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'Compromise' workers' comp plan OKd

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State House lawmakers last night approved a "compromise" proposal to the workers' injury compensation program that they hoped would appease both labor and management forces.

Lawmakers gave themselves mixed reviews on how successful they were in approaching that goal. Republicans and business interests seemed especially unhappy with the effort.

A decision on the proposal was postponed twice yesterday by the House Labor and Commerce committees. It wasn't until lawmakers pressed against a midnight deadline to send their proposal to the House Finance Committee that they agreed on what was supposed to be a compromise.

Some of the major features of the proposal would:

- Call for a study of a state

fund similar to one run by California and Arizona. A state fund would get the government involved in selling low-cost workers' compensation insurance policies to employers.

- Establish guidelines and a medical advisory panel to contain rising medical costs.

- Place a cap on vocational rehabilitation benefits.

- Require approval by the labor department of all legal and professional fees.

- Increase fines against anyone found to be defrauding the system.

- Eliminate incentives in the program that makes it more profitable for workers to remain off the job.

The lawmakers proposed no major changes in the waiting period now required before employees can start collecting benefits under the system.

They also made no major amendments to the clause in

the law that presumes a worker's claim is valid unless there is substantial evidence to the contrary.

Rep. Eloise Tungpalan, head of the Employment Opportunities and Labor Relations Committee, initially favored establishing a fund that would get the state into the business of issuing low-cost workers' compensation insurance policies.

Labor groups supported the idea and pointed to the success of California's and Arizona's funds.

But Rep. Mitsuo Shito, chairman of the Consumer Protection and Commerce Committee, was unconvinced the state fund idea would work in Hawaii and favored the recommendations contained in a consultant's study that had the backing of business groups.

Workers' compensation is one of the session's hot topics. For some businessmen, it has be-

come the symbol for what they view as the state government's "anti-business" attitude.

They said a major disincentive in conducting business in Hawaii is the high cost of workers' compensation insurance. And, a large part of the cost, they said, results from a bias in both the law and in court rulings favoring employees who claim work-related injuries and illnesses.

Several groups wanted changes in the law that would make it easier for employers to challenge an employee's claim for job injury benefits.

Others pressed for the wide-ranging recommendations in the study conducted by consultant John Haldi. According to Haldi, passage of his suggestions as a package could result in a 20 percent drop in premium rates.

The Senate has not acted on any workers' measure.