

# Moloka'i 'Ohana Health Care, Inc.

30 Oki Place | Kaunakakai, Hawai'i 96748

January 30, 2013

Mr. Rod Becker  
Senate Committee on Ways and Means  
Hawaii State Legislature  
State Capitol, Room 208  
Honolulu, HI 96813

Dear Mr. Becker:

As duly noted by the time and date affixed to this document, the Committee on Ways and Means of the Hawaii State Senate hereby certifies that Moloka'i 'Ohana Health Care, Inc. has officially submitted, and the Committee on Ways and Means has officially received prior to its stated deadline of 4:30 p.m. on Thursday, January 31, 2013, one (1) copy of Moloka'i 'Ohana Health Care, Inc.'s Application for Grants and Subsidies (per Chapter 42F, Hawaii Revised Statutes) for due consideration by the 27<sup>th</sup> Legislature of the State of Hawaii for Fiscal Year 2013-2014.



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**DÉSIREE PUHI, R.N.**  
Executive Director  
Moloka'i 'Ohana Health Care, Inc.

House District : 13

Senate District: 7

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

Log No:

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.

Dba: 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) 660-6200

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: \$ 500,000

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	\$ 1,450,000
FEDERAL	\$
COUNTY	\$
PRIVATE/OTHER	\$ 500,000
<b>TOTAL</b>	<b>\$ 1,950,000</b>

APPLICANT:

DESIREE PUHI, R.N., EXECUTIVE DIRECTOR  
NAME & TITLE

JANUARY 30, 2013  
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., 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.<sup>1</sup> 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;

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<sup>1</sup> 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 licensed clinical social worker;
- Dental health services ranging from comprehensive dental exams and treatments to dental health, dental hygiene 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 and/ or mid-level provider, a medical assistant, a nurse and a case manager, as well as a dentist, registered dental hygienist, 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.

We can't begin to express enough our appreciation for the substantive and moral support provided by both state legislators and Health Dept. officials alike, and their own 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 \$500,000 capital grant, for the purpose of completing the extensive landscaping to the Moloka'i Oceanside Health & Wellness Center, and thus restore to its former glory the site of the old Pau Hana Inn, which in its heyday served as the popular gathering place in Kaunakakai for residents and visitors alike.

This particular portion of our project's Phase Two will include the construction of ADA-compliant walkways between the structures housing the various clinics and program offices, as well as around the Oceanside Center campus to encourage walking as a beneficial form of fitness exercise; the installation of a campus-wide comprehensive irrigation system, with complementary and appropriate landscaping and xeriscaping; complete renovation of the existing pool and surrounding deck to serve MCHC's Aquatic Therapy and Rehabilitation program, with newly constructed locker rooms, showers and appropriate security fencing and gate; 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.

Total cost of the landscaping portion of Phase Two is \$1,314,881. MCHC will be seeking the remaining balance of funding for this \$1.3 million portion of the project from the Office of Hawaiian Affairs and other private sources. The members of MCHC Board of Directors are both mindful of and grateful for the previous assistance received from the State of Hawaii in order to get the project to its current point, and it was decided to again request the State's assistance as we strive to complete the renovation and overhaul of the existing structures at the old Pau Hana Inn to the modern and appropriate standards befitting a modern health care facility. Specifically, State funding and support is enabling us to accomplish the following:

- a) Interior renovation of Buildings 1, 4 and 7, which house MCHC's dental, primary care and behavioral health programs;
- b) Interior renovation of Building 2 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 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.
- d) Renovation of Building 6 as a non-denominational center of mediation and contemplation for both visitors and staff;
- e) Renovations to Building 3 to serve as the administrative center for MCHC operations, and to provide two studio apartments available for use by visiting medical specialists at either MCHC or Moloka'i General Hospital;
- f) 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;
- g) Replacement of roofs for Buildings 1, 2, 3 and 10; 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, which will enable us to obtain our permanent occupancy permit.

The awareness of the need to conserve potable water has emerged slowly in Hawaii compared to other regions of the U.S. and the world, and on the island of Moloka'i, the issue of aquifer depletion looms as drought periods increase. MCHC has a great opportunity to implement and incorporate water conservation strategies from the beginning in the development of the landscape. And MCHC has the opportunity to set an example of good stewardship of our freshwater resources, and most of these techniques can be specifically designed into the project.

An electrically controlled irrigation system allows precise timing of water distribution that enables it to be matched to the water requirement of the plant. This eliminates overwatering. And the periods between watering can be managed precisely based on soil type to promote plant health and growth. With regular watering plant material is stronger, more resistant to pests and disease and better able to withstand drought. While it is possible to automatically adjust watering times based on the evapotranspiration rates during the time period between watering, by connecting controllers to nearby weather stations to download data and reset watering times, the controllers can also be manually adjusted on a monthly or quarterly basis to adapt to changing average rainfall rates, and the system should have a rain sensor to automatically suspend watering in times of high rainfall.

Spray irrigation systems will be programmed to run in the early morning hours to prevent water loss during windy days. Drip irrigation systems will be used for shrub and groundcover planting to provide precise amounts at the root zone of the plant. Drip irrigation for trees will be on separate valves, so they can run longer to allow for deeper watering without overwatering nearby shrubs, and to encourage a deeper rooted tree. Lawn spray systems must be designed using matched precipitation heads to insure even distribution to avoid overwatering. And precise head placement avoids overspray conditions.

The use of plant material adapted to the rainfall zone, known as xeriscaping, is the most effective way to reduce water use in a landscape. Irrigation is then used to reduce seasonal differences to keep plants at optimal health and growth. Areas of higher water use plants can be grouped for accent at building entrances or at focal points where they will have the most impact. This is called zonal planting to increase irrigation efficiency.

Finally, Gov. Abercrombie has targeted the growing problem of obesity in the State of Hawaii, having noted that over 20% of the population is considered obese by present-day standards, and over half of adults can be considered overweight. The island of Molokai has been no exception, and it is has been a longstanding desire of MCHC to incorporate fitness programs as an integral part of our commitment to ensuring wellness in the greater Moloka'i community. One of the first steps we can take is to incorporate a campus-wide system of walking paths into our overall landscaping plans.

Walking is a gentle, low-impact exercise that can ease people into a higher level of fitness and health, It's a readily accessible form of physical exercise that's safe, simple and doesn't require practice. It has a number of readily documented health benefits, including lowering low-density lipoprotein (LDL) cholesterol (the "bad" cholesterol), raising high-density lipoprotein (HDL) cholesterol (the "good" cholesterol), lowering blood pressure, reducing the risks of type 2 diabetes and heart disease, managing weight problems, and improving one's mood and outlook on life.

**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.**

Per the 2010 U.S. Census, there were 7,345 persons officially residing on the island of Moloka'i. At 62% of the population, Native Hawaiians constitute the island's 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.<sup>2</sup> 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, 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-

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<sup>2</sup> 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.

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, with those portions to which the requested State appropriation will be applied highlighted in bold:

- a) Repairs to 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 construction of locker room and shower facilities and the installation of a safety fence and gate;**
- 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.

### 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., dba 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.

### 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 \$500,000 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.**

<b>Q1: July 1 – Sept. 30, 2013</b>	<b>Q2: Oct. 1 – Dec. 31, 2013</b>	<b>Q3: Jan. 1 – Mar. 31, 2014</b>	<b>Q4: Apr. 1 – June 30, 2014</b>	<b>TOTAL: FY 2012-2013</b>
<b>\$125,000</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$500,000</b>

- 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.**

MCHC has been the recipient of CIP funding from the State of Hawai'i in three separate legislative appropriations over the last three years. The 25<sup>th</sup> Legislature initially appropriated \$1,000,000 for this project under Act 162, Session Laws of Hawaii 2009, Program No. HTH 595 (Health Resources Administration). The 26<sup>th</sup> Legislature further provided another \$1,000,000 in two separate \$500,000 appropriations per Act 180 SLH 2011 and Act 106 SLH 2012, respectively.

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 had been temporarily suspended when the prior administration repeatedly declined to release the funding per legislative directive. The release of Act 160 funds was accomplished in two separate 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 Oceanside Center in September 2011. The Act 180 funds are presently being applied toward the completion of the first phase of the renovation project, while the Act 106 appropriation will be expended for the replacement of the roofs to of Buildings Nos. 1, 2, 3 and 10 at Oceanside Center.

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 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., B.S.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.

**Andrea Trenner** is the chief financial officer for Moloka'i 'Ohana Health Care, Inc. and is responsible for the management and reporting of MCHC finances, which includes including cash management, bank relations, management assistance, continuous quality improvement, risk management and operations, contracts and grants, and project forecasting and review. She succeeds Cyrus Siu, who retired in December 2012.

**Matt Yamashita**, who serves as the current president of the MCHC board of Directors, is also the founder and director of Quazifilms Media, and has garnered a formidable reputation for his work on grant-related projects, both for non-profit and government agencies throughout the State of Hawai'i and for island media. A Moloka'i native and graduate of the Chapman University (CA) School of Film and Television, his work product is highly regarded for its quality and professionalism, and is infused with a unique grassroots style and innate local sensitivity which reflect the special island values that we all share.

**Rosie Davis**, member and immediate past president of the MCHC Board of Directors, 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.

**Robert Van Gemert, MD.**, is MCHC's medical director, and 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 the University of New Mexico School of Medicine, Dr. Gemert provides a full spectrum of family medical care such as well baby visits, women's health, including pap/pelvic exams, chronic disease management and senior health, with a special interest in promoting healthy lifestyles and disease prevention.

**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.

**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, page 17.

**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.**

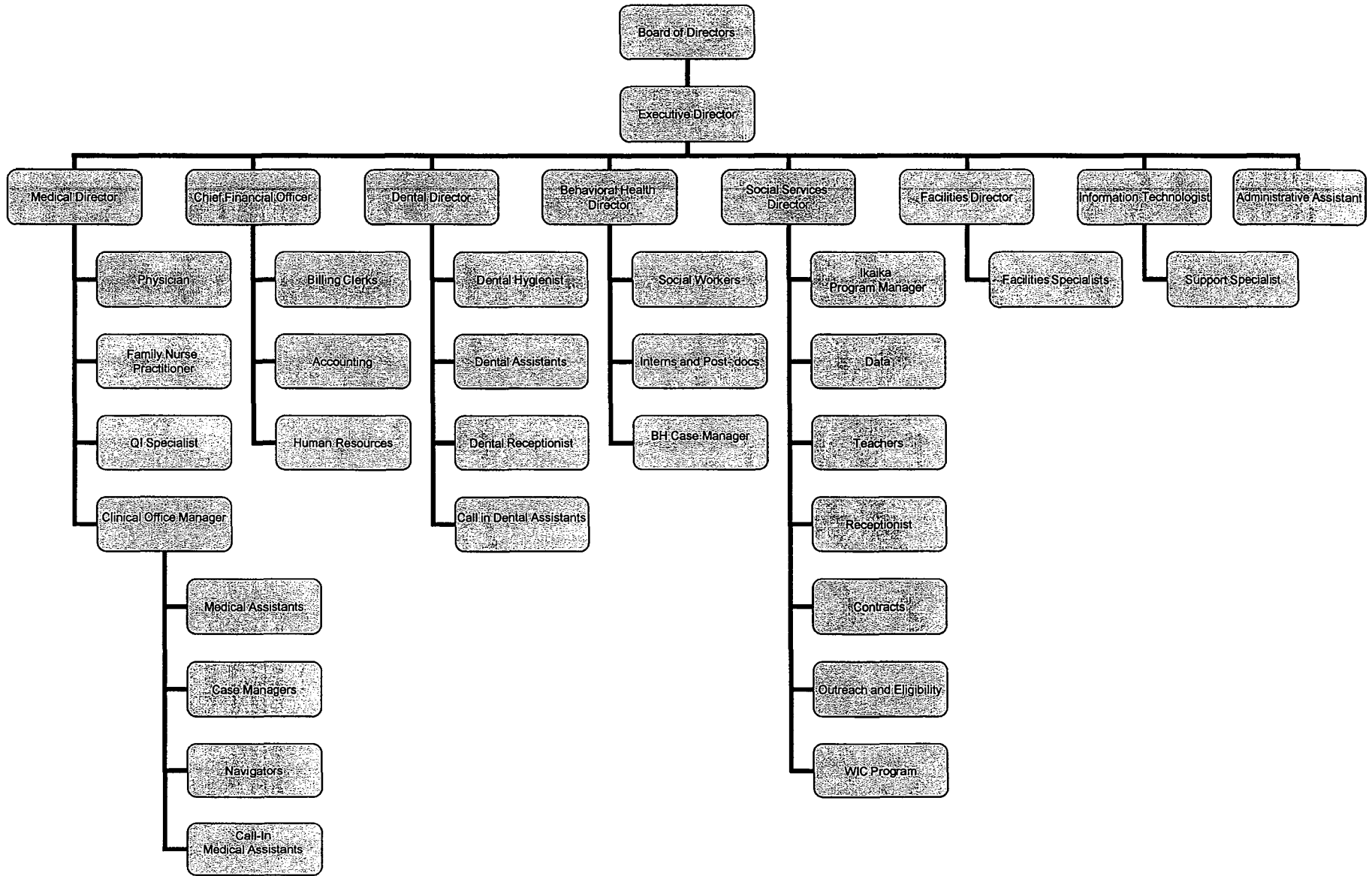
As of the date of this application, Moloka'i 'Ohana Health Care, Inc. is neither a subject of, nor is it a party to, any pending litigation or outstanding judgment.

**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.

# Molokai Ohana Health Care, Inc. Organizational Chart



**BUDGET REQUEST BY SOURCE OF FUNDS**  
(Period: July 1, 2013 to June 30, 2014)

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

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>Prior State Funding (b)</b>	<b>Other Pending Funding Requests (c)</b>	<b>Other Funding Sources (d)</b>
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>				
<b>B. CAPITAL PROJECT EXPENSES</b>				
1. Property Acquisition - 30 Oki Place				2,750,000
2. Administrative & Legal Expenses				301,142
3. Architectural & Engineering Fees		3,000		175,807
4. Construction (Hard Costs)		1,462,000		424,690
5. Construction (Soft Costs)				66,750
6. Landscaping & Irrigation	500,000	35,000	777,189	2,692
7. Roof Replacement: Bldgs. 1, 2, 3, 10		500,000		
8. Utilities (Costs Prior to Relocation)				67,295
9. Fixtures, Furnishings & Equipment				290,985
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>500,000</b>	<b>2,000,000</b>	<b>777,189</b>	<b>4,079,361</b>
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>				
<b>TOTAL (A+B+C+D+E)</b>	<b>500,000</b>	<b>2,000,000</b>	<b>777,189</b>	<b>4,079,361</b>
<b>SOURCES OF FUNDING</b>			Budget Prepared By:	
(a) Total State Funds Requested	500,000			
(b) Prior State Funding	2,000,000			
(c) Other Funds Requested	777,189			
(d) Other Funding Sources	4,079,361			
			(808) 660-2601	
			Phone	
			Jan. 30, 2013	
			Date	
<b>TOTAL BUDGET</b>	<b>7,356,550</b>		<b>Desiree Puihi, Executive Director</b> Name and Title (Please type or print)	

## BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

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

**Period:** July 1, 2013 to June 30, 2014

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

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

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

**Period:** July 1, 2013 to June 30, 2014

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE.			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				
<b>JUSTIFICATION &amp; COMMENTS:</b>				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE.			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				
<b>JUSTIFICATION &amp; COMMENTS:</b>				

**BUDGET JUSTIFICATION  
CAPITAL PROJECT DETAILS**

**Applicant:** MOLOKA'I 'OHANA HEALTH CAR

**Period:** July 1, 2013 to June 30, 2014

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: 2011-2012	FY: 2012-2013	FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
ARCHITECTURAL & ENGINEERING COSTS	178807					
PROPERTY ACQUISITION (30 Oki Pl., Kaunakakai 96748	2750000	0				
CONSTRUCTION & LANDSCAPING (Hard & Soft Costs)	1991132	500000	500000	777189		
ANCILLARY DEVELOPMENT COSTS	368437					
FIXTURES, FURNISHINGS & EQUIPMENT	290985					
<b>TOTAL:</b>	<b>5579361</b>	<b>500000</b>	<b>500,000</b>	<b>777,189</b>		
<b>NOTE:</b> Funds listed in first column may have been received prior to FY 2011-2012, and are included here in the interest of full disclosure.						

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

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

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

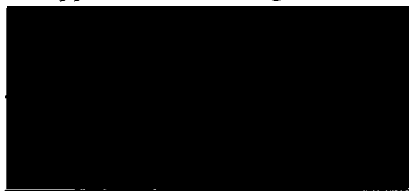
- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

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.

 HEALTH CARE, Inc.  
(Name of Individual or Organization)  
January 30, 2013  
(Date)

DESIREE PUHI, R.N., B.S.N. Executive Director  
(Typed Name) (Title)