

Honolulu, Hawaii

OCT 14 2009

RE: Senate Ad Hoc
Committee: Maui
Public Health
Services

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Senate Ad Hoc Committee, to which was referred:

"THE SENATE'S REVIEW AND ASSESSMENT OF THE IMPACT ON THE
COMMUNITY FROM THE REDUCTION IN GOVERNMENT SERVICES DUE TO
BUDGET RESTRICTIONS AND LAYOFFS AND FURLOUGHS OF CERTAIN
STATE EMPLOYEES,"

begs leave to report as follows:

BACKGROUND

On August 4, 2009, Governor Linda Lingle announced that the State would immediately begin delivering written layoff notices to the approximately 1,100 state employees who were previously notified their positions could be eliminated. In addition, the Governor announced the furlough of approximately 900 "exempt excluded" non-union state employees for three days per month effective September 1, 2009. These 900 employees were not covered by Judge Karl Sakamoto's order barring the Governor from unilaterally implementing furloughs for union employees.

In response, you assigned the Senate Vice-President the responsibility of coordinating the Senate's review and assessment of the impact to the community, economy, and environment from the reduction in government services due to budget restrictions and layoffs and furloughs of certain state employees, and announced formation of a Senate Ad Hoc Committee. For this purpose, the



Vice-President was appointed chair of the Ad Hoc Committee, with the Committee to be comprised of Senators interested in gaining more information about the proposed reductions in services.

As such, the Ad Hoc Committee conducted an informational briefing to gather information on the anticipated impacts on the community and public health within the County of Maui, arising from the anticipated reduction in force of Department of Health personnel especially in these program areas: vector control, public health nursing, adult mental health and child and adolescent mental health.

INFORMATIONAL BRIEFING

Your Committee conducted an informational briefing on September 9, 2009, in Wailuku, Hawaii. In attendance were Russell S. Kokubun, Chair; and Senators Rosalyn H. Baker, J. Kalani English, Norman Sakamoto, and Shan S. Tsutsui.

Prior to the informational briefing, a subpoena commanding appearance and testimony before your Committee was served on the Director of the Family Guidance Center, Maui, Child and Adolescent Mental Health Division, Department of Health.

Testimony was received from the Governor's Liaison for the Island of Maui; Family Guidance Center, Maui; Maui Community Mental Health Center; Maui Memorial Medical Center; Maui Aids Foundation; the Maui District Health Officer; and several individuals and representatives of community health providers. Video links of the briefings and selected testimony are available on the Legislature's website.

The Maui District Health Officer anticipates layoffs of 14 positions, approximately 10 per cent of the total number of positions, with a disproportionate share of cuts in vector control at nearly 70 per cent statewide. No position cuts are scheduled in public health nursing, but there will be a 20 per cent reduction due to the freeze on unfilled positions, including one nurse on Lanai and two of three nurses on Molokai, as well as Maui County's sexually transmitted disease specialist who left because of the lack of job security and cannot be replaced due to the hiring freeze. The losses in vector control will be particularly difficult, as vector control works closely with the Department of Agriculture, which has cut related positions that have been cross trained to assist in public health emergencies.



Adult mental health clinics have proven self sufficient for the past several years, generating 124 per cent of their operating costs in 2007-2008, with the excess income being contributed to the State's general fund. However, they anticipate a decrease in revenues in 2008-2009, due in part to the loss of 10 positions scheduled for layoffs, and will likely require general fund support.

Based on the information and testimony received, your Ad Hoc Committee has identified the following priority concerns.

PRIORITY CONCERNS

- Vector Control. Vector control works not only with the Department of Agriculture on pest control, they are also on the front line of immunization services. Health professionals are concerned about the impending H1N1 swine flu: they may have to rely on volunteers, but in the event of a health crisis these private sector "volunteers" may be doing "for profit" work and not be available to assist during a public health emergency. In addition, because cuts of vector control personnel are statewide, the islands cannot back each other up. Federal funds are available for vector control, but the grant is designated to hire two high-end professionals, not "on the ground" staff needed. Maui's vector control staff were key to stopping the dengue fever mosquito from taking control in Maui County several years ago. Without these staff the county and state are at greater risk.
- Maui Community Mental Health Center. Since 2003, the program has always generated more fees than needed to cover operating costs (as high as 180 per cent in 2006-2007), with the excess deposited into the state general fund. The Center must delete 10 positions, 9 of which are clerical. As a result, income generating staff (psychiatrists and psychologists) will have to assume clerical duties such as billing, and the resulting loss of efficiency is expected to contribute to an operating shortfall this fiscal year. The Center also handles the "hardcore" seriously, chronically mentally ill, and often handles forensic patients; without services from this program these "hardcore" patients will put a strain on Maui Memorial Medical Center, the jails, homeless shelters, and other



social service providers. Delays in processing, which will result from the position cuts, will in turn result in increased costs to the court system. If there is no room in Maui Memorial Medical Center, the patients will have to remain incarcerated, at increased costs for mental health services or flown to Oahu to an already overcrowded state hospital.

- Maui Memorial Medical Center (MMMC or Maui Memorial). As a result of the loss of the social service safety net, Maui Memorial is seeing an increase in emergency room patients. This has a two-fold impact: emergency room treatment is the least efficient and most expensive form of health care. Under federal law, the hospital cannot turn patients away due to ability to pay, and the inability to pay results in greater operating deficits for an already strapped hospital system. There are already staff shortages at MMMC and threatened cuts in staffing or furloughs are of great concern to MMMC and the community. Hospitals are a 24/7, 365-day operation and must have a base line staffing pattern to ensure appropriate, quality care. Maui Memorial is concerned about maintaining a high quality of care should staff furloughs be ordered or if the hospital is denied access to its special funds (which the hospital raises from reimbursements for services rendered). It could reach the point that the hospital would prefer to shut down services rather than provide inadequate care due to lack of staffing. Maui Memorial is currently operating at capacity so that it cannot afford to lose any additional staff. It is important to remember that MMMC is the only acute care hospital on Maui. Any diminishment in services will place an extra burden on Oahu hospitals and increase the cost of care to public and private-pay patients.
- Maui Family Guidance Center. In July 2009, the average case load per coordinator was 15-20 cases. Since July, the Center has lost 10 care coordinators. The personnel cannot be replaced due to the hiring freeze imposed by the state administration and the caseload is now about 32 cases per coordinator. As a result of the additional 10 cuts in personnel, each coordinator's case load is anticipated to rise to 42 cases. The Center is also seeing a loss of quality of care in rural areas such as Hana where the coordinator has been transferred to the main office due to loss of staffing. In addition, there is concern about the



State being sued due to inadequate services and a return of federal Felix consent decree oversight.

To address these priority concerns, your Ad Hoc Committee has developed the following recommendations.

RECOMMENDATIONS

- Request the Legislative Reference Bureau to review and analyze alternative federal public health funding sources, and whether current funding sources, such as the Tobacco Master Settlement Agreement, are being used efficiently and appropriately.
- Require the Department of Health to provide information on the reinstatement of services that will be lost or provided on a limited basis as a result of the anticipated layoffs.
- Refer the findings of the Ad Hoc Committee to the Senate Committee on Ways and Means and the Senate Committee on Health for further review and action during the 2010 Regular Session.

Respectfully submitted on
behalf of the Senate Ad Hoc
Committee,



RUSSELL KOKUBUN, Chair

