

# HB3146

# HD2

Measure Title:

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF  
HEALTH FOR THE ADULT MENTAL HEALTH DIVISION

Report Title:

Emergency Appropriation for the Adult Mental Health Division (\$)

Description:

To authorize an emergency appropriation for fiscal year 2007-2008 of \$9,065,000 from general funds to the Department of Health (DOH), for the Adult Mental Health Division (AMHD). (HB3146 HD2)

Package:

Governor

Companion:

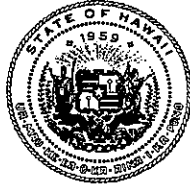
SB3068

Introducer(s):

SAY (BR)

Current Referral:

HTH, WAM



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

In reply, please refer to:  
File:

**Senate Committee on Health**

**H.B. 3146, H.D. 2 MAKING AN EMERGENCY APPROPRIATION TO THE  
DEPARTMENT OF HEALTH FOR THE ADULT MENTAL HEALTH DIVISION**

**Testimony of Chiyome Leinaala Fukino, M.D.  
Director of Health**

**March 14, 2008, 1:15 p.m.**

- 1 **Department's Position:** The Department strongly supports this Administration-sponsored measure.  
2 This emergency appropriation funds continuation of services provided by the adult mental health  
3 division (AMHD).
- 4 **Fiscal Implications:** The department respectfully requests the Committee's consideration in restoring  
5 the full, original amount of \$10 million for this emergency appropriation. The entire \$10 million is  
6 urgently needed by the Adult Mental Health Division to ensure the continuity of services this division  
7 provides throughout the State. AMHD has encumbered and/or expended all general funds allotted for  
8 fiscal year 2007-2008. AMHD is heavily relying on special funds to continue to meet all its obligations.  
9 While the Department has been working diligently with the Department of Human Services (DHS) to  
10 expedite an increase in federal revenues, the Department also continues to realize projected increases in  
11 its expenditures in the area of POS contracts.
- 12 **Purpose and Justification:** The Department strongly supports this emergency appropriation which  
13 funds continuation of services in the areas of case management, crisis services, treatment services,  
14 rehabilitation services, and housing.
- 15 AMHD serves a continuously increasing population: for comparison, 4,445 consumers received  
16 services in fiscal year 2002-2003 versus 14,576 consumers in fiscal year 2006-2007. This represents an

1 over 300% increase in persons served by AMHD over the past five years, and a 19% increase from  
2 fiscal year 2005-2006 to the current 2006-2007 fiscal year.

3 The primary reason for the significant increase in number of persons served is the capacity  
4 expansion of available services throughout the islands. This expansion was triggered by a federal  
5 lawsuit *United States v. State of Hawaii, et al.* Civil Number 91-00137 (DAE KSC) that first involved  
6 the Hawaii State Hospital (1991) and later was expanded to address the needs of consumers in the  
7 community (June 2003). In November 2007, the State successfully exited the settlement agreement  
8 resulting from the suit. This emergency appropriation will allow AMHD to continue providing existing  
9 services to the expanding eligible population and to continue funding of required services developed  
10 during the current fiscal year.

11 In response to the increased numbers of consumers served and the increase in budgetary  
12 requirement, there are a number of initiatives that AMHD has embarked upon to increase revenue and  
13 decrease general fund expenditures:

14 INCREASE REVENUES:

- 15 • Ensure all incoming and existing AMHD consumers obtain health insurance coverage  
16 when available;
- 17 • Ensure Assertive Community Treatment (ACT) providers are in compliance with  
18 requirements which will increase MRO revenue;
- 19 • Increase focus on revenue generation from state-operated clinics; and
- 20 • Seek contracts with all third party payers for AMHD services.

21 DECREASE EXPENDITURES:

- 22 • Review and revise diagnostic eligibility criteria policies and procedures;
- 23 • Develop a diagnosis-based “tiered” array of services;
- 24 • Enforce 60 day payment policy;

- 1           • Implement billing edits to reject claims regarding frequency and duration caps; and
- 2           • Identify administrative expenditures for postponement, reduction or elimination

3           Despite diligent efforts towards budget restraint, there are other factors that contribute to the  
4           shortfall, such as the Substance Abuse and Mental Health Special Fund Ceiling in relation to Medicaid  
5           Rehabilitation Option revenues. The fund generates revenue under a Memorandum of Agreement  
6           (MOA) with the Department of Human Services (DHS) called the Medicaid Rehabilitation Option  
7           (MRO). Under the MRO, AMHD is allowed to bill DHS for certain services paid to POS contractors.  
8           DHS returns federal matching funds to AMHD for these expenditures based on a percentage of the State  
9           dollars expended. The special fund is used to offset AMHD's general fund allotment. The Department  
10          is working diligently with DHS to expedite an increase in federal revenues.

11          Finally, operational deficits at Hawaii State Hospital (HSH) have risen in relation to an  
12          increased, high census. Last fiscal year, HSH had a budget deficit of \$5,000,000. This included funding  
13          forty beds at Kahi Mohala. However, the Kahi Mohala contract has been reduced to thirty-two beds this  
14          year, resulting in a savings of over \$5,000,000. Additionally, HSH management has taken measures to  
15          reduce the overall use of contracted agency staff, resulting in lower deficits. The hospital budget is  
16          based on an expected daily census of 178. However, this year since September the HSH average daily  
17          census has been 191. In total, the budget deficit for the HSH for fiscal year 2008-2009 is projected to be  
18          \$1,104,698.

19          Approval of this funding will allow AMHD to continue to address related social issues of  
20          homelessness, co-occurring substance abuse, emergency mental health services, and access to critical  
21          mental health services including housing, employment opportunities, rehabilitation, treatment, case  
22          management, and those individuals served at HSH. In total, this funding will allow AMHD to assist  
23          people with severe mental illness in Hawaii to fully participate and contribute in the community through  
24          their recovery process.

1            Thank you for the opportunity to testify on this important measure. We respectfully request your  
2    expeditious and favorable consideration of this proposal.

# **HB 3146 (HD2) MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR THE ADULT MENTAL HEALTH DIVISION**

*To authorize an emergency appropriation for fiscal year 2007-2008 of \$10,000,000 from general funds to the Department of Health (DOH), for the Adult Mental Health Division (AMHD).*

SENATE COMMITTEE ON HEALTH  
MARCH 14 1:15 PM CONF. ROOM 016

Sen. David Y. Ige, Chair  
Sen. Carol Fukunaga, Vice Chair

## **Hawaii Substance Abuse Coalition**

GOOD MORNING CHAIR IGE, VICE CHAIR FUKUNAGA AND DISTINGUISHED  
COMMITTEE MEMBERS:

My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide hui of more than twenty non-profit treatment and prevention agencies.

### **HSAC supports HB 3146:**

The population of residents engaged in mental health services has increased from around 4,000 to 5,000 a few years ago to over 14,000 today. AMHD has implemented significant cost savings practices in recent years to help address this crisis change in census that includes, but not limited to: integrating with substance abuse treatment services using strength-based "recovery methods"; increased case management; implementing more transition programs and group homes; more expansive and effective services at Community Mental Health Centers (CMHC); and more collaborative and integrated practices with community services. Never-the-less, state agencies and community based agencies will continue to collaborate to find ever more improvements in services to provide adequate care at reduced per client costs.

However, the multi-million dollar per year budget that once did cover less than 5,000 clients is not sufficient to treat 14,000 clients. It is the result of improved services that AMHD only requests \$10 million.

We applaud the Legislator's decisive previous actions that have proven to be making a difference in reducing drug and alcohol abuse and addiction. On behalf of HSAC, we appreciate the opportunity to provide information and are available for questions.



Hawaii's Voice on Mental Illness

An Affiliate of the National Alliance on Mental Illness

NAMI Hawai'i • 770 Kapiolani Boulevard #613 • Honolulu, Hawai'i 96813

Phone 808.591.1297 • Fax 808.591.2058 • E-mail namioahu@hawaiiantel.net

www.namioahu.org

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Debbie Hill  
Jack Hoag  
Denis Mee-Lee, M.D.  
Carolyn Oki

GOOD DAY CHAIR IGE AND CHAIR CHUN OAKLAND AND MEMBERS OF THE COMMITTEES ON HEALTH AND HUMAN SERVICES AND PUBLIC HOUSING:

In Support

My name is Marion Poirier. I am the Executive Director of NAMI Hawai'i, and I am representing the organization in support of HB 3146, which makes an authorization for an emergency appropriation for fiscal year 2007-2008 of \$9,065,000 from general funds to the Department of Health (DOH), for the Adult Mental Health Division (AMHD). (HB3146, HD2)

The Adult Mental Health Division has had increased requests for services of all types, and needs this additional money to serve people with serious mental illnesses in an appropriate fashion. This bill will provide needed resources that will benefit both people affected with mental illnesses and the general community.

We respectfully request that you pass this bill out of your Committee, and thank you for hearing this important measure.

EXECUTIVE DIRECTOR  
Marion Poirier, M.A., R.N.  
OFFICE ASSISTANT  
Toni Tengan



An Aloha United Way  
Partner Agency and a  
Combined Federal  
Campaign Member

**testimony**

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**From:** kuulei [kuuleikiliona@hawaii.rr.com]  
**Sent:** Thursday, March 13, 2008 8:35 PM  
**To:** testimony  
**Subject:** HB 3146, HD2

**TESTIMONY IN SUPPORT OF HB 3146, HD2**

TO: The Senate Committee on Health, Senator David Ige, Chair  
The Senate Committee on Human Services and Public Housing,  
Senator Suzanne Chun-Oakland, Chair

FROM: Ku'uilei A. Kilonia, Chair  
State Council on Mental Health

Hearing Date: Friday, March 14, 2008  
Time: 1:15 p.m.  
Place: Conference Room 016

Dear Chairs Ige, Chun-Oakland and Committee Members,

This testimony is in support of the *intent* of House Bill 3146, HD2, but in opposition to the amount of money requested. The State Council on Mental Health humbly requests a larger amount of funds for the emergency appropriation mentioned in this bill. We ask this because the amount that the Adult Mental Health Department (AMHD) needs in order to erase it's 2007-2008 deficit is \$18,000,000. Currently, only \$9,065,000 is requested.

Receiving a lower amount than what is actually needed could adversely affect the programs and services that took so much time and effort by so many, to meet compliance with the federal lawsuit that successfully ended after so many years.

**Please reconsider the amount of money that is being requested for an emergency appropriation. The amount needs to be \$18,000,000.**

Mahalo for the opportunity to submit written testimony.

Sincerely,

Ku'uilei A. Kilonia  
(sent via email: [kuuleikiliona@hawaii.rr.com](mailto:kuuleikiliona@hawaii.rr.com))

3/13/2008



## testimony

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**From:** Lawrence Fujioka [fdginc@hawaii.rr.com]  
**Sent:** Friday, March 14, 2008 7:23 AM  
**To:** testimony  
**Subject:** House Bill 2301 is important for Dentistry in Hawaii

Lawrence Fujioka  
1014 Waakaua Place  
Honolulu, HI 96822-1173

March 14, 2008

Senate e-mail (not testifying in person)

Dear Senate e-mail (not testifying in person):

Senator David K. Ige, Chair  
Senator Carol Fukunaga, Vice-Chair

Members of the Senate Committee on Health

Hearing: Friday, March 14, 2008 1:15 PM

I am submitting testimony in support of HB 2301, proposed revision HD2. As a practicing dentist in the State of Hawaii I am responsible for the welfare of my patients. Please see to it that I, and others like me, can continue the use of my own judgement in the practice of dentistry. This measure also includes a provision enabling me to properly care for an after hours emergency patient in my office at my discretion.

Thank you for the opportunity to submit this testimony.

With aloha,

Lawrence Fujioka

This message has been verified by CapwizXC as authentic and sent by this individual.  
Authentication ID: [j1819FPL]

## testimony

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**From:** D.D.S. Wesley Odani [odaniw001@hawaii.rr.com]  
**Sent:** Friday, March 14, 2008 7:42 AM  
**To:** testimony  
**Subject:** House Bill 2301 is important for Dentistry in Hawaii

D.D.S. Wesley Odani  
2673 Peter St.  
Hon, HI 96816-2013

March 14, 2008

Senate e-mail (not testifying in person)

Dear Senate e-mail (not testifying in person):

Senator David K. Ige, Chair  
Senator Carol Fukunaga, Vice-Chair

Members of the Senate Committee on Health

Hearing: Friday, March 14, 2008 1:15 PM

I am submitting testimony in support of HB 2301, proposed revision HD2. As a practicing dentist in the State of Hawaii I am responsible for the welfare of my patients. Please see to it that I, and others like me, can continue the use of my own judgement in the practice of dentistry. This measure also includes a provision enabling me to properly care for an after hours emergency patient in my office at my discretion.

Thank you for the opportunity to submit this testimony.

With aloha,

Wesley Odani, D.D.S.  
735 1733 (B)

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Authentication ID: [z0982OLD]

## testimony

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**From:** Doug Wrobel [dwrobel@hawaii.rr.com]  
**Sent:** Thursday, March 13, 2008 11:09 PM  
**To:** testimony  
**Subject:** House Bill 2301 is important for Dentistry in Hawaii

Doug Wrobel  
7192 Kalaniana'ole Hwy. Ste. 315  
Honolulu, HI 96825-1800

March 14, 2008

Senate e-mail (not testifying in person)

Dear Senate e-mail (not testifying in person):

Senator David K. Ige, Chair  
Senator Carol Fukunaga, Vice-Chair

Members of the Senate Committee on Health

Hearing: Friday, March 14, 2008 1:15 PM

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Thank you for the opportunity to submit this testimony.

With aloha,

Douglas C. Wrobel D.D.S.  
395-4474

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## testimony

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**From:** Mary Kim [mwmkim@yahoo.com]  
**Sent:** Thursday, March 13, 2008 7:42 PM  
**To:** testimony  
**Subject:** House Bill 2301 is important for Dentistry in Hawaii

Mary Kim  
1441 Kapiolani Blvd.  
Honolulu, HI 96814-4402

March 14, 2008

Senate e-mail (not testifying in person)

Dear Senate e-mail (not testifying in person):

Senator David K. Ige, Chair  
Senator Carol Fukunaga, Vice-Chair

Members of the Senate Committee on Health

Hearing: Friday, March 14, 2008 1:15 PM

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Thank you for the opportunity to submit this testimony.

With aloha,

Mary Kim

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Authentication ID: [iudtUEC6]

## testimony

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**From:** Michael Wong [ltmbobo@aol.com]  
**Sent:** Thursday, March 13, 2008 9:45 PM  
**To:** testimony  
**Subject:** House Bill 2301 is important for Dentistry in Hawaii

Michael Wong  
144 Hanohano Pl.  
Honolulu, HI 96825-3514

March 14, 2008

Senate e-mail (not testifying in person)

Dear Senate e-mail (not testifying in person):

Senator David K. Ige, Chair  
Senator Carol Fukunaga, Vice-Chair

Members of the Senate Committee on Health

Hearing: Friday, March 14, 2008 1:15 PM

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Thank you for the opportunity to submit this testimony.

With aloha,

Michael B. Wong, D.D.S.

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Authentication ID: [79lvino4]

## testimony

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**From:** Byron Tsukano [btsukano@aol.com]  
**Sent:** Thursday, March 13, 2008 2:27 PM  
**To:** testimony  
**Subject:** House Bill 2301 is important for Dentistry in Hawaii

Byron Tsukano  
1371 Lower Main St., Unit 5  
Wailuku, HI 96793-1961

March 13, 2008

Senate e-mail (not testifying in person)

Dear Senate e-mail (not testifying in person):

Senator David K. Ige, Chair  
Senator Carol Fukunaga, Vice-Chair

Members of the Senate Committee on Health

Hearing: Friday, March 14, 2008 1:15 PM

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Thank you for the opportunity to submit this testimony.

With aloha,

Byron Tsukano, DDS  
8082432277

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## testimony

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**From:** david breese [dbreese@kkv.net]  
**Sent:** Thursday, March 13, 2008 12:49 PM  
**To:** testimony  
**Subject:** House Bill 2301 is important for Dentistry in Hawaii

david breese  
2239 north school st.  
honolulu, HI 96819-2539

March 13, 2008

Senate e-mail (not testifying in person)

Dear Senate e-mail (not testifying in person):

Senator David K. Ige, Chair  
Senator Carol Fukunaga, Vice-Chair

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Thank you for the opportunity to submit this testimony.

With aloha,

david breese DDS  
791-9428

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