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OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committees on Commerce and Consumer Protection
and Ways and Means
Friday, March 1, 2024
9:50 a.m.
State Capitol, Conference Room 211 and via Videoconference

On the following measure:
S.B. 2673, S.D.1 RELATING TO INSURANCE

WRITTEN TESTIMONY ONLY

Chair Keohokalole, Chair Dela Cruz, and Members of the Committees:

My name is Gordon 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 authorized insurance benefits 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 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 "no 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.

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 COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Friday, March 1, 2024
9:50 a.m.

SB 2673, SD1

Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee on Commerce and Consumer Protection, and Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee on Ways and Means, my name is Alison Ueoka, President of 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, SD1 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.

SB-2673-SD-1

Submitted on: 2/28/2024 5:21:32 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

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

Comments:

I am writing in support of this bill. Chiropractors have had the same \$75 fee for 30 years.

We are not asking for a blank check just a reasonable fee that is tied to the STATE SET WC FEE Schedule.

I believe that passing the bill will incentivize more chiropractors to accept car accident cases. Allowing the public to access a safe and effective form of healthcare.

SB-2673-SD-1

Submitted on: 2/28/2024 7:08:03 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

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

Thank you,
Joseph F Leonardi, D.C.

SB-2673-SD-1

Submitted on: 2/28/2024 7:12:37 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

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

Comments:

I fully support the passage of S.B. 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



To: The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair
Senate Committee on Commerce and Consumer Protection

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
Senate Committee on Ways and Means

From: Mark Sektnan, Vice President

Re: **SB 2673 SD1 – Relating to Insurance
Position: Concerns**

Date: Friday, March 1, 2024
9:50 a.m, Room 211 & Videoconference

Dear Chairs Keohokalole and Dela Cruz, Vice Chairs Fukunaga and Moriwaki and Members of the Committees:

APCIA has concerns about SB 2673 SD1 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 SD1 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-SD-1

Submitted on: 2/28/2024 6:04:13 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Hunter Williams	Testifying for Turning Point Chiropractic	Support	Written Testimony Only

Comments:

I am writing in support of this bill. I believe it will have a positive impact on the chiropractic profession and its patient base helping them get the best care possible. I also believe the original language of HB 1686 and NOT the HD1. The charges should be tied to the state approved workers comp schedule and not the fixed \$100.

SB-2673-SD-1

Submitted on: 2/28/2024 6:28:16 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill Dawrs	Testifying for Dr Jill Dawrs Family Chiropractic Clinic	Support	Written Testimony Only

Comments:

I support this bill. It is important that our fee schedule is tied to the workers compensation fee schedule and not artificially suppressed as it is now. This will help the doctors provide quality healthcare to our community.

SB-2673-SD-1

Submitted on: 2/28/2024 6:27:23 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

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

Comments:

I support SB2673

mahalo

Alice Ogawa DC

SB-2673-SD-1

Submitted on: 2/28/2024 6:30:50 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen	Individual	Support	Written Testimony Only

Comments:

I support this bill to provide fair and equitable treatment and reimbursement for healthcare services.

SB-2673-SD-1

Submitted on: 2/28/2024 6:30:51 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Cory Wilson	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill.

SB-2673-SD-1

Submitted on: 2/28/2024 6:57:55 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Frederick Kennedy	Individual	Support	Written Testimony Only

Comments:

Please support this bill, based on Personal Injury rates.

Mahalo,

Arthur Frederick Kennedy

SB-2673-SD-1

Submitted on: 2/28/2024 8:41:09 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
William Gallegos	Individual	Support	Written Testimony Only

Comments:

Please pass SB 2673 and make sure the reimbursements follow the Workers Compensation Guidelines!

SB-2673-SD-1

Submitted on: 2/28/2024 1:13:35 PM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Austin Blanchon	Individual	Support	Written Testimony Only

Comments:

I am a member of society and believe this legislation will positively impact the local community for the better.

SB-2673-SD-1

Submitted on: 2/28/2024 2:28:41 PM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
William Battles	Individual	Support	Written Testimony Only

Comments:

Please support this bill :)

SB-2673-SD-1

Submitted on: 2/28/2024 10:28:50 PM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Caleb Learned	Individual	Support	Written Testimony Only

Comments:

As a healthcare professional, I see House Bill 1686 as a positive move forward. The legislation's aim to bring chiropractic treatment charges in line with the workers' compensation supplemental medical fee schedule enhances both transparency and equity in healthcare pricing. Such a change benefits both healthcare providers and patients by creating a more straightforward and fair healthcare billing framework.

SB-2673-SD-1

Submitted on: 2/29/2024 6:55:25 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Klein	Individual	Support	Written Testimony Only

Comments:

I strongly urge passage of this measure. The best version is the original, without changes.

Mahalo.

LATE

SB-2673-SD-1

Submitted on: 2/29/2024 10:54:57 AM
Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
AMY VANQUAETHEM	Individual	Support	Written Testimony Only

Comments:

This bill is important to allow Chiropractors to determine the medical needs of their patients and to help update our archaic injury policy. As a small business owner in Maui, it is imperative that reimbursements reflect our cost of living. We have lost a number of chiropractors in the last few years due to financial challenges arising from limited pay from insurance companies. Mahalo for your consideration.



KLEIN NATURAL

HEALTH AND WELLNESS CENTER

LATE

Date: February 29, 2024

To: Senators Donovan Dela Cruz & Jarrett Keohokalole, Chairs
Senators Sharon Moriwaki & Carol Fukunaga, Vice Chairs
Members of the Committees on Ways and Means & Commerce and Consumer Protection

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

Re: SB2673 SD1, Relating to Insurance
March 1, 2024, at 9:50am

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, allowing rates to adapt over time, 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

LATE

SB-2673-SD-1

Submitted on: 2/29/2024 7:41:32 PM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
MARK K ROCCO	Individual	Support	Written Testimony Only

Comments:

This bill will assist many patients and the unions here on Maui, that striggle with injuries associated with auto accidents. In addition our clinic along with many others will be able to hire additional staff to assist with treatments and rehabilitations for these patients. As a jhealth provider that works here in Hawaii; I do promote the opportunity for chiropractos to be compensated fairly for their work and services that we prvide as they are considered the lowest cost and best benifits health services for patients. Thank you for your consideration and time.

Mark K. Rocco, D.C.