

Honolulu, Hawaii

FEB 13 2015

RE: S.B. No. 1036
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Health, to which was referred S.B. No. 1036
entitled:

"A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE TREATMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Appropriate 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; and
- (2) Establish within the Department of Health a task force for addressing health care and payment reform to improve substance use disorder and co-occurring disorder treatment.

Your Committee received testimony in support of this measure from the Hawaii Substance Abuse Coalition, The Drug Policy Forum of Hawaii, Salvation Army Addiction Treatment Services and Family Treatment Services, Kū Aloha Ola Mau, CHOW Project, New Horizons, Action with Aloha, and seven individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that studies indicate that a small percentage of patients in the United States consume a disproportionate share of health care resources. Known as "super users", this one percent of the population consumes twenty-one



percent of the nearly \$1,300,000,000,000 spent each year on health care nationwide, according to a 2013 report from the Agency for Healthcare Research and Quality. In Hawaii, it has been reported that about five percent of the Medicaid population accounts for about forty-nine percent of the State's annual health care costs. Considering the 2015 MedQuest budget, this means about 16,000 people on MedQuest cost over \$1,000,000,000.

Your Committee further finds that many super users do not have a regular physician, so whenever medical care is necessary they turn to the community hospital, which is often the most expensive and least efficient type of care for their needs. While the costly cycle of substance abuse is currently a financial burden on the State's health care system, it is also a treatable disease worthy of more attention and resources. Recent discoveries in the science of addiction have led to significant advances in drug abuse treatment that help people successfully manage their addiction and resume productive lives. Research shows that about seventy percent of addiction and mental health costs can be averted by effectively providing relevant treatment before the onset of more serious chronic conditions.

Furthermore, your Committee finds that according to 2004 data, about 84,000, or ten percent, of adults in the State need basic services for substance abuse. It is estimated that basic services for substance abuse average about \$4,000 per client, which totals \$336,000,000 in costs that is needed for the State to fund substance abuse services.

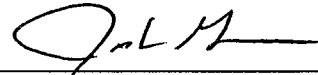
Your Committee has amended this measure by:

- (1) Changing the appropriation amount to \$336,000,000; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1036, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Health,



JOSH GREEN, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB 1036	Committee Referral: HTH, WAM	Date: 2/4/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)	X			
WAKAI, Glenn (VC)	X			
BAKER, Rosalyn H.				X
GABBARD, Mike		X		
RIVIERE, Gil		X		
RUDERMAN, Russell E.	X			
SLOM, Sam			X	X
TOTAL	3	2	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes