

STAND. COM. REP. NO.

474

Honolulu, Hawaii

FEB 12 , 2025

RE: H.B. No. 423
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Labor, to which was referred H.B. No. 423
entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify the process for selecting a certified provider of rehabilitation services; and
- (2) Require providers to automatically approve vocational rehabilitation services for an injured employee if those services will likely be required for suitable gainful employment.

Your Committee received testimony in support of this measure from the Department of Human Resources Development; American Property Casualty Insurance Association; and Hawaii Insurers Council. Your committee received comments on this measure from the Department of the Attorney General and Department of Labor and Industrial Relations.

Your Committee finds that early intervention is vital to ensure the efficient and effective rehabilitation of employees who suffer a work-related injury. Your Committee also finds that

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employees who participate in vocational rehabilitation services have better recovery outcomes and can return to work earlier than if they had not participated in rehabilitation. Your Committee further finds that the existing process hinders the success of recovery from an injury because there is a lengthy approval process for the injured employee to be referred to vocational rehabilitation. Your Committee believes that this measure maximizes the chances of a successful recovery for the injured employee so that they can return to work with minimal limitations and minimizes costs for employers and insurers.

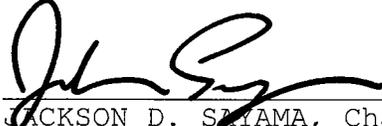
Your Committee amended this measure by:

- (1) Clarifying the voluntary basis of the vocational rehabilitation program;
- (2) Clarifying when the thirty days begins for an injured employee to choose a provider;
- (3) Adding statutory language to align this measure with title 34 Code of Federal Regulations section 361.45(e) related to when a provider must file the employee's plan of employment;
- (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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 423, 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,



JACKSON D. SHIMAMA, Chair

