



April 8, 2019

The Honorable Roy M. Takumi, Chair
The Honorable Linda Ichiyama, Vice Chair
House Committee on Consumer Protection & Commerce

Re: SCR 111 – Requesting the Medical Cannabis Insurance Reimbursement Working Group to continue its work to address the complexities surrounding medical cannabis reimbursements by health insurance

Dear Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SCR 111. HMSA supports this measure and looks forward to continuing our participation in this working group.

Thank you for the opportunity to provide testimony in support of this measure.

Sincerely,

Jennifer Diesman
Senior Vice-President, Government Relations

PONO

LIFE MAUI

To: REP. ROY M. TAKUMI CHAIR (CPC)
REP. LINDA ICHIYAMA, VICE CHAIR (CPC)
COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

From: MICHAEL TAKANO
PONO LIFE MAUI

Thursday, April 11, 2019

Re: SUPPORT SCR 111- Requesting the medical cannabis insurance reimbursement working group to continue its work to address the complexities surrounding medical cannabis reimbursements by health insurance.

Dear Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

As CEO, and on behalf of, PONO LIFE MAUI, one of eight medical cannabis dispensaries licensed by the Department of Health to ensure safe, legal access to medical cannabis for qualified patients, we testify **in support of SCR 111**, requesting the medical cannabis insurance reimbursement working group to continue its work to address the complexities surrounding medical cannabis reimbursements by health insurance.

Further, having served as a member of the Act 161 (2018) Medical Cannabis Insurance Reimbursement (MCIR) Working Group, I am thankful for the opportunity to provide a testimony in favor of SCR 111.

Through its legal medical cannabis program, the State of Hawaii and its constituents acknowledge the benefits of cannabis for use by registered patients for eleven qualifying debilitating medical conditions and symptoms. There is strong evidence that the benefits of legal cannabis also include reduced public spending on prescription drugs, less deaths from opioid abuse, and better quality of life for patients. These are not just patient benefits, but public benefits. However, currently, patients and caregivers are responsible for 100% of the out-of-pocket costs. The State and its stakeholders have a responsibility to continue to explore insurance reimbursement for medical cannabis in conjunction with its wider public health goals.

Thousands of qualifying patients across the country and in Hawaii turn to medical cannabis to relieve a variety of debilitating conditions or symptoms, including, severe pain, muscle spasms, nausea, and PTSD. A *Health Affairs* article published in February 2019 examining state medical cannabis patient data found that 85.5% of registered patients have a condition or indication that

has substantial or conclusive evidence supporting the use of medical cannabis for that indication.¹ Recent research also suggests these patients are using medical cannabis as an alternative to prescription drugs. Through two back-to-back studies, researchers identified a link between legal medical cannabis and reductions in Medicare and Medicaid enrollee prescription drug spending.^{2 3}

There is also a trending reduction in opioid prescriptions in states with medical cannabis.⁴ Indeed, current research demonstrates notable indications for the medical use of cannabis to relieve severe and chronic pain.⁵ Coincidentally, research also demonstrates that states with legal medical cannabis use had substantial reductions in opioid use and opioid-related deaths.^{6 7 8}

In Hawaii, 85% of 329 card holders use medical cannabis for the treatment of severe pain⁹ More and more patients are pursuing medical cannabis as a safer pain management alternative, as it offers lower health risks compared to opioids. While patients do face moderate risk of developing cannabis use disorder, dependency has no potential for fatal overdose as with opioid alternatives.

Relatedly, pain-driven conditions and symptoms also comprise a significant portion of workers' compensation cases, but the risk of opioid prescriptions persisting as the predominant treatment are considerable. The National Institute on Drug Abuse shares that 21-29% of patients prescribed opioids end up misusing them, and, of these, 4-6% transition to heroin abuse.¹⁰

Likewise, prolonged opioid use is associated with poorer outcomes, longer disability, and higher medical costs for injured workers. As an example, a 2012 study of more than 12,000 workers' comp claims processed by Lansing, Michigan-based, Accident Fund Holdings, found that when certain opioid painkillers were prescribed, claims were almost four times as likely to have a total cost of \$100,000 or more compared with claims without any prescriptions.¹¹

¹ Kevin F. Boehnke, Saurav Gangopadhyay, Daniel J. Clauw, and Rebecca L. Haffajee (2019, February) Qualifying Conditions Of Medical Cannabis License Holders In The United States. Retrieved from <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2018.05266?journalCode=hlthaff&>

² Bradford AC, Bradford D, Abraham AJ. (2017, May), Medical Marijuana Laws May Be Associated with A Decline In The Number Of Prescriptions For Medicaid Enrollees. Retrieved from <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2016.1135>.

³ Bradford AC, Bradford D, Abraham AJ. (2016, July) Medical Marijuana Laws Reduce Prescription Medication Use In Medicare Part D. Retrieved from <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2015.1661>

⁴ Bradford AC, Bradford D, Abraham AJ. (2018, April) Association Between US State Medical Cannabis Laws and Opioid Prescribing in the Medicare Part D Population. *JAMA Intern Med*. doi:10.1001/jamainternmed.2018.0266

⁵ National Academies of Sciences, Engineering, and Medicine. (2017). The health effects of cannabis and cannabinoids: Current state of evidence and recommendations for research. Washington, DC: The National Academies Press.

⁶ Bachhuber, M. A., Saloner, B., Cunningham, C. O., & Barry, C. L. (2014). Medical Cannabis Laws and Opioid Analgesic Overdose Mortality in the United States, 1999-2010. *JAMA Internal Medicine*, 174(10). doi:10.1001/jamainternmed.2014.4005

⁷ Powell D, Pacula RL, Jacobson M. (2015). Do Medical Marijuana Laws Reduce Addiction and Deaths Related to Pain Killers? RAND Corporation; Retrieved from https://www.rand.org/pubs/external_publications/EP67480.html.

⁸ Kevin F. Boehnke, Evangelos Litinas, Daniel J. Clauw. (2016) Medical Cannabis Use Is Associated with Decreased Opiate Medication Use in a Retrospective Cross-Sectional Survey of Patients with Chronic Pain. *The Journal of Pain* Volume 17, Issue 6,

⁹ Medical Cannabis Registry Program: Program Statistics. (2018, December 31). Retrieved from <http://health.hawaii.gov/medicalcannabisregistry/submenu/program-statistics/>

¹⁰ Opioid Overdose Crisis. (2018, March). Retrieved from <https://www.drugabuse.gov/drugs-abuse/opioids/opioid-overdose-crisis>

¹¹ White, J. A., Tao, X., Talreja, M., Tower, J., & Bernacki, E. (2012). The effect of opioid use on workers' compensation claim cost in the State of Michigan. *Journal of Occupational and Environmental Medicine*. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/22821070>.

Testimony of PONO LIFE MAUI

For the many that we serve, their goal is to end reliance on opioids or other in pursuit of better quality of life and less risk. Patients with debilitating medical conditions rely on health insurance to pay for expenses incurred from illness or injury. We are familiar with several injured workers in Hawaii who have benefited from medical cannabis, but paid out-of-pocket (without insurance reimbursement). They are busy with their families and need to get back to work. They are afraid of repercussions. We need a better way.

Several states and local courts have already acknowledged the net benefit of medical cannabis for qualifying patients. New Mexico was the first state to pass laws and rules to allow for medical cannabis reimbursement under the Workers' Compensation Administration, a program that has been active now for three years.¹² Last month, New Hampshire's Supreme Court ruled that a medical cannabis patient should receive workers' comp reimbursement because cannabis was a "reasonable and necessary" medical treatment and reduced the claimant's dependence on opiates.¹³ To date, five other states have authorized reimbursement in workers' compensation cases on the grounds that medical cannabis was deemed a "reasonable and necessary" treatment for pain, and that federal law did not preclude the state's medical cannabis laws.¹⁴

In summary, PONO LIFE MAUI supports SCR 111 in its potential to permit safer, reimbursable treatment pathways for qualifying patients, and ultimately improve outcomes and lower costs.

PONO LIFE MAUI is committed to the enhancement of Hawaii's medical cannabis industry, public health, and well-being.

Thank you for the opportunity to testify.

¹² New Mexico Workers' Compensation Administration 2018 Annual Report (2018). Retrieved from https://workerscomp.nm.gov/sites/default/files/documents/publications/research/ar18/wca_annual2018.pdf

¹³ NH Supreme Court rules worker should be reimbursed for medical marijuana (2019, March 7). Retrieved from <https://www.wmur.com/article/nh-supreme-court-rules-worker-should-be-reimbursed-for-medical-marijuana/26756490>

¹⁴ Connecticut, New York, New Jersey, New Mexico, and Minnesota

SCR-111

Submitted on: 4/10/2019 1:44:20 PM

Testimony for CPC on 4/11/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Carl Bergquist	Drug Policy Forum of Hawaii	Support	No

Comments:

Chair Takumi, Vice Chair Ichiyama, Committee Members:

Please pass this important resolution out of your committee so that the discussion regarding medical cannabis reimbursement by health insurance and workers compensation providers can continue.

Mahalo nui.