

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 LIMAHAHA

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. 1515 RELATING TO WORKERS' COMPENSATION

I. OVERVIEW OF PROPOSED LEGISLATION

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

HB1515 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 exam (FCE) without prior authorization when an injured employee has reached medical stabilization and is permanently unable to return to their usual and customary work.
- Amending §386-27(a) to allow licensed occupational therapists and licensed physical therapists to be deemed qualified to perform FCEs.

II. CURRENT LAW

§386-21 *Medical care, services, and supplies* subsection (a) states that immediately after a work injury is sustained by an employee, and for 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. Functional capacity exams (FCEs) use a series of standardized tests to evaluate an individual's ability to perform work-related tasks. The results help determine whether an employee can 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.

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JOSH GREEN, M. D.
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STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
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Statement of
BRENNA 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
HB1515, RELATING TO WORKERS' COMPENSATION

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

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

The purpose of HB1515 is to:

- Authorize an attending physician to request a functional capacity exam and refer an injured employee for the exam without first obtaining permission from the employee's employer.
- 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 utilizes functional capacity examinations to assess an injured worker's ability to return to work, HRD appreciates and supports the intent of the measure which can provide valuable medical information to objectively determine an employee's physical abilities in a timely manner at the appropriate stage of a workers' compensation process.

Thank you for the opportunity to provide testimony. We are available to answer any questions or provide further information as needed.

TESTIMONY OF MILIA LEONG

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

Tuesday, February 17, 2026
9:00 a.m.

HB 1515

Chair Sayama, Vice Chair Lee, and members of the Committee on Labor, 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.



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

RE: **HB 1515, 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 1515.**

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 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.

UHPA supports the passage of HB 1515.

Respectfully submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly



Hawaii Medical Association

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

Date: February 17, 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 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 (FCE) and refer an injured employee for the examination without first obtaining permission from the employee's employer and allow licensed occupational and physical therapists to be deemed qualified to perform functional capacity examinations.

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

State of Hawaii. [Disability Compensation Division](#). About Workers' Compensation (WC). Accessed February 4, 2026.

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.

U.S. Department of Interior. Office of the Secretary. Return to work (limited light duty, alternative work assignments and modified permanent job offers) handbook. April 18 2023. Accessed February 4, 2026.

2024 Hawaii Medical Association Officers

Elizabeth Ann Ignacio, MD, President • Nadine Tenn-Salle, MD, President Elect • Angela Pratt, MD, Immediate Past President
Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

2024 Hawaii Medical Association Public Policy Coordination Team

Beth England, MD, Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director



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

From: Mark Sektnan, Vice President

Re: **HB 1515 – 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 1515** which improves Hawaii's workers' compensation system by modernizing the process for conducting functional capacity examinations and expanding the range of qualified professionals who may perform them.

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 1515 authorizes an attending physician to request a functional capacity examination and refer an injured employee for the exam without first obtaining employer permission and allows licensed occupational and physical therapists to be deemed qualified to perform these examinations.

These updates are critically important for several reasons:

1. Faster Access to Care

Requiring employer permission before an attending physician may refer an injured employee for a functional capacity exam can create unnecessary delays. HB 1515 removes this barrier, allowing for quicker assessments and more timely treatment decisions.

2. Reduced Administrative Burdens

By empowering physicians to make referral decisions directly, the bill streamlines an often cumbersome process, reducing bureaucratic delays that impede patient recovery and add cost to the system.

3. Better Utilization of Qualified Professionals

Recognizing licensed occupational and physical therapists as qualified to perform functional capacity examinations utilizes their specialized expertise, and can reduce wait times for injured workers.

4. Improved Outcomes for Injured Workers

Timely and appropriate functional capacity evaluations are critical for determining an employee's readiness to return to work and tailoring rehabilitation plans. HB 1515 ensures these assessments can be conducted efficiently and by highly trained practitioners.

For these reasons, APCIA respectfully urges the committee to pass HB 1515.

HB-1515

Submitted on: 2/16/2026 3:27:12 PM

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

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|-----------------------|---------------------------|------------------------|
| Cathy Wilson | Aloha Billing Company | Support | Written Testimony Only |

Comments:

Re: Support for HB1515 – Relating to Workers’ Compensation

Dear Chair, Vice Chair, and Members of the Committee,

My name is Cathy Wilson, and I am submitting testimony in strong support of HB1515. I participate in the workers’ compensation working group that collaborated with Representative Matayoshi in developing this bill, and I appreciate the Committee’s consideration of this measure.

HB1515 reflects months of discussion among stakeholders who are actively engaged in Hawai‘i’s workers’ compensation system and are focused on practical reforms that improve fairness, clarity, and efficiency. The bill advances these goals in a balanced way and represents a consensus step forward for both injured workers and employers.

For these reasons, I respectfully urge you to pass HB1515.

Thank you for the opportunity to testify.

HB-1515

Submitted on: 2/16/2026 3:34:35 PM

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

| Submitted By | Organization | Testifier Position | Testify |
|-----------------------------|---|---------------------------|---------------------------|
| Workers' Comp Physicians | WIMAH - Work Injury Medical Association of Hawaii | Support | Written Testimony Only |

Comments:

HB1515 reflects months of discussion among stakeholders of the legislative Work Comp Working Group who are actively engaged in Hawai'i's workers' compensation system and are focused on practical reforms that improve fairness, clarity, and efficiency. The bill advances these goals in a balanced way and represents a consensus step forward for both injured workers and employers.

For these reasons, I respectfully urge you to pass HB1515.

HB-1515

Submitted on: 2/13/2026 11:03:11 PM

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

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| D.B. | Individual | Support | Written Testimony Only |

Comments:

I strongly support HB1515 because it addresses a serious and ongoing problem in Hawai‘i’s workers’ compensation system: the ability of insurers or employers to delay, deny, or block medically necessary referrals recommended by an attending physician. Too many injured workers experience long gaps between the onset of their symptoms and an insurer-approved evaluation, even when their treating doctor has already identified a potential work-related injury and recommended appropriate diagnostic steps. These delays can stretch on for months while the insurer denies early treatment plans, rejects psychological or functional evaluations, or refuses to authorize referrals until their own IMEs are scheduled far into the future. During this time, injured workers are left without income support, without medical clarity, and without the ability to return to safe employment.

HB1515 corrects this by giving attending physicians clear authority to request a functional capacity examination without needing insurer permission, and by requiring timely notice and reporting so that workers receive prompt evaluations rather than being forced to wait through insurer-imposed delays. This bill is essential because every month of delay deepens the financial, medical, and psychological strain on injured employees, who may already be dealing with significant workplace trauma. HB1515 creates a more balanced, humane process that prevents insurers from using delay tactics that leave workers without answers, without income, and without a path forward. I urge you to pass this bill to ensure that injured workers receive timely assessments and fair treatment under the law.