

House District 7 and 1

Senate District 1

THE TWENTY- FOURTH LEGISLATURE  
HAWAI'I STATE LEGISLATURE  
APPLICATION FOR GRANTS & SUBSIDIES  
CHAPTER 42F, HAWAI'I REVISED STATUTES

Log No: 192-0

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN):

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Dba: **North Hawaii Community Hospital**

Street Address:

Mailing Address: **67-1124 Mamalahoa Highway  
Kamuela, HI 96743**

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name RICHARD WEST

Title Treasurer

Phone # (808) 887-1038

Fax # (808) 881-4404

e-mail rwest23@aol.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

4. FEDERAL TAX ID #:

5. STATE TAX ID #:

6. SSN (IF AN INDIVIDUAL): N/A

7. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

(Maximum 300 Characters)

8. FISCAL YEARS AND AMOUNT OF STATE FUNDS REQUESTED:

FY 2008-2009 \$ 2,016,500.00

9. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ \_\_\_\_\_

FEDERAL \$ \_\_\_\_\_

COUNTY \$ \_\_\_\_\_

PRIVATE/OTHER \$ 1,400,000.00

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

**RICHARD WEST, TREASURER**  
NAME & TITLE

1/29/08

DATE SIGNED

## Application for Grants and Subsidies

*If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

1. A BRIEF description of the applicant's background; **North Hawaii Community Hospital (NHCH) is a full-service, 40-bed, acute-care facility with some of the finest equipment, staff, and physicians in the State of Hawaii that was developed and constructed by the North Hawaii Community through a public-private collaboration to provide North Hawaii (Waimea), North and South Kohala, and Hamakua residents with access to much needed medical services.**
2. The goals and objectives related to the request; **An Electronic Medical Record System (EMRS) encompasses hardware and software designed to assist in the delivery of patient care within the hospital, clinic, laboratory, and physician office settings (collectively and respectively) to assure seamless treatment through comprehensive and expedient processing of medical information.**
3. State the public purpose and need to be served; **With a growing population including the proposed expansion of Dept of Hawaiian Homeland housing in excess of 400 new homes, increased and aging resident and visitor population; and increased patient visits, the growing challenges to accurately and effectively communicate with all of the providers involved in a patient's care must be addressed. An EMRS will provide NHCH and its stakeholders with a system that has become the standard of care for medical care centers throughout the nation, and allow for timely, accurate flow of confidential and critical health information both within and outside the hospital; provide for better productivity and reduced length of stays, thereby maximizing use of resources including and not limited to, staff time and funding.**
4. Describe the target population to be served; **40,000 plus residents and visitors off/to Hawaii County. Because of proximity to the Pohakuloa Training Area, NHCH also provides critical care to military and civilian support personnel; and**

5. Describe the geographic coverage. **Over 1,000 square miles including Waimea, Hamakua (including and not limited to Honokaa, Paauilo, Kukuihaele), North and South Kohala (including Waikoloa, Puako, Kawaihae, Kapaau, Hawi, and Coastal Resorts). Note that individuals from distant areas such as South Kona, Puna, Volcano also seek medical attention at NHCH.**

## II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request.

1. Describe the scope of work, tasks and responsibilities; **Project implementation is guided by a comprehensive deployment plan which details orientation and training objectives, schedules, timeframes, equipment requirements and more. NHCH has also implemented an onsite organizational structure that includes three full-time project support technicians and a host of "super-users".**
2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service; **Implementation of the project commenced in September 2005 and is scheduled for full implementation by mid-2009. The Cerner system, like other complex software systems, will undergo regular upgrading and expansion to meet the needs of a dynamic healthcare environment. Upgrades to hardware is also integrated into the long-term project planning.**
3. The applicant shall describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; **The integrity and accuracy of the clinical information system is and will be monitored by end-users, clinical information specialists at the hospital and Cerner support personnel. NHCH's Board of Directors receives bi-monthly progress reports from personnel and physicians and other end-user regularly attend Board meetings to discuss, review, analyze and make recommendations on the EMRS and other systems and policies; and**
4. The applicant shall list the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of

appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency. **Documentation demonstrating and quantifying the move from memory-based to knowledge/data-driven care will be provided in several ways including and not limited to identifying the number of physicians able to access patient data from offices, homes, and other remote locations; number of patient records transferred from multi-copy/multi-paper files to the centralized, readily accessible EMRS; statistical data such as the reduction in number of unnecessary tests and other procedures; number of alerts and warnings to assist health care professionals avoid errors and/or redundant procedures and tests.**

### III. Financial

#### Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
2. The applicant shall provide its anticipated quarterly funding requirements for the fiscal year 2008-2009.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
504,125	504,125	504,125	504,125	2,016,500

### IV. Experience and Capability

#### A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

**Since its opening eleven years ago, NHCH has earned a statewide reputation of excellence for delivering quality, integrative healthcare services within a unique healing environment. While a community-based volunteer Board of Directors governs NHCH, the hospital is managed under contract by Quorum Health Resources (QHR), an organization with over thirty years experience, recognized nationally as a highly qualified, respected health care management organization that provides independent hospitals and health systems with management support services, consulting, education,**

and training programs. Hospital accounting, payroll, and other business functions are also fully integrated and supported. The EMRS contractor, Cerner provides NHCH access to leading edge operating strategies, a wide range of critically important consultive services, and cost-effective access to critical information and other support technologies. Installation support including and not limited to trained, on-site technicians, continuous staff and physician training, regular soft/hardware upgrades, and access to 24/7 help lines are also part of the project.

**B. Facilities**

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. Also describe how the facilities meet ADA requirements, as applicable. **The project is being implemented not only within NHCH's hospital campus but also in the hospital's outpatient settings and affiliated physician offices, including medical offices in Kona. Integration of a clinical information system across the entire organization enables access to patient information when and where it is needed. The information can be accessed simultaneously by multiple users, updated in real time, stored in an efficient, safe, and secure electronic format with multiple back-up systems, and ultimately transmitted anywhere in the world subject to multiple security clearances and safety features. All physical facilities such as the hospital itself, medical offices, etc. meet and/or exceed all ADA requirements.**

**V. Personnel: Project Organization and Staffing**

**A. Proposed Staffing, Staff Qualifications, Supervision and Training**

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request. **All caregivers, particularly nurses and physicians, will use the clinical information system to document patient care, input medical orders, transmit medical information, and track and trend quality indicators. The system will also alert caregivers for example such as should medical orders and/or drug interactions potentially cause a patient harm. Such alerts are how patient lives can be saved and why the federal government has advised that in the near future,**

**EMRS will be mandatory at all Medicare-participating hospitals. At NHCH, extensive classroom and "just-in-time" training is provided on an ongoing basis to all caregivers. Within every medical discipline provided at NHCH, including and not limited to physicians, a critical mass of individuals are provided with extensive, additional training to qualify as "system super-users". Additionally, the hospital has three full-time support, technician-level trained personnel. As Castle Medical Center on Oahu also uses the same system, NHCH has formed a strong technology based collaborative relationship for additional in-State support that is complemented by Cerner system specialists. Overall responsibility for the project at the local level is seated with the NHCH Vice President for Patient Care and the NHCH CEO.**

**B. Organization Chart**

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request. **Please see attached.**

**VI. Other**

**A. Litigation**

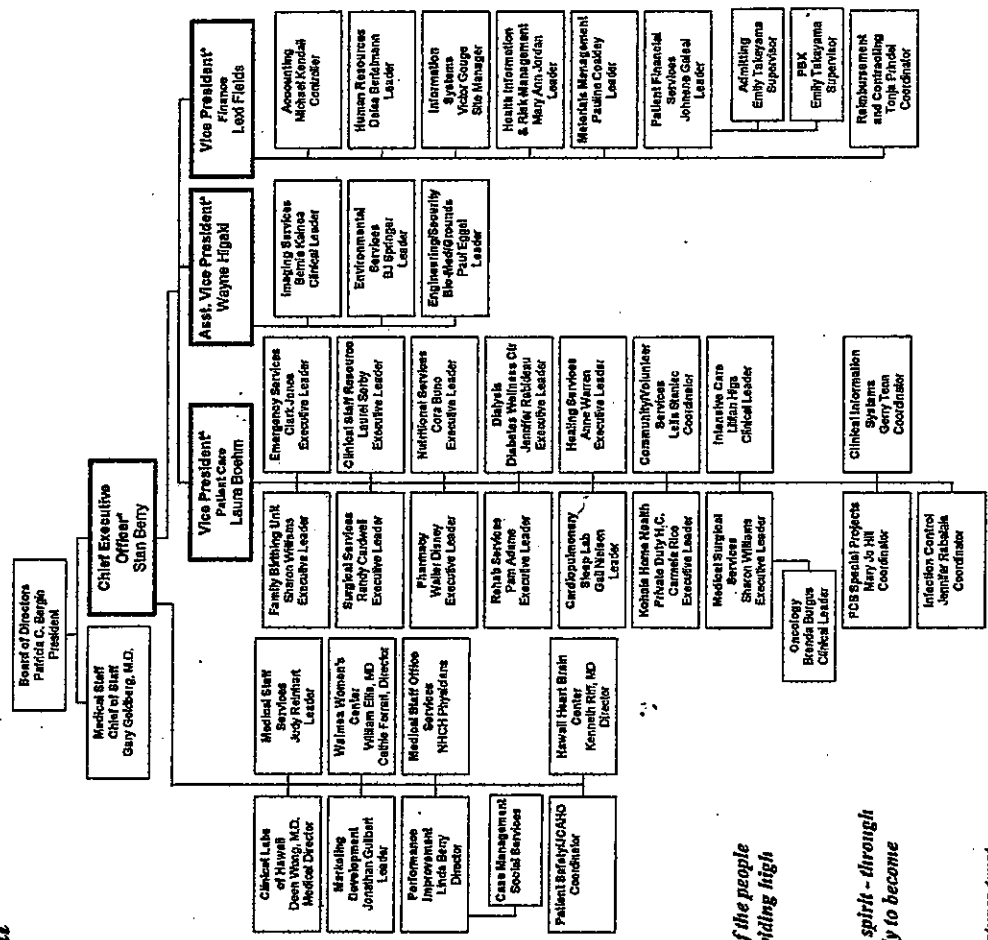
The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain. **The hospital has one active lawsuit that it is defending in which a patient is alleging malpractice by an independent anesthesiologist. Note that NHCH expects to ultimately be released from the case.**

**B. Licensure or Accreditation**

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request. **North Hawaii Community Hospital is licensed by the State of Hawaii Department of Health and is fully accredited by the Joint Commission on the Accreditation of Healthcare Organizations.**



# North Hawaii Community Hospital Organizational Chart




**Our Mission**  
The mission of NHCH is to improve the health status of the people of North Hawaii by improving access to care and providing high quality services at a reasonable cost.

**Our Vision**  
Our vision is to treat the whole individual - body, mind and spirit - through a team approach to patient-centered care, and ultimately to become the most healing hospital in the world.

**Our Values**  
As ohana, we value an environment of aloha which nurtures trust, respect, self-expression, open minds and hearts.

**BUDGET REQUEST BY SOURCE OF FUNDS**  
(Period: July 1, 2008 to June 30, 2009)

Applicant: North Hawaii Community Hospital

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>Private Funds (b)</b>	<b>(c)</b>	<b>(d)</b>
<b>A. PERSONNEL COST</b>				
1. Salaries	0			
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>				
<b>B. OTHER CURRENT EXPENSES</b>				
1. Airfare, Inter-Island				
2. Insurance		120,000		
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training		100,000		
6. Supplies	500,000			
7. Telecommunication	500,000	85,000		
8. Utilities		250,000		
9. Technology Support incl upgrades		250,000		
10. Travel - Out of State		95,000		
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>1,000,000</b>	<b>900,000</b>		
<b>C. EQUIPMENT PURCHASES</b>	<b>1,016,500</b>	<b>500,000</b>		
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>				
<b>TOTAL (A+B+C+D+E)</b>	<b>2,016,500</b>	<b>1,400,000</b>		
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	2,016,500	<i>Lexi Fields</i>	885-4444	
(b) Private Sector Fundraising &	1,400,000	Name (Please type or print)	Phone	
(c)			1/29/08	
(d)		Signature of Authorized Official:	Date	
<b>TOTAL REVENUE</b>	<b>3,416,500</b>	<b>Richard West, Treasurer</b>		
		Name and Title (Please type or print)		





# BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: North Hawaii Community Hospital

Period: July 1, 2008 to June 30, 2009

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
		\$	-	
		\$	-	
		\$	-	
		\$	-	
		\$	-	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
		\$	-	
		\$	-	
		\$	-	
		\$	-	
		\$	-	
TOTAL:				
JUSTIFICATION/COMMENTS:				

**BUDGET JUSTIFICATION  
CAPITAL PROJECT DETAILS**

Applicant: \_\_\_\_\_

Period: July 1, 2008 to June 30, 2009

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ANY OTHER SOURCE OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED		FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2005-2006	FY: 2006-2007	FY:2007-2008	FY:2008-2009	FY:2009-2010	FY:2010-2011
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT				2,016,500.00		
<b>TOTAL:</b>				<b>2,016,500.00</b>		
JUSTIFICATION/COMMENTS:						



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**DECLARATION STATEMENT  
APPLICANTS FOR GRANTS AND SUBSIDIES  
CHAPTER 42F, HAWAII REVISED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawaii Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and assuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

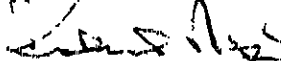
Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

North Hawaii Community Hospital

(Typed Name of Individual or Organization)



(Signature)

29 January 2008

(Date)

Richard West

(Typed Name)

Treasurer

(Title)

