

HTH-CPN HEARING

TESTIMONY

SCR154

Testimony of
John Kirimitsu
Legal and Government Relations Consultant

Before:
Senate Committee on Health
The Honorable Josh Green, Chair
The Honorable Rosalyn H. Baker, Vice Chair
and
Senate Committee on Commerce and Consumer Protection
The Honorable Rosalyn H. Baker, Chair
The Honorable Brickwood Galuteria, Vice Chair

March 25, 2013
1:45 pm
Conference Room 229

SCR 154 REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO PROVIDE COVERAGE FOR TOBACCO USE CESSATION TREATMENTS.

Chairs, Vice-Chairs, and committee members, thank you for this opportunity to provide testimony on this resolution which requests the auditor to assess the social and financial effects of requiring health insurers to offer coverage for tobacco use cessation treatments.

Kaiser Permanente Hawaii supports this measure and requests an amendment. We request that as part of this assessment the Auditor research whether the state is fiscally responsible, under section 1311(d)(3) of the federal Patient Protection and Affordable Care Act, for a mandate enacted after December 31, 2011, notwithstanding that the proposed mandate is already covered as an essential health benefits of the state's qualified health plan.

Although, Kaiser Permanente's usual position on legislative health mandates is to oppose them, in part 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 in providing safe, quality medical care, treatment and services, Kaiser Permanente already provides smoking cessation benefits through its base plans at no charge, and we are always proud to sponsor healthy lifestyles.

Thank you for your consideration.

From: [Louis Erteschik](#)
To: [HTHTestimony](#)
Subject: SCR 154 Hearing march 25, 2013 1:45PM
Date: Friday, March 22, 2013 4:15:26 PM

We are in support of this SCR.

Louis Erteschik, Esq.
Executive Director
HAWAII DISABILITY RIGHTS CENTER
1132 Bishop Street, Suite 2102
Honolulu, HI 96813
808 949-2922 ext 211



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Testimony in SUPPORT of SCR 154 “Requesting the Auditor to Assess the Social and Financial effects of Requiring Health Insurance Coverage for Tobacco Use Cessation Treatments”

The American Heart Association supports SCR 154 “Requesting the Auditor to Assess the Social and Financial effects of Requiring Health Insurance Coverage for Tobacco Use Cessation Treatments.”

Cigarette smoking is the single leading cause of preventable disease and preventable death in the United States (US), 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 smoking cessation to help people to quit smoking that 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, it is unclear whether all Hawaii health insurers currently offer the recommended tobacco cessation services, or whether those service offerings will be required under the Affordable Care Act.

The Affordable Care Act includes a grandfather clause that would allow insurers to put off offering full cessation service coverage until such time that existing policies are renewed. It also includes stipulations that if the cessation services opted for under the State’s Benchmark Plan for the ACA implementation are less than those offered by health insurers, and the state then mandates that insurers cover broader services, that the state may be responsible for the differences in cost to cover those insureds in the Exchange population who fall above the 138% Federal poverty level guidelines. The myriad of scenarios creates uncertainty that would benefit from the clarity provided by a State auditor’s examination.

The American Heart Association (AHA) supports the provision of evidence-based preventive cardiovascular services of proven and substantial value to all patients who might benefit from their receipt. 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 annually to reflect substantive changes in the evidence base. Services covered should reflect the individual patient’s risk.

Among the primordial and preventive cardiovascular services that the AHA recommends be covered by health insurers includes all evidence-based treatment, including both individual and group counseling, and drugs for smoking cessation, following the US Preventive Services Guidelines.

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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 or e-mail us at hawaii@heart.org

Oahu:
677 Ala Moana Blvd., Ste. 600
Honolulu, HI 96813-5485
Phone: 808-538-7021
Fax: 808-538-3443

Maui County:
Phone: 808-224-7185
Fax: 808-224-7220

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

Kauai:
(Serviced by Oahu office)
Phone: 866-205-3256
Fax: 808-538-3443

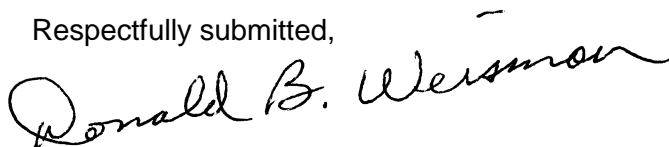
***“Building healthier lives,
free of cardiovascular
diseases and stroke.”***

The AHA also recognizes that requiring an individual contribution to receive services, e.g. co-pays and deductibles, can have a negative impact on utilization, especially in some populations, such as the elderly and the poor. For this reason, the AHA strongly supports the bill's provision requiring that public and private insurers 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 in 2010 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 American Heart Association recommends support of SCR 154. 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 tobacco products can take place. Legislators should also insure that those, who as a result of its efforts now want to quit using tobacco products, be provided access to the broadest range of scientifically-based therapies that are available to assist tobacco users end their addiction.

Respectfully submitted,

A handwritten signature in black ink that reads "Donald B. Weisman". The signature is written in a cursive style with a horizontal line above the name.

Donald B. Weisman
Hawaii Government Relations Director
American Heart Association