

Honolulu, Hawaii

FEB 10 2017

RE: S.B. No. 399  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 399 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the maximum authorized benefit per acupuncture treatment allowed under personal injury protection benefits provided through motor vehicle insurance; and
- (2) Tie increases in payments for acupuncture treatments in with annual increases, if any, to the Medicare Economic Index.

Your Committee received testimony in support of this measure from the Kailua Acupuncture Clinic; Maui Acupuncture; Windward Acupuncture; Ohana-Hale Acupuncture, Inc.; Mala Healing Arts; Institute of Clinical Acupuncture and Oriental Medicine; and nineteen individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, Property Casualty Insurers Association of America, and GEICO. Your Committee received comments on this measure from State Farm Mutual Automobile Insurance Company.

Your Committee finds that the reimbursement rate for licensed acupuncturists has not increased in almost twenty years. Your



Committee further finds that this freeze has resulted in a reimbursement rate that has not kept up with inflation or the increased costs of providing care.

Your Committee has heard the concerns that this measure would affect underlying costs in certain areas of motor vehicle insurance. However, your Committee does not believe that enabling licensed acupuncturists to be compensated appropriately, like other health care providers, will be a significant cost-driver for motor vehicle insurance rates in Hawaii. Your Committee notes that tying acupuncture benefits to the charges permissible under the Workers' Compensation Supplemental Medical Fee Schedule will ensure that licensed acupuncturists are able to receive appropriate reimbursement for their services.

Your Committee has amended this measure by:

- (1) Repealing the ceiling for the authorized benefit per acupuncture treatment allowed under personal injury protection benefits;
- (2) Deleting the language that would have tied increases in payments for acupuncture treatments to any annual increases to the Medicare Economic Index;
- (3) Specifying that the authorized benefit for acupuncture treatments allowed under personal injury protection benefits shall be tied to the charges, and any subsequent increases in charges, permissible under the Workers' Compensation Supplemental Medical Fee Schedule;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 399, S.D. 1, and be referred to your Committee on Ways and Means.





Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

A handwritten signature in cursive script that reads "Rosalyn H. Baker".

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ROSALYN H. BAKER, Chair



