

DAVID Y. IGE  
GOVERNOR OF HAWAII



VIRGINIA PRESSLER, M.D.  
DIRECTOR OF HEALTH

**DEPT. COMM. NO. 258**

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

In reply, please refer to:

January 13, 2017

The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph Souki, Speaker  
and Members of the House of  
Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the

Annual Report on the Mental Health and Substance Abuse Special Fund as required by Section 334-15 Hawaii State Revised Statutes (HRS). In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <http://health.hawaii.gov/opppd/departement-of-health-reports-to-2017-legislature/>.

Sincerely,

A handwritten signature in cursive script that reads "Virginia Pressler".

VIRGINIA PRESSLER

Director of Health

Enc.

c: Legislative Reference Bureau

REPORT TO THE TWENTY-NINTH LEGISLATURE  
STATE OF HAWAII  
2017

PURSUANT TO SECTION 334-15, HAWAII REVISED STATUTES  
REQUIRING THE DEPARTMENT OF HEALTH TO SUBMIT AN  
ANNUAL REPORT ON THE MENTAL HEALTH AND  
SUBSTANCE ABUSE SPECIAL FUND

PREPARED BY:  
STATE OF HAWAII  
DECEMBER 2016

## EXECUTIVE SUMMARY

In accordance with Section 334-15, Hawaii Revised Statutes, the Department of Health is submitting a report to the 2017 Legislature that provides information on the Mental Health and Substance Abuse special fund including the account balance, revenue collected, transfers made, expenditures made, and the purpose of the expenditures.

In 1991, legislation was passed that established the Mental Health and Substance Abuse special fund. The purpose of the special fund is to deposit revenue collected from treatment programs rendered by the mental health and substance abuse programs operated by the State. In 1995, legislation was passed that also allowed revenue collected from certification programs to be deposited into the special fund. Moneys deposited into the special fund are to be used to pay for the operating expenses of the program.

The attached financial report for FY 2016 (July 1, 2015 to June 30, 2016) identifies the fund balance, transfers, and expenditures made from the Mental Health and Substance Abuse special fund (account S 346 H only).

**Report on Mental Health and Substance Abuse Special Fund  
for Submittal to the 2017 Legislature**

**Department:** HEALTH

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**Name of Fund:** Mental Health & Substance Abuse Special Fund - Adult Mental Health  
**Legal Authority:** Section 334-15, HRS  
**Fund Type (MOF):** B  
**Approp. Acct. No:** S 346 H

**Intended Purpose:**

The purpose of the fund is to deposit all revenues collected from treatment services rendered by mental health and substance abuse programs operated by the State.

**Current Program Activities:**

Program activities include providing community-based outpatient services, case management services, psychosocial rehabilitation services, crisis services, residential services, and treatment services.

<b>Financial Data</b>		
	FY 2016	FY 2017
Beginning Cash Balance	44,907,928.03	44,682,080.30
Beginning Encumbrances	4,303,420.97	1,678,360.69
Revenues	5,573,238.00	
Internal Transfers:	0.00	
Expenditures	5,799,085.73	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers	0.00	
Ending Cash Balance	44,682,080.30	

MENTAL HEALTH AND SUBSTANCE ABUSE SPECIAL FUNDS  
EXPENDITURES (S 346 H only)  
7/1/15 - 6/30/16

Object Code	Description	Amount
	PERSONAL SERVICES RENDERED BY OTHER DEPT	
2900	AGENCIES (STATE EMPLOYEES)	1,434.50
3410	OTHER SUPPLIES	1,055.31
3590	OTHER PUBLICATIONS	1,657.74
3810	TELEPHONE & TELEGRAPH	24,789.75
4110	CAR MILEAGE--EMPLOYEES	149.74
4210	INTRA-STATE TRANSPORTATION--EMPLOYEES	12,439.21
	SUBSISTENCE ALLOWANCE,INTRA-STATE--	
4310	EMPLOYEES	2,528.00
4610	HIRE OF PASSENGER CARS--EMPLOYEES	2,504.50
5010	ELECTRICITY	23,634.43
5210	WATER	5,029.26
5810	R&M--OFFICE FURNITURE & EQUIPMENT	325.00
5820	R&M--MACHINERY & EQUIPMENT--SPECIAL	779.39
5831	R&M--AIR CONDITIONER	97.05
5840	SPECIAL R&M--BUILDINGS & STRUCTURES	553.63
5890	OTHER REPAIRS & MAINTENANCE	53.24
5990	INSURANCE--OTHER	30,401.00
7161	PSYCHIATRIC SERVICES	370,080.00
7190	OTHER NON-STATE EMP SVS ON A FEE BASIS	4,702,256.96
7210	TRAINING. COSTS & REGISTRATION FEES	545.00
7290	OTHER MISCELLANEOUS CURRENT EXPENDITURES	518,483.45
7300	INTEREST ON LATE PAYMENTS	3,297.03
7790	M&E--OTHER MACHINERY & EQUIPMENT	96,991.54
	TOTAL	<u>5,799,085.73</u>

**Report on Mental Health and Substance Abuse Special Fund**

**Department:** HEALTH

**Name of Fund:** TITLE XIX Med QUEST Carveout/General Outpatient  
**Legal Authority:** Section 334-15, HRS  
**Fund Type (MOF):** B  
**Appropriation:** S 306 H

**Intended Purpose:**

The purpose of the fund is to deposit revenues collected from treatment services rendered by mental health and substance abuse programs operated by the state.

**Current Program Activities/Allowable Expenses:**

Program Activities include salaries for program staff and assuring a comprehensive array of mental health services for children and adolescents.

<b>Financial Data</b>		
	FY 2016	FY 2017
Beginning Cash Balance	2,533,306	5,138,052
Beginning Encumbrances	1,395,327	1,382,417
Revenues	10,664,966	
Internal Transfers	0	
Expenditures	8,060,220	
Transfers		
List each net transfer in/out/ or projection in/out; list each account number		
Net Total Transfers	0	
Net Cash Balance	5,138,052	

Object Code	Description	Amount
2000	PERSONAL SERVICES-PAYROLL	695,660.49
2007	TEMPORARY ASSIGNMENT PAY	1,726.56
2030	VACATION PAY	945.96
2034	PENSION ACCUMULATION	118,272.74
2037	FICA	40,454.65
2038	GROUP LIFE INSURANCE	610.01
2039	MEDICAL PLAN	33,516.13
2043	MEDICARE ASSESSMENT	9,561.86
2044	RETIREE'S HEALTH FUND ASSESSMENT	65,334.53
2045	PRESCRIPTION DRUG PLAN	8,102.35
2046	VISION CARE PLAN	646.89
2047	ADULT DENTAL PLAN	4,140.86
2048	OPEB ASSESSMENT	15,229.24
2099	PERSONAL SVS-DEFAULT	0
6900	UNEMPLOYMENT BENEFITS PAYMENTS	7,485.60
7161	PSYCHIATRIC SERVICES	815,849.34
7190	OTHER NON-STATE EMP SVS ON A FEE BASIS	5,691,133.31
7290	OTHER MISCELLANEOUS CURRENT EXPENDITURES	551,371.64
7300	INTEREST ON LATE PAYMENTS	177.36
	Total	8,060,219.52