

REPORT TO THE TWENTY-FIFTH LEGISLATURE  
STATE OF HAWAII  
2010

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  
DECEMBER 2009

## EXECUTIVE SUMMARY

In accordance with Section 326-25.5, Hawaii Revised Statutes (HRS), the Department of Health (DOH) is submitting a report to the 2010 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, (later enacted as Act 232 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 and corrected and are delineated in the DOH's previous report to the Twenty-Third Legislature, 2005 and updated in the 2006, 2007, 2008 and 2009 reports. The DOH's report to the Twenty-Fifth Legislature, 2010, is an update to previously addressed issues.

The long-term Kalaupapa Administrator (KA) retired from the position as of December 31, 2008. Numerous internal and external candidates were interviewed for the position. A new administrator was selected and started in the position on August 3, 2009. The selected candidate was an internal applicant from within the Hansen's Disease Branch. He was the Branch Planner overseeing Kalaupapa landfill closure operations, pier and care home capital improvement projects (CIP), and the settlement's emergency response plans. He had been temporarily assigned into the administrator's position when no suitable Kalaupapa employee was available. He has been well accepted by the patients and staff and has immediately tackled many issues due to his familiarity and his historical reference to those issues.

On October 11, 2009, Father Damien was canonized as a Saint. Eleven of the nineteen Kalaupapa patients traveled to Rome for the canonization. The Catholic Church paid for their two-week trip. Our contract physician, social worker and two nurses accompanied the patients as medical "kokuas" on their own time. Two major celebrations surrounding Father Damien's canonization were held in Kalaupapa. The first on October 31, 2009 highlighted the Catholic Church's veneration of a relic of Father Damien being carried to Kalaupapa. The second event, on November 7, 2009 recognized his canonization in Kalaupapa. The DOH worked closely with the National Park Service (NPS) to assure the safety and security of the patients were not compromised during the two momentous events that brought hundreds of visitors to the settlement.

Two major capital improvement projects (CIP) were completed this past summer. The old emergency back up generator in the care home was replaced with a new more powerful generator capable of providing electrical service for the entire care home. The second phase of the pier repair project was completed and involved repairing the spalling and cracking problems in the pier supports, replacing the pier fendering system, replacing the remaining bollards and bitts, and installing a mooring winch.

The formerly controversial issue of supplying patients with major household appliances is in its fifth year of operation and appears to be going smoothly. To date, there were 35 appliances issued to 15 patients under this program. This year, 2 washers, and 1 dryer were replaced for 2 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 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, 2007, 2008 and 2009 reports to the Legislature. This 2010 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 18 remaining Hansen's disease patients on the Kalaupapa registry. This includes not only medical conditions that are a sequelae of arrested Hansen's disease, but also numerous other medical conditions that affect this geriatric population. 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, chronic heart failure and various cancers commonly afflict this population.

The average age of the patients is 77 years, with a range in age from 68 years to 87 years. The average age has remained relatively stable over the past few years at 76-77 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 four 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 (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. Approximately ten patients continue to live independently in their homes in Kalaupapa and one that lives independently on Kauai.

For patients who are no longer able to live independently in their homes, the next level of care is provided at the Kalaupapa Nursing Facility (KNF). Currently there are two long-term patients at the care home. This year, the care home, which had previously been licensed as a nursing facility, will be re-licensed as an expanded care home (ARCH type II).

Staff registered nurses, licensed practical nurses, paramedical assistants and home chore workers providing medical services in the KNF staff positions have been particularly difficult to fill in Kalaupapa due to its isolation and remoteness as well as the restrictive family policies for workers enacted to protect the patients' privacy. All nursing positions are currently filled; however, vacancies are anticipated in the near future due to pending retirements.

A long-term purchase of service 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. Due to the severe budget crisis facing the State and the Kalaupapa program and the high cost of air travel to Kalaupapa (Pacific Wings round trip \$480), the two physician visits per week have been tentatively cut back to one visit a week. A psychiatrist from the Queens Medical Center was also brought on board through the University of Hawaii School of Medicine to provide grief counseling for patients and their families at both Kalaupapa and Hale Mohalu Hospital (HMH).

Patients requiring the next level of care are transferred to the 14-bed HMH at Leahi Hospital in Honolulu. HMH 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. There are currently five long-term Kalaupapa registry patients residing at HMH.

Many specialty medical services are provided only in Honolulu. The DOH provides all airfare, food and lodging to those Kalaupapa patients during 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 scheduled commercial 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. A heavy workload and problems obtaining flights into Kalaupapa has created a backlog of Kalaupapa patients receiving preventive dental visits. KNF staff met with the Dental Health Division to consider options to relieve the backlog. Patients are now receiving their dental services on Oahu when they are there for other routine medical work ups. This has resolved the backlog.

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. Annually, a number of patients' homes are remodeled to accommodate their limited mobility or diminished physical functioning. Ramps into homes, widening of doorways, and grab bars have been installed in accordance with Americans with Disabilities Act standards.

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.

AirMed Hawaii continues to be the primary air evacuation service utilized by Kalaupapa for patient emergency medical evacuations. The company continues to provide the patients of Kalaupapa with free return flights for patients too medically fragile to fly on commercial airlines who wish to return to Kalaupapa to pass away.

Hawaii Air Ambulance recently purchased a helicopter capable of providing air evacuation service to the settlement. Prior to this, the company did not have an aircraft capable of landing on Kalaupapa's short landing strip. They also offer air evacuation insurance that can be purchased on the same day as utilization, providing a substantial cost savings.

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 daily living function. Exercise, activity 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.

Between October 2008 and September 2009, ten Kalaupapa patients received forty physical therapy treatments in Kalaupapa from a privately contracted physical therapist. The treatments ranged from one or two sessions for some patients and as much as five or six for others. An average of five therapy sessions is provided per month. Recently, visits by the physical therapist have been hampered by the scheduling and cost difficulties with Pacific Wings.

Most of the patients' basic living needs are provided by the DOH. Homes or residences in the KNF or HMH 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. 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 KA, the 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. Because of the difficulties recently experienced with Pacific Wings and high costs (described below), attendance by the Branch Chief, Administrative Officer, Communicable Disease Division Chief and Deputy Director has been put on hold until the airline issue is resolved. In the mean time, the KA is continuing to hold both the monthly community meetings and quarterly PAC meetings and forwarding the information discussed up to the Branch level.

The long term KA retired from the position as of December 31, 2008. Numerous internal and external candidates were interviewed for the position. The new administrator was selected and

started in the position on August 3, 2009. The selected candidate was an internal applicant from within the Branch. He was the Branch Planner and was overseeing Kalaupapa landfill closure operations, pier and care home capital improvement projects (CIP), and the settlement's emergency response plans. He had been temporarily assigned into the administrator's position when no suitable Kalaupapa employee was available. He is well accepted by the patients and staff and has immediately tackled many issues due to his familiarity and his historical reference to those issues.

In July of 2009, Pacific Wings Airlines, the only scheduled airline provider for Kalaupapa abruptly shutdown service for a few days, changed flight schedules and increased fares from approximately \$200 to \$500 per roundtrip. The changes were the result of the airline's disagreement with the Department of Transportation. Patient and employee travel was severely affected not only hampering travel due to high costs, but also requiring re-scheduling of patient medical visits and over-night stays as patients could no longer do same day travel for medical appointments.

A few weeks later, the airline pulled the patient lift out of the Kalaupapa Airport, shutting down air travel for two Kalaupapa patients who could not board the plane on their own. The Branch contacted the Disabilities Commission to see if this was a violation of the disabilities laws. Their response was that wheel chair accessibility law was not applicable to Pacific Wings because their planes do not carry more than 11 passengers.

The State Department of Transportation, Airports Division was contacted to see if they could remediate some of the difficulties we were experiencing from Pacific Wings. There were no other viable options other than the Branch utilizing air charters. The cost to charter the planes was prohibitive and we could not regularly fill a charter flight and would lose money on the unfilled seats. Most recently, Pacific Wings is providing a \$288 round trip fee if we book over the phone rather than their website. Nonetheless, we have severely limited employee, patient, and physician travel until the situation resolves.

Kalaupapa staff has initiated discussions with other airlines to provide routine commercial air service to Kalaupapa, but all indicate they need to be subsidized under the federal Essential Air Service (EAS) program. Pacific Wings holds the contract until the middle of November 2009, but still holds an advantage, as they do not take the EAS subsidy. Should Pacific Wings cease service a new EAS air carrier will be pursued that will likely have more reliable service and lower fares.

On October 11, 2009, Father Damien was canonized as a Saint. Eleven of the nineteen Kalaupapa patients traveled to Rome for the canonization. The Catholic Church paid their way for the two-week trip. Our physician, social worker and two nurses accompanied the patients as medical "kokuas" on their own time. Individual medication lists, current advanced directives, compression stockings, Lovenox to prevent deep vein thrombosis on long air flights, and emergency travel insurance (purchased for the patients by the Catholic Church) were addressed to insure medical emergencies are minimized as much as possible while on the trip.

During last year's barge operation a gasoline tanker truck broke down and missed the barge sailing. The missing tanker truck left the settlement short 8,000 gallons of its 30,000 annual allotment. Gas rationing was immediately instituted to insure gas would be available for the coming year until the next barge could be brought in. Toward the end of the year, progressively restrictive rationing was required of both the DOH and NPS. Rationing was imposed on the patients, but not to the same extent as the employees. All gas tanker trucks made this year's barge and the gas tanks have been topped off, ending the year long rationing.

For the 2008 annual barge service, the NPS contracted with American Marine who provided an appropriate sized barge, but sub-contracted the tug portion of the service to Young Brothers. Because of this, the NPS was not able to control the cost for the barge contract, which ended up being over twice the amount usually paid to Young Brothers (\$92,000 for FY 2007 and \$193,550 for FY 2008 and over \$200,000 for FY 2009). This year the NPS negotiated a five-year contract with American Marine and Young Brothers. The first annual barge under this contract sailed on August 1, 2009.

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 barge. Microwave ovens were added to the pool in 2005. Currently, there were 35 appliances issued to 15 patients under this program. This year, 2 washers, and 1 dryer were replaced for 2 patients.

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

Hawaii AirMed has been our primary air ambulance service for Kalaupapa. They have been very accommodating not only in emergency air evacuation of Kalaupapa patients and staff, but have also extended return flights for patients who are too sick to travel on commercial flights. They do this free of charge as a service to the community.

Hawaii Air Ambulance is the other emergency air evacuation provider. They previously could not service Kalaupapa because their aircraft did not have the capability to land on Kalaupapa's short runway. They recently obtained a helicopter certified for over ocean flights and are now able to provide emergency service to Kalaupapa. The company offered the Kalaupapa community very reasonable air evacuation insurance once they were capable of providing the service. The insurance may be purchased on the day of the air evacuation saving the patient a considerable amount of money.

The emergency back up generator in KNF was completed in the summer of 2009, under a \$500,000 CIP funding. The previous generator was almost 30 years old and had only enough capacity to power one wing of the facility. Operational problems included exhaust fumes blowing into the care home, and excessive noise and vibration during operation. Branch staff worked with the design consultant to purchase a new generator that would be able to power the entire care home on a long-term basis with minimal noise, vibration and fumes. The project is in the final stage with the generator being operated over time with a full electrical load.

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, which included the now repaired bulkhead wall, break water, mooring points, harbor and turning basin. Phase two of the pier and harbor project targeted the acute problems of spalling and cracking of the pier supports, replacement of the pier fendering system, replacement of the remaining bollards and bitts, and installation of a mooring winch. These repairs were completed this past summer.

The Branch has obtained a commitment from the NPS to fund the third and final phase of the pier and harbor project. That phase will involve all the underwater work including dredging the harbor, installing breasting dolphins, and possibly lengthening the breakwater. In 2009, the NPS initiated public scoping meetings on the project and will complete an environmental impact statement in the next 16 months. The NPS has projected initiation of phase III in 2012 at the earliest.

This past year, the Catholic Church announced that a second miracle had been accepted for Father Damien. His canonization was held on October 11, 2009 in Rome. Two major celebrations surrounding Father Damien's canonization will be held in Kalaupapa. The first on October 31, 2009 highlights the Catholic Church's veneration of a relic of Father Damien being carried to Kalaupapa. The second event, on November 7, 2009 will recognize his canonization in Kalaupapa. The DOH is working closely with the NPS to assure that the safety and security of the patients is not compromised during the two momentous events that promise to bring hundreds of visitors to the settlement.

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 2008 to September 2009.

#### October 2008

Initiated operational coverage for the Kalaupapa Administrator (KA) upon receipt of notification of retirement effective close of business December 31, 2008.

Completed Kalaupapa annual reports to the legislature in response the 2003 legislative auditor's report.

Rewired Kalaupapa Store to isolate it on its own transformer and replaced electrical panel.

Attended the annual Ka Ohana O Kalaupapa meeting.

Received notification from Young Brothers Tug and Barge Service that the replacement barge for the "Aukai" was not purchased due to the worsening financial environment. The NPS continues negotiations with Young Brothers Tug and Barge Service to insure annual barge service to Kalaupapa Settlement (KS).

Participated in a three-day planning meeting with the NPS to initiate NPS's general management document for KS.

#### November 2008

Branch Chief attended the quarterly Patient Advisory Council Meeting.

Resolved the issue of unavailability of nighttime air evacuation flights out of KS. Kalaupapa Airport was erroneously listed in Maui's flight operations notifications as unavailable for nighttime landings. Miscommunication was cleared up.

Held a conference call with NPS regarding landfill closure. NPS will not be able to take on landfill responsibilities on January 1, 2009 as agreed. NPS is not able to process certain aspects of solid waste such as construction debris, animal carcasses, and medical waste. DOH will need to operate landfill indefinitely until the NPS is fully operational in their solid waste responsibilities.

Conducted internal applicant interviews for the KA. No internal applicants selected. External list of applicants requested from Department of Human Resources Development.

Kalaupapa National Historical Park Citizen's Advisory Committee reactivated by the NPS.

#### December 2008

Policy changed to authorize standby pay only to individual/employee remaining in the Settlement who is assigned the responsibility to be the first to respond in the event of an emergency. NPS requested to do likewise with ranger staff to insure twenty-four hour/seven days a week response.

Participated in the final design meeting for KNF's back up generator replacement.

Meeting held with KS Care Home and HMM nursing supervisors to explore the feasibility of cross-training staff at both facilities.

Initiated planning for an emergency preparedness exercise for March 2009 with Hawaii Healthcare Association.

Resolved issue with inoperable runway lights at Kalaupapa Airport preventing a nighttime evacuation of a patient. Confirmed runway lights are operable and can be turned on from within the cockpit.

Circulated New York Times article on Kalaupapa highlighting three patients (Attachment A).

Active recruitment for KA opened up to statewide recruitment.

Annual Christmas caroling with staff and patients held in Kalaupapa.

Coordinated for HMH patients' Christmas luncheon and excursions to see Honolulu City Lights and Christmas trees.

#### January 2009

Initiated operational coverage for the KA upon receipt of notification of retirement effective close of business December 31, 2008. An acting KA was temporarily assigned to the position while recruitment was in process.

Held the quarterly meeting with the Patient's Advisory Council to discuss anticipated gasoline shortage, Settlement law enforcement with the passing of the Sheriff, summer construction/capital improvement projects and potential housing shortage due to influx of construction workers, and annual barge schedule. The HDB Chief, NPS Superintendent and the Communicable Disease Division Chief attended the meeting.

The NPS held individual meetings with the Kalaupapa residents and the HMH patients to obtain patients' input for the NPS's general management plan.

Attended a pre-scoping meeting with the NPS regarding their general management plan for Kalaupapa.

Attended the Department of Accounting and General Service's pre-construction meeting with the general contractor for the Kalaupapa Phase II pier project. Timetable, accommodations, potential problems and potential mitigations were discussed. Phase II will replace bollards, deck plating, fender system anchors, restore above water pilings and install a barge winch. Project scheduled for the summer of 2009.

Gasoline rationing plan revised to address additional rationing required due to later annual barge date. Plan restricts all DOH and NPS staff to purchasing a maximum of 2 gallons of gasoline per week. Previous plan allowed 5 gallons per week.

#### February 2009

HDB's 2009 Annual Legislative report made available at the community meeting for the patients and residents.

Policy statements issued to Department of Health (DOH) staff, the NPS staff and visitors notifying them that store purchases must be consumed in the settlement and cannot be flown out. Policy statement is posted in the store.

The employee household supply policy modified requiring employees sign for the household supplies provided them. Supplies must be used in the settlement and cannot be taken out of the settlement. Unused or surplus items must be returned to State inventory.

Held a pre-planning meeting with the Hawaii Disaster Medical Assistance Team in anticipation of a disaster exercise to be held in March/April. The exercise was postponed to September due to the severe gas shortage the settlement is experiencing.

Hospice/palliative care training held for medical staff (physicians and nurses) in response to recent patient deaths.

Interviewed dietitian to replace retiring dietitian. Dietary services are required by law for HMH and KNF.

Transportation provided for the Kalaupapa patients at HMH to attend the funeral services of three Kalaupapa patients.

The NPS initiated full-scale voluntary recycling program in Kalaupapa in anticipation of taking over all solid waste responsibilities.

#### March 2009

HDB Chief held an informational briefing for the PAC regarding State financial crisis, gas rationing, CIP projects, and emergency response training.

Kalaupapa employee housing policy clarified and formalized.

Employee sponsored dinner held for Kalaupapa patients and community to help the community "heal" from the numerous and recent patient deaths (3 in three months).

"Healing" service held at HMH by Reverend Clarence Liu to assist Kalaupapa patients at HMH with recent patient deaths.

Department of Transportation updated the patients and community on the airport fence line realignment project that will occur this summer.

#### April 2009

Two potential candidates contacted to interview for the KA position that has been vacant since December 31, 2009. Both candidates declined interview. New certified list of candidates requested.

Preplanning meeting held with NPS to discuss Father Damien's Sainthood and preserving patients' homes.

New Deputy Local Registrar registered with the DOH Vital Statistics to register deaths and issue burial permits.

Continued refinement of gas rationing program. Heavy users identified and notified of overages.

Hosted NPS's general management plan scoping meetings for patients in Honolulu and Kalaupapa.

Deputy Director of Health, CDD Chief, and HDB Chief met with Ka Ohana O Kalaupapa to discuss security and safety issues within the Kalaupapa Settlement (KS).

Arranged for KS patients staying at HMH to attend the NPS's General Management Plan scoping meeting.

DOH attended a meeting with NPS regarding Father Damien's Sainthood and preserving patients' homes.

Addressed a number of issues regarding patients' homes after their passing including preserving the contents and preserving the home as a museum.

#### May 2009

Budget cuts for HDB identified by the Legislature include three positions: Electrician, Automotive Mechanic and Homemaker.

Participated in Department of Accounting and General Services' preconstruction meeting with contractor for the replacement of the emergency generator for the KNF.

At the prompting of the Director of Health, Branch Chief met with Human Resources Officer to initiate development of a housing policy that would evict employees out of their State-owned homes should they be found conducting illegal activities in the home.

Counselor brought in to meet with the care home staff to help de-escalate emotions related to responding to an employee presumably under the influence of alcohol or drugs.

Participated in the NPS's planning meeting for Father Damien's Sainthood Celebration in November 2009.

#### June 2009

NPS executed a five-year barge contract with Young Brothers for barge service to Kalaupapa. Annual barge scheduled for August 1, 2009.

The Branch completed a second round of interviews for the KA position and requested approval to hire. Operational coverage for the KA continues to be provided via temporary assignment until the position is permanently filled.

Hosted the Annenberg Foundation (worldwide, nonprofit, philanthropic organization) along with the NPS and the Ohana O Kalaupapa to look into funding options in Kalaupapa.

Hosted Hawaii Air Ambulance at the community meeting. Hawaii Air Ambulance is now operating a helicopter that can be utilized for medical air evacuations out of Kalaupapa.

#### July 2009

Met with patient's family member to discuss patient care issues between KNF and HMH.

Met with HMH patients to address their concerns regarding layoff of medical care staff at HMH and Kalaupapa Settlement.

Work begun on phase II of the pier repair project.

Work begun on Care Home emergency generator replacement project.

#### August 2009

Community meeting held with discussions on harvesting sea salt from Kalaupapa. First meeting without Branch and Division participation due to difficulties with Pacific Wings air service.

New KA, Mark Miller assumes duties August 3.

Barge arrived August 1, with largest load of construction materials to date. Full load of gasoline brought in to completely fill gas storage tanks.

Coordinated efforts between HMSA and HawaiianTel Com to look into the possibility of both companies subsidizing the cost of broadband services into Kalaupapa to provide telemedicine for the Kalaupapa residents.

Met with a representative of the Catholic Church to request the Church purchase medical travel insurance for all the patients traveling to Rome. The Church honored the request.

#### September 2009

Emergency generator project for the nursing facility and phase II of the pier repair project completed.

Night of Aloha second annual event held for the community by the community.

Participated in patient meetings with the Catholic Church at Kalaupapa and Hale Mohalu to mitigate any medical issues for the patients traveling to Rome for Father Damien's canonization.

Mobilized the Settlement in anticipation of a potential tsunami generated by an earthquake in Samoa.

Pier and KNF generator construction projects completed.

#### On Going Annual Events

- Annual Christmas caroling with DOH staff and patients. The group practices the songs at the KNF then drives around the settlement in two large vans, stopping at each patient's home to sing. After caroling, everyone assembles at the church hall for refreshments.
- Annual community Christmas party with Santa. The party sponsored by the Kalaupapa Lions Club is always a festive event, with Santa giving out numerous presents to patients, a full dinner, and entertainment.
- An annual concert is performed by guitarist, Jeff Linsky, in Kalaupapa for the patients and community. He also performed for the patients at HMM.

- The NPS sponsors weekly volleyball games and movie nights for the patients and community.
- Patient, Catherine Costales, sponsored the first annual Kalaupapa community block party. Second annual event held in September.
- Every year the 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, and cleaning yards. 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.
- Weekly movie night held in Paschoal Hall provided by community donated DVD's.

#### **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 2009.

#### **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 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 five and a half 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 items. Accurate annual usage data results in precise ordering and decreased overages for any given item.

For the period from October 2008 to September 2009, \$750 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. All disposals were requested by the store supervisor, authorized by the KA, and witnessed and signed off by two other employees at the time of actual disposals.

## **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), 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 2009, the Branch office received nine complaints. All nine 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 dirty visitors quarters, no notification of who the acting administrator was, visitors taking too much salt out of Kalaupapa, and a question about housing assignment.

The Kalaupapa Administrative Office received two complaints from Kalaupapa residents during the same period. Both involved services, or lack thereof, provided by Pacific Wings Airlines. Branch follow up with Pacific Wings Airlines has been previously documented.

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

The previous, long termed KA retired from the position as of December 31, 2008. Numerous internal and external candidates were interviewed for the position. The new administrator was selected and started in the position on August 3, 2009. The selected candidate was an internal applicant from within the Branch. He had been the Branch Planner and was overseeing Kalaupapa landfill closure operations, pier and care home capitol improvement projects, and the settlement's emergency response plans. He had been temporarily assigned into the administrator's position when no suitable Kalaupapa employee was available. He has been well accepted by the patients and staff and has immediately tackled many issues due to his familiarity and his historical reference to those issues.

## **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 five annual barge visits. All new State property brought in on the barge is 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 (DAGS form) and be logged on the Kalaupapa Administration Office's Outgoing Barge Form to facilitate inventory control.

DAGS has raised the minimum per item cost that is required to be reported on each program's inventory forms from \$500 to \$1,000. Many purchased items for Kalaupapa no longer reach this threshold for inventory reporting. Three years ago, 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.

**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 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 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 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 Administrative Services Office for submission to the DAGS to generate the reimbursement check.

For the period October 2008 through September 2009, the DOH expended \$11,545 for employee authorized trail pay. During the same period, the DOH expended \$35,366 on employee authorized air travel pay. Employee air travel cost is roughly the same as last year’s, in spite of the substantial price increase implemented by Pacific Wings in July of 2009. Conflicts with the current air schedule and substantially higher “up front” airfare cost has forced many employees to look at other sources of air service. Many have started using a non-scheduled air taxi service that is marginally less expensive than the quoted Pacific Wing price. Some of the employees elected to use a combination of both benefits as allowed by contract.

**PATIENT AND NON-PATIENT COSTS**

Act 232 SLH 2004 (HB2814,H.D.2,S.D.1,C.D.1) amended Section 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.

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

Patient Expenses for the period October 1, 2008 through September 30, 2009:

Home Care Staff Salaries	\$ 144,732
Home Care Staff Overtime	640
Medications	79,576

Miscellaneous Medical Expenses (supplies, specialists, etc.)	107,055
Medical Services	57,941
Medical Insurance Premiums (HMSA & Medicare)	20,887
Medicare Reimbursement	13,117
Nursing Facility Staff Salaries	994,805
Nursing Facility Staff OT	7,032
Patient Employee Program Salaries	39,050
Physician Services	93,357
Travel Cost for Medical Care	27,524
Pharmaceutical Services	2,160
Dietary & Nutrition Services	1,875
Physical Therapy Services	3,638
Cash Food Allowance	11,736
Food Rations (\$45 per patient per week drawn at the store)	23,330
Meals	24,326
Clothing Allowance (\$70 per patient per 6 months)	3,372
Cash Allowance (\$30 per patient per quarter)	2,449
Patient Employee Program Pensions	58,015
Appliances (washer, dryer, refrigerator, stove, water heater, microwave oven)	11,162
Cable TV (paid by donation funds)	9,713
Beautician	510
Stamped Envelopes (10 per patient per month)	2,800

Non Patient/Employee Expenses for the period October 1, 2008 through September 30, 2009:

Trail Pay/Air Travel	\$ 46,411
Employee Meals (11,477 meals @ \$5.00)	89,855
Salaries (Admin, Food Services and Construction & Maintenance)	924,282
Overtime (Admin, Food Services and Construction & Maintenance)	60,166
Standby Pay	3,201
Food Ration Credit	1,368
Employee Safety Equipment Cost (steel toe shoes, gloves, goggles, respirators, etc.)	656

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 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, 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 service section provides.

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 separately to assign cost with estimate costs being available rather than actual costs in most cases.

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