



DEPARTMENT OF HEALTH

News Release

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**DOH IMPLEMENTS STRATEGIES TO ADDRESS BUDGET DEFICIT
FOR STATE-FUNDED MENTAL HEALTH CARE SERVICES**

HONOLULU — The Hawai'i State Department of Health (DOH) today met with its contractors statewide that provide community-based mental health services for individuals with severe and persistent mental illness to present measures to address growing concerns over rising costs.

"In the past few years, under federal oversight, our state has seen a tremendous expansion of mental health services for individuals with severe and persistent mental illness," said Health Director Chiyome Fukino, M.D. "It is now time for us to refine and hone our system of care to ensure that the needs of our most vulnerable can be met in the most effective and efficient way possible. The DOH has been working toward creating a sustainable system of care long before our current budget situation."

The DOH Adult Mental Health Division is projecting a budgetary deficit of approximately \$24 million for its contracted community-based providers during this current fiscal year. Strategies for reducing the deficit and improving the focus and delivery of services will be implemented by the department on January 1, 2009.

These measures include a ceiling or cap on reimbursements to contractors for the number of case management services that can be billed monthly per consumer. This is anticipated to result in an annual savings of over \$20 million to the state. The department will also require a transition of consumers with private insurance who are receiving state services to their health plan for care. It is estimated that this measure will result in an annual savings of approximately \$5 million to the state.

The DOH is continuing to evaluate all contracted services to ensure they are part of the essential services needed to maintain the quality of care for some of Hawai'i's most vulnerable population. "Our changing

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economic conditions requires that we have a mental health system of care that is dynamic and can adapt. Our highest concern is to ensure that quality services continue to be available to those most in need,” said Dr. Fukino. “Sustaining our system of care is critical especially during these challenging economic times, and we are committed to keeping our consumers, contracted providers, partners and the public informed.”

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