

House District 28

Senate District 14

THE TWENTY-EIGHTH LEGISLATURE  
APPLICATION FOR GRANTS  
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"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.

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

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

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:  
**Kōkua Kalihi Valley (Comprehensive Family Services)**

Db/a:

Street Address: **2239 North School Street  
Honolulu, HI 96819**

Mailing Address:

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name Dr. David Derauf, M.D.

Title Executive Director

Phone # 791-9400

Fax # 848-0979

E-mail dderauf@kkv.net

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- OTHER
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

**PRIMARY CARE FOR  
UNDERSERVED PATIENTS AT  
HAWAII'S HEALTH CENTERS**

4. FEDERAL TAX ID #: \_\_\_\_\_

5. STATE TAX ID #: \_\_\_\_\_

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 1,510,860

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 \$ 887,280 (SECURED)

FEDERAL \$ 1,980,494 (PENDING)

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

PRIVATE/OTHER \$ \_\_\_\_\_

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[Redacted Signature]

**David Derauf, M.D. - Executive Director**

NAME & TITLE

01/27/2015  
DATE SIGNED

**RECEIVED**  
1-30-15

## Application for Grants and Subsidies

### I. Background and Summary

#### 1. Applicant's Background

Kōkua Kalihi Valley (KKV) is a non-profit Community Health Center (CHC) with the mission to “work toward healing, reconciliation and the alleviation of suffering in Kalihi Valley, by serving communities, families and individuals through strong relationships that honor culture and foster health and harmony.” KKV was formed in 1972 as a 501(c)(3) organization by community leaders representing area churches and health providers, in response to an absence of accessible and appropriate health services for the valley’s primarily immigrant Asian and Pacific Island population.

From an initial staff of one Executive Director and four part-time community aides, KKV has grown to now include 185 staff, fluent in over twenty languages, and working out of eight main locations—including two of the largest public housing developments in the State of Hawaii. In 1989, KKV was designated by U.S. Congress as a Federally Qualified Health Center (FQHC); it serves a Medically Underserved Area (MUA) and a Health Personnel Shortage Area (HPSA), as designated by the U.S. Public Health Service. KKV’s Charles Judd Community Health Center and new Harry & Jeanette Weinberg Wellness Center provide primary medical, dental and behavioral health services to over 10,300 Kalihi Valley residents per year. Satellite clinics at the Gulick Elder Center and Kūhio Park provide elderly and public housing patients with an easily accessible venue for healthcare.

Key project partner *Kalihi-Pālama Health Center (KPHC)* is an independent, 501 (c) (3) non-profit Community Health Center that plays a crucial role in the Kalihi-Pālama community as a provider of health and social services to patients who typically face significant barriers when accessing health care. KPHC opened doors in 1975 in response to community concerns regarding the health and social needs of low income Native Hawaiians and a growing Asian and Pacific Island immigrant population; they now serve more than 21,000 patients annually. KPHC is one of the four Patient Centered Health Care Home pilot programs in Hawai‘i.

#### 2. Project Goals and Objectives

The **goals** of KKV and KPHC’s health care services are to: 1) provide low-income, uninsured residents in Kalihi-Pālama with access to convenient and comprehensive primary care services, including on-site behavioral health services; and 2) improve the overall health status of this medically underserved community.

Coming at a time of transition as new immigrants gain access to insurance through the Hawaii Health Connector, this project will facilitate the saving of *\$21.5 million* for the State of Hawai‘i while ensuring that these vulnerable populations do not lose access to vital health services.



from the COFA states as “Micronesian” despite the fact that the region consists of a diverse range of languages and cultures.

In the later part of the 20th century, lack of a stable educational and economic infrastructure set off large-scale migration from the islands. As residents of the COFA nations leave in search of quality health care, education and meaningful employment, many integrate themselves into existing pockets of Micronesian communities scattered across the country, one of which is located in the Kalihi-Pālama area. KKV and KPHC’s low-income, primarily immigrant target population faces significant barriers to health care and is at high risk for multiple health problems including diabetes mellitus, obesity, hypertension, coronary heart disease and asthma, as well as high rates of behavioral problems including substance abuse, domestic violence and teen pregnancy. All KKV programs aim to address the broader social determinants of health—a foundational tenet of the original community health center movement.

As detailed by the Asian & Pacific Islander American Health Forum (APIAHF), a national health advocacy organization, the legal challenges surrounding health care for COFA residents date back nearly two decades: “The passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 stripped COFA migrants of their eligibility for most federal benefits, including Medicaid, by unfairly excluding them from the category of “qualified immigrants” for purposes of eligibility. In the aftermath of this decision, some states continued to provide health care to COFA migrants through state and territory funded programs, causing an undue burden to already strained local budgets.”<sup>3</sup>

Hawaii has been one such state, ensuring continued access to vital preventive and primary health care services for this vulnerable community to whom the U.S. Government has made important commitments. However, following a November 3, 2014 U.S. Supreme Court decision to let stand the 9<sup>th</sup> Circuit Court ruling, the Governor’s Office, the Department of Human Services and the Attorney General’s Office have moved forward with a plan to transition adult COFA citizens who are not pregnant and not blind, aged or disabled to basic plans through the Hawaii Health Connector. Projecting conservatively, this plan will exacerbate barriers to care for 7,500 tax-paying, legally-present residents of Hawai’i if action is not taken to ease the transition.

A personal story from a female leader in Kalihi’s Micronesian community confirmed the presence of the cultural and health literacy barriers her community faces while trying to access health care and social services. Speaking to her provider, she emphasized the concern that her community has regarding the proposed insurance coverage through Health Connector and posed, “we struggle to afford bread today, how will we be able to pay for medicine and the co-pays?” In a separate encounter with an expectant Micronesian mother during KPHC’s “Diabetes Clinic,” this patient informed the care team that she had stopped coming for prenatal care at her community health center

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<sup>3</sup> “Medicaid Restoration for Compact of Free Association Migrants.” APIAHF, 2013. <<http://www.apiahf.org/policy-and-advocacy/policy-priorities/health-care-access/medicaid-restoration-compact-free-associati>>.



background, physical environment, cultural background and role within society. The health disparities present in the Micronesian community warrant a matching healthcare investment necessary to not only meet the community's immediate need but also to address underlying causes that contribute to such poor health outcomes.

#### 4. Target Population to be Served

Unique demographic characteristics of Kalihi Valley include the highest percentage of new immigrants, non-English or **limited English speakers** and **public housing** residents throughout the State. Ninety-four percent (94%) of KKV's more than 10,000 patients are of Asian / Pacific Island ancestry. Out of Kalihi Valley's diverse mix of Asian/Pacific Island residents, Filipinos and newly arrived immigrants from Micronesia compose the largest ethnic groups with limited English proficiency.

Over 50% of KKV's patients are foreign-born, which often correlates with deep-set barriers to accessing health services as language and cultural barriers make it difficult to navigate the Western healthcare system. According to the 2010 U.S. Census, Kalihi Valley has over two times the number of limited English speakers as compared to both State and national averages (25% compared to 12.3% and 8.7%, respectively) and over two times the amount of households speaking a language other than English at home as compared to national averages (51% compared to 20.5%)<sup>8</sup>. As reflected in KKV's 2012 Patient Satisfaction Survey, 15% of KKV's patients speak Chuukese as their primary language and 7.6% primarily speak a Filipino dialect (including Ilocano).

Poverty in the Kalihi community is often the by-product of overcrowded households (averaging 5 rooms for 8-10 people)<sup>9</sup>, lack of meaningful employment, low per capita income, and Hawaii's high cost of living (157% above the national average in 2014<sup>10</sup>), forcing many new immigrants to resort to public assistance. Occupational data on Kalihi Valley shows the much higher percentage of low-wage, service industry jobs held by residents as compared to state and national averages. The average per capita income in the region is \$19,210 as compared to \$28,629 in the rest of Honolulu County.<sup>11</sup> Two census tracts adjacent to KKV's main clinic contain the Kūhio Park Terrace and Kalihi Valley Homes public housing communities. Unemployment in these census tracts reaches 23% and 18%, respectively.<sup>12</sup> State and national numbers delineated by poverty level and ethnicity consistently show the poorest access to health care for those individuals living in poverty, and significant health disparities among ethnic minorities such as KKV's predominantly Asian and Pacific Islander target population.

Coming from a completely different system, many in our communities seek insurance or medical care only when their condition reaches a **crisis** stage. This is the corollary of the lack of a chronic disease paradigm, which severely undermines many approaches to

<sup>8</sup> U.S. Census Bureau, 2010.

<sup>9</sup> Yamada et. al, 2009.

<sup>10</sup> Kathryn Dill. The Best and Worst States to Make a Living in 2014. Forbes online. June 2014.

<sup>11</sup> U.S. Census Bureau 2010; American FactFinder; <<http://factfinder2.census.gov>>; (30 January 2014).

<sup>12</sup> U.S. Census Bureau, 2010.



reason reported. However the medical system can be a complex network to navigate even for some of the most informed U.S. residents; coming from a small island with limited health literacy and English proficiency, the task is both overwhelming and exhausting. In fact, many COFA migrants report that they not only struggle with acquiring health insurance for themselves and their family members, but also find it difficult to fill out forms and deal with pending applications.

An excerpt from the Hawaii Medical Journal's article on *Health Care for Micronesians and Constitutional Rights* reinforces this need to serve a community that should have the same right to services as any tax-paying citizen:

“We suggest that those of us in law, medicine, and public health take a social justice approach - one that is geographically broad and historically deep. Serious study of large-scale historical and social forces will reveal that we have many commonalities. We should call for reparations where they are appropriate. We should work to spread the idea of health as a human right. We should utilize the legal and public policy frameworks alongside political education and community mobilization to ensure the people's health. We should do all of this in the context of ‘doing justice.’”<sup>15</sup>

## 5. Geographic Coverage

Kōkua Kalihi Valley and KPHC provide services to the Kalihi-Pālama region, a densely populated, mixed urban and residential community.

*Current Total Kalihi-Pālama Population*<sup>16</sup>: 74,230 people

*Approximate Urban and Residential Service Area*<sup>17</sup>: 12 mi<sup>2</sup>

The physical boundaries of the community extend from the interior areas of the valley downward past the H1, the largest and busiest freeway on the island, and around Sand Island. Public housing projects and the more densely populated, lower-income areas of Kalihi Valley are located near the freeway, in the southerly (or lower) areas of the valley. Higher income households in the service area are located in the upper areas of the valley. The southern CTs along Nimitz Highway are a mix of industrial warehouses and small pockets of residences. Kalihi-Pālama has been designated by the U.S. Public Health Service as a Medically Underserved Area (MUA) and a Health Profession Shortage Area (HPSA) for Primary Care, Mental Health and Dental Care.

Kalihi-Pālama is made up of census tracts 50-60, 61, 62.01, 62.02, 63.01, 63.02, 64.01, 64.02, and 65 on the island of O‘ahu, in the City & County of Honolulu. In the Kalihi region alone, there are seven Head Start preschools, six elementary schools and one intermediate school in the community. The elementary schools and intermediate school are part of the State of Hawaii, Department of Education, Farrington Complex of

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<sup>15</sup> Hawaii Med J. Nov 2011; 70(11 Suppl 2): 4-8. Health Care for Micronesians and Constitutional Rights

<sup>16</sup> U.S. Census Bureau, 2010.

<sup>17</sup> U.S. Census Bureau, 2010.

of eligibility services ensuring access to public benefits such as welfare, by filling out forms, interpreting, and working with families and the appropriate agency to expedite review and approval of pending applications. Having expanded its eligibility staff to support the implementation of federal health care reform provisions, KKV now has four eligibility workers who have provided application assistance to over 2,000 uninsured clients over the past year. All patients are screened for health insurance at intake.

**Primary Medical Services** – KKV and KPHC will provide on-site primary medical care services including family and general medicine, internal medicine, geriatrics, pediatrics and obstetrics/gynecology at their five clinical sites. Specific services will include:

*Prevention and Health Education* – Health fairs and chronic disease clinics, individual and group education for women’s health and chronic disease self-management, and preventive medicine services such as Early and Periodic Screening, Diagnosis and Treatment protocols (EPSDT, integrated into the centers’ routine procedure for children 0-18 years old); immunization against vaccine-preventable diseases; cancer screenings; disease screenings including but not limited to elevated blood lead levels, Hepatitis B, Thalassemia, HIV, STDs, TB and cholesterol; and eye and ear screenings for children.

*Medical Care* – Family and general medicine, health assessments/physical examinations, OB/GYN, pediatrics, laboratory services, comprehensive inpatient services, acute/chronic care, episodic care, and pharmacy through contract. Primary medical care includes prevention, acute/chronic care and episodic care, through a model that includes risk assessment, planning, coordination, referral, tracking and documentation. Group medical visits will also be provided for chronic disease self-management and for prenatal services at KKV and KPHC, offering a culturally-tailored, empowering model of care that maximizes the trust between patients and their provider and has been shown to improve health outcomes.

*Hospital Services* – KKV and KPHC staff physicians provide hospital care for all patients in areas of internal medicine, family practice, pediatrics and obstetrics/gynecology. Both Health Centers have referral arrangements with local hospitals for emergency services, and *diagnostic imaging, surgery and advanced laboratory services* are available through formal agreements for all KKV and KPHC patients. Combined with case management, this well-established approach to hospitalization and discharge ensures continuity of care for all patients.

The Health Centers use sliding fee scales to eliminate financial barriers to care for all health services. *Transportation* is provided free of charge to ensure that patients can reach their appointments. At KKV, a year-round van service runs throughout the day between satellite sites, the main clinic and three public housing sites six days a week. Transportation is also provided to accommodate the need for specialist services as well as medical referrals to the local hospitals. In addition, staff physicians provide 24-hour on-call coverage and telephone triage service to all clinic clients.



operates every Monday through Saturday from 8 am until 5 pm, with extended hours on Wednesday evenings (5 - 7 pm) and Saturday mornings (8am – 12 pm).

The need for *community outreach and education* has already begun. With the implementation of ACA (health care reform) provisions, new immigrants not previously eligible for Medicaid insurance are now able to obtain coverage through the Hawaii Health Connector. Many may already be missing out on much-needed care.

On March 1, 2015 COFA patients not enrolled in an insurance plan through the Hawaii Health Connector will be automatically enrolled—meaning that many patients may not even know that their coverage has changed until they arrive for a visit at KKV or KPHC.

From February through April 30, when the 60-day window to change plans will close, KKV and KPHC will work diligently to educate and assist COFA patients, conducting outreach through local churches and community navigator networks, and in partnership with organizations such as the Micronesian Health Advisory Coalition (MHAC) and COFA Community Advocacy Network (COFACAN).

Not all COFA, Filipino and other newly-immigrated patients will be eligible for assistance in paying the high premiums for the plans offered through the Connector. (Nor are they guaranteed to understand what premiums and co-pays are, having no word for such things in their language, nor concepts in their health system.) For any patients who lose their Connector coverage, KKV and KPHC will organize a concerted outreach effort to prepare for the next Connector Open Enrollment period in November 2015. During this time, outreach among newly immigrated communities across Kalihi-Pālama will be amplified. In this way, eligibility staff will assist patients to enroll in the insurance plan most appropriate to their needs.

For the remainder of the year, KKV and KPHC will provide wrap-around services ensuring access to care either through the health centers or through the patients' new providers as mandated, and will continue providing primary care for all patients who come in for services, regardless of their insurance status or ability to pay.

Key elements of the project timeline will be as follows:

*February – April:* Outreach, Education & Enrollment

*April – August:* Clinical Care, Wrap-Around Services, regardless of ability to pay

*September – November:* Outreach, Education & Enrollment Assistance during Connector open enrollment period

*December – June:* Clinical Care, Wrap-Around Services, regardless of ability to pay

### **3. Quality Assurance & Evaluation**

As Federally-Qualified Health Centers accountable to the Health Resources and Services Administration (U.S. DHHS), Kōkua Kalihi Valley and Kalihi Pālama Health Center both maintain Quality Assurance & Improvement (QAI) Programs designed to initiate,

improvements, and using the PDSA model to implement improvement processes. The Quality Assurance and Improvement Committee monitors all audits to ensure completion of recommendations by the responsible staff members.

On-going monitoring by each center's QA/I Committee will ensure that any challenges to meeting the project goals are identified and addressed in a timely manner.

#### **4. Measures of Effectiveness**

KKV and KPHC will use clinical as well as behavioral health measures from the Universal Data System (UDS) and the Hawaii Patient Reward and Incentives to Support Empowerment (HI-PRAISE) program to assess overall program effectiveness and hold ourselves to a standard of achievement. Immediate measures of effectiveness will compare patient numbers over the granting year against a baseline year, with the following targets:

- 2,315 patients provided medical services
- 1,000 patients provided dental services
- 500 patients provided behavioral health services
- 300 patients enrolled or re-enrolled in appropriate health insurance plans through the Hawaii Health Connector
- Patients transitioned to a new medical provider where mandated

Based on UDS screening measures, KKV and KPHC are capable of assessing overall health outcomes for all patients. Evaluated *measures of effectiveness* for this project will include:

- 1) Prevent the worsening of clinical indicators for patients with diagnosed chronic diseases, as measured through hemoglobin A1cs for diabetes and blood pressure for hypertension. (Target: maintenance of current levels or improvement among 40% of patients who come in for at least two visits.)
- 2) Maintain the level of female patients aged 24-64 who receive at least one Pap test at 65% (baseline year 2013).
- 3) Maintain the level of patients aged 51-74 who receive appropriate screening for colorectal cancer at 40% (baseline year 2013).
- 4) Maintain the level of patients age 18 and older who are screened for tobacco use at 90%, and provide cessation support to at least 60% of those who screen positive (baseline year 2013).
- 5) Screen 60% of patients age 18 and older for depression, and create follow-up plans with 75% of those who screen positive (new measure).



As a Federally-Qualified Health Center funded under Section 330 of the Public Health Services Act, KKV has applied for \$1.9M in FY2016 to provide primary care services to 10,350 Kalihi Valley residents living at or below 200% of the poverty level. This grant will comprise 15% of the health center's operating budget. Approximately \$500,000 will be available through the Hawaii Department of Health's Primary Care program, based on a fee for service for uninsured or inadequately insured patients. KKV has secured this contract through 06/30/19.

KKV generates approximately 50% of its revenues from patient services, the reimbursement for which fluctuates greatly depending upon the economic and political situation. When COFA residents are transitioned from Med-QUEST to the Hawaii Health Connector on March 1, 2015, these patients will have to meet larger deductibles and co-pays prior to receiving covered services—leaving the Health Centers that care for them to bear the brunt of the cost.

Factoring in an anticipated drop in visits due to confusion and anxiety among patients who may believe they have lost coverage altogether, as well as the discrepancy between Medicaid payment rates and the lower rate at which health centers will be reimbursed through the Connector plans, KKV and KPHC anticipate significant revenue shortfalls as a result of this transition.

#### **4. State and Federal Tax Credits**

KKV is not receiving any state or federal tax credits, and has not applied for any for this project to date.

#### **5. Government Contracts and Grants for Program Funding**

Please see the attached form.

### **IV. Experience and Capability**

#### **A. Necessary Skills and Experience**

KKV has over 42 years of experience meeting the health and human service needs of the Kalihi Valley community, a Medically Underserved Area (MUA) and a Health Personnel Shortage Area (HPSA) where access to health care is particularly limited. KKV's service delivery model is built around providing an array of culturally-competent primary health care services complimented by effective outreach, translation, transportation, case management and complimentary health services. This model is based on the following core values, which have been central to KKV's approach since 1972:

- Cultural and Linguistic Competency
- Family-based Care

*Service Provision for Special Populations* - Approximately 40% of KKV's patients live in Kalihi's **public housing** developments. Through grants from the Health Resources and Services Administration and the U.S. Department of Housing and Urban Development, KKV has provided case management and eligibility services for residents of public housing since 1994. In 2008 KKV was selected to receive one of two national Special Population Service Recognition awards for excellence of care for vulnerable populations.

*Retention of Excellent Professional Staff* – KKV has benefited from extremely high levels of staff retention, including for health care providers, as well as relatively easy recruitment for all priority positions. KKV's Executive Director has twenty-five years of service at KKV. KKV's Clinical Director has eighteen years of service at KKV. 20% of KKV's staff have 10 or more years of service with the organization, contributing to a continuity of care that enables trust and effectiveness.

*Collaborative Partnerships* – KKV has been actively involved in the social networks of Kalihi Valley throughout its history. For all services in the community, KKV has worked side-by-side with churches, schools and both non-profit and government entities in Kalihi Valley in response to the need for appropriate and accessible health care. These initial collaborations have developed from small, local relationships into formal partnerships with a wide range of agencies.

*Related Project Experience* – The following is a brief description of the current projects and contracts that KKV has pertinent to the provision of its primary health care services for uninsured and low-income residents in Kalihi Valley.

Designated by the U.S. Congress as a Federally Qualified Health Center (FQHC) since 1989, KKV is funded through the *U.S. Health Services & Resources Administration* to provide primary care services in Kalihi Valley. KKV currently provides medical, dental, behavioral health, maternal and child health, case management, health education, interpretation and transportation for over 10,000 patients annually.

KKV has strong ties spanning over 30 years with the *Hawai'i State Department of Health* with whom it maintains a formal agreement as a service site for a variety of its programs. KKV maintains close personal contact with DOH Division Chiefs and has participated in numerous state-wide initiatives, such as the Healthy Mothers Healthy Babies Coalition on perinatal outreach education, the State Legislature's Pediatric Obesity Taskforce, and the Hawaii State Diabetic Prevention and Control Community Planning Group. Programs supported by the Department of Health include:

- Breast and Cervical Cancer Control Program
- Perinatal Services
- WIC Program
- Family Planning Services
- Primary Care

KKV has formal linkages with the *University of Hawaii residency programs* including OB/GYN, pediatrics, family medicine and geriatric medicine at the John A. Burns School



*Health Through Action & Racial Healing Initiatives, W. K. Kellogg Foundation, Contact: Dr. Alice Warner-Mehlhorn, [alice.warner@wkkf.org](mailto:alice.warner@wkkf.org). \$100,000 per year, 01/01/2008 - 12/31/2014.* As a partner in two national initiatives, KKV's Lei Hīpu'u program has developed a clear understanding of needs surrounding early childhood in Kalihi's Filipino, Hawaiian, Samoan and Chuukese communities; has established a strong network of local partners who are streamlining families' access to services; works with the COFA community to advocate for equity in insurance coverage; and is empowering Kalihi's multicultural youth to develop resilient identities rooted in culture and place.

*Medical-Legal Partnership for Children, University of Hawaii W. S. Richardson School of Law, Contact: Dina Shek, Esq., Legal Director. [dshek@hawaii.edu](mailto:dshek@hawaii.edu). In-kind support, 4/2008 – present.* Established in 2009, the Medical Legal Partnership for Children (MLPC) is a joint venture between KKV and the University of Hawai'i Richardson School of Law. Based on a successful model developed by the Boston University School of Medicine and the Boston Medical Center, the MLPC aims to discover and address the systemic ethical, social, and economic determinants of poor health among vulnerable populations. At KKV, the MLPC works to alleviate obstacles to successful early childhood development and to streamline patients' access to legal and social services through on-site legal advocacy provided to families during Well Child Checks.

## **B. Facilities**

KKV provides services to Kalihi Valley residents at eight separate community locations, all of which meet ADA requirements. Facilities available to support the proposed services include the following:

*1) The Charles Judd Community Health Center* is a full-service 12,000 square foot health center on N. School Street. Named after one of KKV's first and most dedicated volunteer physicians, the Charles Judd Community Health Center is equipped with 14 medical exam rooms, 6 Behavioral Health exam rooms, 1 integrated Behavioral Health room in the medical wing, 1 integrated Nutrition room, as well as KKV's Maternal & Child Health section 3 confidential Family Planning rooms. This facility is conveniently located on a major thoroughfare of public transportation and within easy walking distance between the state's first and third largest public housing projects.

*2) The Harry & Jeanette Weinberg Wellness Center*, opened in October 2012, houses KKV's Dental Department in 12 state-of-the-art operatories, as well as KKV's administrative offices, a 645 sq. ft. group health education room adjacent to five OB exam rooms, offices for the Medical-Legal Partnership for Children, KKV nutrition staff and vocational training programs, and a 560 sq. ft. commercial kitchen and dining area. It is located adjacent to the Charles Judd clinic.

*3) The Gulick Elder Center* operates out of KKV's former health clinic, 4,000 sq. ft., ADA compliant, 2-story cedar building located on Gulick Avenue, approximately one mile from the main health center. This facility was renovated in 2004 to provide the physical space needed to accommodate the overflowing numbers of elders coming for services. In August



Hawaii for all professional medical, dental and support staff at KKV. KKV's Clinical Director oversees credentialing and privileging, which are required prior to beginning work at KKV for new providers, and every two years for existing providers. Competency is also monitored on an ongoing process by the Clinical Director through the Peer Review Process and other chart reviews. The Clinical Director presents all candidates for new or renewed credentialing and privileging to the KKV Board of Directors for their approval.

At *Kōkua Kalihi Valley*, 1 Physician, 1 Psychologist and 3 Clinical Support Staff will be dedicated to this project. Services at the *Kalihi Pālama Health Center* will be provided by 1 Physician, 1 Advanced Practice Registered Nurse (APRN), 1 Dentist, 1 Licensed Clinical Social Worker, and 5 Clinical Support Staff.

### **Qualifications and experience of key personnel.**

KKV's *Executive Director*, David Derauf, MD, MPH, will have overall responsibility for this project. Dr. Derauf has been with KKV for 25 years. In 1989, he was hired as KKV's first Clinical Director and remained in this position until being named as KKV's Executive Director in October, 2003. Dr. Derauf received his medical training at the University of Minnesota and his MPH from the University of Hawaii in 1995, with a focus on epidemiology. He is board certified in General Preventive Medicine.

Dr. Derauf has served as Assistant Clinical Professor of Public Health, Medicine, and Nursing at the University of Hawai'i. He serves as a board member of the Association of Asian and Pacific Island Community Health Organizations (AAPCHO), the Hawai'i Appleseed Center for Law and Equal Justice, and for AlohaCare, a Hawai'i Medicaid Managed Care Corporation. He is also a member of Na Limahana o Lonopuha, a consortium of Native Hawaiian Health Organizations.

Under his leadership, KKV was named a Center of Excellence in Women's health care by the Federal Government in 2002. In 2009, Dr. Derauf was chosen by the Director of Health to represent Hawaii on the inaugural California-Hawaii Public Health Leadership Institute Team. He was given a Gerbode-Hawaii Community Foundation Award for non-profit leadership in 2008 and has received multiple Harry and Jeanette Weinberg Foundation Awards for Excellence in Management.

Dr. Laura DeVilbiss, MD, MPH, is KKV's *Clinical Director* and has been with KKV for the last 17 years. She joined KKV as a Family Practice Physician in 1997 and became KKV's Clinical Director in July 2003. Dr. DeVilbiss is a National Health Service Corps Scholar and received her MD degree from George Washington University in Washington, DC, and her MPH from the Tulane School of Public Health and Tropical Medicine in Louisiana. She is a professional member of the American Academy of Family Physicians and has been voted one of the "Best Doctors" in Hawaii for multiple years running.

Ms. Dallys Salas, MBA, joined KKV in November 2008 as *Chief Financial Officer*. She received her MBA from Webster University in San Antonio Texas in 2007 and a Bachelor of Business Administration from the University of Panama in 1986. Ms. Salas



eliminate barriers between program areas by providing regular in-service cross-training for staff and has established baseline knowledge and skills useful for identifying basic health problems and making appropriate referrals.

KKV encourages continuing education among staff, many of whom received professional degrees while employed at KKV. Staff have regular opportunities to attend professional conferences here and on the mainland. All staff participate in annual retreats and weekly clinic meetings devoted to developing skills in identifying and addressing health problems faced in the Kalihi Valley community.

## **B. Organization Chart**

Please see KKV's organizational chart, attached.

## **C. Compensation**

The following are the three highest annual salaries paid at KKV:

- Executive Director, \$154,445.76
- Clinical Director, \$137,139.60
- Physician \$127,363.20

## **VI. Other**

### **A. Litigation**

KKV has no pending litigation or outstanding judgments.

### **B. Licensure or Accreditation**

In February 2014, KKV achieved Level 2 accreditation as a Patient-Centered Medical Home (PCMH). Part of a national initiative to improve quality of care and lower costs, this PCMH recognition indicates KKV's success in organizing primary care with an emphasis on coordination, communication and enhanced access to comprehensive services that treat the whole person.

KKV has also been a Federally-Qualified Health Center since 1989.

### **C. Federal and County Grants**

Since July 1, 2014, KKV has received the following grants from the U.S. Dept. of Health & Human Services, Health Resources & Services Administration (HRSA)'s Health Center Program:

*Expanded Medical Capacity, \$224,474 annually beginning 9/5/14.*

billion dollars to be wasted in the U.S. each year.<sup>21</sup> A more recent figure published in a 2013 study places this number much higher, at \$30.8 billion annually.<sup>22</sup>

In Hawaii, the transitioning of COFA patients from Med-QUEST to the Hawaii Health Connector will save the State an estimated \$21.5 million per year.<sup>23</sup> At only a fraction of these savings, this proposal from Kōkua Kalihi Valley and Kalihi Pālama Health Center will ensure that the transition works as envisioned, keeping COFA patients with their primary care providers and out of the emergency room.

*Leveraging Additional Resources for Sustainability* – KKV has a depth of in-house resources to support this proposal, including providers across KKV’s vast spectrum of services—medical, dental, perinatal, family planning, women’s health, nutrition education and WIC services, immunization, STD/HIV services, elderly services, health education, social services, transportation, translation, outreach, youth services, public housing services, community advocacy and Ho‘oulu ‘Āina, 100 acres of State Parks land leased by KKV for environmental education and cultural preservation. These programs are not only able to provide direct services to clinic patients and their families, but also to provide further resources to clinical staff in health promotion and disease prevention.

Hosting and training student practitioners at KKV has proven to be invaluable to expanding services and meeting the needs of more community members in a cost-effective and efficient manner. Not only does this training help to save funds for personnel costs, it also has been successful in motivating new providers to pursue careers in low-income communities and at community health centers. Finally:

- KKV receives and utilizes a high quantity of donated supplies from local hospitals, medicine banks and pharmaceutical companies.
- KKV has also exercised conservative controls over supplies management to keep costs per visit low.
- KKV’s overall high retention of staff helps to reduce costs through lower training needs for new employees and higher productivity for long-term staff.

## **F. Certificate of Good Standing**

Please see KKV’s Certificate of Good Standing, attached.

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<sup>21</sup> Choudhry et. al. “The Impact of Community Health Centers & Community-Affiliated Health Plans on Emergency Department Use.” National Association of Community Health Centers, Inc. April 2007.

<sup>22</sup> Kangovi et al. “Understanding why Patients of Low Socioeconomic Status Prefer Hospitals over Ambulatory Care,” *Health Affairs*, July 2013. Supported by the Robert Wood Johnson Foundation Clinical Scholar program.

<sup>23</sup> Fujimori, Leila. “State plan will offset COFA costs by using federal funds.” *The Honolulu Star Advertiser*, November 18, 2014. <<http://www.staradvertiser.com/s?action=login&f=y&id=283023841&id=283023841>>.



## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Kokua Kalihi Valley Comprehensive Family Services

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
<b>A. PERSONNEL COST</b>				
1. Salaries	894,000			
2. Payroll Taxes & Assessments	107,280			
3. Fringe Benefits	160,920			
<b>TOTAL PERSONNEL COST</b>	<b>1,162,200</b>			
<b>B. OTHER CURRENT EXPENSES</b>				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9. Indirect	348,660			
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>348,660</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>1,510,860</b>			
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested		Laura Taylor	791-9400	
(b) Total Federal Funds Requested		Name (Please type or print)	Phone	
(c) Total County Funds Requested			1/29/2015	
(d) Total Private/Other Funds Requested		Signature of Authorized Official	Date	
<b>TOTAL BUDGET</b>		Dallys Salas, Chief Financial Officer		
		Name and Title (Please type or print)		

## BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2015 to June 30, 2016

Applicant: Kokua Kalihi Valley Comprehensive Family Services

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Physician	2	\$145,600.00	100.00%	\$ 291,200.00
Advanced Practice Registered Nurse (APRN)	1	\$104,000.00	100.00%	\$ 104,000.00
Dentist	1	\$128,600.00	100.00%	\$ 128,600.00
Psychologist	1	\$65,000.00	100.00%	\$ 65,000.00
Licensed Clinical Social Worker (LCSW)	1	\$55,600.00	100.00%	\$ 55,600.00
Clinical Support Staff	8	\$31,200.00	100.00%	\$ 249,600.00
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				<b>894,000.00</b>

**JUSTIFICATION/COMMENTS:**

The requested Grant-In-Aid funds will enable Kalihi Palama Health Center to retain 1 Physician, 1 Nurse Practitioner, 1 Dentist, 1 Clinical Social Worker and 5 Clinical Support Staff, totaling \$589,800 in salaries; and will enable Kokua Kalihi Valley to retain 1 Physician, 1 Psychologist and 3 Clinical Support Staff, totaling \$304,200 in salaries. Taxes and fringe benefits will total \$268,200 between the two centers, as detailed on the budget summary page. Without GIA funds, the anticipated decrease in revenues due to the transition of COFA patients from Med-QUEST to the Hawaii Health Connector would cost the two health centers a combined \$1.13M, with an additional indirect loss of \$2M through a reduction of 13,300 patient visits – further limiting access to care for the vulnerable populations these clinics serve. With GIA funds, KKV and KPHC will be able to avoid these cuts and provide 10,060 visits for 2,015 COFA patients, ensuring continued access to vital health services.



## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: Kokua Kalihi Valley Comprehensive Family Services

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				

**JUSTIFICATION/COMMENTS:**  
  
N/A

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				

**JUSTIFICATION/COMMENTS:**  
  
N/A

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: Kokua Kalihi Valley Comprehensive

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: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
<b>TOTAL:</b>						
<b>JUSTIFICATION/COMMENTS:</b>						
N/A						



# GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Kōkua Kalihi Valley Comprehensive Family Services

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau )	CONTRACT VALUE
1.	Health Center Program (Public Health Service Act, Section 330) – Primary care services for Kalihi Valley residents under 200% FPL.	4/1/14 – 3/31/15	Health Resources & Services Administration	U.S. Dept. of Health & Human Services	\$1,980,494 per year, covering the cost of roughly 25% of KKV's 48,000 patient visits.
2.	Medical, Behavioral Health (BH), Dental and Pharmaceutical Services for uninsured and/or underinsured patients.	7/1/13 – 6/30/19	Department of Health	State of Hawaii	Medical services reimbursed at \$95.00 per visit. BH services reimbursed at \$95.00 per visit for psychiatrists and psychologists, \$50.00 per visit for LCSWs. Filling orders for pharmaceuticals reimbursed at \$15 per prescription. Approx. \$380,000 annually.
3.	Breast and Cervical Cancer Prevention (BCCP) program	6/30/14- 6/29/15	Department of Health	State of Hawaii	\$36,000 / year
4.	WIC	10/1/11 – 9/30/15	Department of Health	State of Hawaii	\$238,530 / year
5.	Family Planning and Reproductive Health Services	1/1/13 – 6/29/16	Department of Health	State of Hawaii	\$124,500 / year
6.	Perinatal Support Services	7/1/14 - 6/30/17	Department of Health	State of Hawaii	\$108,250 / year
				TOTAL	<b>\$2,867,774</b>

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS PURSUANT TO  
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) 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 is awarded;
  - b) Complies 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;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant 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.
  
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
  
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant 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 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.

Kokua Kalihi Valley Comprehensive Family Services

(Typed Name of Individual or Organization)



(Signature)

1/27/15

(Date)

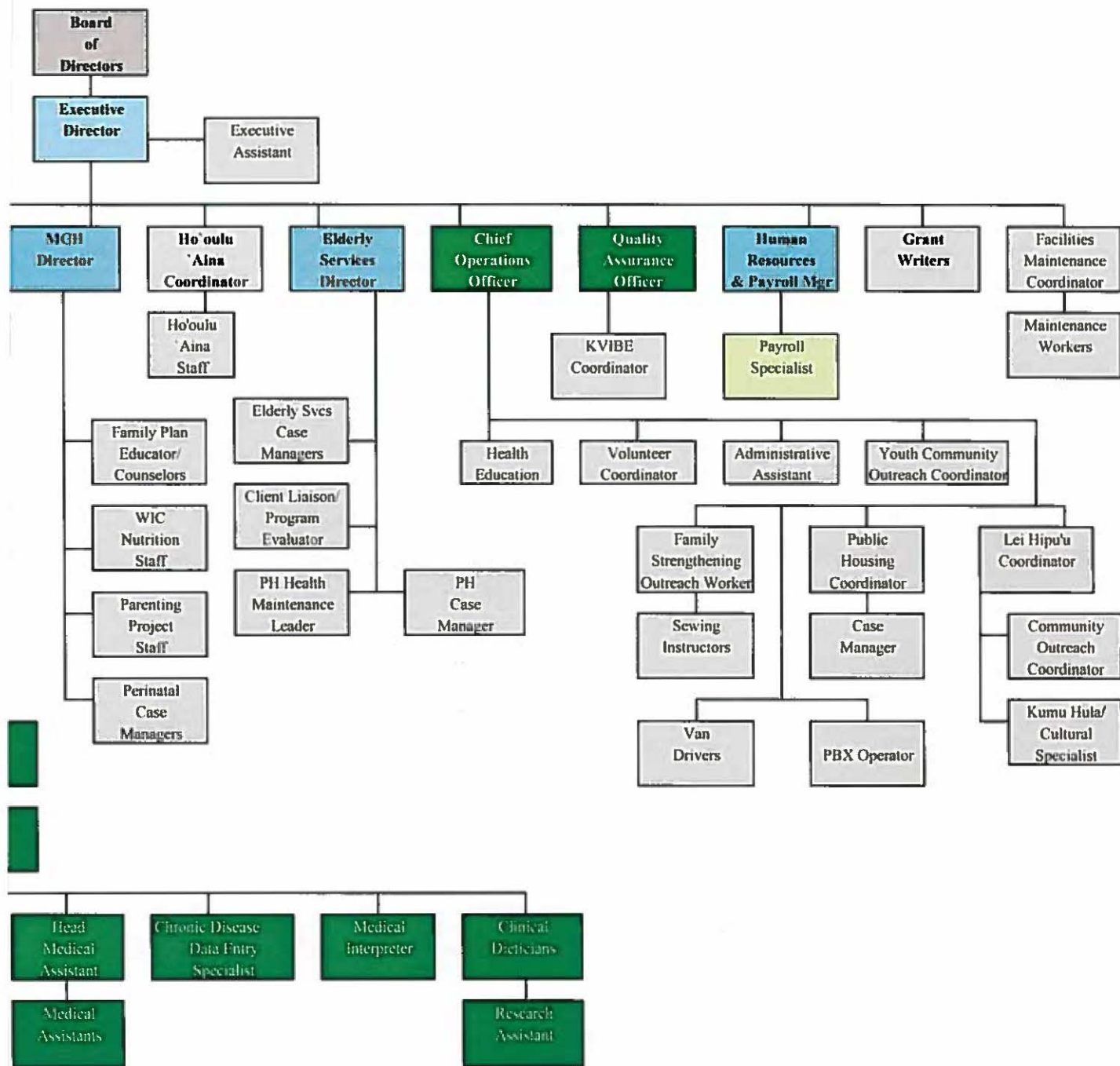
David Derauf, M.D., MPH

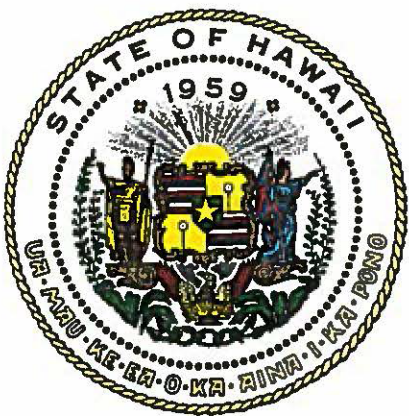
(Typed Name)

Executive Director

(Title)







## Department of Commerce and Consumer Affairs

### CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

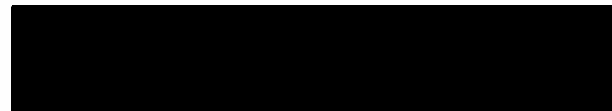
**KOKUA KALIHI VALLEY (COMPREHENSIVE FAMILY SERVICES)**

was incorporated under the laws of Hawaii on 05/15/1972 ;  
that it is an existing nonprofit corporation; and that,  
as far as the records of this Department reveal, has complied  
with all of the provisions of the Hawaii Nonprofit Corporations  
Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set  
my hand and affixed the seal of the  
Department of Commerce and Consumer  
Affairs, at Honolulu, Hawaii.

Dated: January 26, 2015



Interim Director of Commerce and Consumer Affairs