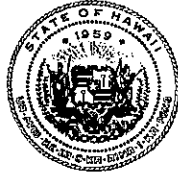


NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEE ON HEALTH

HCR 103, REQUESTING THE AUDITOR TO ANALYZE THE PROBABLE EFFECTS OF THE PROPOSED MANDATED COVERAGE OF HEALTH INSURANCE FOR TOBACCO CESSATION AND ASSESS WHETHER ITS ENACTMENT IS CONSISTENT WITH STATE POLICY

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

April 1, 2011
11:00 a.m.

- 1 **Department's Position:** The Department of Health supports the adoption of HCR 103.
- 2 **Fiscal Implications:** None.
- 3 **Purpose and Justification:** Every year in Hawaii, over 1,100 people die from tobacco-related illnesses
4 and secondhand smoke exposure. Children lose parents, spouses lose partners, and friends lose loved
5 ones. There is also an economic element: employers lose employees, state loses taxpayers and
6 productive citizens, and we all pay higher health care costs. These losses are preventable, kids can be
7 prevented from starting to smoke, and current smokers can quit. Surveys show that over 70 percent of
8 tobacco users want to give up tobacco use. The Centers for Disease Control and Prevention (CDC)
9 strongly recommends that providing tobacco dependence treatments, both medication and counseling, as
10 a paid or covered benefit by health insurance plans, has been shown to increase the number of smokers
11 who use cessation treatment, who make a quit attempt, and who successfully quit.
- 12 Requiring health insurance coverage can help smokers quit and save lives. Further, setting a
13 standard level of coverage for smoking cessation benefits, applicable to the entire state will impact the

1 largest number of Hawaii's 150,000 adult smokers (15.4% of Hawaii's adults). Employers and insurers
2 can save up to \$210 per year for every smoker covered who quits (American Legacy Foundation and
3 McMillan Consultants & Actuaries 2006).

4 Tobacco dependence is a medical condition, just like other addictions, and its treatment needs to
5 be covered by insurance plans. Health care providers are a logical place for smokers to look for help
6 quitting. Insurance companies and employers should provide coverage for a comprehensive tobacco
7 cessation benefit, which includes all seven Food & Drug Administration (FDA)-approved medications
8 as well as individual group and telephone counseling.

9 Presently, coverage if available at all, is inconsistent and varies widely from employer to
10 employer and plan to plan. There are only eight states that currently have laws or insurance regulations
11 that include some coverage and only Vermont requires all insurers in the state to provide FDA-approved
12 smoking cessation, although it leaves out coverage for counseling. Helping smokers quit must become a
13 higher priority, one which will save both lives and money.

14 Thank you for the opportunity to testify.



The Official Sponsor of Birthdays

March 31, 2011

Committee on Health
Representative Ryan Yamane, Chair
Representative Dee Morikawa, Vice Chair

Committee on Commerce and Consumer Protection
Representative Robert Herkes, Chair
Representative Ryan Yamane, Vice Chair

Hearing:

April 1, 2011, 11:00 a.m.
Hawaii State Capitol, Conference Rm. 329

RE: HCR 103 / HR 94 – REQUESTING THE AUDITOR TO ANALYSE THE PROBABLE EFFECTS OF THE PROPOSED MANDATED COVERAGE OF HEALTH INSURANCE FOR TOBACCO CESSATION AND ASSESS WHETHER ITS ENACTMENT IS CONSISTENT WITH STATE POLICY.

Testimony in Strong Support

Chairs Yamane and Herkes, and members of the Committees on Health, and Commerce and Consumer Protection. I am here today on behalf of the American Cancer Society Hawaii Pacific Inc., to offer testimony in strong support of HCR 103 and HR 94 which request an auditor's impact study regarding health insurance for certain smoking cessation.

We are certain the committees are aware that tobacco use continues to be the single most preventable cause of disease, disability, and death in the United States. Each year, an estimated 443,000 people die prematurely from smoking or exposure to secondhand smoke, and another 8.6 million live with a serious illness caused by smoking. Despite these risks, approximately 46.6 million U.S. adults smoke cigarettes. Smokeless tobacco, cigars, and pipes also have deadly consequences, including lung, larynx, esophageal, and oral cancers. In Hawaii approximately 570 or our residents die of lung cancer alone.

To bring public awareness to the dangers of smoking, the Society created the Great American Smokeout 35 years ago. This event is held each year on the third Thursday in November. Smokers are encouraged to use that date to make a plan to quit, or to plan in advance and quit smoking that day. By doing so, smokers will be taking an important step towards a healthier life.

However quitting smoking is not easy. To have the best chance of quitting successfully, you need to know what you're up against, what your options are, and where to go for help. In Hawaii, there

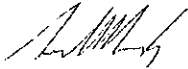
is network of providers that offer cessation services. Statistics show that it is easier to quit when you have help. In Hawaii, many health insurers provide coverage for cessation services but not all services. As a result, Hawaii just recently received an F grade by the American Lung Association.

In order to obtain the maximum benefit from smoking cessation, the American Cancer Society believes that a comprehensive smoking cessation program must have a pharmacological component as well as a counseling component. National studies and the Center for Disease Control found that individuals who utilize both have the best chance for success.

Passing HCR 103 and HR 94 is the first step in ensuring that in Hawaii residents who want to quit smoking will have a comprehensive of cessation treatment options, including group and individual counseling.

Thank you for the opportunity to offer testimony here today.

Respectfully,



George S. Massengale, JD
Director of Government Relations

The American Heart Association mission is: Building healthier lives free of cardiovascular diseases and stroke..



American Heart Association | American Stroke Association

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**Testimony Strongly Supporting
HCR 103/HR 94 “Requesting The Auditor To Analyze The Probable Effects Of The Proposed Mandated Coverage Of Health Insurance For Tobacco Cessation And Assess Whether Its Enactment Is Consistent With State Policy”**

The American Heart Association strongly supports HCR103/HR94, “Requesting The Auditor To Analyze The Probable Effects Of The Proposed Mandated Coverage Of Health Insurance For Tobacco Cessation And Assess Whether Its Enactment Is Consistent With State Policy.”

Cigarette smoking is the leading cause of preventable disease and preventable death in the United States, leading to more than 400,000 deaths annually. The CDC and the U.S. Department of Health and Human Services have both issued guidelines on recommended procedures to help people to quit smoking. These include: access to counseling, access to all FDA-approved over-the-counter and prescription medications; multiple quit attempts; and reduced or eliminated co-pays. However, access to these aids is limited since many payers do not cover these treatments.

The American Heart Association (AHA) supports the provision of preventive cardiovascular services of proven and substantial value to all patients who might benefit from them. The value of such services to the individual patient and to society as a whole has been clearly and unequivocally demonstrated. Given that insurance coverage is a very important determinant of access to healthcare, the AHA advocates that all public and private health insurance programs should cover such preventive cardiovascular services. Insurers should update their coverage of preventive services to reflect what we have learned.

The most important preventive cardiovascular services that should be covered by health insurers are counseling and therapy for smoking cessation, following the US Preventive Services Guidelines.

The AHA also recognizes that requiring an individual payment to receive services, e.g. co-pays and deductibles, can reduce utilization, especially among the elderly and the poor. For this reason, the AHA advocates that public and private insurers should eliminate all cost-sharing for evidence-based preventive cardiovascular services that are proven to be of substantial benefit.

A study completed by Penn State University last year estimated that in Hawaii the annual direct costs to the economy attributable to smoking were in excess of \$1.1 billion, including workplace productivity losses of \$215 million, premature death losses of \$449 million, and direct medical expenditures of \$444 million. While the retail price of a pack of cigarettes in Hawaii is on average \$7.45, the combined medical costs and productivity losses attributable to each pack of cigarettes sold are approximately \$23.26 per pack of cigarettes. The ratio of benefits to cost varies from \$0.84 to \$2.28 saved per dollar spent on smoking cessation programs, depending upon the type of intervention.

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For information on the AHA's educational or research programs, contact your nearest AHA office, or visit our web site at www.americanheart.org.

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Kauai County:
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Toll-Free 1-866-205-3256

Please remember the American Heart Association in your will.



American Heart Association | American Stroke Association

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The Federal Health Insurance Reform legislation will require private insurers to provide the coverage described above beginning in 2014, however a grandfather clause will allow policies already in place at that time to continue without the mandated coverage until such time that changes to the existing policies take place. It could take several years beyond that date before all policies reflect the mandated tobacco cessation services. During the interim, some policy holders will continue to face barriers to the services that they might find useful in quitting their nicotine addiction. They will continue to add to the healthcare costs in Hawaii, primarily borne by its businesses.

Also, the Federal Health Insurance Reform legislation, as it is written is quite vague in the cessation services it requires, leaving that to be determined during rule making. Rule making for that legislation could go on for some time, and could be influenced negatively by special interest groups that might work to weaken requirements for their self interest and not the health interests of Hawaii's public.

Therefore, the American Heart Association recommends establishing this important health care coverage as soon as possible. The Hawaii legislature has done its part to encourage smokers to try and quit by increasing the cost of tobacco products through higher prices, and limiting where smoking can take place. Insurance companies should also provide those who now want to quit smoking with the scientifically-based therapies that are available to help them end their addiction. This is good for the insurance companies, good for business, good for the State, and most importantly, good for the citizens trying to end this deadly addiction.

Please support HCR103/HR94.

Respectfully submitted,

Marilyn Gagen, CPA
Member, Oahu Metro Board of Directors, American Heart Association



COALITION FOR A
TOBACCO-FREE HAWAII

To: The Honorable Ryan I. Yamane,
Health Chair and Consumer Protection & Commerce Vice Chair
The Honorable Robert N. Herkes,
Consumer Protection & Commerce Chair
The Honorable Dee Morikawa
Health Vice Chair
Members, House Joint Committee on Health and Consumer Protection & Commerce

From: Trisha Y. Nakamura, Policy and Advocacy Director

Hrg: HLT/CPC Cmte; April 1, 2011 at 11:00 a.m.; Rm 329

Re: **Support for HCR 103/HR 94: Requesting the Auditor to Analyze the Probable Effects of the Proposed Mandated Coverage of Health Insurance for Tobacco Cessation and Assess Whether Its Enactment Is Consistent with State Policy**

Thank you for the opportunity to testify in support of HCR 103/HR 94 which requests the Auditor to assess the effects of requiring health insurers to provide comprehensive coverage for tobacco cessation.

The Coalition for a Tobacco Free Hawaii (Coalition) is the only independent organization in Hawaii whose sole mission is to reduce tobacco use through education, policy and advocacy.

The Coalition supports requiring all insurers provide comprehensive coverage for treating tobacco use as recommended by the United States Public Health Service Guidelines. These resolutions are a crucial step in ensuring that all tobacco users who are insured in Hawaii have the tools to help them address their tobacco dependence.

This measure will allow for legislation to eliminate barriers keeping people from needed help to address their tobacco dependence. Hawaii's smoking rate (15.4%) is almost ten percent lower than the national average.¹ Still, there are more than 153,000 adults in Hawaii who smoke. Most of them want to quit. In 2009, more than half of Hawaii's current smokers tried quitting.² And in 2006, a survey conducted by the Department of Health indicated 87.3% of adult smokers planned to quit.³ Smoking costs Hawaii more than half a billion dollars every year in lost productivity and medical costs. Less tobacco use will save resources and reduce the risk of early death.

Counseling and pharmacotherapy increase the chance of quitting compared to unassisted attempts.⁴ Within one year of an attempt to stop smoking, about 95% of people who try to stop without pharmacological aid continue to smoke or relapse.⁵ Tobacco users who want to quit should have the help they need to quit as recommended by the U.S. Preventive Services Task Force; this includes counseling and pharmacotherapy. This resolution aims to provide help.

¹ See Behavioral Risk Factor Surveillance System for 2009, avail at <http://hawaii.gov/health/statistics/brfss/brfss2009/2009/demo09/rsmoker.html>

² See Behavioral Risk Factor Surveillance System for 2009, avail at <http://hawaii.gov/health/statistics/brfss/brfss2009/2009/demo09/stopsmk2.html>

³ Hawaii Adult Tobacco Survey (2006).

⁴ See Fiore MC, Bailey WC, Cohen SJ, Dorfman SF, Goldstein MG, Gritz ER, et. al. Treating Tobacco Use and Dependence: 2008 Update—Clinical Practice Guidelines. Rockville (MD): U.S. Department of Health and Human Services, Public Health Service, Agency for Healthcare, Research and Quality, 2008.

⁵ Cohen S, Lichtenstein E, Prochaska JO, Rossi JS, Gritz ER, Carr CR, Orleans CT, Schoenbach VJ, Biener L, Abrams D, et. al. Debunking myths about self-quitting: evidence from 10 prospective studies of persons who attempt to quit smoking by themselves. *American Psychologist* 1989;44 (11):1355-65.



Thank you for the opportunity to provide comments in support of this measure.



To: The Honorable Ryan I. Yamane,
Health Chair and Consumer Protection & Commerce Vice Chair
The Honorable Robert N. Herkes,
Consumer Protection & Commerce Chair
The Honorable Dee Morikawa
Health Vice Chair

Members, House Joint Committee on Health and Consumer Protection & Commerce

From: Valerie Chang, Executive Director, Hawaii COPD Coalition

Hrg: HLT/CPC Cmte; April 1, 2011 at 11:00 a.m.; Rm 329

Re: **Support for HCR 103/HR 94: Requesting the Auditor to Analyze the Probable Effects of the Proposed Mandated Coverage of Health Insurance for Tobacco Cessation and Assess Whether Its Enactment Is Consistent with State Policy**

Thank you for the opportunity to testify in support of HCR 103/HR 94 which requests the Auditor to assess the effects of requiring health insurers to provide comprehensive coverage for tobacco cessation.

My name is Valerie Chang. I am Executive Director of the Hawaii COPD Coalition. Our organization provides services and support and improves treatment for Hawaii's people affected by Chronic Obstructive Pulmonary Disease (COPD), more commonly known as emphysema, chronic bronchitis and similar conditions. COPD and other respiratory conditions are the third leading cause of death in the US. Our 2007 and 2008 survey data reveal that slightly under 4% or about 20,000 to 30,000 of Hawaii adults have been told they have COPD, emphysema and/or chronic bronchitis. It is estimated that at least another 20,000 to 30,000 Hawaii adults remain undiagnosed while suffering from COPD. Tobacco smoking is the major cause of these health conditions. For more information and Hawaii Department of Health's Burden of COPD in Hawaii 2010 Report to go <http://hawaiicopd.org>.

I work to help people quit smoking and also with many people who suffer from having smoked or been around smokers for many years. I see first-hand how difficult it is for them to breathe and know that many would like help to quit smoking, which is a very tough addiction. Please pas this bill as it will save our state a lot of money by having healthier people who have successfully quit smoking.

The Hawaii COPD Coalition **strongly supports HCR 103/HR94**. Smoking is still the number one cause of preventable disease and death in our state. Approximately 153,000 adults are smokers. Most smokers want to quit. To have the best chance at success, they need tobacco treatment including counseling and FDA-approved medicines that are designed to help people quit. **Our state needs the auditor to analyze the probable effects of the proposed mandated coverage of health insurance for tobacco cessation and assess whether its enactment is consistent with state policy**

Quitting is a difficult process. Relapse is part of the process. We don't want lack of insurance coverage to stop someone's efforts to quit tobacco. I appreciate your efforts to keep our precious state and residents healthy by giving them every chance to be smoke-free. **Please vote in favor of HCR 103/HR 94, to give our state auditor authority to do this important analysis so our state can move forward in tobacco control.**

Valerie Chang, JD
Executive Director
Hawaii COPD Coalition
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