



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

February 21, 2025

To: The Honorable Kyle T. Yamashita, Chair,
The Honorable Jenna Takenouchi, Vice Chair, and
Members of the House Committee on Finance

Date: Friday, February 21, 2025

Time: 10:00 a.m.

Place: Conference Room 308, 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), which 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) by allowing licensed occupational and physical therapists to be deemed qualified to perform functional capacity exams.

II. CURRENT LAW

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

§386-27 Qualification and duties of health care providers subsection (a) prescribes the qualification for providing health care services to workers' compensation claimants as licensed under HRS Chapters.

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.

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KE KIA'ĀINA

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Statement of
BRENNA H. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON FINANCE
Friday, February 21, 2025
10:00 AM
State Capitol, Conference Room 308

In consideration of
HB480, HD 1 – RELATING TO WORKERS' COMPENSATION

Chair Yamashita, Vice Chair Takenouchi, and the members of the committee:

The Department of Human Resources Development (HRD) is in **support** of HB480, 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 Hawai'i 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.

TESTIMONY OF MILIA LEONG

COMMITTEE ON FINANCE
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair

Friday, February 21, 2025
10:00 a.m.

HB 480, HD1

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee on Finance, 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.