

Honolulu, Hawaii

MAR 20 2017

RE: H.B. No. 235
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred H.B. No. 235, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance; and
- (2) Cap the total benefit amount for acupuncture, chiropractic, and naturopathic treatments.

Your Committee received testimony in support of this measure from AcuPlan Hawaii, Hawaii Oriental Medicine and Acupuncture Association, Institute of Clinical Acupuncture and Oriental Medicine, and eleven individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, State Farm Mutual Automobile Insurance Company, and Hawaii Association for Justice. Your Committee received comments on this measure from one individual.

Your Committee finds that the reimbursement rate for licensed acupuncturists has not increased in almost twenty years. Your



Committee further finds that this freeze has resulted in a reimbursement rate that has not kept up with inflation or the increased costs of providing care.

Although your Committee has heard the concerns that this measure would affect underlying costs in certain areas of motor vehicle insurance, your Committee does not believe that enabling licensed acupuncturists to be appropriately compensated, like other health care providers, will be a significant cost-driver for motor vehicle insurance rates in Hawaii. Your Committee finds that tying acupuncture benefits to the charges permissible under the Workers' Compensation Supplemental Medical Fee Schedule will ensure that licensed acupuncturists are able to receive appropriate reimbursement for their services.

Your Committee has amended this measure by:

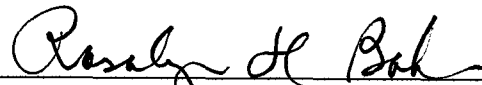
- (1) Clarifying that the authorized benefit for acupuncture treatments allowed under personal injury protection benefits shall be capped at thirty visits and shall be tied to the charges, and any subsequent increases in charges, permissible under the Workers' Compensation Supplemental Medical Fee Schedule;
- (2) Clarifying that the combined total of naturopathic and chiropractic treatments allowed under personal injury protection benefits may not exceed thirty visits;
- (3) Deleting language that would have capped acupuncture treatment at thirty visits at a cost of \$105.70 per visit;
- (4) Deleting language that would have capped the combined total of naturopathic, chiropractic, and acupuncture benefit treatments at \$2,250; and
- (5) 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 235, H.D. 1, as amended herein, and



recommends that it pass Second Reading in the form attached hereto as H.B. No. 235, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



