

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



GOV. MSG. NO. 1225

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

June 24, 2026

The Honorable Ronald D. Kouchi  
President of the Senate,  
and Members of the Senate  
Thirty-Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura  
Speaker, and Members of the  
House of Representatives  
Thirty-Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on June 24, 2026, the following bill was signed into law:

H.B. NO. 1515, H.D. 2, S.D. 1,  
C.D. 1

RELATING TO WORKERS' COMPENSATION.  
**ACT 124**

Mahalo,

Josh Green, M.D.  
Governor, State of Hawai'i

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# 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 and accurate  
2 determination of an injured worker's physical abilities and  
3 functional restrictions is essential to ensure fair treatment  
4 under the workers' compensation system. Functional capacity  
5 examinations play a critical role in assessing whether an  
6 injured worker can return to work, with or without  
7 accommodations, or proceed with vocational rehabilitation when  
8 returning to full duty is not possible. However, the current  
9 system often delays functional capacity examinations due to  
10 denials or pending approvals from insurers or adjusters, thereby  
11 prolonging the injured worker's path to recovery and return to  
12 work. These delays exacerbate financial and emotional strain on  
13 workers, increase administrative inefficiencies, and impede the  
14 progress of vocational rehabilitation programs.

15 Therefore, the purpose of this Act is to streamline the  
16 approval process for functional capacity examinations, ensuring  
17 automatic approval of the examinations when requested by the



1 attending physician under certain conditions, thereby reducing  
2 unnecessary delays and improving outcomes for injured workers.

3 SECTION 2. Chapter 386, Hawaii Revised Statutes, is  
4 amended by adding a new section to part II to be appropriately  
5 designated and to read as follows:

6 "§386- Functional capacity examination. (a) When an  
7 injured employee's attending physician has determined that the  
8 employee has reached medical stabilization and the employee's  
9 capacity to work is in question, the attending physician may  
10 request a functional capacity examination to be performed by a  
11 qualified health care provider whose opinion or advice is  
12 necessary in the evaluation and treatment of the injured  
13 employee's injury; provided that:

14 (1) The qualified health care provider shall be trained to  
15 perform a functional capacity examination; and

16 (2) The attending physician shall not be required to  
17 obtain permission from the employer before requesting  
18 a functional capacity examination or referring the  
19 injured employee for a functional capacity  
20 examination.



1        (b) The name, business address, discipline, and specialty  
2 of the qualified health care provider and reasons for the  
3 functional capacity examination shall be submitted in writing to  
4 the employer at least seven calendar days before the referral.

5        (c) The qualified health care provider performing the  
6 functional capacity examination shall provide a copy of the  
7 functional capacity examination report to the attending  
8 physician and employer no later than fourteen calendar days  
9 after the date of the examination.

10       (d) Fees for functional capacity examinations requested by  
11 the attending physician pursuant to this section shall be paid  
12 by the employer.

13       (e) As used in this section:

14       "Functional capacity examination" means a set of tests that  
15 are used to identify an injured employee's physical skills,  
16 functional capabilities, activity endurance, and work tolerances  
17 after reaching medical stabilization.

18       "Functional capacity examination report" means a report  
19 issued by a qualified health care provider that provides  
20 recommendations regarding an injured employee's ability to  
21 return to work with or without restrictions or the need for



1 accommodations to safely return to work based on a functional  
2 capacity examination performed on the injured employee.

3 "Qualified health care provider" means a health care  
4 provider who meets the qualifications under section 386-27 to  
5 render health care and services under this chapter."

6 SECTION 3. Section 386-1, Hawaii Revised Statutes, is  
7 amended by amending the definition of "health care provider" to  
8 read as follows:

9 ""Health care provider" means a person qualified by the  
10 director to render health care and service and who has a license  
11 for the practice of:

- 12 (1) Medicine or [~~osteopathy~~] osteopathic medicine under
- 13 chapter 453;
- 14 (2) Dentistry under chapter 448;
- 15 (3) Chiropractic under chapter 442;
- 16 (4) Naturopathic medicine under chapter 455;
- 17 (5) Optometry under chapter 459;
- 18 (6) Podiatry under chapter 463E;
- 19 (7) Psychology under chapter 465; [~~and~~]
- 20 (8) Advanced practice registered nurse under chapter
- 21 457[~~-~~]; and



1       (9) Occupational therapy under chapter 457G or physical  
 2       therapy under chapter 461J; provided that occupational  
 3       therapists and physical therapists qualified under  
 4       section 386-27 shall be qualified for the limited  
 5       purpose of performing functional capacity examinations  
 6       pursuant to section 386- ."

7       SECTION 4. Section 386-27, Hawaii Revised Statutes, is  
 8       amended by amending subsection (a) to read as follows:

9       "(a) All health care providers rendering health care and  
 10       services under this chapter shall [~~be qualified by the director~~  
 11       ~~and shall~~] remain qualified by satisfying the requirements  
 12       established in this section. The director shall qualify any  
 13       person initially who has a license for the practice of:

- 14       (1) Medicine or [~~osteopathy~~] osteopathic medicine under
- 15       chapter 453;
- 16       (2) Dentistry under chapter 448;
- 17       (3) Chiropractic under chapter 442;
- 18       (4) Naturopathic medicine under chapter 455;
- 19       (5) Optometry under chapter 459;
- 20       (6) Podiatry under chapter 463E;
- 21       (7) Psychology under chapter 465; [~~and~~]



- 1 (8) Advanced practice registered [~~nurses~~] nurse under  
2 chapter 457[-]; and
- 3 (9) Occupational therapy under chapter 457G or physical  
4 therapy under chapter 461J; provided that occupational  
5 therapists and physical therapists qualified under  
6 this section shall be qualified for the limited  
7 purpose of performing functional capacity examinations  
8 pursuant to section 386- ."

9 SECTION 5. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 6. This Act shall take effect on July 1, 2026.



H.B. NO. 1515  
H.D. 2  
S.D. 1  
C.D. 1

APPROVED this 24th day of June, 2026

A handwritten signature in black ink, appearing to read "Josh Green". The signature is fluid and cursive, with a large initial "J" and "G".

GOVERNOR OF THE STATE OF HAWAII

HB No. 1515, HD 2, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 6, 2026  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2026.



Nadine K. Nakamura  
Speaker  
House of Representatives

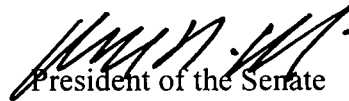



Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI'I**

Date: May 1, 2026  
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2026.

  
President of the Senate

  
Clerk of the Senate