

REPORT TO THE TWENTY-THIRD LEGISLATURE  
STATE OF HAWAII  
2006

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 2005

## EXECUTIVE SUMMARY

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

The DOH's report to the Twenty-Third Legislature, 2006, is an update on the previously addressed issues. It is highlighted by a mid-year hearing by the House Health Committee (House Committee on Health, Site Visit to Kalaupapa, Molokai February 28-March 1, 2005 report to Representative Calvin Say) in Kalaupapa in which the patients expressed their favorable views on the positive changes with the Kalaupapa Administrator. There were relatively few patient complaints raised up during the hearing. All complaints have been appropriately addressed at that time.

During the year, the DOH has conducted a number of patient surveys to include the total community in the decision making process. This has been useful for the Patient Advisory Council in insuring all the patients' inputs were represented.

Improvements at the Kalaupapa Store combined with effective policy and procedures have substantially cut the waste disposal to a statistically insignificant amount.

The previously contentious issue of supplying patients with the major household appliances is in its second year and operating very smoothly. This past year, 30 appliances were replaced in 15 patients' homes.

## **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 and to track patient and non-patient costs separately, 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.

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 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 in addressing the 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 have been addressed and were described in the previous 2005 report to the legislature. The 2006 report to the legislature 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 medical care for the 36 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 any other medical conditions that affect this elderly geriatric population. The average age of the patients is 76 years old with a range in age from 64 years to 89 years old. 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 resulting area insensitivity. Chronic diseases such as diabetes, chronic heart failure and various types of cancers commonly afflict this population. The DOH's Dental Division provides dental care for these patients, with a dentist making monthly visits to Kalaupapa.

The DOH's philosophy toward medical care of the Kalaupapa patients has been one of keeping the patients as independent as possible at whatever level of capacity they may be at. The Hansen's Disease Branch has developed a number of different programs and levels of patient care toward that end. To keep patients in their homes as long as possible, the program runs a meals-on-wheels program for patients who are no longer able to cook for themselves. A home chore worker program is also available to provide house cleaning services, home chore services, as well as some light cooking. Most of the patients also receive lawn services provided by the DOH. For the patients who are home bound or mobility impaired, the Kalaupapa Care Home provides services through a home outreach nurse who regularly checks on their medical status.

For patients who are no longer able to live in their homes independently, the next level of care is provided at the Kalaupapa Care Home. The care home, licensed as a type II adult residential care home (ARCH II), can accommodate patients who are at the skilled nursing level, intermediate care level, and care home level. Medical services are provided by staff nurses (RNs), licensed practical nurses (LPNs), paramedical assistants (PMAs) and home chore workers. A Purchase of Service contract was recently executed with the University of Hawaii, John A. Burns School of Medicine to provide physician services to Kalaupapa twice a week for outpatient visits and medical consulting. Although the contract is costly, it was the only option available when the DOH physician retired. Since the physician's retirement, the program has continued to be unsuccessful in recruiting any physician for the position.

Patients requiring the next level of care are moved to the 14-bed Hale Mohalu Hospital at Leahi Hospital in Honolulu. Hale Mohalu is licensed as a broad service hospital and often accommodates patients at the end stages of life, those recovering from complex medical procedures done in community hospitals, or those receiving on going medical treatment in Honolulu hospitals. There are currently six long-term Kalaupapa registry patients residing at Hale Mohalu Hospital.

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

In addition to the medical services described above, the Kalaupapa patients are also provided with ancillary services such as hearing aids, glasses or contacts, prosthesis, orthotics and shoes, and wheel chairs. A number of patients' homes have been remodeled to accommodate their limited mobility. Ramps into homes, widening of doorways, and grab bars have been installed according to the Americans with Disabilities Act standards. A number of medically fragile patients who choose to remain in their homes have been given a medical emergency alert signaler they wear to alert care home staff if they get into any situation requiring assistance.

The Branch staff have met with Kalaupapa patients, Kalaupapa Ohana board members, and Mr. John Tomoso, Maui County Office on Aging to discuss options for allowing patients to "age in place." All agreed that the Kalaupapa patients' input was critical to deciding what types of action would be appropriate. The Branch Social Worker will develop and administer a survey for the Kalaupapa patients to get their additional thoughts on the issue and what types of programs they would desire.

In the summer of 2003, a patient who was receiving dialysis services in Honolulu made a request to go home to Kalaupapa and receive the service there. A community coalition consisting of the DOH, Office of Hawaiian Affairs, St. Francis Hospital 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 to receive his dialysis. In September of 2005, a second dialysis patient joined the first patient in receiving dialysis in Kalaupapa. A third patient may require dialysis by the early part of next year and options for accommodating this patient are being reviewed.

Patient requested physical therapy services were initiated in December of 2004 in Kalaupapa. It is recognized that physical therapy has an important role in health care delivery, and is connected with maximizing function, preventing decline, decreasing pain, and treating 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 can therefore have a profound effect on overall health, restoring an individual's ability to perform the daily activities required to live independently in the community.

To date, 15 Kalaupapa patients have received 87 physical therapy treatments from a privately contracted physical therapist. The treatments range from one or two sessions for some patients up to 12 or 13 for others. An average of nine therapy sessions is given 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 National Park Service (NPS) and DOH respectively. All patients receive a \$45.00 per week food credit to purchase goods in the Kalaupapa store. Those on the meals on wheels program have the cost of those meals deducted from their food allowance. Patients receiving all their meals through the meals on wheels program retain \$10.00 per week ration at the Kalaupapa store for personal items and incidental purchases. The patients also receive a quarterly cash allowance of \$30.00 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 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 on 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 communicate changes occurring or scheduled to occur 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, the Kalaupapa Administrator, Branch Administrative Officer, and the Branch Chief have also been utilized from June of 2003 to keep the lines of communication open between the 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 (PAC), the Hansen's Disease Branch Chief discussed the issue that the PAC is not representing the patients' interests based on the opihi survey and also on 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 recommended modifications. A number of reasons were identified by the PAC such as lack of communication between patients, lack of interest in issues, and non-participation on many patients' part. It was agreed that for now, 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 in which positive outcomes were achieved.

Most of the patients' frustration with policies and procedures in Kalaupapa revolved around not knowing them or not having access to them. This was addressed and resolved in the previous legislative report by providing the PAC with a complete set of policies and procedures as well and having them available at the Administration office and the library. This year, the Branch reviewed the administrative rules governing Kalaupapa and will work toward updating and deleting non-applicable rules. A Branch Planner position has been in recruitment for the last three months and will have the primary responsibility for updating the administrative rules once filled.

In October of 2004, the Branch requested an Attorney General's (AG) opinion regarding Kalaupapa beach house ownership. Historically, only patients could own beach homes that were constructed outside the settlement at their own cost to facilitate visits by family members under

the age of 16. Over the years, beach houses have been given or sold to other patients, but as the patient numbers decrease there are fewer patients desiring the beach houses. Most of the patients favor keeping the policy of patient only ownership, but recently outside entities have been making overtures for non-patient ownership. An AG's opinion confirmed that the Department of Health may continue to enforce patient only ownership. The opinion was shared with the PAC meeting in December 2004 and with the patient community at the January 2005 community meeting.

The audit identified no statutory or formalized language authorizing the food credit program for the clergy and the Kalaupapa Administrator. As of January 6, 2005, the food credit for the Protestant minister and his wife was terminated with his resignation. The Church was notified that the food credit would not be available to the new incoming minister. The food credit program for the Catholic Church will be terminated when the current Father resigns or retires. The Kalaupapa Administrator will continue to be eligible for the food credit program under the terms of employment for Kalaupapa State employees.

In a January 27, 2004 joint House and Senate Health Committee hearing, Kalaupapa patient Paul Harada testified that Kalaupapa "needed an administrator trained more in social work and human skills than engineering." The DOH has trained the Kalaupapa Administrator in those skills, which are described in last year's legislative report, section 7, as well as this year's report under section 7.

In May of 2005, Deputy Director Linda Rosen lead the discussion with the Kalaupapa patients in which the implications and impact of Senate Bill 1713, which charges the Department of Health with protecting the patients' personal liberty, autonomy and dignity, was debated and interpreted. As a result of this discussion, the DOH conducted a patient survey of the child visitation policy and proposed modifications, which was shared with the patient community at the July community meeting. The minor visitation policy was modified on July 1, 2005 to allow approximately 12 minors in the settlement at any one time. It was further amended to only allow related patient sponsored children into the settlement and was implemented on a trial basis for a three-month period.

Last year, 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 was brought in on last year's barge. Another pool of major appliances (35) was ordered for the July 2005 barge to accommodate the patients and employees' appliance replacement program. To date, 30 appliances have been issued to 15 patients under this program (attachment A). A similar report was supplied to Representative Arakaki in July in response to his request.

In June of 2005, \$225,000 was redirected within the Department of Health to the Kalaupapa budget to fund budget shortfalls related to cost increases and audit related remediation. Substantial cost increases were experienced in the patient medical care contract with University of Hawaii physicians, gasoline cost (we purchase 32,000 gallons for annual usage), annual barge contracting costs, and increased patient nutritional services required for care home licensure.

New patient appliances, new patient requested physical therapy services, and additional construction costs related to patient requested improvements to their homes were also covered.

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

The DOH has done a multitude of things to provide a positive living environment in Kalaupapa. The items are listed by date along with a short description.

#### November 2004

The Kalaupapa Administrator obtained agreement from the three airlines that fly into Kalaupapa to not transport spear guns into Kalaupapa unless previously authorized by the administration. This is in response to the patients' request to ban spear guns in the settlement since only pole fishing is allowed for non-residents.

#### December 2004

Discussed with the PAC and patient community the Federal Department of Transportation's request for comments regarding the air service provided by Pacific Wings under the Essential Air Service (EAS) subsidy program.

At the December community meeting the future of Kalaupapa Hawaiian Homelands once the patients are no longer in the settlement was discussed. A Hawaiian Homelands representative was there along with the Kalaupapa patients and the NPS.

The Kalaupapa Administrator made a formal request to the State Department of Transportation (DOT) to activate the system that allows pilots to turn-on the Kalaupapa runway lights from the air. Delayed flights into Kalaupapa necessitated the DOT airport worker to return to the airport after working hours to manually turn-on the runway lights. The system was initially disabled at the patients' request to discourage unauthorized landings, but they have consented given the frequency of the delayed flights and the union issues encountered.

#### January 2005

Purchased AAA Roadwise Review, A Tool to Help Seniors Drive Safely Longer. The self-administered driving skills test and driving tutorial for elderly drivers will be made available for the patients and community when the computer-learning center becomes operational in the remodeled library (sometime in 2006).

DOH was involved and supported the exhumation of Mother Marianne Cope's remains as part of her beatification process.

#### February 2005

Obtained a written commitment from the NPS claiming responsibility for converting all of the DOH's high volume cesspools (9/22) to septic tanks. The NPS's written plan of action for the EPA avoids potential penalties of \$25,000/day.

### April 2005

Finalized legal paperwork required to receive final payment from the Elaine Webber Estate for the Kalaupapa patients. The total award from the estate was \$55,000 donated for the patients' use.

### May 2005

DOH staff participated in the Arizona Memorial Association's strategic planning meeting to assist in developing a 2-3 year plan for the Kalaupapa bookstore/museum. Other participants included a patient representative, Hawaiian Home Lands, DOT, Department of Land and Natural Resources (DLNR), NPS and the DOH.

DOH staff worked with the DOT to secure information on the FAA required certification of the Kalaupapa Airport. The certification of the airport will require a security fence enclosing the airport, new runway lights, and staffed fire station. A letter was sent from the Director of Health to the Director of Transportation asking for community briefings and impact remediation.

Requested assistance from the DLNR, DOT, Department of Accounting and General Services, Army Corp of Engineers, NPS and Senator Inouye's office to address a crumbling seawall at the Kalaupapa pier and pier integrity problems. The seawall was damaged this past winter due to high waves and the storage building located directly above the seawall may collapse into the pier basin if it fails. Young Brothers, operator of the annual barge, also expressed concerns about the pier's integrity. They were specifically concerned about the rusting bollards and bits that secure the barge to the pier. Long-term fixes to the pier, breakwater, and turning basin (widening and dredging) will be required before 2008 when Young Brothers retires the Aukai barge (no longer seaworthy) and starts using larger barges for the annual Kalaupapa barge delivery.

Patients identified problems surrounding visitors in Kalaupapa, primarily with the NPS's contractors and short term and long-term volunteers. The NPS developed a draft policy for their volunteers and discussed it at the June community meeting. The document will be finalized once all the comments are received. The NPS will also provide a special training for all supervisors of NPS volunteers to sensitize them to the uniqueness of Kalaupapa. NPS volunteers will also be identified by grey NPS T-shirts, nametags and their pictures posted at the post office.

The DOH initiated the recruitment process to fill a vacant State-funded electrician position to address patient concerns that electrical issues and problems are not being adequately addressed by the NPS. The NPS has never been fully staffed and has encountered long-term medical leaves with some of their staff. To date, the DOH's recruitment has been unsuccessful due to the low unemployment rate and greater financial opportunities for electricians in the private sector.

### June 2005

Initiated a meeting with State Civil Defense and DOH Emergency Preparedness planner to review and update Kalaupapa's emergency response plan. An onsite meeting in Kalaupapa will be scheduled with the DOH, NPS, State Civil Defense, and the Emergency Preparedness planner to review capacity and resources available for emergency response. In September of 2005, 400 Meals Ready to Eat (MRE) were donated by the American Red Cross and sent to Kalaupapa as part of our emergency planning.

DOH formally notified the patient-owner of Damien Tours that his tour insurance expired at the end of June 2005. Proof of insurance was required to continue tour operations. As in the past, assistance in securing insurance was offered but was not required.

#### July 2005

DOH staff met with St. Francis dialysis staff and the Office of Health Care Assurance (licensure) staff to discuss options available to accommodate another dialysis patient in Kalaupapa. Details were worked out at that time and the patient commenced dialysis in Kalaupapa in September of 2005. Dialysis accommodations for a third patient may be necessary in the early part of 2006.

#### August 2005

NPS initiated ground treatment of all the buildings for termites after completing the termite-tenting project.

#### September 2005

Deputy Director of Health intervened to help resolve a conflict between Pacific Wings (essential air service carrier) and the DOT to install an electrical line on the tarmac at Kalaupapa airport to operate an electric wheel chair lift. The old wheel chair ramp was taken out of service for safety reasons.

Contacted Developmental Disabilities Division (DDD) to explore the possibility of providing in-home caregiver services to Kalaupapa patients under DDD's contracts for services.

Stocked NPS's ambulance with medical supplies and developed a policy to co-operate emergency response vehicle.

#### On Going Annual Events

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

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

The Festival of Trees is 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 quite a tradition in Kalaupapa.

Annual Bingo Night in Kalaupapa was sponsored by the Hawaii Filipino Society this year. The patients enjoyed food, fun, and numerous prizes that each took home.

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 to come. Music and singing usually follows dinner. There is always dinner following the formal concert at the St. Francis Church Hall.

On August 17, 2005, Hawaiian singer John Cruz gave two performances at Fuesainas (the bar) and the care home for both patients and staff. On September 20, 2005, Tiny Cazimero (performs internationally with Melveen Leed) visited Kalaupapa and entertained with Hawaiian music and song.

Many old record albums are housed in the Mother Marianne Public Library. An old record player was recently repaired and made available for the patients and staff to enjoy.

#### **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 described in the 2005 legislative report.

No new benefits, that are not statutorily defined, have been given to the Kalaupapa employees during 2005.

#### **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 is 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. For the period from November 2004 to October 2005, \$1,637 worth of store goods were disposed of due to spoilage, expired sell dates or insect infestation. Of that total, \$1,317 was a one-time disposal of meats, fish, vegetables, and other food items that spoiled in the refrigerators when an electrical power outage occurred over a weekend. All disposals were authorized by the Kalaupapa administrator and witnessed and signed off by two employees, usually the light truck driver and the land fill bulldozer operator.

A variety of reasons can be attributed to the substantial decrease in disposed store inventory. In October of 2004, the store was enclosed and air-conditioned. This not only stopped the canned goods from rusting due to the store's proximity to the ocean salt spray, but also decreased the spoilage and caking of dry goods due to the high humidity. The air conditioning also keeps the large commercial refrigerators operating at a cooler temperature completely cutting out any down time due to over heating. Food spoilage from the refrigerators was limited to the one time power outage.

The final reason that the disposal amount has been substantially decreased over this past year is the inventory management policy that has been in place for the past year and a half. 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. A high volume fast moving item such as rice is a good example of how precise the ordering projections have become. Utilization information estimated selling 75 bales of rice per year. In the April 2005 inventory, only the rice stocked on the store shelves remained. A few bags remained on the shelves when the July barge replenished our rice supply with 75 new bales of rice.

There were two barges this year, one in July and the other in September. All new store stock has been inventoried and reconciled against their orders, allowing invoices to be paid. The new stock has been rotated with the old stock to insure a first-in-first-out policy.

#### **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 November 2004, the HD Branch office received 11 complaints. All 11 complaints were made by, or on behalf of Kalaupapa residents. All were resolved and a response given back to the person filing the complaint. The Kalaupapa Administrative office received 15 complaints from Kalaupapa residents during the same period. All complaints were resolved. A number of the complaints were duplicates made simultaneously to both offices.

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

The Kalaupapa Administrator's special remediation and training was documented in last year's legislative report. The administrator received nearly unanimous support of his performance from the patients. 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 DOH as well as the NPS. 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 about the administrator but could not clarify the actual problem. 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.

The Branch Chief has observed the interaction between the Kalaupapa Administrator (KA) and the community at all the monthly community meetings as well as at the PAC 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. A number of people who are neither patient nor staff have also commented on the positive changes.

#### **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 two 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.

When the electrical responsibilities for Kalaupapa were turned over to the NPS two years ago, the NPS electricians had open access to the DOH’s electrical building and supplies since the electricians were doing work on the patients’ and employees’ residences, State buildings as well as the NPS job orders. A new policy has been implemented to coordinate the NPS electrician, DOH Construction and Maintenance Supervisor and the administration office to account for all the appliances and electrical supplies that are installed on State initiated jobs. The policy also accounts for all appliances that are removed from State owned homes and community buildings. The pool of the new appliances awaiting installation has been moved and secured in the Bay View complex under lock and key.

As of April 2005, a complete “wall-to-wall” inventory was completed. Kalaupapa staff in all program sections are continuing to identify unusable, beyond repair, and lost items for formal disposal off the inventory. From November 2004 to October 2005, 53 items were disposed of and 23 new durable goods items with a value greater than \$250 were added to Kalaupapa’s inventory. The new durable goods items were in addition to the previously mentioned new appliances that were installed in patients and employees homes.

#### **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 to 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 last year's 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 those employees electing reimbursement for walking the trail, the employee must go to the administration office each time he/she completes a round trip up and down the Kalaupapa trail. The employee signs for the trip by entering the date the trail was walked and initialing next to the date. The employee may not complete the form in advance or more than a week after the walk date. At the end of the month, the employee reviews the form and certifies it to be true and correct by signing and dating the form. The original form is initially approved by the Kalaupapa Administrator and sent on 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 check.

For the period October 2004 through September 2005, the DOH expended \$26,934 for employee authorized trail pay. Fourteen employees utilized this contract benefit. For the same period, the DOH expended \$11,125 on employee authorized air travel pay. Twenty-eight employees utilized this contract benefit.

House Bill 2814, H.D. 2, S.D. 1, C.D.1 amended chapter 326-13, Expenses; rules, 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 may not be separated.

Shown below is a summary of expenses that were tracked or that could be readily calculated.

Patient Expenses for the period October 1, 2004 through September 30, 2005:

Home Care Staff Salaries	103,182
Home Care Staff Overtime	2,390
Medications (as of 8/2005)	113,717
Miscellaneous Medical Expenses (supplies, specialists, etc.)	70,002
Medicare Reimbursement	20,674
Other Medical Reimbursement	940
Care Home Staff Salaries	585,889
Care Home Staff Overtime	25,968

Physician Services	99,918
Travel Cost for Medical Care	25,427
Food Rations (\$45 per patient per week drawn at the store)	46,115
Meals (estimated: 3,728 meals @ \$5.00 ea.)	18,640
Clothing Allowance (\$70 per patient per 6 months, 7/04-12/05)	6,940
Cash Allowance (\$30 per patient per quarter)	4,270
Patient Employee Program Pensions (as of 08/05)	108,978
Appliances (washer, dryer, refrigerator, stove, water heater, microwave oven)	10,477
Cable TV (paid by donation funds)	15,350
Beautician	660
Stamped Envelopes (10 per patient per month)	2,800
Personal Vehicle Gas	9,300

Non Patient/Employee Expenses for the period October 1, 2004 through September 30, 2005:

Trail Pay/Air Travel	38,059
Meals (12,567 meals @ \$5.00 ea.)	62,835
Salaries (Admin, Food Services and Construction & Maintenance)	871,225
Overtime (Admin, Food Services and Construction & Maintenance)	68,751
Standby Pay	6,349
Food Ration Credit	7,115
Employee safety equipment cost (steel toe shoes, gloves, goggles, respirators, etc.)	1,676

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 building 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. Tracking actual costs would not be feasible or only at great cost in terms of time and manpower. As an example, housekeeping services provide 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/activity that each of the service sections provide.

The general construction and maintenance section is responsible for repair and maintenance of all buildings within the settlement including, plumbing, painting, common area yard maintenance, vehicle repair and maintenance, garbage pickup and landfill operations and all the sub 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.

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.

The DOH is greatly appreciative for 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 remaining patients of Kalaupapa Settlement. The DOH feels that most of the issues identified in the audit have been addressed over the past two years.