

Honolulu, Hawaii

March 18, 2016

RE: S.B. No. 1178
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 1178, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to address inflation and the increased cost of providing acupuncture treatments by increasing the reimbursement rate for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance. In addition to increasing the per visit rate for acupuncture treatment, this measure establishes a formula based on the Medicare economic index to annually adjust the treatment rate thereafter.

The Institute of Clinical Acupuncture and Oriental Medicine, Hawaii Oriental Medicine and Acupuncture Association, Maui Acupuncture, Cocowaikiki Corporation, Windward Wellness, Acupuncture With Aloha, Kailua Acupuncture Clinic, Aloha Acupuncture & Wellness, Inc., Dahlia Bursell Acupuncture, and numerous individuals testified in support of this measure. The Department of Commerce and Consumer Affairs testified in opposition to this measure. State Farm Mutual Automobile Insurance Company commented on this measure.

Acupuncture is a natural treatment that addresses pain and other medical conditions. It is a compensable benefit under personal injury protection benefits provided through motor vehicle

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insurance. Your Committee finds that the reimbursement rate for licensed acupuncturists has not increased in almost 20 years, resulting in a reimbursement rate that has not kept up with inflation or the increased costs of providing care. Increasing the reimbursement rate for acupuncture treatments will ensure fair and adequate compensation for acupuncturists.

However, your Committee has concerns with establishing a formula based on the Medicare economic index to annually adjust the rate for acupuncture treatments. Accordingly, your Committee has amended this measure by deleting the formula based on the Medicare economic index to annually adjust the treatment rate for acupuncture treatments.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1178, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,


HENRY J.C. AQUINO, Chair



