

# Hawaii Behavioral Health

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# Risk Management Plan

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## Risk Management Plan 2014-2016

### Hawaii Behavioral Health Risk Management Plan 2013

The purpose of HBH's risk management plan is to identify potential problems before they occur so that risk-handling activities may be planned or projected to mitigated adverse impacts on programs to ensure maximum services for children and families. HBH engages in early aggressive risk identification though collaboration and involvement of relevant stakeholders and strong leadership across all parties to establish an environment that is free and open for disclosure and discussion of risk.

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## Risk Management Plan 2014-2016

Risk management involves the identification, assessment and prioritization of risks. Risk identified should have business resources applied to minimize, monitor and control the probability of the business risk element. Identification and monitoring of risk areas is an important part of the Hawaii Behavioral Health business operations.

This risk management plan shall be reviewed and updated annually.

### **1. Business Services**

Hawaii Behavioral Health has a variety of behavioral health programs offered. These programs are primarily funded by state contracts, and private medical insurance. The following are the critical programs offered by Hawaii Behavioral Health.

#### **a. Department of Education Autism Services**

This program is funded through a contract with the Department of Education. Services for this program are primarily on Oahu and the Big Island. The autism program provides services primarily with both a professional (Behavioral Instructional Support Services (BISS)) and paraprofessional level. These services are normally delivered in the classroom and are designed to assist identified students pursue the goal of completing their primary education.

#### **Loss Exposure and Risk**

This program is a competitive program with competition from other contract providers. In addition, the Department of Education has the goal of bringing in the BISS and paraprofessional “in house” to reduce its’ reliance upon contracted services.

#### **Monitoring and Actions**

It is important for HBH to stay connected to the community. There are many parent support groups and DOE meetings that often give out valuable information and warnings for potential impacts to the program. HBH has a long-standing commitment to participate in these types of events and contributing to current program events.

HBH employees are a valuable resource for this program. Other contract agencies delivering service will often attempt to recruit valuable HBH employees. The most common method is by offering increases in pay and other benefit offers. It is very important for HBH operations staff to monitor the health of the program staff for the Autism program. Payment issues are extremely delicate as many agencies already pay the highest rate affordable versus the incoming contract rate. A significant rate increase could have detrimental effect on the programs financial health. HBH has strong program employee monitoring elements in place. HBH works to build a strong relationship with service staff through the use of training events and direct contact from program staff. HBH is constantly working to improve the satisfaction of service employees. HBH

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operations staff works diligently to ensure that this valuable resource is kept informed of current events and employee related issues resolved.

The Department of Education has declared that they have the intent to directly hire BISS and paraprofessional staff. The stated goals for this action is to lower total cost for the delivery of service and eliminate the need to rely on outside contract agencies. For the current year no planned actions have occurred to this effect but this is always a potential issue. It is important that HBH brings a strong cooperative effort in working with the DOE to create a working partnership. By attending to DOE needs and working as an active partner HBH's goal is to prevent the DOE's desire to replace contract providers currently working in the project.

**a. Department of Health: Therapeutic Foster Home (TFH)  
Program/Intensive In-Home (IIH) Therapy Program**

The program is funded by contract by the Child and Adolescent Division (CAMHD) through the Department of Health. The goal of the Therapeutic Foster Care Program is to provide short to mid-term therapeutic foster care placement for referred children. This is a statewide program with foster homes centers in Honolulu and Hilo. This program provides in-home therapy for referred children from the Department of Health. This is contract funded from the Child and Adolescent Division of the Department of Health.

Children referred into this program generally require additional services to stabilize their situation. This program uses a team of qualified foster parents, mental health therapist, and family support specialist.

Although the program is limited by contract beds assigned to Hawaii Behavioral Health when needed additional placements above the contract limits are allowed to occur.

These programs are located in Honolulu, Hilo, Kauai and Maui. The program has a professional and paraprofessional team working with the child and family to prevent out-of-home placements.

### **Loss Exposure and Risk**

The TFH and IIH program requires professional (therapist) and paraprofessional positions in addition to facility infrastructure. The program has potential risk when client placements drop to low levels that no longer support the area unit positions and infrastructure. There are many variables that may account for a client transitioning out the program including but not limited to: the client meeting their goals, irreconcilable differences between professionals, family refusing services, family relocating to another island/state etc. To identify precipitating issues therapists check in at least weekly in order to anticipate potential risks. If there precipitating issues are identified, increased support is provided to the family to assist with the situation.

### **Monitoring and Actions**

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To support the capital required to operate the program HBH operations monitors program health by reviewing client census. In addition operations review program financials to track fiscal concerns prepare any future actions to address program health issues. This is a constant process with Program Managers working to obtain new referrals for placements.

Program management staff coordinates with operations to discuss and resolve relevant issues that could affect the financial and quality health of the program. Many of these foster care centers such as the ones in Hilo and Oahu can be dramatically affected with the loss of one or two children.

As part of our regular operations HBH communicates with CAMHD placement staff and also attends community events. These types of interactions allow the program to adjust to community and contractor concerns and produce the quality program desired.

### **b. Private Medical Insurance Program**

HBH works with the private medical insurance providers to offer behavioral health services to children and parents. This is a new venture program for Hawaii Behavioral Health. The goal is to provide quality behavioral health support for children and parents in the State of Hawaii.

#### **Loss Exposure and Risk**

As a relatively new program there is start up capital and facility expenditures required. With any new program this represents a capital risk because you are engaged in the process of building up services for a new market.

#### **Monitoring and Actions**

HBH operations staff monitor services provided for this program and track through the use of program financials its' fiscal viability. To grow this new service marketing initiatives such as brochures, advertising and community involvement are part of the growth plan.

This also represents a new foray into medical billings which requires new processes to learn and successfully bill this complex industry. Accounts receivable for this program are monitored for efficiency and quality to ensure that collection effects are successful.

## **2. Financial Controls**

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HBH has a strong accounting and control system in place. In addition, capital assets are protected through inventory and insurance procedures.

### **Loss Exposure and Risk**

HBH has potential risk is strong accounting and control systems are not in place. Traditional fiscal areas such as payables and receivables must be monitored for efficiency and accuracy to support the company. HBH is a high volume company with an array of lower cost assets that could produce fiscal strain if not managed properly.

### **Monitoring and Actions**

The HBH accounting system has been in place for over eighteen years. There is a well-developed set of accounting policies and procedures in place. Important monitoring actions such as accurate bank reconciliation, monthly receivables and payables review, general ledger posting and annual closing reviews for accounts are in place. This accounting system has been able to accurately and efficiently produce financial and management reports to assist with the growth and health of the company.

The company has a developed set of procedures for procurement of new company assets. There is also a protective payables system in place which has pre-approval, limited check signing authorization and monthly vendor account review systems in place.

The accounts receivable department is responsible for billing multiple contract vendors with complex billing requirements. HBH has successfully managed a receivables system that has been able to bill and collect for the majority of services with very limited aged receivables. Continued success in this area is a vital component for the financial viability of the company.

HBH has a capital equipment program. Capital expenditure requirements to support operations is relatively small. HBH has a capital equipment acquisition process that pre-approves purchases. There is also an inventory and control process that protects assets that are placed into the system. Portable equipment has a signature and tracking process to protect portable assets.

## **3. Corporate Compliance**

HBH has a strong corporate compliance program. HBH maintains a corporate compliance plan which outlines review areas and actions taken in the area of compliance threats. There are seven areas of corporate compliance that HBH monitors for effective company health.

### **Leadership**

HBH is committed to building a solid foundation by producing effective leadership positions that build and grow with the company. A key portion of this is a strong

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foundation of ethics and practices that are endorsed and utilized by senior management. Effective communication with the President and other stakeholders assist HBH in this area.

Senior management are actively involved with the President in providing information, responding to queries and resolving areas of concern.

Once senior management is aware of a potential compliance issue action will be taken.

### **Risk Assessment**

A key portion of HBH's corporate compliance program is risk management. HBH is actively involved in risk management through the Risk Management Plan that is updated and reviewed annually. Risk management actions also occur on a frequently based upon regular management and financial reports which may give warnings in risk areas.

### **Standards and Controls**

HBH has developed a code of conduct which expresses its' ethical principles and practices. These principles are also brought into the developed policies and procedures of the company.

HBH has a set of fiscal policies that cover the areas of accounting practices, ethics, bribery and corruption. HBH also has diligent procedures to establish effective screening processes for new hires and third party partners.

### **Training**

HBH has an effective training program which educates employees and management in the areas of corporate compliance. Education is delivered in training sessions, additional information packets to inform the employee of HBH code of conduct and best practice methodology.

Training events include not only the delivery of the information but also additional time to ask questions and receive responses to employee concerns.

### **Oversight**

HBH has corporate compliance policies and plans that are updated on a regular basis that provide the opportunity to review and correct areas of concern. Corporate compliance oversight is an important area

## **4. Facilities**

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HBH facilities are all in compliance with fire and safety and ADA regulations. HBH facilities are third party owned. As a tenant HBH works with landlords to address safety and accessibility concerns.

HBH periodically reviews available market resources to ensure that its current facility arrangements are the most effective with regards to cost and efficiency. If alternative arrangements are available these will be presented to the Board for consideration.

Because HBH has a foster care program additional care is taken when placing a child in a foster home. A home study is conducted to make sure it is a safe and nurturing environment. Regular home visits occur to monitor the health the home environment and its' impact on the child.

### **5. Accessibility**

HBH promotes and inspects facility arrangement to make sure that American Disabilities Act (ADA) compliance is met. In working with patients and homes HBH also makes sign language and interpreters available when needed.

The HBH web site is also designed with accessibility requirements being added if needed.

### **6. Health & Safety**

There is an active health and safety program in place. This program identifies and reports potential risks and hazards. HBH is a tenant in leased facilities, however, actively conducts health and safety inspections on a regular basis. These inspections are documented and reported to senior management. Fire extinguisher's are also check by this program and expired or broken equipment is repaired when needed.

Employees are regularly trained in health and safety issues. Employees which actively work with clients have additional health and safety requirements such as first aid and CPR certifications. These certifications are maintained in official employee documentation and recertification is also tracked as part of a regular operations checklist.

Regular fire and safety drills are held and documented. Training on fire, earthquake and tsunami events is provided.

For client programs an additional risk program has been put into place. An incident reporting system is in place. Any incident reports are acted on by clinical and program staff and forwarded to senior management for additional reviews if needed. A Crisis Prevention Intervention (CPI) and crisis management program has been put into place for program staff.

## 7. Insurance

An effective insurance program is in place. The following insurance policies are maintained by HBH.

<i><b>POLICY</b></i>	<i><b>LIMITS</b></i>
<i><b>WORKERS COMPENSATION</b></i>	State mandated limits
<i><b>General/Professional Liability Ins</b></i>	1 mil (occurrence)/3 mil aggregate
<i><b>Employment Practice Liability</b></i>	1 mil (occurrence)/1 mil aggregate
<i><b>Foster Parent Liability Insurance</b></i>	Legal cost and property damage policy
<i><b>Directors and Officers Insurance</b></i>	

General and Professional insurance coverage has minimum amounts specified as a contract obligation. HBH maintains the contract specified 1/3 million requirement for this policy.

Facility protection is insured with the general liability policy. Other active policies such as the employment practice and D&O policy provide company protection for policies and practices established.

- See attached 'Insurance Summary Grid'

## 8. Privacy and Confidentiality

Privacy and confidentiality concerns are an important practice for HBH. HBH is also a participant in the medical insurance program and is required to meet the Health Insurance Portability Accounting Act (HIPAA) compliance. All employees receive intake training on confidentiality and sign an **HBH Confidentiality Agreement**.

- Sample 'HBH Confidentiality Agreement' is attached

Policies and procedures for confidentiality have been adopted. A regular review of these policies and procedures occurs annually. Any changes in these areas is communicated to staff.

## 9. Technology

Technology is an important concern for business operations. HBH has regional offices located on the islands of Oahu, Big Island, Maui and Kauai. These offices are connected via broadband Internet communications. A firewall appliance connects all offices with secure Virtual Private Networking (VPN) connections that secure data transmissions between the offices with a 256K encrypted certificate.

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HBH maintains two data centers in Honolulu and the Big Island. These data centers have rack mounted domain, file and web servers that provide required assets for business operations. A Recovery and Backup Operations plan, IT Contingency Plan and Technology Plan has been established and undergoes annual review. These plans protect critical data used by the company and establish guidelines for equipment maintenance and replacement.

### **10. Future Challenges**

Hawaii Behavioral Health provides service programs that require monitoring and active management participation to perform optimally. Risk for the largest program, the DOE Autism program, takes the highest priority.

Hawaii has recently signed Luke's Law that is a landmark autism insurance reform bill. This law requires state-regulated insurance plans to cover medically necessary treatment for autism including behavioral health treatment, psychiatric, psychological, pharmaceutical and therapeutic care. The legislation also requires plans to cover applied behavior analysis (ABA) with a maximum of \$25,000 per year through 13 years of age.

HBH is one of the largest children's behavioral health providers in the state of Hawaii. HBH is also a participant in the medial insurance program. Appropriate plans are being developed to participate in this increased area.