

Legislative Auditor

OVERVIEW

STUDY OF PROPOSED MANDATORY HEALTH INSURANCE FOR NATUROPATHIC CARE

Honolulu, Hawaii

December 1989

Summary

Since the 1960s, states have enacted a variety of laws requiring insurers to cover certain dependents, the services of different health practitioners, and specific medical conditions and treatments. Because of the increasing cost of health insurance, the Legislature became concerned with the number of proposals to mandate health insurance and with their impact on the cost and quality of healthcare. In 1987, the Legislature enacted Act 331 requiring that the auditor assess all proposals to mandate health insurance benefits.

This report examines the social and financial impact of mandating insurance coverage for naturopathic care as requested in Senate Concurrent Resolution 24, Senate Draft 1, of 1989. Naturopathic physicians testified that the proposed benefit would not result in additional health services but that it would require insurers to reimburse naturopathic physicians when medical doctors are reimbursed for the same services.

Naturopathy has been regulated in Hawaii since 1925. Naturopathic physicians are primary health care providers who specialize in natural medicine. They believe in the healing power of nature and see

their role as one of removing obstacles to the healing process and supporting the patient's recuperative powers.

In diagnosing ailments, naturopathic physicians take medical histories, order laboratory tests, and do physical examinations. Treatment methods include nutritional advice; the use of homeopathic medicines, herbs, and botanical medicines; vitamin and mineral therapy; manipulation; physiotherapy; psychological counseling; and stress management.

Currently, there are 40 naturopathic physicians licensed in Hawaii--33 practice in the state and 7 are on the mainland. The number of licensed naturopaths has been increasing. More than one third of the total number of licenses have been issued since May 1988.

There is no evidence that people are kept from obtaining naturopathic treatment or suffer financial harm because of the lack of insurance coverage. Insurance coverage for naturopathic care is available from commercial carriers, although it is not provided by the Hawaii Medical Service Association or Kaiser, the two largest health insurers in Hawaii.

FINDINGS

1. Utilization of naturopathic care is low, primarily because of the limited number of naturopathic physicians.
2. There is no evidence of public demand for insurance coverage of naturopathic services.
3. Mandating insurance coverage for naturopathic services is unlikely to have any impact on the cost of insurance premiums or the cost of health care in the short or long term.

CONCLUSIONS

There is no evidence of a significant demand or need to require insurers to include naturopathic coverage in their plans.

There is no evidence that coverage will add to the cost of insurance or to the total cost of health care.

DEPARTMENT OF HEALTH'S VIEWS

The Department of Health does not believe that mandating insurance coverage for naturopathic physicians would be in the public interest for several reasons. Mandating insurance coverage in

a piecemeal fashion is not the best way to solve jurisdictional or social problems. The training and treatment provided by naturopathic physicians is not equivalent to that of physicians, and their services cannot be equated. The number of states licensing naturopaths continues to decline, and no other state mandates insurance coverage for naturopathic care. Although the financial impact of coverage would be small, it would add to the administrative tasks of insurance carriers. Finally, the department believes that including naturopaths in the definition of physician in the Prepaid Health Care Act would be unjustified and also mislead the public.