



An Independent Licensee of the Blue Cross and Blue Shield Association

February 23, 2017

The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, ViceChair
Senate Committee on Ways and Means

Re: SB 823, SD1 – Relating to Naturopathic Physicians

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members:

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on SB 823, SD1, which mandates healthcare coverage for services provided by naturopathic physicians. HMSA supports the intent of this Bill and we provide comments.

Last year, HMSA became the first health plan to include naturopathic physicians in its primary care provider network. This affords our members more and better access to the care they want.

Working with members of the Hawaii Society of Naturopathic Physicians, we were able to align the role of the naturopathic physicians with HMSA's vision of a transformed healthcare system for Hawaii. It is one where the health and wellbeing of the community is the focus of the healthcare system.

Thank you for allowing us to testify on SB 823, SD1.

Sincerely,

Mark K. Oto
Director, Government Relations



Testimony of
John M. Kirimitsu
Legal & Government Relations Consultant

Before:
Senate Committee on Ways and Means
The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair

February 23, 2017
1:35 pm
Conference Room 211

Re: SB 823, SD1 Relating to Naturopathic Physicians

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

Kaiser Permanente Hawaii strongly opposes this bill.

I. Kaiser Permanente Agrees With The Auditor's Conclusion That An Insurance Mandate For Naturopathic Coverage Is Unnecessary And Not In the Best Interest Of The Public.

In 1989, the state auditor completed its study on mandating naturopathic insurance coverage and *opposed* the naturopath mandate since "There is no evidence of a significant demand or need to require insurers to include naturopathic coverage in their plans." The complete Office of the Auditor Report and its findings may be viewed at <http://files.hawaii.gov/auditor/Reports/1980-1989/89-25.pdf>. Notably, the auditor concluded:

- "Utilization of naturopathic care is low, primarily because of the limited number of naturopathic physicians." See Audit Report, Overview, Pg. 3.
- "There is no evidence of public demand for insurance coverage of naturopathic services." See Audit Report, Overview, Pg. 3.
- "There is no evidence that people are kept from obtaining naturopathic treatment or suffer financial harm because of the lack of insurance coverage." See Audit Report, Overview, Pg. 3.

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As such, Kaiser Permanente agrees with the auditor's conclusion that the naturopath insurance mandate is not necessary. Kaiser Permanente already offers naturopathic services that is covered under a rider administered by a third party administrator, American Specialty Health – similar to other riders for chiropractic, massage therapy, and acupuncture services.

II. 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, and 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. This bill would unjustly force Kaiser Permanente to hire NDs in its network when these NDs aren't qualified under Kaiser Permanente's medical practice model. For more distinctions between the two practices of medicine, see below.

III. Mandating Insurance Coverage For Naturopathic Services Implies Clinical Parity Which Is Inaccurate.

In its response to the Auditor's Report in 1989, the Department of Health (DOH) concluded that "*We believe that mandating the coverage of naturopathy would not be in the best interest of the public.*" See DOH's Response to Auditor's Report (1989), attached hereto. In support of its findings, DOH noted the distinctions between NDs and MDs:

In short, the training and interpretive capabilities of naturopaths are not those required and expected of doctors of medicine, and the services rendered cannot be equated. They are different. . . .

There appears to be a concerted effort by naturopaths to "prove" that naturopath training and services are equivalent to those of medical doctors. We believe that any proposal to include naturopaths in the definition of physician in the Prepaid Health Care Act, or any other definition of physician, would be unjustified and misleading to the public.

Consistent with the DOH's findings that NDs and MDs are not equivalent, some other notable distinctions between NDs and MDs are:

- **Scope of Practice:** MDs have a higher scope of practice than NDs. Only MDs are licensed to perform "major" surgery. Major surgery is defined as entering the abdominal cavity, spinal cavity, or the brain. Also, NDs do *not* have the same prescriptive authority as MDs, i.e., some grossly addictive narcotic pain medications, and a few non-narcotic prescription medications can only be prescribed by MDs.
- **Education:** MDs have a higher quality of education than NDs. MDs' scope and depth of clinical experience for medical schools are much greater because medical school clinics encompass the full gamut of disease. Unlike MDs, NDs are trained in four-year *naturopathic medical schools*. The first two years of naturopathic medical school in the biomedical sciences may be similar to that of conventional medical school, but the second two years of naturopathic schooling emphasizes clinical education in *natural therapeutics*, whereby graduates receive the degree of Doctor of Naturopathic Medicine (ND).
- **Postgraduate Training:** MDs have higher postgraduate training than NDs. Some naturopathic graduates take an additional year of postgraduate training where they work in an outpatient setting. However, most go directly into practice. Nearly all medical school graduates undergo 3-6 years of additional full-time specialty training that includes work with hospital inpatients. Also, NDs cannot apply to ACGME accredited postgraduate training programs because an MD or DO degree is required.
- **Credentialing:** NDs are *not* credentialed in the same manner that MDs are since the scope of practice of NDs is not uniform nationwide.

- Continuing Education Requirements: ND licensing accepts MD credits, but MD licensing does not accept CE credits from naturopathic conferences.

Based on the notable disparities between NDs and MDs, Kaiser Permanente does not include NDs as primary care physicians within its medical practice model, but does believe that NDs can be best utilized in a collaborative manner, with its MDs and other practitioners in patient care. Despite these obvious distinctions between NDs and MDs, this bill is attempting to force insurers to treat NDs the same as MDs, which is directly contradicting the DOH's findings that the services rendered (between NDs and MDs) "cannot be equated."

IV. If The Legislature Decides To Move This Bill Forward, Kaiser Permanente Requests An Updated Audit Study.

To address the current financial and social impact of this proposed mandate for ND coverage (to determine if there are any changes since the last audit way back in 1989), Kaiser Permanente requests an updated legislative audit, as required pursuant to Sections 23-51 and 23-52 of the Hawaii Revised Statutes.

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

ATTACHMENT 2

JOHN WAIHEE
GOVERNOR OF HAWAII



JOHN C. LEWIN, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HAWAII 96801

November 28, 1989

In reply, please refer to:
File: MedH-HMF

To: Mr. Newton Sue, Acting Auditor
Legislative Auditor's Office

From: Director of Health

Subject: **Response to the Legislative Auditor's Study of
Mandatory Health Insurance for Naturopathic Care**

RECEIVED

Nov 29 10 49 AM '89

OFFICE OF THE AUDITOR
STATE OF HAWAII

The Department agrees with the Legislative Auditor that mandating health insurance coverage in a piecemeal fashion is not the best solution for solving jurisdictional or social problems. We believe that mandating the coverage of naturopathy would not be in the best interests of the public. We do feel the need to amplify and expand on the draft report's coverage. We believe that the report does not accurately reflect on the real differences between naturopathy on the one hand and physicians licensed under Chapter 453 and 460, HRS.

The draft report on the background of Naturopathy and the training and practices of naturopaths appears to have been written on the assumption that naturopathic practitioners are equivalent to physicians licensed under Chapters 453 and 460, HRS, with respect to their education, training, and capabilities. Since the proposal is that treatment given by naturopaths be covered on the same basis as treatment by medical doctors, this bears consideration. There are several areas of the draft report which rather vaguely imply training is equivalent to physicians trained in schools of medicine and may, consequently, be misleading.

For example on page 6 it is said that "naturopaths use standard methods to diagnose ailments. They take medical histories, order laboratory tests, and do physical examinations." This seems to imply that they proceed in these matters just as physicians licensed under Chapters 453 and 460, HRS, do.

On page 7, a statement is made that the first two years of study in a naturopathy college "cover basic medical sciences." It then states that the curriculum emphasizes nutrition and botanical medicines." The word "cover" is unfortunate and would seem misleading, as these

Mr. Newton Sue, Acting Auditor/2

are not the basic sciences of gross anatomy, neurology, physiology, microanatomy, chemistry, pharmacology, pathology, and other basic science subjects required of medical students. Similarly, the array of diagnostic procedures and the depth of training in interpreting laboratory tests and physical findings is different in naturopathy.

On page 6 the draft report says "naturopaths may perform minor surgery and x-rays; however, these practices are prohibited under Hawaii law." The training and capabilities of naturopaths have been considered at length by the last two Legislatures, and it was concluded that it was not in the best interests of the health and safety of the people of Hawaii to permit naturopaths to perform any surgery or to take x-rays. Hence, they may not perform surgery or take x-rays.

In short, the training and interpretive capabilities of naturopaths are not those required and expected of doctors of medicine, and the services rendered cannot be equated. They are different.

The report states that naturopaths said that the mandated coverage "would only provide coverage . . . on the same basis as treatment by a medical doctor." It says that naturopaths claim "the problem is that the State's Prepaid Health Care Act does not define the term 'licensed physician' to include naturopathic physicians."

Then it states that a "number of insurers on the mainland cover naturopathic physicians, and other licensed health care providers such as chiropractors by including them in their definition of physician."

There appears to be a concerted effort by naturopaths to "prove" that naturopath training and services are equivalent to those of medical doctors. We believe that any proposal to include naturopaths in the definition of physician in the Prepaid Health Care Act, or any other definition of physician, would be unjustified and misleading to the public.

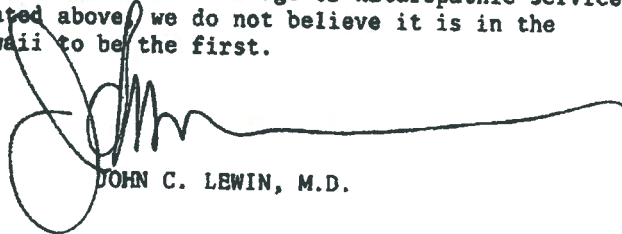
The report further indicates that a growing number of naturopaths reflects an increased interest in naturopathy and this may be a reason for mandating coverage. While there is much more interest in relating to our natural surroundings and enhancing our health through natural means, this philosophy encompasses all levels of medicine. One must also observe the fact that the number of states now licensing naturopaths continues to decline and is currently limited to: Connecticut, Arizona, Washington, Oregon, and Hawaii. With 40-50 new graduates each year from the two schools that exist, one in Oregon and one in Washington, the numbers are bound to increase in those states authorizing the practice.

We agree with the draft report that finds no evidence of public demand for coverage of naturopathic services.

Mr. Newton Sue, Acting Auditor/3

While the financial impact of coverage would be little, according to the draft report, we believe that the piecemeal mandate of such a service would add unnecessarily to the administrative burdens of insurance carriers.

No state in the nation mandates coverage of naturopathic services. For the reasons elaborated above, we do not believe it is in the public interest for Hawaii to be the first.

A handwritten signature in black ink, appearing to read 'John C. Lewin', with a long horizontal flourish extending to the right.

JOHN C. LEWIN, M.D.

February 22, 2017

The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair

Re: SB823, SD1 Relating to Naturopathic Physicians

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee:

My name is George McPheeters, and I am the Chief Medical Officer of University Health Alliance (UHA), a Hawaii mutual benefit society. UHA does not support SB823, SD1, for the reasons provided below.

When the Affordable Care Act required states which license Naturopaths to cover Naturopaths services, UHA began reviewing the clinical documents associated with every claim beginning in January 2014. We performed those clinical reviews because UHA had no familiarity with Naturopathic Medicine.

To our knowledge, we are the only plan which has scrutinized every single clinical note from Naturopathic doctors. UHA coders and physicians have studied the claims and clinical records and worked to reconcile these with standard CPT manual criteria and the Hawaii statutory definition of medical necessity. In addition, appropriate use criteria from a variety of sources have been used in determining whether tests or treatments have been safe, timely, efficient, patient centered, effective and equitable. This has been a time consuming endeavor but it has been important. In general, our experience with Naturopaths has not been clinically favorable.

Naturopathic doctors are not required to do any post graduate training: no internship, no residency and no fellowship. A few Naturopaths do informal training after school but these programs are not overseen by nationally recognized boards of medical specialties with standardized requirements and examinations. Most physicians will attest to the fact that the vast majority of their practical experience and the learning which makes them safe and effective providers is gained in internships and residencies which run, typically, from 3 to 8 years. Naturopathic doctors do not have this stringent formal training but want to treat many of the same conditions and write prescriptions from a very broad formulary.

In view of our three years' worth of evaluation, UHA does not believe that this is safe or effective care and, therefore, does not favor legislation which will serve to embed naturopathic medicine in a standard health insurance plan. It is worthy of note that only

20 states license or recognizer naturopathic doctors and at the federal level, Medicare does not reimburse their services.

UHA understands that there are three critical factors in play: access, quality and cost. This bill, SB823, SD1, will address the first factor for a very small number of individuals at the expense of the latter two.

The philosophical “scope of practice” in Naturopathic Medicine traditionally flows from the concept of an individual's natural (innate) ability to heal. Naturopathy seeks to advance health through the “support and stimulation” of natural body processes.

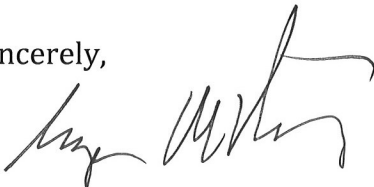
“Support and stimulation” are broad and nonspecific terms. The accepted formulary for appropriately licensed Naturopathic doctors in Hawaii is very general and includes such terms as “all biologics.”

The scope of practice and the formulary adopted by the Hawaii Board of Naturopathic Medicine are insufficiently precise to facilitate a clear understanding of practice “scope.” Given the lack of clarity, the variability in Naturopathic doctors’ post graduate training, and because UHA is committed and required (to the extent possible) to protect the safety of its members and provide for care which is “medically necessary” in accordance with Hawaii’s laws, UHA will require that clinical encounter notes be provided with all claims originating from Naturopathic doctors.

It should be noted that UHA engages in “up front” record and claim review for many providers of all specialties and in its good faith effort to apply reasonable utilization management does not see a requirements for clinical encounter notes as discriminatory.

We respectfully request the Committee see fit not to pass this measure. Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read 'George McPheeters', written in a cursive style.

George McPheeters, M.D.
Chief Medical Officer

E-mail: KevinB.Online.Contact@gmail.com

Kevin Bernadt, MBA,DI, DO (pending)

PO Box 283183

Honolulu, Hawaii 96828

TO: COMMITTEE ON WAYS AND MEANS: Senator Jill N. Tokuda, Chair; Senator Donovan M.

Dela Cruz, Vice Chair

FROM: Kevin Bernadt, Integrative & Alternative Medicine Student

HEARING: Thursday, February 23, 2017

RE: **SUPPORT, SB 823, SD1, & (SSCR489)** , RELATING TO NATUROPATHIC PHYSICIANS

As a medical student working in integrative and Complementary Alternative Medicine on Oahu, and as a member of the large number of naturopathic and alternative medicine patient voters whom are directly impacted by this Bill, I do agree that complementary and alternative medicine, especially naturopathic medicine treatment needs to be covered by healthcare insurers. Naturopathic and non-western medical practitioners are subject to the same intensive professional training, requiring licensing and credibility in their specialized practices. One of the challenges we naturopathic and complementary & alternative healthcare providers face simply is the refusal of insurers to cover treatment, even when the patient clearly desires it. **I strongly support SB823 and its concurrent bill, SSCR489** establishing healthcare insurance coverage for naturopathic physicians.

One of the challenges I have in building my soon-to-be established business in Hawaii is the simple refusal of insurers to provide coverage for something as simple as acupuncture, nutrition planning, and patient care. As a result of the challenges, I have decided to pursue my education and , potentially my business elsewhere. This decision would not be made if any of Hawaii's insurers were mandated to provide healthcare coverage for naturopathic and complementary & alternative treatment provided by qualified healthcare practitioners, particularly when the patient explicitly desires such treatment. Given the large number of voters who value the benefits naturopathic and complementary & alternative medicine offers, this bill will help immensely. Naturopathic physician healthcare treatment insurance coverage; a measure that the complementary and alternative medicine community and voters support and need.

Mahalo,

Kevin Bernadt, MBA, integrative medicine student and potential healthcare provider

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2017 7:52 AM
To: WAM Testimony
Cc: islandeyesvideo@yahoo.com
Subject: Submitted testimony for SB823 on Feb 23, 2017 13:35PM

SB823

Submitted on: 2/23/2017
Testimony for WAM on Feb 23, 2017 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Marvin Porter	Individual	Support	No

Comments: Aloha, I strongly support SB 823. I have had excellent care for many years from Naturopath doctors as well as regular MD's. At times I have had from the Naturopath better service and help. I had a Baker's cyst on back of my knee for which MD wanted me to go to surgeon. The Naturopath doctor drained and bandaged and I have had no more problem. Mahalo, Mary Marvin Porter Island Eyes Video Kea'au, Hawai'i

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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