

House District : 13

Senate District: 6

THE TWENTY-SIXTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

REC'D JAN 20 2011

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: DOH - HAWAII STATE DEPARTMENT OF HEALTH
PROGRAM I.D. NO.:

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Moloka'i 'Ohana Health Care, Inc.

Dbas: Moloka'i Community Health Center

Street Address: 28 Kamoi St., Suite 600
Kaunakakai, HI 96748

Mailing Address: P.O. Box 2050
Kaunakakai, HI 96748

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name: DESIREE PUHI, R.N.

Title: Executive Director

Phone: (808) 553-4505

Fax: (808) 553-3780

e-mail: dpuhi@molokaichc.org

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

MOLOKA'I COMMUNITY HEALTH CENTER:
RENOVATION AND RELOCATION

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2011-2012: \$ 1,000,000

8. 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	\$ 1,000,000 (PER ACT 162 SLH 09, PENDING RELEASE)
FEDERAL	\$ 1,758,000
COUNTY	\$ _____
PRIVATE/OTHER	\$ 542,000
TOTAL	\$ 3,300,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED SIGNATURE]

AUTHORIZED SIGNATURE

DESIREE PUHI, R.N., EXECUTIVE DIRECTOR

NAME & TITLE

JANUARY 19, 2011

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. Provide a brief description of the applicant's background.

Moloka'i 'Ohana Health Care, Inc., a multi-service, fully-accredited 501(c)(3) non-profit health care agency that does business as the Moloka'i Community Health Center, is requesting from the State of Hawaii a \$1,000,000 capital grant, for the purpose of completing the renovation and reconstruction of its new home facility, the Oceanside Center, and facilitating its subsequent relocation to the new site, which was once the former Pau Hana Inn.

The 25th Legislature previously appropriated \$1,000,000 for this project under Act 162, Session Laws of Hawaii 2009, Program No. HTH 595 (Health Resources Administration). However, at the time this current application was submitted for this Legislature's due consideration, the release of these funds by the executive branch is presently pending.

Founded in 2004 with a mission to "promote and provide accessible comprehensive individual and community health care to the people of Moloka'i with respect and aloha," the Moloka'i Community Health Center (MCHC) has become the island's first model of fully-integrated health care, and its patient base of nearly 3,000 residents – of whom three-fifths are of Native Hawaiian ancestry – constitutes approximately 40% of the island's population.

With this focus, MCHC subscribes to both the goal of achieving health equity in one generation, as defined by World Health Organization's Commission on Social Determinants of Health, and to the concept of actualization of everyone's right to health.¹ MCHC's evolving model of health promotion, not simply health care, is based on the integration of three dimensions of health, which are as follows:

1. Medical, behavioral, dental, and support services, which will provide for the fullest realization of the health potential of the individual and his or her family;
2. Western and traditional medicine, which will enable Western-trained practitioners and traditional practitioners, particularly Native Hawaiian traditional practitioners, to provide services in an integrated manner, not simply as separate parts of one organization; and

¹ W.H.O. Commission on Social Determinants of Health. "Closing the gap in a generation: health equity through action on the social determinants of health". Final Report on the Social Determinants of Health, World Health Organization; Geneva SU (2008).

3. Individual health and community health, which will link individual health outcomes with the social determinants of health, such as poverty, racism, housing, education, employment and environment.

MCHC's primary health care facilities are currently housed in a centrally located, ADA-compliant 2,400 sq. ft. building in Kaunakakai, with its administrative offices are located two blocks away, off the main street in town. MCHC has an open access policy, with same-day and walk-in appointments welcome, and its hours of operation are 7:00 AM to 6:00 PM, Monday through Friday, and 8:00 AM to 12:00 Noon on Saturday. From its present locale, MCHC provides:

- Primary health care, including prenatal, adult, and general lab services, and includes child-specific care from the island's only practicing pediatrician;
- Behavioral health care including consultations, assessments, and treatments conducted by a licensed psychologist and substance abuse counselor;
- Dental health services ranging from comprehensive dental exams to dental health and education programs;
- Pharmacy services, which provides discounted medications on a sliding fee scale; and
- Enabling services, which provide outreach and screening for public insurance benefits.

In its six-plus years of operation, MCHC has garnered a reputation for quality and responsibility that has allowed it to partner with numerous local and national health organizations and vendors in developing a model for rural primary health care in the State of Hawai'i and beyond. MCHC is administered by an executive director, who presides over a professional and highly qualified management team that includes a medical director, dental director, behavioral health director, chief financial officer, and at least one paraprofessional.

MCHC is also a community-owned and -governed not-for-profit health care agency. In that regard, it differs from the institutionally-based model of health care delivery, in that the care it provides for residents of Moloka'i is customer-driven, rather than patient-centered. To that end, MCHC remains committed to a wholly-integrated model of care that places both family and community at the center of attention and governance. Community health centers such as MCHC have both means and opportunity to change the traditional Western dynamic of health care, by embracing a team-oriented, culturally grounded approach to its delivery.

If a community health center's mission is to ensure quality delivery of primary care services and social assistance to its patient / customers, it only follows that those customers should not be left on their own to navigate the bureaucratic maze that can be modern health care, which would otherwise only increase the probability that someone would slip through the cracks and not receive the care he or she may need in a timely manner, or even foreclose on that opportunity altogether. Therefore, MCHC strives to be a user-friendly facility where the patient / customer's well being is of paramount importance.

MCHC uses small, integrated primary care teams to establish a long-term, trusting relationship with the patient / customer and each other, provide primary care services, and coordinate that patient's other related needs with other programs within the MCHC facility, or with other outside

providers as may be necessary or desired. This team ideally consists of a physician or mid-level provider, a medical assistant, a nurse and a case manager, as well as a dentist, behavioral specialist, and traditional Native Hawaiian healer when called upon. Working together, this team can both effectively manage its time and case load to meet most all primary care and social assistance needs of its patients.

2. State the goals and objectives related to the request.

Relocation to the Oceanside Center from its present inadequate locale will allow MCHC ample room to immediately and effectively triple its medical examination rooms from three to nine, and increase the number of dental examination rooms from two to three. Once its new facility is fully operational, MCHC will be able to provide for most all of its patients' needs in one convenient locale. Those services not directly provided will be met through strategic partnership with community-based healthcare providers and community service organizations.

Moloka'i 'Ohana Health Care, Inc. would also provide other health care and social service providers with a convenient venue and favorable lease terms to service the island's approximately 7,200 residents. Further, the property's size further provides a significant opportunity for future expansion of facilities and services, as may be prospectively necessary and / or desired for the host agency and its partners.

Once relocation to the Oceanside Center is completed, MCHC plans to expand its outreach, to provide primary medical and dental services to those residents living in Maunaloa, east Moloka'i and Kalaupapa, particularly those whose limited mobility and / or lack of transportation often renders access to such care problematic. This can be accomplished by either taking those services directly into those communities in the form of mobile and satellite clinics conducted at rural schools and community centers on a rotating schedule, or by arranging and / or providing the transportation necessary to bring those community members in person to the Oceanside Center in Kaunakakai to receive the care and services that they might need.

3. State the public purpose and need to be served.

As noted prior, MCHC's primary health care facilities are currently housed in a 2,400 sq. ft. building in Kaunakakai, and its administrative offices are located two blocks away, just off the main street in town. Because the recent downturn in both the U.S. and Hawai'i economies has had a significant detrimental impact on already hard pressed Moloka'i residents, MCHC has had to plan for a significant increase in its patient base beyond the nearly 3,000 individuals it currently serves. Unfortunately, its present locale is proving to be increasingly inadequate, because current tight limitations on space are clearly restricting MCHC's overall service capacity.

For example, patients often have to wait several months for an initial dental appointment, simply due to issues of capacity. Despite sharing cramped facilities with MCHC's health care and behavioral care programs, the dental services program has over the past 20 months provided primary care to 1,181 Moloka'i residents, which is nearly 20% of the island's population. Those numbers can only be expected to grow when one considers that outside of MCHC's dental

program, Moloka'i has only three other practicing dentists, all of whom are approaching retirement age. Therefore, the specter of a critical shortage in dental care services looms large over the island's population.

The additional dental examination rooms and operator will enable MCHC dentists and staff to treat a larger number of patients in a more efficient and timely manner, by reducing substantially the overall waiting time for dental patients, and by providing the resident dental hygienist the means to treat those patients needing an intermediate level of care such as cleaning, without having to wait for the availability of an operator. In practical terms, the number of patients which could be seen by an MCHC dentist and professional assistants could be increased by approximately 35-40%, once all three operatories are in operation.

Thus, the assistance provided the State to complete this project in a timely manner will ensure MCHC's ability to develop the increased capacity necessary to both provide for a much-improved access to basic medical, dental, behavioral health and family support services by residents of Moloka'i, and to facilitate greater efficiency in the delivery of those services. This will, in turn, also contribute significantly to the health and welfare of the island's population as a whole.

Once its new Oceanside Center is fully operational, MCHC will be able to provide for most all of its patients' needs in one convenient locale. Those services not directly provided will be met through strategic partnership with community-based healthcare providers and community organizations. Moloka'i 'Ohana Health Care, Inc. would also provide other health care and social service providers with a convenient venue and favorable lease terms to service the island's 7,200-plus residents.

Further, the property's size further provides a significant opportunity for future expansion of facilities and services, as may be prospectively necessary and / or desired for the host agency and its partners. One area where MCHC will work proactively is the field of family planning services, by developing client-friendly programs that will seek to reduce the growing number of unplanned pregnancies amongst the island's teenaged and young adult population, and provide neonatal care to those who have heretofore never had access to such services.

MCHC's relationship with neighboring Moloka'i General Hospital, the only other significant medical facility on the island, is wholly complementary in nature. As a community-owned health center, MCHC accepts everyone, irrespective of any ability on their part to pay for its services. For its part, Moloka'i General Hospital is a fee-for-service facility that is both owned and administered by The Queen's Health Care Systems of Honolulu; it is obligated to treat the poor and indigent only upon their presentation at the emergency room, which can be a potentially expensive and risky proposition should those patients defer seeking treatment until a problem becomes acute.

As an outpatient facility in a small rural community, MCHC realizes little return from duplication of services and effort, and thus it depends upon Moloka'i General Hospital's excellent radiology, acute care and inpatient facilities. In turn, MCHC's advocacy of wellness defines its ability to keep its own patient-customers healthy, which greatly mitigates the need for those aforementioned costly visits to the emergency room, and thus relieves The Queen's Health Care Systems – and

the State of Hawai'i, by extension – of the potential expense of providing uncompensated care to those poor and indigent who walk through Moloka'i General's doors in Kaunakakai.

Eventually, MCHC will make full use of the available technology to create an electronic medical records system that will allow for greater access by patient and provider alike, which will improve efficiency and coordination with other providers, in-house and out, and to encourage patients to make full use of the internet to access the MCHC website for non-urgent consultations and inquiries. Further, as human and financial resources become available, MCHC intends to expand its hours into the evening and open an acute care center, which can also reduce the need for emergency room visits to Moloka'i General Hospital.

It should also be noted that the Oceanside Center project also offers a significant ancillary benefit that partially addresses the issue of economic self-sufficiency for the island of Molokai. Because community health centers are locally-owned and -operated economic assets, they more often than not play a secondary but important role as economic engines for the low-income communities they serve, such as Moloka'i. Although community health centers operate on thin margins, they are stable and resilient nonprofit businesses that develop and reinvest financial resources in their communities. They are often the largest employers in rural communities, and offer entry-level jobs and career paths to people who often would otherwise have few job options.

A 2005 study conducted by the Hawai'i Primary Care Association estimated that MCHC contributed \$2 million annually to the island economy based on 1,180 patients and 11.6 employees. These numbers have more than doubled since, respectively, and will increase again concurrently with the prospective increase in overall agency capacity. As that capacity increases, MCHC will provide both training and experience to qualified island residents for careers as dental and medical assistants, social workers, nurses, medical students and residents, psychologists, dentists, and students of business administration.

Therefore, of further tangible benefit to the Moloka'i community will be the partial alleviation of the island's chronic unemployment rate, initially through the CIP's active construction phase, and then with the creation of permanent, well-paid full-time and part-time professional positions for a not-insignificant number of residents, both by MCHC itself and in conjunction with other onsite providers. Further, MCHC plans to partner with Hui Au Ola – Area Health Education Center, Moloka'i public and private schools and other organizations, to offer island youth sufficient and vital opportunities to learn about careers in the fields of health care, human services and small business, and to create a pipeline that might provide for the eventual increase the number of providers on Moloka'i.

4. Describe the target population and geographic coverage to be served.

As of the 2000 U.S. Census, there were 7,257 persons officially residing on Moloka'i. At 62% of the island's population, Native Hawaiians constitute the largest ethnic demographic, followed by Asian-Americans (the majority of whom are of Filipino ancestry), other Pacific Islanders and Caucasians. According the Kaiser Health Disparity Report released in September 2008, Native Hawaiians and Filipinos are at much higher risk for chronic health complications than are the

islands' other ethnic groups. These include maternal and child health care risks, tooth decay, obesity, teenage pregnancies, alcoholism and substance abuse, diabetes, asthma, heart disease, high blood pressure, and antisocial behavior / mental illness.

While all are welcome through its doors, MCHC's primary clientele is the indigent, uninsured and underinsured resident population of Moloka'i, of whom 60% are Native Hawaiian. In that respect, the majority of MCHC's patient base consists of those individuals whose household incomes fall below 200% of federal poverty guidelines.² As a community-owned health center and primary point of access for nearly 40% of all Moloka'i residents, MCHC's policy is to provide services to everyone who seeks care, at the lowest cost allowable under applicable federal regulations.

In that regard, MCHC serves as a classic social safety net for the island's most vulnerable populations, emphasizing both holistic, preventative and patient-driven health care and professional collaboration with other health and human service organizations whenever necessary, to address the primary health care needs of Moloka'i residents, with particular focus on the needs of children and older adults.

Poverty, geographical isolation, lack of health insurance and the high cost of travel to Honolulu and Maui are the primary barriers to the access of comprehensive primary health care on Moloka'i. The island suffers from one of the lowest overall rankings in the state in terms of economic health, socio-economic stability, and food security. At 14.1%, its official unemployment rate is more than double that of the State of Hawai'i in general. If one includes those residents categorized as "not employed," i.e., neither employed nor in receipt of unemployment benefits, then the unofficial rate probably edges closer to 20%.

While current statistics on the subject are presently unavailable, it is nevertheless reasonable to assume that the percentage of uninsured Moloka'i residents will far exceed overall state levels, due to the combination of previously-discussed factors regarding poverty and unemployment. Nearly 40% currently live outside the usual social service network, and rely primarily on subsistence farming, hunting, and fishing for their livelihood. The closure over the past two decades of the island's largest employers, Dole Foods and Moloka'i Ranch, has forced many residents to take multiple part-time or seasonal jobs, and even these limited job opportunities are often without health benefits.

Due to the unique circumstance poised by the island's relative geographic isolation and the pervasive and widespread poverty, a vastly disproportionate majority of residents can clearly be categorized as socio-economically disadvantaged under most any statistical measure. Were it not for the presence of MCHC, access to vital basic health care services would otherwise prove generally unattainable to most of them.

Even if most of the island's residents could afford the sort of quality medical care that many others may take for granted in large urban communities like Honolulu, service and delivery often prove problematic due to the perpetual and critical shortage of trained medical professionals residing on

² Data per the 2000 U.S. Census suggests that such families comprise about 56% of the population of Moloka'i, or approximately 4,100 island residents.

Moloka'i. It is therefore hardly surprising that the U.S. Dept. of Health and Human Services has officially designated Moloka'i as both a "Medically Underserved Area" and "Health Professional Shortage Area."

In that regard, MCHC can and does play a key role in mitigating both challenges, particularly in the fields of pediatrics and behavioral health, with the island's only pediatrician and a licensed full-time psychologist / certified substance abuse counselor on staff. Fortunately, as a federally-certified community health center, MCHC is in the enviable position of being able to recruit young physicians through the National Health Service Corporation, which provides healthcare providers with opportunities to pay back outstanding student loans through their service to challenged communities, such as the island of Moloka'i.

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.

Proactively anticipating both the expectant increase in patients and the changes to be brought about by current efforts to reform the delivery of health care in the United States and Hawai'i, Moloka'i 'Ohana Health Care, Inc. has purchased the 5.9-acre property that formerly constituted the Pau Hana Inn (a once-popular local gathering place), which upon its renovation will become its new home, the MCHC Oceanside Center.

The architect has finalized the preliminary design, which includes preparing the room finish and door schedules, wall sections and hardware schedules for each structure. To mitigate and preclude any inconvenience to agency clientele or prolonged disruption of patient services, MCHC will first renovate Buildings 1, 4 and 10, and then relocate specific patient services to those buildings in the following manner:

- Design, construction and certification of the kitchen, reception area, ADA-compliant public restrooms, and employee locker rooms in Building 10;
- Relocation of Outreach and Eligibility Services and Billing to Building 10;
- Design and construction of primary care facilities in Building 4, including 9 examination rooms, 3 offices, laboratory services, and a nursing station;
- Design and construction of dental facilities in Building 1, including 3 operatories; and
- Relocation of Dental Services and Family Support Services to Building 1.

MCHC also plans to re-open the old Banyan Tree Lanai, once the favored gathering place in Kaunakakai for residents and visitors alike, to the general public, where people can purchase traditional non-alcoholic beverages, coffee, juices and healthy snacks. The facility will also be available for live music, public lectures and discussions, and video screenings, providing a family-friendly locale to build community dialog and connectivity.

2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service.

Buildings 1, 4, and 10 are tentatively scheduled for completion by July 1, 2011. Once the aforementioned programs are relocated, the interior demolition and reconstruction work for all remaining buildings will commence. During this time, MCHC will also complete and submit requests for proposals (RFP) for medical equipment and health information technology (HIT). Once the renovations for the remaining structures are completed, MCHC will relocate its administration services from their current site, and partner organizations can begin to move into their new facilities, as well. As of this writing, the new facilities are tentatively scheduled to be fully occupied by June 30, 2012.

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.

Moloka'i 'Ohana Health Care, Inc. has recently revised its general timeline for the renovation of the property's existing structures, and planning and design work has commenced to renovate the former Pau Hana Inn in strict accordance with all requisite standards befitting of a primary health care facility. MCHC has in place both a collaborative team of professionals and an established protocol of general guidelines for the design and renovation of the Oceanside Center, to ensure that the new home of the Moloka'i Community Health Center is both aesthetically successful and duly responsive to the organization's mission and project goals.

All activities of Moloka'i 'Ohana Health Care, Inc. and the Moloka'i Community Health Center, including the development of the MCHC Oceanside Center, are further overseen by a governing Board of Directors comprised of nine members, all highly respected and recognized persons within the community, who are responsible both for the direction and vision of the organization, and for the development and establishment of organizational policy and objectives.

(It should also be noted here that the majority of the Board are also part of the MCHC patient base. Through their own experience and service, board members have developed the skills necessary to assess and meet community health needs.)

The impact of MCHC's services and programming will be determined through a multitude of indicators. MCHC examines its effectiveness not only through such indicators as access to care, financial performance, human resources, and utilization and productivity, but through its impact on the community, rated through individual HRSA-mandated metrics as well as indicators to evaluate family and community health. Thus, MCHC analyzes whether project development and programming has impacted such factors as job creation and high graduation rates, in addition to other indicators tracking MCHC programming.

MCHC also conducts focus groups to gather community input regarding a distinct Moloka'i-centered vision of healthy individuals, family, and communities, and works closely with the Hawai'i Primary Care Association to quantify these ideas into both services and metrics. Additionally, quality-control specialists, particularly those in the Native Hawaiian and health care communities, are recruited as needed to assist in the further interpretation and evaluation of all data and information collected through program exit evaluation forms, client satisfaction surveys, select person-to-person interviews for purposes of statistical sampling, as well as island-wide data collected by both the County of Maui and State of Hawai'i.

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.

Success and achievement will be measured substantively by MCHC's ability to adhere to the prospective timeline regarding the rehabilitation and re-opening of the former Pau Hana Inn property as the new MCHC Oceanside Center, and the consequent relocation of MCHC programs to the new facilities. All work will be publicly bid on an individual basis, so that MCHC can prioritize construction based upon budgetary considerations and service demand. The essential permits have been obtained from the County of Maui Dept. of Planning, and renovations to convert and retrofit the property's seven existing structures have commenced, with all work being conducted in strict accordance with all requisite federal and state standards for a primary health care facility. As stated prior, the new facilities are tentatively scheduled to be occupied in full by June 30, 2012.

III. Financial

Budget

- 1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.**

Moloka'i 'Ohana Health Care, Inc., is requesting from the State of Hawaii a \$1,000,000 capital grant for the renovation of the MCHC Oceanside Center as a first-class community health center, on the site of the former Pau Hana Inn in Kaunakakai. The total estimated cost for the project, including property acquisition, is currently estimated at \$6,252,826.

- 2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2011-2012.**

Q1: July 1 – Sept. 30, 2011	Q2: Oct. 1 – Dec. 31, 2011	Q3: Jan. 1 – Mar 31, 2012	Q4: Apr. 1 – June 30, 2012	TOTAL: FY 2011-2012
\$250,000	\$500,000	\$250,000	\$ -----	\$1,000,000

- 3. The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2011-2012.**

Moloka'i 'Ohana Health Care, Inc. has commenced an ambitious but achievable capital campaign to raise funds for the renovation of the property as the new home of the Moloka'i Community Health Center, and has retained the services of Myerberg Shain & Associates, an experienced and well-respected firm which has enjoyed considerable success in the field of not-for-profit fundraising. The capital campaign enjoys 100% support and participation by the MCHC Board of Directors, and a significant number of island residents have also contributed individually.

Approximately \$2.3 million in either pending or confirmed funds are available for the renovation project, which includes \$1 million appropriated by the Hawai'i State Legislature for FY2010. MCHC intends to submit a proposal for additional federal economic stimulus funds once the announcements are released. Initial requests for funding have been or will be tendered by MCHC to the USDA – Rural Development, County of Maui CDBG Program (which administers federal HUD funds); corporate institutions such as Bank of Hawai'i Foundation, First Hawaiian Bank Foundation and Thomas J. Long Foundation, and other Hawai'i-based private foundations and family trusts that support community initiatives such as the Moloka'i Community Health Center.

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.

Prior to its 2004 opening, MCHC applied for and received start-up funding from the Bureau of Primary Health Care under Section 330 of the federal Public Health Service Act. Since that time, the Moloka'i Community Health Center has quietly nurtured a well-regarded reputation for delivering quality and cost-effective health care to island residents most in need.

To provide cost-effective services to all patients, and also meet current financial health care market demands, a foundation for revenue generation has been developed. To generate revenue from insurance reimbursement, our facility and providers are participating members of Medicare, ACS Medicaid, Hawaii Medical Service Association (HMSA), Med-Quest, and other insurers qualified and authorized to offer and provide coverage under Hawai'i statute.

To date, MCHC is enrolled as an authorized provider of medical services under all insurance plans currently available to Moloka'i residents. MCHC has also received a Prospective Payment System rate of \$160.03 for medical services and \$140.63 for dental services. Additionally, MCHC contracts with Hawaii Primary Care Association in the Hawaii Immigrant Health Initiative to provide primary care services to uninsured. Revenue generated through insurance reimbursements assists in supplementing the care of the uninsured patients.

To provide cost effective services to all patients and to meet the financial health care market demands faced today, a foundation for revenue generation has been developed. To generate revenue from insurance reimbursement, MCHC is enrolled as an authorized provider of medical services under all insurance plans currently available to Moloka'i residents, which also assists in supplementing the care of uninsured patients.

Additionally, MCHC contracts with Hawai'i Primary Care Association in the Hawai'i Immigrant Health Initiative to provide primary care services to the uninsured. MCHC is able to provide cost-effective services to uninsured and underinsured patients through higher insurance reimbursement rates; involvement with programs such as the Hawai'i Immigrant Health Initiative and the Department of Health's Uninsured Program; reduced costs for lab and x-ray services; and reduced costs for prescription drugs through the 340b program.

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.

MCHC's primary health care facilities are currently housed in a centrally located, ADA-compliant 2,400 sq. ft. building in Kaunakakai, with its administrative offices are located two blocks away, off the main street in town. Said facilities are licensed and accredited by all appropriate federal, state and professional agencies to ensure that its operations conform optimally to all relevant administrative, fiscal and program standards. They consist of a treatment room, three examination rooms, patient intake area and lab, counseling room, two dental examination rooms, a sterilization lab, space for digital dental radiology, two offices, a small waiting and reception area, and rapidly dwindling space for patient medical records. A pharmacy, Moloka'i Drugs, Inc., and the island's only dialysis center are also housed in the same complex.

Relocation to the Oceanside Center from its present inadequate locale will allow MCHC ample room to immediately and effectively triple its medical examination rooms from three to nine, and increase the number of dental examination rooms from two to three. Once its new facility is fully operational, MCHC will be able to provide for most all of its patients' needs in one convenient locale. Those services not directly provided will be met through strategic partnership with community-based healthcare providers and community service organizations.

In building upon the earlier, pioneering work of Dr Emmet Aluli, MCHC intends not only to give guidance to clients in leading healthier lives, but to also operate in the traditional mode of *ma ka hana ka 'ike*, where clients learn experientially. Thus, in conjunction with partners Na Pu'uwai and others, MCHC providers and staff will use gardens (vegetable, fruit, starch and healing), and a walking path to demonstrate healthier life choices.

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.

Desiree Puhi, R.N., who has served as the executive director of Moloka'i 'Ohana Health Care, Inc. since July 2008, is also the primary point of contact for the MCHC renovation project. A longtime Moloka'i resident who has also been recognized as one of the top 50 nurses in Hawai'i, Ms. Puhi has extensive practical and administrative experience in health care systems management, and possesses both the knowledge and the skills necessary to achieve long-range goals and objectives during MCHC's relocation and expansion.

Cyrus Siu has been the chief financial officer for Moloka'i 'Ohana Health Care, Inc. since October 2007, and is responsible for the management and reporting of MCHC finances. His years of experience in the nonprofit arena include including cash management, bank relations, management assistance, continuous quality improvement, risk management and operations, contracts and grants, and project forecasting and review.

Rosie Davis, Board President since June 2010, is currently the executive director of Maui County's Hui Au Ola Area Health Education Center, which is an affiliated program of the University of Hawai'i John A. Burns School of Medicine. An accomplished leadership trainer, she brings a wealth of administrative and grant management experience to her role of providing fiduciary oversight of Moloka'i 'Ohana Health Care, Inc. and the MCHC renovation project.

David Liu, M.D., an internist who also happens to be the island's only practicing pediatrician, supervises all aspects of the medical department's operation, including direct patient care, continuity of medical services, clinical policy development and employee management. A senior clinician with extensive post-residency experience who received his M.D. from St. George's University College of Medicine, Dr. Liu is also a graduate of the William S. Richardson School of Law at the University of Hawai'i at Mānoa, received his Ph.D. in political science from the University of Hawai'i, and has written extensively on the subjects of childhood obesity and native self-determination as a social determinant for health.

Boki Chung, D.D.S., who has recently come on board at MCHC as its Dental Program Director, is responsible for patient care, continuity of dental services, dental policy development, and employee management. Dr. Chung is a graduate of the New York University College of Dentistry, and comes to MCHC from the Wai'anae Coast Comprehensive Health Center on the island of O'ahu.

Darryl Salvador, Ph.D., has served MCHC in this capacity since 2006, and oversees all areas relating to the behavioral health clinical services, including substance abuse treatment and counseling, and is responsible for the recommendation and implementation of all clinical policies and procedures, and the provision of behavioral health services and education to the people of Moloka'i.

Clair Iveson is MCHC's Director of Patient Outreach, and is responsible for providing leadership and program oversight in all areas relating to family support, case management and community outreach. He has extensive experience in the nonprofit arena and healthcare services on the island of Moloka'i.

As a matter of organizational policy, and as the need arises and funding for additional positions becomes available, Molokai Ohana Health Care, Inc. always looks first to hire from within the Moloka'i community, before going off-island to fulfill MCHC staffing requirements. It is also vitally important for prospective funders and supporters to realize that MCHC's primary purpose is not to compete with other health care providers on the island, particularly given the fact that the island has been declared a medically underserved community by the U.S. Dept. of Health and Human Services. Therefore, because there are not enough providers available to meet current needs, MCHC's mission is to fill in that gap with quality, holistic and fully-integrated care.

In that regard, MCHC can and does play a key role in mitigating both challenges, particularly in the fields of pediatrics and behavioral health, with the island's only pediatrician and a licensed full-time psychologist / certified substance abuse counselor on staff. Fortunately, as a federally-certified community health center, MCHC is in the enviable position of being able to recruit young physicians through the National Health Service Corporation, which provides healthcare providers with opportunities to pay back outstanding student loans through their service to challenged communities such as the island of Moloka'i.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility and / or 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.

As of the date of this application, Moloka'i 'Ohana Health Care, Inc. is neither a subject of, nor is it a party to, any pending litigation or outstanding judgment.

B. Licensure or Accreditation

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

Moloka'i 'Ohana Health Care, Inc., dba Moloka'i Community Health Center, is fully accredited by both the U.S. Dept. of the Treasury – Internal Revenue Service and the State of Hawaii – Dept. of Commerce & Consumer Affairs as a not-for-profit organization. MCHC facilities are licensed and accredited by all appropriate federal, state and professional agencies to ensure that its operations conform optimally with all relevant administrative, fiscal and program standards.

BUDGET REQUEST BY SOURCE OF FUNDS
 (Period: July 1, 2011 to June 30, 2012)

Applicant: MOLOKA'I 'OHANA HEALTH CARE, Inc.

BUDGET CATEGORIES	State Funds Requested 2011 (a)	State Funds (Act 162 SLH 09) (b)	Other Funding Sources (c)	Prospective Fundraising (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9. Land Acquisition			2,750,000	
10. Planning & Design		2,000	178,000	
11. Construction	1,000,000	998,000	321,890	200,000
12. Ancillary Project Costs			402,936	400,000
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	1,000,000	1,000,000	3,652,826	600,000
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. OTHER				
TOTAL (A+B+C+D+E)	1,000,000	1,000,000	3,652,826	600,000
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Cyrus Siu, C.F.O. (808) 553-5501		
(b) State Funds (Act 162 SLH 09)	1,000,000	Name (Please type or print) Phone		
(c) Other Funding Sources	3,652,826	Signature of Authorized Official Date		
(d) Prospective Fundraising	600,000	Desiree Puhi, R.N., Exec. Director		
TOTAL BUDGET	6,252,826	Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: MOLOKA'I 'OHANA HEALTH CARE, Inc.

Period: July 1, 2011 to June 30, 2012

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
NOT APPLICABLE.				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION & COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Molokai'i 'Ohana Health Care, Inc.

Period: July 1, 2011 to June 30, 2012

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE.			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION & COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE.			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION & COMMENTS:				

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: MOLOKA'I 'OHANA HEALTH CAR

Period: July 1, 2011 to June 30, 2012

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2008-2009	FY: 2009-2010	FY:2011-2012	FY:2011-2012	FY:2012-2013	FY:2013-2014
PLANNING & DESIGN		180000				
LAND ACQUISITION		2750000				
CONSTRUCTION		1298000	1000000	200000		
ANCILLARY DEVELOPMENT COSTS		402936		400000		
EQUIPMENT						
TOTAL:		4630936	1,000,000	600,000		
JUSTIFICATION & COMMENTS:						

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISIED 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 ensuring 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.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

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

MOLOKAI OHANA HEALTH CARE, Inc.



(Signature)

January 19, 2011

(Date)

DESIREE PUHI, R.N.

(Typed Name)

Executive Director

(Title)