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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Labor and Technology
Monday, February 5, 2024
3:10 p.m.

State Capitol, Conference Room 224 and via Videoconference

On the following measure:
S.B. 2673, RELATING TO INSURANCE

Chair Aquino and Members of the Committee:

My name is Gordon I. Ito, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to require that the charges for chiropractic treatments for personal injury protection benefits under motor vehicle insurance be tied to the charges, and any subsequent increases in charges, permissible under the workers' compensation supplemental medical fee schedule.

Section 2 of this bill amends Hawaii Revised Statutes ("HRS") § 431:10C-103.6(b) by replacing current provisions for chiropractic care under motor vehicle insurance with a standard of "not more than [t]hirty visits", with the charge per visit "tied to the charges, and any subsequent increases in charges, permissible under the workers' compensation supplemental medical fee schedule[.]" rather than the current standard of no more than \$75 per visit.

Testimony of DCCA

S.B. 2673

Page 2 of 2

The existing law ensures that consumers injured in automobile accidents can seek a variety of treatments to aid in recovery from injuries.

Finally, this bill may lead to increased motor vehicle insurance premium rates.

Thank you for the opportunity to testify.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON LABOR AND TECHNOLOGY
Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Monday, February 5, 2024
3:10 p.m.

SB 2673

Chair Aquino, Vice Chair Moriwaki, and members of the Committee on Labor and Technology, my name is Alison Ueoka, President for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council submits **comments** on this bill. SB 2673 increases the chiropractic reimbursement rate under motor vehicle insurance from \$75 per visit to that of the workers' compensation medical fee schedule. Since the workers' compensation medical fee schedule rate is not a static number and can be manipulated by using a variety of modalities and CPT codes, the per-visit charge may increase dramatically. This, in turn, will increase the cost of motor vehicle insurance premiums. The increase in premiums will come in a hard market which means motor vehicle insurance premiums are already going up, mostly by double digits and are expected to continue on this trend for a few years. Higher motor insurance premiums may result in a higher number of uninsured motorists and is regressive, penalizing those who can least afford it.

Thank you for the opportunity to testify.



To: The Honorable Henry J.C. Aquino, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
Senate Committee on Labor and Technology

From: Mark Sektnan, Vice President

Re: **SB 2673 – Relating to Insurance**
Position: Concerns

Date: February 5, 2024; 3:10 PM; Conference Room 224

Aloha Chair Aquino, Vice Chair Moriwaki and Members of the Committee:

APCIA has concerns about SB 2673 which could increase the cost of motor vehicle insurance by increasing the fees paid to chiropractors. The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

SB 2673 changes the chiropractic reimbursement rate under motor vehicle insurance from \$75 per visit to that of the workers' compensation medical fee schedule. The intent language correctly points out this was a key reform of the 1997 reforms which helped to reduce auto insurance premiums in Hawaii. This bill would eliminate the predictability of the existing law and tie the reimbursement rate to the workers' compensation medical fee schedule rate which is not a static number and can be manipulated by using a variety of modalities and CPT codes, the per-visit charge may increase dramatically. This, in turn, will increase the cost of motor vehicle insurance premiums. The increase in premiums will come in a hard market which means motor vehicle insurance premiums are already going up, mostly by double digits and are expected to continue on this trend for a few years. Higher motor insurance premiums may result in a higher number of uninsured motorists and is regressive, penalizing those who can least afford it.

For these reasons, APCIA asks the committee to **HOLD** this bill in committee.

SB-2673

Submitted on: 2/2/2024 5:07:36 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Joe Leonardi	Testifying for Hawaii State Chiropractic Association	Support	Written Testimony Only

Comments:

I am a proud member of the Hawaii State Chiropractic Association, and I fully endorse Senate Bill 2673. This legislation acknowledges the need for a fair compensation structure for chiropractic treatments, bringing Hawaii in line with national standards. The bill reflects the dedication of our association to providing quality care while maintaining financial sustainability for our practitioners.

SB-2673

Submitted on: 2/2/2024 4:41:22 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Jonah Carignan	Testifying for Turning Point Chiropractic	Support	Written Testimony Only

Comments:

I support the measure.

SB-2673

Submitted on: 2/2/2024 4:44:41 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Rheya Marie Fernandez	Testifying for Turning Point Chiropractic	Support	Written Testimony Only

Comments:

The financial hardship with unpredictable healthcare costs that can be placed on employees is outrageous. House Bill 1686's focus on stabilizing charges for chiropractic treatments aligns with the interests of local businesses in maintaining a healthy and productive workforce to all.

SB-2673

Submitted on: 2/3/2024 12:37:47 AM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Cody McKillip	Testifying for Turning Point Chiropractic	Support	Written Testimony Only

Comments:

I am a healthcare professional and I support House Bill 1686. It will allow our healthcare system to be transparent and efficient. Aligning charges for chiropractic treatments with the workers compensation supplemental medical fee schedule, this bill promotes consistency and fairness in healthcare billing.

SB-2673

Submitted on: 2/2/2024 5:47:19 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Scott Deane	Testifying for Chiro Management Group LLC	Support	Written Testimony Only

Comments:

As a chiropractor serving the community of Oahu, I am deeply committed to the health and well-being of my patients. It is from this place of dedication and my understanding of both healthcare provision and legislative processes that I write in support of the bill requiring the alignment of charges for chiropractic treatments for personal injury protection benefits under motor vehicle insurance with those permissible under the workers' compensation supplemental medical schedule.

This legislation represents a critical step forward in ensuring equitable, fair, and accessible chiropractic care for individuals recovering from automobile accidents. The alignment of charges between these two domains of insurance benefits not only simplifies the billing process but also ensures that patients can access the chiropractic care they need without the burden of excessive costs.

By standardizing the reimbursement rates for chiropractic services, this bill directly affects our ability to sustain and expand our services to meet the needs of our patients. It enables us to focus on what we do best – caring for our patients – without being encumbered by the complexities and disparities in insurance reimbursement rates.

Moreover, this legislation speaks to a larger commitment to supporting healthcare providers and ensuring that patients across Oahu have access to the essential care they need following motor vehicle accidents. Chiropractic care is a vital component of the recovery process for many individuals, offering a non-invasive, effective approach to managing pain and promoting healing. By securing fair and consistent reimbursement rates, this bill ensures that more patients can benefit from chiropractic treatment, leading to better health outcomes and a stronger, healthier community.

In conclusion, I wholeheartedly support this bill and urge its swift passage. It represents a sensible, fair, and necessary step towards improving the healthcare landscape for patients and providers alike. By ensuring that chiropractic care is accessible and affordable, we are taking a significant step forward in enhancing the quality of life for the people of Oahu.

Sincerely,

Dr. Scott Deane

SB-2673

Submitted on: 2/2/2024 6:20:51 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
COLLEEN TANAKA	Testifying for TANAKA AND ASSOCIATES CHIROPRACTIC & MASSAGE	Support	Written Testimony Only

Comments:

Small businesses, like mine, greatly appreciate House Bill 1686's focus on stabilizing healthcare costs. By tying charges to the workers' compensation schedule, this legislation supports the financial well-being of our workforce and contributes to a more robust local economy.

SB-2673

Submitted on: 2/2/2024 10:29:44 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
David Shapiro	Testifying for Aloha Family Chiropractic	Support	Written Testimony Only

Comments:

No. 2673. In view of the fact that the authorized benefit for chiropractic treatments was capped in 1997 and has not been adjusted to reflect inflation and increases in the cost-of-living in over a quarter of a century, I find it entirely reasonable to request that benefits be tied to the Worker's Compensation supplemental medical fee schedule, as has been done with other medical professions in the state of Hawaii.

Sincerely,

Dr. David Shapiro

Chiropractic Kinesiologist

Hilo, Hawaii

SB-2673

Submitted on: 2/3/2024 6:43:23 AM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Lindsey Kimura	Testifying for Hawaii Chiropractic Clinic	Support	Written Testimony Only

Comments:

I am submitting this testimony in favor of SB2673. For the past 20 plus years, the Chiropractic profession has been tied to a fixed fee schedule of a maximum of \$75 per visit which includes all services a Chiropractor delivers for a patient who has been in a traumatic injury. This includes examinations, Chiropractic treatment, mechanical, manual, electrical modalities, re-evaluations, and xrays to name a few. This antiquated fee schedule has long been outpaced by inflation and other rising business expenses. Your help in approving this bill will help our profession to keep up with the cost of doing business in Hawaii and allow us to deliver the care needed for our citizens.

Thank you for hearing my testimony.

Lindsey Kimura, D.C.



KLEIN NATURAL

HEALTH AND WELLNESS CENTER

Date: February 4, 2024

To: Senator Henry Aquino, Chair
Senator Sharon Moriwaki, Vice Chair
Members of the Committee on Labor and Technology

From: Rachel M. Klein, ND, DC, DACNB, FIBFN-CNDH

Re: SB2673, Relating to Insurance
February 5, 2024, at 3:10pm

Position: SUPPORT

As a dual licensed Chiropractor and Naturopathic Physician, I support this bill. I run a small business which is an outpatient clinic in Hilo, on the Big Island.

Chiropractors and Naturopathic Physicians are often the first healthcare provider types that patients see after sustaining an injury as the result of a motor vehicle accident. As primary care providers, these doctors should be reimbursed for all medically necessary care and should be able to make referrals for additional care as needed.

Aligning the reimbursement for care after motor vehicle accidents with the fee schedule for workman's compensation type cases will help to modernize the structure so that we may provide excellent care to our patients while still staying in business. This improvement would also help to tackle rising healthcare costs as many patients currently have to seek additional provider types because under the existing statute reimbursement for additional services beyond the current limit is not available from their chiropractic or naturopathic provider.

I ask that you support this measure and thereby support increased access to healthcare for Hawai'i's patient population and a healthy local economy for our doctors in small businesses.

Thank you for your time and attention to this matter,

Dr. Rachel M. Klein

SB-2673

Submitted on: 2/2/2024 4:15:24 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Teresa Hernandez	Individual	Support	Written Testimony Only

Comments:

Since Covid we have needed this

SB-2673

Submitted on: 2/2/2024 4:18:43 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Kara Diaz	Individual	Support	Written Testimony Only

Comments:

I see the financial strain that unpredictable healthcare costs can place on employees. House Bill 1686's focus on stabilizing charges for chiropractic treatments aligns with the interests of local businesses in maintaining a healthy and productive workforce.

SB-2673

Submitted on: 2/2/2024 4:19:23 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Kyla Aken	Individual	Support	Written Testimony Only

Comments:

Having been a chiropractic patient for many decades I strongly feel this bill will have a positive outcome for the people of Hawaii.

SB-2673

Submitted on: 2/2/2024 4:19:41 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Saige Gouveia	Individual	Support	Written Testimony Only

Comments:

Having been a chiropractic patient for years and I strong support this bill.

SB-2673

Submitted on: 2/2/2024 4:27:41 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Nawai Emmsley	Individual	Support	Written Testimony Only

Comments:

As someone who is recently involved in a car accident I believe this bill would help improve my options when it comes to chiropractic care.

SB-2673

Submitted on: 2/2/2024 4:48:39 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Julia Goodman	Individual	Support	Written Testimony Only

Comments:

I support SB2673 because chiropractic has been very important to me and my family and I would like to see that personal injury chiropractic benefits be tied to the workers compensation schedule. As someone who has dealt with similar insurance issues, I'd like to see that this becomes less complex.

SB-2673

Submitted on: 2/2/2024 5:36:47 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
James Finley	Individual	Support	Written Testimony Only

Comments:

Small businesses, like mine, greatly appreciate SB 2673 focus on stabilizing healthcare costs. By tying charges to the workers' compensation schedule, this legislation supports the financial well-being of our workforce and contributes to a more robust local economy.

SB-2673

Submitted on: 2/3/2024 11:49:26 AM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Raya Keliinui	Individual	Support	Written Testimony Only

Comments:

I support due to my family and due to circumstances with giving patients the most attention

SB-2673

Submitted on: 2/3/2024 5:30:44 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Wilcox	Individual	Support	Written Testimony Only

Comments:

Aloha by supporting this bill you will help the workers of Hawaii be able to continue to work effectively and the economy in whole.

SB-2673

Submitted on: 2/4/2024 1:34:46 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Alice Ogawa	Individual	Support	Written Testimony Only

Comments:

I am in support of SB2673

Mahalo

Alice Ogawa DC

LATE

SB-2673

Submitted on: 2/4/2024 6:00:57 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Dean Shivvers	Testifying for Hawaii State Chiropractic Association	Support	In Person

Comments:

I am writing in support of this bill. Reimbursement rates for auto personal injury cases have been fixed at \$75 for almost 30 years. We are long overdue for an increase.

We are not asking for a blank check but a reimbursement rate fixed to the worker's compensation fee schedule which is set by the state of Hawaii.

Hawaii has a shortage of doctors. While there are many more licensed chiropractors in Hawaii only 69 can be found on Google on the island of Oahu. I can speak personally that a very small percentage of our patient base is coming from car accidents. Add to this the cost of seeing a chiropractor after a motor vehicle accident is far less expensive then other healthcare professions the added cost to the car insurance consumer is minimal.