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Human Services to lay off 228 workers DHS plan, aimed at cutting costs, streamlining process, set to take effect June 30

By [Mary Vorsino](#)

Advertiser Staff Writer

The state Department of Human Services will lay off nearly half of its 517 workers who process applications for government benefits and will shut down 31 eligibility offices statewide under a cost-cutting plan set to go into effect June 30.

The plan, which has been strongly opposed by advocates for the poor and several lawmakers, is expected to save about \$8 million and DHS officials say it will actually speed up wait times by allowing people to apply on-line and over the phone, congregating workers in two main offices and streamlining workloads.

The plan comes at a time when DHS is seeing increases in requests for Medicaid, cash assistance, food stamps and child care subsidies as families struggle to make ends meet. The increase in applications has meant significantly longer backlogs in processing requests for help.

"The applicants deserve more than just staggering backlogs," said Human Services Director Lillian Koller. "Our old system has held us back for too long."

But advocates and the union for the state workers say the new processing system will put up more — not fewer — barriers for low-income people seeking aid. They argue the program, which will decrease the number of workers available for face-to-face consultations, will be devastating to the elderly and those with limited English skills. They also say charities, already facing significant increases in need amid shrinking resources, will have to pick up the slack. "I'm just extremely disappointed," said Alex Santiago, executive director of PHOCUSED, a consortium of nonprofits that help disadvantaged people. "There has been no consultation with the private sector. There's been no contact."

Santiago also said the reorganization is being rushed and should have been implemented over several years, not months. And Santiago questioned how the plan would help improve efficiency. "I'm not buying it," he said.

State Rep. John Mizuno, House Human Services Committee chairman, yesterday said he believes the changes will actually cost the state more in the long-run.

"We're not going to be able to provide for the essential services," he said.

Nora Nomura, deputy director of the Hawaii Government Employees Association, also spoke out against the plan yesterday, saying it "doesn't make sense ... at a time when people" are in greater need.

Under the plan, 228 eligibility workers will be laid off. Eligibility offices statewide, meanwhile, will be replaced with two processing centers — one in Hilo and one in Honolulu. Those offices will begin operating Oct. 1.

Koller said DHS will have offices available to receive benefits applications in person during the three months from when the workers are laid off until the centers are set to open. People will be able to apply in person at the two centers, but will also be able to apply online, over the phone, by mail or fax.

People will also be able to file applications at health centers and nonprofits.

The reorganization is based on successful models in other states, and a key component will be changing the workload for employees. Koller said instead of applicants dealing with only one case worker for all their needs, workers will shift clients and cases will be handled by whomever is first available. There will also be a phone bank and people will be able to send in applications any time over the Web.

Koller said the changes will allow DHS to expand eligibility for its most well-used benefits program — food stamps. She said the expansion will allow thousands more Hawai'i residents to qualify and receive the monthly benefits.

Koller said the new system should also decrease fraud because DHS workers will be given more time to compare income and other eligibility information written on applications to the same information from other sources.

Reach Mary Vorsino at mvorsino@honoluluadvertiser.com

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