



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

In reply, please refer to:
File:

House Committee on Health

S.B. 2349 SD1, Health

Testimony of Linda Rosen, M.D., M.P.H.
Director of Health

March 12, 2014

1 **Department's Position:** The Department of Health (DOH) appreciates the intent of this measure.

2 **Fiscal Implications:** Appropriates an unspecified amount of general funds to be expended by the
3 Department of Health in Fiscal year 2014-2015, to provide funding for a statewide pilot program to treat
4 chronic, substance-dependent adults.

5 **Purpose and Justification:** Adult substance abuse treatment services are funded by the federal
6 Substance Abuse and Mental Health Services Administration, Substance Abuse Prevention and
7 Treatment Block Grant, and State General Funds. The proposed appropriation would support additional
8 adult admissions to substance abuse treatment.

9 The five-year (Fiscal Year 2009-Fiscal Year 2013) average annual ADAD-funded admissions for
10 adults is 3,332, which is 3.89% of the estimated need (85,468) for adult alcohol and drug abuse
11 treatment. Of the adults admitted for treatment, 43.1% cited methamphetamine as the primary drug at
12 admission, followed by alcohol at 31.5%.

13 Substance abuse treatment services for adults consist of a continuum of residential, intensive
14 outpatient and outpatient services; non-medical residential detoxification; therapeutic living program
15 services; and recovery support services such as clean and sober housing, transportation, child care,

1 translation/interpretation, and continuing care. Specialized services are provided for those with
2 co-occurring mental illness and substance abuse disorders, injection drug users, offenders and pregnant
3 women and women with dependent children.

4 The services identified in Section 2 of the bill can be addressed through a case management
5 model of substance abuse service delivery. Evidence suggests a case management approach which deals
6 with an individual's life dimensions such legal (criminal/civil), medical, mental health, employability,
7 housing, and substance addiction have a higher long term recovery rate. Case management offers the
8 client a single point of contact with the health and social services systems, is client-driven and driven by
9 client need, involves advocacy, is community-based, pragmatic, and anticipatory, and must be flexible
10 and culturally sensitive.

11 We respectfully request that if this measure is to be funded, that the appropriation does not
12 replace or adversely impact priorities in our Executive Supplemental Budget Request.

13 Thank you for the opportunity to provide testimony on this measure.

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NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY

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No. _____

TESTIMONY ON SENATE BILL (SB) 2349, SENATE DRAFT (SD) 1
A BILL RELATING TO HEALTH

Ted Sakai, Director
Department of Public Safety

House Committee on Health
Representative Della Au Belatti, Chair
Representative Dee Morikawa, Vice Chair

Wednesday, March 12, 2014, 8:30 AM
State Capitol, Conference Room 329

Chair Belatti, Vice Chair Morikawa, and Members of the Committee:

The Department of Public Safety **supports** SB 2349, SD 1 which would provide funding for a statewide pilot program to treat chronic, substance dependent adults. Such a program would help us manage our populations at our various facilities more effectively, as we would be able to recommend release of low risk inmates to structured programs.

We thank you for this opportunity to testify on this bill.



HAWAII SUBSTANCE ABUSE COALITION

SB2349 SD1 RELATING TO HEALTH: Pilot to Treat Substance Abuse Super Users

COMMITTEE ON HEALTH: Representative Della Au Belatti, Chair; Representative Dee Morikawa, Vice Chair

- Wednesday, March 12, 2014 at 8:30 a.m.
- Conference Room 329

HSAC Supports SB2349 SD1:

Good Morning Chair Belatti; Vice Chair Morikawa; And Distinguished Committee Members. My name is Alan Johnson, Chair of the Hawaii Substance Abuse Coalition, an organization of more than twenty treatment and prevention agencies across the State.

The Hawaii Substance Abuse Coalition fully supports funding for a pilot project to treat chronic, substance-dependent adults who are high-end users of expensive emergency and hospital services and cost a disproportionate amount in terms of elevated medical expenses, homelessness and arrest levels.

A relatively few patients account for over half of all healthcare costs.

Huge savings in healthcare costs can be achieved by providing medical care to Super User - those few patients who have multiple chronic medical conditions and use costly emergent care to manage their illness.

Often they have difficulty getting treatment due to uninsured, denials from insurer utilization practices or their habits.

Most of them have substance abuse or mental health issues.

All of them can be treated.

Coordinated care can reduce massive amounts of costs.

The purpose of SB2349 is to break the detrimental and recurrent cycle of overutilization of costly emergency and medical services by providing pilot project funding for intensive treatment and integrated case management of chronic super-users with substance abuse dependencies.

Super users of care are the 3.6% of the population that cost 49% of all healthcare costs, 5% cost 55%, 15% cost 65% and 20% cost 80% of all costs. Not investing more extensive care that would prevent worsening conditions would result in huge costs to our delivery of care systems. Helping such individuals, get the care they need, will result in improvements in health and reduction in costs rather than not getting care until they are at crisis situations and then need very expensive emergent care.

Of those conditions that are the most expensive, most of these patients are managing their illnesses by abusing alcohol or substances. Substance abuse treatment has demonstrated to be cost effective as research has shown that community-based drug treatment programs can save at least \$10 in reduced health care costs for every \$1 spent on treatment. Provision of timely, intensive community-based treatment for the super-user population can minimize overutilization of expensive emergency and medical services, thereby saving millions of dollars.

This bill will establish new processes and procedures to identify and coordinate care for high end users of care that have multiple chronic conditions of health issues. An evaluation will be performed to determine how we can effectively coordinate care, treat multiple conditions, and improve the effectiveness of treatment outcomes. The pilot project described herein can validate the cost

effectiveness of providing treatment for the super-user population and provide justification for continued funding.

Other major considerations are:

- Cutbacks in funding for community health services in recent years have resulted in a dramatic increase in the State's super user population, with related increases in the cost of emergency services and inpatient care, homelessness, and crime.
- It is estimated that less than fifteen percent of consumers account for more than sixty-five percent of all medical costs, in large part due to preventable and/or inappropriate utilization of emergency and inpatient care.
- Substance abuse is a leading cause of preventable hospitalization.
- Substance abuse is a primary cause of homelessness.
- Substance abuse treatment facilitates timely treatment of primary care problems to prevent chronic disease progression.
- Substance abuse treatment saves both money and lives.
- Substance abuse treatment reduces homelessness and crime.
- Hawaii's substance abuse treatment providers utilize evidence-based practices and have measurable outcomes based on improved client status in key areas such as reduced substance use and arrests, employment, stable housing, reduced utilization of emergency room and hospitalization, and support group.

Passage of Senate Bill 2349 will help to minimize the cost of preventable and/or inappropriate utilization of emergency and inpatient care, as well as reduce homelessness and arrest rates.

We appreciate the opportunity to testify and are available for questions.

COMMUNITY ALLIANCE ON PRISONS

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COMMITTEE ON HEALTH

Rep. Della Au Belatti, Chair

Rep. Dee Morikawa, Vice Chair

Wednesday, March 12, 2014

8:30 a.m.

Room 329

SUPPORT SB 2349 SD1 - APPROPRIATION FOR TREATMENT AND SUPPORTIVE SERVICES FOR SUBSTANCE-DEPENDENT ADULTS



Aloha Chair Belatti, Vice Chair Morikawa and Members of the Committee:

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, community initiative promoting smart justice policies for more than a decade. This testimony is respectfully offered on behalf of the 5,800 Hawai'i individuals living behind bars, always mindful that approximately 1,500 Hawai'i individuals are serving their sentences abroad, thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Native Hawaiians, far from their ancestral lands.

SB 2349 SD1 makes an appropriation for a pilot program to provide treatment and supportive services to chronic, substance-dependent adults. Effective 7/1/2050. The SD1 blanked out the appropriation amount.

Community Alliance on Prisons supports this measure.

Hawai'i must address the root cause of much of our crime - substance abuse. Despite the desperate need for more treatment slots, both residential and day treatment, we have fewer slots than we had a couple of decade ago. By not funding treatment, we end up paying a lot more by then incarcerating people who have a treatable medical disorder. Community Alliance on Prisons has plenty of research supporting community-based treatment as a solution that reduces recidivism, assists individuals in reaching their social goals, and ultimately saves money¹. For every \$1 spent on drug treatment in the community, approximately \$18 is saved².

SB 2349 SD1 is a common sense bill that we urge the committee to support. Band-aid solutions don't last and generally don't work too well. Let's get to the root and start to build strong and resilient individuals who are contributing assets to our communities. We can do it!

Mahalo for this opportunity to testify. (Our apologies for the late submission of our comments.)

¹ *Everyone Pays: A Social Cost Analysis of Incarcerating Parents for Drug Offenses in Hawai'i*, p.64, Lengyel, Thomas E.; Brown, Marilyn; June 2009. http://www.alliance1.org/Research/materials/EveryonePays_Full.pdf

² *The comparative costs and benefits of programs to reduce crime*. Aos, Steve, Polly Phipps, Robert Barnoski, and Roxanne Lieb. Olympia: Washington State Institute for Public Policy. 2001.

Community Alliance for Mental Health

LATE

March, 12, 2014

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To: House Committee on Health
Re: SB2349, SD1

Aloha Chair Belatti and members of the committee,

On behalf of the Community Alliance for Mental Health along with United Self Help we strongly support passage of SB 2349, SD1.

The passage of this bill will complement not only the Housing First program but our states Health Care Transformation's move to save and stabilize the most vulnerable members of our Ohana.

Scott Wall
VP/ Legislative Advocate
Community Alliance for Mental Health