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# A BILL FOR AN ACT

RELATING TO HEALTH.

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

**PART I**

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2 SECTION 1. According to a 2009 poll conducted for the  
3 Closing the Addiction Treatment Gap Initiative, most Americans,  
4 regardless of race, age, place of residence, or income, know  
5 someone personally who has been addicted to alcohol or drugs.  
6 Additionally, the 2009 poll showed that seventy-three per cent  
7 of Americans support the idea of including alcohol and drug  
8 addiction treatment as part of national health care reform to  
9 make the treatment more accessible and affordable. Despite  
10 widespread concern and support across America, the legislature  
11 finds that treatment for behavioral health disorders continues  
12 to be costlier and more difficult to obtain than general medical  
13 care. Different financial limits and cost-sharing requirements,  
14 limits on coverage, providers, types, and duration of treatment,  
15 and other provisions constrain the level and quality of insured  
16 health care that is available to those with behavioral health  
17 issues.



1 Pursuant to the United States Department of the Treasury's  
2 interim final rules pertaining to the Paul Wellstone and Pete  
3 Domenici Mental Health Parity and Addiction Equity Act of 2008,  
4 group health plans are required to have no more restrictions on  
5 mental health and substance abuse disorders than on medical or  
6 surgical benefits. The legislature finds that while the interim  
7 final rules require action by the State to ensure compliance,  
8 the State also has the option to enact and implement parity laws  
9 that are even more comprehensive than what is required for  
10 federal compliance.

11 The purpose of this Act is to convene a mental health and  
12 substance abuse parity working group to determine how the State  
13 can come into compliance with federal mental health and  
14 substance abuse parity laws and regulations and enhance its  
15 existing parity laws.

16 SECTION 2. (a) The director of health shall convene a  
17 mental health and substance abuse parity working group and may  
18 work with any other department to carry out the purpose of this  
19 Act. The working group shall consist of fifteen members as  
20 follows:

- 21 (1) One member selected by the governor;
- 22 (2) One member selected by the president of the senate;



- 1 (3) One member selected by the speaker of the house of
- 2 representatives;
- 3 (4) One member selected by the attorney general;
- 4 (5) One member selected by the insurance commissioner;
- 5 (6) One member selected by the alcohol and drug abuse
- 6 division of the department of health;
- 7 (7) One psychiatrist selected by the adult mental health
- 8 division of the department of health;
- 9 (8) One representative of the Hawaii Substance Abuse
- 10 Coalition;
- 11 (9) One representative of the Mental Health Association in
- 12 Hawaii;
- 13 (10) One representative of the Legal Aid Society of Hawaii;
- 14 (11) One representative of a health insurance provider,
- 15 regulated under chapter 431, article 10A; chapter 432,
- 16 article I; or chapter 432D, Hawaii Revised Statutes,
- 17 or a managed care provider, such as a health
- 18 maintenance organization or preferred provider
- 19 organization;
- 20 (12) One medical professional licensed under chapter 453,
- 21 Hawaii Revised Statutes;



1 (13) One psychologist licensed under chapter 465, Hawaii  
2 Revised Statutes;

3 (14) One clinical social worker licensed under chapter  
4 467E, Hawaii Revised Statutes; and

5 (15) One mental health consumer representative.

6 The members referenced in paragraphs (8) to (15) shall be  
7 selected by the director of health.

8 (b) The duties of the working group shall be as follows:

9 (1) Review special reports, and updates to the special  
10 reports, that provide an analysis of the Paul  
11 Wellstone and Pete Domenici Mental Health Parity and  
12 Addiction Equity Act of 2008 and relevant interim  
13 final rules;

14 (2) Review the provisions in national health care reform  
15 laws and regulations that affect behavioral health  
16 care, including:

17 (A) Provisions that interact with the Mental Health  
18 Parity and Addiction Equity Act of 2008; and

19 (B) Provisions that address the issue of  
20 affordability and lack of coordination of  
21 behavioral health care through the establishment  
22 of federally qualified behavioral health centers



1                   and co-location of primary and specialty care  
2                   services with behavioral health services;  
3                   provided that any recommendation made pursuant to this  
4                   paragraph to improve the behavioral health care system  
5                   shall emphasize primary and secondary prevention and  
6                   de-stigmatization;

7           (3) Determine the State's role and responsibilities in  
8           implementing the Mental Health Parity and Addiction  
9           Equity Act of 2008; and

10          (4) Based on information reviewed or determined pursuant  
11          to paragraphs (1) through (3), examine and make  
12          recommendations regarding the addition or enhancement  
13          of various components of the State's mental health and  
14          substance abuse parity laws, including:

15               (A) Coverage options, including mandatory coverage of  
16               mental illnesses and substance abuse;

17               (B) Definitions of covered conditions and other terms  
18               necessary to implement the State's parity laws;

19               (C) Individual and small group plans;

20               (D) Financial and durational limits on treatment;

21               (E) Determination of medical necessity;

22               (F) Managed care;



- 1 (G) Out-of-network coverage;
- 2 (H) Adequacy of network provider panels;
- 3 (I) Prescription medications;
- 4 (J) Specific services for serious mental illness;
- 5 (K) Oversight of implementation; and
- 6 (L) Independent external review of claims.

7 (c) The legislative reference bureau shall assist the  
8 working group in drafting any appropriate legislation.

9 (d) The working group shall submit to the legislature a  
10 report of its findings and recommendations, including proposed  
11 legislation, no later than twenty days prior to the convening of  
12 the regular session of 2014 and shall dissolve on June 30, 2014.

13 **PART II**

14 SECTION 3. The legislature finds that part V, Act 44,  
15 Session Laws of Hawaii 2004, established a successful insurance  
16 coverage parity provision for substance abuse treatment. This  
17 provision lapsed on June 30, 2011.

18 The purpose of this part is to reauthorize the provisions  
19 of part V, Act 44, Session Laws of Hawaii 2004, to ensure that  
20 substance abuse addiction is covered under a health insurance  
21 plan in the same way as a physical disease or illness. Parity  
22 is extended to alcohol and drug abuse because these addictions



1 are serious mental health illnesses that require equal treatment  
2 under health insurance plans.

3 SECTION 4. Chapter 431M, Hawaii Revised Statutes, is  
4 amended by adding a new section to be appropriately designated  
5 and to read as follows:

6 "§431M- Parity treatment for alcohol or drug  
7 dependency. Unless greater benefits are required by this  
8 chapter for alcohol and substance abuse services and benefits,  
9 services and benefits provided by health insurance plans subject  
10 to section 431M-2 for drug and alcohol dependency shall be equal  
11 to and co-extensive with health insurance coverage for physical  
12 disease and illnesses. Nothing in this section shall require  
13 the health insurance plan to provide residential treatment  
14 benefits except as it may provide for physical disease and  
15 illnesses and in accordance with an approved treatment plan by  
16 the health plan provider."

17 SECTION 5. Section 4 shall be exempt from the impact  
18 assessment report by the auditor under section 23-51, Hawaii  
19 Revised Statutes. The legislature finds that an emergency  
20 situation continues to exist in the State that demands an  
21 immediate legislative response, and that the slight financial  
22 impact of a rise in premiums, as a result of reauthorizing



1 parity provisions for substance abuse treatment insurance  
2 coverage, is likely to be incalculable (Auditor Report No. 88-  
3 6).

4 SECTION 6. The treatment of drug and alcohol dependency  
5 provided under medical plans participating in QUEST and QUEST  
6 Expanded Access (QExA) shall be equal to and co-extensive with  
7 QUEST and QExA coverage for physical disease and illnesses.  
8 Nothing in this section shall require QUEST and QExA to provide  
9 residential treatment benefits except as it may provide for  
10 physical disease and illnesses.

11 **PART III**

12 SECTION 7. New statutory material is underscored.

13 SECTION 8. This Act shall take effect upon its approval.





**Report Title:**

Mental Health and Substance Abuse Parity; Working Group

**Description:**

Requires the director of health to convene a mental health and substance abuse parity working group to determine how the State can come into compliance with federal mental health and substance abuse parity laws and regulations and enhance existing state parity laws. Reauthorizes, part V, Act 44, Session Laws of Hawaii 2004, providing parity for substance abuse treatment insurance coverage. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

