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DEPARTMENT OF HUMAN RESOURCES

## **CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL MAYOR



CAROLEE C. KUBO DIRECTOR DESIGNATE

NOEL T. ONO ASSISTANT DIRECTOR

January 29, 2013

## LATE TESTIMONY

The Honorable Mark M. Nakashima, Chair and Members of the Committee on Labor and Public Employment State House of Representatives Hawaii State Capitol 415 South Beretania St. Honolulu, HI 96813

Dear Chair Nakashima and Members:

Subject: House Bill No. 152, Relating to Workers' Compensation

The Department of Human Resources opposes House Bill No. 152, amending Section 386-21 (c), Hawaii Revised Statutes (HRS), by increasing the reimbursement rate for medical providers from 100% to 130% of the Medicare Resource Based Relative Value Scale for Hawaii. In 1995, the Legislature amended this section of the law to reduce excessive reimbursement rates and establish a comprehensive, nationally recognized system of charges. The law further established procedures for the Director of the Department of Labor and Industrial Relations to adjust the schedule to ensure reasonable allowances for reimbursement.

We respectfully urge your committee to file House Bill No. 152. We do not believe that there is a need to change the reimbursement rate for the entire workers' compensation medical fee schedule by any amount. With proper justification from the medical community, the Director of Labor and Industrial Relations, under Section 386-21 (c), HRS, can increase allowances for medical care and services that are not considered reasonable or adequate.

Thank you for the opportunity to testify.

Sincerely,

Carolee C. Kubo Director Designate