
Audit of the STD/AIDS Prevention Program in the Department of Health

A Report to the
Governor
and the
Legislature of
the State of
Hawaii

Submitted by

THE AUDITOR
STATE OF HAWAII

Report No. 93-29
December 1993

Foreword

This report was prepared in response to Act 289 of the Regular Session of 1993 which directed the State Auditor to perform an audit of STD/AIDS prevention services including a review of pertinent background data, contractual records, and the reporting system used by the contractual parties.

We wish to express our appreciation for the cooperation and assistance extended to us by various officials and staff of the Department of Health, including the STD/AIDS Prevention Branch, and others whom we contacted during the course of the audit.

Marion M. Higa
State Auditor

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Chapter 1

Introduction

This audit was prepared in response to Act 289 of the Regular Session of 1993, requesting an audit of sexually transmitted diseases/acquired immune deficiency syndrome (STD/AIDS) prevention services which are administered by the STD/AIDS Prevention Branch. The branch is part of the Communicable Disease Division of the Department of Health. Its primary function is to prevent and control the spread of STD and AIDS in Hawaii.

Sexually transmitted diseases (STD) are communicable diseases that are spread through sexual contact. They include syphilis, gonorrhea, chlamydia, genital herpes, and others. These diseases can cause serious health problems including sterility, blindness, and heart problems, as well as death.

Acquired immune deficiency syndrome (AIDS) is a communicable disease caused by the human immunodeficiency virus (HIV). The virus usually is spread through sexual contact, blood transfusions, or contaminated needles shared by intravenous drug users. No vaccine or cure has been found for AIDS. It is a fatal disease.

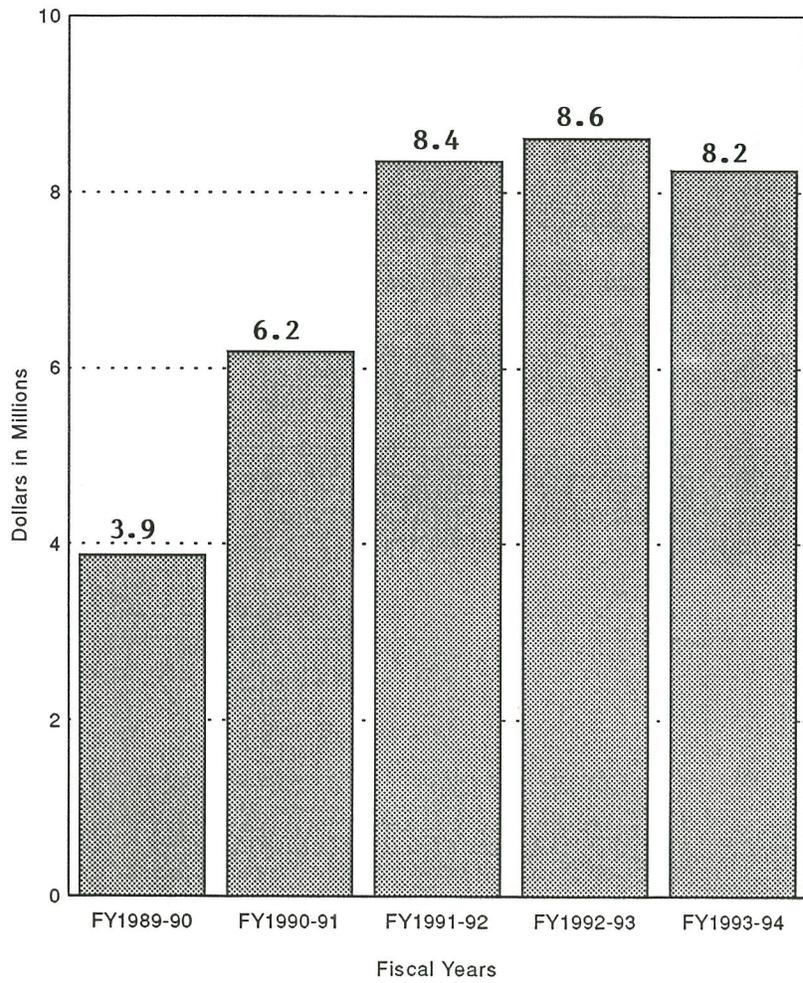
The STD/AIDS Prevention Branch provides surveillance, prevention, detection, and treatment services to the public. Some of these services are purchased from private providers under contract with the Department of Health. The Legislature directed the State Auditor to review pertinent background data, review records of purchase of service contracts, and determine if the reporting system used by the contracting parties is adequate.

Growth of the STD/AIDS Prevention Branch

The STD/AIDS Prevention Branch grew out of the Venereal Disease Prevention Program in the Department of Health that was created under Act 149 in 1969. The purpose of the program was to educate the public in detecting venereal disease and in seeking early treatment. With the onset of the AIDS epidemic, the director of health decided to elevate the program to branch status within the department's Communicable Disease Division. It became the STD/AIDS Prevention Branch in 1989.

The program began with an initial appropriation of \$10,000 from the Legislature in 1969. By FY1992-93, the Legislature had increased appropriations to \$8.6 million. In FY1993-94, appropriations were reduced to \$8.25 million. Exhibit 1.1 shows the trend in appropriations

Exhibit 1.1
Appropriations for STD/AIDS Prevention Services
FY1989-90 to FY1993-94



Source: Act 316, 1989; Act 299, 1990; Act 296, 1991; Act 300, 1992; Act 289, 1993

from FY1989-90 through FY1993-94. About 75 percent of the branch's \$8.2 million budget comes from the State and 25 percent from the federal government. Exhibit 1.2 shows the proportion of state and federal funds from FY1991-92 to FY1993-94.

Specific activities may be funded by state funds, federal funds, or a combination of the two. For example, branch administration and the community health outreach work program are state funded; the surveillance program and the Education Services Section are federally funded; and the AIDS research and seroprevalence program is both state and federally funded.

Statutory framework

Several state and federal statutes serve as the framework for the STD/AIDS Prevention Branch.

State statutes

Chapter 321-111, Hawaii Revised Statutes, requires the Department of Health to formulate, supervise, and coordinate a statewide educational program for the purpose of preventing sexually transmitted diseases. The department is to instruct the general public in detecting the diseases and in encouraging early treatment. The law requires the department to cooperate with the Department of Education and other public and private authorities in this effort.

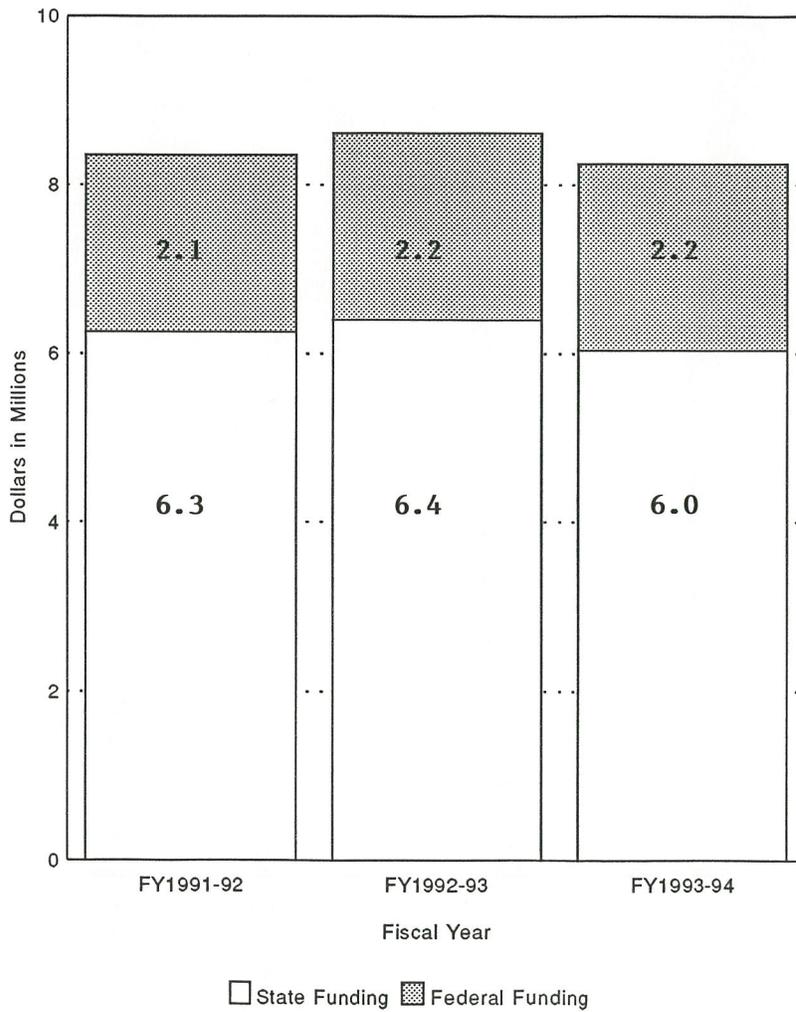
Another key statute is Chapter 325, HRS, which addresses the prevention, control, treatment, and advancement of knowledge about communicable diseases in the state. It requires the reporting of communicable diseases, informed consent for HIV testing and disclosure, and confidentiality of patient records.

Chapter 325 permits the director of health to establish a sterile needle and syringe exchange program designed to (1) prevent the spread of HIV and (2) refer intravenous drug users to appropriate health and social services. The director may contract with private providers to operate the needle exchange program. The director also must appoint an oversight committee for the needle exchange program and report to this committee annually on strengths and weaknesses of the program and on the advisability of continuing it.

Federal statutes

Two federal laws provide funding for HIV programs. The Ryan White Care Act (Title II) provides funds for states to improve the quality, availability, and organization of health care and support services for individuals and families with HIV diseases. Sections 301, 311, 317, and 318 of the Public Health Service Act provide grants for HIV and STD

Exhibit 1.2
State and Federal Funding for STD/AIDS Prevention Services
FY1991-92 to FY1993-94



Source: Act 296, 1991; Act 300, 1992; Act 289, 1993

prevention services. The federal laws require the branch to establish objectives and report on progress made.

Organization and activities

The principal activities of the STD/AIDS Prevention Branch are (1) implementing a statewide STD/AIDS surveillance system; and (2) planning, developing, implementing, and evaluating prevention and control efforts. The branch carries out these activities through its administration office and its three sections: education services, clinic and field services, and surveillance. The branch has 67.5 positions of which 19 are permanent and 48.5 are temporary.

Branch offices are situated at several locations on Oahu. The branch administration office is located on Sunset Avenue at Diamond Head. Other branch sections are based at the department's Diamond Head Health Clinic on Kilauea Avenue and at Leahi Hospital (also on Kilauea Avenue) and in Kalihi.

Branch Administration

The branch administration directs the program and is staffed by the branch chief, a public health planner, a public health administrative officer, and clerical staff. Branch activities include a surveillance program that reviews and follows up on reportable STD and AIDS cases and related laboratory reports to insure complete and accurate reporting. It also administers several programs that support HIV patients: the Hawaii seropositivity and medical management program, the Hawaii drug assistance program, and the Hawaii insurance premium continuation program. In addition, it administers two programs carried out under contracts with the Research Corporation of the University of Hawaii.

The Hawaii seropositivity and medical management program helps HIV-infected individuals to obtain confidential medical care. Patients receive free semi-annual examinations. As of May 1993, there were 1,102 patients enrolled in the program.

The Hawaii drug assistance program provides low-income HIV patients with drugs approved by the U.S. Food and Drug Administration. The program serves patients whose incomes meet certain criteria and are without drug insurance.

The Hawaii insurance continuation program assists individuals with HIV-related diseases who are unable to continue working and paying their health insurance premiums. The program pays the monthly premiums of persons who qualify for insurance under the 1985 federal Consolidated Omnibus Budget Reconciliation Act (COBRA). As of May 1993, 47 patients were enrolled in this program.

The AIDS research and seroprevalence program, which is administered through a contract with the Research Corporation of the University of Hawaii (RCUH), assesses and reports on the prevalence and incidence of AIDS throughout the state. RCUH gathers its data through surveying locations such as the Family Planning Center, hospitals, the STD clinic, and emergency rooms.

The community health outreach work program, also carried out under contract with RCUH, targets drug users to prevent the spread of HIV into the general population. Outreach workers canvas streets and other targeted sites to educate users about AIDS. Outreach workers distribute condoms and provide drug users with new sterile syringe needles in exchange for dirty needles.

Education Services Section

This section develops policies and procedures for a statewide information program about STD/AIDS and risk reduction. Health educators from the section give public presentations throughout the islands. In 1992, the Education Services Section reported making 370 presentations for 20,100 participants.

Clinic and Field Services Section

This section is officially organized into five units—office services, standards and training services, HIV field services, HIV clinic, and STD clinic and field services. In actuality, the first three units are integrated into and support the activities of the last two units—the HIV clinic and the STD clinic.

The HIV clinic tests individuals for the HIV virus which causes AIDS. It identifies clients' risk factors (sexual behavior or intravenous drug use) and educates clients on AIDS prevention and containment. Those who test positive for HIV are referred for appropriate treatment. Of the 4,768 patients who visited the clinic in 1992, 2,597 were also tested for HIV, with 1,819 returning for posttest counseling and referral.

The STD clinic provides clinical services such as diagnosis and treatment, case interviewing, and tracing clients' sexual contacts. The clinic also administers statewide screening programs for gonorrhea and chlamydia.

Surveillance Section

This section attempts to identify persons with HIV/AIDS by following up on reported cases.

Purchase of service contracts

The STD/AIDS Prevention Branch contracts with private providers for preventive, educational, and treatment services. These contracts are governed by Chapter 42D, HRS, on grants, subsidies, and purchases of services.

In FY1991-92, the branch executed 50 contracts for services, and in FY 1992-93, the branch had 20 contracts. The Legislature appropriated almost \$3.6 million for purchase of service contracts for FY1992-93 and \$3 million for FY 1993-94. Exhibit 1.3 shows the proportion of total appropriations compared with the amount used for purchase of service contracts. About 41 percent of the branch's total appropriations were used for purchase of service contracts in the past two fiscal years. The proportion dropped to 36 percent in this current fiscal year.

The appendix lists the branch's contracts for purchases of services for FY1991-92 through FY1992-93. It shows the source and amount of funding and some of the major activities of the private providers. Some contracts are state funded, others are federally funded, and one is both state and federally funded. The services range from educational and outreach services to case management, treatment, and counseling. Some contracts are only for educational or treatment services, while other contracts are for a comprehensive range of community based services. Most contracts are for education and risk reduction services.

The contracts for educational services include those with the American Red Cross for \$61,625, the Life Foundation for \$341,431, and the University of Hawaii for \$248,052. These providers conduct conferences, workshops, and training. They also distribute informational materials. Others involved in education are Drug Addiction Services of Hawaii, the Salvation Army, and the Waikiki Health Center.

Comprehensive community based services are offered by such organizations as the Big Island AIDS Project that provides information, training, case management, crisis intervention, and other support services under a contract for \$1,013,217. The Maui AIDS Foundation also provides comprehensive services as does Malama Pono on Kauai.

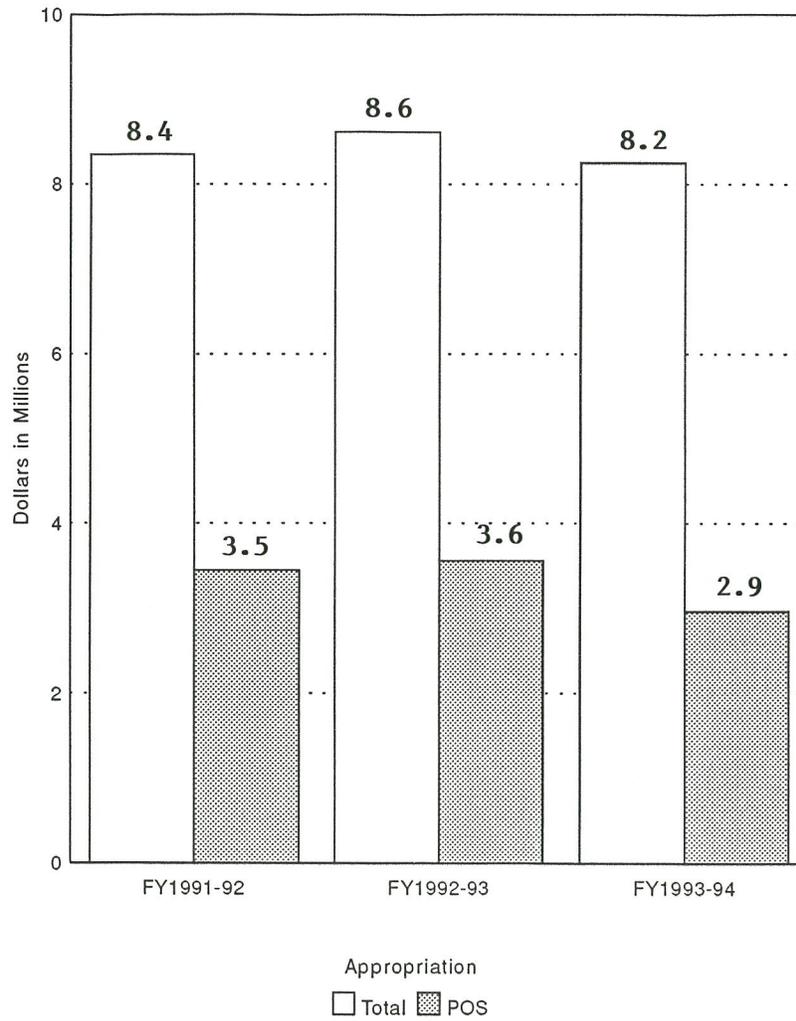
Contracts for treatment and care include those provided by the Drug Addiction Services of Hawaii and Kapiolani Medical Center for Women and Children.

Objectives of the Audit

Our audit had the following objectives:

1. Describe the STD/AIDS Prevention Branch and all purchase of service contracts and grants-in-aid administered by the branch

Exhibit 1.3
Purchase of Service Expenditures as Proportion of Total Appropriations
FY1991-92 to FY1993-94



Source: Act 296, 1991; Act 300, 1992; Act 289, 1993

through the HTH 121 program (STD/AIDS Prevention Services) in the state budget.

2. Evaluate the effectiveness of the branch in terms of achieving its goals and objectives.
3. Evaluate the effectiveness of the branch in terms of awarding, monitoring, and evaluating purchase of service contracts and grants-in-aid.
4. Make recommendations as appropriate.

Scope and Methodology

To accomplish our objectives we reviewed pertinent laws and literature on STD and AIDS. We examined documents and files of the STD/AIDS Prevention Branch. We reviewed purchase of service contracts from FY1991-92 and FY1992-1993 and related materials, focusing on contracts funded by the State.

We interviewed personnel from the STD/AIDS Prevention Branch, the Communicable Disease Division, the Office of State Planning, the Governor's Committee on HIV/AIDS, and other officials. We also contacted some private providers under contract to the department.

Our work was performed from June 1993 through December 1993 in accordance with generally accepted government auditing standards.

Chapter 2

Findings and Recommendations

This chapter examines the management of the STD/AIDS Prevention Branch. We discuss program leadership, planning, coordination, and other matters needing attention, including the branch's administration of purchase of service contracts with private providers.

Summary of Findings

1. The STD/AIDS Prevention Branch has been meeting its stated goals and objectives. However, it could better carry out its mission if it had consistent leadership and direction.
2. The department is not administering its purchase of service contracts properly. Contracts are not executed in a timely manner and monitoring and evaluation are weak.

The Branch Has Been Meeting Its Objectives

The objective of the branch is to prevent and reduce the incidence and prevalence of sexually transmitted diseases (STD) and human immunodeficiency virus (HIV) in Hawaii by providing effective prevention, detection, and treatment services. It has been meeting the goals and specific objectives it has set for this program. We believe, however, that the branch could do better under more consistent leadership.

Targets are being achieved

Within the broad objective of preventing and reducing the incidence of STD and AIDS, the branch has adopted more specific quantitative objectives. The more specific objectives are based on national and state goals for health improvements in various areas. The goals are found in *Healthy People 2000*, a 1991 publication of the U.S. Department of Health and Human Services and *Hawaii's Health Objectives for 1990 and Beyond*, a 1985 publication of the Department of Health.

The branch has 54 specific objectives that relate to outcomes and activities to be performed. For example, targets are set for the incidence of gonorrhea, syphilis, chlamydia, and HIV, and for the dissemination of information on these diseases by the branch. These objectives are set forth in the branch's annual report and quarterly reports and in its budget request to the Legislature.

The branch regularly evaluates its progress in meeting its objectives. Branch documents indicate progress made in 1992. The branch reported

in 1992 that of the year's 54 objectives, 39 were met, 12 may be met, and 4 were not met. Also, as Table 2.1 shows, the department reports that the measures of effectiveness for 1990 and beyond have been met except for chlamydia.

Table 2.1
Status of STD/AIDS Prevention Branch on Objectives

Disease	Objective for 1990 and Beyond (cases per 100,000 population)	Status in 1992
Gonorrhea	<100/100,000	60/100,000
Primary and secondary syphilis	<3/100,000	10 total cases*
HIV positive	<400/100,000	163 total cases*
Chlamydia	<100/100,000	332/100,000

< = less than

*With a state population of approximately 1.1 million, cases fell well below the 1990 cases-per-100,000 objective.

Source: STD/AIDS Prevention Branch, Sexually Transmitted Disease Accelerated Prevention Campaigns Project Grant 1994 Application.

Branch Lacks Consistent Leadership and Direction

Although the branch has generally been meeting its objectives, its management could be more effective with consistent leadership and direction. Since the STD/AIDS program became a branch in 1989, it has had four chiefs, three of whom served in an acting capacity. The absence of consistent leadership has made it difficult for the branch to deal with pressing issues in planning, coordination, organization, and management controls.

Creating a branch chief was a primary justification for reorganization

In October 1989, the director of health sent a proposed reorganization to the governor for the Communicable Disease Division. A key recommendation was to elevate STD/AIDS prevention activities, then a program within the Epidemiology Branch, to branch status within the division.

The director stated, “Management of such a large, complex program requires the individual attention of a Branch Chief, backed by full administrative services.”¹ The branch chief was expected to direct the STD/AIDS program on a day-to-day basis and coordinate the overall planning and functioning of the program. Working directly with the branch chief would be a public health administrative officer, a planner, a secretary, and a clerk stenographer. These positions would make up the branch’s central administration.

Turnover in branch chief position has been high

Since the position of branch chief was established in November 1989, the position has been filled by a permanent head for only 10 months. During the remaining 45 months, the position was either vacant or occupied by one of three separate acting chiefs.

The governor approved the establishment of the STD/AIDS branch in November 1989. An acting chief headed the new branch until October 1991 when a permanent branch chief was appointed. She served for only ten months, until August 1992. It was not until October 1992 that another acting chief was assigned. He resigned in October 1993, only to be succeeded by yet another acting chief. During our audit, two key branch administrators resigned—the acting branch chief and the health planner. Branch officials report high turnover in other units, which has added to the instability.

With no permanent branch chief and little continuity in leadership, the branch has received insufficient direction and control in planning for the branch and in administering and managing its affairs.

Branch should have a strategy for changing circumstances

Stronger, consistent leadership, direction, and control would help the branch adapt more effectively to changing circumstances. For FY1993-94, the Legislature reduced the branch’s appropriation. The budget reductions will force the branch to reduce services and to set priorities. To ensure that the most important and cost-effective services survive will require leadership and strategic planning. The branch already prioritizes its objectives and evaluates progress in achieving them. It should build on this effort by taking a hard look at its entire program of services.

Strategic planning would help the branch to assess where it is, where it should be going, and how it will get there. Strategic planning would also help the branch to determine how best to allocate its more limited resources.

State AIDS plan is needed

Disruptions in branch leadership have hindered the development of a state plan for AIDS. The Governor's Committee on AIDS has determined that a state AIDS plan is needed as a framework for combatting the AIDS epidemic. The plan would (1) present the need for and the availability, accessibility, and adequacy of services; (2) identify, document, quantify, and prioritize unmet needs, including gaps in services and the need for expansion; (3) recommend specific program initiatives; and (4) serve as a guide for program planning and resource allocation. The AIDS plan would provide an essential context for planning strategically for future branch programs.

There appears, however, to be some confusion as to who will develop the plan. The Governor's Committee says the Department of Health should do the work. Branch officials say they are unsure whether the branch or the committee is responsible. Branch leadership is needed to make decisions and resolve the confusion.

Branch activities need coordination

Without a permanent chief, programs have been allowed to proliferate on their own, leading to fragmentation within the branch. Branch staff observed that the many sections and programs operate semi-autonomously without a central authority to coordinate and focus their efforts. One section may not know what another section is doing. Such autonomy could weaken accountability and unity of purpose. It could also result in inefficient use of resources and duplication of effort.

Coordination is of special concern because branch activities are geographically dispersed. Most offices, including branch administration, are based at Diamond Head, but they are housed in three separate buildings. The community health outreach work program, which is technically supervised by branch administration, is located in Kalihi. Other programs are spread throughout Oahu and the neighbor islands.

Organizational structure is a problem

The current branch organization lends itself to fragmentation and duplication of effort. The branch's current organization does not reflect its official organization. Branch staff have raised questions about the structure, but until a permanent chief is appointed, no resolution is likely.

The Governor's Office requires each agency's official organizational chart to accurately describe its structure. Exhibit 2.1 shows the official organization chart as approved by the governor in 1989. The official chart and branch documents organize the branch into three sections under the branch administration: education services, clinic and field services, and surveillance. Instead of the three sections that appear on its official organization chart, the branch actually has six programs that operate rather autonomously. We also note that the Clinic and Field Services Section actually has two operating units—the HIV clinic and the STD clinic instead of the five units as shown on the organization chart. The unofficial units are shown as dotted lines on Exhibit 2.1.

Several programs do not appear on the approved organization chart. These programs include (1) three programs administered by a director who reports to the branch chief: the Hawaii seropositivity and medical management program, the Hawaii drug assistance program, and the Hawaii insurance premium continuation program; (these programs are commonly referred to as the "H programs") and (2) two programs contracted through the Research Corporation of the University of Hawaii (RCUH): the AIDS research and seroprevalence program and the community health outreach work program. These programs report to the branch chief. The "H" programs have a staff of six. The two programs under contract with RCUH have a staff of 23.

The number of programs may result in duplication of services. For example, both the Surveillance Section and the AIDS research and seroprevalence program under contract with RCUH seek to identify persons with HIV/AIDS—the former by following up on reported cases and the latter through surveys. The two programs are also funded by the same federal grant for HIV prevention. One official believes that the section and the program are basically doing the same thing and could be integrated under Surveillance Section. The Surveillance Section currently has a staff of two while the AIDS research program has a staff of nine.

The branch should be officially organized and the channels of authority and the respective responsibilities of each of the units should be made clear. This is difficult to accomplish without a branch chief.

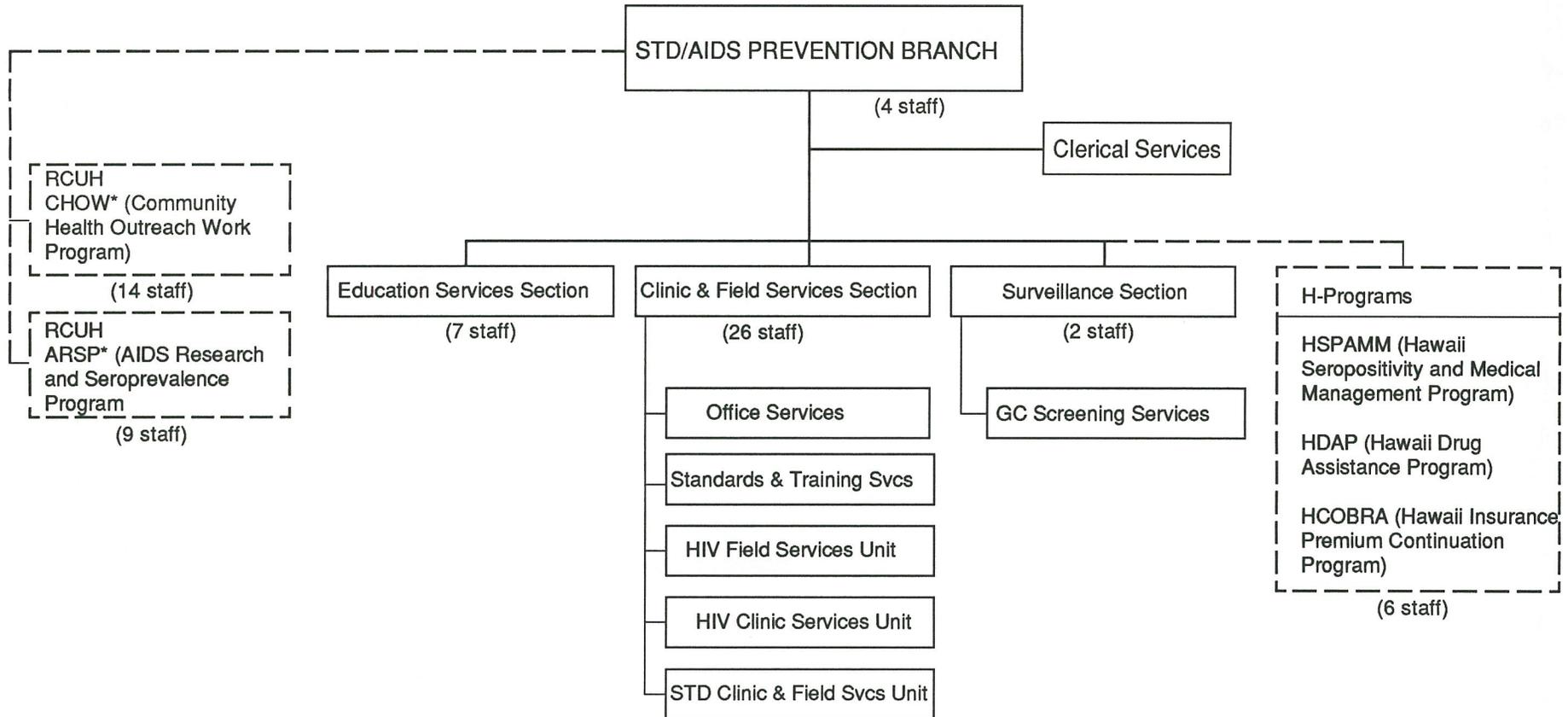
Policies and procedures manual has yet to be developed

The many sections also lack guidance through a policies and procedures manual that would identify standard requirements and procedures for the entire branch. Such a policy manual would be an important tool for management control of the various programs.

The branch prepared a draft in July 1990. However, the draft is not yet finalized. The draft includes administrative details such as working hours, overtime, and time sheets; procedures for communications, personnel, and

Exhibit 2.1 Organization Chart

STATE OF HAWAII
DEPARTMENT OF HEALTH
COMMUNICABLE DISEASE DIVISION
STD/AIDS PREVENTION BRANCH



* CHOW and ARSP are contracted through the Research Corporation of the University of Hawaii (RCUH). However, the branch is responsible for day-to-day technical supervision.
----- Unofficial units.

purchases of service; and descriptions of the budget process, the legislative process, and the administrative rules process. The development of such a manual should be a priority.

Conclusion

A permanent branch chief is essential in order for the STD/AIDS Prevention Branch to carry out its mission more effectively. The branch reports that it recently began a nationwide search to fill the position. It should pursue this search effort aggressively.

Once appointed, the branch chief should make the following matters top priority: (1) developing a strategic plan for the branch and resolving responsibility for the statewide AIDS plan; (2) coordinating the branch's activities; (3) ensuring that the branch is clearly and appropriately organized; and (4) completing the policies and procedures manual.

Improvements Are Needed in Administering Contracts

Proper administration of contracts has been a long standing problem at the Department of Health. The department does not execute contracts in a timely manner and payments to providers are often delayed. Contract monitoring and evaluation are weak. These departmental problems also occur in the branch's purchase of service contracts.

Contracts and payments are often delayed

Contracts are not in place until well after the contract period begins. The contracts typically cover a fiscal year—July 1 through June 30—and pay the provider in advance in four quarterly installments. Of the 17 state-funded contracts from FY1992-93 that we sampled, none were executed by the contract's effective date. Delays in executed contracts ran from 7 days to 3.5 months.

The department places the State at risk when contractors provide services without a valid contract. Contracts establish the nature, scope, and extent of services; the compensation and method of payment; indemnification of the State; and other rights and obligations of the parties. Without a contract, both parties are at legal and financial risk.

The providers we contacted also reported that delayed payments are a problem. In several instances, providers received their first payment two months after the contract was executed. On one occasion a provider received the first payment almost five months after the execution date. A branch official told us that providers must sometimes obtain loans to carry them until their checks arrive.

Branch officials say the branch lacks the infrastructure to properly administer purchase of service contracts. They attribute delays to the fact

that the branch has only one person to handle contracts, and the department also has only one contract specialist to review the contracts.

Improvements must be made at the departmental level. Our financial audit of the department in 1992 found delays in contract execution throughout the department.² We concluded that the department should take steps to ensure that contracts are in place before services are provided. Our 1992 study of the department's contracting for services for persons with developmental disabilities also reached the same conclusion.³

Monitoring and evaluation are inconsistent

Chapter 42D, HRS, requires the department to monitor each purchase of service contract to ensure compliance with the law and with the public purpose and legislative intent of the purchase of service agreement. Chapter 42D requires every purchase of service contract to be evaluated annually to determine whether it attained the intended results in the manner contemplated.

We found both monitoring and evaluation to be inconsistent. The branch does not have sufficient documentation to show whether contracts are in compliance. In several instances we found that the end of year monitoring to determine the nature and extent of activities performed had not been done. For example, the branch was unable to produce documentation of its monitoring on contracts held with the Big Island AIDS Project, Malama Pono, Maui AIDS Foundation, and Ho'Omana'Olana. These contracts cost the state \$40,000, \$10,000, \$20,000, and \$335,884 respectively, but the branch has not determined whether the contractors are performing the services agreed upon. In some cases, there was documentation but the branch could not obtain sufficient information on the extent of the services performed by the contractors because the contractors were not documenting all their activities.

These problems are troubling considering that \$3.1 million, or 41 percent, of the branch budget is allocated to these contracts. Without consistent, comparable evaluation data, the branch lacks sufficient information for making decisions about contract services.

Monitoring and evaluation manual is needed

Section 42D-25 requires departments to establish a monitoring and evaluation manual for purchase of service contracts outlining the objectives, procedures, and specifications of the monitoring process.

The department has no manual but branch officials say they are meeting with the Office of State Planning and other state agencies to develop a standardized statewide manual for monitoring and evaluating contracts.

Even with a standardized manual in place, however, the department must strengthen its implementation of monitoring and evaluation.

Standardized quarterly report forms are needed

The law also requires the branch to develop standardized forms for contractors to submit their quarterly reports. The quarterly reports are important. The branch must use these reports to gauge the progress made by the contractor.

The department has yet to develop standardized forms. The quarterly reports currently being submitted by contractors vary in format and in the information provided. In some cases quarterly reports were not available. Branch officials told us that missing quarterly reports may have been misplaced or were not submitted by the contractors.

Conclusion

The Department of Health should ensure that purchase of service contracts are executed and payments to providers are made in a timely manner. It should give priority to analyzing the reasons for delay and for the poor monitoring and evaluation. Based on this information, it could take the necessary corrective actions. The department should expedite its efforts to develop a contract monitoring and evaluation manual and standardized quarterly report forms. We urge the department to continue to work with the Office of State Planning on a statewide manual. In addition, the branch should ensure that the quarterly reports submitted by contractors are safeguarded.

Recommendations

1. The Department of Health should make hiring a permanent chief of the STD/AIDS Prevention Branch a priority. The new chief should focus on developing a strategic plan, coordinating branch activities, ensuring that the branch is clearly and appropriately organized, and completing the policies and procedures manual.
2. The department should improve the administration of purchase of service contracts by:
 - a. ensuring that contracts are issued and payments made in a timely manner;
 - b. giving priority to analyzing the reasons for its poor contract management and making the needed corrections;
 - c. continuing its efforts to develop a monitoring and evaluation manual;

- d. developing standardized quarterly report forms for providers; and
- e. ensuring that quarterly reports are submitted by providers and secured at the branch.

Appendix

Purchase of Service Contracts for STD/AIDS Services FY1991-92 through FY1992-93

PROVIDER	MAJOR SERVICES PROVIDED	COST
<u>State Funded Contracts</u>		
American Red Cross (ARC)	HIV educational services by training HIV instructors and trainers to train others. ARC trained 206 instructors and 39 trainers and held 13 sessions/meetings on training and HIV issues.+	\$61,625*
Big Island AIDS Project	Comprehensive community based HIV services by distributing public information on and referring HIV-infected people to HIV and AIDS services, recruiting and training volunteer AIDS caregivers, and providing client case management services and other support services unique to Hawaii county. The project trained 96 volunteer caregivers, provided case management services to 70 persons, held 170 support group meetings and 373 education sessions to the general public, and provided crisis intervention to 55 persons and support services to 22 people.+	\$1,013,217
Drug Addiction Services of Hawaii (DASH)	Treatment, counseling, case management for intravenous drug users. DASH provided treatment, evaluation, and supervision for 72 clients as well as AIDS education and risk assessment for patients.	\$416,006
E Ola Mau	STD/AIDS educational services to Native Hawaiians through surveys, informational meetings and sessions regarding HIV awareness and cultural sensitivity. 1,745 surveys were collected, tabulated, and analyzed. Culturally appropriate educational materials are also developed.+	\$96,470

Ho'Omana'Olana	Comprehensive residential services through rental subsidy assistance to persons with AIDS and housing in an owned residential facility. Provided rental subsidy assistance to 124 persons and housing in the residential facility to 17 persons.	\$856,133
Kapiolani Medical Center for Women and Children	Outpatient clinic services to HIV positive children and infants and AIDS education. A total of 18 HIV+ children and infants received outpatient services and AIDS education. Nine patients received clinical nutrition services.	\$171,593
Life Foundation	AIDS education and risk reduction services through presentations and distribution of informational materials. Also trains volunteers and conducts volunteer discussion groups. Distributed 24,860 informational brochures and 750 HIV risk reduction posters. Provided 3 risk reduction discussion groups.+	\$341,431
Life Foundation	Case management and counseling services to persons with AIDS by planning an individualized written service plan of the patient's needs. 190 persons received case management services.	\$1,454,112
Life Foundation++	Needle exchange for IV drug users to minimize the spread of HIV. Also offers AIDS education.+	\$153,000**
Malama Pono	Comprehensive community based HIV services on Kauai for HIV and AIDS. 33 persons received case management services, 13 public information sessions were held.+	\$453,314
Maui AIDS Foundation	Comprehensive community based services on Maui included distribution of public information and recruiting volunteer AIDS care givers. A total of 498 educational sessions were provided and 50 volunteers were trained. 54 persons received case management services.+	\$727,312

Maui AIDS Foundation++	Residence program which provides housing for HIV/AIDS clients. A total of 336 client days and a total of 444 days of respite services were provided.	\$162,000
Pacific Home and Community Care	Personal care services through the recruitment of volunteers and training for HIV clients. A total of 115 volunteers were trained, and a total of 72 clients were provided personal care services.	\$230,445
Research Corporation of the University of Hawaii	Research methods for reducing HIV among intravenous drug users through needle exchange, condom distribution, and AIDS education.+	\$481,536*
Research Corporation of the University of Hawaii	AIDS surveillance through statewide surveys.	\$535,916
University of Hawaii	AIDS education of health care professionals through conferences and workshops. A total of 232 sessions of education and training were provided.+	\$152,585
University of Hawaii	Education and risk reduction through the promotion of HIV testing and counseling sessions. Education services were provided to 1,000 persons and more than 1,800 educational materials were distributed. 40 peer educators were trained and 1,800 students received training from these educators.+	\$95,467
Waikiki Health Center	STD education/HIV testing. 65 educational sessions were provided for 1,528 persons. 6,849 callers received STD/AIDS information and 1,458 persons received HIV counseling/testing.+	\$146,294

Federally Funded Contracts

Big Island AIDS Project	Home and community based HIV health care to those infected with HIV/AIDS. Case managers provide clients with a written plan of care which assesses their personal health needs. No data on number served.	\$40,000*
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Drug Addiction Services of Hawaii (DASH)	AIDS education, risk reduction counseling to all clients. Provides bleach and condom kits through its clinic and outreach services. DASH provided HIV/STD risk reduction assessments to 170 clients entering for detoxification treatment, 23 clients in the Drug Aftercare and Drug Free Programs and counseling, education and referral to 8 HIV+ clients.+	\$70,500**
Fetu Ao	AIDS education and counseling to the Samoan community, IV drug users, and alcoholics. The program reached an estimated 10,040 people from July through September of 1993.+	\$23,900**
Fetu Ao	AIDS education and risk reduction services to the Samoan community. A total of 625 women were provided with HIV education and 16 educational sessions were conducted which reached 1,100 people. Eight educational sessions were completed with 120 students.+	\$34,000**
Hawaii AIDS Task Group	AIDS education, risk reduction services through monthly community meetings. No data on numbers served.+	\$16,000**
Ho'Omana'Olana	Essential HIV health care by subcontracting for health, support, and home and community-based services. No data on numbers served.	\$335,884*
Kokua Kalihi Valley (KKV)	AIDS education and access to counseling and testing services provided by DOH. From July through September of 1993 KKV trained three new staff members in AIDS education and reached a total of 511 people.+	\$24,000**
Kokua Kalihi Valley	AIDS education and access to counseling and testing services provided by DOH. 18 presentations were provided to the community and 17 education sessions were provided to the schools. An estimated 100 adolescents were provided outreach and prevention education.+	\$25,500**

Malama Pono	Home and community based HIV health care on Kauai to those infected with HIV/AIDS. Case managers provide the clients with a written plan of care which assesses their personal health needs. A total of 44 individuals were assessed for services and 15 were provided with case management. 13 HIV educational sessions conducted.+	\$10,000*
Maui AIDS Foundation	Home and community based HIV health care to those infected with HIV/AIDS. Case managers provide the clients with a written plan of care which assesses their personal health needs. No data on numbers served.	\$20,000*
Salvation Army	AIDS education and risk reduction services to drug-abusing clients through education sessions and questionnaires. From April through June of 1993, 128 questionnaires were administered, 330 people were provided with AIDS education, and 41 individuals received counseling services.+	\$35,000**
Salvation Army	AIDS education, risk reduction services to drug-abusing clients through educational sessions and questionnaires. A total of 619 risk assessments were completed. 695 persons were provided with counseling and education services. 91 individuals received HIV counseling and testing services.+	\$38,900**
Waikiki Health Center	AIDS education, risk reduction services to prostitutes, homeless teenagers, and drug abusers in Waikiki. 65 educational sessions were provided which reached 1,528 persons. 6,849 callers received STD/AIDS information and 1,458 persons received HIV counseling/testing.+	\$35,100**

Waikiki Health Center	AIDS education, risk reduction services to prostitutes, homeless teenagers, and drug abusers in Waikiki. The center had a total of 515 patient visits from July through September of 1993 and 1,318 telephone calls for information.+	\$33,000**
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State and Federally Funded Contracts

Drug Addiction Services of Hawaii	AIDS education, risk reduction counseling to all clients. Provides bleach and condom kits through its clinic and outreach services. From January through June of 1993, a total of 154 education sessions were conducted. Eight HIV+ persons were provided support counseling and medical consultation.+	\$94,500**
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Source: Department of Health Staff: Purchase of Service Contracts

Amounts listed represent FY1991-92 through 1992-1993 unless otherwise indicated

* = FY1991-92 data only

** = FY1992-93 data only

+ = Because of limited data, we could not always determine (1) total number of persons served through public presentations and group meetings, and (2) individuals' repeated attendance at these sessions.

++ = grant in aid

Notes

Chapter 2

1. Memorandum to John Waihee, Governor of Hawaii, through Yukio Takemoto, Director, Department of Budget and Finance, from John C. Lewin, M.D., Director of Health, Subject: Reorganization of the Communicable Disease Division, Department of Health, October 26, 1989.
2. Hawaii, The Auditor, *Financial Audit of the Department of Health*, Report No. 92-30, December 1992.
3. Hawaii, The Auditor, *A Study of the Department of Health's Administration of Contracts for Purchase of Service for Persons With Developmental Disabilities*, Report No. 92-32, December 1992.

Response of the Affected Agency

Comments on Agency Response

We transmitted a draft of this report to the Department of Health on December 16, 1993. A copy of the transmittal letter to the department is included as Attachment 1. The response from the department is included as Attachment 2.

The department feels our report and assessment accurately reflect the status of the program. It says our recommendations correspond closely with its view of the strengths and need for improvement of the STD/AIDS Prevention Branch.

STATE OF HAWAII
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917



MARION M. HIGA
State Auditor
(808) 587-0800
FAX: (808) 587-0830

December 16, 1993

COPY

The Honorable John C. Lewin
Director of Health
Department of Health
1250 Punchbowl Street
Honolulu, Hawaii 96813

Dear Dr. Lewin:

Enclosed for your information are three copies, numbered 6 to 8 of our draft report, *Audit of the STD/AIDS Prevention Program in the Department of Health*. We ask that you telephone us by Monday, December 20, 1993, on whether or not you intend to comment on our recommendations. If you wish your comments to be included in the report, please submit them no later than Tuesday, December 28, 1993.

The Governor and presiding officers of the two houses of the Legislature have also been provided copies of this draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Marion M. Higa
State Auditor

Enclosures

JOHN WAIHEE
GOVERNOR OF HAWAII



JOHN C. LEWIN, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH

P. O. BOX 3378
HONOLULU, HAWAII 96801

In reply, please refer to:
File:

December 27, 1993

RECEIVED

DEC 28 3 21 PM '93

OFFICE OF THE AUDITOR
STATE OF HAWAII

Ms. Marion M. Higa
State Auditor
Office of the Auditor
456 S. King Street, Room 500
Honolulu, Hawaii 96813-2917

Dear Ms. Higa: *Marion -*

Thank you for the opportunity to comment on your draft report,
Audit of the STD/AIDS Prevention Program in the Department of Health.

Comments referring to findings and recommendations are attached.

Very truly yours,

JOHN C. LEWIN, M.D.
Director of Health

Attachment

*P.S. Note our attached comments -
I feel your report and assessment
reflect the program status
quite accurately in the
overview.*

COMMENTS ON THE LEGISLATIVE AUDIT

The audit provides a description of the Sexually Transmitted Disease (STD) and AIDS Prevention Branch (SAPB) of the Department of Health. The findings and recommendations correspond closely with our view of the strengths and needs for improvements of the Branch. We are pleased to find that the auditors felt that the branch was meeting measurable objectives. We have also recognized that the branch needs leadership, and that administration of purchase of services (pos) contracts needs improvement.

1. **Selection of Branch Chief.**

The Communicable Disease Division has been seeking a permanent branch chief for over one year. The second round of Interviews of candidates is being held during the last week of December, 1993. If a candidate is selected, it is anticipated that a new chief will start by the end of January 1994.

This branch chief will be expected to provide sound leadership and management in coordinating branch activities. A permanent branch chief will bring a more stable environment to the administrative office and the entire branch. He/she will undertake the development of a strategic plan to establish a focus and direction for the branch.

Organizational Chart.

The proposed organizational chart, as outlined in Exhibit 2.1, describes how the STD/AIDS Prevention Branch currently functions. One of the initial assignments of the new branch chief will be to develop an organizational structure that not only adds appropriate sections to the approved organizational chart, but also defines clear lines of responsibility for employees within each of these sections.

AIDS State Plan.

The branch will assume leadership in development of the State AIDS Plan. This plan will be developed in close coordination with the Governor's Committee on HIV/AIDS and the community agencies providing HIV services. As the report has identified, disruptions in branch leadership have hindered progress in this area, as well as insufficient personnel and other resources. It is critical that both public and private sectors, including AIDS service organizations and persons directly affected by HIV/AIDS, be involved in the planning process.

Branch Policies and Procedures Manual.

The Communicable Disease Division is developing a Division-wide procedures manual that will be applicable for all branches within the Division, including the STD/AIDS Prevention Branch. As suggested, the new branch chief will develop procedures that are unique to the STD/AIDS Prevention Branch to be incorporated into a branch manual.

Contract Monitoring and Needed Branch Resources.

As described in the report, funding for programs, many of them provided by POS agencies, and frequently financed with Federal funds, have increased dramatically since FY 1989. Staff resources to administer and manage these programs have not increased proportionately. While the Branch executed 15 contracts in FY 1991-2, the number grew to 26 contracts in FY 1992-93, a 77 percent increase. The need for a full-time staff member to oversee contract monitoring activities is critical for improvement in this activity, as well as freeing up other staff to attend to management and planning functions. The contract monitoring currently carried out by the branch chief, the planner, and the PHAO, has prevented or impaired the conduct of branch management and planning activities.

The branch chief and planner have developed a plan to monitor agencies more effectively, which will be included in a contract monitoring and evaluation manual. Standardized monitoring tools have been developed to guide administrative, programmatic and fiscal components of contracts.

To summarize, the report provides an appraisal of the overall strengths and challenges of SAPB. Hiring of a permanent branch chief is critical to establishment of strong, consistent leadership and management. Despite inadequate resources to administer an increased level of services, the branch has forged collaborative relationships with community-based HIV/AIDS service agencies and has launched innovative programs, such as needle exchange, the Hawaii Seroprevalence and Medical Management (HSPAMM) program, and the Hawaii Drug Assistance Program (HDAP). An additional staff position is needed to assure adequate program monitoring, evaluation and accountability.