

DEPARTMENT OF HUMAN SERVICES

REPORT ON FISCAL YEAR 2005



State of Hawaii

DIRECTOR'S MESSAGE



Aloha,

I am proud to release to you our annual report for the fiscal year 2005. As the Director of the Department of Human Services (DHS), we hope this compilation of information will give you a better idea of how we are working to serve our State's most vulnerable and needy populations.

Our committed staff strives, day-in and day-out, to provide timely efficient, effective programs, services and benefits, for the purpose of achieving the outcome of empowering those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life, and personal dignity.

We are one of the largest departments in the State with a \$1.7 billion annual budget and a customer base numbering thousands of people. The center of our mission is to help people get back on their feet. Our Department is committed to helping keep families together, prevent abuse and neglect among children and vulnerable adults and encourage self-sufficiency and independence.

The Department of Human Services is charged with overseeing programs that help keep families intact by facilitating critical social services such as access to financial assistance, health care, nutrition and housing. We are also responsible for programs that help to rehabilitate troubled youth and empower our customers to get back into the workforce.

I want to thank all our Department staff who worked so hard this year to reach the high goals and benchmarks that we set for ourselves. We are always setting the bar higher when it comes to public service and I appreciate their cooperation and collaboration throughout these three years.

If you need more information on any services or programs we offer, please do not hesitate to call my office at (808) 586-4997.

Mahalo,

A handwritten signature in black ink, appearing to read "Lillian B. Koller". The signature is fluid and cursive, written over a faint, illegible background.

**Lillian B. Koller, Esq.
Director**

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ORGANIZATIONAL CHART

Department of Human Services

**Office of Youth
Services**

(Attached for Administrative Purposes)

**Housing and Community
Development Corporation
of Hawaii**

(Attached for Administrative Purposes)

Staff Support Offices

**Administrative
Appeals Office**

**Fiscal Management
Office**

**Office of Information
Technology**

**Management
Services Office**

**Personnel
Office**

Divisions

**Benefit,
Employment &
Support Services
Division**

**Med-QUEST
Division**

**Social Services
Division**

**Vocational
Rehabilitation
& Services for the
Blind Division**

CHAPTER ONE INTRODUCTION

The Territorial Department of Public Welfare was reorganized as the State Department of Social Services and Housing (DSSH) by the State Legislature in 1959 after statehood. In 1988, the Department was again reorganized and redesignated as the Department of Human Services (DHS). Our committed staff strives, day-in and day-out, to provide timely, efficient, and effective programs, services, and benefits, for the purpose of achieving the outcome of empowering those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life, and personal dignity.

With over 2,300 permanent positions and a budget of over \$1.7 billion annually, DHS employees strive to help clients meet their basic needs for food, shelter, medical care, and other essentials of daily living helping them to become self-sufficient, independent, and able to make healthy choices to improve their personal dignity and their families' quality of life. The DHS is divided into four divisions that provide different kinds of assistance. The Benefit, Employment and Support Services Division (BESSD) provides financial assistance, employment support, and dependency diversion and prevention programs and services; the Med-QUEST Division (MQD) provides health insurance to low-income families, children, and individuals; the Social Services Division (SSD) provides protective services for abused adults and children and community-based services for aged and disabled persons and medically fragile children; and the Vocational Rehabilitation and Services for the Blind Division (VRSBD) provides vocational rehabilitation services to the disabled and the blind.

The Department also has two administratively attached agencies. The Office of Youth Services (OYS) provides a wide range of services to Hawaii's youth. Act 78, passed by the 2003 Legislature and signed into law by Governor Linda Lingle, administratively attached the Housing and Community Development Corporation of Hawaii (HCDCH) to the DHS, beginning July 1, 2003. The HCDCH provides affordable housing and shelter opportunities with resident support services to Hawaii's residents. The four divisions of the DHS, along with the OYS and the HCDCH, are supported by five staff support offices, providing administrative hearings for clients, fiscal management, information technology systems support, management services, research, personnel and other services.

DHS employees work to strengthen communities and address client needs as efficiently and effectively as possible. Each of the DHS' four divisions has offices throughout the major islands to facilitate geographic support for island-based initiatives and to be accessible for all our clients. The DHS maintains offices statewide in 88 separate locations.



The Queen Liliuokalani Building on 1390 Miller Street in downtown Honolulu houses the administrative offices of the Department of Human Services.

CHAPTER TWO DHS ACHIEVEMENTS AND GOALS

The Department of Human Services has taken dramatic steps to improve the quality of life for many customers by finding new and improved ways to help these individuals achieve self-sufficiency, independence, health and well-being. With the Lingle-Aiona Administration's strong leadership, DHS is helping low-income residents, especially children and pregnant women, get access to quality health care, provide additional work opportunities for people on government assistance, and fund new and expanded prevention services to help steer youth away from drugs and alcohol.

ACHIEVEMENTS

DHS continues to tear down barriers that once prevented needy customers from gaining access to quality health care.

- Under the leadership of Director Lillian B. Koller, DHS is taking significant steps to cover more children and pregnant women through common sense solutions such as simplifying a medical assistance application to make the form more customer-friendly and expanding worker outreach. Since January 2003, this change, combined with additional outreach workers, have helped to enroll an additional 16,000 needy children into the Department's Medicaid health insurance. DHS staff worked with Hawaii Covering Kids to help implement the new form and expand outreach.

- In September 2005, DHS announced that they secured \$16.1 million in federal aid to help public and private hospitals bear the burden of treating uninsured and other needy patients. A total of \$7.5 million from the federal Centers for Medicare and Medicaid Services (CMS) went to 15 private hospitals to defray the cost of providing free medical services for the uninsured. An additional \$2.15 million went to the Hawaii Health Systems Corporation (HHSC) for 12 public hospitals to cover their July to September shortfall for low-income patients with Medicaid state health insurance. DHS will continue to cover the Medicaid shortfall for the public hospitals for the rest of this year with new federal funds, estimated at another \$6.45 million. The Lingle-Aiona Administration, realizing that Hawaii hospitals were not benefiting from the available funding that could help provide health care to Hawaii's uninsured residents, worked closely with federal officials to gain approval for the money.

To help low-income residents achieve self-sufficiency and independence, DHS continues to develop and implement additional work programs and opportunities for people on government assistance.

- The Supporting Employment Empowerment (SEE) program is a new business-friendly employment service that DHS launched in February 2005 to help businesses meet their growing labor demands due to the strong economy and low unemployment, with pre-screened government assistance recipients.

The SEE Hawaii Work program provides pre-screened candidates to companies for employment. Employers will have the opportunity to train individuals to meet their business needs. The candidates either have had previous job experience or possess basic employment skills. The employer sets the wage and the State reimburses minimum wage (currently \$6.25

per hour) plus 14 percent of the wages. In addition, the State covers health insurance and childcare.

- DHS is also changing its administrative rules to encourage providers to open more preschool slots. The rules will offer a one-time bonus and other financial incentives to providers.

The DHS continues to find ways to keep Hawaii's children and youth safe.

- The Lingle-Aiona Administration through the Department of Human Services (DHS) and the Office of Youth Services (OYS) opened a new group home this October in Hawaii County that will divert non-violent youth from being sent to the Hawaii Youth Correctional Facility (HYCF) on Oahu.
- Lt. Governor James R. "Duke" Aiona Jr., DHS Director Lillian Koller and OYS Executive Director Sharon Agnew officially opened the Ke Kama Pono (Children of Promise) Safe House today in Honokaa. The home will initially serve up to six girls from 13 to 17 years of age, and will offer services such as counseling and drug abuse education. The safe house will be operated by Salvation Army.
- Director Koller, recognizing the need to keep government transparent and accountable, also created new confidentiality rules that in certain cases would allow Child Welfare Services to release records of their cases. The new administrative rules, approved in December 2004, allow DHS to disclose, without court order or consent from any parties, confidential information to agencies such as the police, prosecutors, even the media to locate missing children or assist the Department in the investigation of a child's case. These new guidelines can be used to release critical information – records such as child abuse reports, psychological evaluations and medical documents – that may be key to locating a child who is abducted, runs away or is lost.

These new rules can also be used to solicit information from the public through the media, to assist in a criminal investigation of a child who is dead or critically injured by abuse or neglect. The new rules also allow DHS to release information to physicians who are caring for a child they suspect may be the victim of child abuse or neglect. DHS can also disclose information to providers to help us search for non-custodial parents or relatives as support for the children and their families.

The Peter Boy Kema case is an example of how these confidentiality rules may finally help achieve justice for this child. While the media petitioned the courts for the release of information in this case, the information was never released to the public and the case dragged on without resolution nor any sign of Peter Boy. Now, nine years later, DHS is using the new rules to provide full disclosure of our CWS records to Hilo police and prosecutors. In the pursuit of justice and in an effort to bring closure to this tragedy, DHS also released CWS records to the media.

GOALS

- Continue to develop a more accountable, more responsive and overall effective system of care to improve safety, permanency and well-being of abused and neglected children in Child Welfare Services.
- Continue maximization of federal funds to provide effective programs that will divert youth and families away from drugs and dependency.

- Implement more innovative and common-sense solutions to improve health care access to the State's most vulnerable, especially children and pregnant women.

This year, the DHS achieved many notable accomplishments in each of its divisions and attached agencies. For instance, costs for two benefits programs, the TANF and TAONF programs which are detailed on pages 7-13, decreased again as more benefit recipients found employment.

The Department's goal, however, is not to merely decrease caseloads but to move people into jobs by providing opportunities and incentives for people to obtain and maintain employment and to work with government in creating a stronger economy. In 2005 BESSD received a \$342,281 high performance bonus in Temporary Assistance for Needy Families (TANF) from the U.S. Department of Health and Human Services (DHHS) for success in helping clients find and retain employment in 2004.

In fiscal year 2003, the Department undertook the coordination and implementation of Hawaii's Federal Child and Family Services Review (CFSR). The CFSR is the single most important Federal review of a state's child welfare system, measuring systemic capabilities and effectiveness of its programs and services. Using the findings of the CFSR, a state is required to successfully develop and implement a Program Improvement Plan (PIP). Hawaii's two-year PIP was approved by the Federal Administration for Children and Families (ACF) on July 1, 2004. The PIP is a major factor in all aspects of our HMS 301 CWS program. If the Department is not able to meet the measurable outcomes agreed on in the PIP, there will be financial penalties to the State.

And, as the elderly population continues to increase, DHS employees investigated more reports of abuse of dependent adults. Eleven innovative programs now provide a continuum of comprehensive home and community-based services to prevent premature institutionalization of frail elders and disabled adults and children. Significantly more clients used these services than in previous years.

The DHS is poised on the threshold of this next century to continue to provide excellent services for persons in need. In addition, the DHS will continue to strive for excellence in service delivery.

CHAPTER THREE SELF-SUFFICIENCY

A critical goal of the Department of Human Services (DHS) is to help people to become as self-sufficient as possible, thereby decreasing or eliminating the need for our services. Key to this goal is our ability to help people get employment, keep employment, and increase their wages. Two divisions of the DHS, the Benefit, Employment and Support Services Division (BESSD) and the Vocational Rehabilitation and Services for the Blind Division (VRSBD), provide an effective array of education, training and work activities, as well as support services, to assist clients in achieving this goal. In addition, BESSD provides basic support, such as financial, food stamp benefits, and child care assistance while clients are moving toward self-sufficiency.

A. BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION (BESSD): Programs, Services, and Achievements

The Benefit, Employment and Support Services Division (BESSD) is the largest division in the DHS. BESSD employees provide a continuum of services, through nine programs that serve different populations, aimed at providing clients with monthly benefits to assist them with such essentials as food, shelter, and child care, as well as employment support and work-training and dependency diversion and prevention. Patricia Murakami is the BESSD Division Administrator.

1) TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) and TEMPORARY ASSISTANCE TO OTHER NEEDY FAMILIES (TAONF)

Program Description

TANF and TAONF are the time-limited welfare reform programs for adults with children. These programs are designed to protect those who cannot work and to require those who are able to work to do so. Unlike the old welfare program, which fostered dependence and low self-esteem, the TANF and TAONF programs require work and promote self-reliance, responsibility, and family stability. Both TANF and TAONF offer a package of strong incentives and penalties, child care support for working parents, and restructured welfare benefits so that it “pays to work.”

Households which include an adult who is not exempt, are allowed to receive TANF or TAONF cash benefits for a maximum of five years in their lifetime. In December 2001, eligibility expired for 539 families who were the first to reach the five-year time limit. In fiscal year 2003, 1,251 cases were closed due to time-limits. In fiscal year 2004, 852 cases were closed due to time-limits and this figure decreased to 708 cases in fiscal year 2005. The Department continues to expand its outreach activities to ensure that families who are approaching the five-year limit are prepared and have a self-sufficiency plan. Job preparation services, job search skills, training and education are available. We have also expanded our supportive services for those with barriers to employment. Our intent is to assist families towards self-sufficiency as expeditiously as possible.

TANF and TAONF provide monthly cash benefits to families for food, clothing, shelter, and other essentials. To qualify, a family must include children under the age of 19 and the family's total gross income must be under 185% of the 1993 Federal Poverty Level (FPL). For a household of three persons, this means that the monthly gross income must be less than \$2,109 and the net income must be under 50% of the 1993 FPL or under \$570 if the household includes an employable adult. All TANF/TAONF households are permitted to acquire resources or assets, but the combined total must be under \$5,000. Vehicles and the home in which a household resides are exempt from consideration as an asset or resource. For an exempt household, e.g., disabled, caring for a child under six weeks, or other exemptions, their net income must be under 62.5% of the 1993 FPL. For a household of three, this is \$712 per month.

Whether a family participates in TANF or TAONF depends on the household composition. In families in which all members are U. S. citizens and no child has two legal parents residing in the home, the family is eligible for federally-funded welfare under TANF. Families which include at least one noncitizen or in which at least one child has both of his or her parents residing in the home are eligible for state-funded welfare under TAONF. Other than the funding sources, the TANF/TAONF programs are identical.

Beginning in FY 2004, the Department began implementing and continues to implement dependency diversion and prevention programs and services with the goal of preventing people from needing welfare or keeping people off welfare. Teen Pregnancy Prevention programs were established at several sites around the State. These programs are offered in a variety of different venues including the Department of Education, the DHS' Office of Youth Services through contracts at 12 youth centers statewide, and through contracts with private agencies such as Kapiolani Medical Center. In addition, implementation and monitoring, and training and evaluation for these programs and contracts were provided through memorandum of agreements with the Department of Health and the University of Hawaii School of Medicine and the Outreach College. These programs help to get youth engaged in positive activities during times of the day when they may be at risk of engaging in behavior leading to negative outcomes such as pregnancy, substance abuse, and crime. Youth are exposed to positive information on making healthy decisions in their lives and the opportunity for a better life. Our TANF/TAONF statistics show that 73% of the TANF/TAONF households are one-parent families which is why it is important to provide teen pregnancy prevention programs and services.

In FY 2005, the Department implemented a new self-sufficiency program called Upfront Universal Engagement Grant Diversion (UFUE). This program is designed to support employment and eliminate the need for people to enter into the welfare system. A lump sum benefit is issued in exchange for a period of ineligibility. This program diverts families from financial assistance for four months. During the initial four months of assistance, families receive "non-assistance" benefits. These benefits do not impact the lifetime eligibility of sixty months. Participants are immediately referred to a work program and the focus is getting these individuals employed within the grant diversion period to prevent loss of their lifetime eligibility and to support self-sufficiency efforts by the household.

Also in response to a strong economy, the DHS in February 2005 launched a new employment service program to help businesses meet their growing labor demands and provide additional work opportunities for individuals on government assistance. The Supporting Employment Empowerment (SEE) program provides pre-screened candidates to companies for employment. Employers will have the opportunity to train individuals to meet their business needs with candidates who either have had previous job experience or possess basic employment skills. The employer sets the wage and the State reimburses \$6.25 per hour plus 14 percent of the wages. In addition, the State covers health insurance and childcare.

Program Goal

Families will achieve financial self-sufficiency.

Objective	Measurements
The total economic well-being of the client will improve.	<ol style="list-style-type: none"> 1. Average earnings per case will increase. 2. The proportion of individuals working will increase. 3. Total income will increase. 4. Hours worked will increase.
Family stability will improve.	The percentage of intact (two-parent) households will increase.
Recidivism will be reduced.	Fewer cases will return to welfare once off.
Financial assistance program savings will increase.	Financial assistance program costs will decrease.

TANF/TAONF Program Achievements

Hawaii's welfare reform program is innovative, progressive, and realistic. It provides the right combination of incentives to work and disincentives to remain dependent on public assistance. Our costs have decreased annually as a result of the number of individuals finding employment. Significant decreases in the number of recipients continued in 2005. We believe that these changes are the direct result of our program decisions and the hard work of our participants.

- The cost of assistance per TANF household has decreased from a high of \$611 in 1997 to \$519 in fiscal year 2005. The cost of assistance per TAONF household has decreased from \$689 per household in 1997 to \$519 in 2004. The average length of time on assistance has decreased from 30 months in 1997 to 15 months in 2005. Although the number of individuals working decreased, this decrease is a direct result of the decrease in the number of households receiving assistance. Since the implementation of our welfare reform waiver in December 1996, the number of families receiving assistance has decreased from 22,785 cases to 10,642 cases in June 2005 or a 47% decrease. In 2005, 2,705 households were employed, earning a gross income of \$2 million per month and representing a monthly cost savings of \$760,000.

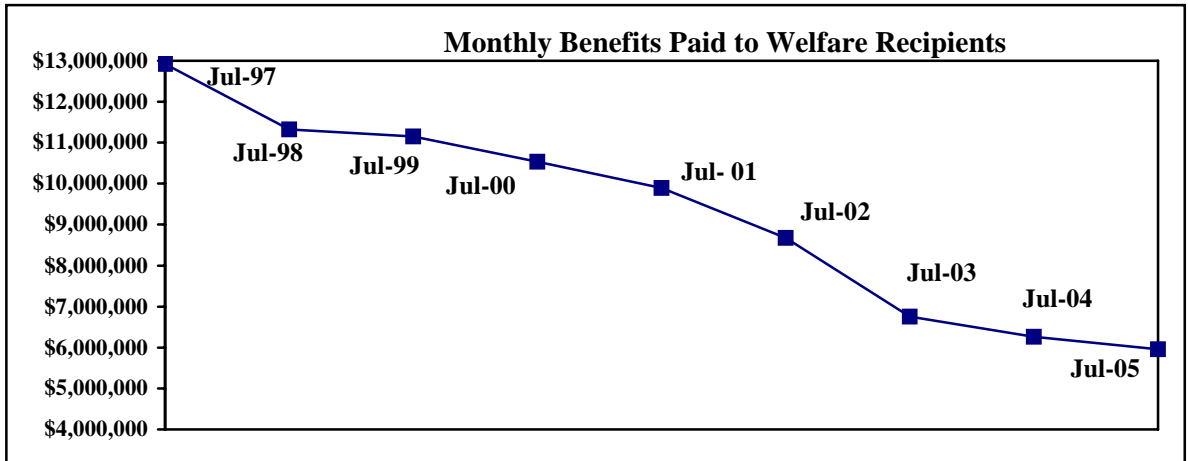
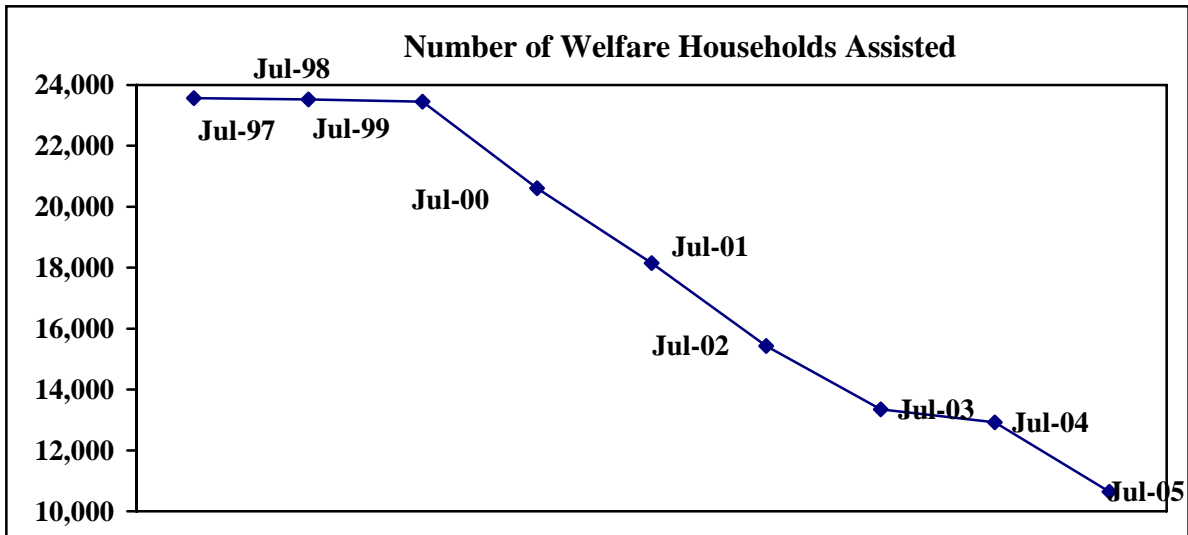
TANF/TAONF Caseload

Fiscal Year	Families per Month Average	Average Time on Assistance
1997	22,333	30
1998	23,530	29
1999	23,659	27
2000	21,782	13*
2001	19,464	13.3*
2002	16,940	14.8
2003	14,362	16
2004	12,915	15.4
2005	10,642	15

*Average time on assistance was recomputed from the start of TANF/TAONF on July 1997.

Welfare Costs (By Selected Months)

	Sept 1997	July 2000	July 2002	July 2003	July 2004	July 2005
Number of Households Assisted	23,573	20,612	15,428	13,351	12,915	10,642
Monthly Benefits Paid to Recipients	\$12.92 million	\$10.53 million	\$8.68 million	\$6.76 million	\$6.26 million	\$5.96 million
Households Reporting Earnings	6,548	8,275	5,025	4,057	3,664	2,705
Gross Earned Income Reported	\$3.72 million	\$5.82 million	\$3.81 million	\$3.15 million	\$2.8 million	\$2 million
Monthly Savings to DHS as a Result of Earnings	\$1.44 million	\$2.12 million	\$1.39 million	\$1.14 million	\$1 million	\$760,000



- The DHS has improved our working relationship with the Office of Community Services of the Department of Labor and Industrial Relations to provide job counseling and job development for our non-English-speaking clients continues. These services are provided in the clients' native language. We have increased our contracts with community agencies to provide statewide employment support for two-parent households.
- These past three years we focused on expanding training and skill building programs for our clients who are not work-ready because of some kind of disability or barrier. We have contracted for services for victims of domestic violence, substance abusers, and individuals with physical or mental disabilities. The Domestic Violence Exemption program has an exemption limit of six months with a possible extension of six months (it was previously twelve plus twelve). Compliance with substance abuse programs and skill-building programs is a condition of eligibility for those who need these services. The focus is on helping families achieve self-sufficiency through the contracting of case management services for recovery activities, employment, and skill development. These programs and services are intended to improve the self-sufficiency skills of all our families in anticipation of changes to the welfare laws and loss of our federal waivers. All adults are now required to participate in some activity, whether it is training, counseling, or work, to maintain eligibility.

- The Grant + program was expanded to include for-profit employers as well as the non-profit agencies. This program pays an employer \$650 a month to employ a welfare recipient by turning that subsidy into a wage.
- To assist underemployed families that lost eligibility due to the five-year time limit, the Department continues the Employment Subsidy program. This program allows individuals who have used their 60 months of eligibility, are employed at least 20 hours a week, and are still unable to meet their needs, to receive a \$200 monthly supplement for up to twenty-four (24) months.
- Educational support has been expanded to include the Bridge to Hope program which allows individuals to earn a college degree while they work.
- The Supplemental Security Income (SSI) advocacy program was expanded, through a contract with the Legal Aid Society of Hawaii, to assist disabled individuals receiving federal TANF assistance to access Social Security benefits. Previously, this service was only provided for state-funded individuals in the TAONF, General Assistance, and Aid to the Aged, Blind, and Disabled programs. Forty nine (49) individuals from TANF and TAONF were diverted from public assistance to the Social Security Administration.
- Since FY 2004, the Department continues to implement dependency diversion and prevention programs and services with the goal of preventing people from needing welfare and keeping people off welfare. Teen Pregnancy Prevention programs were established at several sites around the State. These programs are offered in a variety of different venues including the Department of Education, through the DHS' Office of Youth Services through contracts at 12 youth centers statewide, and through contracts with private agencies such as Kapiolani Medical Center. In addition, implementation and monitoring, and training and evaluation were provided through memorandum of agreements with the Department of Health and the University of Hawaii's School of Medicine and the Outreach College. These programs help to get youth engaged in positive activities during times of the day when they may be at risk of engaging in behavior leading to negative outcomes such as pregnancy, substance abuse, and crime.
- In FY 2005, the Department also implemented a new self-sufficiency program called Upfront Universal Engagement (UFUE). This grant diversion program is designed to support employment and eliminate the need for people to enter into the welfare system. A lump sum benefit is issued in exchange for a period of ineligibility. This program diverts families from financial assistance for four months. During the initial four months of assistance, families receive "non-assistance" benefits. These benefits do not impact the lifetime eligibility of sixty months. Participants are immediately referred to a work program and the focus is getting these individuals employed within the Grant Diversion period to prevent loss of their lifetime eligibility and to support self sufficiency efforts by the household.

To date, UFUE has placed about 300 clients in employment and diverted more than 80 individuals from applying for Temporary Assistance to Needy Families financial assistance.

- In response to a strong economy, the DHS, in February 2005, launched a new employment-friendly employment program to help businesses meet their growing labor demands and provide additional work opportunities for individuals on government assistance. The Supporting Employment Empowerment (SEE) program reimburses employers for the salaries of our clients whom they hire and train to meet their business needs. The SEE program provides pre-screened candidates, who have either previous job

experience or possess basic employment skills, to companies for employment. The employer sets the wage and the State reimburses at the minimum wage (currently \$6.25 per hour) plus 14 percent of the wages. In addition, the State covers health insurance and childcare.

To date SEE has about 300 employers participating in the program and placed more than 100 people in job-training opportunities. The jobs represent a range of industries, from telecommunications and employment staffing companies to mortgage lenders and security firms and pay anywhere from \$6.25 an hour to \$18 an hour.

- We have changed our medical review process to include and standardize the definition of disability and to better service these individuals.
- We have expanded our definition of temporarily absent and eligible households to maintain family assistance while parents are receiving substance abuse and domestic violence services and to allow these services to be funded with federal dollars.
- Finally, in 2005 BESSD received a \$342,281 high performance bonus in Temporary Assistance for Needy Families (TANF) from the U.S. Department of Health and Human Services (DHHS) for success in helping clients find and retain employment in 2004.

Future Challenges

- We are finalizing our medical review board contract to better evaluate the review process.
- We are developing a Reward Work initiative which will offer further incentives to employment.
 - We will give exit and job retention bonuses to those who exit the payment program in less than 36 months and retain employment.
 - We are extending our Support Employment Empowerment (SEE) program from 24 months to 60 months for those who are employed but unable to meet their day to day living expenses.
 - We are increasing the amount of income we disregard in order to encourage employment. All of these changes are to encourage employment and foster self-sufficiency.
- We are reviewing our contract with the Legal Aid Society of Hawaii to increase our advocacy services.
- We are in the process of developing a new simplified reporting system which will improve access to our services.

People Served by the TANF/TAONF Programs

Each family which receives financial assistance, whether funded through the TANF or TAONF programs, is different. However, we can identify characteristics that are common. The average case size was 2.53 people for TANF and 3.81 people for TAONF in FY 2005.

Composition of TANF/TAONF Households

Household Composition	TANF	TAONF
No Eligible Adult and 1 Child	16%	2%
No Eligible Adult and 2 Children	6%	1%
No Eligible Adult and 3 or More Children	4%	1%
1 Adult and 0 Children	1%	0%
1 Adult and 1 Child	33%	13%
1 Adult and 2 Children	20%	9%
1 Adult and 3 Children	10%	4%
1 Adult and 4 or More Children	7%	3%
2 Adults and 1 Child	1%	20%
2 Adults and 2 Children	1%	20%
2 Adults and 3 Children	<1%	13%
2 Adults and 4 or More Children	<1%	13%

(Note: Percentages may not total exactly 100% due to rounding.)

Ethnicity of Individuals Served by TANF/TAONF Programs

Ethnicity	TANF	TAONF
Other Pacific Islander	4%	37%
Hawaiian/Part-Hawaiian	43%	22%
Caucasian	23%	11%
Filipino	11%	10%
Samoan	8%	8%
Asian	7%	10%
Other	4%	2%

Heads of Households of TANF/TAONF Families

Heads of Households	TANF	TAONF
Female	92%	59%
Male	8%	41%
Under 35 Years Old	65%	63%
Never Married	61%	34%
Married	4%	45%
Common Law	2%	12%
Separated or Divorced	32%	8%
Widowed	1%	1%
Head of Household Disabled	30%	5%
Head of Household with Grade 12 or Higher Education	62%	23%

2) FIRST-TO-WORK (FTW)

Program Description

The First-to-Work (FTW) program, implemented in FY 1997, is a work program designed to assist able-bodied adults to become attached to the workforce. FTW serves TANF recipients and puts emphasis on: employment, skill-building, training, on-the-job training, and job search activities. FTW also provides supportive services such as child care, transportation reimbursement, and work-related expenses.

Under FTW, the Department offers several work-incentive and job-readiness programs to recipients through partnerships and contracts with public and private agencies:

Work + provides work experiences to welfare recipients through volunteer placements in State agencies.

Grant + places welfare recipients in non-profit agencies. The participating household's grant is given directly to the non-profit agency to pay the recipient it hires.

TOP, the Transitional Opportunity Program, is a private-public partnership that provides employers with similar incentives as Grant +. The goal is to hire more welfare recipients.

Ho'ala provides welfare recipients with job-readiness skills and is contracted out to the City and County of Honolulu's Work Hawaii program.

Program Goal

To assist able-bodied persons receiving cash assistance to obtain employment and to become self-sufficient.

People Served by the First-To-Work Program

Island	FY 01	FY 02	FY 03	FY 04	FY 05
Oahu	7,046	6,009	8,393	5,358	4,421
Hawaii	2,144	1,768	2,523	1,480	1,442
Maui/Molokai	538	468	1,084	720	497
Kauai	221	205	598	393	333
Total	9,949	8,450	12,598	7,951	6,693

Age Distribution of FTW Clients

Age	FY 2005	
	Count	Percent of Total
<16	0	0%
16 to 24	1,916	28.6%
25 to 34	2,787	41.6%
35 to 44	1,474	22.0%
45 to 55	476	7.1%
55+	40	0.6%
Total	6,693	100%

Ethnic Distribution of FTW Clients

Ethnicity	2005	
	Number	Percentage
Part Hawaiian	2,396	35.8%
Caucasian	1,410	21.1%
Filipino	933	13.9%
Samoan	456	6.8%
Asian	562	8.4%
Black, Hispanic	444	6.6%
Other	492	7.4%
Total	6,693	100%

Highlights of the First-to-Work Program

- There were 3,503 intakes into the First-to-Work Program in FY 2005.
- 1,199 participants were enrolled in Job Readiness in FY 2005.
- A total of 35,205 child care slots were provided during the year to FTW participants. This amounted to an average of 2,786 children in care per month.
- During FY 2005, the Work + program served 1,549 participants.
- During FY 2005, the Transitional Opportunity Program (TOP) served 79 participants.
- 556 FTW participants were placed in adult education during FY 2005.

- 1,078 FTW participants were placed in vocational training during FY 2005.

Progress on Program Outcomes

- During FY 2005, there were 5,030 participants working while in the FTW program.
- A total of 2,147 TANF/TAONF participants exited the program due to employment during FY 2005.
- The average wage during FY 2005 for clients working while on welfare was \$7.86 per hour. The median wage for FY 2005 was \$7.00 per hour.

Future Performance Targets

- To have 55% of the TANF mandatory population meeting the 30 hour participation requirement by September 30, 2006. This target compares to the Federal expectation that 50% of the population be in compliance with this requirement by that time.
- To have 4,200 TANF/TAONF adults working for pay by September 30, 2006.
- To have 1,800 TANF/TAONF participants served through Work Plus by September 30, 2006.
- To have 80 TANF participants in TOP by September 30, 2006.

3) EMPLOYMENT AND TRAINING (E&T)

Program Description

The Employment and Training (E&T) program is a statewide work program designed to assist able-bodied adults to become attached to the workforce. This work program replaces the PRIDE program on Oahu. E&T serves Food Stamp recipients and puts emphasis on: employment, work experience, training, on-the-job training, and limited job search activities. E&T also provides supportive services in the form of a participant reimbursement to cover work-related expenses and child care.

Program Goal

To assist able-bodied persons receiving Food Stamp benefits to obtain employment and to become self-sufficient.

Persons Served by the E&T Program

Employment and Training Clients Served By County

Island	FY 01	FY 02	FY 03	FY 04	FY 05
Oahu	842	1,121	1,789	1,123	1,309
Hawaii	248	319	416	123	56
Maui	208	343	295	97	45
Kauai	153	172	190	76	80
Total	1,451	1,955	2,690	1,419	1,490

Age Distribution of Employment and Training Clients

Age	FY 2005	
	Number of Clients	Percent of Total
<16	0	0%
16 to 24	279	18.7%
25 to 34	308	20.7%
35 to 44	484	32.5%
45 to 55	386	25.9%
55+	33	2.2%
Total	1,490	100%

Ethnic Distribution of Employment and Training Clients

Ethnicity	FY 2005	
	Number of Clients	Percent of Total
Part Hawaiian	55	3.7%
Caucasian	207	13.9%
Filipino	69	4.6%
Samoan	26	1.7%
Asian	528	35.4%
Black	383	25.7%
Hispanic	161	10.8%
Other	61	4.1%
Total	1,490	100%

Achievements and Highlights of the Employment and Training Program

- There were 913 intakes into the E&T Program during FY 2005.
- 1,490 clients were served during FY 2005.
- A total of 1,047 clients were employed during FY 2005.
- A total of 161 clients were in job readiness components.
- A total of 82 clients were in an Adult Education component during FY 2005.
- A total of 132 clients were in a vocational training component during FY 2005.
- A total of 422 clients were involved in work experience during FY 2005.
- There were a total of 305 exits due to employment during FY 2005.
- The average wage at exit was \$7.59 per hour and the median wage was \$6.25 per hour.

Future Performance Targets

- To have 700 E&T clients employed by June 30, 2006.
- To have 150 E&T clients exit due to employment by June 30, 2006.
- To have 200 E&T clients involved in work experience programs by June 30, 2006.

4) CHILD CARE CONNECTION HAWAII (CCCH)

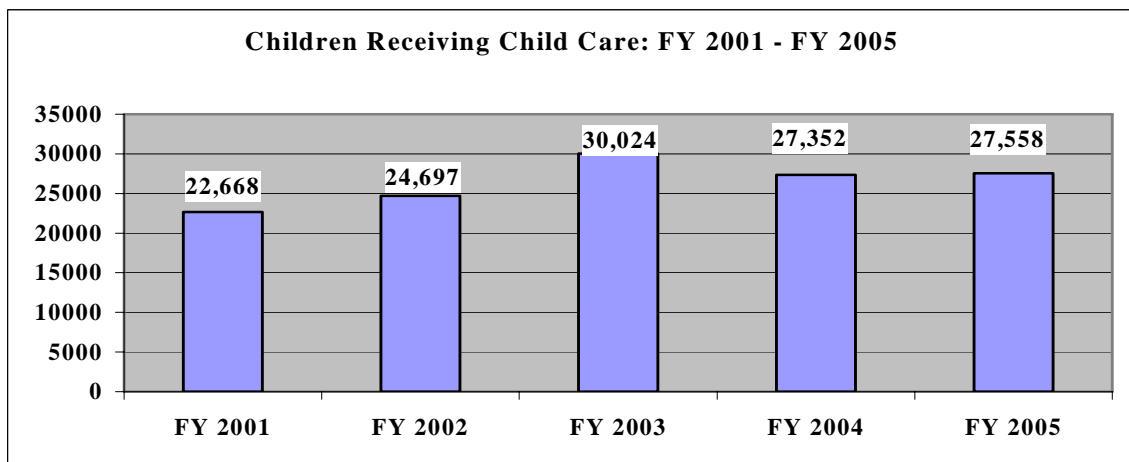
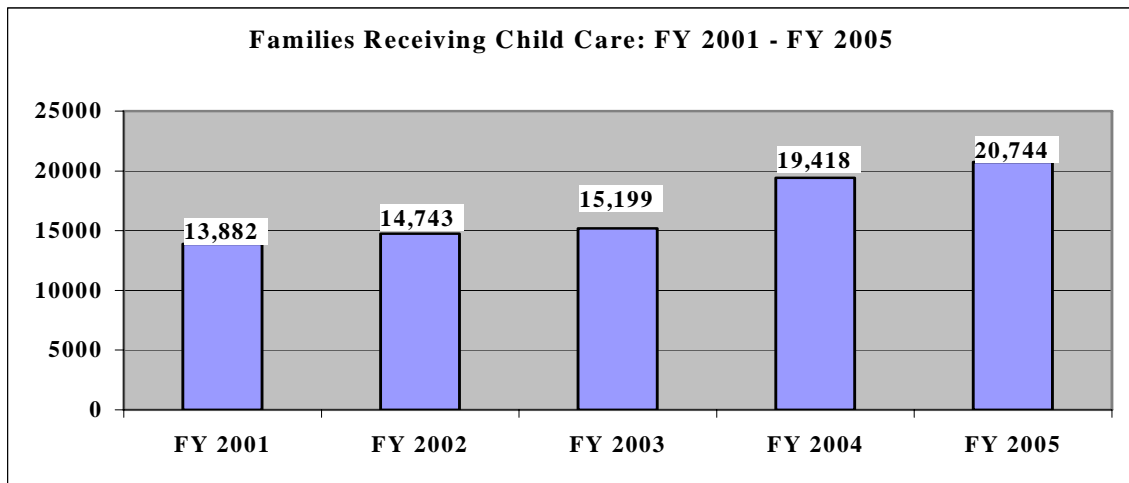
Program Description

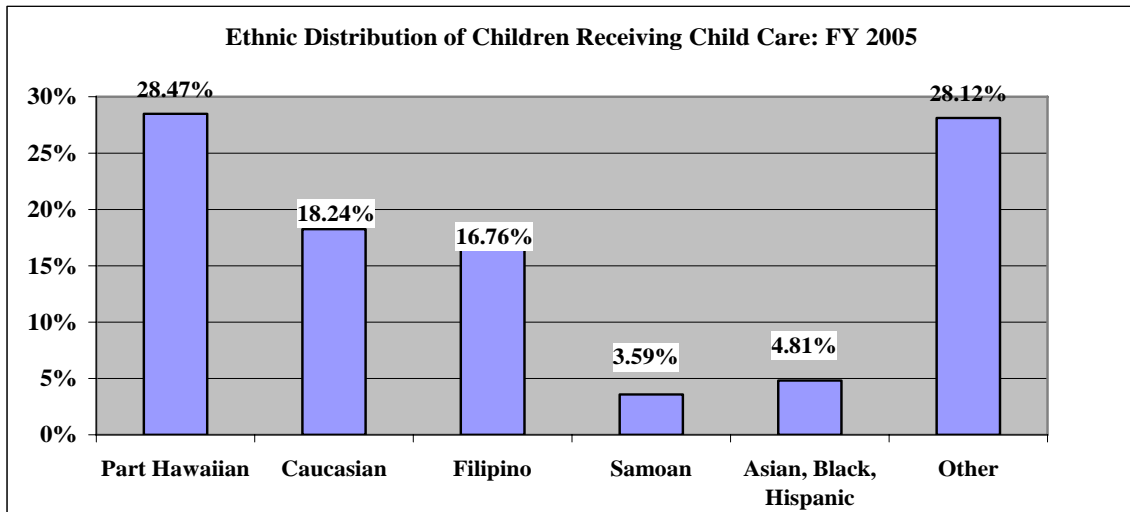
The Child Care Connection Hawaii program is a statewide service that offers the licensing of child care facilities and child care payment assistance to needy families. Under the licensing program, the primary intent is to ensure the safety, health, and well-being of children cared for within licensed facilities. Under the payment assistance program, financially needy families can apply for child care assistance if they work or are attending training to become self-sufficient.

Program Goal

To assist able-bodied persons receiving cash assistance to obtain employment and to become self-sufficient.

The People Served:





Program Highlights- Child Care Connection Hawaii

- There were 20,744 active families receiving Child Care Payment assistance for 27,558 children.
- Payments totaling \$33,963,944 were made to families.
- Number of Family Child Care Homes Licensed: 609
- Number of Group Care Centers (Includes Group Child Care Homes, Before and After School, and Infant Toddler Centers): 605
- Licensed Child Care Slots Available: 35,205.

Future Performance Targets

- To have 600 Family Child Care Homes licensed by June 30, 2006.
- To have 600 Group Care Centers licensed by June 30, 2006.
- To have 27,000+ Child Care Slots available by June 30, 2006.
- To provide child care payments for 28,000+ children by June 30, 2006.

Also in the 2005 legislative session, the DHS through the Lingle-Aiona Administration received an additional \$5 million to increase preschool subsidies to expand early childhood education for low-income families with children.

- To date DHS has added more than 530 preschool openings for children.
- Additionally, DHS is also changing its administrative rules to encourage providers to offer more preschool opportunities. The new rules will give a one-time bonus and other financial incentives to providers.

5) HAWAII HEAD START-STATE COLLABORATION PROJECT

Program Description

The Hawaii Head Start State Collaboration Office (HHSSCO) is funded by a federal grant through the Administration for Children and Families, Head Start Bureau, to ensure coordination and delivery of services in eight national priority areas: health care, welfare, child care, education, community service activities, family literacy services, activities relating to children with disabilities, and services for homeless children. Multi-agency and public/private partnerships are developed and facilitated at the State level to effect school readiness, enhance access to comprehensive services, and improve quality of life for low-income children and their families, including those enrolled in Head Start (HS) and Early Head Start (EHS) programs.

Program Goals

To help build early childhood systems and enhance access to comprehensive services and support for all low-income children; encourage widespread collaboration between Head Start and other appropriate programs, services, and initiatives, augmenting Head Start's capacity to be a partner in State initiatives on behalf of children and their families; and facilitate the involvement of Head Start in State policies, plans, processes and decisions affecting the Head Start target population and other low-income families.

Head Start Collaboration Project Achievements

- Facilitated the *Solutions to Ice* initiative funded through a collaboration supplemental project grant which included the development of a DVD presentation entitled "Solutions To Ice: Building Resilience in Hawaii's Keiki and Families"; the training of 40 trainers in Second Step (a preschool substance abuse curriculum) for Head Start classrooms statewide; the hosting of the *Solutions to Ice* Symposium to a cross-professional audience; and the Management Learning Model process for Community Action Agency Executive Directors, Head Start Directors and the Office of Community Services.
- Participated in the implementation of strategic plan goals with the Head Start Association of Hawaii, Early Childhood Comprehensive Systems (ECCS) grant, Head Start Oral Health Teams, Hawaiian Islands Oral Health Task Force, BUILD Initiative for early childhood/early learning system development work; and the Homeless Policy Academy for Young Children and their Families.
- Facilitated Head Start/Early Head Start representation in the State's early care and education system planning efforts, the Administration's Early Childhood Education Initiative, Act 151 working committees, the Good Beginnings Alliance, and Hawaii Careers with Young Children.
- Published the Hawaii Head Start Fact Sheet and distributed to State Legislators and staff at the Champions for Children event.
- Continued working partnerships with the resource and referral agency People Attentive to Children (PATCH); the University of Hawaii's John A. Burns School of Medicine, Department of Pediatrics; the Office of Community Services; Hawaii Covering Kids; Hawaii Careers with Young Children; Sequenced Transition into Education in the Public Schools (STEPS); the Good Beginnings Alliance; the Hawaiian Islands Oral Health Task Force; the Pre-Plus committee; TEACH advisory; Homeless State planning committee for Children and Families; and the Department of Health's Dental Division, Women, Infants and Children Services Branch, Public Health Nursing Branch, Child and

Adolescent Mental Health Division, and Early Intervention Services program on behalf of the Head Start target population and other low-income families.

Project Goals FY 2006

- Provide continuance of work plan projects initiated in FY 2005.
- Co-convene Hawaii Careers for Young Children and Early Childhood Homeless committee.
- Utilize program evaluation and HHSSCO advisory council recommendations for the development of a FY 2006-2011 Collaboration Project work plan.
- Facilitate the *Solutions To Ice* “Next Step” planning committee and project activity implementation to include Hawaii’s Free To Grow Expansion.
- Cultivate new partnerships to meet the needs of Head Start and Early Head Start programs statewide.

6) GENERAL ASSISTANCE (GA)

Program Description

The General Assistance program provides cash benefits for food, clothing, shelter, and other essentials to adults ages 18 through 64, without minor dependents, who are temporarily disabled and who do not qualify for Social Security. To be eligible, the adult must have little or no income, not qualify for a federal category of assistance, and be certified by a DHS medical board to be unable to engage in any substantial employment of at least thirty hours per week for a period of at least sixty days.

The GA program is funded by a block-grant appropriated by the State Legislature each year. This means that to stay within the block-grant appropriation, adjustments to the monthly benefit amount may be made throughout the year based on the number of individuals who are participating in the program. Currently, the monthly benefit is \$418 a month for an individual and may not exceed this amount by statute. Assets may not exceed \$2,000 for a single person and \$3,000 for a couple to maintain eligibility.

Program Goal

To provide temporary economic assistance to those eligible for financial support, to ensure they receive at least a minimally adequate standard of living.

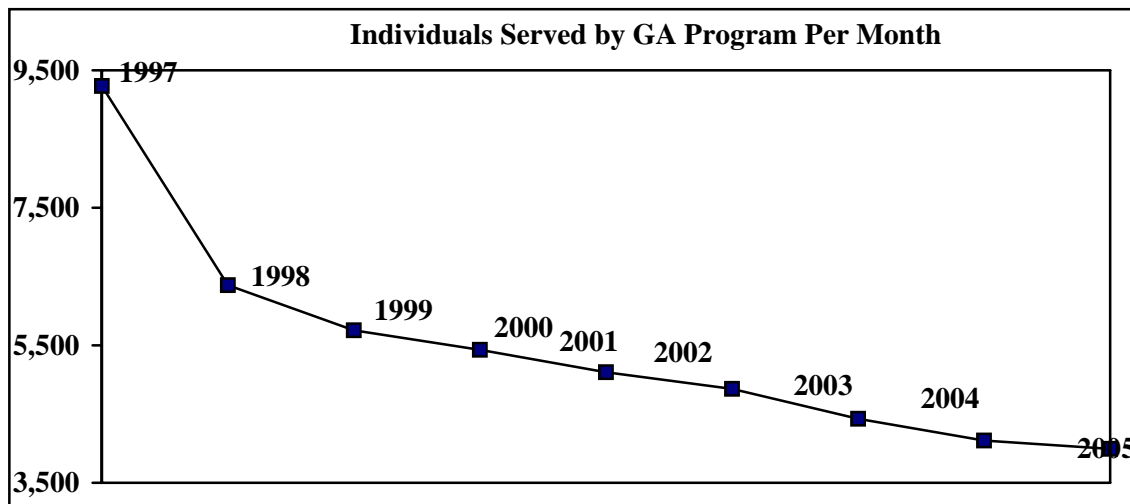
Objective	Measurements
Eligibility based on disability will be standardized.	All applicants will be referred to a medical provider contracted by the Department and 100% of disability statements will be reviewed by a Departmental board.
Supplemental Security Income (SSI) referrals and approvals will increase.	Based on Departmental board review and recommendation, clients will be referred to the Legal Aid Society of Hawaii for SSI advocacy.

GA Program Achievements

- All individuals who claim a disability are examined by a contracted medical provider. All medical examinations are then reviewed by a Departmental board. This process has been implemented statewide and has standardized the definition being used to determine if a person is disabled and eligible for this program. All those needing assistance are now being assessed through the use of a consistent standard.
- The Legal Aid Society of Hawaii's advocacy contract for Social Security benefits was extended to maximize the number of people eligible for federal assistance. This service has been made available to families as well as single people. As a result of this contract, 307 individuals were converted from State assistance to Federal Social Security in FY 05.
- These two changes have been instrumental in decreasing the average length of time on State assistance from 17 months to 10 months. They have also resulted in a decrease in the number of individuals receiving GA benefits and have enabled the transfer of persons with long-term disabilities to the federally-funded Social Security program.
- A new case alert process was implemented to maximize the referral for federal benefits.
- The medical review process was modified to clarify the steps to diagnose and service individuals with dual disabilities.

Future Challenges

- We are developing a Memorandum of Understanding (MOU) with Public Safety Department and the Hawaii State Hospital. This will allow us to process in advance, people with serious mental illness being released from these facilities. This MOU will allow these individuals to receive continuous support and services.
- We are further modifying our medical review forms and process to better service our customers with dual disabilities.
- We are meeting with the Legal Aid Society of Hawaii to improve our advocacy program.
- We are amending the Hawaii Administrative Rules to allow the Department more leeway in determining payment adjustments in order to allow the Department to maintain the maximum allowable monthly GA benefit to qualified recipients given the annual amount appropriated for this block grant.



GA Caseload

Year	Individuals per Month
1996	12,510
1997	9,273
1998	6,373
1999	5,718
2000	5,434
2001	5,108
2002	4,867
2003	4,432
2004	4,112
2005	3,994

Typical Characteristics of Individuals Served by GA Program

Characteristics of Individuals	Percentage*
<i>Age of Head of Household</i>	
29 Years or Younger	20%
Between 30 and 39 Years	24%
Between 40 and 49 Years	32%
Between 50 and 59 Years	21%
60 Years and Older	3%
<i>Marital Status of Head of Household</i>	
Single	59%
<i>Gender of Head of Household</i>	
Male	59.7%
Female	40.3%

*These percentages remained consistent over the past four years, varying only one or two percentage points.

Citizenship of Individuals Served by GA Program

United States Citizens	94%
Non-citizens	6%

Ethnicity of Individuals Served by GA Program

Ethnicity	Percentage FY 05
Caucasian	40%
Hawaiian/Part-Hawaiian	29%
Chinese	2%
Filipino	10%
Japanese	6%
Black	3%
Other Asian	2%
Samoan	2%
Korean	1%
Other Pacific Islanders	4%
Others	1%

7) AID TO THE AGED, BLIND, AND DISABLED (AABD)

Program Description

The Aid to the Aged, Blind, and Disabled program provides cash benefits for food, clothing, shelter, and other essentials to adults who are elderly (65 years of age or older) or who meet the Social Security Administration (SSA) definition of disabled. To qualify, individuals must have countable income that is below 62.5% of the 1993 Federal Poverty Level and may not have resources in excess of \$2,000 for a single person and \$3,000 for a couple.

Program Goal

Provide economic assistance to those eligible for financial support to ensure that they receive at least a minimally adequate standard of living.

Objective	Measurement
To guarantee that all of those desiring assistance, who are eligible, receive benefits.	The number of individuals receiving benefits should never be less than 70% of those potentially eligible. It currently is 72%.
Expedite the reimbursement of SSI benefits to eligible households.	All reimbursements will be completed within 10 working days of the Department receiving a warrant from the SSA.

AABD Program Achievements

- The Department is current in its reimbursements of SSA warrants and is meeting the federally imposed timeframe. Also, the approvals and reimbursements from Supplemental Security Income have increased significantly due to the Legal Aid Society of Hawaii's advocacy contract. This is important as it provides more money to these individuals and shifts the cost from the State to the federal government. In addition, the Department initiated a project with the Legal Aid Society of Hawaii to review all AABD

cases to review their SSI status and the award amount to maximize the use of federal dollars.

- The Legal Aid Society of Hawaii's advocacy contract for Social Security benefits was extended to maximize the number of people eligible for federal assistance. This service has been made available to families as well as single people. As a result of this contract, 143 individuals were converted from State assistance to Federal Social Security in FY 05.

Combined Reimbursement of State Funds for AABD, GA and TAONF from the SSA

Fiscal Year	Reimbursement from the SSA	Cost of Contract with LASH for Reimbursement Activities	Reimbursement to State (Net)
2000	\$2,030,878	\$150,760	\$1,880,118
2001	\$1,636,071	\$171,050	\$2,711,270
2002	\$1,743,904	\$217,950	\$1,525,954
2003	\$3,115,720	\$404,450	\$3,071,270
2004	\$3,516,908	\$297,850	\$3,219,058
2005	\$2,980,710	\$521,900	\$2,458,810

- Effective January 2003, the Department no longer issues State supplements to those individuals in independent living arrangements. This eliminated the \$8.59 processing fee to issue a \$4.90 supplement. The Department continues to issue the State supplement to individuals in domiciliary care since for these cases the supplement is between \$450 and \$550 per month. This change represented a cost reduction of over \$1 million dollars in processing fees.
- We implemented system changes to create alerts for staff when potentially eligible individuals are not referred to the SSA.
- We completed a special project to maximize the number of individuals referred to the SSA and to increase the individuals receiving full SSI assistance rather than partial benefits.

Future Challenges

- We must redevelop and rebid the SSI advocacy contract to guarantee advocacy services are continued and improved.

The People Served by the Aid to the Aged, Blind, and Disabled (AABD) Program

AABD Caseload

Year	Individuals per Month
1998	3,213
1999	3,227
2000	3,198
2001	2,982
2002	2,803
2003	2,614
2004	2,175
2005	2,156

Household Characteristics of Individuals Served by AABD Program

Characteristics of Individuals	Percentage
<i>Age of Head of Household</i>	
Age 65 and Older	62%
Younger than Age 65	38%
<i>Marital Status of Head of Household</i>	
Married	22%
Widowed	33%
Single	25%
Separated	12%
Divorced	8%
Common Law	0%
<i>Gender of Head of Household</i>	
Female	64%
Male	36%

(Note: Percentages may not total exactly 100% due to rounding.)

Ethnicity of Individuals Served by AABD Program

Ethnicity	Percentage
Filipino	28%
Chinese	14%
Other Asian and Pacific Islanders	23%
Caucasian	11%
Hawaiian/Part-Hawaiian	8%
Korean	8%
Japanese	5%
Samoan	1%
Black	1%
Others	1%

Citizenship of Individuals Served by AABD Program

	Percentage FY 05
United States citizens	42%
Non-citizens	58%

Other Data Pertaining to AABD Program

	FY 05
Length Of Time On Assistance	30 months
One-Member Households	86%
Two-Member Households	14%

8) FOOD STAMP PROGRAM (FS)

Program Description

The Food Stamp program is a federal program funded through the U.S. Department of Agriculture that helped put food on the table for approximately 47,795 Hawaii families each day in FY 2005. The Food Stamp program provides low-income households with electronic benefits they can use like cash at most grocery stores, to ensure that they have access to a healthy diet. The Food Stamp program provides crucial support to Hawaii's needy households and to those making the transition from welfare to work.

The Electronic Benefits Transfer (EBT) card system was implemented in Hawaii in 1998 for disbursement of not only food stamp but also financial assistance benefits.



This EBT card has the individual's cash benefits, child care assistance, and food stamp equivalent that may be drawn down like a debit card.

To participate in the Food Stamp program:

- Households may have no more than \$2,000 in countable resources, such as a bank account (\$3,000 if at least one person in the household is age 60 or older, or is disabled). Certain resources are not counted, such as a home and lot and automobiles.
- The gross monthly income must be 130% or less of the federal poverty guidelines, which was \$1,953 for a family of three in Hawaii in FY 2005. Gross income includes all cash payments made to a household, with a few exceptions specified in the law or by program regulations.
- Net monthly income must be 100% or less of federal poverty guidelines, which was \$1,502 for a family of three in Hawaii in FY 2005. Net income is figured by adding all of a household's gross income, and then taking a number of approved deductions for child care, some shelter costs and other expenses. Households with an elderly or disabled member are subject only to the net income test.
- Most able-bodied adult applicants must meet certain work requirements.
- All household members must provide a Social Security number or apply for one.

Program Goal

To deliver benefits and services accurately and in a timely manner.

Program Objective

To meet Federal compliance standards.

Food Stamp Program Achievements

Hawaii achieved a payment accuracy rate of 94.82% for FY 2004, which was better than the national average of 94.51%. For this achievement, the Department received a High Performance Bonus Award of \$507,891 in FY 2005. In the last eighteen years, Hawaii has received over \$16.4 million in performance bonuses for payment accuracy. In ten of those eighteen years, Hawaii has been first or second in the nation for Food Stamp program payment accuracy.

Food Stamp Program Participation FY 2005 (Monthly Average)

Program	Number of Persons Participating	Number of Households Participating	Benefits Issued (millions \$)
TANF	15,367	5,244	\$2.12
TAONF	7,518	2,169	\$1.01
NA	2,334	575	\$0.27
GA	2,659	2,628	\$0.46
SSI	11,773	10,755	\$1.48
ABD	1,409	1,268	\$0.23
NPA	53,972	25,155	\$7.40
Total	95,032	47,795	\$12.98

TANF = Temporary Assistance to Needy Families recipients
 TAONF = Temporary Assistance to Other Needy Families recipients
 NA = Non Assistance recipients
 GA = General Assistance recipients
 SSI = Supplemental Security Income recipients
 ABD = Aid to the Aged, Blind and Disabled recipients
 NPA = Non-Public Assistance recipients

Future Challenges/Goals

- Implementation of Simplified Reporting in 2006 with the goal of reducing the error rate and qualifying for high performance funds.
- Start-up of our first ever Outreach Plan to increase participation statewide with help from community agencies and development of an online application that can be submitted electronically and has a benefit calculator to determine potential eligibility.
- Revamping the quality control review process to be more responsive and accepting of state agency approved processes and thereby decrease the error rate.

B. VOCATIONAL REHABILITATION AND SERVICES FOR THE BLIND DIVISION (VRSBD): Programs, Services, and Achievements

The Vocational Rehabilitation and Services for the Blind Division (VRSBD) administers three programs that have separate but related functions to provide for the rehabilitation needs of persons with disabilities to secure employment and to lead full and productive lives. The underlying philosophy and goal of the VRSBD is that through employment, individuals with disabilities are empowered toward economic self-sufficiency, independence, and inclusion and integration into society.

DISABILITY DOESN'T MEAN INABILITY

The Maui News of October 16/2005 included an article written by Naomi Chun, VRSBD, Maui Branch.

"October is National Disability Employment Awareness Month and the focus is to acknowledge and celebrate the accomplishments of people with disabilities who have overcome barriers and are successfully employed by enlightened employers.

They are making major contributions in the workplace, and have shown they are able to participate more fully in the workforce because they are qualified and possess the skills and abilities to do their jobs well. Finding the right employer is also instrumental to their success. Not only do the right employers provide the employment opportunities but they also understand they must look beyond a person's disability. One such employer is Sonia Gaudet, Mark's Hallmark Shop manager. Sonia is Maui's (VR) Employer of the Year for FY2005. Sonia, a former VR consumer herself, understands the difficulties people with disabilities face trying to find and maintain employment. After utilizing services through the Maui VR program, she also has hired people with disabilities to work in her store. She knows the services that VR provides and can count on the VR counselors to assist her. "Here at Mark's Hallmark, we believe in looking at the person and what they can accomplish, rather than seeing what they may be hindered by," Sonia said. Every year Maui VR and other State VR offices honor employers for their outstanding work and their commitment.

These employers along with many others have been instrumental in hiring persons with disabilities. They are not only willing to hire people with disabilities but also take extra steps to provide reasonable accommodations, give feedback and allow onsite job training, or job coaching, when necessary. They provide quality services by being flexible and providing a supportive work environment.

Taking the extra steps means being truly committed to employment of persons with disabilities. Some may think this takes too much time and have a stereotype that persons with disabilities cannot do the job. If we look closely, we see they are just myths. The National Organization on Disability (NOD) published a list in 2001 of the Top 10 reasons to hire people with disabilities:

- 1) Employees with disabilities can ease concerns about labor supply.
- 2) People with disabilities have equal or higher job performance ratings, higher retention rates and lower absenteeism.
- 3) Employees with disabilities can relate better to customers with disabilities who represent \$1 trillion in annual aggregate consumer spending.

- 4) Diverse work groups can create better solutions to business challenges.
- 5) People with disabilities are better educated than ever, and are proven to have and/or exceeded challenges.
- 6) A person with a disability motivates work groups and increased productivity.
- 7) Companies that hire and accommodate people with disabilities in their workplace can receive tax benefits.
- 8) Employing people with disabilities is good for the individual, the business, and society. This is a win-win-win strategy.
- 9) People with disabilities are motivated by the desire to give something back, and by opportunities for personal growth, job flexibility and social inclusion.
- 10) It's ABILITY, NOT DISABILITY that counts.

The NOD also stated that the disability community, comprising nearly one fifth of the American population is an untapped market worth over \$220 billion in collective spending power. Enlarging on this are families, friends and service providers of persons with disabilities. The disability community responds positively to companies whose marketing approaches are sensitive to their needs and interests. It means putting more money back in the economy and contributions as taxpayers with creativity, loyalty and consumer diversity in an expanded workforce. VR assists eligible persons with disabilities to become successfully employed."

1) VOCATIONAL REHABILITATION PROGRAM (VR)

VR provides vocational rehabilitation services to assist persons with disabilities to prepare for and enter employment. The economic benefits of VR are significant. They include increased earnings and purchasing power, increased taxes paid, and a decreased dependency on public assistance. As persons with disabilities achieve the employment outcome of choice intended by the program, they become tax-paying citizens and more than pay back the costs of the program.

Vocational Rehabilitation Accomplishments FY 2005

- 7,474 citizens with disabilities were served throughout the State.
- 2,604 new referrals were received. The majority of participants were self-referred males between the ages of 20 and 55 and were high school graduates. The primary disabilities include learning disabilities, mental retardation, orthopedic and psychiatric disabilities.
- 735 individuals achieved successful employment outcomes and 692 (92%) were placed in competitive positions.
- 609 (83%) individuals placed were individuals with significant disabilities.
- 229 (31%) individuals received public assistance prior to their rehabilitation.
- The VR program is cost effective. The average case service cost was \$1,973. VR services increased the average annual earning power of people with disabilities from a weekly average of \$49 at referral to \$303 a week at closure. These are yearly earnings increases of around 618%, from \$2,548 to \$15,756.
- The percentage of persons with earned income of any kind increased from 15% at application to 94% at closure.

<i>Indicators</i>	FY 2002	FY 2003	FY 2004	FY2005
<i>Participants Served</i>	5,866	6,403	6,707	7,474
<i>Referrals Received</i>	2,053	2,260	2,291	2,604
<i>Placed into Jobs</i>	517	617	658	735
<i>Placed into Competitive Jobs</i>	482 (93%)	593 (96%)	519 (79%)	692 (94%)
<i>Participants with Severe Disabilities</i>	213 (41%)	294 (48%)	519 (79%)	609 (83%)
<i>Receiving Public Assistance</i>	165 (32%)	223 (36%)	195 (30%)	229 (31%)
<i>Net Gain in Annual Earning Power</i>	496%	496%	495%	618%

HAWAII VR LITERACY GRANT PROJECT

The Hawai'i VR Literacy Project is a five-year federally funded grant under the U.S. Department of Education. Unlike projects that come from service delivery models, the Hawai'i VR Literacy Project is a research project that will compare the employment outcomes and literacy gains between a control group and an intervention group. Four other states (i.e., Kansas, Maryland, Minnesota, and South Carolina) have also received federal funding and are participating in this study.

The project's objectives specify its purpose:

- Investigate the efficacy of literacy curriculum in a Vocational Rehabilitation (VR) setting;
- Assess the impact of literacy training on VR outcomes (e.g., employment and earnings); and
- Facilitate the development of effective literacy services.

Project participants must meet the following criteria:

- Be eligible for VR services;
- Has NOT earned a college degree;
- Has NOT been previously diagnosed as having moderate or severe mental retardation;
- Has a learning disability, either previously identified, or suggested by a learning disability screening instrument; and
- Scores above minimum but below average on an adult literacy pre-test.

Individuals who meet project criteria are randomly assigned to either the control group (i.e., receives necessary VR services) or the intervention group (i.e., receives VR services and the Wilson Reading System (WRS)). Both groups are pre- and post-tested and interviewed to determine literacy and employment gains. VR clients who are placed into the intervention group meet 3 times a week with their instructor in small classes or on a one on one basis. WRS does not overwhelm the student with rules, but instead, uses a multi-sensory approach to present English in a very systematic and cumulative manner.

The Hawai'i VR Literacy Project sponsored two training sessions in the Wilson Reading System in July 2004 and July 2005. In an effort to address Objective 3 of our project: (i.e., facilitate the development of effective literacy services), professional and volunteer members from the community were invited to participate in the workshops resulting in over 35 individuals being

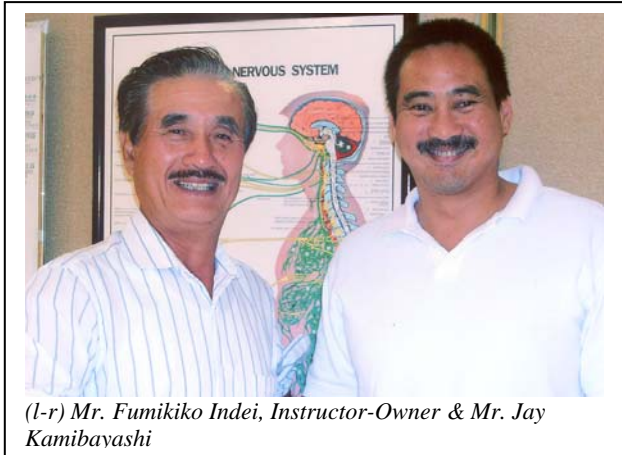
trained in the Wilson Model. Participants represented organizations including the University of Hawaii and Community Colleges, Hawaii Job Corps, Hawaii International Dyslexia Association, Hawaii Literacy Inc., and the Department of Education-Adult Education. The Hawaii VR Literacy Project also provided each organization with a Wilson Reading System Starter Set. By providing these opportunities and resources, the Hawaii project hopes to foster and expand the scope of literacy services in the State.

The project has screened 1,483 individuals, tested 464 individuals, and presently has 31 participants. Our staff of three instructors currently holds classes in Kaimuki, Honolulu, Waipahu, and in Hilo.

2) SERVICES FOR THE BLIND PROGRAM (HO'OPONO)

Ho'opono, the Services for the Blind program's goal is to enable visually impaired adults to attain maximum vocational and functional independence with its team of skilled professionals providing varied services to meet the participant's individual needs.

Vocational Rehabilitant and Employer of the Year 2005-Services for the Blind Branch, Counseling Section



(l-r) Mr. Fumikiko Indei, Instructor-Owner & Mr. Jay Kamibayashi

Jay Kamibayashi, 2005 Rehabilitant of the Year, Services for the Blind Branch, Counseling Section, came to Ho'opono in October 2003 for help in returning to the workforce quickly. He had to stop working as a web press man and collator for Fisher Printers where he worked from 1976 to 2003 when his vision was diminished. In a letter of recommendation, Mr. Darrell Arii, President, said, "I have worked with Jay and found him to be very conscientious, reliable and able to work independently

with very little supervision. On the personal side, Jay is very pleasant, soft-spoken and always polite and well-mannered."

Prior to training, Jay was dependent on his wife to get to appointments. During his adjustment training at Ho'opono, from December 2003 to May 2004, he worked diligently to learn Braille, independent cane travel and catching the bus, computer skills, and other independent living skills. He took the initiative to put in extra time to learn his blind skills and was recognized by his instructors. Jay also attended training at Aisen Shiatsu School from February 2004 to June 2004. He often attended Ho'opono training during the day and went straight to Shiatsu night classes. Jay completed 80 hours of study in anatomy, physiology, structural kinesiology and 120 hours of theory and practice of Shiatsu therapy in May 2004. Jay has been working at Aisen Chiryō Doin, Inc. since his graduation. Mr. Fumikiko Indei and wife Elaine, owners of the company, have been warm and welcoming of Jay. They made accommodations during Jay's training for his vision loss and sometimes provided transportation home after night classes. The Indeis worked eagerly with VR and provided additional on the job training to help Jay improve his speed and ability to individualize his massage techniques for the individual's specific conditions. They recognize Jay's ability to do the essential duties of massage therapist, and happily make accommodations as necessary.

New Visions

Ho‘opono's New Visions program became a reality on November 1, 2002. It utilizes methods and techniques to teach blindness skills such as long cane travel and Braille. Center students commit to full-time participation to take classes and learn new skills without the use of residual vision to become proficient in the use of the long cane. The New Visions Mission is to create an atmosphere where students gain knowledge, skills and develop a positive attitude about themselves. Developing confidence and blindness skills will enable them to obtain employment and make their dreams a reality. Students planned and organized numerous events in and for Ho‘opono as part of their training which included luncheons, recognition ceremonies, and a White Cane Awareness Walk. Students conduct tours of Ho‘opono and have joined consumer organizations to develop their social skills and awareness of issues that affect them.

Ho‘opono Program Achievements

- The Adjustment Section served 70 individuals including 20 individuals with severe disabilities to adjust to their blindness and to live more independently in FY 05. On the Neighbor Islands, 13 individuals were served.
- The Low Vision Clinic served 284 individuals to make maximum use of their residual vision for reading and distance viewing.
- VR Counselors placed 21 individuals with severe visual problems into a diversity of employment opportunities.
- Home Rehabilitation Teachers provided services that equipped 208 persons who are older blind with personal, leisure, and home management activities to live as independently as possible.
- A wide range of volunteers provided 603 hours of support services to the agency. The estimated value of these services totaled approximately \$4,600.
- The annual White Cane Safety Awareness Day was held on October 15, 2004 in the Capitol District with several Legislators taking part.
- 11 youth from four islands participated in Camp Ho'opono, a weeklong retreat for youth at Camp Erdman. In its second year, the camp challenged young people out of their comfort zones using alternative blindness techniques and skills to achieve successful outcomes.
- The Business Enterprise program had 41 licensed vendors in FY 05. Two new facilities were established during FY 05 and three new vendors were placed at vending operations. The Business Enterprise program was established under the Randolph-Sheppard Act passed by Congress in 1936. The Randolph-Sheppard Act established the priority for blind persons to operate vending stands on government and other properties. The first vending operation in Hawaii started in 1938 at the downtown territorial post office.

Business Enterprise Program (Randolph-Sheppard Vending Facility Program)

There are 48 states, the District of Columbia and Puerto Rico that participate in the Randolph-Sheppard Vending Program. There are three classifications of facilities: vending machines, cafeterias, and snack bars/other. Hawaii's program is only one of twelve states that does not assess set-aside payments from net proceeds to fund its program operations.

The Business Enterprise program goal is steady and controlled growth. FY 2005 had \$614,000 more in gross sales than FY 2004. The total gross sales for Hawaii were over \$19 million dollars. Two new facilities were established during FY 2005 while one marginal facility was closed and another converted to a training facility. Average net income for the 41 licensed blind vendors in the Hawaii program was \$61,241. For comparison, the latest data published by the Federal Government from federal FY 2004 had a national average of \$39,880 and a total loss of 47 licensed vendors from the previous year.

RANDOLPH-SHEPPARD VENDING FACILITY PROGRAM GROWTH

	2004	2005
Gross Sales	\$18,604,156	\$19,218,259
Merchandise Purchased	\$ 9,726,586	\$10,037,980
Gross Profit	\$ 8,931,179	\$ 8,984,183
Other Operating Exp.	\$ 6,837,334	\$ 7,160,819
Operating Profit	\$ 2,093,845	\$ 1,823,364
Other Income	\$ 272,921	\$ 682,416
Net Proceeds	\$ 2,366,766	\$ 2,505,780
Set Aside Funds	0	0
Fair Minimum Return	0	0
Net Profit Vendors	\$ 2,366,766	\$ 2,505,780
Revolving Account Funds Added	\$ 412,447	\$ 379,340
VR Clients Trained And Placed	6	3

3) DISABILITY DETERMINATION PROGRAM

The Disability Determination Branch (DDB) determines eligibility for Social Security Disability Insurance (SSDI) benefits and Supplemental Security Income (SSI) payments. The SSDI (Title II of the Social Security Act) program provides benefits to insured workers with disabilities and their families based on the workers' employment and earnings history. The SSI (Title XVI) program serves financially needy, aged, blind, and disabled individuals, including those with no recent employment experience. DDB adjudicates and processes disability claims of Hawaii residents for SSDI authorized by Title II of the Social Security Act and SSI authorized by Title XVI of the Act.

Program Goal

To maximize program effectiveness and efficiency by determining the eligibility of applicants for assistance.

Disability Determination Program Achievements

- 9,809 disability determination claims were processed in FY 05.
- 5,151 favorable determinations were made.
- A 97.1% accuracy rate achieved on all determinations processed.
- 206 children (under age 16), who were allowed SSI payments, were referred to the Department of Health, Children with Special Needs Branch.

- For the calendar year 2004, 20,810 individuals, plus dependents, received \$217,651,790 in SSDI benefits and 22,251 individuals received \$117,992,000 in SSI payments. This is a total of \$335,643.790 in SSDI and SSI payments made to residents of Hawaii.
- In January 2005, Hawai`i was awarded a two-year, \$1 million Medicaid Infrastructure Grant (MIG) by the Centers for Medicare and Medicaid Services (CMS) to increase competitive employment outcomes for people with disabilities. The project, called *Jobs Med: Hire Abilities*, represents an innovative collaboration among the Department of Human Services (DHS), University of Hawai`i College of Education Center for Disabilities Studies (CDS), the Department of Education (DOE), the Department of Health (DOH), the Department of Labor (DOL) and its statewide Workforce Development Council. The purpose of this grant is to allow individuals with Social Security benefits to go to work without losing their medical benefits.

DDB Program Accomplishments

Indicators	FY 2002	FY 2003	FY 2004	FY 2005
Claims Processed	10,180	10,695	11,315	9,809
Favorable Determinations	5,757	5,649	6,028	5,151
Accuracy Rate	94.4%	95.2 %	97.6%	97.1%
Referred to VR	291	114		
Referred to CWSNB	346	352	359	206
Payments made to Hawaii's residents	\$220,465,000	\$265,416,000	\$280,436,000	\$299,657,000

FUTURE CHALLENGES FOR VOCATIONAL REHABILITATION AND SERVICES FOR THE BLIND DIVISION

- Expanding our vision and efforts to reach and educate more employers willing to train and hire persons with disabilities.
- Strengthen and develop the knowledge and skills of staff members of VRSBD through continuing education opportunities financed by the Comprehensive System of Personnel Development to enable more participants in VR's programs to become gainfully employed contributors to the State's and nation's economy.
- To extend opportunities to the community disability advisory groups, State Rehabilitation Council, Deaf and Hard of Hearing Advisory Board, Services for the Blind Advisory Board, and State Independent Living Council of Hawaii to give input to the organization and delivery of services by VRSBD through collaboration with community partners and the government entities with similar goals and interests.
- To strengthen the services of the agency through a constantly changing and updated three-year plan.
- To reach more consumers in the community interested in seeking, retaining or improving their employment status.

CHAPTER FOUR PROTECTION

The Department provides protection and security from abuse and neglect for children and dependent adults. While ensuring safety, our programs also endeavor to minimize disruption for clients and provide for safe living arrangements with the goal of reducing the recurrence of abuse, neglect, and maltreatment.

A. SOCIAL SERVICES DIVISION (SSD): Programs, Services, and Achievements

The SSD has two branches, the Child Welfare Services Branch and the Adult and Community Care Services Branch. Both branches aid vulnerable members of society and are community-based and neighborhood-focused, with partnerships and collaborations between the public and private sectors.

The Department has developed and implemented many new programs and improvements in both child welfare and adult services. In child welfare services, these include Expansion of ‘Ohana Conferencing, which has become a nationally recognized model of family decision-making used to develop and implement safety and permanency plans for children; Project Visitation, a sibling visitation project in partnership with the Family Court, the Na Keiki Law Center, and Friends of Foster Kids to help siblings separated in different foster care homes to get together regularly with the help of volunteers; and the Adoption Connection program that continues to aggressively recruit new foster and adoptive families and provide them with training and post-permanency services.

In adult welfare services, Hawaii’s growing elderly and disabled population now have many more alternatives to costly nursing home care. The significant expansion of the Nursing Home Without Walls program doubled in size and the Residential Alternative Community Care program and other home and community care Medicaid waiver programs increases services to consumers and reduces costs to taxpayers for costly institutional long-term care services. The frail elderly can remain in their homes longer through chore services and the respite and senior companion programs.

CHILD WELFARE SERVICES (CWS)

CWS programs include family strengthening and support, child protection, foster care, adoption, independent living and licensing of foster family boarding homes, group homes and child placing organizations. Services are available on the islands of Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai, with 36 units/sub-units and a staff of over 500.

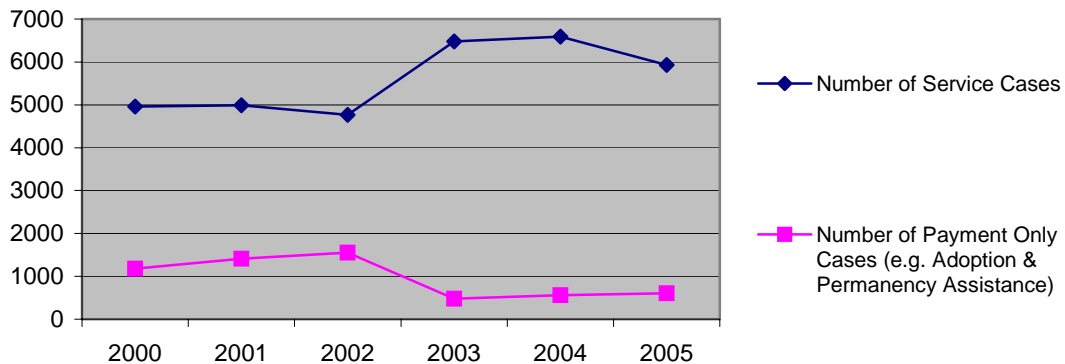
The goal of the child welfare services program is to ensure the safety, permanency, and well-being of children in their own homes. When it becomes necessary to remove a child from the family home, family connections are preserved through regular visits with parents and siblings. When a child cannot be safely returned to the family within a reasonable time frame, CWS proceeds with a permanent placement through adoption, legal guardianship, or other long-term substitute care. You can go to the Department’s website at www.state.hi.us/dhs for our new “A Guide to Child Welfare Services.”

To ensure successful outcomes when CWS interventions are necessary, CWS interventions are:

- Tailored to the individual needs of each child and family, while fully utilizing the strengths, problem-solving abilities and unique capacities of each family and local community.
- Culturally sensitive and respectful of families' lifestyles, dynamics and choices for themselves and their children.
- Undertaken in a spirit of partnership and collaboration with all parties interested in and committed to strengthening families' capacity to make healthy choices for the safety and well-being of their children.

Caseload

**CWS Caseload Data Statewide
FY 2000-2005**



For the previous six years prior to FY 2005, cases increased by 22%. This trend, which historically has shown an unrelenting increase in the number of reports of abuse or neglect investigated and confirmed, with a corresponding increase in the number of children placed in out-of-home care, is showing positive signs of change.

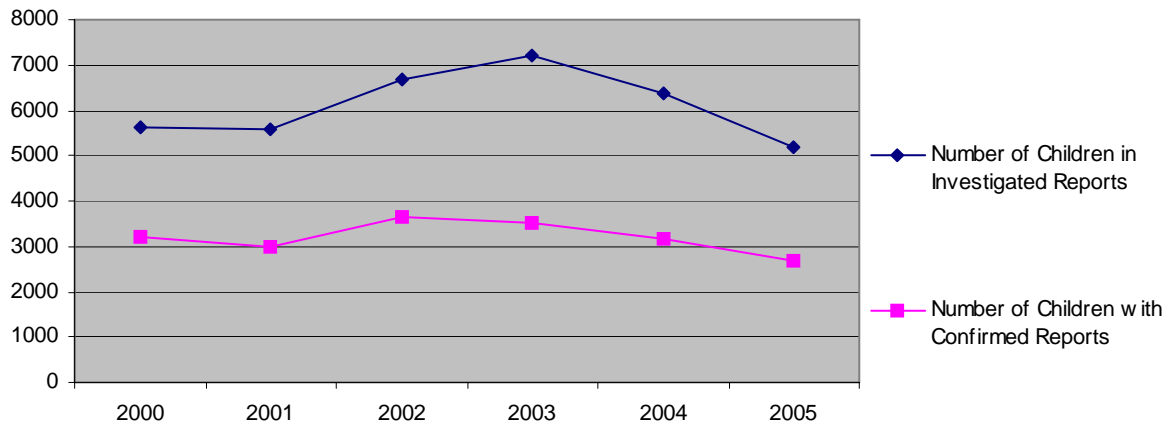
At the end of State Fiscal Year (SFY) 2005, there were 6,538 active Child Welfare Services (CWS) cases, compared to 7,153 active CWS cases at the end of SFY 2004, a reduction of over 9%. We see this initial reversal of a six-year trend as a very positive indicator that the Department's ongoing and aggressive efforts to improve practice, enhance the availability of family strengthening and voluntary services, and implement a quality assurance process are having a positive impact by providing other appropriate options to families.

The decrease in the number of cases has resulted in a slight decrease in the CWS workload and created the opportunity for the CWS workers to increase their contacts with the children, parents and foster parents and work more closely with our community partners. We believe that this trend will continue with the implementation of the Department's Differential Response System and further enhancements to the Child Welfare System that are being implemented in response to the federal Child and Family Services Review and required Program Improvement Plan.

In addition, we have strong partnerships with the police, state agencies such as the Family Court and the Departments of Health and Education, and private agencies, community groups and advocacy groups who play a crucial role in the safety and healthy development of children.

Reporting and Intake

**Children in Investigated and Confirmed Reports of Maltreatment Statewide
SFY 2000-2005**



Child abuse and neglect reports made to CWS are assessed to determine if intervention is necessary to ensure the safety of the child, or to provide appropriate services and referrals to community resources for the child and family in situations where a child has not been harmed, but found to be at risk of abuse or neglect. To support the Department's efforts to provide appropriate service options, we have increased and enhanced our service array to provide voluntary family strengthening services to families.

For the previous six years prior to FY 2005, the number of children in reports assigned for investigation increased by over 23%. In SFY 2005, the number of reports decreased by 18% from 6,383 in SFY 2004 to 5,207 in SFY 2005. The number of children with confirmed reports decreased by 20% from 3,370 in SFY 2004 to 2,702 in SFY 2005. This decrease in the number of reports assigned for investigation, and number of confirmed reports is showing a positive trend, especially when considered along with the Department's rate of 93.5% of children confirmed as abused or neglected who are not reported and reconfirmed for abuse or neglect after one year.

In 2003, CWSB implemented a phase-in plan to centralize reports on Oahu, beginning with West Hawaii in October 2003, Maui in March 2004, Kauai in November 2004 and East Hawaii by December 2004. The toll-free reporting number is 1-800-494-3991.

Types of Child Maltreatment Reports Confirmed Statewide

Type of Maltreatment	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Threatened Harm	67%	68%	69%	63%	63%
Neglect/Deprivation	13%	13%	14%	16%	15%
Physical Abuse	10%	10%	9%	11%	12%
Sexual Abuse	6%	5%	5%	6%	6%
Psychological Abuse	3%	2%	2%	2%	1%
Medical Neglect	1%	2%	1%	2%	2%
Number of Children	2,971	3,642	3,501	3,174	2,702

In SFY 2005, 2,702 children were investigated and confirmed as victims of child maltreatment. In the majority of cases, children with confirmed reports were threatened with harm and determined to be at risk of abuse or neglect. In the past, due to a lack of resources, many of those

threatened harm cases were referred to community services or closed, since the level of risk did not rise to the level that would indicate the child was at risk for substantial or imminent harm if intervention was not provided.

Beginning in FY 04, the Department began using the federally authorized transfer of Temporary Assistance for Need Families (TANF) funds for child welfare services to increase and enhance the Department's prevention service array. Children and families who are at risk of abuse or neglect, but where the child has not been harmed, are now being referred to Family Strengthening and Neighborhood Place services for services to address the risk issues in the family.

Foster Care

A total of 4,860 children were in foster care during SFY 2005, compared to 5,178 children during SFY 2004. Children aged five and younger constituted nearly 39% of all children. Of the 1,997 children who exited foster care in SFY 2005, 58% or 1,152 children were reunified with their families, 21% or 412 children were adopted, 10% or 200 children left care to a legal guardianship, and 11% or 233 children left to permanent arrangement, such as emancipation.

Ages of Children in Foster Care

Age Years	FY 2002		FY 2003		FY 2004		FY 2005	
	Number	%	Number	%	Number	%	Number	%
0 to 5	1,877	39%	1,927	38%	2,123	41%	1,895	39%
6 to 11	1,441	30%	1,474	29%	1,502	29%	1,361	28%
12 to 18	1,509	31%	1,670	33%	1,553	30%	1,604	33%
Total	4,827		5,071		5,178		4,860	

Licensed Foster Homes Statewide

Type of Foster Home	FY 2003	FY 2004	FY 2005
General Licensed Homes	661	753	731
Child-Specific Licensed Homes	1,177	1,173	1,160
Total	1,838	1,926	1,891

At the end of SFY 2005, there were 1,891 foster homes. CWS has a statewide contract with Hawaii Behavioral Health to recruit, train and complete home study of perspective foster parents. Interested individuals may call 1-800-494-3391 for more information. Child-specific licensed foster parents are relatives or individuals licensed specifically for a child. Beginning 2005, training of child-specific licensed foster parents was provided by the Hawaii Foster Parent Association. In August 2004, a grant from the Administration for Native American was awarded to the Partners In Development Foundation, a Native Hawaiian community based organization, in partnership with the Department to encourage recruitment statewide of native Hawaiian foster homes for children.

Child Welfare Outcomes

CWS has adopted a federal set of outcomes and related measures to assess performance in achieving safety, permanency, and well-being for children within required time limits. The Child and Family Services Review (CFSR) is a federally-mandated review of states' child welfare systems. The onsite CFSR conducted by the federal Department of Health and Human Services (DHHS) in July 2003, found that Hawaii, just like every other state in the nation, did not meet the federal CFSR standards. Specifically, Hawaii's was sub-standard in six out of the seven child welfare outcome areas and five out of the seven systemic factors. Just like every other state in the

nation, Hawaii's CWS is required to develop and implement a Program Improvement Plan (PIP) to aggressively pursue system reforms to comply with negotiated outcomes and related measures to assess improved performance in achieving safety, permanency, and well-being for children within the PIP time frame of two years. Hawaii's PIP was developed and approved by DHHS on July 1, 2004, to address areas needing improvement within the next two years to avoid substantial financial penalties. But more importantly, we have embraced the need to rebuild CWS into a program that provides effective evidence-based services to children who have been abused or neglected, or who are at risk of abuse or neglect, that is appropriate, and professional because it is the right thing to do.

Key areas that were determined needing improvement as a result of the CFSR review were:

- Providing a timely response to child abuse/neglect reports
- Taking action to ensure the risk of harm to children on active cases
- Involving the family and child in case planning
- Ensuring less re-entry into foster care and more stability in foster placements
- Ensuring face-to-face contacts with children, parents and foster parents
- Implement quality assurance monitoring and continuous system improvement

As a result of the CFSR review and in collaboration with the federal Administration for Children and Families, the Department adopted the following priorities, which we believe are having a significant impact on the CFSR outcomes and our efforts to comply with the federal mandate to aggressively reform the CWS program to enhance outcomes for children and families:

- CWS will ensure child safety by a timely response to all reports of child abuse and neglect accepted for investigation by CWS.
- CWS workers will conduct ongoing safety, risk and needs assessments on all children and families in cases active with CWS.
- CWS will ensure that every family and every child, as appropriate, are actively involved in developing their case plan.
- CWS will ensure that every child in our care, every family and every foster family are visited at least once a month by the assigned caseworker and afforded the opportunity of a face-to-face interview in cases active with CWS.

Strategies for Improvement:

- Ensure availability of Family Strengthening Services and Voluntary Case Management Services and other services for children at-risk to strengthen families.
- Substantial decrease of CWS workload.
- Ensure that primary case managers visit the child, parents and foster parents at least once a month.
- Increase the service array so as to provide services to threatened harm cases.
- Provide ongoing comprehensive assessments.
- Involve the family in decision-making.
- Preserve family connections through regular visits with parents and siblings.
- Increase recruitment and retention of foster and adoptive parents.
- Ensure ongoing quality assurance.

For a complete review of Hawaii's CFSR, PIP and intended improvements, go to the Department's website at www.state.hi.us/dhs/cfsr

FY 2005 Performance (compared to FY 2004) on National Child Welfare Outcomes Measures by Island:

- Hawaii: Confirmed maltreatment within six months fell from 6.5% to 5.1% which is better than the national standard. *The national standard of percent of children who were victims of another confirmed maltreatment within a six-month period is 6.1% or less.*
- Kauai: Incidence of maltreatment in foster care fell from 1.0% to 0.0%. *The national standard of percent of children who experienced confirmed maltreatment from foster parents or facility staff is 0.57% or less.*
- Maui: Confirmed maltreatment within six months fell from 8.6% to 1.6% which is better than the national standard. *The national standard of percent of children who were victims of another confirmed maltreatment within a six-month period is 6.1% or less.*
- Oahu: Incidence of maltreatment in foster care fell from 1.1% to 0.48% which is better than the national standard. *The national standard of percent of children who experienced confirmed maltreatment from foster parents or facility staff is 0.57% or less.*

Note: Data presented in this chapter was extracted from the Child Protective Services System (CPSS) on 9/21/05 and 9/22/05.

Child Fatalities

There were seven deaths in FY 2005 in active CWS cases or cases closed within 90 days of the fatalities, the same as in FY 2004. One resulted from accidental death, four children died from natural causes, and two from undetermined causes with no suspicion of child abuse or neglect. Each death case was reviewed by the Child Protection Multi-Disciplinary Team for case planning and the Program Development Office to determine if any rules or child welfare services procedures needed modification as a result of the death.

FY 2005 Statewide Achievements

- Increased federal Title IV-E earnings by \$5M in FY 2005.
- Expanded more than \$9M in Purchase of Services via federal TANF/Title XX funds to enhance service array.
- Enhancement of the DOH Healthy Start program with DHS funds. DHS is already working with DOH to enhance early intervention programs such as Healthy Start, a DOH program designed to promote child health and development in newborns of at-risk families. Starting September 2004 DHS provided funding to enhance Healthy Start in East and West Hawaii using federal funds from the Temporary Assistance for Needy Families (TANF) block grant. This November DHS provided Healthy Start with \$3.2 million in federal TANF funds to be used statewide.

As part of the enhancement agreement between the DHS and DOH, Healthy Start is now for the first time available to families involved with DHS' Child Welfare Services. One of several enhancements of the program include having a registered professional nurse and a certified substance abuse counselor as part of the professional team doing home visits with families.

Program Improvement Plan Achievements

Hawaii has demonstrated significant and credible progress toward achieving our goals in the first year of the PIP. Our progress in implementing what can only be called a complete overhaul of our CWS system amply demonstrates the ability and commitment of our CWS staff, community partners, service providers, the Family Courts, the Lingle-Aiona Administration, the Legislature, and others who have stepped forward to assist us in our efforts.

Safety Outcome Accomplishments:

- Developed intake, safety and risk assessment tools and instructions.
- Developed a plan to expand and enhance existing Differential Response Services. Differential response is an intake process that assesses each report to Child Welfare Services to determine the most appropriate, most effective, and least intrusive response that can be provided by CWS or our community partners to a report of child abuse or neglect.
- Established Crisis Response Teams.
- Developed a plan to implement case management services to voluntary cases.
- Met national standard for reducing maltreatment in foster care.

Permanency Outcome Accomplishments:

- Enhancement of our Ohana Conferencing services to provide additional conferences to families and to youth exiting foster care.
- Established Ohana Conferencing procedures for expanded utilization of services prior to reunification.
- Issued a Policy Announcement (PA 2005-1) directive for staff to provide access to Ohana Conferencing at the request of any party.
- Improved communication systems to disseminate information to foster/adoptive parents.
- Improved stability of placements through implementation of a multi-level review process, e.g.,
 - supervisory reviews
 - quarterly case reviews
 - review of quarterly statistics re: multi-placements by Section Administrators and Program Development
- Established a process for discussing Concurrent Permanency Planning with Family Court.
- Began Ohana transition conferencing (Youth Circle) for foster care youth.
- Increased visitation with parents and siblings though requirements in case planning, including documentation.

Well-Being Outcome Accomplishments

- Significantly increased contacts between workers and children, parents and foster parents.
- Developed draft Service and Treatment Record Treatment Guide.
- Held statewide community meetings which reinforced the Department's position that family involvement in assessment and case planning is essential and at least monthly visits by the worker with parents, children and foster parents are expectations.
- Strengthened coordination with Department of Health-Children and Adolescents Mental Health Division.
- Increased efforts to appropriately include caregivers in case planning.

Systemic Factor Accomplishments - Quality Assurance System:

- Developed supervisory review tool and procedures for case reviews.
- Implemented the supervisory case review process statewide.
- Developed and implemented a new and comprehensive quality case review process utilizing the federal Child and Family Services Review (CFSR) instrument, training curriculum, random sampling, community/agency team reviewers in eight selected sites to represent the State.

Systemic Factor Accomplishments – Training:

- Developed and implemented an updated training plan for new hire staff, statewide “on the job” schedule, Part II Skill Building component.

- Developed and revised the Training Practice Integration Plan (TPIP) and trained supervisors and section administrators on the TPIP: Transfer of Learning components – 1) review of training week between supervisor and new employee; 2) quarterly feedback between supervisor/section and Staff Development.
- Established a policy work group for training.
- Signed a Memorandum of Agreement with the University of Hawaii, School of Social Work to expand the training academy to develop training curricula, assist with agency training, coordinate field instruction and evaluate trainings: 1) sub-committee created to research curriculum and make recommendations to larger policy committee; 2) creation and recruitment of 5 training academy positions; 3) Review of training plans submitted by the Foster Parent Training Committees statewide.
- Expanded community and state training through partnering with National Resource Centers (NRC's), e.g., National Resource Center for Child Protection, The National Child Welfare Resource Center for Adoption, National Resource Center for Family-Centered Practice and Permanency Planning, and AdoptUSKids, as well as Maui Community College, community and mainland experts: Hawaii Foster Parent Association, Hawaii Foster Youth Coalition, Hale Kipa, Hawaii Behavioral Health, Kapiolani Child Protection Center, Dr. Pablo Stewart, Emi Uyehara, Esq., and Substance Abuse Free Environment (SAFE).
- Expanded funding for Foster Parent Training Committee requests for FY05.

Systemic Factor Accomplishments - Service Array:

- Increased Family Strengthening Services from 3-6 weeks to 6 months of services, with a corresponding expansion of funding from \$700,000 statewide to over \$1,000,000 per year.
- Incorporation of Voluntary Case Management Services into the current Comprehensive Counseling contracts. These new services will be funded statewide at over \$3,000,000 per year.
- Provision of an additional \$1,000,000 per year for expanded visitation and transportation services, including transportation services for children and adults to facilitate their participation in services.
- Provision of \$250,000 to the Hawaii Foster Parent Association to provide training for child-specific (relatives and specially licensed) foster homes.

Systemic Factor Accomplishments - Foster and Adoptive Parent Licensing, Recruitment, and Retention:

- Strengthened teamwork between licensing staff and other units to minimize disruptions of child-specific placements.
- Developed data collection system to establish baselines for Native Hawaiian foster/adoptive homes and foster children including development of goals and monitoring progress.
- Accessed federal funding for increased recruitment of Hawaiian foster and adoptive families (Administration for Native Americans awarded grant to Partners In Development Foundation, Kokua Ohana Project.). Began targeted recruitment plan in West Hawaii with on-site consultation with AdoptUSKids, National Resource Center on Adoption, and Harvest Family Life Ministry on faith-based recruitment.

Future Challenges

- Sustain the progress we have made as a result of the PIP.
- Ensure a stable workforce, which will be critical for meeting the PIP goals.
- Secure a stable source of funding to ensure compliance with federal requirements.
- Enhance our ability to access and utilize federal funding.

- Strengthen our collaboration and partnerships between State and community agencies.
- Create and sustain the ability to respond to emerging needs.
- Prepare for the next CFSR review and PIP in July 2006.
- Evaluate and adjust our current service array to better utilize our funding and ensure that our customers are receiving appropriate, effective and quality services.

2) ADULT AND COMMUNITY CARE SERVICES (ACCS)

The Adult and Community Care Services Branch (ACCSB) provides Adult Protective Services to protect vulnerable dependent adults and home and community-based services to prevent premature institutionalization of vulnerable dependent adults.

The Adult Protective Services program provides crisis intervention, including investigation and providing emergency services to dependent adults who are reported to be abused, neglected, or financially exploited by others or seriously endangered due to self-neglect.

Program Goals

Safety – Protection of Vulnerable Dependent Adults

- Respond to reports of abuse/neglect, including self-neglect, and financial exploitation of dependent adults.
- Maintain the number of dependent adults who are re-abused within any 12-month period to 5% or less.

ADULT PROTECTIVE SERVICES

	FY 01 Actual	FY 02 Actual	FY 03 Actual	FY 04 Actual	FY 05 Actual
Reports investigated	480	509	607	671	598
Confirmed abuse or neglect	203	217	201	168	135
% confirmed	42%	43%	33%	25%	23%
Re-abuse within 12 month period	4.4%	3.1%	2.9%	1.6%	1.1%

Adult Protective Services Outcomes

- Adult protective reports were received and investigated on 598 dependent adults: 76% of the reports involved individuals age 60 and older; 135, or about 23% of the reports investigated were confirmed for abuse, neglect, or financial exploitation. Subsequent re-abuse within a 12-month period occurred for 1.1 % of the confirmed reports.

Adult Protective Services Achievements

- The contract with the Department of the Attorney General to implement the Financial Exploitation Project on Oahu to improve the Department's response to the misuse of a dependent adult's money or property was continued. The contract includes funds for a social worker, an investigator/auditor, and a social services assistant to focus on the investigation of financial exploitation.

The contract period for this project began on March 1, 2002 and has been extended through February 2006. Funding is provided through the Edward Byrne Memorial State and Local Law Enforcement Assistance Program (Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice). The total number of clients served through June 30, 2005 is 262.

- The ACCSB is continuing a contract with the Department of the Attorney General to implement the Case Management for Elderly Victims of Crime Project on Oahu to provide services to elderly victims of abuse or neglect who have unmet needs. The contract includes funds for two social workers and a social services assistant to assist clients with accessing needed services, including financial management services. Referrals to this project are from the Department's Adult Intake Unit and the Adult Protective Services Unit.

The contract period for this project began October 1, 2002 and has been extended through September 30, 2006. Funding is provided through the Victims of Crime Act (VOCA). The total number of clients served through June 30, 2005 is 167.

Planning for the Future

- As part of its commitment to providing adult protective services (APS) to the community, the ACCSB will seek to convert three staff positions with the Financial Exploitation demonstration project into temporary civil service positions. The community would benefit greatly from the expertise of staff positions dedicated to investigating financial exploitation through the APS program.

CHAPTER FIVE HEALTH

The Department helps low-income adults and children obtain needed health care through the federal Medicaid program. State-funded programs help provide health care for low-income adults and children and immigrant children and women who are not eligible for Medicaid. Innovative home and community-based programs help prevent premature institutionalization of vulnerable dependent adults and children by providing a continuum of comprehensive home and community-based services and Medicaid waiver programs.

A. MED-QUEST DIVISION (MQD): Programs, Services, and Achievements

The MQD administers the State's medical assistance or Medicaid programs. Medicaid, a federal program created by Congress in 1965, was designed to provide medical care to the low-income population. The MQD had an annual budget of \$887,372,753 million (\$547,305,400 million in federal funds) in FY 2004 and \$929,102,629 million (\$546,029,281 million in federal funds) in FY 2005 used for benefits and administration of the Medicaid program.

The MQD provides medical assistance through several programs under Medicaid. Hawaii QUEST Managed Care (QUEST) and Medicaid Fee-For-Service (FFS) are the two largest programs. Other programs include QUEST-Net, QUEST Spenddown, Transitional Medical Assistance, State Children's Health Insurance Program (S-CHIP), Federal and State-funded Coverage of Individuals with Breast and Cervical Cancer, and Special Programs for Medicare Beneficiaries. MQD also administers the Immigrant Children's Program and the Medical Assistance for Pregnant Legal Immigrants Program which are both fully State-funded. Additionally, the MQD oversees the Funeral Payments Program for the State.

These programs enable those in need to maintain and improve their health by providing payment for medical, dental and other professional health services, hospital, nursing home, home health and other institutional health care, drugs, and other related health care services, including transportation and burial services.

Application and Eligibility

There is a general application form for all Medical Assistance programs. A separate, simplified application form is used for pregnant women and children. All interested individuals are urged to apply, and the Department will place eligible persons in the appropriate program. There are basic eligibility requirements, including income and asset limits, which differ by "coverage groups", among which are children, pregnant women, the elderly, and the disabled.

Basic eligibility requires the applicant to: (1) be a U.S. citizen or qualified alien for individuals age 19 years and older (citizenship requirements may be waived for individuals under age 19); (2) be a Hawaii resident; (3) not be residing in a public institution, and (4) provide a Social Security number. Financial eligibility requires the applicant to be within income and asset limits. However, pregnant women and individuals under age 19 are not subject to an asset limit.

The MQD coordinates with other health insurers to ensure Medicaid FFS and QUEST recipients who have other health insurance coverage exhaust these benefits before Medicaid FFS or QUEST benefits are utilized. The MQD also recovers medical expenses when Medicaid FFS or QUEST recipients are injured in motor vehicle accidents and employment-related accidents, and when QUEST or FFS clients recover damages from malpractice suits, product liability suits, and other lawsuits. Under certain conditions, a claim may also be filed against the estate of a deceased Medicaid recipient for funeral, burial, or medical expenses.

The MQD Eligibility Branch (EB) staff processed 64,287 applications statewide in FY 2005 in addition to maintaining an active caseload of over 67,712 cases statewide. The EB also provided assistance to the Benefit and Support Services Division (BESSD) for their medical cases. Altogether, the MQD oversees the provision of health care to more than 200,000 eligible residents. EB staff continues to actively work with the community agencies and groups to ensure easy access to health insurance and swift problem resolutions. The EB continues to work with a group of public, private and government agencies to modify the application and renewal forms, as well as procedures to meet the needs of our residents. The collaborated effort between the Department and our partners in the community has enabled the State to close the gap on the number of Hawaii residents who did not have medical insurance. In FY 2005, there were 10,153 more residents receiving medical assistance than in FY 2004.

RECIPIENT GROWTH IN FY 2005				
	Jul-04	Jun-05	Growth	% Increase
Oahu	127,827	134,483	6,656	5.21%
Kauai	9,334	9,799	465	4.98%
Hawaii	36,004	37,939	1,935	5.37%
Maui	14,712	15,759	1,047	7.12%
Molokai	2,235	2,233	-2	-0.09%
Lanai	269	321	52	19.33%
Statewide	190,381	200,534	10,153	5.33%

1) HAWAII QUEST MANAGED CARE (QUEST)

The QUEST program serves eligible individuals who are under age 65 and are not blind or disabled. QUEST participants may choose from among participating managed health plans throughout Hawaii, knowing that all plans offer the same benefits. Beneficiaries choose their primary care provider from among the provider network of their respective medical plans. QUEST enrollment has increased from 150,849 in FY2004 to 156,160 at end of FY 05.

Benefits under QUEST include:

- Inpatient hospital care – medical, surgical, and rehabilitation care, inpatient psychiatric and detox, maternity and sub acute;
- Outpatient hospital care – emergency room, ambulatory surgical centers and outpatient psychiatric;
- Prescription drugs (generic unless unavailable), maintenance prescription drugs, prenatal vitamins, and birth control pills for adults;
- Laboratory, radiology, and diagnostic;
- Biological and medical supplies including medical equipment and appliances;
- Physician services;
- Podiatry;
- Whole blood;
- Eye examination, refraction, and eyeglasses;
- Prosthetic devices, including hearing aids;
- Transportation to, from, and between medical facilities, including inter-island or out-of-state air transportation, food and lodging when necessary;
- Nursing facility services and home health;
- Respiratory care services;
- Hospice care services; and
- Dental services – individuals under 21 have full dental benefits, adults have emergency care only.

2) MEDICAID FEE-FOR-SERVICE (FFS)

The FFS program covers eligible residents who are age 65 and older, blind, or disabled. At the end of FY2005, there were 40,614 participants enrolled in this program. In the FFS program, recipients may see any participating Medicaid provider and the State will pay for eligible medical services. The benefits under FFS are the same as those for QUEST.

3) EARLY & PERIODIC SCREENING, DIAGNOSIS, & TREATMENT (EPSDT)

The Early & Periodic Screening, Diagnosis & Treatment (EPSDT) program offers additional services for all Medicaid clients under 21 years of age with no co-payment requirement. EPSDT provides coverage for:

- Complete medical and dental examinations;
- Hearing, vision and laboratory tests;
- Immunizations and skin tests for tuberculosis;
- Assistance with necessary scheduling and transportation upon request; and
- Additional needed treatment for conditions detected during screening.

Annual EPSDT Participation Report	FY 2003	FY 2004	% Increase
Total individuals eligible	114,494	121,477	6.10%
Total screens performed	81,652	81,758	0.13%

4) QUEST-NET

The QUEST-Net program offers beneficiaries limited health care benefits, although children in QUEST-Net receive the same complete benefits as the QUEST program, including EPSDT. To be eligible for QUEST-Net, beneficiaries must first have been enrolled in the QUEST or FFS programs and subsequently lost coverage due to increasing income, assets, or other qualifying reasons. The income range for QUEST-Net can be up to 300% of the FPL and some members may have to pay a monthly premium share. QUEST-Net enrollment has increased in FY 2005 from 1,931 recipients in July 2004 to 1,993 recipients in June 2005.

Maternity benefits are not covered under the QUEST-Net program, but once an adult female is determined pregnant she may apply for the QUEST program and when deemed eligible, receive full maternity benefits including prenatal vitamins.

5) QUEST-SPENDDOWN

The QUEST Spenddown program provides medical and dental coverage to certain families and children who, because of their income, are not eligible for coverage under the QUEST program. QUEST Spenddown is also available to clients who are QUEST-Net recipients who have a medical need for which QUEST-Net coverage is exhausted or is not provided.

To qualify, a family's monthly gross income must be more than the FPL but not exceed 300 % of the FPL for a family of applicable size. The family must also have monthly medical bills that are equal to or greater than the family's excess income. The spenddown amount is the family's excess income amount. In any month that the family is eligible, the family is responsible to pay for medical bills up to the spenddown or excess income amount. Any remaining medical bills in excess of the spenddown amount will be paid by the QUEST Spenddown program if it is an eligible QUEST service.

6) TRANSITIONAL MEDICAL ASSISTANCE

Prior to the Welfare Reform Act of 1996, a person who was eligible for Aid to Families with Dependent Children, AFDC (the predecessor to the TANF program), was automatically eligible for Medicaid. The Welfare Reform Act delinked TANF and Medicaid eligibility and concurrently created section 1931 of the Social Security Act to provide health coverage to persons who formerly would have been eligible for both AFDC and Medicaid. At the end of FY 2005 the TMA enrollment was 5,301, an increase of 541 individuals from July 2004.

Previously, when a recipient lost AFDC eligibility due to increased earnings or work hours, the recipient was entitled to AFDC transitional Medicaid for up to twelve months. Under Section 1931 provisions, a recipient who qualifies for medical assistance using Section 1931 standards can receive free medical assistance. When a recipient loses Section 1931 status, continued free medical coverage for up to twelve months is provided under the provisions of Section 1925 of the Social Security Act. To be eligible for the Section 1925 extension, a family must (1) have been eligible under Section 1931 provisions in 3 of the past 6 months, (2) have lost Section 1931 eligibility due to increased earnings or loss of earned income exemptions of a family member, and (3) include a child under 19. To be eligible for the second six-month extension, the family must include a child under 19 and report income and child care information. In addition, free medical assistance can be provided for a four-month period to recipients who lose Section 1931 eligibility due to increased child or spousal support.

7) STATE CHILDREN'S HEALTH INSURANCE PROGRAM (S-CHIP)

S-CHIP was created to help states expand health coverage to more children whose families may be working but do not earn enough to pay for private coverage for their children. At the start of FY 2005, federal funds cover 71.23% of the program costs, and the State's Tobacco Settlement Funds cover the remaining 28.77%. Enrollment in S-CHIP increased from 12,635 in FY 2004 to 14,227 in FY 2005.

To qualify for free health coverage, children must be uninsured, under age 19, and have family income less than 200% of the FPL. In 2004, for a three-person household this is income of \$3,004 a month and \$3,614 a month for a four-person household.

S-CHIP is implemented in Hawaii as a Medicaid expansion. Blind and disabled children receive coverage through the Medicaid Fee-For-Service program. Those who are not blind or disabled are covered under the QUEST managed care program. To avoid confusion by the public, S-CHIP is not referenced as a separate program. Instead the Medicaid and QUEST programs are identified as providing coverage to all eligible children with family incomes not exceeding 200% of the FPL.

8) IMMIGRANT CHILDREN'S PROGRAM

Hawaii provides fully State-funded coverage for immigrant children who are barred from participating in the Medicaid program for the first five years of their U.S. residency. The program provides legal immigrant children under age 19 with family income within 200% of the FPL, the same services as provided under the FFS and QUEST programs. At the end of FY 2005, there were 3,022 children enrolled in this program, an increase of 491 from the end of FY 2004.

9) MEDICAL ASSISTANCE FOR PREGNANT LEGAL IMMIGRANT WOMEN PROGRAM

This fully State-funded program was implemented on July 1, 2004 after the success of a bill proposed by the Lingle-Aiona Administration on recommendations of the Hawaii Primary Care Association. This program makes medical assistance available to eligible pregnant legal aliens, aged nineteen and older, from the onset of their pregnancy to the month in which the 60-day postpartum period ends. The eligibility requirements and coverage provisions are identical to

those for pregnant women in the federally-funded medical assistance programs except for the age requirements and the non-applicability of the five-year waiting period for legal immigrants to receive Medicaid coverage. In August 2004, the first month of the program, there were 26 pregnant legal alien participants, and there were 136 participants enrolled at the end of FY 2005.

10) BREAST AND CERVICAL CANCER PROGRAM

Medicaid Fee-For-Service is available to individuals under age 65 with cancer or pre-cancerous conditions of the breast and cervix as allowed by Public Law 106-354. These individuals must be screened and diagnosed by a physician approved by the Hawaii Breast and Cervical Cancer Control Program of the Department of Health. In addition, they can not have medical coverage that would pay for the treatment of their breast or cervical cancer, and their gross family income cannot exceed 250 % of the FPL. Assets are not considered in determining eligibility.

Hawaii also provides the same coverage to women, who are legally admitted immigrants who are barred from any federally-funded medical assistance program or are citizens of the Marshall Islands, the Federated States of Micronesia, or Palau, through a look-alike program funded entirely with State funds. The State companion program for individuals with breast and cervical cancer was established in 2001 by the Hawaii Legislature under Act 278.

Breast and Cervical Cancer Program Recipients

Program	July 2004	June 2005
Federal Breast Cancer	23	30
Federal Cervical Cancer	3	4
State Breast Cancer	4	3
State Cervical Cancer	0	0

11) FUNERAL PAYMENTS PROGRAM

The Funeral Payments program provides partial funeral expense payments to qualified applicants, up to a maximum of \$400 for mortuary expenses and \$400 for burial expenses. Any person may apply for the deceased. Applicants need to apply for funeral benefits with the Med-QUEST Division before making the funeral arrangements. The deceased person may be eligible if qualifying under one of the following two categories:

- Person who is eligible for medical or financial assistance from the State, or
- Unclaimed body, meaning the person died without any known or surviving relatives and friends, or the deceased person died without any legally responsible relatives (for example, the deceased did not have a spouse or legal guardian).

12) THIRD PARTY LIABILITY PROGRAM

The Third Party Liability (TPL) program ensures that Medicaid FFS and QUEST recipients who have other health insurance coverage exhaust these benefits first before Medicaid FFS or QUEST benefits are utilized. This to ensure that the Medicaid Program is the payer of last resort. As such, the State Medicaid agency and/or its designated agents must make active efforts to cost avoid or recover Medicaid payments made on claims for which other coverage was available at the time that health care services were rendered.

The Department of the Attorney General (State Claims Unit), the TPL contractor, Affiliated Computer Services (ACS), and other health insurance providers such the QUEST Health Plans (HMSA, Kaiser and AlohaCare), Medicare, CHAMPUS, the Veteran's Administration, and Worker's Compensation, coordinate to help to contain Medicaid program expenses by recovering

Medicaid expenses when accident or liability insurance is liable and by cost-avoiding medical expenses when a recipient has other health insurance coverage.

The TPL contractor (ACS) recovers medical expenses in the agency's behalf when Medicaid FFS or QUEST recipients are injured in motor vehicle or employment related accidents, and when QUEST or Medicaid FFS recipients recover damages from malpractice suits, product liability suits, and other lawsuits related to slip and fall injuries, and assaults.

The Attorney General's State Claims Unit places liens on home property of Medicaid recipients confined in Nursing Homes and files claims against a deceased recipient's estate when real property is involved. The ACS TPL Contractor identifies health insurance coverage by following up on insurance leads, and conducts Medicaid recovery activities on deceased recipients subject to estate recovery by filing small estate claims. The QUEST Health Plans help to contain medical expenses by identifying and reporting their members' other health insurance coverage, cost avoiding medical expenses and recovering accident claims.

TPL Recoveries for FY 2003 and FY 2004*		
Activity	FY 2003	FY 2004
Accident Recoveries	\$4,861,348	\$3,669,672
Cost Avoidance	\$9,339,284	**\$1,004,263
Estate Recoveries	\$ 241,686	\$ 641,719
Home Property Liens	\$2,297,327	\$1,139,174
QUEST Health Plans	\$5,451,420	\$6,006,237

*Due to the one-year filing deadline, this is the most current information that is available.

**Does not include Medicare recoveries

MQD Achievements

- Medicare Part D Drug Coverage: The MQD worked to implement the provisions of the federal Medicare Modernization Act of 2003 (MMA) that provides new prescription drug coverage to Medicare beneficiaries. Effective January 1, 2006, Medicare instead of Medicaid will provide prescription drug coverage for more than 26,600 Medicaid recipients who also have Medicare insurance. Drug coverage will be provided through Medicare Part D Prescription Drug Plans (PDPs). Medicaid will still provide prescription drug coverage for those drugs that are excluded for coverage by the MMA. The MQD has actively participated in a coalition of other government agencies, private non-profit agencies, and various public groups to help transition the drug coverage from Medicaid to Medicare for the effected recipients.
- State Pharmacy Assistance Program: As proposed in a bill by the Lingle-Aiona Administration, the 2005 Legislature authorized the establishment of the new State Pharmacy Assistance Program (SPAP) that would pay for Medicare Part D prescription drug co-payments. The MQD began working with DHS Administrative staff to implement the SPAP in conjunction with the implementation of Medicare Part D drug coverage on January 1, 2006. The SPAP will assist in the transition of prescription drug coverage from Medicaid to Medicare for Medicaid recipients who have Medicare insurance and whose income does not exceed 100% of the Federal Poverty Level (FPL) by covering their co-payments required by Medicare Part D.
- Planning for the implementation of QUEST Expanded Access (QExA): The planning of the integration of the Medicaid Fee-For Service population into managed care plans continued in FY 2005. The MQD participated in numerous statewide meetings with a

coalition of government and community agencies for input into the design of the new program. The goal of QUEST Expanded Access (QExA) is to amend the current Section 1115 demonstration project, Hawaii QUEST, to eventually include all aged (individual 65 years and older), blind, and disabled individuals, and to expand the services to include long-term care services, both institutional and home and community-based waiver services.

- Pre-Populated Eligibility Annual Renewal Forms: In FY 2005, the use of the pre-printed Eligibility Renewal Form was implemented statewide for annual eligibility renewals conducted by the MQD. This simplified pre-printed computer generated form requires the recipients to only re-confirm and/or report changes of information for their annual eligibility renewal. Previously, recipients had to fill out the entire Eligibility Redetermination form with information that they had already reported to the Department. Adult participants in the Medicaid programs must sign and return their annual renewal forms.
- Passive Renewal For Families With Children: For families with children, the pre-printed Eligibility Renewal Form is not required to be signed and returned to the Department if the information previously reported has not changed. This new “Passive Renewal” process was implemented on June 1, 2004 through the coordinated efforts of the MQD Policy and Program Development Office, the MQD Eligibility Branch, the DHS Office of Information Technology, the Hawaii Covering Kids Project, and the QUEST Health Plans. This effort reduces the number of families who would otherwise be terminated from Medicaid due to non-submission of the required form within the required time limit, only having them to reapply again the following month.

For FY 05, there were 28,656 families who were eligible for passive renewal processing. Of that amount, 21,423 families (74.76%) utilized the passive renewal process.

- Pregnant Women and Children’s Application: The MQD continued to expedite the application process for pregnant women and children, through the use of the Medical Assistance Application For Children and Pregnant Women Only form (DHS 1108). Use of this simplified form (called the "Pinkie") assists the Department to achieve the goal of processing pregnant women applications within 5 working days of receipt of the completed application by the Department.

In FY 05, the number of pregnant women receiving medical assistance increased by 45% from 5,189 individuals in FY 2004 to 7,524. There have been increases on all islands.

Number of Women Statewide Receiving Medical Assistance FY 05

Island	No. Women Receiving Assistance Receiving	% Increase
Hawaii	1,392	40%
Kauai	497	76%
Lanai	16	37%
Maui	900	72%
Molokai	50	92%
Oahu	4,669	60%
Total	7,524	45%

- **Hawaii Rx Plus Program:** After amendments proposed by the Lingle-Aiona Administration were adopted by the Legislature, the implementation of the Hawaii Rx Plus in July 2004 enabled the State to offer a prescription drug assistance program to all Hawaii residents with an income equal to or less than 350% of the Federal Poverty Level (FPL) and who have no prescription drug coverage or insufficient prescription drug coverage. The application process is simple and quick. To apply, a Hawaii resident only has to answer three questions: are you a resident of the State, are all available drugs covered by your drug insurance all of the time, and what is your income for the last 12 months. After signing and submitting their application, eligibility is determined and two membership cards are issued to the eligible applicant and their household within 72 hours. This program was designed to reduce the cost of prescription drugs to qualified participants through a simple application process and did not duplicate existing prescription drug benefits available through the Hawaii Pre-Paid Health Care Act. In FY 2005, 149,111 residents were enrolled in the Hawaii RX Plus program.
- **The Federally Qualified Health Centers (FQHCs):** DHS has funded outreach staff that assist families with children in the completion of applications and submission to the Med-QUEST Division for medical assistance eligibility determination. During FY 2005, the Department received 7,212 medical applications from FQHCs throughout the State.

Applications from FQHCs in FY 2005						
Date	East-HI	West-HI	Kauai	Maui	Oahu	Monthly
Jul-04	79	65	21	152	327	644
Aug-04	92	48	22	158	291	611
Sep-04	101	53	18	156	307	635
Oct-04	82	61	19	165	279	606
Nov-04	90	57	16	177	317	657
Dec-04	92	60	17	119	298	586
Jan-05	64	71	13	170	207	525
Feb-05	53	56	24	177	205	515
Mar-05	72	59	15	192	321	659
Apr-05	44	54	10	204	287	599
May-05	55	69	15	159	295	593
Jun-05	49	52	9	171	301	582
Total	873	705	199	2,000	3,435	7,212

- The Eligibility Branch (EB) has maintained timely application processing and continues to process a minimum of 5,350 applications per month. This includes the applications from the outreach staff at the FQHCs. The EB works closely with the community to ensure easy access to health insurance and swift problem resolutions. Self-declaration of information for applications eases the process for applicants.
- **Health Insurance Portability and Accountability Act (HIPAA):** The MQD has been able to continually monitor federal HIPAA compliance throughout the Division through the development of policies and procedures for on-going reviews of existing practices, periodic audits of division compliance efforts, and training and monitoring of staff. The MQD, in collaboration with other Hawaii health care organizations, has also been active in continuous education of State health care providers with on-going HIPAA implementation.

The new federal HIPAA security rule that relates to the protection of an individual's protected health information in any electronic medium, such as computer networks and systems, is currently being implemented. All covered entities, including the MQD, have

complied with the HIPAA provisions since April 20, 2005. The security rule mandates on-going monitoring, assessment and protection of the storage, transmission, and authentication of electronic protected health information. In addition, the DHS, through the MQD, has contracted with a consulting firm to implement the HIPAA security rules department-wide. This will be an on-going task with projected completion sometime in 2006. The next HIPAA transaction and code set mandate is electronic claims attachments and will require the MQD to modify the current computer system to accommodate this new HIPAA standard.

Lastly, implementation of the HIPAA National Provider Identifiers (NPI) standard, which requires a standard unique health identifier for health care providers, has begun. All health care providers who are covered entities must obtain and use NPIs. All health care payors, such as the MQD, will be required to accept the NPI as the only national health care provider identifier. Compliance date for implementation of the HIPAA NPI is May 23, 2007.

- The MQD continues to provide electronic and on-line support to both recipients and providers to assist in verifying eligibility:

The Automated Voice Response System was implemented with the information of each recipient. The provider simply enters key information to receive required information on the recipient within seconds. There is no cost to providers to utilize the System.

With over 11,000 hits daily, a new and improved MQD website was also implemented this year. Information on Med-QUEST, QUEST, Fee-For-Service programs, provider information and updates, HIPAA information and other data can be found at www.med-quest.us.

Future Challenges and Goals

- Implementation of Medicare Part D Drug Coverage
The MQD will be challenged to smoothly transition the prescription drug coverage from Medicaid to Medicare for Medicaid recipients who have Medicare insurance. This change is due to the provisions of the Medicare Modernization Act of 2003 (MMA) which created the Medicare Part D Prescription Drug Program to provide drug coverage to Medicare beneficiaries. Effective January 1, 2006, Medicaid can no longer pay for prescription drugs that are covered by Medicare Part D. Affected Medicaid recipients must receive the majority of their prescription drug coverage from a Medicare Part D Prescription Drug Plan (PDP). Medicaid will still provide prescription drug coverage for those drugs that are excluded from coverage by the MMA.

This change is daunting as many policies and procedures for Part D are still being developed by the federal Centers for Medicare and Medicaid Services (CMS). The MQD is working on plans to provide a safety net based on CMS policies to ensure that affected Medicaid recipients have access to drug coverage during the transition period. The MQD will continue to actively collaborate with a coalition of other government agencies, private non-profit agencies, and various public groups whose goal is to assist in the transition of drug coverage for affected Medicaid recipients.

- State Pharmacy Assistance Program
In conjunction with the implementation of Medicare Part D drug coverage on January 1, 2006, DHS will be developing and implementing the State Pharmacy Assistance Program (SPAP) to help low-income seniors and disabled individuals pay the co-payments for

their Medic are Part D prescription drugs. Beginning January 1, 2006, low-income seniors and disabled individuals who have been receiving their prescription drugs from Medicaid will begin receiving their prescription drugs from Medicare. These individuals currently do not pay any co-payments for their prescription drugs.

For senior citizens and disabled individuals with incomes up to 100 percent of the Federal Poverty Level (for example, earning no more than \$11,532 per year for one person and \$15,444 per year for a two-person family), the SPAP will provide benefits to complement the new Medicare drug benefits. Specifically, the SPAP will cover the cost of co-payments required under the Medicare plans. Co-payments will be \$1 per script for generic drugs and \$3 per script for branded drugs. Many elderly and disabled people take multiple drugs each month and the addition of co-payments can be expensive.

The SPAP will assist in the transition of prescription drug coverage from Medicaid to Medicare for Medicaid recipients who have Medicare insurance whose income does not exceed 100% of the Federal Poverty Level.

- Lowering the number of Hawaii Residents who do not have medical coverage
The MQD will continue to strive to lower the rate of Hawaii residents who do not have medical coverage through new and continuing initiatives. In FY 2005, the MQD was able to provide medical coverage to 10,153 more recipients than in FY 2004. A recent survey by the United Health Foundation, the American Public Health Association and the Partnership for Prevention, indicated that Hawaii's uninsured rate is 9.6% as compared to the national average of 15.7%. MQD will continue to:
 - Expedite the processing of medical assistance applications for low-income pregnant women to ensure the provision of vital pre-natal care. The United Health report shows Hawaii's infant mortality rate decreased from 9.1 per 1,000 in 1990 to 6.4 in the latest count.
 - Provide out-stationed staff in Federally Qualified Health Centers to provide initial medical application intake and processing to help the uninsured access Medicaid coverage.

- QUEST Expanded Access
The MQD will continue to work on the planning for the integration of the Medicaid Fee-For-Service population into QUEST managed care plans effective January 1, 2008. The goal of QUEST Expanded Access is to amend the current Section 1115 managed care demonstration project, Hawaii QUEST, to include all aged (individuals 65 years and older), blind, and disabled individuals, and to expand the services to include long-term care services, both institutional and home and community based waiver services. The MQD will continue to collaborate with a coalition of government and community agencies for the design of the new program that will convert the aged, blind, and disabled population from fee-for-service into a managed care delivery system that will improve client access to quality health care as well as provide program stability and sustainability.

- MQD is seeking to amend Hawaii QUEST in FY 06 to reduce the number of uninsured in Hawaii by :
 - Utilizing all of the recurring federal funding through Title XXI State Children Health Insurance Program (SCHIP), which provides a higher federal match than Title XIX, for children between 200% and 300% of the federal poverty level (FPL) through our 1115 waiver extension. To achieve this, we will first increase the SCHIP income eligibility from 200% to 250% of the FPL for children and eliminate the premium requirement for children between 200% and 250% FPL. We will also reduce the monthly premium that the families up to 300% of the FPL must now pay to enroll

their children in QUEST-Net up and eliminate the previous requirement of having to be enrolled in QUEST in order to be eligible to enroll in QUEST-Net to improve children's access to quality health care.

- Providing a medical benefit package, the same as QUEST-Net, for QUEST eligible adults who have not been allowed to enroll in QUEST due to the QUEST enrollment cap since 1996. The QUEST Adult Coverage Expansion (ACE) is targeting the enrollment of an additional 20,000 low income adults who are currently uninsured adults at or below 100% of the FPL.
- MQD is including in their budget requests for FY 06, funding to implement the following:
 - The restoration of preventative dental services to adults. Since 1996, adult medical assistance recipients are only eligible for emergency dental services. The Prevent Adult Dental Decay (PADD) program will allow QUEST adults to receive prevent benefits such as annual exams, annual cleanings, x-rays, and fillings.
 - Increasing the current Medicaid fee schedule to compensate Medicaid providers at a higher level to attract and retain more Medicaid providers to increase client access statewide.
 - Increase the Medicaid Fee Schedule Supplemental payment initiatives to obtain federal funding to reduce uncompensated care costs for Hawaii hospitals.

B. SOCIAL SERVICES DIVISION (SSD): Programs, Services, and Achievements

ADULT AND COMMUNITY CARE SERVICES (ACCS)

The Social Services Division's Adult and Community Care Services Branch (ACCSB) administers eleven innovative programs, described below, to help prevent premature institutionalization of vulnerable dependent adults and children by providing a continuum of comprehensive home and community-based services and Medicaid waiver programs.

Program Goals

Prevention of Premature Institutionalization

- Provide a continuum of comprehensive home and community-based services.
- Increase the availability and choices of home and community-based service alternatives for frail and disabled adults and children.
- Maximize federal funds for reinvestment to expand home and community-based service alternatives.

The eleven home and community-based services include:

Chore Services provides essential housekeeping services to enable eligible disabled clients to remain in the community. To receive chore services, an individual must be eligible for Supplemental Security Income (SSI), Medicaid, or financial assistance from the Department. Services may also be provided without regard to income in adult protective situations.

Adult Day Care assists a limited number of disabled adults with placement into and the cost for licensed adult day care services in the community. To receive adult day care services, an individual must be eligible for Supplemental Security Income (SSI), Medicaid, or financial assistance from the Department

Adult Foster Care provides placement and case management services to eligible clients in licensed adult residential care homes. To receive adult foster care services, an individual must be eligible for Supplemental Security Income (SSI), Medicaid, or financial assistance from the Department

Senior and Respite Companion Programs provides stipends to low income older adults who provide in-home companionship and limited personal care to frail elders and provide respite and relief for caregivers. The Senior Companion Programs provides low income older adults with volunteer opportunities through which they are able to assist frail homebound elderly and provide respite to their caregivers. The Respite Companion Program is an employment program that provides low income older adults the opportunity to learn job readiness skills at designated adult day care and day health facilities, with the goal of preparing them for employment opportunities.

Foster Grandparent Program enables low-income seniors to assist children with special and exceptional needs in schools, Head Start sites, and non-profit organizations.

The Medicaid waiver programs include:

Nursing Home Without Walls (NHWW), established in 1983 to provide in-home services, as an alternative to institutional care, to Medicaid-eligible individuals, including children, certified as requiring nursing facility level of care.

Residential Alternatives Community Care Program (RACCP), established in 1983 to provide residential placements in foster homes, Expanded ARCHs (Adult Residential Care Homes), and assisted living facilities as alternatives to more costly institutional care for Medicaid-eligible adults who require nursing facility level of care but who are not able to benefit from in-home services because they have no caregivers or a residence.

Developmentally Disabled/Mentally Retarded Home and Community-Based Services Program (DD/MR HCBS), established in 1983 to serve individuals with developmental disabilities and mental retardation living in the community who are Medicaid-eligible and certified as requiring ICF-MR (Intermediate Care Facility-Mental Retardation) level of care. The Departments of Human Services and Health collaborate to administer and implement this program and to maximize Federal Medicaid reimbursement.

HIV Community Care Program (HCCP), established in 1989 to provide persons diagnosed with HIV infection and/or AIDS who are Medicaid-eligible and certified as requiring nursing facility level of care with care services that support living in the community during the last stages of the disease.

Medically Fragile Community Care (MFCC), established in 2000 to serve children under 21 years old, who are Medicaid-eligible, needing sub-acute or nursing facility level of care, and whose families need support to keep them in the home or in a licensed child foster home.

Program of All-inclusive Care for the Elderly (PACE), established in 1995, is a comprehensive health and long-term managed care program that provides services for elders certified as requiring nursing facility care (minimum intermediate care facility (ICF)) through a fixed per person per month rate. Individuals must voluntarily select PACE which includes primary medical care provided by the PACE physician. Services are primarily provided at the Maluhia and Leahi Day Centers.

ACCS Program Achievements

- Institutionalization was prevented or delayed for 5,450 frail elders, and disabled adults and children in the State: 1,011 through the chore services program, 85 through the adult day care program, 62 through adult foster care services, and 4,292 individuals through the Medicaid waiver programs.
- The Senior Companion/ Respite Companion programs together provided 217 companions and delivered 141,044 hours of service to 658 clients.
- The Foster Grandparent program recruited 165 foster grandparents who worked with 800 children with special needs in FY 2005, with 131,701 hours of service (an average of 798 hours annually per foster grandparent).
- The RACC program served 1,144 clients in FY 05.
- The NHWW program served 929 individuals in FY 05.
- The DD/MR HCBS program served 2,006 or 125 (6.6% increase) more than in FY 2004, when 1,881 individuals were served.
- The MFCC program served 62 individuals in FY 2005, or 14 (29% increase) more individuals than in FY 2004, when 48 individuals were served.
- The HCC program served 61 individuals.
- The PACE program served 90.

HOME AND COMMUNITY-BASED SERVICES CLIENTS

PROGRAM	FY 02 Actual		FY 03 Actual		FY 04 Actual		FY 05 Actual	
Chore	1,359		1,204		1,377		1,011	
Adult Day Care	87		83		68		85	
Adult Foster Care	249		176		167		62	
Senior Companion ¹	152	607	147	602	151	557	161	488
Respite Companion ²	53	241	59	234	63	215	62	170
Foster Grandparent ³	165	730	165	730	165	800	165	800
<i>Medicaid Waiver Programs:</i>								
<i>NHWW</i>	854		845		912		929	
<i>RACCP</i>	814		684		1,165		1,144	
<i>DD/MR HCBS</i>	1,560		1,773		1,945		2,006	
<i>HCCP</i>	92		92		83		61	
<i>MFCC</i> ⁴	23		45		48		62	
<i>PACE</i>	104		105		104		90	
<i>Medicaid Waiver Program Total:</i>	3,447		3,544		4,257		4,292	

¹ Senior Companions served / Clients served

² Respite Companions served / Clients served annually.

³ Foster Grandparents served / Children with special needs served annually.

- The Senior Companion Program (SCP) received a Program for National Significances (PNS) grant of \$7,964 to support two Senior Companions on Lanai to serve 6-9 clients. The funds are part of President Bush's national Homeland Security initiative for disaster preparedness, i.e., assisting frail homebound seniors to minimize risks/injuries in the home as well as to have a disaster plan.
- In response to conflict of interests concerns raised in State Auditor's Report No. 02-22, December 2002, about Home and Community-Based Case Management Agencies (HCCMA) and Community Care Foster Family Homes (CCFFH), the Department pursued statutory changes to its regulatory mandate and implemented Administrative Rule revisions. A major change was the Department assuming responsibility for licensing both HCCMAs and CCFFHs. In February 2005, Community Ties of America was contracted to act as the Department's designee to carry out statewide licensing of HCCMAs and CCFFHs, which are used by the Department's Residential Alternatives Community Care (RACC) Medicaid waiver program clients and others in the community.
- Since July 2003, 400 individuals have been accepted into the RACC program through the Going Home Project that admits individuals in hospitals waiting for nursing home into the RACC program. Through RACC the individuals are placed into Community Care Foster Family Homes where they receive healthcare services appropriate to their needs. Medicaid funding that would have been used for their hospital stays are, instead, utilized for their RACC related costs, which are lower than the cost of their hospital stays or nursing facility placements.

Planning for the Future

- The ACCSB will be looking for opportunities to further expand cost effective programs, such as the Residential Alternatives Community Care (RACC) Medicaid waiver program, which help to prevent premature institutionalization.

CHAPTER SIX DHS ADMINISTRATION AND SUPPORT SERVICES

A. DHS ADMINISTRATION

The Office of the Director has the primary responsibility for the daily operations of the DHS. The Director is appointed by the Governor and confirmed by the Senate, and is assisted by the Deputy Director.

Five Staff Offices support the DHS Administration, operating divisions, and attached agencies.

The Administrative Appeals Office (AAO), led by Susan Wong, provides administrative proceedings for contested cases for the DHS' programs. It has contracts with seventeen (17) attorneys in private practice to conduct hearings for the Department. The AAO receives almost 1,500 administrative hearing requests and referrals annually and it issues about 700 administrative hearing decisions each year. The AAO also serves as the rules coordinator for the Department and reviews administrative proceedings for the adoption, modification, or repeal of departmental rules. Establishing appropriate mediation process for program divisions is a future challenge for the AAO.

The Fiscal Management Office (FMO), led by Ed Igarashi, provides staff assistance and advisory services for the administrative functions of fiscal management and housekeeping services. The FMO formulates policies and procedures and administers the Department's central accounting, funds management, client and vendor payment, employee payroll, inventory management, contracting, purchasing, records management, office space allocation, and central mail distribution functions. The FMO also provides consultative and technical advisory services in these functional areas.

The Management Services Office (MSO), led by Benjamin Fong, provides research, budget, quality assurance, program and financial evaluation, and assessment capabilities to enable the DHS to oversee its programs and to make effective decisions concerning those programs. The MSO conducts studies, analyses, evaluations, and reviews to ensure regulatory compliance, achievement of stated goals and objectives, and effective and efficient departmental programs and services and use of resources.

The Office of Information Technology (OIT), led by James Lum, is responsible for the overall administration, planning, direction, management, development, implementation and maintenance of all Information Technology (IT) and Information Systems processing for the Department statewide. The OIT, with approximately 60 employees, provides project planning and management, business application systems development and maintenance, systems software and hardware management, tele-communications and network management and support, technical training, and operates the Data Center including computing facilities management, data control and technical help desk functions located in the Queen Liliuokalani Building basement. The OIT also oversees the administration of the dedicated DHS Mainframe system complex and all hardware peripherals located at the Department of Accounting and General Services (DAGS) Information and Communication Services Division (ICSD), separate from the State's mainframe system. Additionally, this office also directs and coordinates all IT matters within and between the DHS and other State and county agencies, federal agencies, and commercial hardware and software vendors including private consultants.

The Personnel Office (PERS), led by Ed Nose, oversees the personnel programs of the Department, including recruitment, examination and placement, position description, classification and pricing analysis, labor relations, civil rights, employee safety and relations, employee training and development, personnel transactions, and maintenance of personnel records.

B. INVESTIGATION AND RECOVERY OFFICE (INVO)

The INVO provides investigative services in support of the DHS' efforts to discover, investigate, report, and prosecute crimes that violate rules for programs administered by the BESSD. In addition to prosecutions, the INVO disqualifies clients found to have provided false eligibility information and recovers, to the maximum amount practicable, moneys due the DHS as a result of overpayments. The INVO also conducts investigations of malfeasance within the Department.

In FY 2005 INVO received 2,150 complaints and referrals from fraud hotlines and DHS eligibility workers. Five hundred ninety nine (599) individuals were disqualified for fraudulently obtaining benefits. In addition, the INVO referred 146 cases to the prosecutors' offices after investigations. The total fraud amount involved in these cases was \$4,308,698.00.

FY 2005	OAHU	MAUI	KAUAI	HILO	KONA	TOTAL
COMPLAINTS	1268	222	138	382	140	2150
REFER TO AG	99	6	12	16	13	146
INDICTED	63	4	9	7	10	93
CONVICTED	70	9	8	3	9	99
REFER ADH	298	0	0	27	5	330
ADH GUILTY	139	2	0	24	4	169
ADH WAIVERS	288	89	38	134	50	599
REFER TO AG						
FINANCIAL	\$1,867,183	\$ 11,133	\$ 35,102	\$ 49,348	\$ 160,950	\$2,123,716
FOOD STAMPS	\$ 856,382	\$ 11,255	\$ 60,469	\$ 32,822	\$ 104,460	\$1,065,388
MEDICAL	\$ 332,270	\$ 5,464	\$ 27,016	\$ 13,249	\$ 120,435	\$ 498,436
CHILD CARE	\$ 140,321	\$ 52,325	\$ 2,525	-	\$ 1,750	\$ 196,921
OTHER	\$ 373,448	-	-	-	\$ 50,788	\$ 424,237
TOTAL	\$3,569,604	\$ 80,177	\$ 125,112	\$ 95,419	\$ 438,384	\$ 4,308,698
INDICTED						
FINANCIAL	\$1,094,471	\$ 10,356	\$ 30,960	\$ 20,078	\$ 53,719	\$ 1,209,584
FOOD STAMPS	\$ 559,786	\$ 9,433	\$ 62,912	\$ 15,775	\$ 27,387	\$ 675,293
MEDICAL	\$ 172,185	\$ 4,451	\$ 22,563	\$ 3,387	\$ 549	\$ 203,136
CHILD CARE	\$ 68,850	\$ 52,325	-	-	\$ 12,296	\$ 133,471
OTHER	\$ 106,571	-	-	-	\$ 7,500	\$ 114,072
TOTAL	\$2,001,863	\$ 76,565	\$ 116,435	\$ 39,240	\$ 101,451	\$ 2,335,556
CONVICTED						
FINANCIAL	\$ 923,225	\$ 21,200	\$ 23,548	\$ 5,833	\$ 92,248	\$ 1,066,054
FOOD STAMPS	\$ 553,254	\$ 28,128	\$ 27,582	\$ 5,346	\$ 38,155	\$ 652,465
MEDICAL	\$ 160,692	\$ 5,765	\$ 16,779	\$ 2,548	\$ 5,503	\$ 191,288
CHILD CARE	\$ 98,206	\$ 62,646	-	-	\$ 15,815	\$ 176,667
OTHER	\$ 13,620	-	-	\$ 2,969	\$ 2,344	\$ 18,933
TOTAL	\$1,748,997	\$ 117,739	\$ 67,909	\$ 16,696	\$ 154,065	\$ 2,105,406
REFER ADH						
FINANCIAL	\$ 130,961	-	-	\$ 13,749	\$ 1,977	\$ 146,687
FOOD STAMPS	\$ 108,088	-	-	\$ 7,596	\$ 4,306	\$ 119,990
TOTAL	\$ 239,049	-	-	\$ 21,345	\$ 6,283	\$ 266,677

ADH & WAIVERS						
FINANCIAL	\$ 282,755	\$ 44,506	\$ 34,308	\$ 65,942	\$ 28,533	\$ 456,044
FOOD STAMPS	\$ 221,617	\$ 53,389	\$ 42,246	\$ 65,637	\$ 21,626	\$ 404,515
MEDICAL	-	-	\$ 19,872	-	-	\$ 19,872
CHILD CARE	\$ 2,948	-	-	\$ 12,271	-	\$ 15,219
TOTAL	\$ 507,320	\$ 97,895	\$ 96,425	\$ 143,850	\$ 50,159	\$ 895,650

INVO continues a very successful campaign aimed at keeping fleeing felons from receiving food stamps or financial aid. We now do a computer match with the FBI's National Crime Information Center (NCIC) every six months. In 2005, 139 new fleeing felons with warrants out for their arrest from across the nation were identified and disqualified from our programs for a savings of \$847,080. Fleeing felons are ineligible for benefits until they settle the conditions of their warrants with the issuing law enforcement agencies. Over the past three years, the number of fleeing felons applying for benefits has remained constant.

CHAPTER SEVEN ATTACHED AGENCIES

Two agencies, the Office of Youth Services (OYS) and the Housing and Community Development Corporation of Hawaii (HCDCH) are attached to the DHS for administrative purposes.

A. OFFICE OF YOUTH SERVICES (OYS): Programs, Services, and Achievements

The Office of Youth Services (OYS) was established by the Legislature in 1989 and administratively placed within the DHS. The OYS provides and coordinates a continuum of services and programs for youth-at-risk to prevent delinquency and reduce the incidence of recidivism. The OYS also strives to provide a clear sense of responsibility and accountability for all youth services in Hawaii. Although a core responsibility of the OYS is to manage and operate the Hawaii Youth Correctional Facility (HYCF), the agency places great emphasis on providing and supporting “front end” prevention, diversion, and intervention services.

The OYS focuses on six programs that address youths’ needs from prevention to incarceration and aftercare. The following is a brief description of the programs and services the OYS provided in FY 2005.

1) YOUTH SERVICE CENTERS (YSC)

The OYS partially funds several YSCs across the State to provide services that enable youth at risk to develop positive personal attributes. The YSCs are a means to provide youth and families with direct access to a continuum of support, prevention programs, and intervention services as well as information and referral services to a variety of agencies and resources within a community-oriented family support environment. The effective YSCs incorporate a community planning process which includes citizen and family involvement, focus on accountability, encourage interagency collaboration to ensure that individuals receive help “under one roof but from several sources,” and create partnerships and joint ventures.

Conducting activities during after-school hours, weekends, school intercessions, and holidays so as to complement and not duplicate other youth services, the YSC agencies provide targeted community outreach services and case management and supportive counseling to youth and their families. Community outreach involves staff making direct contact with youth, school personnel, and community members and organizations in an identified community to actively seek out youth to have them participate in activities and programs and to link with services that could enable them to interact and participate more successfully in the school and/or community as violence-free and drug-free individuals. The positive activities and programs that youth may engage in at the YSCs include sports and physical fitness, performing, visual, and culturally-focused arts and crafts, and educational development and support services such as tutoring, service learning, and career exploration.

2) YOUTH GANG RESPONSE SYSTEM (YGRS)

The YGRS was created to address youth gang behavior and related issues through a comprehensive and coordinated effort. The YGRS builds and maintains partnerships between public and private sector organizations to provide meaningful and positive opportunities for youth engaging in emerging or more serious gang behavior.

This statewide network of organizations meets regularly to foster the development of on-going strategies that incorporate the following critical elements: (1) law enforcement and gang intelligence; (2) information sharing; (3) training and community awareness; (4) school and community-based prevention and intervention programs; and (5) research and evaluation.

As a result of this collaborative effort, youth, schools, and communities benefit from a range of YGRS services that include school-based gang/violence prevention programs, community-based mobilization projects, gang awareness presentations and campaigns, truancy intervention services, community-based gang/delinquency intervention programs, anti-gang law enforcement sweeps, gang prevention/intervention training, gang-related informational forums, and on-going research on youth gang and delinquency trends. The YGRS is confident that, when working together, these programs are better able to plan and implement strategic approaches that empower youth to make healthy and responsible choices.

3) ADOLESCENT DIVERSION – HO`OKALA

Ho`okala, which means to “free or release,” is a statewide diversion program that the Juvenile Justice State Advisory Council and the OYS began in 1993 to ensure that juveniles are not secured inappropriately in police lock-up. The program was implemented to maintain compliance with three of the four federal mandates of the Juvenile Justice and Delinquency Prevention (JJDP) Act of 1974, as amended.

Ho`okala provides status offenders and non-violent law violators who have been arrested and who would otherwise be securely confined in police lock-ups, with 24-hour access to immediate crisis intervention services, assessment services, referral services, and short-term case management services. The program provides one-to-one supervision (attendant care) for youth whose parents cannot be contacted, case management and/or access to emergency shelter services. Through these services, the program aims to divert juveniles from further involvement with the juvenile justice system and to provide immediate intervention at the point of arrest.

4) NON-RESIDENTIAL AND IN-COMMUNITY SERVICES

Non-residential and in-community services provide appropriate intervention and supportive services to youth who are experiencing behavioral, emotional, substance abuse, or adjustment problems while in the community. Youth who benefit from these services are those who may be at-risk for incarceration or further involvement in the juvenile justice system, or who are in transition from incarceration at the HYCF to the community. These services include assessment/diagnosis, intensive supervision, individual, group and family counseling, cognitive restructuring, anger management skill development, independent living, social skill building, self-concept development, alternative educational services, and substance abuse education. Family strengthening activities are also provided as part of an overall effort to successfully maintain the youth in their families.

5) COMMUNITY-BASED RESIDENTIAL SERVICES

Institutional care for the majority of our troubled, abused, and neglected youth is not appropriate. Youth who do not require secure confinement or institutional care are better served in a less restrictive environment that can provide individual and intensive services that are conducive to their growth and development. Less restrictive programs are often more cost-effective and better suited in fostering positive change in at-risk youth. Community-based residential programs allow youth in transition a unique opportunity to experience, in a safe and nurturing environment, many challenges they will face when living within a community. The goal of residential services is to provide an environment in which youth are able to increase their resiliency and reduce their risk factors to the extent they are able to safely return to a more permanent living situation. Services

are provided to assist youth by increasing their decision-making, social and independent living skills, and by increasing their commitment to learning and education as important factors in their lives. Residential programs are provided on all major islands and provide an opportunity for youth to remain on their respective island near family and other community support systems.

6) HAWAII YOUTH CORRECTIONAL FACILITY (HYCF)

The primary purpose of the HYCF is to provide safe and secure housing for the most violent and dangerous juvenile offenders who pose a threat to the community. The HYCF provides a variety of counseling, treatment, and educational services within the facility to aid in the redirection and rehabilitation of each ward. The programs conducted within the facility are intended to be a part of this effort to provide guidance and opportunities for positive changes in the behavior of the youth.

HYCF improvements currently being implemented:

- Improved parole/aftercare programs to reduce recidivism with greater focus on re-entry programs, employment, life skills and character-building activities;
- Improved youth policy and grievance system to meet national juvenile corrections standards; and
- Improved due process system for parole revocation.

7) FEDERAL GRANT PROGRAMS

In addition to the service areas, the OYS also oversees and manages a variety of federal grant programs that enable the State to improve the juvenile justice and education systems and/or implement local programs and services for youth. The following narratives provide a brief description of each of these federal grant programs

US DEPARTMENT OF JUSTICE, OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION (OJJDP)

The OYS is the State agency designated by the Governor to manage four block grant programs. These programs are administered by the OJJDP, and are intended to assist states in improving the effectiveness of their juvenile justice system.

Juvenile Justice and Delinquency Prevention Act

In 1974, Congress enacted the federal Juvenile Justice and Delinquency Prevention (JJDP) Act to improve the effectiveness of the juvenile justice system. It has been repeatedly reauthorized and reflects Congressional awareness of the differences in managing juvenile and adult offenders, as well as a belief in the key role of prevention and early intervention in combating juvenile crime and violence. The Act was recently reauthorized in November 2002.

The Act requires states to establish a State Advisory Group (SAG), appointed by the Governor, to provide policy recommendations to the Governor, the Legislature, and the OYS. The Act also requires the SAG to over see the administration of the following JJDP Act programs:

JJDP Act, Title II, Formula Grants Program

The Formula Grants Program enables states to meet and maintain compliance with the four core requirements of the JJDP Act, support delinquency prevention efforts, and improve the juvenile justice system. The core requirements require the deinstitutionalization of status

offenders, removal of law violators from jails and lockups, elimination of sight and sound contact between juveniles and adult offenders, and reduction of the disproportionate numbers of youth of ethnic minority who come into contact with the law.

JJDP Act, Title V, Incentive Grants for Local Delinquency Prevention Program

The Title V Grants Program is aimed at reducing delinquency and youth violence by supporting local communities in implementing delinquency prevention programs. Grants are made to the counties that are in compliance with core requirements of the JJDP Act. The program requires establishment of a Policy Prevention Board to oversee the implementation of the prevention programs.

JJDP Act, Title II, Part E, State Challenge Activity Grants Program

The State Challenge Activities Grants Program provided incentives for states that were in compliance with the core requirements of the JJDP Act. These incentives were provided to improve the state's juvenile justice system by developing and improving policies and programs in one of more than ten specific Challenge Activities areas. This grant program is no longer in effect with the reauthorization of the Act in 2002, so the grant award will end September 30, 2006.

Juvenile Accountability Incentive Block Grant (JAIBG) Program

The JAIBG program provides funds to states and units of local government to promote greater accountability in the juvenile justice system. Through this program, juvenile offenders are held accountable for their wrongdoing by individualizing their consequences to make them aware of and answerable for the loss, damage, or injury perpetuated upon victims.

U.S. DEPARTMENT OF EDUCATION, TITLE IV, PART A, SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES ACT (SDFSCA) STATE FORMULA GRANTS, GOVERNOR'S PROGRAM

The OYS administers the Governor's Program which is 20% of the total amount of this award received by the State for the purpose of fostering safe and drug-free learning environments and supporting academic achievement. The Governor's portion is primarily awarded to community-based agencies that provide drug-use and violence prevention activities for populations needing special services, such as dropouts and suspended and expelled students. The services also target youth between the ages of 10 to 19 years old who have had contact with the police, or are experiencing social, emotional, psychological, educational, moral, physical or similar problems, or who are of ancestry over-represented within the juvenile justice system.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES – TITLE XX BLOCK GRANT

The purpose of the Title XX Block Grant Program is to provide services to at-risk youth and youth in need of foster care. A primary goal of this grant is to increase the level of self-sufficiency for youth and prevent institutionalization within the social welfare or juvenile justice systems.

OYS Achievements

The OYS has made significant progress in enhancing the way children in our care and contract programs receive services. Here are some of the OYS benchmarks of progress:

- 35% reduction in population at HYCF since September '03.
- New facility management at HYCF-April '04.

- Staffing and Training Analysis by National Juvenile Detention Association. June '04.
- Jurisdictional Planning Assistance was provided through Federal Technical Assistance- June '04.
- A third housing unit opened to alleviate crowding at HYCF-October '04.
- Achieved segregation of short (med risk) and long term (high risk) youth at HYCF-October '04.
- Youth Gang Response Team developed new youth projects with HCDCH and Mayor Wright Housing-October 2004.
- Specialized training provided for female staff working with female adolescents- November '04.
- \$2.5 million federal dollars released to the Hawaii Youth Advocacy Program.
- Criminal and administrative investigations resulting in convictions or disciplinary actions.
- Three-year pilot program for Hawaii Girls Court Program initiated using federal dollars.
- Continued efforts to enhance programs related to teen pregnancy prevention in youth service center programs in the following locales: Oahu (Kalihi, Papakolea/Nuuanu, Ewa Beach, Nanakuli); Hawai'i County (Pahoa, Keaau, Hilo); Kaua'i (Waimea); and Maui (Wailuku).

Future Challenges

- Restructure of security program with case management, behavior modification, facility policies, training programs, recreation, education and volunteer program improvements at the HYCF.
- OYS staff will increase outreach and services to local communities by regional districts to provide oversight and monitoring of case management to youth committed to our care who are placed in residential services (contracted-care beds).
- Deep collaboration within all DHS divisions and the HCDCH (Housing Agency); the Department of Health, Child & Adolescent Mental Health Division; the Department of Education; the Office of the Attorney General; and the Department of Public Safety to improve the range of services and support for children under our care.

The OYS Annual Report can be found on-line at www.hawaii.gov/dhs/dhs_legislative_reports.htm.

B. HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (HCDCH): Programs, Services, and Achievements

The Housing and Community Development Corporation of Hawaii was established by Act 350, Session Laws of Hawaii 1997, which consolidated the Hawaii Housing Authority (HHA), Housing Finance and Development Corporation (HFDC), and the Rental Housing Trust Fund Commission (RHTF) into a single housing entity effective July 1, 1998. Previously, the HHA administered and/or managed federal and State low-rent public housing projects and subsidy programs, as well as facilities to assist the homeless, the HFDC administered housing finance and development programs that assisted low and moderate-income renters and first-time homebuyers, and the RHTF financed affordable rental housing projects. The Act placed HCDCH under the Department of Business, Economic Development and Tourism (DBEDT) for administrative purposes. On July 1, 2003, the HCDCH was transferred from the DBEDT to the Department of Human Services (DHS) pursuant to Act 92, Session Laws of Hawaii (SLH) 2003.

The need for affordable housing runs along a continuum from no shelter to permanent rentals and for-sale housing. The continuum of housing begins with the unsheltered homeless who need immediate relief. The first response is outreach and assessment to identify an individual's or family's needs and unite them with facilities and services. Moving along the housing continuum, emergency shelters provide safe, decent housing alternatives to living on the streets. The next step is transitional housing, which provides appropriate supportive services such as job training, child care, substance abuse treatment, mental health services and instruction in life skills. The different needs of the homeless are coordinated with and among the various state, federal, county, and private non-profit organizations.

Further along the continuum is permanent housing – for rental or homeownership. Federal and State low rent public housing and rental subsidy programs provide very low and low income individual and families with access to safe, decent, and affordable housing. The Corporation's financing and development assistance programs facilitate the development of affordable housing that addresses the unrelenting shortage of affordable housing. Programs include, but are not limited to, low-income housing tax credits, multi-family bond financing, interim construction financing, and Hula Mae single family mortgage loans for first-time homeowners. In regards to homeownership and the final stage in the continuum of housing, HCDCH offers the Hula Mae Single Family and the Mortgage Credit Certificate Programs.

Program Goals

The Corporation has adopted a comprehensive and integrated approach in providing Hawaii's residents with opportunities for affordable housing and supportive services. The strategic direction of HCDCH has been directed to the following goals:

- Provide well-managed and financially viable housing where people are proud to live.
- Improve the quality of life for residents and encourage upward mobility along the continuum of housing.
- Increase the inventory of housing for working families and the elderly and preserve the inventory of existing affordable units.
- End chronic homelessness in the State of Hawaii.
- Develop and operate an effective organization.

HCDCH Achievements for FY 05

The below table shows the total number of units and persons being served by HCDCH in 2004-2005:

Housing Program	Units	Persons Served
Federal Public Housing	5,363	13,190
State Public Housing	864	1,376
Homeless	562	3,289
Emergency Beds	437	2,746
Section 8 Tenant-Based	2,145	6,012
Section 8 Project-Based (Owned)	173	500
Section 8 Project-Based (Contract Administration)	2,961	7,500
State Rent Supplement	402	601
Hula Mae Single Family	9,860	29,580
Mortgage Credit Certificate	669	2,007
Affordable For Sale Program	26	*
Low-Income Housing Tax Credit	4,729	*
Rental Housing Trust Fund	2,434	*
Hula Mae Multi-Family	696	*
Rental Housing System	1,220	*
Rental Assistance Subsidy	1,437	*
Rental Assistance Construction	846	*13,806
Total	34,824	80,607

*Combined Total (Units receiving multiple financing from HCDCH were counted once.)

In addition, the HCDCH:

- Completed the restoration and repairs of Waimaha Sunflower Phase 2 and continued work at Lanakila Phases 2A and 2B.
- Conducted hazardous material abatement at Puahala Homes and made Americans with Disabilities Act modifications at multiple projects on Oahu, Hawaii, Kauai and Maui.
- Awarded a total of \$1.7 million in low-income State and federal tax credits to a non-profit developer for rental projects on the islands of Oahu and Lanai.
- The Courtyards at Mililani, Oahu, which received a tax credit award, will have 48 rental apartments featuring one, two and three-bedroom units. The project will be affordable for families making up to 60 percent of the area median gross income for 30 years.
- The Courts in Lanai City, Lanai, Maui, which also received a tax credit award, will have 48 rental apartments featuring one, two and three-bedroom units. The project will be affordable for families making up to 60 percent of the area median gross income for 30 years.
- A federal grant of \$400,000 was obtained to assist the elderly and disabled in public housing to continue to live independently on Oahu. Nearly \$100,000 was obtained to support the Family Self-Sufficiency programs for Section 8 and public housing families on Oahu.

- DHS signed a memorandum of agreement with Housing and Community Development Corporation of Hawaii (HCDCH) to provide more than \$3 million in services to help TANF eligible families find and retain permanent rental housing.

For more information on the HCDCH go to www.hcdch.hawaii.gov/.

**APPENDIX I
THE BUDGET FOR FISCAL YEAR 2005**

By Division and Attached Agency

<u>Division</u>	<u>HMS</u>	<u>Program Title</u>	<u>Positions</u>	<u>Amount</u>
BESSD	201	Temporary Assistance to Needy Families	0.00	\$61,365,886
BESSD	202	Payments to Assist the Aged, Blind and Disabled	0.00	\$6,850,560
BESSD	203	Temporary Assistance to Other Needy Families	0.00	\$31,164,660
BESSD	204	General Assistance Payments	0.00	\$18,764,891
BESSD	206	Federal Assistance Payments	0.00	\$2,035,806
BESSD	236	Eligibility Determination & Employment-Related Services	584.00	\$28,429,570
BESSD	237	Employment and Training	0.00	\$1,688,755
BESSD	302	Child Care Services	24.00	\$6,770,873
BESSD	305	Child Care Payments	0.00	\$61,943,778
BESSD	903	General Support for Benefit, Employment & Support Services	110.00	\$37,473,389
MQD	230	Health Care Payments	0.00	\$619,410,781
MQD	245	QUEST Health Care Payments	0.00	\$365,788,496
MQD	902	General Support for Health Care Payments	207.00	\$25,602,331
SSD	301	Child Welfare Services	451.50	\$48,197,459
SSD	303	Child Placement Board and Related Client Payments	0.00	\$57,894,523
SSD	601	Adult Community Care Services Branch	117.50	\$14,917,171
SSD	603	Home and Community-Based Care Services	0.00	\$116,900,513
SSD	605	Community-Based Residential Support	0.00	\$14,394,149
SSD	901	General Support for Social Services	47.00	\$3,248,807
VRSBD	238	Disability Determination	45.00	\$5,218,275
VRSBD	802	Vocational Rehabilitation	119.00	\$17,568,927
HCDCH	220	Rental Housing Services	221.00	\$47,856,066
HCDCH	222	Rental Assistance Services	17.00	\$26,814,181
HCDCH	223	Broadened Homesite Ownership	0.00	\$211,473
HCDCH	224	Homeless Services	4.00	\$7,935,778
HCDCH	225	Private Housing Development and Ownership	18.00	\$8,557,219
HCDCH	227	Housing Finance	11.00	\$4,484,511
HCDCH	229	HCDCH Administration	49.00	\$13,601,259
HCDCH	231	Rental Housing Trust Fund	0.00	\$19,008,563
HCDCH	807	Teacher Housing	0.00	\$360,917
OYS	501	Youth Services Administration	21.00	\$5,658,070
OYS	502	Youth Services Program	0.00	\$4,941,650
OYS	503	Youth Residential Programs	89.00	\$7,758,431
CSW	888	Commission on the Status of Women	1.00	\$97,492
ADMIN	904	General Administration of the DHS	<u>189.00</u>	<u>\$9,671,806</u>
DHS TOTAL:			2,325.00	\$1,702,587,016

APPENDIX II

DEPARTMENT OF HUMAN SERVICES

BENEFIT, EMPLOYMENT & SUPPORT SERVICES DIVISION

STANDARD OF ASSISTANCE FOR FINANCIAL AND FOOD STAMP PROGRAMS

FINANCIAL ASSISTANCE PROGRAM - MONTHLY ALLOWANCE STANDARD (Effective March 1, 2000)														
HH SIZE	SON	1 SOA	2 SOA	3 SOA	HH SIZE	SON	1 SOA	2 SOA	3 SOA	HH SIZE	SON	1 SOA	2 SOA	3 SOA
1	670	418	335	418	6	1845	1153	922		11	3020	1887	1510	
2	905	565	452	565	7	2080	1300	1040		12	3255	2034	1627	
3	1140	712	570		8	2315	1446	1157		13	3490	2181	1745	
4	1375	859	687		9	2550	1593	1275		14	3725	2328	1862	
5	1610	1006	805		10	2785	1740	1392		15	3960	2475	1980	
										15+	+235	+146	+117	

- *Standard of Need is the 100% Federal Poverty Level Standard established by the federal government effective July 1, 1993. Changes in the standard of need shall be adjusted annually per legislative approval.*
 1. *Standard of Assistance is 62.5% of the Standard of Need, applicable to AFDC, AABD categories, and Refugees receiving GA.*
 2. *Standard of Assistance is 50% of the Standard of Need, applicable to mandatory work required AFDC households, effective Feb. 1997.*
 3. *Standard of Assistance is 62.5% of the Standard of Need, applicable to GA category, effective May 1, 2000. The standard shall be established by the department and shall not exceed 62.5% of the Standard of Need.*
- *Excludes medical care costs which are met in full by the Department through its Medicaid Program*
- *Excludes Food Stamp bonus (additional benefits) which varies by family size and net income*
- *Emergency assistance due to natural disaster provided.*
- *Recipients for the cost of replacing or repairing household appliances (refrigerator & stove) limited to cost not to exceed \$350.*

Amount of assets disregarded:	AFDC cases:	\$5,000 regardless of family size
	GA, AABD, SSI Cases	\$2,000 - 1 person; \$3,000 - couple

FEDERAL FOOD STAMP ACT (Effective October 1, 2005)											
HH Size	Monthly Gross Income	Monthly Net Income	Thrifty Food Plan	HH Size	Monthly Gross Income	Monthly Net Income	Thrifty Food Plan	HH Size	Monthly Gross Income	Monthly Net Income	Thrifty Food Plan
1	1193	918	229	6	3224	2480	1090	11	5258	4044	1894
2	1599	1230	421	7	3631	2793	1205	12	5665	4357	2066
3	2006	1543	602	8	4037	3105	1378	13	6072	4670	2238
4	2412	1855	765	9	4444	3418	1550	14	6479	4983	2410
5	2818	2168	909	10	4851	3731	1722	15	6886	5296	2582
								15+	+407	+313	+172

- HH with an elderly or disabled person must meet Monthly Net Income limits.

Amount of assets disregarded:	Households with at least one member age 60 or older:	\$3,000 regardless of family size
	Households with a totally disabled person	\$3,000 regardless of family size
	Other households including 1 person households:	\$2,000 regardless of family size
Standard Deduction:	For household size of 5 members or less	\$189
	For household size of 6 members or more	\$201
Gross earned income deduction:	From household's gross earned income	20%
Shelter Deduction:	Non-elderly or disabled household:	Up to a maximum of \$523
	Elderly or disabled household	Unlimited
	Homeless household	\$143
Dependent Care deduction:	Per dependent child under two years of age	Up to a maximum of \$200 per child
	Per other dependents	Up to a maximum of \$175 per dependent

TITLE XVI OF SOCIAL SECURITY ACT (Effective January 1, 2005)												
AABD-SSI Updated Summary of State Supplemental Payment Plan for SSI Recipients (2.7% Increase)												
	Living in Independent Arrangement				Living in Household of Another				Individuals Living in Domiciliary Care			
	Individual		Couple		Individual		Couple		Type 1 (5 or less residents)		Type 2 (6 or more residents)	
	1/04-12/04	1/05-12/05	1/04-12/04	1/05-12/05	1/04-12/04	1/05-12/05	1/04-12/04	1/05-12/05	1/04-12/04	1/05-12/05	1/04-12/04	1/05-12/05
Federal	564.00	579.00	846.00	869.00	376.00	386.00	564.00	579.00	564.00	579.00	564.00	579.00
State	0	0	0	0	0	0	0	0	521.90	521.00	629.90	629.90
Total	564.00	564.00	846.00	869.00	376.00	386.00	564.00	564.00	1085.90	1100.90	1193.90	1193.90
*Inc.	+12.00	+15.00	+17.00	+23.00	+8.00	+10.00	+11.33	+23.00	+12.00	+15.00	+12.00	+15.00
Individuals in Medical Institution: Federal \$30.00												

*Figures show net increase in SSI benefits effective January 2005. Pass along of the COLA increase meets the requirements of Section 1618 of the Social Security Act.