

**COMMUNITY COUNCIL ON PURCHASE OF HEALTH AND HUMAN SERVICES
MEETING**

July 27, 2006

10:30 a.m.

1151 Punchbowl Street, Room 426

Honolulu, Hawaii 96813

Members Present:

Mary Lou Barela, Chair
Christine Chun, Vice-Chair and Secretary
Ann Higa
Joanne Lundstrom
Pauline Pavao
Debbie Shimizu
Stella Wong
Jamie Woodburn

Others:

Aaron Fujioka, State Procurement Office
Mara Smith, State Procurement Office
Corinne Higa, State Procurement Office

I. Call to Order

Mary Lou Barela called the meeting to order at 10:30 a.m.

II. Minutes of March 15, 2006

Pauline Pavao moved that the minutes be approved. Jamie Woodburn seconded. The motion was carried.

Mary Lou Barela requested clarification about the bill that would enable the Office of the Ombudsman to investigate complaints about Executive Branch contracted programs and services for health and human services delivered through a contract with a private provider. Aaron Fujioka stated that the bill would allow the Office of the Ombudsman to investigate private providers when a complaint is received.

III. Conference on Purchases of Health and Human Services – Possible Dates, Themes, Format

Mara Smith announced that plans need to be made for possible dates, themes, and format of the 2007 fall conference. Aaron Fujioka indicated that although the conference is historically held every biennium, it is not a requirement.

Chris Chun suggested that before planning can begin, the main thrust of the conference should be determined. What do we want to accomplish? What is the purpose?

A discussion ensued. Council members responded:

- Networking is an invaluable tool
- Accomplishments of State contracts for health and human services over the years
 - Measuring accomplishments by various State agencies
 - Results of initiatives implemented
 - Measures and outcomes for services over a period of time for the elderly, children and youth, families, homeless, special needs, etc., pending availability of data to review. The year 2000 was suggested as a baseline and the services limited to current issues. Jamie Woodburn suggested utilizing the University of Hawaii research and data pooling resource.
- Comparing how State agencies measure accomplishments
- Maximizing State and Federal dollars for health and human services
- State Procurement Office accomplishments from inception of Chapter 103F, HRS

Chris Chun summarized the responses into four categories:

1. Education – Learning something new
2. Networking - Interaction with one another
3. Showcasing accomplishments of the State
4. Outcomes

Jamie Woodburn noted that education and networking is a by-product of the conference, and accomplishments and outcomes while not identical, are closely related.

Joanne Lundstrom suggested that the conference be based on what was, what is and what should be.

Stella Wong said that it would be interesting to know about the various State departments' mission in the year 2000, where funding was allocated, and the affected outcomes. Mary Lou Barela added that it would be interesting to see if services provided have made a difference. The State and provider's part should be viewed as part of a bigger picture.

A sub-committee was formed to discuss various topics/formats for the upcoming conference. Members are Stella Wong, Chris Chun, and Debbie Shimizu. Mara Smith indicated that subcommittee meetings are subject to the Sunshine Laws.

IV. Solicitation for Treatment List of Qualified Private Providers – Update

Mara Smith distributed the 2006 application for treatment purchase of services solicitation. Ms. Smith encouraged council members to inform their fellow providers of the solicitation. Deadline for submittals is August 31, 2006.

Services have been re-categorized and the application streamlined. Ms. Smith stated that evaluation of applications submitted is not a credentialing process, and agencies may add additional criteria to meet the agency's service needs at the time of provider selection. Ms. Smith indicated that aside from the intended use of the treatment list, the list is also useful as a reference source.

Mary Lou Barela inquired if the Judiciary and the Department of Education may use the list. Ms. Smith responded in the affirmative.

V. Contracts Database - Update

Mara Smith distributed a summary report of health and human services contracts as of July 3, 2006. The report summarizes funds contracted by department and division source of funds, and funds contracted by departments for fiscal years 2005, 2006, and 2007. For fiscal year 2006, 932 contracts were reported with total funding of \$733,451,395.

Ms. Smith provided a preliminary analysis of funding in certain service areas, i.e., homelessness, substance abuse, and mental health, etc. However, she noted that further analysis is necessary.

Ms. Smith stated that the contracts database could be used to obtain various information on trends, e.g., expenditures, and state and federal funding.

VI. Report of Planned Purchases – Next Update

Mara Smith announced that the planned purchases report is on the State Procurement Office website and state agencies will soon be updating and correcting their planned purchases up to the year 2009.

VII. Summary of Legislative Session – (Procurement)

There was no legislation during the session that was directly related to procurement of health and human services. Mara Smith informed council members that under Chapter 103D, HRS, the small purchases have been increased from less than \$25,000 to less than \$50,000; however, small purchases between \$25,000 and \$50,000 will be procured through the Hawaii Electronic Procurement System (HePS). The State Procurement Office will be conducting several presentation sessions to familiarize vendors about HePS.

Chapter 103F, HRS, defines small purchases as less than \$25,000; therefore, the small purchases will remain the same unless the statute is amended. Ms. Smith mentioned that a preliminary analysis of the contracts database revealed that of approximately 1,100 contracts only 82 contracts were between \$25,000 and \$50,000. Further analysis is necessary to determine if any of those contracts were part of a multiple award.

Joanne Lundstrom inquired about legislative grants and procurement. Aaron Fujioka stated that grants-in-aid should be for new initiatives. Ms. Lundstrom stated that grants have been used to supplement (competitively procured) contract shortfalls. Oftentimes the contract does not cover costs of the service, and there is no mechanism to allow for rate increases. Mara Smith said mechanisms for rate increases can be identified in the RFP and that various issues about methods of payment, including rates and rate increases arose in recent discussions with state personnel about cost principles. State agency training on cost principles is planned.

VIII. Announcements

Mary Lou Barela announced that she will be retiring as Executive Director of Hale 'Opio Kauai at the end of February 2007. Council members congratulated Ms. Barela.

IX. Next Meeting

The next three meetings were scheduled for September 14, October 12, and November 9, 2006.

X. Adjournment

There being no further business, the meeting was adjourned at 11:58 a.m.

Respectfully submitted,

9-12-06

Date

Christine Chun

Christine Chun, Vice-Chair/Secretary
Community Council on Purchase of Health
and Human Services