

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

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

March 3, 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: Tuesday, March 3, 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. 1509 H.D.1 RELATING TO WORKERS' COMPENSATION

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports** this measure to ensure timely approval or denial of workers' compensation treatment plans, thereby reducing avoidable delays in medical care for injured workers. However, the Department **respectfully requests amendments** to ensure procedural fairness, maintain consistency with ongoing modernization efforts, and prevent against employers acting in good faith.

HB1509 H.D.1 proposes to amend Chapter 386-21.2, Hawaii Revised Statutes (HRS) by:

- Repealing the authorization of the physician to transmit a treatment plan by mail or facsimile and the requirement that the physician submit it to an address or facsimile number provided by the employer,
- Requiring an employer to file a response, either accepting or objecting to a treatment plan within seven days of receipt,
- Imposing a penalty of \$500 if the employer fails to provide a response within the seven-day period unless good cause for the delay is determined; and
- Clarifying that a treatment plan is deemed accepted if an employer fails to file certain documents within the seven-day period.

II. CURRENT LAW

§386-21.2 provides that a physician may transmit a treatment plan to an employer and it is considered received when there is reasonable evidence of delivery. If the

employer does not file an objection, supporting documents, and a copy of the denied plan with the director within the required timeframe, the treatment plan is deemed accepted. After acceptance, the employer may still object if new supporting evidence becomes available.

§12-15-32(b) specifies in part that the physician shall transmit a treatment plan to the employer at least seven calendar days prior to the start of the additional treatments.

§12-15-32(d) specifies in part the employer may file an objection to the treatment plan with documentary evidence supporting the denial. The employer shall be responsible for payment for treatments provided under a complete treatment plan until the date the objection is filed with the director.

§12-15-34(b) specifies in part that if the attending physician believes additional treatments are required, the provider of service other than a physician, in lieu of the attending physician, may transmit a treatment plan for review and approval to the attending physician who shall, after approval, transmit the treatment plan at least seven calendar days prior to the start of the additional treatments.

§12-15-34(d) specifies in part that the employer shall be responsible for payment for treatments provided under a complete treatment plan until the date the objection is filed with the director.

§12-15-40(d) specifies in part that whenever a request for concurrent treatment is received, the employer shall respond within seven calendar days, giving authorization, or stating in writing the reason for refusal to the attending physician, the injured employee, and the director. Failure by the employer to respond within seven calendar days shall constitute approval of the request.

§12-15-42(c) specifies in part whenever a request for consultation is received, the employer shall respond within seven calendar days... failure by the employer to respond within seven calendar days shall constitute approval of the request.

§12-15-51(b) specifies in part whenever a request for elective surgery is received, the employer shall respond within seven calendar days, failure by the employer to respond within seven calendar days shall constitute approval of the request.

III. COMMENTS ON THE HOUSE BILL

The DLIR supports this measure and acknowledges that the absence of a clear written approval or denial of a treatment plan can cause reluctance among physicians to begin treatment and ultimately delay the provision of essential care to injured employees. This measure addresses that concern by establishing a uniform seven-day deadline for employers to approve or deny treatment plans. Additionally, this measure creates clear consequences for noncompliance.

The Department respectfully requests amendments to ensure procedural fairness

and prevent penalties for employers acting in good faith.

Under current law, §386-21.2 states that if an employer does not file an objection, supporting documents, and a copy of the denied plan with the Director “within the required timeframe,” the treatment plan is deemed accepted. However, the statute does not define what that timeframe is for general treatment (only concurrent treatment, consultations, and elective surgeries with a seven-day timeframe). This lack of clarity has led to inconsistent practices and delays in care. This measure addresses this gap, and the DLIR supports this clarification because it will help prevent unnecessary treatment delays, particularly when the treatment plan is ultimately accepted.

The DLIR, through HB2323 (in its original form), has also recommended amendments to §386-21.2(c) to support the ongoing automation and modernization of the Disability Compensation Division. To maintain consistency with these efforts, the Department respectfully requests amending HB1509 by striking “*mail, facsimile, or*” from page 2, line 2, thereby aligning the bill with DCD’s transition toward secure electronic submission and processing (following HB2323 in its original version).



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

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA

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

Before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Tuesday, March 3, 2026
2:00PM
State Capitol, Conference Room 329

In consideration of
HB1509 HD1, RELATING TO WORKERS' COMPENSATION

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

The Department of Human Resources Development (HRD) offers the following comments for HB1509 HD1.

The purpose of HB1509 HD1 is to:

- Repeal the authorization of a physician to transmit a treatment plan by mail or facsimile and the requirement that the physician submit it to an address or facsimile number provided by the employer
- Require an employer to file a response, either accepting or objecting to a treatment plan, within seven days of receipt
- Impose a monetary penalty if an employer does not file a response within the seven-day period, unless the Director of Labor and Industrial Relations determines there was good cause in the delay
- Clarify that a treatment plan is deemed accepted if an employer fails to file certain documents within the seven-day period

HRD appreciates the amendments made by the Labor Committee in HD1. The revised draft aligns more closely with Sections 12-15-40(d), 12-15-42(c), and 12-15-51(b) of the Hawai'i Administrative Rules.

The revised measure also resolves prior concerns regarding the direct submittal of approved treatment plans to injured workers. That requirement would have increased administrative costs and risked confusion between physicians and patients.

HRD continues to have concerns regarding the proposed penalties that were not addressed in the HD1. We respectfully request the removal of the last sentence in subsection (c) beginning on page 2, line 3:

~~“(c) An employer who fails to file a response within the seven day period shall be fined \$500.00, unless the director determines there was good cause for the delay.”~~

We are available to answer any questions or provide further information as needed.



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

March 3, 2026, at 2:00 P.M.

RE: HB 1509, 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 1509, Relating to Workers’ Compensation.

SHRM Hawai'i represents 900+ human resource management professionals who are its members statewide. Human resource management is a critical component to the success and survival of the many businesses that make up our local economy, responsible for striking a balance between the interests of employers and employees.

We appreciate the intent of this measure. However, current law already provides that a treatment plan is deemed accepted if the employer fails to respond within the required timeframe, ensuring that employees are not left waiting indefinitely for care. By layering an additional monetary penalty on top of automatic acceptance, the bill tips the balance too far against employers and creates a punitive framework rather than a cooperative one. Moreover, the response window is too short for such penalties, particularly for employers who must coordinate with insurers, third-party administrators, legal counsel, or medical reviewers to make an informed decision. This compressed timeline increases the likelihood of inadvertent noncompliance, even where there is no intent to delay treatment, and exposes employers to unnecessary fines.

Thank you for this opportunity to provide testimony.

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



SHRM Hawaii, P. O. Box 3175, Honolulu, Hawaii (808) 447-1840



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 1509 HD1 – Relating to Workers' Compensation**
APCIA Position: SUPPORT

Date: Tuesday, March 3, 2026
2:00 p.m., Room 329

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

The American Property Casualty Insurance Association is pleased to **support HB 1509 HD1** which strengthens Hawaii's workers' compensation system.

The American Property Casualty Insurance Association (APCIA) 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 1509 HD1 is an important measure that strengthens Hawai'i's workers' compensation system by requiring employers to respond to a medical treatment plan within seven days of receiving it—either by accepting or objecting to the plan. If an employer fails to respond within this timeframe, the bill imposes a monetary penalty and clarifies that the treatment plan is deemed accepted if certain documents are not submitted within the seven-day period.

This legislation will meaningfully improve the workers' compensation process by:

1. Ensuring timely medical decisions for injured workers

Delayed medical treatment can extend recovery times and increase long-term costs for both employees and employers. HB 1509 HD1 promotes prompt communication and accelerates access to necessary care.

2. Increasing clarity and compliance

By defining a clear response timeline and consequences for noncompliance, HB 1509 HD1 reduces ambiguity for employers, healthcare providers, and employees. This helps streamline case management and reduces procedural disputes.

3. Encouraging accountability

The bill's penalty provision ensures employers prioritize timely review and communication. This is a modest but effective mechanism to prevent administrative delays that hinder treatment.

4. Supporting a fair and efficient system

Workers' compensation functions best when all parties act promptly and transparently. HB 1509 HD1 reinforces the integrity of the process and ensures that injured workers are not left waiting unnecessarily for care.

For these reasons, APCIA asks the committee to pass this bill.



February 28, 2026

Representative Scot Matayoshi, Chair
Representative Tina Grandinetti, Vice Chair
House Committee on Consumer Protection and Commerce
Hawaii State Legislature

Comments on HB1509 HD1 Related to Workers' Compensation

Dear Chair Matayoshi, Vice Chair Grandinetti and Members of the House Committee on Consumer Protection and Commerce,

On behalf of the Kohala Coast Resort Association, our 5,500 employees, and the nearly 20,000 Hawaii Island residents they support, thank you for the opportunity to testify on this important legislation.

Hawaii Island employers are facing mounting challenges with the workers' compensation system, including: rising healthcare costs and inconsistent treatment guidelines; inefficient claims processing; medical providers experiencing long payment delays which leads them to not accept this type of insurance; prolonged litigation; delayed medical care for impacted employees, which keeps injured employees out of work longer; and a lack of standardized medical necessity guidelines, which leads to unnecessary procedures and inflated costs.

This causes challenges for everyone within the system.

For Employees: Delays in care lead to worsening injuries, mental health strain, and financial hardship as *Temporary Total Disability (TTD) benefits cover only 67% of wages, making long absences unsustainable for many island families.*

For Employers: Rising premiums and extended time-off erode productivity, morale, and retention.

For Physicians: Delayed approvals and reimbursements disrupt patient care and clinic operations and are causing many physicians to reject Workers' Compensation coverage.

We appreciate the amendments allowing treatment plans to be authorized through secure electronic means. Mahalo.

However, we remain concerned that the proposed fine for failing to respond to a treatment plan is excessive and unnecessary. The bill already deems a treatment plan accepted if an employer does not respond within the required timeframe. Adding a monetary penalty on top of automatic acceptance would create additional administrative burden for employers, insurers, and third-party administrators, with potential downstream effects on premiums and care delivery. For these reasons, we respectfully request that the fine be removed.

We also believe the proposed seven-day response window is too restrictive. While most treatment plans are approved electronically on the same day or within three days, some cases require additional investigation or consultation. Extending the response period to **ten days** provides a more realistic and workable timeframe without compromising timely access to care for injured workers.

A ten-day window still ensures prompt movement of treatment plans, but it reduces the likelihood of automatic acceptance due to administrative timing rather than substantive review. This adjustment supports more accurate decision-making, reduces disputes, and preserves the integrity of the authorization process—while still advancing the bill’s core goal of preventing unnecessary delays in treatment.

For these reasons, we respectfully propose the following amendments:

- (d) An employer shall file a response with the director, either accepting or objecting to the treatment plan, within ten days after the treatment plan is deemed received by the employer pursuant to subsection (c).**
- (e) A treatment plan shall be deemed accepted if an employer fails to file with the director, with a copy to the physician and the injured employee: • An objection to the treatment plan; • Any applicable documentary evidence supporting the denial; and • A copy of the denied treatment plan, within ten days of receipt of the treatment plan pursuant to subsection (d).**

Mahalo for your consideration of these proposed amendments. We believe they will strengthen Hawai‘i’s workers’ compensation process for employers, employees, and physicians alike.

Sincerely,



Stephanie Donoho, Administrative Director
Kohala Coast Resort Association

Craig Anderson, VP Operations, Mauna Kea Resort –President
Charlie Parker, General Manager, Four Seasons Hualalai – Vice President
Mark Goldrup, General Manager, Waikoloa Beach Marriott – Secretary
Pete Alles, Regional VP and GM, Mauna Lani, Auberge Resorts Collection – Treasurer
Pat Fitzgerald, CEO, Hualalai Investors – Board of Directors
Daniel Scott, Managing Director Rosewood Kona Village – Board of Directors
Samantha Jones, DOSM, Fairmont Orchid – Board of Directors
Scott Head, VP Resort Operations, Waikoloa Land Company – Board of Directors
Jim Russell, Director of Rooms, Hilton Waikoloa Village – Board of Directors
Rob Gunthner, Area VP Resort Operations, Hilton Grand Vacations – Board of Directors



The House Committee on Consumer Protection & Commerce
March 3, 2026
Room 329
2:00 PM

RE: **HB 1509 HD1, Relating to Workers' Compensation**

Attention: Chair Scot Z. Matayoshi, Vice Chair Tina Nakada Grandinetti, Members of the Committee

The University of Hawaii Professional Assembly (UHPA), the exclusive bargaining representative for all University of Hawai'i faculty members across Hawai'i's statewide 10-campus system, **supports HB 1509 HD1.**

We view this measure as a critical step toward eliminating administrative bottlenecks that frequently delay necessary medical care for injured faculty members. Timely treatment is the most important factor in ensuring a full recovery and a swift return to the workplace.

This bill strengthens the accountability of the system by enforcing a strict seven-day timeline for employers to file responses to treatment plans directly with the Director. By clarifying that a treatment plan is "deemed accepted" if an employer fails to file a response within this window, the legislation ensures that bureaucratic inaction or silence does not result in the denial of essential medical services. We urge the committee to pass this measure to streamline the approval process and protect injured workers from avoidable delays in their recovery.

UHPA supports the passage of HB 1509 HD1.

Respectfully submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly



**Testimony of Gary Okamura, MD
President, Work Injury Medical Association of Hawai'i (WIMAH)**

In Strong Support of HB1509 HD1

Chair Sayama, Vice Chair Lee, and Members of the Labor Committee,

My name is **Gary Okamura, MD**, an orthopedic surgeon who has cared for Hawai'i's injured workers for decades and currently serves as President of the **Work Injury Medical Association of Hawai'i (WIMAH)**. WIMAH's members are made up of treating providers to injured workers in Hawaii. I appreciate the opportunity to offer **strong support** for **HB1509**, a bill that makes essential clarifications to Hawai'i's treatment-plan statute.

Why HB1509 Is Necessary:

The treatment-plan process was designed to be straightforward: a physician submits a plan, the employer has seven days to respond, and if no response is received, the plan is deemed accepted. This structure was intended to ensure timely care and prevent administrative delays from interfering with treatment.

Unfortunately, the system has not been functioning as intended. In recent years, some employers and their bill-review vendors have used technical arguments about "receipt" of a treatment plan to avoid payment after care has already been provided. Even when a clinic can show that a plan was faxed or transmitted, reimbursement is sometimes denied on the grounds that the employer "never received" it. This practice undermines the Legislature's clear intent and places both providers and injured workers in an unfair position.

HB1509 closes these loopholes and restores the integrity of the seven-day rule.

This measure strengthens HRS §386-21.2 by:

- **Clarifying what constitutes receipt** of a treatment plan, including mailed, faxed, or secure electronic transmission with reasonable proof of delivery.
- **Requiring employers to file a timely response with the Director**—within seven days—either accepting or objecting to the plan, with the existing \$500 penalty preserved for non-compliance.
- **Reinforcing the "deemed accepted" standard** by specifying that an employer must submit a formal objection, supporting documentation, and a copy of the disputed plan to the Director, the physician, and the injured worker.
- **Preventing after-the-fact denials** by limiting later objections to situations where new documentary evidence emerges.

These updates ensure that the seven-day deadline is meaningful and enforceable.



By clarifying the process, HB1509:

- Ensures injured workers are not caught in the middle of disputes about whether a plan was “actually received.”
- Gives treating physicians confidence to proceed with care once the statutory deadline has passed.
- Reduces unnecessary disputes and prevents misuse of the treatment-plan process by a small number of bad-acting vendors.
- Supports DLIR by establishing clear expectations and documentation requirements for objections.

This bill does not change the underlying policy—it simply ensures that the policy works as intended.

Conclusion:

HB1509 is a practical, targeted fix that restores fairness and predictability to the treatment-plan process. It protects injured workers, supports treating physicians, and reinforces the Legislature’s long-standing commitment to timely medical care in Hawai‘i’s workers’ compensation system.

I respectfully urge the Committee to **pass HB1509**.

With aloha,

Gary Okamura, MD

Orthopedic Surgeon

President, Work Injury Medical Association of Hawai‘i (WIMAH)



International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, 5th Floor • HONOLULU, HI 96819-5003
TELEPHONE (808) 847-5341 • FAX (808) 847-2224

TO: HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Hearing on Tuesday, March 3, 2026 at 2:00 p.m., Conference Room 329

RE: TESTIMONY IN **SUPPORT WITH AMENDMENTS** OF HB 1509 HD1

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

The International Brotherhood of Electrical Workers Local Union 1186 (IBEW 1186), is comprised of over 2,700 men and women working in electrical construction, telecommunications, civil service employees, and educator and faculty associations.

IBEW 1186 **SUPPORTS** the intent of this bill but would like to offer important **AMENDMENTS** to ensure that the bill achieves its goals.

Timely treatment is critical for our workforce. Our members work in physically demanding, high-risk environments. When an electrical worker is injured, timely medical treatment is not just a matter of comfort, it is essential for their recovery and their livelihood.

However, we request **AMENDMENTS** by adopting the language of **SB 2663 SD1**, which creates a better penalty structure designed to deter delays, and provides critical legal protections to injured workers that **HB 1509 HD1** lacks.

Currently, we see too many instances where treatment plans sit in limbo. Physicians are hesitant to proceed without approval, and injured workers are left waiting while weeks go by without a clear "yes" or "no" from the employer/insurer. By establishing a clear seven-day deadline for approval or denial, this bill removes the uncertainty that delays care. We also strongly support shifting the burden of proof to the employer/insurer to justify denials with actual medical evidence. This ensures that administrative delays do not supersede medical necessity.

IBEW 1186 urges this committee to amend this bill by inserting the more robust language found in **SD 2663 SD1**.

Dear Chair Sayama, Vice Chair Lee, and Members of the House Committee on Labor,

Thank you for the opportunity to testify on this important legislation. My name is Andrew Branchflower, and I am a Doctor of Physical Therapy and a subject matter expert in Hawai‘i’s workers’ compensation system. I have lived and practiced full-time on Hawai‘i Island since 2013, and I welcome any questions or additional insight I may be able to provide.

Over the past decade, I have witnessed growing challenges within Hawai‘i’s workers’ compensation system—challenges that affect injured employees, employers, and medical providers alike. These issues are especially acute on Hawai‘i Island, where access to care is already limited.

The island continues to face rising healthcare costs, inconsistent treatment guidelines, inefficient claims processing, prolonged litigation, and significant delays in medical care. Many medical providers experience long reimbursement timelines, which discourages them from accepting workers’ compensation patients. These systemic problems keep injured employees out of work longer and increase costs for employers and insurers.

These impacts are felt across all stakeholders:

- **Employees:** Delays in care worsen injuries, increase mental health strain, and create financial hardship, particularly because Temporary Total Disability benefits replace only 67% of wages—an unsustainable gap for many island families.
- **Employers:** Rising premiums and extended employee absences reduce productivity, morale, and retention.
- **Physicians:** Slow approvals and reimbursement delays disrupt patient care and clinic operations.

I appreciate the amendments allowing treatment plans to be authorized through secure electronic means. However, I remain concerned that the proposed fine for failing to respond to a treatment plan is excessive and unnecessary. The bill already deems a treatment plan accepted if an employer does not respond within the required timeframe. Adding a monetary penalty on top of automatic acceptance would create additional administrative burden for employers, insurers, and third-party administrators, with potential downstream effects on premiums and care delivery. For these reasons, I respectfully request that the fine be removed.

I also believe the proposed seven-day response window is too restrictive. While most treatment plans are approved electronically on the same day or within three days, some cases require additional investigation or consultation. Extending the response period to ten days provides a more realistic and workable timeframe without compromising timely access to care for injured workers.

A ten-day window still ensures prompt movement of treatment plans, but it reduces the likelihood of automatic acceptance due to administrative timing rather than substantive review. This adjustment supports more accurate decision-making, reduces disputes, and preserves the integrity of the authorization process—while still advancing the bill’s core goal of preventing unnecessary delays in treatment.

For these reasons, I respectfully propose the following amendments:

(d) An employer shall file a response with the director, either accepting or objecting to the treatment plan, within ten days after the treatment plan is deemed received by the employer pursuant to subsection (c).

(e) A treatment plan shall be deemed accepted if an employer fails to file with the director, with a copy to the physician and the injured employee: • An objection to the treatment plan; • Any applicable documentary evidence supporting the denial; and • A copy of the denied treatment plan, within ten days of receipt of the treatment plan pursuant to subsection (d).

Mahalo for your consideration of these proposed amendments. I believe they will strengthen Hawai‘i’s workers’ compensation process for employers, employees, and physicians alike.

Sincerely,

Dr. Andrew Branchflower PT, DPT

Dear Chair Greggor Ilagan Sayama, Vice Chair Scott Y. Lee, and Members of the House Committee on Labor,

Thank you for the opportunity to testify on this important legislation. My name is Emily Holthaus, and I am a Hawai'i Island constituent and long-time human resources professional currently based in Kailua-Kona. In my role, I support employees and employers through more than 100 workers' compensation cases annually. Through this work, I see firsthand how Hawai'i's workers' compensation system impacts injured workers, businesses, and medical providers in our community.

Over the years, I have observed increasing challenges within the workers' compensation system that affect all stakeholders—particularly on Hawai'i Island, where access to medical care is already limited. Rising healthcare costs, inconsistent treatment guidelines, inefficient claims processing, and prolonged litigation often create significant delays in care. These delays can extend recovery time for injured workers and increase costs for employers and insurers.

The effects of these systemic issues are felt broadly:

Employees: Delays in treatment can worsen injuries, create financial strain, and increase mental health stress. Temporary Total Disability benefits replace only 67% of wages, leaving many families struggling to meet basic financial obligations while recovering.

Employers: Extended employee absences and rising premiums impact operations, productivity, and workforce stability.

Medical Providers: Delays in authorization and reimbursement make it difficult for providers to treat workers' compensation patients, further limiting access to care on Hawai'i Island.

I appreciate the bill's effort to modernize the process by allowing treatment plans to be authorized through secure electronic communication. However, I have concerns about the proposed fine for failure to respond to a treatment plan. The bill already provides that a treatment plan will be deemed accepted if a response is not submitted within the required timeframe. Adding a monetary penalty on top of automatic acceptance may create unnecessary administrative burden for employers, insurers, and third-party administrators, which could ultimately increase costs and premiums. For this reason, I respectfully recommend removing the proposed fine.

I also believe the proposed seven-day response period may be too restrictive. While many treatment plans are approved quickly—often within one to three days—some cases require

additional review, consultation, or documentation. Extending the response window to **ten days** would provide a more practical timeframe while still supporting timely access to care.

A ten-day response period maintains the bill's intent of preventing unnecessary delays while allowing for thoughtful review and reducing the likelihood of treatment plans being automatically approved due to administrative timing rather than substantive consideration.

For these reasons, I respectfully suggest the following amendments:

(d) An employer shall file a response with the director, either accepting or objecting to the treatment plan, within **ten days** after the treatment plan is deemed received by the employer pursuant to subsection (c).

(e) A treatment plan shall be deemed accepted if an employer fails to file with the director, with a copy to the physician and the injured employee, within **ten days** of receipt of the treatment plan pursuant to subsection (d):

- An objection to the treatment plan;
- Any applicable documentary evidence supporting the denial; and
- A copy of the denied treatment plan.

Mahalo for your time and consideration of these proposed amendments. From my experience working directly with injured employees and employers across Hawai'i Island, I believe these adjustments will help improve the efficiency and fairness of the workers' compensation process while maintaining timely access to care.

Respectfully,
Emily Holthaus

808-345-3155



Aloha Billing Company
www.alohabillingcompany.com

Support Testimony HB1509 HD1

Dear Chair Sayama, Vice Chair Lee, and the Committee on Labor,

My name is Cathy Wilson and I work in Hawai'i's workers' compensation system as a billing professional and patient advocate. I am submitting this testimony in strong support of the measure to amend HRS §386-21.2 relating to treatment plans.

This bill is a necessary clarification to protect injured workers' access to care and to prevent misuse of the treatment-plan process by employers and their bill review agents.

Why this clarification is needed

Under existing Hawai'i workers' compensation law, the treating physician submits a treatment plan that outlines care for the next 120 days, and the employer has seven days after receiving the plan to approve or deny it. If the employer does not respond within that time frame, the treatment plan is deemed approved and the provider may proceed with care and expect reimbursement.

In practice, however, some employers and third-party bill review companies have been using this framework to avoid payment. After services have been rendered, they demand proof of an "authorized treatment plan" and then deny reimbursement on the basis that they allegedly never received or approved it—even when the provider can show evidence that the plan was faxed or transmitted. This creates a bottleneck of unpaid bills, generates unnecessary disputes, and undermines the Legislature's clear intent that silence within seven days equals approval.

The measure before you closes this loophole by clarifying what constitutes "receipt" of a treatment plan, what employers must do to object, and when a treatment plan is deemed accepted.

Key improvements in the bill

The amendments to HRS §386-21.2 make several important, practical changes:

- They codify that a treatment plan is deemed received when it is sent by mail or facsimile with reasonable evidence showing that it was received, and require employers to accept transmission by secure electronic means as well.
- They require employers to file a response with the Director within seven days after the plan is deemed received, either accepting or objecting to the plan, and maintain the \$500 fine for failure to respond.
- They strengthen the "deemed accepted" provision by specifying that an employer must file with the Director—within seven days—a formal objection, any supporting documentary evidence, and a copy of the denied treatment plan, with copies to both the physician and the injured worker. If this is not done, the treatment plan is deemed accepted.
- They make clear that after acceptance, an employer may only later object if new documentary evidence supporting a denial is received, preserving due process while preventing routine after-the-fact denials.

These clarifications ensure that the seven-day deadline has real meaning, and that an employer cannot simply remain silent, later claim non-receipt, and then refuse to pay for treatment already provided under a plan that should have been deemed approved.



Aloha Billing Company
www.alohabillingcompany.com

How this protects injured workers and the system

From a practical standpoint, this bill:

- Protects injured workers from interruptions in care and from being caught in the middle of technical disputes over whether a plan was “really” received.
- Gives treating physicians and clinics greater confidence to proceed with necessary care once the seven-day period has passed, knowing that a plan is truly deemed accepted unless a timely, documented objection was filed.
- Reduces gamesmanship by “bad-acting” employers or their bill review vendors who currently use ambiguity around receipt and approval to deny or delay payment.
- Supports administrative efficiency at the Department of Labor and Industrial Relations by setting clear expectations and documentation requirements for objections.

In short, this bill does not change the underlying policy choice the Legislature has already made—that silence within seven days equals acceptance—but it closes loopholes that have allowed some parties to evade that rule and shift risk and financial burden onto providers and injured workers.

Conclusion

For these reasons, I respectfully urge the Committee to pass this measure amending HRS §386-21.2. It is a targeted, common-sense clarification that honors the original intent of Hawai‘i’s workers’ compensation law: timely, necessary care for injured workers, with clear and fair rules for all parties.

Thank you for the opportunity to testify.

With aloha,

Cathy Wilson

LATE

HB-1509-HD-1

Submitted on: 3/3/2026 11:57:33 AM

Testimony for CPC on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Monden	Individual	Support	Written Testimony Only

Comments:

For the past 30 to 40 years, I have served as a nurse case manager in workers' compensation, and I have also experienced firsthand the delays and frustrations of waiting months or even years for treatment approvals. Throughout my career, I have advocated passionately for injured workers, ensuring they receive the care they need from insurers, employers, and healthcare providers.

The current workers' compensation system often leaves injured workers and vendors in limbo due to a lack of written authorization. While statutes mandate that treatment plans are approved within seven days, many vendors still require written confirmation before providing services. This delay not only prolongs suffering for injured workers but also creates financial uncertainty for vendors.

To address this critical issue, I am in support for insurance companies to provide written authorization—whether approval or denial—within seven days. This amendment would ensure transparency, reduce delays, and ultimately improve outcomes for injured workers. By guaranteeing timely, written responses, we can alleviate stress, expedite recovery, and support vendors in maintaining their services.