



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

April 7, 2026

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

Date: Tuesday, April 7, 2026
Time: 9:25 a.m.
Place: Conference Room 229, State Capitol

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

Re: H.B. 1514 HD2 SD1 RELATING TO WORKERS' COMPENSATION

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports** the HD2 SD1 of this measure to ensure efficient and effective rehabilitation of employees who suffer a work-related injury.

HB1514 HD2 SD1 proposes to amend HRS §386-25 by:

- Clarifying the process for selecting a certified provider of vocational rehabilitation services,
- Requiring a certified provider to automatically approve an injured employee for vocational rehabilitation services if the certified provider determines that the injured employee will likely require vocational rehabilitation services to return to suitable gainful employment and the initial evaluation report finds the injured employee feasible to participate,
- Requiring providers to file an employee's vocational rehabilitation plan no later than one hundred twenty days after submitting an initial evaluation report, unless extended by the Director of Labor and Industrial Relations, and
- Clarifying the process for an employer to object to a vocational rehabilitation plan.

II. CURRENT LAW

§386-25(a) provides that the purpose of vocational rehabilitation is:

- To restore an injured worker's earnings capacity as nearly as possible to the level that the worker was earning at the time of injury, and
- To return the injured worker to suitable gainful employment in the active labor

force as quickly as possible in a cost-effective manner.

§386-25(d) specifies that a provider shall submit an initial evaluation report of the employee to the employer and the director within forty-five days of the date of referral or selection. The evaluation shall determine whether the employee requires vocational rehabilitation services to return to suitable gainful employment, identify the necessary services, and state whether the provider can provide these services.

III. COMMENTS ON THE HOUSE BILL

The Department supports this measure's emphasis on early intervention to ensure efficient and cost-effective vocational rehabilitation processes that help injured employees return to work as quickly as possible. This measure improves clarity, strengthens timelines, and ensures timely access to certified vocational rehabilitation providers. By streamlining provider selection and initiating services promptly, the bill enhances outcomes for injured workers while reducing delays and costs within the workers' compensation system.



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

SYLVIA LUKE
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KA HOPE KIA'ĀINA

BRENNNA H. HASHIMOTO
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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

WRITTEN ONLY

Statement of
BRENNNA H. HASHIMOTO
Director, Department of Human Resources Development

Before the
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Tuesday, April 7, 2026
9:25AM
State Capitol, Conference Room 229

In consideration of
HB1514 HD2 SD1 RELATING TO WORKERS' COMPENSATION

Chair Keohokalole, Vice Chair Fukunaga, and members of the committee:

The Department of Human Resources Development (HRD) is in **support** of HB1514 HD2 SD1.

The purpose of HB1514 HD2 SD1 is to:

- Clarify the process for selecting a certified provider of rehabilitation services.
- Require certified providers to automatically approve vocational rehabilitation services for an injured employee if those services will likely be required for suitable gainful employment and the initial evaluation report finds the injured employee feasible to participate.
- Require providers to file an employee's vocational plan no later than one hundred twenty days after submitting an initial evaluation report, unless extended by the Director of Labor and Industrial Relations.
- Clarify the process for an employer to object to a vocational rehabilitation plan.

The State of Hawai'i is a self-insured employer and appreciates the intent of the measure which focuses on ensuring an injured employee's enrollment and participation in vocational rehabilitation is conducted timely, while clarifying referrals to a vocational rehabilitation specialists while affirming responsibilities of the director, the injured worker, the vocational rehabilitation specialist, and the employer.

We are available to answer any questions or provide further information as needed.

TESTIMONY OF MILIA LEONG

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Tuesday, April 7, 2026
9:25 a.m.

HB 1514, HD2, SD1

Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee on Commerce and Consumer Protection, my name is Milia Leong, Executive Claims Administrator for HEMIC Insurance Managers, Inc., and Chair of the Workers' Compensation Policy Committee for Hawaii Insurers Council. The 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 forty percent of all property and casualty insurance premiums in the state.

We **support** this bill with one amendment. We ask that the provision for the Vocational Rehabilitation Plan to be submitted within 120 days, be deleted from this bill. This provision was not agreed to in the Workers' Compensation Working Group which comprised many stakeholders in the system. Given the limited staff and resources of the Department as well as consideration for the injured workers, insurers, and Vocational Rehabilitation Counselors, a deadline for the Plan would trigger a need to reopen the entire discussion.

Thank you for the opportunity to testify.



Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Date: April 7, 2026

From: Hawaii Medical Association (HMA)

Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee

Christina Marzo MD and Robert Carlisle MD, Vice Chairs, HMA Public Policy Committee

RE HB1514 HD2 SD1 RELATING TO WORKERS' COMPENSATION. Workers' Compensation;
Vocational Rehabilitation Services; Certified Providers; Automatic Approval

Position: Support

This measure would clarify the process for selecting a certified provider of vocational rehabilitation services, require certified providers to automatically approve vocational rehabilitation services for an injured employee if those services will likely be required for suitable gainful employment and the initial evaluation report finds the injured employee feasible to participate, require providers to file an employee's vocational rehabilitation plan no later than one hundred twenty days after submitting an initial evaluation report, unless extended by the Director of Labor and Industrial Relations, and clarify the process for an employer to object to a vocational rehabilitation plan. Effective 1/1/2077. (SD1)

Patients with work-related injury or illness need prompt evaluation, diagnosis and treatment. Timely access to a VR program, typically provided by an Occupational Therapist as part of a public or private VR agency, is necessary to support the patient's recovery and safe return to gainful employment to the best of their abilities. HMA supports this measure that clarifies the process for VR services following Initial Evaluation, allowing automatic approval for these needed, time-sensitive services that support Hawaii patients with work related illness or injury.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

2026 Hawaii Medical Association Public Policy Coordination Team

Elizabeth A Ignacio, MD, Chair • Robert Carlisle, MD, Vice Chair • Christina Marzo, MD, Vice Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

2026 Hawaii Medical Association Officers

Nadine Tenn-Salle, MD, President • Jerald Garcia, MD, President Elect • Elizabeth Ann Ignacio, MD, • Immediate Past President
Laeton Pang, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

REFERENCES AND QUICK LINKS

State of Hawaii. [Disability Compensation Division](#). About Workers' Compensation (WC). Accessed February 4, 2026.

Yorton S. Lawmaker Posts Rare Win For Injured Workers — And Pushes For More. [Honolulu Civil Beat. July 31 2024](#). Accessed February 4, 2026.

Matayoshi CC. How to get worker's comp for work-related injury, illness. KHON.com. Apr 8 2024. Accessed February 4, 2026.

U.S. Department of Interior. Office of the Secretary. Return to work (limited light duty, alternative work assignments and modified permanent job offers) handbook. April 18 2023. Accessed February 4, 2026.



HAWAII REHABILITATION COUNSELING ASSOCIATION
120 Pauahi Street, Room 206B
Hilo, HI 96720

TO: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

FROM: Lanelle Yamane, MS, CRC, LMHC
President

DATE: 4/3/26

RE: HB 1514 HD2,SD1 - RELATING TO WORKERS' COMPENSATION

DATE: 4/7/26

TIME: 9:25 AM

PLACE: Conference Room 229 & Videoconference
State Capitol 415 South Beretania Street

The Hawaii Rehabilitation Counseling Association **opposes** the following revision to HB 1514 HD2, SD1:

HRS 386-25 (4)(c)If the injured employee fails to select a certified provider within thirty days, the employer shall select the certified provider of rehabilitation services and give proper notice of selection to the injured employee.....

RATIONAL FOR OPPOSITION:

Impartiality is preserved if the director and not the employer selects the certified provider of rehabilitation.

The Hawaii Rehabilitation Counseling Association **opposes** the following revision to HB 1514 HD2, SD1:

[-(-e-)-] (f) A provider shall file the employee's vocational rehabilitation plan with the approval of the employee no later than one hundred twenty days after the provider submits an initial evaluation report, provided that the director may grant an extension in the director's discretion.....

RATIONAL FOR OPPOSITION:

First rationale: We foresee that the Department of Labor & Industrial Relations, Disability Compensation Division, Vocational Rehabilitation Unit (VRU) will be inundated with requests for extensions, and claim progression will be delayed. The VRU is made up of one person who will not have time to respond to each request for an extension in an timely

manner. We also are concerned that insurance carriers will stop wage loss benefits to claimants because they don't agree with the request for extension and the delay in response.

Second rationale: Injured employees are going through the adjustment to disability change process and typically enroll in a vocational rehabilitation program while in the denial phase (dealing with anger, grief, and depression) and counseling is needed to help them accept and adjust to their disability before a feasible vocational goal can be identified to submit a rehabilitation plan. Injured employees are not ready to develop a rehabilitation plan until they accept the reality of having permanent impairment and work limitations. Acceptance of change is not a quick process nor can it be forced upon a person within a pre-determined time frame without harm to the individual. Certified rehabilitation counselors' code of ethics prohibits us from doing harm.

A change of career or occupation is difficult at any age, and an injured employee needs time and guidance to explore their vocational options with their vocational rehabilitation counselor to make an informed decision.

An injured employee needs time to benefit from vocational rehabilitation services prior to rehabilitation plan development. These services include: adjustment to disability counseling, vocational exploration, transferable skills analysis, job search skills improvement, understanding the labor market and the vocational choices available, vocational evaluation services, and thorough rehabilitation plan development. The aforementioned services cannot be accomplished within only 120 days.

Injured employees are also referred and enrolled in vocational rehabilitation while they are going through medical treatment and they may not be medically stable and physically/psychologically ready to formulate a rehabilitation plan within 120 days.

Additionally, the Federal/State vocational rehabilitation system allows for uncapped modifications or revisions of a vocational rehabilitation plan whereas the Worker's Compensation vocational rehabilitation system allows for only one revision to a rehabilitation plan. If the law is changed and a time frame is instituted for developing a plan, we request the allowance of uncapped revisions to a vocational rehabilitation plan, following the Federal/State vocational rehabilitation system.

We recommend that the current laws regarding vocational rehabilitation plans remain as written.

We respectfully ask this Committee to consider the above. Thank you for the opportunity to testify.

TO: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

FROM: Grant Wilson, CRC
Vocational Rehabilitation Specialist

DATE: 4/3/26

RE: HB 1514 HD2,SD1 - RELATING TO WORKERS' COMPENSATION

DATE: April 7, 2026

TIME: 9:25 AM

PLACE: Conference Room 229 & Videoconference
State Capitol 415 South Beretania Street

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Grant Wilson, and I am a Vocational Rehabilitation Counselor with the State of Hawaii Division of Vocational Rehabilitation. I am submitting testimony in opposition to the proposed revision to HB 1514 HD2 SD1, which would require vocational rehabilitation plans to be filed within 120 days of the initial evaluation report.

Based on my work experience, I believe this deadline would negatively impact injured workers' recovery and ability to make informed vocational decisions.

I. Injured workers need time to adjust to disability.

Most individuals enter vocational rehabilitation while still coping with the emotional impact of their injury—often experiencing denial, grief, anger, or depression.

Adjustment-to-disability counseling is necessary before they can realistically identify a vocational goal. This process cannot be forced into a 120-day timeframe without causing harm.

II. Ethical practice requires readiness and informed choice.

As CRC's (Certified Rehabilitation Counselors), we are ethically obligated to support client-centered decision-making. Pressuring an injured worker to choose a vocational goal before they are medically, emotionally, or psychologically ready is inconsistent with these standards.

III. Essential vocational services require more than 120 days.

Before a plan can be developed, clients typically need time for:

- Adjustment-to-disability counseling
- Vocational exploration

- Labor market understanding
- Transferable skills analysis
- Job search skills development
- Vocational evaluation

These foundational services cannot be meaningfully completed within the proposed timeframe.

IV. Many clients are still in medical treatment.

Injured workers are often referred to vocational rehabilitation before they are medically stable. Expecting a finalized plan during active treatment is unrealistic and may result in inappropriate or unsustainable vocational goals.

V. Plan revision limitations create additional risks.

The Federal/State VR system allows unlimited plan revisions. Workers' Compensation permits only one. If a strict deadline is imposed, at minimum, the law should allow uncapped revisions to prevent clients from being locked into plans that no longer meet their needs.

For these reasons, I respectfully request that the Committee maintain the current flexibility in vocational rehabilitation plan timelines.

Mahalo for the opportunity to testify and for your consideration of the needs of Hawaii's injured workers.



The Senate Committee on Commerce and Consumer Protection
April 7, 2026
Room 229
9:25 AM

RE: **HB 1514 HD2 SD1, Relating to Workers' Compensation**

Attention: Chair Jarrett Keohokalole, Vice Chair Carol Fukunaga, Members of the
Committee

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 1514 HD2 SD1.**

We believe this measure is essential to updating the vocational rehabilitation process to ensure that injured faculty members can return to their careers as efficiently and safely as possible.

UHPA specifically supports the bill's emphasis on early intervention, the streamlining of approval processes, and the establishment of clear accountability timelines. By requiring providers to automatically approve necessary services when specific criteria are met, this legislation removes bureaucratic hurdles that often leave injured workers in limbo. Furthermore, requiring providers to file a comprehensive vocational plan no later than 120 days after submitting an initial evaluation report ensures that rehabilitation does not stall indefinitely. These deadlines are critical for preventing administrative delays that impede a faculty member's recovery and return to work.

UHPA supports the passage of HB 1514 HD2 SD1.

Respectfully submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly



COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Tuesday, April 7, 2026 • 9:25 AM • Conference Room 229

Testimony In Strong Support of HB1514

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

My name is **Gary Okamura, MD**, and I am an orthopedic surgeon and President of the **Work Injury Medical Association of Hawai'i (WIMAH)**. Thank you for the opportunity to provide testimony in **strong support** of **HB1514**.

WIMAH represents physicians who care for Hawai'i's injured workers every day. Some of our members participated in the workers' compensation working group that collaborated with Representative Matayoshi in developing this measure, and we appreciate the Committee's thoughtful consideration of this consensus bill.

Why HB1514 Matters

HB1514 reflects months of discussion among stakeholders who are directly engaged in Hawai'i's workers' compensation system—treating physicians, vocational rehabilitation professionals, insurers, and employers. The bill advances practical reforms that improve **fairness, clarity, and administrative efficiency** without disrupting the balance of the system.

Most importantly, HB1514 strengthens the **early intervention** process for vocational rehabilitation. Early, well-coordinated vocational rehabilitation is one of the most effective tools for helping injured workers return to meaningful employment as quickly and safely as possible. When delays occur—whether in provider selection, authorization, or initiation of services—injured workers lose valuable time, and the overall cost of claims increases.

Key Benefits of HB1514

This measure:

- **Improves clarity and strengthens timelines** for initiating vocational rehabilitation services.
- **Ensures timely access to certified vocational rehabilitation providers**, reducing unnecessary delays.
- **Streamlines provider selection**, helping workers receive services promptly and consistently.
- **Supports efficient, cost-effective return-to-work outcomes** that benefit both employees and employers.

These improvements reflect the shared goal of ensuring that injured workers receive timely, coordinated support that promotes recovery, reduces disability duration, and enhances long-term employment outcomes.

Conclusion

HB1514 is a balanced, collaborative measure that strengthens Hawai'i's workers' compensation system by improving the timeliness and effectiveness of vocational rehabilitation services. For these reasons, I respectfully urge the Committee to **pass HB1514**.

Thank you for the opportunity to testify.

With aloha,
Gary Okamura, MD
President, WIMAH

**INTERNATIONAL ASSOCIATION OF REHABILITATION PROFESSIONALS (IARP),
HAWAII CHAPTER**

TO: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

FROM: IARP President: Andrew Alejandro, M.S., CRC

DATE: APRIL 06, 2026

RE: HB1514 HD2, SD1 - RELATING TO WORKERS' COMPENSATION HEARING
Date: APRIL 07, 2026
TIME: 9:25AM
State Capitol – Conference Room 225 & Videoconference

The International Association of Rehabilitation Professionals, Hawaii Chapter **opposes** the following revisions to HB1514 HD2, SD1:

~~(e)~~(f) A provider shall file the employee's vocational rehabilitation plan with the approval of the employee[—] no later than one hundred twenty days after the provider submits an initial evaluation report; provided that the director may grant an extension in the director's discretion.

OPPOSITION RATIONALE:

The following rationale was submitted previously on 03/23/2026, in opposition of the HB1514 HD1, HD2's revision to section (5)(e-f), and remains relevant for this hearing, as described as follows:

Point I – VR Code of Ethics & Addressing Uniqueness of Every Individual:

Assigning a specific timeline for plan submittal after an injured worker enrolls into private VR program is not practical, as adjustment to disability is individualized to the participant and must be addressed in a person-centered fashion. Factors such as comorbidity of injury, past trauma, and attainment of successful coping strategies may all affect the injured worker's ability to move forward with seeking and obtaining suitable gainful employment.

As a Certified Rehabilitation Counselor (CRC), we are bound by the Code of Professional Ethics for Certified Rehabilitation Counselors to recognizing diversity and embrace of culturally relevant and responsive approaches to support the worth, dignity, potential, and *uniqueness of individuals with disabilities* within their social and cultural context. As such, it is irresponsible to assume that all injured workers will be “plan-ready” within a 120-day period after initial evaluation. The *uniqueness of disability* needs is not only quantified through recommended services, but also through the necessary time it will take for injured workers to mentally and physically reach their own personal “plan readiness.” A rehabilitation is not only a road map of

service provision for return-to-work, but more so, a way to which the Client may obtain independence outside of the workers compensation system, while navigating the myriads of emotions and trauma obtained through their life-altering work injury.

Further, the Code of Professional Ethics for Certified Rehabilitation Counselors requires all VR providers to operate under six principles of ethical behavior, one of which is Justice; *to be fair in the treatment of all clients; to provide appropriate services to all*. Should injured workers be forced into rehabilitation plan before they are physically and psychologically capable, the appropriateness of services outlined in the plan **cannot reasonably** be considered “appropriate”.

Point II – VR Provider’s Responsibility to coordinate return-to-work efforts with Employer:

Per HRS 386-25 (e), A plan shall include a statement of the feasibility of the vocational goal, using the process of:

- (1) First determining if the employee's usual and customary employment represents suitable gainful employment, and, should it not;*
- (2) Next determining if modified work or other work with the same employer represents suitable gainful employment, and, should it not;*
- (3) Next determining if modified or other employment with a different employer represents suitable gainful employment, and finally, should it not;*
- (4) Then providing training to obtain employment in another occupational field. When training to obtain employment in another occupational field is required, the first appropriate option among the following options shall be selected for the employee.*

Prior to confirming a vocational goal to be pursued, statutes state that the VR provider and injured worker must first confirm the Employer’s ability to either allow for the injured worker to return to their usual and customary duties or confirm modified work or other work with the same employer that represents suitable gainful employment. In the event that the Employer does not respond to the VR provider’s inquiry for return-to-work options within the initial 120-day plan creation period, a VR plan cannot be submitted and still remain compliant with the plan submittal timeline, as proposed, or with HRS 386-25’s requirement to confirm return-to-work options with the Employer, first.

Point III – Ongoing Medical Treatment and / or lack of Medical Clearance or Work Restrictions:

Although VR providers strongly advocate for early intervention of vocational rehabilitation services, even while employees are still receiving treatment; should the injured worker be receiving on-going medical treatment for their injury, and work clearance from their Treating Physician is yet to be received at the 120-day plan submittal due date, the injured worker would be physically unable to participate in a formalized rehabilitation plan until all medical treatments are addressed and work clearance received.

CONCLUSION:

IARP HAWAII CHAPTER advocates that HRS 386-25 (e) remains written as follows; *“A provider shall file the employee's plan with the approval of the employee. Upon receipt of the plan from the provider, an employee shall have ten days to review and sign the plan. The plan shall be submitted to the employer and the employee and be filed with the director within two days from the date of the employee's signature...”*

I humbly request the Committee to consider this statement of opposition to HB 1514 HD2, SD1. Thank you for the opportunity to provide testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Alejandro". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Andrew Alejandro, M.S., CRC
President, IARP HI Chapter

HB-1514-SD-1

Submitted on: 4/6/2026 9:05:08 AM

Testimony for CPN on 4/7/2026 9:25:00 AM

Submitted By	Organization	Testifier Position	Testify
Cathy Wilson	Individual	Support	Written Testimony Only

Comments:

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

Testimony in Strong Support of HB1514 HD2 SD1.

Thank you for the opportunity to testify in strong support of **HB1514 HD2 SD1**. I serve on the Workers' Compensation Working Group that collaborated on this measure, which represents a shared effort among physicians, insurers, employers, and rehabilitation professionals to strengthen Hawai'i's workers' compensation system.

HB1514 improves clarity, fairness, and efficiency in vocational rehabilitation by setting stronger timelines, ensuring timely access to certified providers, and streamlining the process so injured workers can return to meaningful employment faster. These practical reforms help reduce delays and costs while supporting recovery and successful return-to-work outcomes.

For these reasons, I respectfully urge the Committee to pass **HB1514 HD2 SD1**.

With aloha,
Cathy Wilson