STAND. COM. REP. NO.

Honolulu, Hawaii

FEB 1 2 2015

RE: S.B. No. 1178 S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1178 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the authorized per visit treatment cost for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance.

Your Committee received testimony in support of this measure from the Kailua Acupuncture Clinic, Institute of Clinical Acupuncture and Oriental Medicine, Hawaii Oriental Medicine and Acupuncture Association, and seven individuals. Your Committee received testimony in opposition to this measure from the Government Employees Insurance Company (GEICO). Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Hawaii Insurers Council.

Your Committee finds that the reimbursement rate for licensed acupuncturists has not increased in almost twenty years, resulting in a reimbursement rate that has not kept up with inflation or the increased costs of providing care. Tying the cap on acupuncture treatments to the Medicare Economic Index will enable acupuncturists to receive reimbursement rates like other health care providers in the State. Your Committee notes that associating acupuncture reimbursement rates with the Medicare Economic Index will result in a lower fee schedule than those



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already approved for acupuncture under federal workers' compensation and the federal Veterans' Administration.

Your Committee has amended this measure by:

- (1) Specifying that the authorized benefit for acupuncture treatments allowed under personal injury protection benefits shall be a maximum of \$105.70 per visit and be changed in December of each year to include the percentage, if any, by which the Medicare Economic Index for that calendar year exceeds the Medicare Economic Index for the prior calendar year;
- (2) Inserting an effective date of July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1178, S.D. 1, and be referred to the Committee on Ways and Means.

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

and of

ROSALYN H. BAKER, Chair



The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee Referral:			ite:	-1
SB 1178	CPN, WAM			45/15	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye 🦯	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)		\checkmark			
TANIGUCHI, Brian T. (VC)		1			
KAHELE, Gilbert					
KIDANI, Michelle N.					
NISHIHARA, Clarence K.					
WAKAI, Glenn					
SLOM, Sam		V			
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TOTAL		0	Ø	Ø	
Recommendation:					
Adopted / Not Adopted					
Chair's or Designee's Signature:					
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*Only one measure per Record of Votes