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LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON TRANSPORTATION

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2016

Wednesday, March 16, 2016
10:30 a.m.

TESTIMONY ON SENATE BILL NO. 1178, S.D. 2 – RELATING TO HEALTH.

TO THE HONORABLE HENRY J.C. AQUINO, CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department opposes this bill, and provides the following comments.

This bill would increase to an unspecified amount the current \$75 per acupuncture treatment reimbursable under Personal Injury Protection (“PIP”) benefits and thereafter annually adjust the rate based on the Medicare economic index.

According to section 431:10C-103.6, Hawaii Revised Statutes (“HRS”), the \$75 rate of compensation per acupuncture treatment is the same as that for chiropractic and naturopathic treatments, and the combined total of the three types of treatment is capped at thirty visits. These “precise charges and utilization rates shall be as those contained in the workers’ compensation schedules provided under section 431:10C-308.5.” See § 431:10C-308.5(a), HRS.

An increase in PIP payments to one member of this trio of health care providers would likely lead to across-the-board increases to all, and thus increase costs to all

Senate Bill No. 1178 S.D. 2
DCCA Testimony of Gordon Ito
Page 2

policyholders. On the other hand, each policyholder may purchase optional additional coverage to add nonmedical remedial care, or to increase the number of acupuncture or chiropractic or naturopathic treatments. See § 431:10C-302(a)(10) and (11), HRS.

We thank this Committee for the opportunity to present testimony on this matter.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 11:58 AM
To: TRNtestimony
Cc: aculyna@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Lyna Morimoto	Individual	Support	No

Comments: As a practicing provider of acupuncture for 27 years and massage therapy for 29 years, I have seen the fluctuations of the massage fees soar and occasionally dip throughout the years. What I haven't seen is the acupuncture fees move at all. Considering the educational requirements of Acupuncture & Oriental Medicine is 4 times longer than for Massage school/training & its cost of education is 10 x higher than for a massage education, the disparity of the fee schedule is an insult to the acupuncture profession. We ask you to support this bill to validate our profession & contributions to the health field and what our service means to our community. Mahalo for your time and attention.

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Sheryl Malin, RN, MAcOM, BSOE, CNOR, LAc
2333 Kapiolani Blvd. Unit 2909
Honolulu, HI 96826
808-222-4622

Re: Support of Bill SB1178

Honorable Representative Aquino:

I am in support of Bill SB1178 that will increase the authorized benefit for acupuncture treatments allowed under personal injury protection benefits. Please consider that Hawaii insurance reimbursements are below national average on all levels.

I ask you to respect and value the education, time, and expense of becoming a professional acupuncturist. I am a licensed acupuncturist in the state of Hawaii. As you know, this requires a minimum of a 4-year Master's Degree. The total tuition for this program is between \$35,000-\$37,000. This figure does not even begin to address the time spent in acquiring the degree. The cost of doing business includes:

1. Malpractice insurance that is upwards of \$400-\$500 a year
2. Costly sterile, single use needles and other supplies needed to run a clinic and provide the highest quality of care to our patients
3. Time spent filling out insurance forms
4. Office personell
5. Laundry costs for linens used
6. Rent
7. State acupuncture license fee, which is more than my RN license

The cost of doing business, especially in Hawaii is above national average while our compensation is below. I am not only a licensed acupuncturist, but also a registered nurse. My licenses and insurance expenses are doubled.

I appeal to you as a dedicated medical professional to get this bill passed to insure that the professionals who selfishly help so many are duly compensated for their services.

Respectfully,

Sheryl Malin

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 1:18 PM
To: TRNtestimony
Cc: maunakeawellness@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Mei Lin Luo	Individual	Support	No

Comments: Acupuncture is a natural and effective treatment modality to address pain and many medical conditions. I strongly support this bill to help the acupuncture community and also raise awareness in efficacy of acupuncture as a complementary therapy. I hope the bill will get passed! Thank you for your time!

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 2:25 PM
To: TRNtestimony
Cc: lynn.all@maui.net
Subject: *Submitted testimony for SB1178 on Mar 16, 2016 10:30AM*

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Allen	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 2:35 PM
To: TRNtestimony
Cc: spalacure@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
sakiko kobayashi	cocowaikiki corporation	Support	No

Comments: I support this bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 2:42 PM
To: TRNtestimony
Cc: justin_hays@hotmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM
Attachments: testimony supporting 1178.txt

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Hays	Maui Acupuncture	Comments Only	No

Comments: Please review my testimony supporting 1178 and pass it with all speed. For too long Hawaii has allowed insurance companies to discriminate against acupuncturists. The time to change it is now, or Hawaii risks losing its quality care providers to states that better understand the cost of quality care.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 2:43 PM
To: TRNtestimony
Cc: info@homa.org
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM
Attachments: HONAA SB1178 Testimony.pdf

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Christina Kapothanasis	Hawaii Oriental Medicine and Acupuncture Associati	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 2:46 PM
To: TRNtestimony
Cc: mariyakai@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Mariya Gold	Individual	Support	Yes

Comments: As a practicing acupuncturist in Hawaii for the past 5 years, I am writing to you in strong support of SB 1178. I graduated from the Institute of Clinical Acupuncture and Oriental Medicine in Honolulu in 2011. During my 4 year Master's of Science program in Acupuncture and Oriental Medicine, I accrued a large student loan debt which can be compared to what a Medical Doctor might accrue during their doctoral program. Practicing in Hawaii with high costs of running a business along with the high costs of living expenses has made it very challenging to even begin to pay off the student loan debt I have. Our costs of running a business in Hawaii exceed the allotted \$75 cap, and often the 30 visit cap impacts our ability to treat the patient, as often we are a "last resort" for them when chiropractic and/or naturopathic treatments aren't working. Cost of doing business continues to increase and it is necessary that our reimbursement be adjusted from what was set years ago, for our livelihood and for our profession. In addition to maintaining a sanitary, clean-needle environment, I am charged for needle disposal, billing, and overhead costs of running a business. For each hour dedicated to a No Fault case, I (or my biller) must complete several hours per week to correctly bill and receive payment from the insurance companies, often with many delays in payment and follow-up phone calls. Your attention to and support of SB 1178 is greatly appreciated. Mahalo!

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 8:56 AM
To: TRNtestimony
Cc: moss.ruthie@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Ruthie Moss	Individual	Support	No

Comments: Hello, My name is Ruthie Moss, I earned my Masters in Chinese Medicine from the Oregon College of Oriental Medicine in 2009. I live and run an acupuncture and Chinese medicine private practice on the Big Island. I strongly support this bill! Please help us maintain our high standard of care for our patients as well as be compensated appropriately. Acupuncture treatments are only 2% of the total PIP cost, according to data from the state auditor, and this is not a cost driver for no-fault insurance. Thank you for reading, With Aloha, Ruthie

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 8:49 AM
To: TRNtestimony
Cc: heavymetalpat@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Patrick Shanahan	Individual	Support	No

Comments: The cost of running and operating an acupuncture clinic is continually increasing, acupuncturists should be able to bill appropriately for their services. Passing this bill will help to allow acupuncturists to continue to serve our community.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 8:39 PM
To: TRNtestimony
Cc: amarie133@hotmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
andrea ipsaro	Individual	Support	No

Comments: I support this bill. Acupuncture is an effective medicine and should be reimbursed fairly. I work as a massage therapist and acupuncturist. Insurance reimburses 140\$ per one hour massage. You can go to school for 6 months and get a massage license. As an a cupuncturist the pay is too low. My schooling was 50,000\$, my insurance coverage costs 600\$ a year. I must purchase supplies, pay rent. My patients find the treatments helpful and effective. They get off pain medication, sleep better at night, have lower blood pressure, reduced stress, all from the acupuncture. These are clinically proven results. Please support us as healthcare providers and give us the compensation we fairly deserve. Thank you, Andrea Ipsaro

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 3:21 PM
To: TRNtestimony
Cc: windwardqi@yahoo.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Samantha Preis	Individual	Support	No

Comments: Thank you hearing this bill. I'm happy to explain four reasons why I support SB1178. 1. There are more expenses to consider when billing an insurance company than when paying cash. Seventy-five dollars is not a bad payment if you are paying cash. There is little administrative overhead since payment is instant. With insurance there is a payment delay, administrative time and resources and staff costs. In my experience a significant amount of time is spent talking with insurance companies to clarify billing issues, writing follow up reports and treatment plans for doctors and providing notes to all insurance companies. 2. The American Medical Association places the fee for an hour of acupuncture between \$124.54 and \$138.81. These codes were last updated by the AMA in 2006. Our codes in Hawaii (20560, 20561 are equivalent in definition to 97810 and 97811 which the rest of the country uses to bill for acupuncture. We would like to update Hawaii's codes too but we are trying to keep the changes as simple as possible.) 97810 = \$38.68 (initial 15 min of acupuncture) 97811 = \$28.62 (each additional 15 minutes) 97813 = \$41.31 (initial 15 min of acupuncture with electric stimulation) 97814 = \$32.50 (each additional 15 min with electric stimulation) So an hour treatment with estim would be \$41.31 + (32.50 x3) = \$138.81 without estim would be \$38.68 + (28.62 x 3) = \$124.54 3. Chiropractors are also capped at \$75 but that is for 15minutes of adjustment time. We need to charge for the hour to get that fee our \$75. Massage therapists are tied to the medicare fee schedule plus 10%. Their code is 97124 per 15 minutes = \$28.62. Multiplied by 4 to make an hour, plus 10%, they get \$125.93 on the No-Fault fee schedule. Massage therapists require a year of training, not even an associate's degree. Acupuncturists must get a Master's degree to sit for the exam. 4. Cost of living in Hawaii is high. We don't take home \$75 per visit. After overhead costs the take home is somewhere around half depending on how we set up our business, if we need to pay staff, if we have space to treat more than one patient at a time, etc. I think it is very reasonable to ask for an increase in fee. Thank you for your time and consideration. Aloha, Samantha Preis, L.Ac,

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 8:48 PM
To: TRNtestimony
Cc: generaljo@daum.net
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
HANSIN	Individual	Support	Yes

Comments: As a acupuncture student in Hawaii I strongly support Senate Bill 1178. In Hawaii the overhead costs are too great.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 8:51 PM
To: TRNtestimony
Cc: tanti@hawaii.edu
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Tanti	Individual	Support	No

Comments: Dear Representative, As a patient of acupuncture, I am in support of Senate Bill 1178. Through the use of acupuncture, I have (reduced, eliminated) my need for pain killers. I have better range of motion/strength/healthy lifestyle. It is important that we provide Hawaii acupuncturists with a liveable wage so that No Fault patients are able to continue benefiting from this pain-management tool.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 5:06 AM
To: TRNtestimony
Cc: chriscannon.aloha@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Christine Cannon	Individual	Support	No

Comments: I strongly support Senate Bill 1178, and would encourage our state to at least align the payment schedule to reflect cost of living increase from over 20 years ago, and reflect similar payments that other states currently use. At least match the rates of the Massage therapist, which is near \$120 per session. Example: Massage therapists pay less than \$2,000 in school tuition, 570 hours of academic study and training, 420 hours hands on, pass tests, licensing exam, etc., and graduate in 7 - 9 months. The licensed Acupuncturist in the state of Hawaii, is required after college, to complete a Master's of Science in Oriental Medicine degree program for 4 years of studies. Then, at the minimum, pass the National Certification Exam with proficiency in Acupuncture, Herbal Medicine, Biomedical Studies, and Clinical Internship totaling over 3,200 hours. Cost of tuition for completing program is over \$60,000. In other states as high as \$95,000.00. Over 75% of Acupuncture graduates leave Hawaii to pursue their career's success in other states. Please help our profession grow and continue to benefit the citizens of our community by supporting Senate Bill 1178. Thank you for your time and consideration in this very important matter.

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lopresti2 - Jasmine

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 7:42 AM
To: TRNtestimony
Cc: ruechi@honolulu.gov
Subject: *Submitted testimony for SB1178 on Mar 16, 2016 10:30AM*

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Rika Uechi	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 8:19 PM
To: TRNtestimony
Cc: deborahmaghen@outlook.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Maghen	Individual	Comments Only	No

Comments: I have been in practice for 16 years as a licensed acupuncturist. I support this bill. Our cost of education, malpractice and all the costs of running a professional health care practice warrant this bill. Thank u for ur consideration.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 8:35 PM
To: TRNtestimony
Cc: joel_hrdng@yahoo.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Joel Harding	Individual	Support	No

Comments: Dear Representative, As a acupuncture student I am in strong support of Senate Bill 1178. Most acupuncturists go to school for 4-6 years, accruing debts of \$45,000 and up, yet they are paid half the allowed amount for massage therapists treating No Fault patients. My peers and I are forced to think critically about making a business in Hawaii because the overhead costs are too great. As a medical professional I have invested years of my life towards a highly-skilled trade. It is critical that we address the vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 6:27 AM
To: TRNtestimony
Cc: drmichellehill@yahoo.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Dr. Michelle Hill, DC, LAc	Windward Wellness	Support	No

Comments: As a practicing acupuncturist in Hawaii for the past 9 years, I strongly support Senate Bill 1178. Our costs of running a business in Hawaii exceed the allotted \$75 cap, and often the 30 visit cap impacts our ability to treat the patient, as often we are a “last resort” for them when chiropractic and/or naturopathic treatments aren’t working. In addition to maintaining a sanitary, clean-needle environment, I am charged for needle disposal, billing, and overhead costs of running a business. For each hour dedicated to a No Fault case, I (or my biller) must complete several hours per week to correctly bill and receive payment from the insurance companies, often with many delays in payment and follow-up phone calls.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 7:25 PM
To: TRNtestimony
Cc: alohafrancesca@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Francesca Freund	acupuncture with al oha	Support	Yes

Comments: Dear Representatives, As a practicing acupuncturist in Hawaii for the past 10 years, I strongly support Senate Bill 1178. Our costs of running a business in Hawaii exceed the allotted \$75 cap, and often the 30 visit cap limits our ability to treat the patient, as often we are a "last resort" for them when chiropractic and/or naturopathic treatments aren't working and is usually combined with chiropractic/massage/physical therapy etc. In other words if they do those other therapies before they seek acupuncture, the amount allotted of up to 30 visits may already have been used by other therapists if they bill before I do. When I opened my business in 2006, the allotted amount does not cover the time involved for treatment which is 30-90 minutes, it only covers for 20 minutes. Now, years later, my business costs have inflated with the times, but our pay has not. In addition to maintaining a sanitary, clean-needle environment, I am charged for needle disposal, billing, and overhead costs of running a business. For each hour dedicated to a No Fault case, I (or my biller) must complete several hours per week to correctly bill and receive payment from the insurance companies, often with many delays in payment and follow-up phone calls. Please pass this bill to allow Acupuncture to be continued that actually pays for the time involved and to help fellow citizens receive the care they deserve!

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 7:45 AM
To: TRNtestimony
Cc: kojialoha@mac.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Koji Kajiwara	Individual	Support	No

Comments: I certainly support this bill. I have been practicing Acupuncture in state of Hawaii for more than 10 years. I treat the victim of the Auto accident. Please increase the reimbursement amount. It's been frozen long time!

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Sent: Monday, March 14, 2016 5:03 PM
To: TRNtestimony
Cc: ciaojperry@yahoo.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Perry	Individual	Support	No

Comments: Dear Representatives, As a more recently-graduated acupuncturist of 5 years and LMT for over 20 years, I am in strong support of Senate Bill 1178. I spent 4 years with no breaks to become an acupuncturist, accruing debts of \$70,000, hoping that as an acupuncturist I would have a more effective modality to use when massage was not enough or not indicated. As an L.Ac., we are paid half the allowed amount for LMT's treating No Fault patients. Being in business as a health care provider in Hawaii is extremely challenging because the overhead costs are too great. It's almost impossible to afford your own clinic with rising property rentals rates and parking fees. I have had over 22 offices, sharing spaces mostly to be able to continue to offer my clients services all these years, and barely making it. As a medical professional I have invested over 32 years of my life towards two highly-skilled trades. It is critical that we address the vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field.

Please note that testimony submitted less than 24 hours prior to the hearing, 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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To: Hawaii State Legislature
From: Kathy K. Sato
Email: Kathy@stringsfortomorrow.com
Date: March 14, 2016

Dear Hawaii State Legislature:

As a acupuncture student **I am in strong support of Senate Bill 1178**. Most acupuncturists go to school for 4-6 years, accruing debts of \$45,000 and up, yet they are paid half the allowed amount for massage therapists treating No Fault patients. My peers and I are forced to think critically about making a business in Hawaii because the overhead costs are too great. As a medical professional I have invested years of my life towards a highly-skilled trade. It is critical that we address the vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field.

Thank you for your time!

Best regards,

Kathy K. Sato

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 9:09 PM
To: TRNtestimony
Cc: hauschem@eckerd.edu
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
ellen	Individual	Comments Only	No

Comments: To: Hawaii State Legislature From: E. Hauschild Date: March 14, 2016 Dear Hawaii State Legislature: As a acupuncture student I am in strong support of Senate Bill 1178. Most acupuncturists go to school for 3-6 years, accruing debts of \$50,000 and up, yet they are paid half the allowed amount for massage therapists treating No Fault patients. My peers and I are forced to think critically about making a business in Hawaii because the overhead costs are too great. As a medical professional I have invested years of my life towards a highly-skilled trade. It is critical that we address the vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field. Thank you for your time! Best regards, Ellen Hauschild

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 8:57 AM
To: TRNtestimony
Cc: ambermetcalf@msn.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
amber metcalf	Individual	Support	No

Comments: I, amber Metcalf, am in support of this bill. As a current student of acupuncture and OM medicine, I am in full awareness of the benefits of acupuncture as treatment for pain and trauma, and I am also learning of the high costs of clinic tools and space to practice acupuncture. It's important for the public to be able to access acupuncture as a treatment and for the practitioners to be paid fairly for their skill and time. Thank you

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 4:11 PM
To: TRNtestimony
Cc: conniemoore@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Connie Moore	Individual	Support	No

Comments: It is long overdue to increase the amount paid to acupuncturists and to separate the number of treatments allowed under no fault from chiropractors. There has not been an increase in many years and for the amount of time it takes to do the billing a cap of \$75 is too low. Thank you for your consideration.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 4:54 PM
To: TRNtestimony
Cc: danaguggenheim@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Dana Guggenheim	Individual	Support	No

Comments: I support this bill

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 4:21 PM
To: TRNtestimony
Cc: kalawaiag@hotmail.com
Subject: *Submitted testimony for SB1178 on Mar 16, 2016 10:30AM*

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Kalawai'a Goo	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2016 4:53 PM
To: TRNtestimony
Cc: bambufish@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/14/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Fisher	Individual	Support	No

Comments: I support SB1178. I have been practicing acupuncture on Oahu for 19 years and we have been limited to the same no-fault reimbursement fee for my entire career in spite of rising costs in needles, hazardous waste disposal, malpractice insurance and of course rental space! No t to mention the increase in the cost of living in Hawaii over the past 19 years. For most of that time I have had to supplement my income with other jobs to support my acupuncture practice. This seems so absurd considering our education is time consuming and expensive. We as acupuncturists rely heavily on out of pocket patients but it is only fair to treat those who have paid for insurance and need to be treated as a result of automobile accidents. Please support SB1178 with me.

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Karen MacIsaac, L.Ac.
75-5995 Kuakini Hwy, #126
Kailua-Kona, HI 96740
808-329-4393

Re: Support of SB1178

March 15, 2016

Dear Senators,

I am in strong support of SB 1178 SD2. I have been in private practice in Kailua-Kona and Waimea on the Big Island for almost 27 years.

The effect of Act 251 was a **discriminatory bill that froze the reimbursement rates for licensed acupuncturists for nearly 20 years**. Locking the rate has not allowed reimbursements to keep up with basic inflation, let alone the actual increased costs of providing the care.

The entry level educational requirement to obtain an acupuncture license in Hawaii is a Master's Degree. Many practitioners have gone on to obtain doctorates. **Compare our six years Masters to the 570 hours for massage therapists. Yet under the existing law, massage therapist are paid nearly twice per hour what acupuncturists are paid.**

Our cost of administering acupuncture is also higher than that of other providers given our cost of needle purchase and proper needle disposal as well as maintaining the sterile conditions in which we treat. We also must properly manage biohazard waste.

In the twenty seven years I have been in practice in Kailua-Kona, all my costs to do business has tripled; my clinic rent for the same space has more than tripled, the cost of all my supplies and postage to get them here has at least tripled. Yet my reimbursement to treat a no-fault patient has not changed.

I recommend increasing the cap to reflect the increases that other providers in Hawaii have received by being tied to the Medicare Fee Schedule. If our \$75 cap had increased each year according to the Medicare Economic Index, then our fee would now be at **\$106.97**.

I also recommend the law include **annual increases based on the Medicare Economic Index** so that we do not have to revisit this again years down the road.

Finally, I recommend that **General Excise Tax** is not included in the cap and may be charged and collected in addition to the cap.

Sincerely,

Karen MacIsaac, L.Ac.

March 14, 2016

To Whom It May Concern:

As a patient of acupuncture, **I am in support of Senate Bill 1178**. Through the use of acupuncture, I have reduced stress and tension in my life. I have increased healthy habits and maintained a balanced lifestyle. Acupuncture and herbal medicine provides me with the essential wellness and care my mind, body and soul need and it is of the utmost importance that we provide Hawaii acupuncturists with a liveable wage so that No Fault patients are able to continue benefiting from this pain-management tool.

Nohea Marlow

Kailua Acupuncture Clinic

Dr. Joni Kroll, D.Ac.

320 Uluniu Street, Suite 2

Kailua, Hawaii 96734

Phone: (808) 262-4550 Fax: (808) 261-7770



March 14, 2016

RE: SUPPORT FOR SB 1178

RELATING TO HEALTH. Increases the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance

Dear Representative Aquino and Members of the Transportation Committee,

I am in strong support of SB 1178. I have been in private practice in Kailua since 1989 and I was chair of the Hawaii Acupuncture Association's legislative committee during the years of No-Fault reform. I am very aware that the intention of Act 251 was to relieve the insurance premium increases as well as curb inappropriate billing by a few bad apples. As a Hawaii citizen, I have benefited by stable rates and manageable auto insurance rate increases over the years.

However, the net effect of Act 251 was an **unprecedented discriminatory bill that froze the reimbursement rates for licensed acupuncturists for the past 20 years**. Locking the rate has not allowed reimbursements to keep up with even basic inflation, let alone the actual increased costs of providing the care.

The entry level educational requirement to obtain an acupuncture license in Hawaii is a Master's Degree. Many practitioners have gone on to obtain doctorates. **Compare our six years Masters to the 570 hours for massage therapists. Yet under the existing law, massage therapist are paid nearly twice per hour what acupuncturists are paid.**

Acupuncture is an invasive procedure that must be done under strict sanitary conditions. Thus, our cost of administering acupuncture (needle purchase and proper disposal), and the associated liability, is higher than that of physical therapists or massage therapists, yet under the current law, they are paid substantially more for the same amount of time.

The high cost of doing business in Hawaii is no surprise to anyone. In the twenty six years I have been in practice in Kailua, my clinic rent for the same space has nearly tripled. The cost of the health insurance I pay my staff has gone from \$50 per month to \$350 month. My cost of needle disposal has gone from free to \$150 per month. Overall, my cost to see a patient, before any profit, has more than doubled. Yet my reimbursement to treat a no-fault patient has not changed. Actually, it has gone down, because certain insurers such as State Farm are now refusing to pay the GET tax saying it is included in the \$75 cap.

The intent of Act 251 was to tie provider reimbursements to Medicare and thus any associated increases determined by Medicare over the years. But acupuncture isn't in Medicare. If our \$75 cap had increased each year according to the **Medicare Economic Index**, then our fee would now be at **\$106.97**. Below is an excel spread sheet for your reference.

Testimony in support of SB 1178

I recommend removing the cap of \$75. It is outdated and unreasonable for the level of service provided.

Acupuncturists should be billing using national codes with regional valuations and annual updates. For comparison, the VA reimburses a one hour acupuncture treatment with electrical stimulation and infrared at \$141.74 and has done so since 2006 when those fees were established. Federal Worker’s Compensation pays \$166.16 for one hour of acupuncture without electrical stimulation.

I also recommend the law include **annual increases** based on the Medicare Economic Index so that we do not have to revisit this again years down the road.

Finally, I recommend that **General Excise Tax** is clearly in addition to our fees and may be charged and collected in addition.

We have waited long enough. It needs to be changed and it needs to effective no later than January 1, 2017.

Sincerely,
Dr. Joni Kroll, D.Ac.

MEDICARE FEE SCHEDULE INCREASES 1997-2016				2008	98.40	1.8%	1.77
Year	\$ Cap	Medicare Economic Index	\$ Increase	2009	100.17	1.6%	1.60
1997	75.00	2.0%	1.50	2010	101.77	1.2%	1.22
1998	76.50	2.2%	1.68	2011	102.99	0.4%	0.41
1999	78.18	2.3%	1.80	2012	103.41	0.6%	0.62
2000	79.98	2.4%	1.92	2013	104.03	0.8%	0.83
2001	81.90	2.1%	1.72	2014	104.86	0.8%	0.84
2002	83.62	2.6%	2.17	2015	105.70	1.2%	1.27
2003	85.79	3.0%	2.57	2016	106.97		
2004	88.37	2.9%	2.56	Table 6 of http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SustainableGRatesConFact/downloads/sgr2015p.pdf			
2005	90.93	3.1%	2.82				
2006	93.75	2.8%	2.63				
2007	96.38	2.1%	2.02				

Julienne Kaneshiro, LAc

Aloha Acupuncture & Wellness, Inc.

465 Hinano Street, Hilo, HI 96720 808-854-5063 aawhawaii@gmail.com

Dear Representatives,


Thank you for this opportunity to share my testimony. As a practicing acupuncturist in Hawaii for the past 9 years, **I strongly support Senate Bill 1178**. It was my intention all through my education to return home to Hilo and be of service to my community, but managing my acupuncture practice has been difficult, especially when the service I provide has been undervalued and capped for nearly 20 years. While I am grateful for the intent of Act 251 to keep our auto insurance premiums at a manageable level and avoid inappropriate billing, it also did acupuncturists an injustice by limiting reimbursement rates to well below what even Medicare is willing to reimburse for our services. The acupuncture reimbursement rate is nearly half that of massage therapy though my acupuncture education exceeds their requirements 10 fold.

My business costs have inflated with the times, but my pay has not. I am charged for high overhead costs of running a business. For each hour dedicated to a No Fault case, I put in additional hours to correctly bill and receive payment from the insurance companies, must wait weeks to months for payment and make numerous follow-up phone calls. Therefore the \$75 for a 60-90 minute session turns into less than \$25 per session. This is an impossible amount to run a health care practice!

1. I recommend increasing the cap to reflect the increases that other providers in Hawaii have received by being tied to the Medicare Economic Index. If our \$75 cap had increased each year according to the Medicare Economic Index, then our fee would now be at \$105.70.
2. I recommend the law include annual increases based on the Medicare Economic Index.
3. I recommend that patients be awarded 30 visits exclusively for acupuncture. Combining a maximum number of treatments (i.e. 30 treatments) with other modalities confuses the patient and does a disservice to the healing process.
4. I recommend that General Excise Tax not be included in the cap and may be charged and collected in addition to the cap.
5. Finally, I recommend this begin immediately.

Mahalo for your time and attention.

Sincerely,



Julienne Kaneshiro, LAc
Acupuncturist, Aloha Acupuncture &
Wellness, Inc.

**HOUSE COMMITTEE
ON
TRANSPORTATION**

March 16, 2016

Senate Bill 1178, SD2 Relating to Health

Chair Aquino, Vice-Chair LoPresti, members of the House Committee on Transportation, I am Rick Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm).

State Farm offers the following comments about Senate Bill 1178, SD2 Relating to Health, and more specifically, acupuncture treatments permitted under personal injury protection (PIP) benefits provided through motor vehicle insurance. Current law limits the total visits for these types of treatment to thirty, and the cost to \$75 per visit; this bill would increase this to an unspecified amount per visit, and further increase them in December each year by the percentage of increase, if any, of the Medicare economic index.

The original PIP statute, enacted in 1997, was an effort to contain automobile insurance costs. From the beginning the legislature recognized a need to prevent non-medical treatments from consuming the \$10,000 PIP limits: it created a dichotomy separating chiropractic from other injury treatments by capping the fees for individual treatments and limiting the total number. The intent was that no more than \$2,250 would be paid for chiropractic care, leaving the remaining limits for necessary medical treatment.

In 1998, this section was amended to include acupuncture within the cap, and in 2004, naturopathy was added. The treatment limit for all of these practitioners is \$75 per visit. The legislature's clear intent was to limit all chiropractic, naturopathic, and acupuncture treatments, plus chiropractic x-rays, to a maximum \$2,500. The reasons are two-fold: to preserve the rest of the \$10,000 PIP limit for necessary medical treatment and to contain the cost of PIP coverage. The current limit does not prevent patients from acquiring the treatment they need. There is no reason why acupuncture treatments should be paid at a code different than chiropractic or naturopathic treatments.

Thank you for the opportunity to present this testimony.

Dr. Jack Burke, N.D., L.Ac.
41-044 Aloiloi Street
Waimanalo, HI 96795
(808) 259-6889

Testimony re: SB1178

House Committee on Transportation

March 14, 2016

Honorable Chairperson Aquino and Vice Chair LoPresti:

I am strongly in support of this measure. I have been practicing Acupuncture in Hawaii since 1987, and I stopped treating Personal Injury and Worker's Comp patients in 1998 due to the low reimbursement rates. My services are in demand, and I did not see the point in receiving 25% less in order to treat these patients. With regret, I stopped, and my patients had to find other providers for acupuncture services. In the last 18 years, my expenses have increased, and I have raised my rates several times in order to keep up. Shamefully, the State of Hawaii has not increased the compensation for acupuncture services. There is no sense to this unreasonableness.

Please pass this measure to ensure access to acupuncture services for your injured constituents. They deserve better treatment.

Sincerely,

Jack Burke, ND, LAc.

TESTIMONY SUBMITTED
IN SUPPORT
OF SB 1178 SD2
RELATING TO HEALTH
March 16, 2016

Chair Aquino, Vice-Chair LoPresti and Members of the Committee on Transportation,

My name is Liberata Orallo and I am a licensed acupuncturist for 13 years and hold a Master of Science in Oriental Medicine degree. I am in strong support of SB 1178 SD2 that increases the authorized benefit for acupuncture treatments allowed under the personal injury protection benefits provided through the motor vehicle insurance and ties the increase in payments for acupuncture treatments with annual increases to the medicare economic index.

This bill is long overdue as the benefits for acupuncture treatments has not increased in over 20 years!! Acupuncture treatment is only 2% of the total PIP cost according to data submitted from the State Auditor and it's not a cost driver for no-fault insurance. Even if the reimbursement to acupuncturists is increased, the financial risks to insurers and consumers will be minimal. Acupuncturists have not experienced the annual cost-of-living increases other medical codes have been given. Although our reimbursement have not increased, massage therapists have received more than a 40 percent increase in the same period. In addition, we are restricted to billing for each 15 minutes spent. Efforts should be made to establish equitable raises in the reimbursement acupuncturists receive, commensurate with cost of living and adopt a new billing structure allowing us to bill for the different aspects of our services. The research proves that acupuncture is the most cost effective and efficient way for pain relief. The World Health Organization recognizes more than 40 medical problems that can be helped by acupuncture treatments. Our valuable medicine have become

mainstream in American society. As of August 2015, the National Health Statistics Report have estimated that over 3 million people receive acupuncture a year.

The training acupuncturists receive are 3,240 hours for didactic and clinical training for the Masters Program. Additional hours are spent for the Doctorate Program. They then have to pass the national boards and receive certification by the NCCAOM (National Certification Commission for Acupuncture and Oriental Medicine). Presently, many acupuncturists have student loans to pay in addition to malpractice insurance, the cost of clinical supplies and running a clinic. To have their due status and validity in the eyes of the State and receive just compensation is the key.

I would like to request an amendment to the effective date of the bill to read 7/1/2016 instead of 7/1/2053. It is totally ludicrous to have this bill be effective in 37 years!!

Thank you for the opportunity to present written testimony.

Dear Representatives,

As practicing acupuncturists in Hawaii for the past 22 years, we strongly support Senate Bill 1178. Our costs of running a business in Hawaii exceed the allotted \$75 cap, and often the 30 visit cap impacts our ability to treat the patient, as often we are a “last resort” for them when chiropractic and/or naturopathic treatments aren’t working. Since opening in 1994, our business costs have gone up with inflation but our pay has not. In addition to maintaining a sanitary, clean-needle environment, we are charged for needle disposal, billing, and other overhead costs of running a business. For each house dedicated to a No Fault case, we (or my biller) must complete several hours per week to correctly bill and receive payment from the insurance companies, and we are often met with many delays in payment and follow-up phone calls. Our acupuncture treatments last one hour and are just as effective as a massage therapists’, yet we are paid half the allowed amount. It is critical that we address the vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field.

Thank you for best representing our interests and the interests of the acupuncture community!

Sincerely,

Nancy Lin L.Ac. and Gary Lin L.Ac.
Hou Ren Tong Inc.

Dear Representative,

As a student practicing acupuncturist in Hawaii for over one year, **I am in strong support of Senate Bill 1178**. I am currently enrolled in my second year of a four-year long curriculum, before I can even become a licensed practitioner in the state of Hawaii. Having already served our country through military and federal service for more than 30 years, I wish to continue my service by meeting the medical needs of the people of our great state. Unfortunately, with unequitable laws concerning the \$75 dollar cap and the maximum 30 visit cap, my peers and I are thinking critically about our future business decisions here in the state of Hawaii since the overhead costs would be greater than the current potential income. The need for highly-skilled medical professionals is growing and I have invested and will invest many years to help to fill this need. It is critical that we address this vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 9:37 AM
To: TRNtestimony
Cc: christine@iaoacupuncture.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
christine asuncion	Individual	Comments Only	No

Comments: Dear Representatives, As a practicing acupuncturist in Hawaii for the past XX years, I strongly support Senate Bill 1178. Our costs of running a business in Hawaii exceed the allotted \$75 cap, and often the 30 visit cap impacts our ability to treat the patient, as often we are a “last resort” for them when chiropractic and/or naturopathic treatments aren’t working. When I opened my business in 2003, my cost of doing business was moderate. Now, 13 years later, my business costs have inflated with the times, but our pay has not. In addition to maintaining a sanitary, clean-needle environment, I am charged for needle disposal, billing, and overhead costs of running a business. For each hour dedicated to a No Fault case, I (or my biller) must complete several hours per week to correctly bill and receive payment from the insurance companies, often with many delays in payment and follow-up phone calls. In addition, most acupuncturists go to school for 4-6 years, accruing debts of \$45,000 and up, yet we are paid half the allowed amount for massage therapists treating No Fault patients. My peers and I are forced to think critically about making a business in Hawaii work; only 25% of graduates even bother to start a business in the state of Hawaii because the overhead costs are too great. As a medical professional I have invested 16 years of my life towards a highly- skilled trade. It is critical that we address the vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 10:22 AM
To: TRNtestimony
Cc: ginaspace@hotmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Gina M. Snowden	Individual	Support	No

Comments: To: Hawaii State Legislature From: Gina M Snowden Email: Ginaspace@hotmail.com
Date: March 15 2016 Dear Hawaii State Legislature: As a acupuncture student I am in strong support of Senate Bill 1178. Most acupuncturists go to school for 4-6 years, accruing debts of \$50,000 and up, yet they are paid half the allowed amount for massage therapists treating No Fault patients. Acupuncture treatment is only 2% of the total Personal Injury Protection (PIP) cost in 1997 according to Data from state auditor and it's not a cost driver for no-fault insurance. How can we future practitioners choose Hawaii to practice after graduation? More and more reasons stack up to say "seek your future elsewhere" for young people. Please. Don't let this be another reason. Thank you for your time! Mahalo Gina M Snowden

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To: Hawaii State Legislature

From: Shaclyn I Lin

Email: Shaclyn@gmail.com

Date: March 15, 2016

Dear Hawaii State Legislature:

As a acupuncture student **I am in strong support of Senate Bill 1178**. Most acupuncturist go to school for 4-6 years, accruing debts of \$60,000 and up, yet they are paid half the allowed amount for massage therapists treating No Fault patients. My peers and I are forced to think critically about making a business in Hawaii because the overhead cost are too great. As a medical professional I have invested years of my life towards a highly-skilled trade. It is critical that we address the vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field.

Thank you for your time!

Best regards,

Shaclyn I Lin

lopresti2 - Jasmine

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 10:10 AM
To: TRNtestimony
Cc: dahliabursell.acu@gmail.com
Subject: *Submitted testimony for SB1178 on Mar 16, 2016 10:30AM*

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Dahlia Bursell	Dahlia Bursell Acupuncture	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 10:14 AM
To: TRNtestimony
Cc: taramattes3@gmail.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
tara mattes	Individual	Support	No

Comments: Please support the increased benefit to acupuncture services. Our education is long and expensive and our salaries often do not reflect the time, money and effort required of our service. Mahalo for your consideration

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QUEEN'S CANCER CENTER



THE QUEEN'S
MEDICAL CENTER

**Committee on Transportation
Wednesday March 16th, 2016 10:30am
Testimony in Support of SB1178 by Dr. Jayne Tsuchiyama**

Aloha Chair Aquino, Vice Chair LoPresti and Members of the Committee,

Thank you for this opportunity to testify.

My name is Dr. Jayne Tsuchiyama. I run the acupuncture program at both the Cancer Center and the Women's Center at Queen's Medical Center and I have a successful private practice: Integrated Medicine O'ahu. I am also the Chair of the State Board of Acupuncture, appointed by the Governor and confirmed by this Legislature. I am testifying on behalf of all the licensed acupuncturists in the state of Hawaii in strong support of SB 1178.

If the salaries of the members of this Legislature had been frozen for the last 20 years, today your compensation would be \$32,000. I have no doubt that you would consider such an amount ridiculously low, you would think that it does not comport with the demands of the job, nor compare with the salaries that obtain in the broader workforce and you would demand that the amount be increased to reflect the annual increase in the cost of living over the past two decades. And rightly so. Why then is it OK for this body to freeze the income of acupuncturists for twenty years? The Legislature has not seen fit to increase the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance since 1996.

Acupuncture is a legitimate and increasingly common practice in the spectrum of medical services available throughout the country. Its effectiveness in treating dozens of medical conditions has been recognized by the World Health Organization and the US Centers For Disease Control. It has been enthusiastically integrated into the range of practices used by the most advanced and successful hospitals in the nation such as the Cleveland Clinic, Columbia Presbyterian, Memorial Sloan Kettering, Johns Hopkins, MD Anderson, UCLA Medical Center, Massachusetts General, Mount Sinai and of course our own Queen's Medical Center.

Anecdotal evidence indicates that, as a result of the freeze on motor vehicle insurance reimbursements, acupuncturists are increasingly reluctant to accept patients seeking these benefits. If true, this will lead to higher medical costs and ultimately to higher health insurance costs for all Hawaii residents.

Here's why.

Acupuncture is frequently a more cost-effective way of treating certain conditions than allopathic or western medicine – this is true for example in the treatment of the side effects of chemotherapy and radiation, one of my areas of specialization. Another example might be back and neck pain; the sort of pain typically caused by, say, whiplash in a car accident. Back and neck pain is the single most common cause of lost workdays due to medical reasons (over 25% of all reported sick days). Back pain is notoriously difficult and expensive to treat with western medicine. Numerous rigorous studies by researchers, both in the U.S.A. and abroad, have demonstrated the efficacy of acupuncture in treating back pain. If this body refuses to raise rates and acupuncturists decline to treat automobile insurance patients, those patients may be forced to resort to more expensive drug therapies and/or surgery. Moreover, the outcomes will not be as good, leading to lower productivity. In other words refusing to raise rates is a false economy. It ultimately will cost our society in lost productivity and higher health insurance rates.

Even more bizarrely, the Legislature has not frozen the compensation of massage therapists. A massage therapist can obtain their licensure with just 570 hours of training, typically after about 6 months of part-time course work. An acupuncturist by contrast requires a Master's degree - the culmination of 5 years of study, which typically leaves practitioners with tens of thousands of dollars in student loans. Yet by law the masseuse is paid nearly twice as much as the acupuncturist. It's illogical, it's disrespectful of our profession, it's dismissive of our benefit to society and it's counter-productive.

To add insult to injury, one major auto insurer, State Farm, has unilaterally and arbitrarily declared that the \$75 cap includes GET and refuses to pay the GET for this service. As a small side note: the difference on O'ahu between a \$75 rate that includes GET (\$71.62 + \$3.37) and a \$75 rate plus GET (\$3.53) results in a loss of GET income to the state of \$16,000 per 100,000 procedures. If reimbursement rates were to be raised as I recommend below, this would result in a **net increase of GET receipts of \$166,970 per 100,000 procedures.**

Act 251 intended to link provider reimbursement rates to Medicare. But unfortunately acupuncture is not a covered service under Medicare – that is an issue our profession is currently negotiating at the federal level. As a result there has been no Medicare-related increment. **If our rates had reflected the changes in the Medicare Economic Index over the past 20 years, the \$75 cap would now be nearly \$107. The current hourly compensation for acupuncture under Federal Workers Comp is significantly more: \$166.16.**

I recommend that the \$75 cap be lifted. Acupuncturists should bill using national codes, with the standard adjustments for regional variations. These rates should be updated annually by tying them to the Medicare Economic Index so that this issue does not have to return to the Legislature ever again to take up more of your valuable time. Finally, the Legislature should make clear to insurers that they cannot do an end-run around the GET – that reimbursement rates do not include the excise tax and that they have a legal obligation like anyone else to pay GET.

Twenty years is long enough - let's pass SB 1178 now.

Mahalo,
Dr. Jayne Tsuchiyama, DAOM, Dipl. OM, L.Ac.

Dear Representatives:

I am both a patient and student of acupuncture and I strongly support of Senate Bill 1178. Like me, many acupuncturists invest in 4-6 years of school, often accruing debts in excess of \$45,000.00. My peers and I are forced to think critically about making a business in Hawaii work since the overhead costs are too great, and then we are paid only half of the allowed amount for massage therapists for treating No Fault patients. By the time I graduate, I will have invested many years of my life towards learning a highly-skilled trade. In this respect, I do believe that it is critical that we address the vast disparity between our business costs and the No Fault cap in order to ensure Hawaii residents can continue to benefit from our healthcare field.

As a patient of acupuncture, I have not found a safer, more effective treatment for my chronic medical condition. After spending hundreds of dollars in medical related expenses over the past 5 years, acupuncture has provided a remedy for my condition and in fact, has helped to improve my overall health. I encourage you to approve this bill as I am afraid that many acupuncturists will chose to leave Hawaii to seek better pay that matches the cost-of-living and leave residents without cost-effective, alternative care.

Thank you for your time, I hope that you will consider approving this Bill so that no fault patients are able to continue benefitting from this therapy.

Sincerely,

Jaylene K. Hamilton
Ewa Beach, Hawaii

lopresti2 - Jasmine

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2016 1:58 PM
To: TRNtestimony
Cc: touchofhealth@hawaii.rr.com
Subject: Submitted testimony for SB1178 on Mar 16, 2016 10:30AM

SB1178

Submitted on: 3/15/2016

Testimony for TRN on Mar 16, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Walter Paulino	Individual	Support	No

Comments: I'm from Waikele area and I'm an acupuncturist. I support Bill SB1178. Acupuncturists are just as much a healthcare provider as a chiropractor or MD.

Please note that testimony submitted less than 24 hours prior to the hearing, 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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Testimony Supporting SB 1178 SD 2 Relating to Health (Acupuncture) March 16, 2016

Conference Room 309
10:30 am

To: Representative Henry J.C. Aquino, Chair
Representative Matthew S. LoPresti, Vice Chair
House Committee on Transportation (TRN)

Dear Representative Henry J.C. Aquino and members of TRN committee:

We are writing to **support SB 1178 SD2** that increases the authorized benefit for acupuncture treatments allowed under personal injury protection (PIP) benefits provided through motor vehicle insurance. The following are reasons to pass this bill:

1. According to the Hawaii State Auditor, acupuncture PIP costs only 2% (1997) therefore acupuncture is NOT a cost driver.
2. CDC is urging primary care doctors to try other pain alternatives before turning to painkillers such as OxyContin and Vicodin (2016).
3. Acupuncture treatment fees have not increased in nearly twenty years, while other services have increased over the years.
4. According to Essential Acupuncture Treatment Guidelines, 4th Edition, a mild sprain/strain condition requires 10-15 visits; a moderate, 10-20 visits; and a severe condition requires at least 25 visits.

Lastly, it is unfair and unreasonable to not adjust payments for acupuncture services for last 20 years. Please do not undermine the integrity of an ancient art of medicine that is validated everyday through the restoration of health and wellness for millions of people. Thank you for the opportunity to testify on this bill.

Sincerely,

Wai Hoa Low, DAOM, MBA, L.Ac.
President/CEO

Mutual Funds – Total assets under management for the retail Mutual Fund operations at the end of 2015 were \$11.3 billion, compared with \$10.6 billion at the end of 2014. State Farm VP Management Corp. and State Farm Investment Management Corp. reported combined net income of \$12 million in 2015, following net income of \$13 million in 2014.

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SOURCE State Farm

§431:10C-103.6 Personal injury protection benefits tied to prepaid health care plan for description of coverage only. (a) The benefits provided under section 431:10C-103.5 shall be substantially comparable to the requirements for prepaid health care plans, as provided in chapter 393 and rules of the department of labor and industrial relations, pertaining to the Prepaid Health Care Act. The reference to the Prepaid Health Care Act is only for purposes of describing the coverages and exclusions, without regard to any specific insurer or plan, and shall not be construed to transfer coverage to the prepaid health care plans. The precise charges and utilization rates shall be as contained in the workers' compensation schedules as provided under section 431:10C-308.5, unless modified by the commissioner by rule under chapter 91.

(b) Chiropractic treatments shall be allowed for not more than the lesser of the following:

(1) Thirty visits at no more than \$75 a visit, plus no more than five x-rays at no more than \$50 each; or

(2) Treatment as defined by the Hawaii State Chiropractic Association guidelines in effect on January 25, 1997.

(c) Acupuncture treatments shall be allowed for no more than thirty visits at no more than \$75 a visit.

(d) Naturopathic treatments shall be allowed for no more than thirty visits at no more than \$75 a visit.

(e) The combined total of naturopathic, chiropractic, and acupuncture treatments may not exceed thirty visits.

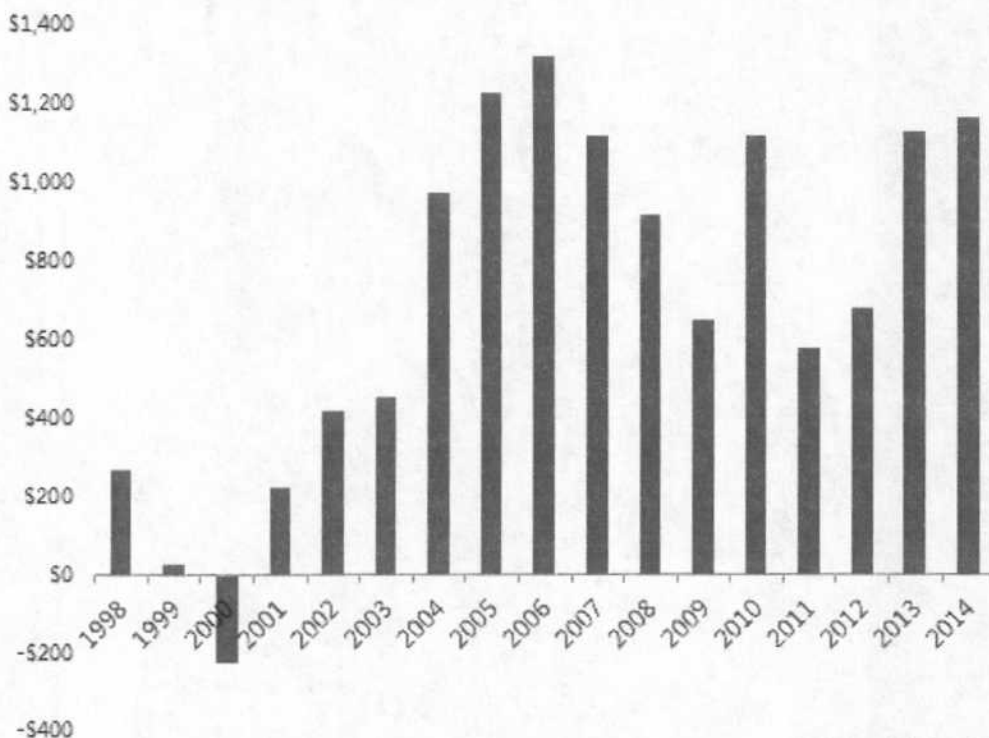
(f) The benefits under section 431:10C-103.5 may be with copayment, and shall be subject to and apply the utilization requirements applicable under prepaid health care plans, under chapter 393. [L 1997, c 251, pt of §2; am L 1998, c 275, §6; am L 2004, c 56, §2]

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GEICO's Pre-tax Underwriting Profits in Millions of Dollars



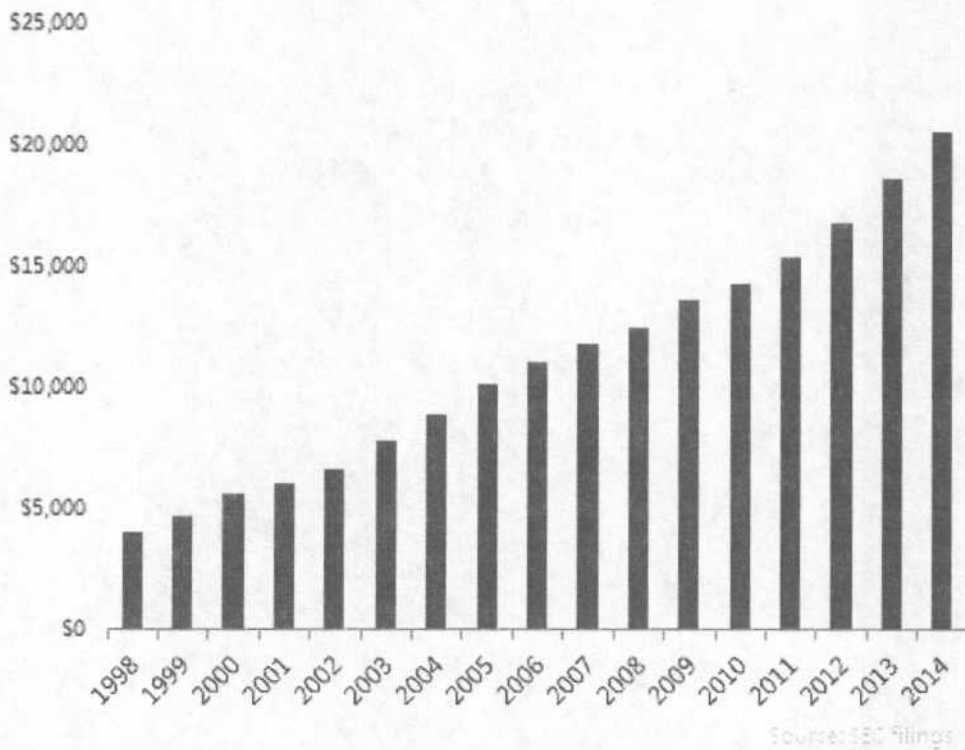
Source: SEC Filings

If there were one hallmark for Berkshire Hathaway insurers, it'd be their consistent underwriting profitability.

2. Incredible revenue growth

Car insurance is written on short-term contracts, so revenue is a really good proxy for measuring Geico's growing float. And speaking of revenue, there's a beautiful chart for that.

GEICO's Annual Revenue in Millions of Dollars

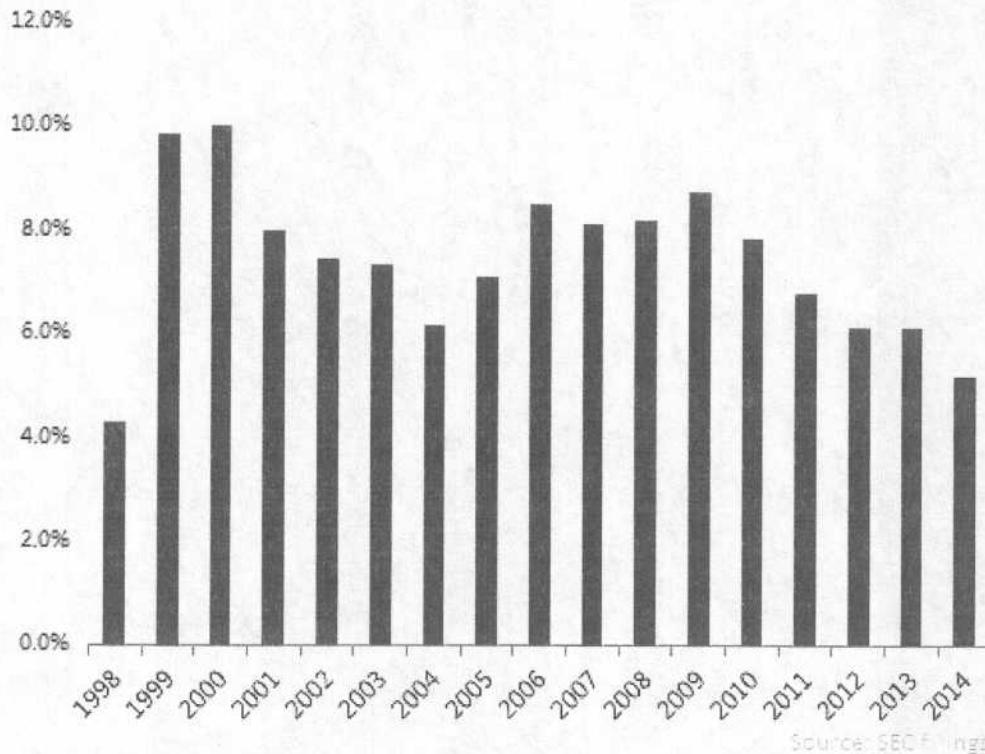


In the third quarter of 2015, Geico generated more revenue than it did in the full 2000 fiscal year. How many household-name brands can grow the top line 300% in 17 years while remaining profitable in all but one year? I don't know the answer, but it can't be very many.

3. Investment profits

If underwriting profits are the cake, the investment profit from float is the icing. Berkshire commingles its investment profits from its insurance subsidiaries in its filings, making it difficult to attribute investment profits to each insurer. And I recognize that Geico's portfolio has to be kept more liquid than other insurance companies, given the short tail of car insurance claims.

Berkshire's Pre-tax Returns on Insurance Float



Taken as a whole, however, Berkshire Hathaway's insurance units generate pretty impressive pre-tax returns on their float.

For as long as there is risk with automobiles, Geico will simply be one of the very best of Buffett's bundle of businesses. Luckily for Berkshire shareholders, driving should be risky for some time to come.

There's something big happening this Friday

I don't know about you, but I always pay attention when one of the best growth investors in the world gives me a stock tip. Motley Fool co-founder David Gardner (whose growth-stock newsletter was the best performing in the world as reported by *The Wall Street Journal*)* and his brother, Motley Fool CEO Tom Gardner, are going to reveal their next stock recommendations this Friday. Together, they've *tripled* the stock market's return over the last 13 years. And while timing isn't everything, the history of Tom and David's stock picks shows that it pays to get in early on their ideas.

[Click here](#) to be among the first people to hear about David and Tom's newest stock recommendations.

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Allstate Says Profit Up 13% in Q1; Will Raise Auto Rates

Allstate Corp., the largest U.S. publicly traded seller of auto and home insurance, said first-quarter profit rose 13 percent as margins improved at the property-liability business and catastrophe losses fell.

Net income climbed to \$677 million from \$600 million, the Northbrook, Illinois-based company said Tuesday in a statement.

Allstate's premium revenue in the property and liability business advanced to \$7.43 billion from \$7.06 billion a year earlier.

Net investment income fell 11 percent to \$850 million from a year ago. Insurers' bond portfolios have been pressured by low interest rates, and for Allstate, the decline was also tied to the sale of the Lincoln Benefit life insurer, the insurer said.

The property-liability combined ratio of 93.7 in the first quarter was 1.0 point favorable to the prior year quarter, and resulted in underwriting income of \$467 million, an increase of 25.5 percent compared with the prior year quarter compared with 94.7 cents a year earlier.

Catastrophe costs fell to \$294 million from \$445 million.

"There was no news on the catastrophes. That's news," Cliff Gallant, an analyst at Nomura Holdings Inc., in an interview before results were released. "The weather was good for Allstate. They're much more sensitive than anyone else" because of their homeowners exposure, he said.

In Allstate brand homeowners the first quarter 2015 recorded combined ratio was 78.7, resulting in \$348 million in underwriting income.

Auto Results

While profit improved at Allstate's namesake homeowners unit, underwriting income from auto coverage fell 48 percent to \$144 million. Allstate brand auto had a first quarter combined ratio of 96.8.

Chief Executive Officer Tom Wilson has been investing in technology that can track driver behavior to improve underwriting.

“There are more accidents now over the last couple of years than there have been because economic activity has gone up” and more people are driving, Wilson said in an interview. “We and other people have been raising our rates to account for that.”

The company said auto insurance price increases in auto insurance originally planned for later in 2015 have been accelerated due to increased non-weather related loss trends.

Geico, the auto insurer owned by Berkshire Hathaway Inc., said in a filing on Friday that it will charge drivers more after margins declined due to a higher frequency of claims for collisions and injuries.

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State Farm® Announces 2015 Financial Results

02/26/16 11:27 AM EST

State Farm® Announces 2015 Financial Results

PR Newswire

BLOOMINGTON, Ill., Feb. 26, 2016

BLOOMINGTON, Ill., Feb. 26, 2016 /PRNewswire/ -- The State Farm property-casualty (P-C) companies reported an underwriting loss of \$2.1 billion in 2015 on earned premium of \$58.6 billion, compared to an underwriting loss of \$939 million in 2014. The 2015 underwriting loss, combined with investment and other income of \$4.0 billion (down \$0.3 billion from 2014), resulted in a P-C pre-tax operating profit of \$1.9 billion. The combined net worth for the State Farm group ended the year at \$82.7 billion compared with \$80.0 billion at year-end 2014. The increase reflects the P-C pre-tax operating profit and includes a \$1.8 billion decrease related to the P-C companies' unaffiliated stock portfolio, which is primarily invested in the U.S. equities market.



"We remain the national leader in auto, home and individual life insurance, because State Farm has helped people with their insurance and financial services

needs for nearly 94 years. We are financially strong, so we can stand behind our promises to our customers and help them live life confidently, every day. In addition to online and mobile self-service choices, more than 160,000 State Farm employees, agents and agent team members stand ready to help customers, anytime, anywhere. And we're proud of being a good neighbor, helping to create thriving communities through volunteerism and financial support," said Senior Vice President, Treasurer and Chief Financial Officer Jon Farney.

Total revenue, which includes premium revenue, earned investment income, and realized capital gains (losses), was \$75.7 billion for 2015 compared with \$71.2 billion for 2014. State Farm reported net income of \$6.2 billion in 2015, compared with \$4.2 billion in net income in 2014. The increase in net income included a \$3.0 billion increase in realized capital gains due to two corporate mergers impacting stocks owned within the unaffiliated stock portfolio.

Financial results for the State Farm affiliated companies are incorporated in the State Farm group's financial results. The State Farm insurance operations consist of nine P-C insurers and two life insurers, each of which is managed on an individual affiliate level. The P-C insurers are primarily engaged in automobile, health, homeowners, commercial multiple peril (CMP), and reinsurance lines of business. The net results of State Farm Mutual Automobile Insurance Company (State Farm Mutual), State Farm Indemnity Company, State Farm Guaranty Insurance Company, State Farm County Mutual Insurance Company of Texas, and Oglesby Reinsurance Company include the automobile business as well as the health and reinsurance lines. The net results of State Farm Fire and Casualty Company, State Farm Lloyds, State Farm General Insurance Company, and State Farm Florida Insurance Company reflect the homeowners, CMP, and other P-C lines of business. State Farm Life Insurance Company and State Farm Life and Accident Assurance Company write the life and annuity business. The State Farm group also

provides banking products and mutual funds through affiliated companies. State Farm provides insurance and financial services products across more than 83 million policies and accounts.

Auto – The State Farm auto insurance business represented 62 percent of the P-C companies' combined net written premium. Earned premium was \$36.3 billion, an increase of 2.7 percent from 2014. Incurred claims and loss adjustment expenses were \$31.0 billion. The underwriting loss was \$4.4 billion.

Comparable 2014 figures were: earned premium, \$35.3 billion; incurred claims and loss adjustment expenses, \$29.5 billion; underwriting loss, \$3.4 billion.

Homeowners, CMP, Other – The net written premium for State Farm Fire and Casualty Company, State Farm Lloyds, State Farm General Insurance Company, and State Farm Florida Insurance Company represented 34 percent of the P-C companies' combined net written premium. Earned premium was \$19.9 billion, an increase of 0.4 percent from 2014. Incurred claims and loss adjustment expenses were \$12.2 billion. The underwriting gain was \$2.1 billion.

Comparable 2014 figures were: earned premium, \$19.8 billion; incurred claims and loss adjustment expenses, \$12.5 billion; underwriting gain, \$1.9 billion.

Health – The individual health insurance operations for State Farm Mutual reported an underwriting loss of \$98 million, excluding premium deficiency reserve. Net written premium was \$667 million.

Comparable figures for 2014 were: underwriting loss, \$44 million; net written premium, \$680 million.

Property-Casualty (P-C) – The combined underwriting loss was \$2.1 billion on earned premium of \$58.6 billion. These results, combined with investment and other income of \$4.0 billion, resulted in a pre-tax operating profit of \$1.9 billion. The net income for the P-C companies was \$5.6 billion.

Comparable 2014 figures were: earned premium, \$56.9 billion; underwriting loss, \$939 million; investment and other income, \$4.3 billion; pre-tax operating profit, \$3.4 billion; net income, \$3.6 billion.

Life – In 2015, State Farm Life Insurance Company and State Farm Life and Accident Assurance Company reported premium income of \$5.5 billion and \$582 million in dividends to policyholders. Net income for 2015 was \$667 million. There was \$844.8 billion in total life insurance in force at the end of 2015.

Comparable 2014 figures were: premium income, \$5.2 billion; dividends to policyholders, \$574 million; net income, \$522 million; total life insurance in force, \$819.8 billion.

State Farm Bank® – Net income in 2015 was \$45 million and total assets for State Farm Bank, F.S.B. were \$16.7 billion as of year-end 2015. Comparable figures for 2014 were: net income, \$64 million; total assets, \$16.8 billion.

Mutual Funds – Total assets under management for the retail Mutual Fund operations at the end of 2015 were \$11.3 billion, compared with \$10.6 billion at the end of 2014. State Farm VP Management Corp. and State Farm Investment Management Corp. reported combined net income of \$12 million in 2015, following net income of \$13 million in 2014.

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