

House District #7

Senate District #3

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

Log No: 106-0

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:
WEST HAWAII COMMUNITY HEALTH CENTER, INC
Dba:

Street Address: 75-5751 KUAKINI HWY SUITE 203

Mailing Address: KAILUA KONA, HI 96740

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name RICHARD J TAAFFE

Title EXECUTIVE DIRECTOR

Phone # 808-326-3878

Fax # 808-329-9370

e-mail rtaafe@westhawaiiichc.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:

ESTABLISH A NEW HEALTH CARE FACILITY IN WAIKOLOA TO MAKE MEDICAL AND BEHAVIORAL HEALTH SERVICES ACCESSIBLE TO UNDER SERVED AREA OF THE BIG ISLAND

4. FEDERAL TAX ID # _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2012-2013: \$ 372,585

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 \$ 372,585

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 477,960

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

RICHARD J TAAFFE, EXECUTIVE DIRECTOR
NAME & TITLE

DATE SIGNED

1/30/2012

**WEST HAWAII COMMUNITY HEALTH CENTER
2012 LEGISLATIVE
REQUEST FOR GRANT IN AID**

INTRODUCTION

The West Hawaii Community Health Center is requesting \$372,585 in order to establishing a new health care facility in Waikoloa, which is a medical underserved and a health professional shortage area. This request is for operational funds and will cover approximately 50% of the start up costs. Once the health center is fully functioning it will be self-sufficient using income generated by patient revenue.

I. BACKGROUND AND SUMMARY

1. Organizational Background

West Hawaii Community Health Center (WHCHC) is a community-based, non-profit 501(c)3 organization that opened its door in 2005 to provide affordable health care services (medical, dental, behavioral health) to all residents of West Hawaii regardless of their income. Services are offered to the uninsured using a sliding fee scale based on income and no person is denied service because of their inability to pay. The stated mission of the West Hawaii Community Health Center is:

To make quality, comprehensive, and integrated health services accessible to all who pass through our doors regardless of income. These services will be culturally sensitive and will promote community well-being through the practice of "malama pono."

Since opening its door in 2005, West Hawaii Community Health Center (WHCHC) has grown tenfold in the number of patient served and the number of patient visits. See growth chart below.

	2005	2006	2007	2008	2009	2010	2011
Patients	906	2,658	4,249	6,332	7,078	7,669	9,126
Visits	2,590	5,672	10,324	16,651	23,211	29,825	32,956

From its humble beginning in a small 3 exam room clinic, we currently operate 3 sites that are fully-staffed and functioning at capacity. Our service area stretches 80 miles along the west side of the Big Island from Kawaihae/Waikoloa in the north to Ocean View/Milolii in the south. Our main health center is in Kailua Kona, 35 miles south of Waikoloa. Our second health center is located in Kealahou, South Kona and we operate a dental van that serves the homeless and is situated in Kona. We have no facilities currently operate in the Waikoloa/ South Kohala portion of our service area. The community of Waikoloa requested we expand into their community and the WHCHC strategic plan calls for it. Clearly the demand for health services exists and WHCHC has successfully expanded in order to meet this demand. Our goal now is to meet a critical need in the Waikoloa area.

2. Project Goals and Objectives

Grant-in-Aid funds are being requested to help WHCHC expand health care services (medical and behavioral health) to the residents of Waikoloa and South Kohala.

Waikoloa Village Health Clinic

Goal: To provide access to primary health care (medical and behavioral health) for residents of Waikoloa and South Kohala.

Objective:

1. In 2012 to open a primary care outpatient facility in the Waikoloa Village that is staffed with a family practice physician and nurse practitioner 5 days per week.
2. By the end of CY 2013 to provide fulltime medical care to 3,000 patients and 7,800 patient visits.

3. Public Purpose and Need to be Served

Waikoloa Village Health Center --- Documented Need

1. Many factors have converged to create a healthcare crisis in Waikoloa service area. The most evident problem is the rapid growth in the area's population. The explosive population growth in the Waikoloa area is illustrated by the fact that the 2010 population for CT 217.01 (Waikoloa Village) is 9,528 as compared to the 2000 census of 6,015 residents, a 58% increase in ten years. Furthermore, the population of CT 217.01 is expected to continue to increase exponentially over the next decade.
2. Next to growth, the most pressing problem facing the community is the shortage of healthcare providers. The exodus of medical providers from West Hawaii is due to a combination of factors, including low reimbursement rates from private insurers coupled with a high cost of living, frustration among physicians caused by a lack of specialists to which difficult cases can be referred as well as the challenge of recruiting young, debt-laden physicians to replace those who are retiring.
3. One physician currently provides care in Waikoloa to a population of over 9,000 people. He expects to retire within 3 years but is anxious about his patients not having access to care. Due to his concern for his patients and for continuity of their care, he has offered to share his office space with WHCHC.

Public Purpose Served

Health care is a basic need and access should be a right not a privilege. To maintain a healthy community and work force, it is vital to have access to health care, this is not the case in Waikoloa. Recent surveys in the area show that 48% of respondents (456 people) do not have a regular physician and 65% said that within the past year they could not see a physician within 72 hours for a routine medical condition. Access to health care is further exacerbated for those individuals who don't have health insurance, which was 13.3% for CT 217.01 in 2008. Without access to primary care, the in-patient cost of treating these individuals rises significantly—a cost that gets transferred to the general public through higher premiums and fees and ultimately an increased tax burden. In addition, children without health care typically have poor health status, poor attendance, and poor academic performance. Establishing a health center in

Waikoloa will provide access, improve health status, and enhance the quality of life for people in the community.

4. Target Population

Any one who walks through the doors of a WHCHC clinic will be seen regardless of income; although our target population are the low-income, uninsured and underinsured persons who have difficulty accessing care. The Waikoloa site will follow the same protocol. Many of the people in the target population have publicly supported health insurance such as Medicaid and Medicare. Our patient profile includes Medicaid (55%), Medicare (10%), commercial insurance (20%) and uninsured/self-pay (15%).

In actual numbers, the target population for the Waikoloa site will be approximately 3,000 (35%) of the area's residents, 34% of whom have incomes below 200% of poverty. The census tract is predominately non-Caucasian—24% Asian, 20% Native Hawaiian and other Pacific Islander, and 10% African-American. The area has also seen a recent influx of Micronesians families predominately from the Marshall Islands.

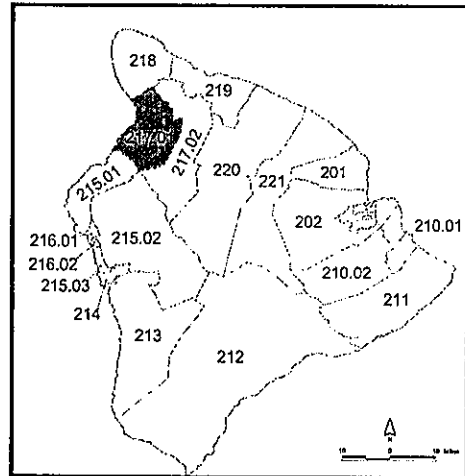
4. Geographic Service Area

The Waikoloa Health Center service area consists of census tract 217.01 (CT 217.01), which has a land area 148.9 square miles and a population density of 40.4 persons per square mile. 2010 population is 9,528.

The entire West Hawaii Community Health Center service area stretches approximately eighty miles along the coast and 6 miles inland and has a population of over 62,000 people. It includes the following census tracts:

- 213.00 South Kona
- 214.00 Kealahou-Captain Cook
- 215.01 Kalaoa
- 215.02 Hualalai
- 215.03 Kaunakakai-Kealahou
- 216.01 Kailua
- 216.02 Kahului-Kaunakakai
- 217.01 Kawaihae-Waikoloa

Map 1: Island of Hawai'i showing census tracts



All census tracts in the service area have been designated as having a Medically Underserved Population (MUP); while the Waikoloa CT 217.01 is a Health Professional Shortage Area (HPSA), one of three in the County of Hawaii.

II. SERVICE SUMMARY AND OUTCOMES

1. Scope of Work

This request is for \$372,585 to cover approximately 50% of the initial operating costs associated with starting this new facility in Waikoloa Village. Once the Waikoloa Health Center is up and running (approximately 12 months), it will be self-sufficient and generating patient revenues adequate to cover all operating costs and no further subsidy will be required or requested. The goal is to provide primary health care service to 3,000 patients and generate 7,800 patient visits by the end of 2013. We anticipate the majority of individuals served will be low-income, Medicaid and/or uninsured children and adults who live in CT 217.01 (Waikoloa Village).

2. Project Timeline

The timeline for getting the Waikoloa Village Health Center fully operating is outlined below.

- Finalize contract and lease agreement for shared office space with Dr. Stuart Lawrence—July 2012
- Renovate and equip Center as needed, especially IT and iEHR—August 2012
- Finalize the design and implement basic operating systems—August/September 2012
- Recruit/transfer APRN, nursing, front desk staff who will provide services—August/September 2012
- Train staff and prepare for opening the Health center—September 2012
- Inform the community and open Health Center September 2012
- Recruit and train second medical provider (family physician) and nursing staff—January 2013
- Fine tune operating systems and processes in order to maximize revenue—Jan to Dec 2013

3. Quality Assurance and Evaluation

West Hawaii Community Health Center has an established performance improvement plan and structure. Compliance is a major focus and is incorporated into our general operations and includes regular audits of our operations. Quality indicators are identified and the clinical indicators are being tracked regularly through our electronic health records and management software. Policies and procedures are in place for personnel, finance and most clinical areas. WHCHC is holding itself to the highest standard.

Indicators that the organization monitors include:

- Patient Access—panel size, appointment waiting times, cycle time in the clinic
- Best Practices—patient care especially chronic disease management and prevention i.e. immunizations, developmental and general health screenings;
- Patient Safety—OSHA regulations as relates to blood borne pathogens, use of medical abbreviations, patient identifiers and infectious disease control;
- Viability—billing, collection, reimbursement, coding compliance;
- Leadership—Overall patient satisfaction, staff satisfaction, employee turn over rate.

4. Measure(s) of Effectiveness

Outcome 1: Once fully operational, the Waikoloa Health Center will be staffed with one full-time family practice physician and one full time APRN (nurse practitioner) and will provide primary medical and behavioral health care to 3,000 patients annually and deliver 7,800 patients visits.

III. FINANCIAL

1. A detailed budget is attached on the requested forms.
2. Below is the anticipated quarterly funding request.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$93,146	\$93,146	\$93,146	\$93,147	\$372,585

3. Funding will be secured for operations through patient generated revenues such as HMSA, AlohaCare, Evercare, Ohana Health Care, UHA, Medicare, etc.
4. WHCHC has not applied for nor received any federal tax credits.

IV. EXPERIENCE AND CAPABILITY

A. Necessary Skills and Experience

The West Hawaii Community Health Center has been providing medical services continuously since January 2005. During that time it has undergone a federal review, an external management review, and annual independent audits. The last 3 years of financial audit have been clean with no recommended actions. Passing all of these audits has demonstrated that WHCHC has the financial, clinical and administrative systems in place, but most importantly, it demonstrated that patients are receiving quality, accessible, affordable health care.

WHCHC has a strong senior management team with excellent management skills and many years of experience:

- Executive Director with 30+ years of managing and developing community-based programs in the non-profit and public sectors, eighteen of those years running community health centers. He has been the WHCHC CEO since 2005.
- Finance Director with an MBA in finance and experience in the non-profit as well as private sector for 30+ years. She has been with WHCHC for nearly 4 years.
- Medical Director, Board certified in Family Practice and as well as a geriatric fellowship. Prior to his medical training he ran clinical labs for many years and has strong management skills. He is the newest member of the WHCHC team and has been with WHCHC for one year.
- HR Director has 30+ years of experience in large retail, industry and medical companies. She has worked with WHCHC for nearly 2 years and has reduced staff over rate to less than 2%.
- Nursing Director is an RN with 25+ years of hospital and outpatient clinical experience. She is one of the original WHCHC employees and drives our clinical quality team.
- Operations Manager ran private physician practice in Kona for many years. She has been with WHCHC for 4+ years.
- Director of Behavioral Health Services who is a clinical social worker with 10+ years of experience directing public and private in-patient and out-patient behavioral health facilities as well as being a practicing therapist. He has been with WHCHC for 2 year.

Clinic staff currently totals 87 employees (72 FTE) including: 4 family physicians, 2 pediatricians, OB/GYN, pain specialist (MD), 3 family nurse practitioner, a physician assistant, 3 psychologists, a clinical social worker, 3 dentists, 2 dental hygienist, 6 RNs, a LPN, as well as operations, billing, accounting and eligibility staff.

The medical provider and support staff are skilled in their respective disciplines and in treating the target population, especially those with chronic diseases. Providers and staff understand the patients' orientation to health and health care, as well as the disease risks and the disease disparities facing the target population. Providers and support staff are also familiar with the cultural variations in the patient population and know how to address these cultural orientations.

WHCHC provides a full spectrum of family care to people of all ages—new borns, children, adolescents, adults, and elders. The typical patient accessed care 3.5 times during the year and most patients had incomes less than 200% of the poverty level. A majority of patients were Native Hawaiian, Asian, Filipino, Marshallese, Hispanic, or other Pacific Islanders.

B. Facilities

West Hawaii Community Health Center (WHCHC) currently has 3 locations at which it provides health care. All are leased spaces. The Waikoloa Health Center will be the fourth. Each location is described below:

- Waikoloa Health Center will be housed in an existing 1600 sq. ft. medical office operated by Dr Stuart Lawrence and located in the Village Market in Waikoloa Village. WHCHC will offer medical and behavioral health services in Waikoloa. There are 4 exams rooms, plus provider offices. Nursing and front desk staff will share space with Dr Lawrences staff. Clinical Labs of Hawaii has a lab drawing station on-site and provides lab services. Space is also available for patient education. Although the office is on the second floor an elevator is available for handicapped accessibility. The facility meets ADA specifications. All patient records are electronic and will be stored off-site.

Longterm the Waikoloa Village Association has set aside 5 acres for a health care facility for WHCHC. Planning and design for this building is underway however the completion date is 3-5 years out. The need for health care is today and the residents have been requesting it for the past 3 years.

- Kailua Kona—Kuakini Center: This is a 9,000 sq. foot leased multi-office facility located in the center of Kailua Kona. WHCHC offers out-patient medical and behavioral health services at this location. There are 12 exam rooms, 5 behavioral health offices, provider and staff offices, lab and drug rooms. All exam rooms are equipped with electronic medical records. The center also houses WHCHC administrative and financial offices. Clinic is on the first floor and is ADA compliant and has been reviewed by ADA. In addition, several exam rooms are equipped with special tables to allow for handicapped access. Handicapped parking space is just outside the Center's door; doors and hallways accommodate wheel chairs. The bathrooms are ADA accessible and equipped.
- Kealahou—Keiki Center: This is a 4,500 sq.ft leased facility. It houses medical, dental and behavioral health services for kids ages 0 to 18. There are 4 dental operatories, 3 exam rooms, plus behavioral health office, medical and dental lab. This facility also meets all standards of care and is ADA compliant.

V. PERSONNEL—PROJECT ORGANIZATION AND STAFFING

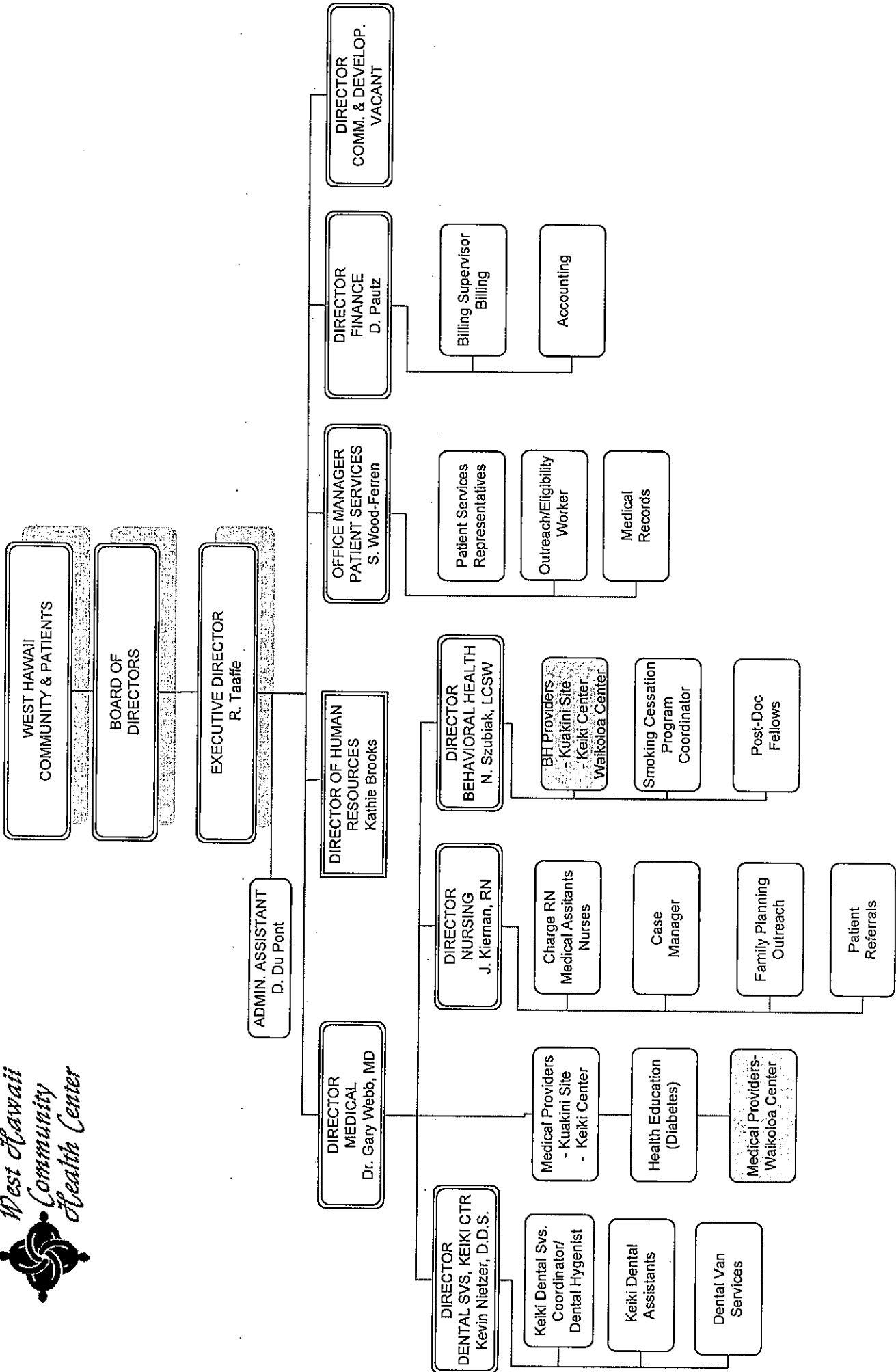
A. Proposed Staffing, Staff Qualifications, Supervision and Training

The Waikoloa Health Center will be staffed initially with a APRN (nurse practitioner), a nurse and a receptionist/ billing specialist. Several months later we expect to add a family practice physician plus another nurse. In addition, a behavioral health specialist, a RN care coordinator, and an outreach work will be assigned part-time at the Waikoloa Health Center. All staff will be fully credentialed and certified.

Supervision of these staff will fall under the established management structure of the organization, with on-site clinical management given to the healthcare provider. WHCHC has bi-weekly all staff meetings and weekly manager meetings. Training is made available to all staff and all new staff are oriented to the organization. Clinical staff also receives two weeks of clinical orientation from the Director of Nursing. In addition, WHCHC management staff (IT, HR, finance, clinical quality, nursing) will provide necessary supervision and on-going training to insure all processes and work flows are standardized through the system. This is currently done at our other sites as well.

B. Organizational Chart


The organization is governed by a Board of Directors, a majority who are users of the clinic's services. The Board has delegated responsibility for day-to-day operations to the Executive Director. The Executive Director and the management team oversee all functions of the organization. See the attached organizational chart on the next page.



80113

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

Applicant: WEST HAWAII COMMUNITY HEALTH CENTER

BUDGET CATEGORIES	Total State Funds Requested (a)	WHCHC Patient Revenues (b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	213,720	245,500		
2. Payroll Taxes & Assessments	22,440	25,778		
3. Fringe Benefits	24,575	28,232		
TOTAL PERSONNEL COST	260,735	299,510		
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	5,000	5,000		
2. Insurance	750	750		
3. Lease/Rental of Equipment	0	0		
4. Lease/Rental of Space	27,000	27,000		
5. Staff Training	3,000	4,500		
6. Supplies--Clinical and Office	16,500	55,100		
7. Telecommunication	22,500	22,500		
8. Utilities	2,100	2,100		
9 Janitorial Services	9,000	9,000		
10 Medical Waste Disposal	1,000	1,000		
11 Audit and Compliance Services	2,500	2,500		
12 Marketing and Outreach	4,500	4,500		
13 Professional Services Contract	18,000	18,000		
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	111,850	151,950		
C. EQUIPMENT PURCHASES	0	26,500		
D. MOTOR VEHICLE PURCHASES	0	0		
E. CAPITAL	0	0		
TOTAL (A+B+C+D+E)	372,585	477,960		
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	372,469	Richard J Taaffe	808-326-3878	
(b) WHCHC Patient Revenue	477,960	Name (Please type or print)	Phone	
(c)			1/30/2012	
(d)			Date	
TOTAL BUDGET	850,429	Richard J Taaffe	Executive Director	
		Name and Title (Please type or print)		

90613

**BUDGET JUSTIFICATION
PERSONNEL - SALARIES AND WAGES**

Applicant: West Hawaii Community 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)
Family Practice Physician	1	\$160,000.00	50.00%	\$ 80,000.00
Nurse Practitioner (APRN)	1	\$90,000.00	50.00%	\$ 45,000.00
RN Clinical Care Coordinator	1	\$62,400.00	20.00%	\$ 12,480.00
Medical Assistant	2	\$70,000.00	50.00%	\$ 35,000.00
Behavioral Health Specialist	1	\$90,000.00	20.00%	\$ 18,000.00
Outreach Specialist	1	\$33,200.00	20.00%	\$ 6,640.00
Administrative Support Patient Services Repr	1	\$33,200.00	50.00%	\$ 16,600.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				\$ 213,720.00

JUSTIFICATION/COMMENTS:

These positions are required to provide health care to the community of Waikoloa and to reach the projected target population.

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BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: West Hawaii Community Health Cente Period: July 1, 2012 to June 30, 2013

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
No Equipment to be purchased with State funds			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	
JUSTIFICATION/COMMENTS:				

11 8113

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
No vehicles to be purchased with State funds			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	
JUSTIFICATION/COMMENTS:				

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: West Hawaii Community Health Ce

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 FY:2012-2013	OF FUNDS REQUESTED FY:2012-2013	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2010-2011	FY: 2011-2012			FY:2013-2014	FY:2014-2015
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENT No Capital Funds are being requested						

12/8/13

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawaii Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:


- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

West Hawaii Community Health Center
(Typed Name of Individual or Organization)

1-30-2012
(Date)
Richard J. Taaffe Executive Director
(Typed Name) (Title)

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