
A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that opioids are a class
2 of drugs that include the illegal drug heroin, synthetic opioids
3 such as fentanyl, and prescription pain relievers, such as
4 oxycodone, hydrocodone, codeine, and morphine. These drugs are
5 chemically related and interact with opioid receptors on nerve
6 cells in the body and brain. The legislature further finds that
7 opioid pain relievers are generally safe when taken for a short
8 time as prescribed by a physician. However, regular use of
9 opioid pain relievers, even as prescribed by a physician, can
10 lead to dependence. Moreover, because opioid pain relievers
11 produce euphoria in addition to pain relief, they are very prone
12 to misuse. The misuse of opioid pain relievers can easily lead
13 to overdose incidents and deaths.

14 The legislature further finds that the Centers for Disease
15 Control and Prevention formally declared an opioid epidemic in
16 2011. According to the American Society of Addiction Medicine,
17 more than 2,500,000 Americans have an opioid-use disorder. The



1 opioid epidemic is the deadliest drug crisis in United States
2 history, with drug overdoses claiming more lives in 2016 than
3 motor vehicle accidents or gun violence. Stated otherwise,
4 every three weeks the opioid epidemic causes the same amount of
5 deaths as occurred in the September 11, 2001, terrorism attacks.

6 At the heart of the opioid epidemic is OxyContin, which is
7 a brand name available for the prescription pain killer,
8 oxycodone. OxyContin is a dangerous and deadly opioid that was
9 developed in the 1990's by Purdue Pharma, which is based in
10 Stamford, Connecticut and is owned and operated by the Sackler
11 family. The Sacklers are best known as philanthropists whose
12 family name is prominently featured in exhibits at a number of
13 notable American institutions, including the Metropolitan Museum
14 of Art, Harvard University, and the Louvre. Because the
15 Sacklers have managed to write their family name out of the
16 history of the family business, most visitors to these
17 establishments are unaware that the family made their fortune by
18 being one of the prime beneficiaries of the current epidemic of
19 opioid use.

20 As detailed in an article published in the New Yorker on
21 October 30, 2017, the Sacklers' great wealth was earned at the



1 expense of the millions of people who have fallen prey to drug
2 addiction due to OxyContin's intrinsic addictive properties, of
3 which the Sacklers were well aware, but denied any knowledge.
4 As noted, the Sacklers launched OxyContin with a multi-faceted
5 marketing campaign that misinformed doctors about the risks of
6 opioids, which included addiction and death. In September 2017,
7 the attorneys general of forty-one U.S. states banded together
8 to investigate the role these deceptive marketing campaigns on
9 the part of opioid manufacturers and distributors, including
10 Purdue Pharma, had in the current crisis of opiate addictions
11 and overdose deaths.

12 In April 2016, Congress, yielding to pressure from the drug
13 industry, passed a law that effectively stripped the federal
14 Drug Enforcement Administration (DEA) of its most potent weapon
15 against large drug companies suspected of spilling prescription
16 narcotics onto the nation's streets. By that time, the opioid
17 crisis had surged into the deadliest drug epidemic in United
18 States history, having claimed two hundred thousand lives, more
19 than three times the number of United States military deaths in
20 the Vietnam War.



1 Prior to the passage of The Ensuring Patient Access and
2 Effective Drug Enforcement Act of 2016, the DEA had broad
3 authority to freeze suspicious narcotic shipments from drug
4 distribution companies, as long as the shipment posed an
5 "imminent danger" to the community. The DEA used this authority
6 to immediately prevent drugs from reaching the streets. The new
7 law requires the DEA to demonstrate that a company's action
8 represents "a substantial likelihood of an immediate threat,"
9 which is a much higher bar. As a result, it is now virtually
10 impossible for the DEA to freeze suspicious opioid shipments.
11 The higher standard has severely undermined the DEA's previously
12 aggressive enforcement efforts.

13 Accordingly, in this regulatory vacuum of effective federal
14 law enforcement efforts against the drug epidemic, the several
15 states have no choice but to step up their own efforts to combat
16 the epidemic through a multi-faceted approach, such as
17 requiring:

- 18 (1) Warnings to accompany opioid prescriptions;
- 19 (2) More comprehensive health insurance coverage for the
20 treatment of opioid dependency;
- 21 (3) Data collection on opioid overdoses and deaths; and



1 (4) Lowest possible dosage levels for prescriptions.

2 The purpose of this Act is to require the auditor to
3 conduct a study to assess the social and financial effects of
4 requiring health insurers, mutual benefit societies, and health
5 maintenance organizations to provide health care coverage and
6 benefits for a minimum of six months of inpatient and outpatient
7 treatment for opioid dependence.

8 SECTION 2. (a) The auditor shall conduct a study to
9 assess the impact of the social and financial effects of
10 requiring health insurers, mutual benefit societies, and health
11 maintenance organizations to provide health care coverage and
12 benefits for a minimum of six months of inpatient and outpatient
13 treatment for opioid dependence, as provided in H.B. 1603 H.D.
14 1, Regular Session of 2018.

15 (b) Pursuant to section 23-52, Hawaii Revised Statutes, in
16 determining the social impact of the proposed mandate of health
17 coverage, the study shall include:

18 (1) The extent to which the treatment or service is
19 generally utilized by a significant portion of the
20 population;



- 1 (2) The extent to which such insurance coverage is already
2 generally available;
- 3 (3) If coverage is not generally available, the extent to
4 which the lack of coverage results in persons being
5 unable to obtain necessary health care treatment;
- 6 (4) If the coverage is not generally available, the extent
7 to which the lack of coverage results in unreasonable
8 financial hardship on those persons needing treatment;
- 9 (5) The level of public demand for the treatment or
10 service;
- 11 (6) The level of public demand for individual or group
12 insurance coverage of the treatment or service;
- 13 (7) The level of interest of collective bargaining
14 organizations in negotiating privately for inclusion
15 of this coverage in group contracts;
- 16 (8) The impact of providing coverage for the treatment or
17 service (such as morbidity, mortality, quality of
18 care, change in practice patterns, provider
19 competition, or related items); and



(9) The impact of any other indirect costs upon the costs and benefits of coverage as may be deemed necessary by the auditor.

(c) Pursuant to section 23-52, Hawaii Revised Statutes, in determining the financial impact of the proposed mandate of health coverage, the study shall include:

(1) The extent to which insurance coverage of the kind proposed would increase or decrease the cost of the treatment or service;

(2) The extent to which the proposed coverage might increase the use of the treatment or service;

(3) The extent to which the mandated treatment or service might serve as an alternative for more expensive treatment or service;

(4) The extent to which insurance coverage of the health care service or provider can be reasonably expected to increase or decrease the insurance premium and administrative expenses of policyholders; and

(5) The impact of this coverage on the total cost of health care.



(d) The auditor shall submit findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2019.

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 2018-2019 for the auditor to assess the impact of the social and financial effects of requiring health insurers, mutual benefit societies, and health maintenance organizations to provide health care coverage and benefits for a minimum of six months of inpatient and outpatient treatment for opioid dependence.

The sum appropriated shall be expended by the auditor for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Auditor; Study; Health Insurance; Opioids; Addiction Treatment; Appropriation

Description:

Requires the auditor to conduct a study to assess the social and financial effects of requiring health insurers, mutual benefit societies, and health maintenance organizations to provide health care coverage and benefits for a minimum of 6 months of inpatient and outpatient treatment for opioid dependence.

(HB1603 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

