



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

February 17, 2026

To: The Honorable Jackson D. Sayama, Chair,
The Honorable Mike Lee, Vice Chair, and
Members of the House Committee on Labor

Date: Tuesday, February 17, 2026
Time: 9:00 a.m.
Place: Conference Room 309, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 1509 RELATING TO WORKERS' COMPENSATION

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports the intent** of this measure and **respectfully requests amendments** to ensure fairness and prevent unintended penalties.

HB1509 proposes to amend HRS §386-21.2 by:

- Requiring an employer to file a response, either accepting or objecting to a treatment plan within seven days of receipt,
- Imposing a \$500 penalty on any employer that fails to provide a response within the seven-day period, and
- Clarifying that a treatment plan is deemed accepted if the employer does not submit the required 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 the plan is considered received when there is reasonable evidence of delivery. If the employer does not file an objection, the required supporting documents, and a copy of the denied plan with the Director within the specified timeframe, the treatment plan is deemed accepted. Once a plan is accepted, the employer may still raise an objection if new supporting evidence becomes available.

HAR §12-15-32(b) specifies that the physician must transmit a treatment plan to the employer **at least seven calendar days** before the start of any additional treatments.

§12-15-32(d) sets forth that an employer may file an objection to a treatment plan along with documentary evidence supporting the denial. The employer remains responsible for payment for treatments provided under a complete treatment plan up to the date the objection is filed with the Director.

§12-15-34(b) states that if the attending physician believes additional treatments are required, a provider of service other than a physician may, in lieu of the attending physician, transmit a treatment plan to the attending physician for review and approval. After approving the plan, the attending physician must transmit it to the employer at least seven calendar days before the start of the additional treatments.

§12-15-34(d) provides that the employer is responsible for payment for treatments provided under a complete treatment plan until the date the employer files an objection with the Director.

§12-15-40(d) states that when a request for concurrent treatment is received, the employer must respond within seven calendar days, either granting authorization or stating in writing the reason for refusal to the attending physician, the injured employee, and the Director. If the employer does not respond within the seven-day period, the request is deemed approved.

§12-15-42(c) provides that when a request for consultation is received, the employer must respond within seven calendar days. If the employer does not respond within that seven-day period, the request is deemed approved.

§12-15-51(b) states that when a request for elective surgery is received, the employer must respond within seven calendar days. If the employer does not respond within that seven-day period, the request is deemed approved.

III. COMMENTS ON THE HOUSE BILL

The DLIR supports the intent of this measure but respectfully requests amendments to ensure procedural fairness and prevent penalties for employers acting in good faith.

The Department recognizes that the absence of a clear written approval or denial of a treatment plan can create uncertainty for physicians, leading to reluctance to begin treatment and potential delays in providing essential care to injured employees. This measure seeks to codify a seven-day deadline for treatment plan approval or denial, representing a significant change from current law and introducing strict penalties for noncompliance.

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 are subject to a seven-day deadline.

The DLIR is concerned that imposing a penalty for any response not provided within the seven-day period fails to account for valid reasons for delay, such as:

- Complex medical cases,
- Incomplete or unclear treatment plans,
- Inclusion of body parts outside of the accepted workers' compensation injury, and
- Administrative oversight or human error.

Penalizing employers under these circumstances could unintentionally punish those acting in good faith. This measure also effectively shifts part of the burden of proof to the employer.

To avoid these unintended consequences, the Department recommends tailoring the penalty provision to focus on employers or adjusters with a documented pattern of repeated, unjustified delays, rather than applying the penalty uniformly.

Therefore, the Department requests the following revisions to HB 1509:

- On Page 2, lines 2-3; strike "*In addition to any other applicable fines, an*" and replace it with "*An*".

To provide the Director with discretion to avoid unintended consequences as well as the authority to penalize employers or adjusters acting in bad faith, the DLIR recommends that the new subsection (d) read as follows:

(d) An employer shall file a response with the director, either accepting or objecting to the treatment plan, within seven days after the treatment plan is deemed received by the employer pursuant to subsection (c). An employer who fails to file a response within the seven-day period shall be fined \$500, unless the director determines there was good cause for the delay. If good cause is not established, the penalty shall apply.

The DLIR, through HB2323, is also recommending amendments to §386-21.2 to support the ongoing automation of the Disability Compensation Division. Accordingly, the Department suggests redesignating the subsections of §386-21.2 in alignment with HB2323, including the amendment to the subsection discussed above. Under this restructuring, the amended subsection (d) would be redesignated as subsection (c).

Thank you for the opportunity to provide input on this important matter.

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

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA



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

Before the
HOUSE COMMITTEE ON LABOR
Tuesday, February 17, 2026
9:00AM
State Capitol, Conference Room 309

In consideration of
HB1509, RELATING TO WORKERS' COMPENSATION

Chair Sayama, Vice Chair Lee, and members of the committee:

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

The purpose of HB1509 is to:

- 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; and
- Clarify that a treatment plan is deemed accepted if an employer fails to file certain documents within the seven-day period

HRD appreciates the intent of the measure and provides the following comments:

1. Sections 12-15-40 (d), 12-15-42(c), and 12-15-51(b) of the Hawai'i Administrative Rules (HAR) provide that an employer's response to treatment requests shall be within seven (7) calendar days and confirms that a failure to respond within the mandatory seven (7) days will constitute approval of the request.
2. Current HAR also provides that non-responses within seven (7) days constitutes automatic approval of the request, which obligates the employer to pay for any

services, medications or supplies outlined in the request for the duration of the treatment plan period.

3. Requiring employers to file all treatment responses to the director and imposing monetary penalties for non-responses or delayed responses, may require the Department of Labor and Industrial Relations (DLIR) to create additional administrative processes to manage and adjudicate the management of these filing issues and penalties between interested parties and may divert resources and focus away from the injured worker.
4. Adding the administrative requirement to provide copies of approved treatment plans to the injured employee will increase costs to carriers because the submittal will likely be by mail.
5. The direct submittal of an approved treatment plan to an injured worker could also lead to misunderstandings, undermining the doctor-patient relationship, and interfering with the physician's ability to determine if a patient has decision-making capacity about their own healthcare.
6. The bill lacks clear definitions, creating opportunities for frivolous requests for fines by employees, representatives, or medical providers. These risks can disrupt established workers' compensation processes and create additional delays in addressing core benefits. It also places pressure on the DLIR to develop new administrative procedures to manage and adjudicate fines, diverting resources away from injured workers.

Should this bill move forward, HRD recommends the following amendment to be consistent with the HAR:

Replace the language on page 1, line 16, to read: **“(d) No later than seven days after receipt of a treatment plan, an employer shall transmit its written approval or denial of the treatment plan to the physician by mail, facsimile, or secure electronic means.”**

HRD agrees with the suggested language changes in subsection (e).

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



February 13, 2026

Representative Jackson Sayama, Chair
Representative Mike Lee, Vice Chair
House Committee on Labor
Hawaii State Legislature

Comments on HB1509 Related to Workers' Compensation

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

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 would suggest that the proposed fine for failing to respond is excessive and unnecessary, especially since a treatment plan is already deemed accepted if an employer does not reply within seven days of receipt, in this proposed bill. We would respectfully request that you strike the fine from this bill. We believe that imposing a monetary penalty on top of automatic acceptance will create an added administrative burden for employers, insurers, and third-party administrators, which may ultimately affect premiums and the delivery of care. We believe establishing a seven-day window strikes a reasonable and balanced middle ground.

Therefore, we would suggest the following amendments:

(d)

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

[(d)] (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:

1. An objection to the treatment plan;
 2. Any applicable documentary evidence supporting the denial; and
 3. A copy of the denied treatment plan,
- within seven days of receipt of the treatment plan pursuant to subsection (d).**

Mahalo for your consideration of these proposed amendments which we believe will aid employers, employees and physicians by strengthening Hawaii's Workers' Compensation process.

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



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2026**

COMMITTEE ON LABOR
Rep. Jackson D. Sayama, Chair
Rep. Mike Lee, Vice Chair

Tuesday, February 17, 2026, 9:00 AM
Conference Room 309 & Videoconference

Re: Testimony on HB1509 – RELATING TO WORKERS' COMPENSATION

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

The United Public Workers, AFSCME Local 646, AFL-CIO ("UPW") is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW supports HB1509, which requires an employer to file a response, either accepting or objecting to a treatment plan, within seven days of receipt. This measure also imposes a monetary penalty if an employer does not file a response within the seven-day period and clarifies that a treatment plan is deemed accepted if an employer fails to file certain documents within the seven-day period.

As one of the few labor unions with a workers' compensation program for our members, UPW strongly believes this bill would help limit an unnecessary delay our members often encounter when they are injured on the job and direct them to the medical care they desperately need in a timelier manner.

Mahalo for the opportunity to testify in support of this measure.

HEADQUARTERS

1426 North School Street
Honolulu, Hawaii 96817-1914
Phone 808.847.2631

HAWAII

362 East Lanikaula Street
Hilo, Hawaii 96720-4336
Phone 808.961.3424

KAUAI

2970 Kele Street, Suite 213
Lihue, Hawaii 96766-1803
Phone 808.245.2412

MAUI

841 Kolu Street
Wailuku, Hawaii 96793-1436
Phone 808.244.0815

1.866.454.4166
Toll Free - Molokai/Lanai only



The House Committee on Labor
February 17, 2026
Room 309
9:00 AM

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

Attention: Chair Jackson D. Sayama, Vice Chair Mike Lee, 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.**

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.

Respectfully submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly



House Committee on Labor
Rep. Jackson Sayama, Chair
Rep. Mike Lee, Vice Chair

February 17, 2026, at 9:00 A.M.

RE: HB 1509, Relating to Workers' Compensation

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

The Society for Human Resource Management – Hawaii (“SHRM Hawaii”) respectfully opposes HB 1509, Relating to Workers’ Compensation.

HB 1851 HD1 establishes an apprenticeship program income tax credit for certain qualified costs incurred by a qualified apprenticeship program.

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 Jackson D. Sayama, Chair
The Honorable Mike Lee, Vice Chair
House Committee on Labor

From: Mark Sektnan, Vice President

Re: **HB 1509 - Relating to Workers' Compensation**
APCIA Position: SUPPORT

Date: Tuesday, February 17, 2026
9:00 a.m., Room 309

Aloha Chair Sayama, Vice Chair Lee and Members of the Committee:

The American Property Casualty Insurance Association (APCIA) is pleased to **support HB 1509** 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 is an important measure that strengthens Hawaii'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 promotes prompt communication and accelerates access to necessary care. -term costs for both employees and employers. HB 1509 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 reduces ambiguity for employers, healthcare providers, and employees. This helps

streamline case management and reduce procedural disputes. -compliance, HB 1509 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 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.



Scott Miscovich MD LLC
46-001 Kamehameha Hwy Ste 109
Kaneohe, HI 96744
Phone: (808) 247-7596 Fax: (808) 824-3416

February 16, 2026

TESTIMONY IN STRONG SUPPORT OF HB1509 - Relating to Workers' Compensation

Dear Chair Jackson Sayama, Vice Chair Mike Lee, and the Committee on Labor:

My name is Fairlene Naone, and I submit this testimony in strong support of H.B. 1509.

I have more than 30 years of experience working in the legal field and as the Director of Dr. Scott Miscovich's Workers' Compensation Department. Over the course of my career, I have witnessed firsthand the systemic delays and barriers that injured workers and their treating physicians face when attempting to obtain timely approval of medical treatment plans.

H.B. 1509 strengthens Hawai'i Revised Statutes § 386-21.2 by requiring an employer to file a response accepting or objecting to a treatment plan within seven days of receipt and imposing a \$500 penalty for failure to respond within that timeframe. The bill also clarifies that a treatment plan is deemed accepted if the employer fails to file an objection and supporting documentation within the required seven-day period.

This clarification is critically important.

For decades, medical providers have experienced situations where treatment plans are submitted but simply go unanswered. Adjusters frequently ignore or significantly delay responding to treatment plans. In some cases, treatment is effectively placed "on hold" without formal denial, leaving injured workers in limbo. During these delays:

- Necessary surgeries are postponed.
- Physical therapy is interrupted.
- Diagnostic testing is stalled.
- Pain management is withheld.

These delays do not merely inconvenience injured workers — they endanger their health and welfare. Conditions worsen. Recovery is prolonged. Some injuries become permanent due to lack of timely intervention.

From the provider perspective, the uncertainty and administrative complications of the workers' compensation system have driven many specialized physicians to stop accepting workers' compensation patients altogether. Specialists are increasingly reluctant to participate because they face prolonged payment delays, repeated documentation demands, and inconsistent communication from adjusters. As a result, injured workers struggle to find qualified physicians willing to treat them.

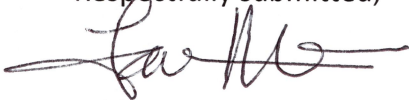
H.B. 1509 provides accountability. By establishing a firm seven-day response requirement and a clear consequence for noncompliance, the bill restores predictability to the process. It ensures that treatment plans are either properly objected to with supporting documentation or deemed accepted, allowing care to proceed without unnecessary delay.

This legislation does not eliminate the employer's right to object. It simply requires that objections be timely and documented. This is reasonable, balanced, and consistent with the goal of protecting injured workers while preserving due process.

In my 30+ years working within the system, I have seen how silence and delay function as de facto denials. This bill closes that loophole and promotes timely, appropriate medical care. For these reasons, I respectfully urge the Committee to pass H.B. 1509.

Thank you for the opportunity to testify in support.

Respectfully submitted,



Fairlene Naone

Director Workers' Compensation and

Third Party Liability Department

Premier Medical Group Hawaii

46-001 Kamehameha Hwy, Ste. 109

Kaneohe, HI 96744

Email: fairlene.naone@pmgusa.org



PREMIER
MEDICAL
GROUP
HAWAII



Scott Miscovich MD LLC
46-001 Kamehameha Hwy Ste 109
Kaneohe, HI 96744
Phone: (808) 247-7596 Fax: (808) 824-3416

February 16, 2026

TESTIMONY IN STRONG SUPPORT OF HB1509 - Relating to Workers' Compensation

Dear Chair Jackson Sayama, Vice Chair Mike Lee, and the Committee on Labor:

My name is Dr. Scott J. Miscovich and I respectfully submit this testimony in strong support of H.B. 1509. I have practiced medicine for over 40 years and have treated injured workers throughout my career. I have dedicated my professional life to helping patients heal, return to work, and regain function after injury. Unfortunately, I have also witnessed firsthand the unnecessary suffering caused by delays in the workers' compensation system.

H.B. 1509 strengthens Hawai'i Revised Statutes § 386-21.2 by requiring employers to respond to treatment plans within seven days and by imposing a monetary penalty for failure to do so. It further clarifies that a treatment plan is deemed accepted if an employer fails to file a timely objection with supporting documentation.

This accountability is long overdue.

For decades, I have submitted treatment plans for injured workers that simply go unanswered. Adjusters often delay responding or fail to respond altogether. In practical terms, this means medical care is placed on hold without formal denial. Meanwhile, my patients suffer.

I have seen patients wait months to years for:

- Necessary surgeries that could restore mobility
- Diagnostic imaging needed to confirm worsening conditions
- Physical therapy critical to preventing permanent impairment
- Pain management interventions to allow basic daily functioning

During these delays, injuries worsen. Muscles atrophy. Nerve damage progresses. Acute injuries become chronic conditions. What could have been resolved early becomes a long-term disability.

As a physician, there is no greater frustration than knowing what your patient needs and being unable to provide it because of administrative red tape. I have felt helpless watching patients deteriorate while waiting for approval that should have been straightforward. The bureaucratic silence functions as an invisible barrier between the patient and medically necessary care.

The human toll is significant. I have witnessed injured workers struggle emotionally and financially while waiting for treatment approval. Many feel forgotten by a system that was designed to protect them. Some lose hope. Others develop depression and anxiety because of prolonged pain and uncertainty. The administrative burdens and payment delays have also discouraged many specialized physicians from accepting workers' compensation cases. Over the years, I have seen colleagues withdraw from the system entirely because of repeated complications, documentation disputes, and delayed approvals. This makes it increasingly difficult for injured workers to find experienced specialists willing to treat them.

H.B. 1509 does not remove an employer's right to object. It simply requires a timely response with documentation. A clear seven-day deadline, along with a consequence for failure to respond, promotes accountability and ensures that silence can no longer be used as a tool to delay care.

In my 40 years of practice, I have seen extraordinary advances in medicine. Yet the greatest obstacle to healing injured workers is not medical—it is administrative delay. This bill helps restore the fundamental principle that medical decisions should be made based on clinical judgment and timely review, not bureaucratic inaction.

For the health, dignity, and welfare of injured workers in Hawai'i, I strongly urge you to pass H.B. 1509. Thank you for the opportunity to testify in support.

Respectfully submitted,



Scott J Miscovich MD
President and CEO
Premier Medical Group
Hawaii/USA/International
46-001 Kamehameha Hwy
Kaneohe, HI 96744
Email: Scott.Miscovich@pmgusa.org



www.pmgusa.org



Support Testimony HB1509

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.



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



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

In Strong Support of HB1509

Hearing on HB1509

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)**. 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)

HB-1509

Submitted on: 2/14/2026 7:56:44 PM

Testimony for LAB on 2/17/2026 9:00:00 AM

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

Comments:

i am in support of HB 1509

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 support sb2663 to allow 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.

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 the Hawai‘i workers’ compensation system. I welcome any questions or additional insight I may be able to provide. I have lived and practiced full-time on Hawai‘i Island since 2013.

Over the past decade, I have seen firsthand the growing challenges facing Hawai‘i’s workers’ compensation system. These challenges affect injured employees, employers, and medical providers alike, and they have become increasingly difficult to navigate—particularly on Hawai‘i Island, where access to care is already limited.

Hawai‘i Island is experiencing rising healthcare costs, inconsistent treatment guidelines, inefficient claims processing, prolonged litigation, and significant delays in medical care. Many medical providers face long reimbursement delays, which discourages them from accepting workers’ compensation patients. These issues collectively keep injured employees out of work longer and contribute to unnecessary costs for employers and insurers.

These challenges impact every stakeholder:

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

Regarding the bill before you, I believe the proposed fine for failing to respond to a treatment plan is excessive and unnecessary, particularly because the bill already deems a treatment plan accepted if an employer does not respond within the required timeframe. I respectfully request that the fine be removed. Imposing a monetary penalty on top of automatic acceptance would create additional administrative burden for employers, insurers, and third-party administrators, which may ultimately affect premiums and the delivery of care. Establishing a ten-day response window strikes a more reasonable and balanced approach.

I am also seeing an increasing number of providers decline to accept digital signatures from adjusters, citing difficulties obtaining reimbursement from insurers when treatment plans include digital signatures. This has caused avoidable delays in treatment plan approval, treatment initiation, and return-to-work processes. To prevent these disruptions, it would be helpful to clarify that treatment plans authorized by an employer or employer representative—including

adjustors and nurse case managers—using a stamped, wet, or digital signature shall be considered valid and accepted.

Additionally, while most treatment plans are approved with a digital signature on the same day or within three days of receipt, some cases require additional investigation or consultation. In these situations, the proposed seven-day response window may be restrictive. Extending the employer response period to ten days provides a more realistic and workable timeframe for employers to review treatment plans without compromising timely access to care for injured workers.

A ten-day period still ensures that treatment plans move forward promptly, 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 helps maintain the integrity of the authorization process. At the same time, it preserves the bill's core intent: preventing unnecessary delays in treatment and ensuring injured workers receive timely, appropriate care.

Therefore, 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) For purposes of this section, a treatment plan authorized by an employer or employer representative—including adjustors and nurse case managers—using a stamped, wet, or digital signature shall be deemed valid, accepted and reimbursable by all parties.

(f) 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:

1. An objection to the treatment plan;
2. Any applicable documentary evidence supporting the denial; and
3. 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, which I believe will strengthen Hawai'i's workers' compensation process for employers, employees, and physicians alike.

Sincerely,

Dr. Andrew Branchflower PT, DPT