
A BILL FOR AN ACT

RELATING TO COMPLEX PATIENT TREATMENT.

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

1 SECTION 1. The legislature finds that complex
2 patients - those with co-occurring substance use disorders,
3 mental health disorders, and chronic physical
4 conditions - represent a high-need, high-cost population that
5 requires a modern, integrated care strategy. Yet these
6 individuals frequently face adverse social determinants of
7 health, including housing instability, food insecurity, early
8 trauma, limited transportation, poverty, chronic stress, and
9 limited social support. Systemic barriers, such as historical
10 underinvestment, fragmented services, stigma, and limited
11 provider incentives, further restrict access to high-quality
12 integrated care, resulting in only a small percentage of complex
13 patients receiving appropriate treatment.

14 Complex patients often cycle through fragmented, siloed
15 health care systems that fail to produce meaningful outcomes
16 while generating significant costs. This leads to frequent
17 emergency room visits, repeated hospitalizations, justice system



1 involvement, homelessness, and poor health outcomes, placing an
2 outsized burden on social services, including medicaid and
3 medicare. In many cases, jails and prisons become default
4 providers of behavioral health services, and the lack of
5 treatment contributes to higher rates of recidivism.

6 The legislature further finds that in Hawaii, approximately
7 seventy-five thousand adults have co-occurring mental health and
8 substance use disorders, with over fifty-four thousand
9 experiencing chronic conditions. About twenty-one thousand
10 adults in this population are diagnosed with severe mental
11 illness, which is treated by the adult mental health division of
12 the department of health. Many individuals remain untreated
13 until their conditions become severe, which often results in
14 chronic physical illnesses and triple diagnosis cases.
15 Approximately 161,000 adults in the State have untreated
16 substance use disorders, with roughly thirty-six per cent
17 classified as complex patients.

18 In Hawaii, high health care costs are driven primarily by
19 cardiovascular disease, diabetes, cancer, and asthma, with
20 cardiovascular disease accounting for over eighteen thousand
21 hospitalizations annually. The State also has above-average



1 rates of methamphetamine and alcohol use, frequent polysubstance
2 use, prescription drug misuse, and emerging fentanyl-laced
3 methamphetamine risks, which highlights the urgent need for
4 coordinated prevention and treatment efforts.

5 The legislature additionally finds that patients with
6 overlapping behavioral and physical health conditions achieve
7 better outcomes when treated simultaneously in integrated care
8 models. Effective treatment combines medical, behavioral, and
9 social supports in coordinated care plans delivered by
10 multidisciplinary teams, including psychiatrists, physicians,
11 nurses, counselors, case managers, and peer recovery staff.
12 Residential and intensive outpatient programs that integrate
13 substance use, mental health, and chronic disease care improve
14 engagement, reduce fragmentation, lower relapse and
15 hospitalization rates, and support long-term recovery and
16 well-being.

17 The legislature believes that developing a statewide,
18 evidence-based complex patient model is needed to close gaps in
19 care, improve outcomes, reduce emergency and inpatient
20 utilization, position Hawaii to compete for federal grants, and



1 align medicaid and medicare funding to support integrated
2 services.

3 The purpose of this Act is to establish a statewide
4 integrated care initiative for adults with co-occurring
5 substance use disorders, mental health disorders, and chronic
6 physical health conditions by appropriating funds for the
7 alcohol and drug abuse division of the department of health to
8 contract with community-based organizations for a behavioral
9 health complex patient model.

10 SECTION 2. (a) The alcohol and drug abuse division of the
11 department of health may contract with community-based
12 organizations for a behavioral health complex patient model.

13 (b) The department of health shall submit a report to the
14 legislature no later than twenty days prior to the convening of
15 the regular session of 2028. The report shall include but not
16 be limited to:

17 (1) The manner in which funds appropriated pursuant to
18 this Act have been expended;

19 (2) The service providers that have received funding
20 pursuant to this Act;



1 (3) The number of persons served and a description of the
2 services provided;

3 (4) Any measurable outcomes; and

4 (5) Any proposed legislation.

5 SECTION 3. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2026-2027 for
8 the alcohol and drug abuse division of the department of health
9 to contract with community-based organizations for a behavioral
10 health complex patient model.

11 The sum appropriated shall be expended by the department of
12 health for the purposes of this Act.

13 SECTION 4. This Act shall take effect on July 1, 2026.



S.B. NO. 2285
S.D. 1

Report Title:

DOH; Behavioral Health Complex Patient Model; Community-Based Organizations; Report; Appropriation

Description:

Appropriates funds to the Alcohol and Drug Abuse Division of the Department of Health to contract with community-based organizations for a behavioral health complex patient model. Requires a report to the Legislature. (SD1)

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