

House District : 13

Senate District: 6

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

Log No: 69-C

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): DOH - HAWAII STATE DEPARTMENT OF HEALTH

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): HTH 595 HEALTH RESOURCES ADMINISTRATION

1. APPLICANT INFORMATION:

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

Dbas: Moloka'i Community Health Center

Street Address: 30 Oki Place
Kaunakakai, HI 96748

Mailing Address: P.O. Box 2040
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 CAPITAL PROJECT

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2012-2013: \$ 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	\$ 1,050,000 (\$500K PER ACT 180 SLH 2011)
FEDERAL	\$
COUNTY	\$
PRIVATE/OTHER	\$ 542,000
TOTAL	\$ 1,492,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED SIGNATURE]

DESIREE PUHI, R.N., EXECUTIVE DIRECTOR

JANUARY 30, 2012

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., is a multi-service, fully-accredited 501(c)(3) non-profit health care agency that does business as the Moloka'i Community Health Center. 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 – three-fifths of whom are of Native Hawaiian ancestry – currently 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 is based on the integration of three dimensions of health:

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
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 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 our new facilities at the Molokai Oceanside Health & Wellness Center, we provide the people of Moloka'i with:

- Primary health care, including prenatal, adult, and general lab services, and includes child-specific care from the island's only practicing pediatrician;

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).

- 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 seven-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 of services.

Given that a community health center's mission is to ensure quality delivery of primary care services and social assistance to its patients / customers, MCHC strives to be a user-friendly facility where that patient / customer's well being is of paramount importance. Therefore, it only follows that providers should not abandon patients to navigate on their own the often bewildering bureaucratic maze that is modern health care, as this would otherwise 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.

To accomplish this, MCHC uses small, integrated primary care teams to establish a long-term, trusting relationship with both 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.

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). As Gov. Neil Abercrombie took office in December 2010, he fulfilled his pledge to the people of Moloka'i to immediately release these funds to allow MCHC to re-commence the renovation project, which was temporarily suspended when the prior administration declined to release the legislative appropriation funding.

The release was facilitated in two increments – the first in January 2011, and the second in August 2011. It must be noted that the Act 162 appropriation proved critical to MCHC's capacity to partially complete the

first phase of renovations and commence the relocation of its primary care, dental and family services programs, and commence operations at the new ADA-compliant Moloka'i Oceanside Health & Wellness Center in September 2011.

The 26th Legislature further provided an additional \$500,000 appropriation under Act 180, Session Laws of Hawaii 2011, which upon release will be applied toward the completion of the first phase of the renovation project. We can't begin to express enough how very much we've appreciated the substantive and moral support of both state legislators and Health Dept. officials alike, and their frequently expressed appreciation for our efforts. The fact that we are now operating in our new and modernized facilities at the Oceanside Center is testament to their belief in our mission to the people of Moloka'i.

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

MCHC is requesting from the State of Hawai'i a \$1,000,000 capital grant, for the purpose of completing the final renovations to its new home facility, the Moloka'i Oceanside Health & Wellness Center, which is located in Kaunakakai on the site of the former Pau Hana Inn.

Upon our relocation to the Oceanside Center and commencement of operations at the new facilities, it has since been discovered that the roofs of Buildings Nos. 1, 2, 3 and 10 are in such condition that they require complete replacement, in order to preclude any potential catastrophic failure and attendant damage to valuable medical, dental and office equipment, as well potential damage to the already completed interior renovations in Buildings 1 and 10. We would also note that these four buildings are also among the largest on the property; the footprint of Building 10, including the covered lanai, is 8,640 square feet. While we are currently in the process of getting specific estimates, the cost has been preliminarily discussed in the range of approximately \$400,000.

Ever mindful of and grateful for the previous assistance received from the State in order to get the project to its current point, the MCHC Board of Directors decided to the request State's assistance to facilitate the completion of these unforeseen, much-needed and expensive repairs in a judicious and timely manner that minimizes impact upon both MCHC's patients and health center operations. State funding to assist in the completion of Phase Two of the capital project, which in addition to roof repair consists of the following:

- a) Interior renovation of Building 2 to accommodate the MCHC Physical Therapy clinic and other contracted service providers;
- b) Renovation of the existing pool and cement deck in front of Buildings 2 and 3 for use by prospective patients enrolled in the MCHC Aquatic Therapy and Rehabilitation program, including installation of a safety fence surrounding the area per county building code.
- c) Completion of renovations to Building 3, which will provide much-needed additional office space for MCHC administration, and also two studio apartments available for use by visiting medical specialists at either MCHC or Moloka'i General Hospital;
- d) Renovation of the kitchen, juice bar and outdoor patio areas of Building 10, which is the largest structure on the Oceanside Center campus, per all applicable Dept. of Health rules, regulations and guidelines, so that these facilities can be made available as soon as possible to the general public and both public and private agencies as a centrally located and convenient gathering place for community meetings and events;

- e) The construction of covered walkways and deck connecting the various clinics and structures, which will also serve as an outdoor waiting area for both standing and walk-in appointments;
- f) The installation of an irrigation system, appropriate landscaping / xeriscaping, and appropriate security lighting (including poles, circuits and fixtures) for the inhabited portion of the 5.9-acre property where MCHC and contracted providers conduct their programs and activities; and
- g) The renovation of the existing parking lot, which entails the construction of additional parking, the installation of a complete drainage system, and the placement of two fire hydrants and excavation of a manhole, as mandated by county ordinance.

Finally, it should be noted here that for those improvements listed in (f), MCHC has already applied to the U.S. Dept. of Health and Human Services for HRSA funding, and also has an application for funding pending with the County of Maui CDBG program, which administers federal HUD funds. We anticipate receiving status notification for both applications by May or June of this year. Thus, any State funds appropriated for this project by the Legislature during the 2012 regular session will be used only for the four building roofs and items (a) through (e) of the Phase Two list. We also anticipate, as of this writing, that this appropriation, if approved, will allow us to successfully complete the capital project in its entirety.

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

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. For example, the dental services program has over the past 20 months provided primary care to over 1,200 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 operatory are already enabling 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 operatory. In practical terms, the number of patients which could be seen by an MCHC dentist and professional assistants could conceivably be increased by approximately 35-40%.

Thus, the assistance provided MCHC by the State to complete the Oceanside Center project in a timely manner has already ensured our 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 it also facilitated greater efficiency in the delivery of those services. This will, in turn, also contribute significantly to improvement in the health and welfare of the island's population as a whole.

From these new facilities, MCHC is now able to provide for most all of its patients' needs in one convenient locale. Those services not directly provided can now be met through strategic partnership with community-based healthcare providers and community organizations, because the Oceanside Center allows us to

provide clinical space at a convenient venue to other health care and social service providers, and with 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 MCHC and our partners. One area where we plan to 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 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 their ability to access 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.

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, we accept 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 we depend 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, we intend to expand MCHC's hours into the evening and eventually open an acute care center, which can also reduce the need for emergency room visits to Moloka'i General Hospital.

Because community health centers are locally-owned and -operated economic assets, MCHC and the Oceanside Center also play an important role as an economic engine for Moloka'i, a significant ancillary benefit that helps to address issues of economic self-sufficiency for the island. Although community health

centers operate on thin margins, they are stable and resilient nonprofit businesses that both develop and reinvest financial resources in their communities. They are often one of 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 its 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. With its relocation completed in September 2011, MCHC has since hired eight new permanent employees, with more hirings planned in the near future.

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 health care service 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.

² Data per the 2010 U.S. Census suggests that such families comprise about 59% of the population of Moloka'i, or approximately 4,300 island residents.

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, and 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 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;

Phase Two of the MCHC capital project will consist of the following:

- a) Replacement of the roofs of Buildings Nos. 1, 2, 3 and 10, in order to preclude the possibility of potential catastrophic failure and any attendant damage to valuable medical, dental and office equipment, as well as to the already completed interior renovations in Buildings 1 and 10;
- b) Interior renovation of Building 2 to all requisite state and federal standards to accommodate the MCHC Physical Therapy clinic and other contracted service providers;
- c) Renovation of the existing pool and cement deck in front of Buildings 2 and 3 for the MCHC Aquatic Therapy and Rehabilitation program, includes installation of a safety fence;
- d) Completion of renovations to the upstairs portion of Building 3 for additional office space for MCHC administration, and two studio apartments available for use by visiting medical specialists;
- e) Renovation of the kitchen, juice bar and outdoor patio areas of Building 10, which is the largest structure on the Oceanside Center campus, for use by general public and both public and private agencies for community meetings and events;
- f) The construction of covered walkways and deck connecting the various clinics and structures, which will also serve as an outdoor waiting area for both standing and walk-in appointments;
- g) The installation of an irrigation system, appropriate landscaping / xeriscaping, and appropriate security lighting (including poles, circuits and fixtures) for the inhabited portion of the 5.9-acre property where MCHC and contracted providers conduct their programs and activities; and
- h) The renovation of the existing parking lot, which entails the construction of additional parking, the installation of a complete drainage system, and the placement of two fire hydrants and excavation of a manhole, as mandated by county ordinance.

Again, it is hereby noted that any State funds appropriated by the Legislature for Phase Two will be used only for the replacement of the four roofs, the interior renovations to Buildings 2, 3, and 10 and the outdoor aqua therapy area; construction of the walkways and decks, the installation of an irrigation system on the operational portion of the property; and landscaping.

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

The requests for proposals for the upcoming phase of renovations are being written, and subject to the availability of funding, MCHC anticipates commencing actual construction by this summer, and completing the capital project in its entirety by December 31, 2013.

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.

All activities of Moloka'i 'Ohana Health Care, Inc. and the Moloka'i Community Health Center, including the capital project development of the Moloka'i Oceanside Health & Wellness Center, are overseen by a governing Board of Directors comprised of 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. Further, the majority of board members 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 completion of Phase Two of the Oceanside Center capital project. As was the case in Phase One, all work will be publicly bid on an individual basis, so that MCHC can prioritize construction based upon budgetary considerations and service demand. Phase Two renovations and repairs will be conducted in strict accordance with all requisite federal and state standards for a primary health care facility. Our present plans call for all work to be completed by June 30, 2013.

III. Financial

Budget

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

MCHC is requesting from the State of Hawai'i a \$1,000,000 capital grant, for the purpose of completing the final renovation of its new home facility, the Moloka'i Oceanside Health & Wellness Center. All requisite budget forms are duly attached with this application.

- 2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2012-2013.**

Q1: July 1 – Sept. 30, 2012	Q2: Oct. 1 – Dec. 31, 2012	Q3: Jan. 1 – Mar. 31, 2013	Q4: Apr. 1 – June 30, 2013	TOTAL: FY 2012-2013
\$125,000	\$250,000	\$125,000	\$500,000	\$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 2012-2013.**

MCHC has already applied to the U.S. Dept. of Health and Human Services for HRSA funding, and also has an application for funding pending with the County of Maui CDBG program, which administers federal HUD funds. We anticipate receiving status notification for both applications by May or June of this year.

- 4. The applicant shall provide a listing of all state and federal tax credits that have been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.**

Because Moloka'i 'Ohana Health Care, Inc. is a 501(c)(3) not-for-profit health care organization, is tax-exempt and has neither received nor applied for tax credits on either the state or federal level. However, we are currently working with Carroll Community Development, LLC of Portland, OR as a prospective recipient of funding through our participation in the U.S. Dept. of the Treasury's New Market Tax Credits program. Once approved, MCHC will be the second such recipient of NMTC funding in the State of Hawai'i.

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.

The Moloka'i Oceanside Health & Wellness Center is currently comprised of ten stand-alone structures on 5.9 acres of grounds that once served as a popular gathering place for residents and visitors alike, the Pau Hana Inn. Anticipating an increase in patient load brought about in no small part by the serious economic downturn that began in 2007-2008, Moloka'i 'Ohana Health Care, Inc. purchased the property from previous owners Hope Chapel in 2009, having determined that the existing structures and nearly six acres of grounds would address MCHC's then-pressing capacity issues and provide future opportunities for growth, as either necessary or desired.

Relocation to the Oceanside Center in September 2011 from its former inadequate facilities is allowing MCHC to fully actualize its potential. The number of medical examination rooms has been effectively tripled from three to nine, the number of dental examination rooms from two to three, and MCHC is able to provide for most all of its patients' needs in one convenient location, as follows:

- **Building 1** is home to MCHC's Dental Services department, with three examination rooms and operatories, and also its Family Services department. While interior renovations are complete, this is one of the four structures in need of a new roof.
- **Building 2** contains the Physical Therapy department, and once interior renovations are finished, additional facilities will be available for additional independent service providers, either contracted by MCHC directly, or housed on campus through lease agreement. It also needs a new roof.
- **Building 3**, the only multi-story structure on the Oceanside Center campus, houses MCHC's administration and support services, which are currently located on the first floor. State funding if approved will enable us to renovate the second floor, the provide additional administrative capacity and also two studio apartments, which will be used for visiting specialists seeing patients at Oceanside Center and Moloka'i General Hospital. Again, it also needs a new roof.
- **Building 4** is the Primary Care Clinic, with examination rooms, a fully-staffed nurses' station and doctors' offices. This is the focal point of campus health care delivery.
- **Building 7** houses MCHC Behavioral Health Services department, where patients can see a licensed psychologist and substance abuse counselor, if necessary.
- **Building 8** is currently home to one of MCHC's health care partners, Hui Au Ola AHEC (Area Health Education Center). As the rest of the structures are renovated, additional facilities will be available for similar partnerships, as part of our effort to fully integrate health, dental and behavioral health care and provide for a seamless delivery of services.
- **Building 10** is the largest building in the Oceanside Center campus. It contains our patient check-in and billing offices, and employees' locker facilities. When renovations are complete, including a new roof, the building will house a juice bar and food services with full-service kitchen facilities, and will be available to the general public for public and private events, live music, public lectures and discussions, and video screenings, providing a family-friendly locale to build community dialog

and connectivity. When finished, this will be the heart and soul of the Oceanside Center. This structure also needs a new roof.

Prior to commencing renovations of the Oceanside Center per all requisite state and federal requirements for a modern, ADA-compliant medical / dental outpatient facility, the Board of Directors considered that given the property's well-known history as a once-significant community landmark, every effort would be taken to retain the structural integrity of the old Pau Hana Inn and maintain the property's innate and intimate local ambience, so that once the renovations were complete, the property could once again assume its former role as a noted community gathering place.

In many respects, the Oceanside Center development has also been one of restoration as well as renovation, and a true labor of love for many of those involved, not unlike watching a cherished old friend return home after a long period of absence. 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 native 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 so happens to also be the island's only practicing pediatrician, supervises all aspects of the medical department's operations, 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.

Aaron Sluss, MCHC Facilities Director, serves as project manager for the ongoing renovations to the Oceanside Center. He has a A.A. degree in construction technology and project management, and is also

a journeyman carpenter, having completed a four-year apprenticeship with the United Brotherhood of Carpenters, Local 232 in Ft. Wayne, Indiana. He has eight years' experience in construction management.

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.

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.

**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.

MOLOKA'I 'OHANA HEALTH CARE, Inc.

Name of Individual or Organization)

January 27, 2011

(Date)

DESIREE PUHL, R.N.

(Typed Name)

Executive Director

(Title)

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2012 to June 30, 2013)

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

BUDGET CATEGORIES	Total State Funds Requested (a)	Prior State Funding (b)	Pending Funding Requests (c)	Other Funding Sources (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. CAPITAL PROJECT EXPENSES				
1. Property Acquisition - 30 Oki Place				2,750,000
2. Administrative & Legal Expenses				99,000
3. Architectural & Engineering Fees		3,000		224,000
4. Project Inspection Fees				36,000
5. Site Work - 30 Oki Place				273,800
6. Construction	450,000	1,412,000		565,000
7. Furnishings, Fixtures & Equipment				281,000
8. Landscaping & Irrigation	150,000	35,000		
9. Lighting & Security			100,000	
10. Parking Lot, Drainage & Fire Hydrants		50,000	606,000	
11. Roof Replacement: Bldgs. 1, 2, 3, 10	400,000			
12. Other Contingency Costs				146,150
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL CAPITAL PROJECT EXPENSES	1,000,000	1,500,000	706,000	4,374,950
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. OTHER CURRENT EXPENSES				
TOTAL (A+B+C+D+E)	1,000,000	1,500,000	706,000	4,374,950
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Cyrus Siu, C.F.O.	(808) 662-6201	
(b) Prior State Funding	1,500,000		Phone	
(c) Other Funds Requested	706,000		Jan. 30, 2012	
(d) Other Funding Sources	4,374,950	Signature of Authorized Official	Date	
TOTAL BUDGET	7,580,950	Desiree Puihi, R.N., Exec. Director		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

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

Period: July 1, 2012 to June 30, 2013

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, 2012 to June 30, 2013

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: 2010-2011	FY: 2011-2012	FY:2012-2013	FY:2012-2013	FY:2013-2014	FY:2014-2015
PLANNING & DESIGN	187000	40000				
LAND ACQUISITION	2750000					
CONSTRUCTION	1295014	800000	1000000	706000		
ANCILLARY DEVELOPMENT COSTS	402936	400000				
EQUIPMENT						
TOTAL:	4634950	1240000	1,000,000	706,000		
JUSTIFICATION/COMMENTS: Funds listed in first column may have been received prior to FY 2010-2011, and are included here in the interest of disclosure.						

