
A BILL FOR AN ACT

RELATING TO MEDICAL BENEFITS UNDER THE WORKERS' COMPENSATION
LAW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 386-21, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The liability of the employer for medical care,
4 services, and supplies shall be limited to the charges computed
5 as set forth in this section. The director shall make
6 determinations of the charges and adopt fee schedules based upon
7 those determinations. Effective January 1, 1997, and for each
8 succeeding calendar year thereafter, the charges shall not
9 exceed one hundred ten per cent of fees prescribed in the
10 Medicare Resource Based Relative Value Scale applicable to
11 Hawaii as prepared by the United States Department of Health and
12 Human Services, except as provided in this subsection. The
13 rates or fees provided for in this section shall be adequate to
14 ensure at all times the standard of services and care intended
15 by this chapter to injured employees.

16 If the director determines that an allowance under the
17 medicare program is not reasonable or if a medical treatment,

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1 accommodation, product, or service existing as of June 29, 1995,
2 is not covered under the medicare program, the director, at any
3 time, may establish an additional fee schedule or schedules not
4 exceeding the prevalent charge for fees for services actually
5 received by providers of health care services, to cover charges
6 for that treatment, accommodation, product, or service. If no
7 prevalent charge for a fee for service has been established for
8 a given service or procedure, the director shall adopt a
9 reasonable rate which shall be the same for all providers of
10 health care services to be paid for that service or procedure.

11 The director shall update the schedules required by this
12 section every three years or annually, as required. The updates
13 shall be based upon:

14 (1) Future charges or additions prescribed in the Medicare
15 Resource Based Relative Value Scale applicable to
16 Hawaii as prepared by the United States Department of
17 Health and Human Services; or

18 (2) A statistically valid survey by the director of
19 prevalent charges for fees for services actually
20 received by providers of health care services or based
21 upon the information provided to the director by the

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1 appropriate state agency having access to prevalent
2 charges for medical fee information.

3 When a dispute exists between an insurer or self-insured
4 employer and a medical services provider regarding the amount of
5 a fee for medical services, the director may resolve the dispute
6 in a summary manner as the director may prescribe; provided that
7 a provider shall not charge more than the provider's private
8 patient charge for the service rendered.

9 When a dispute exists between an employee and the employer
10 or the employer's insurer regarding the proposed treatment plan
11 or whether medical services should be continued, the employee
12 shall continue to receive essential medical services prescribed
13 by the treating physician necessary to prevent deterioration of
14 the employee's condition or further injury until the director
15 issues a decision on whether the employee's medical treatment
16 should be continued. [The] Notwithstanding section 386-86, the
17 director [~~shall~~] may make a decision without a hearing but shall
18 make a decision within thirty days of the filing of a dispute.
19 If the director determines that medical services pursuant to the
20 treatment plan should be or should have been discontinued, the
21 director shall designate the date after which medical services
22 for that treatment plan are denied. The employer or the

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1 employer's insurer may recover from the employee's personal
2 health care provider qualified pursuant to section 386-27, or
3 from any other appropriate occupational or non-occupational
4 insurer, all the sums paid for medical services rendered after
5 the date designated by the director. Under no circumstances
6 shall the employee be charged for the disallowed services,
7 unless the services were obtained in violation of section 386-
8 98. The attending physician, employee, employer, or insurance
9 carrier may request in writing that the director review the
10 denial of the treatment plan or the continuation of medical
11 services."

12 SECTION 2. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: _____



BY REQUEST

JAN 22 2013

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Report Title:

Workers' Compensation Medical Treatment; Decisions; Denial of

Description:

Amends section 386-21(c), Hawaii Revised Statutes, by allowing the Director of Labor and Industrial Relations to make a decision on disputes regarding treatment plans and continued medical services without a hearing.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Labor and Industrial Relations

TITLE: A BILL FOR AN ACT RELATING TO MEDICAL BENEFITS UNDER THE WORKERS' COMPENSATION LAW.

PURPOSE: To allow the Director of Labor and Industrial Relations to make a decision, without a hearing, within thirty days of the filing of a dispute between an employee and the employer or the employer's insurer regarding a proposed treatment plan or the continuation of medical services.

MEANS: Amend section 386-21(c), Hawaii Revised Statutes.

JUSTIFICATION: When a dispute is filed regarding a proposed treatment plan or the continuation of medical services, the director is required to make a decision within thirty days of the filing of the dispute. Due to the reduction of staff as a result of budget cuts, it currently takes three to four months to schedule a hearing, notice the parties, conduct the hearing, and render a decision.

This bill will allow the director to better meet the 30-day deadline.

Impact to the public: Injured workers, insurance carriers and employers will obtain more prompt decisions as to whether medical services will continue or whether a treatment plan will be approved. This amendment will also reduce the number of hearings scheduled allowing other hearings to be scheduled more quickly.

Impact on the department and other agencies: The director will be able to better meet its deadline to issue decisions and will allow hearings on issues other than treatment

plans and continued medical services to be heard more quickly.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: LBR 183.

OTHER AFFECTED
AGENCIES: Department of Education
Department of Human Resources Development
University of Hawaii System

EFFECTIVE DATE: Upon approval.