

SB1178

Measure Title: RELATING TO HEALTH.

Report Title: Motor Vehicle Insurance; Personal Injury Protection Benefits; Acupuncture Treatments

Description: Increases the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance.

Companion:

Package: None

Current Referral: CPN, WAM

Introducer(s): GREEN, GABBARD, RUDERMAN, Espero

<u>Sort by Date</u>		Status Text
1/28/2015	S	Introduced.
1/28/2015	S	Passed First Reading.
1/28/2015	S	Referred to HTH/CPN, WAM.
2/2/2015	S	The committee(s) on CPN added the measure to the public hearing scheduled on 02-05-15 9:00AM in conference room 229.
2/2/2015	S	Re-Referred to CPN, WAM.



DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310

P.O. Box 541

HONOLULU, HAWAII 96809

Phone Number: 586-2850

Fax Number: 586-2856

www.hawaii.gov/dcca

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Thursday, February 5, 2015
9:00 a.m.

TESTIMONY ON SENATE BILL NO. 1178 – RELATING TO HEALTH.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner (“Commissioner”),
testifying on behalf of the Department of Commerce and Consumer Affairs
(“Department”). The Department provides the following comments.

The purpose of this bill is to increase the per treatment benefit cost for
acupuncture. The rate for acupuncture treatments has not changed in the past 20
years. Any increase in benefits may result in increased costs to policyholders.

We thank this Committee for the opportunity to present testimony on this matter.



Pauahi Tower, Suite 2010
1003 Bishop Street
Honolulu, Hawaii 96813
Telephone (808) 525-5877

Alison H. Ueoka
Executive Director

TESTIMONY OF ALISON UEOKA

SENATE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

Thursday, February 5, 2015

9:00 a.m.

SB 1178

Chair Baker, Vice Chair Taniguchi, and members of the Committee, my name is Alison Ueoka, Executive Director of the Hawaii Insurers Council. 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 thirty-six percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council submits comments on this measure. When the motor vehicle insurance law was amended in the early to mid-1990's, the primary reason was to control the cost of providing that line of insurance. To that end, the Legislature took steps to enact cost containment provisions which have effectively controlled the high price of motor vehicle insurance in the State. Increasing the cost of acupuncture treatment per visit will ultimately find its way into the cost of motor vehicle insurance.

Thank you for the opportunity to testify.

SB1178

Submitted on: 2/3/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Wai H. Low	Institute of Clinical Acupuncture & Oriental Medicine	Support	Yes

Comments: It has been almost 20 years. In 1997 the state auditor did a study that acupuncture treatment cost is just 2% of cost driver for the total PIP payments. We strongly support bill SB1178, which increases payment for acupuncture services provided. In addition, the 30 combine treatments with Chiropractors should be amended. This is very confusing for the patient and contributes to challenging treatment outcomes. Thank you for the opportunity to testify. Wai H. Low, DAOM, MBA, L.Ac. President/CEO Institute of Clinical Acupuncture & O.M.

Kailua Acupuncture Clinic

Dr. Joni Kroll, D.Ac.

320 Uluniu Street, Suite 2

Kailua, Hawaii 96734

Phone: (808) 262-4550 Fax: (808) 261-7770



February 3, 2015

RE: SUPPORT FOR SB 1178

RELATING TO HEALTH. Increases the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance

Submitted to CPN and WAM Committees

Dear Senators,

I am in strong support of SB 1178. I have been in private practice in Kailua for 25 years and I was chair of the Hawaii Acupuncture Association's legislative committee during the years of No-Fault reform. I am very aware that the intention of Act 251 was to relieve the insurance premium increases as well as curb inappropriate billing by a few bad apples. As a Hawaii citizen, I have benefited by stable rates and manageable auto insurance rate increases over the years.

However, the net effect of Act 251 was an **unprecedented discriminatory bill that froze the reimbursement rates for licensed acupuncturists for nearly 20 years**. Locking the rate has not allowed reimbursements to keep up with even basic inflation, let alone the actual increased costs of providing the care.

The entry level educational requirement to obtain an acupuncture license in Hawaii is a Master's Degree. Many practitioners have gone on to obtain doctorates. **Compare our six years Masters to the 570 hours for massage therapists. Yet under the existing law, massage therapist are paid nearly twice per hour what acupuncturists are paid.**

Our cost of administering acupuncture is also higher than that of other providers given our cost of needle purchase and proper needle disposal as well as maintaining the sterile conditions in which we treat. We also must properly manage biohazard waste.

The high cost of doing business in Hawaii is no surprise to anyone. In the twenty five years I have been in practice in Kailua, my clinic rent for the same space has nearly tripled. The cost of the health insurance I pay my staff has gone from \$50 per month to \$350 month. My cost of needle disposal has gone from free to \$150 per month. Overall, my cost to see a patient, before any profit, has more than doubled. Yet my reimbursement to treat a no-fault patient has not changed. Actually, it has gone down, because certain insurers such as State Farm are now refusing to pay the GET tax saying it is included in the \$75 cap.

I recommend increasing the cap to reflect the increases that other providers in Hawaii have received by being tied to the Medicare Fee Schedule. If our \$75 cap had increased each year according to the **Medicare Economic Index**, then our fee would now be at **\$105.70**. Below is an excel spread sheet for your reference.

I also recommend the law include **annual increases** based on the Medicare Economic Index so that we do not have to revisit this again years down the road.

Finally, I recommend that **General Excise Tax** is not included in the cap and may be charged and collected in addition to the cap.

It should be noted that the \$105.70 is still lower (by 12-15%) than the fee schedule approved for acupuncture under Federal Worker's Compensation and Veterans Administration.

Sincerely,
 Dr. Joni Kroll, D.Ac.

MEDICARE FEE SCHEDULE INCREASES 1997-2015				2009	100.17	1.6%	1.60
Year	\$ Cap	Medicare Economic Index	\$ Increase	2010	101.77	1.2%	1.22
1997	75.00	2.0%	1.50	2011	102.99	0.4%	0.41
1998	76.50	2.2%	1.68	2012	103.41	0.6%	0.62
1999	78.18	2.3%	1.80	2013	104.03	0.8%	0.83
2000	79.98	2.4%	1.92	2014	104.86	0.8%	0.84
2001	81.90	2.1%	1.72	2015	105.70		-
2002	83.62	2.6%	2.17	Table 6 of http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SustainableGRatesConFact/downloads/sgr2013f.pdf			
2003	85.79	3.0%	2.57				
2004	88.37	2.9%	2.56				
2005	90.93	3.1%	2.82	For 2014 Table 44 of https://www.federalregister.gov/articles/2014/11/13/2014-26183/medicare-program-revisions-to-payment-policies-under-the-physician-fee-schedule-clinical-laboratory			
2006	93.75	2.8%	2.63				
2007	96.38	2.1%	2.02				
2008	98.40	1.8%	1.77				

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Submitted on: 2/3/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Dr Melissa Yee	Individual	Support	No

Comments: I strongly support this bill to increase fees for acupuncture treatments. With its several thousand year history, acupuncture has repeatedly shown that it is far more effective than pain killers or physical therapy in reducing pain and assisting in quick recovery from the trauma of auto accidents and other injuries. Because treatment is limited to 30 sessions, acupuncture has to work at a deep level to promote healing, and I have seen patients improve in a few appointments no matter how severe the accident seemed to be. Please pass this bill so acupuncturists can continue to survive in this profession and to support the evidence that it is an efficient and effective medical modality. Mahalo, Dr. Melissa L. Yee Phone 292-1179

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Submitted on: 2/3/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
andrea ipsaro	Individual	Support	No

Comments: I work as both a massage therapist and acupuncturist with no fault and motor vehicle patients. There is a huge discrepancy in insurance reimbursement between acupuncture and massage. I have spent over 4 years of full time acupuncture school to learn my trade, and I have helped many people along the way. People thank me and acknowledge how much I have helped. To not recognize acupuncture as a valid healing modality like chiropractic, massage and PT with adequate reimbursement is really insulting.

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Submitted on: 2/3/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Hastanan	Individual	Support	No

Comments: I support this bill! Please pass it through so that acupuncturists can increase earnings.

SB1178

Submitted on: 2/4/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Furst	Individual	Support	No

Comments: Acupuncture treatments are a very viable way to treat chronic pain and other ailments, and should have our full support from the medical and health insurance industries

From: mailinglist@capitol.hawaii.gov
To: [CPN Testimony](#)
Cc: wrtobin78@gmail.com
Subject: Submitted testimony for SB1178 on Feb 5, 2015 09:00AM
Date: Wednesday, February 04, 2015 1:12:19 PM

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Submitted on: 2/4/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
William R. Tobin	Individual	Support	No

Comments: I support this bill.

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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From: mailinglist@capitol.hawaii.gov
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Cc: blstaton@hawaii.rr.com
Subject: Submitted testimony for SB1178 on Feb 5, 2015 09:00AM
Date: Wednesday, February 04, 2015 2:19:21 PM

SB1178

Submitted on: 2/4/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
brenda staton	Individual	Comments Only	No

Comments: My name is Brenda Staton, I was injured in an automobile accident August 19, 2013. I was covered under my Auto Insurance, (State's No Fault Insurance Policy) where I was allotted and received the limited number of 15 Acupuncture treatments, along with 15 chiropractor treatments to total 30 all together. I benefited greatly from the acupuncture treatments and needed more, but budget restrictions prevented an increase in treatments. It is my testimony that an increase in the allotted amount of acupuncture treatments would greatly improve recipients recovery, and well being.

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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