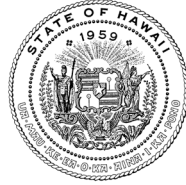


JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



JADE T. BUTAY  
DIRECTOR

WILLIAM G. KUNSTMAN  
DEPUTY DIRECTOR

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
KA 'OIHANA PONO LIMAHANA

March 23, 2026

To: The Honorable Brandon J.C. Elefante, Chair,  
The Honorable Rachele Lamosao, Vice Chair, and  
Members of the Senate Committee on Labor and Technology

The Honorable Jarrett Keohokalole, Chair,  
The Honorable Carol Fukunaga, Vice Chair, and  
Members of the Senate Committee on Commerce and Consumer Protection

Date: Monday, March 23, 2026  
Time: 3:00 p.m.  
Place: Conference Room 225, State Capitol

From: Jade T. Butay, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. 1509 H.D.2 RELATING TO WORKERS' COMPENSATION**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The **DLIR supports** this measure to ensure timely approval or denial of workers' compensation treatment plans, thereby reducing avoidable delays in medical care for injured workers. The Department **supports the HD2 change** providing ten instead of seven days for an employer filing a response to the submission of a treatment plan.

HB1509 HD2 proposes to amend HRS §386-21.2 by:

- Repealing the authorization of the physician to transmit a treatment plan by mail or facsimile and the requirement that the physician submit it to an address or facsimile number provided by the employer,
- Requiring an employer to file a response, either accepting or objecting to a treatment plan within ten days of receipt,
- Imposing a penalty of \$500 if the employer fails to provide a response within the ten-day period unless good cause for the delay is determined; and
- Clarifying that a treatment plan is deemed accepted if an employer fails to file certain documents within the ten-day period.

## II. CURRENT LAW

§386-21.2 provides that a physician may transmit a treatment plan to an employer and it is considered received when there is reasonable evidence of delivery. If the employer does not file an objection, supporting documents, and a copy of the denied plan with the director within the required timeframe, the treatment plan is deemed accepted. After acceptance, the employer may still object if new supporting evidence becomes available.

§12-15-32(b) specifies in part that the physician shall transmit a treatment plan to the employer at least seven calendar days prior to the start of the additional treatments.

§12-15-32(d) specifies in part the employer may file an objection to the treatment plan with documentary evidence supporting the denial. The employer shall be responsible for payment for treatments provided under a complete treatment plan until the date the objection is filed with the director.

§12-15-34(b) specifies in part that if the attending physician believes additional treatments are required, the provider of service other than a physician, in lieu of the attending physician, may transmit a treatment plan for review and approval to the attending physician who shall, after approval, transmit the treatment plan at least seven calendar days prior to the start of the additional treatments.

§12-15-34(d) specifies in part that the employer shall be responsible for payment for treatments provided under a complete treatment plan until the date the objection is filed with the director.

§12-15-40(d) specifies in part that whenever a request for concurrent treatment is received, the employer shall respond within seven calendar days, giving authorization, or stating in writing the reason for refusal to the attending physician, the injured employee, and the director. Failure by the employer to respond within seven calendar days shall constitute approval of the request.

§12-15-42(c) specifies in part whenever a request for consultation is received, the employer shall respond within seven calendar days...failure by the employer to respond within seven calendar days shall constitute approval of the request.

§12-15-51(b) specifies in part whenever a request for elective surgery is received, the employer shall respond within seven calendar days, failure by the employer to respond within seven calendar days shall constitute approval of the request.

## III. COMMENTS ON THE HOUSE BILL

The DLIR supports this measure and acknowledges that the absence of a clear written approval or denial of a treatment plan can cause reluctance among physicians to begin treatment and ultimately delay the provision of essential care to injured employees. This measure addresses that concern by establishing a uniform

ten-day deadline for employers to approve or deny treatment plans. Additionally, this measure creates clear consequences for noncompliance.

Equal Opportunity Employer/Program  
Auxiliary aids and services are available upon request to individuals with disabilities.  
TDD/TTY Dial 711 then ask for (808) 586-8842.



**JOSH GREEN, M. D.**  
GOVERNOR  
KE KIA'ĀINA

**SYLVIA LUKE**  
LT. GOVERNOR  
KA HOPE KIA'ĀINA

**BRENNA H. HASHIMOTO**  
DIRECTOR  
KA LUNA HO'OKELE

**BRIAN K. FURUTO**  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII**  
**DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT**  
**KA 'OIHANA HO'OMŌHALA LIMAHANA**  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

Statement of  
**BRENNA H. HASHIMOTO**  
Director, Department of Human Resources Development

Before the  
**SENATE COMMITTEE ON LABOR AND TECHNOLOGY**  
**SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**  
Monday, March 23, 2026  
3:00PM  
State Capitol, Conference Room 225

In consideration of  
**HB1509 HD2, RELATING TO WORKERS' COMPENSATION**

Chair Elefante, Chair Keohokalole, and members of the Committee on Labor and Technology and Committee on Commerce and Consumer Protection:

The Department of Human Resources Development (HRD) offers the following comments and an amendment for HB1509 HD2.

The purpose of HB1509 HD2 is to:

- Repeal the authorization of a physician to transmit a treatment plan by mail or facsimile and the requirement that the physician submit the plan to an address or facsimile number provided by the employer.
- Require an employer to file a response, either accepting or objecting to a treatment plan, within ten days of receipt.
- Impose a monetary penalty if an employer does not file a response within the ten-day period, unless the Director of Labor and Industrial Relations determine there was good cause in the delay.
- Clarify that a treatment plan is deemed accepted if an employer fails to file certain documents within the ten-day period.

Though HRD appreciates the changes made in HD2 which now allows employers to file treatment plan responses within 10 days after receipt, with treatment denials being uploaded in the Department of Labor's electronic system, HRD continues to have concerns regarding the proposed penalties of \$500.00 because it could increase

administrative costs. We respectfully request the removal of the last sentence in subsection (c) beginning on page 2, line 2:

~~“(c) .... An employer who fails to file a response within the ten-day period shall be fined \$500.00, unless the director determines there was good cause for the delay.”~~

Thank you for your consideration of the amendment. We are available to answer any questions or provide further information as needed.



## UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**THE SENATE  
KA 'AHA KENEKOA  
THE THIRTY-THIRD LEGISLATURE  
REGULAR SESSION OF 2026**

**COMMITTEE ON LABOR AND TECHNOLOGY**

Senator Brandon J.C. Elefante, Chair  
Senator Rachele Lamosao, Vice Chair

**COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

Senator Jarrett Keohokalole, Chair  
Senator Carol Fukunaga, Vice Chair

Monday, March 23, 2026, 3:00 PM  
Conference Room 225 & Videoconference

**Re: Testimony on HB1509, HD2 – RELATING TO WORKERS' COMPENSATION**

Chairs Elefante and Keohokalole, Vice Chairs Lamosao and Fukunaga, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO ("UPW") is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **supports** HB1509, HD2, which requires an employer to file a response, either accepting or objecting to a treatment plan, within 10 days of receipt. This measure also imposes a monetary penalty if an employer does not file a response within the ten-day period and clarifies that a treatment plan is deemed accepted if an employer fails to file certain documents within the ten-day period. Additionally, this bill repeals the authorization of a physician to transmit a treatment plan by mail or facsimile and the requirement that the physician submit the plan to an address or facsimile number provided by the employer.

As one of the few labor unions with a workers' compensation program for our members, UPW strongly believes this bill would help limit an unnecessary delay our members often encounter when they are injured on the job and direct them to the medical care they desperately need in a timelier manner.

Mahalo for the opportunity to testify in support of this measure.

**HEADQUARTERS**

1426 North School Street  
Honolulu, Hawaii 96817-1914  
Phone 808.847.2631

**HAWAII**

362 East Lanikaula Street  
Hilo, Hawaii 96720-4336  
Phone 808.961.3424

**KAUAI**

2970 Kele Street, Suite 213  
Lihue, Hawaii 96766-1803  
Phone 808.245.2412

**MAUI**

841 Kolu Street  
Wailuku, Hawaii 96793-1436  
Phone 808.244.0815

1.866.454.4166

Toll Free - *Molokai/Lanai only*



March 20, 2026

Senator Brandon Elefante, Chair  
Senator Rachele Lamasao, Vice Chair  
Senate Committee on Labor and Technology  
Senator Jarrett Keohokalole, Chair  
Senator Carol Fukunaga, Vice Chair  
Senate Committee on Commerce and Consumer Protection  
Hawaii State Legislature

**HB1509 HD2**

Dear Chair Elefante, Chair Keohokalole and Members of the Senate Committees on Labor and Technology and Commerce and Consumer Protection,

On behalf of the Kohala Coast Resort Association, our 5,500 employees, and the nearly 20,000 Hawaii Island residents they support, thank you for the opportunity to testify on this important legislation.

Hawaii Island employers are facing mounting challenges with the workers' compensation system, including: rising healthcare costs and inconsistent treatment guidelines; inefficient claims processing; medical providers experiencing long payment delays which leads them to not accept this type of insurance; prolonged litigation; delayed medical care for impacted employees, which keeps injured employees out of work longer; and a lack of standardized medical necessity guidelines, which leads to unnecessary procedures and inflated costs.

This causes challenges for everyone within the system.

**For Employees:** Delays in care lead to worsening injuries, mental health strain, and financial hardship as *Temporary Total Disability (TTD) benefits cover only 67% of wages, making long absences unsustainable for many island families.*

**For Employers:** Rising premiums and extended time-off erode productivity, morale, and retention.

**For Physicians:** Delayed approvals and reimbursements disrupt patient care and clinic operations and are causing many physicians to reject Workers' Compensation coverage.

We appreciate the amendments allowing treatment plans to be authorized through secure electronic means and extending the timeframe to ten days. Mahalo.

However, we remain concerned that the proposed fine for failing to respond to a treatment plan is excessive and unnecessary. The bill already deems a treatment plan accepted if an employer does not respond within the required timeframe. Adding a monetary penalty on top of automatic acceptance would create additional administrative burden for employers, insurers, and third-party administrators, with potential downstream effects on premiums and care delivery. **For these reasons, we respectfully request that the fine be removed.**

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is fluid and cursive.

Stephanie Donoho, Administrative Director  
Kohala Coast Resort Association



# International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, 5<sup>th</sup> Floor • HONOLULU, HI 96819-5003  
TELEPHONE (808) 847-5341 • FAX (808) 847-2224

TO: SENATE COMMITTEE ON LABOR AND TECHNOLOGY  
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
Hearing on Monday, March 23, 2026 at 3:00 p.m., Conference Room 225

RE: TESTIMONY OFFERING **PROPOSED AMENDMENTS FOR HB 1509 HD2**

Honorable Chairs Brandon J.C. Elefante and Jarrett Keohokalole, Vice Chairs Rachele Lamosao and Carol Fukunaga and Members of the Committees on Labor and Technology and Commerce and Consumer Protection:

The International Brotherhood of Electrical Workers Local Union 1186 (IBEW 1186), is comprised of over 3,000 men and women working in electrical construction, telecommunications, civil service employees, and educator and faculty associations.

IBEW 1186 **SUPPORTS** the intent of this bill but would like to offer important **AMENDMENTS** to ensure that the bill achieves its goals.

## **The "Administrative Burden" vs. The "Guarantee of Payment"**

During the House hearings on this bill, employer and HR groups testified that requiring them to affirmatively respond to every single treatment plan—and fining them \$500 if they simply remained silent—created an unnecessary administrative burden. They argued that if they don't object, the plan should just be deemed accepted without them having to file paperwork or face a fine. As a result, the House extended the deadline to ten days to give them more time.

However, this ignores the reality on the ground for injured workers and their doctors. Providers are reluctant to treat a patient based on an employer's "silence" because insurers have used that ambiguity to deny payment after the care is provided, claiming they never received the plan. If the law allows employers ten days to respond, it creates a built-in delay where the physician's mandatory seven-day notice period expires before the employer is even required to answer, leaving the injured worker in limbo.

## **Solution: A Fair Compromise with Real Deterrents**

We propose a solution that borrows the strongest protections from the Senate's version of this bill (**SB 2663 SD 1**) while addressing the employers' concerns from the House.

**Remove the fine for silence:** We agree that employers should not be fined for failing to file an affirmative "acceptance" letter. If they agree with the plan, they can simply remain silent, and it will be deemed accepted.

**Restore the 7-day timeline:** Because employers no longer have to process paperwork for plans they agree with, there is no justification for a ten-day delay. The timeline must be reverted to **seven (7) days** to align with the DLIR's existing rules (HAR §12-15-32), which requires physicians to submit plans at least seven days prior to the start of additional treatments.

**Liability for Silence:** If an employer remains silent for seven days, the plan is deemed accepted, and the employer legally waives the right to retroactively deny payment.

**Burden of Proof for Denials:** To prevent insurers from adopting a "deny everything first" policy just to stop the 7-day clock, the statute must explicitly state that the burden of proof is on the employer to justify any denial with a preponderance of actual medical evidence.

**Fine and Attorney's Fees:** To truly deter bad-faith actions, we propose raising the minimum penalty to \$5,000 for violations (which mirrors the existing penalties found in HRS § 386-95 and § 386-96) and making the employer strictly liable for the injured worker's attorney's fees if they frivolously deny a plan OR fail to pay on a deemed accepted plan.

We respectfully request the Committee replace the provisions of HB 1509 HD 2 with the language that integrates this compromise.

HRS § 386-21.2 sections to be amended as follows:

**(c) A treatment plan shall be deemed received by an employer when the plan is transmitted with reasonable evidence showing that the treatment plan was received.**

**(d) No later than seven (7) days after receipt of a treatment plan, an employer may file a written denial of the treatment plan with the director, the physician, and the injured employee. An employer denying a treatment plan shall file an objection, applicable documentary evidence supporting the denial, and a copy of the denied treatment plan.**

**(e) The burden of proof shall be on an employer to demonstrate by a preponderance of medical evidence that a treatment plan is unreasonable, unnecessary, or inappropriate to justify the issuance of a denial pursuant to this section. Denial of a treatment plan that is not supported by a medical opinion or relevant medical records existing at the time of the denial shall be presumed to be without reasonable grounds.**

**(f) If an employer fails to file a denial in compliance with subsection (d) within the seven-day period, the treatment plan shall be deemed accepted. No penalty shall be assessed against an employer for failing to file an affirmative acceptance.**

**(g) Approval of a treatment plan, or a treatment plan deemed accepted pursuant to subsection (f), shall require the employer to pay the health care provider for any medical care in the treatment plan. The director shall assess a penalty of not less than \$5,000 against any employer that the director finds has failed to pay for medical care in an approved or deemed accepted treatment plan. An employer subject to penalty under this subsection shall be liable for the injured employee's reasonable attorney's fees and costs incurred in enforcing payment. The injured employee or the director may enforce penalties assessed under this section in accordance with section 386-92.**

**(h) The director shall assess a penalty of not less than \$5,000 against any employer that the director finds has denied a treatment plan without reasonable grounds, frivolously, or primarily for purposes of delay. An employer subject to penalty under this subsection shall be liable for the injured employee's reasonable attorney's fees and costs incurred in contesting the denial. The injured employee or the director may enforce penalties assessed under this section in accordance with section 386-92.**

These amendments are a true compromise. It removes the administrative burden on employers, guarantees payment for medical providers so they can treat without hesitation, and ensures that any denials are based on actual medical facts rather than administrative delays. We strongly urge the Committee to adopt these amendments to HB 1509 HD2.

Thank you for the opportunity to testify.



The Senate Committees on Labor and Technology and Commerce and Consumer Protection  
March 23, 2026  
Room 225  
3:00 PM

RE: **HB 1509 HD2, Relating to Workers' Compensation**

Attention: Chairs Brandon J.C. Elefante and Jarrett Keohokalole, Vice Chairs Rachele Lamosao and Carol Fukunaga, Members of the Committees

The University of Hawaii Professional Assembly (UHPA), the exclusive bargaining representative for all University of Hawai'i faculty members across Hawai'i's statewide 10-campus system, **supports HB 1509 HD2.**

We view this measure as a critical step toward eliminating administrative bottlenecks that frequently delay necessary medical care for injured faculty members. Timely treatment is the most important factor in ensuring a full recovery and a swift return to the workplace.

This bill strengthens the accountability of the system by enforcing a strict timeline for employers to file responses to treatment plans directly with the Director. By clarifying that a treatment plan is "deemed accepted" if an employer fails to file a response within this window, the legislation ensures that bureaucratic inaction or silence does not result in the denial of essential medical services. We urge the committee to pass this measure to streamline the approval process and protect injured workers from avoidable delays in their recovery.

**UHPA supports the passage of HB 1509 HD2.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Fern'.

Christian L. Fern  
Executive Director  
University of Hawaii Professional Assembly



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**Senate Committees on Labor & Technology and Commerce & Consumer Protection**  
**Senator Brandon Elefante, Chair**  
**Senator Jarrett Keohokalole, Chair**

**Monday, March 23, 2026, at 3:00 pm**

**RE: HB 1509, HD2, Relating to Workers' Compensation**

Chairs Elefante and Keohokalole, Vice Chairs Lamosao and Fukunaga, and Members of the Committees:

**The Society for Human Resource Management – Hawaii (“SHRM Hawaii”) respectfully opposes HB 1509, HD2, Relating to Workers’ Compensation.** This bill requires an employer to file a response, either accepting or objecting to a treatment plan, within ten days of receipt of the plan from a physician.

We appreciate the intent of this measure. However, current law already provides that a treatment plan is deemed accepted if the employer fails to respond within the required timeframe, ensuring that employees are not left waiting indefinitely for care. By layering an additional monetary penalty on top of automatic acceptance, the bill tips the balance too far against employers and creates a punitive framework rather than a cooperative one. Moreover, the response window is too short for such penalties, particularly for employers who must coordinate with insurers, third-party administrators, legal counsel, or medical reviewers to make an informed decision. This compressed timeline increases the likelihood of inadvertent noncompliance, even where there is no intent to delay treatment, and exposes employers to unnecessary fines.

SHRM Hawai'i represents 900+ human resource management professionals who are its members statewide. Human resource management is a critical component to the success and survival of the many businesses that make up our local economy, responsible for striking a balance between the interests of employers and employees.

Thank you for this opportunity to provide testimony.

Erin Kogen and Maggie Batangan  
Co-chairs, SHRM Hawaii Legislative Affairs Committee





**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**HEARING BEFORE THE SENATE COMMITTEE ON LABOR & TECHNOLOGY AND  
THE COMMITTEE ON COMMERCE & CONSUMER PROTECTION  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225  
MONDAY, MARCH 23, 2026 AT 3:00 P.M.**

To The Honorable Senator Brandon J.C. Elefante, Chair  
The Honorable Senator Rachele Lamosao, Vice Chair  
Members of the Committee on Labor & Technology

To The Honorable Senator Jarrett Keohokalole, Chair  
The Honorable Senator Carol Fukunaga, Vice Chair  
Members of the Committee on Commerce & Consumer Protection

**OPPOSE HB1509 HD2 RELATING TO WORKERS' COMPENSATION**

The Maui Chamber of Commerce respectfully submits testimony in opposition to HB1509 HD2.

We appreciate the intent of this measure to ensure timely access to medical care for injured workers. However, we are concerned that the bill, as currently drafted, creates an unnecessarily punitive framework that disrupts the existing balance within the system.

Under current law, a treatment plan is already deemed accepted if an employer fails to respond within the required timeframe, which appropriately ensures that employees are not left waiting indefinitely for necessary care. By adding a monetary penalty on top of automatic acceptance, HB1509 tips the balance too far against employers and shifts the process away from a cooperative model toward a punitive one.

Additionally, the response window outlined in the measure is too short to reasonably accommodate the coordination often required for informed decision-making. Employers frequently must work with insurers, third-party administrators, legal counsel, and medical professionals to properly evaluate treatment plans. This compressed timeline increases the likelihood of inadvertent noncompliance—even in cases where there is no intent to delay care—and exposes employers to unnecessary fines.

For these reasons, the Maui Chamber of Commerce urges the Committee to defer this measure or consider amendments that maintain timely care for employees while avoiding undue penalties on employers acting in good faith.

Mahalo for the opportunity to share our concerns on HB1509 HD2.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

**HB-1509-HD-2**

Submitted on: 3/20/2026 12:49:32 PM

Testimony for LBT on 3/23/2026 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nancy Monden	Individual	Support	Remotely Via Zoom

Comments:

For over 30 years, I worked as a nurse case manager in workers' compensation, advocating for injured workers. I am also an injured worker.

After a back injury, a simple diagnostic test was requested—yet it received no approval, no denial—only silence. Requests were repeatedly resubmitted, but without written authorization, care was delayed for two to three years. I lived in constant pain. Some days, I couldn't even walk my dogs.

It was only after an independent medical exam that the test and surgery were finally approved—after years of suffering.

Even as an educated professional who spent decades inside this system, I could not get timely approval.

This is more than a medical issue—it's a social issue. Low- and middle-income workers, both skilled and unskilled, bear the brunt, often with the fewest resources to navigate delays.

The seven-day response rule was designed in a paper-based era. Today, technology—electronic records, AI, instant data—can process requests in minutes. Decisions should be faster, not slower.

Yet many workers still face silence. Expanding the response window from seven to ten days normalizes delays and weakens protections.

Delays may save insurance companies money, but workers pay the cost: lost income, reduced retirement benefits, and sometimes medical insurance is cut off for families and children. Workers then face a brutal choice: pay high COBRA premiums or leave their family uninsured. Many children go without care because they do not qualify for QUEST or other state programs.

No injured worker should spend years in pain waiting for a decision that should take days.

Delayed care is delayed healing—and delayed healing carries lasting human and financial costs. A system meant to protect injured workers should never let silence and delay become barriers to care.



**Dear Chair Sayama, Vice Chair Lee, and Members of the House Committee on Labor,**

Thank you for the opportunity to testify on this important legislation. My name is Andrew Branchflower, and I am a Doctor of Physical Therapy and a subject matter expert in Hawai'i's workers' compensation system. I have lived and practiced full-time on Hawai'i Island since 2013, and I welcome any questions or additional insight I may be able to provide.

Over the past decade, I have witnessed growing challenges within Hawai'i's workers' compensation system—challenges that affect injured employees, employers, and medical providers alike. These issues are especially acute on Hawai'i Island, where access to care is already limited.

The island continues to face rising healthcare costs, inconsistent treatment guidelines, inefficient claims processing, prolonged litigation, and significant delays in medical care. Many medical providers experience long reimbursement timelines, which discourages them from accepting workers' compensation patients. These systemic problems keep injured employees out of work longer and increase costs for employers and insurers.

These impacts are felt across all stakeholders:

- **Employees:** Delays in care worsen injuries, increase mental health strain, and create financial hardship, particularly because Temporary Total Disability benefits replace only 67% of wages—an unsustainable gap for many island families.
- **Employers:** Rising premiums and extended employee absences reduce productivity, morale, and retention.
- **Physicians:** Slow approvals and reimbursement delays disrupt patient care and clinic operations.

I appreciate the prior amendments to this bill that allow treatment plans to be authorized through secure electronic means and extend the response period from 7 to 10 days. However, I remain concerned that the proposed fine for failing to respond to a treatment plan is excessive and unnecessary. The bill already deems a treatment plan accepted if an employer does not respond within the required timeframe. Adding a monetary penalty on top of automatic acceptance would create additional administrative burden for employers, insurers, and third-party administrators, with potential downstream impacts on premiums and care delivery.

**For these reasons, I respectfully request that the fine be removed.**

Mahalo for your consideration of this proposed amendment. I believe this bill has the potential to strengthen Hawai'i's workers' compensation system for employers, employees, and physicians alike.

Sincerely,

Dr. Andrew Branchflower PT, DPT

**HB-1509-HD-2**

Submitted on: 3/20/2026 1:23:39 PM

Testimony for LBT on 3/23/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Emily Holthaus	Individual	Support	Written Testimony Only

Comments:

Dear Chair Greggor Ilagan Sayama, Vice Chair Scott Y. Lee, and Members of the House Committee on Labor,

Thank you for the opportunity to testify on this important legislation. My name is Emily Holthaus, and I am a Hawai‘i Island constituent and human resources professional who administers workers’ compensation programs at scale. In my role, I oversee and support a high volume of workers’ compensation cases annually, working directly with injured employees, managers, insurers, and medical providers across the system. I welcome any questions or additional insight I may be able to provide.

Over the past decade, I have witnessed growing challenges within Hawai‘i’s workers’ compensation system—challenges that affect injured employees, employers, and medical providers alike. These issues are especially acute on Hawai‘i Island, where access to care is already limited.

We continue to face rising healthcare costs, inconsistent treatment guidelines, inefficient claims processing, prolonged litigation, and significant delays in medical care. Many providers experience lengthy reimbursement timelines, which discourages participation in the workers’ compensation system. These systemic barriers often prolong recovery and increase costs for both employers and insurers.

The impacts are felt across all stakeholders:

**Employees:** Delays in care can worsen injuries, increase mental health strain, and create financial hardship. Temporary Total Disability benefits replace only 67% of wages, which is not sustainable for many working families.

**Employers:** Rising premiums and extended employee absences affect productivity, morale, and retention, particularly when positions are difficult to backfill.

**Medical Providers:** Delays in authorization and reimbursement disrupt patient care and create operational challenges, further limiting access to treatment.

I appreciate the prior amendments to this bill that allow treatment plans to be authorized through secure electronic means and extend the response period from seven to ten days. These are meaningful steps toward improving efficiency and access to care.

However, I remain concerned that the proposed fine for failing to respond to a treatment plan is excessive and unnecessary. The bill already provides that a treatment plan will be deemed accepted if an employer does not respond within the required timeframe. Adding a monetary penalty on top of automatic acceptance may create additional administrative burden for employers, insurers, and third-party administrators, with potential downstream impacts on premiums and care delivery.

For these reasons, **I respectfully request that the proposed fine be removed.**

Mahalo for your consideration of this amendment. Based on my experience administering workers' compensation across a high volume of cases, I believe this bill—particularly with this adjustment—has the potential to strengthen Hawai'i's workers' compensation system for employees, employers, and medical providers alike.

Respectfully,  
Emily Holthaus

John Masuda  
Claims Examiner

March 20, 2026

## Testimony in Opposition to HB 1509 HD2

Members of the Committee:

Thank you for the opportunity to provide testimony. My name is John Masuda, and I am a Workers Compensation Claims Examiner employed with a large Third-Party Administrator that operates in Hawaii. I am writing to respectfully oppose HB 1509 HD2 for the reasons outlined below.

### **1. The Bill Uses Ambiguous Terminology Without Definitions**

HB 1509 HD2 now authorizes submission of treatment plans through “**secure electronic means**,” yet does not define this term.

This ambiguity raises several concerns:

- Uncertainty regarding whether email, encrypted portals, or other systems qualify.
- Increased dispute potential over receipt, delivery, or compliance.
- Difficulty establishing standardized processes for employers and providers.

Given the 10-day penalty window, clarity is essential to avoid inadvertent violations.

### **2. The Bill Imposes Significant and Unnecessary Administrative Burden**

HB 1509 HD2 requires employers to file a response with the Director within ten days of receiving any treatment plan.

The requirement proposed of copying all treatment plan responses to the Director **should instead be limited to treatment plan denials or disputes**. If a treatment plan is approved, then no controversy exists.

This requirement serves no clear regulatory purpose in cases where the employer agrees with the treatment plan. It would result in thousands of uncontested treatment plans being sent to the Department of Labor and Industrial Relations (DLIR) annually, creating significant administrative burden for both employers and the department without improving worker outcomes.

Claims examiners receive a large volume of treatment plans on a daily basis, many routine

in nature (e.g., physical therapy continuations). Requiring a formal response for each plan—along with supporting documentation and director-level filing—creates a substantial administrative workload that will divert time and resources from timely and effective claims handling.

Under HB 1509-HD2, the Employer is fined \$500 for not submitting a denial or acceptance within 10 days even though it is well understood that the treatment plan is accepted in that situation. Essentially, this bill seeks to impose and collect costly fines when no one has been harmed. This needlessly drives up the expense of workers compensation in Hawaii's already limited and precarious labor market while at the same time causing administrative burdens to parties.

### **3. Reporting Obligations Are Imbalanced Between Employers and Medical Providers**

The bill requires employers to furnish copies of treatment-related documents to the Director but imposes no similar requirement on medical providers to submit the treatment plan directly.

This creates:

- **Incomplete administrative records** for the Director
- **Unnecessary duplication**, as employers must forward documents they did not originate
- **Potential procedural disputes** if discrepancies arise between versions

A balanced and coherent reporting structure would require providers—who initiate treatment plans—to participate in the same reporting process.

### **Conclusion:**

While timely review of treatment plans is vital, HB 1509 HD2 creates unbalanced obligations, significant administrative burden, and unnecessary penalties that do not improve treatment outcomes or claim efficiency. In fact, the bill would cause the opposite.

I respectfully request that the Committee hold this bill or consider amendments that promote clarity, fairness, and administrative balance.

Sincerely,

John Masuda  
Claims Examiner