

House District 13

Senate District 6

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

Log No: 25-C

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

SUBSIDY REQUEST

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

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

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

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

Department of Health

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: HANA HEALTH

Dbas:

Street Address: 4590 Hana Highway
Hana, Hawaii 96713

Mailing Address: P.O. Box 807
Hana, Hawaii 96713

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name Cheryl Vasconcellos

Title Executive Director

Phone # 808-248-7515, ext 26

Fax # 808-248-7225

e-mail cvasconcellos@hanahealth.org

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

MEDICAL CENTER EXPANSION
CONSTRUCTION DOCUMENTS

4. FEDERAL TAX ID # _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2012-2013: \$ 700,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ _____

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

Cheryl Vasconcellos, Executive Director

NAME & TITLE

January 28, 2012

DATE SIGNED

APPLICATION FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

I. Background and Summary

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

Hana Health is a 501(c)(3) non-profit organization. The purpose of Hana Health is to improve the general health and well being of the Hana community through the provision of medical care and other social, economic and health related programs. Hana Health is the only health care provider in the Hana district, serving the primary health care and emergent medical needs of residents and visitors alike. Hana has been designated by the federal government as a Medically Under-Served Population, a Primary Care Health Professional Shortage Area, a Dental Health Professional Shortage Area and a Mental Health Professional Shortage Area.

Hana Health is currently providing primary medical care, dental health services and behavioral health care to the people of Hana. Unlike most primary care clinics in the State, Hana Health coordinates activities with American Medical Response and Maui Memorial Medical Center in the provision of urgent/emergency medical services. Hana Health provides assistance in stabilizing patients with life threatening illness or traumatic injury prior to transport to the hospital on the other side of the island. This takes place seven days a week, 24 hours a day as **Hana Health is the only health care provider in the district.**

In fiscal year 2010-2011, Hana Health provided medical care to 1,832 individual patients who made 5,977 visits to the Health Center of which 378 were urgent care visits and 43 were emergency visits. In addition, there were more than 1,100 dental visits, 643 behavioral health visits and 209 visits for acupuncture. Fifty two percent (52%) of the patients served were insured through Medicaid or Medicare, or were uninsured. Seventy four percent (74%) of patients served were Native Hawaiian. Thirty three percent of those served were under 19 years of age, and 9% were 65 years of age and older.

Since its inception, Hana Health has demonstrated an ability to generate funds from a variety of funding sources for the initiation of needed programs and services. It should be noted that state funds have been used to leverage both federal and private support for a variety of health care services in the Hana area.

2. The goals and objectives related to the request;

Goal I. It is the goal of Hana Health to construct modern health facilities designed to meet the health care needs of the districts current and projected population.

Objectives.

- A. Develop construction documents to include the preparation of detailed working drawings and specifications for a modern medical center.
- B. Obtain a building permit from the County of Maui.

3. State the public purpose and need to be served;

Construction of a modern medical facility in the Hana District will improve the health, wellness and safety of the resident population, as well as visitors to the area. Without Hana Health, the only medical center in the District of Hana, the entire resident population of the District, as well as 600,000 visitors per year would be at greatly increased risk for serious, often fatal medical problems and injury resulting in death.

Geographic Need Indicators: Located in Maui County, the rural district of Hana (Census Tract 301) is one of the most isolated areas in the state of Hawaii. Hana town is 57 miles from Wailuku, the County Seat. The trip takes approximately 2.5 hours along a single lane road with 617 turns and 56 bridges. The road winds through tropical rain forests and along steep cliffs. Hana District is made up of small, isolated settlements scattered over 233 square miles. Many of the villages are located a minimum of 45 minutes from the main town of Hana. Limited access to health and social services, as well as education, employment and economic opportunity can largely be attributed to Hana's isolation and relatively small population base.

Poverty Rate: In 2000, 17.73% of Hana's population was at or below the poverty level, and 40.7% were below 200% of poverty level, as compared to 10.7% and 25.9% of the population statewide (2000 U.S. Census, and Hawaii Department of Health, Primary Care Needs Assessment Data, 2009)(2010 Census Data is not yet available for the Hana District). According to the State of Hawaii Primary Care Needs Assessment Data Book 2009, Hana's per capita income was \$12,031, in 1998 compared to \$21,888 statewide. Hana is the second poorest community in the state, based on per capita income. Almost sixty percent (60%) of the children attending Hana High and Elementary School receive free or reduced cost lunch based on household size and income (Maui County Data Book - 2008).

Unemployment: According to the U.S. Bureau of Labor Statistics' 16.9% of people in the State of Hawaii who were able to work were either unemployed or underutilized in 2010, higher than the nation's 16.7 % rate. In the Hana District, the situation is even more dismal. In research conducted on behalf of Hana Health in January 2011 by QMark Research and Polling it was found that approximately 17% of the Hana District population was unemployed and seeking work. An additional 24% of those surveyed were underemployed – working part time, but seeking full time work. The situation is even worse for Native Hawaiians living in the Hana District, with 31% unemployed and looking for work, and an additional 34% employed part-time, but looking for full-time work. This suggests that sixty five percent of Native Hawaiian adults living in the Hana District who want to work are unemployed or under employed.

Health: "Disease incidence and mortality are strongly associated with lifestyle and risk factors. Of all racial groups living in Hawaii, Native Hawaiians are the racial group with the highest proportion of risk factors leading to illness, disability and premature death. "The data depicts Native Hawaiians experiencing high rates of circulatory diseases and malignant neoplasms, particularly digestive and respiratory types, which appear to be strongly associated to risk factors such as smoking, alcohol consumption, obesity, sedentary life, and so on. The data also indicate that large segments of the Native Hawaiian population were recipients of state and federal sponsored health care services, a clear indication that low income is a barrier to full access to health care systems"(Office of Hawaiian Affairs 2006 Data Book).

"Chronic disease, disability, and early death are destructive forces in individual lives and in whole communities. Their toll is high-and they do not strike at random. A large body of evidence indicates that socioeconomic status (SES) is a strong predictor of health. Better health is associated with having more income, more years of education, and a more prestigious job, as well as living in neighborhoods where a higher percentage of residents have higher incomes and more education." (Network on Socioeconomic Status and Health, Macarthur Foundation).

Native Hawaiians living in the Hana District have a high risk health profile resulting in the onset of preventable chronic health conditions and premature death. This is exasperated by high rates of unemployment/underemployment and poverty. In addition, there is limited access to mediating opportunities due to the extreme isolation, small population, limited economic base and rural nature of the Hana District, all of which are contributing factors to the needs identified in the January 2011 survey conducted by QMark Research and Polling. When asked to identify problems facing their community, Native Hawaiians identified

healthcare related issues (31%) and lack of job opportunities (27%) as the two most serious problems facing Hana.

In "Planning the Future of Community Health Centers in Hawaii" published in October 2010, the Hawaii Primary Care Association points out that currently, each neighbor island suffers from a primary care provider deficit of at least 20%. Further, that recruitment and retention in Hawaii's rural community health centers is "extraordinarily challenging" given the environment most of the health centers work in. Hana Health, like other rural health centers in the state, is unable to meet the ancillary needs of both the physician and professional workforce. The lack of adequate schooling for children, unaffordable housing, insufficient spousal employment opportunities, and the need for peer socialization greatly hinder health center recruitment and retention efforts. These underlying community deficits make retention of providers at health centers difficult.

Hana is federally designated as a Medically Under-Served Population, a Primary Care Health Professional Shortage Area, a Dental Health Professional Shortage Area and a Mental Health Professional Shortage Area. Hana's isolation and relatively small population base has resulted in limited access to health care, educational opportunity, social services and quality employment. The cost of providing service of any kind to this small, yet vulnerable population is extremely high, often 30% to 50% higher than the main population centers of Maui.

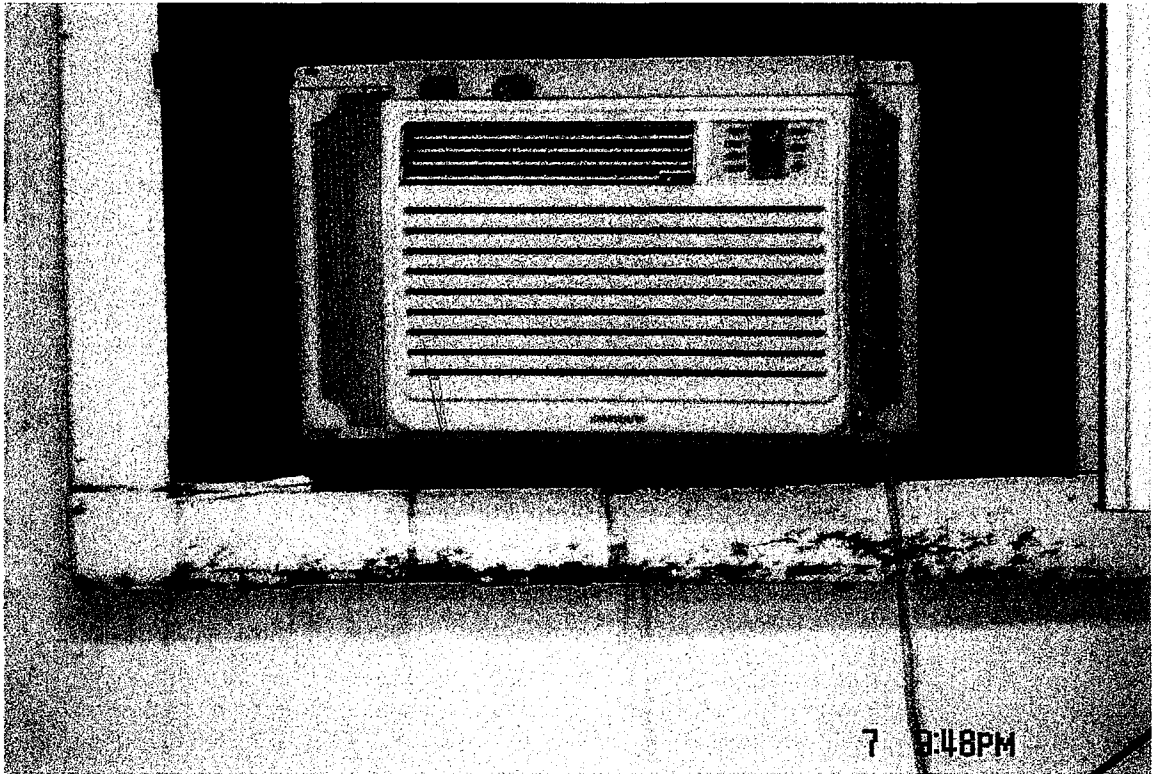
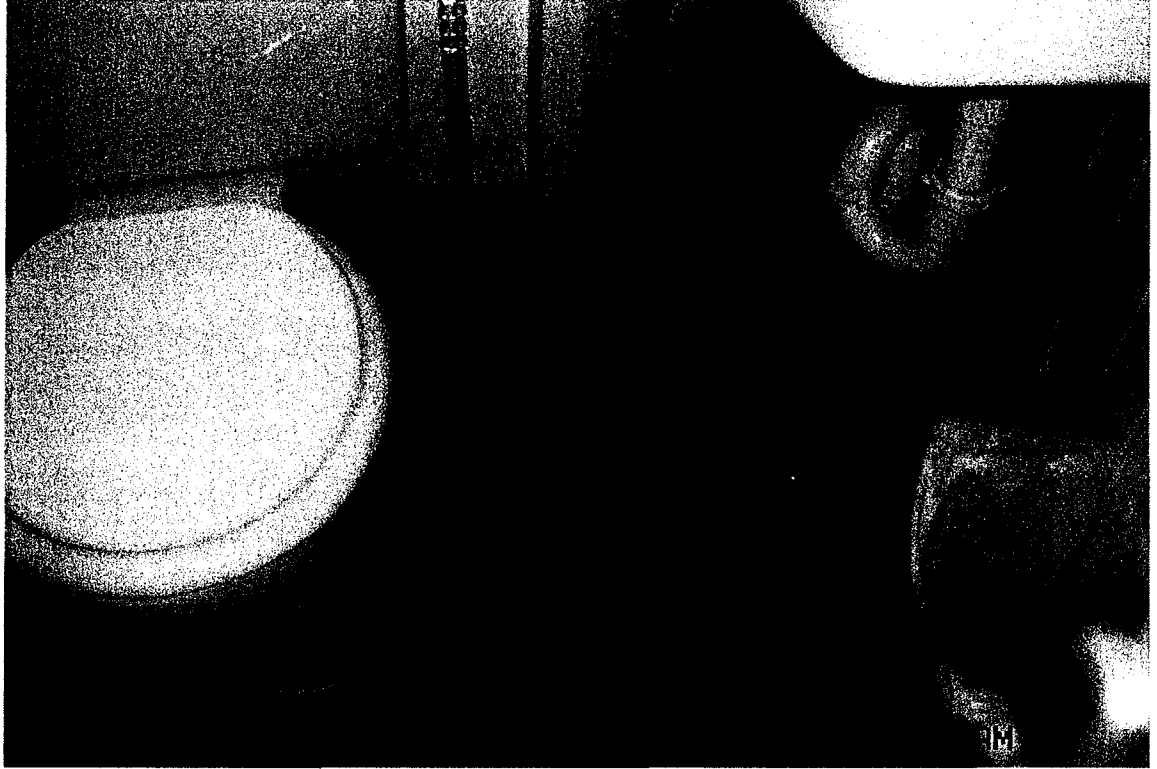
It should be noted, however, that in spite of these difficulties, Hana's statewide ranking based on maternal and infant health risk indicators is number 8, down from number 3 just 5 years ago. Additionally, Morbidity Risk Ranking is 25 out of 27 statewide, while Mortality Risk Ranking is 23 out of 27. We believe that the improvement in the health status of Hana district residents over the past several years, can in part be attributed to the effectiveness of Hana Health programs and services.

Facility Needs:

- Built in 1965, the current medical center is more than 47 years old.
- Originally designed as a small hospital, the layout is not conducive to the current primary health care setting.
- Current programs have outgrown the 4,000 square foot facility. Four trailers have been leased and placed on the property to help alleviate the space crunch, at an annual cost of \$30,000. These trailers currently house behavioral health programs, acupuncture, Hana Fresh Farm Market offices and administrative offices. Patients are often required to walk through the rain and mud to reach the trailers located behind the clinic. There is inadequate lighting in the evening and this creates a safety hazard.

- Program expansion is hampered by the lack of facilities. Health and wellness programs are often conducted outside, under a tent. New medical programs/services cannot be initiated due to space limitations, i.e. cardiac rehabilitation, specialty services provided by visiting physicians, physical therapy, etc.
- Inadequate toilet facilities. Patients and staff located in the trailers must walk through rain and mud in order to use the rest room.
- Administrative offices are scattered throughout the campus, complicating communication and the use of shared equipment, i.e. copy and fax machines, mail machines, etc.
- A 75 year old, 500 to 600 square foot house has been divided into three sections and provides space for the nutrition center, administrative office space, and a staff residence.
- There is no staff lunch room, or an area to place personal belongs.
- Storage space is non-existent. There are two rapidly deteriorating sheds that are used to store everything from medical records, to office supplies, to the generator. There are tents located throughout the property that provide "storage space" for supplies and equipment.
- The plumbing is old and in need of constant repair and maintenance. Existing large capacity cesspools need to be replaced with septic tanks in order to comply with EPA requirements.
- The use of new medical technology is limited by the cramped facilities, limited electrical capacity and inadequate air conditioning.
- So far this fiscal year, six window air conditioning units have been replaced (\$3,000), the generator has been repaired due to continuing power outages (\$2,500), the clinic flooded once requiring identification of underground sewage pipes to clear the lines (\$4,000), the nutrition center was repaired/upgraded (\$10,000), the floors, steps, doors and windows are being repaired in the administrative office/staff residence (\$3,500 to date) and numerous other repairs have been made to keep the facilities operational. These expenses are on-going.











4. Describe the target population to be served;

Residents of the Hana District make up Hana Health's primary target population with a special emphasis on meeting the needs of Native Hawaiians.

5. Describe the geographic coverage;

The District of Hana – Census Tract 301.

II. Service Summary and Outcomes

1. Scope of Work, Tasks and Responsibilities

Scope of Work: Develop construction documents for the expansion and modernization of the medical clinic and obtain a building permit from the County of Maui.

Tasks and Responsibilities:

- A.** Prepare/Publish RFP and select architect - Board of Directors and Executive Director.
- B.** Preparation of construction documents based on the schematic designs developed for this building – Architect
- C.** Preparation of Final Cost Estimates – Architect
- D.** Prepare and submit building permit application to County of Maui – Architect
- E.** Modify plans as necessary to secure building permit - Architect

2. Timeline

See Attached.

3. Quality Assurance and Evaluation Plans

Hana Health is committed to providing quality services to all beneficiaries in an organization - wide effort to continuously improve our processes and the delivery of care to the community we serve. Hana Health maintains a Quality Assurance/Performance Improvement System to assure excellence in the quality of care provided. The system is designed to increase accountability, support quality improvement, facilitate and support program decisions, monitor the population's health status, empower patients and families to make informed health care decisions and provide evidence to eliminate wasteful practices. Hana Health's quality assurance program measures, monitors, tracks and improves performance in key aspects of all operations.

The Board of Directors maintains oversight for the Quality Assurance/Performance Improvement Program and will be monitoring progress on this project as well. Completion of construction documents is the basis for evaluating this project.

4. Measures of Effectiveness

- A.** Completion of Construction Documents
- B.** Secure a building permit

III. Financial

1. Budget forms attached.

2. Quarterly Funding Requests.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$175,000	\$175,000	\$175,000	\$175,000	\$700,000

3. Other Sources of Funding

Hana Health will work to secure construction funds through the CDBG program, USDA Rural Development program, and private foundations.

IV. Experience and Capability

A. Necessary Skills and Experience

Hana Health has been providing medical care to the district of Hana since July 1997 and State Grant-In-Aid support has been awarded to Hana Health for the same period.

Hana Health's Executive Director and Board of Directors has a demonstrated track record in securing and managing public funds for both operations and capital improvement. In addition, Hana Health manages a twelve-acre project site which currently includes the medical center, a residence for ambulance personnel, administrative offices, a small kitchen facility, four modular office spaces, and the Hana Fresh organic farm. A new Nutrition Center is currently under construction with completion expected by April 2012.

For example, Hana Health has received funds for and has managed the following projects over the last two years:

1. Federal Title VI funds for the Senior Lunch Program in the amount of \$92,000.
2. Bureau of Primary Care FQHC 330 funds (federal) in the amount of \$750,000 for operations and \$311,000 for construction of the Nutrition Center.
3. CDBG funds (county) in the amount of \$300,000 for construction of the Nutrition Training Center.
4. HUD funding in the amount of \$500,000 for Nutrition Center equipment.
5. State Purchase of Service for operation of the Hana Health in the amount of \$1,164,000 for operations.

B. Facilities

Hana Health operates on a 2.035 acre parcel of property where the current medical center is located, and an adjoining ten acre parcel. Both parcels are owned by the State of Hawaii and have been leased to Hana Health for 55 years, at \$1 per year. Hana Health facilities range from 44 to 80 years old and are in need of continual repair and maintenance. Limited renovation of the medical facility was completed in 1999 and included measures to meet ADA requirements and replacement of the roof.

Facilities include a 4,000 square foot medical clinic, a para-medics residence, a house that has been divided into three sections, serving as the administrative offices, the Executive Directors residence and a very small (100 sq. ft.) kitchen for nutrition services, 4 modular units that support administrative offices, behavioral health and farm activities. The new Nutrition Center is currently under construction.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

Staffing

Position Requirements

Executive Director

A minimum of 10 years experience in similar capacity.

The Executive Director is responsible for project implementation and oversight. She has worked with several architectural and planning firms to address the completion of state and federal environmental assessments, zoning issues, conceptual designs for the health center campus, schematic designs and construction documents for the Hana Health Nutrition Center and the Maui County building permit process. She is currently managing construction of the Nutrition Center, as well as the permit process for the Telemedicine, Business and Training Center. Ms. Vasconcellos also managed a \$350,000 health center renovation project in 1997, and in her prior position as the Executive Director of Planned Parenthood of Hawaii, she managed ten clinic renovation/construction projects.

B. Organizational Chart

Hana Health is a 501(c)(3) private, non-profit corporation governed by a

voluntary Board of Directors which assumes full authority and oversight responsibility for the Health Center. The Board of Directors has a line of authority to the Executive Director who delegates as appropriate to the other management and professional staff. The Executive Director is accountable to board-established long term goals and operating plans. The Executive Director has the authority and responsibility for assuring that board policies are implemented; the management of personnel and systems; the allocation of resources and operation within available resources; the identification and resolution of problems; interaction with the various external markets; responding to opportunities and planning for future events. The Executive Director is responsible for overall corporate management including other Hana Health programs related to and supportive of the Health Center.

Organizational Chart Attached.

VI. Other

A. Litigation

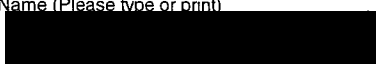
None.

B. Licensure or Accreditation

N.A. All architects/engineers used for this project will be appropriately licensed.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2012 to June 30, 2013)

Applicant: HANA HEALTH

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(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				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	700,000			
TOTAL (A+B+C+D+E)	700,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	700,000	CHERYL VASCONCELLOS	808-248-7515, EXT 26	
(b)		Name (Please type or print)	Phone	
(c)			Jan 29, 2012	
(d)		Signature of Authorized Official	Date	
TOTAL BUDGET	700,000	CHERYL VASCONCELLOS, Executive Director		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: HANA HEALTH

NA

Period: July 1, 2012 to June 30, 2013

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

NA

Applicant: HANA HEALTH

Period: July 1, 2012 to June 30, 2013

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

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

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

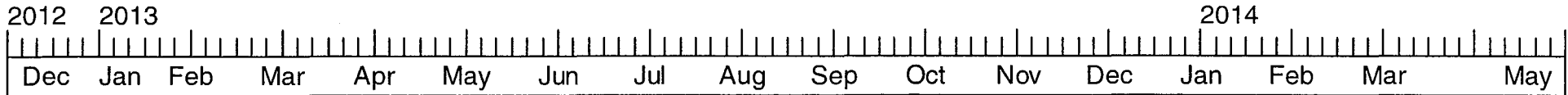
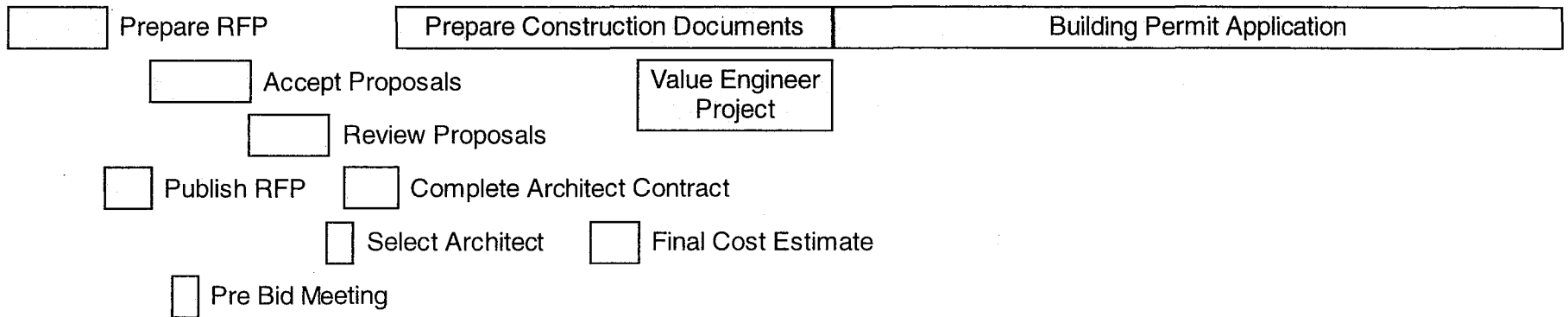
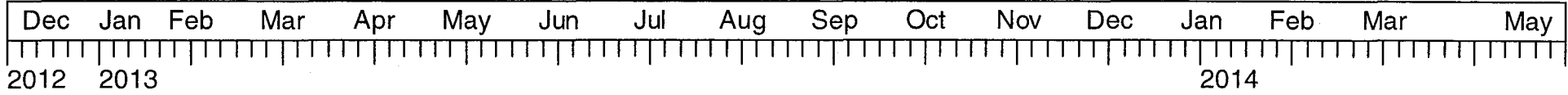
Applicant: HANA HEALTH

Period: July 1, 2012 to June 30, 2013

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: 2010-2011	FY: 2011-2012	FY:2012-2013	FY:2012-2013	FY:2013-2014	FY:2014-2015
PLANS			700,000			
LAND ACQUISITION						
DESIGN		450,000				
CONSTRUCTION						
EQUIPMENT						
TOTAL:		450,000	700,000			

JUSTIFICATION/COMMENT Still waiting for release of \$450,000 to complete design work. Design and construction documents for a 13,000 sq. ft facility, estimated to cost \$12 million, architect fees estimated at approximately 10% of project cost.

HANA HEALTH MEDICAL CENTER EXPANSION CONSTRUCTION DOCUMENTS AND PERMITTING





ORGANIZATION CHART
2012

