

House Dist. 9, 13, 11, 8, 10, 12

Senate District 4, 5, 6,

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

Log No: 45-C

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

REC'D 1107 58 NVA
JAN 25 2011

"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):

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Hospice Maui, Inc.

Dbas: Hospice Maui

Street Address: 400 Mahalani St., Wailuku, HI 96793

Mailing Address: 400 Mahalani St., Wailuku, HI 96793

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name R GREGORY LAGOY

Title Chief Executive Officer

Phone # 808-244-5555

Fax # 808-244-5557

e-mail Greg LaGoy <hospice1@maui.net>

3. TYPE OF BUSINESS ENTITY:

NON PROFIT CORPORATION

FOR PROFIT CORPORATION

LIMITED LIABILITY COMPANY

SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

HALE HO'OLU'OLU "HOUSE OF COMFORT" 12-BED HOSPICE FACILITY

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2011-2012: \$ 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 \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 192,320

PLEDGES RECEIVABLE \$ 1,250,000

[REDACTED SIGNATURE]

R GREGORY LAGOY, CEO
NAME & TITLE

1/20/2011
DATE SIGNED



HOSPICE MAUI

400 Mahalani Street • Wailuku, Hawaii 96793

Phone (808) 244-5555

January 20, 2011

Sen. David Y. Ige, Chairman
Ways and Means Committee
Hawaii State Capitol, Room 215
415 S. Beretania St.
Honolulu, Hawaii 96813

RE: 2011 Grant in Aid (GIA) through the State Capital Improvement Program (CIP)

Dear Rep. Ige,

Attached is a GIA for Hale Ho`olu`olu (The House of Comfort), a proposed 12-bed, thirteen thousand square foot building on the County property we lease, where Maui's terminally ill may live their final days in dignity and comfort, while receiving compassionate care.

Currently, the only places for terminally ill people to live their last days are in the hospital, a nursing home, or in their own homes. Hospitalization is expensive, as well as being a place most people at that time in their life would not choose. It is about \$1,200 per day for a hospital, without including the usual diagnostic procedures, interventions, or medications—more than three times the cost of hospice care with room and board. Hale Ho`olu`olu will return about 2,000 patient bed days annually back to our often over-crowded hospital, and save about \$1.7 million in health care costs annually. As beautiful and comfortable as Maui's nursing homes are, they are often not people's preferred choice to spend their last days, and there has been a chronic shortage of nursing home beds on Maui. Lastly, even though most hospice care will continue to be provided in people's homes, many people are unable to remain at home for a variety of reasons, and, of course, there are some who have no home. And as elders increasingly live alone, the need for Hale Ho`olu`olu will also increase, to provide around-the-clock care at the end when it is needed.

Because of those issues, at least 100 persons who would choose hospice care if there were a hospice center, die each year without the compassion, comfort, and care that hospice provides, not only for the terminally ill, but also for their families and friends. Hale Ho`olu`olu (*The House of Comfort*) is needed, and when opened, it will alleviate all of these stressors.

We hope you will support our GIA for this essential facility for Maui. Please let us know if you need any additional information or if we can answer any questions.

Sincerely,

R. Gregory LaGoy, CEO

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. A brief description of the applicant's background; **Hospice Maui, Inc, was incorporated in 1981 and provides a hospice and palliative care that focuses on pain and symptom relief, comfort and quality of life. Services are delivered by a highly trained, specialized, interdisciplinary team and is available to those with a life expectancy of six months or less. Hospice Maui, Inc. is the only provider of hospice services on Maui.**

Since 1990, when the current CEO, Greg LaGoy was hired, Hospice Maui, Inc. has served over 2,000 persons and families, and over 200 in 2010.

2. The goals and objectives related to the request; **To complete design, obtain permits, bid, award and construct (A certificate of need has been awarded) a 12 bed Hospice center for all residents of Maui county to be known as Hale Ho`olu`olu "The House of Comfort."**

3. State the public purpose and need to be served. **Currently, there is no place for terminally ill people to live their last days except in the hospital, nursing homes and in their own homes.**

Hospitalization is expensive. It is about \$1,200 per day for a hospital, without any diagnostic procedures, interventions and medications. When those costs are factored in, the bottom line is much higher. Full hospice care, with room and board, costs about \$400 per day. When Hale Ho`olu`olu is built, it will provide 2,000 patient bed days annually, back to the hospital, so persons suffering from curable illnesses can receive care. That's the equivalent of more than six years! It will save about \$1.7 million annually in hospitalization costs.

There is a chronic shortage of nursing home beds and some people, because of cultural or personal reasons are unable to deal with a loved one dying in the home and, of course, there are some who have no home. The aging population is exploding as the "baby boom" generation reaches their golden years and elders are increasingly, living alone.

Each year, at least 100 persons, who would choose hospice care if there were a hospice center, like the one proposed, die without the

compassion, comfort and care that hospice provides not only for the terminally ill, but also for their families and friends.

Hale Ho`olu`olu (*The House of Comfort*) is needed, and when it is opened, it will alleviate all of these stressors. (see attached letters of support)

4. Describe the target population to be served; **The basic criteria for Hospice Maui homebased services are:**
 - Prognosis of six months or less,**
 - Must live in the current Hospice Maui service area (Maui Island, except the Hana region).**
 - Must not be pursuing curative or life-extending measures and**
 - Must have adequate care-giving in place.**
5. Describe the geographic coverage. **All of Maui County**

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; **to complete the design, bid the contract, and hire a contractor to construct Hale Ho`olu`olu "The House of Comfort," a 13,000+ square foot, state-of-the-art facility on Maui County-leased property (35 years of 55 year lease unexpired) where the terminally ill in Maui County may live their last days in compassionate care and comfort.**
2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service; **Please see attachment (last page of proposal).**
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: **This is a capital improvement project (CIP), not directly service related and none of the requested funds will be going for services. Quality assurance, as far as the design and construction project, will be determined by the various agencies responsible for signing off on the completion of the various elements of the project.**
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. **Regular reports (to be determined by the agency) will be provided to the State agency by the contractor and/or Hospice Maui, Inc. to assess the progress of the construction project.**

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2011-2012.

Quarter 1 FY 12	Quarter 2 FY 12	Quarter 3	Quarter 4	Total Grant
\$150,000	\$150,000	\$250,000	\$450,000	\$1,000,000

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

County of Maui, J. Shapiro Family Foundation, The Frank and Carol Winnert Charitable Fund, Gary Anderson Family Foundation, AHS Foundation, Alexander & Baldwin Foundation, Atherton Family Foundation, Bank of Hawaii Charitable Foundation, Bendon Family Foundation, Bradley and Victoria Geist Foundation, Cooke Foundation, Limited, Dowling Community Improvement Foundation, Eclipse Foundation, First Hawaiian Bank Charitable Foundation, Fred Baldwin Memorial Foundation, Free Life International, G. N. Wilcox Trust, Hale Makua, Harold K. L. Castle Foundation, Harry and Jeanette Weinberg Foundation, The, Harvey L. Miller Family Foundation, Hawai'i Community Foundation, Hawaiian Electric Industries Charitable Foundation, Hawley Family Foundation, HEI Charitable Trust, Jonathan Starr Foundation, Josephy & Vera Zilber Family Foundation, Kemper Hawaii Trust, Laura Rowe Burdick Foundation, Leslie Granat Foundation, Leslie M. L. Pietsch Trust, Mark & Debi Roling Charitable Foundation, Mary D. and Walter F. Frear Eleemosynary Trust, Mary Lou and Robert J. Morgado Charitable Trust, Maui Aids Foundation, Maui Memorial Medical Center Foundation. In addition, we intend to try to obtain funds from approximately 300 individuals as well as from the general public.

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.

Not applicable, however, Hospice Maui, Inc., under its current leadership, has successfully managed the bidding process, contract award and construction of all three buildings on their site.

Verifiable experience

Office - (1,750 sq. ft.) 8/93

Storage facility – (800 sq. ft.) 10/94

Meeting Room building – (1,400 sq. ft.) 3/2000

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. **Not applicable**

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. **Not Applicable**

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.

Not applicable

VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain **Hospice Maui, Inc. is neither a defendant nor a plaintiff in any pending litigation and has no outstanding judgments.**

B. Licensure or Accreditation

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request. **While hospice services are not subject to licensure in Hawaii, Hospice Maui, Inc. is Medicare Certified. There are no other licenses or accreditations available to hospice programs.**

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

Applicant: Hospice Maui, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	County of Maui (b)	Foundations (c)	Individuals (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES	252,000			108,000
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	748,000	500,000	3,000,000	5,790,300
TOTAL (A+B+C+D+E)	1,000,000	500,000	3,000,000	5,898,300
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	R Gregory LaGoy		
(b) County of Maui	500,000	Name (Please type or print)		
(c) Foundations	3,000,000	808-244-5555		
(d) Individuals	5,898,300	Phone		
		Signature of Authorized Official		
		Date		
TOTAL BUDGET	10,398,300	R Gregory LaGoy, CEO		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Hospice Maui, Inc. _____

Period: July 1, 2011 to June 30, 2012

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMM	This is a capital project, this page does not apply.			

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Hospice Maui, Inc.

Period: July 1, 2011 to June 30, 2012

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Hospital Beds, Oxygen equipment, Bathroom & Shower equipment	12	\$21,000	\$ 252,000	\$ 252,000
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
TOTAL:	12		\$ 252,000	\$ 252,000

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: Hospice Maui, Inc.

Period: July 1, 2011 to June 30, 2012

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2009-2010	FY: 2010-2011	FY:2011-2012	FY:2011-2012	FY:2012-2013	FY:2013-2014
PLANS	\$ 153,820	\$ 38,500		\$ 72,000	\$ 36,000	
LAND ACQUISITION			\$ 80,000			
DESIGN			\$ 273,800		\$ 37,000	
CONSTRUCTION			\$ 394,200	\$ 1,605,800	\$ 5,028,800	\$ 910,700
EQUIPMENT			\$ 252,000	\$ 108,000		
TOTAL:	\$ 153,820	\$ 38,500	\$ 1,000,000	\$ 1,785,800	\$ 5,101,800	\$ 910,700
JUSTIFICATION/COMMENTS See narrative. These are usual and customary costs to do a project of this size and scope. We are prepared to submit a detailed cost breakdown upon request. We have received pledges of another \$1,250,000 not expended.						

**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.

Hospice Maui, Inc.

(Typed Name of Individual or Organization)



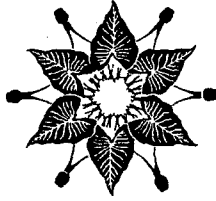
1/20/11

(Date)

R Gregory LaGoy, Chief Executive Officer

Table of Attachments

- Attachment 1: Time Line
- Attachment 2: Letter of support from Maui Memorial Medical Center CEO Wes Lo
- Attachment 3: Letter of support from Hale Makua CEO Tony Krieg
- Attachment 4: Letter of support from Dr. Ronald C. Kwon, M.D.



Maui Memorial
MEDICAL CENTER

Hawaii Health Systems Corporation -- Maui Region

Karen Temple, President
Hospice Maui Board of Directors
400 Mahalani Street
Wailuku, Hi 96793

Dear Karen:

I have been informed by Dr. Rod Bjordhal, D.O., our MMMC Medical Director and your Hospice Board member, that Hospice Maui is considering the construction and operation of a hospice inpatient facility on Maui. As hospice care includes providing for the emotional and spiritual needs of the patient and family, and later, bereavement support for the family, such a facility will fill an important need in providing specialized care for people who are dying.

MMMC strongly supports a Hospice inpatient facility. It will provide another choice for patients who are not able to spend their last weeks or days at home, and who would otherwise spend them in a nursing home or hospital.

Should you need our support in other ways, please do not hesitate to contact me.

Sincerely,

[Redacted Signature]

Wes Lo

Hale Makua

Compassion. Commitment. Community.

472 Kaulana Street,
Kahului, Maui, HI 96732-2099
p: 808-877-2761 f: 808-871-9262
www.halemakua.org

January 26, 2007

Greg LaGoy, ND
Hospice Maui
400 Mahalani Street
Wailuku, HI 96793

Dear Greg,


The Hale Makua Board of Trustees met to consider your request for feedback on a potential proposal by Hospice Maui to build a 12-unit hospice facility on the Hospice Maui site.

The Board voted unanimously to support this proposal. Hale Makua has been supportive of Hospice Maui from the early days when we hosted organizational meetings at Hale Makua.

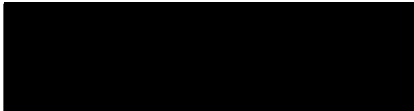
There is an ongoing need on Maui for more beds to care for the frail, elderly, ill, and disabled, whether the beds are designated as acute, long-term, short-term, or hospice. The addition of 12 beds is a start toward filling that need. Moreover, the addition of a hospice facility will address the increasing problem of people who do not have family available to care for them during an illness or death.

Hospice Maui plays a vital role in the healthcare community, and this addition will allow them to expand their services to more Maui citizens.

Sincerely,



Roy Sakamoto
Chairman of the Board



Tony Krieg
C.E.O.

RONALD C. KWON, M.D., FACP

INTERNAL MEDICINE AND INFECTIOUS DISEASES
FELLOW, AMERICAN COLLEGE OF PHYSICIANS

99 SOUTH MARKET STREET
WAILUKU, MAUI, HAWAII, 96793
TELEPHONE (808) 244-4887

March 4th, 2008

To Whom It May Concern:

One of the initial and enduring aspects of the vision that I had for the future of health care on Maui, which vision gave birth to the Malulani Project, was to create a place that was dedicated to the compassionate and appropriate care of people who were in the last few days or weeks of their lives, and who could not be cared for in their homes for whatever reason. I had envisioned this as a "Hospice Hale" which was adjacent to, and supported by, the Malulani Medical Center. It was with this in mind that I first approached Hospice Maui several years ago to collaborate on our project, and it was in support of this aspect of our project that Hospice Maui supported Malulani with written testimony during the CON process.

While it is very unfortunate that much of my vision for improved health care on Maui will not come to fruition, I am heartened that Hospice Maui is going forward with plans to build a twelve bed inpatient residence, or "Hospice Hale" of its own. Like the project we had envisioned, Hospice Maui's facility will be in close proximity to a hospital, and like ours, it will be a credit to this community in terms of the beauty of its design, the efficiency of its function, and quality of its care.

As one of my parting gifts to this community, I give my full support to their project, I wish them every success with this important endeavor, and I ask for you to give your full and sincere consideration to their request, should they ask for your support.

Sincerely,



Ronald C. Kwon, MD, FACP