.

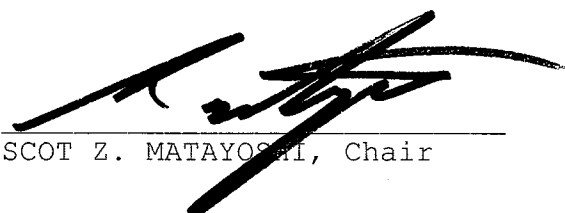
Your Committee has amended this measure by:

- (1) Clarifying that a private health care plan and injured employee shall be reimbursed for any reasonable and necessary medical expenses related to the covered injury;
- (2) Specifying that an injured employee shall be reimbursed directly for any copayments related to the covered injury;
- (3) Increases the time period that an investigation of a claim must be completed from thirty to ninety days, subject to a private health care plan charging an employer an administration fee;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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



Respectfully submitted on
behalf of the members of the
Committee on Labor & Government
Operations,



SCOT Z. MATAYOSHI, Chair



