DAVID Y. IGE
GOVERNOR

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TO THE HOUSE COMMITTEE ON
HEALTH AND HUMAN SERVICES

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Wednesday, January 24, 2018
10:00 am

**TESTIMONY ON HOUSE BILL NO. 1603 – RELATING TO HEALTH INSURANCE.**

TO THE HONORABLE JOHN M. MIZUNO, CHAIR, AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on H.B. 1603, Relating to Health Insurance. My name is Gordon Ito, and I am the Insurance Commissioner for the Department's Insurance Division ("Division"). The Department offers the following comments.

The purpose of this bill is to add a mandated health insurance benefit for treatment of opioid dependence at in-network facilities.

The language on page 6, lines 17-21, may cause insurers and service providers to seek remedies from the Division for contractual obligations or restrictions, as it creates a provision in Hawaii Revised Statutes ("HRS") chapter 431M that is directly imposed on providers. The Division may not be the most appropriate entity for regulating service providers, as these providers may already be subject to regulation by other licensing authorities. In addition, the Division does not have processes in place for investigating and bringing enforcement actions against service providers and does not have authority to enforce contractual obligations between insurers and providers.

On page 8, lines 12-13 and lines 17-20, the term “medical necessity” may cause confusion with how it is defined in the Patient’s Bill of Rights and Responsibilities Act under HRS section 432E-1.4. Lines 12-13 of the bill state, “medical necessity shall be as determined by the covered person’s physician.” In contrast, HRS section 432E-1.4 provides that a physician’s recommendation is only one element of “medical necessity.” Lines 17-20 of the bill state, “[b]enefits . . . shall be subject to the medical necessity determination of the coverage provider[.]” This may cause confusion as to whether “medical necessity” under HRS section 432E-1.4 applies to the relevant benefits or relies upon the determination of an insurer.

Further, the addition of a new mandated coverage may trigger section 1311(d)(3) of the federal Patient Protection and Affordable Care Act (“PPACA”), which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the State’s qualified health plan under PPACA.

Finally, any proposed mandated health insurance coverage requires the passage of a concurrent resolution requesting the State Auditor to prepare and submit a report assessing the social and financial impacts of the proposed mandate, pursuant to HRS section 23-51. Therefore, we respectfully request that this bill be amended so that the State Auditor is tasked with reporting the economic impact of the expanded coverage on affected insurers.

We thank the Committee for the opportunity to testify on this measure.

**DAVID Y. IGE**
GOVERNOR

**PANKAJ BHANOT**
DIRECTOR

**CATHY BETTS**
DEPUTY DIRECTOR

**STATE OF HAWAII**
**DEPARTMENT OF HUMAN SERVICES**
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 23, 2018

TO: The Honorable Representative John M. Mizuno, Chair
House Committee on Health & Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: HB 1603 – RELATING TO HEALTH INSURANCE

Hearing: Wednesday, January 24, 2018, 10:00 a.m.
Conference Room 329, State Capitol

**DEPARTMENT'S POSITION**: The Department of Human Services (DHS) appreciates the intent of the measure and offers comments.

**PURPOSE**: The purpose of the bill requires 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 beginning after 12/31/2018.

The State's Medicaid program, QUEST Integration (QI), already provides coverage for substance use disorders in general, and opioid use disorder treatments, specifically. The managed care health plans provide a variety of services for inpatient services including detoxification, partial hospitalization, prescription access to naloxone (that reverses life-threatening effects of opioid overdose) as well as medications for medication-assisted treatment and counseling.

DHS has reservations as to implementation of the conditions articulated in measure. Opioid dependency treatment should take into consideration the medical and health needs of the individual. Thus, diagnoses and co-occurring disorders do affect the best practices for the treatment of the opioid addiction, and should be taken into

consideration for treatment. Additionally, there are other substance use disorders that are at a higher prevalence in the state. DHS would support continued focus on substance use disorders in general, as the opioid disorder treatments are considered.

Thank you for the opportunity to provide comments on this measure.

DAVID Y. IGE
GOVERNOR OF HAWAII

VIRGINIA PRESSLER, M.D.
DIRECTOR OF HEALTH

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**Testimony COMMENTING on H.B. 1603**
**RELATING TO HEALTH INSURANCE**

REPRESENTATIVE JOHN M. MIZUNO, CHAIR
HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES

Hearing Date: January 24, 2018 Room Number: 329

**Fiscal Implications:** Defer to the Department of Commerce and consumer Affairs (DCCA).

**Department Testimony:** The Department of Health (DOH) applauds the intent of this measure to expand insurance benefits for those struggling with opioid use disorder (OUD), but is concerned that this measure does not address the broader disparities in relationship to access for treatment of other substance use disorders such as methamphetamine abuse. The Alcohol and Drug Abuse Division (ADAD) also defers to DCCA on the proposed amendments to HRS Chapter 431M regarding a benefits structure for inpatient and outpatient opioid treatment. The DOH offers the following comments.

Opioid misuse represents only one facet of the broader addiction problem in Hawaii, since those who suffer from addiction often misuse more than one substance. According to the Hawaii Opioid Action Plan (Dec. 2017):

- There are an average of nearly 400 nonfatal overdose incidents each year, nearly half of which require hospitalization; and
- The issue of opioid misuse and addiction cannot be fully appreciated unless seen from from a broader context of a chronic illness perspective, which shows that substance misuse and addiction represents significant public health and economic burdens for Hawaii:
    - Workplace drug tests positive for methamphetamine were 410% higher than the national average in 2011;

- Impaired driving deaths in Hawaii (2010-2014) were 39.4% compared to the national average of 30.0%; and
- Data from ADAD-funded providers suggests that methamphetamine was reported as the primary drug of choice upon admission for 53.4% of adults receiving substance misuse treatment in FY2017.

Treatment admission data from 2010-2016 in Hawaii further underscores the need for a focus on the broader addiction issue in the state and for a coordinated and comprehensive approach to addiction in Hawaii.

The DOH, Alcohol and Drug Abuse Division (ADAD) believes that opioid misuse represents only one facet of the broader addiction problem in Hawaii, since those who suffer from addiction often misuse more than one substance. From a larger chronic illness perspective, substance misuse and addiction represents significant public health and economic burdens for Hawaii. This is presented in more detail in the Hawaii Opioid Action Plan.

The DOH also defers to the Department of Commerce and Consumer Affairs on the proposed opioid dependence benefits amendments to HRS Chapter 431M.

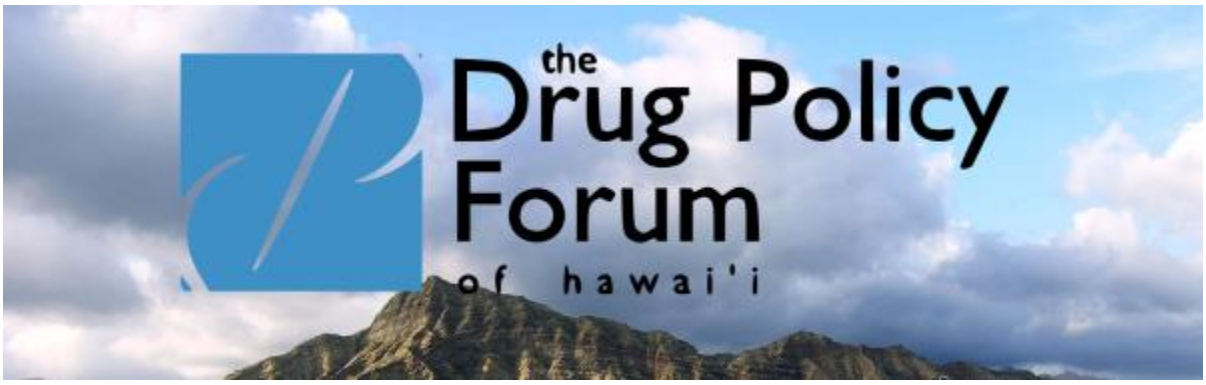
The DOH also understands that the Department of Human Services may require approval from The Centers for Medicare & Medicaid Services should they wish to cover the proposed opioid treatment benefits.

Thank you for the opportunity to provide testimony.

**HB-1603**
Submitted on: 1/22/2018 11:02:17 PM
Testimony for HHS on 1/24/2018 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Carl Bergquist | Drug Policy Forum of Hawaii | Support | Yes |

Comments:




*Dedicated to safe, responsible, humane and effective drug policies since 1993*

TO: House Committee on Health and Human Services

FROM: Carl Bergquist, Executive Director

HEARING DATE: 24 January 2018, 10AM

RE: HB1603, Relating to Health Insurance, **STRONG SUPPORT**

Dear Chair Mizuno, Vice Chair Kobayashi, Committee Members:

The Drug Policy Forum of Hawai'i (DPFHI) **strongly supports** this measure to require health insurers, mutual benefit societies, and health maintenance organizations to provide health care coverage and benefits for diagnosed with opioid dependence.

There can be little doubt that health insurers have played a significant role in creating the opioid epidemic, and that they have to date been resistant to playing a constructive role in resolving it. Hawai'i, via the Office of the Attorney General has joined other states in tackling the opioid epidemic, e.g. via a multistate probe targeting drug manufacturers and in a letter urging the health insurance industry to change their practices.

We believe that this bill is a complement to these ongoing efforts by the State as well as the implementation of the Hawai'i Opioid Initiative, a statewide plan informed by a hui of which DPFHI is part. That plan clearly states the opioid use, including heroin, is increasing among many groups including those with private health insurance. Indeed, the likelihood of anyone already addicted to prescription painkillers becoming addicted to heroin is 40x than the average person, compared to 2x for someone addicted to alcohol. With the increasing frequency of the even more potent fentanyl, which has almost entirely replaced heroin in some areas of the US, the urgency keeps growing.

Finally, we recognize that in their letter to the health insurers, Hawaii's and others attorneys-general call for the "non-opioid" pain management options. One of those options is medical cannabis, a medicine recognized by Hawai'i since 2000 and now becoming more widely available in different forms via the nascent dispensary system. HB1893, which proposes to add "opioid use disorder" as a qualifying debilitating condition for certification of the use of medical cannabis, helps address this. Both of these bills thus form part of a broader, holistic approach to the opioid epidemic, and can help Hawaii's suffering community members and their families battle addiction.

Thank you for the opportunity to testify.

**Community Health Outreach Work**

677 Ala Moana Blvd., Suite 226
Honolulu, HI 96813
Phone (808) 853-3292 • Fax (808) 853-3274

**To: House Committee on Health and Human Services**
**Wednesday, January 24th 10AM Room 329**

**Re: Support for HB 1603 with comments**

Aloha Chair Mizuno, Vice Chair Kobayashi and Committee Members:

The Community Health Outreach Work (CHOW) Project supports HB 1603 to increase access to insurance-covered treatment for Opioid Use Disorder (OUD). While CHOW is in strong support of increasing access to treatment through payment reforms, **we also strongly support this effort for ALL substance use disorders, not just OUD.** Hawaii still struggles with significant methamphetamine dependence which also often needs more than the 28 days of treatment often authorized by insurers.

In addition to expanding this bill to cover all SUD, we respectfully ask for the following amendment to section (b) under §431M:

(b) The benefits for the first one hundred eighty days per plan year of inpatient and outpatient treatment of opioid dependence shall be provided when determined medically necessary by the covered person's physician or psychologist or **licensed clinical social worker or certified substance abuse counselor**

It is essential that in addition to expanding coverage, that we expand access to screening and assessments for those with OUD and other substance use disorders. In order to do so, both LCSW and CSAC have the training and certification to appropriate diagnose and recommend clinically appropriate course of treatment.

The CHOW Project is dedicated to serving individuals, families and communities adversely affected by drug use, especially people who inject drugs, through a participant-centered harm reduction approach. CHOW works to reduce drug-related harms such as but not limited to HIV, hepatitis B/C, homelessness, over-incarceration and overdose. CHOW supports the optimal health and well-being of people affected by drug use throughout the State of Hawaii.

CHOW is chairing one of the workgroups for the State Opioid Plan, and increasing access to treatment is one of the main goals, and this bill would support that effort. Additionally, with increased limits on prescription opioids, people with OUD need access to treatment otherwise the risk of them seeking street-based substances such as heroin increases according to both local and national data. This bill will help address one of the many barriers to treatment.

Thank you for the opportunity to provide testimony.

Sincerely,

Heather Lusk

Executive Director
CHOW Project

# KU ALOHA OLA MAU

Health & Human Services Committee
Finance Committee
Consumer Protection & Commerce
Regarding HB1603, Relating to Health Insurance
10AM Room 329
January 24, 2018

Good morning,

Honorable Chair representative John M. Mizuno, Honorable Vice Chair representative Bertrand Kobayashi, and members of the Health and Human Services Committee,

Honorable Chair representative Sylvia Luke, Vice Chair representative Ty J.K Cullen, and members of the Finance Committee,

Honorable Chair representative Roy M. Takumi, Honorable Vice Chair representative Linda Ichiyama, and members of the Consumer Protection & Commerce Committee,

Thank you very much for the opportunity to provide testimony **IN SUPPORT of HB1603**. I am Lisa Cook, Executive Director of Ku Aloha Ola Mau for the past 30+ years. We represent the primary opioid treatment provider for the Alcohol and Drug Abuse Division for 40 years + and have treated over 15,000 residents in two sites on Oahu and Hawaii Island.

We know that provision of expanded and treatment on demand in Hawaii's history during the impending wave of HIV transmission in this population had a powerful impact in stemming that epidemic in the 1980's and would be critical to address the expansion of opioid misuse, overdoses and accidental deaths though opioid misuse in high numbers has already evidenced itself over the past decade. Today HIV is only present in 1-2 percent of our population in treatment as it was at pre-epidemic levels.

I apologize that I am not able to attend today due to incapacitation (accident) but would be most happy to speak more in depth at a future time.

Respectfully Submitted by,

Lisa Cook, LSW, CSAPA / Lanny Huges on behalf of Lisa Cook
Executive Director

Nikos A. Leverenz
Committee on Health and Human Services
January 24, 2018 -- 10:00AM
HB 1603 -- SUPPORT

Rep. Mizuno & Members of the Committee on Health and Human Services:

I am writing in support of HB 1603, which would require health care insurers, mutual aid societies, and HMOs to provide six months of inpatient and outpatient treatment for opioid dependence.

Treatment works. Treatment saves lives. Treatment saves money in foregone health care costs and forgone costs of sustained involvement in the criminal justice system. Treatment is also the most effective demand-side drug reduction measure.

For many persons, substance abuse or addiction will be the dominant health issue of their lives, often with a co-occurring mental health condition. Even for the insured, drug treatment access is often difficult to obtain, especially if there is a co-occurring mental health condition. For those without insurance or on public insurance, the obstacles can be greater.

This bill would undoubtedly help many insured persons who are struggling with opioid substance use disorder. One hopes that this is a bold first step in expanding private and public access to medically-supervised treatment for all substance use disorders, including methamphetamine and alcohol.

This bill also provides an opportunity to think more broadly about current state policies pertaining to the continued stigmatization and criminalization of drug users. Hawai'i has long spent a disproportionate amount of its budget on corrections spending, even with relatively low crime rates. That a polity with relatively low rates of violent crime -- over a span of decades -- imprisons so many of its own is thoroughly perplexing and disheartening. With a new half-billion dollar correctional facility under consideration, the time for a comprehensive reform of this state's drug policy is imperative as a matter of sound fiscal responsibility and the tangible pursuit of a more equitable system of justice. This includes sentencing reform and corrections reform, from bail practices to correctional facility administration to the supervision of probationers and parolees.

Drug abuse and addiction are the product of an intersection of many factors. A recent commentary in the American Journal of Public Health observed that the opioid crisis is "fundamentally fueled by economic and social upheaval, its etiology closely linked to the role of opioids as a refuge from physical and psychological trauma, concentrated disadvantage, isolation, and hopelessness."

Among the root causes of substance use disorders are economic instability, including lack of stable housing, and co-occurring mental health conditions: “Poverty and substance use problems operate synergistically, at the extreme reinforced by psychiatric disorders and unstable housing. The most lucrative employment in poorer communities is dominated by manufacturing and service jobs with elevated physical hazards, including military service. When sustained over years, on-the-job injuries can give rise to chronically painful conditions, potentially resulting in a downward spiral of disability and poverty.”

The authors also endorse the use of opioid substitution therapy in treatment: “Access to evidence-based treatment for opioid use disorder, such as methadone and buprenorphine, must be rapidly improved.” (Nabarun Dasgupta, PhD, MPH, Leo Beletsky, JD, MPH, and Daniel Ciccarone, MD, MPH. “Opioid Crisis: No Easy Fix to Its Social and Economic Determinants.” American Journal of Public Health. December 2017. Available online at: http://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2017.304187)

In October 2017, the Global Commission on Drug Policy issued a position paper addressing the opioid crisis in North America, offering a sober assessment of the substantial shortcomings that underlie current government policies and treatment provider practices. In addition to noting that policymakers address those socioeconomic conditions that increase the risk for substance abuse and addiction, it called for the availability of opioid substitution therapy:

“Media and government attention has primarily focused on the supply through doctors. The fact that most addictions start with diverted supplies rather than among pain patients has been largely ignored. Policymakers have also failed to address the role of economic upheaval, unemployment, inequality, and other systemic sources of despair in increasing the risk for addiction and decreasing the odds of recovery. Health systems were completely unprepared and treatment is still dominated by abstinence-focused programs, where no regulatory standards have to be met. Furthermore, among other factors, prejudice against the most effective treatments for opioid addiction—opioid substitution therapy (OST)—has translated into lack of treatment for those in need. Opioid substitution therapy has proven effective in treating addictions to heroin and should be offered to those dependent on or addicted to prescription opioids.”

Among the Commission’s recommendations, each very relevant to this state’s ongoing efforts to address the opioid crisis:

“Do not cut the supply of prescription opioids without first putting supporting measures in place. This includes sufficient treatment options for people with addiction and viable alternatives for pain patients....

“Make proven harm reduction measures and treatment widely available, especially naloxone distribution and training, low-threshold opioid substitution therapy, heroin-assisted treatment,

needle and syringe programs, supervised injection facilities, and drug checking. In states that have not yet done so, legally regulate the medical use of marijuana....

“Decide to de facto decriminalize drug use and possession for personal use at municipal, city or [state] levels. Do not pursue such offenses so that people in need of health and social services can access them freely, easily, and without fear of legal coercion.”

(Global Commission on Drug Policy. “Position Paper: The Opioid Crisis in North America.” October 2017. Available online at: http://www.globalcommissionondrugs.org/position-papers/opioid-crisis-north-america-position-paper/)

In short, this measure is a salutary, if narrow, start toward a broader public policy approach that values individual and public health over the current regime of stigmatization and criminalization that misallocates public resources and perpetuates intergenerational cycles of trauma and socioeconomic disadvantage.

Sincerely,
Nikos A. Leverenz

**HB-1603**
Submitted on: 1/23/2018 11:54:59 AM
Testimony for HHS on 1/24/2018 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Marya Grambs | | Support | No |

Comments:

I strongly support increasing access to treatment through payment reforms, butd believe this should be available for **all** substance use disorders, not just opioiod dependence. We continue to have a meth epidemic which needs the same kind of support. Also, licensed clinical social workers or certified substance abuse counselors should be added to those covered to provide treatment.

Sincerely,

Marya Grambs

Member, Board of Directors, Drug Policy Forum of Hawaii.

LATE

**HB-1603**
Submitted on: 1/23/2018 4:55:40 PM
Testimony for HHS on 1/24/2018 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| elizabeth blalock | | Support | No |

Comments:

I am a practicing pysician on Oahu caring for our veterans many of whom are dealing with substance abuse.

I also lost two brothers years ago to accident drug overdoses which lead to my activism in the area of improved care of our citizens with addiction disorders and recreational drug use.

The epidemic of deaths from accidental overdose requires an immediate and multi-faceted approach. I beleive in a compassionate life saving approach that includes:

1. observed administration of drugs in a safe clean setting with access to social services on site which serves to prevent overdose death, transmission of HIV and HepC viruses, and opens the door to a conversation about kicking the 'habit'.

2. Test kits for users of street drugs so they know what they are administering. This is essential considering the recent arrival of fentanyl in Hawaii.

3. Law enforcement assisted diversion into treatment

For those who choose treatment affordability should not limit access. to care

Addiction is an illness with severe consequences for the individual and our society.

Effective medical services should be available to all who seek treatment.