



STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
KA 'OIHANA PONO LIMAHANA

February 6, 2025

To: The Honorable Scot Z. Matayoshi, Chair,  
The Honorable Cory M. Chun, Vice Chair, and  
Members of the House Committee on Consumer Protection & Commerce

Date: Thursday, February 6, 2025  
Time: 2:00 p.m.  
Place: Conference Room 329, State Capitol

From: Jade T. Butay, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. 480 HD1 RELATING TO WORKERS' COMPENSATION**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The DLIR supports this measure that adds a new section to Chapter 386, Hawaii Revised Statutes (HRS) that authorizes an attending physician to request or refer an employee to a functional capacity exam (FCE) when an injured employee has reached medical stabilization and is permanently unable to return to their usual and customary work without prior authorization. This measure also proposes to amend §386-27(a), HRS by allowing licensed occupational and physical therapists to be deemed qualified to perform functional capacity exams.

**II. CURRENT LAW**

§386-21 (a), HRS, states that immediately after a work injury is sustained by an employee and for so long as reasonable needed, the employer shall furnish to the employee all medical care, services, and supplies as the nature of the injury requires.

**III. COMMENTS ON THE HOUSE BILL**

The DLIR supports this measure which encourages timely and accurate assessments of an injured worker's physical abilities. FCEs utilize a series of tests to assess an individual's level of ability to perform work-related tasks. The results can determine an employee's ability to return to work with or without accommodations and may also provide the employer with guidance on job duties to avoid while the employee recovers to full duty. These guidelines may prevent re-injury and ultimately accelerate the injured worker's return to full-duty work.



**JOSH GREEN, M. D.**  
GOVERNOR  
KE KIA'ĀINA

**SYLVIA LUKE**  
LT. GOVERNOR  
KA HOPE KIA'ĀINA

**BRENN A H. HASHIMOTO**  
DIRECTOR  
KA LUNA HO'OKELE

**BRIAN K. FURUTO**  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII**  
**DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT**  
**KA 'OIHANA HO'OMŌHALA LIMAHANA**  
235 S. BERETANIA STREET  
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Statement of  
**BRENN A H. HASHIMOTO**  
Director, Department of Human Resources Development

Before the  
**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**  
Thursday, February 6, 2025  
2:00 PM  
State Capitol, Conference Room 329

In consideration of  
**HB 480, HD 1, Relating to Workers' Compensation**

Chair Matayoshi, Vice Chair Chun, and the members of the committee.

The Department of Human Resources Development (HRD) is in **support** of HB 480, HD1.

The bill proposes to:

1. Authorize an attending physician to request a functional capacity exam and refer an injured employee for the exam without first obtaining permission from the employee's employer.
2. Allow licensed occupational and physical therapists to be deemed qualified to perform functional capacity exams.

Under Hawaii's Revised Statutes (HRS) §26-5, HRD administers the State's self-insured and centralized workers' compensation program and return to work program. The utilization of functional capacity exams is necessary in assessing an injured worker's ability to return to work, as they provide valuable medical information to objectively determine an employee's physical abilities. The proposed bill ensures exams will be conducted in a timely manner and at the appropriate stage in the workers' compensation process.

Thank you for the opportunity to provide testimony.

**RICHARD T. BISSEN, JR.**  
Mayor

**JOSIAH K. NISHITA**  
Managing Director



**OFFICE OF THE MAYOR**  
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TO: Representative Scot Z. Matayoshi, Chair  
Representative Cory M. Chun, Vice Chair  
Committee on Consumer Protection and Commerce

FROM: Richard T. Bissen, Jr., Mayor  
Victoria J. Takayesu, Corporation Counsel

DATE: February 4, 2025

SUBJECT: **OPPOSITION OF HB480 HD1 RELATING TO WORKERS' COMPENSATION**

Thank you for the opportunity to testify in **OPPOSITION** of this measure. The Authorizes an attending physician to request a functional capacity exam and refer an injured employee for the exam without first obtaining permission from the employee's employer. Allows licensed occupational and physical therapists to be deemed qualified to perform functional capacity exams. Effective 7/1/3000.

We **OPPOSE** this measure for the following reasons:

This act appears to be a solution in search of a problem. This bill will only result in abuse by Employee's and doctors who are shopping for the particular FCE result they want, instead of an independent FCE. It encourages Employees who do not want to work to seek repeat costly FCE's to stay off work. It encourages Employees who want to work, but are unable to work to seek repeat costly FCE's to go back to a work environment where they could be reinjured worse.

Mahalo for your consideration.

## TESTIMONY OF MILIA LEONG

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COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Representative Scot Z. Matayoshi, Chair  
Representative Cory M. Chun, Vice Chair

Thursday, February 6, 2025  
2:00 p.m.

### **HB 480, HD1**

Chair Matayoshi, Vice Chair Chun, and members of the Committee on Consumer Protection & Commerce, my name is Milia Leong, Executive Claims Administrator for HEMIC Insurance Managers, Inc., and Workers' Compensation Chair for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **supports** this bill. We believe that the provisions outlined in this bill will streamline the workers' compensation process and move the claim forward without unnecessary delays.

Thank you for the opportunity to testify.



## Hawaii Medical Association

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### HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Representative Scot Z Matayoshi, Chair  
Representative Cory M Chun, Vice Chair

Date: February 6, 2025  
From: Hawaii Medical Association (HMA)  
Jerald Garcia MD - Chair, HMA Public Policy Committee

**RE HB 480 HD 1 RELATING TO WORKERS' COMPENSATION-** Workers' Compensation;  
Functional Capacity Exam; Occupational Therapy; Physical Therapy  
**Position: Support**

This measure would authorize an attending physician to request a functional capacity exam (FCE) and refer an injured employee for the exam without first obtaining permission from the employee's employer and allow licensed occupational and physical therapists to be deemed qualified to perform functional capacity exams.

The FCE is a set of tests that are used to identify the patient's physical skills, functional capabilities, activity endurance, and work tolerances, typically administered by a trained and licensed provider such as an occupational therapist or physical therapist. Employers understand well the importance of prompt evaluation as the FCE informs the clinical care team of possible diagnoses/ treatments and recovery. Additionally, the FCE will provide an objective assessment that assists with future job modifications and the safe gradual transition back to work, decreasing risks for reinjury or long-term disability.

Elimination of employer permission for FCE when requested by a physician is a reasonable step in decreasing unnecessary and harmful delays for patients and the future planning of their safe return to work. HMA supports this measure that will allow prompt and safe FCE evaluation of Hawaii patients by a trained and licensed provider with work related illness or injury.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

#### 2025 Hawaii Medical Association Officers

Elizabeth Ann Ignacio, MD, President • Nadine Tenn-Salle, MD, President Elect • Angela Pratt, MD, Immediate Past President  
Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

#### 2025 Hawaii Medical Association Public Policy Coordination Team

Jerald Garcia, MD, Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

## REFERENCES AND QUICK LINKS

State of Hawaii. [Disability Compensation Division](#). About Workers' Compensation (WC). Accessed February 4 2025.

Yorton S. Lawmaker Posts Rare Win For Injured Workers — And Pushes For More. [Honolulu Civil Beat](#). [July 31 2024](#). Accessed February 4 2025.

Mtayoshi CC. How to get worker's comp for work-related injury, illness. KHON.com. Apr 8 2024. Accessed February 4 2025.

U.S. Department of Interior. Office of the Secretary. Return to work (limited light duty, alternative work assignments and modified permanent job offers) handbook. April 18 2023. Accessed February 4 2025.

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Jerald Garcia MD, Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

**LATE**

**HB-480-HD-1**

Submitted on: 2/6/2025 9:01:28 AM

Testimony for CPC on 2/6/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dr. Christina MB Wang	Individual	Support	Written Testimony Only

Comments:

Dear Chair San Buenaventura , Vice Chair Aquino and members of the committee

I **support SB 480**. The 340B Drug Discount Program was established in 1992 to help safety-net providers such as critical access hospitals and federally qualified health centers stretch their scarce resources to serve the most vulnerable populations. The savings realized by these covered entities through the 340B program are required, by statute, to be reinvested back into the communities they serve by expanding patient access to services that would normally be unfunded. These services include such things as adult dental care, enabling services, clinical pharmacy programs, and affordable medication programs. Contract pharmacies serve as extensions of the covered entities, increasing patient access by reducing geographic and financial access barriers. Four out of ten health centers rely solely on contract pharmacies and nine out of ten health centers use contract pharmacies to meet their community’s medication access needs. Since 2020, drug manufacturers have begun restricting access to 340B priced medications at contract pharmacies such that 39 manufacturers now restrict shipments of their medications with limitations varying by covered entity type. This has resulted in dramatic decreases in the financial resources needed to support these otherwise unfunded patient access programs. Patient access to care and clinical outcomes suffer as a result.

As the medical director of Hawaii Health and Harm Reduction Center, we require 340B funds to help patients for example pay for/ obtain necessary labs and other necessary tests or medications that are crucial for patient care.

Mahalo