

JAN 20 2017

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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. According to



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

20 The legislature further finds that while the costly cycle  
21 of substance abuse is currently a financial burden on the



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

17 Therefore, the purpose of this Act is to:

- 18 (1) Require the department of health to establish a  
19 comprehensive and coordinated continuum of treatment  
20 services for substance abuse and co-occurring mental  
21 health disorders that includes certain goals and



1 benefits, and submit progress reports to the  
2 legislature regarding the status of funding for  
3 improving these treatment services;

4 (2) Establish a task force within the department of health  
5 to address health care and payment reform steps  
6 through the implementation of an effective addiction  
7 treatment system that is a component of health care to  
8 improve outcomes and reduce overall health care costs;  
9 and

10 (3) Appropriate funds to the department of health for  
11 substance abuse and addiction treatment.

12 SECTION 2. (a) The department of health shall improve the  
13 treatment of substance abuse and co-occurring mental health  
14 disorders in the State by applying the basic principles of  
15 health care reform. The department shall establish a  
16 comprehensive and coordinated continuum of treatment services  
17 with the following goals and benefits:

18 (1) Access to care: expand access to care for Quest  
19 members and uninsured persons so that any qualified  
20 low income person that meets medical necessity can be  
21 admitted to the appropriate modalities of care, such



1 as residential, day treatment, intensive outpatient,  
2 and outpatient for the length of stay that meets  
3 medical necessity; provided that funding would make  
4 care available or supplement shortages of authorized  
5 care until access to authorized Quest funding or any  
6 other funding is approved;

7 (2) Integrated behavioral health care with primary care  
8 physicians: provide a framework for Quest members and  
9 uninsured persons that addresses addiction in a more  
10 effective manner and involves primary care by:

11 (A) Creating a referral system through which Quest or  
12 uninsured persons who have completed specialized  
13 substance use disorder treatment may receive  
14 ongoing follow up care by primary care  
15 physicians; and

16 (B) Creating a feedback loop between primary care  
17 providers and specialized substance use disorder  
18 treatment providers to ensure collaboration and  
19 improved responses to patients who have lapses or  
20 relapses in recovery;



- 1           (3) Preventative care: enhance preventative acute care  
2           and support, which is a fraction of the cost of  
3           repetitive acute care episodes and severe substance  
4           abuse treatment, to ensure that super users do not  
5           progress to worse chronic conditions by providing  
6           sufficient integrated care to meet their complex needs  
7           and cover expenses for medical and licensed staff to  
8           provide co-occurring disorders treatment, qualified  
9           staff for criminality treatment, recovery oriented  
10          services, and services for other secondary and  
11          tertiary issues that are caused or exacerbated by  
12          substance use disorders; provided that recovery  
13          oriented services should include peer mentoring and  
14          case management for individuals with more chronic  
15          conditions, housing (first month or two), vocational  
16          rehabilitation, and access to appropriate physical  
17          medical care;
- 18          (4) Evidenced-based care: all funding and treatment  
19          interventions should follow evidenced-based care using  
20          a multidisciplinary and multi-systemic context where  
21          it is understood that one size does not fit all, and



1 only existing, experienced, and appropriately-  
2 credentialed organizations with demonstrated  
3 infrastructure and expertise provide required services  
4 quickly and effectively; and

5 (5) Transitional care management: comprehensive  
6 transitional care for several days or weeks during the  
7 super user's transition to substance use disorder  
8 treatment in a community setting following discharge  
9 from an inpatient care facility or emergency room;  
10 provided that transitional care management services be  
11 provided by qualified specialty care professionals or  
12 other coordinators of care who facilitate medically  
13 necessary referrals and connect patients to substance  
14 use disorder services to ensure there is little to no  
15 gap in services between inpatient and substance abuse  
16 treatment; provided further that during the transition  
17 time, transitional care management staff communicate  
18 with treatment agencies, coordinate admittance to  
19 treatment, support self-management, ensure adherence  
20 to treatment regimen and medical management, and  
21 assist the patient and family with accessing needed



1 care and services including primary care, substance  
2 use disorder or co-occurring disorder treatment, and  
3 other behavioral health care.

4 (b) The department of health shall submit a progress  
5 report to the legislature concerning the status of the funding  
6 for improving substance use disorder and co-occurring disorder  
7 treatment no later than twenty days prior to the convening of  
8 the regular sessions of 2018 and 2019.

9 SECTION 3. (a) The department of health shall convene a  
10 task force to address health care and payment reform steps  
11 through the implementation of an effective addiction treatment  
12 system that is a component of health care to improve outcomes  
13 and reduce overall health care costs.

14 (b) The task force shall:

15 (1) Provide multi-disciplinary teams to review and  
16 recommend policy changes in state and insurer systems  
17 for substance use disorders;

18 (2) Utilize the federal model of Recovery-Oriented System  
19 of Care as outlined by the Substance Abuse and Mental  
20 Health Administration;





- 1           (3) Continue to integrate primary health care with  
2           addiction treatment, providing education and training  
3           to primary care providers on screening, brief  
4           interventions for mild or moderate substance use  
5           disorder conditions, and referrals to specialized  
6           substance use disorder treatment for moderate to  
7           chronic conditions;
- 8           (4) Develop a treatment program for mild to moderate  
9           conditions for substance use disorders and co-  
10          occurring disorders;
- 11          (5) Support transitional care management for emergency  
12          rooms to deal with patients with chronic substance use  
13          disorder or co-occurring disorders;
- 14          (6) Ensure Quest members and uninsured patients have  
15          adequate access to all modalities of substance abuse  
16          treatment, including residential, day treatment, and  
17          outpatient treatment that meets minimum levels of  
18          utilization according to medical necessity;
- 19          (7) Develop offender re-entry programs that target  
20          offenders with chronic substance use disorders or co-



- 1           occurring disorders so that needed services can be  
2           accessed immediately;
- 3           (8) Design payment reform models for reimbursement that  
4           adequately address the complex care needed for super  
5           users or other chronic conditions of substance use  
6           disorders or co-occurring disorders, promote  
7           collaboration, and consider risk adjustments; and
- 8           (9) Determine the additional amount of funding needed to  
9           improve outcomes and reduce overall health care  
10          spending by providing funding for all modalities  
11          (residential, day treatment, intensive outpatient,  
12          outpatient, and aftercare) for substance use  
13          disorders, co-occurring disorders, criminality, dual  
14          services, case management, peer mentoring, and  
15          recovery-oriented services.
- 16          (c) The task force shall consist of the following members:
- 17          (1) One member of the house of representatives;
- 18          (2) One member of the senate;
- 19          (3) Director of health or the director's designee;
- 20          (4) Director of human services or the director's designee;
- 21          (5) Director of public safety or the director's designee;



- 1           (6) Member representing the Hawaii Substance Abuse
- 2           Coalition;
- 3           (7) Member representing the Hawaii Medical Association;
- 4           (8) Member representing the University of Hawaii John A.
- 5           Burns school of medicine's psychiatric department;
- 6           (9) Member representing a Hawaii inpatient or emergency
- 7           room hospital; and
- 8           (10) Any other member as assigned by the task force.

9           (d) The department of health shall submit a progress  
10 report to the legislature concerning the status of the task  
11 force for improving substance use disorder and co-occurring  
12 disorder treatment no later than twenty days prior to the  
13 convening of the regular session of 2018 and a final report of  
14 findings and recommendations no later than twenty days prior to  
15 the convening of the regular session of 2019.

16           SECTION 4. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$336,000,000 or so  
18 much thereof as may be necessary for fiscal year 2017-2018 and  
19 the same sum or so much thereof as may be necessary for fiscal  
20 year 2018-2019 for substance abuse and addiction treatment.



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

3           SECTION 5. This Act shall take effect on July 1, 2017, and  
4 shall be repealed on June 30, 2019.

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INTRODUCED BY:

*[Signature]*  
*Ross E. Pelt*  
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*[Signature]*  
*Anne Mercado*



# S.B. NO. 182

**Report Title:**

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

**Description:**

Requires the department of health to establish a comprehensive and coordinated continuum of treatment services for substance abuse and co-occurring mental health disorders that includes certain goals and benefits, and submit progress reports to the legislature. Establishes a task force to address health care and payment reform steps through the implementation of an effective addiction treatment system. Appropriate funds for substance abuse and addiction treatment. Sunsets on 6/30/19.

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