



**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

WRITTEN ONLY

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

Before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Thursday, April 9, 2026  
10:55AM  
State Capitol, Conference Room 211

In consideration of  
**HB1515 HD2 SD1, RELATING TO THE WORKERS' COMPENSATION LAW**

Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee:

The Department of Human Resources Development (HRD) is in support of HB1515 HD2 SD1.

The purpose of HB1515 HD2 SD1 is to:

- Authorize an attending physician to request a functional capacity examination and refer an injured employee for the examination without first obtaining permission from the employee's employer in order to assess the employee's ability to return to work.
- Allow licensed occupational and physical therapists to be deemed qualified to perform functional capacity exams.

As a self-insured employer that provides direct job search assistance and regularly utilizes functional capacity examinations (FCE) to assess an injured worker's ability to return to work, HRD appreciates and supports the intent of the measure. FCEs can provide valuable medical information to objectively determine an employee's physical skills, functional capabilities, activity endurance, and work tolerances after reaching medical stabilization in a timely manner at the appropriate stage of a workers' compensation process.

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



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

April 9, 2026

To: The Honorable Donovan M. Dela Cruz, Chair,  
The Honorable Sharon Y. Moriwaki, Vice Chair, and  
Members of the Senate Committee on Ways & Means

Date: Thursday, April 9, 2026

Time: 10:55 a.m.

Place: Conference Room 211, State Capitol

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

**RE: H.B. 1515 HD2 SD1 RELATING TO WORKERS' COMPENSATION**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The **DLIR supports** this measure to ensure timely and accurate evaluations of an injured worker's physical capabilities by streamlining the approval process for functional capacity examinations.

HB1515 HD2 SD1 proposes to amend HRS Chapter 386 by:

- Adding a new section authorizing an attending physician to request or refer an employee to a functional capacity examination (FCE) without prior authorization from the employer when an injured employee has reached medical stabilization and the employee's capacity to work is in question.
- Amending §386-1 by including in the definition of "health care provider" licensed occupational therapists and physical therapists qualified under §386-27 to perform FCEs pursuant to the newly added section of Chapter 386.

**II. CURRENT LAW**

§386-1 defines "Health care provider" as a person qualified by the director to render health care and service and who has a license for the practice of:

- (1) Medicine or osteopathy under chapter 453;
- (2) Dentistry under chapter 448;
- (3) Chiropractic under chapter 442;
- (4) Naturopathic medicine under chapter 455;
- (5) Optometry under chapter 459;
- (6) Podiatry under chapter 463E;
- (7) Psychology under chapter 465; and
- (8) Advanced practice registered nurse under chapter 457.

§386-21 *Medical care, services, and supplies* subsection (a) states that immediately after a work injury is sustained by an employee, and so long as reasonably needed, the employer shall furnish to the employee all medical care, services, and supplies as the nature of the injury requires.

§386-27 *Qualification and duties of health care providers* subsection (a) sets out the qualifications required for providing health care services to workers' compensation claimants, specifying that providers must be licensed under the applicable chapters of the HRS.

### **III. COMMENTS ON THE HOUSE BILL**

The DLIR supports this measure, which promotes timely and accurate assessments of an injured worker's physical abilities. FCEs use a series of standardized, objective tests to evaluate an individual's capacity to perform work-related tasks after medical stabilization. The results are essential in determining whether an employee can safely return to work with or without accommodation and may also guide employers in identifying job duties the employee should avoid while recovering. These guidelines help prevent re-injury and support an injured worker's safe and timely return to full-duty work once medically able. By authorizing attending physicians to request FCEs without first obtaining employer approval, this measure reduces unnecessary administrative delays that can prolong recovery, impede decision-making, and create avoidable barriers to workers' return-to-work plan.

Additionally, allowing qualified occupational therapists and physical therapists to perform FCEs expands access to timely evaluations, ensures that assessments are conducted by trained professionals, and supports a more efficient and coordinated workers' compensation system. Together, these improvements help prevent re-injury and promote an injured workers' safe and timely return to suitable employment.

## TESTIMONY OF MILIA LEONG

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COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

Thursday, April 9, 2026  
10:55 a.m.

### **HB 1515, HD2, SD1**

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee on Ways and Means, my name is Milia Leong, Executive Claims Administrator for HEMIC Insurance Managers, Inc., and Chair of the Workers' Compensation Policy Committee for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **supports** this bill. As a part of a House Workers' Compensation Working Group comprised of stakeholders in the system including the Department, treating physicians, providers, plaintiff and defense attorneys, and insurers, this bill is a result of that collaboration.

This bill will streamline the process for functional capacity examinations with automatic approval when requested by the attending physician under certain conditions. As a result, this bill would reduce unnecessary delays and improve outcomes for injured workers.

Thank you for the opportunity to testify.



## Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814  
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

### SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

Date: April 9, 2026

From: Hawaii Medical Association (HMA)

Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee

Christina Marzo MD and Robert Carlisle MD, Vice Chairs, HMA Public Policy Committee

**RE HB1515 HD2 SD1** RELATING TO WORKERS' COMPENSATION. Workers' Compensation;  
Functional Capacity Examination; Occupational Therapy; Physical Therapy  
**Position: Support**

This measure would authorize an attending physician to request a functional capacity examination and refer an injured employee for the examination without first obtaining permission from the employee's employer in order to assess the employee's ability to return to work, and allow licensed occupational and physical therapists to be deemed qualified to perform functional capacity examinations. Effective 1/1/2077. (SD1)

The FCE is a set of tests that are used to identify the patient's physical skills, functional capabilities, activity endurance, and work tolerances, typically administered by a trained and licensed provider such as an occupational therapist or physical therapist. Employers understand well the importance of prompt evaluation as the FCE informs the clinical care team of possible diagnoses/ treatments and recovery. Additionally, the FCE will provide an objective assessment that assists with future job modifications and the safe gradual transition back to work, decreasing risks for reinjury or long-term disability.

Elimination of employer permission for FCE when requested by a physician is a reasonable step in decreasing unnecessary and harmful delays for patients and the future planning of their safe return to work. HMA supports this measure that will allow prompt and safe FCE evaluation of Hawaii patients by a trained and licensed provider with work related illness or injury.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

### 2026 Hawaii Medical Association Public Policy Coordination Team

Elizabeth A Ignacio, MD, Chair • Robert Carlisle, MD, Vice Chair • Christina Marzo, MD, Vice Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

### 2026 Hawaii Medical Association Officers

Nadine Tenn-Salle, MD, President • Jerald Garcia, MD, President Elect • Elizabeth Ann Ignacio, MD, • Immediate Past President  
Laeton Pang, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

## REFERENCES AND QUICK LINKS

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Yorton S. Lawmaker Posts Rare Win For Injured Workers — And Pushes For More. [Honolulu Civil Beat. July 31 2024](#). Accessed February 4, 2026.

Matayoshi CC. How to get worker's comp for work-related injury, illness. KHON.com. Apr 8, 2024. Accessed February 4, 2026.

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**Senate Committee on Ways and Means  
Sen. Donovan Dela Cruz, Chair  
Sen. Sharon Moriwaki, Vice Chair**

**April 9, 2026, at 10:55 am**

**RE: HB 1515, HD2, SD1, Relating to Workers' Compensation**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

**The Society for Human Resource Management – Hawaii (“SHRM Hawaii”) respectfully opposes HB 1515, HD2, SD1, Relating to Workers’ Compensation.** We appreciate the Labor & Technology committee’s acknowledgement of our concerns and its urging of this committee to address them further.

While we understand the intent of HB 1515 is likely to streamline the return-to-work process, we respectfully oppose the measure because it removes an important layer of coordination and balance. This bill has been amended to authorize an injured employee's attending physician to request a functional capacity examination after the employee has reached medical stabilization and the employee's capacity to work is in question, rather than when the physician determines that the employee is permanently unable to return to the employee's usual and customary employment, but remain concerned about the need to balance the significant interests of employers and employees. The fragile collaborative framework that currently exists among employers, insurers, and medical providers was established to ensure that balance. Employers are often responsible for coordinating modified duty, evaluating job requirements, and managing workers’ compensation claims. Removing their opportunity to participate in decisions that directly affect return-to-work determinations may lead to misalignment between medical assessments and actual workplace conditions, increased disputes, and unnecessary costs.

Additionally, expanding the categories of providers deemed qualified to perform FCEs, without corresponding safeguards to ensure consistency and standardization, may create variability in assessments that can complicate claims management and return-to-work planning. Policies governing workplace injury and rehabilitation function best when they encourage transparency, communication, and shared decision-making.

Thank you for this opportunity to provide testimony.

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





The Senate Committee on Ways and Means  
April 9, 2026  
Room 211  
10:55 AM

RE: **HB 1515 HD2 SD1, Relating to Workers' Compensation**

Attention: Chair Donovan M. Dela Cruz, Vice Chair Sharon Y. Moriwaki, 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 1515 HD2 SD1.**

We believe this measure is necessary to remove administrative bottlenecks that currently delay the medical assessment of injured workers. UHPA specifically supports the provision that empowers attending physicians to order a Functional Capacity Examination (FCE) without first obtaining permission from the employer. Streamlining this process ensures that medical assessments are driven by clinical needs rather than bureaucratic approvals. This change will reduce the financial and emotional strain on injured faculty members and accelerate their ability to return to the university safely.

We extend our appreciation to the prior committee for the amendments made in the SD1 draft, which further strengthen this measure for injured workers. Specifically, we support the amendment that broadens the criteria for when a physician can request an FCE. Rather than restricting this critical tool only to cases where an employee is already deemed permanently disabled, the current draft allows for evaluations whenever an injured employee's work capacity is in question. By removing these restrictive thresholds, the bill enables earlier, proactive decision-making that can significantly reduce prolonged absences and help injured faculty members safely transition back to the workplace. Additionally, we support the SD1 draft's inclusion of licensed occupational and physical therapists as qualified providers for performing FCEs. Expanding the pool of qualified health care providers will directly alleviate scheduling bottlenecks, further reducing wait times and administrative delays for our members.

**UHPA supports the passage of HB 1515 HD2 SD1.**

Respectfully submitted,

Christian L. Fern  
Executive Director  
University of Hawaii Professional Assembly