

JAN 23 2026

A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

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

1 SECTION 1. The legislature finds that timely approval or
2 denial of medical treatment plans is essential to the recovery
3 of injured employees under the State's workers' compensation
4 system. Existing law provides that a treatment plan will be
5 deemed accepted if the employer fails to file an objection and
6 supporting documentary evidence with the director of labor and
7 industrial relations. However, the governing statute does not
8 include a timeframe within which employers must respond.
9 Without a clear written notice of acceptance or denial within a
10 reasonable timeframe, physicians are often hesitant to begin
11 treatment, which can delay necessary care for the injured
12 employee.

13 The legislature further finds that while deadlines for an
14 employer or insurer to respond to a request are included in
15 rules concerning treatments such as concurrent medical
16 treatment, consultations, and surgeries, a timeframe is notably
17 absent from the rules concerning physicians' general treatment



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1 plans. Furthermore, the workers' compensation system would
2 benefit from clarifying the employer's obligations, including
3 the implementation and payment of an approved treatment plan
4 even if a subsequent objection is raised based on new evidence,
5 and establishing clear penalties for noncompliance.

6 Accordingly, the purpose of this Act is to improve the
7 State's workers' compensation system and enforce accountability
8 amongst employers by:

- 9 (1) Requiring employers to approve or deny a treatment
10 plan in writing within seven days of its receipt;
11 (2) Clarifying the process for objecting to accepted
12 treatment plans; and
13 (3) Establishing penalties for violations.

14 SECTION 2. Section 386-21.2, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "[+]§386-21.2[+] **Treatment plans[-] acceptance or denial**
17 **by employer; penalty.** (a) A physician may transmit a treatment
18 plan to an employer by mail or facsimile; provided that the
19 physician shall send the treatment plan to an address or
20 facsimile number provided by the employer.



1 (b) Beginning January 1, 2021, an employer shall allow a
2 physician to transmit a treatment plan to an employer by mail,
3 facsimile, or secure electronic means; provided that the
4 physician shall send the treatment plan to an address or
5 facsimile number provided by the employer.

6 (c) A treatment plan shall be deemed received by an
7 employer when the plan is sent by mail or facsimile with
8 reasonable evidence showing that the treatment plan was
9 received.

10 (d) ~~[A treatment plan shall be deemed accepted if an~~
11 ~~employer fails to]~~ No later than seven days after receipt of a
12 treatment plan, an employer shall transmit its written approval
13 or denial of the treatment plan to the physician and injured
14 employee by mail, facsimile, or secure electronic means;
15 provided that the employer denying a treatment plan shall file
16 with the director:

17 (1) An objection to the treatment plan;

18 (2) Any applicable documentary evidence supporting the
19 denial; and

20 (3) A copy of the denied treatment plan, copying the
21 physician and the injured employee[-],



1 no later than seven days after receipt of the treatment plan.

2 (e) Approval of a treatment plan by an employer shall
3 require the employer to pay the health care provider for any
4 medical care in the treatment plan pursuant to the medical fee
5 schedule established pursuant to section 386-21(c).

6 (f) The burden of proof shall be on an employer to
7 demonstrate by a preponderance of medical evidence that a
8 treatment plan is unreasonable, unnecessary, or inappropriate to
9 justify the issuance of a denial pursuant to this section.

10 Denial of a treatment plan that is not supported by a medical
11 opinion or relevant medical records existing at the time of the
12 denial shall be presumed to be without reasonable grounds.

13 [+e)] (g) After [acceptance] approval of the treatment
14 plan, an employer may file an objection to the plan if new
15 documentary evidence supporting the [denial] objection is
16 received by the employer[-]; provided that an employer may not
17 deny implementation of and payment for any medical care in the
18 approved treatment plan until a hearing is held before the
19 director and a decision is rendered denying the treatment plan
20 based on new documentary evidence.



1 (h) Any employer that fails to transmit written approval
2 or denial of a treatment plan in compliance with the timeline
3 set forth in subsection (d) shall be subject to a fine of \$250
4 per day for each separate offense. Each day of each violation
5 shall constitute a separate offense. The fine shall be paid to
6 the injured employee.

7 (i) The director shall assess a penalty of not less than
8 \$1,000 against any employer that the director finds has denied a
9 treatment plan or failed to pay for any medical care in an
10 approved treatment plan without reasonable grounds, frivolously,
11 or primarily for purposes of delay. The penalty shall be paid
12 to the injured employee. An employer subject to penalty under
13 this subsection shall be liable for the injured employee's
14 reasonable attorney's fees and costs incurred in contesting the
15 denial.

16 (j) Any action taken to impose or collect the fine or
17 penalty provided for in this section shall be considered a civil
18 action."

19 SECTION 3. If any provision of this Act, or the
20 application thereof to any person or circumstance, is held
21 invalid, the invalidity does not affect other provisions or



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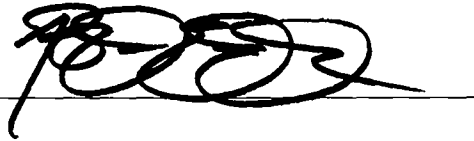
1 applications of the Act that can be given effect without the
2 invalid provision or application, and to this end the provisions
3 of this Act are severable.

4 SECTION 4. This Act does not affect rights and duties that
5 matured, penalties that were incurred, and proceedings that were
6 begun before its effective date.

7 SECTION 5. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 6. This Act shall take effect upon its approval.

10
INTRODUCED BY: _____

A handwritten signature in black ink, appearing to be "J. B. ...", written over a horizontal line.

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Report Title:

DLIR; Workers' Compensation; Treatment Plans; Employers;
Penalties

Description:

Requires an employer to transmit written approval or denial of a treatment plan to the physician who transmitted the plan for approval within seven days of receipt of the plan. Clarifies provisions relating to denying a treatment plan, burden of proof, and objections. Establishes fines and requires the Department of Labor and Industrial Relations to assess penalties.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

