



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 21, 2014

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Barbara Yamashita, Deputy Director

SUBJECT: **H.B. 2115, H.D.1 - RELATING TO HEALTH**

Hearing: Friday, February 21, 2014; 11:00 a.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to require Med-QUEST and Medicaid coverage for chiropractic care, limited to 24 visits per calendar year.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) provides comments for consideration on this measure.

The Med-QUEST Division currently covers chiropractic care for individuals under 21 years of age with no limits if determined that the visits are medically necessary under the federal Early and Periodic Screening, Diagnosis and Treatment (EPSDT) requirements.

In researching chiropractic coverage by other States, there are 26 States that cover chiropractic care for adults. However, the number of covered visits varies from 5 per year to 26 visits per year, with coverage limited to manual manipulation of the spine to treat a subluxation of the spine demonstrated by an x-ray. Coverage is not provided for preventive or maintenance

care. Not all states allow chiropractors to bill for the x-ray or the number of x-rays related to the chiropractic care is limited, and 17 of the 26 States require a co-pay for each visit.

If Hawaii is required to cover chiropractic services for medical assistance recipients over 21 years of age with a maximum of 24 visits per year, the DHS estimates that it would require an total appropriation of \$15,747,974 in state and federal funds of which \$7,582,649 would be State funds. In calculating the estimated cost to provide chiropractic care for the adult Medicaid population we looked at the estimated percentage of the population that would utilize the service. National indicators estimated anywhere from 7% to 15% of the population utilizes the services and an estimate of 10% of the Hawaii Medicaid population would utilize the service was used. This estimate does not include the cost of associated x-ray(s) and supplies. The Hawaii Medicaid program does not have co-payments.

The DHS has received approval from the Centers for Medicare and Medicaid Services (CMS) and awarded contracts to combine the QUEST and QUEST Expanded Access (QExA) programs with services commencing January 1, 2015 under the program name QUEST Integration. References to QUEST in this bill should be amended to read as “QUEST Integration” or just refer to as “Medicaid”.

Thank you for the opportunity to testify on this measure.



HPCCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Finance

The Hon. Sylvia Luke, Chair

The Hon. Scott Y. Nishimoto, Vice Chair

The Hon. Aaron Ling Johnson, Vice Chair

Testimony in Support of House Bill 2115 HD 1

Relating to Health

Submitted by Robert Hirokawa, Chief Executive Officer

February 21, 2014, 11:00 am, Room 308

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 2115, requiring state Medicaid program to cover the cost of chiropractic services.

Chiropractic care has been demonstrated to aid in the full and proper functioning of the human body. This includes activating natural healing processes, reduced recovery times, and stress maintenance. It can also be used to directly target a host of maladies, including back and neck conditions, Sciatica, joint pain, Carpal Tunnel Syndrome, migraine headaches, fibromyalgia, arthritis, and sleep disorders.

The HPCA believes in a holistic medical approach, of which chiropractic care is a useful tool. For these reasons, we support this measure and thank you for the opportunity to testify.

LATE

Hawaii State Chiropractic Association

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February 21, 2014

THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2014

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Scott Y. Nishimoto, Vice Chair

Rep. Aaron Ling Johanson, Vice Chair

HEARING

DATE: Friday, February 21, 2014

TIME: 11:00 A.M.

PLACE: Conference Room 308

Aloha Chairs and members of the committee:

I am writing **in support of HB 2115**

My name is Gary Saito and I represent the Hawaii State Chiropractic Association as its President and Executive Director. I have been a practicing chiropractor in the State of Hawaii for 26 years. In that time, I have had the privilege of providing medical treatments to thousands of our citizens.

Some of them can access my services through their insurance benefits. Some of them are able to afford chiropractic care by using their personal finances. Many people, however, are not so fortunate. Chiropractic care that most of us take for granted is unavailable to them because it is not provided for in the medical coverage they have. Yet, statistically, they can be expected suffer the same conditions and disabilities for which others have the means to receive treatments.

Offering chiropractic services in Medicaid could help to improve physical health, increase functional capacity, and prevent disabling conditions that now worsen their living situations because of inattention to their physical needs.

More than 25 other states include chiropractic in their Medicaid programs. The Centers for Medicare and Medicaid Services (CMS) already lists chiropractic as a pre-approved service for Medicaid. Any state can include chiropractic among its Medicaid benefits.

The U.S. Department of Health and Human Services, Office of Inspector General, reviewed chiropractic services in the Medicaid program of many participating states and determined that chiropractic services accounted for a very small part of benefit expenses (.0031-.5777% of total annual expenses in the states

reviewed). They went on to say in their report that "State reported utilization data show no discernible trends suggesting explosive growth in Medicaid expenditures."

Despite this national assessment of the cost of chiropractic services, Hawaii's Department of Human Services has not joined other states in offering chiropractic care for its eligible beneficiaries.

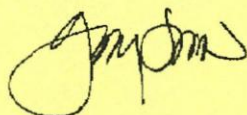
Finally, when the Department of Human Services in Hawaii has been asked to assess the cost of adding chiropractic to Medicaid benefits, they have responded that it will cost more than \$7,000,000. Their figures are drawn, however, from entirely inappropriate data. They base their assumption on figures derived from plans that cover populations not associated with Medicaid eligible individuals.

Our figures, on the other hand, are derived from Medicare's and Medicaid's own figures. As mentioned above, our figures are in a 3-year study by the Office of the Inspector General, specifically to evaluate the cost of chiropractic care in the states that offer it in their Medicaid program. We believe that is the truly relevant data. By our estimation, based on that data, inclusion of chiropractic services in Medicaid would cost between \$1,000,000 and \$1,500,000.

Chiropractic care is mistakenly seen as an add-on cost to the program, but, in fact, it will be a replacement cost because beneficiary utilization of chiropractic care will have the effect of reducing costs now associated with medical services and drug costs. Drug costs already exceed physician costs nationally. Chiropractic is the nation's largest doctoral level holistic and non-drug health care profession in the United States. We feel that Medicaid beneficiaries should have both access and choice.

I urge you to pass HB 2115. Thank you for the opportunity to provide testimony on this important issue.

Sincerely,



Gary Saito, DC
President, HSCA



REVISED

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If Hawaii is required to cover chiropractic services for medical assistance recipients over 21 years of age with a maximum of 24 visits per year, the DHS estimates that it would require an appropriation of at least \$4,502,250 in State funds based on initial calculations. This amount assumes that x-rays would not be covered and that the reimbursement for a manual therapy session is all-inclusive of any evaluation, assessment, and care plan development, which would

be required to be documented. Reimbursing separately for these would increase the cost and require a higher appropriation amount.

In calculating the estimated cost to provide chiropractic care for the adult Medicaid population we looked at the estimated percentage of the population that would utilize the service. National indicators estimated anywhere from 7% to 15% of the population utilizes the services and therefore we used an estimate of 10% of the Hawaii Medicaid population would utilize the service. An estimate that 10% of the Hawaii Medicaid population would utilize the service was used. This 10% is 18,257 members per month at the Medicaid unit reimbursement rate of \$20.55 for Manual Therapy for 24 visits. This is a total \$9,400,500 of state and federal funds that would be needed, of which approximately half would be federally funded. The state share would be the \$4,502,250 in general funds.

In researching chiropractic coverage by other States, there are 26 States that cover chiropractic care for adults. However, the number of covered visits varies from 5 to 26 visits per year, and the covered services vary, such as being limited to manual manipulation of the spine to treat a subluxation demonstrated by an x-ray. Coverage is not provided for preventive or maintenance care. Not all states allow chiropractors to bill for x-rays, or the number of x-rays related to the chiropractic care is limited. Seventeen of the 26 states require a co-pay for each visit.

In addition, the DHS has received approval from the Centers for Medicare and Medicaid Services (CMS) and awarded contracts to combine the QUEST and QUEST Expanded Access (QExA) programs with services commencing January 1, 2015 under the program name QUEST Integration. References to QUEST in this bill should be amended to read as “QUEST Integration” or just refer to as “Medicaid”.

Thank you for the opportunity to testify on this measure.