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# A BILL FOR AN ACT

RELATING TO SUBSTANCE ABUSE TREATMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the federal Patient  
2 Protection and Affordable Care Act of 2010 encourages states to  
3 develop innovative approaches to the delivery of integrated  
4 health services. The legislature further finds that Hawaii has  
5 a bold history as an innovator in ensuring that its residents  
6 have access to health care. The Hawaii Prepaid Health Care Act  
7 and the State's medicaid program have provided access to  
8 comprehensive managed care for low income families. The State  
9 can create more effective alternative solutions for affordable  
10 health care, however, by better integrating public health  
11 systems in order to balance public health care needs with the  
12 associated costs to the State.

13           The overall fiscal costs and burden of substance use  
14 disorders with co-occurring mental health disorders on Hawaii's  
15 public health care system are unsustainable. Studies indicate  
16 that a small percentage of patients in the United States consume  
17 a disproportionate share of health care resources. Known as  
18 "super users", this one per cent of the population consumes



1 twenty-one per cent of the nearly \$1,300,000,000,000 spent each  
2 year on health care nationwide, according to a 2013 report from  
3 the Agency for Healthcare Research and Quality. In Hawaii, it  
4 has been reported that about five per cent of the medicaid  
5 population accounts for about forty-nine per cent of the State's  
6 annual health care costs. Considering the 2015 MedQuest budget,  
7 this means about 16,000 people on MedQuest cost over  
8 \$1,000,000,000. Super users' most common conditions involve  
9 multiple illnesses, one of which is often substance abuse.  
10 Similarly, patients who frequent emergency departments tend to  
11 suffer chronic illnesses or have multiple psychosocial risk  
12 factors such as substance abuse, mental illness, or  
13 homelessness. The commonality among most super users is that  
14 they lack the social network to help them coordinate their  
15 aftercare. For example, many super users do not have a regular  
16 physician, so whenever medical care is necessary they turn to  
17 the community hospital, which is often the most expensive and  
18 least efficient type of care for their needs.

19 The legislature finds that while the costly cycle of  
20 substance abuse is currently a financial burden on the State's  
21 health care system, it is also a treatable disease worthy of



1 more attention and resources. Recent discoveries in the science  
2 of addiction have led to significant advances in drug abuse  
3 treatment that help people successfully manage their addiction  
4 and resume productive lives. While the social welfare factors  
5 that contribute to addiction present a complex problem, research  
6 indicates that treatment for substance use disorders can be  
7 effective and reduce costs to the health care and criminal  
8 justice systems. Research shows that about seventy per cent of  
9 addiction and mental health costs can be averted by effectively  
10 providing relevant treatment before the onset of more serious  
11 chronic conditions. Treating all of super users' complex issues  
12 in an integrated way is a sound social investment because it  
13 effectively reduces duplication and overutilization. Recent  
14 studies have proven that every \$1 spent on treatment saves \$4 in  
15 health costs.

16 Therefore, the purpose of this Act is to:

17 (1) Appropriate funds to the department of health to  
18 improve the treatment of substance abuse and co-  
19 occurring mental health disorders by establishing a  
20 comprehensive and coordinated continuum of treatment  
21 services; and



1           (2) Establish a task force within the department of health  
2           to address health care payment reform and reduce  
3           health care costs by implementing an effective  
4           substance abuse treatment system.

5           SECTION 2. (a) The department of health shall improve the  
6           treatment of substance abuse and co-occurring mental health  
7           disorders in the State by applying the basic principles of  
8           health care reform. The department shall establish a  
9           comprehensive and coordinated continuum of treatment services  
10          with the following goals and benefits:

11          (1) Access to care: expand access to care for Quest  
12          members and uninsured persons so that any qualified  
13          low income person that meets medical necessity can be  
14          admitted to the appropriate modalities of care such as  
15          residential, day treatment, intensive outpatient, and  
16          outpatient for the length of stay that meets medical  
17          necessity; provided that funding would make care  
18          available or supplement shortages of authorized care  
19          until such access to authorized Quest funding or any  
20          other funding is approved;



- 1           (2) Integrated behavioral health care with primary care  
2           physicians: provide a framework for Quest members and  
3           uninsured persons that addresses addiction in a more  
4           effective manner and involves primary care by:
  - 5           (A) Creating a referral system through which Quest or  
6           uninsured persons who have completed more  
7           specialized substance use disorder treatment may  
8           receive ongoing follow up care by primary care  
9           physicians; and
  - 10          (B) Creating a feedback loop between primary care  
11          providers and specialized substance use disorder  
12          treatment providers to ensure collaboration and  
13          improved responses to patients who have lapses or  
14          relapses in recovery;
- 15          (3) Preventative care: enhance preventative acute care  
16          and support, which is a fraction of the cost of  
17          repetitive acute care episodes and severe substance  
18          abuse treatment, to ensure that super users do not  
19          progress to worse chronic conditions by providing  
20          sufficient integrated care to meet their complex needs  
21          and cover expenses for medical and licensed staff to

1 provide co-occurring disorders treatment, qualified  
2 staff for criminality treatment, recovery oriented  
3 services, and services for other secondary and  
4 tertiary issues that are caused or exacerbated by  
5 substance use disorders; provided that recovery  
6 oriented services should include peer mentoring and  
7 case management for individuals with more chronic  
8 conditions, housing (first month or two), vocational  
9 rehabilitation, and access to appropriate physical  
10 medical care;

11 (4) Evidenced-based care: all funding and treatment  
12 interventions should follow evidenced-based care using  
13 a multidisciplinary and multi-systemic context where  
14 it is understood that one size does not fit all, and  
15 only existing, experienced, and appropriately-  
16 credentialed organizations with demonstrated  
17 infrastructure and expertise provide required services  
18 quickly and effectively; and

19 (5) Transitional care management: comprehensive  
20 transitional care for several days or weeks during the  
21 super user's transition to substance use disorder



1 treatment in a community setting following discharge  
2 from an inpatient care facility or emergency room;  
3 provided that transitional care management services be  
4 provided by qualified specialty care professionals or  
5 other coordinators of care who facilitate medically  
6 necessary referrals and connect patients to substance  
7 use disorder services to ensure there is little to no  
8 gap in services between inpatient and substance abuse  
9 treatment; provided further that during the transition  
10 time, transitional care management staff communicate  
11 with treatment agencies, coordinate admittance to  
12 treatment, support self-management, ensure adherence  
13 to treatment regimen and medical management, and  
14 assist the patient and family with accessing needed  
15 care and services including primary care, substance  
16 use disorder or co-occurring disorder treatment, and  
17 other behavioral health care.

18 (b) The department of health shall submit a progress  
19 report to the legislature concerning the status of the funding  
20 for improving substance use disorder and co-occurring disorder



1 treatment no later than twenty days prior to the convening of  
2 the regular sessions of 2016 and 2017.

3 SECTION 3. (a) The department of health shall convene a  
4 task force to address health care and payment reform steps to  
5 implement an effective addiction treatment system as a component  
6 of health care to improve outcomes and reduce overall health  
7 care costs.

8 (b) The task force shall:

- 9 (1) Provide multi-disciplinary teams to review and  
10 recommend policy changes in state and insurer systems  
11 for substance use disorders;
- 12 (2) Utilize the federal model of Recovery-Oriented System  
13 of Care as outlined by the Substance Abuse and Mental  
14 Health Administration;
- 15 (3) Continue to integrate primary health care with  
16 addiction treatment, providing education and training  
17 to primary care providers on screening, brief  
18 interventions for mild or moderate substance use  
19 disorder conditions, and referrals to specialized  
20 substance use disorder treatment for moderate to  
21 chronic conditions;





- 1 (4) Develop a treatment program for mild to moderate  
2 conditions for substance use disorders and co-  
3 occurring disorders;
- 4 (5) Support transitional care management for emergency  
5 rooms to deal with patients with chronic substance use  
6 disorder or co-occurring disorders;
- 7 (6) Ensure Quest members and uninsured patients have  
8 adequate access to all modalities of substance abuse  
9 treatment, including residential, day treatment, and  
10 outpatient treatment that meets minimum levels of  
11 utilization according to medical necessity;
- 12 (7) Develop offender re-entry programs that target  
13 offenders with chronic substance use disorders or co-  
14 occurring disorders so that needed services can be  
15 accessed immediately;
- 16 (8) Design payment reform models for reimbursement that  
17 adequately address the complex care needed for super  
18 users or other chronic conditions of substance use  
19 disorders or co-occurring disorders and that promote  
20 collaboration and consider risk adjustments; and



- 1           (9) Determine the additional amount of funding needed to  
2           improve outcomes and reduce overall health care  
3           spending by providing funding for all modalities  
4           (residential, day treatment, intensive outpatient,  
5           outpatient, and aftercare) for substance use  
6           disorders, co-occurring disorders, criminality, dual  
7           services, case management, peer mentoring, and  
8           recovery-oriented services.
- 9           (c) The task force shall consist of the following members:
- 10          (1) One member of the house of representatives;
- 11          (2) One member of the senate;
- 12          (3) Director of health or the director's designee;
- 13          (4) Director of human services or the director's designee;
- 14          (5) Director of public safety or the director's designee;
- 15          (6) Member of the Hawaii Substance Abuse Coalition;
- 16          (7) Member of the Hawaii Medical Association;
- 17          (8) Member of the university of Hawaii John A. Burns  
18          school of medicine's psychiatric department;
- 19          (9) Member of a Hawaii inpatient or emergency room  
20          hospital; and
- 21          (10) Any other member as assigned by the task force.



1 (d) The department of health shall submit a progress  
2 report to the legislature concerning the status of the task  
3 force for improving substance use disorder and co-occurring  
4 disorder treatment no later than twenty days prior to the  
5 convening of the regular session of 2016 and a final report of  
6 findings and recommendations no later than twenty days prior to  
7 the convening of the regular session of 2017.

8 SECTION 4. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$336,000,000 or so  
10 much thereof as may be necessary for fiscal year 2015-2016 and  
11 the same sum or so much thereof as may be necessary for fiscal  
12 year 2016-2017 for substance abuse and addiction treatment.

13 The sums appropriated shall be expended by the department  
14 of health for the purposes of this Act.

15 SECTION 5. This Act shall take effect on July 1, 2015, and  
16 shall be repealed on June 30, 2017.

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**Report Title:**

Substance Abuse Treatment; Mental Health Disorders; Treatment;  
Task Force; Appropriation

**Description:**

Appropriates funds to the department of health to improve the treatment of substance abuse and co-occurring mental health disorders by establishing a comprehensive and coordinated continuum of treatment services. Establishes within the department a task force for improving substance use disorder and co-occurring disorder treatment. Repeals on 6/30/2017. (SD1)

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