Study of Proposed Mandated Health Insurance for Acupuncture Services

A Report to the Governor and the Legislature of the State of Hawaii

Report No. 95-28
November 1995

THE AUDITOR
STATE OF HAWAII

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Submitted by

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Foreword

Sections 23-51 and 23-52, Hawaii Revised Statutes, require the State Auditor to study the social and financial impact of measures that propose to mandate health insurance benefits. The purpose of these studies is to give the Legislature an objective basis for evaluating the merits of the proposals. As requested by Senate Concurrent Resolution No. 61, Senate Draft 1, House Draft 1, of the Regular Session of 1995, this report assesses the social and financial impact of mandating health insurance coverage for acupuncture services.

We wish to express our appreciation for the cooperation and assistance of those state agencies, private insurers and other interested organizations and individuals whom we contacted during the course of the study.

Marion M. Higa
State Auditor

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Chapter 1
Introduction

Sections 23-51 and 23-52, Hawaii Revised Statutes, require the Legislature to pass concurrent resolutions requesting the State Auditor to study the social and financial effects of any proposed legislative measure that would mandate health insurance for specific services, diseases, or providers.

The law stems from legislative concern over the increasing number of these proposals in recent years and their impact on the cost and quality of health care. The purpose of the assessment is to provide the Legislature with an independent review of the social and financial consequences of each proposal.

Senate Concurrent Resolution No. 61, Senate Draft 1, House Draft 1 of the Regular Session of 1995 requests the Auditor to assess the social and financial impacts of mandated health insurance coverage for acupuncture services as a mandate or rider. However, the resolution did not designate any bill that delineates the mandated insurance coverage being proposed.

Background on Mandated Health Insurance

Since the 1960s, states have enacted a variety of laws mandating the health coverage that insurers must provide. These laws have required insurers to cover specific medical conditions and treatments, particular groups of people, and the services of certain health practitioners. As of 1992, state governments had enacted over 900 mandates. However, the growth of mandated coverage appears to be slowing.[1]

Arguments for and against mandated health insurance

Mandated health insurance may be appropriate in certain circumstances. However, proponents and opponents disagree about key issues: whether a particular coverage is necessary, whether it is justified by the demand, whether it will increase the costs of care and by how much, and whether it will increase premiums. Generally, providers and recipients of medical care support mandated health insurance, and businesses and insurers oppose it.

Proponents say gaps in existing coverage prevent people from obtaining the care they need. They believe the current system is not equitable because it does not cover all providers, medical conditions, or needed treatments and services. Proponents also argue that mandated coverage could increase competition and the number and variety of treatments available. In some instances it could also reduce costs by making preventive care, early treatment, or alternate care more available.

Opponents argue that mandated benefits add to the cost of employment and production and reduce other more vital benefits. They create particular hardship for small businesses that are less able to absorb rising premium costs. Opponents also argue that mandates reduce the freedom of employers, employees, and unions to choose the coverage they want. Insurers state premium rates may rise beyond what employers and consumers are willing to pay. They see mandates as creating an incentive for employers to adopt self-insurance plans that are exempt from the mandates.

Types of insurance plans affected

Laws to mandate health insurance in Hawaii would affect three main types of private insurance: (1) Blue Cross and Blue Shield plans, (2) health maintenance organizations (HMOs), and (3) commercial insurance plans. Also, the emerging managed care organizations (MCOs) may be affected as well.

The Hawaii Medical Service Association (HMSA), the Blue Cross and Blue Shield insurer in Hawaii, offers traditional fee-for-service plans (sometimes called indemnity plans) that reimburse physicians and hospitals for services. HMSA also operates a managed care system in which beneficiaries may obtain services from a network of designated providers. In addition, HMSA has an HMO plan that offers a package of preventive and treatment services for a fixed fee. With a 1992 membership of 623,074, HMSA covers about 53 percent of Hawaii's population.[2]

Kaiser Foundation Health Plan is a federally qualified health maintenance organization. In 1992, Kaiser served 188,141 people in Hawaii, or about 16 percent of the population.[3]

Commercial insurance plans such as HDS (Hawaii Dental Service) Medical, Island Care, and Straub Plan cover most of the remaining privately insured population. Some mainland companies, such as Travelers and Aetna, also provide health insurance coverage in Hawaii.

The director of the Department of Labor and Industrial Relations noted that with potential development of managed care organizations, MCO plans may also be mandated to provide coverage for non traditional disciplines. Although not yet certified in Hawaii, MCOs are similar to HMOs but target the needs of specific groups such as Medicare and workers' compensation clients.

Potential legal challenge

Hawaii's Prepaid Health Care Act, enacted in 1974, requires employers to provide a qualified prepaid health care plan to regular employees working at least 20 hours per week. A qualified plan is one with benefits that are equal to, or a medically reasonable substitute for, the benefits provided by the plan with the largest number of subscribers in the state.[4]

The federal courts have ruled that the Prepaid Health Care Act is preempted by the federal Employee Retirement Income Security Act (ERISA), which has a provision preempting state laws relating to employment benefit plans. A subsequent congressional amendment exempted Hawaii's Prepaid Health Care Act from ERISA. The exemption, however, applied only to the law as it was enacted in 1974. In effect, this has frozen the law at its original provisions since ERISA would preempt any subsequent amendments. It is possible, therefore, that in Hawaii any mandated benefit laws could be viewed, and challenged, as bypassing the limitations placed on the Prepaid Health Care Act.[5]

Background on Acupuncture Services

Acupuncture treatment stimulates the body's own defensive and immune system by the insertion of very fine needles into various acupoints on the body. These acupoints relate to specific internal parts. Licensed acupuncturists are authorized to treat for pain relief, analgesia, functional disorders, and abnormal conditions. Licensed medical doctors and dentists may refer patients to acupuncturists for treatment of other conditions. Similarly, the acupuncture practitioner may refer patients with ailments beyond the practitioner's scope of treatment to a medical doctor or dentist.

Acupuncturists have been regulated in Hawaii since 1880 when the Minister of Interior under the Hawaiian Monarchy granted license to individuals who had practiced medicine in China. In 1896 the licensing law was repealed when the Board of Medical Examiners was established. Seventy-eight years later, the Legislature established an independent regulatory board in 1974. The board is subject to repeal in 1999. As of February 1995, there were 321 licensed acupuncturists in the state. Of these, 157 or 49 percent are on Oahu, 87 or 27 percent are on the neighbor islands, and 77 or 24 percent are on the mainland or abroad.

Current Proposal to Mandate Coverage

As previously noted, Senate Concurrent Resolution No. 61, S.D. 1, H.D. 1, did not designate any bill that delineated the mandated insurance benefits for acupuncture treatment, that is, the scope of services and types of treatments to be covered. We were unable, therefore, to determine which procedures or services should be considered for this study.

Those who testified on the resolution were generally in support of the resolution for a study. In favor of mandated health insurance coverage were practitioners and a successfully treated patient. The Hawaii Acupuncture Association (HAA), a nonprofit organization, reported the success and cost effectiveness of acupuncture treatment. A licensed

acupuncturist testified that her patients want HMSA coverage for treatment and would be willing to pay additional monthly coverage for the care as a rider. A patient testified on her successful acupuncture treatment for her chemical allergies which is not covered under her current plan as an alternative therapy.

Insurers testified in support of this study with qualifications. HMSA stated that more guidance from such a study would be helpful in terms of which specific services would be provided. HMSA stated that the current coverages for acupuncture services could be starting points for information on utilization, costs, and consumer demand. Auto no-fault and workers' compensation insurance and one health plan, Pacific Group Medical Association (PGMA), offer acupuncture coverage. Kaiser Permanente supported an objective assessment, but believes that decisions about health benefits should be left to the marketplace among employees, employers, and unions. The Hawaii Federation of Physicians and Dentists (HFPD) opposed the resolution on the principle that the public has a right to choose alternative health care without mandated coverages.

Mandated Coverage in Other States

Several states include acupuncture treatment in their insurance laws, but the terms and conditions vary significantly. No state mandates coverage for all customers. California requires group disability insurance plans to offer coverage but public entity insurers are not required to do so. Alaska states that insurers *may* offer coverage for acupuncture. Individual disability insurance policies may include coverage for acupuncture services.

Several states protect acupuncturists from discrimination by insurers. Florida, Maine, and Oregon laws state that if insurers offer coverage for licensed acupuncturist services, the coverage must be under the same conditions that apply to physicians. Nevada law similarly states that insurers who reimburse costs of acupuncture treatment performed by a physician must also reimburse costs of acupuncture treatment performed by a licensed acupuncturist. New Mexico law states that individual and group nonprofit health care plans shall not exclude licensed oriental medical doctors as health care providers and shall not discriminate in the reimbursement levels for such services between types of licensed health care providers.

Iowa laws on accident and health insurance do not require coverage for acupuncture services unless provided by the policy. Utah does not require insurers to pay for acupuncturists.

Objective

The objective of this study is to describe the social and financial effects of mandating health insurance coverage for acupuncture services.

Scope and Methodology

It is important to note that our study examined the impact of mandated *insurance coverage* for acupuncture services and not the impact of the services themselves. Our work was limited because little data is available on utilization and costs and no bill had been designated for us to study. Such a bill should include, at a minimum, information identifying the specific health service, disease, or provider that will be covered; the extent of the coverage; the target groups that will be covered; limits on utilization, if any, and standards of care. Without this type of specific information, any assessment will be limited in usefulness.

Scope

To the extent feasible, however, we considered the following issues set forth by the law:

Social impact

1. Extent to which acupuncture services are generally utilized by a significant portion of the population.

2. Extent to which acupuncture coverage is already generally available.

3. Extent to which the lack of coverage results in persons being unable to obtain necessary treatment.

4. Extent to which the lack of coverage results in unreasonable financial hardship on those needing treatment.

5. Level of public demand for acupuncture service.

6. Level of public demand for individual or group insurance coverage of acupuncture services.

7. Level of interest of collective bargaining organizations in negotiating privately for this coverage.

8. Impact of providing coverage for acupuncture services on health status, quality of care, practice patterns, provider competition, or related items.

9. Impact of indirect costs upon the costs and benefits of coverage.

Financial impact

1. Extent to which the insurance coverage would increase or decrease the cost of acupuncture services.

2. Extent to which insurance coverage might increase the use of acupuncture services.

3. Extent to which mandated acupuncture services might serve as an alternative to more expensive treatment or services.

4. Extent to which insurance coverage of acupuncture services might increase or decrease the insurance premiums or the administrative expenses of policy holders.

5. Impact of insurance coverage for acupuncture services on the total costs of health care as a mandated coverage and as a rider.

Methodology

We reviewed recent research literature and reports on social and financial effects of acupuncture treatment. We obtained information from and conducted interviews with commercial insurers, mutual benefit societies, health maintenance organizations, employer groups, collective bargaining organizations, professional associations, and state and national agencies. We received information from the Hawaii Acupuncture Association. We also received unsolicited petitions supporting the licensed profession of acupuncture and requesting legislative support of insurance coverage of acupuncture. We were unable to use the petitions.

Our work was performed from June 1995 through September 1995 in accordance with generally accepted government auditing standards.

Chapter 2

Social and Financial Impact of Insurance Coverage for Acupuncture Services

This chapter summarizes the results of our efforts to assess the potential social and financial impact of mandating health insurance coverage for acupuncture treatment services. The assessment is limited by inadequate data available on the utilization, benefits, and costs of privately insured acupuncture services, and by the absence of a designated legislative proposal on which to base our assessment.

Social Impact

1. Extent to which acupuncture services are generally utilized by a significant portion of the population.

In 1990, Americans made an estimated 425 million visits to unconventional therapists, which include acupuncturists. The January 1993 *New England Journal of Medicine* reported a high frequency of use of unconventional therapy such as acupuncture based on a national survey sample of 1,539 adults. The survey asked participants about the prevalence, costs, and patterns of use of unconventional therapies. Of the sample population, 34 percent used at least one unconventional therapy in the past year. Of these, thirty percent averaged 19 visits to providers and paid an average charge of $27.60 per visit. Of those who used unconventional therapy, 91 percent saw an acupuncturist and averaged 38 visits each. The survey also reported that the highest users of unconventional therapy were well educated persons from 25 to 49 years of age earning annual incomes above $35,000.[1]

Determining utilization rates for the general population is difficult because visitation data are not always reported. Patients who simultaneously use unconventional with conventional therapy for their medical problems do not always disclose this fact to their medical doctors.

2. Extent to which insurance coverage for acupuncture services is already generally available.

The following private insurers and state insurance laws currently provide coverage for acupuncture services:

a. Pacific Group Medical Association (PGMA)
b. Metra Health for Travelers' Life (Travelers)
c. Hawaii Management Alliance Association (HMAA)
d. Hawaii State Motor Vehicle Insurance law
e. Hawaii State Workers' Compensation law

None of the three private insurers has discrete data on acupuncture services. The two state insurance laws provide coverage for acupuncture treatment under specific conditions. The conditions under which the injury occurred are either auto accident or workplace related.

Hawaii's Motor Vehicle Insurance Law (no-fault), has covered acupuncture services since 1974. However, the demand for acupuncture services statewide cannot be determined. Medical services from physicians, chiropractors and acupuncturists, and others are not reported separately to the insurance commissioner. Some utilization data on acupuncture treatments under the no-fault law are available from a study of challenged claims, that is, claims that exceeded treatment limits.[2] In the claims study, the number of claims attributed to licensed acupuncturists was insignificant. Of the 8,266 challenged claims reviewed, only 137, or 1.7 percent, were for services of acupuncturists.

Hawaii's 1986 Workers' Compensation Law established guidelines for acupuncture treatment and its medical fees schedule. Like the no-fault coverage data, the workers' compensation utilization data for acupuncture services cannot be assessed because medical costs are reported in total. Insurance carriers are not required to report costs by specific occupational discipline.

However, data on closed workers' compensation claims was reported in a study requested by the insurance commissioner. The study reviewed 1,000 claims for permanent injuries closed between the period of September 1, 1992 and August 31, 1993. Of the 1,000 claims, acupuncturists accounted for 29 or 2.9 percent of the cases and $70,179, or 0.6 percent of the costs.[3]

3. Extent to which the lack of coverage results in population being unable to obtain necessary treatment.

The 1990 national survey reported that 34 percent of the sample population used unconventional therapy despite lack of coverage. In Hawaii, we found no information that persons were unable to obtain acupuncture treatment because of the lack of coverage. Some people may have been unwilling or unable to pay for a series of treatments that were not covered by their health insurance plans, but information is anecdotal and not objective.

4. Extent to which the lack of coverage results in unreasonable financial hardship on those needing treatment.

The 1990 survey reported that 34 percent of the sample population spent out of pocket approximately $10.3 billion on unconventional treatment.[4] The survey did not address whether financial hardship was a barrier to

treatment. There are no Hawaii data reports on unreasonable financial hardship resulting from the lack of coverage. For Hawaii residents whose injuries are workplace or auto accident related, state insurance laws provide coverage. Private insurers PGMA, HMAA, and Travelers also offer coverage.

5. Level of public demand for acupuncture service.

From the national survey results, there is evidence of great interest and use of unconventional treatments such as acupuncture services. However, the low utilization data from workers' compensation, no-fault insurance, and private insurers indicate that the service is not widely used and therefore not in demand. While there is no organized and mobilized demand from the public at large for acupuncture services, the Hawaii Acupuncture Association did submit petitions to our office in support of treatment coverage.

6. Level of public demand for individual or group insurance coverage of acupuncture services.

According to large employer groups, the demand for acupuncture services from their membership is non existent. Hawaii Employers Council reported no interest among its 600+ employer group members. HMSA reported no interest in this benefit from the approximately 22,000 employer groups it services.

7. Level of interest of collective bargaining organizations in negotiating privately for this coverage.

Collective bargaining organizations do not appear interested in negotiating for this benefit. HMSA reported no interest from collective bargaining organizations and employer groups for the increased benefit. A representative for HGEA reported no inquiries from its members about adding acupuncture services as a mandated insurance benefit. The same response was received from University of Hawaii Professional Assembly. The United Public Workers was unable to provide us with any information. Other union groups contacted did not respond.

8. Impact of providing coverage for acupuncture services on health status, quality of care, practice patterns, provider competition, or related items.

No comprehensive data has been collected on whether insurance coverage improves patients' health status, changes practice patterns or increases provider competition. In our survey of 16 insurance providers, Nippon Life Insurance Company of America responded that providing acupuncture benefits would have little impact on health status, quality of care, practice patterns or provider competition.

9. Impact of indirect costs upon the costs and benefits of coverage.

We could find no information on indirect costs.

Financial Impact

1. Extent to which the insurance coverage would increase or decrease the cost of acupuncture services.

The current medical fee schedule used for workers' compensation and no-fault insurance is $140 an hour.[5] A recent consumer report cited $225 for an initial visit and about $75 for follow-up visits that include a supply of Chinese herbal medicines which are part of an acupuncturist's treatment.[6] We found no information that mandated insurance coverage would increase or decrease these rates.

2. Extent to which insurance coverage might increase the use of acupuncture services.

It is probable that adding acupuncture services coverage would increase its utilization as a reliable pain treatment. Some scientific studies have shown acupuncture to be an effective method to reduce pain. It has been documented in studies for migraine treatment; degenerative knee-joint treatments; common pregnancy problems such as anemia, back pain, morning sickness, indigestion, and heartburn. One study reportedly showed that acupuncture was beneficial when used with therapy for stroke victims. Athletes are exploring acupuncture and integrated acupressures to heal sports injuries and get relief from pain.

A 1992 congressional report determined that coverage did affect utilization, but in conjunction with other influencing factors. Utilization depends on regular sources and accessibility of treatment as well as individual initiative. Other influencing factors that affect utilization are inherited characteristics and individual behaviors, physical and social environment, age, gender, education, occupation, and ethnicity.[7] Much depends on behaviors both by individual patients and by health care providers.

In our survey of insurance providers, responses were mixed. HMAA reported that utilization historically increased when benefits were mandated. Nippon Life reported it did not expect a significant increase in utilization if coverage were mandated. HMSA based its response on the very few members who inquired about the service over the years and surmised that current needs are being met.

3. Extent to which mandated acupuncture services might serve as an alternative to more expensive treatment or services.

Information on the extent to which acupuncture services may serve as an alternative treatment is very limited. The 1990 survey merely reported on the high use of alternative treatments without determining if treatments increased or decreased overall medical costs. HMSA responded that an analysis is first needed which compares the frequency of acupuncture services relative to other available services and the cost of acupuncture treatments versus other methods. For example, if an acupuncture treatment costs half as much as a traditional treatment but twice as many acupuncture treatments are necessary to achieve the same relief, then savings have not occurred. On the other hand, the Hawaii Acupuncture Association reported a study of stroke victims who received acupuncture treatment resulted in fewer days spent in nursing homes and rehabilitation facilities.[8] The savings were $26,000 per patient.

According to the Health Insurance Association of America, insurers are much more willing now than before to pay for acupuncture treatment when acupuncture is recommended by a doctor after conventional treatment fails.

4. Extent to which insurance coverage of acupuncture services might increase or decrease the insurance premiums or the administrative expenses of policy holders.

We received seven responses of our survey sent to 16 insurance providers. Four insurers responded that insurance costs would generally increase. HMAA responded that historically, costs increase when benefits are mandated. HDS reported insurance premiums and administrative expenses of policy holders would increase minimally. Nippon Life expected premiums to increase more than one percent. PGMA estimated premiums to increase $200 per member per month. Three other insurers commented "unknown" and "no data" to the question.

5. Impact of insurance coverage for acupuncture services on the total costs of health care as a mandated coverage and as a rider.

We were not able to determine if mandated coverage for acupuncture services would impact total health care costs. The director of the Department of Labor and Industrial Relations who oversees the workers' compensation program noted that acupuncture coverage costs may not be

significant. However, the director believes that mandating coverage for acupuncture services eventually will lead to mandating other services, such as naturopathic, chiropractic, physical therapy and all categories of health care providers.

Conclusions

Because of insufficient data and the lack of a specific legislative proposal, we could not assess the impact of mandated health insurance coverage for acupuncture services. However, the responses from HMSA, Kaiser Health Plan, employers and employee groups indicated that interest or demand for coverage for acupuncture services is low or nil. Although a large nationwide population utilizes unconventional treatments such as acupuncture and are willing to pay out of pocket for this service, this phenomena has not caused Hawaii's workforce to negotiate for insurance coverage.

Coverage for acupuncture services is already provided by some insurers. Coverage is also provided under Hawaii's workers' compensation and no-fault automobile insurance laws. Also, insurance coverage for acupuncture services may be provided as an optional rider to existing coverage as an insurer's option. If coverage is mandated, costs for insurance premiums are expected to increase.

In light of the low demand, coverage currently available, and probable increased costs, we conclude that mandating coverage for acupuncture services is not warranted at this time.

Notes

Chapter 1

1. Blue Cross and Blue Shield Association, Office of Government Relations, "Issue Review," February 1992, p.1.

2. Hawaii, Department of Business, Economic Development and Tourism, *Data Book 1993-94*, p. 352.

3. Ibid.

4. Act 210, *Session Laws of Hawaii, Regular Session of 1974.*

5. National Governors' Association, "Roadblock to Reform, ERISA Implications for State Health Care Initiatives, "1994, pp. 6, 46, 49, 50.

6. Section 12-72-4, Section 12-72-5, *Hawaii Administrative Rules*.

Chapter 2

1. D. Eisenberg, M.D., *New England Journal of Medicine*, Jan. 28, 1993, "Uncoventional Medicine in the United States," pp. 246-252.

2. Hawaii, Department of Commerce and Consumer Affairs, Insurance Division, "Challenge Statistics Report," July 27, 1995.

3. Martin A. Lewis; Tillinghast, a Towers Perrin Co.; *Hawaii Workers' Compensation Closed Claim Study, 1993*; December 20, 1993.

4. D. Eisenberg, p. 246.

5. Hawaii, Department of Labor and Industrial Relations, *Workers' Compensation Medical Fee Schedule, January 1, 1993-December 31, 1995.*

6. *Kiplinger's Personal Finance Magazine*, January 1993, Vol. 7, No. 1, pp. 98-100.

7. U.S. Congress, Office of Technology Assessment, "Does Health Insurance Make a Difference?--Background Paper," OTA-BP-H99, Washington, D.C., September 1992, pp. 5, 13, 14, 20.

8. Hawaii Acupuncture Association, *Information Supporting Senate Concurrent Resolution 61*, August 1995, p. 52.

Response of the Affected Agency

Comments on Agency Response

We transmitted a draft of this report to the Department of Health on November 1, 1995. A copy of the transmittal letter to the department is included as Attachment 1. The response from the department is included as Attachment 2.

The department agreed with our assessment that mandating coverage for acupuncture services is not warranted at this time. The department stated that it is generally not in favor of mandating additional benefits unless there is visible and compelling evidence of the proposed service being cost effective, preventive of disease, and otherwise not available to individuals in Hawaii. Although the department supports the use of alternative medicine by those who use these types of services, the department does not believe it should be included in the standard benefit package as defined under the Prepaid Health Care Act of 1974.

ATTACHMENT 1

STATE OF HAWAII
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465 S. King Street, Room 500
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MARION M. HIGA
State Auditor

(808) 587-0800
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November 1, 1995

COPY

The Honorable Lawrence Miike
Director of Health
Department of Health
Kinau Hale
1250 Punchbowl Street
Honolulu, Hawaii 96813

Dear Dr. Miike:

Enclosed for your information are three copies, numbered 6 to 8 of our draft report, *Study of Proposed Mandated Health Insurance for Acupuncture Services*. We ask that you telephone us by Monday, November 6, 1995, on whether or not you intend to comment on our recommendations. If you wish your comments to be included in the report, please submit them no later than Wednesday, November 15, 1995.

The Governor and presiding officers of the two houses of the Legislature have also been provided copies of this draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Marion M. Higa

Marion M. Higa
State Auditor

Enclosures

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII

LAWRENCE MIIKE
DIRECTOR OF HEALTH

STATE OF HAWAII
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November 15, 1995

OPPPD/34241

Ms. Marion M. Higa
State Auditor
465 South King Street, Room 500
Honolulu, Hawaii 96813-2917

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OFC. OF THE AUDITOR
STATE OF HAWAII

Dear Ms. Higa:

Thank you for the opportunity to review your Study of Proposed Mandated Health Insurance for Acupuncture Services. The Department of Health is generally not in favor of mandating additional benefits unless there is visible and compelling evidence of the proposed service being cost effective, preventive of disease in nature, and otherwise not available to individuals in Hawaii. Although we support the use of alternative medicine by those who wish to take advantage of these types of services, we do not believe that it should be included in the standard benefit package as defined under the Prepaid Health Care Act of 1974. We, therefore, agree with your assessment that mandating coverage for acupuncture services is not warranted at this time.

Thank you again for the opportunity to comment on this report.

Sincerely,

LAWRENCE MIIKE
Director of Health