

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1103
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1103 entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to make an emergency appropriation to provide funds for the Department of Human Resources Development (DHRD) to pay claims against the State, as required by Hawaii's Workers' Compensation Law.

DHRD and one individual testified in support of this measure.

Your Committee finds that DHRD is experiencing increased costs for medical care, services, supplies, and permanent partial disability benefits. Your Committee also finds that DHRD is expecting medical costs to continue increasing due to the Hawaii Supreme Court decision, Pulawa v. Oahu Const. Co., 136 Haw. 217, 218, 361 P.3d 444, 445 (2015), which broadened the standard for medical treatment from "reasonable and necessary" to "reasonably needed" and allows claimants to receive the "greatest possible medical rehabilitation."

Your Committee has amended this measure by:

- (1) Changing the emergency appropriation amount from \$1,700,000 to an unspecified amount;



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- (2) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for clarity, consistency, and style.

Should the Committee on Finance deliberate on this measure further, your Committee respectfully requests that it consider appropriating \$1,700,000 for the purposes of this measure.

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. 1103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1103, H.D. 1, and be referred to your Committee on Finance.

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



AARON LING JOHANSON, Chair



