

Honolulu, Hawaii
, 2026

MAR 06

RE: H.B. No. 1648
H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1648, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to prohibit health care providers from dispensing nonprescription drugs, over-the-counter drugs, nonlegend drugs, and drugs that are not approved by the United States Food and Drug Administration to workers' compensation patients.

Your Committee received testimony in support of this measure from the Department of Human Resources Development; American Property Casualty Insurance Association; Aloha Billing Company; Work Injury Medical Association of Hawaii; WorkStar; Solera Integrated Medical Solutions; and one individual. Your Committee received comments on this measure from the Department of Labor and Industrial Relations and Hawaii Insurers Council.

Your Committee finds that existing reimbursement rates for nonprescription and over-the-counter drugs in the workers' compensation system are not clearly defined. Furthermore, under existing practices, some nonprescription, over-the-counter, or nonlegend drugs are billed at significantly inflated prices when dispensed through the workers' compensation system. However, your



Committee believes it is imperative that the State target inappropriate billing practices without conflicting with reasonable and necessary medical care, which includes medication. Your Committee further believes that health care providers should have the authority to direct an injured worker to take a nonprescription drug, over-the-counter drug, or nonlegend drug to balance cost containment with access to medically appropriate care.

Accordingly, your Committee has amended this measure by:

- (1) Authorizing a health care provider, under certain circumstances, to dispense nonprescription, over-the-counter, or nonlegend drugs to an injured employee, instead of prohibiting the dispensing of those drugs and non-FDA-approved drugs;
- (2) Clarifying that this measure is not intended to prohibit a health care provider from recommending, advising, or directing an injured employee to obtain and use such drugs as part of medically approved treatment; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1648, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1648, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



SCOT Z. MATAYOSHI, Chair



