

Honolulu, Hawaii

Feb 7 , 2012

RE: H.B. No. 2152

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2152 entitled:

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

begs leave to report as follows:

The purpose of this measure is to improve Hawaii's workers' compensation system by changing the reimbursement rate for medical care, services, and supplies under the State Workers' Compensation Law to 130 percent of the Medicare Resource Based Relative Value Scale applicable to Hawaii as prepared by the United States Department of Health and Human Services.

The Hawaii Medical Association, Kaiser Permanente Hawaii, Hawaii Association of Justice, ILWU Local 142, Hawaii Chapter of the American Physical Therapy Association, Hawaii State Chiropractic Association, Bickford Chiropractic, Plumbers and Fitters Union, Local 675, American Chiropractic Association, District 7, and several concerned individuals testified in support of this measure. The Department of Labor and Industrial Relations testified in support of the intent of this measure. The Hawaii Insurers Council; Building Industry Association of Hawaii; American Insurance Association; Property Casualty Insurers Association of America; Hawaiian Electric Company, Inc.; Maui Electric Company, LTD; Hawaii Electric Light Company, Inc.; and Alan Shintani, Inc., testified in opposition to this measure. The Department of Human Resources Development, Department of Commerce



and Consumer Affairs, and a concerned individual provided comments.

Your Committee finds that access to workers' compensation care provided by health care providers can be limited in Hawaii. Many physicians and other health care providers have raised concerns over the low reimbursement rates and inordinate amount of paperwork for workers' compensation cases and cite these concerns as reasons for not accepting these types of cases.

In 1995, in an attempt to control rising workers' compensation costs, the Legislature enacted Act 234 which established the workers' compensation fee schedule at a fee not to exceed 110 percent of the fees prescribed in the Medicare Resource Based Value Scale System applicable to Hawaii as prepared by the United States Department of Health and Human Services. Since then, rising medical costs have caused this percentage to be inadequate for the provision of workers' compensation services. A declining number of workers' compensation health care providers negatively impacts an injured worker's access to timely and quality treatment which can sometimes exacerbate the injury and delay the worker's return to work. Your Committee finds that raising the percentage for reimbursement will help address this problem.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



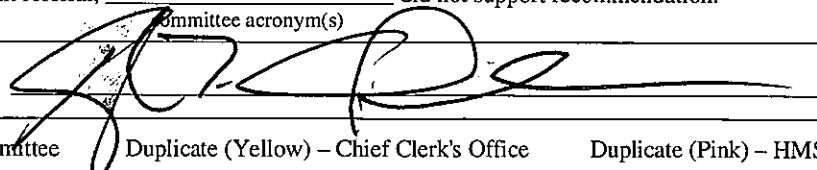
KARL RHOADS, Chair



HSCR 141-12

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 2152	Committee Referral: LAB, ERB, FIN	Date: 2-3-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia	/			
8. OKAMURA, Tom				
9. SAIKI, Scott K.	/			
10. SOUKI, Joseph M.	/			
11. TAKUMI, Roy M.	/			
12. FONTAINE, George R.		/		
13. JOHANSON, Aaron Ling		/		
TOTAL (13)	10	2	-	-
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ Committee acronym(s) _____ did not support recommendation.				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				