PATRICIA MCMANAMAN DIRECTOR

BARBARA A. YAMASHITA DEPUTY DIRECTOR



STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES

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

March 28, 2014

TO: The Honorable David Y. Ige, Chair

Senate Committee on Ways and Means

FROM: Patricia McManaman, Director

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

Hearing: Friday, March 28, 2014; 9:35 a.m.

Conference Room 211, State Capitol

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

<u>DEPARTMENT'S POSITION</u>: 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.

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 \$4,502,250 in state funds based on recent calculations. This amount assumes that x-rays would <u>not</u> 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 (approximately 180,000) 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. 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 of \$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 4 per year 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 the x-ray 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.

The DHS is aware of the discrepancy between our estimated cost to provide chiropractic care to adults under the Medicaid program and the Hawaii State Chiropractic Association. Their cost estimate relies on an Office of Inspector General Report that is over 15 years old (issued in 1998) and has not provided current utilization data or cost data that would support their estimate that it would cost no more than \$1 million to provide 24 visits per year for over 18,000 Medicaid recipients.

Thank you for the opportunity to testify on this measure.

From: To: Subject: Date: Colleen Tanaka WAM Testimony

PLEASE SUPPORT HB 2115 HD1 SD1 Wednesday, March 26, 2014 2:33:44 PM

Dear Chair Ige:

I have been a chiropractor living and practicing in Aiea area since 1999. Over the years I have helped thousands of people with a variety of conditions to include neck pain, headaches, and back pain. Chiropractic care is a cost effective, drug free alternative to treat common musculoskeletal conditions. Over the years I have had a number of Medicaid beneficiaries and the properties of the ppresent to our clinic with these common complaints only to learn that Medicaid does not provide chiropractic benefits here in Hawaii. I am writing to ask that you to support HB 2115 HD1 SD1 which will allow Medicaid beneficiaries the opportunity to seek needed care, reducing their dependence on medication to control common aches/pains.

In Health.

COLLEEN T. TANAKA, DC
TANAKA AND ASSOCIATES CHIROPRACTIC & MASSAGE (OFFICE) 808-487-2273 | (FAX) 808-356-0337 | tanakadc@msn.com

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Hawaii State Chiropractic Association

P.O. Box 22668 Honolulu, HI 96823-2668 ph: (808) 926-8883 fx: (808) 926-8884 www.hawaiichiro.com

COMMITTEE ON WAYS AND MEANS

Senator David Y. Ige, Chair Senator Michelle N. Kidani, Vice Chair

DATE: Friday, March 28, 2014

TIME: 9:35 a.m.

PLACE: Conference Room 211

Testimony in support of HB 2115 HD1 SD1

Chair Ige and members of the committee:

I am Dr. Gary Saito, DC, President and Executive Director of the Hawaii State Chiropractic Association.

You have read in other testimony that 26 states now offer chiropractic services in their Medicaid programs. While CMS has pre-approved the inclusion of chiropractic for decades, Hawaii has not yet joined the other states in making chiropractic available to our Medicaid population.

The Hawaii Medicaid program already covers chiropractic care for individuals under 21 years of age with no limits, provided there is medical necessity. It's time to cover all beneficiaries as the need for chiropractic treatments is not unique to youth. Adult beneficiaries deserve the same choice and access.

There seems to be broad support for including chiropractic in Medicaid in Hawaii. A request to CMS in the state plan amendment should meet with their approval. The only discrepancy at this time is in how much this inclusion will cost.

The U.S. Department of Health and Human Services, Office of Inspector General, did a 3-year review of chiropractic services in the Medicaid programs of many participating states and determined that chiropractic services accounted for only .0031 - .5777% of the total annual Medicaid expenses in those states. They went on to say in the report that "State reported utilization data show no discernible trends suggesting explosive growth in Medicaid expenditure."

All the research information the Hawaii State Chiropractic Association used was from data provided by CMS itself. We used experience data that has a published source. Our estimate of cost is no more than \$2,000,000, but we are willing to compromise on the final figure to satisfy the DHS.

The DHS, on the other hand, used a different calculation based entirely on assumptions. If their estimate of annual cost to the program of \$15,747,974 is correct, then each of the 290 chiropractors in Hawaii could earn \$54,303.35 from this single source per year. I'm not aware of any chiropractor who earns \$54,000 from a single income source. This is why we believe the Department's estimate is greatly inflated and will result in an excessive amount of unused funds at the end of the fiscal year.

We would like to make a proposal as to what to do with the unexpended funds. We propose that the unused funds be returned to the funding source at the end of the year, or that the unused funds be rolled over to the next year and held exclusively for providing chiropractic care. All allocated funds should be used exclusively for the chiropractic benefit and not be diverted to other parts of the program having nothing to do with the provision of chiropractic care to Medicaid beneficiaries. At the end of 5 years, the annual expense budget will be known and the allocation for chiropractic services can be modified to more accurately reflect actual expenses.

In any case, cost should not be the primary reason for considering chiropractic care in our Medicaid program. At this time, thousands of people are excluded from coverage for chiropractic care, even though they are as likely to need the kind of care that chiropractors provide as the population at large. Co-pays in other states range from \$.50 to \$3.80 and such co-pays make chiropractic care affordable.

We urge this committee to pass HB 2115 HD1 SD1 and finally make chiropractic services accessible for our Medicaid eligible population.

Thank you for considering our input on the intent of this bill.

Sincerely,

Dr. Gary Saito, DC President, HSCA March 26, 2014

Senator David Y. Ige Chairman, Committee on Ways and Means

Senator Michelle N. Kidani Vice Chair, Committee on Ways and Means

RE: Testimony in Support of HB2115 HD1, SD1, Relating to Health

Hearing, Thursday, March 28, 2014 9:35 AM

Conference Room 211

FROM: James A. Pleiss, DC

4492 Waha Pl.

Haiku, Hawaii 96708

808-283-4370

Dear Chairman Ige and Vice Chair Kidani:

Thank you for the opportunity to testify in support of HB2115 HD1, SD1 which requires inclusion of chiropractic services in Med Quest and Medicaid coverage.

Chiropractic services are an accepted part of the health care delivery system across the United States. Chiropractic services are currently covered federally in Medicare as well as coverage for all veterans, both active and retired. Chiropractic services are covered state wide in Motor Vehicle Insurance, Workers' Compensation, HMSA, Kaiser, HMAA, UHA, State and County Workers' insurance programs, and many others. Recent studies have shown that the overall costs per person in the Medicaid system goes down with the inclusion of chiropractic.

Inclusion of chiropractic services in Med Quest and Medicaid in state of Hawaii will serve to bring Hawaii in line with the majority of other states that already include chiropractic services in Medicaid.

I also support the testimony of the Hawaii State Chiropractic Association.

Thank you for the opportunity to testify before your committee in support of HB2115 HD1, SD1.

James A. Pleiss	



Senate Committee on Ways and Means Senator David Y. Ige, Chair Senator Michelle N. Kidani, Vice Chair

Testimony in Support of House Bill 2115 HD 1 SD1

Relating to Health
Submitted by Robert Hirokawa, Chief Executive Officer
March 28, 2014, 9:35 am, Room 211

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 2115 HD1 SD1, 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.

KLEIN CHIROPRACTIC CENTER

Robert E. Klein, D.C., F.A.C.O.

2070 Kilauea Avenue Hilo, Hawaii 96720 : Fax (808) 959-4580 : Phone (808) 959-4588

March 26, 2014

Senator David Ige Chairman, Ways and Means Committee Hawaii State Capitol, Rm. 211 415 South Beretania Street Honolulu, HI 96813

RE: Testimony in Support of HB2115, Relating to Health

Hearing, 9:35 AM, 3/28/14, Rm. 211

FROM: Robert E. Klein, DC

2070 Kilauea Av Hilo, HI 96720

Dear Chairman Ige:

I support HB2115 which allows access to chiropractic benefits for individuals covered under Medicaid and Med-QUEST.

I have practiced chiropractic full-time in Hilo for thirty-four years. I presently serve as Chairman of the Hawaii State Board of Chiropractic Examiners and as Hawaii state delegate to the American Chiropractic Association. I am a former faculty member of a leading chiropractic college. I continue to teach chiropractic doctors at the post-graduate level. I have been involved examination and licensing for the profession, on the state and national level, since the year 2000.

In nearly three and a half decades serving the health needs of our neighbor island public, I have learned the following:

- Neighbor islands are medically under-served, with limited access to care.
- Persons on Medicaid related programs frequently wish to access chiropractic care.
- Non-coverage by Medicaid usually prevents these people from receiving care.
- Those individuals often over-use expensive medical and emergency services as a substitute, due to their inability to access chiropractic treatment.

Chiropractic offers dramatic cost savings over medical care. Allowing access to this care through the Medicare and Med-QUEST provides an <u>ALTERNATIVE</u>. Those receiving this appropriate care will reduce their use of costly medical services.

Thank you for the opportunity to testify in support to HB2115.

Sincerely,

Robert E. Klein, DC, FACO

From: <u>Catherine Tanaka</u>
To: <u>WAM Testimony</u>

Subject: support HB 2115 HD1 SD1

Date: Wednesday, March 26, 2014 11:40:14 PM

Dear Chair Ige:

I am an 82 year old woman from Aiea, and I have personally experienced the benefits of chiropractic treatments to help control my chronic lower back pain. I am writing to ask that you support HB 2115 HD1 SD1 so that Medicaid recipients can benefit from chiropractic.

Mahalo,

Catherine Tanaka

Aiea

 From:
 Brenden Leomo

 To:
 WAM Testimony

 Subject:
 HB 2115 HD1 SD1

Date: Thursday, March 27, 2014 8:47:18 AM

Aloha Chair Ige,

My name is Brenden Leomo and I'm a local chiropractor with my practice located in Aiea. As a young chiropractor I'm very excited to see the benefits of my profession on the general public. I've made a lot of people smile while experiencing less pain due to musculoskeletal complains. I would love to see this benefit be spread out to more people in our lovely state. Please support bill HB 2115 HD1 SD1 tomorrow. Thank you!

In Health,

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Dr. Brenden Leomo, DC, MS, CCSP, CKTP, CPT

Doctor of Chiropractic Board Certified Sports Physician

TANAKA AND ASSOCIATES Chiropractic & Massage 98-027 Hekaha Street, Unit 17 Aiea, HI 96701 www.tanakaandassociates.com

phone: (808) 487-CARE (2273)

Certified Kinesio Tape Practitioner Graston Technique Provider Certified Rock Doc Certified Personal Trainer TRX Certified Trainer From: <u>mailinglist@capitol.hawaii.gov</u>

To: WAM Testimony
Cc: ededeo@pixi.com

Subject: Submitted testimony for HB2115 on Mar 28, 2014 09:35AM

Date: Wednesday, March 26, 2014 10:16:09 PM

HB2115

Submitted on: 3/26/2014

Testimony for WAM on Mar 28, 2014 09:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Edward Dedeo DC	Individual	Support	No

Comments: My testimony SUPPORTING HB 2115 I have practiced as a chiropractor in Hawaii for 26 years and am a former Vice-President of the Hawaii State Chiropractic Association. It is my firm conviction that Medicaid should include those able bodied contributors to society who are financially unable to afford regular insurance. Such people should have access and the ability to choose chiropractic therapy In the event they do not want to engaged in the limited therapies of drugs and surgery offered by standard medical approaches I urge you to support and pass HB 2115 as it stands. Edward Dedeo DC

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: Fred Takakawa
To: WAM Testimony

Subject: Fwd: Delivery Status Notification (Failure)
Date: Thursday, March 27, 2014 9:14:22 AM

Senator David Ige Chairman WAM Committee

Dear Sir:

My name is Fred Takakawa.

About 5 years ago, I had a Sciatic nerve problem I could not stand on my left leg for longer than a few minutes. It was very painful to do so. I received Chiropractic treatment for this disability and after a few months, I started to improve until I could stand without pain. Today, I'm still without pain. Without the Chiropractic treatment, I would really be in a desperate situation.

I understand that people that receive Medicaid benefits does not qualify for Chiropractic treatments. Please provide these people with this important medical care. I urge you to support and pass HB 2115 HD1 SD1.

Thank you for your service to the community.

Very truly yours,

Fred Takakawa

HEALING HANDS CHIROPRACTIC

JAMES FINLEY DC 45-510A Kamehameha Hwy Kaneohe HI 96744 808-753-1242

March 26, 2014

COMMITTEE ON WAYS AND MEANS

Senator David Y. Ige, Chair Senator Michelle N. Kidani, Vice Chair

Date: 3/28/2014 Time: 9:35AM Room 211

TESTIMONY IN SUPPORT OF HB 2115

Dear Chairman Ige and members of the committee:

I have had the rewarding opportunity to have practiced chiropractic in the State of Hawaii for the past eleven years. During this past decade, I have noticed that many, if not most of my patients have had to pay out of pocket for their chiropractic care because they are under Medicaid or Quest. These patients are seeking quality chiropractic care, but they do not have the access or choice of chiropractic care through Medicaid in the State of Hawaii.

Chiropractic care is already pre-approved for Medicaid in all states by the Center of Medicare & Medicaid Services. Twenty six States have successfully implemented Chiropractic as an option in Medicaid. Hawaii has not yet made it available to our local Medicaid population. I support that Hawaii Medicaid offers access for chiropractic care, and provides a choice other than drug therapy, surgical services, or just living with a problem.

I am submitting my testimony in **support of HB 2115.**

Thank you for this opportunity to **support HB 2115**.

Sincerely,

James Finley DC

 From:
 klimbaga@yahoo.com

 To:
 WAM Testimony

 Subject:
 HB 2115 HD1 SD1

Date: Thursday, March 27, 2014 9:00:38 AM

Dear Chair David Ige,

I've been practicing chiropractic in the Aiea/Pearl City area for 13 years. In that time, I've witnessed countless individuals achieve improved health through the benefits of chiropractic care. Please pass HB 2115 HD1 SD1 so that those with few resources can have the same opportunity to benefit from chiropractic care.

Yours In Health,

Kathleen D. Limbaga, DC 98-027 Hekaha Street, Suite 17 Aiea, HI 96701
 From:
 Linda Oishi

 To:
 WAM Testimony

 Subject:
 HB 2115 HD1 SD1

Date: Thursday, March 27, 2014 7:44:21 AM

Dear Chair David Ige,

I had suffered stiff neck pain every morning for a year before getting help with chiropractic treatment. Traditional medical help just gave me pills that only provided temporarily relief for the pain. Chiropractic treatments helped me with the problem and recover fully. Please support HB 2115 HD1 SD1 so others will benefit from it.

 From:
 Lurline Eli

 To:
 WAM Testimony

 Subject:
 HB2115 HD1 SD1

Date: Thursday, March 27, 2014 6:45:08 AM

Chair Ige,

I'm sending this in support of bill HB 2115 HD1 SD1. I have been a chiropractic patient for many years and look forward to continued services. I support Medicaid beneficiaries the opportunity to seek this care.

Mahalo,

Lurline Eli

89-640 Farrington Hwy.

Waianae, HI 96792

 From:
 Norene Tanaka

 To:
 WAM Testimony

 Subject:
 HB 2115 HD1 SD1

Date: Thursday, March 27, 2014 10:48:42 AM

Good Morning!

I'd like to support the passing of HB 2115 HD1 SD1. I've been a chiropractic patient for many years and it has definitely helped me with many of my injuries. I'd like to show my support for Chiropractic care for Medicaid patients.

Thank You! Norene Tanaka

98-438 Ponohana Loop Aiea, HI 96701 From: Randy Collins
To: WAM Testimony

Subject: HB 2115 HD1 SD1 Support

Date: Thursday, March 27, 2014 10:41:27 AM

Dear Chair Ige,

My name is Dr. Randy R. Collins and I am a practicing chiropractor for the last 35 years in Hawaii. I am also the co-founder of a chiropractic independent practice association, ChiroPlan Hawaii Inc., the provider of chiropractic services to the EUTF, in which you and your colleagues have chiropractic coverage. The State of Hawaii has already acknowledged the benefits of having chiropractic coverage for its workers. Chiropractors are included in the worker's compensation and automobile no-fault insurance programs. Most private insurance plans now cover the services of a chiropractor. The point is that chiropractic services are now becoming a part of the health care delivery system providing a drugless, non-surgical approach to neuromusculoskeletal conditions. I have provided deep discounts and/or have given away chiropractic services to those in need, but could not financially afford treatment. Many of these patients had Medicaid benefits that paid for standard medical care to include pills and tests that were ineffective and very expensive. Simple back problems where thousands of dollars were spent on MRI's that were negative leading to more pills. Many of the Medicaid beneficiaries are ablebodied people, working two or more jobs just to sustain themselves and their families. The Medicaid population should have the same access and choice to obtain cost effective treatment just as you and I do. Chiropractic care is already pre-approved for the Medicaid Program of all states by CMS.

I ask you to pass HB 2115 HD1 SD1 so that all will have equal access to appropriate medical/chiropractic care.

Randy R. Collins, D.C., D.A.B.C.O. 2810 Paa St., #4 Honolulu, HI 96819 From: <u>Vanellkn@aol.com</u>
To: <u>WAM Testimony</u>

Subject: Fwd: HB 2115 HD1 SD1 SUPPORT BILL

Date: Wednesday, March 26, 2014 1:27:44 PM

ONE GOD, ONE MIND, ONE BODY, ONE CHURCH,

Vanell K. Naum Office: (808) 671-0066

Fax: (808) 671-5552 Cell: (808) 216-3850

----Original Message-----

From: Vanellkn@aol.com <vanellkn@aol.com>

To: WAMtestimony <WAMtestimony@capitol.hawaii.gove>

Sent: Wed, Mar 26, 2014 1:24 pm

Subject: HB 2115 HD1 SD1 SUPPORT BILL

Dear Chair David Ige,

My name is Vanell Naum and I am a registered voter of our beautiful Hawai'i state. I am honored to be able to write this letter in support of HB2115 HD1 SD1. I am 41 years of age and happily married with two beautiful children (son 16, daughter 12). My family and I receive chiropractor care for treatments due to several reasons.

You see, I've been living a life of less. Although a believer of faith, I've been under severe physical problems living in constant pain throughout my body. From severe headaches, joint and muscle spasms, neck pain, back pain and a knee injury. After visiting the doctor's office and undergoing x-rays, to MRI's, physical therapy and medication I decided to give chiropractic treatments a try. I've been a patient under chiropractic care for over 5 years headache free. Able to live a life of more! More time spent in the outdoors, more time spent away from my bedroom sleeping, more time spent at my desk working, more time spent serving our community, more time spent in prayer for others, more alive than ever before! I am able to endure a 12 hour day with my knee injury without my husband giving me a massage at the end of the day. And no need for surgery either. My back isn't in constant pain and I am also able to climb up and down stairways with no trouble. I receive valuable care and consulting to improve my lifestyle that benefits my overall health.

This care has brought life to my whole family and continues to provide healing naturally. Please, support this bill.

Sincerely, Vanell Naum 89-1152 Pikaiolena Street, Waianae, HI 96792 (Residence) 94-1181 Ka Uka Boulevard Waipahu, HI 96797 (Work)

ONE GOD, ONE MIND, ONE BODY, ONE CHURCH, Vanell K. Naum

Office: (808) 671-0066 Fax: (808) 671-5552 Cell: (808) 216-3850