



HAWAII SUBSTANCE ABUSE COALITION



SB2349 RELATING TO HEALTH

SENATE COMMITTEE ON WAYS AND MEANS: Senator David Y. Ige, Chair; Senator Michelle N. Kidani, Vice Chair

- Friday, February 19, 2014 at 9:15 a.m.
- Conference Room 211

HSAC Supports SB2349:

Good Morning Chair Ige; Vice Chair Kidani; 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.

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.