

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 13, 2013

The Honorable Dell Au Bellati, Chair
The Honorable Dee Morikawa, Vice Chair
House Committee on Health

Re: SB 654, SD1 – Relating to Health Insurance

Dear Chair Bellati, Vice Chair Morikawa and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 654, SD1, which would require health plans to provide coverage for certain types of smoking cessation services, and requires plans to provide notice of such coverage. HMSA absolutely supports the intent of this Bill, but believes it to be unnecessary.

The Affordable Care Act (ACA) mandates coverage, at no cost, for preventive services, including smoking cessation services, delineated by the United States Preventive Services Task Force. And, HMSA 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, up to eight visits every 12 months.
- Expanded tobacco counseling for pregnant women.
- With our partnership with Healthways, we offer the QuitNet program to provide personalized support to our member's individual needs. Members may choose the coaching method that they want – online support, phone consultations, or both.
- Our smoking cessation counselors are local health coaches who are culturally and socially sensitive.
- Members can communicate with their peers who are going through the same trials of trying to stop a long-term habit.
- Prescription cessation medications and over-the-counter smoking cessation medications are available to most HMSA members with drug coverage.

We believe that the scope and breadth of smoking cessation services provided today are significant and meets the intent, if not the letter, of this legislation. In implementing our patient-centered medical home model of health care, with its focus on prevention and wellness, we hope to increase the number of our members accessing these services.

A concern the Committee should be aware of is the potential impact of another ACA provision which requires the State to cover the cost of any State mandates implemented after December 31, 2011. While we have been providing these services since September 2010, as required by the ACA, we are uncertain as to the implications of the State mandating these services at this time. Will this State action require the State to pay for the services?

Given we already are implementing the key elements of this legislation, we believe it to be unnecessary. Thank you for the opportunity to comment on this Bill.

Sincerely,

A handwritten signature in black ink that reads "Mark K. Oto".

Mark K. Oto
Director, Government Relations

Testimony of
John M. Kirimitsu
Legal and Government Relations Consultant

Before:
House Committee on Health
The Honorable Della Au Belatti, Chair
The Honorable Dee Morikawa, Vice Chair

March 13, 2013
8:30 am
Conference Room 329

Re: SB 654, SD1 - Relating to Health Insurance

Chair, Vice Chair and committee members, thank you for this opportunity to provide testimony on SB 654, SD1, Relating to Health Insurance.

Kaiser Permanente supports the intent of this measure.

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.

That being said, Kaiser Permanente already provides smoking cessation coverage as proposed in SB 654, SD1, through its base plans at no charge, and we are always proud to sponsor healthy lifestyles.

Thank you for your consideration.



To: The Honorable Della Au Belatti, Chair, Committee on Health
The Honorable Dee Morikawa, Vice Chair, Committee on Health
Members, House Committee on Health
From: Jessica Yamauchi, Executive Director
Date: March 11, 2013
Hrg: House Committee on Health; Wed., March 13, 2013 at 8:30 a.m. in Rm 329
Re: **Strong Support for SB 654, SD1, Relating to Health Insurance**

The Coalition for a Tobacco-Free Hawaii (Coalition) strongly supports Senate Bill 654, SD1, which provides insurance coverage for smoking cessation services.

The Coalition for a Tobacco Free Hawaii (Coalition) is an independent organization in Hawaii who works to reduce tobacco use through education, policy and advocacy. Our organization is a nonprofit organization with over 100 member organizations and 2,000 advocates that work to create a healthy Hawaii through comprehensive tobacco prevention and control efforts.

Cigarette smoking is the single leading cause of preventable disease and preventable death in the United States, leading to more than 400,000 deaths annually. In Hawaii, there are still more than 178,000 adult smokers in the state, and according to a 2006 Department of Health survey, 87.3% planned to quit. It is imperative that we remove as many barriers as possible so those that who are addicted can quit efficiently and effectively. 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 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.

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

¹See 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 Agency for Healthcare Research and Quality, 2008.

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.



COALITION FOR A
TOBACCO-FREE HAWAII

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.

While some may see the costs associated with instituting the changes outlined in this measure as a reason to oppose it, they pale in comparison to the costs attributed to treating the various illnesses caused by smoking. 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.

This bill is a strong step in solidifying in statute the intent of the State to make sure residents have access to health care. The Coalition urges you to pass SB 654, SD1. Thank you for your time and the opportunity to testify.

Jessica Yamauchi, M.A.
Executive Director



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Jessica Yamauchi, M.A.
Executive Director



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Cancer Action Network
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808.432.9149
www.acscan.org

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

Hearing: March 13, 2013; 8:30 a.m.

SB 654 SD 1 – RELATING TO HEALTH INSURANCE

Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in support of SB 654, SD1, which requires health insurers to provide information and provide coverage for tobacco cessation services.

The American Cancer Society Cancer Action Network (ACS CAN), the advocacy affiliate of the American Cancer Society, is the nation's leading cancer advocacy organization. ACS CAN works with federal, state, and local government bodies to support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

Nicotine addiction is classified as, and should be treated as, a chronic disease. Tobacco users often need several attempts over a period of years to quit successfully. Statistics show that:

- 52% of smokers make a quit attempt each year.
- Less than a third will use an evidenced-based cessation treatment while trying to quit.
- About 6% of smokers will actually stop smoking.

Providing tobacco users with access to both medication and cessation counseling increases quit rates by 40%.

Smokers and other tobacco users need access to a range of treatments and combinations to find the most effective cessation tools that work for them. Not all tobacco users are the same; they vary in what products they use, how much, how often, and individual medical conditions. This measure would provide tobacco users trying to quit a greater chance for a successful outcome.

Thank you for the opportunity to provide testimony on this issue.