

**STATE OF HAWAII
DEPARTMENT OF HEALTH**

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**Testimony COMMENTING on S.B. 1036 SD2
RELATING TO SUBSTANCE ABUSE TREATMENT**

**REPRESENTATIVE DELLA AU BELATTI, CHAIR
HOUSE COMMITTEE ON HEALTH**

Hearing Date: March 20, 2015

Room Number: 329

1 **Fiscal Implications:** Unspecified sums are appropriated in each of the years of Fiscal Biennium
2 2015-2017 for the Department of Health (DOH) to convene a task force pursuant to Section 2,
3 however, we defer to the Governor's Executive Biennium Budget Request for DOH
4 appropriations and priorities.

5 **Department Testimony:** Section 2 of this measure assigns DOH to "convene a task force to
6 address health care and payment reform steps to implement an effective addiction treatment
7 system as a component of health care to improve outcomes and reduce overall health care costs."

8 The Department is concerned that the topics to be covered by the proposed task force
9 extend beyond the public health functions assigned to DOH. Of particular concern is the
10 technical expertise needed to conduct behavioral health research and analysis that would inform
11 the decision-making process on the topics discussed. As written, a significant commitment of
12 resources would be needed for staffing and operating costs to be incurred to support the
13 convening, documenting and reporting of task force deliberations over a two-year period.

14 As multiple agencies exercise jurisdiction over the topics to be discussed -- the
15 Department of Commerce and Consumer Affairs has jurisdiction over insurance regulation and
16 enforcement, the Department of Labor and Industrial Relations administers the Prepaid Health

Care Act, and the Department of Human Services administers the State's Medicaid program -- there are concerns about the challenges of the proposed task force integrating the various entities responsible for various facets of health care coverage.

Through contracts with community-based organizations, the Department of Health, Alcohol and Drug Abuse Division (ADAD), provides adult and adolescent substance abuse treatment services which are funded by the federal Substance Abuse Prevention and Treatment Block Grant and State general funds. The Department of Human Services, MedQUEST covers qualified individuals who are enrolled. To better focus discussions, and in the interest of shaping a viable product, we recommend that the tasks assigned be narrowed and the composition of task force membership be aligned accordingly.

Recommended amendments: If the Committee takes further action on this measure, we respectfully recommend:

- Formation of a working group (versus a task force) that would focus on publicly-funded substance abuse treatment services and the highly represented population(s) that use publicly-funded services; and
- Reducing the duration of working group deliberations to one rather than two years.

Attached are amendments to accomplish the above recommendations.

Thank you for the opportunity to testify on this measure.

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SB1036 SD2

Page	Line(s)	Text
3	17-21	<p>thru page 4, line 2:</p> <p>Therefore, the purpose of this Act is to:</p> <ol style="list-style-type: none">(1) Establish a working group within the department of health to address publicly-funded coverage of substance abuse treatment services; and(2) Appropriate moneys for the department of health to convene the working group.
4	3	<p>thru page 6, line 8:</p> <p>SECTION 2. (a) The department of health shall convene a working group to address the availability and accessibility of publicly-funded substance abuse treatment services for highly represented populations that use publically-funded services.</p> <p>(b) The task force shall:</p> <ol style="list-style-type: none">(1) Review and recommend policy changes to publicly-funded services for substance use disorders, including but not limited to, the federal model of recovery-oriented system of care as outlined by the Substance Abuse and Mental Health Services Administration;(2) Explore approaches for integrating healthcare with addiction treatment, including but not limited to, education and training for primary care providers dealing with patients with a substance use or co-occurring disorder;(3) Ensure publicly-funded substance abuse treatment services are available and accessible to subpopulations, such as offenders, pregnant and parenting women, and co-occurring populations with legal involvement; and(4) Determine the level of resources needed to improve outcomes for substance abuse treatment services.
6	9	<p>thru page 7, line 12:</p> <p>(c) The working group shall consist of the following members:</p> <ol style="list-style-type: none">(1) The director of health or the director's designee, who shall serve as the chairperson of the work group;(2) One member of the house of representatives, to be appointed by the speaker of the house of representatives;(3) One member of the senate, to be appointed by the president of the senate;

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		(4) The director of human services or the director's designee; (5) The director of public safety or the director's designee; (6) The chair of the Hawaii paroling authority or the chair's designee; (7) One member representing the Hawaii Substance Abuse Coalition, to be invited by the chairperson of the working group; (8) One member representing the Hawaii Psychiatric Medical Association, to be invited by the chairperson of the work group; (9) One member representing a Hawaii inpatient or emergency room hospital, to be invited by the chairperson of the working group; (10) One member representing Hawaii Primary Care Association, to be invited by the chairperson of the working group; and (11) Any other member as assigned by the working group not to exceed a total of fifteen members.
7	13-16	(d) The members of the working group shall serve without pay but shall be reimbursed for their actual and necessary expenses, including travel expenses, incurred in carrying out their duties.
7	17	thru page 8, line 6: (e) The department of health shall submit to the legislature a report concerning the publicly-funded coverage of substance abuse treatment services no later than twenty days prior to the convening of the regular session of 2016.
8	12	SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2015-2016 for the department of health to convene a working group pursuant to section 2 of this Act. The sum appropriated shall be expended by the department of health for the purposes of this Act.
8	15-16	SECTION 4. This Act shall take effect on July 1, 2015, and shall be repealed on June 30, 2016.



HAWAII SUBSTANCE ABUSE COALITION

SB1036 SD2 RELATING TO HEALTH

COMMITTEE ON HEALTH: Representative Della Au Belatti, Chair; Representative Richard Creagan, Vice Chair

- Friday, March 20, 2015 at 10:30 a.m.
- Conference Room 329

HSAC Supports SB1036 SD2 Subject to Recommendations:

Good Morning Chair Belatti; Vice Chair Creagan; 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

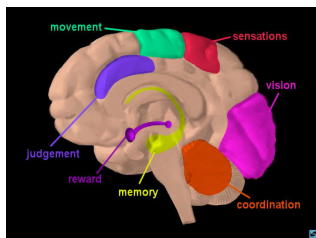
¹ Estimating the costs of substance abuse to the Medicaid hospital care program.

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



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TESTIMONY IN SUPPORT OF SB 1036, SD2: RELATING TO HEALTH

TO: Rep. Della Au Belatti, Chair and Rep. Richard P. Creagan, Vice Chair; Committee on Health

FROM: Heather Lusk, Executive Director, CHOW Project

Hearing: Wednesday, March 20, 2015 10:30 AM Conference Room 329

Dear Chair Au Belatti, Vice Chair Creagan and Members of the Committee:

Thank you for the opportunity to provide testimony **in strong support** of SB 1036, appropriating funding to treat chronic, substance-dependent adults who are high-end users of emergency and other hospital services.

For over 20 years the CHOW Project has been working improve the lives of men women and families experiencing homelessness who also may be touched by addiction. The CHOW Project is dedicated to serving individuals, families, and communities adversely affected by drug use, through a participant-centered harm reduction approach. CHOW works to reduce drug related harms such as but not limited to HIV, hepatitis B/C and overdose. Many of our participants are these high-end users and they desperately access to comprehensive treatment services. The average amount of time our participants have been using drugs is over 30 years, with some utilizing the ER as many as 50 times in a year as they struggle with their addiction.

As a member of Hawaii Substance Abuse Coalition, we support their recommendations:

1. Fund and improve those services that target very expensive super users.
2. Start a Task Force to determine best measures to simultaneously improve outcomes and reduces costs.

We appreciate the opportunity to testify.

Sincerely,

Heather Lusk

Executive Director
CHOW Project