STAND. COM. REP. NO.

2419

Honolulu, Hawaii

FFR 1 5 2008

RE:

S.B. No. 2538

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

## Madam:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 2538 entitled:

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

begs leave to report as follows:

The purpose of this measure is to increase the workers' compensation fee schedule from one hundred ten to one hundred twenty per cent of the Medicare Resource Based Relative Value Scale applicable to Hawaii, effective January 1, 2009.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs Insurance Division, Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii State Chiropractic Association, the Hawaii Chapter of the American Physical Therapy Association, ILWU, and Hawaii Medical Association. The American Insurance Association and Hawaii Insurers Council submitted testimony in opposition.

Your Committee finds that the increase in the workers' compensation fee schedule is necessary to ensure that employees and motor vehicle insurance claimants receive the necessary medical care and services for their injuries.

Your Committee notes that many important issues were raised during the discussion on the measure, including the issue of whether the workers' compensation fee schedule should be separate from the Medicare fee schedule and whether the state workers'

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compensation reimbursement rates should be modeled after the federal workers' compensation rates.

Your Committee also notes that several of the testifiers indicated that the increase provided for in this measure should be amended to be somewhere between one hundred thirty per cent to one hundred forty per cent.

Your Committee has amended this measure by amending the effective date in order to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2538, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Judiciary and Labor,

BRIAN T. TANIGUCHI, Chalr

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No.:*	Committee Referral:			Date:		
JB 2538	JDL, WAN			2/5/08		
The committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	R)	Nay	Excused
TANIGUCHI, BRIAN T. (C)		V				4
HEE, Clayton (VC)						<i>\</i>
GABBARD, Mike						
KOKUBUN, Russell S.						
NISHIHARA, Clarence K.					VII (17.00	
SLOM, Sam		$V_{min}$				
		. 1				
TOTAL		<u> </u>				1
Recommendation:  Adopted Not Adopted						
Chair's or Designer's Signature:						
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

\*Only one measure per Record of Votes