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## Hawai'i workers' comp payments rise 6.3%

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Associated Press

Hawai'i employers paid more to replace injured workers' lost wages than for their medical care in 2002 compared with the previous year, according to a new study released yesterday.

The report prepared by the Washington-based National Academy of Social Insurance found that workers' compensation payments in Hawai'i rose to \$268 million in 2002, a 6.3 percent increase over the previous year, a growth rate slower than the national average of 7.4 percent during that time.

Cash payments for lost wages to workers in Hawai'i rose 8.8 percent with \$162 million in 2002, compared to spending on medical care, which rose 2.5 percent to \$106 million.

The analysis of 2001 and 2002 was the latest available from the academy, which noted that no national system exists for uniform workers' compensation data reporting by states.

"This is another study that confirms what the business community and our administration have known for quite some time — that our workers' compensation system is broken," Nelson Befitel, state labor director, said in an e-mail. "Unless we reform the system, the rising costs of workers' compensation will impede our state's economic growth."

Earlier this month, a study by the private Work Loss Data Institute gave Hawai'i a failing grade for its workers' compensation system in 2002, primarily because injured workers stayed out much longer than in other states.

In Hawai'i, 22.6 percent of injured workers stayed off the job for more than 30 days, according to the Work Loss Data Institute, which analyzes and sells information about work-day losses due to disability that it gathers from companies and the government.

The National Academy of Social Insurance bills itself as a nonprofit, nonpartisan organization made up of leading experts on social insurance with the mission of promoting informed policy-making on social insurance and related programs.

Befitel said the Lingle administration would reintroduce a proposal for sweeping workers' compensation reforms that was tabled in the Legislature last session.

"Hopefully, with this new information ... we can actually get real workers' compensation reform passed next legislative session," Befitel said.

The key issue in the nine-point reform plan proposed by the Republican administration would have given employers more say in the treatment and rehabilitation of workers injured on the job.

Majority Democrats defeated the reforms, saying some the proposed measures amounted to "takeaways" from workers.

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