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TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Monday, March 23, 2015
2:45 p.m.

**TESTIMONY ON SENATE BILL NO. 1217, S.D. 1, H.D. 1 – RELATING TO
INSURANCE.**

TO THE HONORABLE ANGUS L.K. McKELVEY, 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 takes no position on the bill and submits the following comments.

The purpose of this bill is to provide clarity that naturopathic physicians must be compensated similar to other providers and without discrimination. This bill also makes a conforming change to HRS section 431:13-103(a).

The Department notes that as drafted, this mandate would apply to all insurers of accident and health or sickness policies, and not only to health insurers, mutual benefit societies, and health maintenance organizations. Therefore, the statute should exclude limited benefit health insurance as set forth in section 431:10A-102.5, Hawaii Revised Statutes.

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

Hawaii Society of Naturopathic Physicians
President, Karen M. Frangos, PT, ND
P.O. Box 941
Kihei, HI 96753
cell: 808-891-1111
fax: 808-442-9938
hawaiind@gmail.com

Re: In support of SB 1217 SD1 HD1

March 22, 2015

Honorable Chair McKelvey, Vice Chair Woodson and members of House Committee on Consumer Protection & Commerce,

I am a licensed Naturopathic Doctor (ND) & Physical Therapist in Kihei, Maui, and President of Hawaii Society of Naturopathic Physicians (HSNP). Part of my work involves educating the public about naturopathic medicine, so with that in mind, I would like to present a few key points of interest:

1. Re: Evidence-based education & practice among naturopathic physicians:

Before moving to Maui almost 5 years ago, I was a full-time faculty member at National College of Natural Medicine (NCCNM), the oldest naturopathic medical school in North America, and my alma mater (1997). In 2008, I was appointed by the Dean of NCCNM's Helfgott Research Institute as one of a select group of vanguard faculty who participated in extensive training with the assistance of Oregon Health Science University (OHSU) Medical School, as part of a National Institute for Health (NIH) grant to convert both the academic curriculum and the clinical training at NCCNM to an Evidence-Based Medicine (EBM) system. To that end, I was chosen to pilot this effort by re-designing the Physical Medicine curriculum for the four-year doctoral program in naturopathic medicine, and implemented EBM teaching into both classroom and clinical settings.

The same efforts have since been put into every aspect of NCCNM's curriculum, as my pilot program was deemed a success.

In addition, because of my involvement in leadership positions at the national level with American Association of Naturopathic Physicians (AANP), I participate in meetings with leaders and educators from naturopathic medical schools across North America. As a result, I can report that EBM is part of the academic and clinical training at all the naturopathic medical schools, with rigorous standards of excellence, and on-going research being conducted on many of those campuses in order to continually expand the evidence base.

2. The safety & efficacy of naturopathic medicine is well-documented.

- A recent study has shown that one year of care under the supervision of a naturopathic doctor

resulted in a 3.3% reduction in 10-year cardiovascular disease event risk. This resulted in an average net reduction in societal costs of \$1,138 per participant and a reduction in employer costs of \$1,187 per participant when compared to conventional care alone. (Seely S, Szcuko O, Cooley K, et al. Naturopathic medicine for the prevention of cardiovascular disease: a randomized clinical trial. CMAJ 2013;DOI:10.1503/cma.120587)

3. Evidence shows that there is no additional health insurance premium cost associated with adding naturopathic physicians in-network.

Legislative mandates of coverage for naturopathic medicine has been shown to NOT raise the cost of delivering health care, NOT result in higher premiums and NOT increase cost to purchasers and payors. The Hawaii State Legislative Auditor conducted a study on coverage for naturopathic care in 1989 and concluded that “there is no evidence that coverage will add to the cost of insurance or to the total cost of health care.” This conclusion has been supported by every study published since that time on the cost-effectiveness of naturopathic medicine. In fact, naturopathic care has consistently resulted in net cost reduction compared to conventional care alone.

- A 2001 analysis of payers found that in Washington State, complementary and alternative medicine (CAM) services cost approximately \$0.20 per member per month in both HMO and PPO plans. Analysis on the impact of Washington State’s 1996 Every Category of Provider law found that the “impact [of including naturopathic doctors] on premiums was modest – generally less than 2%.”(Watts CA, Lafferty WE, Baden AC. The effect of mandating complementary and alternative medicine services on insurance benefits in Washington state. J Altern Complement Med. 2004;10:1001-1008)

- After 6 years of insurance coverage of naturopathic physician (ND) Primary Care Providers in WA state, visits to NDs made up just 1% of all outpatient provider visits but accounted for only 0.3% of the dollars paid out by insurers. (Lafferty, et al. Insurance Coverage and Subsequent Utilization of Complementary and Alternative Medicine Providers. J of Managed Care. July 2006)

- A Washington study found that 67.7% of patients who receive naturopathic care do not receive concurrent care from an MD/DO: naturopathic care is not “add-on” medical care in the majority of cases. (Cherkin DC, Deyo RA, Sherman KJ et al. Characteristics of visits to licenses acupuncturists, chiropractors, massage therapists, and naturopathic physicians. J Am Board Fam Pract. 2002;15:463-472.)

Peer-reviewed published studies like the ones above attest that naturopathic medicine is cost-effective and evidence-based. Furthermore, in 2012 the Hawaii Board of Naturopathic Medicine approved administrative rules for Standards of Practice and Care that are more rigorous and set a higher standard than those in any other state in the nation (Title 16, Chapter 88, Section 16-88-81).

4. Restricting or eliminating an entire provider type that is licensed as Primary Care Providers (PCPs), as naturopathic physicians (NDs) are in Hawaii, is not only against federal law, but is senseless, considering the severe shortage of PCPs. Those NDs practicing in Hawaii are prepared to fill part of that gap immediately. Meanwhile, there are new graduates and students with whom I met at a Career Fair at NCNM in September 2014, who are looking forward to establishing practices in Hawaii. Their primary concern after patient care is to be able to pay off large student loans (in excess of \$200,000). Many of these students and new graduates want the option to be included as providers with health insurance companies. When naturopathic medicine is covered by insurers, new NDs can more easily build their patient base and become known in the community. Both of those outcomes are much more difficult, expensive and time-consuming for NDs who are discriminated against and not included in insurance networks.
5. One state is already in the process of a class-action lawsuit against non-compliant insurance companies in that state for several NDs and their patients. We, here in Hawaii, would rather avoid legal action such as this, which can be accomplished by passing and implementing this bill.
6. There is currently no other legislation like this nationwide among the other states that license naturopathic physicians, so there is a lot of attention on this bill as a potential precedent-setting measure for other states to follow. This further emphasizes the bill's importance.
7. Lastly, insofar as the Insurance Commissioner has not enforced full compliance with Section 2706 of the Affordable Care Act, we would ask this committee to consider adding an enforcement provision to SB1217SD1. One non-compliance enforcement provision to consider would be to suspend plan participation in state public health programs for up to two years.

Hawaii Society of Naturopathic Physicians sincerely appreciates your service in the best interests of consumers in Hawaii with your careful attention to this testimony, and hopes that you are able to represent our interests in support of SB1217 SD1 HD1.

Mahalo,

Dr. Karen Frangos, PT, ND

President, HSNP

Chair, HSNP Legislative Committee

Member, AANP House of Delegates

Adjunct Faculty, NCNM

Medical Director, Maui Natural Medicine & Physical Therapy, LLC



An Independent Licensee of the Blue Cross and Blue Shield Association

March 23, 2015

The Honorable Angus L.K. McKelvey, Chair
The Honorable Justin H. Woodson, Vice Chair
House Committee on Consumer Protection and Commerce

Re: SB 1217, SD1, HD1 – Relating to Insurance

Dear Chair McKelvey, Vice Chair Woodson and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1217, SD1, HD1, which mandates coverage for the services of naturopathic physicians and making it unlawful for a plan to accept into the plan's network any provider acting within the scope of the provider's license and federal law. HMSA has concerns with this Bill, and we offer comments.

The safety of our members undergoing health and medical treatment is paramount. To ensure our providers are of the highest professional caliber, we have strict credentialing standards that are reinforced in our contracts with those providers. We are concerned that this Bill may interfere with the contractual relationships we have with our providers that are designed to ensure the high quality of our provider network.

Network-based managed care plans are essential for an efficient health care system. To that end, it is imperative for plans to have a provider network of the highest quality with providers who readily meet the standards of our pay-for-quality program. Provisions in this legislation seek to statutorily define limits and standards of a specific group of providers. As such, the Bill would diminish the high standards of our credentialing system, interfere with the contractual relationships we have with our providers, and ultimately disrupt our efforts to achieve an efficient, quality health care system.

Thank you for the opportunity to comment on SB 1217, SD1, HD1. Your consideration of our concerns is appreciated.

Sincerely,

Mark K. Oto
Director, Government Relations



Testimony of
John M. Kirimitsu
Legal & Government Relations Consultant

Before:
House Committee on Consumer Protection
The Honorable Angus L.K. McKelvey, Chair
The Honorable Justin H. Woodson, Vice Chair
March 23, 2015
2:45 pm
Conference Room 325

Re: SB 1217, SD1, HD1 Relating to Insurance

Chair, Vice Chair, and committee members thank you for this opportunity to provide testimony on bill relating to mandating coverage for naturopathic physicians.

Kaiser Permanente Hawaii strongly opposes this bill.

Kaiser Permanente's usual position on legislative health mandates is to oppose them, in part because they often tend to dictate how medicine should be practiced, which sometimes results in medicine that is not evidence based and usurps the role and expertise of the practicing physician in providing safe, quality medical care, treatment and services.

1. The ACA Does Not Require Health Plans To Accept All Types of Providers Into Its Network

This bill is modeled after section 2706(a) of the ACA prohibiting discrimination against health care providers acting within the scope of their license. However, **Section 2706(a) also contains an "any willing provider" exclusion that does not require health insurers to accept any willing provider into their network:**

SEC. 2706. NON-DISCRIMINATION IN HEALTH CARE.

(a) PROVIDERS.—A group health plan and a health insurance issuer offering group or individual health insurance coverage shall not discriminate with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider's license or certification under applicable State law. **This section shall not require that a group health plan or health insurance issuer contract with**

any health care provider willing to abide by the terms and conditions for participation established by the plan or issuer. (Emphasis added)

Clearly, different treatment is not always discriminatory treatment. If the scientific evidence supports an insurer's decision to support conventional medicine, as opposed to naturopathic medicine, as its standard medical practice, the insurer has a reasonable, non-discriminatory reason for refusing coverage, thus there is no discrimination. Health plans evaluate doctors for quality and safety before including them in a network. This involves ensuring that providers meet patient safety goals and credentialing standards. By doing so, networks guide consumers to high-performing doctors, with an emphasis on provider quality and effectiveness. Forcing the inclusion of "any willing Naturopath Physician (ND)" into a network would undermine health plan's efforts to create provider networks that deliver greater efficiency and higher quality. To accomplish the goal of high-value provider networks, health plans must have the flexibility to select the most effective and efficient health care providers.

As Hawaii's largest HMO, Kaiser Permanente's practice model is a *closed system* which is managed exclusively by the Hawaii Permanente Medical Group (HPMG). HPMG's medical practice model focuses on conventional medicine, which is scientific evidenced based, with an emphasis on disease management. NDs practice under a completely different medical model, with a focus more on non-invasive wellness, i.e. treatment of the person, rather than the disease. Therefore, this allopathic (conventional medicine) versus naturopathic (non-invasive wellness) distinction is a reasonable, non-discriminatory, reason for Kaiser Permanente to choose which providers should be included in its closed network. For more distinctions between the two practices of medicine, see Par. 2 below.

2. Mandating NDs In A Provider Network Implies Clinical Parity Which is Inaccurate.

Mandating NDs as PCPs in a provider network together with MD/DOs implies clinical parity and such is not the case. Clearly, there are notable distinctions between NDs and MDs. There is no evidence that NDs are trained to be PCPs, no evidence that they have clinical outcomes in important areas by which PCPs are measured, i.e., HEDIS (Healthcare Effectiveness Data and Information Set - a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service), and no evidence that they are able to diagnose and treat important conditions managed by PCPs. ND and MDs may share some overlap in the basic biomedical sciences early on, but their curriculums separate when it comes to clinical sciences, most note-worthy is that MDs are educated on chronic disease management versus ND's naturopathic schooling on non-invasive wellness. They also separate when it comes to the use of diagnostic technology and the emphasis on intervention with the best case in point being pharmacology and surgery (recognized by conventional MDs). Therefore, the inclusion of NDs as a stand-alone option for Primary Care will come at the expense of allopathic resources (recognized by conventional MDs) and health care costs will undoubtedly increase with little to no evidence that disease-based outcomes will be improved.

3. This Mandate Requiring Coverage For All Naturopathic Physicians Is Inconsistent With The Goals of The ACA

Forcing insurers to cover “any willing ND provider” undermines the goal of the ACA - to decrease health care spending and lower health care insurance premiums. Health insurers generally have the ability to define and adjust the number, the qualifications and the quality of providers in their networks. Health insurers also may limit the number of providers in their networks as a means of conserving costs or coordinating care. As a cost saving measure to lower premiums, insurers may narrow their provider networks to an extent that enrollees in insurance plans may have relatively or extremely limited options when choosing providers. Generally, the choices of doctors that plans have contracted with for their members lead to more affordable premiums and lower costs for consumers. Health plans can negotiate better prices with these in-network providers; and the lower prices with providers translate into lower premiums for consumers. Allowing any willing ND in health plans’ provider networks will make it difficult for health plans to negotiate affordable prices and keep costs down for consumers. Thus, this imposition of “any willing ND requirement” will undoubtedly lead to higher health care prices, which translate into higher premiums for consumers.

4. An Audit Study Is Required If This Mandate Is An Expansion Of Benefits.

On its face, this bill appears to be an *expansion of benefits* mandate for ND services. If this bill is meant to cover *new naturopathic services*, that were customarily performed by MDs, Kaiser Permanente requests a legislative auditor to conduct an impact assessment report, as required pursuant to Sections 23-51 and 23-52 of the Hawaii Revised Statutes, to assess among other things:

- a) the extent to which this mandated insurance coverage would be reasonably expected to increase the insurance premium and administrative expenses of policy holders; and
- b) the impact of this mandated coverage on the total cost of health care.

Additionally, if this is a new mandated benefit, beyond those required under the essential benefits, the state may be required to defray the costs of this new mandate for naturopathic benefits.

5. In the Absence Of A Deferral, This Bill Should Be Amended To Be Consistent With The ACA.

Since this bill is presumably modeled after Section 2706(a) of the ACA, this bill’s language should be aligned with the same requirements of Section 2706(a), which includes an “any willing provider” exclusion for health insurers. By not doing so, this bill would be inconsistent with federal law. Therefore, if this bill is not deferred, we ask that it be amended to include the “any willing provider” exclusion under Section 2706(a):

[Notwithstanding subsection (a), this section shall not be construed to require that an insurer contract with or compensate any health care provider willing to abide by the terms and conditions for participation established by the insurer, who is not.]

Thank you for the opportunity to comment.

For the foregoing reasons, Kaiser Permanente requests that this bill be held. Thank you for the opportunity to comment.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 22, 2015 12:00 AM
To: CPCtestimony
Cc: doctordarrow@gmail.com
Subject: Submitted testimony for SB1217 on Mar 23, 2015 14:45PM

SB1217

Submitted on: 3/21/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Darrow Hand	Individual	Support	No

Comments: Aloha Chair McKelvey, Vice Chair Woodson & Committee members, I support SB 1217 SD1 HD1. I am a naturopathic physician. This bill will make State law consistent with Federal law, due to the passing of the Affordable Care Act, effective as of 1/1/2014. This bill would give patients more options in whom they can afford to see for their health care needs. Naturopathic care is safe and effective; often focusing on prevention. Studies have shown that including naturopathic care in insurance plans decreases the overall cost of care, so there would be a cost savings for both the patients and the insurers. Please pass this bill. Thank you for the opportunity to testify.

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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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 22, 2015 11:24 AM
To: CPCtestimony
Cc: fweber@unfi.com
Subject: Submitted testimony for SB1217 on Mar 23, 2015 14:45PM

SB1217

Submitted on: 3/22/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Franz Weber	Individual	Support	No

Comments: Reimbursing Naturopaths for their services will reduce medical expenses considerably, benefiting the patients, as well as the health insurance companies

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March 22, 2015

The Honorable Rep. Angus L.K. McKelvey, Chair

The Honorable Rep. Justin H. Woodson, Vice Chair

House Committee on Consumer Protection and Commerce

Re: SB1217SD1HD1– Relating to Insurance - In Support

Dear Chair McKelvey, Vice Chair Woodson, and Members of the Committee:

My name is Ian Cholewa, N.D. and I would like to urge your support for SB1217SD1HD1.

I am a naturopathic physician, trained as a primary care physician. My education and training far exceeds that of many of the other healthcare professionals in Hawaii who currently are fully covered in health insurance plans in Hawaii. Please help to put an end to decades of discrimination and injustice by voting to approve SB1217SD1HD1. And please strongly consider adding an enforcement provision to this bill to encourage insurers to comply fully with the requirement.

Regards,

Ian Cholewa, ND

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 22, 2015 1:10 PM
To: CPCtestimony
Cc: joanna.franz@gmail.com
Subject: Submitted testimony for SB1217 on Mar 23, 2015 14:45PM

SB1217

Submitted on: 3/22/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Joanna Weber	Individual	Support	No

Comments: ALOHA, THIS BILL IS VERY NEEDED IN RESPECT OF THE VOTERS', CITIZENS', AND TAXPAYERS' RIGHTS AND FREEDOM TO CHOOSE HER/HIS INDIVIDUAL HEALING MODALITIES WITHOUT ANY MONETARY DISADVANTAGE. MAHALO NUI LOA, JOANNA WEBER

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Testimony In Support of SB 1217 SD1 HD1: Relating to Insurance

House Committee on Consumer Protection & Commerce
Honorable Angus McKelvey, Chair
Honorable Justin Woodson, Vice Chair

Testifier Position: **Support**

Honorable Chair McKelvey, Vice Chair Woodson, and Committee members,

My name is Dr. Oponui and I am a naturopathic physician practicing medicine in Honolulu. I would like to take this opportunity to express my strong **support** for SB1217 SD1 HD1.

Although I would much prefer to discuss the continued discrimination by the private medical insurers here in Hawaii despite federal mandate which is what this bill is ultimately about, I would like to take this opportunity to discuss some of the opinion, misinformation and speculation that has been reported and made public record by the opposition with the goal of maintaining objectivity in this ongoing dialogue.

The Big Issues in Health:

75% of all health care spending in the US is for the treatment of preventable chronic illnesses – high blood pressure, diabetes, cardiovascular disease, obesity, and elevated cholesterol. The overall trend is poor and projections continue to look worse. One of the ACA goals is prevention where more resources should be allocated to practice more “upstream medicine” with a greater focus on addressing the lifestyle related components to the development of disease.

From 2000-2009:

- Cases of heart disease have risen 25%
- Cases of diabetes have risen 32%
- Cases of stroke have risen 27%

Source: *US Department of Health and Human Services, Centers for Disease Control and Prevention, 2010*

The Big Issues in Health Care Costs:

The US spends more than any country on health care, yet we rank 37th in health quality among developed nations. Health care in the US is aimed at the high-tech treatment of disease management with much less of a focus on lifestyle counseling and wellness promotion. A modest focus on prevention and behavioral change could save between \$217 billion and \$1.6 trillion over the next 10 years. Naturopathic physicians have much more extensive training in proactive prevention, wellness and lifestyle counseling compared to MDs and DOs.

Source: *World Health Organization. Health Systems: Improving Performance. Geneva, 2000.*

Source: *Samueli Institute. Wellness Initiative for the Nation. Alexandria, VA, 2009.*

The Need for Primary Care Physicians:

The projected shortage of PCPs is 45,000 over the next decade nationwide. As a microcosm, our state has one of the highest PCP shortages in the nation. Private medical insurer discrimination of naturopathic physicians, who are licensed in Hawaii as primary care providers (Hawaii Administrative Rules §16-88-81) is already unlawful according to section of the Section 2706 of the ACA, but more importantly is making this shortage of PCPs in our state even worse than it already is. The shortage of physicians is only going to get worse due to:

- Population growth
- Aging population
- Increased insurance coverage (due to tax penalties relating to the ACA)

Source: *Association of American Medical Colleges Center for Workforce Studies. "The Impact of Health Care Reform on the Future Supply and Demand for Physicians Updated Projections Through 2025." Washington, DC, 2010.*

Source: *Congressional Budget Office, 2010*

Evidence-Based Naturopathic Medicine:

As a graduate of Bastyr University in Seattle, I attended one of the most world renowned evidence and science-based institutions in natural medicine. Evidence-based medicine was an integral component of every aspect of the training I received. Every clinical decision that I make as a doctor in practice today is informed by evidence, just as I would hope would be the case for all provider types.

The British Medical Journal undertook a general analysis of common conventional medical treatments to determine which are supported by sufficient reliable evidence. They evaluated over 3,000 treatments, and the results were as follows:

- 11 percent were found to be beneficial
- 24 percent were likely to be beneficial
- 7 percent were as likely to be harmful as beneficial
- 5 percent were unlikely to be beneficial
- 3 percent were likely to be harmful or ineffective.

This left the largest category, 50 percent, as unknown effectiveness. In other words, these results suggest that there is only a 36 percent chance that an individual receiving allopathic medical care will be recommended treatment that has been scientifically demonstrated to be either beneficial or likely to be beneficial.

Similarly, an analysis of completed Cochrane reviews of conventional medical practices documented that 38 percent of treatments were positive and 62 percent were negative or showed no evidence of effect.

Source: *Ezzo, Jeannette et al. Reviewing the reviews. How strong is the evidence? How clear are the conclusions? Int J Technol Assess Health Care 2001; 17(4): 457-66*

If private insurers are continuing to discriminate against naturopathic physicians on the basis of an opinion that naturopathic medicine is not evidence-based, then this clearly is a double standard and does not hold up to their "quality standards".

Outcome-Based Naturopathic Medicine:

As a naturopathic physician I am most concerned about patient outcome. Whether a patient's health is improved with allopathic care or naturopathic care is less important to me than the fact that an individual's health is restored. Documented evidence suggests that health outcomes are improved with naturopathic medicine:

The addition of naturopathic care on top of usual care significantly reduced the 10-year risk of cardiovascular disease among adults at high risk.

Source: *Seely, et al. Naturopathic medicine for the prevention of cardiovascular disease: a randomized clinical trial. CMAJ 2013; 185(9): E409–E416.*

The naturopathic emphasis on lifestyle modification counseling prevented more cases of diabetes than drug treatment.

Source: *Williamson DF. Primary prevention of type 2 diabetes mellitus by lifestyle intervention: implications for health policy. Ann Intern Med 2004; 140(11):951-7.*

Health Care Costs and Naturopathic Medicine:

Inclusion of naturopathic physicians as in-network providers has not been documented to lead to higher health care prices and higher premiums for patients. Documented literature speaks to the contrary:

“...an effective ND PCP centered managed care program could cut the costs of chronic and stress related illness by up to 40% and lower the cost of specialist utilization by 30%.”

Source: *Henny, Geoffrey. Final Report Alternative Healthcare Project Executive Summary, King County Medical Blue Shield, 1995.*

A naturopathic wellness program instituted in 2005 for the Vermont Automobile Dealers Association resulted in cases of high blood pressure cases dropping by 36%, high-risk stress by 24%, high cholesterol by 17%, and obesity by 15%. Combined direct and indirect savings totaled over \$1.4 million – a return on investment of 21-1.

Source: *Noe W. “Jump start to better health.” Presentation to annual convention of the American Association of Naturopathic Physicians. Portland, OR, 2006.*

Health Care Transformation:

The private insurance companies are attempting to turn this conversation which is really about discrimination and equal/fair access to medical services provided by licensed health care providers practicing within their scope into an “us vs. them” battle to maintain the status quo. Medicine is not about the providers or the insurers, it is about the best interest of the patients being served.

The future of medicine will need to evolve if we want to reduce healthcare costs, improve life expectancy, enhance quality of life and promote health and wellness in our communities.

- Disease Treatment → Health Promotion
- Generic Care → Personalized Care
- Symptom Relief → Whole Person Health
- Reliance on Doctors → Self-empowerment
- Dependence on Drugs → Healing Power of Nature
- Nutritional Deficiencies → Healthy Diets
- Healthcare Silos → Integrated Healthcare

Naturopathic Medicine is the Right Approach for Today:

- Focuses on disease prevention and wellness
- Employs less invasive, less expensive treatments
- Decreases prescription drug costs
- Decreases adverse reactions & side effects to medications
- Lowers malpractice rates
- Reduced insurance costs (where NDs bill insurance)
- Naturopathic medicine is effective, safe, and affordable
- Its focus on prevention dramatically reduces the incidence of chronic illness
- Treatment of “the whole person” fosters trust and patient empowerment
- Demonstrated cost reductions a major financial benefit to the health care system
- NDs are well trained to serve as primary care physicians

There is no reason to continue this unlawful discrimination on the basis of opinion when there already exists a federal mandate (Section 2706 of the ACA). Because Hawaii’s private health insurers are not complying with federal law, it is important for this bill to be passed to ensure that this discrimination is stopped. For these reasons, I am in strong supports of SB1217 SD1 HD1 and request that your committee vote in favor of this measure.

In Health,
Landon Ka lau’ae na’i i nā lā ino Oponui, ND

LESLIE C. MAHARAJ, ESQ.

1050 Bishop Street, #510
Honolulu, HI 96813

Telephone: (808) 533-6198
E-Mail: lesliemaharaj@gmail.com

22 March 2015

House Committee on
Consumer Protection and Commerce

RE: Support for SB 1217 SD1 HD1; Hearing on March 23, 2015 at 2:45 p.m.

Dear Committee Members:

I was diagnosed with Stage IV ovarian cancer in March 2013 and given 13 months to live, even with surgery and chemotherapy, as I was told it was a very aggressive form of the disease. In addition to going through two surgeries and four months of chemotherapy at that time, my husband did a lot of research on the internet regarding naturopathic protocols which were having positive results. Among those protocols being studied at the University of Kansas was the administration of high dose Vitamin C IV therapy. The high dosages of Vitamin C in an IV apparently fight fatigue, nausea and the other devastating side effects of chemotherapy. Much more importantly, the protocol is being found to not only enhance the effectiveness of current chemotherapy treatments, but to actively blast cancer cells without damaging existing healthy cells.

I started on this protocol in May 2013 (twice a week) when I began chemotherapy and continue to date (once every two weeks). It was so helpful, that I was actually able to continue working even throughout my chemotherapy treatments and I haven't suffered any of the kinds of side effects I hear so frequently from others who have gone through chemotherapy without the benefit of this treatment. I have been through numerous CT scans since my original diagnosis and each time my doctors have been amazed that the cancer has not yet returned and that two years later, there are still no signs of cancer.

The reality is that my story is not uncommon among those cancer patients who supplement their treatments with naturopathic medicine. The tragic part is that although effective, these treatments are not currently covered by medical insurance. The truth is that there are so many people who are suffering unnecessarily and dying prematurely because they do not have access to these treatments even though they pay their medical insurance premiums every month. It's time to stop allowing the pharmaceutical lobbies to control our access to healthcare and require compliance with the federal law.

I am therefore requesting that you please support Senate Bill 1217 SD1 HD1 and allow patients to access the medical care that works best for them.

Sincerely,
/Leslie C. Maharaj/
Leslie C. Maharaj, Esq.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 22, 2015 12:35 PM
To: CPCtestimony
Cc: marsha.lowery@gmail.com
Subject: Submitted testimony for SB1217 on Mar 23, 2015 14:45PM

SB1217

Submitted on: 3/22/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Marsha Lowery ND	Individual	Support	No

Comments: March 22, 2015 The Honorable Rep. Angus L.K. McKelvey, Chair The Honorable Rep. Justin H. Woodson, Vice Chair House Committee on Consumer Protection and Commerce Re: SB1217SD1HD1– Relating to Insurance - In Support Dear Chair McKelvey, Vice Chair Woodson, and Members of the Committee: My name is Dr. Marsha Lowery, I am a licensed Naturopathic Physician on Maui, and I would like to urge your support for SB1217 SD1 HD1. This law will hopefully remedy the discrimination that is happening against licensed primary care providers in the state of Hawaii. At this time many health plans are not in compliance with section 2706 of the ACA. As a naturopathic physician I am being reimbursed at a much lower rate for the same services provided by other doctors in the state. UHA is reimbursing NDs at 70% of medicare which is substantially lower than other providers. HMAA provides a \$50.00 per visit reimbursement regardless of the services I provide. HMSA and Kaiser have excluded naturopathic physicians from their networks. Most of my patients have HMSA and Kaiser, and have to pay out of pocket for their care. Patients should have the right to choose a primary care provider of their choice, and should not have to pay out of pocket when insurance is mandated. Thank you for your support of SB1217 SD1 HD1 Dr. Marsha Lowery ND

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March 21, 2015

The Honorable Chair McKelvey, Vice Chair Woodson and members of House Committee on Consumer Protection & Commerce,

Re: SB1217SD1, HD1 – in support

I am Michael Traub, ND, a naturopathic physician in private practice in Kailua-Kona, Hawaii for the past 30 years. I am a recognized national expert on non-discrimination in health care. I have served for the past 15 years as a Board Member of the Integrative Healthcare Policy Consortium (IHPC) and am the co-chair of the IHPC Nondiscrimination Committee. I am also a past-president of the American Association of Naturopathic Physicians (AANP), and serve on the AANP “2706 Team.” Both of these committees are tasked with advocating for full implementation and compliance of Section 2706 of the Affordable Care Act (ACA): “Non-Discrimination in Health Care”:

“(a) Providers- A group health plan and a health insurance issuer offering group or individual health insurance coverage shall not discriminate with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider's license or certification under applicable State law. This section shall not require that a group health plan or health insurance issuer contract with any health care provider willing to abide by the terms and conditions for participation established by the plan or issuer. Nothing in this section shall be construed as preventing a group health plan, a health insurance issuer, or the Secretary from establishing varying reimbursement rates based on quality or performance measures.”

Following the enactment of the ACA, the IHPC convened a conference in Washington D.C. in February 2010: “The Affordable Care Act & Beyond: A Stakeholder Conference on Integrated Healthcare Reform.” I was an editor of the Report on this conference, published by the IHPC. This past Septemeber, IHPC again convened a conference in Washington DC: “A Call to Action on Integrative Health and Medicine Policy – Advancing the Legacy of US Senator Tom Harkin.” Senator Harkin was the author of Section 2706. I was the featured speaker on Section 2706 at this conference.

I began my presentation by referencing a statement Senator Harkin made in May 2012:

“This spring we’re celebrating the second anniversary of the Affordable Care Act. I’m very proud of the fact the law includes my amendment: the first federal level, non-discrimination clause to protect naturopathic physicians regarding participation in a health plan. Under that provision, no health plan or insurer may discriminate against any health provider, including NDs acting within the scope of that provider’s license or certification under applicable state law. **This is to ensure that insurance companies cannot exclude NDs or other allied health professionals from practicing under the capacity of their training and licensure.** A major aim of the Affordable Care Act is to jumpstart America’s transformation into a genuine wellness society. No question, NDs and integrative medicine can and must play a very big role in this transformation. We need an expanded role for NDs in order to reduce the shortage of primary care providers.”

Unfortunately, despite Senator Harkin’s stated intention for Section 2706, and his repeated efforts to see it implemented as intended before he left office at the end of 2014, there has been very limited success on state levels with respect to compliance with this federal law. Discrimination against naturopathic physicians is still widespread in Hawaii and most other states. That is why legislation like SB1217SD1 is needed. And it should have an enforcement provision, so that insurers that fail to comply with state law are subject to punitive action.

Lastly, testimony by Mr. Kirimitsu of Kaiser Permanente in the previous hearing of this bill in the House Committee on Health is replete with misinformation. I would like to set the record straight.

1.Mr. Kirimitsu claims that “the ACA [Affordable Care Act] does not require health plans to accept all types

of providers in to its network.” This is false. Section 2706 of the ACA was added to the healthcare reform bill by Senator Tom Harkin precisely to require that insurers NOT discriminate against any type of state licensed or certified provider. What the law does say is: “this section shall **not** require that a group health plan or health insurance issuer contract with **any health care provider** willing to abide by the terms and conditions for participation established by the plan or issuer.” This means that while an insurer may not discriminate against a category of licensed/certified providers, it does not require that the insurer contract with ALL providers within that category.

2. Mr. Kirimitsu states that Section 2706 does not govern provider reimbursement rates, which may be subject to quality, performance, or market standards and considerations. This is false. Section 2706 states that “Nothing in this section shall be construed as preventing a group health plan, a health insurance issuer, or the Secretary from establishing varying **reimbursement rates based on quality or performance measures.**” It does not say that insurers may establish reimbursement rates based on other measures such as “market standards.”

3. Mr. Kirimitsu attempts to reconstruct Section 2706, a federal law, in his own misguided interpretation, and to argue that Kaiser Permanente’s “closed system” should be exempt from this federal law. His arguments are entirely without legal basis.

4. Mr. Kirimitsu claims that “there is no evidence that NDs are trained to be PCPs. This claim reveals a profound misunderstanding of naturopathic medicine and Hawaii state law that defines naturopathic physicians as PCPs.

5. Mr. Kirimitsu claims that “the mandate requiring coverage for all naturopathic physicians is inconsistent with the goals of the ACA.” Senator Harkin’s comments, referenced above, make it clear that Mr. Kirimitsu does not know what is the congressional intent of Section 2706.

6. Mr. Kirimitsu’s testimony is evidence that Kaiser Permanente is in blatant violation of federal law. Kaiser Permanente should be held accountable for this violation.

Should the members of the committee have any questions they may like me to address, please do not hesitate to contact me. Thank you for the opportunity to submit testimony.

Sincerely,

Michael Traub, ND

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 22, 2015 2:28 PM
To: CPCtestimony
Cc: drmoniqueyuen@gmail.com
Subject: *Submitted testimony for SB1217 on Mar 23, 2015 14:45PM*

SB1217

Submitted on: 3/22/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Monique Yuen	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 22, 2015 2:59 PM
To: CPCtestimony
Cc: littlelongon@yahoo.com
Subject: Submitted testimony for SB1217 on Mar 23, 2015 14:45PM



SB1217

Submitted on: 3/22/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Miles Greenberg	Individual	Support	No

Comments: March 22, 2015 Dear Honorable Chair Mckelvey, Vice Chair Woodson and Members of the House Consumer Protection Committee. RE: SB 1217 SD1 HD1 I am a full time practicing naturopathic physician on Kauai for nearly 25 years and have observed the debacle of "fully" insured patients paying out-of-pocket for naturopathic services. Although the Hawaii Worker's Compensation system has been the only entity that has recognized ND's and reimbursed according to usual and customary fee schedules. Otherwise, the handful of carriers, e.g.; UHA, HMAA or ASH have low reimbursements for ND's, the major providers such as HMSA have finally through the ACA offered ND's a non-participating provider status that that has difficult and inconsistent reimbursements. Meanwhile MD, DO, DPM, NP, APN, DC, MSW, etc all have opportunity to become authorized providers and ND's remain a victim of anti-trust violations. Parity for ND's in the State of Hawaii is LONG overdue. The fact is evident after many years in private practice: a substantial subpopulation of the patient population that cannot tolerate synthetic treatments due to allergy or sensitivity. These patients are wary of the dominant system of approach to treatment. Low cost/low tech/preventative care are the hallmarks of naturopathic medicine that is key to solving the high cost of medicine AND improving the physician shortage here in Hawaii. Once insurance parity is achieved the State of Hawaii could implement the utilization of ND's that are trained as primary care providers. Please SUPPORT SB 1217 SD1 HD1 to reconcile the health care service options for the People of Hawaii. Mahalo

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Hawaii Association of Health Plans

March 23, 2015

The Honorable Angus McKelvey, Chair
The Honorable Justin Woodson, Vice Chair
House Committee on Consumer Protection and Commerce

Re: SB1217 SD1 HD1 – Relating to Insurance

Dear Chair McKelvey, Vice Chair Woodson and Members of the Committee:

The Hawai'i Association of Health Plans (HAHP) respectfully submits comments in opposition to SB1217 SD1 HD1, which mandates coverage for the services of naturopathic physicians. HAHP has concerns that such a directive could interfere with existing quality control provisions and standards in place between plans and providers and that contracting provisions and requirements are best determined through negotiation between a plan and provider.

Furthermore, we would question the necessity of placing these provisions into statute when language currently exists in statute (HRS431:2-201.5) that prohibits discrimination against a licensed provider.

We would also call the Committee's attention to the need to respect the quality requirements that our plans currently have in place to ensure our clients receive safe and effective services. To ensure providers are of the highest professional caliber, plans have strict credentialing standards. Restrictive provisions in this legislation could interfere with established quality management programs and disrupt efforts to achieve an efficient, quality health care system.

We appreciate your consideration of our comments and for allowing HAHP to testify in opposition to SB1217 SD1 HD1.

Sincerely,

Wendy Morriarty
Chair, HAHP Public Policy Committee

Cc: HAHP Board Members

• AlohaCare • HMAA • HMSA • HWMG • Kaiser Permanente • MDX Hawaii
• 'Ohana Health Plan • UHA • UnitedHealthcare •

HAHP c/o Jennifer Diesman, HMSA, 818 Keeaumoku Street, Honolulu HI 96814

www.hahp.org