

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

House District \_\_\_\_\_

Senate District \_\_\_\_\_

Log No: 65-C

For Legislature's Use Only

Type of Grant or Subsidy Request:

*Rec'd JAN 28 2011*

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

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

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

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

**1. APPLICANT INFORMATION:**

Legal Name of Requesting Organization or Individual:

**Lāna`i Community Health Center**

Dba: **Lāna`i Community Health Center**

Street Address: 478 Lauhala Place (Health Center); 624A Houston Street (Administration)

Mailing Address:

**PO BOX 630142, Lāna`i City, HI 96763-0142**

**2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:**

Name **DR. DIANA SHAW, PHD, MPH, MBA, FACMPE**

Title **Executive Director**

Phone # **808-565-6919 Ext. 114**

Fax # **808-565-9111**

e-mail **dshaw@lanaicommunityhealthcenter.org**

**3. TYPE OF BUSINESS ENTITY:**

- NON PROFIT CORPORATION  
 FOR PROFIT CORPORATION  
 LIMITED LIABILITY COMPANY  
 SOLE PROPRIETORSHIP/INDIVIDUAL

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

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

**6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:**

**Lāna`i Community Health Center's Capital Development Project**

**7. AMOUNT OF STATE FUNDS REQUESTED:**

FY 2011-2012: **\$5,553,329.00**

**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 \$ 330,288 (CONFIRMED); \$500,000 (REQUESTED)  
COUNTY \$ \_\_\_\_\_  
PRIVATE/OTHER \$ \_\_\_\_\_

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:



AUTHORIZED SIGNATURE

**DR. DIANA SHAW, EXECUTIVE DIRECTOR**  
NAME & TITLE

**1/28/11**  
DATE SIGNED

## Application for Grants and Subsidies

*If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. Background and Summary

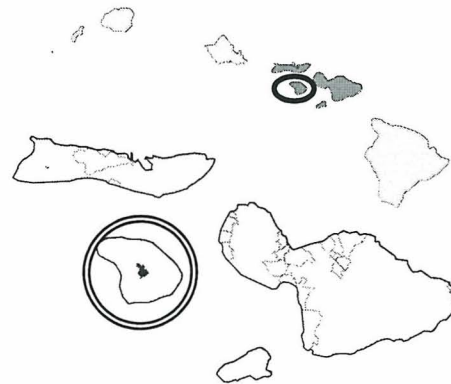
The Lāna`i Community Health Center (LCHC) requests the generous support of the Hawai`i State Legislature for the construction of its planned new facility. The proposed new facility will be located in the heart Lāna`i City where most of the island's residents live, and also one block from Lāna`i High and Elementary School (the only school on the island) to better serve the needs of the keiki of Lāna`i.

LCHC has developed a sound business plan and implementation strategy for its health services program with the expertise of individuals and organizations with experience developing similar projects. This process started in 1999 when community members and local providers, including the State Department of Health, began meeting to discuss the possibility of a Women's Wellness Center for Lāna`i. After establishing this Center, and as a result of several community assessments and consultation with other healthcare providers throughout the state, the Board of Directors developed a strategic plan in 2005 and broadened its scope to develop a Federal 330(e) community health center. This plan has been continually updated as changes have evolved in our community. A formal health care needs assessment was most recently completed in the summer of 2009 to ensure that LCHC was developing its programs consistent with community needs. Continuously assessments are completed through patient satisfaction surveys, community presentations, and participation at festivals and Saturday's Farmers' Market to ensure that LCHC has remained true and is addressing community needs.

LCHC has followed a similar pathway for the purpose of constructing the new LCHC facility by developing a business plan and project implementation strategy that will ensure success.

The Board of Directors and Executive Director have provided an open invitation for the community and Castle & Cooke (current land owner) to review and refine the project's design.

As the only primary care provider on the island providing services regardless of insurance status, ability to pay, and on a sliding discount, it is imperative that LCHC relocate its clinical operations to a facility that can better accommodate the increased demand for services in an environment conducive to the provision of high quality clinical, oral, behavioral, and social services to the geographically isolated community of Lāna`i.



1. **Brief Description of Applicant's Background:** The LCHC is a non-profit, 501(c)(3) charitable CHC that is fulfilling its mission of ensuring access to

comprehensive primary care services to the residents of Lānaʻi. Since the on-set of its services, the LCHC has become a highly regarded provider of comprehensive quality clinic, home, and school based health care services. Services are provided regardless of ability to pay and on a sliding discount, a service delivery unique on the island. Since “start-up,” the LCHC’s population base has grown by thirty fold and has served 1,572 (or just below 45% of the islands population) patients. The LCHC is a main primary health care provider on the island and the only agency truly accessible by those who are uninsured and underinsured regardless of ability to pay and the only health care provider to offer a sliding scale discount. Special emphasis is placed on targeting the uninsured and underinsured men, women, children and families who have few or no alternatives for affordable health care; and those not welcome by traditional for-profit healthcare providers. Through the delivery of a wide range of primary care and ancillary services, the Center is able to ensure access to residents experiencing significant health disparities.

2. **Goals and Objectives Related to Request:** Mentioned above, the purpose of the proposed project is to construct a new facility for LCHC on the Island of Lānaʻi. The new facility is crucial to LCHC’s ability to accommodate the health care needs, demand for services, and to eliminate barriers to health care services for all residents of Lānaʻi. Additionally, the new facility will provide badly needed jobs -- construction jobs during the building of the facility and additional health care related jobs (it is anticipated that the staffing needs will more than double -- from 9 FTEs to 20 FTEs). The proposed facility has been designed by Architects Hawaiʻi (AHL), LTD, (including schematic design, design development, construction documents and permitting, and project management of all consultants, sub-contractors) and initial cost estimates provided by contractor Rider Levett Bucknall. In addition to the basic architectural services described, the design team is providing surveying, geotechnical report, subdivision, environmental assessment, LEED certification design submittal, cultural and archaeological assessment, building signage, interior design and FF&E (furniture, fixture and equipment) selection for construction documents and permitting of the Lānaʻi Community Health Center during the first Phase (expected to be completed by June of 2011) of the three Phase project. Phase 3, the subject of this grant, will utilize a similar process as that used for Phase 1 -- publishing a bid for a project manager who will be charged with the responsibility of executing the complete construction of the new LCHC facility.

The following projected costs are associated with the entire project (Phase 3 being the subject of this funding request):

Phase 1 (paid for by the County of Maui) = \$530,000.00  
Phase 2 (pending award County of Maui = \$775,000.00 + associated closing costs  
Phase 3 (this proposal plus additional resources) = 5,553,329.00 (\$713.00 per square foot)

Pricing is significantly higher than similar projects would cost on more urban islands. However, due to the geographic isolation of Lānaʻi, some laborers, and the majority of materials and construction equipment must be shipped in to the island for this project. Also, LEED Certification typically costs more upfront, but has long-term energy and cost savings. Also, the pricing for construction includes an escalation factor to account for construction not beginning until 2012.

3. **Public Purpose and Need to be Served:** Mentioned above, the LCHC is the only agency on Lānaʻi providing comprehensive primary care and ancillary services regardless of insurance status, ability to pay, and on a sliding discount. The estimated 3,500 residents of Lānaʻi realize some of the most unique and complex barriers to health care unseen in much of the state. Lānaʻi has one airport for non-jet aircraft, and with the exception of a ferry to the Island of Maui, air is the only method of transportation to and from Lānaʻi. All air transportation must go through Honolulu, rather than straight to the desired island. The LCHC serves all residents on Lānaʻi and places special emphasis on targeting populations who are disenfranchised or experience significant barriers to accessing primary care. Specific populations in need of access to essential primary health care include: (1) School aged children; (2) Women of childbearing age; (3) Immigrants (particularly Filipinos who make up the biggest foreign born population on the island); and (4) Native Hawaiians. Upon completion of the proposed new facility, LCHC will be able to significantly reduce the amount of barriers its community experiences by increasing its capacity to serve the island's residents. Specific barriers to care include:
- **Availability of Primary Care Services:** At the current time, there are a total of 1.25 FTE primary care physicians (outside of LCHC). These physicians work for Straub Hospital and Clinic, owned by Hawaiʻi Pacific Health System. Straub is a for-profit organization and does not readily accept uninsured or underinsured patients. There is also one 24-hour emergency room located at the Lānaʻi Community Hospital, a critical care access hospital with 4 hospital beds and 10 long term care beds. This facility has limited laboratory and x-ray services, and provides only limited inpatient services on the island. Most patients in need of hospitalization are transported by air ambulance to either the Island of Oʻahu, or Maui. The hospital does not have a staff physician but collaborates with the above mentioned health system for ER staffing and also for medical director and physician rounding responsibilities. There is no on-island option for mammography or OB/GYN services or other specialty services (other than the Cardiology Program provided by LCHC) – patients must travel to Maui (by ferry or air) or Oʻahu by air, averaging \$189.00 round-trip for a twenty minute flight. Once per month, a Podiatrist is on Island for the Native Hawaiian Health Care System (Ke Ola Hou).

- **Oral Health:** There is one dentist licensed to practice on Lānaʻi. She lives on the Island of Oʻahu but flies to Lānaʻi and provides services Monday – Thursday each week (equating to 0.3 FTE DDS per 1,000 patients (0.6 county, 0.8 state). The Lānaʻi Community Health Center contracts with this dentist to provide oral health care to their patients but limited hours and days creates significant backlog, especially since the demise of the State's dental hygienist program for the schools.
- **Poverty:** The per capita income in 2009 for Lānaʻi (city-data.com) is \$23,908 (vs. \$64,098 State) with the State of Hawaiʻi generally having a cost of living about 65% higher than the national average – even higher on Lānaʻi with majority of products flown to Oʻahu or Maui then shipped by barge to the Lānaʻi. According to the Hawaiʻi Primary Care Association, approximately 29% of Lānaʻi is at or below poverty, 11% of which are below 100% FPL – estimates derived prior to the economic downturn and are expected to be much higher. Also, approximately 70% of the households on Lānaʻi reported household income that was low to moderate (based upon 2000 census data, Summary File 4 PCT117 Family Income Size. Available income and household data does not represent the 23-25% loss in jobs over the last year, or undocumented income for non citizens.
- **Insurance Status:** On Lānaʻi, 9.1% of residents are uninsured (Hawaiʻi Primary Care Needs Assessment Data Book, 2009). But similar to the poverty indicator above, this percent is only representative of the adult population, is more than a year old, and does not include undocumented citizens (see *Health Care Environment* below for additional information). LCHC's patient data has shown that approximately 13% of it patients in the past year were self-pay.
- **Geographic Barriers:** Except for the Lānaʻi Community Health Center (LCHC), the nearest medical providers that focus on and readily accept uninsured and underinsured patients are located off-island, either on the island of Maui (reachable only by ferry or airplane) or on the island of Oahu (reachable only by airplane). Lānaʻi is 67 miles from Honolulu, Oʻahu by air and the small Maui town of Lahaina across the channel is 4 miles by ferry (\$60.00 per round trip). The hospital on Maui is in Wailuku, 28 miles across the sea. This physical isolation of our island impacts not only the low medical utilization rate of residents, but also the difficulty recruiting and retaining primary care and specialty providers. Lānaʻi is designated as a Medically Underserved Population (MUP). It is difficult to imagine the physical isolation of our island, unless one is familiar with frontier locations in the mainland US. Currently one small non-jet airplane flies in and out of Lānaʻi several times daily, often filled with tourists or hunters coming for sport with few available seats for island residents. The average round trip fare to Honolulu (where most medical specialists are located) is around \$189 plus a \$35+ taxi ride to the provider's office, often far beyond the reach of many of

our patients.

- Immigrant, Cultural and Ethnic Factors:** As noted above, the majority of residents are Filipino or Native Hawaiian. Historically, and since western colonization, Lānaʻi has been primarily a agricultural-based island, initially with cattle until the 1900’s, then turning to the farming of pineapple was introduced. James Dole, who at the time owned most of the island, brought in immigrants to grow and harvest pineapple by hand – primarily people from Asian countries, and even then primarily Filipino. This trend continued for many years until the last pineapple harvest in 1992 when Hawai`i’s pineapple industry collapsed. However, post pineapple farming, many immigrant populations remained – unemployed or working in low paying hotel jobs (the visitor industry replaced farming as the island’s main employer), living in poverty, and still holding strong to old time plantation and ethnic cultural values. Mentioned earlier, Asian and Native Hawaiian communities are often intimidated by western medicine, often putting off care because of shame, lack of money or insurance, until their condition is beyond the scope of a general practitioner and requires costly emergency services including transportation to off island facilities. Until the establishment of LCHC in 2008 there was little option for patients faced by cultural or linguistic barriers, depending on family members to translate clinical orders.
- Employment Status:** Unemployment, historically, has been relatively low as is the case for most of Hawai`i. As of August last year, Lānaʻi’s unemployment rate was 6.2% (6.6% state). However, the unemployment rate for Lānaʻi does not consider a recent 23-25% job loss, nor the individuals who have dropped out of the job market just giving up as there are no jobs to be found. Nor does it consider that the majority of residents who are employed are in minimum wage service occupations (nearly half the island), such as housekeeping or clerks at one of two hotels or cashiers in small family-owned stores (there are no major chain retail stores on the island). The current job environment is consistent with the 2000 Census, from which specific employment and education indicators are represented in the following table:

Occupations of Residents	Lāna`i	Hawai`i
Service occupations	43.9%	20.9%
Management, professional and related	21.1%	32.2%
Sales and office	19.5%	28.1%
Construction and maintenance	6.2%	8.6%
25+ years, no high school diploma	11.9%	10.1%
Less than 9 <sup>th</sup> grade	18.7%	7.2%
Per Capita Income	\$18,668	\$21,525
Related children in poverty	7.2%	13.5%

- **Health Care Environment:** Health care in the State of Hawaiʻi has and continues to realize dramatic changes since the State began its MedQuest program after receiving a 1115 waiver for Medicaid service delivery in 1994. As part of MedQuest, the State changed eligibility requirements, bringing former general assistance users and users in the State Health Insurance Program (SHIP) under the MedQuest umbrella. Enrollment for MedQUEST is approximately 135,000 lives. Med QUEST has an enrollment cap of 125,000 individuals for all but children and pregnant women. Consequently, Medicaid is not available to non-pregnant adults until enrollment drops below the cap. This leaves about 25,000 adults eligible for coverage without insurance and a three to six month delay before denial or approval. Furthermore, in an effort to make the market more competitive among health plans, the State Department of Human Services (DHS) implemented a controversial positive enrollment initiative in 2007 that continues to have an adverse affect on patient eligibility. At the time, Hawaiʻi had three health plans who offered QUEST coverage (the State's Medicaid health insurance program). The State wanted to increase the number of health plans to four and that year required all 165,000 recipients to re-enroll (positive enrollment) in their preferred health plans. If a consumer failed to re-enroll, a plan was "randomly" selected for them, a selection process that gave a heavier selection process to the new health plan (Summerlin – who no longer operates in Hawaiʻi). While this seems relatively harmless – rural consumers without regular access to postal services and electronic communication lost their primary care providers and nearly three full years later, many are still re-enrolling back into a plan accepted by their provider. In addition to positive enrollment, new Federal laws require DHS to obtain proof of citizenship/alien status documentation for each member at the time of renewal for health benefits. This process requires documentation such as Certificate of US Citizenship, Birth Certificates, and other documentation that proves residency. For much of the island community this documentation is not readily available or difficult to obtain because of a lack of state facilities on-island or an inability\ to verify identity.

Outside of LCHC, many private and community-based agencies have been affected by the above elements. For example, private health care providers are increasingly hesitant to provide services to the Medicaid/Medicare population because of low reimbursement rates. Private providers do not provide eligibility assistance and therefore will only see insured patients or those who can pay in full at the time of visit. Finally, in late 2008, the State decided to shift the Aged, Blind, and Disabled (ABD) population from fee-for-service (FFS) Medicaid into managed care plans (known as QExA) after determining it could achieve cost savings by doing so. Hawaiʻi got a federal waiver to accomplish this, and after a very controversial RFP process, awarded contracts in February 2008 to two continental U.S. based for profit companies. This required the entire ABD population to select one of two contractors (Ohana Health or Evercare). Services, eligibility, and coverage vary significantly between the two plans. This process

has led to critical problems in continuity of care with patients losing benefits, having less than ideal formularies, or losing coverage altogether. After the conversion was complete, it took several months for CHCs in Hawaiʻi to obtain executed contracts from these new managed care companies.

4. **Target Population Description:** The target population for the proposed project include all residents living on the Island of Lānaʻi, a federally designated Medically Underserved Area and a Medically Underserved Population. As a census designated place (CDP, tract 316), Lānaʻi has a total area of 140.5 square miles and at the time of the 2000 census, supported 3,164 individuals (estimated at 3,500 in 2009 according to city-data.com). Located in the heart of the island, the majority of Lānaʻi’s residents live in or around Lānaʻi City with the rest of the island being primarily rural and sparsely inhabited. Once a farming stronghold, Lānaʻi residents (many of whom were long time plantation workers of the now defunct pineapple industry) are characterized by unique demographic, socio-economic, cultural, and health status indicators. As a result of its physical isolation, Lānaʻi residents experience some of the most significant barriers to health care compared with residents of other islands.

The per capita income for Lānaʻi (city-data.com; 2009) is \$23,908 (vs. \$64,098 State). Majority (58%) of Lānaʻi residents are Asian (primarily of Filipino ethnicity who immigrated to work in the pineapple fields) and 87% of all residents are of ethnic minority including those with two or more races. Data for Lānaʻi is extremely limited, however, according to the 2009 State of Hawaiʻi Primary Care Needs Assessment Data Book, the following statistics are alarming:

- **Maternal and Child Health:** Lānaʻi is ranked 1<sup>st</sup> in the county (3<sup>rd</sup> in State) based on the maternal and infant health risk index. The lack of prenatal care is a significant problem for Lānaʻi residents and it is not uncommon for women to enter prenatal care after the first trimester or not enter into care at all. Furthermore, there are no birthing facilities on the island so women have to fly (or take a ferry) to the Island of Maui to give birth or to receive OB/GYN services.

Indicator	Lānaʻi %	County %	State %
Births with less than adequate prenatal care	34.3	NA	NA
Births with low birth rate	13.3	7.4	3.2
Births to teens 10-17 years old	3.2	3.2	2.6
Births to mothers with pre-existing medical conditions	50.8	29.9	44.5

- **Obesity, Diabetes, Cardiovascular Health, and Physical Fitness:** Native Hawaiians have the highest prevalence of obesity (43% in Hawaiʻi) and diabetes



in the state, and among the highest prevalence of obesity in the nation. Similar trends are also found in other Pacific Islanders and Asian (Filipino, Japanese, Chinese, Laotian, etc) communities introduced to western living. State-wide, obesity is the major contributing factor for Type II diabetes, a trend likely to become progressively worse as children become young adults and depend more on technology for entertainment rather than outdoor activities. The number of adults on Lānaʻi who report having no physical activity is 1-2 percent higher than county and state trends

Indicator	Lānaʻi %	County %	State %
Obese residents	23.0	20.7	20.5
Residents reporting no physical activity	20.3	18.4	19.2
Adults with Diabetes	14.3	6.9	8.6
Adults (20+) with hypertension	34.6	NA	28.8
Diagnosed by clinician that blood cholesterol was high (2007 BRFSS)	37.3	NA	36.3
Cardiovascular associated mortality rate (iBid)	NA	NA	247.6%
Diagnosed by clinician that patient had angina or coronary heart disease (BRFSS, 2007)	4.1	NA	3.1
Never had blood cholesterol checked (BRFSS 2007)	24.9	NA	20.7

- Oral Health Care:** Lānaʻi is ranked 1<sup>st</sup> in the county and 9<sup>th</sup> in the State based on the adult oral health risk index. State-wide, oral health is poor, especially among rural, underserved, and otherwise disenfranchised communities who are three times more likely to have decayed or filled/capped teeth. They are also seven times more likely to experience baby bottle tooth decay compared to national averages. QUEST (Medicaid) users are particularly at risk for oral health concerns. For adults oral health is generally not covered except for emergency extractions – though, as one of his first changes, Hawaiʻi’s new governor has reinstated dental benefits to QUEST participants it is still unclear what level of coverage will be available, or how long services will be covered.

Indicator	Lānaʻi %	County %	State %
Adults who did not visit a dentist within the past year	31.1	26.3	24.4
Adults who have had any number of permanent teeth pulled	46.7	30.0	27.3
Adults who have not had their teeth cleaned in the past year	35.0	30.0	27.3

In Hawaiʻi Filipinos and Native Hawaiians (the largest two ethnic groups on Lānaʻi, nearly 72%) have some of the poorest health statistics. Data specific to the Island of Lānaʻi is not available, State-wide data presented in the following table is illustrative of LCHC’s target population.

Health Statistic	Filipinos %	Native Hawaiian s %	Caucasians %
Ever been told by doctor that you have diabetes? Yes	8.7	11.7	5.2
Ever been told by health professional that you have high blood pressure? Yes	27.0	29.5	21.6
No pap smear, women aged 18+	11.3	6.6	4.2
No mammogram, women aged 40+	11.3	10.6	7.2
Never had a PSA test, men aged 40+	61.9	56.3	36.5
Had your blood cholesterol checked? No	33.1	27.9	16.5
Child Asthma status? Current Asthma – Yes	12.6	16.7	10.4
Body Weight based on Estimated BMI, obese	15.9	42.0	18.9

**Selected Statewide Health Indicator Statistics, BRFSS Data, 2005-2007**

Data for LCHC’s patient population is representative of the community. According to LCHC’s 2009 Uniform Data System (UDS): Forty-seven percent were Asian (primarily Filipino but includes Japanese, Chinese, Laotian, and other Asian cultures); 2% other Pacific Islander (includes Samoan, Tongan, and other representatives from Polynesia); 23% Native Hawaiian; 66% of patients were women (34% of which are of adult childbearing age); 31% were school aged children. Sixteen-percent (16%) were at or below 200% poverty (84% of the population had undocumented income, most often the result of embarrassment or shame, though 48% were either uninsured or receiving public benefits, indicative of income level). Twenty-nine percent received public benefits including QUEST (Medicaid) or Medicare, 19% were uninsured. Forty percent of all children were on QUEST, 22% uninsured. Nineteen percent (19%) of all patients had diabetes and/or cardiovascular disease; 17% had other reported chronic conditions like obesity and behavioral health concerns. Though not yet available, 2010 UDS numbers are expected to be significantly higher as 2008 & 2009 were start-up years for LCHC.

- 5. Geographic coverage:** The proposed facility will serve the entire Island of Lānaʻi. The LCHC has strategically selected this location because of its close proximity to the school and within easy walking distance of a significant amount

of the island's residents. The new facility will also reduce financial, cultural, geographic, and socio-economic barriers to care. Furthermore, the enhanced capacity provides the ability for LCHC to expand programs and bring more specialists to the island therefore greatly reducing the number of patients needing to fly to a neighboring island for services.

## II. Service Summary and Outcomes

Completion of the construction project will provide a location from which LCHC will have the ability to serve all the low to moderate income residents, those who are uninsured or underinsured, and others facing cultural, ethnic, geographic barriers. The ability to serve this entire population will eliminate the need for many residents to travel off island for primary or specialty care, saving residents and government agencies thousands of dollars in travel money. It is an obvious fact that provision of timely and necessary medical attention and preventative health education, particularly in our school based health services, is essential to positive health outcomes.

In addition to the impact on patients further discussed below, LCHC's project will temporarily increase the number of jobs on the island, and create permanent jobs within its new facility (including clinical, administrative, facility related, and a variety of other positions) improving the economic condition on Lānaʻi. The following table presents the current and projected utilization post construction:

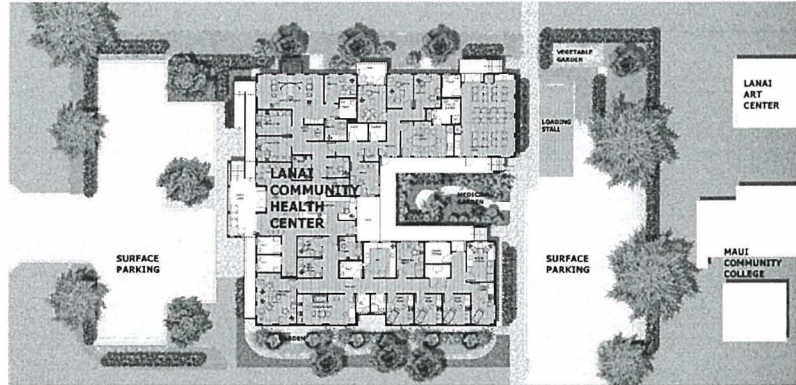
Indicator	Current	Projected Upon Completion (2014)
Number of Patients Served	960	1,800
Current Number of Visits	3,360	6,300*

\*Based on historical data demonstrating an average of 3.5 encounters per unduplicated client

1. **Scope of Work, Tasks, and Responsibilities:** In response to the above needs assessment and previously identified barriers and health indicators, LCHC will build a new facility on land currently leased by Castle & Cook (owner of most of the island). The LCHC lease with Castle & Cook (executed at \$1.00 per year for 25 years with 5 5-year renewal options) also provides for an option to buy at fair market value -- LCHC is securing County funds to purchase this property. The property is a 25,067 square foot lot in Lānaʻi City. The property currently has two boarded up dorms, and one dorm used by LCHC and the Lānaʻi Art Center.

The on-going and proposed projects have been divided into three phases. Phase 1, which will complete early this year, is the planning, design, and permitting for the new facility. Phase 2 is LCHC's execution of its authorized right to purchase at fair market value, the leased property. Phase 3, the objective of this proposal, is the actual construction of the new facility. Upon completion, the new facility will be nearly seven times larger (7,784 square feet) than the existing clinical facility and will contain nine exam rooms (compared to the current three), a procedure

room, dental x-ray, dental and general lab facilities, conference and general administrative office facilities, and a community activity room. The new facility (will bring all LCHC



services under one roof, within easy walking distance, one block away from the island's only school, Lānaʻi Elementary and High School, greatly enhancing our ability to provide school based health services as well as services to the rest of our community. Our proposed construction project is also consistent with and directly addresses the Community Development and Priority Community Development goals established by the County of Maui in its 2010-2014 Consolidated plans.

2. **Projected Annual Timeline:** Upon award, the bulk of this proposal would be spent throughout the second half of the project year. Phase 1 will come to completion early 2011, the implementation of Phase 2 has already been established and is expected to be completed in CY 2011. The implementation of Phase 3 (subject of this proposal) will be implemented in the last quarter of the project. Permitting, finalizing design and construction can begin immediately upon award with construction lasting about ten months. Additional timeline information is available in the below "Measures of Effectiveness" section.
  
3. **Quality Assurance, Evaluation, and Project Monitoring and Oversight:** The proposed facility has been designed by Architects Hawai'i (AHL), LTD, (including schematic design, design development, construction documents and permitting, and project management of all consultants, sub-contractors) and initial estimates by licensed contractors (Rider Levett Bucknall). In addition to the basic architectural services described, the design team is providing surveying, geotechnical report, subdivision, environmental assessment, LEED certification design submittal, cultural and archaeological assessment, building signage, interior design and FF&E (furniture, fixture and equipment) selection for construction documents and permitting of the Lānaʻi Community Health Center during this first Phase of the three Phase project. Phase 3, the subject of this grant, will utilize a similar process -- publishing a bid for a project manager who will be charged with the responsibility of executing the complete construction of the new LCHC facility. The Project Manager (TBH) will work closely with Executive Director, Dr. Shaw and her staff to deliver all services aforementioned through regular design meetings, eco-charettes and project review. The project manager will also be responsible for submissions to all government agencies having jurisdiction and repounding to all issues related to the construction of the project as well as

reporting to LCHC required information concerning the Davis Bacon Act. The new facility, by design, will be developed to not only meet the needs of our community but will also ensure: (1) Visual consistency with existing architecture styles in our plantation home; (2) products to be used will have LEED Certification to ensure a facility with maximized energy efficiency and sustainability; and (3) Cultural sensitivity to our target population.

4. **Measures of Effectiveness:** Specific measures of success include but are not limited to:
- a. **Identify property:** Completed
  - b. **Design Facility:** Completed
  - c. **Finalize Design:** This step to occur upon award.
  - d. **Solicit Bids:** Upon award and throughout the first month with final selection of contractor in the first week of month three
  - e. **Award Contract:** Month three
  - f. **Implement Demolition:** Demolition to occur around month four.
  - g. **Implement Construction:** Construction implementation will be implemented concurrently with demolition.
  - h. **Relocation of Clinical Operations:** Upon completion – certain aspects of clinical operations can relocate prior to completion of construction estimated to occur within a month of the one year project.

### III. Financial

#### Budget

- A. Budget provided on page 17-20.
- B. Quarterly Funding Request

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
1,110,666	1,480,888	1,480,888	1,480,887	5,553,329

- C. **Additional Funding Requests:**
  - **School Base Health (Bureau of Primary Health Care):** \$500,000 (pending award)
  - **HCOF (Department of Health and Human Services):** \$330,388 (awarded)

### IV. Experience and Capability

- A. **Necessary Skills and Experience:** The LCHC's organizational structure is designed to support our mission and philosophical values by promoting innovative programs that are mission-based, responsive to community need, cost-effective, culturally competent, and accessible to all. Simply, our goal, our mission is *“to take care of the people of Lānaʻi.”* As demonstrated below, the LCHC’s

Executive Director Diana Shaw, PhD, MPH, MBA, FACMPE, is responsible for the direction of all aspects of the operation of LCHC. Dr. Shaw works in concert with a multi-disciplinary management team to provide leadership for staff and to encourage leadership among staff. In addition to Dr. Shaw, her key management team is comprised of the Medical Director, Chief Financial Officer/IT Director, and the agency's Business Manager. Together, the 3.0 FTE make up of the leadership team has proven successful and highly effective for a CHC of our size and scope.

The LCHC is a major provider of primary care and the only organization on island to offer multidisciplinary, holistic care including primary, oral, behavioral, and ancillary care services for the islands approximate 3,500 residents. It is also the only agency truly accessible for all individuals, regardless of their ability to pay insurance status, or cultural background, and provides a sliding discount for those who are un- or under-insured. The LCHC, as a fledgling CHC has already developed significant skill, experience, and project monitoring capability. Spearheaded by Dr. Shaw, LCHC's key management team utilizes its electronic practice management and medical records program (eClinicalWorks), Continuous Quality Improvement Program, and Consumer Participation to enhance its ability to monitor and evaluate the quality, efficacy, and outcomes of the proposed capital improvement project. Though the agency has been an FQHC for just under four years, experience monitoring contracts and provision of quality services extend beyond 1999. Specific experience with contract monitoring and oversight include but not limited to:

- State Department of Health Family Health Services Division Contract for comprehensive primary care services to the uninsured (Contact: State Department of Health, Administrative Services Office, P. O. Box 3378, Honolulu, HI 96801)
- State Department of Health Family and Child Health Division Purchase of Service contract for WIC (Women, Infants, and Children) services(Contact: Vanessa Lau, State Department of Health, Administrative Services Office, P. O. Box 3378, Honolulu, HI 96801)
- State Department of Health Maternal and Child Health Contract for the island's only Title X Clinical Family Planning Services (Candice Calhoun, 733-9048; Candice.calhoun@doh.hawaii.gov)
- State Department of Health Perinatal Support Services (depression and substance abuse screening). (Contact: Trudy Okada, Maternal & Child Health Branch, Women's Health Section, State Department of Health, 741-A Sunset Avenue, Honolulu, HI 96816)
- State Department of Health Smoking & Asthma Contract (Contact: Julian Lipsher, Tobacco Prevention & Education Program, State Department of Health, 1250 Punchbowl Street, Room 217, Honolulu, HI 96813)
- County of Maui Community Development Block Grant for planning and development of Capital Improvements (Contact: Anthony Arakaki, CDBG Program Manager, Office of the Mayor, County of Maui, Community

Development Block Grant Program, 200 South High Street, Wailuku, HI 96793)

- Health Resources and Services Administrations, Bureau of Primary Health Care funding under section 330(e) of the U.S. Public Health Services Act (42 USCS § 254b). (Christie Onoda, 4415-437-8087; [conoda@hrsa.gov](mailto:conoda@hrsa.gov))
- Federal American Recovery and Reinvestment Act (ARRA) appropriation for capital improvements (Contact: C. F. Lin, HRSA/Healthcare Systems Bureau, 5600 Fishers Lane, Room 10-105, Rockville, MD 20857, [CLin@hrsa.gov](mailto:CLin@hrsa.gov), 301-443-6579)

LCHC utilizes QuickBooks for its financial information system. Developed by Intuit for small business use that is industry-specific with workflow processes and includes audit trail capabilities, and double entry accounting (a set of rules for recording financial information). QuickBooks has proven sufficient and effective for LCHC financial operations and provides the necessary day-to-day, annual, and specific performance data related to the organizations financial feasibility and stewardship. LCHC's electronic practice management and medical records program collects and tracks information on third party reimbursements, patient co-payments, and billing and collection data reports. This Practice Management data is combined with financial performance data in QuickBooks to provide a clear view of its financial environment.

LCHC maintains accounting and internal control systems consistent with the agency's size and complexity. All systems comply with Generally Accepted Accounting Principles (GAAP) and other functions necessary to safeguard assets and maintenance of financial viability. In addition to internal controls, LCHC also receives an independent annual financial audit and receives/follows financial management recommendations and policies of the National Association of Community Health Centers (NACHC).

- B. **Facilities:** The LCHC has four approved service sites within its scope of services including: (1) Lauhala Place, (2) Houston Street, (3) Lānaʻi Elementary and High School, and (4) Lānaʻi Avenue. Site (2), Houston Street, is currently used for administration and outreach services in one building and several other buildings in tear down condition. This is the identified site for the proposed construction project. Site (1), Lauhala Place, is the current site for clinical services that will be relocated to the Houston Street property upon completion of construction. The current facility has a total space of 960 square feet (1,400 square feet after renovations currently in progress).

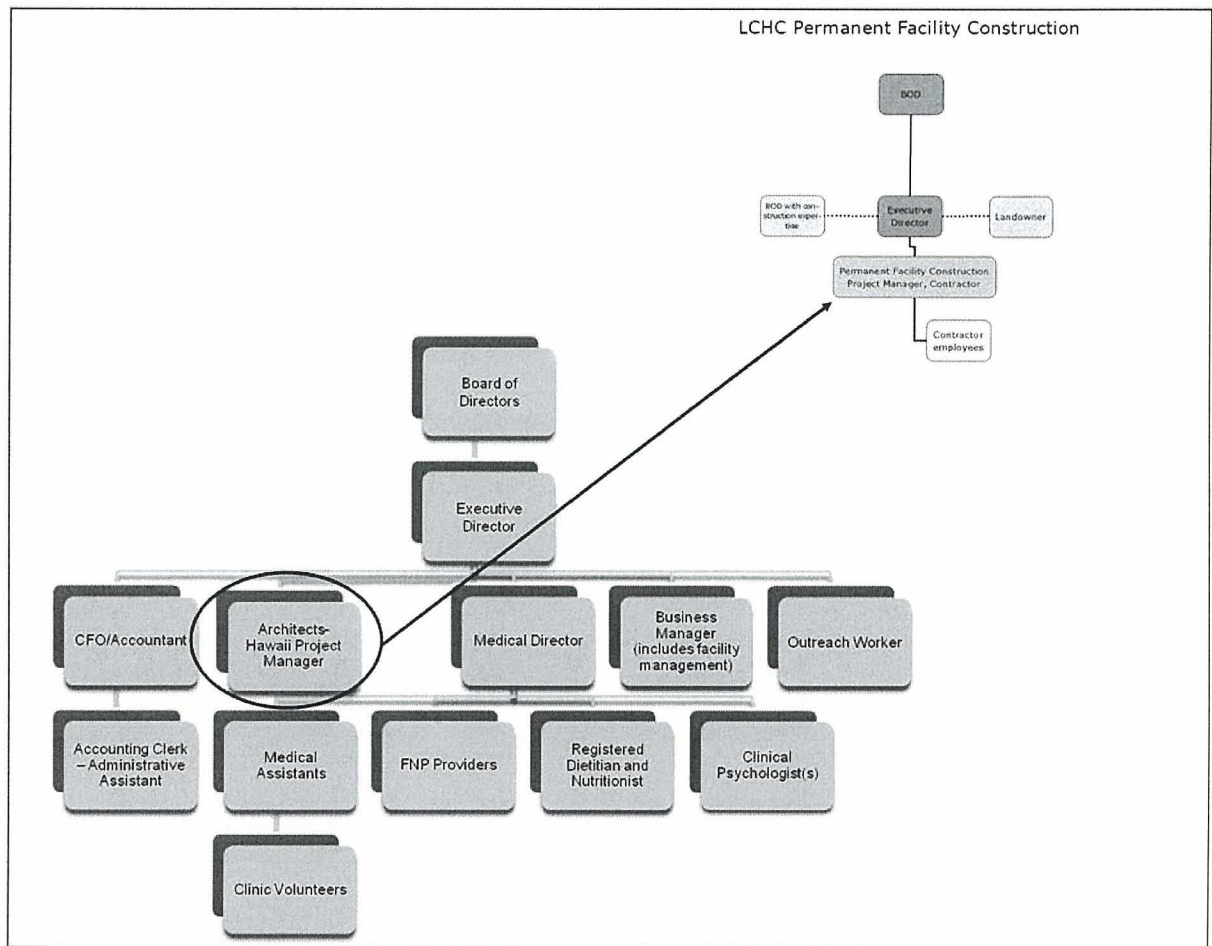
Upon completion, the new facility will be nearly seven times larger (7,784 square feet) than the existing clinical facility and will contain nine exam rooms (compared to the current three), a procedure room, dental x-ray, dental and general lab facilities, conference and general administrative office facilities, and a community activity room. The new facility (see architects drawing at above) will bring all LCHC services

under one roof in the heart of Lāna`i City, where most of the islands residents live, be ADA compliant, and conducive to the provision of high quality health and social service care.

**V. Personnel: Project Organization and Staffing**

**A. Project Staffing:** Dr. Diana Shaw, Executive Director, will be responsible for the development of the project team. She will pool existing resources, provide overall project monitoring, and hire a 1.0 FTE Project Manager who is experienced in professional project/construction management for this third phase of the capital project. The Project Manager will coordinate all aspects of the project including sending out bids for services and ensuring all contractors meets the requirements of the Davis Bacon Act and other requirements associated with construction projects. Dr. Shaw is spearheading the Phase I and II portions of the overall capital project and has developed a broad range of expertise relating to this project. She has worked closely with the architect, contractor, and land owner to ensure smooth implementation from beginning to end.

**B. Organization Chart:** The following graphic demonstrates the agency line of accountability and within which the proposed project will be coordinated.






## VI. Other

- A. **Litigation:** The Lānaʻi Community Health Center is not a party of any pending litigation or outstanding judgments.
  
- B. **Licensure or Accreditation:** Not applicable, Hawaiʻi does not require licensure or accreditation of facilities. However, the design team is providing surveying, geotechnical report, subdivision, environmental assessment, LEED certification design submittal, cultural and archaeological assessment, building signage, interior design and FF&E (furniture, fixture and equipment) selection for construction documents and permitting of the Lānaʻi Community Health Center.

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

Applicant: Lana'i Community Health Center

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</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				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>				
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>	<b>5,553,329</b>			
<b>TOTAL (A+B+C+D+E)</b>	<b>5,553,329</b>			
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	5,553,329	Diana Shaw	808-565-6919 x114	
(b)		Name (Please type or print)	Phone	
(c)			1/28/2011	
(d)		Signature of Authorized Official	Date	
<b>TOTAL BUDGET</b>	<b>5,553,329</b>	Executive Director		
		Name and Title (Please type or print)		

Applicant: Lana`i Community Health Center

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)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				

Applicant: Lana`i Community Health Center

Period: July 1, 2011 to June 30, 2012

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

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

Applicant: Lana`i Community Health Center

Period: July 1, 2011 to June 30, 2012

<b>FUNDING AMOUNT REQUESTED</b>						
<b>TOTAL PROJECT COST</b>	<b>ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS</b>		<b>STATE FUNDS REQUESTED</b>	<b>OF FUNDS REQUESTED</b>	<b>FUNDING REQUIRED IN SUCCEEDING YEARS</b>	
	<b>FY: 2009-2010</b>	<b>FY: 2010-2011</b>	<b>FY:2011-2012</b>	<b>FY:2011-2012</b>	<b>FY:2012-2013</b>	<b>FY:2013-2014</b>
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION			5553329			
EQUIPMENT						
<b>TOTAL:</b>			5,553,329			
<b>JUSTIFICATION/COMMENTS:</b>						

**DECLARATION STATEMENT  
APPLICANTS FOR GRANTS AND SUBSIDIES  
CHAPTER 42F, HAWAII REVISÉD 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.

Lānaʻi Community Health Center

(Typed Name of Individual or Organization)



(Signature)

1/28/11  
(Date)

Dr. Diana Shaw

Executive Director