

HTH-CPN HEARING

LATE TESTIMONY

SCR154



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEES ON HEALTH AND COMMERCE AND CONSUMER
PROTECTION

SCR0154, REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND
FINANCIAL EFFECTS OF REQUIRING HEALTH INSURANCE COVERAGE
FOR TOBACCO USE CESSATION TREATMENTS

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

March 25, 2013
1:45PM, Room 229

1 **Department's Position:** The Department of Health (DOH) supports the intent of SCR0154 to request
2 the auditor to determine the social and fiscal impact of requiring health insurance coverage for tobacco
3 use cessation treatments.

4 **Fiscal Implications:** No appropriations requested.

5 **Purpose and Justification:** This measure addresses the statutory requirement for an impact assessment
6 of the social and fiscal implications of mandated health insurance coverage, in this instance, for tobacco
7 use cessation.

8 The U.S. Public Health Services Clinical Practice Guideline on Treating Tobacco Use and
9 Dependence recommends that evidence-based tobacco use cessation treatment be covered by every
10 insurance provider and in every plan, including those grandfathered in under the Patient Protection and
11 Affordable Care Act (ACA).

12 Under the 2010 ACA, state health insurance exchanges must offer plans that meet Essential
13 Health Benefit (EHB) requirements. One of the 10 categories within the EHB is tobacco cessation.

1 However, there is no specific requirement for state insurance plans to provide a comprehensive tobacco
2 cessation benefit as a standard of coverage. Therefore, benefits could vary by insurance plan.

3 Tobacco use is the leading cause of preventable death and disease in Hawaii, claiming 1,100
4 lives each year and creating \$336 million in annual health care costs directly attributable to smoking.
5 Despite the fact that Hawaii has made significant gains in tobacco prevention and control, an estimated
6 176,000 adults in the state report being current smokers, and some populations are particularly at risk.

7 Nicotine addiction is treatable, and data show that most smokers want to quit (54% of Hawaii
8 smokers) and that covering treatment improves the chances that a person will quit smoking.
9 According to the U.S. Public Health Services Clinical Practice Guideline on Treating Tobacco Use and
10 Dependence (the gold standard for cessation services): 1) Tobacco cessation treatments help people quit
11 smoking; 2) Participation rates for treatment programs are higher when there is no cost-sharing;
12 3) Combining counseling with tobacco cessation medications is more effective than using one type of
13 treatment alone; and 4) Quit rates are higher when health insurance covers tobacco cessation treatments.

14 The requested audit could be the vehicle to determine the extent of coverage Hawaii's insurance
15 plans will provide based on any gaps in coverage and payment, and the financial cost to the state.

16 Thank you for the opportunity to testify.



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Senate Committee on Health
Senator Josh Green, Chair
Senator Rosalyn Baker, Vice Chair
Senate Committee on Health

Senate Committee on Commerce and Consumer Protection
Senator Rosalyn Baker, Chair
Senator Brickwood Galuteria, Vice Chair

Hearing: March 25, 2013; 1:45 p.m.

**SCR 154 - REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS
OF REQUIRING HEALTH INSURANCE COVERAGE FOR TOBACCO USE CESSATION
TREATMENTS.**

Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in support of SCR 154, which requests the auditor to conduct a sunrise study on the effects of mandating health insurers to provide information and coverage for specific tobacco cessation services.

The American Cancer Society Cancer Action Network (ACS CAN), the advocacy affiliate of the American Cancer Society, is the nation's leading cancer advocacy organization. ACS CAN works with federal, state, and local government bodies to support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

Nicotine addiction is classified as, and should be treated as, a chronic disease. Tobacco users often need several attempts over a period of years to quit successfully. Statistics show that:

- 52% of smokers make a quit attempt each year.
- Less than a third will use an evidenced-based cessation treatment while trying to quit.
- About 6% of smokers will actually stop smoking.

Providing tobacco users with access to both medication and cessation counseling increases quit rates by 40%.

Smokers and other tobacco users need access to a range of treatments and combinations to find the most effective cessation tools that work for them. Not all tobacco users are the same; they vary in what products they use, how much, how often, and individual medical conditions. This measure would provide tobacco users trying to quit a greater chance for a successful outcome.

With the implementation of the Affordable Care Act (ACA) on the horizon, the committee may wish to consider including language in the concurrent resolution to study the fiscal impacts of a measure, such as SB 654, on the State. Questions have come up this session on whether the State is required to pay any coverage above any mandates under the ACA. Having a better financial understanding of this impact will allow the Legislature to account for possible financial impacts that may not be specifically addressed in a sunrise analysis under section 23-51, Hawaii Revised Statutes.

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



To: The Honorable Josh Green, MD, Chair, Committee on Health
The Honorable Rosalyn Baker, Vice Chair, Committee on Health
Members, Senate Committee on Health

The Honorable Rosalyn Baker, Chair, Committee on Commerce & Consumer Protection
The Honorable Brickwood Galuteria, Vice Chair, Committee on Commerce & Consumer Protection
Members, Senate Committee on Commerce & Consumer Protection

From: Jessica Yamauchi, Executive Director

Date: March 24, 2013

Hrg: Senate Committees on Health and Commerce & Consumer Protection, March 25, 2013, 1:45 pm, Room 229

Re: **Support for SCR 154, Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurance Coverage for Tobacco Use Cessation Treatments**

The Coalition for a Tobacco-Free Hawaii (Coalition) supports the intent of SCR 154, requesting the Auditor to assess the social and financial effects of requiring health insurance coverage for tobacco use cessation treatments.

The Coalition for a Tobacco Free Hawaii (Coalition) is an independent organization in Hawaii who works to reduce tobacco use through education, policy and advocacy. Our organization is a nonprofit organization with over 100 member organizations and 2,000 advocates that work to create a healthy Hawaii through comprehensive tobacco prevention and control efforts.

Cigarette smoking is the single leading cause of preventable disease and preventable death in the United States, leading to more than 400,000 deaths annually. In Hawaii, there are still more than 178,000 adult smokers in the state, and according to a 2006 Department of Health survey, 87.3% planned to quit. It is imperative that we remove as many barriers as possible so those who are addicted can quit efficiently and effectively. Counseling and pharmacotherapy increase the chance of quitting compared to unassisted attempts.¹ Within one year of an attempt to stop smoking, about 95 percent of people who try to stop without pharmacological aid continue to smoke or relapse.² Tobacco users who want to quit should have

¹See Fiore MC, Bailey WC, Cohen SJ, Dorfman SF, Goldstein MG, Gritz ER, et al. Treating Tobacco Use and Dependence: 2008 Update – Clinical Practice Guidelines. Rockville (MD): U.S. Department of Health and Human Services, Public Health Agency for Healthcare Research and Quality, 2008.

² Cohen S, Lichtenstein E, Prochaska JO, Rossi JS, Gritz ER, Carr CR, Orleans CT, Schoenbach VJ, Biener L, Abrams D, et al. Debunking myths about self-quitting: evidence from 10 prospective studies of persons who attempt to quit smoking by themselves, *American Psychologist* 1989;44(11):1355-65.



the help they need to quit as recommended by the U.S. Preventive Services Task Force, including counseling and pharmacotherapy. Providing insurance coverage for cessation services and informing policy holders about the coverage will save money. An actuarial study conducted by Milliman, Inc. found that employees who quit smoking reduce annual medical and life insurance costs by at least \$210 immediately. After two years of providing FDA-approved pharmacotherapies and counseling to Medicaid beneficiaries, Massachusetts saw 33,000 less smokers and a reduction in the number of hospitalizations for heart attack, emergency room visits for asthma, and claims for maternal birth complications.

While some may see the costs associated with mandated cessation, they pale in comparison to the costs attributed to treating the various illnesses caused by smoking. A study completed by Penn State University in 2010 estimated that in Hawaii the annual direct costs to the economy attributable to smoking were in excess of \$1.1 billion, including workplace productivity losses of \$215 million, premature death losses of \$449 million, and direct medical expenditures of \$444 million.

The Affordable Care Act (ACA) specifies that employer-sponsored insurance must cover tobacco cessation services, but does not define which medications or counseling are included in the requirement.³ Therefore, it is important for the State to undertake this study in order to determine the most cost-effective means of delivering affordable and comprehensive tobacco use cessation services to all residents.

This resolution is a strong step in solidifying in statute the intent of the State to make sure all residents have access to health care. The Coalition supports the intent of SCR 154. Thank you for the opportunity to testify.

A handwritten signature in black ink that reads "Jessica Yamauchi". The signature is written in a cursive, flowing style.

Jessica Yamauchi, M.A.
Executive Director

³ American Lung Association, Tobacco-Related Provisions of the Affordable Care Act. Accessed from <http://www.lung.org/stop-smoking/tobacco-control-advocacy/reports-resources/2012/factsheet-tobacco-related-provisions-of-the-aca.pdf>.