

LINDA LINGLE

GOV. MSG. NO. 833

July 11, 2006

The Honorable Robert Bunda, President and Members of the Senate Twenty-Third State Legislature State Capitol, Room 003 Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

I am transmitting herewith HB2558 HD1 SD2 CD1, without my approval, and with the statement of objections relating to the measure.

HB2558 HD1 SD2 CD1

A BILL FOR AN ACT RELATING TO VOCATIONAL REHABILITATION.

Sincerely,

LINDA LINGLE

A BILL FOR AN ACT

RELATING TO VOCATIONAL REHABILITATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Section 386-25, Hawaii Revised Statutes, is
2	amended by amending subsection (b) to read as follows:
3	"(b) The director may refer employees who may have or have
4	suffered permanent disability as a result of work injuries or
5	who have otherwise been deemed unable to return to their regular
6	jobs after the injury may have stabilized, where the employer
7	has made no offer of permanent suitable work that would restore
8	the earnings capacity as nearly as possible to that level that
9	the employee was earning at the time of injury, and who, in the
10	director's opinion, can be vocationally rehabilitated to the
11	department of human services or to private providers of
12	rehabilitation services for vocational rehabilitation services
13	that are feasible. A referral shall be made upon recommendation
14	of the rehabilitation unit established under section 386-71.5
15	and after the employee has been deemed physically able to
16	participate in rehabilitation by the employee's attending
17	physician. The unit shall include appropriate professional
18	staff and shall have the following duties and responsibilities:
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1	(1)	To review and approve rehabilitation plans developed
2		by certified providers of rehabilitation services,
3		whether they [be] are private or public;
4	(2)	To adopt rules consistent with this section that shall
5		expedite and facilitate the identification,
6		notification, and referral of industrially injured
7		employees to rehabilitation services $[\tau]$ and establish
8		minimum standards for providers providing
9		rehabilitation services under this section;
10	(3)	To certify private and public providers of
11		rehabilitation services meeting the minimum standards
12		established under paragraph (2); and
13	(4)	To enforce the implementation of rehabilitation
14		plans."
15	SECT	ION 2. Statutory material to be repealed is bracketed
16	and stric	ken. New statutory material is underscored.
17	SECT	ION 3. This Act shall take effect on July 1, 2006.

HB No. 2558 HD 1 SD 2 CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2006 Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.

Calvin K.Y. Say

Speaker

House of Representatives

Patricia Mau-Shimizu Chief Clerk House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2006 Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.

Robert Bunda

President of the Senate

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Paul Kawaguchi Clerk of the Senate

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2558, entitled "A Bill for an Act Relating to Vocational Rehabilitation," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2558 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, LINDA LINGLE, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2558 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu, State of Hawaii, this 26th day of June, 2006.

> LINDA LINGLE Governor of Hawaii

EXECUTIVE CHAMBERS HONOLULU July 10, 2006

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2558

Honorable Members Twenty-Third Legislature State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2558, entitled "A Bill for an Act Relating to Vocational Rehabilitation."

The purported intent of this bill is to authorize the Director of Labor and Industrial Relations to refer injured employees who may not have suffered permanent disabilities as a result of their work injuries for vocational rehabilitation when the injured employees are unable to return to their regular jobs after their injuries may have stabilized and when employers have made no offer of "permanent" suitable work that is comparable in earnings to that of the employees' former jobs.

My Administration believes that returning injured employees to work is medically and economically beneficial to the employees, is economically beneficial to the employers, and is beneficial to the workers' compensation system. Thus, my Administration has supported efforts to encourage employers to provide alternative work and efforts to vocationally rehabilitate injured employees.

This bill, however, is objectionable because the requirement that employers offer "permanent" suitable work could be interpreted to imply that employers must offer guaranteed lifelong employment and that employers cannot later terminate the employee for economic reasons or employee misconduct. To the extent that employers will not be able to offer such permanent work, more employees would seek vocational rehabilitation services, thus increasing the cost of the system.

It should be pointed out that vocational rehabilitation

STATEMENT OF OBJECTIONS HOUSE BILL NO. 2558 Page 2

services are intended for those injured employees who have become permanently disabled from performing their usual and customary work and the employer has no other work available to accommodate the person's permanent limitations. Allowing all injured employees, even those with minor injuries, the ability to be considered for vocational rehabilitation services could significantly increase the number of injured workers flowing into the vocational rehabilitation system. It would increase temporary disability costs, increase workers compensation premiums, and preclude availability of the system for those who most need it—the permanently disabled.

For the foregoing reasons, I am returning House Bill No. 2558 without my approval.

Respectfully,

LINDA LINGLE

Governor of Hawaii