

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2152
H.D. 2
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2152, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to increase the fee schedule of compensation for medical care, services, and supplies in workers' compensation cases from one hundred ten per cent to one hundred thirty per cent of the Medicare Resource Based Relative Value Scale applicable to Hawaii, as prepared by the United States Department of Health and Human Services, effective January 2, 2013.

Your Committee received written comments in support of this measure from Hawaii Rehabilitation Counseling Association; ILWU Local 142; Kaiser Permanente; Hawaii Medical Association; and four individuals.

Your Committee received written comments in opposition to this measure from Hawaiian Electric Company, Inc; American Insurance Association; and one individual. Written comments on this measure were received from the Department of Human Resources Development; Department of Labor and Industrial Relations; and Department of Commerce and Consumer Affairs.

Your Committee finds that only ten per cent of Hawaii's physicians currently are willing to treat workers' compensation



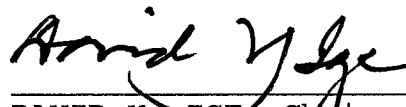
patients. Those physicians experience a high cost in paperwork and reporting requirements and must spend extra time and effort to communicate with employers and insurance carriers because disability benefits are included.

Your Committee also finds that the lack of qualified physicians who are willing to treat workers' compensation patients means that these patients may go untreated or may obtain substandard care. Your Committee further finds that the current workers' compensation reimbursement rate may not cover the cost of the provided health care treatment.

Accordingly, your Committee has amended this measure by deleting its contents and instead requiring the Office of the Auditor to conduct a study on the workers' compensation system in the State so that the Legislature may appropriately address this issue. Your Committee recommends that the Auditor consider the framework used by the Legislative Reference Bureau to conduct its 2007 report, "Workers' Compensation Fee Schedules, Maximum Allowable Fees, and Comparative Reimbursements" when conducting the study required under this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2152, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

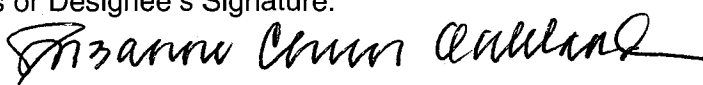


DAVID Y. ICE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB2152 HD2 SD1	HTH/JDL, WAM	4/4/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.				✓
WAKAI, Glenn	✓			
SLOM, Sam	✓			
TOTAL	11	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes