

STAND. COM. REP. NO. **3371**

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 1509
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Labor and Technology and Commerce and Consumer Protection, to which was referred H.B. No. 1509, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) 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;
- (2) Require an employer to file a response, either accepting or objecting to a treatment plan, within ten days of receipt;
- (3) 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 (Director) determines there was good cause in the delay; and
- (4) Clarify that a treatment plan is deemed accepted if an employer fails to file certain documents within the ten-day period.



Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations; United Public Workers, AFSCME Local 646, AFL-CIO; International Brotherhood of Electrical Workers Local Union 1186; University of Hawaii Professional Assembly; and two individuals.

Your Committees received testimony in opposition to this measure from the Society for Human Resource Management-Hawaii, Maui Chamber of Commerce, and one individual.

Your Committees received comments on this measure from the Department of Human Resources Development, Kohala Coast Resort Association, and one individual.

Your Committees find that under the existing workers' compensation system, injured employees often experience unnecessary delays when seeking medical care for injuries suffered on the job and that an employer's failure to respond to proposed treatment plans is a common cause for delay. Existing law does not specify a deadline for employers to approve, deny, or otherwise respond to treatment plans received from an injured employee's physician, and some physicians may be reluctant to begin treatment absent clear approval from the employer due to the risk that insurers may deny coverage, ultimately delaying the provision of essential care to the injured employees and postponing their recovery and return to work. This measure reduces avoidable delays in medical care for injured workers by ensuring the timely approval or denial of workers' compensation treatment plans.

Your Committees acknowledge the concerns raised in testimony by the International Brotherhood of Electrical Workers Local Union 1186 (IBEW 1186) and Department of Human Resources Development that requiring employers to file a response with the Director for every treatment plan they receive within a specific time period and imposing a fine on their failure to do so would create an undue administrative burden on employers. This requirement also conflicts with another provision in this measure that deems a treatment plan accepted if an objection is not filed within the specified time period. Your Committees also note the concern raised by IBEW that the burden of proof to justify the denial of a treatment plan should be explicitly placed on the employer to



prevent delays in the acceptance or denial of the treatment plan. Your Committees additionally note IBEW 1186's request for the establishment of penalties to deter violations and hold employers liable for costs incurred by the injured employees due to the denial of treatment plans without reasonable grounds, and failure to pay for medical care provided as set forth in an accepted treatment plan. Thus, amendments to this measure are necessary to address these concerns.

Your Committees have amended this measure by:

- (1) Deleting language that would have required employers to file, within ten days after the treatment plan is deemed received, a response with the Director for all treatment plans;
- (2) Inserting language requiring any employer denying a treatment plan to file, within seven days after the treatment plan is deemed received, a written denial of the treatment plan with the Director by secure electronic means, with a copy to the physician and injured employee;
- (3) Deleting language that would have imposed a \$500 fine on employers that fail to file a response within ten days after a treatment plan is deemed received, unless the Director determines there was good cause for the delay;
- (4) Inserting language specifying that an employer shall have the burden of proof to establish by a preponderance of medical evidence that a treatment plan is unreasonable, unnecessary, or inappropriate to justify a denial;
- (5) Inserting language establishing a presumption that a denial of a treatment plan not supported by a medical opinion or relevant medical records existing at the time of denial shall be without reasonable grounds;
- (6) Inserting language requiring employers to pay the appropriate health care provider for any medical care set forth in a treatment plan that is accepted or deemed accepted;



- (7) Inserting language requiring any employer found by the Director to have denied a treatment plan without reasonable grounds, frivolously, or primarily for purposes of delay, or failed to pay the appropriate health care provider for any medical care set forth in a treatment plan that is accepted or deemed accepted, to be subject to a fine of not less than \$5,000 and payment of costs, including reasonable attorneys' fees, incurred by the injured employee in contesting the denial of the treatment plan or enforcing payment pursuant to the treatment plan;
- (8) Inserting language authorizing the Department of Labor and Industrial Relations to enforce the penalties in accordance with section 386-92, Hawaii Revised Statutes;
- (9) Inserting an effective date of January 1, 2077, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1509, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1509, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Labor and
Technology and Commerce and
Consumer Protection,



ARRETT KEOHOKALOLE, Chair

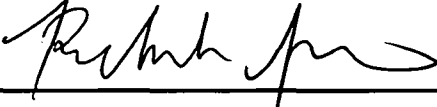


BRANDON J.C. ELEFANTE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
 Committee on Labor and Technology
 LBT

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1509 HD2	LBT/CPN, JDC/WAM	3.23.26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ELEFANTE, Brandon J.C. (C)	✓			
LAMOSAO, Rachele (VC)	✓			
IHARA, Jr., Les				✓
MORIWAKI, Sharon Y.	✓			
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Committee	Drafting Agency		

*Only one measure per Record of Votes

