

JAN 18 2019

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# A BILL FOR AN ACT

RELATING TO HEALTH.

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

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**PART I**

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SECTION 1. The legislature finds that according to a 2009

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poll conducted for the Closing the Addiction Treatment Gap

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Initiative, most Americans, regardless of race, age, place of

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residence, or income, know someone personally who has been

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addicted to alcohol or drugs. Additionally, the 2009 poll

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showed that seventy-three per cent of Americans support the idea

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of including alcohol and drug addiction treatment as part of

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national health care reform to make the treatment more

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accessible and affordable. Despite widespread concern and

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support across America, the legislature finds that treatment for

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behavioral health disorders continues to be costlier and more

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difficult to obtain than general medical care. Different

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financial limits and cost-sharing requirements, limits on

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coverage, providers, types, and duration of treatment, and other

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provisions constrain the level and quality of insured health

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care that is available to those with behavioral health issues.



1 Pursuant to the United States Department of the Treasury's  
2 interim final rules pertaining to the Paul Wellstone and Pete  
3 Domenici Mental Health Parity and Addiction Equity Act of 2008,  
4 group health plans are required to have no more restrictions on  
5 mental health and substance abuse disorders than on medical or  
6 surgical benefits. The legislature finds that while the final  
7 rules require action by the State to ensure compliance, the  
8 State also has the option to enact and implement parity laws  
9 that are even more comprehensive than what is required for  
10 federal compliance.

11 The purpose of this Act is to convene a mental health and  
12 substance abuse parity working group to determine how the State  
13 can come into compliance with federal mental health and  
14 substance abuse parity laws and regulations and enhance its  
15 existing parity laws.

16 SECTION 2. (a) The director of health shall convene a  
17 mental health and substance abuse parity working group and may  
18 work with any other department to carry out the purpose of this  
19 Act. The working group shall consist of fifteen members as  
20 follows:

21 (1) One member selected by the governor;



- 1           (2) One member selected by the president of the senate;
- 2           (3) One member selected by the speaker of the house of
- 3           representatives;
- 4           (4) One member selected by the attorney general;
- 5           (5) One member selected by the insurance commissioner;
- 6           (6) One member selected by the alcohol and drug abuse
- 7           division of the department of health;
- 8           (7) One psychiatrist selected by the adult mental health
- 9           division of the department of health;
- 10          (8) One representative of the Coalition for a Drug-Free
- 11          Hawaii;
- 12          (9) One representative of the Mental Health America of
- 13          Hawaii;
- 14          (10) One representative of the Legal Aid Society of Hawaii;
- 15          (11) One representative of a health insurance provider,
- 16          regulated under chapter 431, article 10A; chapter 432,
- 17          article I; or chapter 432D, Hawaii Revised Statutes,
- 18          or a managed care provider, such as a health
- 19          maintenance organization or preferred provider
- 20          organization;



- 1       (12) One medical professional licensed under chapter 453,  
2             Hawaii Revised Statutes;
- 3       (13) One psychologist licensed under chapter 465, Hawaii  
4             Revised Statutes;
- 5       (14) One clinical social worker licensed under chapter  
6             467E, Hawaii Revised Statutes; and
- 7       (15) One mental health consumer representative.

8 The members referenced in paragraphs (8) to (15) shall be  
9 selected by the director of health.

10       (b) The duties of the working group shall be as follows:

11       (1) Review special reports, and updates to the special  
12             reports, that provide an analysis of the Paul  
13             Wellstone and Pete Domenici Mental Health Parity and  
14             Addiction Equity Act of 2008 and relevant final rules;

15       (2) Review the provisions in national health care reform  
16             laws and regulations that affect behavioral health  
17             care, including:

18             (A) Provisions that interact with the Mental Health  
19             Parity and Addiction Equity Act of 2008; and

20             (B) Provisions that address the issue of  
21             affordability and lack of coordination of



1 behavioral health care through the establishment  
2 of federally qualified behavioral health centers  
3 and co-location of primary and specialty care  
4 services with behavioral health services;

5 provided that any recommendation made pursuant to this  
6 paragraph to improve the behavioral health care system  
7 shall emphasize primary and secondary prevention and  
8 de-stigmatization;

9 (3) Determine the State's role and responsibilities in  
10 implementing the Mental Health Parity and Addiction  
11 Equity Act of 2008; and

12 (4) Based on information reviewed or determined pursuant  
13 to paragraphs (1) through (3), examine and make  
14 recommendations regarding the addition or enhancement  
15 of various components of the State's mental health and  
16 substance abuse parity laws, including:

17 (A) Coverage options, including mandatory coverage of  
18 mental illnesses and substance abuse;

19 (B) Definitions of covered conditions and other terms  
20 necessary to implement the State's parity laws;

21 (C) Individual and small group plans;



- 1 (D) Financial and durational limits on treatment;
- 2 (E) Determination of medical necessity;
- 3 (F) Managed care;
- 4 (G) Out-of-network coverage;
- 5 (H) Adequacy of network provider panels;
- 6 (I) Prescription medications;
- 7 (J) Specific services for serious mental illness;
- 8 (K) Oversight of implementation; and
- 9 (L) Independent external review of claims.

10 (c) The legislative reference bureau shall assist the  
 11 working group in drafting any appropriate legislation.

12 (d) The working group shall submit to the legislature a  
 13 report of its findings and recommendations, including proposed  
 14 legislation, no later than twenty days prior to the convening of  
 15 the regular session of 2021 and shall dissolve on June 30, 2022.

16 **PART II**

17 SECTION 3. The legislature finds that part V, Act 44,  
 18 Session Laws of Hawaii 2004, established a successful insurance  
 19 coverage parity provision for substance abuse treatment. This  
 20 provision lapsed on June 30, 2011.



1           The purpose of this part is to reauthorize the provisions  
2 of part V, Act 44, Session Laws of Hawaii 2004, to ensure that  
3 substance abuse addiction is covered under a health insurance  
4 plan in the same way as a physical disease or illness. Parity  
5 is extended to alcohol and drug abuse because these addictions  
6 are serious mental health illnesses that require equal treatment  
7 under health insurance plans.

8           SECTION 4. Chapter 431M, Hawaii Revised Statutes, is  
9 amended by adding a new section to be appropriately designated  
10 and to read as follows:

11           "§431M-     Parity treatment for alcohol or drug dependency.  
12 Unless greater benefits are required by this chapter for alcohol  
13 and substance abuse services and benefits, services and benefits  
14 provided by health insurance plans subject to section 431M-2 for  
15 drug and alcohol dependency shall be equal to and co-extensive  
16 with health insurance coverage for physical disease and  
17 illnesses. Nothing in this section shall require the health  
18 insurance plan to provide residential treatment benefits except  
19 as it may provide for physical disease and illnesses and in  
20 accordance with an approved treatment plan by the health plan  
21 provider."



1 SECTION 5. Section 4 shall be exempt from the impact  
 2 assessment report by the auditor under section 23-51, Hawaii  
 3 Revised Statutes. The legislature finds that an emergency  
 4 situation continues to exist in the State that demands an  
 5 immediate legislative response, and that the slight financial  
 6 impact of a rise in premiums, as a result of reauthorizing  
 7 parity provisions for substance abuse treatment insurance  
 8 coverage, is likely to be incalculable (Auditor Report No.  
 9 88-6).

10 SECTION 6. The treatment of drug and alcohol dependency  
 11 provided under medical plans participating in QUEST and QUEST  
 12 Expanded Access (QExA) shall be equal to and co-extensive with  
 13 QUEST and QExA coverage for physical disease and illnesses.  
 14 Nothing in this section shall require QUEST and QExA to provide  
 15 residential treatment benefits except as it may provide for  
 16 physical disease and illnesses.

17 PART III

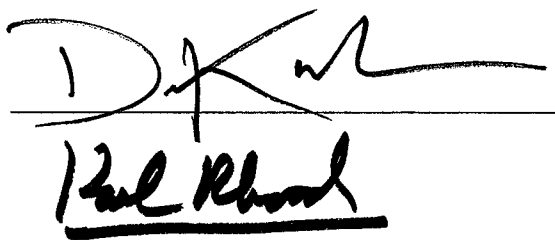
18 SECTION 7. New statutory material is underscored.

19 SECTION 8. This Act shall take effect upon its approval.

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INTRODUCED BY:






S.B. NO. 889

*Donna Lewis*



# S.B. NO. 889

**Report Title:**

Mental Health and Substance Abuse Parity; Working Group

**Description:**

Requires the director of health to convene a mental health and substance abuse parity working group to determine how the State can come into compliance with federal mental health and substance abuse parity laws and regulations and enhance existing state parity laws. Reauthorizes, part V, Act 44, Session Laws of Hawaii 2004, providing parity for substance abuse treatment insurance coverage.

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

