



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
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February 25, 2016

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Rachael Wong, DrPH, Director

SUBJECT: **HB 1599 HD1 - RELATING TO HEALTH**
Hearing: Thursday, February 25, 2016; 1:00 p.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the opportunity to testify on this bill and provides comments.

PURPOSE: The purpose of this bill is to require QUEST and Medicaid coverage for chiropractic care, limited to 24 visits per calendar year. The bill appropriates an unspecified amount of money.

The Med-QUEST Division currently covers chiropractic care for individuals under 21 years of age without limits if determined that the visits are medically necessary under the federal Early Periodic Screening, Diagnosis and Treatment (EPSDT) requirements.

In researching chiropractic coverage by other States, there are 26 States that cover chiropractic care for adults. However, the number of covered visits vary from 4 per year to 26 visits per year, with coverage limited to manual manipulation of the spine to treat subluxation of the spine demonstrated by an X-Ray. Coverage is not provided for preventive or maintenance care. Not all States allow chiropractors to bill for the X-Ray or the number of X-Rays related to the chiropractic care is limited, and 17 of the 26 States require a co-pay for each visit.

If Hawaii is required to cover chiropractic services for medical assistance recipients over 21 years of age with a maximum of 24 visits per year, the DHS estimates that for one-half of SFY2017, an appropriation of \$7,200,000 in State and Federal funds, of which \$3,886,560

would be State funds is required. In calculating the estimated cost to provide chiropractic care for the adult Medicaid population (approximately 200,000 individuals) we looked at the estimated percentage of the population that would utilize the service. National indicators estimated a range of 7% to 15% of the population utilizes the services, and an estimate of 10% of the Hawaii Medicaid population (20,000) was used to calculate utilization and cost based on current Medicaid rates (approximately \$30.00/visit). This estimate does not include the cost of associated X-Rays and supplies. The Hawaii Medicaid program does not have co-payments.

If this measure passes with appropriate funding, the Med-QUEST Division is directed to apply for federal approval via a State Plan Amendment (SPA). The appropriation date of the bill will need to be corrected and we respectfully suggest the effective date be associated with the timing of received federal approval of the SPA since that date is unknown.

Thank you for the opportunity to testify on this measure.