

REPORT TO THE TWENTY-FOURTH LEGISLATURE
STATE OF HAWAII
2008

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 2007

EXECUTIVE SUMMARY

In accordance with Section 326-25.5, Hawaii Revised Statute (HRS), the Department of Health (DOH) is submitting a report to the 2008 Legislature on initiatives and improvements in 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 (6) audit recommendations for the Department of Health identified in the Audit of Kalaupapa Settlement Operations and Expenditures have been addressed and corrected. Nine (9) areas of concern were identified in House Bill No. 2814, H.D.2, S.D.1, C.D.1, 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 and corrected and are delineated in the DOH's previous report to the Twenty-Third Legislature, 2005 and updated in the 2006 and 2007 reports.

The DOH's report to the Twenty-Fourth Legislature, 2008, is an update to previously addressed issues. During this past year, the DOH has been challenged with a number of costly infrastructure issues. Emergency repairs on the Kalaupapa bulkhead wall were successfully completed, saving the wall and adjacent historic warehouse and preventing the harbor from being unusable. Legislative funding for FY 2008 will allow the Hansen's Disease Branch to progress to phase two of the three phases of Kalaupapa pier and harbor remediation project.

Patient surveys initiated and completed by the Branch staff have continued to play a critical role in insuring all patients' voices are heard on critical and controversial issues. This year, three patient surveys were completed. Two surveys regarding the patient sponsored child visitation were instrumental in developing newly instituted child visitation policy, which addressed the majority of the patients' wishes. The third survey was conducted to obtain the patients' viewpoints on the *Ka Ohana O Kalaupapa* sponsored Kalaupapa patient memorial.

With the retirement of the barge "Aukai" because of sea worthiness issues, there were grave concerns that the settlement would be left without annual barge service to support transportation of all their durable goods. A meeting with the executive management of Young Brothers Tug and Barge service provided assurance that barge service to Kalaupapa will continue uninterrupted until the DOH and National Park Service (NPS) can complete all required remediation to the pier and harbor to ensure safe maneuvering and docking of the larger barges that will replace the "Aukai."

The Branch has been successful in requesting and receiving additional funding for patient specific issues such as electrical re-wiring of patients' homes, funding for additional security provided by NPS law enforcement rangers, and Capital Improvement Project (CIP) funding for a back up emergency generator for the Kalaupapa Care Home.

The formerly contentious issue of supplying patients with major household appliances is in its third year of operation and appears to be going smoothly. This past year, six patients were able to replace one of their five major appliances.

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 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 that are important to the patients of Kalaupapa. Many of the problems identified in the auditor's report from December 2004 were addressed and corrected. They are described in the 2005, 2006 and 2007 reports to the legislature. The 2008 report details the Department's continuing efforts to improve patient relations and community operations.

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

The DOH is responsible for providing all medical care for the 28 remaining former Hansen's disease patients on the Kalaupapa registry. This includes not only medical conditions related to their cured Hansen's disease, but also numerous other medical conditions that affect this geriatric population. All of the patients have handicapping disabilities related to their 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, chronic heart failure and various cancers commonly afflict this population.

The average age of the patients is 76 years old with a range in age from 66 years to 87 years old. The average age has remained relatively stable over the past few years at 75-76 years old. The patient mortality rate has also remained relatively stable at three to four deaths per year for a number of years. This year, there were five patient deaths since the last legislative report.

The DOH's goal has been to keep the patients as independent as possible at whatever level of capacity they may be at. To achieve this, the Hansen's Disease Branch developed a number of different programs and levels of patient care. The program 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 home chore worker program is also available to provide house cleaning services, home chore services, and light cooking. Most of the patients also receive lawn services provided by the DOH. For patients who are home bound or mobility impaired, the Kalaupapa Care Home provides services through a home outreach nurse who regularly assesses their health. Approximately fifteen patients continue to live independently in their homes.

For patients who are no longer able to live independently in their homes, the next level of care is provided at the Kalaupapa Care Home. Currently there are four long-term patients at the care home. The care home, which was previously licensed as a type II adult residential care home (ARCH II) was recently upgraded to a nursing facility, capable of accommodating patients at the skilled nursing level, intermediate care level, and care home level. The upgrade is on a trial basis to determine if a higher level of licensure for Kalaupapa Care Home should be included in a new comprehensive plan.

Staff nurses (RNs), licensed practical nurses (LPNs), paramedical assistants (PMAs) and home chore workers provide medical services in the Kalaupapa Nursing Facility. The difficult to fill, Nursing Supervisor position at the nursing facility was recently filled after a long vacancy. A long-term purchase of service (POS) contract with the University of Hawaii, John A. Burns School of Medicine provides physician services to Kalaupapa twice a week for outpatient visits and medical consultation. Although the contract is costly, it was the only option available when the DOH physician retired. Since the physician's retirement, the program continues its search for a physician to fill this position.

Patients requiring the next level of care are moved to the 14-bed Hale Mohalu Hospital at Leahi Hospital in Honolulu. Hale Mohalu Hospital is licensed as a broad service hospital 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 treatment in Honolulu hospitals. As described above, the administrative rules have been re-written to develop a new Hansen's disease specialty hospital title that facilitates the unique mandate of patient care. There are currently ten long-term Kalaupapa registry patients residing at Hale Mohalu Hospital.

Many specialty medical services are provided only in Honolulu. The DOH provides all airfare, food and lodging to those Kalaupapa patients on outpatient visits for such services. Patients with acute medical conditions often require air evacuation by air ambulance due to the isolation of the settlement and long periods between commercial scheduled flights. The DOH pays for this cost, but, as with all medical services, is the payer of last resort.

The DOH's Dental Health Division provides dental care for the Kalaupapa patients, with a dentist making monthly visits to Kalaupapa. A heavy workload and problems obtaining flights into Kalaupapa has created a backlog of Kalaupapa patients requiring preventive dental visits. Care Home staff met with the Dental Health Division to consider options to relieve the backlog. The option of scheduling the patients for their dental services on Oahu when they are there for other routine medical work ups was adopted and is working well.

In addition to medical services described above, the Kalaupapa patients are also provided with ancillary services and devices such as hearing aids, eyeglasses or contacts, prostheses, orthotics, shoes, and wheel chairs. A number of patients' homes were remodeled to accommodate their limited mobility. Ramps into homes, widening of doorways, and grab bars were installed in accordance with Americans with Disabilities Act (ADA) standards. Nine medically fragile patients who choose to remain in their homes were issued a medical emergency alert signaler that is worn to alert care home staff when they get into any situation that requires assistance.

In the summer of 2003, a patient who was receiving dialysis services in Honolulu made a request to go home to Kalaupapa and receive dialysis there. A community coalition consisting of the DOH, Office of Hawaiian Affairs, Liberty Dialysis (St. Francis Home Dialysis Program) and Na Puu Wai was formed to facilitate and expedite the request. With contributions from all of the parties involved, home dialysis was initiated in Kalaupapa in April of 2004, allowing the patient to return home to Kalaupapa and receive dialysis. In September of 2005, a second dialysis patient joined the first patient in Kalaupapa (this patient recently passed away). A third dialysis patient was added in July 2006 after a Kalaupapa working staff person was identified as a dialysis care giver and successfully completed the six week training at Hawaii Medical Center (St. Francis Hospital). A fourth patient will require dialysis in the next few months and will probably elect to receive dialysis in Kalaupapa, if possible. A third dialysis caregiver from the medical staff may need to be identified and complete the six-week training with the dialysis candidate/patient.

Patient-requested physical therapy services were initiated in December of 2004 in Kalaupapa. Physical therapy has an important role in their health care to maximize function, prevent decline, decrease pain, rehabilitate, and treat certain 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 deterioration in walking and loss of function. Exercise, activity and other physical therapy

interventions have a profound effect on overall health, restoring an individual's ability to perform the daily activities required to live independently in the community.

Between October 2006 and September 2007, 10 Kalaupapa patients received 28 physical therapy treatments in Kalaupapa from a privately contracted physical therapist. The treatments range from one or two sessions for some patients and as much as five or six for others. An average of four therapy sessions are provided per month.

Most of the patients' basic living needs are provided by the DOH. Homes or residences in the Kalaupapa Care Home or Hale Mohalu Hospital are provided to all patients free of charge. Water and electricity are also free of charge and are paid by the NPS and DOH, respectively. All patients receive a \$45.00 per week food credit to purchase goods in 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 for their Medicare A and B premiums and Medicare Part D (drug plan) to save on medical costs.

II. 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 as well as the Deputy Director of Health Resources Administration and the Communicable Disease Division Chief on at least a quarterly basis. In addition to addressing patients' concerns and getting patient input for those issues that concern them, the meetings provide a venue for the DOH and NPS staff to announce changes occurring or scheduled within the settlement and to introduce new staff to the patient community. 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), the Kalaupapa Administrator, Branch Administrative Officer, and the Branch Chief have also been utilized since June 2003 to maintain open lines of communication between patients and the DOH.

The audit noted that the "Department has not addressed the diminishing effectiveness of the Patients' Advisory Council." In the December 2004 meeting with the Patient Advisory Council, the Hansen's Disease Branch Chief discussed the issue that the PAC is not representing the patients' interests based on the opihi survey and a previous survey of the patient appliance replacement program. The opihi survey pointed out that 64% of all the patients were against any change in the opihi picking policy contrary to the PAC's recommendations. A number of reasons were identified by the PAC for their diminishing effectiveness, such as lack of communication between patients, lack of interest in issues, and non-participation by many patients.

It was agreed that currently, the best method to get the patient community's views and input on contentious or controversial issues is to have the HD staff survey all the patients. This was agreeable to the PAC and has been used a number of times with positive results.

The patient sponsored child visitation policy continues to be a very contentious issue for the patients. Because of the difficulty at arriving at any type of consensus, the branch has surveyed the total patient population twice on this issue in an effort to develop a compromise policy that would be acceptable to the majority of the patients (attachment A and B). After numerous meetings with the patient community, a new patient child visitation policy was developed and implemented effective September 1, 2007 on a trial basis (attachment C).

At the prompting of a Kalaupapa patient constituent, an increase in the Kalaupapa patients' pensions was introduced by Senator Rosalyn Baker. The patients earned the pension as employees of the Kalaupapa Patient Employment Program (PEP). Because the program is not part of the State civil service system, the pension is separate from the Employee Retirement System (ERS) and therefore does not receive the annual pension increases as ERS pensioners do. The proviso language provided Kalaupapa patient pension increases in fiscal years 2008 and 2009 with the greatest increases going to those patients who are paid the least. Instructions released in the Governor's FY 08 Budget Execution Policies and Instructions specifically deemed the language for the pension increase to be defective and directed the affected program to seek an Attorney General's (AG) opinion regarding its implementation. The Branch is awaiting the opinion from the AG before taking any action on the proviso.

House Concurrent Resolution (HCR) 257 was passed in the 2007 legislative session and calls for the Department of Hawaiian Home Lands (DHHL) to develop a long range, comprehensive plan for the future of Kalaupapa. The plan is to include the following components: 1) Goals, objectives, and policies for *malama aina* of Kalaupapa; 2) Determination of the sustainable capacity for human activity at Kalaupapa; 3) Proposed land uses, including classifications, criteria, and standards for the different types of development; 4) Protection and management of the rich prehistoric, historic, and cultural resources of Kalaupapa; 5) Protection and management of the flora and fauna, including avifauna and marine fauna, in and around Kalaupapa, and; 6) Protection of the aesthetics and natural beauty of Kalaupapa. DHHL is required to submit an interim plan to the 2008 legislative session with the final plan due to Legislature in 2011. The Department of Hawaiian Home Lands is directed to work with the NPS, DOH and the Ka Ohana O Kalaupapa to develop this document.

In August of 2007, Department of Health staff including the Deputy Director of Health Resources Administration, the Communicable Disease Division Chief and the Hansen's Disease Branch Chief met with members of the Ka Ohana O Kalaupapa to discuss issues concerning the Ohana's request to build a patient memorial in Kalaupapa. Two main issues need to be resolved before a memorial can be built. The first is a special waiver or new federal legislative language that would allow a memorial be built in a Historic National Park. The second is the conflict of releasing protected medical patient information if all Hansen's disease patients' names are included on the memorial. The Ohana is also petitioning the Congressional delegation and are receiving support from Representatives Maize Hirono and Neil Abercrombie.

Molokai Air Shuttle provided reliable air service to Kalaupapa until it went out of business in April of 2007. Pacific Wings is the only remaining airline servicing Kalaupapa. The Branch received numerous complaints from both Kalaupapa patients and DOH and NPS staff about Pacific Wing's delayed flights, cancelled flights, difficulty making reservations, poor customer service, and lost baggage.

Branch staff called the CEO of Pacific Wings to voice the complaints, but received no action or resolution to any of the issues. Both the Branch staff and the National Park Service staff called the Federal Department of Transportation to see if there was any recourse for the poor air service. Both were told that Pacific Wings had given up the federal essential air service (EAS) subsidy in March 2007 and was under no obligation to follow any of the mandatory EAS flight requirements. The Branch also passed on the patients' complaints to Senator Daniel Inouye.

At the end of 2007, Young Brothers Tug and Barge will retire the barge "Aukai" due to sea worthiness issues. The "Aukai" is the only barge that is large enough to service Kalaupapa with roll-on/roll-off capabilities to accommodate large gasoline tanker trucks and other heavy construction equipment, yet small enough to safely enter Kalaupapa's small harbor. Modifications for the pier and for harbor dredging are being pursued by both the DOH and NPS, but will not be in place to accommodate a larger barge until 2011 at the earliest. Branch staff met with the executive leadership of Young Brothers to discuss barge options available until a larger barge can be accommodated. A verbal commitment to continue the annual barge service to Kalaupapa was made by the Young Brothers leadership team even if it meant subcontracting a comparable barge from construction companies until all the harbor improvements are completed.

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 pool of each of the five major appliances (washer, dryer, refrigerator, stove, and water heater) was brought in on the 2004's barge. Microwave ovens were also added to the pool in 2005. As of last year's report, there were 30 appliances issued to 15 patients under this program. This year, five refrigerators and five microwave ovens were purchased to replenish the pool. Six patients replaced an appliance this year.

Increases in energy-related costs (electricity and gasoline) and shipping costs (air freight and barge delivery) were met by the 2007 budget appropriation.

III. The Department's progress toward promoting a positive living environment

This past year there have been a number of infrastructure challenges faced by both the DOH and the NPS. The State has been very fortunate to share infrastructure responsibilities with the NPS. One such example is the high volume cesspools to septic tank conversions required by the Federal Environmental Protection Agency (EPA). The NPS was able to secure funding for all 20 cesspools identified. After a number of setbacks and delays, the \$3 million project is scheduled to be completed by October 2007 and meet all amended EPA timelines and requirements.

The DOH has been working closely with the NPS to secure funding to address problems identified in the NPS's comprehensive plan titled "Kalaupapa Harbor and Pier Engineering Report" dated June 2005. In that report, serious problems were identified in the 30-year-old pier, the now repaired bulkhead wall, break water, mooring points, harbor and turning basin. The problems are further exacerbated by the fact that in 2008, Young Brothers Barge and Tug will be retiring the only barge that is large enough to accommodate the three large gasoline tanker trucks and trailers while being small enough to get into the tight harbor.

\$750,000 was allocated in FY 2006 for the design work on the falling bulkhead wall, and phase one repairs and stabilization of the bulkhead wall which were completed in September 2007. \$1,000,000 was appropriated for FY 2008, and phase two of the pier and harbor project will target the acute problems of spalling and cracking of the pier supports, replacement of the pier fendering system, replacement of the remaining bollards and bits, and installation of a mooring winch. These repairs are scheduled for the summer of 2008. The Branch continues to work and consult with the NPS to encourage federal funding for the total pier replacement, lengthening of the breakwater and harbor dredging.

Long-term storage (one time bulk purchase for the year) of the new ethanol gasoline mixture (E10) has created a problem with the gas separating into different components. Although the underground storage tanks were completely cleaned of all moisture and each tanks' gas caps and hatches were modified to prevent moisture seepage, the tanks contained a thick dark liquid that had to be cleaned out prior to the new batch of gas being stored. Ethanol free gas was purchased this year to avoid the recurrence of the previous year's problems.

In recent years, Molokai has experienced a huge increase in drug abuse, primarily crystal methamphetamine (ice). Kalaupapa has not been immune to this epidemic and the increasing severity and complexity of crimes has stressed the current security system. In 2004 and 2005, several reports of theft of personal, State and Federal property were reported. Molokai police reports were filed by nine Kalaupapa employees whose car tires were slashed and one car's break lines were cut while in the parking lot at the trailhead. Reports of employee workplace violence were investigated by the State, resulting in termination of one employee. This year, two cars were set on fire at the trailhead. One car belonged to a DOH employee and the other to a NPS employee. Molokai police investigated the incidents, but had no suspects.

In addition to the previously described actions (2007 legislative report) taken by the Branch to address the escalation of crimes and violence, the Branch contacted the Molokai Police Department senior management and requested assistance in stemming the drug problem. As a result, the Molokai police Captain and Sergeant visited the settlement to assess the situation and pledge their commitment to assist the Kalaupapa security team.

The DOH is responsible for the security of Kalaupapa as mandated in Hawaii Revised Statutes, Chapter 326. Per this chapter, a sheriff, who by law is a patient resident, and his deputies are appointed by the Director of Health. The changing nature of the crimes occurring in Kalaupapa combined with an aging patient population prompted the Branch to seek additional security and enforcement capacity to keep the patients and staff safe and secure.

The most cost effective and efficient option was to ask the NPS to provide law enforcement trained rangers that would live in the settlement. The NPS was willing to provide three seasonal rangers who could provide 10 hours of security coverage 7 days a week. The Branch has requested and received \$65,100 annually for FYs 2008 and 2009 to purchase this security coverage for the Kalaupapa community from the NPS. The NPS is also looking into converting one of their seasonal security staff positions into a permanent position to insure the stability of this added security program.

Two patients' homes were completely remodeled this past year in order to accommodate the resident patients' special needs. In addition to the remodeling, the electrical systems were completely replaced to meet the new electrical demands of numerous modern appliances. Ten more patients' homes are scheduled for improvements to electrical systems in the upcoming biennium.

The DOH has been active to promote and provide a positive living environment in Kalaupapa. The following extracts provide a chronology of DOH-supported activities and events during the past year.

October 2006

- Deputy Director of Health Resources Administration attended the monthly community meeting.
- Collected and shipped out of the settlement \$67,000 worth of hazardous waste produced by DOH and NPS operations. NPS paid for the disposal cost using their end of the year savings.
- Branch social worker represented DOH at the Ka Ohana O Kalaupapa annual meeting.

November 2006

- Comedian Frank Delima brought in for patient show and luncheon hosted by the Protestant church. Open to all Kalaupapa residents.
- The DOH hosted Captain Lisa Raimondo, Senator Daniel Inouye's staff member, for a visit and overview of Kalaupapa.
- Public address system was utilized at the November community meeting at the request of the Ka Ohana O Kalaupapa. Those in attendance at the community meeting decided that it was not necessary and elected not to utilize it at any future meetings.
- Met with NPS regional managers to discuss coordination of Kalaupapa pier and harbor repair funding and repair responsibilities.

December 2006

- Satellite radio/phone was installed in the Kalaupapa Care Home to link Kalaupapa with the Hawaii Healthcare Association's network of community hospitals. Listing of emergency contact numbers in the event of disaster was established and tested.
- Branch staff met with Toby Clairmont, Director Emergency Services Healthcare Association of Hawaii, and Bart Aronoff, Bioterrorism Preparedness and Response Branch Chief, to review Kalaupapa's disaster response resources, capabilities, response procedures, and limitations.
- Explored conducting a Hawaii Disaster Medical Assistance Team (DMAT) exercise in Kalaupapa to assess response capabilities and areas for improvement. This was discussed with the patients at the community meeting.
- Arrangements were made to provide all Kalaupapa DOH and NPS staff with Community Emergency Response Team (CERT) training through the Healthcare Association of Hawaii.
- Survey was developed to poll all Kalaupapa patients on their views of the "trial" child visitation policy that had been in use for the last year and a half.
- Patients were updated on Pacific Wing's decision to cancel the federal essential air service (EAS) subsidy effective March 2007 and to service Kalaupapa without it.
- Community Christmas party hosted by the Lions Club was attended by almost all of the community.
- Best Christmas decorations contest was hosted by patient Gloria Marks with prizes awarded for five different categories.
- The Festival of Trees is sponsored by the Arts and Crafts of Kalaupapa and was the brainchild of Kalaupapa patient Catherine Puahala. The event has three categories for best tree, wreath, and ornaments with ribbons and cash prizes awarded.
- Ground rules for conducting community meetings were adopted at the request of the Ka Ohana O Kalaupapa.

January 2007

- Meeting held with Department of Accounting and General Services staff to select a design consultant for the Kalaupapa bulkhead wall repair.
- Memorandum of agreement (MOA) between the DOH and NPS was executed. It will allow the NPS to provide 7 day per week law enforcement/security service for Kalaupapa, funded by the DOH.

- Kitchen warehouse and walk-in-freezer cleaned of all outdated food as one of the first major projects accomplished by the newly hired kitchen supervisor. Kitchen and dining room completely cleaned from “top to bottom.”
- Physician’s house turned over to the NPS for staff housing in exchange for NPS taking responsibility for EPA mandated conversions of all twenty high volume cesspools to septic tanks.
- Assisted a patient with filing a police report with Molokai Police Department to report a substantial amount of money taken from her house.

February 2007

- The NPS did a presentation to update the community on how they will handle solid waste management responsibilities once the DOH shuts down its landfill operations in 2008.
- Provided Senator Rosalyn Baker background information on Kalaupapa patients’ pensions and some options for increasing the pensions in response to a patient request to raise the amount the patients receive for their service in State positions.
- Held the quarterly meeting with the NPS to discuss short and long-term transition plans and responsibilities including the landfill operations, pier and harbor improvements, electrical distribution system, and emergency preparedness issues.
- A dormitory facility partially used to store disaster preparedness supplies was turned over to the NPS after they purchased a self-contained 24-foot trailer to store all disaster supplies in one place. Mobile trailer can be re-positioned at multiple sites for effective and efficient distribution.
- Surveyed 16 Kalaupapa patients regarding their views on the patient memorial proposed by the Ka Ohana O Kalaupapa.
- Deputy Director of Health Resources Administration met with Ka Ohana O Kalaupapa staff to assist them with re-submitting their grant-in-aid funding request for reconsideration.
- Branch Social Worker assisted the NPS staff in surveying and interviewing the Kalaupapa patients regarding their visions for the Kalaupapa National Historic Park once there are no patients remaining.

March 2007

- Arranged for Molokai Police Captain Victor Ramos to visit Kalaupapa to review security issues and review the DOH-Maui Police Department memorandum of agreement for police assistance in Kalaupapa.

- Accompanied the consultant for the design plan of the bulkhead wall repair project to Kalaupapa.
- Second patient survey conducted to clarify patients' view on the proposed patient sponsored child visitation policy.
- Arranged for the Department of Human Resources Development (DHRD) staff to train all DOH Kalaupapa supervisors in implementing the new employee drug testing program.
- Arrangements made with Na Puu Wai (native Hawaiian health program) to hire a hospice care giver to assist care home staff with the medical care of a terminal patient wishing to remain at Kalaupapa.

April 2007

- Numerous requests were made to three airlines to provide topside Molokai to Kalaupapa roundtrip flights to replace the flights lost when Molokai Air Shuttle discontinued flight operations. Flights were eventually picked up by Pacific Wings in June.
- Two candidates for the Kalaupapa care home nursing supervisor position were interviewed. Selected applicant declined the position. A new applicant list was requested. DOH requested approval from the DHRD to allow the HD program to do their own advertised recruitment for the position to expedite generating another list. Approval was granted. A candidate was selected and hired in August 2007.
- Arrangements were made with bulk gasoline supplier to request a waiver for Kalaupapa to purchase ethanol-free gas. Gas is only purchased once a year and thus requires that the gas have a shelf life of at least one year. Ethanol blended gas is not suitable for long-term storage as the gas breaks down and causes operational problems in the vehicles.
- Four million dollar bulkhead wall repair, harbor dredging, pier repair, and berthing improvements project was cut by the legislature to \$1 million. Department of Accounting and General Services (DAGS) project manager was notified to alter repair plans to reflect funded amount.

May 2007

- Introduced the revised patient sponsored child visitation policy at the community meeting. Revisions to the policy addressed the majority of the patients' issues and concerns and were based on the results from two separate patient surveys. Plan was implemented on September 1, 2007.
- Ka Ohana O Kalaupapa was notified that the re-submitted request for their grant was denied by the Department of Budget and Finance.
- Patients were informed at the community meeting that the legislative bill that would increase their monthly patient pensions had passed the legislature.

- Numerous discussions and negotiations were held to resolve the DOH boom truck issue. The DOH boom truck is used by the NPS and private individuals to launch their boats at the pier as there are no boat ramps in Kalaupapa. The NPS agreed to fund \$18,000 worth of repairs to the boom truck to insure the NPS and private individuals have access to the boom truck.
- Numerous calls were made to public and private agencies to request assistance in finding general duty nurses to work in the Kalaupapa Care Home. Medical staff positions have been very difficult to fill.
- NPS new staff will be hired to assume Kalaupapa refuse responsibilities from DOH, effective December 2008. The staff dormitory was turned over to the NPS to assist them in housing their new staff.

June 2007

- Called Pacific Wings' CEO, Greg Karhlstoff, to discuss negative impacts of changes in the flight schedules, non-performance of flights, and new booking/billing policies in which all connecting flights are charged as individual flights. No resolution, as he blamed problems on lack of qualified pilots. Deteriorating flight service was discussed with the NPS who filed a formal complaint with the Federal Aviation Administration.
- Met with the NPS's Operational Review Panel (comprised of NPS regional directors) to discuss long-term issues and concerns for Kalaupapa as they relate to the NPS and DOH.
- Meeting held with outgoing NPS Superintendent to formalize all previous agreements between the DOH and the NPS.
- Assisted DAGS project management staff with the selection of a contractor to repair the bulkhead wall. Reconstruction will commence immediately after the July 8, 2007 barge delivery. Special arrangements were made with the NPS to assist with housing the construction crew to expedite emergency wall repairs.
- Meeting held with Civil Defense and the Army Corp of Engineers to assess Kalaupapa's readiness to respond to natural disasters. A 24-foot mobile storage container filled with disaster-related items including cots, blankets, radios, and emergency generators was shipped on the July 8, 2007 barge.
- Young Brothers Tug and Barge notified the DOH that the September 30, 2007 barge will be the last sailing of the barge "Aukai" due to sea worthiness issues. This is one to two years earlier than Young Brothers had originally projected and creates a problem as there are no other barges large enough to accommodate roll-on/roll-off capabilities while still being small enough to dock in Kalaupapa's un-dredged harbor. Funding to repair the pier, dredge the harbor, and install docking aids were cut by the legislature this past legislative session.

July 2007

- Kalaupapa visit by Deputy Director of Health Resources Administration to follow up on one patient's concerns about lack of renovations to patients' homes.
- Communicable Disease Division Chief attended monthly community meeting.
- Healthcare Association of Hawaii donated emergency disaster response items including cots, meals, radios, and other supplies, which were delivered on the annual barge in July.
- Filed formal complaints with Federal Department of Transportation and Senator Inouye's office regarding the poor flight service provide by Pacific Wings airline.
- The Director and Deputy Director of Health Resources Administration met with the Mother Superior from the order of Sisters of St. Francis to discuss long-term future use of Bishop Home building.
- Pursuant to Executive Memorandum 07-01, "FY 08 Budget Execution Policies and Instructions," an Attorney General's opinion was requested regarding the legality of the legislative language passed (i.e. Section 31 of Act 213/SLH 2007) to raise the patients' pension amounts.
- Met with the NPS Superintendent to further formalize all existing agreements between the DOH and the NPS prior to his departure in September.
- The DOH fielded a number of complaints including calls from patients, Senator Inouye's office and Na Puu Wai regarding a NPS long-term volunteer. Based on recommendation from the Patient Advisory Council, a similar recommendation to end her volunteer status and remove her from the settlement was passed on to the NPS by the DOH. She was scheduled to permanently leave the settlement as of September 2007.

August 2007

- Deputy Director of Health Resources Administration, Communicable Disease Division Chief, and Hansen's Disease Branch Chief met with Ka Ohana O Kalaupapa members to discuss an Ohana sponsored patient memorial in Kalaupapa.
- A Kalaupapa Care Home nursing supervisor was hired.
- Newly assigned Deputy Attorney General was briefed on the historical and on-going issues and concerns regarding Kalaupapa.
- Successfully utilized Kalaupapa's staff emergency contact disaster tree as an emergency preparedness exercise in response to hurricane Flossie.
- Arrangements were made for a temporary auto mechanic to provide work coverage while the settlement mechanic was out on long-term sick leave.

- Hale Mohalu Hospital and Kalaupapa patients were showed Kalaupapa My Refuge, a one hour documentary made in the early 1980's about the Kalaupapa patients.

September 2007

- Meeting held with the executive management of Young Brothers Tug and Barge, NPS and DOH to discuss annual barge options to Kalaupapa once the barge "Aukai" is taken out of service this year. Verbal commitment was obtained from Young Brothers management to continue to provide uninterrupted barge service at the level previously established until the DOH and NPS can complete pier and harbor repairs to allow the larger barges to safely tie up in Kalaupapa. The most viable option to insure service will probably be to sub-contract another company's barge of similar size to the "Aukai".
- Contractor completed first phase of the Kalaupapa pier and harbor remediation. Bulkhead wall was repaired, two mooring bollards were replaced and the concrete pier ramp was repaired. The second phase consisting of pier support repair, bollard replacement, fendering replacement, and installation of a mooring winch will be initiated next summer after the annual barge.
- Two patients unable to take commercial flights back to Kalaupapa due to deteriorating medical conditions were air evacuated by Air Med (air ambulance) to allow them to die in Kalaupapa. Clarification was sought from Air Med after they made a decision to not fly non-emergency patients back to Kalaupapa. Another viable option was recommended by Air Med that will be utilized in the future.
- Branch recommended a Kalaupapa patient to serve on the Molokai Island Burial Council.
- Old Kalaupapa patient medical records (22 four-drawer file cabinets) were shipped from Kalaupapa to Kinau Hale for long-term preservation and expert handling.

On Going Annual Events

- Annual Christmas caroling with DOH staff and patients. The group practices the songs at the Kalaupapa Care Home then drives around the settlement in two large vans, stopping at each patient's home to sing. After caroling, everyone goes to the church hall for refreshments.
- Annual community Christmas party with Santa and the Salvation Army personnel. 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.
- The Festival of Trees was sponsored by the Arts and Crafts of Kalaupapa and was the brainchild of blind Kalaupapa patient Catherine Puahala. The event has three categories for best tree, wreath, and ornaments. Ribbons and cash prizes are awarded and are a tradition in Kalaupapa.

- Every year St. John Vianney Choir from Kailua visits Kalaupapa to perform their annual summer concert. They arrive a few days before their concert and perform many volunteer tasks for the patients such as washing cars, dogs, cleaning yards, etc. Every evening during their visit, they prepare an evening meal and all the patients are invited. Music and singing usually follows dinner. There is always dinner following the formal concert at the St. Francis Church Hall.

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

The DOH continues to manage State resources according to the State's policies and procedures for purchasing goods and services, expending goods, and deleting expired durable goods as originally described in the 2005 legislative report.

No new benefits, that are not statutorily defined, have been given to the Kalaupapa employees during 2007.

V. 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 deemed un-sellable. 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 adequately addressed in the first report to the legislature in 2005.

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

For the period from November 2006 to October 2007, \$2,391 worth of store goods were disposed of due to spoilage, expired sell dates, insect infestation or damaged containers. Annual store purchases usually total \$90,000-\$100,000. Of the \$2,391 total, \$1,772 was a one-time disposal of goods that had been damaged either in transit from Honolulu or in movement and storage within the Kalaupapa warehouse. The rest of the disposed goods were lost to expired sell dates, spoilage and insect infestation. 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 disposals.

In spite of the store's electrical system being re-wired to alleviate problems with the electrical distribution within the store, there continues to be problems with the electrical system that can only be fixed by replacing a transformer that supplies the store's power grid. The uneven electrical distribution has created problems with the three air conditioners that cool the store and large refrigerator and freezer. This resulted in two of the three air conditioners burning out prematurely.

The rising temperatures in the store created problems in the freezer when it ran too hot for its operating range and caused it to burn out. If salvageable, the freezer is in need of repair.

The program consulted with Vector Control Branch for the problem of insect spoilage. Chemical treatment to curtail insect infestation continues to be used although it is only a temporary fix. The only sure way to completely eliminate the insects is to refrigerate the whole warehouse.

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

Both the Hansen's Disease Branch Administration and the Kalaupapa Administration office set up a formal complaint process as of January 2004. It is patterned after the Director's office complaint process. All complaints are logged with the date received, how the complaint was received, e.g. phone call, letter, etc., nature of the complaint, what actions were taken and when the actions were taken. All complaints are followed up by a written response or a follow up phone call to the person filing the complaint.

As of October 2007, the HD Branch office received ten complaints. All ten complaints were made by, or on behalf of Kalaupapa residents. All were resolved and a response given back to the person filing the complaint within a two week period. Complaints included length of time to renovate a patient's home, burned out electrical equipment due to shorts in patients' homes (2), patient sponsored child visitation policy, no increase in patient pension (2), long-term NPS employee, DOH owned boom truck utilization, and increases to the patient food credit.

The Kalaupapa Administrative office received seven complaints from Kalaupapa residents during the same period. Three were resolved to the patients' satisfaction. The other four complaints involved services, or lack thereof, from Pacific Wings airlines. Branch follow up with Pacific Wings Airlines has been previously noted.

VII. The performance of the administrator, including compliance with job duties

The Kalaupapa Administrator's special remediation and training was documented in the first legislative report in 2004. The administrator received nearly unanimous support of his performance from the patients at that time. Six months after the favorable patient evaluation, House Health Committee Chairman Representative Dennis Arakaki held a Health Committee Hearing in Kalaupapa on February 28, 2005. The purpose of the visit was to provide the community an opportunity to respond to the DOH's progress in addressing the non-medical needs of the patient residents.

There were approximately 30 community members at the hearing including patients, volunteers, clergy, and employees of the Department of Health as well as the National Park Service. The audit identified a fair amount of frustration from the patients in regards to the Kalaupapa Administrator's performance and attitude. To address this critical aspect of the audit and the DOH's response, Representative Arakaki asked the Kalaupapa Administrator to leave the hearing so the patients could talk freely about his performance.

Once the administrator left the hearing, ten patients took the opportunity to comment on the administrator's performance. Nine patients spoke well about his performance and testified that they have observed an improvement in the administrator's behavior and attitude, and that "he is trying to change how he treats patients." One patient voiced a complaint, but could not clarify what the actual problem with the administrator was. The temporary Protestant minister also spoke highly of the administrator and this was in spite of the fact that the administrator had to notify him of the canceling of the DOH-sponsored food credit for the clergy. He said the notification was done very informatively and professionally.

In February 2006, House Health Committee Chairman Representative Dennis Arakaki again held a hearing in Kalaupapa to get the patients' input regarding the DOH's efforts in meeting the audit identified problems and the performance of the KA. Of the 15 patients present, three had comments about the administrator. Two of the three felt that the administrator was "doing good and (there was) nothing to complain about, and they also felt that he was doing what has been asked of him." The third patient voiced a number of concerns that were not directly related to the administrator.

The Branch Chief has observed the Kalaupapa Administrator's interaction with the community at all the monthly community meetings as well as at the Patient Advisory Council meetings. In all instances, the KA has been cordial, fair, and often innovative in suggesting solutions to some difficult situations facing the Kalaupapa community. Overall, patient response to the KA and the monthly community meetings has been positive.

VIII. 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 past four annual barge visits. All new State property coming in on the barge is fixed with a decal and the State employee delivering the item must report the item/description, decal number, and location delivered to administration 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 (DAGS form) and be logged on an Outgoing Barge Form (internal administration 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. This past year the program has instituted an inventory log to keep track of high cost items that don't necessarily meet the inventory threshold. Such items as chain saws, power tools, and appliances have been added to the internal program log.

IX. 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 trekking 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 three round trips to topside, an employee may instead 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 HD Branch office for review and approval by the Administrative Officer. The paper work is forwarded through the Communicable Disease Division office to the DOH's pre-audit office for submission to the Department of Accounting and General Services (DAGS) to generate the reimbursement check.

For the period October 2006 through September 2007, the DOH expended \$20,868 for employee authorized trail pay. For the same period, the DOH expended \$12,878 on employee authorized air travel pay. Some of the employees elected to use a combination of both benefits as allowed by contract.

PATIENT AND NON-PATIENT COSTS

House Bill 2814, H.D. 2, S.D.1, C.D.1, 2004 amended chapter 326-13, HRS on expenses at Kalaupapa, to include a new section (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. Patient costs that are available or can be calculated include:

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

Patient Expenses for the period October 1, 2006 through September 30, 2007:

Home Care Staff Salaries	\$ 144,577
Home Care Staff Overtime	3,627
Medications	113,054
Miscellaneous Medical Expenses (supplies, specialists, etc.)	112,441
Medical Services	110,526
Medical Insurance Premiums (HMSA & Medicare)	22,478
Medicare Reimbursement	17,303
Nursing Facility Staff Salaries	759,903
Nursing Facility Staff OT	14,902
Patient Employee Program Salaries	50,420
Physician Services	110,008
Travel Cost for Medical Care	35,796
Pharmaceutical Services	6,900
Dietary & Nutrition Services	4,800

Physical Therapy Services	2,000
Cash Food Allowance	11,717
Food Rations (\$45 per patient per week drawn at the store)	31,442
Meals (23,600 meals @ \$5.00)	23,600
Clothing Allowance (\$70 per patient per 6 months)	3,432
Cash Allowance (\$30 per patient per quarter)	2,813
Patient Employee Program Pensions	99,786
Appliances (washer, dryer, refrigerator, stove, water heater, microwave oven)	3,615
Cable TV (paid by donation funds)	13,487
Beautician	385
Stamped Envelopes (10 per patient per month)	2,800

Non Patient/Employee Expenses for the period October 1, 2006 through September 30, 2007:

Trail Pay/Air Travel	33,746
Employee meals (11,839 meals @ \$5.00)	59,195
Salaries (Admin, Food Services and Construction & Maintenance)	936,756
Overtime (Admin, Food Services and Construction & Maintenance)	58,254
Standby Pay	7,449
Food Ration Credit	6,090
Employee safety equipment cost (steel toe shoes, gloves, goggles, respirators, etc.)	836

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, equipment.
- Food services: labor cost, supplies, facility maintenance, equipment and equipment maintenance, utilities.
- Kalaupapa Store: labor cost, supplies, facility maintenance, utilities, shipping, 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, 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 staff with accuracy still being in question. As an example, the Housekeeping Unit provides janitorial and housekeeping services for the care home, 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, equipment purchased or used would be very difficult in this case and would have to be done for every different function or activity that each of the service sections provide.

The General and Shop Maintenance and Building Maintenance Units provide general construction and maintenance service and are responsible for repair and maintenance of all buildings within the settlement, plumbing, painting, common area yard maintenance, vehicle repair and maintenance, garbage pickup and landfill operations and all the subordinate activities under each responsibility. In order to separate patient and non-patient cost, each activity would have to be evaluated to assign cost with estimated costs being assigned in many cases rather than an actual cost.

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