

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

WRITTEN TESTIMONY ONLY

**Testimony COMMENTING on S.B. 1036 HD1
RELATING TO SUBSTANCE ABUSE TREATMENT**

REPRESENTATIVE SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: April 9, 2015

Room Number: 308

1 **Fiscal Implications:** An unspecified sum is appropriated for Fiscal Year 2015-2016 for the
2 Department of Health (DOH) to convene a working group pursuant to Section 2, however, we
3 defer to the Governor's Executive Biennium Budget Request for DOH appropriations and
4 priorities.

5 **Department Testimony:** Section 2 of this measure assigns DOH to "convene a working group
6 to address the availability and accessibility of publicly-funded substance abuse treatment
7 services for highly represented populations that use publicly-funded services."

8 Through contracts with community-based organizations, the Department of Health,
9 Alcohol and Drug Abuse Division (ADAD), provides adult and adolescent substance abuse
10 treatment services which are funded by the federal Substance Abuse Prevention and Treatment
11 Block Grant and State general funds. The Department of Human Services, MedQUEST covers
12 qualified individuals who are enrolled.

13 Tasks assigned to the working group (on page 4, line 10 thru page 5, line 7) focus on
14 publicly-funded substance abuse treatment services. The composition of the working group (as
15 listed on page 5, line 8 thru page 6, line 16) consists of representatives of entities with the

1 specialized knowledge and expertise to review current conditions and develop recommendations
2 for appropriate changes.

3 **Recommended amendment:** It is anticipated that consumers who are covered by
4 42 Code of Federal Regulations Part 2 (42 CFR Part 2), confidentiality of alcohol and drug abuse
5 patient records, and/or their family members, will be included in discussions to elicit consumer
6 perspectives during working group deliberations. To accommodate both consumer and working
7 group members' interests, we respectfully recommend the addition of a subsection (on page 7,
8 line 5) to read as follows:

9 (f) The working group shall be exempt from part I of chapter 92.
10 Inclusion of the recommended amendment will maintain consumers' confidentiality pursuant to
11 42 CFR Part 2, while concurrently accommodating the working group purpose to address
12 publicly-funded coverage of substance abuse treatment services.

13 Thank you for the opportunity to testify on this measure.
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HAWAII SUBSTANCE ABUSE COALITION

SB1036 SD2 HD1 RELATING TO HEALTH

COMMITTEE ON FINANCE: Representative Sylvia Luke, Chair; Representative Scott Y. Nishimoto, Vice Chair

- Thursday, April 9, 2015 at 2:00pm
- Conference Room 308

HSAC Supports SB1036 SD2 Subject to Recommendations:

Good Afternoon Chair Luke; Vice Chair Nishimoto; And Distinguished Committee Members. My name is Alan Johnson, Chair of the Hawaii Substance Abuse Coalition, an organization of more than thirty treatment and prevention agencies across the State.

The Hawaii Substance Abuse Coalition (HSAC) recommends that we consider the Department of Health's offer to start a Work Group this year to better define objectives before implementing a Task Force next year that would determine the best measures to simultaneously improve outcomes and reduce costs for chronic substance use disorders.

HSAC understands the intent of this bill to create a Task Force to identify systemic changes in our delivery of care models and end fragmentation when treating "super-frequent users" that are chronic, substance-dependent adults who are high-end users of expensive emergency and hospital services and cost a disproportionate amount of total costs due to elevated medical expenses, substance abuse, mental illness, homelessness and arrest levels/incarceration.

The costs of drug abuse and addiction to our nation are staggering.¹

- Substance abuse is associated with almost 20% of all Medicaid hospital costs and nearly 25% of Medicare dollar spent on inpatient care. Over 14% of patients admitted to hospitals have alcohol/drug abuse and addiction disorders.

Drug abuse and addiction are major burdens to society; economic costs alone are estimated to exceed half a trillion dollars annually in the United States, including health, crime-related costs, and losses in productivity. However, staggering as these numbers are, they provide a limited perspective of the devastating consequences of this disease," Dr. Nora Volkow, Director of the National Institute on Drug Abuse, Congressional Testimony, 3/1/07

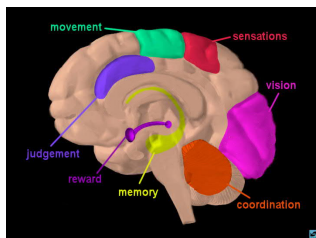
¹ Estimating the costs of substance abuse to the Medicaid hospital care program.

Fox K1, Merrill JC, Chang HH, Califano JA Jr. <http://www.ncbi.nlm.nih.gov/pubmed/7832261> Am J Public Health. 1995 Jan;85(1):48-54.

- 70% of individuals in state prisons and jails have used illegal drugs regularly. Drug offenders account for more than one-third of the growth in state prison population and more than 80 percent of the increase in the number of prison inmates since 1985.
- The economic burden in the United States for addiction is twice that of any other disease affecting the brain, including Parkinson's and Alzheimer's Disease, as well as all the others.
- Alcohol and Drug-related hospital emergency (ED) visits increased 81 percent from 2004 to 2009 while ED visits involving the non-medical use of pharmaceuticals increased 98.4%.²

Science-Based Prevention and Treatment Works.³

- Substance abuse and/or addiction as well as their exorbitant costs are avoidable. Like any other disease, it is preventable, it is treatable, and it changes biology.
- Discoveries in the science of addiction have led to advances in drug abuse treatment that help people stop abusing drugs and resume their productive lives.
- Research has shown that every \$1 invested in addiction treatment programs, there is
 - o \$4 to \$7 reduction in the cost of drug-related crime,
 - o \$3 - \$5 reduction in emergent medical care use (ER and Crisis Center) and
 - o Among women – a \$4 reduction in welfare and child welfare costs
 - o Among employed men, a \$7 increase in productivity (fewer absences and health claims)
 - o Among returning Iraq veterans – a 35% reduction in family medical claims
 - o And reductions in family violence problems



Not only is substance abuse a leading cause of preventable hospitalization, it is one of the primary cause of homelessness.

This bill will establish new processes and procedures to identify and coordinate care for high end users of care that have multiple chronic conditions of health issues. An evaluation will be performed to determine how we can effectively coordinate care, treat multiple conditions, and improve the effectiveness of treatment outcomes. The proposed funding can validate the cost effectiveness of providing treatment for the super-user population and provide justification for continued funding.

We appreciate the opportunity to testify and are available for questions.

²Substance Abuse and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality (formerly the Office of Applied Studies). *The DAWN Report: Highlights of the 2009 Drug Abuse Warning Network (DAWN) Findings on Drug-Related Emergency Department Visits*. Rockville, MD, December 28, 2010. Available at: <http://www.oas.samhsa.gov/2k10/DAWN034/EDHighlights.htm>

³ William Dewey, Board of Scientific Advisors, Friends of NIDA November 2008. http://www.cpdd.vcu.edu/Pages/Index/Index_PDFs/TransitionPaperOctober20081.pdf