



January 18, 2018

Senate Committee on Ways and Means

State Capitol, Rm. 208

Honolulu, HI 96813

Attn: GIA

To Whom It May Concern;

Enclosed are two Grant in Aid Submissions from University Clinical, Education and Research Associates, (UCERA), doing business as University Health Partners of Hawaii (UHP).

The first is a request for operational support for our hyperbaric chamber which provides emergency services to the people of Hawaii.

The second is a request for partial capital support for the construction of a family medicine clinic facility in space to be leased by us from Pali Momi Hospital.

We appreciate this opportunity to make these requests and look forward to discussing them with you at your convenience.

Mahalo and aloha,



Larry J. Shapiro MD

Chief Executive Officer

House District(s) _____

Senate District(s) _____

THE TWENTY-NINTH 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): _____

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
University Clinical, Education and Research Associates

Dba: University Health Partners of Hawaii

Street Address: 677 Ala Moana Blvd., Suite 1001
Honolulu, Hawaii 96816

Mailing Address: 677 Ala Moana Blvd., Suite 1001
Honolulu, Hawaii 96816

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name LARRY J. SHAPIRO

Title Chief Executive Officer

Phone # (808) 469-4916

Fax # _____

E-mail Lshapiro@ucera.org

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

CONSTRUCTION PROJECT TO BUILD A NEW ACCREDITED FAMILY MEDICINE
AMBULATORY PRACTICE AND RESIDENCY TRAINING SITE.

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2019: \$ 1,000,000.00

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 \$ 0

FEDERAL \$ 0

COUNTY \$ 0

PRIVATE/OTHER \$ 0

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE

LARRY J. SHAPIRO MD, CHIEF EXECUTIVE OFFICER

NAME & TITLE

1/18/18

DATE SIGNED

JAN 3 2018 11:21 AM

Application for Grants

I. Background and Summary

1. A brief description of the applicant's background;

The applicant, University Clinical, Education and Research Associates (UCERA) doing business as University Health Partners of Hawai'i (UHP), is the faculty practice plan for the University of Hawai'i's John A. Burns School of Medicine (JABSOM).

First founded in 1993, under the name University Health Care Associates, UHP is a tax exempt non-profit 501 (c) (3) entity which provides a variety of medical services to the people of Hawai'i. Its mission is to create physician practices in partnership with teaching hospitals to support the clinical learning environments for medical students and residents of JABSOM. As of 6/30/17 there were about 170 providers (who are also faculty members of JABSOM) and 225 supporting staff within the UHP system.

The applicant is a multi-specialty medical practice composed of a variety of departments. The Family Medicine Department is the primary department associated with this application.

The University of Hawai'i Family Medicine Residency Program was established in 1994. The Family Medicine Residency Program is a fully accredited program with 18 residents. The program has been highly successful in recruiting and retaining Family Physicians to work and practice throughout the state. Hawai'i Pacific Health/Pali Momi Medical Center is the hospital sponsor and home of the residency program.

2. The goals and objectives related to the request;

Purpose: Through a public-private partnership, the purpose of this project is to build a new accredited Family Medicine Ambulatory Practice and team-based training site to create a pipeline of primary care physicians for the State of Hawai'i. Located in Aiea/Pearl City it will serve patients from Central and West Oahu.

Access to appropriate primary care services is increasingly difficult in Hawai'i. This public-private partnership creates a major ambulatory patient care center and training site for future primary care physicians in a location of need. Co-locating with the UH OB/GYN department clinical practice site allows for comprehensive care of women and families under one roof. It creates the foundation for expanding the number of residency training positions available in Hawai'i so that graduating JABSOM medical students will have the opportunity to train and practice in Hawai'i, both on Oahu and the neighbor islands.

Proposed Location: Pali Momi Outpatient Center
98-1005 Moanalua Road

Aiea, Hawai'i

Primary care is the leading medical shortage field throughout Hawai'i. The current primary care shortage is calculated at 282 physicians statewide. This shortfall is projected to worsen with the increased demand for health care from an aging population and the retirement of an aging physician population creating access issues on Oahu and the neighbor islands.

Family Medicine is uniquely positioned to address these shortages because Family Medicine specialists are trained to take care of the needs of children, adults, and elders. Over the past five years, the existing program has retained 75 percent of physician graduates in Hawai'i, including 100 percent retention of JABSOM graduates. This proposal to develop a new ambulatory training site will create the foundation for the expansion of the number of trainees in the future.

3. The public purpose and need to be served;

The underlying purpose is to train the next generation of primary care doctors in Hawai'i for Hawai'i. We plan to develop a clinic in the transformed primary care model including integration of behavioral health, diabetes education, pharmacy practice, and social work at a single site to provide patients with enhanced access to healthcare services.

4. Describe the target population to be served; and

Our current practice includes approximately 52% Medicaid, 17% Medicare and the remainder commercial and other insurances.

- A. Short term - The proposed Family Medicine ambulatory practice site will be co-located with Pali Momi Medical Center and the new UH OB/GYN clinic. With this collaboration, faculty and residents can ensure that patients transition seamlessly from the hospital and back to the community. The clinic will serve a minimum of 12,000 patient visits annually.
- B. Mid-term – The ambulatory practice will provide an access point for patients in the Pearl City/Aiea area whose doctors are retiring. The office will provide an access point for patients from the Pali Momi Emergency Department and Hospital in need of follow-up care who do not have a personal physician.
- C. Long term: Physician graduates of the program will join practices across the state including the neighbor islands improving access to care. (See State retention map).

5. Describe the geographic coverage

The proposed Pearl Ridge ambulatory practice site will provide an access point for patients from Mililani/Central Oahu, the west side, as well as the Waipahu and Aiea areas. These are geographic areas with considerable need and growth potential.

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. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

The project utilizes 5,600 sq ft. in an existing medical pavilion (outpatient center). It will include 11 exam rooms including a procedure room, and the necessary training space for students and residents. The residency program will transition fully to the new site by July 2020.

Based on a preliminary estimate by the project management division of Hawaii Pacific Health, the construction cost will be approximately \$446 per square foot. Design, furniture, fixtures, equipment, information technology, and medical equipment combine for a additional total of about \$209 per square foot.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Build out is planned to be completed within Grant in Aid FY19 funding year.

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

Refer to Section IV.1.

4. 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.

Refer to Section IV.1.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
 - a. Budget request by source of funds ([Link](#)) Not applicable – none.
 - b. Personnel salaries and wages ([Link](#)) See attached schedule.
 - c. Equipment and motor vehicles ([Link](#)) Not applicable – none.
 - d. Capital project details ([Link](#)) See attached page 8 “Budget Justification – Capital Project Details”
 - e. Government contracts, grants, and grants in aid ([Link](#)) Not applicable – none.
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2019.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
500,000	250,000	250,000	0	1,000,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2019.

Remaining budget will be funded in partnership with the applicant and Hawai‘i Pacific Health (lessor of the Pali Momi Outpatient Center).

4. The applicant shall provide a listing of all state and federal tax credits it has 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.

There are no state and federal tax credits which have been granted to the Family Medicine Division within the prior three years.

5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2019 for program funding.

There are no federal, state, and county government contracts, grants, and grants in aid that have been granted to the Family Medicine Division within the prior three years

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2017.

Per its internal financial statements, UHP’s total unrestricted current assets as of December 31, 2017, were \$26,984,750.

IV. Experience and Capability

1. **Necessary Skills and Experience**

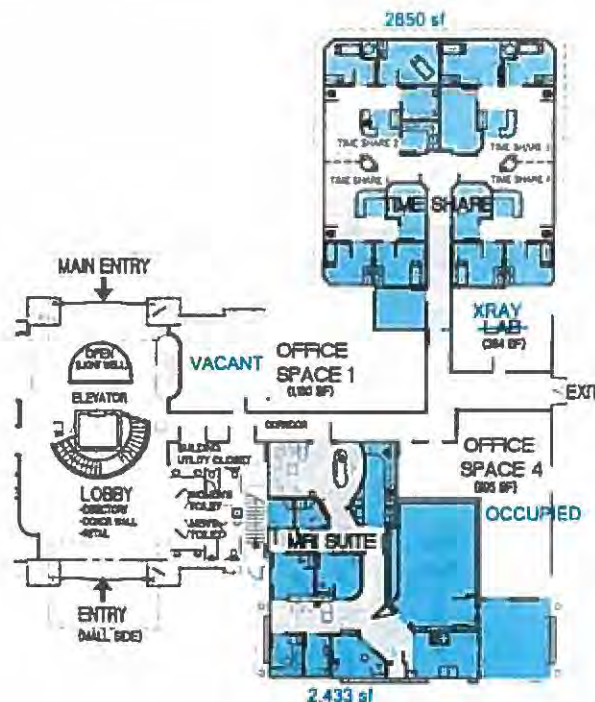
The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related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

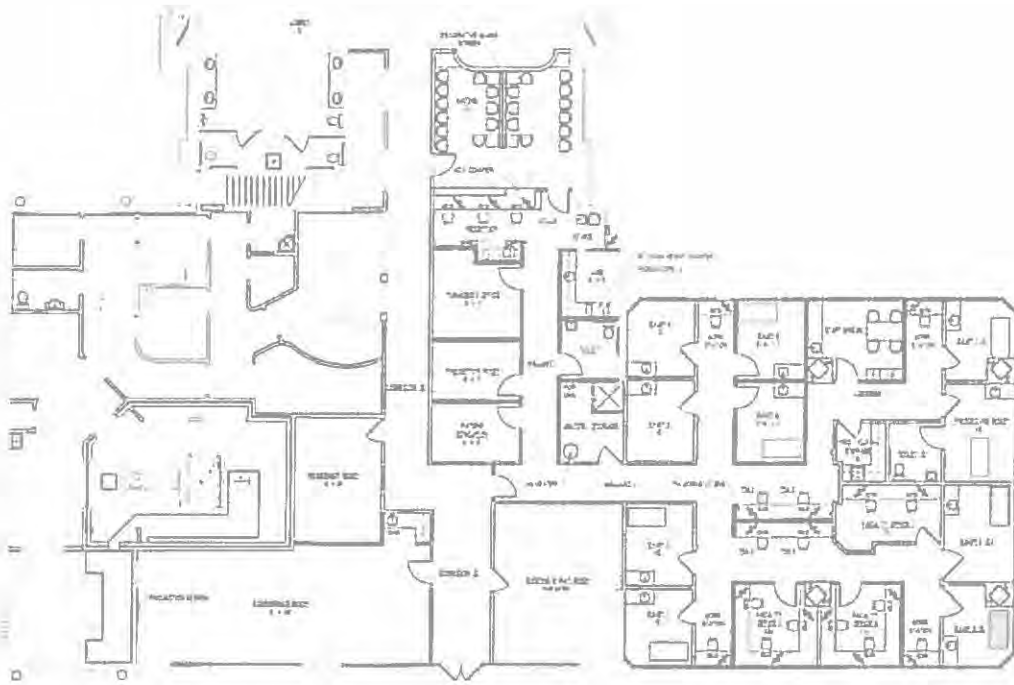
The applicant will contract with Hawai'i Pacific Health (HPH) Project Management Division to coordinate Design, Construction, FFE, IT, Medical Equipment and oversee all aspects of the project. Applicant previously contracted with HPH for similar services for 2 projects, located at the Pali Momi Medical Center and Kapiolani Medical Center for Women and Children, within the past 3 years. Both projects were completed within budget and the set timeline.

2. 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.

Pali Momi Medical Center is the lessor of the facility site and has committed space for this project. Applicant has received the initial quote for scope of services. Applicant is in process of securing funding for the project, including this grant request. Below are conceptual designs for use of the space.





PROPOSED FLOOR PLAN
APR 5 2017

PROPOSED MEDICAL OFFICE FOR HARBOR
PACIFIC MEDICAL PAVILION
APR 5 2017

V. Personnel: Project Organization and Staffing

1. 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.

Construction of the project will be completed through Hawai'i Pacific Health Project Management Division. Refer to Section IV.1.

2. 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 organization chart that illustrates the placement of this request.

UHP is a large, multi-purpose organization. The Family Medicine Departments reports to the Chief Executive Officer for organizational purposes.

3. **Compensation**

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

Based on the latest UHP tax form 990, the three highest paid officers, directors, or employees are:

Barry Carlton MD, Employee, \$ 406,402
Kenric Murayama MD, Director / Employee, \$ 380,582
Michael Carney MD, employee, \$ 353,721

VI. Other

1. **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.

See attached disclosure.

2. **Licensure or Accreditation**

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

IRS Employer Identification Number: 99-0307152

IRS determination letter dated January, 1999, which indicated that UCERA qualified as a 501 (c) (3) tax exempt non-profit organization

State of Hawaii Identification Number: GE-210-669-5680-01

NPI Number 1013966845 in the name "University Clinical Education & Research Associates"

In addition, all providers are fully licensed to practice in State of Hawai'i with Hawai'i Medical Licenses, State Controlled Substance Registration Certificates (NED), Federal State Controlled Substance Registration Certificates (DEA). Family Medicine Residency program is fully accredited by the Accreditation Council for Graduate Medical Education (ACGME). Family Medicine Residency faculty are certified by the American Board of Family Medicine (ABFM).

3. **Private Educational Institutions**

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see [Article X, Section 1. of the State Constitution](#) for the relevance of this question.

This grant will not be used to support or benefit a sectarian or non-sectarian private educational institution

4. **Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2018-19 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2018-19, but
- (b) Not received by the applicant thereafter.

This construction project is expected to be completed by end of FY19. Subsequent funding for clinical and educational operations will be supported by clinical revenue.

5. **Certificate of Good Standing (If the Applicant is an Organization)**

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2017.

See attached Certificate of Good Standing.

6. **Declaration Statement**

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawai'i Revised Statutes. ([Link](#))

See attached declaration affirming UHP's compliance with Section 42F-103, Hawai'i Revised Statutes.

7. **Public Purpose**

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawai'i Revised Statutes. ([Link](#))

UHP specifies that the grant will be used for a public purpose pursuant to Section 42F-102, Hawai'i Revised Statutes.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2018 to June 30, 2019

Applicant: University Clinical, Education & Research Associates

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
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12				
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14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				535,200
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	1,000,000			2,407,000
TOTAL (A+B+C+D+E)	1,000,000			2,942,200
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Henry J. Ellis, Jr. (808) 469-4959		
(b) Total Federal Funds Requested		Name (Please type or print) _____ Phone _____		
(c) Total County Funds Requested		Signature of Authorized Official _____ Date 1/18/2018		
(d) Total Private/Other Funds Requested	2,942,200	Larry J. Shapiro MD, Chief Executive Officer		
TOTAL BUDGET	3,942,200	Name and Title (Please type or print)		

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2018 to June 30, 2019

Applicant: University Clinical, Education & Research Associates

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
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TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				535,200
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	1,000,000			2,407,000
TOTAL (A+B+C+D+E)	1,000,000			2,942,200
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Henry J. Ellis, Jr. (808) 469-4959		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		43.118		
(d) Total Private/Other Funds Requested	2,942,200	Signature of Authorized Official Date		
TOTAL BUDGET	3,942,200	Larry J. Shapiro MD, Chief Executive Officer Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2018 to June 30, 2019

Applicant: University Clinical, Education and Research Associates

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				
Not applicable - none				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				
Not applicable - none				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2018 to June 30, 2019

Applicant: University Clinical, Education & Research Associates

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: 2016-2017	FY: 2017-2018	FY:2018-2019	FY:2018-2019	FY:2019-2020	FY:2020-2021
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION			1,000,000	2,407,000		
EQUIPMENT				535,200		
TOTAL:	-	-	1,000,000	2,942,200	-	-
JUSTIFICATION/COMMENTS:						
Requested State contribution is 25% of total project budget. State funds will be leveraged with investments by a hospital and applicant.						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: University Clinical, Education and Research Associates

Contracts Total: -

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Not applicable - None				
2					
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**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.

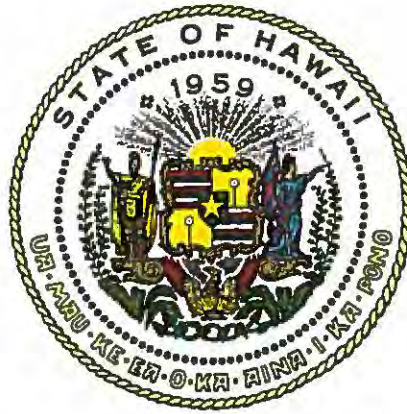
University Clinical Education & Research Associates
(Typed Name of Individual or Organization)

(Signature)  1/18/18
(Date)

Larry J. Shapiro, MD Chief Executive Officer
(Typed Name) (Title)

Attachment re: VI. Other (Litigation)

1. LINDSEY L. CASSIDAY-CHANG VS UNIVERSITY CLINICAL EDUCATION & RESEARCH ASSOCIATES (UCERA); AND JOHN DOES 2-10
2. SUMMER N.K. HAWELU-BADAJOS VS KAPI'OLANI MEDICAL CTR; HAWAII PACIFIC HEALTH; UCERA, DBA UNIVERSITY HEALTH PARTNERS OF HAWAII; HAWAII RESIDENCY PROGRAMS INC; DOES
3. MANELYN ABADILLA INDIVIDUALLY AS NEXT FRIEND OF CAAA VS UCERA DBA UNIVERSITY HEALTH PARTNERS OF HAWAII; KALIHI PALAMA HEALTH CENTER; DOE DEFENDENTS 1-100



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

UNIVERSITY CLINICAL, EDUCATION & RESEARCH ASSOCIATES

was incorporated under the laws of Hawaii on 09/02/1993 ;
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 17, 2018

Director of Commerce and Consumer Affairs

