

House District 28 & 29
Senate District 13

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

Log No: 43-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): _____

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Db: KALIHI-PALAMA HEALTH CENTER
Street Address: 915 NORTH KING ST
Mailing Address: HONO LULU HI, 96817

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:



Name EMMANUEL KINTU
Title CEO/EXECUTIVE DIRECTOR
Phone # 808-791-6315
Fax # 808-843-7279
e-mail EKINTU@KPHC.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:

CAPITAL DEVELOPMENT
FOR A HEALTH AND
HEALING HOME

4. FEDERAL TAX ID #: 
5. STATE TAX ID #: 

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2012-2013: \$ 3,449,500

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

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

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

STATE \$ 0
FEDERAL \$ 0
COUNTY \$ 0
PRIVATE/OTHER \$ 150,000

NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

EMMANUEL KINTU CEO/EXE DIR 01/31/2012
NAME & TITLE 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

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;

Kalihi-Palama Health Center (KPHC) is a 501(C) (3) non-profit health care agency. KPHC is a Federally Qualified Community Health Center (FQHC) that plays a critical role in the community by providing health care and social services to patients who typically face significant barriers when accessing health care and social services. KPHC is located in the heart of Kalihi-Palama with a satellite in Honolulu's Downtown/Chinatown. Kalihi-Palama is a densely populated, poor, urban, inner-city community of Honolulu. It includes the highest concentration of public housing and tax-subsidized low income rental units in Hawaii. It is home to 63,800 residents many of whom are Asian, Native Hawaiian, and Pacific Island ethnic minorities.

KPHC opened doors in 1975 in response to community concerns regarding both the health, and the social determinants of health, of poor Native Hawaiians, and immigrants from several Asian countries and the Pacific Islands. In addition to poverty, these residents continue to face tremendous language and cultural barriers that affect their health and their ability to access health care and to navigate the care delivery systems. KPHC has been delivering quality care, with cultural proficiency, to this diverse community for over 35 years. In 2010, KPHC served 21,000 patients in 17 different languages and cultures – 2,000 of the patients were homeless. Delivering health care with cultural proficiency is KPHC's distinguishing competency and this unique characteristic attracts patients from all over Honolulu to KPHC.

Diabetes, hypertension, kidney disease, obesity, hepatitis, asthma, tuberculosis, oral health, and behavioral health are major health care needs for our population. Most patients who make KPHC their health care home good primary care, effective preventative health care, appropriate chronic disease management, and enabling services deliver astonishing results for chronic conditions in our community. The health and wellness of patients improves and the total cost of care is reduced significantly – cut in half in some cases.

The number of patients served by KPHC grew from 12,643 in 2006 to 21,252 in 2010. KPHC's operations are spread over six locations. This hurts our care integration efforts, degrades patients' experience, and contributes to inefficiencies. We own 27,500 sq. ft. and lease 17,300 sq. ft. of facilities. However, because of the inefficient design, the current facilities yield only 17,800 sq ft of useable patient care space. The ratio of providers to serviceable rooms is 1:1.25. The need for primary health care and social services has grown significantly and our facilities limit our ability to deliver culturally proficient quality care, efficiently and effectively.

KPHC is requesting from the State of Hawaii a \$3,000,000 grant to consolidate services in a 31,000 square foot facility designed for effective and efficient patient-centered health care delivery. It will be located at 710 North King Street. This will double our overall care-delivery capacity, remove inefficiencies, improve provider productivity, enhance care coordination, and improve patient experience. In addition, within 3 years we will discontinue several leases and eliminate nearly \$200,000 per year in lease payments.

2. The goals and objectives related to the request;

The new Health and Healing Home will enable KPHC increase access to comprehensive primary care. We will have capacity to serve 30,000 patients in 120,000 visits and employ 60 additional full time staff. KPHC will also have the capacity to serve 2,000 high utilization patients currently get most of their care in a hospital setting. This initiative will improve the health and wellness of the patients and generate significant savings. In a pilot project coordinating care for patients with the highest total costs, KPHC showed that patients who stayed with KPHC for 12 months had lower total costs and better clinical outcomes.

	RX Drugs	Out-Patient KPHC	Out-Patient Other	In- Patient	Emergency Room	Total Cost
12 Months with KPHC	\$2,205	\$1,241	\$4,735	\$5,014	\$806	\$14,000
< 12 Months with KPHC	\$1,504	\$904	\$4,437	\$26,494	\$1,168	\$34,501

In the new Health and Healing Home, KPHC will consolidate operations from six locations in a 31,000 square feet facility designed for effective and efficient patient-centered health care delivery. This will double our overall care-delivery capacity, remove inefficiencies, improve provider productivity, enhance care coordination, and improve patient experience.

The Health and Healing Home will provide a healthy and healing environment for both staff and the patients. This will enable us to attract, train, and retain high quality employees.

In addition, within 3 years we will discontinue several leases and eliminate nearly \$200,000 per year in lease payments.

The increase in number of patients, the projected changes in the patient payor mix, and the anticipated improvements in operational efficiency will enable PHC to generate substantial margins (we project \$500,000 starting in the first year of full operation) which ensure sustainability while improving access to quality primary care.

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

KPHC projects that the demand for primary health care services will increase dramatically when the Accountable Care Act (ACA) is fully implemented in 2014. We project that the target population for KPHC's services will be at least 30,000 patients annually.

KPHC serves 21,000 patients annually. A majority of these patients face significant barriers when they try to access health and social services especially because of poverty, language, and cultural barriers. KPHC's core competency is serving this diverse population in a culturally proficient manner.

The new Health and Healing Home will enable us to provide comprehensive quality primary health care to more than 30,000 patients in over 120,000 visits in the first full year of operations and have the capacity to scale up and serve 35,000 patients. These patients will include some of the most vulnerable residents of their communities who have some of the most pressing needs, and who face significant barriers when trying to access health care and social services.

The new Health and Healing Home will enable KPHC to implement the Patient Centered Health Care Home (PCHCH) for all patients who are willing and able to participate. It will become the way we deliver services. KPHC participated in a pilot to design a PCHCH for Hawaii. The pilot is demonstrating that the PCHCH requires relatively higher utilization of primary care and that the improved access to primary care and other services within the community, coupled with care-coordination, improves outcomes and could reduce total costs.

All services co-located in one facility will enable KPHC to provide comprehensive, integrated primary care services more effectively. There will be warm hand-offs from one care team member to another. For example, a Family Practice provider will be able to hand a patient over to a Behavioral Health provider instead of making an internal referral.

Expectant mothers will be able to gain easy access the prenatal care that they need when they come to pick up their food coupons. This will improve prenatal and postpartum care. Expectant mothers will gain easy access to oral health services when they come in for their food coupons or prenatal care. This approach of warm hand-offs to other providers improves patients' experience and improves compliance with the care plan. Ultimately, it improves patient outcomes.

Internal care-coordination will be improved significantly. Patients will have access to all the primary care services under one roof. It will also be easier to provide language and cultural interpretation when all of the services are in the same building, instead of patients having to cross a busy street to access services. From the moment a patient checks in to the time when they check out and pick up their prescription, they will have access to a culturally competent community health worker who will ensure that they have access to all the services available to them and agreed by the care team – without having to worry about language or cultural barriers. This will also have a positive impact on patient flow and the efficiency of KPHC operations. In the end it will reduce the cost of delivering care.

When we requested Capital Development funding from the federal government for the Health and Healing Home, (a New Home for Kalihi-Palama Health Center) we have received strong support from the community. The support mainly based on the recognition of KPHC's ability to deliver care to a diverse urban population with linguistic and cultural proficiency. The support came from other community health centers, other community organizations, State of Hawaii government leaders, the State Representatives, City and County of Honolulu leaders and other organizations throughout Oahu and the Nation.

Below is a list of those that gave us letters of support:

Other Health Care Facilities

- Kokua Kalihi Valley Comprehensive Family Services
- Waikiki Health Center
- Kapiolani Medical Center
- The Queen Emma Clinics
- Aloha Medical Mission
- AlohaCare

State

- Beth Giesting, Healthcare Transformation Coordinator, State of Hawaii
- Loretta J. Fuddy, Director of Health, State of Hawaii
- Patricia McManaman, Director of Department of Human Services, State of Hawaii
- Calvin K. Y. Say, Speaker, House of Representatives, State of Hawaii
- Joshua Booth-Green, MD., Senator, State of Hawaii
- Ryan I. Yamane, Chair, House Committee on Health, State of Hawaii

City

- Ernest Y. Martin, Council Chair, District II, City and County of Honolulu
- Romy M. Cachola, Councilmember, Council District VII, City and County of Honolulu

National

- L. David Taylor, Chief Operating Officer, National Association of Community Health Centers
- Joe Gallegos, SVP for Western Operations, National Association of Community Health Centers

Community

- Diane N. H. Tabangay, Executive Director of Child Care, YMCA of Honolulu
- Arnold Wong, Chief Operation Officer, Iron Workers Stabilization Fund

Finally developing the Health and Healing Home will generate 75 good jobs and many residents of in our service are will benefit from the employment and the economic stimulation that this project will bring to Kalihi-Palama.

4. Describe the target population to be served; and

KPHC's target population is predominantly Asian, Native Hawaiian, and Pacific Island ethnic minorities. About 89% of KPHC's patients come from these ethnic minorities. Overall, KPHC serves patients in 17 different languages and cultures, with 68% of Chinese, 60% of Vietnamese, 45% of Korean, 41% of Marshallese, 38% of Chuukese, 25% of Micronesian, and 19% of Filipino patients requiring translation. While there are several healthcare providers in the community, few are proficient in the languages and cultures of the patients KPHC serves.

Poverty, language/cultural barriers, low health literacy and scarcity of health care providers willing and able to serve the target population are significant factors impacting access to care in the target population.

Poverty is a serious barrier. Patients report they did not come for their scheduled visit because they had no money. Even when KPHC emphasizes that services are provided regardless of the patients' ability to pay, patients are hesitant because they cannot pay for specialty care or hospitalization. Often patients' conditions worsen because they cannot afford to fill their prescriptions.

A majority of KPHC's patients are poor. Using the Federal Poverty Level (FPL) 76% of KPHC patients are below 100% FPL and 10% are in the 101 – 200% FPL range.

Our service area includes the highest concentration of densely populated public housing and tax-subsidized low-income rental units in Hawaii.

KPHC's service area schools have a significant number of students who are on the National School Lunch Program. In Hawaii, students that are at 185%-131% FPL are eligible for reduced priced lunch, and those at 130% FPL or below have free lunch. In KPHC's service area, the percentage of the elementary students on the school lunch program ranges from 74% to 99%.

The unemployment rate in Kalihi-Palama runs higher than the state average. It is at around 10% compared to the State average of about 6%.

Multiple ethnicities and languages cause social isolation. Word of mouth plays a significant role in sharing information among the poor and disenfranchised. KPHC has observed that often there is no interaction among neighbors of different ethnicities, so people are cut off from a critical source of information.

Besides being short of capacity for the services that are provided, there is a great need for additional services for diabetes, hypertension, kidney disease, obesity, cancer, asthma, tuberculosis, oral disease, behavioral health, and low birth weight. Many of KPHC's patients suffer from two or more of these conditions.

A significant portion of the target population is uninsured 40% of our patient visits are with uninsured patients.

KPHC also serves 1,900 homeless patients. The Health and Healing Home will enable us to convert one of our existing sites into a drop-in facility and improve our capability to serve the homeless more effectively.

KPHC has earned the trust of this population and we plan to serve 30,000 patients with an ability to scale up to 35,000 patients.

5. Describe the geographic coverage.

Kalihi-Palama Health Center (KPHC) is located in the heart of Kalihi-Palama, with a satellite facility in Downtown/Chinatown. This area is a densely populated, multiple ethnicity, multiple language, poor, urban, inner-city community of Honolulu, Hawaii. The area also has a high percentage of unemployed and uninsured citizens. It includes Census Tracts 51 through 60 and the contiguous areas. This area is designated as a Medically Underserved Population (MUP) and a Medical, Mental Health, and Dental Health Professional Shortage Area (HPSA) by the Health Resources and Service Administration. A map is included as an attachment.

It is important to note that our linguistic and cultural proficiency draws patients from all over Oahu. About 60% of the patients served at KPHC reside outside of our geographic service area.

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;

KPHC negotiated a long-term lease arrangement with St. Elizabeth’s Episcopal Church. Subject to availability of funding, St. Elizabeth’s intends to lease to KPHC 17,000 sq. ft. for a period of 40 years that will expire on December 31, 2042. St. Elizabeth’s is in full agreement of KPHC’s proposed improvement to the property, located at 710 North King Street and the property now occupied by Shim Hall and the church’s garden, to develop a 31,000 sq ft. community health center – the new Health and Healing Home. We will have capacity to serve 30,000 patients and be able to scale up to 35,000 patients.

KPHC has prepared conceptual plans (see attachment) and on which we propose to base the final design for the Health and Healing Home. The funding requested from the State will be used to complete the design and to complete construction through the first 12 months. This will include:

- Design of the Health and Healing Home
- Site preparation
- Design and construction of the AutoKit parking
- Construction of the first floor

KPHC plans to build a Resource/Conference room with a professional kitchen. This room will also serve as a community room and provide us with practical space designed to accommodate effective community engagement events. KPHC is committed to engaging the community in the activities of the community health center. This room will also be used for community education, community cooking classes, civic events, public lectures, and other activities to promote the health and wellness of the community.

The timelines will be posted and progress will be tracked publicly. The community will receive timely information on how the progress of the Health and Healing Home.

2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service;

a. Project development	Start	04/2011	End	08/2012
b. Construction phase	Start	09/2012	End	03/2014
c. Project completion	Start	04/2014	End	05/2014

KPHC planned to build a new facility two years ago. Capital Link (an organization that receives funding from the Human Resources Services Administration (HRSA) to help FQHCs with capital development needs) helped with the Clinical Space design. A plan was developed and input from staff was incorporated into the design. KPHC did not pursue the project because the prospective landlord of the property we sought to purchase raised the price of the land at the last minute.

A year ago, when KPHC learned of the Capital Development–Building Capacity funding, started looking for land and community support. St Elizabeth has offered to lease us land at a reasonable rate for 40 years. KPHC will have access to the church parking lot during the work week. This reduces the land that we need for the new Health and Healing Home and makes this a very good opportunity. We used the plans prepared two years ago and modified them for the St. Elizabeth site.

Completed steps:

- Phase I assessment on the property (St. Elizabeth Church)
- Topographic and boundary assessment (Emmanuel w/Towill Corp)
- Capital Link feasibility study (Emmanuel w/Capital Link)

A fundraising feasibility study is in progress (Emmanuel w/Elizabeth Lum, consultant)

We are confident that the new building can be completed within two years because we took existing plan for a similar project (most of the planning work was already done) and modified them to meet the opportunity to develop the Health and Healing Home. Due to the depressed economy there is little construction activity and subcontractors will be available and looking for work. We are confident that the project will be completed within the proposed timeframe. We also understand that the timing of the availability of the funding could shift the proposed timeline.

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.

Kalihi-Palama Health Center worked engaged the services of Capital Link to design the clinical space and make sure that patient flow is optimal and compliance matters are addressed. We then worked with a local architect who has significant experience to prepare the conceptual plans. We are now in discussions with St. Elizabeth's regarding the aesthetics. We will invite the community to provide input since this is going to be a major addition to the community landscape.

We are applying for federal funds and we will comply with all federal requirements. The federal oversight will provide an additional level of monitoring and evaluation of the project.

The administrative structure for oversight of the project flows as follows:

- Board of Directors
- Facilities Committee of the Board
- CEO
- CFO
- Project Manager - Consultant

The Facilities Committee was created to oversee design, development, construction, equipping, and furnishing of the new facility. This committee will govern the CEO, who has responsibility for completing the project according to plan.

Composition of the Facilities Committee:

- Board President, Vernon Nakamura: Sr. Vice President First Hawaiian Bank oversees the Kalihi Branch
- Treasurer and Immediate Past President: Peter Hanashiro: Finance/Audit expertise
- At large, Keith Kiuchi: Real Estate attorney
- At large, Russell Kaupu: Commercial Real Estate Development Manager

Project Manager and the individuals who comprise the Project Team responsible for managing the project:

Overall Project Manager is Emmanuel Kintu, CEO. The project team is:

- Chad M. Okinaka, Architect
- Russell Kaupu, Board member
- Darrin Sato, COO
- Liane Sugimoto, CFO

3. Indicate the qualifications of the Project Manager who will be responsible for managing the project and the Project Team that will be implementing the project.

Emmanuel Kintu relevant experience: In 2008 initiated and oversaw the creation of the KPHC Downtown Family Health Center. Prior to coming to Hawaii, he oversaw the development of the People's Health Center North Site facility (St. Louis, MO) and the creation of the St. Louis Integrated Health Network (IHN). The IHN took over two City of St. Louis Clinics and incorporated them into two FQHCs. This initiative increased and improved access to health care services and it increased the amount of federal funding invested in the City of St. Louis. Emmanuel's education includes a Doctor of Management degree, an MBA, and a Bachelor's degree in Political Science and Public Administration. He completed executive development at Harvard School of Business and

the Johnson & Johnson/UCLA Health Care Executive Program. He is also a Weinberg Fellow.

Project Team:

- Chad M. Okinaka, is an American Institute of Architects (AIA) Licensed Architect and a Leadership in Energy and Environmental Design (LEED) Accredited Professional. His past projects in Hawaii have received local recognition and awards from the AIA.
- Russell Kaupu, Board Member, is an Attorney and Real Estate Development Manager.
- Darrin Sato holds a Master's Degree in Social Work.
- Liane Sugimoto is a CPA with Bachelor's Degrees in Finance and Accounting.
- John Lowry, MD, Medical Director, also holds an MBA.
- Marissa Dela Cruz, RN, Director of Clinical Operations, has a Bachelor's Degree in Economics.
- Keith Larson, DDS, Compliance Officer, is a US Navy Reserves Dental Officer with competency in Community-based dentistry.

Emmanuel oversaw design, development, construction, and implementation of the KPHC Downtown/Chinatown satellite. It was completed on time and exceeded its goals. It was awarded the Johnson & Johnson/UCLA Health Care Executive Program 2009 Community Health Improvement Award. Emmanuel also oversaw the development of People's Health Center North Site Satellite in St. Louis in 2003.

Darrin Sato assisted with the KPHC Downtown/Chinatown satellite. He was essential to community engagement on this project.

Liane Sugimoto has responsibility for developing the annual operational budget, as well as overseeing purchasing, accounting and IT functions. She brings knowledge of these departments to the team.

Marissa Dela Cruz oversaw the design of the women's health POD. This renovation added 300 sq. ft. of clinic space and 150 sq. ft. of office space in the 915 facility. It was finished on time in 2011 and meets all objectives.

Managing risk is Russell Kaupu's field of expertise. Russell is Development Manager with the MacNaughton Group, a Hawaii-based diversified group of companies that includes real estate development, commercial brokerage, retail and several other operating companies.

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.

Kalihi-Palama Health Center will provide the State with the approved architectural and plans. We will report the progress of the development to the State and to the community on a quarterly basis.

5. 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.

The key measures will be KPHC's demonstrated ability to deliver the project development milestones within the prescribed timeframes. These milestones will be built into the performance expectations included in the bid requirements for constructors. We will make the progress available to the public.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

Kalihi-Palama Health Center is requesting a \$3,449,500 capital grant from the State of Hawaii to develop a Health and Healing Home on 17,000 sq. ft. of property leased from St. Elizabeth's Episcopal Church. The property includes 710 North King Street and the land currently occupied by Shim Hall and the Church garden. The total estimated cost for the project is \$9,000,000.

Summary of the budget is attached.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2012-2013.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$449,500	\$1,000,000	\$1,000,000	\$1,000,000	\$3,449,500

3. The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2012-2013.

- Health Resources and Services Administration (HRSA) Capital Development – Building Capacity Grant Program \$5,000,000
- Harry and Jeanette Weinberg Foundation \$3,000,000
- New Market Tax Credits (net) \$2,500,000
- Fundraising \$1,000,000

4. The applicant shall provide a listing of all state and federal tax credits that have been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

- KPHC has not received any state or federal tax credits in the last three years
- KPHC has not applied for any state or federal tax credits
- Our first priority is the Health Resources and Services Administration (HRSA) Capital Development – Building Capacity Grant Program \$5,000,000.
- Should we not get the HRSA funding, we will seek New Market Tax Credits (NMTC) and we have engaged the services of Capital Link to assist us with the process of accessing NMTC.

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.

In 2007, KPHC applied for, and was awarded, a New Access Point grant to develop a 7,500 sq. ft. satellite in Downtown/Chinatown. KPHC completed the construction on

time and within budget. The satellite had a soft-opening in December 2007 followed by a formal opening in February 2008. The satellite exceeded all expectations. In 2010, it provided culturally appropriate care to 1,911 Dental patients in 4,536 encounters and 3,601 Medical patients in 21,053 encounters – well above KPHC’s targets. Six of every ten patients had not received primary health care in an Outpatient Healthcare setting and regularly accessed health care at more expensive and inappropriate area hospitals. KPHC’s satellite improved immunization rates and screening for preventable diseases, reduced the incidence of inappropriate hospital use, helped to manage diabetes in the Chinatown community, and significantly increased access to oral health.

In addition, the satellite brings about \$1,000,000 in new federal funding to the state annually.

KPHC’s Board and management team are well suited for this project. Two Board members have expertise in real estate and property development. The CEO has experience implementing satellite facilities in Downtown/Chinatown and St. Louis, Missouri. The COO expertly engaged the community as a critical element of implementing the Downtown/Chinatown satellite. The CFO has expertise managing in a large service organization, and the Medical Director oversaw a large medical staff at Kapiolani Medical Center for Women and Children Hospital.

KPHC’s acquisition strategy, policies, and procedures, and our compliance with the appropriate Federal procurement requirements:

The key element of KPHC’s acquisition strategy is to get the best value for the organization to enable us to deliver on our mission in a sustainable manner.

The purpose of the policies and procedures is to help KPHC adhere to clear and consistent guidelines to ensure that all financial commitments are appropriate and adequately authorized. The annual approved budget is recognized as the financial plan for operation of the Health Center. Persons responsible for purchasing supplies and equipment, and those responsible for major capital procurements, ensure that the purchase is in the current operating budget. KPHC follows federal rules pertaining to purchasing and allowable costs when using federal funds. KPHC follows State regulation when using State funds.

Project completion on time and within budget: The project is designed to be completed within two years. KPHC will engage the services of Inform Design. Chad Okinaka, AIA Licensed Architect and a Leadership in Energy and Environmental Design accredited professional, will be the point person to assist with managing the project. The building contractor selected will be required to provide performance guarantees with material penalties for missed milestones. The project team will report to the Facilities Committee of the Board, which will report progress to the full Board every month.

KPHC has the appropriate financial management capability, accounting and control systems, and policies and procedures appropriate for the size and complexity of the organization.

KPHC's CFO is a CPA with audit experience in a major audit firm, including auditing health care facilities. KPHC has four Board members with significant finance and accounting experience. The President, Vernon Nakamura, is Regional Sr. VP of First Hawaiian Bank. The Treasurer, Peter Hanashiro, is a partner in an audit firm. Richard Keene, a Finance Committee member, is CFO of Queen's Hospital, one of the largest hospitals and employers in Hawaii. Another Finance Committee member, David Kostecki, is CFO of Hawaiian Electric Co. Finally, the CEO, Emmanuel Kintu, has significant experience with financial management, both in a Fortune 500 company and in the non-profit health care industry.

KPHC has effective policies and procedures and sound controls in place, as exemplified by their annual (Circular A133) Financial audit over the years.

KPHC employed a two pronged approach to securing additional funding: 1) financing and 2) fundraising/grants.

KPHC worked with Capital Link to establish the feasibility of using New Market Tax Credits to help finance the project. The new home qualifies for New Market Tax Credits financing, and KPHC established that they could raise \$3,000,000 net, in this way.

KPHC is working with a respectable professional fundraiser in Hawaii (Elizabeth Lum – Creative Fundraising Associates, Inc.) to establish the feasibility of raising funds in the current environment. Our initial estimate is \$4,000,000. This figure is based on soft pledges and the \$150,000 we have already raised.

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.

In the last five years, KPHC developed two facilities and renovated three existing facilities to increase capacity and improve operational efficiency and effectiveness.

In 2006 KPHC completed renovation 952 North King Street and developed a facility that has three medical examination rooms, five behavioral health rooms, a resource room for group visits and meetings, and several administration offices. This facility was funded by CDBG Grant. We serve 11,600 visits at this facility annually.

In 2008 KPHC completed renovation of three floors of 89 South King Street and created the KPHC Downtown Family Health and Dental Center. It has the dental operatory suite, three pediatrics examination rooms, four women's health examination rooms, four adults examination rooms, two behavioral health rooms, space for group visits and meetings, and space for staff education and interaction. We have 21,000 visits annually at this facility.

In 2009 KPHC renovated the dental suite at 915 North King Street and added a dental suite with two dental operatories (for a total of eight) and created a more patient-friendly waiting room. We have 24,000 dental visits annually at this facility.

In 2009 KPHC renovated 888 North King Street and created an Optometry suite where we serve 2,500 patient visits annually.

In 2011 KPHC completed renovation at 915 North King Street and converted a closet, two administration offices, and part of the lunch room into created a well-equipped Women's Health Pod. We serve up to forty expectant mothers in the Women's health pod every day.

All of these facilities are meet ADA requirements and all were completed within budget and on time.

The Health and Healing Home is designed to go beyond meeting ADA requirements and create a healing environment for both patients and staff.

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.

Under the guidance of the governing Board, the current executive team (Emmanuel Kintu, CEO; Darrin Sato, COO; Liane Sugimoto, CFO; John Lowry, MD, Medical Director; Keith Larson, DDS, Dental Director and Compliance Officer) will provide leadership to for the Health and Healing Home.

When the Health and Healing Home is fully operation, staff will increase will increase from a current level of 195 FTE to a projected level of 265 FTE. Half of both the Medical Director's and the Dental Director's FTE are included in **Executive Management**; the other halves are included under **Medical** and **Dental** respectively.

Staffing

Administration:	
Executive Management	4.0
Admin Support Staff	24.0
	<u>28.0</u>
Medical:	
Medical Director	0.5
Clinical Director	2.0
Medical Provider	8.7
Mid-Level Provider	17.4
	<u>28.6</u>
Dental:	
Dental Director	0.5
Dental Provider	7.7
Dental Hygienist	7.7
Dental Tech	15.4
	<u>31.2</u>
Behavioral Health:	
BH Provider	1.5
Mid-Level Provider	4.5
	<u>6.0</u>
Medical/Dental Support Staff	128.3
Program Staff	43.2
TOTAL	265.5

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.

The Organization Chart is attached.

VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

Not applicable. No pending litigation or 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.

Kalihi-Palama Health Center is a Federally Qualified Community Health Center (FQHC). It is fully accredited by both the United States Department of the Treasury – Internal Revenue Service and the State of Hawaii – Department of Commerce & Consumer Affairs as a not-for-profit organization. KPHC facilities are licensed and accredited by all appropriate federal, state and professional agencies to ensure that operations meet relevant administrative, fiscal, and program standards.

KPHC is full accredited for three years by the Commission on Accreditation of Rehabilitation Facilities (CARF).

Application for Grants and Subsidies

List of Attachments

- A. Declaration Statement – Chapter 42F
- B. Budget Request by Source Funds
- C. Budget Justification – Capital Project Details
- D. Budget Justification – Personnel
- E. Budget Justification – Equipment
- F. Kalihi-Palama Health Center Service Area Map
- G. Conceptual Site Plan
- H. Conceptual Partial First Floor Plan
- I. Conceptual Second Floor Plan
- J. Conceptual Third Floor Plan
- K. Green Building Features
- L. Kalihi-Palama Health Center List of Board of Directors
- M. Kalihi-Palama Health Center Organization Chart

A

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISIED 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, Hawai'i 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.

Kalihi-Palama Health Center

(Typed Name of Individual or Organization)



01/31/2012

(Date)

Emmanuel Kintu

(Typed Name)

CEO/Executive Director

(Title)

B

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

Applicant: Kalihi-Palama Health Center

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	3,449,500	3,000,000	860,000	
TOTAL (A+B+C+D+E)	3,449,500	3,000,000	860,000	
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	3,449,500	Liane Sugimoto, CFO 808.843.7238		
(b) Other Funding Sources	3,000,000	Name (Please type or print) Phone		
(c) Prospective Fundraising	860,000	[Redacted] 01/31/2012		
(d)		Date		
TOTAL BUDGET	7,309,500	Emmanuel Kintu, CEO/Executive Director		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Kalihi-Palama Health Center

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		200,000		300,000		
LAND ACQUISITION						
DESIGN		50,000	449,500			
CONSTRUCTION		150,000	3,000,000	3,000,000	1,290,500	
EQUIPMENT				560,000		
TOTAL:		400,000	3,449,500	3,860,000	1,290,500	
JUSTIFICATION/COMMENTS:						

D

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Kalihi-Palama Health Center

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:				

D

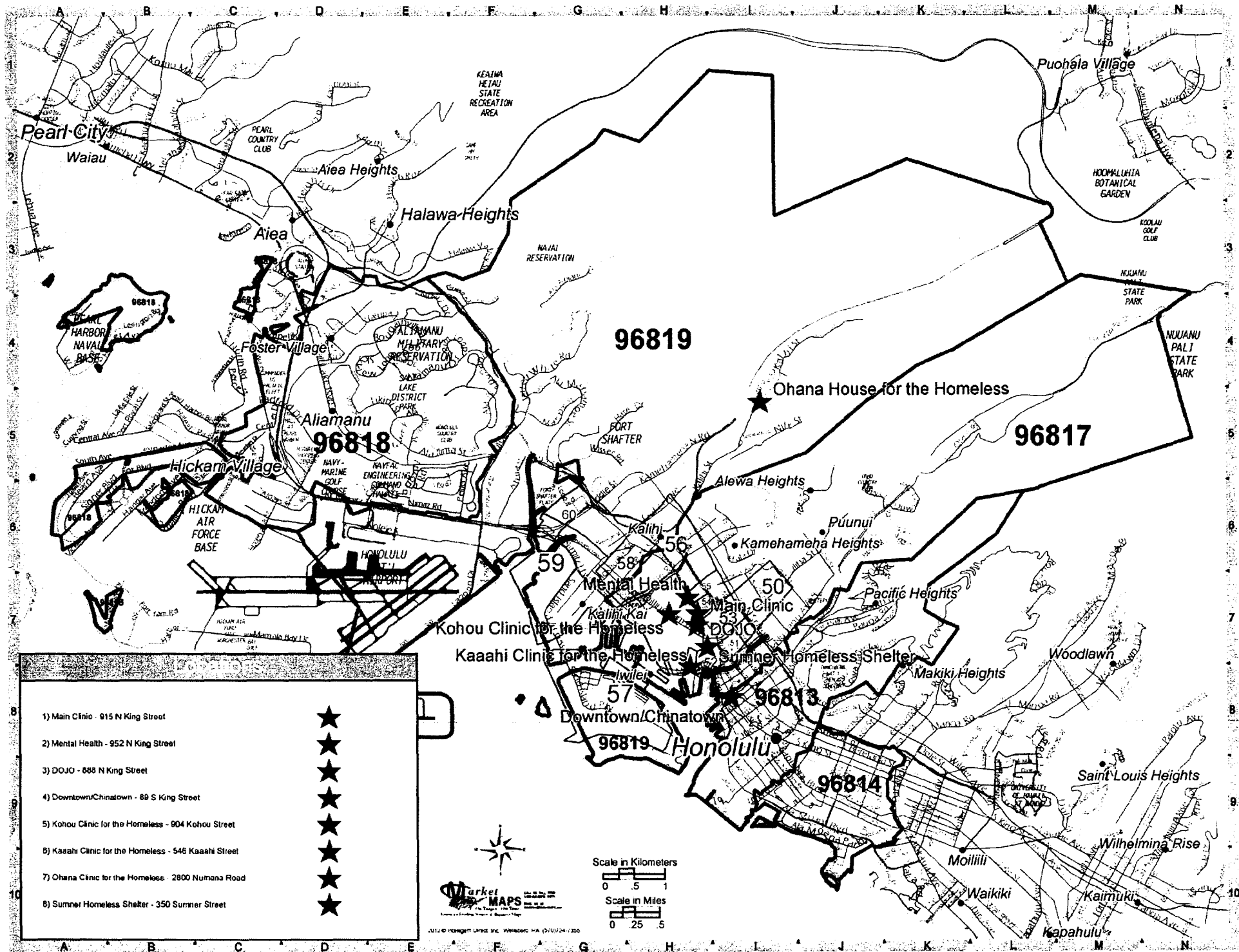
BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Kalihi-Palama Health Center

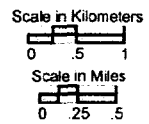
Period: July 1, 2012 to June 30, 2013

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
N/A				
JUSTIFICATION/COMMENTS:				

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



- | | |
|---|---|
| 1) Main Clinic - 915 N King Street | ★ |
| 2) Mental Health - 952 N King Street | ★ |
| 3) DOJO - 688 N King Street | ★ |
| 4) Downtown/Chinatown - 89 S King Street | ★ |
| 5) Kohou Clinic for the Homeless - 904 Kohou Street | ★ |
| 6) Kaaahi Clinic for the Homeless - 546 Kaaahi Street | ★ |
| 7) Ohana Clinic for the Homeless - 2800 Numana Road | ★ |
| 8) Sumner Homeless Shelter - 350 Sumner Street | ★ |



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G

PARKING NOTES

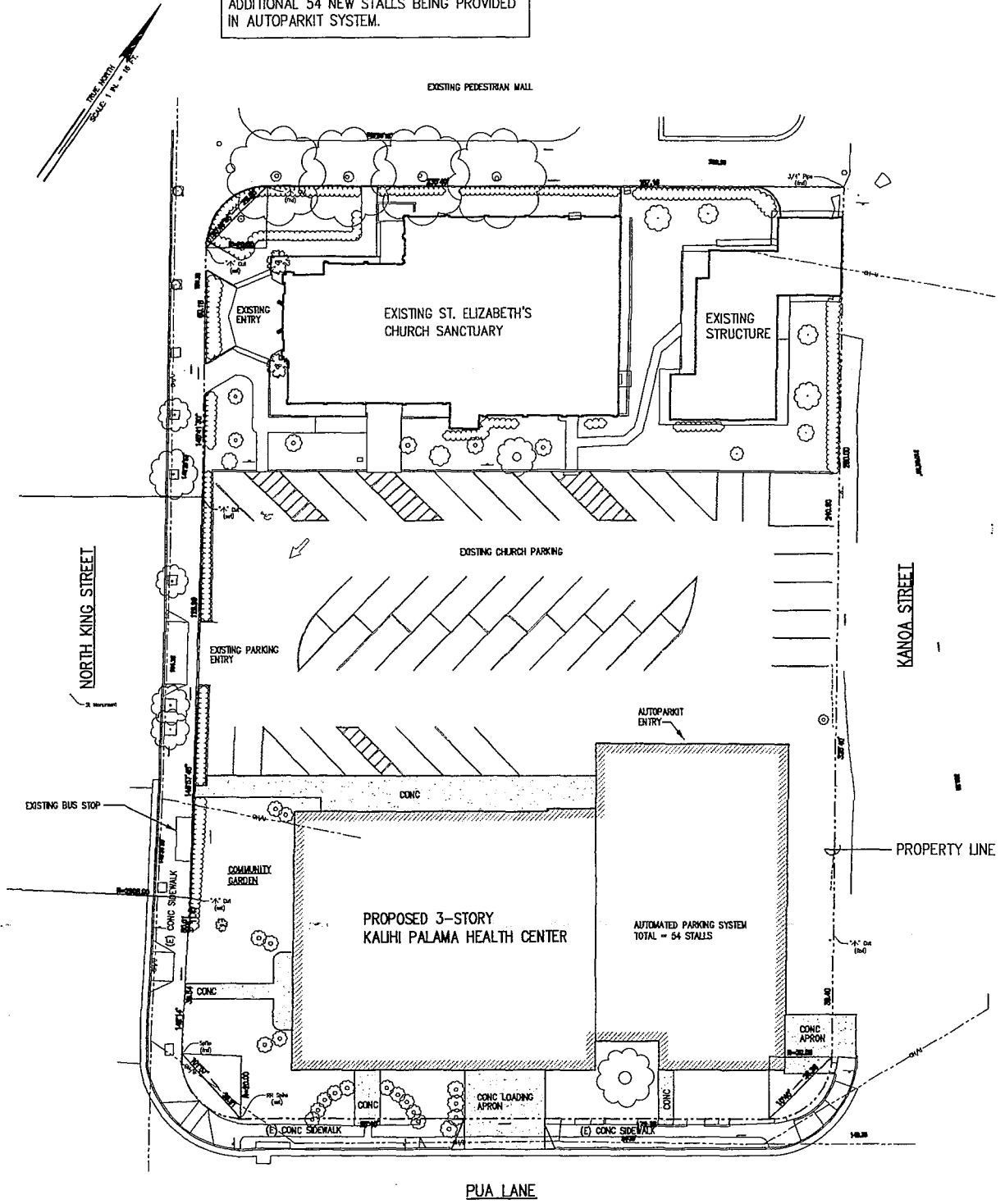
40 STALLS AVAILABLE UNDER EXISTING JOINT DEVELOPMENT AGREEMENT WITH CHURCH.

ADDITIONAL 54 NEW STALLS BEING PROVIDED IN AUTOPARKIT SYSTEM.

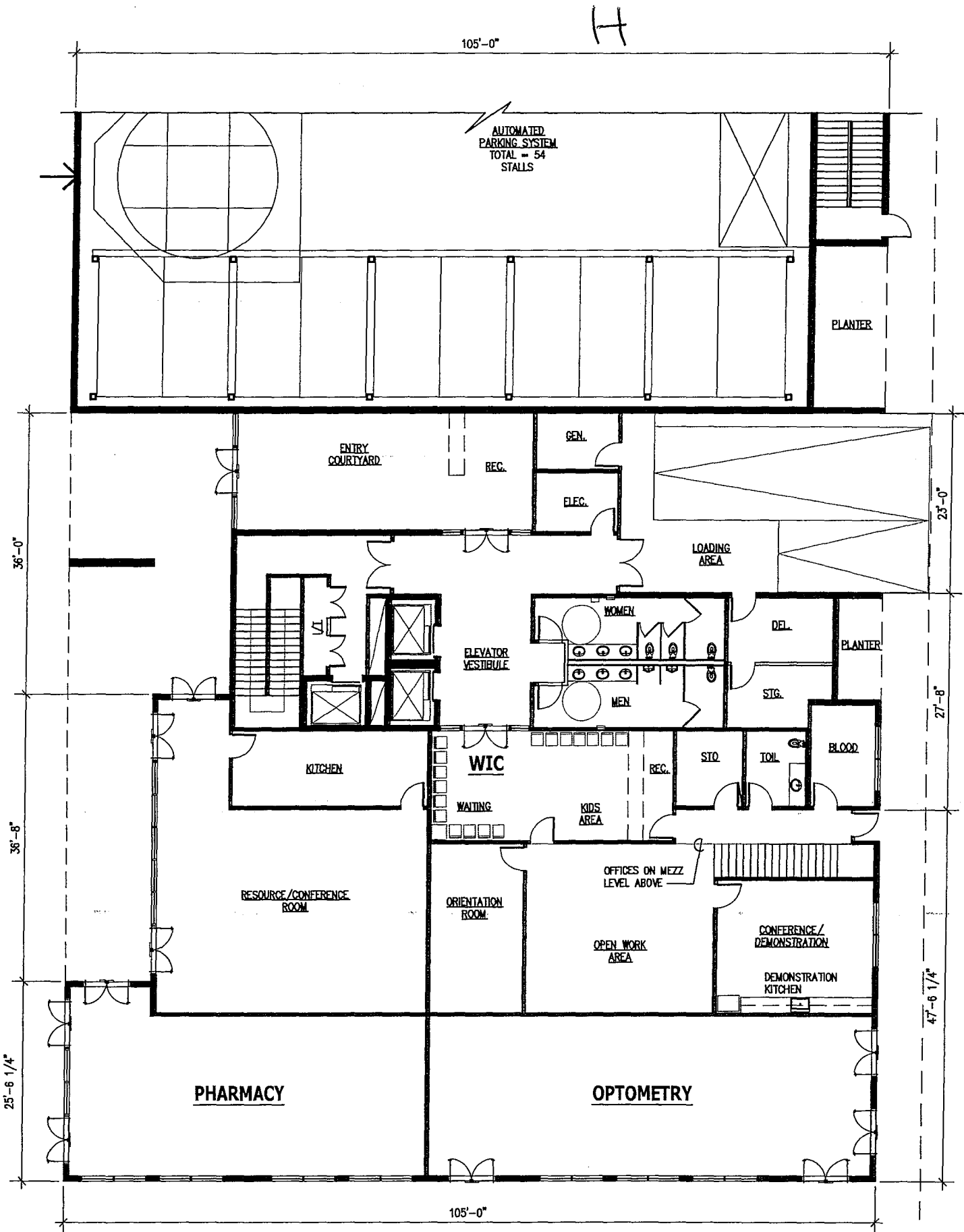
SITE INFORMATION

T.M.K = 1-7-31:048 & 052

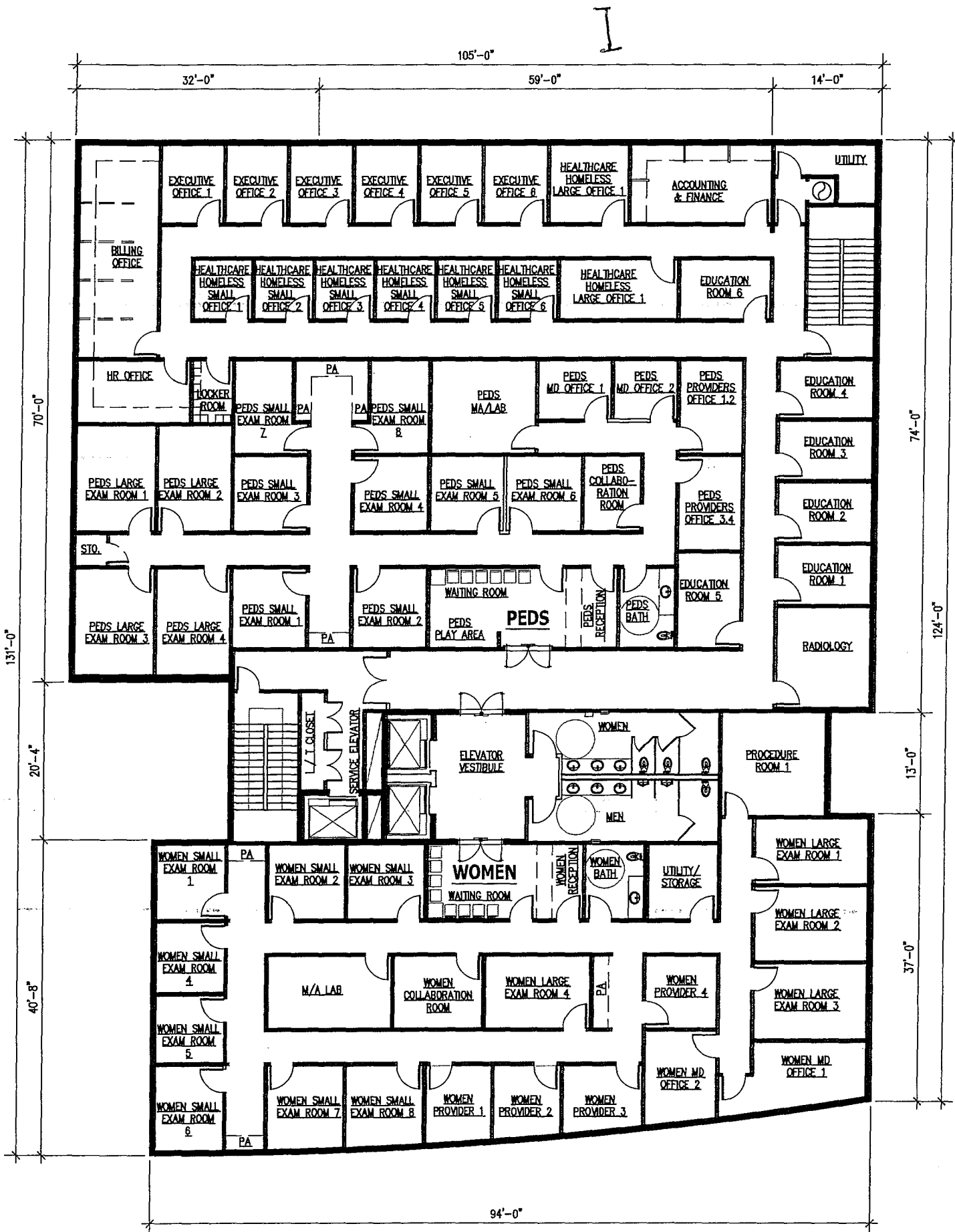
TOTAL COMBINED PARCEL AREA = 62,334 SF



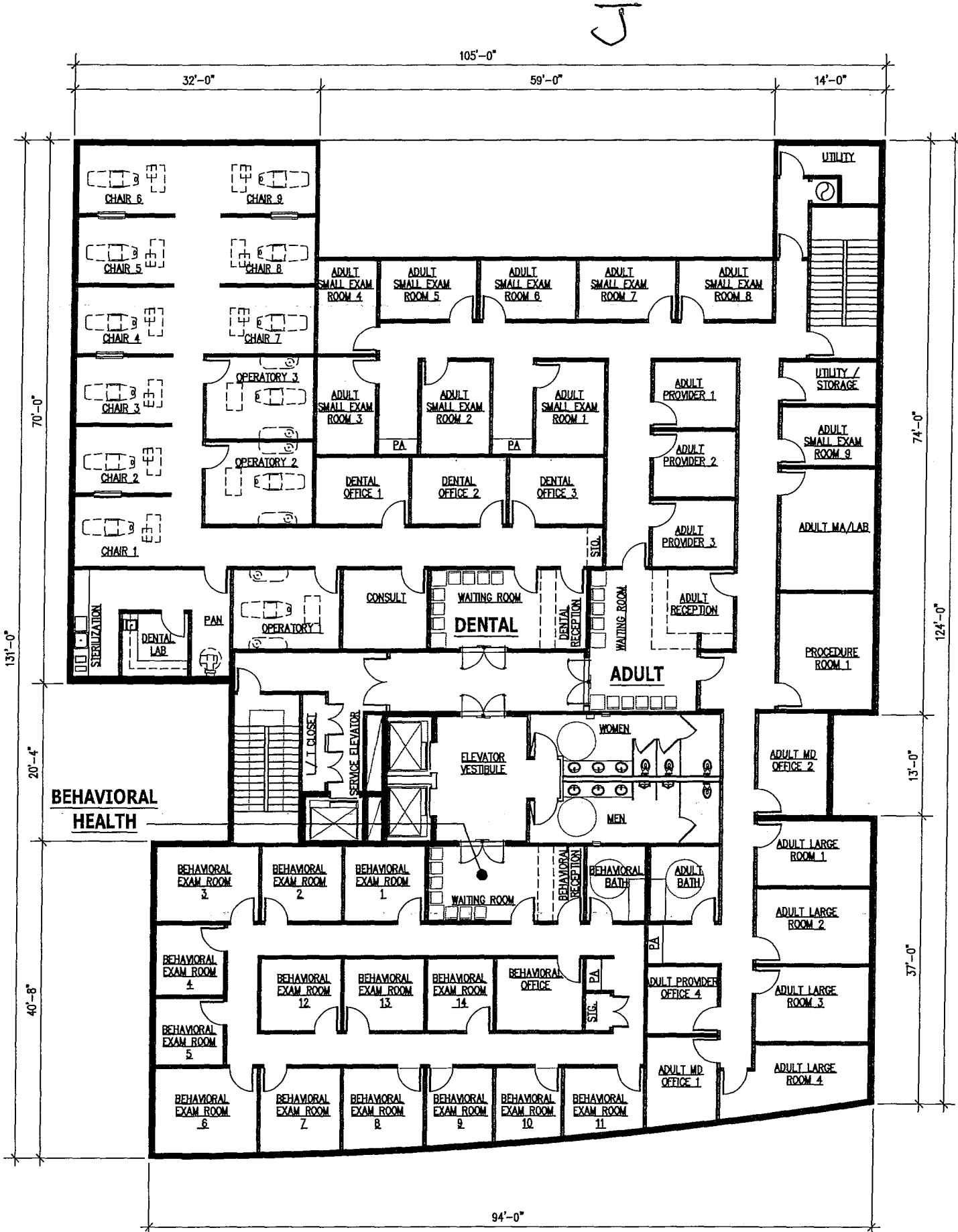
CONCEPTUAL OVERALL SITE PLAN
SCALE: 1/32" = 1'-0"



CONCEPTUAL PARTIAL FIRST FLOOR PLAN
SCALE: 1/16" = 1'-0"



CONCEPTUAL SECOND FLOOR PLAN
 SCALE: 1/16" = 1'-0"



CONCEPTUAL THIRD FLOOR PLAN
SCALE: 1/16" = 1'-0"

K

ENERGY SYSTEMS

- ROOFTOP SOLAR PHOTOVOLTAIC (PV) SYSTEM

ENERGY CONSERVATION

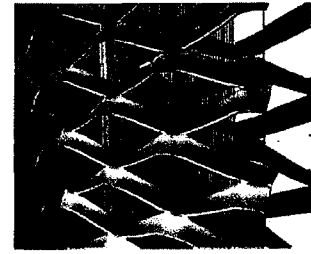
- LED/CFL LIGHT FIXTURES
- ENERGY STAR APPLIANCES

HEAT GAIN MITIGATION

- HIGH INSULATION (R-VALUE) WALLS AND ROOF
- HIGH PERFORMANCE GLAZING

HEALTHY INDOOR ENVIRONMENT

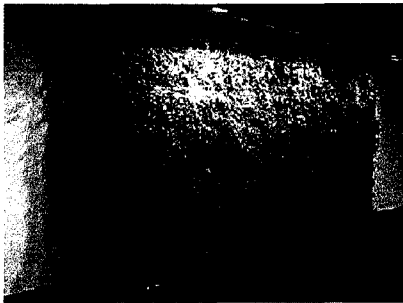
- GREEN LIVING WALLS
- LOW / NO VOC PAINTS AND SEALANTS
- NATURAL LIGHT



- PREFABRICATED FACADE CLADDING SYSTEM



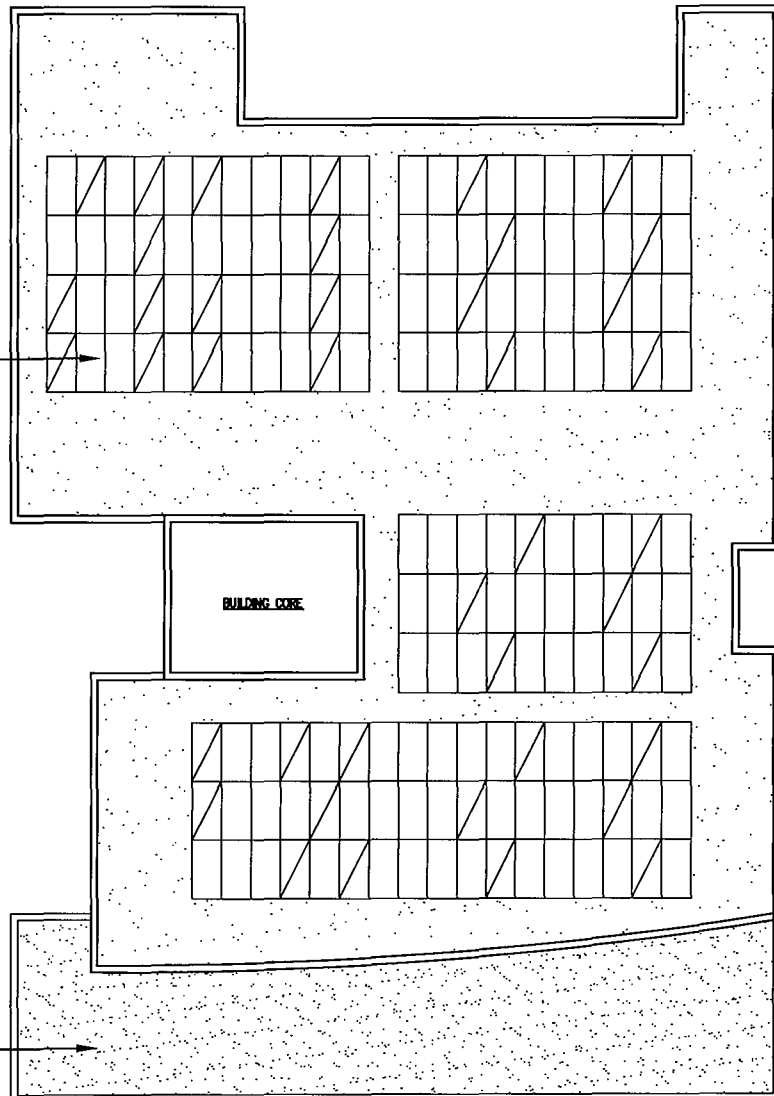
- ROOFTOP PHOTOVOLTAIC (PV)




- GREEN LIVING WALLS



- ROOFTOP "HEALING" GARDEN



GREEN BUILDING FEATURES
SCALE: N.T.S

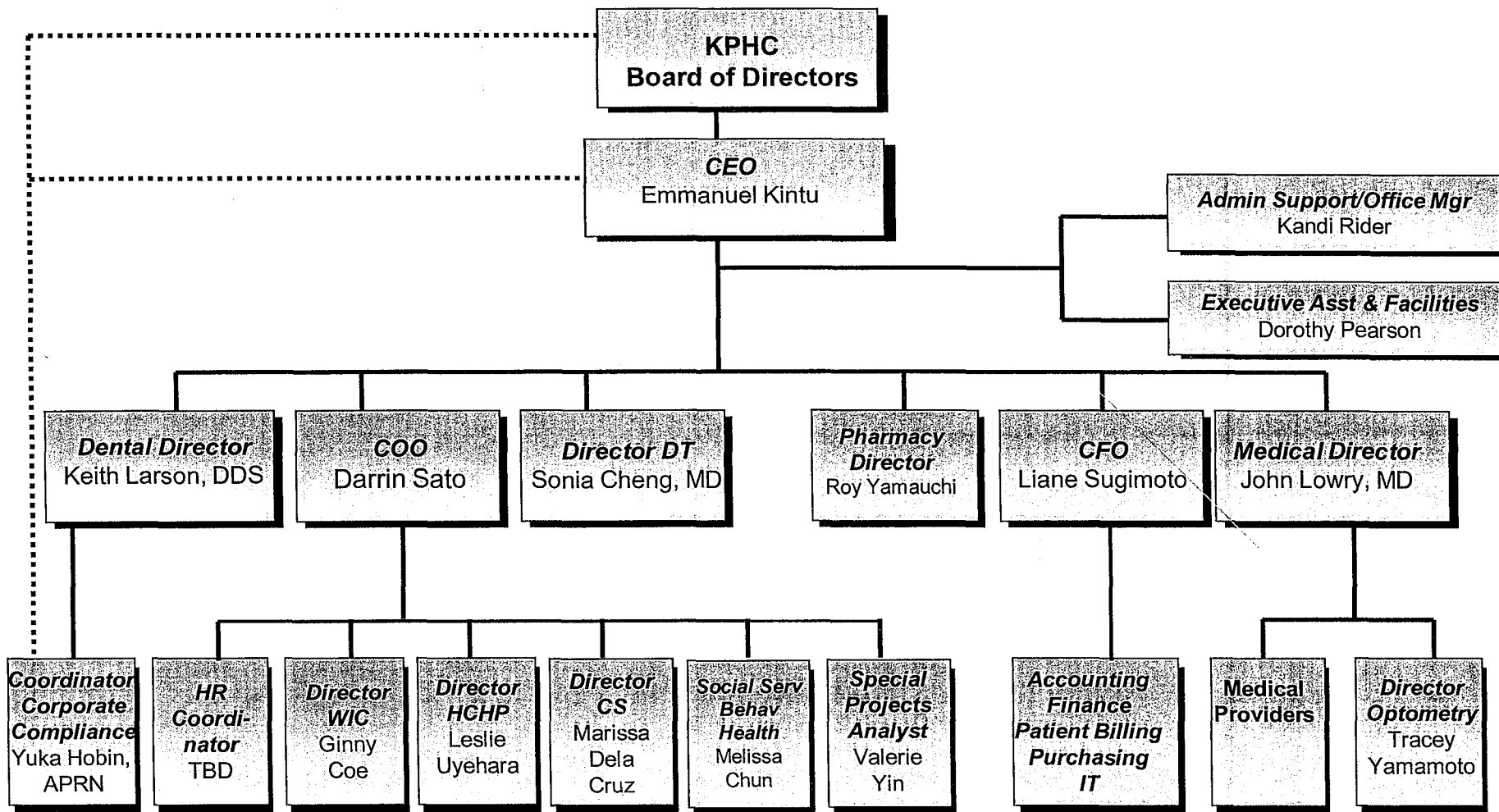

 Kalihi-Palama Health Center
 (Hale Ho'ola Hou – House of New Life)
 Board of Directors, 2011-2012

Name and Title	Address	Telephone	E-Mail	Start/End Term
President *Vernon Y Nakamura VP and Area Manager Kalihi Branch First Hawaiian Bank	2250 N King Street Honolulu HI 96819 Home: 1064 Kalikimaka St Honolulu HI 96817	525-8848 845-8256 Fax 561-0381 Cell	vnakamura@fhb.com	2007-2012
Immediate Past President/Treasurer *Peter Hanashiro Partner KMH, LLP	2400 Pauahi Tower 1003 Bishop Street Honolulu HI 96813	527-2214 292-5511 Cell 536-5817 Fax	phanashiro@kmhllp.com	2002-2012
Secretary *Dawn Hirai Vice President Stryker, Weiner & Yokota	841 Bishop Street, Suite 1530 Honolulu HI 96813	523-8802 722-9445 Cell	dawn@strykerweiner.com	2007
DIRECTORS AT LARGE				
Keith Kiuchi, Esq Kiuchi & Nakamoto Attorneys at Law	American Savings Bank Tower 1001 Bishop St, #985 Honolulu HI 96813	533-2230 533-4391 Fax	Kkiuchi106@cs.com	2000
Clifford Chang, MPH, CHES Executive Director Pacific Islands Primary Care Association	4924 Wa'a Street Honolulu HI 96821-1446	791-7821 347-8035 Cell	cchang@pacificislandspca.org	2000
Kahu Richard K Kamanu, Kahu Mua Kaunakapili Church	766 N King Street Honolulu HI 96817 Asst – Carol 845-0908	848-1545 843-0711 Fax	kahukamanu@aol.com	2007
Louise Li Community Service Director EAH, Inc.	857 Kunasai Lane Honolulu HI 96817	381-1548	pgclouise@hotmail.com	2007
Richard Keene VP and CFO The Queen's Health Systems	1099 Alakea Street, #1100 Honolulu HI 96813	691-5329 5358760 Fax	rkeene@queens.org	2007
David Kostecki Vice President Hawaiian Electric Industries, Inc.	PO Box 730 Honolulu HI 96808-0730	543-5870 226-9061 Cell	dkostecki@hei.com	2008
Rosemarie V Mendoza President-Elect The Filipino Chamber of Commerce of Hawaii	1125 N King Street, #302 Honolulu HI 96817	843-8838 843-8868 Fax 371-3902 Cell	rmendoza@aol.com	
Christopher Pating VP for Strategic Planning and Implementation Kamehameha Schools	567 South King Street, Suite 400 Honolulu HI 96813 Asst – Jodie Kaneaikala-Shim	534-3808 541-5340 Fax	jokaneai@ksbe.edu	2011
Russell Kaupu Partner The MacNaughton Group	1288 Ala Moana, Suite 208 Honolulu HI 96814	545-7722 X2212 545-7725 Fax	rkaupu@tmghawaii.com	2011
Mattlie Davis		692-3899 Cell	Davismattlie1@yahoo.com	10/2011

Kalihi-Palama Health Center
 (Hale Ho'ola Hou – House of New Life)
 Board of Directors, 2011-2012

L CONT D

HONORARY DIRECTORS				
Anthony R Guerrero, Jr Vice Chairman First Hawaiian Bank	PO Box 3200 Honolulu HI 96847	525-6344 533-6088	Anthony.guerrero@fhwn.com	
David C Hulihee President Royal Contracting Co	677 Ahua Street Honolulu HI 96819	839-9006 839-7571 Fax	dch@royalcontracting.com	
STAFF				
*Emmanuel Kintu, D Mgt MBA Executive Director	44-174 Laha Street, #6 Kaneohe HI 96744	791-6315 843-7279 Fax	ekintu@kphc.org	
Liane Sugimoto Chief Financial Officer	91-1200 Keanui Drive, #604 Ewa Beach HI 96706	388-2789	lsugimoto@kphc.org	
Darrin Sato, MSW Chief Operations Officer	95-1011 Alaoki Street Mililani HI 96789	791-6310 843-7279 Fax	dsato@kphc.org	
Dr. John Lowry, MD Medical Director	1224 Lola Place Kailua HI 96734	792-4528 843-7279 Fax	jlowry@kphc.org	
Keith Larson, DDS Dental Director	1030 Aoloa Place, #409B Kailua HI 96734	843-7252 845-0798 Fax	klarson@kphc.org	
*Member of Executive Committee				



Kalihi-Palama Health Center Organizational Chart