DAVID Y. IGE GOVERNOR



JAMES K. NISHIMOTO DIRECTOR

CINDY S. INOUYE DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT 235 S. BERETANIA STREET HONOLULU, HAWAII 96813-2437

February 3, 2016

TESTIMONY TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

For Hearing on Friday, February 5, 2016 9:30 a.m., Conference Room 309

ΒY

JAMES K. NISHIMOTO DIRECTOR

House Bill No. 2017 Relating to Workers' Compensation Treatment Plans

WRITTEN TESTIMONY ONLY

TO CHAIRPERSON MARK NAKASHIMA AND MEMBERS OF THE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT:

Thank you for the opportunity to provide comments on H.B. 2017.

The purposes of H.B. 2017 are to allow physicians to submit workers' compensation treatment plans to employers by facsimile, the Internet, or secure electronic mail; and require employers to accept electronically submitted treatment plans and provide an electronic receipt of the submission.

The Department of Human Resources Development ("DHRD") has a fiduciary duty to administer the State's self-insured workers' compensation program and its expenditure of public funds.

The Director of the Department of Labor and Industrial Relations ("Director") already has promulgated administrative rules in Title 12, Chapter 15, Workers' Compensation Medical Fee Schedule ("WCMFS"), which prescribes very specific and comprehensive requirements governing the submittal, approval, and denial of treatment plan requests by physicians and other providers of service. If the intent of this measure

H.B. 2017 February 3, 2016 Page 2

is to expedite this process through the use of electronic means, we would recommend that these changes be made to Title 12, Chapter 15, via the Director's Chapter 91, HRS, rule-making powers, in lieu of a new statutory section. The rule-making process would allow all interested stakeholders to address the practical and operational issues raised in the 2015 legislative session in testimony on an identical measure, S.B. 809. These issues include, but are not limited to: 1) whether the measure applies to providers of service other than physicians and requests for concurrent treatment, consultations, and surgery; 2) the designation of specific electronic addresses for transmitting and receipt of treatment plans; 3) clarification of receipt dates due to the proposed seven-day objection deadline; 4) the propriety of the proposed seven-day deadline; and 5) security of electronically transmitted information. DEPARTMENT OF HUMAN RESOURCES

CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 10TH FLOOR • HONOLULU, HAWAII 96813 TELEPHONE: (608) 768-8500 • FAX: (608) 768-5563 • INTERNET: www.honolulu.gov/hr

KIRK CALDWELL MAYOR



CAROLEE C. KUBO DIRECTOR

NOEL T. ONO ASSISTANT DIRECTOR

February 5, 2016

The Honorable Mark M. Nakashima, Chair and Members of the Committee on Labor & Public Employment The House of Representatives State Capitol, Room 309 415 South Beretania Street Honolulu, Hawaii 96813

Dear Chair Nakashima and Members of the Committee:

SUBJECT: House Bill No. 2017 Relating to Workers' Compensation Treatment Plans

The City and County of Honolulu opposes H.B. 2017 which would authorize physicians to submit workers' compensation treatment plans to employers by facsimile, the Internet, and other electronic media and require employers to accept electronically submitted treatment plans and provide an electronic receipt of the submission. The measure further provides that if the employer fails to file an objection to the treatment plan within seven calendar days following receipt, the treatment plan shall be deemed accepted.

The City opposes the measure for three different reasons. The first is the lack of specificity in the measure. While the term "the Internet" is referenced numerous times throughout the measure, there is no accompanying definition to allow interested parties to determine how treatment plans could be submitted via the Internet and objected to should the bill become law.

H.B. 2017 also requires that employers accept electronic submissions of treatment plans and provide an automatic electronic receipt upon such submission. The City simply does not have the technology to comply with this mandate. Even electronic receipt of requests received by facsimile would depend upon the sender programming its machine to provide such confirmation, rather than the recipient being able to do so automatically.

The Honorable Mark M. Nakashima, Chair and Members of the Committee on Labor & Public Employment The House of Representatives February 5, 2016 Page 2

Finally, the City objects to a treatment plan being deemed accepted if an objection is not filed within seven days following receipt. Section 12-15-32 of the Medical Fee Schedule currently provides that an employer is responsible for payment of treatments provided for under a complete treatment plan until the date an objection is filed with the Director of Labor and Industrial Relations. That requirement is fair to all parties and should not be modified by the proposed legislation.

In light of the foregoing, the City respectfully requests that H.B. 2017 be held in committee. Thank you for the opportunity to testify.

Sincerely,

Caroleol. Knor-

Carolee C. Kubo Director



Pauahi Tower, Suite 2010 1003 Bishop Street Honolulu, Hawaii 96813 Telephone (808) 525-5877

Alison H. Ueoka President

TESTIMONY OF ALISON UEOKA

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT Representative Mark M. Nakashima, Chair Representative Jarrett Keohokalole, Vice Chair

> Friday, February 5, 2016 9:30 a.m.

<u>HB 2017</u>

Chair Nakashima, Vice Chair Keohokalole, and members of the Committee on Labor and Public Employment, my name is Alison Ueoka, President of Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately thirty-six percent of all property and casualty insurance premiums in the state.

While Hawaii Insurers Council <u>supports</u> the intent of the bill to streamline the treatment plan process by allowing physicians to transmit electronically, we <u>oppose</u> the new requirement to mandate insurers submit denials including medical evidence within seven days after receipt of the treatment plan.

Specifically, if physicians are allowed to transmit treatment plans electronically, there needs to be safeguards to limit abuse. For instance:

- 1. The provider must use a correct email address as directed by the insurer/employer.
- 2. The treatment plan must contain information required by the intended recipient in order to generate the automatic electronic receipt.
- 3. What constitutes an electronic receipt? Is an out-of-office reply an electronic receipt?

We oppose the seven-day requirement as being unreasonable as it is often not enough time to obtain medical evidence to support a denial. If the seven-day denial period is unreasonably short, the result will be automatic approvals of 120-day treatment plans, even if inappropriate. Current Administrative Rules in Section 12-15-32 provide for a process where the employer must pay for treatments under a complete treatment plan until the date an objection is filed, which we believe is fair and adequate.

If the bill moves forward, we ask the Committee to include safeguards and specificity on electronic transmissions and to delete the seven-day denial requirement.

Thank you for the opportunity to testify.

www.namic.org



3601 Vincennes Road, Indianapolis, Indiana 46268 Phone: 317.875.5250 | Fax: 317.879.8408

122 C Street N.W., Suite 540, Washington, D.C. 20001 Phone: 202.628.1558 | Fax: 202.628.1601

February 4, 2016

Hawaii State Legislature House Committee on Labor and Public Employment Hawaii State Capitol 415 South Beretania Street Honolulu, HI 96813

Filed via electronic testimony submission system

RE: HB 2017, Treatment Plans - NAMIC's Written Testimony in Opposition to Legislation

Dear Representative Mark M. Nakashima, Chair; Representative Jarrett Keohokalole, Vice-Chair; and honorable members of the House Committee on Labor and Public Employment:

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the February 5, 2016, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

The 1,300 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$208 billion in annual premiums, accounting for 48 percent of the automobile/homeowners market and 33 percent of the business insurance market. NAMIC has 69 members who write property/casualty and workers' compensation insurance in the State of Hawaii, which represents 30% of the insurance marketplace.

Through our advocacy programs we promote public policy solutions that benefit NAMIC companies and the consumers we serve. Our educational programs enable us to become better leaders in our companies and the insurance industry for the benefit of our policyholders.

The proposed legislation states:

(b) A treatment plan *shall be deemed received* by an employer when the plan is sent by facsimile, the Internet, or secure electronic mail with *reasonable evidence*, including automatic electronic receipt, showing that the treatment plan was received. (c) A treatment plan *shall be deemed accepted* if an employer fails to file with the director by facsimile, the Internet, or secure electronic mail: (1) An objection to the treatment plan; (2) Any applicable documentary evidence

supporting the denial; and (3) A copy of the denied treatment plan, copying the physician and the injured employee, *within seven calendar days after the employer's receipt* of the treatment plan. [Emphasis added]

NAMIC respectfully submits the following statement of concerns:

1) HB 2017 imposes on employers and insurers a required medium for communications (email or facsimile transmission) that may create needless administrative and IT problems for small businesses.

The proposed legislation states that "[a] treatment plan *shall be deemed received* by an employer when the plan is sent by facsimile, the Internet, or secure electronic mail ….." NAMIC is concerned that this proposed requirement imposes a mandatory form of communication upon employers and insurers. Why shouldn't the employer or insurer have the right to request that the delivery of a confidential treatment plan be delivered via a medium that better conforms to the employer's or insurer's established internal administrative practices for receipt of treatment plans? If a specific treating physician or injured worker needs to deliver the treatment plan electronically or by facsimile they can work out the details of the communication with the employer or insurer directly. There is no public policy rationale for dictating a medium for communications on a case by case basis.

2) NAMIC is concerned that the proposed legislation is likely to create legal disputes over when the insurer received receipt of the treatment plan.

First of all, there is no definition in the proposed legislation as to what is meant by "reasonable evidence". This is likely to lead to needless litigation, whereas proof of receipt via a signed acceptance by the employer or insurer upon personal delivery or proof via certified mail, return receipt, is clear and well-established evidence of receipt. Additionally, the proposed legislation incorrectly assumes that all email systems generate an electronic receipt of delivery or that the email transmission was actually received by the employer or insurer and not collected in an automated junk mail folder or blocked by an email security firewall. Since the proposed legislation imposes a time deadline for filing a treatment plan objection, it doesn't make sense to mandate a communications medium that may not reasonably work for the employer or insurer, whose legal rights may be adversely impacted by a failed email transmission or facsimile transmission error.

3) NAMIC is concerned that the proposed legislation creates an unclear and inappropriate legal presumption of receipt of a treatment plan and acceptance of the treatment plan.

HB 2017 uses the phrase "shall be deemed", but the proposed legislation doesn't define what is the precise legal meaning of the word "deemed". Does it mean "rebuttably presumed" or "conclusively presumed"?

If the word "deemed" is intended to connote "conclusively presumed", NAMIC is concerned that the proposed imposition of a legal presumption that denies the employer or insurer the right to

offer evidence that the insurer did not, in fact, receive the treatment plan is patently unfair and is likely to lead to costly litigation and facilitate workers' compensation fraud, which could adversely impact affordability of WC insurance.

4) NAMIC is concerned that the proposed *seven calendar day* objection deadline from receipt of treatment plan could adversely impact an insurer's ability to thoroughly evaluate a proposed treatment plan to the detriment of injured workers.

Providing injured workers with timely *and* appropriate medical treatment is of great importance to employers and insurers. NAMIC is concerned that the seven calendar day deadline could needlessly hinder insurers in their ability to properly and comprehensively evaluate medical treatment plans in cases involving a complex medical diagnosis and/or an extensive medical/rehabilitation treatment program. Therefore, NAMIC recommends that the bill sponsor and committee work with insurers to create a deadline that is practical and workable for all interested parties. NAMIC also suggests that the proposed legislation also specifically provide for a process by which an insurer may request a reasonable extension of time in cases where the injured worker's medical treatment plan proposal requires additional medical review time. Finally, NAMIC respectfully requests that any deadline adopted be based upon the standard five *business days* work week that is customarily used for calculating filing deadlines.

5) The proposed legislation is unnecessary and overly restrictive.

Although NAMIC appreciates the importance of providing employers, insurers, treating physicians and injured workers with the option of being able to use modern technology to communicate and transmit information, we are opposed to mandates like the one proposed that unnecessarily limit freedom of choice.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at <u>crataj@namic.org</u>, if you would like to discuss NAMIC's written testimony. Respectfully,

6 hitren John Hally

Christian John Rataj, Esq. NAMIC Senior Director – State Affairs, Western Region

LABtestimony

From:	mailinglist@capitol.hawaii.gov
Sent:	Wednesday, February 03, 2016 6:06 PM
To:	LABtestimony
Cc:	moore4640@hawaiiantel.net
Subject:	Submitted testimony for HB2017 on Feb 5, 2016 09:30AM
Follow Up Flag:	Follow up
Flag Status:	Flagged

<u>HB2017</u>

Submitted on: 2/3/2016 Testimony for LAB on Feb 5, 2016 09:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Moore	Hawaii Injured Workers Association	Support	No

Comments: Aloha: The Hawaii Injured Workers Association (HIWA) respectfully supports passage of this bill intended to help facilitate medical providers efficiently submitting treatment plan requests for approval in our modern age of fax & email. The intent should improve the delivery of medical care to injured workers & cut back on unnecessary disputes & delays, thus allowing improved medical rehabilitation. Improved medical rehabilitation of injured workers should return them to the workforce quicker which benefits employers as well. The thoughtful testimony submitted by Mr. Wayne Mukaida should be incorporated into the bill and it should be amended accordingly. Mahalo for your support & passage with amendments.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

LABtestimony

From:	mailinglist@capitol.hawaii.gov		
Sent:	Wednesday, February 03, 2016 1:18 PM		
To:	LABtestimony		
Cc:	timothy.mcnulty@mauilaw.net		
Subject:	Submitted testimony for HB2017 on Feb 5, 2016 09:30AM		
Follow Up Flag:	Follow up		
Flag Status:	Flagged		

HB2017

Submitted on: 2/3/2016 Testimony for LAB on Feb 5, 2016 09:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Timothy McNulty	Individual	Support	No

Comments: COMMITTEE ON LABOR & PUBLIC EMPLOYMENT Senator Mark M. Nakashima, Chair Re: H.B. No. 2017 relating to Workers' Compensation Treatment Plans. Hearing: Feb. 5, 2016, 9:30 a.m. Chairman, and members of the Committee, I am attorney Timtohy P. McNulty. I have been in practice in Hawaii since 1986. Since around 1993, I have devoted a substantial portion of my legal practice to representing injured workers. I strongly support H.B. No. 2017 relating to Workers' Compensation Treatment Plans, with revisions. I. Carriers have been abusing Medical Fee Schedule "guidelines." The Workers' Compensation Medical Fee Schedule ("MFS") contains guidelines for medical care. The MFS was promulgated pursuant to HRS § 386-26 which specifically states that the MFS can only serve as "guidelines" for the frequency and use of medical care. Unfortunately, carriers have utilized the MFS as a mandatory check off list to deny care. The provision of §12-15-32 that a physician "may mail" a treatment plan to the carrier has been coopted by carriers to deny treatment plans on the basis that the treatment plans were faxed rather than mailed. H.B. No. 2017 would rectify this abuse by carriers. II. The Bill should be amended to allow providers of services other than physician to utilize electronic transmission of a MFS. The Bill allows a "physician" to transmit a treatment plan electronically. Providers of services other than physicians, such as physical therapists, massage therapists, occupational therapists, and other providers of medical services licensed by the Department of Commerce and Consumer Affairs, are also covered by the MFS. The term "provider of service" is currently defined in the Medical Fee Schedule as "any person or entity who is licensed, certified, recognized, or registered with the Department of Commerce and Consumer Affairs and who renders medical care, medical services, or medical supplies in accordance with chapter 386, HRS." Section 12-15-34 of the MFS provides that such a provider may mail a treatment plan to an injured workers' attending physician for approval, and that the attending physician may then mail the treatment plan to the carrier. The Bill should be amended by the addition of the following underscored language: Notwithstanding any other provision to the contrary, a physician or provide r of service other than a physician, may transmit a treatment plan to an employer by facsimile or [secure] electronic mail. III. The amendment should be restricted to facsimile and e-mail. As currently drafted, the bill allows transfer via "the Internet", and that language is too broad. There are many ways for messages to be transferred via the Internet, such as text messaging, and no doubt many more methods may be developed. Faxes and "e-mail", on the other hand, have existed for years and most businesses,

including the Department of Labor and Industrial Relations, have fax and e-mail systems. It would probably be very cumbersome and impractical for the DLIR to incorporate software for every electronic delivery system, much less make sure personnel are trai ned in the software. Therefore, the references to "the Internet" should be stricken. IV. The restriction to "secure" e-mail should be removed. As currently drafted, the bill allows transfer via "secure electronic mail". Requiring "secure" transfers is vague and unduly restrictive. E-mail security has been compared to being just as secure as the U.S. mail. There are many places in each system in which a message may be intercepted, however, the security risks in both systems appear to be acceptable as a matter of business practicality. The term "secure electronic mail" is not defined. If the term is restricted to encrypted messages, then e-mail would not be practical as all parties would have to use the same encryption software and passwords would have to be managed. Unless computer experts can demonstrate how "secure electronic mail" is practical, the security language should be deleted. CONCLUSION. Please amend H.B. No. 2017 as outlined above and move the bill towards passage. Thank you for considering my testimony. Timothy P. McNulty

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

LABtestimony

From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, February 04, 2016 2:40 PM
To:	LABtestimony
Cc:	cwilson@ahcs.com
Subject:	*Submitted testimony for HB2017 on Feb 5, 2016 09:30AM*

<u>HB2017</u>

Submitted on: 2/4/2016 Testimony for LAB on Feb 5, 2016 09:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Cathy Wilson	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Scott J. Miscovich, MD, LLC

45-1144 Kamehameha Hwy #500 Kaneohe, Hawaii 96744 Phone: (808) 247-8768 Facsimile: (808) 247-8919

February 4, 2016

- To: Rep. Mark M. Nakashgima, Chair Rep. Jarrett Keohokalole, Vice Chair And Members of the Committee on Labor and Public Employment
- RE: HB 2017 RELATING TO WORKERS' COMPENSATION TREATMENT PLANS. Hearing: February 5, 2016, at 9:30 am

Chairman, an members of the committee, I am a practicing medical physician, Scott J. Miscovich, MD. I have been in the medical care and treatment of injured workers since 1995. I am in strong support of HB 2017 Relating to Workers' Compensation Treatment Plans, with revisions.

I. <u>EMPLOYER/CARRIER'S CONVENIENT EXCUSES.</u>

The carrier's common practice of the denying treatment plans based on "no receipt of the mailed treatment plan" gives them a common excuse that they did not receive the necessary request allows them to drag out the timeliness of care. In some instances carriers/employers are not responding the treatment plans until after the 120 days requested in the treatment plan has passed. This is inexcusable. The patient suffers for 120 days. This action damages and prolongs the medical necessity of care, causing an already injured worker to suffer, deteriorate and further injure the patient.

Basic care, such as diagnostic imaging to pin point the cause of the injury are denied. Diagnostic imaging is necessary to diagnose and treat patients. It allows physicians to know exactly what the problems are and know how to prescribe immediate treatment. For example, if patient suffers a back injury, an x-ray would be needed to determine if there are any fractures. If no broken bones and pain persists, the question is "WHY?". An MRI would diagnose a potential serious problem. If a serious problem such as a disc bulge or herniation is present, then appropriate care can be prescribed. The goal is to return the patient back to work within a reasonable time. This is not possible with the current procedures that allow carriers/employer to delay such care using the excuse that they did receive the treatment plan, even though and electronic fax conformation is recorded and subsequently sent by U.S. Mail (via postage meter).

II. <u>DENIED TREATMENT</u>

The corresponding common problem with denied treatment plans that have been sent to the Employer/Carrier via U.S. Mail, and have NOT been responded to in a timely manner and had expired. Then a Request for Hearing is filed by the claimant/patient for denied treatment plans, then prolonging the process waiting for hearing. Adding on additional time and further injuring the patient because nothing can be done. In the meantime, employers are wondering when the employee can return to work. There are instances where patient have waited a year before receiving proper care and another year to recover, thus adding unnecessary recovery time of an additional year off work. This causes the patient to lose one to two years of work.

III. <u>"FAILURE BY THE EMPLOYER TO RESPOND WITHIN SEVEN CALANDER</u> DAYS SHALL CONSTITUTE APPROVAL OF THE REQUEST"

This language is missing in Hawaii Administrative Rules (HAR)§12-15-32. In HAR §12-15-40, 12-15-42 and 12-15-51 this language is present and responses by the Employer/Carrier are required. However, in HAR §12-15-32, this is not present and allowing the Employers/Carriers to delay without any consequence. This is the core of the problem. Adding this language to HAR §12-15-32 compelling the Employers/Carriers to respond to treatment plans in a timely manner. This would save valuable time that is wasted by attorneys/claimants requesting for a hearing of a treatment plan(s) that have been denied. This would also allow claimants/patients to proceed with the healing and recovery of their injuries without delay. Some of these patients wait so long for the process and determination of the outcome of a denied treatment plan that the delay causes their condition to worsen.

Adding this language <u>"FAILURE BY THE EMPLOYER TO RESPOND WITHIN</u> <u>SEVEN CALANDER DAYS SHALL CONSTITUTE APPROVAL OF THE REQUEST"</u> in HAR §12-15-32 is necessary.

IV. CONCULSION

Many medical providers are hesitant to proceed with any treatment plan without a "written" stamped approval and many medical providers have decided to stop treating worker's compensation patients, thereby reducing the pool of qualified medical providers. Please amend HB 2017 as stated above and move the bill towards passage.

Thank you for my testimony.

Scott J. Miscovich, MD Family Medicine President, Work Injury Medical Association of Hawaii, Chairman, State of Hawaii Narcotics Policy Work Group

From: Sent: To: Cc:	mailinglist@capitol.hawaii.gov Friday, February 05, 2016 5:43 AM LABtestimony tcoccia@ahcs.com	LATE
Subject:	*Submitted testimony for HB2017 on Feb 5, 2016 09:30AM*	

<u>HB2017</u>

Submitted on: 2/5/2016 Testimony for LAB on Feb 5, 2016 09:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Maurer	AHCS	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

From: Sent: To: Cc: Subject:

Friday, February 05, 2016 3:44 AM LABtestimony mercers@hawaii.rr.com Submitted testimony for HB2017 on Feb 5, 2016 09:30AM

mailinglist@capitol.hawaii.gov

LATE

<u>HB2017</u>

Submitted on: 2/5/2016 Testimony for LAB on Feb 5, 2016 09:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Fielding Mercer	Hawaii Academy of Physician Assistants	Support	No

Comments: There are so many barriers to providing timely care to Work Comp patients. These include requirements to mail treatment plans. HAPA providers have heard countless times that the treatment plan was not received. Send another. This bill will streamline the process and provide accountability. HAPA supports passage of this bill. We request that your committee pass this bill. Electronic communication is the current standard of care. Fielding Mercer, PA-C Legislative Liaison Hawaii Academy of Physician Assistants

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

DAVID Y. IGE GOVERNOR

SHAN S. TSUTSUI LIEUTENANT GOVERNOR



LEONARD HOSHIJO DEPUTY DIRECTOR



STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS 830 PUNCHBOWL STREET, ROOM 321 HONOLULU, HAWAII 96813 <u>www.labor.hawaii.gov</u> Phone: (808) 586-8844 / Fax: (808) 586-9099 Email: dlir.director@hawaii.gov



February 4, 2016

To: The Honorable Mark M. Nakashima, Chair, The Honorable Jarrett Keohokalole, Vice Chair, and Members of the House Committee on Labor & Public Employment

Date: Friday, February 5, 2016

Time: 9:30 a.m.

- Place: Conference Room 309, State Capitol
- From: Linda Chu Takayama, Director Department of Labor and Industrial Relations (DLIR)

Re: H.B. 2017 Relating to Workers' Compensation Treatment Plans

I. OVERVIEW OF PROPOSED LEGISLATION

HB2017 proposes to add a new section in chapter 386, Hawaii Revised Statutes (HRS), to allow physicians to electronically submit treatment plans of injured workers to employers. It will also require the employer to accept these electronically filed treatment plans and provide an electronic receipt.

The department supports the intent of this measure with comments and recommendations.

II. CURRENT LAW

Sections 12-15-32 Physicians, 12-15-34 Providers of service other than physicians, 12-15-40 Concurrent medical treatment, 12-15-42 Consultations, and 12-15-51 Surgery, of the Hawaii Administrative Rules (HAR) of the Medical Fee Schedule (Chapter 12-15), require physicians to obtain approval prior to providing the service and provide the rights of the insurance carrier to file an objection within a specific time period.

H. B. 2017 February 4, 2016 Page 2

III. COMMENTS ON THE HOUSE BILL

The department supports the intent of HB2017 that would improve the efficiency in the provision of services provided to Hawaii's injured employees. The department offers the following comment:

 In compliance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rules, the department recommends that a security protocol be included in the requirement to safeguard the transmittal of electronic health information. George M. Waialeale 910 Kapahulu Avenuue #703 Honolulu, Hawaii 96816 (808) 383-0436

February 5, 2016

LATE TESTIMONY



COMMITTEE ON LABOR & PUBLIC EMPLOYMENT Rep. Mark M. Nakashima, Chair Rep. Jarrett Keohokalole, Vice Chair

Rep. Henry J.C. Aquino Rep. Sharon E. Har Rep. Linda Ichiyama Rep. Aaron Ling Johanson Rep. Matthew S. LoPresti Rep. Joy A. San Buenaventura Rep. Roy M. Takumi Rep. Kyle T. Yamashita Rep. Andria P.L. Tupola

NOTICE OF HEARING

DATE: TIME: PLACE:

Friday, February 05, 2016 9:30 a.m. Conference Room 309 State Capitol 415 South Beretania Street

Dear Mr. Chairman and fellow committee members I am testifying in support of House Bill 2017.

I believe with the passage of this bill, injured workers will be able to get the proper care and to return back to work quickly.

I ask the Committee of Labor and Public Employment to pass this bill.

George M. Waialeale