

Honolulu, Hawaii

FEB 28 2013

RE: S.B. No. 654  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 654 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Mandate health insurance coverage for tobacco use cessation treatments; and
- (2) Require insurers to provide policyholders or subscribers information about tobacco use cessation treatment coverage.

Your Committee received testimony in support of this measure from the Department of Health, American Heart Association, American Cancer Society Cancer Action Network, Kaiser Permanente, Coalition for a Tobacco-Free Hawai'i, Hawaii State Center for Nursing, and two individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that cigarette smoking is the leading cause of preventable disease and preventable death in the United States. In Hawaii, tobacco use claims 1,100 lives each year and creates \$360,000,000 in annual health care costs. Despite significant gains in tobacco prevention and control, approximately 176,000 adults in Hawaii report being current smokers.



Your Committee further finds that nicotine addiction is treatable. Data shows that most smokers want to quit, and covering treatment improves the chances that a person will quit smoking. This measure ensures that all insurance providers in Hawaii will guarantee comprehensive coverage of evidence-based tobacco cessation treatment, thus saving lives and money.

Your Committee also finds that the United States Public Health Services Clinical Practice Guideline on Treating Tobacco Use and Dependence recommends individual, group, and telephone counseling as effective methods of tobacco dependence counseling. An amendment to this measure is necessary to specify that these methods of counseling shall be covered. Additionally, the United States Preventive Services Task Force recommends that a combination therapy of counseling and medications is more effective at increasing cessation rates than either component alone. An amendment to this measure is necessary to also incorporate pharmacotherapy coverage, as recommended by the Preventive Services Task Force.

Your Committee additionally finds that beginning in 2014, the federal Patient Protection and Affordable Care Act will require private insurers to provide coverage for tobacco use cessation treatment. However, it could take several years before all policies reflect mandated tobacco cessation services. Therefore, an amendment to this measure is necessary to clarify that all health plans in Hawaii must provide cessation benefits, including those that are grandfathered in under the Patient Protection and Affordable Care Act.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that notwithstanding section 23-51, Hawaii Revised Statutes, or any mandates for tobacco use cessation coverage required by the federal Patient Protection and Affordable Care Act, P.L. 111-148, all insurers in the State shall provide coverage for tobacco use cessation treatment;
- (2) Specifying that tobacco use cessation coverage shall include group, private, or telephone counseling;
- (3) Specifying that tobacco use cessation coverage shall also include pharmacotherapy, meaning those products identified for cessation use and listed by the United

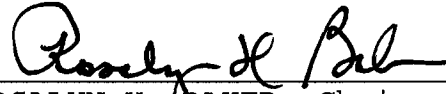


States Preventive Services Task Force, including prescription and over-the-counter nicotine replacement medications and non-nicotine cessation medications; and

- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 654, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 654, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



ROSALYN H. BAKER, Chair



