



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
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March 29, 2018

To: To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Thursday, March 29, 2018
Time: 10:50 a.m.
Place: Conference Room 211, State Capitol

From: Leonard Hoshijo, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 1778 HD1 SD1 RELATING TO WORKERS'
COMPENSATION MEDICAL BENEFITS

I. OVERVIEW OF PROPOSED LEGISLATION

HB1778HD1SD1 is intended to improve access for firefighters to comprehensive medical coverage for specific organs affected by disease that are presumed to arise out of and in the course of employment. The bill adds two new sections to chapter 386, Hawaii Revised Statutes (HRS) and adds an effective date of January 1, 3000.

The Department supports the intent of this proposal as narrowly, currently drafted and provides comments.

II. CURRENT LAW

Section 386-3, HRS, defines injury and provides that the employee's employer shall pay compensation to the employee or the employee's dependents as provided in chapter 386 if an employee suffers personal injury either by accident arising out of and in the course of employment, or by disease proximately caused by or resulting from the nature of the employment.

Section 386-21 (c), HRS, establishes the liability of the employer for medical care, services and supplies shall not exceed 110% of Medicare. Rates or fees provided

for in this section shall be adequate to ensure at all times the standard of service and care intended by this chapter to injured employees. If the Director determines an allowance under the Medicare program is not reasonable or not covered, the Director may establish additional fee schedule(s) not exceeding the prevalent charge for fees for services actually received by providers of health care services, to cover charges for treatment, accommodation, product or service. Currently, a fee schedule named Exhibit A contains those allowable fees as attached to §12-15, Hawaii Administrative rules.

Section 386-73.5, HRS, establishes that the DLIR Director has original jurisdiction over all controversies and disputes arising out of workers' compensation.

Section 386-85, HRS, provides a presumption of employment and compensation for a work-covered work injury, in the absence of substantial evidence to the contrary.

Section 386-86, HRS, establishes an informal hearing process that is not subject to chapter 91.

III. COMMENTS ON THE HOUSE BILL

The Department supports the intent of this proposal to ensure that firefighters receive proper medical treatment in a timely manner, as well as lessen the impact due to the effects of cancer. The Department has general concerns where a class of workers is treated differently.



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March 28, 2018

The Honorable Donovan Dela Cruz, Chair
Committee on Ways and Means
The State Senate
State Capitol, Room 208
Honolulu, Hawaii 96813

Dear Chair Dela Cruz:

Subject: House Bill (HB) 1778, House Draft (HD) 1, Senate Draft (SD) 1 Relating to
Workers' Compensation Medical Benefits

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support HB 1778, HD 1, SD 1, which proposes that when a claim is accepted or determined to be compensable, the employer shall reimburse the private health care plan and the employee for medical care, services, and supplies for certain types of cancers.

We recommend a revision to page 3, lines 20-21, to read as follows:

“. . . and not to exceed one hundred thirty-seven percent of the fees...”

The SFC notes that 137% is the average cost of the medical codes on Exhibit A of the Worker's Compensation Medical Fee Schedule rules (§12-15) and would be in alignment with the companion Senate Bill 2660, HD 1.

The University of Cincinnati (UC) and the National Institute for Occupational Safety and Health conducted studies that show an increase in cancer incidents among fire fighters above cancer incidents in the general population for various types of cancer. The UC study analyzed decades of data from approximately 110,000 fire fighters. They are the most comprehensive investigations into cancer-related diseases incurred by career fire fighters to date.

The Honorable Donovan Dela Cruz, Chairs
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A state of Hawaii (State) cancer taskforce performed an investigative study with assistance from a medical insurance provider and found that fire fighters in the State are also experiencing elevated levels of cancer-related diseases, which correlate Hawaii's information with the national studies. The cancer treatment costs incurred by fire fighters were about one percent when compared to the general medical insurance membership.

If passed, this bill will provide fire fighters and their family with the financial and moral support they need during this crisis.

The SFC and the HFD sincerely thanks the Committee on Ways and Means for hearing this bill and urges your passage of HB 1778, HD 1, SD 1, with the recommended revision, for the welfare of our fire fighters.

Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers at 723-7176 or lrogers@honolulu.gov.

Sincerely,



MANUEL P. NEVES
Chair

MPN/LR:clc

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

COMMITTEE ON WAYS AND MEANS

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran, and Committee Members:

Re: HB 1778, HD 1, SD 1 Worker's Comp for firefighters

As a Mayor, and as a father of a firefighter, I wish to join my Fire Chief and the State Fire Council in expressing my support for HB 1778, HD 1, SD 1.

Improving access for firefighters to comprehensive medical benefits upon a diagnosis of cancer is clearly the right thing to do, and I hope that Hawaii will join other progressive states which have recognized the extraordinary risks faced by these brave men and women on a daily basis.

I urge you to approve HB 1778, HD1, SD 1 with as early an effective date as possible.

Respectfully submitted,

hk

Harry Kim
Mayor



Darren J. Rosario
Fire Chief

Renwick J. Victorino
Deputy Fire Chief

County of Hawai'i
HAWAI'I FIRE DEPARTMENT
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March 27, 2018

The Honorable Donovan Dela Cruz, Chair
Committee on Ways and Means
The Senate
State Capitol, Room 211
Honolulu, Hawai'i 96813

Dear Chair Dela Cruz:

**SUBJECT: HB 1778, HD 1, SD 1, RELATING TO WORKER'S COMPENSATION
MEDICAL BENEFITS**

Hearing Date: Thursday, March 29, 2018

Time/Place of Hearing: 10:50 a.m., Conference Room 211

I am Darren J. Rosario, Member of the Hawai'i State Fire Council (SFC) and Fire Chief of the Hawaii Fire Department of the County of Hawai'i (HCFD). The HCFD supports HB 1778, HD1, SD 1, which proposes to provide fire fighters the presumption that cancer developed or manifested out of or in the course of employment.

Over the last decade, the fire profession experienced an increase in fire fighter deaths related to cancer. The University of Cincinnati and the National Institute for Occupational Safety and Health conducted studies as a result of the initial findings. They are the most comprehensive investigations into cancer-related diseases incurred by career fire fighters to date and support the initial findings.

A State of Hawai'i (State) cancer taskforce performed an investigative study with assistance from medical insurance companies and found that fire fighters in the State are also experiencing elevated levels of exposure to the effects of cancer-related diseases, which correlate Hawai'i's information with the national studies.

The risk of cancer is higher among fire fighters than the general population according to several studies. The University of Cincinnati completed a study based on information regarding 110,000 fire fighters. The study concluded that fire fighters face a greater risk of 20 different types of cancer than any other work group. During responses to fire related incidents, fire fighters are exposed to many compounds including benzene, diesel engine exhaust, chloroform, soot, styrene, and formaldehyde.



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These substances can be inhaled or absorbed through the skin, and the fire fighter's protective equipment does not always prevent exposures. These compounds are deemed as Carcinogens by the International Agency for Research on Cancer. In addition, The HCFD fire fighters are exposed to infectious diseases and biochemical substances with exposure to patient care and bioterrorism events, respectively on a daily basis.

The HCFD, in support of the SFC, would like to recommend a revision to page 3, lines 20-21, to read as follows:

“ . . . and not to exceed one hundred thirty-seven percent of the fees...”

The HCFD and the SFC notes that 137% is the average cost of the medical codes on Exhibit A of the Worker's Compensation Medical Fee Schedule rules (§12-15) and would be in alignment with the companion Senate Bill 2660, HD 1.

If passed, this bill will provide fire fighters and their family with the financial and moral support they need during this crisis.

The SFC and the HCFD urge your committees' support on the passage of HB 1778, HD1. Should you have questions, please contact me at 808-932-2901 or darren.rosario@hawaiiicounty.gov

Respectfully,



DARREN J. ROSARIO
Fire Chief

HB-1778-SD-1

Submitted on: 3/28/2018 10:48:06 AM

Testimony for WAM on 3/29/2018 10:50:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments: