

STAND. COM. REP. NO. 3053

Honolulu, Hawaii

MAR 23 2016

RE: H.B. No. 2715
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 2715, H.D. 2, 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:

- (1) Require the Department of Labor and Industrial Relations to contract with an actuarial firm that has experience conducting workers' compensation closed claims studies in the United States to perform a comprehensive study of workers' compensation in the State to determine whether the system and laws are equitable to all parties; provided that the total cost of the study is not to exceed \$400,000;
- (2) Require the study to be submitted to the Legislature;
and
- (3) Appropriate funds to the Department of Labor and Industrial Relations to contract with an actuarial firm to produce the study; provided that no monies shall be released unless matched dollar-for-dollar by the fees assessed pursuant to this measure.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii

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Insurers Council, and Chamber of Commerce Hawaii. Your Committee received comments on this measure from Automated HealthCare Solutions.

Your Committee finds that legislation is introduced every year alleging unfair treatment of injured workers and delayed processing of workers' compensation claims. Implementation of this measure will help increase employee health and safety in the workplace and encourage timely and appropriate services for employees injured on the job in a supportive and non-confrontational environment.

Your Committee has amended this measure by:

- (1) Limiting the scope of the study to closed claims in the State's workers' compensation system, at the request of the Department of Labor and Industrial Relations;
- (2) Deleting all references to "comprehensive";
- (3) Deleting language requiring the actuarial firm to perform a study of the State's laws and systems regarding workers' compensation and report on whether the State's workers' compensation laws and systems are equitable to all parties and whether specific statutory or systemic changes are warranted;
- (4) Clarifying that a portion of the total cost of the study, equal to the amount appropriated, be paid for by an assessment to the workers' compensation insurers, workers' compensation captive insurers, and workers' compensation self-insureds in the State, rather than limiting the total cost of the study to \$400,000;
- (5) Requiring the study to be completed by November 30, 2017, and submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018;
- (6) Amending section 1 to reflect its amended purpose; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2715, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2715, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.


Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,


GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB2715 HD2	Committee Referral: JDL, WAM	Date: 3/17/16		
<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
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)	/			
GABBARD, Mike	/			
KAHELE, Kaiali'i				/
KIM, Donna Mercado	/			
THIELEN, Laura H.	/			
SLOM, Sam	/			
TOTAL	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; margin-top:10px;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes