



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

February 26, 2026

To: The Honorable Scot Z. Matayoshi, Chair,  
The Honorable Tina Nakada Grandinetti, Vice Chair, and  
Members of the House Committee on Consumer Protection & Commerce

Date: Thursday, February 26, 2026  
Time: 2:00 p.m.  
Place: Conference Room 329, State Capitol

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

**RE: H.B. 1515 H.D. 1 RELATING TO WORKERS' COMPENSATION**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The **DLIR strongly supports** this measure to ensure timely and accurate evaluations of an injured worker's physical capabilities by streamlining the approval process for functional capacity examinations.

HB1515 HD1 proposes to amend HRS Chapter 386 by:

- Adding a new section authorizing an attending physician to request or refer an employee to a functional capacity exam (FCE) without prior authorization when an injured employee has reached medical stabilization and is permanently unable to return to their usual and customary work.
- Amending §386-27(a) to allow licensed occupational therapists and licensed physical therapists to be deemed qualified to perform FCEs.

**II. CURRENT LAW**

§386-21 *Medical care, services, and supplies* subsection (a) states that immediately after a work injury is sustained by an employee, and so long as reasonably needed, the employer shall furnish to the employee all medical care, services, and supplies as the nature of the injury requires.

§386-27 *Qualification and duties of health care providers* subsection (a) sets out the qualifications required for providing health care services to workers' compensation claimants, specifying that providers must be licensed under the applicable chapters of the HRS.

### **III. COMMENTS ON THE HOUSE BILL**

The DLIR supports this measure, which promotes timely and accurate assessments of an injured worker's physical abilities. FCEs use a series of standardized tests to evaluate an individual's ability to perform work-related tasks. The results help determine whether an employee can return to work with or without accommodation and may also guide employers in identifying job duties the employee should avoid while recovering. These guidelines help prevent re-injury and support an injured worker's safe and timely return to full-duty work once medically able.

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

**BRENN A 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  
**BRENN A H. HASHIMOTO**  
Director, Department of Human Resources Development

Before the  
**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**  
Thursday, February 26, 2026  
2:00PM  
State Capitol, Conference Room 329

In consideration of  
**HB1515 HD1, RELATING TO WORKERS' COMPENSATION**

Chair Matayoshi, Vice Chair Grandinetti, and members of the committee:

The Department of Human Resources Development (HRD) is in support of HB1515 HD1.

The purpose of HB1515 HD1 is to:

- Authorize an attending physician to request a functional capacity exam and refer an injured employee for the exam without first obtaining permission from the employee's employer in order to assess the employee's ability to return to work.
- Allow licensed occupational and physical therapists to be deemed qualified to perform functional capacity exams.

As a self-insured employer that provides direct job search assistance and utilizes functional capacity examinations to assess an injured worker's ability to return to work, HRD appreciates and supports the intent of the measure which can provide valuable medical information to objectively determine an employee's physical abilities in a timely manner at the appropriate stage of a workers' compensation process.

Thank you for the opportunity to provide testimony. We are available to answer any questions or provide further information as needed.



To: The Honorable Scot Z. Matayoshi, Chair  
The Honorable Tina Nakada Grandinetti, Vice Chair  
House Committee on Consumer Protection and Commerce

From: Mark Sektnan, Vice President

Re: **HB 1515 HD1 - Relating to Workers' Compensation**  
**APCIA Position: SUPPORT**

Date: Thursday, February 26, 2026  
2:00 p.m., Room 329

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

The American Property Casualty Insurance Association (APCIA) is pleased to **support HB 1515 HD1** which improves Hawaii's workers' compensation system by modernizing the process for conducting functional capacity examinations and expanding the range of qualified professionals who may perform them.

The American Property Casualty Insurance Association is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

HB 1515 HD1 authorizes an attending physician to request a functional capacity examination and refer an injured employee for the exam without first obtaining employer permission and allows licensed occupational and physical therapists to be deemed qualified to perform these examinations.

These updates are critically important for several reasons:

**1) Faster Access to Care**

Requiring employer permission before an attending physician may refer an injured employee for a functional capacity exam can create unnecessary delays. HB 1515 HD1 removes this barrier, allowing for quicker assessments and more timely treatment decisions.

## **2) Reduced Administrative Burdens**

By empowering physicians to make referral decisions directly, the bill streamlines an often cumbersome process, reducing bureaucratic delays that impede patient recovery and add cost to the system.

## **3) Better Utilization of Qualified Professionals**

Recognizing licensed occupational and physical therapists as qualified to perform functional capacity examinations utilizes their specialized expertise, and can reduce wait times for injured workers.

## **4) Improved Outcomes for Injured Workers**

Timely and appropriate functional capacity evaluations are critical for determining an employee's readiness to return to work and tailoring rehabilitation plans. HB 1515 HD1 ensures these assessments can be conducted efficiently and by highly trained practitioners.

For these reasons, APCIA respectfully urges the committee to **pass** HB 1515 HD1.

## TESTIMONY OF MILIA LEONG

---

COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Representative Scot Z. Matayoshi, Chair  
Representative Tina Nakada Grandinetti, Vice Chair

Thursday, February 26, 2026  
2:00 p.m.

### **HB 1515, HD1**

Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee on Consumer Protection & Commerce, 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.

Hawaii Insurers Council **supports** this bill. As a part of a House Workers' Compensation Working Group comprised of stakeholders in the system including the Department, treating physicians, providers, plaintiff and defense attorneys, and insurers, this bill is a result of that collaboration.

This bill will streamline the process for functional capacity examinations with automatic approval when requested by the attending physician under certain conditions. As a result, this bill would reduce unnecessary delays and improve outcomes for injured workers.

Thank you for the opportunity to testify.

**HB-1515-HD-1**

Submitted on: 2/24/2026 7:33:46 PM

Testimony for CPC on 2/26/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Workers' Comp Physicians	WIMAH - Work Injury Medical Assoc. of Hawaii	Support	Written Testimony Only

Comments:

Work Injury Medical Association of Hawaii (WIMAH) strongly support the intent of HB 1515 which authorizes an attending physician to request a functional capacity exam and refer an injured employee for the exam without first obtaining permission from the employee's employer. It also allows licensed occupational and physical therapists to be deemed qualified to perform functional capacity exams.

Thank you for your consideration,

Gary Okamura, MD

WIMAH President



House Committee on Consumer Protection & Commerce  
Rep. Scot Matayoshi, Chair  
Rep. Tina Grandinetti, Vice Chair

Thursday, February 26, 2026, at 2:00 PM

**RE: HB 1515, HD1, Relating to Workers' Compensation**

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee:

**The Society for Human Resource Management – Hawaii (“SHRM Hawaii”) respectfully opposes HB 1515, HD1, Relating to Workers’ Compensation.** This bill authorizes an attending physician to request a functional capacity examination and refer an injured employee for the examination without first obtaining permission from the employee's employer in order to assess the employee's ability to return to work.

While we understand the intent of HB 1515 is likely to streamline the return-to-work process, we respectfully oppose the measure because it removes an important layer of coordination and balance. Authorizing an attending physician to request a functional capacity examination (FCE) and refer an injured employee for that examination without first obtaining employer input bypasses the collaborative framework that currently exists among employers, insurers, and medical providers. Employers are often responsible for coordinating modified duty, evaluating job requirements, and managing workers’ compensation claims. Removing their opportunity to participate in decisions that directly affect return-to-work determinations may lead to misalignment between medical assessments and actual workplace conditions, increased disputes, and unnecessary costs.

Additionally, expanding the categories of providers deemed qualified to perform FCEs, without corresponding safeguards to ensure consistency and standardization, may create variability in assessments that can complicate claims management and return-to-work planning. Policies governing workplace injury and rehabilitation function best when they encourage transparency, communication, and shared decision-making.

Thank you for this opportunity to provide testimony.

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



**HB-1515-HD-1**

Submitted on: 2/24/2026 6:04:27 PM

Testimony for CPC on 2/26/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cathy Wilson	Individual	Support	Written Testimony Only

Comments:

Re: Support for HB1515 HD1 – Relating to Workers’ Compensation

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

My name is Cathy Wilson, and I am submitting testimony in strong support of HB1515. I participate in the workers’ compensation working group that collaborated with Representative Matayoshi in developing this bill, and I appreciate the Committee’s consideration of this measure.

HB1515 reflects months of discussion among stakeholders who are actively engaged in Hawai‘i’s workers’ compensation system and are focused on practical reforms that improve fairness, clarity, and efficiency. The bill advances these goals in a balanced way and represents a consensus step forward for both injured workers and employers.

For these reasons, I respectfully urge you to pass HB1515.

Thank you for the opportunity to testify.

To: Representative Scot Z. Matayoshi, Chair  
Representative Tina Nakada Grandinetti, Vice Chair  
Committee on Consumer Protection & Commerce

From: Veronica Moore, Individual Citizen

Date: February 25, 2026

RE: House Bill 1515 HD1  
Measure Title: RELATING TO WORKERS' COMPENSATION.  
Report Title: Workers' Compensation; Functional Capacity Examination;  
Occupational Therapy; Physical Therapy

To All Concerned,

My name is Veronica Moore and I support House Bill 1515 HD1. Thank you for your consideration.

Sincerely,

Veronica M. Moore