

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

In reply, please refer to:
File:

HOUSE COMMITTEE ON HEALTH

SB0654SD1, RELATING TO HEALTH INSURANCE

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

March 13, 2013
8:30AM, Room 329

1 **Department's Position:** The Department of Health (DOH) appreciates the intent of SB0654SD1 which
2 mandates comprehensive health insurance coverage for evidence-based tobacco use cessation treatments
3 which includes counseling and pharmacotherapy.

4 **Fiscal Implications:** No appropriations requested.

5 **Purpose and Justification:** This measure requires that the U.S. Public Health Services Clinical
6 Practice Guideline on Treating Tobacco Use and Dependence evidence-based tobacco use cessation
7 treatment be covered by every insurance provider and in every plan, including those grandfathered in
8 under the Patient Protection and Affordable Care Act (ACA). Tobacco use is the leading cause of
9 preventable death and disease in Hawaii, claiming 1,100 lives each year and creating \$336 million in
10 annual health care costs directly attributable to smoking. Despite the fact that Hawaii has made
11 significant gains in tobacco prevention and control, an estimated 176,000 adults in the state report being
12 current smokers, and some populations are particularly at risk.

13 Nicotine addiction is treatable, and data show that most smokers want to quit (54% of Hawaii
14 smokers report such) and that covering treatment improves the chances that a person will quit smoking.

1 According to the U.S. Public Health Services Clinical Practice Guideline on Treating Tobacco Use and
2 Dependence (the gold standard for cessation services) : 1) Tobacco cessation treatments help people quit
3 smoking; 2) Participation rates for treatment programs are higher when there is no cost-sharing;
4 3) Combining counseling with tobacco cessation medications is more effective than using one type of
5 treatment alone; and 4) Quit rates are higher when health insurance covers tobacco cessation treatments.

6 Under the 2010 ACA, state health insurance exchanges must offer plans that meet Essential
7 Health Benefit (EHB) requirements. One of the 10 categories within the EHB is tobacco cessation.
8 However, there is no specific requirement for state insurance plans to provide a comprehensive tobacco
9 cessation benefit as a standard of coverage. Only nine states require private insurance plans to cover
10 tobacco cessation treatments. SB0654,SD1 specifically clarifies that all insurance providers in Hawaii
11 must guarantee comprehensive coverage of evidence-based tobacco cessation treatment and would
12 complement the ACA law.

13 Thank you for the opportunity to testify.

The American Heart Association mission is:
Building healthier lives free of cardiovascular diseases and stroke..



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Testimony In Support of SB654, SD1“Relating To Health Insurance”

The American Heart Association supports SB 654, SD1 “Relating To Health Insurance”.

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, access to these aids is limited since many payers do not cover these treatments.

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.

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 Federal Health Insurance Reform legislation will require private insurers to provide the coverage described above beginning in 2014, however a grandfather clause will allow

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Please remember the American Heart Association in your will.



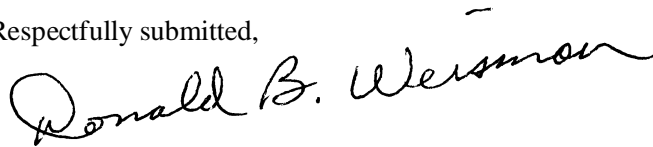
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policies already in place at that time to continue without the mandated coverage until such time that changes to the existing policies take place. It could take several years beyond that date before all policies reflect the mandated tobacco cessation 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 borne in Hawaii primarily by its businesses.

The American Heart Association recommends moving ahead and establishing that 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, limiting where smoking tobacco products can take place, and funding comprehensive community-based tobacco prevention and control programs. Legislators should also provide those, who as a result of the Legislature's efforts, now want to quit using tobacco products with the scientifically-based therapies that are available to assist tobacco users end their addiction.

Please support SB654, SD1.

Respectfully submitted,



Donald B. Weisman
Hawaii Government Relations Director
American Heart Association



To: Representative Della Au Bellati, Chair Representative Dee Morikawa, Vice Chair
Members of Health Committee

Hrg: Monday, March 13, Senate Health Committee @ 8:30 am, Room 329

Re: **Testimony in Support of SB 654, SD1, Insurance Coverage of Tobacco Cessation**

By: Valerie Chang, JD, Executive Director
Hawaii COPD Coalition, www.hawaiicopd.org
733 Bishop Street, Suite 1550, Honolulu, HI 96813
(808)699-9839
copd.hawaii@yahoo.com

I thank you for this opportunity in support of SB 654, SD1, requiring private health insurers in Hawaii to provide tobacco cessation coverage. This topic is very important to our organization, as we help those who suffer the awful ravages of long-term exposure to tobacco, those with emphysema, chronic bronchitis and chronic asthma. I support this measure because this coverage is not uniformly offered to the people of Hawaii, which makes it very challenging to counsel Hawaii patients as to what their insurance may or may not cover in supporting tobacco users to quit tobacco.

Cigarette smoking is the single leading cause of preventable disease and death in the United States. A study completed in 2010 estimated that smoking costs Hawaii in excess of \$1.1 billion annually, including workplace productivity losses of \$215 million, premature death losses of \$449 million, and direct medical expenditures of \$444 million.

My name is Valerie Chang. I am Executive Director of the Hawaii COPD Coalition. Our organization provides services and support to Hawaii's people affected by Chronic Obstructive Pulmonary Disease, more commonly known as emphysema and chronic bronchitis. COPD is now the third leading cause of death in the US and second leading cause of disability. Over 46,015 people in Hawaii have already been diagnosed with COPD and it is estimated that at least 46,015 more people may suffer from COPD but remain undiagnosed. Many of these COPD patients were seduced by tobacco when they were very young and unable to quit the addiction for decades, causing irreparable harm. There are over \$55.9 million in COPD hospital charges in Hawaii each year. Our organization provides free breathing testing, resources, information and support for cessation and those with lung disease. In 2011, we have conducted over 1300 lung function tests (spirometries) in over 40 clinics, including 6 on the Big Island, 3 on Maui, 2 on Kauai, and 3 on Molokai. At these clinics, we meet many people who suffer from serious health conditions caused by smoking or second-hand smoke, as well as many people struggling to quit tobacco.

When talking with other tobacco treatment specialists in Hawaii, a common concern is the highly variable coverage and sometimes no coverage of tobacco cessation among private insurance plans. This makes it extremely challenging for patients and treatment specialists to have the needed support for successful tobacco cessation efforts.

Thanks for the opportunity to testify about this issue that is so vital to the health of Hawaii. This issue is very important to our state and our Hawaii COPD Coalition is very glad that this committee has taken a leadership role in addressing this important matter. Our state can make a clear statement showing it is helping improve the health of its people by passing SB 654, SD1, so that all private health insurers in Hawaii must provide tobacco cessation coverage. Thank you.

morikawa2 - Shaun

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 12, 2013 1:04 PM
To: HLTtestimony
Cc: jillf2184@yahoo.com
Subject: *Submitted testimony for SB654 on Mar 13, 2013 08:30AM*

SB654

Submitted on: 3/12/2013

Testimony for HLT on Mar 13, 2013 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Jill Friedman	Individual	Support	No

Comments:

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morikawa2 - Shaun

From: mailinglist@capitol.hawaii.gov
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Cc: joyamarshall2003@yahoo.com
Subject: *Submitted testimony for SB654 on Mar 13, 2013 08:30AM*

SB654

Submitted on: 3/12/2013

Testimony for HLT on Mar 13, 2013 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Marshall	Individual	Support	Yes

Comments:

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