

SB 1465

Measure Title:	RELATING TO TREATMENT INSURANCE BENEFITS. Mental Health and Alcohol and Substance Use
Report Title:	Disorder Treatment Insurance Benefits; Assisted Community Treatment
Description:	Requires mental health insurers to cover certain expenses related to petitions and hearings for obtaining assisted community treatment for persons.
Companion:	
Package:	None
Current Referral:	CPH, WAM
Introducer(s):	K. RHOADS, HARIMOTO, KEITH-AGARAN



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2019**

ON THE FOLLOWING MEASURE:

S.B. NO. 1465, RELATING TO TREATMENT INSURANCE BENEFITS.

BEFORE THE:

SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

DATE: Tuesday, February 5, 2019 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Clare E. Connors, Attorney General, or
Daniel K. Jacob, Deputy Attorney General

Chair Baker and Members of the Committee:

The Department of the Attorney General makes the following comments.

The purpose of this bill is to require insurance companies to provide coverage for assisted community treatment benefits.

Under section 1311(d)(3)(B) of the Affordable Care Act and 45 C.F.R. section 155.170, a state may only require a Qualified Health Plan to add benefits if the state defrays the cost of the additional benefits, unless the proposed new benefit is directly attributable to State compliance with Federal requirements to provide Essential Health Benefits after December 31, 2011.

This bill would require Qualified Health Plans to provide coverage for the cost of assisted community treatment benefits. Because this benefit was neither mandated by state law prior to December 31, 2011, nor directly attributable to compliance with Federal requirements after December 31, 2011, it may be considered an additional mandate and the State would be required to defray the cost.

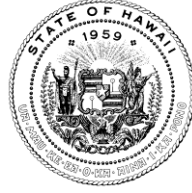
At this time, our department is unaware of a state that has been subjected to the obligation to defray the cost for additional benefits. Therefore, there are no prior examples of how the State would meet its obligation and what specific procedures would be necessary to fulfill the obligation. Our department's best understanding is that after the Qualified Health Plan issuer submits the issuer's costs attributable to the

additional mandate, the Legislature would need to appropriate the money during the following legislative session and propose a mechanism to distribute the money.

Finally, pursuant to section 23-51, Hawaii Revised Statutes (HRS), before any legislative measure that mandates health insurance coverage for specific health services can be considered, concurrent resolutions are required to be adopted that request the Auditor to prepare and submit to the Legislature a report that assesses both the social and financial effects of the proposed mandated coverage. Our understanding is that there has been no concurrent resolution adopted regarding this coverage as required by section 23-51, HRS. Accordingly, we recommend that the Legislature adopt the following wording in order to exempt this new mandate from the audit requirement set forth in section 23-51, HRS:

“Section 23-51, HRS, shall not apply to this Act.”

Thank you for the opportunity to provide testimony.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce, Consumer Protection, and Health
Tuesday, February 5, 2019
9:00 a.m.
State Capitol, Conference Room 229**

**On the following measure:
S.B. 1465, RELATING TO TREATMENT INSURANCE BENEFITS**

Chair Baker and Members of the Committee:

My name is Colin Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to require mental health insurers to cover certain expenses related to petitions and hearings for obtaining assisted community treatment for persons.

This bill may be viewed as a new mandate. The addition of new mandated coverage may trigger section 1311(d)(3) of the federal Patient Protection and Affordable Care Act (PPACA), which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the State's qualified health plan under the PPACA.

Additionally, any proposed mandate providing coverage for care requires the passage of a concurrent resolution requesting the State Auditor to prepare and submit a

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report assessing the social and financial impacts of the proposed mandate, pursuant to Hawaii Revised Statutes section 23-51.

Thank you for the opportunity to testify on this bill.



February 4, 2019

The Honorable Rosalyn H. Baker, Chair
The Honorable Stanley Chang, Vice Chair
Senate Committee on Commerce, Consumer Protection, and Health

Re: SB 1465- Relating to Treatment Insurance Benefits

Dear Chair Baker, Vice Chair Chang, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1465, which requires mental health insurers to cover certain expenses related to petitions and hearings for obtaining assisted community treatment for persons.

HMSA would like to express concerns on this measure. We believe that the administrative services in the bill fall outside of the requirements of medical necessity and therefore should not be covered by health plans.

Thank you for the opportunity to provide testimony on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pono Chong", with a stylized flourish at the end.

Pono Chong
Vice President, Government Relations

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Submitted on: 2/3/2019 7:56:26 PM

Testimony for CPH on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Julie Yurie Takishima-Lacasa	Testifying for Hawai'i Psychological Association	Support	No

Comments:

Helping Hawai'i Live Well

To: Senator Rosalyn Baker, Chair, Senator Stanley Chang, Vice Chair, Members, Senate Committee on Consumer Protection and Health

From: Trisha Kajimura, Executive Director

Re: TESTIMONY IN SUPPORT OF SB 1465 RELATING TO TREATMENT INSURANCE BENEFITS

Hearing: THURSDAY February 5, 2019, 9:00 am, CR 229

Thank you for hearing SB 1465, which requires mental health insurers to cover certain expenses related to petitions and hearings for obtaining assisted community treatment for persons.

Mental Health America of Hawaii is a 501(c)3 organization founded in Hawai'i 77 years ago, that serves the community by promoting mental health through advocacy, education and service.

Assisted Community Treatment (ACT) was passed by the Legislature in 2013 and was intended to help people who are so sick from mental illness that they are unable to recognize the need for their own treatment. Without assisted community treatment, these are community members living in terrible conditions, often homeless, unable to care for themselves and their own basic physical needs, hallucinating and suffering needlessly. With the proper treatment as provided through an ACT order, they are capable of a much higher level of functioning and can recover from their illness.

Filing an ACT petition is a complex process with multiple steps. This bill will require medical insurers to include coverage for preparing a certificate of examination to accompany a petition for a hearing for ACT and a licensed psychiatrist in conducting a psychiatric examination or presenting the findings of the examination at an ACT hearing. This change in coverage will make successful ACT petitions much more feasible. This will help to improve the ACT process and bring more people with untreated mental illness into recovery, escaping homelessness and its lack of dignity and humanity.

Please help us improve mental health in Hawaii by passing SB 1465.

Thank you for the opportunity to submit this testimony. You can reach me at trisha.kajimura@mentalhealthhawaii.org or (808)521-1846 if you have any questions.



PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

Testimony in Strong Support of SB 1465, Relating to Homelessness

TO: Senate Committee on Commerce, Consumer Protection, and Health
FROM: Partners in Care (PIC)
HEARING: Tuesday, February 5, 2019 at 9:00 a.m., Conference Room 229

Dear Chair Sen. Rosalyn Baker, Vice Chair Sen. Stanley Chang, and members of the Senate Committee on Commerce, Consumer Protection, and Health:

Thank you for the opportunity to provide testimony in strong support of SB 1465, in particular the section (b) (4) which covers the cost of psychiatric evaluation for preparation of Assisted Community Treatment (ACT) orders.

ACT orders are designed to obtain treatment for the most severely ill and vulnerable individuals experiencing chronic homelessness on our streets. These individuals are often victims of violence and sexual assault, are living in degrading and inhumane circumstances, and are high utilizers of ambulance, police, E.R., inpatient treatment, arrest, and adjudication. They have been non-responsive to repeated homeless outreach attempts; they do not understand that they are ill and therefore refuse treatment. Their untreated psychosis causes brain damage, resulting in reduced brain functioning and poor prognosis.

These individuals have a "right to treatment" in light of these circumstances - and desperately need it. The Assisted Community Treatment (ACT) law enables the Court to order individuals like these, who meet very specific criteria, to receive treatment in the community.

A petition to file an ACT order requires the services of a psychiatrist or an advance practice nurse with prescriptive authority and psychiatric specialization. Family members and community do not have the financial resources to pay for such services. This section of the bill enables such services to be a covered benefit.

SB 1465 will enable us as a community to address the plight of these homeless individuals who are severely mentally ill and in dire need of treatment. For these reasons, Partners in Care urges the passage of SB 1465.

Thank you for your consideration of this important issue.

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Submitted on: 2/4/2019 6:54:05 AM

Testimony for CPH on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kimo K. Carvalho	Testifying for IHS, The Institute for Human Services, Inc.	Support	No

Comments:

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Submitted on: 2/4/2019 3:14:32 PM

Testimony for CPH on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Testifying for Hawaii Kai Homeless Task Force	Support	Yes

Comments:

Testimony in Strong Support of SB1465 , Relating to Treatment Insurance Benefits

TO: Senate Committee on Commerce, Consumer Protection and Health (CPH)

FROM: Mike Goodman, Hawaii Kai Homeless Task Force & Member Partners in Care (PIC)

HEARING: Tuesday February 5, 2019 at 9am ., Conference Room 229

Dear Chair Senator Baker Senate and members of the Senate Committee on Commerce, Consumer Protection and Health; Thank you for the opportunity to provide testimony in support of SB1465.

I'm Mike Goodman, Director of the Hawaii Kai Homeless Task Force, and a member of Partners in Care (PIC), which is a coalition of more than 50 non-profit homelessness providers. We strongly support this bill.

This bill is important, because it address the problem of paying for the treatment of mental illness and substance addiction.

The chronic homeless, most of whom are mentally ill, or substance addicted, will benefit from this bill.

The chronic homeless constitutes a crisis within the homeless crisis. They are the most visible segment of the homeless population. They are also the most vulnerable, are virtually incapable of helping themselves, and suffer horrific health consequences wrought by exposure and unsanitary conditions, while cycling between jails, hospitals and the streets. They are also the most difficult to serve; They often refuse services, because their mental impairments or addictions render it impossible for them to make rational decisions.

Severely mentally ill and substance addicted unsheltered homeless also impose the greatest burden on our communities. The aggregate cost for emergency medical

services, law enforcement, repair and cleanup of property, and homeless sweeps is in the hundreds of millions a year.

SB1465 is a crucial part of a series of bills including SB564, SB567, SB1124 and SB1464 which are contemplated to make critical improvements to the Assisted Community Treatment Program ("ACT"), to do a better job of serving severely mentally ill and substance addicted chronically homeless persons and get them off the streets. With an effective ACT program, we can end the suffering of impaired homeless individuals while saving taxpayers millions of dollars.

Thank you for the opportunity to testify.

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Submitted on: 2/5/2019 7:03:43 AM

Testimony for CPH on 2/5/2019 9:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: