

JAN 28 2015

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# A BILL FOR AN ACT

RELATING TO SUBSTANCE ABUSE TREATMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the federal Patient  
2 Protection and Affordable Care Act of 2010 encourages states to  
3 develop innovative approaches to the delivery of integrated  
4 health services. The legislature further finds that Hawaii has  
5 a bold history as an innovator in ensuring that its residents  
6 have access to health care. The Hawaii Prepaid Health Care Act  
7 and the State's medicaid program have provided access to  
8 comprehensive managed care for low income families. The State  
9 can create more effective alternative solutions for affordable  
10 health care, however, by better integrating public health  
11 systems in order to balance public health care needs with the  
12 associated costs to the State.

13           The overall fiscal costs and burden of substance use  
14 disorders with co-occurring mental health disorders on Hawaii's  
15 public health care system are unsustainable. Studies indicate  
16 that a small percentage of patients in the United States consume  
17 a disproportionate share of health care resources. Known as



1 "super users", this 1 per cent of the population consumes 21 per  
2 cent of the nearly \$1,300,000,000,000 spent each year on health  
3 care nationwide, according to a 2013 report from the Agency for  
4 Healthcare Research and Quality. In Hawaii, it has been  
5 reported that about 5 per cent of the medicaid population  
6 accounts for about 49 per cent of the State's annual health care  
7 costs. Considering the 2015 MedQuest budget, this means about  
8 16,000 people on MedQuest cost over \$1,000,000,000. Super  
9 users' most common conditions involve multiple illnesses, one of  
10 which is often substance abuse. Similarly, patients who  
11 frequent emergency departments tend to suffer chronic illnesses  
12 or have multiple psychosocial risk factors such as substance  
13 abuse, mental illness, or homelessness. The commonality among  
14 most super users is that they lack the social network to help  
15 them coordinate their aftercare. For example, many super users  
16 do not have a regular physician, so whenever medical care is  
17 necessary they turn to the community hospital, which is often  
18 the most expensive and least efficient type of care for their  
19 needs.

20 The legislature finds that while the costly cycle of  
21 substance abuse is currently a financial burden on the State's



1 health care system, it is also a treatable disease worthy of  
2 more attention and resources. Recent discoveries in the science  
3 of addiction have led to significant advances in drug abuse  
4 treatment that help people successfully manage their addiction  
5 and resume productive lives. While the social welfare factors  
6 that contribute to addiction present a complex problem, research  
7 indicates that treatment for substance use disorders can be  
8 effective and reduce costs to the health care and criminal  
9 justice systems. Research shows that about 70 per cent of  
10 addiction and mental health costs can be averted by effectively  
11 providing relevant treatment before the onset of more serious  
12 chronic conditions. Treating all of super users' complex issues  
13 in an integrated way is a sound social investment because it  
14 effectively reduces duplication and overutilization. Recent  
15 studies have proven that every \$1 spent on treatment saves \$4 in  
16 health costs.

17 Therefore, the purpose of this Act is to:

- 18 (1) Appropriate funds to the department of health to  
19 improve the treatment of substance abuse and co-  
20 occurring mental health disorders by establishing a



1 comprehensive and coordinated continuum of treatment  
2 services; and

3 (2) Establish a task force within the department of health  
4 to address health care payment reform and reduce  
5 health care costs by implementing an effective  
6 substance abuse treatment system.

7 SECTION 2. (a) The department of health shall improve the  
8 treatment of substance abuse and co-occurring mental health  
9 disorders in the State by applying the basic principles of  
10 health care reform. The department shall establish a  
11 comprehensive and coordinated continuum of treatment services  
12 with the following goals and benefits:

13 (1) Access to care: expand access to care for Quest  
14 members and uninsured persons so that any qualified  
15 low income person that meets medical necessity can be  
16 admitted to the appropriate modalities of care such as  
17 residential, day treatment, intensive outpatient, and  
18 outpatient for the length of stay that meets medical  
19 necessity; provided that funding would make care  
20 available or supplement shortages of authorized care



1           until such access to authorized Quest funding or any  
2           other funding is approved;

3           (2) Integrated behavioral health care with primary care  
4           physicians: provide a framework for Quest members and  
5           uninsured persons that addresses addiction in a more  
6           effective manner and involves primary care by:

7           (A) Creating a referral system through which Quest or  
8           uninsured persons who have completed more  
9           specialized substance use disorder treatment may  
10          receive ongoing follow up care by primary care  
11          physicians; and

12          (B) Creating a feedback loop between primary care  
13          providers and specialized substance use disorder  
14          treatment providers to ensure collaboration and  
15          improved responses to patients who have lapses or  
16          relapses in recovery;

17          (3) Preventative care: enhance preventative acute care  
18          and support, which is a fraction of the cost of  
19          repetitive acute care episodes and severe substance  
20          abuse treatment, to ensure that super users do not  
21          progress to worse chronic conditions by providing



1 sufficient integrated care to meet their complex needs  
2 and cover expenses for medical and licensed staff to  
3 provide co-occurring disorders treatment, qualified  
4 staff for criminality treatment, recovery oriented  
5 services, and services for other secondary and  
6 tertiary issues that are caused or exacerbated by  
7 substance use disorders; provided that recovery  
8 oriented services should include peer mentoring and  
9 case management for individuals with more chronic  
10 conditions, housing (first month or two), vocational  
11 rehabilitation, and access to appropriate physical  
12 medical care;

13 (4) Evidenced-based care: all funding and treatment  
14 interventions should follow evidenced-based care using  
15 a multidisciplinary and multi-systemic context where  
16 it is understood that one size does not fit all, and  
17 only existing, experienced, and appropriately-  
18 credentialed organizations with demonstrated  
19 infrastructure and expertise provide required services  
20 quickly and effectively; and



1           (5) Transitional care management: comprehensive  
2           transitional care for several days or weeks during the  
3           super user's transition to substance use disorder  
4           treatment in a community setting following discharge  
5           from an inpatient care facility or emergency room;  
6           provided that transitional care management services be  
7           provided by qualified specialty care professionals or  
8           other coordinators of care who facilitate medically  
9           necessary referrals and connect patients to substance  
10          use disorder services to ensure there is little to no  
11          gap in services between inpatient and substance abuse  
12          treatment; provided further that during the transition  
13          time, transitional care management staff communicate  
14          with treatment agencies, coordinate admittance to  
15          treatment, support self-management, ensure adherence  
16          to treatment regimen and medical management, and  
17          assist the patient and family with accessing needed  
18          care and services including primary care, substance  
19          use disorder or co-occurring disorder treatment, and  
20          other behavioral health care.



1 (b) The department of health shall submit a progress  
2 report to the legislature concerning the status of the funding  
3 for improving substance use disorder and co-occurring disorder  
4 treatment no later than twenty days prior to the convening of  
5 the regular sessions of 2016 and 2017.

6 SECTION 3. (a) The department of health shall convene a  
7 task force to address health care and payment reform steps to  
8 implement an effective addiction treatment system as a component  
9 of health care to improve outcomes and reduce overall health  
10 care costs.

11 (b) The task force shall:

12 (1) Provide multi-disciplinary teams to review and  
13 recommend policy changes in state and insurer systems  
14 for substance use disorders;

15 (2) Utilize the federal model of Recovery-Oriented System  
16 of Care as outlined by the Substance Abuse and Mental  
17 Health Administration;

18 (3) Continue to integrate primary health care with  
19 addiction treatment, providing education and training  
20 to primary care providers on screening, brief  
21 interventions for mild or moderate substance use





- 1 disorder conditions, and referrals to specialized  
2 substance use disorder treatment for moderate to  
3 chronic conditions;
- 4 (4) Develop a treatment program for mild to moderate  
5 conditions for substance use disorders and co-  
6 occurring disorders;
- 7 (5) Support transitional care management for emergency  
8 rooms to deal with patients with chronic substance use  
9 disorder or co-occurring disorders;
- 10 (6) Ensure Quest members and uninsured patients have  
11 adequate access to all modalities of substance abuse  
12 treatment, including residential, day treatment, and  
13 outpatient treatment that meets minimum levels of  
14 utilization according to medical necessity;
- 15 (7) Develop offender re-entry programs that target  
16 offenders with chronic substance use disorders or co-  
17 occurring disorders so that needed services can be  
18 accessed immediately;
- 19 (8) Design payment reform models for reimbursement that  
20 adequately address the complex care needed for super  
21 users or other chronic conditions of substance use



1 disorders or co-occurring disorders and that promote  
2 collaboration and consider risk adjustments; and  
3 (9) Determine the additional amount of funding needed to  
4 improve outcomes and reduce overall health care  
5 spending by providing funding for all modalities  
6 (residential, day treatment, intensive outpatient,  
7 outpatient, and aftercare) for substance use  
8 disorders, co-occurring disorders, criminality, dual  
9 services, case management, peer mentoring, and  
10 recovery-oriented services.

11 (c) The task force shall consist of the following members:

- 12 (1) One member of the house of representatives;
- 13 (2) One member of the senate;
- 14 (3) Director of health or the director's designee;
- 15 (4) Director of human services or the director's designee;
- 16 (5) Director of public safety or the director's designee;
- 17 (6) Member of the Hawaii Substance Abuse Coalition;
- 18 (7) Member of the Hawaii Medical Association;
- 19 (8) Member of the university of Hawaii John A. Burns  
20 school of medicine's psychiatric department;



1 (9) Member of a Hawaii inpatient or emergency room  
 2 hospital; and  
 3 (10) Any other member as assigned by the task force.  
 4 (d) The department of health shall submit a progress  
 5 report to the legislature concerning the status of the task  
 6 force for improving substance use disorder and co-occurring  
 7 disorder treatment no later than twenty days prior to the  
 8 convening of the regular session of 2016 and a final report of  
 9 findings and recommendations no later than twenty days prior to  
 10 the convening of the regular session of 2017.

11 SECTION 4. There is appropriated out of the general  
 12 revenues of the State of Hawaii the sum of \$10,000,000 or so  
 13 much thereof as may be necessary for fiscal year 2015-2016 and  
 14 the same sum or so much thereof as may be necessary for fiscal  
 15 year 2016-2017 for substance abuse and addiction treatment.

16 The sums appropriated shall be expended by the department  
 17 of health for the purposes of this Act.

18 SECTION 5. This Act shall take effect on July 1, 2015, and  
 19 shall be repealed on June 30, 2017.

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INTRODUCED BY:

*Josh Freymon*  
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*Will zero*  
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S.B. NO. 1036

*Ed. Rivera*



# S.B. NO. 1036

**Report Title:**

Substance Abuse Treatment; Mental Health Disorders; Treatment;  
Task Force

**Description:**

Appropriates funds to the department of health to improve the treatment of substance abuse and co-occurring mental health disorders by establishing a comprehensive and coordinated continuum of treatment services. Establishes within the department a task force for improving substance use disorder and co-occurring disorder treatment. Repeals on 6/30/2107.

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