

STAND. COM. REP. NO. 2168

Honolulu, Hawaii

FEB 11 2026

RE: S.B. No. 2663  
S.D. 1

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

Sir:

Your Committee on Labor and Technology, to which was referred  
S.B. No. 2663 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require an employer to transmit written approval or denial of a treatment plan to the physician who transmitted the plan for approval within seven days of receipt of the plan;
- (2) Clarify provisions relating to denying a treatment plan, burden of proof, and objections;
- (3) Establish fines for noncompliance; and
- (4) Require the Director of Labor and Industrial Relations to assess penalties for noncompliance.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO; International Brotherhood of Electrical Workers Local Union 1186, AFL-CIO; University of Hawaii Professional Assembly; Work Injury Medical Association of Hawaii; Aloha Billing Company, and three individuals.



Your Committee received testimony in opposition to this measure from the Department of Human Resources Development and Department of Labor and Industrial Relations.

Your Committee received comments on this measure from the Hawaii Insurers Council.

Your Committee finds that timely treatment is essential to the recovery of injured workers. Your Committee finds, however, that injured workers in the State are struggling to receive treatment due to treatment plans sitting in limbo while physicians await for employer's approval thereof. By establishing a statutory timeframe within which employers must respond to requests for treatment plan approval, clarifying approval and denial requirements, and providing an enforcement mechanism, this measure reduces delays in the provision of necessary care for injured employees.

Your Committee acknowledges the concern raised in testimony by the Department of Labor and Industrial Relations that requiring the fines and penalties assessed against noncompliant employers to be paid to the injured employee conflicts with existing law that requires all fines collected pursuant to the State's Workers' Compensation Law to be deposited into the Special Compensation Fund. Your Committee also notes the concerns raised in testimony regarding the injured employee's ability to file a civil lawsuit to impose or collect the fine or penalty imposed on noncompliant employees. Therefore, amendments to this measure are necessary to these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Replacing language that would have required the fines to be paid by an employer who fails to transmit written approval or denial of a treatment plan in compliance with the statutory timeline to be paid to the injured employee with language that requires the fines to be deposited into the Special Compensation Fund;
- (2) Replacing language that would have required any action taken to impose or collect the fines or penalty to be considered a civil action with language requiring the

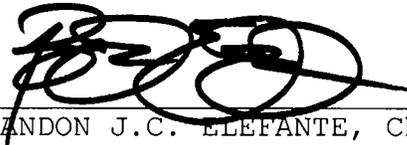


Director of Labor and Industrial Relations to enforce the penalties and if any employer fails to pay a penalty assessed by the Director within thirty days, allowing the injured employee or the Director to enforce the order in accordance with section 386-92, Hawaii Revised Statutes;

- (3) Inserting an effective date of January 1, 2077, to encourage further discussion;
- (4) Amending section 1 to reflect its amended purpose; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2663, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor and  
Technology,



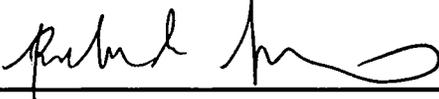
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BRANDON J.C. ELEFANTE, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

Record of Votes  
Committee on Labor and Technology  
LBT

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2663	LBT, JDC/WAM	2-2-26		
<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				✓
<b>TOTAL</b>	4	0	0	1
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