

SCR 24

Measure Title: REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO PROVIDE COVERAGE FOR CERTAIN SMOKING CESSATION METHODS.

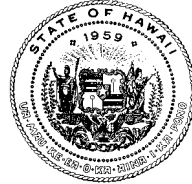
Report Title: Insurance Coverage; Smoking Cessation

Description:

Companion:

Package: None

Current Referral: CPN, WAM



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

In reply, please refer to:
File:

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

**SCR 24, REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND
FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO PROVIDE
COVERAGE FOR CERTAIN SMOKING CESSATION METHODS**

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

**March 29, 2011
9:00 a.m.**

1 **Department's Position:** The Department of Health supports the adoption of SCR 24.

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
14 largest number of Hawaii's 150,000 adult smokers (15.4% of Hawaii's adults). Employers and insurers

1 can save up to \$210 per year for every smoker covered who quits (American Legacy Foundation and
2 McMillan Consultants & Actuaries 2006).

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

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

13 Thank you for the opportunity to testify.



COALITION FOR A
TOBACCO-FREE HAWAII

To: The Honorable Rosalyn H. Baker, Chair
The Honorable Brian T. Taniguchi, Vice Chair
Members, Senate Committee on Commerce and Consumer Protection

From: Trisha Y. Nakamura, Esq. Policy and Advocacy Director

Hrg: CPN Cmte; March 29, 2011 at 9:00 a.m.; Rm 229

Re: **Support for SCR 24: Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurers to Provide Coverage for Certain Smoking Cessation Methods**

Thank you for the opportunity to comment in support of SCR 24, which requests the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for certain smoking cessation methods.

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. This resolution is 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 our state who smoke. And most smokers want to quit. In 2009, more than half of current smokers tried quitting.² And in 2006, a survey conduct by the Department of Health indicated 87.3% of adult smokers planned to quit.³ Smoking is costing Hawaii more than half a billion dollars annually 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 percent 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 do that.

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

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

² See Behavior 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.



The Official Sponsor of Birthdays

March 27, 2011

Committee on Commerce and Consumer Protection
Senator Rosalyn Baker, Chair
Senator Brian Taniguchi, Vice Chair

Hearing:

March 29, 2011, 9:00 a.m.
Hawaii State Capitol, Conference Rm. 229

RE: SCR 24 – REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO PROVIDE COVERAGE FOR CERTAIN SMOKING CESSATION METHODS.

Testimony in Strong Support

Chair Baker, Vice Chair Taniguchi and members of the Committee on Commerce and Consumer Protection: On behalf of the American Cancer Society Hawaii Pacific Inc., we are pleased to submit this testimony in strong support of SCR 24, which requests an auditor's impact study regarding health insurance for certain smoking cessation methods.

We know that this committee is 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 of our residents die each year of lung cancer alone.

To bring public awareness to the dangers of smoking, the Society created the Great American Smokeout thirty-five 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 offers cessation services. Statistics show that it is easier to quit when you have help.

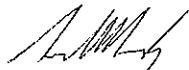
In Hawaii, many health insurers provide coverage for cessation services but not all services. As a result, Hawaii just recently received an F grade by the American Lung Association.

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. Two national studies, and the Center for Disease Control found that individuals who utilize both have the best chance for success.

Passing SCR 24, is the first step in ensuring that Hawaii residents who want to quit smoking will have comprehensive cessation treatment options, including group and individual counseling.

Thank you for the opportunity to offer testimony here today.

Respectfully,

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

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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Serving Hawaii

**Testimony Strongly Supporting
SCR 24, “Requesting The Auditor To Assess The Social And Financial Effects Of
Requesting Health Insurers To Provide Coverage For Certain Smoking Cessation
Methods”,
but recommending an amendment**

The American Heart Association strongly supports SCR24, “Requesting The Auditor To Assess The Social And Financial Effects Of Requesting Health Insurers To Provide Coverage For Certain Smoking Cessation Methods”, with the following recommended technical amendment. Lines 42 and 43 of the resolution currently state an effective date of July 1, 2011, however, the bill cannot be passed without the auditors report being requested by this resolution, therefore the bill cannot have an effective date prior to July 1, 2012, after the assumed presentation of a positive report by the auditor to legislators during the state’s 2012 Legislative Session and subsequent passage of the bill associated with that report. Therefore, we suggest that the effective date should be changed to July 1, 2012.

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.

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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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Phone: 808-961-2825
Fax: 808-961-2827

Kauai County:
(serviced by the Oahu office)
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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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 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 SCR24 with the recommended technical amendment.

Respectfully submitted,

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