



1 screening, briefing, intervention, referral, and treatment  
2 program has been successfully implemented and is ongoing in  
3 several other states and continues to serve as a best practices  
4 and model program. This initiative recognizes that significant  
5 steps can be taken, within a medical setting, to address the  
6 problems of addiction. The screening, briefing, intervention,  
7 referral, and treatment program makes the most of an  
8 individual's "teachable moment" by offering screening for  
9 alcohol or substance abuse, brief intervention, education, and,  
10 if necessary, referrals to appropriate care or treatment.

11 Current state law allows insurers to exclude coverage for  
12 injuries sustained by insured persons as a result of  
13 intoxication from alcohol or narcotics. This statutory  
14 exclusion was created under the original model Uniform Accident  
15 and Sickness Policy Provision law, which was approved in 1947 by  
16 the National Association of Insurance Commissioners, the  
17 organization of insurance regulators from the fifty states, the  
18 District of Columbia, and four United States territories. At  
19 the time of origin, the Uniform Accident and Sickness Policy  
20 Provision model laws mirrored accepted attitudes toward alcohol  
21 and drug use. In 1955, Hawaii adopted the Uniform Accident and  
22 Sickness Policy Provision Law model language.



1           Significantly, in 2001, the National Association of  
2 Insurance Commissioners voted unanimously to repeal the  
3 provision of the Uniform Accident and Sickness Policy Provision  
4 Law relating to alcohol and narcotics. In its place, the  
5 National Association of Insurance Commissioners adopted a  
6 revised model law that prohibits health insurers from denying  
7 coverage on the basis of intoxication from alcohol or narcotics.  
8 The National Conference of Insurance Legislators, the American  
9 Medical Association, the American Bar Association, Mothers  
10 Against Drunk Driving, and the Emergency Nurses Association have  
11 publicly supported this initiative. While many other states  
12 have adopted legislation that prohibits medical health insurers  
13 from denying coverage on the basis of intoxication from alcohol  
14 or narcotics, Hawaii law has remained unchanged, and continues  
15 to mirror the original Uniform Accident and Sickness Policy  
16 Provision Law language.

17           Accordingly, under current Hawaii law, health care  
18 professionals and substance abuse screeners may be hesitant to  
19 link alcohol or substance abuse to an injury, for fear of  
20 non-reimbursement for services rendered. In order to  
21 successfully implement the screening, briefing, intervention,  
22 referral, and treatment program in Hawaii, current law must be



1 changed to remove barriers that impede these screeners from  
2 comprehensively assessing a patient's underlying alcohol or  
3 substance abuse issues. It is noted that this problem currently  
4 impedes the use of existing federal moneys appropriated through  
5 the State of Hawaii's department of transportation for a similar  
6 screening pilot program.

7 The purpose of this Act is to:

- 8 (1) Prohibit medical health insurers from excluding  
9 coverage for injuries sustained by insured persons as  
10 a result of intoxication from alcohol or narcotics;  
11 and  
12 (2) Appropriate funds to establish a screening, briefing,  
13 intervention, referral, and treatment pilot program at  
14 two locations in the State of Hawaii.

15 SECTION 3. Section 431:10A-106, Hawaii Revised Statutes,  
16 is amended to read as follows:

17 "**§431:10A-106 Optional provisions.** Except as provided in  
18 section 431:10A-107, no policy of accident and health or  
19 sickness insurance delivered or issued for delivery to any  
20 person in this State shall contain the provisions set forth  
21 below unless the provisions are in the words in which they  
22 appear below; provided that the insurer may substitute



1 corresponding provisions of different wording approved by the  
2 commissioner that are in each instance not less favorable in any  
3 respect to the insured or the beneficiary. [~~Such~~] The  
4 provisions are optional provisions. Any such provision  
5 contained in the policy shall be preceded individually by the  
6 specified caption or, at the option of the insurer, by [~~such~~]  
7 the appropriate individual or group captions or subcaptions as  
8 the commissioner may approve. The provisions are as follows:

9 (1) "Change of Occupation: If the insured is injured or  
10 contracts sickness after having changed occupations to  
11 one classified by the insurer as more hazardous than  
12 that stated in this policy or while doing for  
13 compensation anything pertaining to an occupation so  
14 classified, the insurer will pay only such portion of  
15 the indemnities provided in this policy as the premium  
16 paid would have purchased at the rates and within the  
17 limits fixed by the insurer for the more hazardous  
18 occupation. If the insured's occupation changes to  
19 one classified by the insurer as less hazardous than  
20 that stated in this policy, the insurer, upon receipt  
21 of proof of such change of occupation, will reduce the  
22 premium rate accordingly, and will return the excess



1 pro rata unearned premium from the date of change of  
2 occupation or from the policy anniversary date  
3 immediately preceding receipt of such proof, whichever  
4 is the more recent. In applying this provision, the  
5 classification of occupational risk and the premium  
6 shall be such as have been last filed by the insurer  
7 prior to the occurrence of the loss for which the  
8 insurer is liable or prior to date of proof of change  
9 in occupation with the state official having  
10 supervision of insurance in the state where the  
11 insured resided at the time this policy was issued;  
12 but if such filing was not required, then the  
13 classification of occupational risk and the premium  
14 rates shall be those last made effective by the  
15 insurer in such state prior to the occurrence of the  
16 loss or prior to the date of proof of change in  
17 occupation."

- 18 (2) "Misstatement of Age: If the age of the insured has  
19 been misstated, all amounts payable under this policy  
20 shall be such as the premium paid would have purchased  
21 at the correct age."



1 (3) Other insurance in this insurer shall be in one of the  
2 following forms:

3 (A) "Other Insurance in This Insurer: If an accident  
4 and health or sickness policy or policies  
5 previously issued by the insurer to the insured  
6 be in force concurrently herewith, making the  
7 aggregate indemnity for (insert type of coverage  
8 or coverages) in excess of \$ (insert maximum  
9 limit of indemnity or indemnities) the excess  
10 insurance shall be void and all premiums paid for  
11 such excess shall be returned to the insured or  
12 to the insured's estate."; or

13 (B) "Other Insurance in This Insurer: Insurance  
14 effective at any one time on the insured under a  
15 like policy or policies in this insurer is  
16 limited to the one such policy elected by the  
17 insured, the insured's beneficiary, or the  
18 insured's estate, as the case may be, and the  
19 insurer will return all premiums paid for all  
20 other such policies."

21 (4) Insurance with other insurers. Either or both of the  
22 following forms shall be used:



1           (A)   (i)   "Insurance with Other Insurers:  If there be  
2                                   other valid coverage, not with this insurer,  
3                                   providing benefits for the same loss on a  
4                                   provision of service basis or on an expense  
5                                   incurred basis and of which this insurer has  
6                                   not been given written notice prior to the  
7                                   occurrence or commencement of loss, the only  
8                                   liability under any expense incurred  
9                                   coverage of this policy shall be for such  
10                                  proportion of the loss as the amount which  
11                                  would otherwise have been payable hereunder  
12                                  plus the total of the like amounts under all  
13                                  such other valid coverages for the same loss  
14                                  of which this insurer had notice bears to  
15                                  the total like amounts under all valid  
16                                  coverages for such loss, and for the return  
17                                  of such portion of the premiums paid as  
18                                  shall exceed the pro rata portion for the  
19                                  amount so determined.  For the purpose of  
20                                  applying this provision when other coverage  
21                                  is on a provision of service basis, the like  
22                                  amount of such other coverage shall be taken





1 as the amount which the services rendered  
2 would have cost in the absence of such  
3 coverage."

4 (ii) "Insurance with Other Insurers: If there be  
5 other valid coverage, not with this insurer,  
6 providing benefits for the same loss on  
7 other than an expense incurred basis and of  
8 which this insurer has not been given  
9 written notice prior to the occurrence or  
10 commencement of loss, the only liability for  
11 such benefits under this policy shall be for  
12 such proportion of the indemnities otherwise  
13 provided hereunder for such loss as the like  
14 indemnities of which the insurer had notice  
15 (including the indemnities under this  
16 policy) bear to the total amount of all the  
17 indemnities for such loss, and for the  
18 return of such portion of the premium paid  
19 as shall exceed the pro rata portion for the  
20 indemnities thus determined."

21 (B) If the provision set forth in subparagraph (A) (i)  
22 is included in a policy that also contains the



1 provision set forth in subparagraph (A)(ii),  
2 there shall be added to the caption of the  
3 subparagraph (A)(i) provision the phrase,  
4 "expense incurred benefits".

5 (C) The insurer [~~may~~], at its option, may include in  
6 the provision set forth in subparagraph (A)(i) a  
7 definition of other valid coverage, approved as  
8 to form by the commissioner, which definition  
9 shall be limited in subject matter to coverage  
10 provided by organizations subject to regulation  
11 by insurance law or by insurance authorities of  
12 this State or any other state or territory of the  
13 United States or any province of Canada, and by  
14 hospital or medical service organizations, and to  
15 any other coverage the inclusion of which may be  
16 approved by the commissioner. In the absence of  
17 such definition the term shall not include group  
18 insurance, automobile medical payment insurance,  
19 or coverage provided by hospital or medical  
20 service organizations, union welfare plans, or  
21 employer or employee benefit organizations. For  
22 the purpose of applying the provision set forth



1 in subparagraph (A)(i) with respect to any  
2 insured, any amount of benefit provided for such  
3 insured pursuant to any compulsory benefit  
4 statute (including any workers' compensation or  
5 employers' liability statute), whether provided  
6 by a governmental agency or otherwise, shall in  
7 all cases be deemed to be other valid coverage of  
8 which the insurer has had notice. In applying  
9 the provision set forth in subparagraph (A)(i),  
10 no third party liability coverage shall be  
11 included as other valid coverage.

12 (D) If the provision set forth in subparagraph  
13 (A)(ii) is included in a policy that also  
14 contains the provision set forth in subparagraph  
15 (A)(i), there shall be added to the caption of  
16 the subparagraph (A)(ii) provision the phrase,  
17 "other benefits".

18 (E) The insurer [~~may~~], at its option, may include in  
19 the provision set forth in subparagraph (A)(ii) a  
20 definition of other valid coverage, approved as  
21 to form by the commissioner, which definition  
22 shall be limited in subject matter to coverage



1 provided by organizations subject to regulation  
2 by insurance law or by insurance authorities of  
3 this State or any other state or territory of the  
4 United States or any province of Canada, and to  
5 any other coverage the inclusion of which may be  
6 approved by the commissioner. In the absence of  
7 such definition the term shall not include group  
8 insurance, or benefits provided by union welfare  
9 plans or employer or employee benefit  
10 organizations. For the purpose of applying the  
11 provision set forth in subparagraph (A)(ii) with  
12 respect to any insured, any amount of benefit  
13 provided for such insured pursuant to any  
14 compulsory benefit statute (including any  
15 workers' compensation or employers' liability  
16 statute), whether provided by a governmental  
17 agency or otherwise, shall in all cases be deemed  
18 to be other valid coverage of which the insurer  
19 has had notice. In applying the provision set  
20 forth in subparagraph (A)(ii), no third party  
21 liability coverage shall be included as other  
22 valid coverage.



1           (5)   (A)   "Relation of Earnings to Insurance:  If the total  
2                   monthly amount of loss of time benefits promised  
3                   for the same loss under all valid loss of time  
4                   coverage upon the insured, whether payable on a  
5                   weekly or monthly basis, shall exceed the monthly  
6                   earnings of the insured at the time disability  
7                   commenced or the insured's average monthly  
8                   earnings for the period of two years immediately  
9                   preceding a disability for which claim is made,  
10                  whichever is the greater, the insurer will be  
11                  liable only for such proportionate amount of such  
12                  benefits under this policy as the amount of such  
13                  monthly earnings or such average monthly earnings  
14                  of the insured bears to the total amount of  
15                  monthly benefits for the same loss under all such  
16                  coverage upon the insured at the time such  
17                  disability commences and for the return of such  
18                  part of the premiums paid during such two years  
19                  as shall exceed the pro rata amount of the  
20                  premiums for the benefits actually paid  
21                  hereunder; but this shall not operate to reduce  
22                  the total monthly amount of benefits payable



1 under all such coverage upon the insured below  
2 the sum of \$200 or the sum of the monthly  
3 benefits specified in such coverages, whichever  
4 is the lesser, nor shall it operate to reduce  
5 benefits other than those payable for loss of  
6 time."

7 (B) The policy provision in subparagraph (A) may be  
8 inserted only in a policy which the insured has  
9 the right to continue in force, subject to its  
10 terms by the timely payment of premiums until at  
11 least age fifty or, in the case of a policy  
12 issued after age forty-four, for at least five  
13 years from its date of issue.

14 (C) The insurer [~~may~~], at its option, may include in  
15 the provision set forth in subparagraph (A) a  
16 definition of valid loss of time coverage  
17 approved as to form by the commissioner, which  
18 definition shall be limited in subject matter to  
19 coverage provided by governmental agencies or by  
20 organizations subject to regulation by insurance  
21 law or by insurance authorities of this State or  
22 any state, district, or territory of the United

1 States or any province of Canada, or to any other  
2 coverage the inclusion of which may be approved  
3 by the commissioner or any combination of such  
4 coverages. In the absence of such definition  
5 such terms shall not include any coverage  
6 provided for such insured pursuant to any  
7 compulsory benefit statute (including any  
8 workers' compensation or employers' liability  
9 statute), or benefits provided by union welfare  
10 plans or by employer or employee benefit  
11 organizations.

12 (6) "Unpaid Premium: Upon the payment of a claim under  
13 this policy, any premium then due and unpaid or  
14 covered by any note or written order may be deducted  
15 therefrom."

16 (7) "Cancellation: The insurer may cancel this policy at  
17 any time by written notice delivered to the insured,  
18 or mailed to the insured's last address as shown by  
19 the records of the insurer, stating when, not less  
20 than five days thereafter, such cancellation shall be  
21 effective; and after the policy has been continued  
22 beyond its original term the insured may cancel this



1 policy at any time by written notice delivered or  
2 mailed to the insurer, effective upon receipt or on  
3 such later date as may be specified in such notice.  
4 In the event of cancellation, the insurer will return  
5 promptly the unearned portion of any premium paid. If  
6 the insured cancels, the earned premium shall be  
7 computed by the use of the short-rate table last filed  
8 with the state official having supervision of  
9 insurance in the state where the insured resided when  
10 the policy was issued. If the insurer cancels, the  
11 earned premium shall be computed pro rata.  
12 Cancellation shall be without prejudice to any claim  
13 originating prior to the effective date of  
14 cancellation."

15 (8) "Conformity with State Statutes: Any provision of  
16 this policy which, on its effective date, is in  
17 conflict with the statutes of the state in which the  
18 insured resides on such date is hereby amended to  
19 conform to the minimum requirements of such statutes."

20 (9) "Illegal Occupation: The insurer shall not be liable  
21 for any loss to which a contributing cause was the  
22 insured's commission of or attempt to commit a felony





1 or to which a contributing cause was the insured's  
2 being engaged in an illegal occupation."

3 [~~(10) "Intoxicants and Narcotics: The insurer shall not be~~  
4 ~~liable for any loss sustained or contracted in~~  
5 ~~consequence of the insured's being intoxicated or~~  
6 ~~under the influence of any narcotic unless~~  
7 ~~administered on the advice of a physician." ]"~~

8 PART II

9 SECTION 4. There is established a pilot program for  
10 screening, brief intervention, referral, and substance abuse  
11 treatment at hospital emergency rooms. This pilot program shall  
12 be sited at two separate medical centers. One pilot program  
13 site shall be located at a major urban trauma center in  
14 Honolulu. The second pilot program site shall be located at a  
15 neighbor island acute care hospital that:

- 16 (1) Has a high volume of emergency department trauma  
17 traffic;
- 18 (2) Has a high percentage of substance use co-morbidity in  
19 the emergency department population; and
- 20 (3) Is in close proximity to medical or allied medical  
21 educational facilities at or above the community  
22 college level.

1 SECTION 5. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ , or so  
3 much thereof as may be necessary for fiscal year 2006-2007, to  
4 implement the pilot program for screening, brief intervention,  
5 referral and substance abuse treatment at hospital emergency  
6 rooms.

7 SECTION 6. The sum appropriated shall be expended by the  
8 John A. Burns School of Medicine, University of Hawaii, for the  
9 purposes of this Act.

10 PART III

11 SECTION 7. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 8. This Act shall take effect on July 1, 2006.



**Report Title:**

Substance Abuse; Injury Treatment

**Description:**

Repeals provision allowing health insurers the option to exclude coverage for injuries sustained by insured persons as a result of intoxication from alcohol or narcotics. Appropriates funds to establish the Screening, Briefing, Intervention, Referral, and Treatment program. (SD2)

