STAND. COM. REP. NO.

Honolulu, Hawaii

Feb 6 , 2012

RE: H.B. No. 2583 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2583 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL BENEFITS UNDER THE WORKERS' COMPENSATION LAW,"

begs leave to report as follows:

The purpose of this measure is to improve the efficiency of the workers' compensation system by requiring the Director of Labor and Industrial Relations to make a decision on disputes regarding treatment plans and continued medical services without a hearing within thirty days of the filing of a dispute.

The Department of Labor and Industrial Relations and two concerned individuals testified in support of this measure. The Hawaii Government Employees Association testified in support of the intent of this measure. The Chamber of Commerce of Hawaii testified in opposition to this measure. ILWU Local 142 provided comments.

Under Hawaii's Workers' Compensation Law, when a dispute is filed regarding a proposed treatment plan or whether medical services should be continued, the Director of the Department of Labor and Industrial Relations is required to render a decision within thirty days of the filing of a dispute. However, Hawaii's recent economic downturn has resulted in budget cuts and staff shortages within the Department of Labor and Industrial relations and it currently takes three to four months to schedule a hearing,

notice the parties, conduct the hearing, and render a decision. This measure attempts to simplify this process and allow injured workers, insurance carriers, and employers to receive more prompt decisions as to whether medical services will continue or whether a treatment plan will be approved or denied.

However, your Committee understands concerns raised that not all medical disputes may be able to be resolved without a hearing and requiring the Director of the Department of Labor and Industrial Relations to render a decision in thirty days without a hearing may not be practical.

As such, your Committee has amended this measure by allowing, rather than requiring, the Director of the Department of Labor and Industrial Relations to render a decision without a hearing while maintaining the requirement that the decision be rendered within thirty days of the filing of the dispute.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2583, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

KARL RHOADS, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

HSCR 94-12

Record of Votes of the Committee on Labor & Public Employment

	e Referral: Rb 9 FIN	Date	1-31-1	2
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)		10		
2. YAMASHITA, Kyle T. (VC)				
3. AQUINO, Henry J.C.				
4. CULLEN, Ty				
5. ICHIYAMA, Linda				
6. LEE, Marilyn B.				
7. LUKE, Sylvia			10.10	
8. OKAMURA, Tom				
9. SAIKI, Scott K.				· · · · · · · · · · · · · · · · · · ·
10. SOUKI, Joseph M.				
11. TAKUMI, Roy M.		-		,
12. FONTAINE, George R.				
13. JOHANSON, Aaron Ling				<u>,</u>
TOTAL (13)	11	1		1
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				