

SB1452

Measure Title: RELATING TO HEALTH INSURANCE.

Report Title: Health Insurance; Smoking

Description: Requires health insurers to provide coverage for specified types of smoking cessation methods.

Companion:

Package: None

Current Referral: HTH/CPN, WAM

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN,
INTERIM DIRECTOR
PANKAJ BHANOT
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 10, 2011

MEMORANDUM

TO: The Honorable Josh Green, M.D., Chair
Senate Committee on Health

The Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce and Consumer Protection

FROM: Patricia McManaman, Interim Director

SUBJECT: **S.B. 1452 – RELATING TO HEALTH INSURANCE**

Hearing: Thursday, February 10, 2011; 8:30 a.m.
Conference Room 229, Hawaii State Capitol

PURPOSE: The purpose of this bill is to require health insurers to provide coverage for specified types of smoking cessation methods.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) already covers counseling and pharmacological treatment for smoking cessation beyond what is required by the Affordable Care Act in its medical assistance programs.

Thank you for the opportunity to provide written testimony on this bill.

Testimony of
John M. Kirimitsu
Legal and Government Relations Consultant

Before:
Senate Committee on Commerce and Consumer Protection
The Honorable Rosalyn H. Baker, Chair
The Honorable Brian T. Taniguchi, Vice Chair
and
Senate Committee on Health
The Honorable Josh Green, M.D., Chair
The Honorable Clarence K. Nishihara, Vice Chair

February 10, 2011
8:30 am
Conference Room 229

Re: SB 1452 Relating to Health Insurance

Chairs, Vice Chairs and committee members, thank you for this opportunity to provide testimony on SB 1452 Relating to Health Insurance.

Kaiser Permanente supports the intent of this measure, but believes that this bill is unnecessary.

Kaiser Permanente's position on proposed legislative mandates of health coverage is that they are usually not a good idea, for several reasons:

1. First, because they generally tend to raise the cost of delivering health care, thereby resulting in higher premiums and increased cost to the purchasers and payors of health plan coverage, whether they be employer groups or individuals;
2. Second, because they often tend to dictate how medicine should be practiced, which sometimes results in medicine that is not evidence based and usurps the role and expertise of the practicing physician and other health care professionals who provide medical treatment and services; and
3. Finally, because they often lock in statutory requirements that become outdated and do not keep pace with the ever evolving and advancing fields of medicine and medical technology.

Kaiser currently provides smoking cessation coverage through its employer base plan, with an optional drug rider. In continuing its support of healthy lifestyles, Kaiser Permanente will be

covering those proposed methods recommended in this measure, with drug coverage, at no charge, as group contracts renew after January 1, 2012.

Thank you for your consideration.



Hawaii Association of Health Plans

February 10, 2011

The Honorable Josh Green M.D., Chair
The Honorable Rosalyn H. Baker, Chair

Senate Committees on Health and Commerce and Consumer Protection

Re: SB 1452 – Relating to Health Insurance

Dear Chair Green, Chair Baker and Members of the Committees:

My name is Howard Lee and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of eight (8) member organizations:

- | | |
|---------------------------------------|----------------------------|
| AlohaCare | Kaiser Permanente |
| Hawaii Medical Assurance Association | MDX Hawai‘i |
| HMSA | University Health Alliance |
| Hawaii-Western Management Group, Inc. | UnitedHealthcare |

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

HAHP appreciates the opportunity to provide testimony in opposition to SB 1452 which would require commercial health plans to provide coverage for specific types of smoking cessation coverage. We believe that this legislation is unnecessary at this time.

Under the Affordable Care Act (ACA), health plans are required to provide coverage for all preventive services which have gained an “A” or “B” recommendation from the U.S. Preventive Services Task Force (USPSTF). These services include tobacco cessation interventions, such as counseling or medication, provided with no co-payments to the member. In addition HAHP plans provide access to prescription coverage for smoking cessation medications approved by the U.S. Food and Drug Administration with co-payments which are on-par with other prescription medications.

Ensuring that our members have access to the most effective tools to assist them in their desire to quit smoking is not only beneficial to our members; it is beneficial to HAHP plans as well. Every year member plans engage in outreach through healthy messaging on smoking cessation, increased activity and proper nutrition. These messages can be found on our member plan’s sites and are often provided through outreach and education materials to our members. Therefore we believe that the requirement that smoking cessation messaging be included in “policy information” is also not needed.

HAHP is well aware that Medicaid covers such services much in the same way that commercial health plans do. However, we believe that the goals of SB 1452 are already being met in the community through

plans meeting ACA requirements and benefits which are already in place. Therefore, we would respectfully request that the Committee see fit to hold this measure.

Thank you for the opportunity to provide testimony today.

Sincerely,

A handwritten signature in black ink that reads "Howard Lee". The signature is written in a cursive style with a large, stylized 'H' and 'L'.

Howard Lee
President

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 10, 2011

The Honorable Josh Green, M.D., Chair
The Honorable Rosalyn Baker, Chair
Senate Committees on Health and Commerce and Consumer Protection

Re: SB 1452 – Relating to Health Insurance

Dear Chair Green, Chair Baker and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1452 which would require health plans provide coverage for certain types of smoking cessation services. HMSA believes that this measure is unnecessary at this time and as a general rule always opposes unfunded mandated benefits.

HMSA already provides a full-range of services to members in order to assist them with their goal to quit smoking. These include:

- Smoking cessation physician visits and counseling: as required under the Affordable Care Act
- Ready, Set, Quit Program: telephone counseling and classes
- Breathe: Online coaching sessions available to members undergoing a HealthPass screening
- Prescription cessation medications: available to most HMSA members with drug coverage when approved by the U.S. Food and Drug Administration

Inclusion of the type of smoking cessation information plans would be required to provide within the health policy is not information typically provided in this manner. Health plan policies describe coverage levels and terms, but do not include information describing the risks associated with any type of behavior or encouraging, promoting, or endorsing the use of any specific service or benefit. This type of information is already shared by HMSA through various other means rendering this communication requirement unnecessary.

We believe that the scope and breadth of smoking cessation services provided today by HMSA is not insufficient. HMSA also believes that increasing the number of our members accessing these services would generally lead to a healthier member population. Perhaps instead of attempts to mandate coverage, advocates could work collaboratively with health plans ensuring that individuals understand how to access the tools already at hand. We would respectfully request the Committee see fit to hold this measure today, as it is unnecessary. Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "JDiesman".

Jennifer Diesman
Vice President
Government Relations

LĀNA'Ī COMMUNITY HEALTH CENTER

P. O. Box 630142
Lāna'ī City, HI 96763-0142



Phone: 808-565-6919
Fax: 808-565-9111

February 8, 2011

To: Senator Roz Baker, Chair, Senate Committee on CPN
Senator Josh Green, M.D., Chair, Senate Committee on HTH
Senator Brian Taniguchi, Vice Chair, Senate Committee on CPN
Senator Clarence Nishihara, Vice Chair, Senate Committee on HTH
Members, Senate Joint Committee on Commerce & Consumer Protections and Health

Re: **Support for HB SB 1452 with recommendations**
HTH/CPN Cmte; February 10, 2011 at 8:30 a.m. in Room 229

Thank you for allowing me to submit testimony in support of SB 1452. My name is Mahan Chang, PsyD. I work for the Lana'ī Community Health Center (LCHC), which provides integrated, comprehensive medical and behavioral health care to the community of Lana'ī.

I have the honor and privilege of developing and implementing LCHC's first tobacco cessation program, providing both group and individual treatment services to patients interested in quitting. As for many rural communities, the residents of Lana'ī face significant unmet healthcare needs and barriers to access, which is greatly exacerbated by the island's geographical isolation and lack of necessary resources. Often specialized services, such as tobacco cessation, are not available to the community, and/or are at the expense of the individual. In order to bridge this disparity, the LCHC developed their tobacco cessation program to provide a greatly needed service to a population comprised of ethnicities that tend to show higher rates of tobacco use (Filipinos and Native Hawaiians). Deciding to quit is a difficult one, and through our integrated behavioral health program, which allows our behavioral health providers to

E Ola nō Lāna'ī
LIFE, HEALTH, and WELL-BEING FOR LĀNA'Ī

LĀNA'Ī COMMUNITY HEALTH CENTER

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work closely with our primary care providers, we have the ability to engage patients almost immediately. Once someone chooses to seek help, we must not turn them away. Providing patients with easily accessible services along with the security of knowing their services are covered by their insurance carrier, greatly dismantles many of the barriers that can keep individuals from seeking appropriate treatment and care. The process of quitting is challenging, and often times, requires several attempts (average is 7 to 8 attempts) before being successful. Having the support of a tobacco cessation program, that includes both counseling services and access to FDA-approved medications, greatly increases an individual's chance to quit successfully, by providing them with comprehensive care and adequate support from qualified professionals.

Please pass this bill. It will help so many smokers get the help that is often times necessary to quit. It has been estimated that only 5% of smokers are able to quit without the help of a program or other supports. It will allow our doctors and providers to be able to comfortably urge smokers and tobacco users to quit without fear that insurance will not cover the bill. And it will ultimately save someone from preventable early death due to tobacco use. Smoking remains the number one cause of preventable disease and death in our state. Approximately 153,000 adults are smokers and most smokers want to quit.

Mandating that insurers cover cessation services as recommended by the US Preventive Services Task Force and mandating that these insurers educate those who are covered will increase the number of people who will seek help to quit.

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I urge you to make sure two quit attempts per year are covered and there are no lifetime limits to the number of quit attempts an individual is allowed. Once again, quitting is a difficult process and relapse is an expected part of that process. We don't want lack of insurance coverage to stop someone from making a healthy lifestyle choice.

I appreciate your efforts to keep our precious state and residents healthy by giving them every chance to be smoke-free.

Thank you for your time and thoughtful consideration.

Sincerely,

A handwritten signature in black ink that reads 'M. Chang PsyD'. The signature is fluid and cursive.

Mahana Chang, PsyD
Behavioral Health Program
Lana'ī Community Health Center

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LIFE, HEALTH, and WELL-BEING FOR LĀNA'Ī



Hawai'i Primary Care Association

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Senate Committee on Commerce & Consumer Protection

The Hon. Rosalyn H. Baker, Chair

The Hon. Brian T. Taniguchi, Vice Chair

Senate Committee on Health

The Hon. Josh Green, MD, Chair

The Hon. Clarence K. Nishihara, Vice Chair

Testimony in Support of Senate Bill 1452 RELATING TO HEALTH INSURANCE

Submitted by Beth Giesting, Chief Executive Officer

February 10, 2011 8:30 a.m. Agenda, Room 229

The Hawai'i Primary Care Association asks for your support for this measure, which would require that health insurance pay for tobacco cessation activities. Given the grievous affects on health of tobacco use, we believe it is as important to cover intervention activities as it is to pay for the medical care required for smokers and other tobacco users.

Thank you for this opportunity to testify in support of this measure.

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



American Heart Association | American Stroke Association

Learn and Live.

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Testimony Strongly Supporting SB1452, "Relating To Health Insurance"

The American Heart Association strongly supports SB1452, "Relating To Health Insurance" with the attached recommended technical amendments.

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.

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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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Honolulu, HI 96813-5485
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Maui County:
J. Walter Cameron Center
95 Mahalani Street, No. 13
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Phone: 808-244-7185
Fax: 808-242-1857

Hawaii County:
400 Hualani Street, Ste. 15
Hilo, HI 96720-4344
Phone: 808-961-2825
Fax: 808-961-2827

Kauai County:
(serviced by the Oahu office)
Toll-Free 1-866-205-3256

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.

File

A study completed by Penn State University 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.

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



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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.

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 SB 1452 with the recommended technical amendments attached.

Respectfully submitted,

Ralph V. Shohet, M.D.

Cardiologist, Professor of Medicine, and

Member, Oahu Metro Board of Directors, American Heart Association

Report Title:

Mandatory Health Insurance Coverage; Tobacco use Cessation

Description:

Mandates health insurance coverage for tobacco use cessation

HOUSE OF REPRESENTATIVES
TWENTY-SIXTH LEGISLATURE, 2011
STATE OF HAWAII

H.B. NO.

A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

"§431:10A- Coverage for tobacco use cessation. (a)

All individual and group hospital and medical service contracts providing health care coverage shall provide coverage for shall provide coverage for tobacco use cessation by all of the methods specified by the U.S.

Preventive Services Task Force, which include the following: telephone, individual and group counseling and intervention sessions; coverage for prescription and over the counter nicotine replacement products and tobacco

Comment [d1]: Delete redundant language

cessation medications approved by the Food and Drug Administration; and counseling and medication coverage for tobacco use cessation attempts; with no co-payments or deductibles for counseling and medications.

(b) Beginning March 1, 2012, a health care coverage provider shall include information in the policy about the risk associated with smoking and tobacco usage and encourage the insured to consult with the insured's physician about available smoking and tobacco cessation options."

SECTION 2. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to part VI of article 1 to be appropriately designated and to read as follows:

"§432:1- Coverage for tobacco use cessation. (a) All individual and group hospital and medical service contracts providing health care coverage shall provide coverage for shall provide coverage for tobacco use cessation by all of the methods specified by the U.S. Preventive Services Task Force, which include the following: telephone, individual and group counseling and intervention sessions; coverage for prescription and over the counter nicotine replacement products and tobacco cessation medications approved by the Food and Drug Administration; and counseling and medication coverage for

Comment [d2]: Delete redundant language

tobacco use cessation attempts; with no co-payments for counseling and medications.

(b) Beginning March 1, 2012, a health care coverage provider shall include information in the policy about the risk associated with smoking and tobacco usage and encourage the insured to consult with the insured's physician about available smoking and tobacco cessation options."

SECTION 3. Section 432D-23, Hawaii Revised Statutes, is amended to read as follows:

"§432D-23 Required provisions and benefits.

Notwithstanding any provision of law to the contrary, each policy, contract, plan, or agreement issued in the State after January 1, 1995, by health maintenance organizations pursuant to this chapter, shall include benefits provided in sections 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121, 431:10A-125, 431:10A-126, [and] 431:10A-122, 431:10A-_____ and chapter 431M"

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.


SECTION 5. This Act shall take effect upon its approval and shall apply to policies, contracts, and plans

of health insurance issued or renewed after January 1,
2012.

INTRODUCED BY: _____



COALITION FOR A
TOBACCO-FREE HAWAII

To: The Honorable Rosalyn H. Baker, Chair, Senate Committee on CPN
The Honorable Josh Green, M.D., Chair, Senate Committee on HTH
The Honorable Brian T. Taniguchi, Vice Chair, Senate Committee on CPN
The Honorable Clarence K. Nishihara, Vice Chair, Senate Committee on HTH
Members, Senate Joint Committee on Commerce & Consumer Protections and Health
From: Trisha Y. Nakamura, Esq. Policy and Advocacy Director 
Date: February 9, 2011
Hrg: CPN/HTH Cmte; February 10, 2011 at 8:30 a.m. in Room 229
Re: **Support for SB 1452 with proposed changes**

Thank you for scheduling and hearing SB 1452 which would provide for insurance coverage of smoking cessation services. The Coalition supports increasing opportunities for tobacco users to quit. This measure is a strong step forward in that direction.

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 provides leadership for the tobacco control community, develops networks, helps coordinate tobacco control programs and builds community awareness.

Hawaii has been doing well to reduce tobacco use. Our smoking rate (15.3%) is almost ten percent lower than the national average. Still, there are more than 153,000 adults in our state who smoke. And most smokers want to quit. In 2009, more than half of current smokers tried quitting. And in 2006, a survey conduct by the Department of Health indicated 87.3% of adult smokers planned to quit. Smoking is costing Hawaii more than half a billion dollars annually in lost productivity and medical costs. Less smokers will save resources and reduce the risk of early death.

We should remove as many barriers as possible to quitting. Counseling and pharmacotherapy increase the chance of quitting compared to unassisted attempts.¹ Within one year of an attempt to stop smoking, about 95 percent of people who try to stop without pharmacological aid

¹ 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.



continue to smoke or relapse.² 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.

The Coalition recommends that coverage should be provided for two quit attempts per year, with no lifetime maximums. Cigarettes are designed to be highly addictive. Research suggest that nicotine, the substance in cigarettes, is as addictive as heroin, cocaine, or alcohol.³ The State Department of Health reports an average of 8 quit attempts for a smoker to quit. By not setting lifetime limits, tobacco users can work to address their nicotine addiction without fear that should they relapse, their next attempt will not be covered.

We appreciate the language requiring that insurers notify beneficiaries of the smoking cessation coverage. Providing insurance coverage for cessation services and informing policy holders about the coverage will save money. An actuarial study conducted by Milliman, Inc. found that employees who quit smoking reduce annual medical and life insurance costs by at least \$210 immediately. After two years of providing FDA-approved pharmacotherapies and counseling to Medicaid beneficiaries, Massachusetts saw 33,000 less smokers and a reduction in the number of hospitalizations for heart attack, emergency room visits for asthma, and claims for maternal birth complications.

This is a strong step in solidifying in statute the intent of the State to make sure residents have access to health. The Coalition urges you to pass SB 1452 with the recommended changes above. Thank you for your time and the opportunity to testify.

² 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.

³ See *infra*, note 1.

To: Committee on Commerce and consumer protection
Committee on Health
From: Patrick Adams, Rph
Re: SB 1452


2/8/2011

Honorable Chair and Committee Members,

In Support of SB 1452

As a pharmacist and citizen of the State of Hawaii I am in support of this bill. Smoking contributes to many diseases that are the major cause of sickness and death in Hawaii. This increases the cost of health as well as the pain and suffering that goes with these diseases. The cost of cessation program far out weighs the cost of the healthcare after a person is diagnosed with cardiovascular or lung disease. Health insurance companies have an obligation to the health and wellness of their members and this starts with prevention. In the long run the smoking cessation programs will reduce total healthcare cost resulting greater revenues for the health insurance companies therefore I believe it is reasonable to mandate this type of service.

Sincerely,


Patrick Adams, Rph
Foodland Supermarkets Ltd
Director of Pharmacy
808-640-1848

ADD IN ELECTRONIC LETTER OR PRINT ONTO LETTERHEAD

February 8, 2011

To: Senator Roz Baker, Chair, Senate Committee on CPN
Senator Josh Green, M.D., Chair, Senate Committee on HTH
Senator Brian Taniguchi, Vice Chair, Senate Committee on CPN
Senator Clarence Nishihara, Vice Chair, Senate Committee on HTH
Members, Senate Joint Committee on Commerce & Consumer Protections and Health

Re: **Support for SB 1452 with recommendations**
HTH/CPN Cmte; February 10, 2011 at 8:30 a.m. in Room 229

Thank you for allowing me to submit testimony in support of HB 1443. My name is Forrest Batz, PharmD. I serve as an Assistant Professor of Pharmacy Practice at the University of Hawaii at Hilo College of Pharmacy. The following represents my personal viewpoint as a licensed health professional and is not intended to represent the views of the UH Hilo College of Pharmacy, UH Hilo or the University of Hawaii.

Tobacco use is among the most health-damaging personal choices a person can make. Cigarette smoke contains more than 5,000 chemicals, some of which, including carbon monoxide, ammonia, benzene and hydrogen cyanide, are rated Class A carcinogens by the US Environmental Protection Agency.

Cigarette smoking is a major cause of cancer, as well as heart, circulatory and respiratory diseases and death. In Hawaii this year, it is estimated that 1,100 adults will die as a result of their own smoking.¹

Cigarette smoking increases the risk of serious health consequences associated with diabetes, high blood pressure and high cholesterol, three common and growing health problems among Hawaii residents. Quitting smoking can significantly reduce the risk of heart and circulatory-related problems faced by people with diabetes, high blood pressure and/or high cholesterol.

Smokers cost Hawaii \$336 million in annual health care costs directly caused by smoking and \$320 million in smoking-caused lost productivity.¹

Quitting smoking not only improves the health of quitters, it also can reduce the cost of healthcare.² One study found that each employee or dependent who quits smoking immediately reduces annual medical and life insurance costs by at least \$210.³

Cigarettes contain nicotine, a substance as addictive as cocaine or heroin.

¹ Campaign for Tobacco-Free Kids, "Toll of Tobacco in Hawaii" available at <http://www.tobaccofreekids.org/reports/settlements/toll.php?StateID=HI>

² Bauld L, et al. One-Year Outcomes and a Cost-Effectiveness Analysis for Smokers Accessing Group-Based and Pharmacy-Led Cessation Services. *Nicotine Tob Res.* 2010 Dec 31. [Epub ahead of print]

³ Milliman, Inc. (Fitch, Kate et. al.), *Covering Smoking Cessation as a Health Benefit: A Case for Employers*, available at <http://publications.milliman.com/research/health-rr/pdfs/covering-smoking-cessation-legacy-PA12-01-06.pdf>

February 8, 2011

To: Senator Roz Baker, Chair, Senate Committee on CPN
Senator Josh Green, M.D., Chair, Senate Committee on HTH
Senator Brian Taniguchi, Vice Chair, Senate Committee on CPN
Senator Clarence Nishihara, Vice Chair, Senate Committee on HTH
Members, Senate Joint Committee on Commerce & Consumer Protections and Health

Re: **Support for HB SB 1452 with recommendations**
HTH/CPN Cmte; February 10, 2011 at 8:30 a.m. in Room 229

Thank Sheila Beckham, you for allowing me to submit testimony in support of SB 1452. My name is Bryan Talisayan and I am the Chief Operations Officer at Waikiki Health Center.

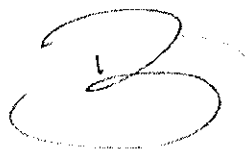
Three years ago I quit tobacco use (after 19 years of smoking at least one pack per day. I started smoking at the age of 14 years old. Currently 37 years old, I smoked for more than half my life. For a smoker to make the decision to quit is a long process – often requiring multiple quit attempts. Once they seek help, we must not turn them away. Please pass this bill. It will help so many smokers get help to quit. It will help our doctors be able to comfortably urge smokers and tobacco users to quit without fear that insurance will not cover the bill. And it will ultimately save someone from preventable early death due to tobacco use. *It would not have been possible for me to quit without the assistance of tobacco treatment services.* Fortunately I was able to cover the costs of my own cessation efforts, however many other residents in Hawai'i are not able to do so.

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.

Mandating that insurers cover cessation services as recommended by the US Preventive Services Task Force and mandating that these insurers educate those who are covered will increase the number of people who will seek help to quit.

I urge you to make sure two quit attempts per year are covered and there are no lifetime limits to the number of quit attempts. Quitting is a difficult process. Relapse is part of the process. We don't want lack of insurance coverage to prevent someone from quitting.

I appreciate your efforts to keep our precious state and residents healthy by giving them every chance to be smoke-free. I urge you to pass this measure out.



MCCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

February 8, 2011

Honorable Rosalyn H. Baker, Chair
Honorable Brian T. Taniguchi, Vice Chair
Committee on Commerce and Consumer Protection
Honorable Josh Green, Chair
Honorable Clarence K. Nishihara, Vice Chair
Committee on Health
Senate
State Capitol
415 South King Street
Honolulu, Hawaii 96813

Re: S.B. No. 1452, RELATING TO HEALTH INSURANCE

Dear Chair Baker and Chair Green, Vice Chairs Taniguchi and Nishihara, and Committee Members:

On behalf of the American Family Life Assurance Company of Columbus (AFLAC), we respectfully submit the following written comments on S.B. No. 1452, relating to health insurance, which is to be heard by your Committees on Commerce and Consumer Protection, and on Health on February 10, 2011.

Section 1 of S.B. No. 1452 adds a requirement to HRS chapter 431:10A to cover certain smoking cessation methods, while Section 2 adds an identical requirement to HRS chapter 432.

The language to be added by Section 1 to HRS chapter 431:10A applies to "all individual and group hospital and medical service contracts"; however, HRS chapter 431:10A regulates policies of "accident and health or sickness insurance," whereas to the term "hospital and medical service contracts" is used in HRS chapter 432. *Compare, e.g.*, HRS § 431:10A-116.5 with HRS § 432:1-617.

Accordingly, if the intent of the bill is to require coverage by health insurance policies regulated under HRS chapter 431:10A, we respectfully suggest that Section 1 be amended by replacing the reference in subsection (a) to "all individual and group hospital and medical service contracts" with "all individual and group accident and health or sickness insurance policies" (as already is provided in subsection (a)) as follows:

§431:10A- Coverage for smoking cessation. (a) All individual and group ~~hospital and medical service contracts~~ accident and health or sickness insurance policies that provide health care coverage shall provide coverage that requires minimal or no co-payments for smoking cessation by the following methods:

Honorable Rosalyn H. Baker, Chair
Honorable Brian T. Taniguchi, Vice Chair
Committee on Commerce and Consumer Protection
Honorable Josh Green, Chair
Honorable Clarence K. Nishihara, Vice Chair
Committee on Health
February 8, 2011
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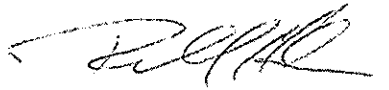
- (1) Telephone and individual counseling and intervention sessions;
 - (2) Prescription coverage for nicotine replacement products and tobacco cessation medications approved by the United States Food and Drug Administration; and
 - (3) Counseling and medication coverage for smoking cessation attempts.
- (b) Beginning March 1, 2012, policy information for every policy of accident and health or sickness insurance issued in this State shall include information about the risk associated with smoking and tobacco usage and shall encourage the insured to consult with the insured's physician about available smoking and tobacco cessation options.

(Deleted language struck out; additional language underscored.)

Thank you for your consideration of the foregoing.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP



Peter J. Hamasaki

ADD IN ELECTRONIC LETTER OR PRINT ONTO LETTERHEAD

Within one year of attempting to stop smoking, 95 percent of those who try to stop without the use of drug therapy continue to smoke or relapse. Smoking cessation success rates improve with the combination of drug therapy and support services.

Smoking cessation is *the* critical action for smokers to improve their personal health and a service health insurers can provide to reduce overall healthcare expenditures while helping improve the health of their insureds.

I believe that it is in the best financial and public interest of Hawaii health insurers to uniformly provide smoking cessation services and support to their insureds.

I believe that it is in the best interest of the citizens, businesses and government of Hawaii for all Hawaii residents to have barrier-free access to smoking cessation tools and services.

I support SB 1452 and encourage the Senate to pass this bill.

Respectfully submitted,

Forrest Batz, PharmD
Assistant Professor of Pharmacy Practice
University of Hawaii at Hilo College of Pharmacy

Dear Sirs:

I am writing on behalf of my patients in support of HB 1384 and SB1453. I believe a uniform prior authorization form for all insurance companies operating in the state of Hawaii will expedite the process of obtaining the best and safest medications for my patients.

Along the same lines I would like to express my concerns regarding the demand by insurance companies for "mail away" prescriptions.

Many locally based pharmacies, although owned by mainland firms, offer 90 day plans that are cost competitive. Yet we are giving the jobs to fill these prescriptions away to the mainland. It takes away local jobs (even though they are big box stores like Costco, Walmart, Sam's, CVS) and potential tax revenues for the state. Why are we letting this happen? Case in point is the State and County EUTF plan where prescriptions MUST be mailed to Florida to be filled. Why? This has resulted in layoffs at some local pharmacies and the closer of some smaller privately owned ones that simply cannot cost compete. Even Safeway and Times offer 90 day cost competitive plans. Having patients fill all their prescriptions locally offers benefits for everyone: patients have a pharmacist they can talk to in person, increase tax revenue for the State through sales and employment, and faster delivery of medications to patients when they need them.

It seems there is a lack of coordination of efforts to improve our economy as well as the health of Hawaii.

Mahalo for your time,

Gary S. Inamine, MD
Internal Medicine