

HB235 HD1

Measure Title: RELATING TO HEALTH.

Report Title: Motor Vehicle Insurance; Personal Injury Protection Benefits;
Acupuncture Treatments

Description: Increases the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance. Caps total benefit amount for acupuncture, chiropractic, and naturopathic treatments. (HB235 HD1)

Companion:

Package: None

Current Referral: CPH, WAM

Introducer(s): MCKELVEY (Introduced by request of another party)



DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-NINTH LEGISLATURE
Regular Session of 2017

Tuesday, March 14, 2017
9:00 a.m.

TESTIMONY ON HOUSE BILL NO. 235, H.D. 1 – RELATING TO HEALTH.

TO THE HONORABLE ROSLYN H. BAKER, 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, prefers S.B. 399, the Senate version of this bill, and provides the following comments.

This bill would increase to \$105.70 the current \$75 per acupuncture treatment reimbursable under Personal Injury Protection (“PIP”) benefits.

According to the current Workers’ Compensation index adopted in 2014, an acupuncturist receives \$73.80 for a one-hour treatment. Section 431:10C-103.6, Hawaii Revised Statutes (“HRS”), establishes the current \$75 rate of compensation per acupuncture treatment, which is the same as the rate for chiropractic and naturopathic treatments. 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 policyholders. Presently, each policyholder may purchase optional additional coverage to add nonmedical remedial care and 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.



March 13, 2017

RE: SUPPORT FOR HB235 HD1

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

Dear Senator Baker and Members of the Committee,

I am writing today representing AcuPlan Hawaii and the Hawaii Oriental Medicine and Acupuncture Association. As you know, it has been nearly 20 years since licensed acupuncturists have had any increase in our reimbursement rate when treating Hawaii citizens injured in motor vehicle accidents. We are in strong support of HB235 HD1 *with modifications*.

We ask that instead of stating a specific dollar amount, that our reimbursement be tied to the Hawaii Worker's Compensation Fee Schedule. We realize that attaching ourselves to potential changes with the DLIR is unpredictable compared to setting a specific fee, but are willing to take that risk as it creates a possible long term solution to our problem that won't require the legislature addressing this issue year after year.

We also ask that acupuncturists be removed from the 30 visit combined total with chiropractors and naturopaths so we have our own 30 visit total. Please keep in mind that we are a non-opioid method of pain management and healing and in cases of severe injury, patients may require months if not even years of therapy. Acupuncture is not an alternative form of medicine. It is a safe, effective method of treatment that is endorsed by the American College of Physicians, the NIH and the WHO. We are an active part of the solution to opioid addiction.

We are not cost drivers, making up less than 1% of medical costs under PIP. Please put us in our own category with our own cap so that we can avoid the scenario where patients have exhausted all other avenues of care and are finally decide to brave needles only to find that they only have a few visits left.

Below is the wording we are hoping to see as the final outcome:

SECTION 2. Section 431:10C-103.6, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Acupuncture treatments shall be allowed for no more than thirty visits [~~at no more than \$75 a visit~~]. The charges

for acupuncture treatments under this section shall be tied to the charges, and any subsequent increases in charges, permissible under the workers' compensation supplemental medical fee schedule."

SECTION 3. Section 431:10C-103.6, Hawaii Revised Statutes, is amending subsection (e) to read as follows:

(e) The combined total of naturopathic and [~~7~~] chiropractic [~~7~~ and acupuncture] treatments may not exceed thirty visits.

Lastly, please consider that 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 therapists have been paid nearly twice per hour what acupuncturists are paid.**

It is clearly time for fair compensation.

Mahalo,

Dr. Joni Kroll, D.Ac.
Co-Founder AcuPlan Hawaii
Past President HOMAA
Legislative Liason HOMAA

Kailua Acupuncture Clinic
320 Uluniu Street, Suite 2
Kailua, Hi 96734
808-262-4550
acujoni@yahoo.com
www.kailuaacupuncture.com



Institute of Clinical Acupuncture and Oriental Medicine

100 N. Beretania Street, Suite 203B
Honolulu, Hawaii 96817
www.orientalmedicine.edu

808.521.2288 Ph
808.521.2271 Fax
info@orientalmedicine.edu

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Senate Committee on Consumer Protection & Health

March 14, 2017

Testimony Supporting HB 235 HD1

Relating to Health (Acupuncture)

Senator Rosalyn Baker, Chair
Senator Clarence Nishihara, Vice Chair
Members of the Senate Committee on CPH

We are writing in **Support of HB 235 HD1 with Amendments** that would increase reimbursement for acupuncture treatment under Personal Injury Protection (PIP) benefits provided through motor vehicle insurance. We urge the Committees to pass the bill with the following amendments:

Please delete the following proposal in this companion bill as new sections:

~~"§431:10C—Alternative care; acupuncture treatment; personal injury protection benefits. Acupuncture treatment shall be allowed for no more than thirty visits at a cost of no more than \$105.70 per visit."~~

~~(e) The combined total of naturopathic, chiropractic, and acupuncture benefit for treatment shall not exceed \$2,250.~~

We highly prefer the following language in SB399 SD1 which states:

SECTION 2. Section 431:10C-103.6, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Acupuncture treatments shall be allowed for no more than thirty visits [at no more than \$75 a visit]. The charges for acupuncture treatments under this section shall be tied to the charges, and any subsequent increases in charges, permissible under the workers' compensation supplemental medical fee schedule."

HB235 HD1 should concur with the above SB399 SD1 amendments that clearly stipulate the fairness and equitableness for all acupuncturists. This will also eliminate the need to return to the Legislature for the same issue time and time again. Thank you for the opportunity to testify on this measure.

Respectfully,
Dr. Wai Hoa Low, President
DAOM, MBA, L.Ac.

**SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH**

March 14, 2017

House Bill 235, HD1 Relating to Health

Chair Baker, Vice Chair Nishihara, and Committee Members, I am Rick Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm).

State Farm opposes House Bill 235, HD 1 Relating to Health, and more specifically, acupuncture treatments permitted under motor vehicle insurance, personal injury protection (PIP) coverage. Current law limits the total visits for these treatments to thirty, and the cost to \$75 per visit; this bill would increase this to \$105.70 per visit.

The original 1997 PIP statute was passed to contain automobile insurance costs. Because it recognized a need to prevent non-medical treatments from consuming the \$10,000 PIP limits, the legislature separated chiropractic from other treatments by capping fees for individual visits and limiting the total number. This way, 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 (five at \$50 each), to \$2,500 maximum. This does two things: preserves the rest of the \$10,000 PIP limit for necessary medical treatment, and contains PIP coverage costs. Increasing the per treatment limit to \$105.70 will increase the amount paid on individual claims, and drive up the cost of auto insurance, which has been remarkably stable in Hawaii compared to other states¹. It will exhaust the \$10,000 PIP limit faster, reducing the amount available for other care. In addition, there is no reason for acupuncture treatments to be paid at a code different than chiropractic or naturopathic treatments; if this bill is passed we will surely see efforts to increase chiropractic and naturopathic treatments as well, compounding the impact on claims costs and insurance rates. The current limit does not prevent patients from acquiring the treatment they need.

We also wish to point out that the current bill title may be defective. The bill is entitled health and not insurance, specifically auto insurance. We believe that this defect to the title and the underlying substance requires that the measure be held.

Thank you for the opportunity to present this testimony.

¹ See, <http://www.iii.org/fact-statistic/auto-insurance>. This links to the Insurance Information Institute website, and a page analyzing the cost of insuring a car. Particularly relevant is a chart entitled "Average Expenditures For Auto Insurance By State, 2009-2013." From 2009 -2013, Hawaii had the most stable insurance rates in the country, with a net decrease of -6.0%, or \$47.07 per year, compared to increases in nearly all other states. The national average increase during that time period is 6.9%. Source: © 2016 National Association of Insurance Commissioners (NAIC).

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 12, 2017 1:46 PM
To: CPH Testimony
Cc: aculyna@gmail.com
Subject: Submitted testimony for HB235 on Mar 14, 2017 09:00AM

HB235

Submitted on: 3/12/2017

Testimony for CPH on Mar 14, 2017 09:00AM in Conference Room 229

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

Comments: remove acupuncture as an "Alternative care" and the "combine total \$2,250 for acupuncture, chiropractic, naturopathic." Delete line 7 to 10 from page 2 and line 18-19 from page 3 of the bill.

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: Saturday, March 11, 2017 10:06 AM
To: CPH Testimony
Cc: dgsinhawaii@yahoo.com
Subject: Submitted testimony for HB235 on Mar 14, 2017 09:00AM

HB235

Submitted on: 3/11/2017

Testimony for CPH on Mar 14, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Diana G. Smith	Individual	Support	No

Comments: I personally avoided surgery for carpel tunnel by having acupuncture treatments

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To: CPH Testimony
Cc: joel_hrdng@yahoo.com
Subject: Submitted testimony for HB235 on Mar 14, 2017 09:00AM

HB235

Submitted on: 3/11/2017

Testimony for CPH on Mar 14, 2017 09:00AM in Conference Room 229

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

Comments: Aloha my name is Joel Harding. i am a veteran and a student at the Institute of Clinical Acupuncture and Oriental Medicine. Can you please cross out section "e" as this is discriminatory to my profession and it only gives acupuncturists 20 visits with our patients which is significantly less than other professions. Can you also take out the wording of "Alternative Care" as this will eventually lead to a optional plan were a Hawaii auto insurance consumer will have to pay more for their premium in order to receive acupuncture services. If the auto insurance companies are having a hard time finding the financing then they should discuss raising PIP and balancing the cost with the hundreds of millions of profit they make every year from Hawaii consumers. It has been almost 20 years since the cap has been raised. Thank you for all your time and support in passing HB-235 our sister companion bill to SB-399.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 9:43 AM
To: CPH Testimony
Cc: mariyakai@gmail.com
Subject: Submitted testimony for HB235 on Mar 14, 2017 09:00AM

HB235

Submitted on: 3/13/2017

Testimony for CPH on Mar 14, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Mariya Gold	Individual	Support	No

Comments: I support HB235 in its wording to increase the reimbursement rate for acupuncture services however would recommend these changes: 1. The total dollar amount cap for those services be removed. 2. Have a 30 visit limit on acupuncture services and not have it combined with other services such as chiropractic. 3. The wording "Alternative Care" be removed. It has been 20 years since acupuncturists have seen an increase in reimbursement rates when treating No Fault patients and cost of doing business is substantially higher now than it was 20 years ago, not to mention the cost of going to school to become a licensed acupuncturist. The majority of acupuncturists I have spoken with prefer the language of HB235's Companion Bill SB399. Mahalo for your support & with much aloha, Mariya

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Dear Senator Baker and Members of the Senate Committee on Commerce, Consumer Protection and Health,

I am a licensed acupuncturist writing in support of HB235 HD1. The bill is stated to increase the cost of billing for the No Fault Auto Claims which is currently capped at \$75. With the cost of running a clinic in Hawaii, I am not able to serve these patients as the reimbursement rate is too low to manage my business. The cap has not been increased in almost 20 years while the cost of living and maintaining a business has continuously increased, and I think it reasonable in any profession to expect a raise after 20 years. I support this bill but request amendments as follows:

- Please remove the line stating a combined total of \$2,250 for acupuncture, chiropractic, naturopathic as many of these patients benefit from all of these interventions and are often not able to access the care they need with the combined cap. Also, using natural methods of addressing pain and physical injury ultimately saves the insurance companies money with less money needed for costly pharmacological pain medications and surgery, and can reduce the epidemic of chronic opioid use which often leads to opioid abuse.
- We would request the same wording as exists in SB 399 SD1

Sincerely,

Dr. Kathryn Taketa-Wong, N.D., L.Ac.
Naturopathic Physician & Licensed Acupuncturist
Medical Academy of Pediatric Special Needs Fellowship Candidate
Specializing in Autism Spectrum Disorders, ADHD & Other Special Needs