PANKAJ BHANOT DEPUTY DIRECTOR



STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES

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

March 29, 2016

TO: The Honorable Jill Tokuda, Chair

Senate Committee on Ways and Means

FROM: Rachael Wong, DrPH, Director

SUBJECT: HB 1599 HD1 SD1 - RELATING TO HEALTH

Hearing: Wednesday, March 30, 2016; 9:00 a.m.

Conference Room 211, State Capitol

<u>**DEPARTMENT'S POSITION**</u>: The Department of Human Services (DHS) appreciates the opportunity to testify on this bill and provides comments.

<u>PURPOSE</u>: The purpose of this bill is to require QUEST and Medicaid coverage for chiropractic care, limited to 24 visits per calendar year, upon approval of a state Medicaid Plan Amendment to that effect.

The Med-QUEST Division currently covers chiropractic care for individuals under 21 years of age without limits if determined that the visits are medically necessary under the federal Early Periodic Screening, Diagnosis and Treatment (EPSDT) requirements.

In researching chiropractic coverage provided by other States, there are 26 States that cover chiropractic care for adults. However, the number of covered visits vary from 4 per year to 26 visits per year, with coverage limited to manual manipulation of the spine to treat subluxation of the spine demonstrated by an X-Ray. 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.

The bill requires DHS to request a State Plan Amendment to cover chiropractic care and becomes effective upon receipt of said approval. We estimate that this will take at least six months to complete the State Plan Amendment process. To clarify that this bill is intended to AN EQUAL OPPORTUNITY AGENCY

cover only those chiropractic services for which DHS would receive federal Medicaid funds, we suggest amending Section 1 by adding a new subsection (c) to read as follows:

(c) Coverage for chiropractic services under this section shall be limited to the chiropractic services approved by the U.S. Centers for Medicare and Medicaid Services in the state plan amendment.

The current bill draft does not include an appropriation. However, there would be additional costs that have not yet been accounted for should the measure pass. To cover chiropractic services for medical assistance recipients over 21 years of age with a maximum of 24 visits per year, DHS estimates that for six months of SFY 2017, an appropriation of \$7,200,000 in State and Federal funds, of which \$3,886,560 would be State funds would be needed. In calculating the estimated cost to provide chiropractic care for the adult Medicaid population (approximately 200,000 individuals) we looked at the estimated percentage of the population that would utilize the service. National indicators estimated a range of 7% to 15% of the population utilizes the services and an estimate of 10% of the Hawaii Medicaid population (20,000) was used to calculate utilization and cost based on current Medicaid rates (approximately \$30.00/visit). This estimate does not include the cost of associated X-Rays and supplies. The Hawaii Medicaid program does not have co-payments.

Thank you for the opportunity to testify on this measure.

From: <u>mailinglist@capitol.hawaii.gov</u>

To: WAM Testimony
Cc: wailua@aya.yale.edu

Subject: *Submitted testimony for HB1599 on Mar 30, 2016 09:00AM*

Date: Monday, March 28, 2016 10:05:44 PM

HB1599

Submitted on: 3/28/2016

Testimony for WAM on Mar 30, 2016 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Wailua Brandman	Hawaii Assoc. of Professional Nurses	Support	No

Comments:

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