

REPORT TO THE TWENTY-NINTH LEGISLATURE
STATE OF HAWAII
2017

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
NOVEMBER 2016

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 2017 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 in 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-Ninth Legislature, 2017 is an update to previously addressed issues.

The focus for the DOH during this past year has been 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.

The Hansen's Disease Branch worked with the Department of Accounting and General Services, Public Works Department to select a contractor to execute the Municipal Solid Waste (MSW) landfill closure. Formal closure of the MSW landfill is scheduled for February 2017. The DOH is responsible for the establishment of the vegetative cover for the landfill, periodic inspections and maintenance to ensure the soil cap remains intact, and quarterly leachate and gas monitoring of the MSW landfill.

Kalaupapa's archaic hardwired telephone system has reached the end of its useful life. Continuous problems with no connections, dropped calls and loud static have only been marginally mitigated through repeated repairs to the system. Telephone and internet services were down frequently for several weeks in Kalaupapa. Hawaiian Telephone Company's Maui affiliate have sent their staff to repair on-going problems.

The annual barge for Kalaupapa was twice delayed by Young Brothers and arrived on August 6, 2016. Young Brothers sub-contracts with American Marine who delivered the supplies and equipment to Kalaupapa. A small diesel spill of less than one gallon entered the harbor waters. The spill occurred when a make shift ramp damaged the valve of a tanker truck. Young Brothers prepared an incident report as required by federal and state agencies.

On September 6, 2016, an early morning fire destroyed the certified commercial kitchen that served the patients and staff in Kalaupapa. No injuries were reported. The kitchen was completely destroyed, but DOH and the NPS staff kept the fire from spreading to

other surrounding buildings. A kitchen in the care home facility is being utilized to temporarily provide meals for the patients.

At the end of hurricane season in 2015, the state of Hawaii experienced heavy rains and flooding from hurricanes Oho and Olaf. From the beginning of the hurricane season in 2016, severe weather affected Maui County from July 2016 starting with Tropical Storm Darby, Hurricane Georgette, Tropical Storm Frank, Tropical Storm Estelle, Tropical Storm Howard, Tropical Storm Ivette, Hurricane Lester, and Tropical Storm Madeline. Kalaupapa experienced heavy rain, strong winds, large surf, high temperatures and humidity; but were fortunate that no severe weather damage occurred. Kalaupapa's incident command system was called up numerous times in response.

Due to several retirements and resignations this past year, new staff was hired for the following positions in 2016: Hansen's Disease Branch Chief, Kalaupapa Settlement Administrator, Kalaupapa Care Home Nursing Supervisor, Branch Social Worker, and several support staff positions at both care homes. Orientation and training of new staff has been a priority for the branch chief and the public health administrative officer.

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

described in the 2005 through 2016 Annual Reports to the Legislature. This 2017 report details the DOH'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 13 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' ages range from 75 to 92 years; the median age is 82 years. There were three patient deaths this year.

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. The patients also receive lawn services. Approximately seven patients continue to live independently in their homes in Kalaupapa, with one patient living independently on Kauai, and one on Oahu.

Patients' homes are remodeled as needed 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, two homes were remodeled with a wheelchair ramp and wheelchair accessible bathroom for increased in-house mobility. One patient's home and four other DOH buildings 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 2015 through September 2016, one Kalaupapa patient received 18 PT treatments and one patient received one occupational therapy (OT) treatment on Oahu during their extended stays at HMCH. These treatments were provided through Care Resources of Hawaii. One patient was admitted to the Rehabilitation Hospital of the Pacific receiving 13 sessions of PT and nine sessions of OT.

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. Currently one resident resides at the KCH and another resident sleeps nightly at the care home. 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. PharMerica staff provides quarterly medications review with the KCH nursing staff. The contract for patient medical services continues with the University Clinical, Education & Research Associates (UCERA).

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 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. Two of the patients were on long-term dialysis through most of the previous year. 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 were no patient evacuations 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 \$30.00 cash allowance quarterly and a \$70.00 clothing allowance semiannually. 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 Hepatitis A vaccine and their annual tuberculosis skin test in October 2016. A tetanus immunization was provided for one patient.

Physician Orders for Life-Sustaining Treatment (POLST) determines what level of medical care a patient wants in the event of a medical emergency that may be life threatening. A past patient admission to the emergency room required clarification on the differences between comfort care only and limited interventions. HMCH staff have reviewed all patients' POLST to ensure they are current and consistent with the patients' desires. One patient changed her POLST based on additional clarification.

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

The DOH continues to encourage two-way communication between DOH and 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 number 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. Options and procedures have been offered to the patients to help relieve some of the sponsorship burdens, but so far have been declined by the patients in favor of keeping control of who can visit the settlement.

At the end of hurricane season in 2015, the state of Hawaii experienced heavy rains and flooding from hurricanes Oho and Olaf. From the beginning of the hurricane season in 2016, severe weather affected Maui County from July 2016, starting with Tropical Storm Darby, Hurricane Georgette, Tropical Storm Frank, Tropical Storm Estelle, Tropical Storm Howard, Tropical Storm Ivette, Hurricane Lester, and Tropical Storm Madeline. Kalaupapa experienced lots of heavy rain, strong winds, large surf, high temperatures and humidity; but were fortunate that no severe weather damage occurred.

Kalaupapa's incident command center was called up numerous times to take preventive actions should the storms directly impact the peninsula. Repeated emergency preparation exercises by both the DOH and the NPS has insured effective and confident responses to these types of threats.

House Bill 849, Relating to Emergency Management, was passed in the 2014 legislative session. The bill gives the Maui County Mayor the responsibility and authority to coordinate all emergency responses and actions for Kalawao County. Kalawao previously reported directly to Hawaii Emergency Management Agency (State Civil Defense) and the Governor. During Hurricane Lester's track to Maui County on August 31, 2016, the new Kalaupapa Administrator's contact information was provided to the Maui County Civil Defense Agency's Emergency Management Officer, Anna Foust to coordinate planning and communication.

Kalaupapa's archaic hardwired telephone system has reached the end of its useful life. Continuous problems with no connections, dropped calls and loud static have only been marginally mitigated through repeated repairs to the system. A long-term plan in which new distribution equipment would be installed in a sealed weatherproof room was developed and executed by Hawaiian Telcom. Complex programming problems continue to hamper completion of the project.

On September 6, 2016 an early morning fire destroyed the certified commercial kitchen that served patients and staff in Kalaupapa. No injuries were reported. The kitchen was completely destroyed, but the DOH and NPS staff kept the fire from spreading to other surrounding buildings. The Maui County Fire Department was called in to see if a determination could be made as to the cause. No determination has been made at this time. A kitchen in the care home facility is being utilized to temporarily provide meals for the patients.

The essential air service provider for Kalaupapa, Makani Kai Airlines, continues to provide excellent service to the Kalaupapa patients and staff. Since July, Makani Kai expanded its daily round trips between Honolulu and Molokai while maintaining its Kalaupapa flight schedule and \$50 one-way fare to and from Honolulu to Molokai.

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 three patients.

The Department's progress toward promoting a positive living environment

Kalaupapa Settlement received their annual once-a-year barge supplies from Young Brothers Tug and Barge on August 6, 2016. The essential supplies are building materials, fuel, vehicles and other durable 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 barge delivery date was rescheduled twice before finally arriving in August of 2016. This created many problems with vendors for both the DOH and the NPS as purchases had to be stored for the later sailing dates. A small diesel spill occurred at the time of delivery in Kalaupapa when the make shift barge ramp damaged a valve on the tanker truck. Young Brothers prepared the incident report as required by the federal and state agency laws. 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. This past year, the NPS executed a five-year contract with Young Brother to continue the annual barge delivery. 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 the cost of the barge.

The Kalaupapa Municipal Solid Waste (MSW) landfill is scheduled to formally close in February 2017. Two new capital improvement projects (CIP) funding was received during the 2016 legislative session to close the construction and demolition (C&D) landfill. The CIP funding is required to develop a C&D closure plan and assess other environmental issues in Kalaupapa with additional funding to be requested once the closure cost is identified. A second CIP was secured for the design and construction to re-roof buildings and other related improvements to structures due to deterioration from the environmental elements.

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 \$20,000, which may require some level of DOH participation even after the patients are gone. A post-closure maintenance plan is being followed and staff will be trained to fulfill the post-closure requirements.

In 2012, the NPS funded a study to identify hazardous waste sites in Kalaupapa. The study, *2012 Preliminary Site Assessment of Accumulated Waste at Kalaupapa National Historical Park* identified a number of potential hazardous waste sites. The Branch consulted with the DOH's Environmental Health Division's Hazard Evaluation and Emergency Response (HEER) office for their technical assistance to determine if the identified sites posed a hazardous waste danger. Identified sites were sampled and determined to pose no risk. As a result of the initial evaluation, the NPS launched a comprehensive Phase I Environmental Site Assessment (ESA) to identify all potential hazardous waste sites in Kalaupapa. A Phase II remediation plan and action will be required upon completion of the Phase I study.

The coordination required for addressing the NPS's Phase I ESA provided a good segue for the DOH to coordinate transition issues with other State agency stakeholders, i.e., Department of Hawaiian Home Lands (DHHL), the Department of Land and Natural Resources (DLNR), and the Department of Transportation (DOT) in preparation for the DOH's departure once the last patient-resident passes. Transition meetings were held in 2016 on April 8, May 11, July 22, and November 10.

Hawaii Revised Statutes (HRS) 326-35 authorizes a patient-resident to serve as the Sheriff of Kalaupapa and provide law enforcement activities. There are no qualified patient-residents available to serve as Sheriff and the Director of Health has the authority to appoint a surrogate. The NPS Rangers have been providing this service for the past few years. The NPS has requested a formal agreement between the DOH and the NPS to authorize the deputizing of the NPS Rangers in Kalaupapa. A formal agreement is in the final stages of being executed.

The Branch has participated since 2015 in the NPS's bi-weekly General Management Plan (GMP) Section 106 teleconference meetings to provide input as a stakeholder with other state agencies, Native Hawaiian community organizations, religious organizations, beneficiaries/relatives of the patient-residents and interested public citizens on the NPS transition plan for Kalaupapa after the last patient-resident passes. NPS has collected input from stakeholders on various topics under their preferred Alternative C proposal. A final draft report with collective stakeholder comments and recommendations was to be completed as early as in December 2016.

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 2015 through September 2016.

October

The Director of Health and Deputy Director for Health Resources were introduced to the Kalaupapa patients at the Kalaupapa Community meeting. The Communicable Disease and Public Health Nursing Division (CDPHND) Chief, HD Branch Chief and HD Branch Public Health Administrative Officer (PHAO) were also in attendance.

A Memorandum of Understanding to provide a new shift at the KCH was executed between the DOH and the Hawaii Government Employees Association.

A dietitian was contracted for the Kalaupapa patients.

A CIP request was submitted for Kalaupapa to design a C&D landfill closure plan as well as hire a consultant to work with the NPS to conduct an ESA of hazardous waste sites in Kalaupapa.

Iolani Teachers from Oahu, sponsored by the NPS Cultural Resource Manager, provided education preparation for their play about Kalaupapa. They were to perform at the Neal Blaisdell Concert Hall.

November

The Kalaupapa Administrator retired after serving seven years in the position.

The annual Kalaupapa Report to the Legislature was completed.

The Branch Chief and PHAO attended the PAC meeting and the community meeting.

The DOH / NPS transition meetings were reinitiated, primarily focusing on hazardous waste sites documentation.

The DOH HEER staff assisted with technical issues that may arise with the NPS and their ESA.

Thanksgiving meals were provided for patients at Kalaupapa and HMCH.

December

The Kalaupapa community held its annual community Christmas party and caroling.

DOH's Sanitation Branch inspected Kalaupapa's kitchen and issued an operating green placard.

The Office of Health Care Assurance conducted its annual inspection for both KCH and HMCH.

A Request for Proposals to provide physician medical services to the Kalaupapa patients was advertised.

A Kalaupapa patient sponsored the New Year's Eve Party.

January

The Branch Chief and the NPS Superintendent hosted Congressman Senator Brian Schatz and his staff for an introduction to the Kalaupapa community residents and to brief him on the Settlement issues, e.g., infrastructure needs.

The Branch Chief and PHAO attended the PAC meeting and Community meeting.

The Kalaupapa Care Home Nursing Supervisor resigned.

An annual Memorandum of Agreement was executed with the NPS for contracting the Kalaupapa barge service.

A contract for the provision of Kalaupapa patient medical services was awarded to UCERA for the period 2016 – 2018.

February

The Branch Chief and PHAO attended the community meeting and met with the Branch staff to discuss personnel issues.

The Branch Secretary traveled to Kalaupapa to train the care home Office Assistant II on clerical duties.

A CIP funding bill was submitted with the Governor's budget to fund developing the C&D landfill closure plan and to re-roof patient homes in Kalaupapa.

March

The CDPHND Chief, Branch Chief and PHAO had meetings with the NPS, Kalaupapa community and care home staff.

The Branch administration interviewed and selected a nursing supervisor for the KCH.

The Branch staff escorted patients to the Hale Mohalu Pearl City Affordable Housing new building dedication ceremony. The patient-residents were interviewed by the Honolulu Star-Advertiser.

Easter Sunday Coconut Hunt and Lunch was held on Sunday, March 27, 2016 for the community.

Hale Mohalu Care Home received its annual operating permit from the Office of Health Care Assurance.

April

The Branch coordinated and hosted a meeting with representatives from the DHHL, DLNR, and DOT to discuss the proposed NPS Phase I ESA. In addition, transitional

issues related to the DOH's phase out from Kalaupapa upon the passing of the last patient-resident, were discussed.

The Branch Chief and PHAO attended the PAC meeting and community meeting.

The Branch met with the DLNR, State Historic Preservation Division to address concerns raised regarding renovation projects in Kalaupapa.

A Kalaupapa Care Home Nursing Supervisor was hired.

May

A two-month credit for non-service was secured from Oceanic Time Warner Cable for the patients and the residents.

The HDB Chief and PHAO attended the PAC meeting and community meeting.

The HDB coordinated and hosted a meeting with DHHL, DLNR, DOT, and the NPS to discuss the background and issues surrounding the NPS's Phase I ESA.

A meeting with the NPS was held to discuss their GMP update and DOH to NPS transition issues.

A meeting was held with DLNR/State Historic Preservation Division (SHPD) to initiate developing a Memorandum of Agreement between DOH/Kalaupapa and DLNR/SHPD.

A meeting with the MSW closure consultant AECOM Pacific, Inc. was held to develop MSW post closure monitoring requirements.

A Kalaupapa Settlement Administrator was hired.

Kalaupapa Performing Arts Summer Concert was led by a Kalaupapa Care Home Staff.

June

The CDPHND Chief, Branch Chief, and PHAO attended the PAC meeting and community meeting.

The annual July barge that carries food, supplies, and equipment to Kalaupapa was re-scheduled twice, from the original July 16, 2016 delivery date to July 23, 2016 and then again to August 6, 2016.

The Branch was notified by the NPS that a second patient-owned tour company at Kalaupapa would begin operation.

The CIP funding was secured to re-roof the buildings and other related improvements, and to develop the C&D landfill closure plan and to assess other environmental issues.

The Pharmerica pharmacist visited KCH to conduct his quarterly medication and patient chart and Medication Administration Record review.

July

Summer Concert performed by the St. John Vianney of Kailua Church Choir followed by a spaghetti dinner with salad for the community.

The Ka 'Ohana o ke Aloha Church provided a Sunday sermon, worship music at Kana'ana Hou church. The group also provided a luau and performed a concert for the community.

A Fourth of July fishing tournament was held followed by a community dinner and bingo.

The HDB coordinated and hosted a meeting with DHHL, DLNR, DOT, and the NPS to discuss the background and issues surrounding the NPS's Phase I ESA and transition.

August

The Branch Social Worker and the HMCH Nursing Supervisor retired August 1, 2016.

The Punahou Teachers Choir performed a concert "Na Himeni a me Na Mele no Ka Huaka`i I Kalaupapa" at the KCH. The group sang and performed hula.

The annual Young Brothers barge delivery of supplies occurred this month.

A Life Safety Consultant visited the KCH to conduct the annual fire safety survey at the KCH.

September

A Branch Social Worker was hired.

The Pharmerica pharmacist visited KCH to conduct his quarterly medication and patient chart and Medication Administration Record review.

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 FY 2016. 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 2015 to September 2016, annual store purchases totaled \$140,754 with \$1,375 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 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 2016, the Branch office received two complaints. Of the two complaints, one involved hunting behind the patient's house and the other with having NPS Ranger presence 24 hours in the community for safety. The NPS closed the hunting zone near the patient's home and will remap the hunting zones. The plan will be presented at the next Kalaupapa community meeting. The NPS also hired a new NPS Ranger to handle coverage in the Settlement.

The performance of the Administrator, including compliance with job duties

The current Kalaupapa Administrator has been on the job for four months. 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 and their two acting Superintendents.

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 logged in the Kalaupapa Administration Office's Outgoing Barge Form to facilitate inventory control.

Equipment of \$1,000 or greater is required to be reported on the Department of Accounting and General Services (DAGS) inventory system. 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 2015 through September 2016, the DOH expended \$40,696 for employee authorized trail pay and 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, 2015 through September 30, 2016:

	<u>COST (\$)</u>
Home Care Staff Salaries	123,738
Home Care Staff Overtime	12,893
Medications	32,875
Miscellaneous Medical Supplies	27,767
Medical & Ancillary Services	34,044
Medical Insurance Premiums (HMSA & Medicare)	18,033
Medicare Reimbursement	6,563
Nursing Facility Staff Salaries	681,376
Nursing Facility Staff OT	18,536
Patient Employee Program Salaries	34,744
Physician Services	65,572
Travel Cost for Medical Care	8,001
Pharmaceutical Services	2,160
Dietary & Nutrition Services	420
Physical Therapy Services	140
Cash Food Allowance	7,030
Food Rations (\$45 per patient per week drawn at the store)	17,280
Meals (5,396 @ \$5.00 ea.)	26,980
Clothing Allowance (\$70 per patient per 6 months)	1,797
Cash Allowance (\$30 per patient per quarter)	1,840
Patient Employee Program Pensions	25,881
Appliances (washer, dryer, refrigerator, stove, water heater, microwave oven)	0
Beautician	0
Stamped Envelopes (10 per patient per month)	191

Non Patient/Employee Expenses for the period October 1, 2015 through September 30, 2016:

Trail Pay/Air Travel	40,696
Employee Meals (14,824 meals @ \$5.00)	74,120
Salaries (Admin, Food Services and Const. & Mtnce.)	988,960
Overtime (Admin, Food Services and Const. & Mtnce.)	14,547
Standby Pay	16,069
Employee Safety Equipment Cost (steel toe shoes, gloves, goggles, respirators, scaffolds/harness, etc.)	3,273
Store Disposals	1,375

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 the vast majority of the issues identified in the audit have been addressed over the past years.