

Press Release #2
Department of Health Director Misinformed
Over Hale Na`au Pono Audits

The good doctor Chiyome Fukino has unfortunately been misinformed by her subordinates over Hale Na`au Pono's audits and its policy regarding auditing by the Department of Health.

Dr. Fukino has informed the media that the reason for denying Hale Na`au Pono's continued contract for Community Based Case Management Services is due to the agency's refusal to be audited by the Department. On November 27-30, 2007, the Adult Mental Health Division of the Department of Health completed its Business Compliance audit of Hale Na`au Pono for the Fiscal Year 2007. On June 6, 2008, it performed a 2nd Business Compliant Audit for FY 2007 and a Program Improvement Audit for December 2007 to February 2008.

A few months prior to this November audit, AMHD's then Chief, Dr. Thomas Hester, in a "Chief's Roundtable meeting" with Executive Directors of service providers organizations, reached an agreement that service providers would be audited in a "Single Annual Audit." This agreement was reached after Hale Na`au Pono and other agencies objected to being audited on numerous and separate occasions by the Division for each of the contracts held with the Division.

Hale Na`au Pono conducted six individual programs, each one subject to audit. These programs are Outpatient Services, Community Based Case Management, Assertive Community Treatment, 8 to 16 Hour Group Home, 24 Hour Group Home, and Clubhouse. The Division has developed three distinct audits of its provider agencies – Program Improvement audits, Business Compliance audits, and Fiscal audits. Unless some agreement was made to contain such audits to a manageable degree, the Division could conduct 18 separate audits of Hale Na`au Pono as often as it wanted to.

Hale Na`au Pono and other agencies appealed to the Division for a one-time single audit of their agencies because the continuous cycle of audits by the Division as well as audits by other parties interfered with the business of producing services. Other audits for agencies include Social Security Administration, Children and Adolescent Mental Health Division of the Department of Health, ADAD of the Department of Health, Annual Single Audit for Federal Funding, International Commission for Clubhouse Development (ICCD), Commission on Accreditation for Rehabilitation Facilities (CARF), as well as audits from other funding agencies. Agencies pointed out that with so many audits being conducted, they are being seriously interrupted in their services.

At the Chief's Roundtable in August 2007, all agencies in attendance voted for such a "Single Yearly Audit". Dr. Hester, in attendance, agreed to follow this approach. This agreement was to take place sometimes in the middle of 2008.

In November 2007, after this agreement, AMHD conducted a Business Compliance Audit for FY 2007 of Hale Na`au Pono's records for all its contracted adult programs.

That audit report has since been delivered to Hale Na`au Pono on January 30, 2008 and responded to by Hale Na`au Pono on April 30, 2008

AMHD subsequently announced on February 13, 2008 that it would be conducting other audits at Hale Na`au Pono on May 6-9, 2008. This would be a Program Improvement audit and another Business Compliance audit. Hale Na`au Pono requested again and again for clarity on the Fiscal Year for which such an audit would be conducted, especially in light of the Business Compliance having just completed their audit for FY 2007. When it did clarify the date, it was obvious AMHD was going back on its prior agreement for single yearly audit. AMHD failed to clarify the time period until April 22, 2008, 10 business days prior to the scheduled date.

On one hand, AMHD gave Hale Na`au Pono a mixed message. Program Improvement Division asked to see records for the Calendar year 2007. Chief Hester said Program Improvement's audit would be for the months December 2007, January and February 2008. Audits are historically conducted by Fiscal Years, so this switch to a Calendar Year was not usual, but the conflicting information of a three months only review, across two Calendar Years, and for a Fiscal Year (2008), which has not yet been completed, was certainly puzzling.

Furthermore, Chief Hester informed Hale Na`au Pono that the 2nd audit would be a Business Compliance audit for the Fiscal Year 2007. We asked why such an audit would be conducted when in November, just 3 months prior to their announcement of this next audit, that very same year was already audited by that very same auditing team. We received no clarification.

It was clear at this point that the AMHD sections were not speaking with one another, were uninformed of the earlier agreement on auditing reached with the Chief of AMHD, or lacked leadership, management, or competence in the Division. Hale Na`au Pono pleaded with the AMHD Chief for a meeting to sort out the Division's auditing mess. The Chief refused to address the request for meetings and simply insisted that Hale Na`au Pono comply with this audit demand. Hale Na`au Pono informed the Chief that it could not accommodate the Division's demand until clarification was given and again asked for a meeting. No meeting had been afforded.

Contracts between Hale Na`au Pono and the Department of Health gives the Department the right to audit. Hale Na`au Pono believes that contracts must be read with reasonableness. Hale Na`au Pono believes that contracts can be amended by subsequent agreements between the parties. Hale Na`au Pono believes that the agreement made on Single Audits by the Division is just such an agreement which modifies the contract. Hale Na`au Pono expected the Division to comply with its agreement. Twice, April 22nd and May 2nd, Hale Na`au Pono begged Dr. Hester for "a meeting with yourself, with Dawn Mendiola, the Division's Provider Liaison Coordinator, with Linda Appel, the O`ahu Service Area Administrator, and whomever else you deem appropriate." The Department of Health has refused to discuss with Hale Na`au Pono this issue. "We should try to come to a clear and fair understanding of an auditing process that is practiced across the board. There is too much work to be done in direct service to our residents such that we should not be wasting time on unnecessary and repetitive tasks that lead to nowhere."

In May, after the departure of Chief Hester, Interim Chief, Dr. Michelle Hill demanded that Hale Na`au Pono allow the earlier call for a double audit to take place or face the cancellation of all of its contracts. Hale Na`au Pono, rather than jeopardizing its programs, acceded to the demand within the timeframe of Dr. Hill's letter, and provided the Division their disjointed audits. AMHD has completed its audit review of records requested of Hale Na`au Pono on June 6, 2008.

Confirmation of the Program Improvement audit may be obtained from the team leader Sue Goodman. The members of the auditing team included Andrew Breton (Telephone: 453-6920), June Aguilar, Dennis Berry, and Bernie Miranda.

Confirmation of the Business Compliance audit may be obtained from the team leader Donna Calkins (Telephone: 586-8276). The additional member of that team was Raquel Nakahara.

The Division has not requested a Fiscal Compliance audit.

For further information, contact Hale Na`au Pono at 696-4211 (Alvina Kaopuiki or Bernie Downey) or go to www.wccmhc.org.