

LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

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

In reply, please refer to:
File:

WRITTEN TESTIMONY ONLY

Senate Committee on Health

**S.C.R 230, REQUESTING AN AUDIT OF THE ADULT MENTAL HEALTH
DIVISION**

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

March 29, 2010, 2:45 p.m.

1 **Department's Position:** The Department of Health believes such an audit of the Adult Mental Health
2 Division is unnecessary.

3 **Fiscal Implications:** There is expected to be significant expense of human and financial resources to
4 the State to dedicate staff time, office space, and physical materials for both the Auditor and the
5 Department to participate in a management and financial operations audit of the Adult Mental Health
6 Division.

7 **Purpose and Justification:** In its final report to the 2002 Legislature, the Auditor made a number of
8 findings critical of both the management and fiscal operations of the Adult Mental Health Division.
9 Those findings included allegations that the Division was derelict in its duty to properly manage
10 community based contract services by failing to procure services competitively and cost-efficiently, by
11 fostering a culture of quid pro quo and favorable treatment between Division employees and providers,
12 and failing to adequately manage community-based contract services. The report, in short, was an
13 indictment of the management of the Adult Mental Health Division. Much has changed at the Division
14 since 2002. The issues raised by the Auditor have been addressed and corrected. The people, processes,
15 and practices which were the subject of the 2002 audit have changed.

1 In 2003, the Division established a new position to oversee contracting activities. This position,
2 along with the Division's Public Health Administrative Officer, is responsible for ensuring adherence to
3 State mandated procurement regulations in all aspects of the procurement process. These and other
4 Division fiscal and contracting staff regularly attend State Procurement Office trainings to ensure they
5 are up to date on all contracting requirements. Additionally, these staff members have worked closely
6 with the Attorney General's office to standardize contract language to improve consistency in the
7 process of procuring services. Contracts are awarded, modified, and extended in adherence to the
8 Hawaii Public Procurement Code. Contracts are evaluated and awarded after due diligence, with fair
9 evaluations and adherence to the specification as set forth in the request for proposals. Attendance and
10 scoring records are kept of the evaluation team's activities.

11 The Division moved away from a cost-based system of reimbursement, and now uses a fee-for-
12 service reimbursement system.

13 Each year, the Adult Mental Health Division's finances are reviewed as part of the annual
14 Department of Health Financial and Compliance audit conducted by Accuity, LLP, a Certified Public
15 Accounting firm. In the FY09 and FY08 audits there were no findings reported particular to the Adult
16 Mental Health Division.

17 The Adult Mental Health Division has made substantial changes in its administrative leadership
18 structure since 2002. There is no relationship between the Division and any prior Chief. The Divisional
19 management team does not have relationships, financial or consultative, with any contracted vendors.

20 Senate Concurrent Resolution 230 requests the Office of the Auditor to conduct a management
21 and financial audit of the Adult Mental Health Division of the Department of Health. The reasoning
22 behind this resolution, as described in that document, is that the audit is requested because "the
23 Department of Health is encountering major changes in administration, eligibility requirements,
24 services, and structure."

1 No specific allegations, problems, or reasons are given as a basis for the proposed audit. There
2 have been, to the best of our knowledge, no allegations raised of any of the practices which resulted in
3 the 2002 Legislative Audit.

4 The Department proposes that, rather than an audit of the Division, the concerns or allegations
5 that prompted this resolution are to be brought to the attention of the Adult Mental Health Division.
6 Once those are advanced, the Division would like the opportunity to consult and collaborate with the
7 organizations or individuals who have the concerns or allegations, and address those concerns or
8 allegations and take action to address and resolve the issues. The Department will make the
9 management team of the Division available to engage and address the issues which prompted this
10 resolution.

11 The Department believes that collaboration, communication, and cooperation are the preferred
12 approaches to address the issues and concerns that have resulted in this resolution, rather than the
13 expense of time and resources inherent in a Legislative Audit.

14 We understand there is concern in the community, among consumers, in our providers, and at the
15 Legislature about how the Adult Mental Health Division is managing during the current economic
16 situation. We are doing our best to manage and be good stewards of the resources available to us. We
17 would like the opportunity to collaborate with concerned parties to address these issues directly.

18 Thank you for the opportunity to present testimony to the committee this afternoon.
19

SCR230

From: Marya Grambs [Marya@mentalhealth-hi.org]
Sent: Thursday, March 25, 2010 4:09 PM
To: HTHTestimony
Subject: SCR 230 Hearing: Monday, 3/29/10, 2:45, room 16

Follow Up Flag: Follow up
Flag Status: Flagged

COMMITTEE ON HEALTH
Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair

TO: Senator David Ige, Chair, and Senator John Green, Co-Chair, Senate Health Committee
RE: SCR 230, Requesting an Audit of the Adult Mental Health Division
Hearing: Monday, 3/29/10, 2:45, room 16

I am writing on behalf of Mental Health America of Hawai'i, to express strong support of SCR 230 to request an audit of the Adult Mental Health Division. Considering the dramatic and draconian cuts to mental health services, light must be shed on the financial details of this Division. The public and lawmakers deserve to know more about exactly where money is being spent on behalf of our most vulnerable severely and persistently mentally ill citizens, as so many services are cut, eligibility is reduced, and patients are being transferred to QUEST.

With Aloha,

Marya Grambs, Executive Director
Mental Health America of Hawai'i
...Helping Hawai'i Live Life Well
1124 Fort Street Mall, Suite 205
Honolulu, HI 96813
Phone: 808-521-1846
Fax: 808-533-6995
email: marya@mentalhealth-hi.org
website: www.mentalhealth-hi.org

Note: Please let me know by emailing me if it's not okay with you to be added to our email list to receive occasional emails from us (invitations to our mental health seminars and our May luncheon, job announcements, etc.).



888 Mililani Street, Suite 601
Honolulu, Hawaii 96813-2991

Telephone: 808.543.0000
Facsimile: 808.528.4059

www.hgea.org

THE SENATE
The Twenty-Fifth Legislature, State of Hawaii
Regular Session of 2010
Committee on Health

Testimony by
Hawaii Government Employees Association
March 29, 2010

SCR 230 – REQUESTING AN AUDIT OF THE
ADULT MENTAL HEALTH DIVISION

The Hawaii Government Employees Association, AFSCME Local 125, AFL-CIO strongly supports the purpose of SCR 230 – Requesting an Audit of the Adult Mental Health Division (AMHD). In 1999, the Office of the Auditor, State of Hawaii conducted an audit of the AMHD's management of contracted community services and found that the Division Chief was derelict in her duties and the Director of Health overlooked several concerns.

The Auditor found that millions of dollars were spent without ensuring the maximum purchasing value of public funds; contract proposals were not fairly evaluated and specifications set forth in the request for proposals were not followed; significant modifications changed the scopes within the contracts and prevented adherence with the principles of the Hawaii Public Procurement Code.

The Department of Health (DOH) is now encountering major changes in administration, eligibility requirements, services and structure. It is of utmost importance for the legislature to request the Office of the Auditor conduct a management and financial audit of the AMHD and the DOH. The HGEA has heard from many of our members concerning how AMHD operates and how the funds are utilized. The HGEA has filed many grievances against the AMHD and the DOH and the DOH continues to allow the AMHD to operate as status quo.

Dr. Chiyome Fukino, the Director of Health, has testified before the House of Representatives, Committee on Finance and stated that a large part of the General Funds is within the Behavioral Health Administration. The DOH presented to the Committee on Finance their major functions, major program areas, department summary and operating budget. Their presentation includes the department's mission statement, "To administer programs designed to protect, preserve, care for, and improve the physical and mental health of the people of the state." The department's goals were also part of their presentation, "To monitor, protect and enhance the health of all people in Hawaii by providing leadership in assessment, policy development, and assurance to



Medicaid patients. Instead, it is an issue that is a growing concern for our State as a whole and should be treated as such.

California's Knox-Keene Health Care Service Plan Act of 1975, is the California law that regulate HMOs, defined as all "health care service plans", under the California State Department of Managed Health Care (DMHC). The DMHC's regulations ranges from the application for HMO licensure to all overall plan standards, but only apply to plans, not to the insurers, who are subject to a separate body of laws under the California Insurance Code.

During this time of financial instability, it would be unwise to require the establishment of an entirely new State agency, staff, statutory chapters and administrative rules. The State of California only finalized their regulations early this year, after taking 8 years to develop them. Furthermore, the Knox-Keene Health Care Service Plan Act of 1975, as amended, serves to regulate the entire health care industry, not just the Medicaid health care industry.

We would instead suggest that the focus of this resolution be amended, directing the Administration, the Legislature and health care stakeholders to develop proposals that could address the overall concern of Hawai'i's growing lack of physicians, particularly in rural communities. Innovative ways that we can increase access to all Hawai'i residents are needed. One alternative could be to roll this task into the tasks under the Health Summit being proposed in SCR 122.

The issue of access to care is a shared concern that we could tackle together in a collaborative manner. By bringing the State's leaders, industry stakeholders and community advocates together we have the opportunity to have a candid discussion that will get to the heart of the matter so that we may develop policies that truly address the root cause of our problems.

Attached is some suggested language that we respectfully request the Committees on Health and Human Services consider adopting should you decide to move forward with these measures.

Thank you for the opportunity to provide these comments on this measure.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 28, 2010 9:01 PM
To: HTHTestimony
Cc: louis@hawaiidisabilityrights.org
Subject: Testimony for SCR230 on 3/29/2010 2:45:00 PM

Follow Up Flag: Follow up
Flag Status: Flagged

Testimony for HTH 3/29/2010 2:45:00 PM SCR230

Conference room: 016

Testifier position: support

Testifier will be present: No

Submitted by: Hawaii Disability Rights Center

Organization: Hawaii Disability Rights Center

Address:

Phone:

E-mail: louis@hawaiidisabilityrights.org Submitted on: 3/28/2010

Comments:

We support this resolution. We have testified earlier regarding reductions in services. We believe that an audit is more than appropriate.

Senator David Y. Ige, Chair
Senator Josh Green, Vice-Chair
Senate Committee on Health
Hawaii State Legislature

From: Sharon P. Yokote, Mental Health Consumer and Advocate
Date: Monday, March 29, 2010

Subject: SCR 230 REQUESTING AN AUDIT OF THE ADULT MENTAL HEALTH
DIVISION

As a registered consumer with the Adult Mental Health Division, I encourage the Committee on Health, via the Committee on Health's Report, to have the Office of the Auditor's Report include data both before- and after- the projected movement of approximately 4000 consumers to case management services via the Department of Human Services:

- The cost per consumer per fiscal year reported upon,
- The division of data between AMHD administrative overhead versus actual cost to deliver case management services,
- The difference in costs of delivery of services by AMHD CBCM staff versus Purchase of Service Providers costs*,
- How many consumers have moved through each defined section of improvement during each month of each fiscal year reported upon, and
- How many AMHD consumers have graduated to a lesser degree of Community Based Case Management (CBCM; less than 3.5 direct care hours per month) during each month of each fiscal year reported upon.

I urge the committee to pass S.B. No. 230. Thank you for this opportunity to testify.

*Note: The current DHS Community Care Services/APS contract for treatment of severely mentally ill consumers contains capitation provisions.

From: kuulei [kuuleikiliona@hawaii.rr.com]
Sent: Friday, March 26, 2010 1:21 AM
To: HTHTestimony
Subject: SCR 230

Follow Up Flag: Follow up
Flag Status: Flagged

TESTIMONY IN SUPPORT OF SCR 230

To: The Senate Committee on Health
Senator David Y. Ige, Chair

FROM: Ku'u lei A. Kilon a, private citizen
kuuleikiliona@hawaii.rr.com

DATE: Monday, March 29, 2010
TIME: 2:45 p.m.
PLACE: Conference Room 016

Dear Chair Ige and Committee Members,

This testimony is in strong support of an audit of the Adult Mental Health Division (AMHD), because I have observed and heard first person accounts of the derelict of duties and actions by the division's Behavioral Health Administrator and the Director of Health.

My concerns led me to file a complaint with the Civil Rights Division of the Dept. of Justice in Washington, D.C. in 2008. My complaint is currently being handled by their Seattle office. In my complaint, I requested that my concerns be investigated, but not to the point of a lawsuit against the state.

Mahalo for presenting this appropriate SCR to review AMHD's management and its fiscal operations.

~Ku'u lei A. Kilon a

Ellen Awai
3329 Kanaina Ave. #304
Honolulu, HI 96815
cell: (808) 551-7676
email: Awai76@aol.com

March 28, 2010

Senator David Ige
Chair, Senate Health Committee
Hawaii State Capitol Room #016
Honolulu, HI 96813

SUBJECT: SCR230 Hearing March 29, 2010, Conference Room #016 at 2:45 p.m.

Dear Senator Ige and Health Committee Members,

Please support SCR230 to audit the Adult Mental Health Division (AMHD). This audit will clearly prove to everyone, that AMHD has been wasting funds inappropriately instead of using them on mental health services that are needed in the community. I am a strong advocate locally and nationally for mental health issues and have seen many injustices of the AMHD.

After the AMHD, passed the federal mandate in 2006, the division should have gone through reorganization. All exempt employees, hired to pass the mandate, are still earning more than 20-50% than civil service employees, surpassing the union wages of Hawaii Government Employees Association (HGEA). AMHD Directors and most staff would have been affected by this change and kept this undisclosed to keep their high wages and instead created projects. All this extra expenses should have been used for the services of the consumers. But also what's important, this would have kept providers of services from closing or reorganizing and losing up to half of their staff because of being unpaid by AMHD for services already provided for up to four months at a time. This occurred last year when AMHD ran out of funding in February for the rest of the fiscal year. The providers were seriously hurt, but still very few AMHD employees lost their job.

Agencies, such as Hale Na'au Pono, Care Hawaii, Helping Hands, Mental Health Kokua, and United Self Help had been providing services to those with severe mental illnesses. Hale Na'au Pono had designed programs such as the ACT program, a team approach to those most vulnerable, which were culturally competent to the needs of their isolated community. In Washington DC meetings with the Substance Abuse Mental Health Services Administration (SAMHSA) Center for Mental Health Services (CMHS), Hale Na'au Pono has received national recognition for its programs and has been praised in its cultural alternative accomplishments. Care Hawaii took a chance in hiring many certified peer specialists and understood their value as someone with lived experiences giving hope to consumers, unlike half of the AMHD's community mental health centers. These specialists were not accepted because of individual biases of directors, who felt they were not professional enough. These specialists provided more support and hope for consumers on recovery teams at almost half the cost of any other employee providing these services. The other agencies mentioned could no longer depend on funding from the AMHD and cut staff and recreated themselves in the community. This also included many housing organizations and shelters.

In protecting state employees, many unable to do their jobs, AMHD cut back on services needed in the community. The services and expenses from AMHD were shifted to overcrowded emergency rooms, the Department of Public Safety's prisons (presently under federal court decree), the Police

and the jails, and to the court's judicial system. But AMHD only considers sentinel events as suicides and murders, and ignores the crisis that individuals face when they lose case management services, physician services, medication, and housing. So the real costs for saving in the AMHD budget has been at the expense of the rest of the community, including our large homeless population. Many providers tried to get help for their clients through the State's Department of Human Services (DHS). DHS is responsible for federal Medicaid dollars in Hawaii, which could have greater stability than seeking the services of the AMHD. But that doesn't seem feasible now with DHS in financial crisis. Was AMHD the cause for the problems faced by the DHS?

With Dr. Hester's departure in May 2008, the AMHD has sought to destroy everything that was necessary to pass the federal mandate, including their contracted providers of service. This is due mainly to the discrimination and biases of those left in charge in their battle for control. As a former AMHD employee, I was also a target of this practice. As an accomplished employee that had created a very successful peer specialist training and certification program for the state, I was terminated for my efficiency in doing my job to support people with mental illnesses.

Some important mental health services that AMHD cut were:

- ACT programs, a team approach for the most vulnerable mental health consumers, which serviced rural communities such as Waianae
- Case management services from 12 hours to only 3.5 hours a month,
- Homeless outreach now serviced by only one agency with 2 outreach workers for the entire island of Oahu
- Support groups and warmlines with our only state wide consumer-run organization, United Self Help
- The Hawaii Certified Peer Specialists Program with 130 specialists statewide, which certified mental health consumers for jobs in the mental health field
- Research by Mental Health Services Research, Evaluation, and Training (MHSRET) with the University of Hawaii which provided supporting evidence of the need for these mental health services

National Alliance on Mental Illness (NAMI)'s Grading the States Report of 2009 confirms, Hawaii *"is now at risk of sliding backward. In 2006, Hawaii received a C grade that has not changed in 2009. However, the environment is changing."* Hawaii tied with other states, in 2006, as 11th in the nation in mental health services. This is after coming in dead last, 51 of 50 states in a previous 1990 report. Hawaii, under the leadership of Dr. Thomas Hester was the *most improved of any state* in the nation, compared to the nation's D grade. After more than a decade under the federal mandate, Dr. Hester created the Omnibus Plan for the Hawaii State Hospital and the Community, which got Hawaii out of federal oversight in 2006. But with our poor services, this could mean falling back under federal oversight and forcing state legislature to allocate funding back into the mental health system. NAMI's 2009 report stated that some of Hawaii's urgent needs are to: 1) restore and strengthen ACT programs, 2) overcome inpatient bed shortage, 3) expand community alternatives, and 4) improve workforce distribution to meet public and rural needs. Please support your SCR230 in auditing AMHD, which would be supportive of last year's HCR 223!

Mahalo and Aloha,

Ellen K. Awai
Mental Health Advocate