

EXECUTIVE CHAMBERS

HONOLULU

July 14, 2009

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 695

Honorable Members
Twenty-Fifth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 695, entitled "A Bill for an Act Relating to Workers' Compensation."

The purpose of this bill is to allow a continuation of medical services for injured employees when a dispute exists between the employee and the employer or employer's insurer regarding a treatment plan. The medical services shall continue until the Director of Labor and Industrial Relations issues a decision on the matter.

As I have stated in the past, this bill is objectionable because it requires an employer or employer's insurer to continue to pay for medical treatments after it has been determined that continued treatments are inappropriate, excessive, or for a non-compensable condition. Requiring an employer to pay for medical services that were determined unwarranted or unnecessary with no substantive right to recovery until the Director decides to deny such benefits will result in higher workers' compensation premiums for all businesses in Hawaii at a time when they can least afford it. In addition, this bill fundamentally upsets the balance between the employer and the employee regarding the method by which medical care can be terminated.

STATEMENT OF OBJECTIONS
SENATE BILL NO. 695
Page 2

This bill is fundamentally unfair to hard-working employees who suffer work-related injuries and are in need of treatment. This bill tolerates and encourages abuse of the workers' compensation system by allowing healthy employees, who are fit to return to work, to continue drawing benefits. This abuse has a negative impact on the workers' compensation system and hurts all of Hawaii's workers.

Given the current state of our economy, I sincerely hope the Legislature will reconsider its previous support for this bill. We simply cannot afford to pass legislation that will increase the cost of doing business during such challenging economic times. If we continue to burden business with mandates and regulation, there will be fewer jobs to be had and all employees will suffer. This bill will further delay our economic recovery and represents poor public policy.

For the foregoing reasons, I am returning Senate Bill No. 695 without my approval.

Respectfully,



LINDA LINGLE
Governor of Hawaii