

PUBLIC HEARING

before

New Jersey Legislature

SENATE, LABOR, INDUSTRY AND PROFESSIONS COMMITTEE.

on

ASSEMBLY 21, 22, and 23

(Insurance reimbursement for chiropractic services.),

Held:
Assembly Chamber
State House
Trenton, New Jersey
March 5, 1975

Members of the Committee Present:

Senator Edward J. Hughes, Jr. (Chairman)
Senator John J. Fay, Jr. (Vice Chairman)
Senator James H. Wallwork
Senator John M. Skevin

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00077

I N D E X

| | <u>Page</u> |
|--|-------------|
| Assemblyman Joseph A. Le Fante, District 31 | 1 |
| Dr. Joseph P. Donnelly, President, Blue Shield of New Jersey | 5 |
| Edward W. Harker, Esquire, Counsel, New Jersey Chiropractic Society | 17 |
| Meyer L. Abrams, Chairman, Council on Legislation of the Medical Society of New Jersey | 21 |
| Dr. Eugene Cianciulli, President, New Jersey Chiropractic Society | 31 & 43 |
| John Kelly United Steel Workers of America | 40 |
| William H. Bromley, D. C., Audubon, New Jersey | 45 |
| Joseph Job Bergen County | 59 |
| Neil A. De Sena President, City Council, City of Bayonne | 65 |
| William R. Vanderbilt, Esquire Counsel, Medical-Surgical Plan of New Jersey | 67 |
| Dr. Arnold E. Cianciulli, New Jersey Board of Medical Examiners, Medicaid Consultant, State of New Jersey | 76 |
| Father Netta Associate Pastor, Church of Saint Genevieve, Elizabeth, New Jersey | 77 |

I N D E X (continued)

| | <u>Page</u> |
|--|-------------|
| Neil Stern, Dean of Chiropractic, College of New York | 79 |
| Frances Kostelfka, Head Nurse, Jersey City Medical Center | 80 |
| Robert Kovacs, Chairman, New Jersey Chiropractic Society, Insurance Relations Committee | 82 |
| Ernest Napolitano, President, Columbia Institute of Chiropractic | 85 |
| Sister Veronica Administrator, Bendar Memorial Academy, Elizabeth, New Jersey | 88 |
| Gustav L. Ibranyi, M. D. Newark, New Jersey | 89 |
| - - - | |
| ALSO: | |
| Statement by Lewis R. Applegate, Sr. Director, Governmental Relations New Jersey State Chamber of Commerce | X-10 |
| Statement by Dr. Joseph P. Mazzaelli, Chiropractor, President of the International Chiropractors Association | X-12 |
| Statement by Mrs. Josephine B. Janifer Chairwoman, Consumer Affairs Committee of Blue Shield of New Jersey | X-18 |
| Statement by the New Jersey Hospital Association, By William H. Baker, Director of Governemental Affairs | X-19 |

ASSEMBLY, No. 21

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1974 SESSION

By Assemblymen LEFANTE and BATE

AN ACT to amend and supplement "An act concerning medical service corporations and regulating the establishment, maintenance and operation of medical service corporations and medical service plans, and supplementing Title 17 of the Revised Statutes by adding thereto a new chapter entitled 'Medical Service Corporations,' " approved May 29, 1940 (P. L. 1940, c. 74).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 1 of P. L. 1940, c. 74 (C. 17:48A-1) is amended to
2 read as follows:

3 1. As used in this act the following words and phrases shall have
4 the following meanings:

5 A medical service corporation is any corporation organized,
6 without capital stock, and not for profit, for the purpose of estab-
7 lishing, maintaining and operating nonprofit medical service plans,
8 or to provide or pay for medical services on the basis of premiums
9 or other valuable considerations. A nonprofit medical service plan
10 is any plan or arrangement operated by a medical service corpora-
11 tion, under the provisions of this act, and whereby the expense of
12 medical services to subscribers and other covered dependents is paid
13 in whole or in part by the corporation to participating physicians
14 of such plans or arrangements and to others as provided herein. A
15 subscriber is a person to whom a subscription certificate is issued
16 by the corporation and which sets forth the kinds and extent of the
17 medical services for which the corporation is liable to make payment
18 and which constitutes the contract between the subscriber and the
19 corporation. A covered dependent is the spouse, an adult dependent

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

20 or a child of the subscriber who is named in the subscription certifi-
21 cate issued to the subscriber and with respect to whom appropriate
22 premium is specified in the certificate. A participating physician is
23 any physician licensed to practice medicine and surgery, or licensed
24 to practice chiropractic in the State of New Jersey pursuant to
25 chapter 9, Title 45, of the Revised Statutes, who agrees in writing
26 with the corporation to perform the medical services specified in
27 the [subscription certificates] contracts issued by the corporation
28 and at such reasonable rates of compensation as shall be determined
29 by its board of trustees and who agrees to abide by the bylaws, rules
30 and regulations of the corporation applicable to participating physi-
31 cians. Medical service includes all general and special medical and
32 surgical services and chiropractic services, ordinarily provided by
33 such licensed physicians in accordance with accepted practices in
34 the community at the time the service is rendered, and within the
35 scope of their licenses. No subscriber or his covered dependents
36 shall be liable for any payment to any participating physician for
37 medical services specified in the subscriber's certificate to be paid
38 to the participating physician by the corporation.

1 2. Section 2 of P. L. 1940, c. 74 (C. 17:48A-2) is amended to read
2 as follows:

3 2. No medical service corporation shall be converted into a
4 corporation organized for pecuniary profit. Every such corporation
5 shall be operated for the benefit of the subscribers. No person shall
6 be elected a trustee of any medical service corporation unless his
7 nomination has been approved by a recognized medical society or
8 professional medical organization having not less than 2,000 mem-
9 bers holding licenses to practice medicine and surgery pursuant to
10 chapter 9, Title 45, of the Revised Statutes, and which has been
11 incorporated for a period of not less than 10 years. No medical
12 service corporation shall impose any restrictions on physicians who
13 administer to its subscribers as to methods of diagnosis or treat-
14 ment. *The private relationship of physician and patient shall be*
15 *maintained and the subscriber shall at all times be free to choose*
16 *either a doctor of medicine, doctor of chiropractic or any other*
17 *participating physician.* No person, firm, association or corpora-
18 tion other than a medical service corporation shall establish, main-
19 tain or operate a medical service plan or any other means, agency
20 or device for contracting with persons to pay for or to provide for
21 medical services on the basis of premiums or other valuable con-
22 siderations to be collected by such person, firm, association or
23 corporation from such persons for the issue of such contracts;

24 provided, that this section shall not be construed as preventing the
25 exercise of any authority or privilege granted to any corporation
26 by any certificate of authority issued by the Commissioner of
27 **[Banking and]** Insurance pursuant to any law of this State; and
28 provided further, that this section shall not be construed as prevent-
29 ing any person, firm, association or corporation from furnishing
30 medical services required under any workmen's compensation law.
31 No medical service corporation shall solicit subscribers or enter into
32 any contract with any subscriber until it has received from the
33 Commissioner of **[Banking and]** Insurance a certificate of au-
34 thority to do so.

1 3. Notwithstanding any other provision of P. L. 1940, c. 74 to
2 which this act is a supplement, benefits shall not be denied to an
3 eligible individual for medical services when such services are per-
4 formed for or rendered to such an individual by a duly licensed
5 chiropractor within the scope of his practice. The practice of a
5a chiropractor shall be deemed to be within the provision of the act
6 to which this act is a supplement, and duly licensed chiropractors
7 shall have the same privileges and benefits in the scope of their
8 practice under such act as are afforded thereunder to physicians
9 licensed to practice medicine and surgery. Any medical service
10 corporation which provides coverage for the medical services of
11 physicians licensed to practice medicine and surgery in this State
12 shall also provide coverage for, and no contract made by such a
13 corporation shall exclude, medical services of licensed chiropractors
14 within the scope of their licenses whether or not such services are of
15 the same type as those provided by physicians licensed to practice
16 medicine and surgery, which covered medical services by chiro-
17 practors shall include, the adjustment of the articulations of the
18 spinal column and the manipulation thereof, and other services
19 performed by a licensed chiropractor within the scope of his license.
20 If payment is authorized for medical services rendered in hospitals,
21 offices or patients' homes by physicians licensed to practice medicine
22 and surgery, similar payment shall be authorized for medical ser-
23 vices rendered by chiropractors within the scope of their licenses in
24 the same place or places. Wherever in the act to which this act is a
25 supplement the words "physician licensed to practice medicine and
26 surgery" or similar words appear, there shall be added thereto the
27 words "or licensed to practice chiropractic for services within the
28 scope of their licenses." The foregoing provisions shall be liberally
29 construed in favor of payment for chiropractic services.

1 4. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to provide the health care consumer who is a subscriber in a medical service corporation, with payment by such corporation for medical services rendered to him by a licensed chiropractor within the scope of his license.

ASSEMBLY, No. 22

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1974 SESSION

By Assemblymen LEFANTE and BATE

AN ACT concerning health insurance other than group and blanket insurance and amending N. J. S. 17B:26-2.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. N. J. S. 17B:26-2 is amended to read as follows:

2 17B:26-2. a. No such policy of insurance shall be delivered or
3 issued for delivery to any person in this State unless:

4 (1) the entire money and other considerations therefor are
5 expressed therein; and

6 (2) the time at which the insurance takes effect and terminates
7 is expressed therein; and

8 (3) it purports to insure only one person, except that a policy
9 may insure, originally or by subsequent amendment, upon the
10 application of an adult member of a family who shall be deemed
11 the policyholder, any two or more eligible members of that family,
12 including husband, wife, dependent children or any children under
13 a specified age which shall not exceed 19 years and any other person
14 dependent upon the policyholder; and

15 (4) the style, arrangement and over-all appearance of the policy
16 give no undue prominence to any portion of the text, and unless
17 every printed portion of the text of the policy and of any endorse-
18 ments or attached papers is plainly printed in light-faced type of
19 a style in general use, the size of which shall be uniform and not
20 less than 10-point with a lower-case unspaced alphabet length not
21 less than 120-point (the "text" shall include all printed matter
22 except the name and address of the insurer, name or title of the
23 policy, the brief description if any, and captions and subcaptions);

23A and

24 (5) the exceptions and reductions of indemnity are set forth in
25 the policy and, except those which are set forth in sections
26 17B:26-3 to 17B:26-31 inclusive, are printed, at the insurer's
27 option, either included with the benefit provision to which they
28 apply, or under an appropriate caption such as "exceptions," or
29 "exceptions and reductions," provided that if an exception or
30 reduction specifically applies only to a particular benefit of the
31 policy, a statement of such exception or reduction shall be included
32 with the benefit provision to which it applies; and

33 (6) each such form, including riders and endorsements, shall be
34 identified by a form number in the lower left-hand corner of the
35 first page thereof; and

36 (7) it contains no provision purporting to make any portion of
37 the charter, rules, constitution, or bylaws of the insurer a part of
38 the policy unless such portion is set forth in full in the policy, ex-
39 cept in the case of the incorporation of, or reference to, a statement
40 of rates or classification of risks, or short-rate table filed with the
41 commissioner.

42 b. A policy under which coverage of a dependent of the policy-
43 holder terminates at a specified age shall, with respect to an un-
44 married child covered by the policy prior to the attainment of age
45 19, who is incapable of self-sustaining employment by reason of
46 mental retardation or physical handicap and who became so
47 incapable prior to attainment of age 19 and who is chiefly de-
48 pendent upon such policyholder for support and maintenance, not
49 so terminate while the policy remains in force and the dependent
50 remains in such condition, if the policyholder has within 31 days
51 of such dependent's attainment of the limiting age submitted proof
52 of such dependent's incapacity as described herein. The foregoing
53 provisions of this paragraph shall not require an insurer to insure
54 a dependent who is a mentally retarded or physically handicapped
55 child where the policy is underwritten on evidence of insurability
56 based on health factors set forth in the application or where such
57 dependent does not satisfy the conditions of the policy as to any
58 requirement for evidence of insurability or other provisions of the
59 policy, satisfaction of which is required for coverage thereunder
60 to take effect. In any such case the terms of the policy shall apply
61 with regard to the coverage or exclusion from coverage of such
62 dependent.

63 c. Notwithstanding any provision of a policy of health insur-
64 ance, hereafter delivered or issued for delivery in this State,
65 whenever such policy provides for reimbursement for any opto-
66 metric service which is within the lawful scope of practice of a

67 duly licensed optometrist, the insured under such policy shall be
68 entitled to reimbursement for such service, whether the said service
69 is performed by a physician or duly licensed optometrist.

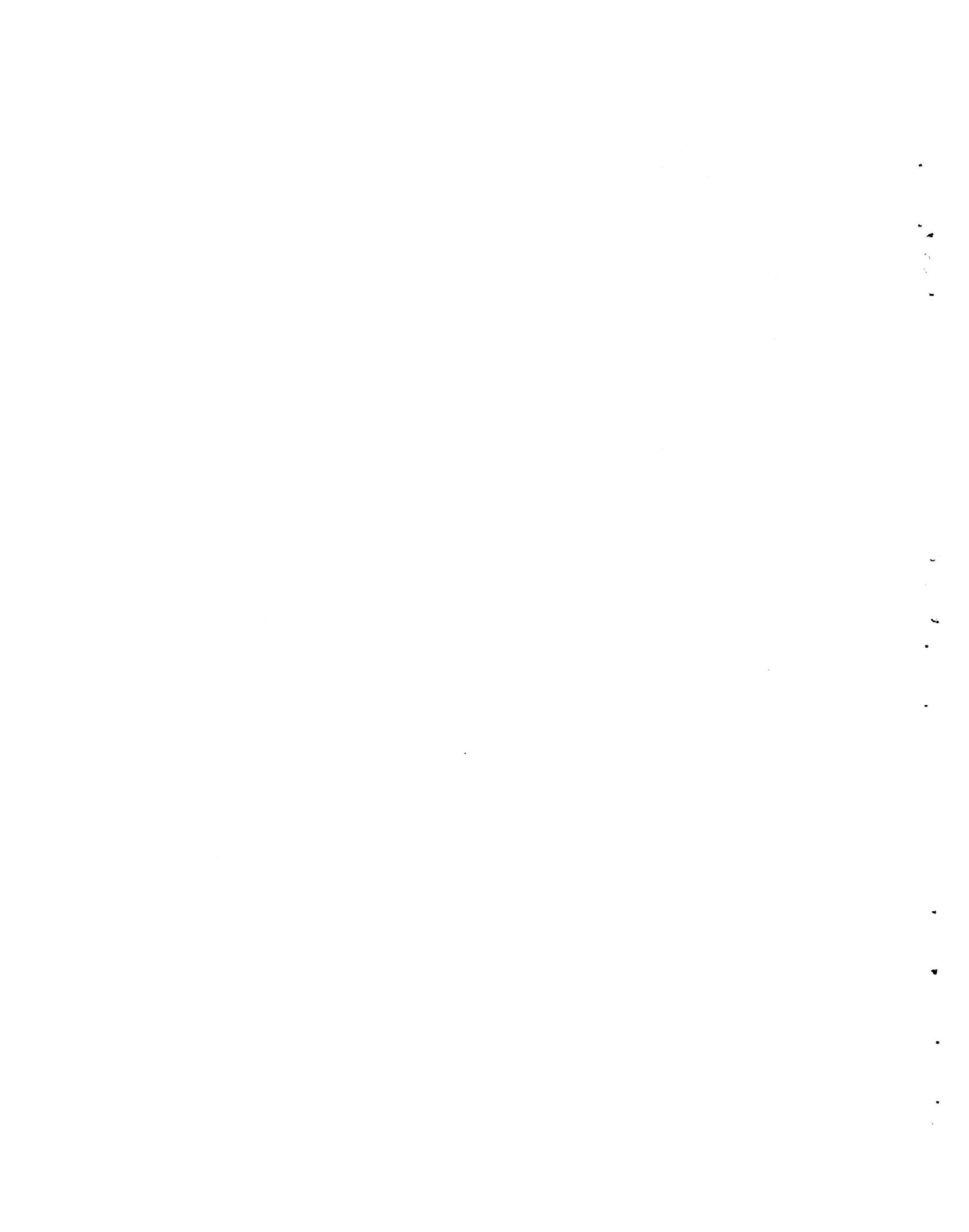
70 d. If any policy is issued by an insurer domiciled in this State
71 for delivery to a person residing in another state, and if the official
72 having responsibility for the administration of the insurance laws
73 of such other state shall have advised the commissioner that any
74 such policy is not subject to approval or disapproval by such official,
75 the commissioner may by ruling require that such policy meet the
76 standards set forth in subsection a. of this section and in sections
77 17B:26-3 to 17B:26-31 inclusive.

78 *e. Notwithstanding any provision of a policy of health insurance,*
79 *hereafter delivered or issued for delivery in this State, whenever*
80 *such policy provides for reimbursement for any service which is*
81 *within the lawful scope of practice of a duly licensed chiropractor,*
82 *the insured under such policy or the chiropractor rendering such*
83 *service shall be entitled to reimbursement for such service, when*
84 *the said service is performed by a chiropractor. The foregoing pro-*
85 *vision shall be liberally construed in favor of reimbursement of*
86 *chiropractors.*

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to provide the health care consumer who is insured by an individual health policy with payment by the company issuing the health insurance policy, for medical services rendered to him by a licensed chiropractor within the scope of his license.



ASSEMBLY, No. 23

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1974 SESSION

By Assemblymen LEFANTE and BATE

AN ACT concerning group health insurance and supplementing chapter 27 of Title 17B of the New Jersey Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Notwithstanding any provision of a policy or contract of
2 group health insurance, hereafter delivered or issued for delivery
3 in this State, whenever such a policy or contract provides for reim-
4 bursement for any service which is within the lawful scope of
5 practice of a duly licensed chiropractor, a person covered under
6 such group health policy or contract or the chiropractor rendering
7 such service shall be entitled to reimbursement for such service
8 when the said service is performed by a chiropractor. The fore-
9 going provision shall be liberally construed in favor of reimburse-
10 ment of chiropractors.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to provide the health care consumer who is insured by a group health policy with payment by the company issuing the health insurance policy, for medical services rendered to him by a licensed chiropractor within the scope of his license.



SENATOR EDWARD J. HUGHES, JR. (Chairman):

I will now call this public hearing to order. I am Senator Edward Hughes, Chairman of the Committee. To my right is Senator John Fay, Vice-Chairman. Other members of the Committee will be here shortly. The first witness will be the Honorable Joseph A. LeFante, Assemblyman from the 31st District.

A S S E M B L Y M A N J O S E P H A. L E F A N T E:
Good morning, Mr. Chairman and Senator Fay, Ladies and Gentlemen. I would like to initially thank you for this opportunity to appear before your Committee this morning to, if I may, clarify the reasoning, the purpose, and the intent behind the legislation I introduced. It was passed here in the Assembly and it is presently before your Committee in the Senate.

At the outset, I would like to, if I may, clarify the Chiropractic profession, as a layman. It is my understanding - and it is factual - that the chiropractors do have a representative on the State Medical Board of Examiners. We do license them in the State of New Jersey, and they are considered health providers within the State. As other speakers who will follow me will testify, through a Supreme Court decision - which was later followed up by an opinion of the Attorney General - they are defined as physicians. A chiropractor's qualifications are a minimum of two years of satisfactory pre-professional training in a college accredited by the New Jersey Department of Education - again, another branch within the State - and four years of chiropractic college. All chiropractic colleges must be accredited by the New Jersey Board of Medical Examiners and the United States Office of Health, Education, and Welfare. For example, they must accredit the faculty, the plant, the laboratories, and the curriculum. A great portion of this is created by our Department of Education.

The purpose of this legislation is to give the consumer in New Jersey, who elects to use chiropractic services, reimbursement for his expenditures and to avoid and prevent double billing for four million insurance subscribers who pay for Blue Shield and then must pay for chiropractic services in addition.

During the last session, a previous Assemblyman was attempting, through his legislation, to include clinical psychologists on the insurance list. At that time I approached him and asked him if he would accept an amendment to add chiropractors onto that list. His initial reaction was, yes, he would accept an amendment. Unfortunately, through some political process - and I think it went along partisan lines at that time - the chiropractor was omitted after we had the word of the sponsor that he would be included.

Nevertheless, we did go along with the sponsor, with an understanding that the Republican Party would support the bill for the chiropractic services. Unfortunately, it was put into committee. It was pigeon-holed, and it never came out of committee.

I am attempting to bring it out now. I consider it to be a consumer bill. I think it is a step forward in the authorship of a consumer's bill of rights that eventually will come to be. One of the reasons I selected to go this route with the legislation was because I have had some personal experiences with chiropractors. I think the image of the chiropractor today is not as many old-timers view it.

It seems to me when I hear some stories told about anyone who wanted to be a chiropractor years ago, they just had to hang a shingle out. Now, I have proven in my previous remarks that that is not so. We have strict control in their licensing and over the profession itself.

The present status of the chiropractic profession is, it is included in Medicare, Medicaid, Federal Employees Compensation, New Jersey Workmen's Compensation, Railroad Retirement, and the majority of the private insurance companies also cover chiropractic services.

Including chiropractic, we think, would increase cost control. Number one, Workmen's Compensation studies in Colorado and Florida indicated a great reduction in costs. Private insurance companies indicate that there would be no cost increase with the inclusion of chiropractic services. That is at the private end. Many studies show that chiropractic treatment is less expensive than other services in the medical profession, if in fact, and in truth, they are chiropractic patients.

I think this is where much of the confusion is. Chiropractors as I know them today -- from my own personal experiences, after an examination and a diagnosis, I myself have been sent out of a chiropractic office because the chiropractor told me my condition did not warrant chiropractic service. He told me my condition warranted medical attention. And the chiropractors I am associated with have gone ahead and made an appointment with the doctors that they thought should be treating the condition I had. As a result I sit here before you, as a living example of one who has undergone surgery as a result of a chiropractor's diagnosis.

So, I think this nonsense that exists in many people's minds about certain chiropractors' attitudes can be pointed out in any profession. And I think that the chiropractic profession, per se, speaks for itself, in view of the fact that many people elect to avail themselves of their services for conditions that they think warrant their attention.

Presently, Blue Shield includes licensed health providers. It refers specifically to all types of medical doctors - doctors of osteopathy, podiatrists, clinical psychologists, bio-analytical laboratories - but again, I must refer to that Supreme Court decision defining chiropractors as physicians. Therefore, by exclusion, I think, we are doing the people of the State of New Jersey an injustice, and we are eliminating a service to the people that they should be entitled to, as long as they are paying their premiums.

Furthermore, I think it is discrimination against the profession, and I think that this legislation is one step forward in correcting that. There are three bills, A-21, A-22, and A-23 pertaining to this. A-21 is for Blue Cross; A-22 is for inclusion in individual policies, and A-23 is for inclusion in a group insurance plan. There will be speakers following me who will qualify with documentary and factual evidence substantiating what I have said here this morning. Without taking any further time, I certainly hope that this committee will seriously consider releasing these bills and putting them up for a vote. Thank you, Mr. Chairman.

SENATOR HUGHES: Assemblyman, one question. You say this legislation was introduced previously?

ASSEMBLYMAN LE FANTE: Yes.

SENATOR HUGHES: At that time, were the requirements of the chiropractic profession, as far as education and approval by the Department of Higher Education and so forth, in effect?

ASSEMBLYMAN LE FANTE: Yes, they were. But I was the victim of a political process. Quite frankly an individual broke his word to me. I mustered support for his bill to include the clinical psychologist. I will be very frank and very blunt, I was double-crossed. I had his bill sent back to the committee for the purpose of amendment. He came begging and pleading - "Please handle it as a separate piece of legislation; I guarantee you my party's support - and I was double-crossed. The bill was put into committee and pigeon-holed there, and the session ran out on us. I didn't have time to move it out any other way. We were going into recess at the time. Needless to say, that gentleman put his name on the ballot, but he did not come back here.

SENATOR FAY: Assemblyman Le Fante, do you have any track record from other states in the union? Would we be a first to move in this direction?

ASSEMBLYMAN LE FANTE: No. There are approximately some 26 states who already have this. Speakers who will follow me will attest to this and document this. They have all been good experiences to our knowledge.

SENATOR FAY: Thank you.

SENATOR HUGHES: Thank you, Assemblyman. Gentlemen, before we proceed any further, I would like to mention, because of the quantity of speakers that we do have, we are going to limit the discussion to four minutes. We extended Assemblyman Le Fante additional time, inasmuch as he was the sponsor, and is the sponsor, of the bill. Our next witness will be Doctor Joseph Donnelly.

J O S E P H P. D O N N E L L Y: Thank you, Mr. Chairman.

My name is Dr. Joseph P. Donnelly and I am the President of Blue Shield of New Jersey. I wish to thank the committee for the opportunity to appear before you so that I may comment on Assembly Bill No. 21 on behalf of our subscribers and our Board of Trustees who are against this Bill because it will increase the cost and it will not improve the quality of medical care.

This Bill would mandate that over four million members, 54% of the population of New Jersey, who have never requested the inclusion of chiropractic services in Medical-Surgical Plan benefits would have to pay for services which they do not wish. About 80% of Blue Shield members are covered under group contracts and in the twenty years since my association with Blue Shield on the Board of Trustees and as President we have never had a demand from any group to include chiropractic services in their coverage. We add additional coverage to a group of subscribers if the group requests it, and we give serious consideration to whether it contributes to better medical care.

Members of this committee, you know as well as I do that the demand for this Bill comes from the chiropractors who would like the Legislature to mandate them as providers so that payment would be made for their services. Union and Management like to negotiate for additional benefits when they are demanded by their members and not have them mandated by legislation promoted by providers of services. The over four million Blue Shield members, who are 54% of your constituents, have not demanded chiropractic services any more than they have demanded the services of faith healers, herb doctors, marriage counselors, or other services which they have not requested. Therefore, they should not be forced to pay the premium for services mandated by a group which wants to become eligible providers.

In addition, A-21 would mandate that Blue Shield pay chiropractors for home and office services at reasonable rates under all its contracts, even though at the present time the Plan does not pay licensed physicians for home and office visits and to do so would almost double the cost of the fixed fee program.

It is true that the chiropractors appear to have some backing for their Bill A-21 today in the Assembly Chamber, but if you consider the number of people here against the over four million Blue Shield subscribers who do not want this benefit, then the proponents of this Bill here today, which include the chiropractors as well as their sisters and their cousins and their aunts and their friends, are not significant.

Members of the committee, you are well aware by now that the Chiropractors' Association is for the Bill. Let me give you a list of organizations who are on record against the inclusion of chiropractic services in federally funded, state funded and insurance funded programs.

The U. S. Department of Health, Education and Welfare submitted to Congress findings of an independent unbiased study of chiropractic services. The Study concluded there is no valid evidence that subluxation, if it exists, is a significant factor in disease processes. Therefore, the broad application of health care of a diagnostic procedure such as spinal x-ray analysis and a treatment procedure such as spinal adjustment is not justified.

The American Public Health Association has stated that it appears that the practice of chiropractic constitutes a hazard to the health and safety of our citizens.

The AFL-CIO in the Fact Sheet which they submitted to the U. S. Senate Finance Committee on September 15, 1970 stated that the AFL-CIO opposed the coverage of chiropractic services in Government programs.

The National Council of Senior Citizens in January 1969 stated the chiropractic treatment designed to eliminate causes that do not exist while denying existence of the real causes is at best worthless and at worst mortally dangerous.

The American Arthritis Foundation, the National Association for Retarded Children, and the American Cancer Society have all made statements about the ineffectiveness of chiropractic services.

And, gentlemen, it is my understanding that the Department of Health of the State of New Jersey is on record against the inclusion of chiropractic services in the Medical-Surgical Plan coverage, and if you have any doubts about this statement I would suggest that you call the Commissioner of Health of the State of New Jersey.

Gentlemen, I sincerely hope, as do over four million Blue Shield members, that this Bill will be defeated because it will increase greatly the cost of Blue Shield premiums and will not improve the quality of medical care. Thank you.

SENATOR HUGHES: Doctor, do you have any projections on what the cost increase would be?

DR. DONNELLY: If this bill goes through as written, where we would have to pay chiropractors for home and office services, we would have to pay physicians for home and office services, too. We know this, that once you start paying for home and office services through Blue Shield, it will be twice the cost of the premium today. The other thing is, this says that they would be paid on a UCR basis, which is our highest contract, which means that all the people on the \$500 and the \$750 contract would have to be paid at reasonable rates, and we would have to raise the payments to physicians, also.

SENATOR HUGHES: Well, would you say then that minimizing it - just as a question now - to office visits would be helpful in the event that the legislation was approved?

DR. DONNELLY: No, because if we pay chiropractors for office visits, you are going to have to pay physicians for office visits. You can't pay one provider for office visits not pay the others. It is as simple as that.

Blue Shield benefits, now, are for in-hospital services. We have had home and office visits on a rider for years. People can buy it if they want to but the cost is almost double the regular premium, and there has been no market for it.

Now what you are doing is changing this whole method of payment for home and office visits, so it will be right out of the market if we have to include this in it. This is a very, very serious thing in this bill.

SENATOR HUGHES: May I ask one professional-opinion question? Do you feel that they serve any real purpose?

DR. DONNELLY: I heard the Assemblyman. I also know that he finally ended up in a Bayonne hospital for some treatment by some other physicians after he had this chiropractor. With regard to what he says about their limiting their services and referring to the other doctors things beyond spinal complaints, I will leave with you a pamphlet which I picked up in a chiropractor's office the other day while I was waiting for my dentist. Believe me, gentlemen, it is not limited to low back pain. I don't know. I think that this thing has been proven. HEW and Wilbur Comb, who is no friend to the medical profession in many ways came out with a statement which condemned this thing before it was partially included under Medicare. It was a very strong statement.

And the things which I read today did not include the AMA. These are all other scientific bodies who have done surveys on this. Bea Miller and the AFL-CIO went into this thing very deeply, and they came out against it. These are the consumers - the people on my board, our Consumers Affairs Committee. You must realize that Blue Shield today has more consumers than they have physicians on the Board, and these are the people who are adamant about increasing these benefits.

SENATOR HUGHES: Well, what is your opinion about, let's say, freedom of choice as far as treatment is concerned?

DR. DONNELLY: I think anyone has a perfect right of freedom of choice. If they want to go to a chiropractor, let them go to a chiropractor, but they don't have to buy Blue Shield.

SENATOR HUGHES: But what if they are a member of Blue Cross and Blue Shield?

DR. DONNELLY: Then they should not buy Blue Cross and Blue Shield.

(Laughter)

Senator, there are a lot of people that think we should include baby-sitters too. This thing has to stop some place. There would be many more people down here asking for baby-sitter's privileges under Blue Cross-Blue Shield down here today. If they want it, let them buy it. Let me tell you this: we offered to Assemblyman Le Fante, at one time, a rider which we would sell, so that if somebody wanted chiropractic services, we would sell it. But the premium on the rider would have to cover the cost of the chiropractic services. So, if they wanted free choice, they could have bought this. There was no business for that, because they know -- in my twenty years with Blue Shield of New Jersey we have never had a demand from any group to include this.

Now, I think you can get a few individuals anywhere. But 80 to 85% of our business is group business, and we have not had the demand for this.

SENATOR HUGHES: I have another professional question. If a person is treated by a chiropractor in his office, does this sometimes stop the patient from possibly entering a hospital, causing greater expense?

DR. DONNELLY: Well, of course, there has been some professional discussion about this.

SENATOR HUGHES: Well, basically, this has to be decided along both lines.

DR. DONNELLY: This has to be decided along both lines, and I think that these statements from the American Cancer Society and the senior citizens and the other people who are not medical groups speak out very strongly against chiropractic services. They have missed a diagnosis or treated somebody for some time with backaches for which they have had no results.

I will leave these booklets with you. These are from a chiropractor's office who is licensed and who is practicing in Newark. He also has these things in Spanish. They will treat everything from emphysema to gout by changing somebody's spine. Personally, no, I don't think there is a scientific basis for chiropractors, and I don't think it has ever been proven. I don't want to get into that part of the argument. I want to get into the argument of the cost of something which is not demanded by the people who buy Blue Shield, but is only demanded by the chiropractors.

SENATOR HUGHES: Wasn't this true, as far as osteopathy was concerned, years ago?

DR. DONNELLY: Years ago this was true, but now these osteopathic schools have raised their standards, so that there is not that much difference between osteopathic schools and medical schools.

SENATOR HUGHES: Hasn't the chiropractic profession done the same thing?

DR. DONNELLY: No, sir.

SENATOR HUGHES: Are there any further questions? I would like to introduce two other members of the panel who have just arrived. This is Senator Wallwork and Senator Skevin.

DR. DONNELLY: Good morning, Senators.

SENATOR SKEVIN: Doctor, I have heard a rumor that some physicians refer patients to chiropractors when they can't handle the situation; is there any truth to that from a professional standpoint?

DR. DONNELLY: All I can say is that I have practiced for 35 years, and I never heard of any physician referring somebody to a chiropractor, never.

SENATOR SKEVIN: From the cost standpoint, is it your opinion that you feel that the chiropractors do not save any money in terms of the patients that would not use the Blue Cross or Blue Shield for hospital services?

DR. DONNELLY: No, I don't see how they would. First of all, I must say that I, myself, do not have any faith in chiropractic services. I have been through this thing. I have had, when I was in practice, patients who had been treated by chiropractors for some time. I didn't see any cures and, finally, they wound up coming back to me.

As far as cutting down the cost is concerned, of course, if you go to somebody and they charge you a dollar less, and they don't do anything for you, I think that is the most costly type of treatment that I know of.

SENATOR SKEVIN: I have no further questions.

SENATOR FAY: Doctor, Assemblyman Le Fante noted the fact that 26 states in the union do have these services. In these states, have their rates doubled? You have predicted that the rates would be doubled. Do you know about the states that presently do have it?

DR. DONNELLY: There is no bill that I know of in any of these states which mandates as wide a payment for all of this business as this bill does. This bill talks

about paying reasonable fees; it pays for all home and office visits. In the other states, it does not cover complete home and office services, and the chiropractor can only work in his home or office, so I can't give you any figures. In some states where they are more liberal, yes, they have gone up. But this bill that we are talking about today, I say, would double the rates. But wherever they are, they have increased the payments. In any of these states - and there are such states - the demand has always been mandated by a bill through the legislature and not from a group of consumers who should be the people who ask you to add extra benefits.

SENATOR FAY: Another thing that I have found from your testimony, from the mail, and from some of the phone calls that I have received, I have heard from quite a few groups, or at least their officers, PBA's and FMBA's -- not the state officers of the AFL-CIO, but I have heard from at least 15 different major locals saying that their membership did want this included in their group plans.

DR. DONNELLY: I am sure that you can go around and find some individual people. But I have been in this for over twenty years now, and all I am telling you is, we have never had a request. You can always get somebody who is the vice-president who has a chiropractic relationship who will come down and give you these things. We get them all the time. I am talking about a group, and if they can't sell it to a large group, then they should not sell it on your mandate to over four million subscribers who do not want this thing.

SENATOR HUGHES: Any further questions?

SENATOR WALLWORK: Yes. Doctor, could you relate specifically what you are talking about when you say double the cost, on a monthly basis, for the average

Blue Shield patient?

DR. DONNELLY: I'm sorry, I don't know. I can come back to that, if you want me to.

SENATOR WALLWORK: Are we talking about \$7 or \$8 dollars?

DR. DONNELLY: On a single contract, something in that area, yes. You see, Senator, this bill says that they should pay for home and office visits, and this is what we know doubles the cost of a contract with Blue Shield right now. I am not knocking the home and office, but there is a limit to how much money they can spend on medical care. The people don't buy it. We would much rather have somebody go out and buy a major medical plan rather than buy home and office, because we think they get more for their buck than if they go out and buy this thing.

We have control over in-hospitalization. If you get this thing for the office and everybody has an X-ray machine, the thing can skyrocket on you overnight. This is the danger. We still have some hospital controls. If you get out into an office, then there is nothing we can do. The FEP Program showed this in Washington, D. C. when they covered all of these things. There is nothing more expensive in medical-surgical coverage than self-referrals for X-rays and laboratories and things like that.

SENATOR WALLWORK: Well, you didn't answer the question.

DR. DONNELLY: I'm sorry to tell you that I don't have that rate card with me.

SENATOR WALLWORK: Well, I'd like the data on what the cost would be if it were a rider, how many people would approximately be served, and what is the length of treatment? In other words, I think we have

to deal in specific numbers within reason. You might have a 10% or 15% error.

DR. DONNELLY: On the cost of the rider?

SENATOR WALLWORK: Yes.

DR. DONNELLY: As I told you, we offered Senator Le Fante a rider when this first started, so that anybody that wanted it for chiropractic service could have it. The only thing we said was that the premium which we collected for the rider would have to be used only for the payment of chiropractic services. Now, they said they wanted free choice, and this is it.

SENATOR WALLWORK: How much do you estimate that rider would be?

DR. DONNELLY: Not significant at all, because there are not that many chiropractors, and there are not many people who would utilize their services - a couple of dollars a month, maybe. I'm not an actuary. I am not here to rattle these things off today.

SENATOR WALLWORK: Well, it would seem to me that you could develop a special rider for \$2 a month - \$24 a year - and people who wanted that service could buy it for \$24 per year.

DR. DONNELLY: That's right, and the premium generated from that could pay for their services. Then they would have a free choice and they would be paying for what they wished. What I am saying is that the four million people who don't want to buy this rider should not be charged with it.

SENATOR HUGHES: How do you arrive at the four million people?

DR. DONNELLY: That is the number of members in the State of New Jersey who are covered by Blue Shield.

SENATOR HUGHES: I have 5100 letters sent to me alone - from members of Blue Cross and Blue Shield and you are welcome to look at them - which indicate that they do want this coverage.

DR. DONNELLY: I'm sure you can get them, Senator. That is 5100 out of almost 4.4 million. I can go through and I can get you 5100, as I said before, on any type of legislation, baby-sitters, barbers, anything. They are not hard to get.

SENATOR HUGHES: I think it is a significant reply to an interest in this bill.

DR. DONNELLY: I think it is a significant reply to the chiropractors going out and getting their sisters and cousins and their aunts, who have Blue Shield, to write you 5100 letters. That is the only significance I can see.

SENATOR WALLWORK: Mr. Chairman, just to pursue one question, I would be quite interested in getting specifics on what Blue Shield could offer as a rider on a voluntary basis, and what the cost would be. It could be optional, so that those who want it may take it, and those who don't, don't have to take it. Would that then be self-supporting?

DR. DONNELLY: It would have to be self-supporting, yes.

SENATOR WALLWORK: But what if you charged \$2 per month, per person, and you found out you came out \$2 million dollars in the hole?

DR. DONNELLY: Then there would be a raise in the cost of that rider.

SENATOR WALLWORK: Is this administratively possible to handle?

DR. DONNELLY: This would be administratively possible. This is possible. This is what we offer. In other words, if they want it, they should pay for the services on a rider basis, which would be self-supporting.

SENATOR WALLWORK: This would be just limited to chiropractors?

DR. DONNELLY: Yes, sir, and so would the premium.

SENATOR WALLWORK: I have no other questions.

SENATOR HUGHES: Thank you, Dr. Donnelly.

The next witness will be Mr. Edward W. Harker.

E D W A R D W. H A R K E R: Good morning, thank you for the privilege of testifying here. My name is Edward W. Harker. I am a member of the law firm of Platoff, Heftler, Harker and Nashel of Union City, New Jersey, and I am counsel to the New Jersey Chiropractic Society. I have prepared a statement for the committee. In view of your request that these presentations be limited to four minutes, I am not going to read it, but I would prefer to sketch it in outline for you, so that you will not be burdened with it.

SENATOR HUGHES: That will be appreciated.

MR. HARKER: My purpose this morning is to present a short summary of the legal status of chiropractic in the State of New Jersey.

Chiropractors have been licensed in the State of New Jersey since 1920. The act under which they currently practice was adopted in 1953. The statute contains specific educational and examination requirements which are outlined in my statement, with the statutory citations. In summary they require two years of pre-professional college education with specific requirements, four years of chiropractic college, and examination before the State

Board of Medical Examiners - which is the same Board that licenses medical doctors. After passage of that examination, the licensed chiropractor is subject to the same control by the medical board as any other medical practitioner, be he a doctor of medicine or otherwise.

Chiropractors have been held to be included within the term "physician" by the Appellate Division of the New Jersey Superior Court, in the case which I cite in my statement. The Attorney General has rendered a similar opinion. They are covered as physicians under the Workmen's Compensation law, under the No-Fault Automobile Liability Insurance law; they are now included in the New Jersey Medicaid Act coverage; they are included in the New Jersey Professional Service Corporations Act. Their expert testimony is accepted in New Jersey, as it is in other states.

In summary, the legislature has thus, by licensing chiropractors and including their services in various other acts, established the chiropractic profession as a recognized health profession in the State of New Jersey. I would like to note that this same status has been given the profession now in every one of the 50 states.

This legal status was questioned recently by the medical profession, which has always opposed chiropractic, in a court action in the New Jersey Superior Court, Chancery Division, Bergen County. The docket number is set forth in my statement. In that case the Bergen County Medical Society, acting as the screening agent for the sponsor of the Health Fair, excluded the Bergen-Passaic County Chiropractic Society from the Fairlawn Health Fair. The allegation made was that chiropractic is not a health care system

based on a scientifically proven system of education, but rather it is a cult practice. In his decision on the application for the injunction at the preliminary hearing, Judge Martin J. Kole, when he referred to the allegation that chiropractic was a cult, stated, in part, "...at least on the face of it, that appears to be a rather curious way of regarding a profession which has been licensed by the State of New Jersey in the health field. This is in effect to say that the State has licensed a cult to practice." The court then authorized the action to be broadened to bring in the State Associations, which was done.

In addition, the court requested the State Board of Medical Examiners to enter the case as "amicus curiae." In lieu of such participation, the Attorney General of the State of New Jersey wrote to the court outlining the legal status of chiropractors in a letter which stated in part, "...chiropractors who have been duly licensed by the State of New Jersey, to the extent that they limit their activities to the recognized scope of their profession, stand for all other purposes in the same position as the full physician or any other medical licensee."

After the case was broadened, there was a pre-trial hearing. The case was coming on, and the matter was settled by a consent injunction against the Bergen County Medical Society and the Medical Society of New Jersey.

In the judgement, the court restrained and enjoined those societies from taking any steps to boycott any future community health fair or similar endeavor or to in any manner with participation by licensed chiropractors in such an endeavor. It also restrains the medical

societies from discipline or indicating any intent to discipline any of their members who participate in such endeavors with chiropractors.

This injunction demonstrates that the legal status of chiropractic as a recognized health profession has been established by the legislature and will be protected by the courts. Thank you.

SENATOR HUGHES: Any questions?

SENATOR WALLWORK: Do you have any estimations on the cost of this program?

MR. HARKER: It would be improper for me, I think, as an attorney to speak to you as to cost. I think other people more familiar with the background of costs would be proper and would be the ones to comment on that. I would say that I heard Dr. Donnelly's remarks about the home care visit, and I can say that one of the big problems, of course, is that the medical profession in the hospitals have refused admittance to hospitals by chiropractors. And it seems to me to be a rather devious way of defeating the purpose of this bill, by excluding home care for chiropractors, which is where the chiropractors perform their service, and then not permit chiropractors to enter hospitals. If such a plan is proposed, if the course is determined to be a problem, it would seem to me that one solution would be to authorize and direct that to the extent that Blue Cross is provided and that chiropractic facilities should be included in hospitals, and chiropractors then should be able to do their work in the hospital.

SENATOR HUGHES: If there are no further questions, thank you Mr. Harker.

MR. HARKER: Thank you, sir.
(Prepared Statement appears on page X-1 in the appendix.)

SENATOR HUGHES: Doctor Meyer Abrams?

M E Y E R L. A B R A M S:

Senator Hughes, Members of the Committee. I am Meyer L. Abrams, M.D., Chairman of the Council on Legislation of The Medical Society of New Jersey and a member of the Board of Trustees of The Medical Society of New Jersey.

The Medical Society of New Jersey urges the defeat of A-21, A-22, and A-23 because these bills would -- in disregard of fact and of the public interest -- recognize chiropractors as having the same competence and legal and professional status as do physicians and surgeons.

As a matter of fact, the chiropractor is not recognized under New Jersey law as being qualified nor licensed to supply medical and/or surgical services.

He is licensed only to practice chiropractic which is statutorily defined as, "A system of adjusting the articulations of the spinal column by manipulation thereof."

The statutes prohibit the chiropractor from the use of endoscopic or cutting instruments, the prescription, administration, or dispensing of drugs or medications for any purpose whatsoever, the performing of surgical procedures excepting

manipulative adjustments of the spinal column, and the signing of any certificates required by law concerning reportable diseases, or certificates of birth or death.

To suggest, as this legislation does, that the chiropractor is the equal of the licensed physician and surgeon, capable of rendering medical and surgical services is therefore contrary to law and fact and consequently detrimental to the protection of the public.

Several years ago the Commissioner of Insurance called upon The Medical Society of New Jersey to do all in its power to minimize the necessity for rate increases on the part of the Medical-Surgical Plan of New Jersey. A-21 would, by compensating chiropractors for a service which has not been actuarially computed into the rating process, produce a loss under present policies and inevitably lead to an increase in subscription rates. Not only that, but, the type of manipulation offered by chiropractors is not reimbursable under present policies even when performed by a licensed physician and surgeon.

Under Rider "J" of the Blue Cross-Blue Shield Plan coverage diagnostic x-ray services are compensable. Chiropractors are authorized to use x-ray for "diagnosis and analysis". Increased costs under Rider "J" are therefore to be expected if A-21 becomes law, with the Plans powerless to control utilization on

the part of chiropractors or, more importantly, to provide dependable protection against excessive exposure to radiation on the part of chiropractic patients. The same threat exists for all other insurance companies under A-22 and A-23.

For these reasons The Medical Society of New Jersey strongly urges the rejection of A-21, A-22, and A-23.

Thank you for your consideration.

SENATOR FAY: Doctor, to me as a layman, I feel completely inadequate getting into the debate between doctors and chiropractors and a few other very technical professions. But I do question the fact that other states have done this, and to me where the clash in the logic comes is when we say, look, they are licensed; they are getting services; 26 other states in the union are doing it, why shouldn't New Jersey; why shouldn't the people who do consider this a vital service and do feel completely secure in going to chiropractors be covered by the law?

DR. ABRAMS: Well, I feel that if this is a service that they want, I don't feel it is proper for the 4 million subscribers in Blue Shield to have to pay the freight for it. It would seem to me more plausible, if this is a service that they want, they can easily form their own insurer and be covered for those specific services which some subscribers desire. This way, they would be paying the freight and they would not be forcing others who do not desire -- the overwhelming majority of subscribers in Blue Shield do not desire chiropractic services, yet they would be forced to pay for them.

SENATOR FAY: So, therefore, if a majority within a group did want the service, then that argument would be over? As we went from group to group in the Blue Cross-Blue Shield and if the majority did want this coverage ---

DR. ABRAMS: Then I think the point is whether Blue Shield can afford it. There are many people who want to have various services, such as cosmetic surgery. Blue Shield does not cover that, even when it is performed by a licensed, competent, qualified plastic surgeon.

There are many areas that are not covered, even for physicians and surgeons in Blue Shield. Even though there may be large blocks of subscribers and consumers that might desire payment for their services, there is a question of allowing Blue Shield to remain fiscally responsible

SENATOR HUGHES: Doctor, as a physician, have you any knowledge of any benefits derived from the chiropractic manipulation of the spine?

DR. ABRAMS: No, I do not, sir.

SENATOR HUGHES: None at all?

DR. ABRAMS: No.

SENATOR HUGHES: How does the medical profession treat such injuries?

DR. ABRAMS: Well, we treat disease, and we diagnose disease first. As I understand it ---

SENATOR HUGHES: How do you diagnose it, through X-ray?

DR. ABRAMS: Through various modalities, through a properly performed history, through a properly performed physical examination, through X-ray determinations, laboratory studies and so forth.

Now, if a patient comes in

with a presumptive diagnosis of appendicitis, I examine the abdomen. I take a history, and do a physical examination, do the appropriate laboratory studies, X-ray studies, if indicated, and I arrive at my diagnosis. Once I arrive at my diagnosis, then I know what the treatment must be.

As I understand it, in a chiropractic practice, a patient faces a chiropractor with a set of symptoms. They assume, according to their theory, that is, because of subluxation of the spine, and they examine the spine as their primary organ. They do X-rays of the spine, and they then presume to find so-called subluxations, or what they call subluxations, in the spine. Therefore, depending on where the subluxation is said to be, they arrive at their presumptive diagnosis, that way, of "acute appendicitis."

Now, what may be their diagnosis of acute appendicitis does not necessarily coincide with what an osteopath or an allopath would designate as acute appendicitis. Since they don't remove the appendix, since they are not qualified to remove the appendix, then there is no possible way that they can confirm that diagnosis. The treatment of appendicitis, as we treat appendicitis, is to remove the appendix. We then have that appendix examined microscopically by a competent pathologist who then determines whether in fact or not appendicitis does exist.

(Laughter)

SENATOR HUGHES: Please, I'd like to have no outbursts from the gallery. Getting back to my original question, the spinal column, as you put it, is the area which they concentrate on as far as treatment is concerned?

DR. ABRAMS: Yes. That is my understanding.

SENATOR HUGHES: I am quite certain it is more than

just an understanding with you. As a medical man I am sure that you are aware that this is what they do. I am not a medical man, and I am aware that that is what they do.

Now, when they have proven -- I have cases up here that attest to the fact that they have cured patients that were unable to be cured by the medical approach. How do you justify that?

DR. ABRAMS: I'd like to read something about testimonials. This was published by the American Medical Association. This quotes an excerpt, "Testimonials from patients are a stock and trade of the cult practitioner." This excerpt from the Journal of the American Chiropractic Association, February, 1966, quotes what a chiropractor had written in Health Ways, March, 1962. Health Ways is an American Chiropractic Association publication distributed to the public. "The whole world of quackery is built on testimonials which are the easiest thing in the world to get or make up."

Despite the warning about testimonials by a chiropractor in Health Ways in the previous statement, chiropractors receive instruction on how to get and how to prepare "testimonials" from patients.

Here is an excerpt from a manual in Chiropractic Practice Building Techniques published by the Parker School of Practice Building, a division of the Parker Chiropractic Research Foundation, Fort Worth, Texas, Roman numeral five, "Testimonial preparations: A, The proper way to get testimonials; One, check responding patient's cards and find out if referred to the clinic through advertising or by a referral. Two, ask the patient if he would not like to relate his experiences with chiropractic

to other sick and suffering people, doing the same for others as someone did for him. Remind him that if it had not been for other people offering their stories for publication (referring him) he would still be sick. You might add, 'You have so many friends. You have been here so long. You are so well liked. You have improved so wonderfully well. Remember, you, you, you.' "

SENATOR HUGHES: What is the point there?

(Laughter)

DR. ABRAMS: Well, what I am saying ---

SENATOR WALLWORK: Mr. Chairman, please, I am going to insist, if each witness, whether they are pro or con to these bills, is not given proper courtesy, I think this hearing will have to be adjourned until it can be done, even if it has to be on an individual basis.

SENATOR HUGHES: Again, I will admonish the balcony. Please, no further outburst or we will have to have the balcony cleared. Go ahead, Doctor.

DR. ABRAMS: You asked about the testimonials that you received. The point that is proven here, I think, by the words of chiropractors themselves and by the writings of chiropractors themselves is the importance of getting testimonials and the ways and means of getting testimonials. In the medical profession, we don't seek testimonials. As Dr. Donnelly indicated before, testimonials are easy to get if that's your main purpose, so this is why I ascribe the number of testimonials that you received. This is a common technique in chiropractic practice.

SENATOR HUGHES: Would you classify it as a public relations approach? Would you say that the medical profession does the same to a degree?

DR. ABRAMS: No. I don't know any medical doctor who seeks testimonials. Yes, I imagine that probably is a public relations approach on the part of the ---

SENATOR HUGHES: The medical profession does not use public relations?

DR. ABRAMS: We do not solicit testimonials, no.

SENATOR SKEVIN: Doctor, I hesitate to get into this area of debate as to whether chiropractors are really and truly a part of the healing profession ---

DR. ABRAMS: I don't relish it much, either.

SENATOR SKEVIN: As I understand your answer to Senator Hughes, there is no medical benefit from the manipulation of the spine?

DR. ABRAMS: I know of none.

SENATOR SKEVIN: If I recall correctly, in your testimony, you indicate that manipulation of the spine by doctors and osteopaths is not covered by Blue Cross-Blue Shield; is that correct?

DR. ABRAMS: That's correct.

SENATOR SKEVIN: Can you reconcile those two statements for me?

DR. ABRAMS: Where there is a fracture of the spine confirmed by a competent radiology technician, or where there is an out and out dislocation, yes, physicians and osteopaths may be reimbursed for the reduction, or application of plaster casts, or traction, or whatever may be required. But for the manipulative techniques, for the purposes practiced by chiropractors, this is not reimbursable, to my knowledge, under Blue Shield.

SENATOR SKEVIN: I am talking about medical benefits. If a doctor manipulates the spine, outside a fracture or the area that you are talking about, you say there is no medical benefit when a doctor is involved?

DR. ABRAMS: I don't particularly know for what purpose he would be manipulating.

SENATOR SKEVIN: Well, do osteopaths manipulate spines for any other purpose other than fractures?

DR. ABRAMS: Well, osteopaths used to manipulate spines with a great deal of regularity. This practice by osteopaths has declined considerably. Very few osteopaths use it today. Primarily osteopaths today practice medicine very much like M. D.'s practice medicine today. They make their diagnosis in the same way and their treatment is in the same fashion.

SENATOR SKEVIN: In some cases when doctors are involved and osteopaths manipulate spines, there is medical benefit; is that correct, Doctor?

DR. ABRAMS: Not being an osteopath, I really wouldn't know, so I can't testify to this from personal experience.

SENATOR SKEVIN: From your general knowledge in the area, is there any medical benefit when a doctor is involved?

DR. ABRAMS: Not that I am aware of, personally.

SENATOR SKEVIN: From your general knowledge?

DR. ABRAMS: Not from my general or specific knowledge.

SENATOR WALLWORK: Has the Medical Society cloistered out the cost of these programs at all?

DR. ABRAMS: No, sir.

SENATOR WALLWORK: What is the main reason for your objection to the bill?

DR. ABRAMS: Well, so far as costs are concerned, when I was a little boy, my father taught me the principle that you never get something for nothing and there is always a quid pro quo. If you want additional services, if a subscriber wants additional services, somehow those services will have to be paid for, and someone will have to pay for them. On the basis of the quid pro quo, you might say according to the British terminology, it is going to be a lot of quid.

I think that that is really a basic feeling, that if you want more service, it is going to have to cost.

SENATOR HUGHES: Are you saying, then, that that is the only objection that the medical profession has, the cost?

DR. ABRAMS: No, that is not the only objection that the medical profession has, but for the purpose of this statement, this is the major objection on these particular bills.

SENATOR WALLWORK: What are the other objections?

DR. ABRAMS: I am not prepared to go into that, sir.

SENATOR WALLWORK: Could you send us a letter as a follow-up to the hearing?

DR. ABRAMS: Yes, I can, if it is so desired.

SENATOR HUGHES: Does your statement in any way go into that, inasmuch as we have not read the statement?

DR. ABRAMS: I have already read the substance of the statement. The substance of the statement is on the basis of increased cost, the fact that the statutes prohibit the chiropractor from doing many things which physicians and surgeons are permitted by law to do.

I might add also that you are talking about the Medical-Surgical Plan of New Jersey as it is officially known, and chiropractors are not permitted to engage in either medical or surgical practice per se. It would be including a service that is absolutely foreign to the Medical-Surgical Plan.

SENATOR HUGHES: Any further questions?

SENATOR WALLWORK: I would like a follow-up letter on the other specific objections. I think your main objection was the fact of the cost, I believe.

DR. ABRAMS: Right.

SENATOR WALLWORK: If there are any other objections, I would like to receive those objections, and I am sure the committee would, and other data that you would like to forward to us would be appreciated.

DR. ABRAMS: Very well.

SENATOR HUGHES: Thank you, Doctor.

DR. ABRAMS: Thank you.

SENATOR HUGHES: Doctor Eugene Cianciulli?

EUGENE CIANCIULLI: Mr. Chairman, Honorable Senators, my name is Dr. Eugene Cianciulli. I am the President of the New Jersey Chiropractic Society. First, let me give you 7100 petitions to show you that consumers are concerned. I would like to offer them as part of the record.

As the President of the New Jersey Chiropractic Society, which represents the chiropractic profession in the State of New Jersey, I welcome this opportunity to speak before you. What is good for the people of New Jersey is good for the chiropractic profession in New Jersey. This has been our guiding creed. We chiropractic physicians are privileged to treat ailing human beings. We have always dedicated our efforts to the

welfare of our patients. We are a service-orientated profession, and we are fully cognizant of the role that we play in the health delivery system in America.

Today, health care requires a multi-disciplinary approach to health. Some patients may require medical care or surgical care. Other patients may require chiropractic care, and still other patients may benefit from mutual cooperation of both therapists. What is in the best interest of the patient should determine what health care is provided and what is the therapy of choice. The chiropractic profession is part of the main stream of the health care system.

As previously stated, we are licensed in 50 states for Medicare, Medicaid, and functioning PSRO's.

I would like to address myself a little bit to the concept of cost. I will try and synopsise it. A compilation of various independent studies of industrial back injuries in Workmen's Compensation and comparing various treatment methods revealed some very interesting statistics. The results of the studies were obtained from official Workmen's Compensation records, field reports, insurance company reports, and they included the official reports from the states of Florida, Oregon, California, comparing the differences in four types of back injury care, medical, non-hospital, medical, hospital, osteopathic and chiropractic. The facts are revealed by official records from people who could conceivably have no bias in the matter. They deal only in statistics ranging from 1949 through 1972. The conclusions are inescapable. Chiropractic care is far more effective in dealing with industrial back injuries. The records reached its undeniable conclusion without any further comment.

I would like to present to the panel for the record the list of cost control, and all the facts on time and length and cost.

I also would like to introduce to you letters from high ranking officials of 31 major insurance carriers, the largest insurance carriers in this country, all of whom attest to the fact that there has been no increase in cost provisions to include chiropractic services in their policy, and they feel that it is in their interest to provide service to people on a competitive basis, while not increasing insurance premium costs. So they are giving more service at a reduced cost, in effect.

Our profession is also active in comprehensive health planning. I myself happen to be on the Board of Trustees in Comprehensive Area Planning, Area II, which covers Union, Morris, Essex and Warren Counties. You must realize that the function for CHP is to approve and comment on certificate of need applications for any and all health related projects which will affect the citizens of those four areas. We are talking about probably 2 million citizens. This agency approves or disapproves the initiating, the funding, or the expanding of health care systems.

It is interesting to note that many insurance companies, including Blue Cross-Blue Shield have representation on this board, yet with all this background of the chiropractors' role in a multi-facet health approach, the citizens of New Jersey are denied a basic freedom of choice and discriminated against, if they choose or need chiropractic care.

It is my opinion that this inequity to the people of New Jersey will be corrected by the passage

of bills A-21,22 and 23. In a democratic, free society this is of paramount importance. We are not living in fascist Germany or communist Russia, but rather in the fountain head of liberty. It is a shame that New Jersey, the third state to enter the original thirteen colonies, should not be at the forefront and a leader in health freedoms. The good of the people of our great state should remain foremost in our minds.

I would also like to mention that over the past few years Blue Cross, without the chiropractic inclusion, has probably increased about 44% in cost, so that the cost increases that they have passed on have been without our inclusion. I don't know whether we are the only ones responsible for cost increases. It is interesting to note that here on Thursday the Assembly passed Bill 1552, which would make malpractice insurance available to all physicians, and the wording certainly included chiropractic physicians. While we do not have a malpractice problem as our medical colleagues do, it is very interesting to note that the Assembly included all health providers, again further recognizing chiropractors as part of the mainstream health system. Thank you.

SENATOR HUGHES: Are there any questions?

SENATOR FAY: Doctor, there were a few statements made here this morning that strike at someone's credibility. We hear from one witness that the costs are going to double, period, and your statement is that the costs are not going to increase at all. Now, how would you address that point?

DR. CIANCIULLI: My statements are not my statements, sir. My statements come from the Mutual of

Omaha; they come from Colonial Life; they come from Pennsylvania Life; they come from Washington National. Is it necessary to read them all? They come from the Nationwide Insurance Company; they come from Lincoln National; they come from CA; they come from America Bankers' Insurance; they come from the Walker Agency; they come from the New York Life Insurance Company; they come from the Globe Life Insurance Company; they come from Allstate; they come from Combined Insurance of America; they come from World Insurance Company; they come from Crescent General Insurance Company. I mean ---

SENATOR FAY: All right, you have made your point. Now, in the 26 states where the law exists, do you have anything in writing from any one or all of the 26 states showing exactly the cost, and showing exactly their laws? Assuming that 21, 22 and 23 became law in New Jersey, one point was made that some of the other states or most of the other states were not as literal, as far as home and office visits. Could you rebut that point?

DR. CIANCIULLI: Yes. Let me say this: if you are thinking of an amendment to exclude home care, you must then realize that this is just another subtle ploy to discriminate against people. Because what you are saying is that we would come under the hospital insurance plan, and then you would say, you know, that we are not allowed to practice in hospitals. So I think you have to recognize that we are talking in terms of health delivery to people and we can't amend versions to change the basic interest which is the people in our state.

To answer your question about cost, any of the records that we have checked have never shown an increase in cost consumption when chiropractic care was included. There could be many reasons for that, possibly that we may treat patients and keep them out of the hospital; therefore, it will reduce the hospital cost, which is one consideration.

SENATOR FAY: But in the other 26 states, do they have home and office visits written into their law?

DR. CIANCIULLI: I really don't know the provisions of their law, to be honest with you.

SENATOR FAY: How about the point that was made by Senator Hughes about the chiropractic schools? Senator Hughes made the point that osteopaths had evolved into the family, and then the point was made about the chiropractic schools, that they had not upgraded themselves and the test ---

DR. CIANCIULLI: Had they not upgraded themselves, then you gentlemen would have put them out of business. Because whether you know it or not, you are involved with their licensing. You also control the medical board which gives out the licenses, so I think that that answer probably has not been true for generations, and it certainly is not true today.

SENATOR FAY: Thank you, Doctor.

SENATOR HUGHES: Doctor, statistically, could you give me any figures on referrals from medical doctors to chiropractors? Is there any way that possibly through your organization you could get figures of this nature?

DR. CIANCIULLI: Do you mean from them to us or from us to them?

SENATOR HUGHES: From them to you.

DR. CIANCIULLI: I'm sure that probably could be done.

SENATOR HUGHES: I would appreciate it if you could get those figures and forward them to us.

DR. CIANCIULLI: It is probably a minimal figure.

SENATOR HUGHES: Well, if there are any, I would like to have an explanation of why they were referred, and the reason from the attending medical physician.

DR. CIANCIULLI: I don't know if he would be willing to do that, but can I tell you some of my own personal experiences? There are many physicians who refer to me, quite frankly, because I am the therapy of choice in that case. I don't know if he is willing to get up here and testify to that. That is a different story, but that is a fact. It is not a solicitation. It is part of the record, and he says quite frankly that that is the therapy of choice.

SENATOR WALLWORK: Doctor, how many people in New Jersey would you say chiropractors treat on an annual basis?

DR. CIANCIULLI: On an annual basis? That would be an impossible answer for me to ascertain. I would think five hundred thousand, maybe a million.

SENATOR WALLWORK: How many chiropractors are there in New Jersey?

DR. CIANCIULLI: I think there are 800 licenses in the State of New Jersey.

SENATOR WALLWORK: What is the average length of treatment that you would estimate?

DR. CIANCIULLI: Well, that would be contingent upon the problem involved, but I would imagine somewhere in the realm of 10 to 15 visits, maybe even less.

SENATOR WALLWORK: Are there any controls on utilization?

DR. CIANCIULLI: Yes. We have a Service Review Organization. We have an expert who refers to that, and

I am sure he will testify to that today. We function voluntarily in PSRO's. We also have a Medicaid consultant to the State of New Jersey appointed by your governor, who is also involved in cost effectiveness. To my knowledge there has been no increase in Medicaid consumption since we have been included, as there has not been any on the Federal level. There has been no increase in Medicaid because of chiropractic utilization.

So I think the arguments of cost effectiveness would really fly as a banner for our profession.

SENATOR WALLWORK: Has your society made any cost analysis as to how much this program would cost in these three bills?

DR. CIANCIULLI: No.

SENATOR WALLWORK: Are you capable of developing figures along those lines?

DR. CIANCIULLI: I really don't know. I couldn't answer that.

SENATOR WALLWORK: One other final point. With the number of people served, would you be willing to have a voluntary-type of program which would then be added as a rider to the health insurance contracts?

DR. CIANCIULLI: I might ask this question. Why should the people of New Jersey be discriminated against because of one therapy when all the other ones are included with no rider. Do you have surgical benefits as a rider? Do you have clinical psychologists as a rider? Do you have podiatric care as a rider? I can't see the division. If people are sick, there should be a therapy of choice. If their business is involved with selling insurance to the people of the State of New Jersey, cover them. All our other records show that it does not change any cost basis.

Why would it be different now?

SENATOR WALLWORK: You say your records indicate it does not change in any cost basis, but you said before that you didn't have any cost projection.

DR. CIANCIULLI: Not on the Blue Cross and Blue Shield. But I have many, many cost projections on other surveys involving insurance costs, and they all show less cost. Certainly none of them show an increased cost, so it would be presumptive on my part to think that after much evidence that the cost is reduced, that all of a sudden out of the clear, blue sky it is going to escalate. I just can't believe that.

SENATOR WALLWORK: What insurance carriers in New Jersey have given data along these lines?

DR. CIANCIULLI: Continental, Metropolitan, and Mutual of Omaha would be a typical example. This is a uniform company, and what they are saying is that, "The term 'physician' used in our individual policies covers any person properly licensed to practice a specific art of healing by the State wherein he resides and carry on such practice. This is a uniform company procedure in all 50 states and other areas where they are licensed to do business," meaning both the company and the people. "No additional premium for this contract has ever been involved in this consideration."

I have them all, and I am going to give them to you. They all just about paraphrase that.

SENATOR WALLWORK: Does that include home visits?

DR. CIANCIULLI: Yes. Some of these policies would obviously include home visits, accident visits, hospital visits and group health insurance. CNA, they make a specific note that their letter applies to eight major carriers of America whose names are not in here on the list. I don't

think that the insurance companies would volunteer information like that if they were not sure of it. I'm sure it is not solicited, because these are their facts not ours.

SENATOR WALLWORK: Does your society have the capability of developing cost projections in this field?

DR. CIANCIULLI: I really don't know, because I am not an insurance expert. I just happen to be a practicing chiropractic physician. I really don't know that answer.

SENATOR SKEVIN: Just one question, Doctor. I am a layman in terms of the debate here. Dr. Abrams talked about medical benefits and the lack of medical benefits in the manipulation of the spine, and as I understand your testimony, you talked about health benefits. Are you talking about two different things or the same thing?

DR. CIANCIULLI: The same thing.

SENATOR SKEVIN: Could you elaborate on that?

DR. CIANCIULLI: I think that anyone who is versed in clinical medicine is quite well aware of the thousands of books and articles attributing to the therapeutic benefits of manipulation. Dr. Mannel has been a longstanding medical physician who advocates manipulation openly. Dr. Sirak's -- and I believe it is Dr. Manze who just received an award from the International Society on Rehabilitative Medicine and his book was nothing more than almost a plagiarism of basic, old time chiropractor's techniques. I would say that the astute practitioners of medicine are aware of where our benefits are, and I think that if you would peruse their literature and examine it, you will find that, by their own admission, manipulation, whether you call it chiropractic or not, works. Nothing succeeds like success. Thank you, gentlemen.

SENATOR SKEVIN: Thank you.

SENATOR HUGHES: Thank you for your time, Doctor. Our next witness, Mr. John Kelly.

J O H N K E L L Y: My name is John Kelly. I am the former representative of the United Steel Workers of America.

I am currently on the Board of Trustees of Blue Shield of New Jersey. I am here for the purpose of introducing into the record the testimony of Andrew J. Biemiller, Director of the Legislative Department of the American Federation of Labor and the Congress of Industrial Organizations, AFL-CIO, the fact sheet that was introduced to document the AFL-CIO's opposition to the inclusion of chiropractic in the Medicare Program.

(Prepared statement begins on page X-4.)

In addition to that, gentlemen, I am here to speak in opposition to the program. I believe that the bill is inconceived where it would provide for usual and customary rate fees, as the testimony has shown today, for office and house visits. This particular concept, regardless of what any of the previous witnesses have said, is necessarily going to cost a substantial amount of money unless it is definitely limited. As we are aware, there are many insurance company plans which are the so-called indemnity plan with "x" number of visits per year. In addition to this, I do believe that the presentation submitted by Andrew J. Biemiller in regard to making these services reimbursable under the Medicare Law makes the case against A-21 more eloquent than I can.

Also, I would recommend that this committee review the reason why former Governor Hughes took his position in opposition to a similar bill, A-368, when he refused to sign the particular bill which was asking for the same identical coverage that is being asked for here today. I believe that if the committee was to decide that it would have to be in good conscience only decided on the basis of a rider, it would make it available to the individuals who really want this type of coverage. As you are well aware, Rider "J" can be bought as a separate program. Blue Cross can be bought as

a separate program. Blue Shield can also be bought as a separate program. But to impose this on all of the subscribers to Blue Shield in the State of New Jersey with its additional cost, I believe, is an unfair and unjust method of dealing with the public whom you are privileged to represent. Thank you very much.

SENATOR WALLWORK: I will ask you the same question I have been asking everyone else. Do you have any specifics on what the cost increase would be? Everybody talks about cost increase, but no one has any specific figures.

MR. KELLY: I have no specific figure, Senator; however we must realize that if we are going to provide, even for the medical profession, home and office visits, we would have to increase the cost. In the practice of chiropractic, it is basically at home and in the office. That is where the services are rendered.

SENATOR HUGHES: Mr. Kelly, in two very highly industrial states, California and Michigan - and I understand you are speaking as a labor representative - the United Auto Workers and the Aircraft Workers in California wanted it as part of their package, and today this is law in both states.

MR. KELLY: They wanted it as part of their package in both states. They negotiated it into their labor agreement at a specific cost.

SENATOR HUGHES: What I am trying to point out is that the workers themselves did want that type of treatment available to them.

MR. KELLY: I would say some of the workers, Senator, not all of the workers.

SENATOR HUGHES: Well, a majority of them.

MR. KELLY: It is the same as you and I or anyone buying fire insurance. You are sold not only fire insurance but all types of coverage for anything that could possibly happen. Now, naturally, if it is available - and I am not opposed to the proposition - those people who want it should be expected to pay for it and not ask all the rest of the people to pay for it.

SENATOR WALLWORK: Are you speaking now as a member of the U. S. Steel Workers or as a member of the Board of Blue Shield?

MR. KELLY: I would say that I am speaking as a member of the Board of Blue Shield representing the labor people whom I am alleged to represent on the Board.

SENATOR WALLWORK: Who appointed you to the Blue Shield Board, Mr. Kelly?

MR. KELLY: The AFL-CIO, State of New Jersey.

SENATOR SKEVIN: Mr. Kelly, did your labor organization take any poll or consensus about how your people feel on this particular issue of freedom of choice?

MR. KELLY: No, sir.

SENATOR HUGHES: If there are no further questions, I thank you, Mr. Kelly. Dr. Eugene Cianciulli, would you come back to the stand for one moment, please?

EUGENE CIANCIULLI: Yes, sir.

SENATOR HUGHES: I would like to have you explain something to the committee. These documents that you have given us from the different insurance companies all seem to be addressed to a Doctor Earl Downing in Fayetteville, North Carolina, in answer to a letter that he has requested. Now I don't know that that is germane to what we are speaking about here.

DR. CIANCIULLI: I think you are entitled to know. There is nothing to hide. You want to know who he is and

why they are addressed to him?

SENATOR HUGHES: Yes, and why were they solicited?

DR. CIANCIULLI: They were not solicited. What happened was ---

SENATOR HUGHES: It seems to be from the way they begin, "Thank you for your letter."

DR. CIANCIULLI: Well, he was the Insurance Review Chairman for our National Association. Some years ago we went through a similar battle because of discrimination in not being included in contracts, and they were trying to arbitrarily define the term "physician." And where in fact it did state that physicians include any licensed health provider in the state, then arbitrarily the insurance company or some provider would say--or some head of a medical department would usually say, "No, that man is not included." So he asked for a clarification, and that is not solicitation.

What he is asking for is, "Will you include chiropractors in your policy under the term physician." The answer is, "Yes." And also, "In your experience was there any increase in cost because of the inclusion of their services, or were their any negligent benefits," and the answer again was "No."

The reason why they wrote to him and not me is because I was not the president at that time, and I was not the insurance representative.

SENATOR HUGHES: Would you say that this is strictly for North Carolina?

DR. CIANCIULLI: No, this is for the entire United States. That's why when you were talking about cost effectiveness, and Senator Wallwork asked me about a projection, I thought these letters would be appropriate.

The history of projection across America has been one of extreme cost effectiveness, so if I had to make a projection, I would say we were in the ballpark.

SENATOR HUGHES: All right, thank you. We just wanted that point clarified. Dr. William Bromley.

W I L L I A M H. B R O M L E Y:

My name is William H. Bromley, D.C., and I am a practicing doctor of chiropractic in Audubon, New Jersey. Today I appear before you as President of the American Chiropractic Association, the largest national chiropractic association in the United States.

We urge you to approve Assembly Bills No. 21, 22, and 23 which have been pre-filed by Assemblymen LeFante and Bate, because these bills are in the best interests of the health of the people of this State.

These bills would enable health-care consumers to obtain chiropractic services in health-care delivery or payment systems. No. 21 deals with medical service corporations, No. 22 with individual health insurance policies, and No. 23 with group health insurance policies.

These three bills would give to the people of New Jersey a Freedom of Choice among licensed health-care providers, particularly among doctors of

medicine, doctors of osteopathy and doctors of chiropractic. None of the bills would force any provider on our people, but all would enable them freely to choose whether they want health care from MDs, DOs, or DCs, within the scope of their respective licenses. This is in accordance with the American tradition.

In this year of 1975, as we prepare for our nation's bicentennial celebration of our 200th anniversary as a nation dedicated to freedom, liberty and democracy, it is all the more important that we adhere to basic American principles. And one of our most fundamental freedoms as Americans is FREEDOM OF CHOICE. That's what these three bills would assure in the field of health care in this state.

All 50 states in the U.S., plus the District of Columbia and Puerto Rico, recognize chiropractic as a primary health-care provider. They all license chiropractic and authorize chiropractic services under their State workmen's compensation laws. As you know, New Jersey does so also, and we have a well-trained, highly experienced and very gifted corps of doctors of chiropractic in this State serving the health needs of our people.

It is demeaning to the people of New Jersey to deny them the Freedom of Choice of Chiropractic health care. The Federal Government authorizes chiropractic services under Medicare and Medicaid. It also authorizes chiropractic health benefits to Federal employees under both the Federal employees health benefits law and the Federal employees compensation act. The Federal Government

recognizes chiropractic health services as a medical deduction under the Federal income tax law. The Federal Government recognizes a chiropractic accrediting agency for chiropractic colleges, in precisely the same way it does for medical colleges.

In addition, only as late as November, 1974, the Conference of (State) Insurance Legislators, known as COIL, included chiropractic in its model health bill.

Chiropractic is part of the main stream of American health care. It is unfair, unwise and discriminatory to deny its advantages to those people of New Jersey who want such chiropractic health services.

Just as New Jersey recognizes and authorizes chiropractic as part of the full range of health care services available to New Jerseyans, just as it gives our people Freedom of Choice to use chiropractic health benefits in their private health-care arrangements and in workmen's compensation, so should New Jersey provide FREEDOM OF CHOICE to its people to select chiropractic health services in health insurance and medical service organizations.

There is still another important reason for enactment of these three bills, the fact that they will help to reduce the ever-pyramiding cost of medical care. As you know, chiropractors provide ambulatory health care, principally in their offices, for the very same kinds of condition for which other health care providers hospitalize the patient.

Let's take a typical case of low back pain, the chiropractor would provide out-patient care in his own office, using his own equipment. Other health care providers frequently, if not regularly, puts such a patient into a hospital (and that could mean \$120.00 per day) and perhaps resort to expensive means of treatment such as traction.

Workman's Compensation data shows that for the same kinds of conditions, but often yielding better results, chiropractic gets the injured worker back on the job in one-third the time, at one-third the cost of comparable health care by other health care providers.

In these days of economic and fiscal crisis, the people of our state will be grateful to their legislature and especially to this committee for enabling them to use chiropractic not only as a highly effective health service, but also as a lower cost one.

Therefore, we of the American Chiropractic Association compliment Assemblymen LeFante and Bate, and urge enactment of Assembly Bills No. 21, 22 and 23, by assuring Freedom of Choice, these wise bills will broaden the range of health-care services available to the people of our State. Thank you.

SENATOR HUGHES: Are there any questions?

SENATOR FAY: Is there any separate record from the Medicaid and Medicare Programs showing us exactly what the costs are for patients who use the chiropractic service?

DR. BROMLEY: There has been some documentation. I do not have these available. We have one organization, Barnharte, that submitted a report to us. That was submitted to the United States Government at the time that Medicare was being enacted.

Obviously, if anything was going to be brought against us, it would have been done and was done by the AMA, the political primary movers. Chiropractic is not opposed to medicine, but chiropractic is opposed to political medicine. At that time they presented every fact available to them, and despite this, the United States Government enacted Medicare. Now, since that time, yes, we are concerned about the track record of chiropractic, because national health insurance is coming up, so we are quite concerned about the quality care and the fact that our people are doing a good job. Therefore, actuaries are being established. I don't have the data with me. I would be more than happy to find just what is available up to date and submit it to you.

SENATOR SKEVIN: Doctor, along those lines, in your statement you mentioned that the chiropractor can provide outpatient care in his own office, whereas other health care providers frequently would hospitalize their patients. Do you have any statistics on that approach? Is there any national data available?

DR. BROMLEY: Well, as far as statistics, I don't have them with me. But the approach basically is the

fact that chiropractic treatment is a little different than the medical doctor's approach, and frequently it is a question of degree. What we are concerned with is a proper diagnosis, a comprehensive orthopedic and neurological examination, and then follow through with either treating the patient or referring the patient.

When we treat the patient, it frequently precludes having to go into the hospital. I just received a bill for my stepfather for \$7,000 for just 47 days in Jefferson, which is a lot of money, but as far as specifics, I just don't have them with me.

SENATOR HUGHES: Doctor, just one question. Was the ailment that your stepfather had treatable by chiropractic?

DR. BROMLEY: No, it was not. It was a cancer problem. If we have problems that do not fall within our particular area, we feel that interdisciplinary rapport is essential, if we can get effective treatment and get the patients back to work or back to good health. That is a point that might be mentioned here.

I have a letter that came to me from the HEW, because it was alluded to earlier that HEW does not approve the Cullan Report. Well, that was all put to rest with Medicare, but since that time I have just returned from the Lions Workshop in Bethesda, Maryland, where all the people who were concerned with spinal manipulation in medicine, osteopathy, and chiropractic came together to try to determine what is known and what is not known about the area of spinal manipulation,

not the credibilities, but where do we have to do additional research. The thing that this conference was concerned with was the allocation of two million dollars and up to seventy-five million dollars for research. This is the real thing we are concerned with, good, proper education and good research.

A question was asked relative to the accreditation of our schools. The accrediting of chiropractic schools or the chiropractic agency, CCE, Council in Chiropractic Education, just took place in August. Now we have an agency that accredits chiropractic education, standardizes it across the nation, and guarantees the consumer that the health care provider is going to be of quality, and it is going to be guaranteeing them that they are going to get the best possible service available from our profession. This is what we are concerned with with the PSRO's, the Peer Review and all the rest. We are responsible and we are trying to give a good quality service in a sincere kind of way that is going to make the health consumer feel that they are getting what is due them, and that is what our principal concern is.

SENATOR HUGHES: A statement was made earlier that the chiropractic profession did not need malpractice insurance; is that what you would call a statement of fact or is it a fact that possibly malpractice insurance is not available to them?

DR. BROMLEY: No, I think that statement was misunderstood. The chiropractor does need malpractice insurance just as every other practitioner; however, our track record is such that for 36 years the National Chiropractic Mutual Insurance Company has never increased its fees. They are just presently

increasing this fee now for malpractice coverage. For \$200-\$600,000 the cost is \$216, but because of the rage of malpractice cases across the country, as you can see with medical doctors who have their backs to the wall, this is why this legislation just passed. But for \$216 we are paying for, as I said, \$200-\$600,000. Medical doctors are paying up around \$400 or \$500, and if he wants to practice minor surgery, he can pay, with neurosurgery, all the way up to \$10,000 and \$15,000. I just saw recently in the paper that it was as much as \$45,000. For our particular health care, there is a very low risk. With any care, naturally, there is always that built-in possibility of some problem existing, and we have our six percenters in our profession as every profession does, but these people are minimal, and we have ours and we try to contain them. But as far as the risk factor is concerned, our track record is excellent.

There were 12 cases, in fact, of problems resulting from chiropractic care that were alluded to recently -- because I have the malpractice cases to give to our convention people--but every year there are 2500 types of iatrogenic conditions that are attributable to drugs, and in the same 27 years where we have had 12 cases that resulted in death, there were 67,000 cases that were of the medical profession. Here again, these are comparable statistics which can be documented.

SENATOR WALLWORK: Doctor, you said you would forward statistics, and I think you were referring there to outpatient care versus other health care providers.

DR. BROMLEY: Right.

SENATOR WALLWORK: In your next paragraph on page four you indicate that Workmen's Compensation data shows that for

the same kind of conditions better results were often yielded. The chiropractor gets the injured worker back on the job in one-third the time at one-third the cost of comparable health care.

DR. BROMLEY: This comes from statistics in Florida with Workmen's Compensation data that was just compiled not too long ago, and we would make those available to you also.

SENATOR WALLWORK: Do you have any New Jersey statistics?

DR. BROMLEY: Presently, we do not. I know that an effort was made in this regard, but the problem is that when a Workmen's Compensation case comes in to a provider, a triplicate form has to be filled out by the employer, one copy goes to the State, one copy goes to the insurance company that he has compensation insurance with, and the other copy is retained by the employer. But what happens is that in the State program there are no compiled statistics and it is not computerized as to separating chiropractic and medicine and osteopathy. They don't differentiate that. They just talk about the number of back injuries. This would be an excellent area to delineate just what the comparative difference is. We offered to even pay for people to go in and actually get these statistics, because we would like to have them in order to present to people such as yourselves on this type of occasion. But they were not available to us. We would like very much that they be mandated to be requested and we would be more than happy to supply the people and manpower to help compile these statistics. We feel very firm that our people are doing an excellent job, and they are saving the taxpayer considerable amounts of money.

We are not a cure-all, and we are not a panacea. We are an effective kind of treatment that no other health care provider is in fact providing, because the osteopath is truly going into the family practice area. Seventy-eight percent of the medical doctors coming out of care of people who are retiring, dying, or going into specialties; therefore, the osteopath has moved into this area of family practice, and the chiropractor now has become more and more of the family practitioner in the sense of taking care of, as a point of entry physician, and diagnosing and evaluating what the problem is, and then referring them to the various specialists. We are going into that more and more. This is why we want to be good, responsible diagnosticians and therefore save a considerable amount of money for Workmen's Compensation as well as others.

SENATOR WALLWORK: What type of a collection agency or group could get this data that you have confidence will give pertinent data and accurate data?

DR. BROMLEY: What group? I can't answer that. Could you rephrase that?

SENATOR WALLWORK: Well, for instance, would the Prudential Insurance Company of America from this state be a health care provider that you would have confidence in if we could get data from them on the cost factor? I assume you have no cost data information here. We have not heard any cost data except speculation in my opinion from the Blue Shield, and the President of the New Jersey Chiropractic Society said that he had no specific data, and I don't think you have cost data either. The

committee is left with the fact that we don't have cost data. What agency or what company could give us this cost data?

DR. BROMLEY: It is possible that Prudential, since they are the carriers for Medicare and Medicaid in this state, would possibly have data regarding that with their computerized system. They are separating chiropractic and medicine as to the treatment of various areas, but here again you are locked in with various problems that are inherent with the bills that come out of Washington, and that is the treatment by subluxation. A lot of the diagnoses that go into Medicare strictly say, "Subluxation, a static type of rotational problem." It does not allude to specific back problems; therefore, there would not be consistency, again, in reporting apples and apples. Instead it may be apples and oranges, so therefore, how statistically sound this would be is questionable, but it would be worth exploring as a possibility of developing some factual material.

SENATOR HUGHES: We would appreciate it if you would follow up on that for us.

DR. BROMLEY: We will make an inquiry, because they have the facilities available where they can put certain questions in but, as I say, if the apples and apples don't match, it would not be of any real useful value.

SENATOR WALLWORK: I would like to ask one other question. Peer Review, can you just tell us quickly how your Peer Review activity works?

DR. BROMLEY: There may be another speaker regarding that; however, structurally across the country in every state there is a Peer Review Committee. The Peer Review Committee is empowered with the responsibility of evaluating

any cases that come before them that appear to be abhorrent, that appear to be inconsistent with the normal type of treatment for that particular kind of condition or diagnosis.

What they do is evaluate this on a standard structure-type arrangement that enables them to then say, "This treatment is a little extensive, and it is a little more than what it should be, and it is not consistent with the diagnosis given." They will not hesitate at all in telling the treating doctor that he is a little bit beyond where he should be in this particular kind of case, and they will not hesitate to cut the fee or cut the service charge.

At the same time, they will not hesitate also to go to bat for the doctor if his case is sound and, in their judgment, typical of that particular problem. So they will go back to the insurance provider and explain to them that this is consistent with normal treatment, and then usually, if this is not happily taken care of, then there is a certain arbitration that takes place between the two. It does give the consumer and the doctor and the insurance company a recourse by which they can go to someone else and have a fair kind of evaluation, if they feel they were unjustly dealt with.

SENATOR WALLWORK: How many cases like that would be dealt with in a year's time in New Jersey?

DR. BROMLEY: I cannot give you the statistics, but Dr. Kovacs probably can. I believe he is going to testify.

SENATOR FAY: Doctor, to me the one big argument as far as I am concerned is the debate over cost. We have Blue Cross-Blue Shield people

saying it is going to double the cost, period. Without argument they have said it is going to double the premium and therefore it is going to double the cost. Others are saying that they are going to be stabilized or go down a little.

Can you tell us what states have a similar bill? If you can tell us that, then, can we look at their track record and their costs and answer this argument once and for all?

DR. BROMLEY: I don't have the statistics in front of me; however, we will get a breakdown for you of each of the states that have this law, or possibly one of the other speakers will be presenting those items of information. We can present to you the various states that have the insurance equality laws. I think that basically is what you are talking about. We are not interested just in Blue Cross and Blue Shield. We are interested in consistency, you see.

So, therefore, we can present the statistics to you and also the track record of these other states. You should keep in mind that in each one of these states, Blue Cross went in and fought the issue in every one of them, and yet 26 states deemed it their responsibility to provide this service for the consumer. The track record, as far as our knowledge at this point is, has been good. Otherwise there would have been other laws enacted where Blue Cross would have come back and said, "Look, we told you this was going to double our costs, so please give us some relief." What would have happened is the legislators would have a beautiful position to say, "Fine, reverse it." It has never been reversed, you see.

In fact, there have been some legal cases in Utah where they have upheld the chiropractic position relative

to some of these encounters with Blue Cross.

SENATOR FAY: Do Christian Scientists go in for that in Utah?

DR. BROMLEY: Well, I can't speak for Christian Science. I know nothing about it, but in Utah you have a lot of Mormons, but also you have a lot of people that are very concerned about quality health care. That's why the chiropractor is being sought out more today than ever before, because we are non-polluting, non-iatrogenic, and it is a kind of sequence.

That point might be mentioned, that it is a question of degree. If we can't treat the problem, then they can go to the next step, then they can go to medicine. We are not opposed to medicine. We are opposed to the over-utilization.

SENATOR FAY: And in most of these other states, both Medicare and Medicaid pay for home and office visits?

DR. BROMLEY: To my knowledge, I can't answer that. But again, we would be more than happy to supply you with the actual bills. I can give you the actual bills from headquarters of every one of the states, and the law that was enacted, and if they have any kind of statistical material within the framework of these states, we will make that available to you also.

SENATOR FAY: Fine, Doctor. Thank you.

DR. BROMLEY: So basically then you have asked me for Medicare and Medicaid costs. You want the bills from the other states ---

SENATOR FAY: Those that have similar bills to our state.

DR. BROMLEY: Anything else?

SENATOR HUGHES: Statistics as to the cost in those states which have the legislation.

DR. BROMLEY: Those states that have the insurance equality laws?

SENATOR HUGHES: Yes, right.

SENATOR WALLWORK: I would like comments on your statistics in your prepared statement.

DR. BROMLEY: Oh, yes, the figure of one-third, fine. Those are the Florida statistics.

SENATOR HUGHES: Doctor, you did mention that somebody else here would probably have some of those statistics. If anyone does have those statistics, would you present them to us, in the interest of brevity, because we have another meeting at two o'clock. We have to move along. Some of the testimony now is becoming repetitive, and I would like very much to have your cooperation along this line.

Mr. Job, please. Would you identify yourself for the record, please.

J O S E P H J O B: Mr. Chairman and distinguished members of the Senate, my name is Joseph Job, and I am a layman from Bergen County. I am familiar with your surroundings here. I have come here, of course, to testify in favor of this bill, having had some personal experience with chiropractors over the years. For a number of years as an athlete I used chiropractors very, very effectively, and just about 18 months ago or a little longer, I had a very serious accident on the New Jersey Turnpike.

I went to a hospital for a number of days, and I found at the end of about 10 or 11 days that I was not quite satisfied with either the cost or the

application, and I went to my chiropractor, and he told me it would take me approximately 5 or 6 weeks and he would have me back in fairly decent shape. At that time, I found it very difficult to get out of bed.

He did exactly as he said he would do, and after some 5 or 6 weeks he alleviated what I considered a very serious back situation which affected both of my legs. It was done at a very nominal cost, which I was very much concerned with, having been a member of a group policy in Bergen County. The County of Bergen has a policy with Blue Cross-Blue Shield, and of course I wasn't covered under that policy by virtue of the fact that I went to a chiropractor and I had to pay for it myself.

I might say this to you: this happens in all cases where either the industry or a governmental agency is affiliated with some group. In this particular case our people have nothing to say about it. I have some 270 employees, and I will say this to you: at least 10 or 12 of them that I have known in the past year who have availed themselves of a chiropractor's service, have come to me and said, "We have to pay for this. Is there anything that we can do about this?" And I have told them, "Not under the present circumstances because the County is under Blue Shield, so consequently, you will have to assume the cost yourself."

I happen to be one of the 4 million that Dr. Donnelly was talking about. I want to say this about the medical profession, I would say to them too, as I sit here before you people, that I have availed myself of services of the medical profession on five occasions where I have had serious surgery, and I am here today, so evidently they rendered a pretty good service. So I am not here to take either side as to what the medical profession can do for individuals and

what the chiropractic profession can do. I can only say this to you: that I think we as individuals ought to have a freedom of choice as to where we want to go. I think on that basis, the individuals who are responsible in the Assembly, at least, for the passage of this bill, should use a great deal of wisdom and foresight. I think this is incumbent on individuals in high places of public trust charged with the responsibility of looking out for the general well-being of all of our people - and that is exactly what you legislators have demonstrated over the years, the ability of being responsible for the needs of all - and hopefully you will afford each individual the same opportunity. So I would say that in my particular circumstance and of my personal knowledge I was really discriminated against. I had no choice but to go and pay my own bill when I went to a chiropractor, and then had it taken care of when I went to a physician.

I know that you are cognizant of the fact that you don't go to a shoemaker to get your hair cut, and by the same token I reserve the right to go where I think I ought to be going for the kind of treatment that I want. In my particular circumstance I went to the hospital for 10 days. In those 10 days, the doctor saw me for a couple minutes every day, and at the end of 10 days, I got a bill from the hospital for \$1,000 and \$600 for the doctor. I went to a chiropractor who took care of me in the period of 4 or 5 weeks, and it cost me less than \$200. There is a big difference. So, if I had to pay for my services in the hospital, you can understand how much it would have cost me. In my particular circumstance, I am a little better off than a great many individuals who need this type of service, so I am here today to say to

you that I support this bill. I am familiar with the two gentlemen who sponsored the bill. I know that they sponsored it out of a very deep conviction for the well-being of the people of this state. I might also say this to you, that the vote in the Assembly was indicative of how those individuals felt, and I suppose the Senate will use a little more precaution here and are holding these hearings. That just indicates to me that the medical society, as they have in the past, have had great representatives down here and were able to prevail upon this committee. This is good and this is healthy. We have an opportunity to hear from the medical people who are biased on one side and the chiropractors who are biased on the other side. Of course, the responsibility falls with you people.

SENATOR SKEVIN: Did you say that the same condition that you were treated for at the hospital and charged \$1000 plus \$600 for the doctor was treated by the chiropractor for only \$200, essentially the same condition?

MR. JOB: Well, I had a problem. I was not satisfied at the end of 10 days in the hospital that anything was being done for me. That was a conclusion that I came to.

I knew that I was covered under Blue Shield, and so I did go to the hospital. But at the end of those 10 days, I went to a chiropractor. He told me - at least if his diagnosis was correct - that it would take approximately 3 or 4 weeks and I would be back in fairly good shape. I might say to you that everything that he said to me and the application that he made must have been conducive to my best interests, because I was out and feeling pretty good.

SENATOR SKEVIN: Blue Cross and Blue Shield paid that initial bill or a portion thereof?

MR. JOB: They contributed to the hospital bill. Of course, as you know, you pay 20% of that or some part of it, but my bill, of course, of the chiropractor had to be paid by myself.

SENATOR SKEVIN: Sheriff, over the years you have been very active in Bergen County, not only as a public official, but in civic affairs and in athletic events, and you have been known to be close to the people of Bergen County. From your general knowledge and background and your involvement in all these particular activities, how do you feel the people of Bergen County look upon chiropractic service?

MR. JOB: I would be speculating there, Senator. I don't want to get into the realm of speculation. That is why I was specific in my own instance. I do know that over the years I have had friends -- and incidentally I was recommended by an individual who had satisfactory treatment, so I can only tell you from my own personal experience of a very few individuals that have availed themselves of chiropractic treatment over the years. I myself as a ball player know that every trainer manipulates the muscles, and manipulates the back. I am talking now as a layman. I know nothing about medicine, nor do I know anything about chiropractic treatments. But I do know this, that every time I have gone to a chiropractor for relief -- and I am talking now as an athlete -- I have gotten that relief. Sometimes

it was immediately, and sometimes in a day or two. I am talking about now of being in a very sensitive position as a ball player and a catcher. Now, many times, I couldn't lift my arm. I have gone to a chiropractor and as a result of manipulation, the next day I was in there playing a ball game and sometimes two.

So, I am talking to you of personal experience. I have found that their service, and where I have been concerned, their application has been tremendous. I can't speak for anybody else, nor do I want to speak for anyone else. I can tell you this too, that there was one other young man that we thought we were going to lose. Our doctors wanted to discharge him on a two-thirds disability just recently. This was a boy by the name of Peter Fullenprice, one of my sheriff's officers. This fellow was in terrible condition, and he went to the very same chiropractor that I went to. I had nothing to do with sending him there. I don't know how he got there. The fact of the matter is that he went to the same chiropractor. This fellow is now back and working full time in our organization right at the very moment. Let me tell you, he walked with a 75% list. He couldn't even straighten out.

I can only tell you of specific instances of only the few people that I know specifically, and these fellows have done a tremendous job.

SENATOR HUGHES: Sheriff, I don't believe you answered Senator Skevin's question completely. Am I to understand that when you left the hospital not satisfied with your condition, it was the same condition you entered the hospital with?

MR. JOB: Right.

SENATOR HUGHES: And then you went to a chiropractor, and you did get the proper relief?

MR. JOB: Yes, sir.

SENATOR HUGHES: Any further questions?

SENATOR WALLWORK: I can't understand the cost payment. If you were in an automobile accident, Sheriff Job, why didn't the No Fault cover all the attendant medical costs?

MR. JOB: That litigation is pending right now. After that accident I went to a lawyer, and as you know, there are many cases pending.

SENATOR WALLWORK: So you expect to be reimbursed?

MR. JOB: Hopefully. I am just giving you my specific circumstances. I hope to be reimbursed at some later date.

SENATOR HUGHES: Thank you, Mr. Job. Our next witness is Neil A. De Sena.

N E I L A. D E S E N A: Gentlemen, my name is Neil A. De Sena, City Council President for the City of Bayonne. I am currently employed by the Metropolitan Life Insurance Company for the last 16 years. I appear here today unsolicited and unaware that this meeting was going to be held until 2 days ago. I come before you in total support of A-21, 22 and 23.

I feel that any individual should have the right to choose their own physician. The company by which I am employed, the Metropolitan Life Insurance Company, does not discriminate against any doctor of medicine. All it says in our brochures and in our contracts is that you must be under the care of a qualified physician, which also includes chiropractic care for which they do pay. I might add that there is no additional cost for the premium.

I would like to relate a personal experience as the previous speaker. Back in April of 1970, Easter Sunday was an icy, cold, rainy-type of day, and at that time I had been a candidate for the Third Ward Council in the City of Bayonne. My wife had trouble with the car that day, and I went out to fix whatever was wrong. As I turned to get into the car I felt a very severe pain in my lower back. It took every effort that I had in order to drive the car home. I drove roughly 10 blocks to reach my home, and I found that my legs were totally immobile. My son went in to get my two brothers-in-law, and they took me from the car into my home and laid me on the parlor floor, because I was in total excruciating pain.

I never have felt anything like that in my life. I called my medical doctor, and he diagnosed it over the phone as a pinched sciatic nerve, and he sent over some medication. With that, I had my wife call the chiropractor whom I had gone to when I was playing ball, and he came over that Sunday. He saw the condition that I was in, and would not treat me at that time as you normally would be treated by a chiropractor.

Anyway, to make my point clear and precise, I was in his care for 12 days. In those 12 days he got me back on my feet which enabled me to run for a nine-week campaign - and all of you know, because you are in political office that sometimes it takes sixteen or seventeen hours a day, seven days a week, and nine weeks to conclude. Very successfully I was elected that year and re-elected again in 1974. But the point that I am trying to strongly emphasize is, as an individual using both medical doctors and chiropractors,

I feel that I am fortunate enough to afford the care of a chiropractor because of the few dollars that they may charge. I would not want to be discriminated against in that if I did not have the funds to pay for that care, I would be denied that care only for the dollar's sake.

I cannot emphasize strongly enough the need for all of us to have freedom of choice. A previous witness said that you can solicit any type of petition. In 1972, I was then the president of the International Insurance Workers of the State of New Jersey. We had petitioned the State at that time to incorporate chiropractic care in all of our Blue Cross and Blue Shield coverage. Gentlemen, I strongly urge that you support and pass bills A-21, 22 and 23. I want to also thank the committee for allowing me to speak before you.

SENATOR HUGHES: Thank you, sir. Gentlemen, are there any questions? (No response.)

Our next witness will be William R. Vanderbilt.

WILLIAM R. V A N D E R B I L T: Mr. Chairman,

My name is William R. Vanderbilt and I am legal counsel for Medical-Surgical Plan of New Jersey and in this capacity would like to comment upon Assembly Bill No. 21 which the Board of Trustees and officers of the Plan vigorously oppose as being discriminatory and clearly not in the best interests of the Plan's subscribers and their dependents.

The impact of the Bill, which amends the medical service corporation law, is to mandate payment for all services of chiropractors, wherever rendered, under all existing contracts as well as contracts hereafter made.

Under Section 3 of the Bill, lines 10 through 24, Blue Shield would be required to make payment for all the services of chiropractors even though comparable services rendered by physicians would not be paid. Lines 9 through 19 of Section 3 reads:

Any medical service corporation which provides coverage for the medical services of physicians licensed to practice medicine and surgery in this State shall also provide coverage for, and no contract made by such a corporation shall exclude, medical services of licensed chiropractors within the scope of their licenses whether or not such services are of the same type as those provided by physicians licensed to practice medicine and surgery, which covered medical services by chiropractors shall include, the adjustment of the articulations of the spinal column and the manipulation thereof, and other services performed by a licensed chiropractor within the scope of his license.

The medical services by chiropractors as set forth includes every type of service which may be rendered by chiropractors.

Section 3 thereafter provides in lines 20 through 24 that if payment is authorized for medical services by physicians licensed to practice medicine and surgery in hospitals, offices or patients' homes, similar payment shall be authorized for medical services rendered by chiropractors in the same place or places. Medical services rendered by physicians is defined in the medical service corporation law as all general and special medical and surgical services ordinarily provided by licensed physicians in accordance with accepted practices in the community (R. S. 17:48A-1).

All of the contracts issued by the Plan cover medical services as defined in the medical service corporation law in hospitals, physicians offices and patient's homes to some degree. Thus the Bill mandates payment for all services of chiropractors. Such broad legislated coverage, as well as being discriminatory, would of necessity require an increase in contract rates.

The Bill is further objectionable in that it requires by amendment to section 2 (page 2, lines 22 to 31) that the rates of payment to all physicians shall be "reasonable". This change would have the immediate effect of nullifying the Plan's existing schedules of payments and requiring schedules which would equal the usual and customary charges of physicians. The increase in the amount of payments which would have to be made for the services of physicians would immediately more than double the existing contract rates paid by subscribers of the Series 500 Subscription Certificate.

At the present time the State of New Jersey pays approximately \$4,310,000 a year for Blue Shield coverage of State employees and the municipalities and schools districts pay approximately \$11,400,000 for this coverage. Changing to "reasonable" fees for the services of physicians would almost double these payments.

Since the enactment of the medical service corporation law in 1940, there have been several supplements to the law directing payment for covered services under contracts when such services are rendered by a podiatrist (R. S. 17:48A-26), by a bio-analytical laboratory (R. S. 17:48A-27), by a dentist in an approved hospital (R. S. 17:48A-28), by an optometrist (R. S. 17:48A-29), and by a psychologist (R. S. 17:48A-30). None of these supplements mandated that a medical service corporation must pay all or certain specified services. They merely directed that when the services of these practitioners are covered by contracts payment must be made for the covered services.

Assembly Bills A22 and A23, covering chiropractic services under health policies issued by commercial companies also passed the Assembly on September 30, 1974. These Bills merely provide that in future policies issued the service of a chiropractor must be paid if the service is covered by the policy. Unlike Assembly Bill A21, these Bills are only prospective in their application and do not mandate the addition of any new services which must be covered.

Thank you for giving me this opportunity to discuss Assembly Bill No. 21.

SENATOR HUGHES: Thank you, Mr. Vanderbilt.
Are there any questions?

SENATOR FAY: Yes. Mr. Vanderbilt, I keep asking the same question, because of the contradictory evidence. Dr. Donnelly and yourself and the other doctors keep insisting that the rates will double, and

yet others say that the track history in the other states shows that the costs have not doubled. So why do you insist, without having something more concrete or something documented, upon saying, "Yes, the rates will double"?

MR. VANDERBILT: I think we are talking about two different things. Where they cannot give you figures is what it would cost actuarially to just include the services of chiropractors under existing contracts. When I said the rates would approximately double, I was talking about the change where our fee schedules would be nullified and we must pay the reasonable charges of all physicians, not just chiropractors. It would include osteopaths, physicians, bio-analytical labs, podiatrists.

Now, at the present time, and I refer to the Series 500 Contract, the schedule of payment roughly covers 50% of what a doctor charges today.

I have a good example with my own family. My wife was operated on. The surgeon's charge was \$750, and the Series 500 payment was \$350, a little less than half. When we talk about doubling the rates or doubling the cost to the State of New Jersey, for example, with the \$4 million, we are talking about changing and making all payments the usual charges of the doctor rather than a scheduled payment such as we have under the Series 500 Contract?

SENATOR FAY: Can I put it this way: we should have figures now from Medicaid and Medicare. There are 26 states that have this law. Is there any place where there would be figures available to compare the rates before and the rates of three year's ago? Have they doubled or anything that dramatic? Could you point to anything to prove that the rates are going to

double? Do you have anything from Medicare or Medicaid which have been including the chiropractor?

MR. VANDERBILT: Blue Shield does not, because they have not been involved in either the Medicaid or the Medicare programs.

SENATOR FAY: Would Prudential have these figures?

MR. VANDERBILT: I don't know.

SENATOR HUGHES: Doctor, I notice in your prepared statement you possibly made an oversight and did not read a sentence. I wondered why that was so. The sentence I am talking about is, "It could also tend to lead to an escalation of fees charged by physicians."

MR. VANDERBILT: If the payments under the Blue Shield program are going to pay the doctor's usual charge, that is, his normal going rate, and he begins to get that rate, and as we have our increases such as cost of living and everything else, his rates are going to increase, which means that fees are going to increase proportionately, which means the contract rate is going to go up.

SENATOR HUGHES: That doesn't have anything to do with the fact of bringing chiropractic into this.

MR. VANDERBILT: No, that is another phase of the bill.

SENATOR HUGHES: This also implies in your statement that that would be a resulting effect.

MR. VANDERBILT: That was talking about the change wherein we would be making all payments paid on the usual and customary-prevailing fee basis. That was relating to that change in Section 2 of the bill.

SENATOR HUGHES: Are there any other questions?

SENATOR WALLWORK: Yes. I would like to just clarify that. Are you saying that because the bill reads, "Payments of all physicians shall be reasonable,"- and you said now currently Blue Shield pays half of the cost of what the doctor's fee is -- are you saying then that the cost would almost double because the reasonable change would mean that there would be a big escalation of costs of physicians' fees?

MR. VANDERBILT: Not on physicians' fees. In other words, I was referring to the 500 Series Contract. The payment made by Blue Shield under that schedule today is approximately 50% what the doctor would charge to a non-serviced benefit subscriber.

SENATOR WALLWORK: Well, putting it in the other framework, if the chiropractors were to be authorized to charge under Blue Shield at the same rate that the physicians are charging today - which you said Blue Shield would pay about half the going rate - what type of a cost factor would that have on the legislation?

MR. VANDERBILT: If the subscribers were included under a present system of the 500 Series Schedule or the 750 Series, they would have to work out a schedule for their fees. Now, what their cost would be premium-wise or contract-wise, I don't know.

SENATOR WALLWORK: Well, I think that is what the whole hearing is about. Because, here, for the first time I am getting an indication of the reason for the doubling - which was one of the questions I had here, the reason for the doubling of the cost - and saying that doctors should have the same type

of privileges, shall we say, as the chiropractors would have, which means then that they would be able to charge Blue Shield for home and office services, and therefore within this whole scope the costs are doubled, but if it is a more narrow type of application, and the chiropractors are given the same types of privileges as the doctors, maybe then the allowance to charge for office services with today's fees -- what is going to be the impact on cost?

MR. VANDERBILT: Under this bill, we would have to pay for every service of a chiropractor. We could not today pay every service rendered by a physician. We do not, for example, today pay for office visits to a physician for medical care of any kind. Under the basic contract, the only thing we will pay for in a doctor's office is for surgical services resulting from an accident. In Rider "J" we have additional coverage for diagnostic services and physical therapy.

Blue Shield could not, for example, try to cover and pay for every service rendered to patients by physicians, or the premium would be completely impossible. But here under this, this authorizes payment for everything that a chiropractor does. So, in effect, I don't know what has happened in any other state, but when there is a claim coming into Blue Shield for every service rendered by a contractor, it has got to affect the contract rate. It has to cost.

SENATOR WALLWORK: Well, if you were to put the chiropractors and the M. D.'s on medical parity with certain limitations and write this in on a Rider "J" trying to adhere to the level of

payment that you have now, which you say is approximately 50% of the cost being reimbursable to the doctor, what percentage impact would it have then? Obviously it would be less than double. Would it be a 10% increase? Would it be a 15% increase?

MR. VANDERBILT: I could not guess, really.

SENATOR WALLWORK: Can you get that information? Have I made the question clear? I think we are comparing apples with oranges and not comparing apples with apples, with what has been said prior to this and with what the bill purports to do. I think there is a major defect here, and I don't think that any of us on this committee think we should place the doctors at a disadvantage to the chiropractors any more than we should say that the chiropractors should be at a disadvantage with the doctors.

In other words, we are looking for what is fair for the providers and what then is in the best interests of the person getting the health service. I am very much interested in getting the right figures and we talk about comparing the right figures in terms of what the comparable services are. I don't think that anybody would say, "Well, the chiropractor should be reimbursed for everything that they do, and the doctors for only 50% of what they do." I think that you have to put it on an even comparison. I don't think we have gotten that even comparison.

So I would like to get the parameters here and what an even comparison would be. I think that is vital to the legislation. Have I made myself clear?

MR. VANDERBILT: You have made yourself clear. Of course, I cannot answer that.

SENATOR WALLWORK: Can Blue Shield get that answer?

MR. VANDERBILT: They can be asked.

SENATOR WALLWORK: Well, can you ask and get back to the committee, so that we will have these parameters as to what the cost would be, comparing apples with apples?

MR. VANDERBILT: At this point are we talking about all the services of the chiropractors or are we going to talk about only part? If we started to talk about all services of physicians ---

SENATOR WALLWORK: I think we should talk about a reasonable program of delivery services for all fields.

SENATOR SKEVIN: Mr. Vanderbilt, are there any statistics from Blue Cross or Blue Shield on how much of an increase in the rates there would be if all the patients that go to chiropractors went to a physician or were hospitalized? Would there be an increase in the rates?

MR. VANDERBILT: I could not answer that. I don't know.

SENATOR HUGHES: Thank you, Mr. Vanderbilt. We will take a short recess now.

(Recess)

SENATOR HUGHES: I would like to have quiet maintained in the chambers, please. We will resume this public hearing at this time.

SENATOR WALLWORK: Mr. Chairman, Senator Orrechio is at another public hearing, the Public Employment Relations Commission, and that is the reason he is not here.

SENATOR HUGHES: I would like to make a statement for the record, also. Anyone here who is going to give a testimonial, I would appreciate it if you would send it in writing as did all others who were interested enough to take the time to write us. We cannot here testimonials for the balance of the meeting. We are going to adjourn promptly at five minutes before two.

We are going to limit everyone who speaks now to a maximum of two minutes. Mr. Chris Deitz? (No response.) He is not in the chamber. We will call Dr. Arnold E. Cianciulli.

A R N O L D E. C I A N C I U L L I: Senator, I would like to tell you just a couple things. Number one, I am a member of the New Jersey Board of Medical Examiners. Secondly, I am a Medicaid Consultant in the State of New Jersey.

I would like to say this: the costs are a very serious thing. The thing we have to understand is that chiropractic has been included in Workmen's Compensation in New Jersey for years and also in New Jersey Medicaid. I can tell you this, that there is no cost increase as a result of the inclusion of chiropractors in Medicaid. I happen to know, because I am a consultant to the program.

Also, in the New Jersey Temporary Disability Act, where the chiropractor is covered, there has been no cost change. So that I really think that we are talking about Workmen's Compensation and New Jersey Medicaid, and we are talking about New Jersey Temporary Disability, and there have been no changes in these particular programs, number one.

Number two, I would say this to you, that in Medicaid we found it very expedient to work under a fixed fee scheduling, so that we don't pay whatever the price will bear, but we have worked out a judicious method by which the providers are reimbursed at a specific level and it has been working very well in terms of cost control.

I might add that this in itself speaks well of the profession in terms of self-discipline. The next thing I would like to say is that I have an article here which I would like to give to you. It comes from the prestigious journal called "Medical Economics." It is the December 9, 1974 issue. It says, "It is time to take the chiropractors seriously." It is written by their executive medical editor, and I think that in the years that I have been reading medical magazines and so forth, this comes as close to fairness as possible. I thank you.

SENATOR HUGHES: Thank you, Doctor. Any questions? (No response.) Is Mr. Chris Deitz in the chambers now? (No response.) I will then call Father Netta.

F A T H E R N E T T A: Senators, my name is Father Netta. I am the Associate Pastor of Saint Genevieve's in Elizabeth, New Jersey. I was ordained 17 years ago for the Archdiocese of Newark. During my 17 years as a priest, I have dedicated my life to the service of the people as a parish priest, educator, counselor, chaplain to a hospital, and most recently a chaplain to a jail.

I have come here today on behalf of the people I serve. I feel that they have been discriminated against. They

do not have the freedom of choice of physicians whenever they receive a physical malady or injury. Their insurance contracts, as well as my insurance contract, has not made available to them or to me the use of chiropractic services.

To many people this becomes a stumbling block toward progress and a curtailment of freedom. My own case comes to mind. I had been very susceptible to headaches, colds and stiff necks because of a chronic low back disability. Thank God and my chiropractor I have had that problem corrected. I would very much appreciate the freedom of choice to continue under chiropractic care. But since I personally have health insurance, specifically Blue Cross and Blue Shield, I find it of little value and dislike its discriminatory attitude.

Further, in my specific instance the policy is being forced upon me by my employer, the Archdiocese of Newark, which further deludes my freedom.

I have witnessed, especially as a hospital chaplain, that there are many people presently under medical or hospital services whose relief would be furthered by the addition of chiropractic treatments. You, the legislators, are able to pass bills A-21, 22 and 23, which would terminate, in my opinion, all insurance inequities.

Since it is to you that has been entrusted the protection of freedoms, I feel that you are morally obliged to act promptly and positively in this matter. Thank you.

SENATOR HUGHES: Thank you, Father, we appreciate you taking the time out to come before us.

Our next witness is Dr. Neil Stern.

N E I L S T E R N: Senators, it is a privilege to appear before you. I should qualify myself. I am a practicing chiropractor in Palisades Park, recently appointed as a police physician in that town. I am the Dean of a chiropractic college in New York City and its Clinic Director.

I have listened to testimony previously and in past years degrading the chiropractic education, and establishing the chiropractor as a second-rate physician. The very fact of my appointment as a police physician in the County of Bergen establishes the fact that that particular borough has seen fit to appoint the chiropractor for a period of a two-year term to deliver chiropractic health services to these people.

As director of clinics of one of the chiropractic institutions in this country, I can solidly testify to the fact that the young men and women we train achieve absolute pinnacles in education. I am not ashamed of their education in any way, manner, shape, or mean. I am totally convinced that they are capable of accurate and adequate diagnoses. The chiropractor is involved as being a primary health care provider. I feel that these bills A-21, 22 and 23 are a definite service to the people of New Jersey. They should definitely be enacted. Thank you.

SENATOR FAY: Doctor, are you the only chiropractic doctor who has been appointed to a post like that, or is this becoming a trend or what?

DR. STERN: I believe I have had the first appointment within the State of New Jersey. It was an appointment that came to my surprise a little bit, because it was dethroning, if I might use those words, a medical provider in that town, and in my services now I find myself working very, very well with my medical colleagues. I refer to them and they refer to me. We are not against - myself, I am definitely not against clinical medicine. It does definitely have its place. If we work together as a team, we can accomplish tremendous goals. It is the political machinery of medicine that has stifled so many, many good advances.

SENATOR FAY: Thank you.

SENATOR HUGHES: Are there any further questions? (No response.) Thank you very much, Doctor. Dr. Fred Hipp. (No response.) Mrs. Frances Kostelfka.

F R A N C E S K O S T E L F K A: I am Frances Kostelfka, and I am a New Jersey licensed registered nurse. I am head nurse in the emergency room at the Jersey City Medical Center in Jersey City, New Jersey.

As a New Jersey licensed registered nurse of 20 years, clinical experience in general duty, private duty, office nursing, emergency ambulance service, and emergency room head nurse, I feel it is my duty to testify in the interest of quality care and treatment of choice for the injured patient. With a background totally steeped in medicine and having been under total medical care up until 1964, at which time I reached a cross point because of my physical

problems that were not responding to all previous medical care. In desperation and as a last resort I sought relief via chiropractic treatment. For the sake of brevity, I have never enjoyed better health than in the last 10 years, since I have been treated by a chiropractic physician for various problems.

I have enjoyed complete relief, and the presenting disabilities have been varied and many. I might add that members of my immediate family and friends also are enjoying the benefits of good health because of chiropractic care.

During the course of my 15 years as an ambulance nurse and my present position as head nurse in the emergency room, I have witnessed patients with a wide diversity of traumatic injuries and medical problems. Many of these patients have been admitted to my hospital or who have been treated for their problems and released after treatment only to return for further treatment because of ineffective results.

Suprisingly a large number of these patients have expressed the same experience as my own, namely, in desperation and as a last resort, they seek aid and find relief under chiropractic care. Thus, in conclusion, I feel that in the interest of the public welfare and patient welfare, the team concept of health is essential. The availability of medical and chiropractic care to the general public on an equal and non-discriminating basis is of paramount importance. The patients and citizens of New Jersey have a right and are entitled to quality care, cost control and freedom of choice of physician. I thank you.

SENATOR HUGHES: Are there any questions?
(No response.) I thank you, Mrs. Kostelfka, for
appearing before this committee.

Doctor Robert Kovacs.

R O B E R T K O V A C S: Senator Hughes, Senator
Fay, and members of the committee, as Chairman of
the New Jersey Chiropractors' Society Insurance
Relations Committee, I would like to present the
following information concerning chiropractic
participation in the third-party payer system of
today. We accept the fact that more than 50% of
the health care dollars expended in this country are
of third-party origin. And those who are paying the
dollars want the assurance that they are getting their
money's worth. This assurance must be predicated
on more than faith.

To fortify these assurances, the Chiropractic
Peer Review mechanics have been established in New
Jersey for the past 9 years. We are happy to report
that the goals of the New Jersey Chiropractic Society
along these lines have been to assure high quality
health services at a reasonable cost; to assure high
standards of professional conduct and ethics. These
goals have been achieved by a close working relationship
between the treating physician, the committee, and
the insurance carrier.

To achieve reasonable costs and quality
care, the profession has been surveyed periodically
with questions pertaining to usual and customary
fees and response of patients to the treatment they
received. Armed with this valuable information, the
committee is able to establish with the carrier, parameters

which we feel to be usual and customary. I am happy to say at this time, that most large carriers writing health insurance in this state are utilizing Chiropractic Peer Review, Prudential, Travelers, Aetna, Union Labor Life, Lincoln National Life, Equitable, Connecticut General, and many, many more.

The review process, when implemented, works rather smoothly. It includes requests by mail from a carrier for a review of a specific case, notification of all parties that a case will be reviewed, collection of necessary data and information, referral to a committee member, and a request for an advisory opinion, and then scheduling the case for a full committee review. Appeal mechanisms have been established and are available to those parties who disagree with committee findings and recommendations.

In conclusion, I would like to restate a continuing major emphasis of the New Jersey Chiropractic Society is quality health service at reasonable cost, and high standards of professional conduct and ethics.

SENATOR HUGHES: Are there any questions?

SENATOR WALLWORK: Yes. On your Peer Review, how many peer review incidents have you had?

DR. KOVACS: In 1974? I would say about 50.

SENATOR WALLWORK: How about 1973?

DR. KOVACS: 1973, between 50 and 100.

SENATOR WALLWORK: And these are specific, individual cases where people have complained?

DR. KOVACS: No. It can be a patient, but most of the time it is a carrier who feels that there is something different, something that is not usual or customary,

whether it may be a fee out of line, or whether the treatment, they feel does not pertain to chiropractic care. They would then contact our committee and ask how we feel, if it is the pervue of chiropractic maintenance. Then we would get it, and as I had mentioned, we would then give it to a committee member, and the chiropractor in question is contacted, and the usual mechanics are gone through.

SENATOR WALLWORK: How many individual fees do you think were paid during these two years?

DR. KOVACS: Of the total, do you mean?

SENATOR WALLWORK: No; no. For instance, you say between 50 and 100 cases over the last two years. Out of how many cases would that be, 100,000 cases or 50,000 cases?

DR. KOVACS: I would think for the amount of insurance work that is done today, it is not even a percentage. You are asking me for the amount of chiropractic cases as opposed to the amount of reviewed cases. I would think it would be less than 1%.

SENATOR HUGHES: I believe, Doctor, you or someone else addressed the committee and said that they did have some statistics?

DR. KOVACS: What I meant was - I did raise my hand before. I think the only statistics that are available today in New Jersey would be from Medicaid and Medicare through Prudential.

SENATOR HUGHES: Well, there is someone in the audience indicating that they have such statistics. Doctor, I would like to hear those, because so far we have not had any.

I would appreciate it if that person would come forward, please.

E R N E S T N A P O L I T A N O: Mr. Chairman, members of this august committee, my name is Ernest Napolitano. I am President of the Columbia Institute of Chiropractic. I served as dean of a professional college for 14 years. I am serving currently as President of the Columbia Institute of Chiropractic. I am Chief Consultant for the Aetna Life Insurance Company in New York City. I am also Chief Consultant for the Uniform Sanitation Mens' Association Union that conducts a health center.

In reality, my purpose in being here this afternoon is to relate myself to the matter of education. I believe that in any instance of legislation the public interest is certainly best served by making certain that the educational process endured by the practitioners of that profession are of a degree of excellence. My purpose in being here is to simply and very briefly recite the intensity of the chiropractic professional program. If I may, Mr. Chairman, initiate my discussion by indicating that all young men and women entering into the chiropractic profession must initially show evidence of having completed two years of pre-professional education at an institution appropriately accredited in the jurisdiction which that institution resides with suggestions that there be a preparatory involvement in those biological sciences so essential to the entrance into the chiropractic profession.

In relationship to the professional program being offered, very often there becomes a differentiation as to what the subjects are that are taught within a chiropractic college. I state as a person

who has been related to education for the past 30 years that the anatomy, the physiology, the microbiology, the pathology, and the diagnosis, including all of those clinical subjects that are typically related to chiropractic are taught by individuals with the highest of skills. All of the basic sciences, or course sciences as we frequently address ourselves to them, are taught by individuals with graduate degrees.

There is absolutely no question in my mind that the statement which I will make in a moment is supported by tested measurements that one of the basic purposes of chiropractic education is to make certain that all of these basic sciences are well understood and taught by competent staff. But the ultimate conclusion of this educational process is to make certain that the chiropractor, being a primary provider of health services, is deeply steeped within the areas of diagnosis. He is deeply steeped within the area of physical diagnosis, laboratory diagnosis, clinical diagnosis - - to make certain that, as a primary provider, when a patient enters into his office, he is going to be able to primarily state that this is the diagnosis and determine whether his diagnosis falls within the spectrum of his discipline and application of chiropractic. This is truly supported by the fact of the number of medical boards across the country which our graduates and graduates of all chiropractic colleges must negotiate, and basic science boards across the country provide statistics of the fact that the educational program is at the highest professional level and certainly equal to the educational process

within any other healing arts institution, to the exclusion of the material matter in pharmacology, and for that very reason, there should be provided an opportunity in the specialty of chiropractic to be given to and be allowed to be received by other individuals.

Now, I know it is quite difficult, even for an educator, to take a half hour talk and reduce it to a matter of two minutes. There are just certain questions, for example, that were asked during the meeting relative to statistics.

SENATOR HUGHES: Doctor, I would like to remind you that because of our time schedule we will have to limit you. When I said a half a minute, I meant a half a minute. I have overextended you already. I would like you to conclude, if you would.

DR. NAPOLITANO: Other than the fact that I thought I would have some statistics to offer relative to the matter of the Aetna Insurance Company, which I have ---

SENATOR HUGHES: Those were what we were primarily interested in.

DR. NAPOLITANO: Now, as I indicated, Mr. Chairman, I was not aware of the fact that this was going to be the thrust of the meeting. I would be very happy to provide statistics from the Aetna Insurance Company, and also from our own Medicaid Program in New York State, of which a chiropractor serves on the Health Committee, also from the Board of Health, and the statistics that have been developed through the Uniform Sanitation Mens' Association. I think that they would not only be quite impressive, but also would aid your august body in coming to conclusions on cost factors.

SENATOR HUGHES: You will supply those to us, sir?

DR. NAPOLITANO: I would be most happy to, sir. I thank you for the privilege.

SENATOR HUGHES: Thank you. Our next witness is Sister Veronica.

S I S T E R V E R O N I C A: I would like to address myself in regard to bills A-21, 22, and 23, which aim to provide Blue Shield coverage for chiropractic patients. This therapeutic and humanitarian service should be available to all people who desire it and who need it.

In my 40 years teaching and in administration - at present administrator of the Bendar Academy in Elizabeth - I have seen many children who would, I'm sure, benefit greatly from instructions as to the work of chiropractors, especially today when they are doing so many acrobatic stunts, cheerleading, and are injured in such practices without much notice. If parents and children had access to such knowledge, many spinal defects might have been recognized and corrected in their early stages.

I feel that I function today because of the help I have received through my chiropractor. I injured my back about 20 years ago. I wore a brace. I recieved medical and hospital treatment by doctors for many months. I didn't seem to get much relief. It was only in utter distress, as I walked home from a shopping tour one day, that I passed a chiropractor's office. Then and there out of my sheer desperation, I entered and asked the doctor if he could do something for me. He took me as soon

as he could and studied my problem, and he explained my condition to me and advised what procedures could possibly help. After several treatments, relief came, and I felt better, and needless to say, I have great confidence in my chiropractor and I would recommend this type treatment to many of my friends because I feel it has been such a help to me. Thank you for listening.

SENATOR HUGHES: Thank you, Sister. Our next witness is Doctor Gustav L. Ibranyi.

G U S T A V L. I B R A N Y I: I am Gustav L. Ibranyi. I am a practicing physician in Newark, New Jersey. I have a very active practice, and I am here to oppose the two bills. I will first read an official letter that I have from the New Jersey Medical Society and the Essex County Medical Society.

"If this act is passed, it would allow for participation of chiropractic services through Blue Shield coverage. The Commissioner of Banking and Insurance is vitally interested in minimizing any necessary rate increase of the Medical-Surgical Plan of New Jersey. Passage of this act would require an increase in costs to all purchasers of Blue Shield coverage. Subscription rates would have to increase to cover this added service. I strongly oppose this and request that the committee on Labor, Industry, and the Professions act in opposition to this bill which would provide that the chiropractors have the same reimbursement privileges as licensed physicians and surgeons in Blue Shield."

I have to add here that we are not paid for any office visits under Blue Cross and Blue Shield and under this act we certainly would be reimbursed, and I think

you can talk to the Medicaid Department to see what the payments are to a private physician for office visits. Blue Cross then would have to pay for these visits, and I think you can get your figures from there. I would like to go further.

"I feel that the chiropractors are not licensed or recognized as physicians or surgeons and that they are not qualified or licensed to supply medical or surgical services for injuries or diseased conditions. A chiropractor is licensed only to practice chiropractic, which is defined in New Jersey law as a system of adjusting the articulations of the spinal column by manipulations, thereof, for subluxation. They are prohibited by law to use cutting instruments, to prescribe or dispense drugs, which is vital to patient care.

"The public requires adequate protection in the field of medical care and our present statutes provide this. On A-22 and A-23, this would force all other insurance companies doing health insurance business in this state, whether group or non-group, to include chiropractic under their eligible services."

I basically feel that the same arguments against their participation in Blue Shield also applies in this category.

"To include such services as eligible would assign a scope of function to chiropractors far beyond the limits of their licenses and would unjustifiably open up a whole new area of compensable services that would inevitably necessitate an increase in premiums."

I do not feel that an insurer who does not choose to put chiropractic coverage in its health

insurance policy should be forced to do so by state law. Part of the HEW Transmittal Congress stated on December 28, 1968, and signed by Wilbur J. Cohen, then the secretary of the HEW, and this was followed by the AFL-CIO study, the Postal Service Study, the American Hospital Association, and I could go on and on, ad infinitum, stated:

"Chiropractic theory and practice are not based upon the body of basic knowledge related to disease and health care that have been widely accepted by the scientific community. Moreover, irrespective of its theory, the scope, and quality of chiropractic education does not compare to practitioners to make an adequate diagnosis and provide appropriate treatment."

I would like to add to that, gentlemen, that by law - and we practice by the Medical Practice Act, and if we deviate from that Act, we can lose our licenses - I have read the Medical Practice Act of the chiropractic before I came here, and the New Jersey Medical Practice Act states that, The only thing a chiropractor can do in this State is to manipulate or adjust the back for subluxation and use a neurocalometer. No one knows what this neurocalometer is. Now, gentlemen, to demonstrate a subluxation is almost impossible, because it reduces itself, and to feel it by finger is also impossible. Now you are wondering why under Medicaid and Medicare you are not seeing a cost increase, and that is because fortunately the government was smart enough to put a buffer in their when they put them under Medicare, and stated, "Unless a state can demonstrate by a reputable radiologist a reading of subluxation, they

do not get paid." So all I ask is that if this bill is passed, and I hope it is not, that they follow the line and they follow and practice what they are told.

I see a phamplet here, and I saw one a few months ago in the Newark Star Ledger where they treat gall stones, heart troubles ---

SENATOR HUGHES: Doctor, I don't want to cut you short, but I think you are getting repetitive.

DR. IBRANYI: All I can say is that I think they should practice what the law tells them. You should see that they practice that, and I don't see how a physician-surgeon can compete. He can't treat lacerations. He can't treat fractures. He can't treat heart failures. How does he reduce a fracture? What does he do when he is called on an emergency? A heart patient certainly goes to the hospital and is treated by an M. D.--just wipe out insulin, one drug, and all your diabetics will die. The chiropractor does not use drugs.

All I am saying is, make them practice what the Medical Practice Act says, then I don't care what you include them under, but don't let them practice outside of that.

SENATOR HUGHES: Thank you, Dr. Ibranyi. That concludes our public hearing. I thank you all for attending. I appreciate all your comments, and I am sure the committee will take them all under very strong and proper consideration.

SENATOR SKEVIN: Mr. Chairman, as a member of the committee, I want to make a part of the

record 243 letters received in support of Assembly Bills A-21, 22, and 23 of constituents in Bergen County and north Jersey. I also would like to add that I received a total of 338 letters in support of this legislation, and to my knowledge, only 2 letters in opposition. Thank you.

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Hearing Concluded

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Statement on A-21, A-22 and A-23
by
Edward W. Harker, Esq.

My name is Edward W. Harker. I am a member of the law firm of Platoff, Heftler, Harker & Nashel of Union City, N. J., and I am counsel to the New Jersey Chiropractic Society. I wish to present a short summary of the legal status of chiropractic in the State of New Jersey.

Chiropractors were first licensed to practice their profession by Act of the State Legislature in 1920. The licensing statute was changed several times. The Act under which chiropractors currently practice was adopted by the Legislature in 1953 and is found in Title 45 of the New Jersey Statutes in the provisions dealing with the practice of medicine. This statute defines chiropractic and contains authorizations for, and restrictions on, practice by chiropractors. (N.J.S.A.45:9-14.5).

The statute also establishes specific educational and examination requirements for licensure. To become a chiropractor, a student must first complete two years in a college accredited by the New Jersey State Department of Education (N.J.S.A.45:9-41.7). The pre-professional college education must include English, modern foreign language, chemistry, physics and biology. (New Jersey Administrative Code 6:45-1.2(f).) He or she must then complete four full school years of study in a college of chiropractic approved by the New Jersey State Board of Medical Examiners and be graduated therefrom (N.J.S.A.45:9-41.5). He or she must then successfully pass an examination given by the New Jersey State Board of Medical Examiners in the following subjects: anatomy, including neurologic and histologic anatomy, physiology, pathology, bacteriology, non-surgical diagnosis, chemistry, hygiene, and the therapeutics of chiropractic (Ibid.). Proof of good moral character must also be furnished (Ibid.). The Board of Medical Examiners (the same Board which licenses and regulates doctors of medicine) then grants the applicant a license to practice chiropractic in the State of New Jersey (Ibid.). Thereafter, the activities of the licensed chiropractor are governed by the same Medical Board which currently consists of nine medical doctors, one osteopath, one chiropractor, one podiatrist, the Chancellor of Higher Education of the State of New Jersey, one Bio-Analytical Laboratory Director, and one public member (N.J.S.A.45:9-1).

Chiropractors have been held to be included within the term "physician" by the Appellate Division of the New Jersey Superior Court in the case of Thomas v. Carlton Hosiery Mills, 14 N. J. Super. 44 (1951), holding that chiropractic services were covered as physicians under the New Jersey Temporary Disability Benefits Law (N.J.S.A.43:21-39). Their services are covered as physicians under the New Jersey Workmen's Compensation Law (N.J.S.A.34:15-19). Payment for chiropractic services is specifically authorized under the New Jersey no-fault automobile liability insurance law (N.J.S.A.31:69A-2(e).) Chiropractic services are now included under the New Jersey Medicaid Act (N.J.S.A.31:4D-6). Chiropractors are specifically included with other professions in the New Jersey Professional Service Corporations Act (N.J.S.A.14A:17-3). Expert testimony by chiropractors is accepted in New Jersey Courts in accordance with the general rule throughout the country (52 ALR2d 1384).

The Legislature has thus, by licensing chiropractors, and including their services in various other acts, established the public policy of this state to recognize chiropractic as a limited form of medical treatment and has established its legal status as a recognized health profession. (I might note parenthetically that similar recognition has now been given the chiropractic profession in every one of the 50 states.)

This legal status was questioned recently by the medical profession (which has always opposed chiropractic) in a court action in the New Jersey Superior Court (Chancery Division, Bergen County, Docket No. C-2590-72). That case arose from the exclusion of the Bergen-Passaic Chiropractic Society from the Fair Lawn Health Fair by the Bergen County Medical Society acting as "screening agent" for the fair sponsors. The exclusion was based on an allegation by the medical society that chiropractic is not a health care system that is based on a scientifically proven system of education and is a "cult practice." The chiropractic society brought the action against the medical society and its director, George Willis, and others, to compel its inclusion in the Fair as a licensed and recognized health profession. In his decision on the application for the injunction, Judge Martin J. Kole, J. S. C., referring to the allegation that chiropractic is a "cult" stated, in part:

"At least on the face of it that appears to be a rather curious way of regarding a profession which has

been licensed by the State of New Jersey in the health field. This is in effect to say that the State has licensed a cult to practice. . . ."

The court then authorized the broadening of the action to permit the chiropractic society to seek a permanent injunction against the medical society. The action was broadened in this manner and the New Jersey Chiropractic Society, the Medical Society of New Jersey and others were added as parties. In addition, the court requested the New Jersey State Board of Medical Examiners to enter the case as amicus curiae. In lieu of such participation the Attorney General of New Jersey wrote to the court, outlining the legal status of chiropractors, in a letter which stated in part:

"Chiropractors who have been duly licensed by the State of New Jersey to the extent that they limit their activities to the recognized scope of their profession stand for all other purposes in the same position as the full physician or any other medical licensee."

After the pretrial of the broadened action, and shortly before a trial date was to be set, the action was settled by the entry of a consent judgment on May 28, 1974, containing a permanent injunction in favor of the chiropractic societies and against the Bergen County Medical Society, its director, and the Medical Society of New Jersey. The court, in the judgment, restrained and enjoined these defendants "from taking any steps to boycott any future community health fair or similar endeavor, or to interfere in any manner with participation by licensed chiropractors in any such endeavor. The judgment also restrains and enjoins the two medical societies from disciplining or indicating any intent to discipline any of their members who participate in such endeavors in which chiropractors also participate. The judgment does not compel the participation of the medical societies, but does prohibit them from instructing, advising or urging their members or any other organization, group or person not to participate.

This injunction demonstrates that the legal status of chiropractic as a recognized health profession has been established by the Legislature and will be protected by the courts.

The following "Fact Sheet on Chiropractic" was placed in the public record of the U. S. Senate Finance Committee on September 15, 1970, in connection with testimony by Andrew J. Biemiller, director of the Legislative Department of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). The Fact Sheet was introduced to document the AFL-CIO's opposition to the inclusion of chiropractic in the Medicare program.

THE PROBLEM

Recently, there has been a well financed campaign by the chiropractic associations to make chiropractic services reimbursable under the Medicare law. At the present time, the Medicare definition of physician does not include doctors of chiropractic and thus all chiropractors in independent practice are excluded. Services of chiropractors are also excluded from coverage as "other therapeutic services," since Medicare-approved hospitals and extended-care facilities normally do not offer chiropractic services.

It is the universal feeling by health experts that chiropractors lack the proper training and background to diagnose and treat human disease. They feel that chiropractic practice constitutes a danger to good health care, since the education of chiropractors is substandard and unscientific, and that the theory on which treatment is based is medically unsound.

CHIROPRACTIC THEORY

The theory of "subluxation" is the basis for chiropractic care. A simple definition of subluxation would be an incomplete or partial dislocation." Chiropractors maintain that subluxation, because it interferes with normal nerve function, is the most significant causal factor in disease and that cures can be accomplished for practically any human illness by treatment

of the spine to bring it back into alignment. Thus, though chiropractors concentrate on musculoskeletal problems, they consider themselves competent to treat a broad spectrum of diseases. Chiropractors maintain, for example, that conditions such as diabetes, heart trouble, tonsillitis, and cancer can be cured by manipulating certain areas of the spinal column.

In over 70 years of existence chiropractic theory has not demonstrated any scientific proof for the theory on which chiropractic practice rests. In fact, chiropractors ignore most of the scientific knowledge about health and medicine which has been painstakingly developed through the scientific process by careful study and objective research but, at the same time, undertake no basic research themselves. One of the leading critics of chiropractic theory is the American Medical Association, but so are the physicians who served on the Committee for Health Care through Social Security and fought along side organized labor for enactment of Medicare and who have opposed the AMA on many issues. Though physicians are often divided on many issues, they are unified in their opposition to chiropractic theory and practice.

CHIROPRACTIC EDUCATION

Studies of chiropractic education have criticized the lack of inpatient hospital training, extremely low admission requirements for students, lack of adequate facilities, and lack of national recognition by an accreditation body. There are 12 chiropractic schools in the United States at the present time. All but one (Palmer) require at least a high school diploma for admission, but four of the schools require only a C average in

high school. Not a single one of the chiropractic colleges enjoys accreditation by any recognized education accrediting body in the United States. The Palmer catalogue states no mandatory requirements for admission. Three of the chiropractic colleges now require two years of college for admission. Of course, many chiropractors practicing today received their degrees at a time when requirements were even less stringent than these. In fact, a number of chiropractors now practicing received their degrees by mail order. In contrast, 84% of students admitted to medical schools have bachelor degrees or higher and about 91% have B averages or better in college. In addition, all of them must have had at least three years of premedical college training before entering medical school.

Presently, all chiropractic schools offer four-year courses leading to a doctor of chiropractic degree. The first half of the four-year course deals largely with science subjects, and some outpatient clinical practices are emphasized during the remaining two years. There is no inpatient or hospital training.

Medical schools also offer four-year courses leading to a degree as a doctor of medicine. The first two years emphasize the basic sciences, and the last two outpatient and in-patient training. In addition, all medical students are required to undergo a 12-month hospital internship followed by a one-to-five year residency before beginning independent practice.

Evaluative studies on chiropractic education have expressed grave doubts about the quality of faculty and subjects taught by chiropractic colleges. Many faculty members with only the doctor of chiropractic degree teach a wide variety of subjects such as pathology, dermatology, neurology, ophthalmology, and chemistry - subjects in which they have no particular qualifications.

HEW Recommendation of Congress

The U. S. Department of Health, Education, and Welfare reported to Congress in January 1969 the findings of an independent, unbiased study of chiropractic that had been ordered by Congress. This report stated:

Chiropractic theory and practice are not based upon the body of knowledge related to health, disease, and health care that has been widely accepted by the scientific community. Moreover, irrespective of its theory, the scope and quality of chiropractic education do not prepare the practitioner to make an adequate diagnosis and provide appropriate treatment.

and

Therefore, it is recommended that chiropractic services not be covered in the Medicare program.

Nelson Cruikshank, retired former Director of the AFL-CIO Department of Society Security, was a member of the 18-member committee that made the study and concurs fully with its recommendation regarding chiropractors. The American Public Health Association, a blue-ribbon

task force to study the problems of Medicaid and related programs, and the National Council of Senior Citizens have made similar recommendations.

Objections to Coverage of Chiropractic
Services by the Medicare Program

1. Chiropractic theory and practice are contrary to accepted scientific knowledge relating to health and disease. If the basic theory is false, then logically chiropractic diagnosis of the causes of illness is unrelated to why a person is ill.

2. Regardless of the validity of its theory, the lack of depth and quality of chiropractic education inadequately prepares the practitioner to diagnose accurately and to render proper medical treatment.

3. Coverage of chiropractic services in the Medicare law would mean that high school graduates with only four years of subsequent chiropractic training of dubious quality will be assuming responsibility for the care and diagnosis of some of the most difficult problems in medicine - conditions which are often attended by symptoms in the spine but may be much more pervasive and serious.

4. Since chiropractors are not trained to recognize disease, they may undertake treatment which could delay a patient from seeing a qualified physician. Early diagnosis and treatment of many diseases such as cancer may mean the difference between life and death.

5. Many disease respond to early treatment by certain drugs. Chiropractors are not trained to prescribe these drugs, and, in fact, are prohibited by law from doing so in 38 states.

6. There are no legal barriers to prohibition of coverage of chiropractors in public programs such as Medicare. A federal court in 1965 held that, since the chiropractic profession maintains that they are competent to treat a wide range of human illness, they can be required to meet the same standards of education and training as doctors and medicine. This decision was upheld by the U. S. Supreme Court in 1966.

Recommendation

Care of patients should be entrusted only to those who have a sound scientific knowledge of disease and whose experience and competence render them capable of diagnosing and treating patients by utilizing all the resources of modern medicine. Since neither chiropractic theory nor the quality of chiropractic education equips chiropractors to do this, the AFL-CIO opposes coverage of chiropractic services in the Medicare program.

Statement by Lewis R. Applegate, Sr.
Director, Governmental Relations
New Jersey State Chamber of Commerce
March 5, 1975

Comments Concerning Assembly Bill No. 21

Senator Hughes and Gentlemen:

The New Jersey State Chamber of Commerce appreciates this opportunity to appear before the Senate Committee on Labor, Industry and Professions to offer its views concerning Assembly Bill No. 21.

This bill would require medical service corporations such as Blue Shield to cover the services of licensed chiropractors, whether or not such services are of the same type as those of physicians licensed to practice medicine and surgery.

By Assembly committee amendment to Section 2, (page 2, lines 22 to 31) the bill further requires that the rates of payments to all physicians shall be "reasonable."

The Chamber has no interest in the long-standing debate over the medical effectiveness of the practice of chiropractic. It is on behalf of the New Jersey business community that we speak against the passage of A-21, on economic grounds.

There are presently nearly 20,000 business and industrial groups enrolled for New Jersey Blue Shield coverage. In most of these groups, the employer pays all or a substantial part of the Blue Shield subscription rate for coverage extended to his employees and their families.

We believe A-21 would greatly inflate the cost of the medical-surgical coverage which these employers are providing as a fringe benefit. In these days when employers are already sorely beset by rising costs, we earnestly feel the Legislature should not be adding to their burden by enacting measures which will mandate additional costs.

A-21 is inflationary in the following ways:

First, most of those 20,000 business and industrial groups -- over 13,000 of them -- are also providing Rider J to their employees. A chief benefit of Rider J is coverage of diagnostic X-ray services in the hospital outpatient department or the doctor's office. It seems obvious to us that every chiropractor, if A-21 becomes law, would procure an X-ray machine if he doesn't already have one, take pictures of every Blue Shield subscriber who walks in with a pain in the neck and send the bill to Blue Shield.

The result: an undue drain on available Rider J funds hastening the day when a very substantial rate increase would be necessary to keep the fund solvent. Most of that increase would have to be borne by our members.

Second, the amendment which requires the payment of "reasonable" fees to all physicians rendering service to Blue Shield members would have tremendous impact. At present, most of the Blue Shield contracts bought by our members have built-in controls through the mechanism of a stated fee schedule. If A-21 changes the law to mandate the payment by Blue Shield of "reasonable" fees for all services, these controls go out the window.

What is a "reasonable" fee? That is not defined in A-21. But in insurance programs it has been said to be what the doctor customarily charges, not limited by any fee schedule.

We inquired of Blue Shield what adoption of a "reasonable" fee method would mean, in contrast to the existing method of paying by pre-limited fee schedule, and were told that it could mean doubling of the Plan's payments to physicians. This obviously would have a dramatic inflationary impact on the rates which our member companies pay for their employees' health coverage.

Further, we feel it is poor public policy to legislate additions to agreed-upon benefit packages. It must be kept in mind that the scope of these benefit packages, in most cases, was arrived at across the labor-management bargaining table and the cost of the component portions was known before the agreement was signed. Expansion of these packages by legislative fiat not only drives up the cost, but supersedes the bargaining table.

We respectfully suggest that the committee reject A-21 for the foregoing economic reasons.

INTERNATIONAL
CHIROPRACTORS
ASSOCIATION

741 BRADY STREET
DAVENPORT, IOWA 52808
TELEPHONE 322-4447
Area Code 319

Joseph P. Mazzarelli, D.C.
Rt. 38 at Frosthoffer Ave.
Pennsauken, N.J. 08109



PRESIDENT

PUBLIC HEARING ON ASSEMBLY BILLS
21, 22, 23
Trenton, New Jersey

March 5, 1975

I am Dr. Joseph P. Mazzarelli, Chiropractor. President of the International Chiropractors Association. I am representing Chiropractors in the U.S.A.; Canada, South America, England, France, Germany, Italy and other European Nations as well as Chiropractors in Africa, Hong Kong, Australia. In fact, in all Countries of the Free World.

As important and possibly more germane to this hearing, I am a practitioner in Chiropractic serving the people of New Jersey, in Camden County. I have been in practice for 27 years.

As President of the International Chiropractors Association, I can tell this committee that our statistics as of 1973 show 31 States have passed and enacted into law, insurance equality acts. Many of which have included the "Blues". In 14 States, Blue Shield has acted as administrators for the Chiropractic Health Providers in Medicare and Medicaid. In many States in both capacities. As of September 1974, Chiropractic was included under the Federal Employees' Compensation Act, (see enclosure), this effects over 3 million people. With but rare exception all major insurance companies provide for Chiropractic care. Fund administrators of major unions also include Chiropractic care as a health benefit. In my area of Camden this

includes Campbell Soup Co., R.C.A. and railroad workers. So the passage of these bills would but place New Jersey in the mainstream of benefits.

It has always been difficult for patients to understand that their Blue Cross and Shield including Rider "J" insurance, which was purchased in good faith, does not give full coverage. They were not aware that their policy was in effect a LIMITED one. This is as difficult for the Chiropractor Health Provider to explain in light of the fact that other equally respected and valid 3rd party agencies provide the very service their company denies.

It has been the arguments of the Blue Shield people that to include Chiropractic Services under their plan would increase costs therefore, necessitating higher premiums. To our knowledge based on the experience of the States that have insurance equality acts this has not been the case. Major insurance companies that have included Chiropractic care for years, have never based premium increases on this inclusion. No premium increase was announced by the Federal Employees' with the inclusion of Chiropractic benefits which includes the payment for "Related Laboratory Test" including X-Rays required by a Chiropractor.

It should be stated here that prior to my Presidency of the International Chiropractors Association, I served as Chairman of my Associations National Peer Review Committee. We have been in the National Peer Review business (12 years) longer than any other professional organization. In fact, we in co-operation with the Health Insurance Council of America wrote

the "Standards and Guidelines for Review" that have become models for other professions and many State groups. The State of New Jersey provides all 3rd party reimbursement agencies with peer review. I am proud of their record and integrity, for they understand that abuses can occur on both sides, to the detriment of the sick patient. In a State that provides the type of cost control exhibited here in New Jersey only reasonable and customary fees will be allowed and abuses hardly possible. The inclusion of Chiropractic care should not, in my opinion result in any increased cost.

Chiropractic should not be in question here only the right of a policy holder to seek the services of his or her Doctor, of choice. However, if Chiropractic is in question I remind this committee that Chiropractic is licensed in all 50 States. Recognized by the Federal Government in Medicare and New Jersey by Medicaid. A veteran can pursue his Chiropractic Doctors Degree under the G. I. Education Act. School low interest loans are available to Chiropractic students. The office of Health, Education and Welfare has recognized the Commission for Chiropractic Education as an official accrediting agency. The last congress has appropriated two million dollars for Chiropractic research and in February of this year the National Institute of Neurological Diseases and Strokes held a multi discipline (including Chiropractic) conference on the "Research Status of Spinal Manipulative Therapy". The University of Colorado in February 1975 held its 5th Biomechanical Conference on Chiropractic Research. Chiropractors in New Jersey are licensed by the Medical Board and the Superior Court ruled that Chiropractors are "Physician" within the scope of the licensing act. Chiropractic, Ladies and Gentlemen, after 80 years is here to stay. The question is however, how long are the citizens of New Jersey

who wish Chiropractic as a method to regain their health to be disenfranchised? Do they not deserve full value of their premium dollar? These bills do not force Chiropractic care on anyone. They simply allow a freedom of choice.

These are good bills. As President of the International Chiropractors Association I urge their passage. As a private practitioner, I beg their passage for the economic relief of my many patients who are covered by the "Blues".

Thank You.

Federal Register

FRIDAY, FEBRUARY 14, 1975
WASHINGTON, D.C.

Volume 40 ■ Number 32

PART III



DEPARTMENT OF LABOR

Office of Workers'
Compensation Programs

■

EMPLOYEES' BENEFITS

Claims for Compensation Under the
Federal Employees' Compensation Act

NOTE :

Effective 2/14/75

(c) The medical facilities of the U.S. Public Health Service generally are available at any time for the furnishing of medical treatment. The medical facilities of the Army, Navy, Air Force and Veterans Administration may be used when previous arrangements have been made on a case-by-case basis with the director of the hospital or clinic.

(d) Federal health service units or other occupational health service facilities established under the provisions of the Act of August 8, 1946, as amended (5 U.S.C. 7901), are not U.S. medical officers and hospitals as used in this part. Under criteria established by the Bureau of the Budget (now Office of Management and Budget) in Circular No. A-72 of June 13, 1965, these health service units or occupational health service facilities shall only provide emergency diagnosis and first (initial) treatment of injury or illness such as is necessary during working hours and that are within the competence of the professional staff and facilities of the health service unit or facility (see paragraph 4.a of OMB Circular A-72). Any other treatment and medical care by these units or facilities in instances of injury or illness sustained in the performance of duty must be specifically authorized by a physician providing medical care under the specific authorization of the Office (see paragraph 4.d of OMB Circular A-72).

(e) The official superior shall give the injured employee an opportunity to select the appropriate physician to whom he or she wishes to be referred. In medical emergencies, any qualified physician in the area shall be authorized to provide medical care as appropriate.

(f) The attending physician shall arrange for necessary hospital care at semi-private rates (unless the nature of the case requires care in a private room) special nursing services, x-ray examination, and consultations by specialists. In cases of an emergency nature or cases involving unusual circumstances the Office may in the exercise of its discretion authorize treatment otherwise than as provided for in this part, or it may approve payment for medical expenses incurred otherwise than as authorized in this part.

§ 10.401 Physician and medical services, etc., defined.

(a) The term "physician" as used in this subpart includes surgeons, podiatrists, dentists, clinical psychologists, optometrists, chiropractors, and osteopathic practitioners within the scope of their practice as defined by State law. The term "physician" includes chiropractors only to the extent that their reimbursable services are limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by x-ray to exist.

(b) The term "medical, surgical, and hospital services and supplies" as used in this part, includes services and supplies by surgeons, podiatrists, dentists, clinical psychologists, optometrists, chiropractors, osteopathic practitioners and hospitals within the scope of their practice as defined by State law. Reimbursable

chiropractic services are limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by x-ray to exist. Also included for payment or reimbursement are physical examinations, (and related laboratory tests) and x-rays performed by or required by a chiropractor to diagnose a subluxation of the spinal column. A chiropractor may interpret his or her x-rays as may any other physician as used in this subpart.

§ 10.402 Official authorization for treatment.

(a) When an employee sustains an injury by accident under circumstances entitling the employee to medical treatment, the employee's official superior shall promptly issue to the employee a request for examination and/or treatment on Form CA-16. The employee shall carry the Form CA-16, where practical, from the place of employment, to the physician. Form CA-16 shall be used primarily for an injury sustained by accident but may also be used to authorize examination and treatment for disease or illness, provided the official superior has contacted the Office for instructions on authorizing examination and treatment. In emergency situations, the Office shall be contacted by telephone.

(b) In determining the use of medical facilities, consideration must be given to availability, the employee's condition, and the method and means of transportation. Generally, 25 miles from the place of injury, the employing agency, or the employee's home is a reasonable distance to travel but other pertinent factors must also be taken into consideration.

§ 10.403 Emergency treatment.

In cases of injury by accident where emergency treatment is necessary, any qualified local physician may render initial treatment. If oral authorization for such treatment is given by the official superior, Form CA-16 shall be issued within 48 hours thereafter. Animal bites and eye injuries are considered medical emergencies and medical care by the nearest qualified physician is permissible. Further treatment, if necessary, shall be obtained as soon as practicable at the employee's option as provided in this part. It is the duty of the official superior to authorize initial medical treatment for acute injuries, exclusive of disease or illness, and to transfer the employee at the employee's option to the care of a local U.S. medical officer or hospital or, at the employee's option, to a private physician or hospital designated or approved by the Office for any subsequent treatment needed. If unable to comply promptly with this requirement, the official superior shall communicate with the Office for instructions.

§ 10.404 Medical treatment for recurrence of disability.

If an injured employee complains of a recurrence of disability (whether or not he or she is disabled for work), after having recently been discharged from medical treatment, on account of an injury by accident recognized as compen-

sable by the Office under circumstances from which it may reasonably be inferred that such disability is the result of such injury, and the place of employment is the same as at the time of such injury, the official superior in his discretion may issue a Form CA-16, provided that not more than 6 months shall have elapsed since the final action of the Office upon the case. In any case in which the employee complains of a recurrence of disability with respect to which there may be doubt that the disability is the result of the injury or in any case in which the final action of the Office shall have been taken more than 6 months prior to complaint the official superior shall communicate with the Office and request instructions, stating all of the pertinent facts in the communication. In all other cases the employee shall communicate with the Office and request such treatment.

§ 10.405 Medical treatment in doubtful cases.

Cases of a doubtful nature, so far as compensability is concerned, shall be referred by the official superior to a United States medical officer or hospital, or at the employee's option, to a private physician or hospital designated or approved by the Office, or as otherwise provided in this part, using a Form CA-16 for medical services as indicated in 6B of the form. This authorizes the necessary diagnostic studies and emergency treatment pending receipt of advice from the Office. A statement of all pertinent facts relating to the particular case shall also be forwarded immediately to the Office for consideration. If the medical examination or other information received subsequent to the issuance of authorization for treatment discloses that the condition for which treatment was rendered is not due to an injury, the person issuing the authorization shall immediately notify the physician or hospital that no further treatment shall be rendered at the expense of the Office. In cases of an emergency or cases involving unusual circumstances, the Office may, in the exercise of its discretion, authorize treatment otherwise than as provided for in this part, or it may approve payment for medical expenses incurred otherwise than as authorized in this section. No authority for examination or for medical or other treatment shall be given by the official superior in any case already disallowed by the Office.

§ 10.406 Authority for dental treatment.

All necessary dental treatment, including repairs to natural teeth, false teeth, and other prosthetic dental devices, needed to repair damage or loss caused by an employment related injury shall be obtained at the employee's option from a U.S. Medical Officer or hospital, or from a private dentist, physician or hospital, upon authorization obtained in advance from the Office.

§ 10.407 Medical examination.

(a) An injured employee shall be required to submit to examination by a U.S. Medical Officer or by a qualified pri-

March 5, 1975

My name is Mrs. Josephine B. Janifer.

As chairwoman of the Consumer Affairs Committee of Blue Shield of New Jersey, which was formed with the specific purpose of representing the interests of its 4,000,000 subscribers, I urge that this bill be buried.

Permitting chiropractors to become eligible providers of Blue Shield is not in the best interests of the Plan's subscribers, who would end up paying for a service they have not asked for.

This bill is sponsored by the would-be providers and, if adopted, would force the escalation of Blue Shield premium rates for a service which was not sought and which we feel is unnecessary.

The principal reasons for our objection to the bill are: It would require payment for all the services of chiropractors, even if rendered in home or office, although comparable services by physicians would not be paid; and it would require rates of payment to all physicians to be "reasonable," which would effectively end our fixed-fee programs which provide paid-in-full services for low income subscribers at an affordable premium rate.

We believe the Blue Shield subscribers would best be served by the rejection of this bill and we seek your support in its behalf of the more than half of the state's population which is served by this nonprofit organization.

Sincerely,

Josephine B. Janifer
Josephine B. Janifer
Executive Director
Newark Pre-School Council

John R. Nevin
Student Aid Officer
Jersey City State College

Frederick L. Hipp, Ed.D.
Executive Director
New Jersey Education Assn.

Morgan Sweeney - General Assistant
(Former President-Utility
Co-Workers Assn.)
Public Service Electric & Gas Co.

Zelda Paulsen
Switchboard Operator
Chairlady, Telephone Council
Public Service Electric & Gas Co.

New Jersey Hospital Association

RESEARCH PARK, 1101 STATE ROAD • PRINCETON, NEW JERSEY 08540

Jack W. Owen, President

Telephone (609) 924-4124

STATEMENT OF THE NEW JERSEY HOSPITAL ASSOCIATION CONCERNING ASSEMBLY BILLS 21, 22 & 23.

The New Jersey Hospital Association vigorously opposes the enactment of A-21, A-22 and A-23.

Specifically, we can find no rational argument for chiropractic service or those licensed chiropractors to be given the same insurance considerations as those licensed by the State to practice medicine and surgery. Stated conversely why should the chiropractor receive more favorable consideration under the various applicable insurance laws of New Jersey than other non-physician private practitioners.

There are two possible reasons for enactment of A-21, A-22 and A-23. The first obviously is that the chiropractors collection of fees would be made much easier but that certainly is not the business of the State. Secondly, through enactment of these bills the chiropractor would achieve the medical status of physicians and surgeons in the eye of the public. The State has already determined that such is not the case by legally limiting the scope of services that chiropractors may perform.

Therefore, we believe these bills should be considered as without merit and either not reported or defeated.

Remarks on A-21

Line 28 - Insertion of the word "reasonable" indicates that contracts would be required to reimburse physicians, surgeons and chiropractors on a "reasonable and customary" fee schedule. As you know, most medical service contracts do not provide for that type of reimbursement. These contracts that do provide for "reasonable and customary" reimbursement or payment very substantially more expensive to the subscriber than the much more common practice of specifying a dollar maximum which varies as to the service rendered.

Lines 14 through 17 - The language added by this amendment to existing law is meaningless or worse. The phrase "participating physician" is a term that is specifically defined in the contracts offered by the Medical-Surgical Plan of New Jersey. If that same meaning is intended here, it gives further credence to our argument above re "reasonable". What physician, surgeon (or chiropractor) would not participate if he were guaranteed his reasonable and customary fee for services rendered.

Remarks on A-21 continued

Lines 20 through 24 - The language contained herein would obviously legislate that licensed chiropractors could seek admission to hospital medical staffs and could not be denied admission based on the fact that they were a "chiropractor".

We submit that this is self serving proposed legislation that would not improve the quality of health care available to the citizens of New Jersey. Page 3, paragraph 3, lines 28 and 29 substantiate our claim wherein it is stated: "The foregoing provisions shall be liberally construed in favor of payment for chiropratic services."

A-22 and A-23 are designed simply to mandate payment to chiroprators under medical care plans other than medical service plans.

In summary we believe these bills not to be in the public interest and strongly urge your Committee to vote against releasing A-21, A-22 and A-23.

William H. Baker
Director of Governmental Affairs



