

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
The Honorable Joy A. San Buenaventura, Chair
The Honorable Angus L.K. McKelvey, Vice Chair

S.C.R. NO. 18, REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF PROPOSED MANDATED HEALTH INSURANCE COVERAGE FOR INTRAVENOUS KETAMINE THERAPY TO TREAT DEPRESSION.

Hearing: Monday, March 30, 2026, 1:07 p.m.

The Office of the Auditor offers comments on S.C.R. No. 18, requesting the Office of the Auditor to conduct a social and financial assessment of proposed mandatory health insurance coverage for intravenous ketamine therapy to treat depression.

Section 23-51, Hawai'i Revised Statutes (HRS), which requires the Auditor to assess the social and financial impacts of legislative measures proposing to mandate health insurance coverage, directs that the concurrent resolution designate a specific bill proposing the health mandate that includes, at minimum (1) the specific health service, disease, or provider that would be covered; (2) the extent of the coverage; (3) the target groups that would be covered; (4) the limits of utilization, if any; and (5) the standards of care.

S.C.R. No. 18 identifies S.B. No. 967 (2025 Regular Session), which requires Medicaid and private insurance to cover costs of intravenous ketamine therapy to treat depression in qualifying patients. However, S.B. No. 967 does *not* include the percentage of the costs to be covered by insurers. That information is required by Section 23-51, HRS, and necessary for us to assess the social and financial impacts of the proposed coverage. Without a defined percentage, i.e., the extent of the proposed coverage, we cannot properly assess the impacts of the proposed coverage.

We suggest that the Legislature consider deferring S.C.R. No. 18.



LATE

TESTIMONY IN SUPPORT OF S.C.R. NO. 18

Senate Concurrent Resolution Requesting the Auditor to Assess the Social and Financial Effects of Proposed Mandated Health Insurance Coverage for Intravenous Ketamine Therapy to Treat Depression

Thirty-Third Legislature, 2026 — State of Hawai‘i

Aloha Chair, Vice Chair, and Distinguished Members of the Committee,

We submit this testimony in **strong support** of S.C.R. No. 18. This resolution takes a responsible, evidence-based approach to one of the most urgent mental health challenges facing our State: ensuring that Hawai‘i residents suffering from treatment-resistant depression have access to a potentially life-saving therapy that a growing body of peer-reviewed research has validated as safe and effective.

The Mental Health Need in Hawai‘i

Depression is not a peripheral concern for our State. According to the Hawai‘i Health Data Warehouse, 12.8% of Hawai‘i adults have been diagnosed with a depressive disorder. Statewide costs are significant: the economic toll of adult depression in Hawai‘i is estimated at no less than \$300 million. These figures do not capture the full human toll—lost productivity, fractured families, and preventable deaths by suicide.

For a meaningful share of these residents, conventional treatment fails. Nationally, roughly one-third of people with major depressive disorder do not respond to at least two antidepressants, a condition clinically defined as treatment-resistant depression (TRD). These are the patients for whom intravenous ketamine therapy offers new hope.

The Clinical Evidence Is Compelling

The scientific case for IV ketamine has advanced substantially over the past several years, drawing on randomized controlled trials, meta-analyses, and large multi-site studies published in the most prestigious peer-reviewed journals.

Efficacy comparable or superior to the current standard of care. Electroconvulsive therapy (ECT) has long been considered the gold standard for treatment-resistant depression. A landmark



2023 randomized clinical trial published in the *New England Journal of Medicine* — the largest head-to-head study of its kind, involving 403 patients across five sites — found that IV ketamine was noninferior to ECT for the treatment of nonpsychotic treatment-resistant depression, with 55% of patients in the ketamine group experiencing sustained improvement in depressive symptoms without major side effects. Importantly, ketamine achieved these results without the memory loss, required anesthesia, and social stigma associated with ECT.

Rapid, robust, and repeated antidepressant effects. A 2024 narrative review published in a peer-reviewed pharmacology journal found that repeated ketamine treatments show rapid, robust, and sustained antidepressant effects, establishing ketamine as an effective therapeutic agent for the management of treatment-resistant depression.

Real-world remission rates. A multi-site clinical outcomes study at the University of Michigan Health — the Bio-K study published in the *Journal of Affective Disorders* — found that after just three infusions of ketamine over 11 days, 52% of severely depressed participants achieved remission, including many who experienced frequent suicidal thoughts.

Secondary analysis confirms differential benefits. A 2024 secondary analysis published in *JAMA Network Open* further examined the randomized trial comparing ketamine and ECT, identifying patient subgroups for whom ketamine may offer even greater clinical advantages, helping providers tailor treatment selection.

The Economic Case for Expanded Access

Ensuring access to IV ketamine therapy is not only a moral imperative — it is a sound fiscal investment. A rigorous, peer-reviewed economic analysis published in 2025 used a population-level Markov simulation model to estimate the economic impact of expanded access to ketamine. Over a five-year horizon, expanded access to IV ketamine would result in net positive societal savings of \$828.2 million annually — \$95.3 million to patients and \$743.7 million to payers — compared to ECT as the standard of care.

These savings reflect reduced hospitalizations, lower healthcare utilization costs, and improved patient productivity — all of which are downstream benefits of more effective, accessible depression treatment.

The Barrier: Lack of Insurance Coverage

Despite robust clinical evidence, most patients cannot access IV ketamine therapy because it is not covered by insurance. A review of Ohio health insurance marketplace and Medicaid plan



formularies found that IV ketamine was not covered by any plan for depression, a pattern broadly representative of the national landscape. Many patients pay thousands of dollars out-of-pocket for ketamine infusions — a cost that is out of reach for many, creating a two-tiered system in which only the wealthy can access a treatment that evidence shows may be life-saving.

This disparity falls hardest on exactly the populations our State has a duty to protect. Adults with lower household incomes, multiracial adults, and LGBTQ+ adults experience higher prevalence rates of depression, and they are the least likely to be able to bear thousands of dollars in out-of-pocket costs for multiple infusion sessions.

Why This Resolution Is the Right Step

S.C.R. No. 18 does not mandate coverage outright. It takes the carefully measured step required by Section 23-51, Hawai‘i Revised Statutes—requesting that the Auditor assess **both the social and financial effects** of the proposed mandate under Senate Bill No. 967. This is precisely the kind of evidence-based, fiscally responsible policymaking that legislators and constituents expect.

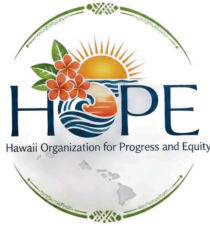
The research reviewed above strongly suggests that such an assessment will support the case for coverage. Mental health parity laws that expanded and protected insurance coverage for mental health care are associated with lower out-of-pocket costs, lower suicide rates, and increased use of health care services. Requiring the Auditor to rigorously examine these dynamics in the context of Hawai‘i's population will arm the Legislature with the data it needs to act confidently.

Conclusion

Intravenous ketamine therapy represents one of the most significant advances in depression treatment in decades. The *New England Journal of Medicine*, *Nature Medicine*, *JAMA Network Open*, *Frontiers in Psychiatry*, and the *British Journal of Psychiatry* have all published peer-reviewed research supporting its efficacy and safety for treatment-resistant depression. A peer-reviewed economic analysis projects over \$800 million in annual societal savings from expanded access. Yet most patients in Hawai‘i — and across the country — cannot access this therapy because insurance does not cover it.

S.C.R. No. 18 asks the Auditor to examine whether Hawai‘i should change that. Given the weight of scientific evidence, the economic data, and our State's commitment to the health of all residents, I respectfully urge the Committee's support for this resolution.

Mahalo for the opportunity to testify.



Supporting research cited: New England Journal of Medicine (2023); JAMA Network Open (2024); Nature Medicine (2024); Frontiers in Psychiatry / PMC (2024); Journal of Affective Disorders / University of Michigan (2024); British Journal of Psychiatry (2023); PMC Impact Analysis (2025); SAMHSA Behavioral Health Barometer; Hawai‘i Health Data Warehouse; America's Health Rankings.