

Honolulu, Hawaii

FEB 12 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



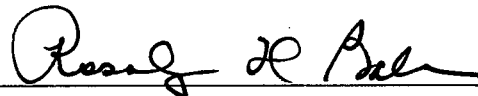
already approved for acupuncture under federal workers' compensation and the federal Veterans' Administration.

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,



ROSALYN H. BAKER, Chair



**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

\*Only one measure per Record of Votes