HEALTH

I. OVERVIEW

The Health Program is the fifth of eleven major program areas in the statewide program structure. The overall objective of the Health Program is to monitor, protect, and enhance the health of all people in Hawaii by providing leadership in assessment, policy development, and assurance to promote health and well-being, to preserve a clean, healthy, and natural environment, and to assure basic health care for all.

The Health Program is comprised of five principal subprogram areas. Within these subprograms, there are 26 lowest-level operating programs. The principal subprograms are:

1. Health Resources - 13 lowest-level programs
2. Hospital Care - 1 lowest-level program
3. Behavioral Health - 5 lowest-level programs
4. Environmental Health Services - 3 lowest-level programs
5. Overall Program Support - 4 lowest-level programs

These programs will be reviewed in more detail in Section II, "Costs and Effectiveness of the Recommended Programs." Organizationally, the Health Program is totally within the Department of Health (DOH), whose mission is to provide leadership in monitoring, protecting and enhancing the health of Hawaii's residents.

The Health Program has significant relationships with federal, private, and other State programs. The Federal Government, through the Department of Health and Human Services, provides project funds and block grants and exerts direct influence over the operation of programs through regulations that must be met to qualify for grants and reimbursements. Within available resources, funds have been provided to contract with private agencies for specialized health care services, and subsidies have been recommended for the operation of private hospital facilities. Administrative, programmatic, and contractual arrangements are coordinated with other State programs, such as the Purchase of Service Program and Health Care Payment Program of the Department of Human Services to meet the varied health needs of the public. Relationships with county jurisdictions are not as significant since it is the State's responsibility to provide statewide health services and medical treatment services to the neighbor islands.

The major program activities performed by the Health programs include:

Health Resources - Provision of early prevention, diagnostic, and treatment services for communicable diseases, dental diseases, and chronic diseases; provision of nutritional services, and health and injury prevention education; provision of early prevention, diagnostic, and treatment services for families through maternal and child health, children with special health needs, developmental disabilities and community health services; and provision of emergency medical services (EMS).

Hospital Care - Provision of general acute care, long-term care, outpatient and emergency services through thirteen (13) State operated facilities on all islands except Molokai and Niihau.

Behavioral Health - Provision of prevention, diagnostic and treatment services for mental illness through the State Hospital, and community mental health programs and centers and provision of alcohol and drug abuse prevention, diagnostic and treatment services.

Environmental Health Services - Prevention of public health diseases and illnesses that may result from excessive noise, asbestos and lead contaminants, poor indoor air quality, contaminated or adulterated foods, improperly stored or handled food, vector borne diseases, improper operations of radiological medical devices, and radiological incidents.

Overall Program Support - Provision of overall health activities for the planning, health data collection and research, coordination, and administration of DOH.

Table I-1 illustrates operating and capital investment costs of the Health Program. Table I-2 illustrates the Health operating budget by means of financing.

Operating costs for the Health Program, excluding the Hawaii Health Systems Corporation (HHSC), will increase from $654.9 million in FY 2005 to $732.5 million in FY 2007, a total increase of 12.0%. A total of $27.3 million has been recommended for the Health Program, excluding the HHSC, for capital investment appropriation during the biennium budget period FB 2005-2007. Significant capital appropriations include: $2.1 million for the Wastewater Treatment Revolving Fund for Pollution Control and $1.7 million for the Safe Drinking Water Revolving Fund. It is noted that no capital

investment costs are reflected for the planning period because projects are under review.

The general health of Hawaii's citizens can be evidenced by a life expectancy of 79 years (1990 data) and the age adjusted mortality rate of 6.4 per 1000 residents (2003 data).

TABLE I-1

INVESTMENT AND OPERATING COSTS

HEALTH PROGRAM

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
A. Costs of the Recommended Program[A/]								
Capital Investment	14.9	37.6	28.8	6.3	...	...	...	...
Operating	785.6	821.0	910.5	908.5	908.5	908.5	908.5	908.5
TOTAL	800.5	858.6	939.3	914.8	908.5	908.5	908.5	908.5

A/ Expenditures in millions of dollars from all funds.

TABLE I-2

OPERATING COSTS OF THE HEALTH PROGRAM BY MEANS OF FINANCING

(in $ thousands)

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
A. Costs of the Recommended Program								
General Fund	355,073	376,859	411,847	412,730	412,732	412,732	412,732	412,732
Special Funds	339,022	356,334	410,335	407,705	407,705	407,705	407,705	407,705
Other Federal Funds	88,460	84,728	85,200	84,996	84,996	84,996	84,996	84,996
Interdept. Transfer	3,075	3,075	3,099	3,099	3,099	3,099	3,099	3,099
TOTAL	785,630	820,996	910,481	908,530	908,532	908,532	908,532	908,532

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAM

This section discusses activities, costs, and effectiveness of the five major Level II programs which constitute the Health Program.

HEALTH RESOURCES

The objective of this Level II program is to promote the optimal state of physical and psychosocial well-being of individuals, families, and communities through assurance of quality and appropriate prevention and intervention services, planned and developed with input from communities. The Health Resources Program is comprised of sixteen lower-level programs which are administered by DOH and which promote the well-being and reduce morbidity and mortality of the people of the State.

1. Communicable Diseases - Plans and implements programs for control, treatment, and elimination of communicable diseases; provides detection, treatment and rehabilitation services for Hansen's Disease patients; provides detection and treatment services for tuberculosis patients; operates clinics for detection and treatment of venereal disease and detection, counseling and referral of people infected with the human immunodeficiency virus (HIV). The Communicable Disease Division is comprised of programs in: 1) tuberculosis; 2) Hansen's disease; and 3) HIV infection, acquired immunodeficiency syndrome, and other sexually transmitted diseases.

2. Disease Outbreak Control - Provides diagnostic, treatment and prevention services for infectious diseases hazardous to public health. One important component of this division is investigation of outbreaks of infectious diseases with the objective of preventing epidemic spread of disease in Hawaii's population. The Disease Outbreak Control Division is responsible for coordinating all department bioterrorism preparedness planning activities and integrating these activities with surveillance and response mechanisms.

3. Dental Disease - Performs two primary functions: prevention through delivery of screening examinations, topical fluoride applications, fluoride rinse programs, oral health education to school-aged children and community adult groups, in-service training for staff in public and private institutions; and comprehensive dental treatment for indigent, mentally and physically disabled,

medically compromised and frail elderly persons at community-based dental clinics and for persons residing at various State institutions at institution-based clinics.

4. Developmental Disabilities - Administers and provides a broad array of community-based services for persons with developmental disabilities or mental retardation (DD/MR). Community-based services include DD/MR determination; case management; person centered planning and supports; quality assurance, complaint resolution; individual outcomes monitoring, health and safety assurance; training of private providers, families and staff; coordination and monitoring of purchase of service providers; certification of adult foster homes and developmental disabilities domiciliary homes; pre-admission screening and annual review of residents and nursing facilities; and setting of standards for programs and services.

5. Family Health Services - Performs activities to assure that all families, women, pregnant women, mothers, infants, children, and children with special health needs and adolescents receive quality prevention and intervention services based on their individual needs. Activities include direct health care services to low-income women and children; health education, program planning and coordination; early identification and intervention services for children with special needs; and outreach, health education and special intervention programs directed to adolescents.

6. Community Health - Provides leadership in planning, development, implementation, evaluation and dissemination of effective community-based culturally appropriate health promotion and risk reduction strategies and programs that target individuals, families and communities who are at highest risk for poor health outcomes.

   Collaborates with other State agencies, volunteer and community-based organizations, the medical community, professional associations, consumer/advocacy groups, private businesses and other entities to assure access, utilization and quality of health services aimed at prevention and control of chronic diseases such as cancer, heart disease, lung disease and diabetes. Provides bilingual translation and interpretation services to assist limited-English-speaking residents in accessing needed health care.

Provides school health services in all public schools and early intervention nursing services; nursing assessments and care coordination/case management of at-risk individuals, families, and communities; and nursing services related to immunization, disease prevention and control, and emergency response.

7. Emergency Medical Services and Injury Prevention System - Administers a comprehensive EMS and Injury Prevention System to minimize death, injury and disability through administration and coordination of organizations, coalitions and resources to insure a timely and medically appropriate response to medical emergencies statewide. Program activities include ambulance services, a medical communication system, quality improvement/assurance, data collection and analysis, billing and collection of fees for emergency ambulance services and other support services to maintain quality pre-hospital medical care throughout communities statewide. Also provides a comprehensive array of injury prevention programs.

8. Health Resources Administration - Performs activities to enhance program effectiveness and efficiency by formulating policies, directing operations and personnel in areas of communicable disease, infectious disease, dental health, health promotion and education, developmental disabilities, family health, public health nursing, emergency medical services, and bilingual health services.

Table II-1 illustrates the capital investment, operating costs and selected measures of effectiveness of the Health Resources sub-program.

TABLE II-1

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY
HEALTH RESOURCES

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
A. Costs of the Recommended Program[A/]								
Capital Investment	.8	3.2	...	...	...	...	...	...
Operating	267.6	263.3	289.1	287.6	287.6	287.6	287.6	287.6
TOTAL	268.4	266.5	281.1	287.6	287.6	287.6	287.6	287.6

A/ Expenditures in millions of dollars from all funds.

B. Selected Measures of Effectiveness/ Activity								
1. % Women Giving Birth Receiving Prenatal Care 1st Trimester.	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7
2. TB New Case Rate, % Completing Therapy.	83	90	90	90	90	90	90	90
3. % Reported Vaccine-Preventable Diseases Investigated.	100	90	90	90	90	90	90	90
4. % Of People Receiving Developmental Disabilities Services.	29	30	30	32	32	32	32	32
5. % Of Ambulance Service Revenues Collected.	52.9	63.3	63.3	63.3	63.3	63.3	63.3	63.3
6. % Persons in Institutions Receiving Dental Services.	92	92	92	92	92	92	92	92

HOSPITAL CARE

HHSC was created in 1996 (Act 262, SLH 1996) to operate the State's 12 community hospitals. The purpose of HHSC is to sustain and enhance both levels of service and quality of care for the communities it serves in the most cost-effective fashion. HHSC is the primary hospital acute care provider on the neighbor islands, and, in many instances, provides the only in-patient acute hospital services and only long-term care services in rural Hawaii locations.

Table II-2 provides an overview of the cost trends of the Hospital Care program. It is noted that no capital investment costs are reflected for the planning period because projects are under review.

TABLE II-2

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY

HOSPITAL CARE

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
A. Costs of the Recommended Program[A/]								
Capital Investment	14.2	34.4	23.8	1.3	...	...	...	...
Operating	307.4	325.6	366.7	366.7	366.7	366.7	366.7	366.7
TOTAL	321.6	360.0	390.5	368.0	366.7	366.7	366.7	366.7
B. Selected Measures of Effectiveness/ Activity								
1. Occupancy Rate - Acute Care	66.32	67.38	67.61	67.61	67.61	67.61	67.61	67.61
2. Occupancy Rate - Long-Term Care	94.85	96.29	96.84	96.84	96.84	96.84	96.84	96.84
3. Number of Births	3,345	3,379	3,413	3,447	3,447	3,447	3,447	3,447

A/ Expenditures in millions of dollars from all funds.

BEHAVIORAL HEALTH

The overall objective of the Behavioral Health program is to reduce prevalence of, and severity and disabling effects related to emotional disorders, serious mental illness, and alcohol and other drug abuse by assuring an integrated public/private community-based system of prevention, intervention and treatment services.

The Behavioral Health program consists of five lowest-level programs. The major activities performed by the programs are:

1. Adult Mental Health - Outpatient - Activities performed are currently carried out by eight community mental health centers, the Courts Branch, and purchase of service contracts with the private sector. Mental health services provided for adults with severe and persistent mental illness include: case management and support services, treatment services, crisis services, community housing services, and psychosocial rehabilitation services.

2. Adult Mental Health - Inpatient - Provides specialized inpatient treatment for adults with severe and persistent mental illness at acute and sub-acute rehabilitative levels of care. Forensic services are provided for patients committed by the Court for examination, fitness evaluation, not guilty by reason of insanity, and revocation of conditional release.

3. Alcohol and Drug Abuse - Provides treatment services including adult residential, intensive outpatient, outpatient, non-medical residential detoxification and methadone maintenance, and adolescent residential and school-based treatment with particular emphasis on pregnant addicted women, injection drug users and native Hawaiians. A program of integrated case management and substance abuse treatment to divert the criminal justice population into treatment is being implemented. Provides prevention services concentrating on high-risk children and youth, underage drinking, girl-specific substance abuse prevention services, misused and abused prescription services to the elderly, and dissemination of the latest substance abuse prevention information through a clearinghouse. A new federal substance abuse prevention grant utilizing Best Practices and community partnerships is also being implemented. Treatment and prevention activities are performed by purchase of service contracts with private, nonprofit substance abuse agencies.

4. Child and Adolescent Mental Health (CAMHD) - Provides case management and mental health services to address children and adolescent needs relating to physical, social, emotional and other developmental needs. Activities carried out to achieve program outcomes are provided by eight branches and the central division administration offices (central office). The central office assures that a comprehensive array of services is available in all communities, and that these contracted services are being provided as expected. The Clinical Services Office (CSO) disseminates and evaluates application of evidence-based services across the State. The Performance Management Office (PMO) oversees credentialing, certification and monitoring of provider agencies. The PMO also operates the division's Grievance Program and oversees the division's Quality Assurance and Improvement Program (QAIP). The Central Administrative Services (CAS) manages contracts, personnel, accounting, and claims review processes. Staff in the seven Family Guidance Center branches provide intake assessments and intensive case management services while procuring needed treatments from the contracted provider array. Services are provided with the treatment goal of improving the emotional well being of the child or adolescent, while strengthening the family and community's ability to support the child as they grow. Staff in the Family Court Liaison Branch (FCLB) provides risk-for-harm screening, mental health assessments, and treatment services for adolescents entering the Detention Home (DH) or Hawaii Youth Correctional Facility (HYCF). CAMHD operates as a managed care Behavioral Health Organization for the Medicaid eligible population.

5. Behavioral Health Administration - Performs activities to enhance program effectiveness and efficiency by formulating policies, implementing current needs assessments and quality assurance functions, directing operations and personnel, studying treatment outcomes and comparisons with other areas or states in areas of adult mental health, child and adolescent mental health, and alcohol and drug abuse systems.

The capital investment and operating costs and measures of effectiveness for the Behavioral Health sub-program are presented in Table II-3. It is noted that no capital investment costs are reflected for the planning period because projects are under review.

TABLE II-3

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY

BEHAVIORAL HEALTH

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
A. Costs of the Recommended Program[A/]								
Capital Investment	...	...	4.3	.4	...	...	...	...
Operating	184.5	204.2	225.5	225.0	225.0	225.0	225.0	225.0
TOTAL	184.5	204.2	229.8	225.4	225.0	225.0	225.0	225.0
B. Selected Measures of Effectiveness/ Activity								
1. % of Consumers Living Independently.	64	64	64	64	64	64	64	64
2. Number of Consumers Served - Outpatient Services.	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
3. Percent Clients Completing Treatment.	49	49	49	49	49	49	49	49
4. # of Children/Youth in Hospital-Based Residency Programs.	62	75	75	75	75	75	75	75
5. Percent Purchase of Service Programs Monitored.	100	100	100	100	100	100	100	100

A/ Expenditures in millions of dollars from all funds.

ENVIRONMENTAL HEALTH SERVICES

The overall objective of the Environmental Health Services program is to protect the community from unsanitary or hazardous conditions, adulterated or misbranded products, and vector-borne diseases; to control noise, radiation, asbestos, lead and indoor air quality; to enforce standards for health care facilities; and to provide specialized laboratory services.

The Environmental Health Services program consists of three lowest-level programs. The major activities performed by the programs are:

1. Environmental Health Services - Consists of four, statewide, branch-level programs: Food and Drug Branch, Noise, Radiation and Indoor Air Quality Branch, Sanitation Branch and Vector Control Branch. The major activities performed by these programs are:

   a. Research and Standards. Conduct research in areas of control methods for vectors, new methods for assuring public health safety and sanitation, and new and improved methods and equipment for sampling and inspections activities; and develop and maintain program standards and rules reflecting results of the research.

   b. Inspections. Perform inspections of food services, food establishments, noise and radiation sources, chronic vector breeding sources, public and private building and dwellings, recreation venues, mortuaries, cemeteries, indoor air environments, purveyors of pharmaceutical products, to assure that they do not result in significant public health diseases or injuries, or degradation of the community environment.

   c. Measurement and Surveillance. Monitor population trends of major vectors on a statewide basis; perform surveillance of food, prescription drugs, therapeutic devices and cosmetics to assure that they are safe and/or effective and properly labeled; collect and test samples on shellfish and other marine life for compliance with standards of purity and quality; monitor, measure, and conduct surveillance of noise, radiation, asbestos containing materials, lead based paint, air conditioning and ventilation systems, and indoor air quality to assure healthy and safe environments.

d. Abatement. Control breeding areas of vectors that may pose a threat to public health or environment through application of chemicals or introduction of biological predators and follow up with inspections and surveillances; minimize risks of excessive noise levels, asbestos and lead containing materials, and indoor air contaminants; and minimize health risks from contaminated or adulterated foods.

e. Review. Review plans for public buildings to assure conformance with sanitation and ventilation requirements.

f. Partnerships. Develop and maintain partnerships with all levels of government, the regulated community, and the general public in order to provide the most effective means of public service.

g. Public Participation. Provide educational programs and information to the public to increase their awareness and understanding of the rules and services of the Environmental Health Services programs.

h. Emergency Response for Radiological Emergencies.

2. Medical Facilities - Standards, Inspection, Licensing - Assure high levels of care through establishment and implementation of State licensing qualitative and quantitative standards for health care facilities, programs, and home and community based care giving settings and related services and programs. These include but are not limited to hospitals, nursing homes, home health agencies, adult residential care homes, developmental disabilities domiciliary homes, special treatment facilities, clinical laboratories. Perform contractual requirements between the State and the federal Centers for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration, to perform survey and certification activities using federal regulations to enable health care providers to participate in the reimbursement program under Title XVIII (Medicare) and Title XIX (Medicaid).

3. State Laboratory Services - Administer a statewide laboratories program which conducts scientific analysis in support of environmental health and communicable disease monitoring and control activities. Provides consultative and other related laboratory services to departmental programs concerned with environmental and

sanitation safeguards. Provides diagnostic and consultative laboratory services to physicians, institutions and various federal, State, county and city agencies for diagnosis and control of disease. Evaluates and approves or licenses laboratories, clinical laboratory personnel and medical review officers. Provides research, investigations and related laboratory services in the field of public and environmental health. Participates in the national Bioterrorism Preparedness program which provides new federal funded positions, equipment and supplies to enable the State Laboratory to respond to chemical terrorism and bioterrorism events including the rapid testing of suspected bioterrorism agents.

Table II-4 illustrates the operating costs and selected measures of effectiveness of the Environmental Health sub-program.

TABLE II-4

INVESTMENT AND OPERATING COSTS

AND

MEASURES OF EFFECTIVENESS/ACTIVITY

ENVIRONMENTAL HEALTH

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
A. Costs of the Recommended Program[A/]								
Capital Investment	...	...	...	...	...	...	...	
Operating	15.5	16.3	17.1	17.1	17.1	17.1	17.1	17.1
TOTAL	15.5	16.3	17.1	17.1	17.1	17.1	17.1	17.15
B. Selected Measures of Effectiveness/ Activity								
1. Percent Food Service Establishments that Meet Standards.	98	98	98	98	98	98	98	98
2. Percent of Requests for Services Met.	99	99	99	99	99	99	99	99
3. Percent State Licensing/Federal Certification Activities Met w/in Time Schedule.	100	100	100	100	100	100	100	100

A/ Expenditures in millions of dollars from all funds.

OVERALL PROGRAM SUPPORT

The objectives of the Overall Program Support Level II program is to assure that DOH possesses fundamental capacities for effective and efficient actions to accomplish its mission, goals, and objectives by applying the best available technical knowledge, by recruiting and maintaining well trained and competent personnel, by generating and maintaining constituencies and political support, and by securing adequate fiscal support.

Program activities include support services relating to planning, reviewing, facilities management and budgeting department wide programs, operations, and activities.

This Level II program is composed of the following four lowest-level programs:

1. Comprehensive Health Planning - Perform statewide health planning activities with the health industry and communities to set the blueprint for development of our second largest industry. Also ensures that organizations that want to provide health care are capable of providing quality care, are accessible to our citizens, and are cost responsible. Collects health industry utilization data, maintains a health care GIS, and performs special studies on the health industry.

2. Health Status Monitoring - Administers a statewide program to collect, analyze, and disseminate population-based public health statistics to assess the health status of Hawaii's multi-ethnic population and to fulfill vital statistics legal requirements including registration and issuance of certified copies of all births, deaths, and marriages occurring in the State. The monitoring of health status which is performed by this office to identify community health problems is one of the ten essential public health services identified by the Institute of Medicine.

3. Policy, Development and Advocacy for Developmental Disabilities - Performs statewide planning, coordination, evaluation, advocacy, and reporting activities for individuals with developmental disabilities (DD). Assures that individuals with DD and their families participate in design of, and have access to, culturally competent services, supports, and other assistance and opportunities that promote independence, productivity, and integration and inclusion into the community.

4. General Administration - Provides department wide policies, directs operations and personnel, and performs other administration services including budget, fiscal and facilities management.

The capital investment, operating costs and measures of effectiveness for the Overall Program Support program are presented in Table II-5. It is noted that no capital investment costs are reflected for the planning period because projects are under review.

TABLE II-5

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY

OVERALL PROGRAM SUPPORT

	Fiscal Years							
	Actual 2003-04	Est. 2004-05	Rec. 2005-06	Rec. 2006-07	Projected 2007-08	2008-09	2009-10	2010-11
A. Costs of the Recommended Program[A/]								
Capital Investment	...	...	.6	4.6	...	...	...	...
Operating	10.6	11.6	12.1	12.1	12.1	12.1	12.1	12.1
TOTAL	10.6	11.6	12.7	16.7	12.1	12.1	12.1	12.1
B. Selected Measures of Effectiveness/ Activity								
1. Percent Cert. of Need Applications Documents Relating to HSFP.	83	93	95	95	95	95	95	95
2. Percent Vital Rec ISS w/in 10 Working Days from Request.	87	85	85	85	85	85	85	85
3. Percent Grievances resolved (DOH-Staff Admin).	83	88	88	88	88	88	88	88

A/ Expenditures in millions of dollars from all funds.

III. PROGRAM CHANGE RECOMMENDATION

HEALTH RESOURCES

	FY 2006-07	FY 2007-08
	2.00	2.00
Developmental Disabilities Division (DDD)	1,475,057 A	1,475,057 A

There is a lack of capacity in Hawaii to ensure that individuals with challenging behaviors are supported in the most integrated settings in a timely manner and that services are provided within their local communities. This request includes two (2.00) permanent positions, a Public Health Supervisor and a Social Worker/Health Services Professional IV and funds for services on a fee and training. The positions will be responsible to network with the mental health delivery system and provider community to design a comprehensive statewide crisis network system to support individuals with DD/MR/MI, their families and service providers. Funding this request will minimize the need for out of home placements (e.g., acute care hospitals, out of State placement, etc.) and is a more cost effective and self-determined method to deal with individuals that have behavioral issues versus the institutionalization method.

DDD is responsible to ensure that funds utilized for services are person-centered, person-directed and support individuals to lead self-determined lives. Establishment of the Crisis Network is an initiative to support this philosophy for all individuals, including those with challenging behaviors.

IV. EMERGING TRENDS, CONDITIONS AND ISSUES

Health Resources

1. Tuberculosis

There were 117 tuberculosis (TB) cases reported in Hawaii during 2003. Hawaii's TB case rate of 9.3 per 100,000 was the highest in the nation compared with the national rate of 5.1 per 100,000.

About 84% of Hawaii's TB cases occur among the foreign-born. Most of Hawaii's immigrants come from countries with drug-resistant TB. Philippine immigrants account for about 60% of these foreign-born cases, followed by those from Korea (7%), and Vietnam (5%). Almost half of the TB cases in immigrants occur within the first four years after arrival.

TB also remains a major issue for the elderly. Since 1990, the over-65 age group has accounted for a large proportion of the TB cases in Hawaii. Most of these residents contracted their TB infection decades earlier and are now reactivating the disease because of waning immunity and poor general health.

In Hawaii, less than 1% of active TB cases are co-infected with HIV. However, the potential remains for the rapid spread of TB through this population since the HIV-infected person lacks immunity to TB and is highly susceptible. Concurrent TB disease and HIV infection can be complicated by a large burden of TB organisms, increased contagion, and the spread of multi-drug resistant TB organisms to the general populace.

The program has addressed these problems by expanding TB treatment services, including directly observed therapy (DOT) by outreach workers to the private sector; expanding DOT to include high risk individuals receiving preventative therapy (DOPT); continued aggressive contact investigations; implementation of a targeted testing program for high-risk populations; and expansion of preventative therapy to include all reactors regardless of age.

If further shifting of testing and treatment to the private sector is to occur, the TB Branch will be required to maintain increased communication with those involved and to create more sophisticated information

systems and laboratory methodologies such as DNA fingerprinting in order to continue effective monitoring and reporting of the course of this disease in the State. The cost of community hospital services providing chest x-rays on neighbor islands may continue to increase with further privatization. Staff and funding must be maintained to avoid reductions in critical TB detection, treatment, and surveillance services.

2. Hansen's Disease

The State's Hansen's Disease (HD) Outpatient Program continues to find relatively high numbers of new HD cases in new arrivals from the South Pacific region. Citizens from the Compact of Free Association (COFA) countries (Federated States of Micronesia, the Republic of the Marshall Islands, and Palau) have been migrating to Hawaii over the past few years to take advantage of educational opportunities for children and employment. These countries have the highest prevalence and incidence of HD in the world. 80% of Hawaii's new HD cases are found in persons born in the COFA countries who are choosing to reside in Hawaii. This percentage has been rising steadily in the past five years and will continue to rise as increased migration occurs.

Limited access to health care and vast cultural differences within this Pacific Islander population has required the program to modify how HD medical services are delivered. In addition to the reliance on community physicians and public health nurses, customized skin and nerve screenings for high risk groups continue as part of active outreach screening for HD along with screening for contacts of HD cases. The HD Outpatient Program has collaborated and formalized a weekly referral system with DOH's Early Access Program (EAP) under Bilingual Health. HD education and screenings are offered to high risk persons in their homes since access to health care is a challenge for these persons. The HD Outpatient Program has been regarded as a leader in community and DOH interagency collaborative efforts in working with the high risk population. Other agencies are realizing the impact of migrants from COFA countries on several health and medical resource areas.

Church and community leaders within the target population continue to be identified and enlisted to collaborate and assist in increasing HD case finding and outreach activities. Over the past year, the HD Outpatient Program Public Health Nurses (PHNs) have facilitated the

community group, Nations of Micronesia, and piloted a volunteer project which trains church liaisons to provide information to others about access to health and social services including HD screening services. Outreach activities on the neighbor islands were increased this past year, and will continue to increase in order to address increased migration of the high risk population from Oahu to Maui and Kona. The HD Outpatient Program has collaborated with the TB Branch and District PHNs in an effort to increase screening efforts of the high risk population on the neighbor islands (primarily on Maui and in Kona) due to continuous in-migration from the COFA countries. A relatively large base population (estimated at 12,725) along with continuous in-migration from the COFA countries places heavy demands on program resources as screenings continue and new cases of HD are identified.

A major problem facing inpatients of Kalaupapa and Hale Mohalu has been increasing severity of medical problems due to a rapidly aging population (average age is 76 years). This is compounded by progressive disabilities due to HD. The increasing costs and increasing numbers of acute care hospitalizations as well as other types of costly complex care has increased medical care costs for this group in spite of decreasing numbers of patients (37). The greater severity of patients' medical problems has placed a heavy burden on the nursing staff at Hale Mohalu Hospital as patients at a higher level of care are hospitalized in Hale Mohalu.

State and federal statutes allow Kalaupapa-registry former patients to remain in Kalaupapa for as long as they choose. Although patient numbers have come down, the cost of running the severely isolated settlement will not. Funding and personnel cuts over the past few years have placed the settlement at the minimum funding level at which a safe and viable community can be maintained. The transfer of some of the infrastructure responsibilities from DOH to the National Park Service (NPS) has been initiated as a means of decreasing DOH cost. However, unstable federal funding for NPS has not allowed for a major transfer of responsibilities.

3. AIDS and Sexually Transmitted Diseases

The STD/AIDS Prevention Branch (SAPB) is responsible for coordination and/or provision of surveillance, prevention, treatments and care services for individuals who are at risk for or are infected with sexually

transmitted diseases (STDs) or HIV/AIDS. For the past two years SAPB has taken on a prominent role in the prevention of hepatitis C transmission.

Through June 30, 2004, a cumulative total of 2,876 cases of AIDS have been reported. HIV is a reportable disease in Hawaii but accurate data is not yet available. There is estimated to be 2,300 - 3,200 individuals living with HIV in the State.

The HIV prevention program focuses on changing behavior of those individuals most at risk, helping them to access counseling and testing and if positive, to access case management and a full range of care and treatment services. Services are provided by SAPB staff and through contracts and partnerships with community-based organizations in all counties.

The demand for HIV prevention and care services continues to increase while State funding to SAPB has remained flat for over 12 years. Supplementary Ryan White CARE Act funding which has been awarded to Hawaii for the past five years has covered the increasing costs of providing HIV drug assistance. However, federal HIV/AIDS funding appears unlikely to increase in the coming years. As a result, the program may become unable to provide critical HIV services and medications.

The amount of funding needed to provide quality HIV treatments for individuals with no alternative means of support continues to rise. Medications are expensive and an increasing number of people are being treated because the therapies are helping AIDS patients live longer with fewer deaths. Newly infected individuals are accessing services earlier. With the coming introduction of HIV rapid testing it is anticipated that more people will be able to learn their HIV status and seek treatment, if infected. There has been an ongoing increase in utilization of the Hawaii Seropositivity and Medical Management (HSPAMM) and HIV Drug Assistance Program (HDAP). These programs have helped reduce the number of HIV patients requiring hospitalization, decrease the average length of hospital stay and reduce emergency room visits.

Since the late 1990's there has been a significant and concerning increase in reported cases of syphilis, gonorrhea and Chlamydia infections in Hawaii. Chlamydia rates are well above the national average while gonorrhea and syphilis rates almost match the national rate. Of

additional concern is emergence of new strains of gonorrhea which are resistant to commonly used antibiotics. STDs if left undiagnosed and untreated can lead to serious complications including infertility. It is well documented that STDs increase susceptibility and facilitate HIV transmission. This situation is the focus of a continuum of program interventions including provision of STD examination and treatment services, screening activities, case-finding activities, coupled with STD/AIDS education and risk reduction programs. However, long-term flat funding is necessitating a more limited focus on populations that can receive STD services. A collaborative response by SAPB and public and private providers is underway to strengthen prevention and care services. Overall, the program is increasingly integrating HIV, STD and hepatitis services for those most at risk.

4. Disease Outbreak Control Services

Infectious disease is a major cause of mortality in Hawaii and control of infectious disease outbreaks remains a core function of DOH through activities of the Disease Outbreak Control Division. In recent years, there has been an increase in illnesses caused by infectious agents nationwide. Some factors that have contributed to emergence of these infectious pathogens include ecological changes, changes in human demographics and behavior, international travel and commerce, microbial adaptation, and breakdown in public health control measures. The emergence or re-emergence of illness caused by cholera, ebola, and Hantavirus can all be traced to a combination of the above factors. Emerging pathogens such as E. coli 0157, and severe group A Streptococcal infections have been increasing among Hawaii's population over the past several years. A concerted effort to prevent and control infectious pathogens is necessary to respond to the growing threat posed by these and other infectious diseases.

The effort to prevent and control infectious illnesses has led to development of improved disease surveillance systems. Comprehensive surveillance data helps ensure that appropriate control measures are instituted in prompt response to reports of a disease outbreak. The Disease Outbreak Control Division is responsible for maintaining and enhancing existing surveillance and response capabilities of our statewide disease investigation program.

One of the most cost effective measures to prevent spread of infectious diseases among the population is age-appropriate immunization. Initiatives administered by the Disease Outbreak Control Division's Hawaii Immunization Program currently provide federally funded vaccine to nearly two thirds of Hawaii's children. In addition to supplying vaccine to under-immunized children, the Immunization Program promotes immunizations to parents and providers, and enforces school attendance immunization requirements. A special program has been established to reduce transmission of hepatitis B within our State, because Hawaii has the highest rate of chronic hepatitis B infection in the nation.

Continued growth in Hawaii's resident population, with a concomitant increase in population density, will enhance the potential for person to person disease transmission in the future. Moreover, immigrants and refugees arrive in Hawaii each year from areas where diseases of public health importance, such as hepatitis A and hepatitis B, are highly endemic. The large number of foreign visitors to Hawaii adds to the complexity of infectious disease control activities required in our State. A strong Disease Outbreak Control program is essential to ensure that infectious threats to the public health are successfully addressed.

Developments in bioterrorism have made the need to enhance epidemiologic capacity evident to federal level decision-makers. This has become "a matter of greatest national importance," as stated by the former Secretary for Health and Human Services, Tommy Thompson. Bioterrorism planning and preparedness includes enhancing surveillance and response to other infectious diseases as well. The program is responsible for needs assessment, development, testing, conducting response exercises, evaluation, and on-going updating of statewide public health response plans for bioterrorism events, other serious epidemics, and other public health emergencies, as well as coordination of these activities for county-specific emergency response plans.

5. Dental Diseases

Dental caries (tooth decay) remains among the most prevalent health problems in Hawaii. Efforts to prevent and control this condition among young children have come to the forefront of both national and local attention. The Dental Health Division conducts education and disease screening programs statewide in collaboration with the

Department of Education (DOE). The community oral health assessments target specific populations and enable the division to design prevention programs appropriate to the needs of each school and community and prioritize use of its limited resources. On-going collaborations with the Women, Infant, and Children Program (WIC), Hawaii Head Start programs and the Maternal and Child Health/Leadership Education in Neurodevelopmental and Related Disabilities (MCH-LEND) Program enable the division to plan targeted oral health programming.

Deinstitutionalization of persons with developmental disabilities and individuals with behavioral health problems continue to increase the need for State operated dental clinics. In addition, an increase in the number of elderly living on a fixed income in need of dental assistance is anticipated as mean age of the population increases. While DOH's capacity to offer clinical dental services is severely limited by staffing and funding, the division's State-operated, community-based and institution-based clinics provide significant assistance for many of Hawaii's chronically and categorically disabled residents who lack access to private sector dental care.

Access to needed dental care services for individuals and families receiving Medicaid assistance continues to be limited, particularly on the neighbor islands where DOH does not operate dental clinics. In addition, Medicaid does not cover basic, routine dental care for adult recipients. Also, the State's medically/dentally indigent population is expected to grow in the coming years due to federal restrictions for medical assistance for legal immigrants and others currently receiving public assistance.

Ongoing community education in oral disease prevention strategies is a fundamental activity of the division. Oral health and hygiene, oral medicine, injury prevention, community water fluoridation, and appropriate use of fluorides and dental sealants are the focus of educational materials that are developed by program staff. The division is actively planning and coordinating clinical and dental hygiene programs in the State's urban and rural communities. As a key participant in the Hawaiian Islands Oral Health Task Force, Children's Oral Health Coalition and Hawaii Head Start Oral Health Collaboration and Planning Project, the division partners with community groups and other government agencies to help assure access to oral health

care and age-specific and culturally appropriate education and prevention strategies. The division is also involved as a principal collaborative partner with the John A. Burns School of Medicine in development of an oral health disparities research center in Hawaii examining correlations between oral disease and other chronic diseases in local populations.

6. Women, Infants and Children

The Hawaii WIC Program completed statewide automation in May 1999 and continues to improve its information system. In 2002, WIC implemented the major redesign of nutrition risk and ethnicity/race features as well as a switch to food checks with magnetic imaging character recognition (MICR). In 2004, it streamlined data entry for food package assignment and health surveillance data to achieve a more user friendly, efficient system. It is clear, however, that even more changes are needed to meet program needs. Future enhancements and modifications are dependent upon additional funding from the U.S. Department of Agriculture (USDA).

The expenditure of federal funds depends upon caseload management. The Hawaii WIC Program contracts with purchase-of-service (POS) agencies as well as provides direct client services through State-run agencies. The recruitment and retention of qualified public health nutritionists to provide services remains an issue; while the closing of the School of Public Health at the University of Hawaii at Manoa and the State's hiring system and low salary schedule further exacerbate staffing problems at State-run agencies. The program is addressing these issues through development of paraprofessional staff to provide low risk nutrition education and supporting activities, thereby releasing public health nutritionists to focus on high risk clients.

Based on national WIC efforts to support breastfeeding initiatives, the Hawaii WIC Program has accepted $95,992 from USDA for implementation of a pilot Breastfeeding Peer Counseling Project. The project is to provide lay breastfeeding peer counseling services to WIC participants in and outside of the regular WIC clinic setting. WIC's long-range goal is to institutionalize Peer Counseling as a core service to further increase breastfeeding rates.

7. Children with Special Health Needs (CSHN)

A major trend for children with special health needs (CSHN) is development of a comprehensive system of care for CSHN and their families, so that all CSHN will reach optimal health, growth and development. This system is expected to have the following six outcomes:

- Families of CSHN will partner in decision-making at all levels, and will be satisfied with services they receive.
- All CSHN will receive coordinated ongoing comprehensive care within a medical home.
- All families of CSHN will have adequate private and/or public insurance to pay for services they need.
- All children will be screened early and continuously for special health needs.
- Community-based service systems will be organized so families can use them easily.
- All youth with special health needs will receive services necessary to make transitions to all aspects of adult life, including adult health care, work, and independence.

For this comprehensive system of care, issues include the following: 1) the availability, accessibility, affordability, and quality of health care services, so that CSHN are appropriately diagnosed and treated, and receive services as a "safety net" when necessary; 2) early identification, diagnosis, and intervention/treatment for children with special health needs; 3) infants and toddlers age 0-3 years who are developmentally delayed, biologically at risk, or environmentally at risk receive appropriate early identification and intervention services as specified under Part C of IDEA, HRS 321-352, and the Felix Consent Decree; 4) all infants are satisfactorily screened for metabolic disorders and for hearing disorders, and that infants identified with disorders receive appropriate intervention; 5) increased awareness of genetic issues; 6) birth defects surveillance to help promote and protect the health of children by contributing to identification of genetic, environmental hazards, and other causes or risk factors.

8. Maternal and Child Health

The implementation of primary care, family planning, perinatal, child health and family support programs through the Maternal and Child Health Branch continue to be affected by the recovering economy, limited federal and State revenues for health care, and stricter eligibility requirements for Hawaii QUEST. Increasing needs and continued budget constraints make it more difficult to meet stated objectives and provide adequate care to increasing numbers of the uninsured, underinsured, homeless, and vulnerable populations. Often funds distributed through Purchase of Service providers are utilized within the first 2-3 quarters of the fiscal year thus limiting services provided.

Key health risk indicators continue to be of concern:

- The unintended pregnancy rate in Hawaii is 51%.
- Increase in the infant mortality rate from 7.0 per 1,000 births in 1999 to 7.3 per 1,000 in 2003. The five-year average infant mortality rate for Native Hawaiians during this period was 8.5 per 1,000 births.
- Women seeking first trimester prenatal care increased only slightly from 81% in 1998 to 82% in 2002.
- Uninsured rate has increased from 4% to 10% overall; 25% of the clients enrolled in the Community Health Centers are uninsured.
- 26,000 children are without health care insurance; 19,500 Medicaid eligible children are not enrolled in QUEST.
- Families identified at-risk for child abuse have increased by 10%.
- 27% of middle school children contemplated suicide in 2001.

Fifty-one percent (51%) of unintended pregnancies for Hawaii is alarming. Possible outcomes of unintended pregnancies include significant increases in rates of abortion and infant mortality, low birth weight infant outcomes, poorer child health and development outcomes, and increase of at-risk home situations for child abuse and neglect.

Abstinence-based education for minors and provision of contraceptive choices for those already sexually active can make a significant impact on reducing teen pregnancy. The majority of welfare mothers in their twenties began as teen mothers. Comprehensive health screenings that

take place during family planning and primary care visits can save thousands in treatment costs at a later date for both adolescents and adults.

The number of children without health care insurance is due to various reasons. Some parents may not know how to enroll in QUEST and others may choose not to enroll in QUEST. Further, some may not meet eligibility requirements for QUEST and are unable to pay for regular health insurance coverage.

Also alarming is the increase in intentional injury and violence-related events. Greater numbers of children are vulnerable due to rising substance abuse and other social stressors that increase risk in homes.

The Healthy Start Program, as a component of the Part C IDEA Early Intervention System, provides statewide universal screening and assessments of infants and follow-up home visitations for environmentally at-risk infants, children and families statewide. This has increased resources to families and children who are at risk and agree to recommended services. This may, however, generate the need for more therapeutic interventions for these multi-problem families.

The Maternal and Child Health Branch continues to collaborate with other State and private agencies to implement needed initiatives including the Child Death Review, the Hawaii Children's Trust Fund, the Perinatal Risk Assessment Monitoring System (PRAMS), and Women's Health, which is reflective of the national comprehensive approach to services across the life span. The program's emphasis is on the core public health functions of assessment, policy development and assurance. Resources are directed to those problems that present the greatest risk to public health and prevention of the most costly, poor outcomes.

9. Developmental Disabilities

A comprehensive evaluation of the division's service system by nationally recognized consultants evidenced the need for an increased quality assurance system to monitor and improve division services and to establish a crisis network. Additionally, CMS issued quality assurance protocols mandated for states to monitor implementation of the individual planning process and assure the health and welfare of persons in the Home and Community Based Services Medicaid Waiver Program. To implement a quality

assurance system as part of the waiver renewal process, DDD must diligently work to assure system implementation while faced with fixed resources. The Supreme Court ruling on the Hale Haouli (State operated Adult Day Programs) allowed the Division to fully transition out of providing direct services in August.

The division fulfilled the terms of the Makin settlement by admitting 700 individuals into the Home and Community Based Waiver Services program and is continually reducing the waitlist for requested services. The division has an action plan to assure continued reasonable admission into the Home and Community Based Services Medicaid Waiver to prevent additional lawsuits and intends to finalize a new settlement agreement this fiscal year.

In March 2003, the division applied and was granted a modification in its Medicaid Home and Community Based Waiver Services Application. These new self-directed services allow individuals with DD/MR to select many different options that meet their needs instead of traditional services. The division is again preparing to renew its Medicaid Home and Community Based Waiver Services Application to be implemented in 2006. This Waiver will provide increased accountability of providers, measurable quality outcome indicators and revised service options for better quality of support through existing or new services to sustain individuals to fully participate within their community and develop natural relationships. The division continues to collaborate with the Adult Mental Health Division (AMHD), CAMHD, and the Dental Health Division to provide a comprehensive system of support. Residential services and employment continue to present challenges for people with developmental disabilities.

10. Community Health

There are several emerging trends and issues facing the Community Health Division:

1. Continued limitations in program funding and personnel will continue to force programs to do more with less.

2. Increased efforts for surveillance and data analysis and fostering of community based participatory approaches for program planning, development and evaluation.

3. On-going partnerships with organizations/communities will continue as government and private organizations will need to rely on each other and their resources to meet the demands of various aggregate populations and constituencies.

4. Increasing rates of obesity among all groups but especially in disparate populations.

5. Physical inactivity, poor diet, and tobacco use continue to contribute to the increasing incidence and prevalence of chronic diseases, thereby resulting in higher health care costs and impaired quality of life.

6. Continued disproportionate impact of chronic disease mortality and morbidity on certain populations.

7. Given limited resources, services will continue to target populations at highest risk, such as those who are uninsured/underinsured, the frail elderly, and pregnant teens, special health needs children, and homeless individuals.

8. Increasing identification of students' health/medical conditions and those in need of educational accommodations (504/IDEA) will strain limited resources to administer medications and provide other health services.

9. Increasing numbers of medically fragile children in the community will require more services and will increase the need for additional health and licensed personnel in the schools.

11. Emergency Medical Services

Emerging trends and issues facing this program include: Act 158 passed in the 2004 Legislative Session authorizing a special fund with a $5 user fee from motor vehicle registration will address the need for additional ambulance services in identified communities statewide.

There are 54 ambulance units on all islands statewide responding to approximately 89,000 calls a year with 52,000 persons requiring ambulance transport to an emergency department. Each person treated and transported is billed a fee for service. An Electronic Record System needs to be developed for real time quality improvement reviews, as well as efficient billing and

collection of ambulance fees. The current manual logging system does not provide for the type of accountability and monitoring to assure the State is maximizing revenue from ambulance services provided. The electronic record system will also address security of protected health information to comply with the Health Insurance Portability and Accountability Act federal requirements.

The issue of adequate air ambulance transport services to Honolulu has been a critical issue for the neighbor island hospitals. Air ambulance service is provided by a private company and is licensed by the department. They are licensed for five (5) fixed wing aircraft. Hawaii County operates a single wing helicopter aeromedical service but Federal Aviation Administration regulation does not allow flight over water. The Maui helicopter began operations in September 2004 and can fly critical patients to Maui Memorial or to Honolulu medical centers. The Maui helicopter has addressed the needs of critical persons but does not address non-emergent needs for patient transport. HHSC brought together key stakeholders and have been meeting for several months to address the issue. The major issues are: 1) lack of physician specialty care on neighbor islands; 2) increased need to transfer patients for non-emergency medical care due to lack of services; and 3) private air ambulance provider revenue base does not support the number of flights the medical facilities feel is necessary for timely transport of patients.

During the past decade, the State's population of people 65 or older increased by almost 20%, and greater increases are expected during the next 20 years. Injuries due to falls are a significant barrier to healthy aging and a major public health problem. Among Hawaii seniors age 65 or older, falls are the leading cause of fatal injuries and injury-related hospitalizations. In 2002 alone, falls resulted in 51 deaths and nearly 2,700 hospitalizations among Hawaii seniors, with hospital charges averaging $30 million a year, with more than three-quarters (76%) paid by Medicare or Medicaid. Falls are also a significant threat to the independence and quality of life of older adults. Among Hawaii seniors who were hospitalized due to a fall in 2002, 34% were discharged to nursing facilities for additional care, and another 8% to rehabilitation facility.

Hawaii and the nation are in the grips of a silent and growing epidemic highlighted by the Surgeon General in

the 2001 publication "National Strategy for Suicide Prevention: Goals and Objectives for Action." Suicide, the leading cause of injury death in Hawaii, exacts an enormous toll on Hawaii's people. Hawaii loses an average of 128 lives to this tragedy each year, and another 1,152 are hospitalized after attempting to take their own lives. The devastating trauma, loss and suffering are multiplied in the lives of family members and friends. Only recently, however, have the knowledge and tools become available to approach suicide as a preventable public health problem with realistic opportunities to save many lives.

Hospital Care

1. Capital Improvement Project (CIP) Requests

Substantial shortfalls from deferred investments and renovations of HHSC facilities continue to represent the largest, multi-million dollar, value of liabilities that were passed without funding when HHSC was formed. Failure to resolve these shortfalls can and will affect quality of care and ability of HHSC to continue to provide services to its communities. HHSC is asking the State of Hawaii to contribute to HHSC's efforts to cope with prior facilities liabilities by providing general obligation bond-funded CIP of $5,560,000 for FY 2006 and $1,275,000 for FY 2007 for urgent fire and safety shortfalls. It is critical to obtain funding for deferred investments and renovations in order to assure continuation of quality healthcare services to the communities that HHSC serves.

2. Critical Access Hospital (CAH)

Congress established the Medicare Rural Hospital Flexibility Program as part of the Balanced Budget Act of 1997. This program is designed to assist states and rural communities to improve access to essential healthcare services by solidifying existing healthcare infrastructure and linking providers into organized networks of care. The program created CAH, an acute care facility that provides outpatient, emergency, and limited inpatient services, as an alternative rural hospital eligible for Medicare reimbursement. The federal government, on a reasonable cost basis, reimburses CAHs for services provided to Medicare beneficiaries.

Four HHSC hospitals (Kauai Veterans Memorial, Lanai Community, Ka'u and Kohala) have been converted to CAH.

Conversion to a CAH and receipt of cost-based Medicare reimbursement has enhanced the financial position of these small rural hospitals to offset cost of providing "Mandated Service" in these communities. As a result, the hospital's role as the "anchor" of the health system and a cornerstone of the local economy is preserved so that other health care providers and services are more likely to remain in the community.

3. Assisted-Living Facilities

HHSC established the not-for-profit (501(c)3) subsidiary Ali'i Community Care, Inc. (Ali'i) in June 2000 for the purpose of building, operating and/or owning Assisted Living Care facilities. HHSC is the sole member of Ali'i.

Ali'i Community Care dedicated its first assisted living facility, Roselani Place, with 113 residential units, including Alzheimer's care unit, at Kahului, Maui. As Roselani Place is the first and only licensed Assisted Living Facility on the island of Maui, Ali'i Community Care is filling a critical community need.

4. Economic Challenges of Rural Healthcare

HHSC operates facilities in rural or remote locations in order to meet needs of those communities. The combined actual inpatient volume for HHSC's rural or remote facilities is well below the volume necessary to break-even. These facilities will continue to operate at unprofitable levels because populations in these rural or remote locations served are not large enough to generate patient revenue sufficient to cover costs of these facilities and because HHSC continues to operate with the Legislature controlling levels of service, has restrictions on outsourcing non-core healthcare business and must manage the work force under provisions of State civil service and State collective bargaining.

5. Flat/Decreasing Revenues

Significant external trends having potential impact on HHSC include but are not limited to:

- The evolution of managed care and constant changes in the federal and State Medicare and Medicaid/Quest programs. Inherent in this is the trend to reduce in-patient and emergency room utilization and reimbursement plus both related need to provide

higher intensity hospital services for those patients served.

- The increasing competition for healthcare resources including limited reimbursement dollars, need for qualified healthcare professions, and encroachment of national organizations into the state, including the neighbor islands.

6. Deterioration of the Long-Term Care System

The combination of high costs and low reimbursement from Medicaid is placing extreme pressures on the long-term care system for the State of Hawaii. The existing statewide shortage of long-term care beds and other care options such as home care and adult residential care homes (ARCH) is forecast to worsen because reimbursement levels are too low to justify establishment of new facilities or expansion of current ones and existing long-term care facilities and businesses providing alternative services are in danger or shutting down voluntarily or being shut down by creditors.

Increasing challenges of the long-term care system in Hawaii are imposing millions of dollars in un-reimbursed costs on HHSC as up to 90 patients per day must remain at the major HHSC facilities of Maui Memorial Medical Center, Hilo Medical Center and Kona Community Hospital because there is no place for patients to go when their acute care admissions have been completed. These "wait list patients" at HHSC facilities are estimated to be costing HHSC up to $20 million or more per year. HHSC's management and board of directors are concerned that further collapse of the long-term care system in Hawaii will cause increasing numbers of "wait list patients," imposing millions of dollars in additional financial losses on HHSC and preventing patients on the Big Island and on Maui and, possibly even on the island of Kauai in the future, from accessing desperately-needed acute care services.

7. Physician Availability/Malpractice Insurance Crisis

Reduced payments for professional services from insurance companies and government payers plus rapidly escalating costs for physician malpractice insurance have resulted in physicians throughout Hawaii declining to provide on-call services for hospital emergency departments. As a result, specialty physicians are frequently not available to provide services to the sick and injured

that comes to HHSC emergency departments. HHSC may soon incur additional costs of several millions of dollars per year to pay specialty physicians to provide services at HHSC emergency departments on the Neighbor Islands.

8. Cost of State Services

HHSC inherited from DOH the responsibility of providing "free" or under-reimbursed services to the public as well as the obligation to provide quality health in rural areas. Termination of these services is not allowed under Act 262. Furthermore, any elimination of the services would offer virtually no options for the poor, needy, and court directed cases.

Behavioral Health

1. Adult Mental Health

The focus of public mental health programming and resources continues to be on services for adults with severe and persistent mental illness. Demand for increased public resources has resulted from U.S. v. State of Hawaii Stipulations and Orders including the Plan for Community Mental Health Services which mandate expansion and enhancement of outpatient community services. The purpose of this expansion is to meet clinical and social needs (meaning social supports including housing, psychosocial rehabilitation, and case management) of individuals who have been or currently are patients of Hawaii State Hospital (HSH), or who have been or will be discharged, transferred or diverted from HSH, and those who are at risk of hospitalization at HSH.

After 13 years, the hospital attained dismissal from the United States of America v. Hawaii Civil No. 91-000137 DAE-KSC. This is seen as a major effort by the hospital. HSH is committed to continue to sustain the gains made over the past 13 years. This will require a continued commitment by all levels of government to ensure the needs of the patients are continually met. The Court has made it clear that sustaining the current levels of care while meeting new and ever changing challenges in healthcare is the expectation. Adequate resources will allow the hospital to sustain the gains made over the years of U.S. District Court involvement and continue to provide for the program's target groups.

The hospital also continues to work on maintaining national accreditation. AMHD is continuing to enhance

its information collection and processing to improve the accurate collection and utilization of data and information relative to service authorization, services provided, and outcomes of inpatient and outpatient services.

2. Alcohol and Drug Abuse

Major trends affecting the program continue to include social and economic conditions which alter accustomed patterns of living producing increased emotional stress on individuals and families and resulting in greater demand for substance abuse services. These trends are increased use of alcohol and other drugs by adolescents; increased availability of drugs, including crystal methamphetamine and marijuana; increased numbers of drug exposed infants; increased numbers and recognition of adults, adolescents and criminal justice population and the child welfare system population needing treatment; and high-risk of HIV infection among substance abusing populations. Other trends include increase in substance abuse education and employee assistance programs which highlight increased need for substance abuse services; increased State and federal focus on accountability and outcome monitoring; and the federal government's influence in shaping direction of substance abuse programs and policy. The need to reduce sales of tobacco to minors, or suffer a 40% federal reduction of funds, has resulted in laws for strict enforcement of tobacco sales to minors.

3. Child and Adolescent Mental Health

Major trends affecting the program are: 1) social and economic conditions which create undue mental stress on parents and their families, making them less able to deal with their dependents and responsibilities resulting in an increased demand for mental health services; 2) implementation of State legislation dealing with mental health (e.g., parity); 3) availability of trained qualified mental health professionals; 4) sustainability requirements of the Felix Consent Decree; 5) Olmstead Decision (requiring least restrictive or community-based services for clients with disabilities); 6) criminal history checks for employees and providers; 7) DOE and DOH, via CAMHD, joint responsibility for children and adolescents in public school requiring mental health services to benefit from their education; 8) CAMHD operating requirements in order to meet expectations of Medicaid Managed Care Health Plans.

Environmental Health

1. Environmental Health Services

In recent years, the need to address new and emerging diseases in the area of food-borne illnesses and vector-borne diseases has become a major focus of the environmental health programs. In the area of vector-borne diseases, there is a significant interest because all of the vector species and disease pathogens present in Hawaii were introduced from abroad, such as dengue and West Nile Virus. Due to the potential of other vectors and vector-borne diseases that could be introduced in Hawaii, there is a growing need to remain vigilant and be ready to respond quickly. Terrorism has played a significant role in raising the level of focus and activities for all of the environmental health programs. The functions and activities of the environmental health programs are vital in preventing and responding to all acts of terrorism, biological, chemical and radiological. The Environmental Health Services Division has special capabilities in its Radiological Response Team. In this regard, all programs are actively involved in developing plans for public health readiness.

Another significant activity is in the area of information management. The environmental health programs are progressing toward developing new technologies in the areas of field inspections, data management, and report generation, thereby improving the level of services to the general public.

2. Medical Facilities - Standards, Inspection, Licensing

There continues to be an increasing need for long-term care options for the elderly due to longevity and anticipation of the "baby boomers" aging. There is a concern that demand for long-term care beds may far outweigh supply within the next few years. As such, there is a need to develop options for the frail elderly, which would include institutional care as well as community-based residential care. Ongoing dialogue and collaboration of all affected State, departmental and county agencies are crucial to ensure the health and safety of individuals residing in any of these care facilities.

The federal survey and certification program priorities continue to focus on legislatively mandated activities

including recertifications of nursing homes, home health agencies, intermediate care facilities for the mentally retarded, and validation surveys of accredited hospitals. CMS has developed a rating of all nursing facilities via its Nursing Home Compare, which is available to the general public via its website. The program continues to provide CMS with appropriate data and information relating to facilities within the State and Pacific Area. Of continued priority is completion of complaint investigations regarding allegations of resident abuse, neglect, and misappropriation of resident property; serious threat to mental or physical health or safety of patients; and Emergency Treatment and Labor Act (EMTALA) violations. Within the last two years, there have been resident deaths resulting from neglect on the part of care givers; therefore, DOH, as well as community members, are concerned about continued monitoring and oversight of these facilities, as well as development of care giver training to ensure provision of quality care through timely and appropriate assessment.

3. State Laboratory

The State Laboratories Division is in its seventh year of occupancy at its facility in Pearl City. The immediate challenges in operating a facility of this magnitude are increasing electricity costs and need for adequate funds for routine and special repair and maintenance which is essential for preservation of this facility. The program's success depends largely on its ability to efficiently operate and maintain sophisticated heating, ventilation and air conditioning (HVAC) of this facility. Due to personnel safety concerns, when the laboratory experiences an HVAC failure, everyone in the facility is evacuated. Analytical work in progress may be aborted under these conditions.

Meeting critical program needs and maintenance of current level of services without budget adjustments for inflation is a serious challenge. Program expansion to address bioterrorism threats were initiated in August 1999 with federal funds. The federal support level has increased significantly in years three and four (August 2001 to August 2003) of the five-year grant period.

The 105-seat auditorium, an adjacent training laboratory and smaller conference rooms are used extensively by other departmental programs for training and meetings. The two satellite dishes on the facility are used to

receive long-distance training programs sponsored by the Environmental Protection Agency and the National Public Health Training Network. Accommodations have been made to allow laboratory and other public health professionals to view these training programs that originate on the mainland and are broadcast to Hawaii in the early morning hours, usually beginning at 6:00 a.m. to 7:00 a.m. The availability of ample parking, conference rooms and a spacious lobby provide comfort and convenience to program participants. The program anticipates that interest and utilization of this facility will continue in the future.