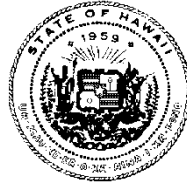


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



CATHY BETTS  
DIRECTOR  
KA LUNA HO'OKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

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DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
Office of the Director  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 1, 2024

TO: The Honorable Representative Della Au Belatti, Chair  
House Committee on Health & Homelessness

FROM: Cathy Betts, Director

SUBJECT: **HB 1324 - RELATING TO HEALTH INSURANCE.**

Hearing: February 2, 2024, 9:45 AM  
Conference Room 329 & Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) has concerns and provides comments.

**PURPOSE:** This measure requires all health insurers in the state, including Medicaid managed care programs, to cover annual mental health (MH) wellness examinations.

Although DHS is very supportive of increased awareness of and access to mental health, we have concerns regarding the mandate for an annual MH wellness exam to be done by a qualified mental health professional by all insurers, and by Medicaid managed care plans.

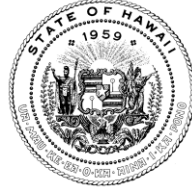
Currently, mental health screenings are included for all children and youth as one part of regular well-child check-ups completed by a primary care provider. If those behavioral health screenings show the need for follow-up, at that point, referrals to appropriate mental health providers are made, and care is provided. Primary care providers may also include several mental health screening questions during routine and specialized visits for their adult patients.

However, requiring coverage of separate annual mental health wellness exams by specialized mental health professionals may inadvertently create further fragmentation of the health care system and exacerbate an already existing shortage of mental health professionals, especially for those providing care for individuals with complex behavioral and physical health care needs.

Finally, by mandating coverage by Medicaid managed care plans, the DHS Med-QUEST Division would need to research whether this could be a Medicaid covered service, develop rates, request appropriations to the base budget, and then pay for this coverage. Notably, as Medicaid does not charge any co-pays or cost share, these health insurance provisions do not apply to it.

Recall that the Medicaid program is funded by both state and federal funds and requires a State Plan Amendment to be approved for additional services. If this were deemed as a covered Medicaid service, and if one-quarter of the current population covered by Medicaid were to get a mental health wellness visit annually, DHS would require an additional appropriation of several million dollars. If this is determined not to be a covered service, then State funds would need to cover 100% of the cost with State general funds. As the measure progresses, we will update the testimony with projected costs.

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



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Health and Homelessness  
Friday, February 2, 2024  
9:45 a.m.**

**State Capitol, Conference Room 329 and via Video Conferencing**

**On the following measure:  
H.B.1324, RELATING TO HEALTH INSURANCE**

Chair Belatti and Members of the Committee:

My name is Gordon I. Ito, 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 all health insurers in the state, including Medicaid managed care programs, to cover annual mental health wellness examinations.

We note that it is unclear whether the amendments in sections 1 through 3 of this bill would be construed as "in addition to the essential health benefits" within the meaning of 45 Code of Federal Regulations (CFR) § 155.170(a), or subject to defrayment provisions under 45 CFR § 155.170(b) which apply to benefits "in addition to the essential health benefits."

For the Committee's information, Hawaii Revised Statutes section 23-51 provides, in part, that "[b]efore any legislative measure that mandates health insurance

Testimony of DCCA

H.B.1324

Page 2 of 2

coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, [*sic*] can be considered, there shall be concurrent resolutions passed requesting the auditor to prepare and submit to the legislature a report[.]”

Thank you for the opportunity to testify on this bill.

Testimony of  
John M. Kirimitsu  
Legal and Government Relations Consultant

Before:  
House Committee on Health & Homelessness  
The Honorable Della Au Belatti, Chair  
The Honorable Jenna Takenouchi, Vice Chair

February 2, 2024  
9:45 am  
Conference Room 329

**Re: HB 1324 Relating to Health Insurance**

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on HB 1324 mandating coverage for annual mental health wellness examinations.

**Kaiser Permanente Hawaii would like to offer comments.**

Kaiser appreciates the intent of this bill to increase access to mental health services, however, since this is a new mandate for coverage, an impact assessment report is statutorily required under Sections 23-51 and 23-52 of the Hawaii Revised Statutes to assess the *social impact*, i.e., the impact of providing coverage for the treatment or service (such as quality of care, change in practice patterns (adding to already strained resources), etc.) and *financial impact*, i.e., the extent to which the proposed coverage might increase the use of the treatment or service of the proposed mandated coverage.

Specifically, Kaiser is concerned that this bill will exacerbate the challenges with access to mental health services, while failing to address the shortage of mental health providers. Should this bill move forward, Kaiser requests an amendment to allow a *qualified healthcare provider*, i.e., including a primary care provider, as opposed to only a mental health provider, to conduct the annual wellness exam. Upon request, a wellness exam is commonly performed by a healthcare provider, which may include a mental health assessment. Such assessments help screen for conditions such as depression and other mood disorders and are incorporated into an annual primary care wellness visit. After evaluation, a healthcare provider can refer the patient to other healthcare specialists, i.e., mental health provider. This change is necessary, given the mental health workforce shortage in the state and would align HB 1324 with the increased adoption of evidence-based, integrated primary and behavioral health care models, such as the Collaborative Care Model. Such models, which use primary care as the entry point, increase access, improve health outcomes, reduce disparities, and increase patient satisfaction, when used for a range of mental health and substance use conditions.

Given the worsening shortage in Hawaii and nationwide of mental health resources and to avoid further exacerbating this issue, Kaiser requests the following amendment on Page 3, Lines 4-7 (deleted language is ~~stricken~~):

"Qualified ~~mental health~~ care provider" means:

- (1) A physician licensed pursuant to chapter 453 ~~who is board certified in psychiatry or other mental health or behavioral health care areas;~~
- (2) A physician assistant licensed pursuant to chapter 453 ~~who has training in psychiatry or mental health;~~

Thank you for the opportunity to comment.



February 2, 2024

The Honorable Della Au Belatti, Chair  
The Honorable Jenna Takenouchi, Vice Chair  
House Committee on Health & Homelessness

Re: HB 1324 – Relating to Health Insurance

Dear Chair Belatti, Vice Chair Takenouchi, and Members of the Committee:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to comment on HB 1324, which will require all health insurers in the state, including Medicaid managed care programs, to cover annual mental health wellness examinations.

HMSA appreciates the efforts of this committee to increase access to critical mental health services for those who need it. At HMSA, we take mental health care very seriously and seek to ensure that our members have access to necessary care.

Hawaii has excellent network of primary care providers who are trained to perform annual mental health assessments and Hawaii's health care plans already cover mental wellness exams and the follow up care that's needed. As a point of reference, HMSA plans have no limit to the number of outpatient and inpatient hospital visits and days that a patient with serious mental illness may receive in a calendar year, so we feel that a mandate is not necessary.

In addition, we recognize our notable provider shortage and a provider community already struggling to keep up with demand, we want to ensure that the requirement does not put additional, unnecessary strain on our provider community.

We believe this measure also proposes to create a new mandated health benefit and we respectfully request that the auditor first conduct a study to assess the social and financial costs pursuant to HRS 23-51 and 23-52. Thank you for the opportunity to offer our comments on HB 1324.

Sincerely,

Dawn Kurisu  
Assistant Vice President  
Community and Government Relations



February 2, 2024

**To: Chair Belatti, Vice Chair Takenouchi and Members of the House Committee on Health and Homelessness**

From: Hawaii Association of Health Plans Public Policy Committee

Date/Location: February 2, 2024; 9:45 a.m./Conference Room 329 & Videoconference

**Re: Comments on HB 1324 relating to Health Insurance**

The Hawaii Association of Health Plans (HAHP) would like to provide testimony in opposition to HB 1324. HAHP is a statewide partnership that unifies Hawaii's health plans to improve the health of Hawaii's communities together. A majority of Hawaii residents receive their health coverage through a plan associated with one of our organizations.

The COVID-19 pandemic shed light on the growing need for mental health services in Hawaii. However, this is not an issue that is new or unique to our state. Hawaii's health plans have long understood the importance of mental health care and we've made great strides in addressing this need through solutions such as telehealth, the recent approval of the interstate physician compact, and the practice of delivering mental health care and screening services through primary care in an integrated manner.

HAHP appreciates the efforts of our lawmakers to address this issue, however we have several concerns with the language in the current bill and respectfully request that it be deferred for the following reasons:

1. This bill requires that a mental health wellness exam be performed by a qualified mental health care provider. This is not likely achievable considering the current shortage of mental health care providers not only in Hawaii, but across the nation.
2. Health plans already cover annual mental health wellness exams, including behavioral health screenings, which can be performed in the primary care setting.
3. There is much evidence to support a more favorable approach in the Collaborative Care Model, delivering mental health services through primary care.

It's our opinion that as it's currently written, this bill would create new mandated benefits that would unnecessarily increase costs for Hawaii residents and their employers. We would like to respectfully request that this bill be deferred or that the State Auditor first conduct an impact assessment report pursuant to HRS 23-51 and 23-52.

Thank you for the opportunity to offer comments on HB 1324.

Sincerely,  
HAHP Public Policy Committee  
cc: HAHP Board Members



**HB-1324**

Submitted on: 1/31/2024 1:38:39 PM

Testimony for HLT on 2/2/2024 9:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Philip Lee	Individual	Support	Written Testimony Only

Comments:

A lot of my current research is based on providing the economic and systemic benefits of establishing accessible primary care. The conversations I've had with the houseless have taught me many of them are not on the streets because of drugs; rather, unfortunate life circumstances often push these individuals to be subjected to significant challenges. Despite whatever life events lead these individuals to get to this point, they are still humans, and are in need of our assistance. If this bill were to get passed, it would not only aid the overall wellbeing of these underserved populations, but also create downstream effects, preventing these populations from escalating to that point to begin with. In turn, this would decrease risks of acute psychiatric concerns and decrease financial burdens (especially since a lot of these populations are effected at higher rates). I hope my home's legislature will consider this bill in order to improve the overall wellbeing of our island.