

REPORT TO THE TWENTY-EIGHTH LEGISLATURE
STATE OF HAWAII
2015

PURSUANT TO SECTION 326-25.5, HAWAII REVISED STATUTES, REQUIRING THE
DEPARTMENT OF HEALTH TO SUBMIT AN ANNUAL REPORT TO THE
LEGISLATURE ON INITIATIVES AND IMPROVEMENTS IN KALAUPAPA
SETTLEMENT AND TO TRACK PATIENT AND NON-PATIENT COSTS
SEPARATELY, WHENEVER APPROPRIATE AND POSSIBLE

PREPARED BY:

STATE OF HAWAII
DEPARTMENT OF HEALTH
OCTOBER 2014

EXECUTIVE SUMMARY

In accordance with Section 326-25.5, Hawaii Revised Statutes (HRS), the Hawaii Department of Health (DOH) is submitting a report to the 2015 Legislature on initiatives and improvements in the Kalaupapa Settlement and patient and non-patient costs, whenever appropriate and possible. The initiatives and improvements are to address deficiencies identified by an audit (Auditor's Report No. 03-15, Audit of Kalaupapa Settlement Operations and Expenditures) conducted during the summer of 2003.

All of the six audit recommendations for the DOH identified in the Audit of Kalaupapa Settlement Operations and Expenditures have been addressed and corrected. Nine areas of concern were identified Act 232, Session Laws of Hawaii (SLH), 2004, in which the DOH was asked to report to the Legislature regarding our remediation and improvements in these areas. All nine areas have been addressed, corrected and are delineated in the DOH's previous report to the Twenty-Third Legislature, 2005 and updated in subsequent annual reports. The DOH's report to the Twenty-Eight Legislature, 2015 is an update to previously addressed issues.

The focus for the DOH during this past year continues to be "right sizing" routine medical services for the patients, continuing the transition of infrastructure and non-health care responsibilities to the United States National Park Service (NPS), and promoting a positive living environment for the remaining patient residents.

Significant movement has been made toward closing the municipal solid waste landfill and the construction and demolition landfill. Both landfills were to be simultaneously closed with a private contractor closing the municipal solid waste (MSW) landfill and the DOH staff closing the construction and demolition (C & D) landfill. Administrative rules require the C & D to be closed in the same manner as the MSW. The C & D closure is now beyond the expertise and available equipment of the DOH staff and CIP funding will be required to pursue the closure.

Kalaupapa's archaic telephone system failed for a second time in two years leaving the isolated settlement without critical communication ability. Repeated repairs have only brought the system back to marginal operation. Many lines are still experiencing loud static and continuously dropped calls. Analysis of the situation revealed that the aging electrical components are failing and the total system will need to be replaced. Hawaiian Telcom is moving toward a long-term fix sometime in 2015. Other communication options are being pursued in the meantime.

Makani Kai Airlines was awarded the federal United States Department of Transportation (DOT) essential air service contract to supply subsidized air service to Kalaupapa. The patients and community residents were very supportive of Makani Kai Airlines continuing to provide air service based on their positive relationship with the airline. Written testimony was submitted to the federal DOT acknowledging their support. Makani Kai Airlines has continued to work very closely with the Kalaupapa community to meet all their air service needs.

Kalaupapa faced a serious weather threat from hurricanes Iselle and Julio. Both storms dissipated before reaching Kalaupapa. Winds from tropical storm Iselle did bring down a power line knocking out power to half the settlement. Power was restored within 24 hours. Repeated emergency preparation exercises by both the DOH and the NPS has insured effective and confident responses to these potential disasters.

The decision to supply residents with major household appliances is in its tenth year of operation and appears to be going smoothly. This year, two dryers, one washer, and one refrigerator were replaced for two patients.

REPORT TO THE LEGISLATURE

IN COMPLIANCE WITH SECTION 326-25.5, HRS

The Department of Health (DOH) is submitting this annual report to the Legislature on initiatives and improvements in the Kalaupapa Settlement, tracking patient and non-patient costs separately, whenever appropriate and possible. The initiatives and improvements address deficiencies identified by an audit (Auditor's Report No. 03-15, Audit of Kalaupapa Settlement Operations and Expenditures) conducted during the summer of 2003.

The annual report is broken down into nine topic areas consisting of:

1. The Department's provision of medical and basic living needs of the patients;
2. The Department's progress toward defining and addressing the non-medical needs of patients;
3. The Department's progress toward promoting a positive living environment;
4. The Department's management of State resources, including benefits given to employees that are not statutorily defined;
5. The Department's progress toward establishing written policies and procedures for the Kalaupapa store;
6. The Department's progress toward establishing and maintaining a complaint file and adequately addressing complaints;
7. The performance of the Administrator, including compliance with job duties;
8. The Department's progress toward adequate accountability of State property; and
9. Details and justification of approved employee air travel requests and trail pay.

An additional section will address what the Department has done to track patient and non-patient costs separately.

The DOH welcomes the opportunity to report to the Legislature on the progress it has made to address issues identified in the audit. All of the problems identified in the auditor's report from December 2004 were addressed and corrected. They are

described in the 2005 through 2014 Annual Reports to the Legislature. This 2015 report details the Department's continuing efforts to improve patient relations and community operations.

The Department's provision of medical and basic living needs of the patients

The DOH is mandated under Chapter 326, HRS, to provide adequate health care and other services to the Kalaupapa patient residents for the remainder of their lives and those desiring to remain at the facility (Kalaupapa) shall be permitted to do so for as long as that patient may choose. There are 16 remaining Hansen's disease patients on the Kalaupapa registry. All of the patients have handicapping disabilities related to Hansen's disease and many continue to encounter long-term foot ulcers related to nerve damage and the associated loss of sensation. Chronic diseases such as diabetes, congestive heart failure, various levels of mental impairment, and various types of malignancy commonly afflict this elderly geriatric population.

The patients' age ranges from 73 to 91 years; the median age is 81 years. The patient mortality rate generally averages three to four deaths per year. Fortunately, this year there were no patient deaths.

The DOH's goal has been to keep the patients as independent as possible appropriate to their capacity and capabilities. To achieve this, the Hansen's Disease Branch (the Branch) developed a number of functional programs and levels of patient care. The Branch runs a meals-on-wheels program for patients who are no longer able to cook for themselves, enabling patients to stay in their homes as long as possible. A contracted dietician provides consultation to the care homes and Kalaupapa kitchen to insure patients' nutritional needs are met.

A home chore worker program is also available to provide house cleaning services, chore services, and light cooking. Most of the patients also receive lawn services. Approximately nine patients continue to live independently in their homes in Kalaupapa, with one patient living independently on Kauai, one on Oahu, and one on the mainland.

Annually, a number of patients' homes are remodeled to accommodate their limited mobility or diminished physical functioning. Ramps into homes, widening of doorways, and grab bars have been installed in accordance with the American Disabilities Act standards. This year, four patient homes were remodeled. Renovations included remodeling of three bathrooms to make them wheelchair accessible, addition of one bathroom exterior, addition of one room, and repair of two decks and four roofs. In addition, four homes were painted for maintenance and upkeep.

Medically fragile patients who choose to remain in their homes are issued a medical emergency alert signaler that is worn to alert care home staff when they get into any situation that requires assistance. As a prelude to a patient moving into the care home full time, some have opted to spend only nights in the care home. Days are spent in

their homes with assistance from home chore workers. This has proven to be a very effective option in the patients' transition to more dependent care.

Patient-requested physical therapy (PT) services were initiated in December of 2004 at Kalaupapa Care Home (KCH) and at Hale Mohalu Care Home (HMCH). PT has an important role in their health care to maximize function, prevent decline, decrease pain, rehabilitate, and treat various physical illness. For elderly individuals, who often have decreased physical reserve, any medical illness can lead to decline. Inactivity and bed rest, a common consequence of illness, contributes to and intensifies muscle weakness, causing additional deterioration in walking and other activities of daily living. Exercise, activities and other physical therapy interventions have a profound effect on overall health, restoring an individual's ability to perform daily activities required to live independently in the community.

During the period of October 2013 through September 2014, five Kalaupapa patients received 42 PT treatments and one patient received 13 occupational therapy treatments on Oahu during their extended stays at HMCH. Treatments were provided through Leahi Hospital's PT staff, Straub Clinic and Hospital's Physical Therapy Outpatient Center, and Queen's Medical Center's Outpatient Rehabilitation Department.

For patients who are no longer able to live independently in their homes, the next level of care is provided at the KCH. The care home has five licensed beds and can accommodate patients up to intermediate care and skilled nursing care levels. Physician visits are provided weekly with a collaborative interdisciplinary team of a gerontologist, psychiatrist, dietician, social worker and pharmacist providing consultation for total patient care.

Patients requiring higher levels of care are usually transferred to the 14-bed HMCH in Honolulu to be close to tertiary care provided in the community hospitals. HMCH is currently licensed as an Extended – Adult Residential Care Home Type II facility and frequently accommodates patients at the end stages of life, those recovering from complex medical procedures performed at community hospitals, or those receiving ongoing medical treatments or rehabilitation in Honolulu hospitals. There are currently four, long-term, Kalaupapa registry patients residing at the HMCH facility.

Patients with acute medical conditions often require air evacuation by air ambulance due to the geographic isolation of the settlement and long periods between scheduled commercial flights. The DOH pays for this cost and as with all medical services is the payer of last resort. There was one patient air evacuation this year.

In addition to medical services described above, the Kalaupapa patients are provided with ancillary services and devices such as hearing aids, dental services, eyeglasses or contact lenses, prostheses, orthotics, shoes, and wheel chairs.

Most of the patients' basic living needs are provided by the DOH. Care and residence at KCH or HMCH are provided to all patients free of charge. Water and electricity are

provided by the National Parks Service (NPS) and DOH, respectively. All patients receive a \$45.00 per week food credit to purchase goods from the Kalaupapa store. Patients on the “meals on wheels” program have the cost of their meals deducted from their food allowance. Patients who receive all their meals through the “meals on wheels” program retain a \$10.00 per week credit of their ration at the Kalaupapa store for personal items and incidental purchases. The patients also receive a quarterly \$30.00 cash allowance and a \$70.00 clothing allowance twice a year. For those patients without any third party medical insurance, the DOH pays their Medicare Part A and Part B premiums to save on medical costs, and Medicare Part D premiums to save on drug costs.

As part of the preventive health plan for our patient residents, all residents received their annual influenza immunization along with the annual tuberculosis skin test and the herpes zoster (shingles) vaccination. All patients executed or updated their Physician Orders For Life-Sustaining Treatment this past year.

The Department’s progress toward defining and addressing the non-medical needs of patients

The DOH continues to encourage two-way communication between the DOH and the patients by holding monthly community meetings. The NPS also attends these meetings. In addition to addressing patients’ concerns and getting patient input on issues that concern them, the meetings provide a venue for the DOH and NPS staff to announce activities occurring within the settlement, to introduce new staff to the patient community or to address common community issues. A frequent patient complaint prior to the monthly community meetings was, “I didn’t know they (DOH/NPS) were doing that” or “There are many new faces in the settlement we don’t know.” In a small isolated community such as Kalaupapa, such changes can be unsettling. The community meetings have mitigated much of the uneasiness. Quarterly meetings with the Patient Advisory Council (PAC) have been utilized since June 2003. They are hosted by the Kalaupapa Administrator who forwards the information discussed to the Branch administration.

Kalaupapa is a “closed” community by State law, enacted to protect the privacy of the patient residents. Visitors to the settlement may only enter the settlement at the invitation of a Kalaupapa resident if they are not on the official NPS sanctioned tour. With the high profile status of Saints Damien and Marianne, there has been a large increase in the numbers of sponsored visitors to the settlement. This has placed a heavy burden on the patients, as they often feel obligated to host visiting groups often while dealing with their own medical issues. There have been several incidents of patients hosting visiting groups at the detriment of their own fragile health.

In recognition of this additional stress on the patients, the Branch initiated a discussion with the PAC to review the visitor policy rules. Amendments to the rules could alleviate some of the sponsorship demands on the patients. Almost unanimously, the patients declined any changes to the settlement visitation policy. The Branch supports the

patients' decision and counsels them when their health is impacted from the numbers or frequency of visitors he/she hosts.

This past year, Kalaupapa faced a serious weather threat from Hurricanes Iselle and Julio. Both storms dissipated before reaching Kalaupapa. Winds from tropical storm Iselle brought down a power line knocking out power to half the settlement. Backup generators at the care home and kitchen were utilized until power was restored within 24 hours. Repeated emergency preparedness exercises by both the DOH and the NPS has insured effective and confident responses to these potential disasters.

Emergency response improvements as a result of preparedness activities included updating the satellite phones, restocking the ambulance with fresh supplies, and installing a new satellite phone antenna with back up solar power on the emergency supply trailer. The Healthcare Association of Hawaii has been instrumental in keeping the settlement well stocked with emergency equipment and supplies and trained.

In May, most of the hard-wired telephones in the settlement failed. The settlement does not have cellular telephone service. Repeated visits by Hawaiian Telcom repair crews got most of the phones working, but many have continuing issues with loud static and continuously dropped calls. Analysis of the distribution system revealed the aging communication electronics are not weather shielded and all electronic components at the distribution hub appear to be gradually failing. A new system will be installed in a weather-shielded room; however, Hawaiian Telcom will not be able to initiate the long-term repair until sometime in 2015.

As a backup to the unreliable landlines, we will pursue cellular capability with cellular providers. Assistance has been requested from the congressional delegation, United States Senator Hirono and United States Congresswoman Gabbard. A Voice Over IP (VoIP) option (magicJack) using the internet has been purchased and operationalized. Its usage in a weather crisis is contingent on continuous electricity and internet connectivity. Other limitations as to who can be called have also been encountered, potentially limiting its usefulness.

Early in 2014, the United States Department of Transportation (DOT) solicited comments on the air carriers vying for the Kalaupapa essential air service route. A letter of support for Makani Kai Airlines from the Kalaupapa patients and residents was sent in March 2014. Makani Kai Airlines was the essential air service provider and the patients, DOH and NPS staff were very satisfied with their provision of service. The DOT announced in June 2014 the selection of Makani Kai Airlines as the essential air service provider for Kalaupapa for the next contract period. Makani Kai Airlines has continued to work very closely with the Kalaupapa community to meet all their air service needs.

In 2004, a patient household appliance replacement program was initiated to address this audit-identified issue. The appliance replacement program was developed after surveying the patients for their input as to how the program should be run. A collection

of each of five major appliances (washer, dryer, refrigerator, stove, and water heater) was brought in on the 2004 barge. Microwave ovens were added to the pool in 2005. This year, two dryers, one washer, and one refrigerator were replaced for two patients.

The Department's progress toward promoting a positive living environment

Kalaupapa Settlement received their annual once-a-year barge supplies from Young Brothers Ltd. on August 2, 2014. The essential supplies are building materials, fuel, vehicles and other goods from Oahu. Young Brothers subcontracts with American Marine whose barge is the only vessel in the state that is small enough to fit into the tight harbor, and large enough to accommodate gasoline tankers with roll-on/roll-off capability. The NPS is the lead party in negotiating the barge contract. In the past, the NPS Superintendent was in charge of the negotiation, but all contract responsibilities have been transferred to the contracting office at Hawaii Volcanoes National Park. The DOH splits the cost of the annual barge with the NPS. A Memorandum of Agreement was executed between the DOH and the NPS for sharing of barge the cost.

Capital Improvement Project (CIP) funds secured during the 2012 legislative session allowed for the replacement of the roofs on the Kalaupapa administration and store buildings with the remaining funding applied to the closure of the municipal solid waste (MSW) landfill. The reroofing work was initiated and completed on September 17, 2013. The original plan was to have Kalaupapa staff and existing equipment close the construction and demolition (C & D) landfill concurrently with the closure of the MSW. Administrative rules, Hawaii Administrative Rules, Title 11, Chapter 58.1-1-17 (a), require the C & D be closed in the same manner as the MSW. The closure requirements for the C & D are beyond the expertise of staff and the availability of equipment, and require an additional CIP funding request from the 2015 Legislature. The MSW landfill is projected to be formally closed in the summer of 2015. If additional CIP funds can be secured, the C & D landfill will be closed in the summer of 2016.

Landfill statutes require closed landfills to be maintained and monitored for 30 years post-closure. The two Kalaupapa landfills will need to be periodically maintained to insure the integrity of the soil cap and erosion barriers as well as monitored quarterly for leachate and gas discharge. The annual cost is estimated at approximately \$20,000, which may require some level of DOH participation even after all the patients are gone.

Assistance was requested from the DOH Solid & Hazardous Waste Branch (SHWB) to follow up on potential hazardous wastes sites identified in a NPS hazardous waste assessment report. Two site visits for sampling of the affected sites were conducted and no major hazardous wastes were found.

New administrative rules were posted by the DOH's SHWB for underground storage tanks (UST) statewide, effective August 9, 2013. The new administrative rules require all new UST to be double wall constructed. Kalaupapa's three USTs (gas tanks) with their current existing single wall construction will be grandfathered.

The DOH has been active in promoting and providing a positive living environment in Kalaupapa. The following extracts, previously provided in quarterly reports to the Legislature, provide a chronology of DOH-supported activities and events for the period October 2013 through September 2014.

October

Requested in October and received in December a waiver from the governor to exclude Kalaupapa and Hale Mohalu from a State hiring freeze in order to maintain 24/7 operations.

Confirmed federal funding for Kalaupapa with congressional delegation.

Communicable Disease and Public Health Nursing Division (CDPHND) Chief attended the Kalaupapa community meeting.

Annual legislative audit report completed and submitted.

Participated in Saint Marianne Cope's canonization celebration.

Letter of support for Makani Kai Airlines sent by the patients and staff residents to the Federal Administration Association regarding essential air service selection.

November

Branch Chief and Public Health Administrative Officer (PHAO) attended the PAC and Kalaupapa Settlement Community Meeting.

Initiated request with union to reinstitute a previously used staffing shift model in order to reduce overtime cost.

Patient survey conducted to obtain information on their desires for how and where they would receive their medical care.

Transported Kalaupapa Settlement and Hale Mohalu patients to a funeral for a former long-term Kalaupapa nurse.

Staff met with Hawaii Department of Human Resources Development and Diagnostic Laboratory Services, Inc. to explore other cost effective options to conduct random drug and alcohol testing in Kalaupapa as specified by union contract.

Thanksgiving dinner held for the patients.

December

Loretta Fuddy, Director of Health and Keith Yamamoto, Deputy Director met with patients and staff to hear their issues and concerns. Return flight crashed. Staff assisted with rescue. There were eight survivors, with the Director the lone fatality.

Two days grievance counseling provided for patients and staff to assist with the traumatic passing of the Director.

CIP funds requested to close landfills.

Annual Christmas caroling, patient sponsored Christmas lights contest, and Lion's Club sponsored Christmas Party held for the patients.

January

Meeting with Hawaii DOT and the NPS regarding a proposed fire station at Kalaupapa Airport and 139-airport certification for Kalaupapa airport.

Institutional analysis conducted by the United States Army Corp of Engineers to determine land use controls for the former Makanalua Bombing Range in Kalaupapa.

Renewed dietician's contract.

Hot wash/after actions evaluation held by the NPS, the DOH, and Health Care Association of Hawaii to review agencies' response to Makani Kai Airlines' December 2013 airplane crash.

Notification from Senator Hirono's office that Makani Kai Airlines has been selected by the US DOT to provide essential air service to Kalaupapa through May 31, 2014.

February

Branch Chief attended the PAC meeting and community meeting.

Request from the Branch to HGEA Unit 9 to consider allowing a nursing shift beginning at 12 pm and ending at 8:30 pm to increase staffing efficiency and effectiveness.

Results of patient care survey conducted in November 2013 shared with the patients. Survey was conducted to identify where and by whom the Kalaupapa patients preferred to receive their patient care and asked about patient's satisfaction with care currently received.

Conducted survey to obtain patients' input on how to deal with their peers who can no longer drive safely within Kalaupapa settlement.

March

Met with SHWB to discuss landfill closure and hazardous waste sites identified in a NPS assessment report.

Briefed the NPS on impending landfill closures and private contractors' site visit to develop scopes of services for formal landfill closure.

Letter of support for Makani Kai Airlines from the Kalaupapa patients and residents sent to the US DOT in support of continuing the essential air service provided by Makani Kai after May 31, 2014.

Act 111, SLH 2014, includes Kalaupapa/Kalawao County under Maui County for emergency response and state of emergency declarations.

April

Hawaii DOH Communicable Disease and Public Health Nursing Division Chief, Hansen's Disease Branch Chief, and Public Health Administrative Officer visited Kalaupapa to meet with the PAC, NPS, and Kalaupapa community and to provide blood borne pathogen training to the care home staff.

Meeting with Linda Rosen, Director of Health to discuss patient driving competency in Kalaupapa.

Meeting with the Director of Health, SHWB, and DOH facilities office to discuss closures of the MSW landfill and the C&D landfill. Also discussed post closure monitoring responsibilities.

Hosted site visit by DOH's SHWB management team and the Deputy Director of Environmental Health Administration. Samples from potential hazardous waste sites identified by the NPS were taken to determine if further follow up is necessary.

Hosted site visit by landfill closure consultant to develop scopes of services for the formal closure contracts of the MSW and C&D.

May

Annual barge contract executed between the NPS and Young Brothers Tug and Barge. Memorandum of Agreement for one year between the DOH and the NPS executed for sharing of barge cost.

Annual Kalaupapa barge set for August 2, 2014.

State mandated training on discrimination and harassment held in Kalaupapa for all State employees.

June

Director of Health, accompanied by the Branch Chief was introduced to the patients, state employees and NPS staff.

Meeting to coordinate landfill closure efforts held with staff from the SHWB, DOH Clean Water Branch, Department of Accounting and General Services (DAGS), Office of Environmental Quality Control, Deputy Director of Environmental Health Administration, DOH Facilities Manager, closure plan consultant, CDPHND Chief and the Branch staff.

United States Coast Guard and Makani Kai Airlines conducted rescue demonstration for the Kalaupapa Community.

Contact made with the producer of the stage play *Ko'olau* to explore the possibility of bringing the one-man play to Kalaupapa.

US DOT announces the selection of Makani Kai Airlines as the essential air service provider for Kalaupapa. Kalaupapa community instrumental in providing support for Makani Kai's continuing provision of air service.

July

CDPHND Chief and Branch Chief attended the community meeting and PAC meeting.

Problems with most landline phones in the settlement escalate. Hawaiian Telcom contacted to initiate repairs. Numerous repairs made with no resolution to problems.

Met with the Director of Health to inform her that only the MSW landfill can be closed with the existing CIP funds. New funds for closure of the C&D landfill will need to be requested.

Meeting with the Director of Health, CDPHND Chief, landfill closure AECOM consultant, and the Branch staff on reviewing options for the landfill closure.

Met with the only bidder for the MSW closure to negotiate cost.

Commented on renovation plans for the Kalaupapa airport terminal structure. Project initiated by the Airports Division of the Hawaii DOT as part of a master plan to certify Kalaupapa as a 139 airport.

Transported patients to the Cathedral of Our Lady of Peace for a ceremony and Mass for Saint Marianne Cope.

A 4th of July fishing tournament with luau held for the community.

Community wide bingo night held.

August

Kalaupapa Annual barge arrived on August 2, 2014 with the year's supplies for the Kalaupapa patient-resident community.

Emergency preparation for the Hurricanes Iselle and Julio that were coming towards the islands. There was no damage to residents and buildings, minimum preparation was needed as the storms moved away from Molokai, but electricity and communication lines were down for a period of time.

Hosted seven VIP's from the US Centers for Disease Control and Prevention and the National Hansen's Disease Center, Carville, New Orleans for a Kalaupapa visit.

Met with the Director and Deputy Director of Health to strategize MSW and C&D closure. Only single bid proposal was double the cost that was allocated for CIP. Only MSW can be closed in summer of 2015 with the available funding.

Hosted HAM radio operators club. Previously donated HAM radios were tested and one additional operator licensed.

September

Director of Health, CDPHND Chief, and HDB Chief met with Hawaiian Telcom staff to discuss short term and long term resolutions of Kalaupapa's phone problems that remain unresolved since July 2014.

Senator Hirono's office contacted to see if she might assist with resolving telephone problems in Kalaupapa.

Arrangements made to finalize the showing of the play *The Legend of Koolau* on November 21, 2014 in Kalaupapa.

Toby Clairmont, Director, Emergency Services, Healthcare Association of Hawaii, trained KS staff on usage of Satellite phone.

Hawaii DOH Hazard Evaluation and Emergency Response follow up sampling of identified hazardous waste sites showed no contaminants of identified areas.

On Going Annual Events

Annual bingo night for all community residents.

Easter Egg Hunt, Halloween Party, and Costume Contest for all residents sponsored by a patient resident.

Annual Christmas caroling with DOH staff and patients. The group practices the songs at KCH then drives around the settlement in two large vans, stopping at each patient's home to sing. After caroling, everyone assembles at the church hall for refreshments.

Annual Christmas decorating contest sponsored by a patient resident.

Annual community Christmas party with Santa. The party, sponsored by the Kalaupapa Lions Club, is always a festive event, with Santa giving out numerous presents to patients, a full dinner, and entertainment.

Annual New Year's party for all residents.

Annual Super Bowl party for all residents.

A patient resident sponsors twice-weekly (Wednesdays and Saturdays) volleyball games for the patients and community.

St. John Vianney Choir from Kailua performed their annual summer and Christmas concerts for the patients and community.

The Department's management of State resources, including benefits given to employees that are not statutorily defined

No new benefits that are not statutorily defined have been given to the Kalaupapa employees during 2014. The DOH continues to manage state resources according to the State's policies and procedures for purchasing goods and services, expending goods, and disposing of expired durable goods, as originally described in the 2005 Legislative Report.

The Department's progress toward establishing written policies and procedures for Kalaupapa store.

The Kalaupapa store has effectively utilized the policies and procedures developed in January 2004 to dispose of inventory that expired or was deemed unsellable. The audit identified the lack of written policies and procedures for the disposal of inventory at the Kalaupapa store as contributing to an appearance of potential abuse. This was addressed in the first report to the Legislature in 2005.

The inventory management policy that has been in place for the past ten years insures "first in, first out" utilization of inventory. Quarterly inventory counts reconcile the actual inventory on hand with the database, determining annual purchase projections for each store item. Accurate annual usage data results in precise ordering and decreased overages for any given item.

For the period from October 2013 to September 2014, annual store purchases totaled \$98,725.85 with \$721 worth of store goods disposed of due to spoilage or expired sell dates. All disposals were requested by the store supervisor, authorized by the Kalaupapa Administrator, and witnessed and signed off by two other employees at the time of actual disposal.

The Department's progress toward establishing and maintaining a complaint file and adequately addressing complaints

Both the HD Branch Administration and the Kalaupapa Administrative Office set up a formal complaint process as of January 2004. It was patterned after the complaint process used by the Office of the Director of Health. All complaints are logged with the date received, how the complaint was received (e.g. phone call, letter), nature of the complaint, what actions were taken, and when the actions were taken. All complaints are followed up with a written response or a phone call to the person filing the complaint.

As of September 2014, the Branch office received two complaints. The first complaint was made by a patient-resident who complained that the air conditioners were being left on while the residents were not there. He was concerned about the electricity cost. The Kalaupapa Administrator was informed of the patient-resident's concern and will follow-up to campaign for conserving electricity amongst all residents.

The second complaint was made by a patient-resident that his identity was disclosed to the NPS plumbers regarding a complaint about a broken sewer line. The KS Administrator stated that he was unaware of the patient-resident's name and involvement and would assure confidentiality of all patient-residents.

The Kalaupapa Administrative Office received no written complaints during the past reporting period.

The performance of the Administrator, including compliance with job duties

The current Kalaupapa Administrator has been on the job for five years. He has performed capably under severe budgetary constraints as well as debilitating staff shortages. A number of patients have commented favorably on his performance. He has developed a positive relationship with the NPS.

The Department's progress toward adequate accountability of State property

Inventory control policies that were developed and implemented in June of 2004 have been utilized effectively for the annual barge visits. All new state property brought in on the barge are affixed with a decal. The state employee delivering the item must report the item/description, decal number, and location delivered to the administration office while the receiving party must sign for the item to acknowledge receipt. All state property shipped out on the barge for disposal must have a state-approved Disposal Application Form and be logged on the Kalaupapa Administration Office's Outgoing Barge Form to facilitate inventory control.

DAGS has raised the minimum per item cost that is required to be reported on each program's inventory forms from \$500 to \$1,000. Many purchased items for Kalaupapa no longer reach this threshold for inventory reporting. The program instituted an inventory log to keep track of high cost items that do not necessarily meet the inventory

threshold. Items such as chain saws, power tools, and appliances have been added to the internal program log.

Details and justification of approved employee air travel requests and trail pay

Each bargaining unit contract contains a specific article that allows a Kalaupapa employee whose permanent residence is on “topside” Molokai, and who is provided quarters in Kalaupapa as a matter of convenience be granted either three roundtrips by air per month, or two hours of travel pay for walking up and down the trail once a week to topside. Employees whose permanent residence is in Kalaupapa will be granted one roundtrip by air to topside each month or in lieu of the once a month round trips to topside, an employee may take one inter-island round trip per quarter.

Employee air travel procedures that were modified, implemented, and reported in the 2005 Legislative Report continue to be utilized. All employee requests for air travel reimbursement must be substantiated by a valid airline receipt. In addition to submitting the receipt, the employee must also complete and sign a reimbursement application at the end of each month for that month’s travel. These reimbursement requests are then sent to the Branch Office for review and approval by the administrative officer. The paper work is forwarded through the CDPHND Office to the DOH’s Administrative Services Office for submission to the DAGS to generate the reimbursement check.

For the period October 2013 through September 2014, the DOH expended \$10,210 for employee authorized trail pay. During the same period, the DOH expended \$22,396 on employee authorized air travel.

PATIENT AND NON-PATIENT COSTS

Act 232, SLH 2004, amended Section 326-13, HRS on expenses at Kalaupapa, to include a new subsection (b) in which “expenses related to patients shall be tracked separately from non-patient costs, whenever appropriate and possible.” There are a number of costs that can be tracked separately, but the majority of the costs for Kalaupapa cannot be separated.

The following is a summary of expenses that were tracked or that could be readily calculated.

Patient Expenses for the period October 1, 2013 through September 30, 2014:

	<u>COST (\$)</u>
Home Care Staff Salaries	115,011
Home Care Staff Overtime	5,376
Medications	48,525
Miscellaneous Medical Supplies	96,798
Medical & Ancillary Services	12,438
Medical Insurance Premiums (HMSA & Medicare)	16,800

Medicare Reimbursement	8,676
Nursing Facility Staff Salaries	685,167
Nursing Facility Staff OT	4,238
Patient Employee Program Salaries	32,514
Physician Services	51,849
Travel Cost for Medical Care	11,420
Pharmaceutical Services	2,160
Dietary & Nutrition Services	1,992
Physical Therapy Services	239
Cash Food Allowance	8,146
Food Rations (\$45 per patient per week drawn at the store)	19,080
Meals (5,296 @ \$5.00 ea.)	26,480
Clothing Allowance (\$70 per patient per 6 months)	2,240
Cash Allowance (\$30 per patient per quarter)	1,920
Patient Employee Program Pensions	38,532
Appliances (washer, dryer, refrigerator, stove, water heater, microwave oven)	32,985
Beautician	0
Stamped Envelopes (10 per patient per month)	140

Non Patient/Employee Expenses for the period October 1, 2013 through September 30, 2014:

Trail Pay/Air Travel	32,606
Employee Meals (11820 meals @ \$5.00)	59,100
Salaries (Admin, Food Services and Const. & Mtnce.)	936,272
Overtime (Admin, Food Services and Const. & Mtnce.)	30,174
Standby Pay	15,458
Employee Safety Equipment Cost (steel toe shoes, gloves, goggles, respirators, scaffolds/harness, etc.)	1,260
Store Disposals	721

Expenses that would be difficult to track as either patient or non-patient include:

Administrative/clerical Services: labor cost, supplies, facility maintenance, utilities
Housekeeping Services: labor cost, supplies, facility maintenance, utilities, and equipment

Food Services: labor cost, supplies, facility maintenance, equipment cost and maintenance, utilities

Kalaupapa Store: labor cost, supplies, facility maintenance, utilities, shipping, and spoilage

General Construction and Maintenance Services: labor cost, supplies, facility maintenance, utilities, equipment cost and maintenance

Electricity Cost: (State buildings are not metered and one bill is generated)

Trash Pickup and Landfill Operations

Upkeep of Common Areas

In all the above examples, the DOH staff provides services for patients, staff, visitors, and in some cases, the NPS. It is difficult to separate most costs in Kalaupapa and even if possible, would be at great cost in time, energy, and staffing with questionable accuracy. As an example, the Housekeeping Unit provides janitorial and housekeeping services for the nursing facility, state offices, community buildings (e.g. McVeigh Hall), and all the visitor's quarters. The community building and visitor's quarters are used by patients and non-patients daily. Assigning costs for supplies used, cost of utilities, facility or building maintenance, and equipment purchased or used would be very difficult in this case. It would have to be done for every different function or activity that each service section provides.

The General Construction and Building Maintenance Units provide general construction and maintenance services and are responsible for repair and maintenance of all buildings within the settlement. Painting, carpentry, common area yard maintenance, vehicle repair and maintenance, garbage pickup, and landfill operations are subunits under the two units. As in the previous example above, all subunits would have to be evaluated making assignment to either a patient or non-patient category difficult. In order to separate patient and non-patient cost, each activity would have to be evaluated separately to assign a cost estimate rather than actual costs in most cases.

The DOH is greatly appreciative for the opportunity to share with the Hawaii Legislature all the actions it has taken to address the auditor's report and improve the quality of life for the patients of the Kalaupapa Settlement. The DOH feels that most of the issues identified in the audit have been addressed over the past years.