

House District 30

Senate District 14

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

Log No:

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): HEALTH

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Kalihi-Palama Health Center

Dba: N/A

Street Address: 915 North King Street, Honolulu, HI 96817

Mailing Address: Same as Above

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name EMMANUEL KINTU, D. MGT. MBA

Title CEO and 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:

CONSTRUCTION OF A NEW KPHC HEALTH AND HEALING HOME FACILITY

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2014: \$ 3.0 MILLION

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	\$ <u>750,000</u>
FEDERAL	\$ <u>0</u>
COUNTY	\$ <u>0</u>
PRIVATE/OTHER	\$ <u>350,000</u>

PRESENTATIVE:

EMMANUEL KINTU, D. MGT. MBA, CEO & EXECUTIVE DIRECTOR
NAME & TITLE

JANUARY 29, 2013
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, community-based health center, whose mission is to “provide quality, integrated health and social services to our community and all others in need of health care.” Located in the heart of Kalihi-Palama, with a satellite facility in Downtown/Chinatown, KPHC’s service area (Census Tracts 51-60 and the contiguous areas) is home to approximately 63,820 residents, the majority of whom live in poverty, represent multiple ethnicities and languages, and typically face significant barriers when accessing health care. The area has been designated as a Medically Underserved Population (MUP), as well as a Medical, Mental Health, and Dental Health Professional Shortage Area (HPSA) by the Health Resources and Service Administration (HRSA). KPHC is a Federally Qualified Community Health Center (FQHC) and is fully accredited for three years by the Commission on Accreditation of Rehabilitation Facilities (CARF).

KPHC services include:

- Adult Medicine
- Women’s Health
- Pediatric Medicine
- Women, Infants, and Children (WIC) Program
- Immunizations and Flu Shots
- Dental Care
- Optometry
- Behavioral Health
- Nutrition
- Health Education

In addition, KPHC provides services related to health care for the homeless, as well as social services and case management to patients who often experience behavioral health issues and conditions related to poverty and social isolation.

2. The goals and objectives related to the request;

Kalihi-Palama Health Center seeks to locate all services in one facility to deliver comprehensive, integrated primary care services more effectively to the most vulnerable residents of the community. A major goal of the new facility will be to give predominantly low- and moderate-income patients access to all the primary care services under one roof, offering warm hand-offs from one care team member to another, in lieu of providers making internal referrals.

KPHC plans to renovate an existing property located at 710 N. King Street which will yield approximately 10,000 sq. ft. of usable space to house KPHC's Women's Health and Pediatric Services, the WIC program, and an on-site pharmacy. The newly renovated facility will enable KPHC to better serve the needs of the community's women and children, primarily those who are low-and moderate-income. A vast majority of these patients have multiple health issues which contribute to their current economic status. KPHC seeks to address these health issues so that its target population will be in a better position to secure and maintain employment. The renovated facility will enable KPHC to immediately improve internal care coordination for women and children, thus improving the patient's experience as well as compliance with care plans.

Once completed, KPHC will consolidate all operations at one location by constructing an additional 21,000 sq. ft. facility at 710 N. King Street that incorporates the 10,000 sq. ft. property. This new facility will be designed to integrate with, and flow into the renovated facility. In a single, well designed facility, KPHC will be able to use its current resources optimally, thereby improving patient outcomes and provider productivity, particularly for the most vulnerable, low- and moderate-income patients. By removing the inefficiencies related to the fragmentation of services, KPHC will be able to continue meeting its overall mission to existing patients, while ultimately preparing for the anticipated increase in demand for services in the future.

KPHC also seeks to implement a culturally appropriate Patient Centered Health Care Home (PCHCH) at the new facility for all patients who are willing and able to participate. A PCHCH is a quality-driven, interdisciplinary clinician-led team approach to coordinating and delivering care that provides comprehensive and individualized access to physical health, behavioral health, and supportive community and social services. Results from a pilot project coordinating care for patients with the highest total costs indicates that outcomes improve when the PCHCH has a higher utilization of primary care coupled with care coordination.

3. The public purpose and need to be served;

In our 2009 Strategic Plan, KPHC projected serving 18,000 patients by 2014, but was already serving 21,000 patients in 2010, well exceeding the current facilities' capacity. With the implementation of the Affordable Care Act (ACA) in 2014, KPHC

anticipates that a significant portion of residents who currently seek care episodically in hospitals will begin seeking care at Community Health Centers. KPHC is the most sought after provider for services to our target population, and was second only to Catholic Charities in the number of patient referrals by Aloha United Way last year. While working with The Queens Medical Center, Kapiolani Medical Center for Women and Children, the Public Housing Authority, and AlohaCare to improve the transition of care from hospital to primary care for vulnerable populations, KPHC has collected ample data to support estimates that the demand for its services is between 25,000-35,000 patients.

KPHC's operations are currently spread over six locations and yield only 17,833 sq. ft. of usable patient care space due to inefficient design, representing a 1:1.25 ratio of providers to serviceable rooms. The Main Primary Care facility is located at 915 N. King Street, with the Behavioral Health and Health Education housed across the street at 952 N. King Street. Services for Women, Infants and Children, as well as Optometry are in another facility located at 888 N. King Street. Patients and staff must cross busy streets to access multiple services, which is especially cumbersome for KPHC's Health Care for Homeless social workers and case managers whose offices are located 1.5 miles away at Kohou Street. KPHC serves nearly 1,900 homeless patients, substantially more than any federally qualified health center in Hawaii.

New patient appointments vary from three to five weeks, with several providers being double and triple booked, making it difficult for KPHC to accept new patients. While KPHC has developed two facilities and renovated three existing facilities to increase capacity and improve operational efficiency and effectiveness in the last five years, we can no longer serve our current 21,000 patients effectively in our existing facilities, and leasing additional space will increase fragmentation, inefficiencies and cost. Due to current space limitations, KPHC has been unable to expand its programs to meet the growing needs of its target population.

KPHC is the only provider of comprehensive primary and preventive health care services for the target population in our service area. While area hospitals provide ambulatory care to patients, they do not offer enabling services, nor do they have community health workers with language and cultural proficiency to effectively address the needs of our target population. With greater access to comprehensive primary care and effective care coordination through programs and services that will be located at one site, KPHC will be able to minimize hospitalization and inappropriate use of Emergency Departments.

KPHC must consolidate its programs and services in one facility in order to effectively accommodate the anticipated growth in the number of patients served and to further streamline our operations as well as the delivery of care to our patients. This construction project will also serve to generate 75 new jobs to the community.

4. Describe the target population to be served; and

KPHC currently serves 21,000 patients in six locations, but the demand is between 25,000-30,000. KPHC's target population is comprised of patients representing 17 different languages and cultures, with approximately 89% being of Asian, Native Hawaiian, and Pacific Island ethnic descent.

Based on HUD's 2012 income limits for low-and moderate-income families, 68.4% of KPHC's target population earns 80% or less of Honolulu's median family income. Compared to 12.5% of Hawaii residents who live at or below 100% Federal Poverty Levels (FPL), 76% of KPHC patients live at or below 100% FPL, and 86% are at or below 200% FPL. The percentage of Kalihi-Palama residents receiving food stamps is nearly eight times the rate for Honolulu County at 35.9% compared to 4.5%. In 2010, the unemployment rate in KPHC's target population was approximately 8.3%, higher than the state average of 6.4%, as well as the 5.6% average for Honolulu County. In 2010, 43.4% of KPHC's patients were uninsured and 44.6% were covered by Medicaid, compared to Honolulu County's uninsured rate of 3.4% of adults. KPHC serves nearly 1,900 homeless patients, more than any federally qualified health center in Hawaii.

There is a significant number of children in KPHC's target population who are considered low- and moderate-income as evidenced by the number of schools reporting large percentages of students who qualify for 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. The percentage of elementary students on the school lunch program ranges from 74% to 99% in KPHC's targeted community.

The high rates of poverty, unemployment, lack of insurance and low health literacy in KPHC's service area are a few of the significant barriers impacting health care in our target population. Patients report that they did not come for scheduled visits because of lack of funds. Even when KPHC emphasizes that services are provided regardless of the patients' ability to pay, many are hesitant because they are unable to afford specialty care or hospitalization. Often patients' conditions worsen because they cannot afford to fill their prescriptions.

5. Describe the geographic coverage.

KPHC's is located in the heart of Kalihi-Palama, (Census Tracts 51-60 and the contiguous areas), an urban inner-city that includes the highest concentration of densely populated public housing and tax-subsidized low-income rental units in Hawaii. The community is home to eight public housing projects, several homeless shelters, and the largest public high school in the state. This multi-ethnic, multi-language, poor community of Honolulu also has a high percentage of unemployed and uninsured citizens. The 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.

Because of our linguistic and cultural proficiency, KPHC draws patients from throughout Oahu, 60% of which reside outside 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. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

KPHC has negotiated a 30 year lease with St. Elizabeth's Episcopal Church for land located at 710 N. King Street. KPHC plans to renovate an existing property by constructing a second floor to yield approximately 10,000 sq. ft. of usable space. The renovated facility will be designed to flow into, and integrate with the future, 21,000 sq. ft. facility to maximize effective and efficient patient-centered health care delivery in one location.

Grant-in-Aid funds will be used toward renovations and construction to consolidate KPHC's programs and services into one location. Funds may also be used toward the purchase of furniture, fixtures and equipment, as well as other related costs.

As overall Project Manager, CEO and Executive Director Emmanuel Kintu will work with the Project Team to ensure that the project is completed according to time and budgetary constraints.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

KPHC is already moving forward with the planning and engineering phase so that if State Grant-in-Aid funding for the project is approved, the project can immediately move forward and funds can be expended in a timely manner. If funds are approved, phased construction would begin in June 2014.

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

The key measures of effectiveness will be KPHC's demonstrated ability to deliver the project's objectives and major tasks within the prescribed timeframes. These milestones will be built into the performance expectations included in the bid requirements for contractors, with material penalties for missed milestones. KPHC's Facilities Committee of the Board will oversee the design, development,

construction, equipping, and furnishing of the new facility, reporting the project's progress to the full Board each month. This committee will govern CEO and Executive Director Emmanuel Kintu, who will serve as the overall Project Manager with responsibility for completing the project according to time and budgetary constraints along with the Project Team.

4. **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 plans. We will report the progress of the development to the State and to the community on a quarterly basis.

III. Financial Budget

1. **The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.**
2. **The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2014.**

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

3. **The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2014.**

KPHC will apply to other foundations and corporations for grants, as well as solicit donations from individuals in Fiscal Year 2014 to complete funding for this project.

4. **The applicant shall provide a listing of all state and federal tax credits it has 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.**

This does not apply.

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 the past six years, KPHC has developed two facilities and renovated three existing facilities to increase capacity and improve operational efficiency and effectiveness. All of these facilities were completed within budget and on time, and met ADA requirements.

KPHC has effective policies and procedures, as well as sound controls in place to undertake this project. KPHC has appropriately managed 330 federal funds since 1999 and there have been no audit findings or reportable conditions in our A-133 audit. In addition, KPHC's policies and procedures help us to adhere to clear and consistent guidelines to ensure that all financial commitments are appropriate and adequately authorized.

KPHC's Board and management team are well suited for this project. KPHC's CFO is a CPA with audit experience in a major audit firm. KPHC has four Board members with significant finance and accounting experience. President Vernon Nakamura is Regional Sr. VP of First Hawaiian Bank, while Immediate Past President and Treasurer Peter Hanashiro is a partner in an audit firm. Budget and Finance Committee member Richard Keene is CFO of Queen's Hospital, one of the largest hospitals and employers in Hawaii. Finance Committee member David Kostecki is CFO of Hawaiian Electric Industries.

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. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

KPHC's operations are currently spread over six locations and yield only 17,833 sq. ft. of usable patient care space due to inefficient design. The Main Primary Care facility is located at 915 N. King Street, with the Behavioral Health and Health Education housed across the street at 952 N. King Street. Services for Women, Infants and Children, as well as Optometry are in another facility located at 888 N. King Street. The offices for KPHC's Health Care for Homeless social workers and case managers are located 1.5 miles away at Kohou Street.

Over the past six years, KPHC has developed two facilities and renovated three existing facilities to increase capacity and improve operational efficiency and effectiveness. While all of KPHC's current facilities are ADA compliant, the existing space no longer serves our current 21,000 patients effectively, and leasing additional space will increase fragmentation, inefficiencies and cost. Due to current space limitations, KPHC has been unable to expand its programs to meet the growing needs of its target population. KPHC must consolidate its programs and services in one facility in order to effectively accommodate the anticipated growth in the number of patients served, as well as address the unmet needs of its service area.

All renovated and newly constructed facilities will be ADA compliant.

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.

CEO and Executive Director Emmanuel Kintu will serve as the Project Manager, with overall responsibility to work with the Project Team to ensure that the renovations are completed on time and within budget. Dr. Kintu has been with KPHC since April 2006 and holds a Doctor of Management from Webster University and an MBA from St. Louis University. Dr. Kintu completed executive development at Harvard School of Business and the Johnson & Johnson/UCLA Health Care Executive Program, and is a Weinberg Fellow. He is responsible for leadership and direction of all aspects of KPHC. Under Dr. Kintu's leadership, KPHC has increased access from 13,000 to 21,000 patients annually, and has improved overall quality by more than 45%. Dr. Kintu has significant experience with financial management, both in a Fortune 500 company and in the non-profit health care industry, and has 8 years of experience managing 330 federal funding.

In 2008, Dr. Kintu oversaw the design, development, construction and implementation of the KPHC Downtown/Chinatown Family Health Center. It was not only completed on time and exceeded its goals, the facility was also awarded the Johnson & Johnson/UCLA Health Care Executive Program 2009 Community Health Improvement Award. Prior to coming to Hawaii, Dr. Kintu oversaw the development of the People's Health Center North Site facility in St. Louis, MO, as well as the creation of the St. Louis Integrated Health Network (IHN).

Liane Sugimoto is KPHC's Chief Financial Officer and member of the Project Team responsible for managing the project. A CPA who holds Bachelor's Degrees in Finance and Accounting from the University of Hawaii, Liane has responsibility for developing KPHC's annual operational budget, as well as overseeing purchasing, accounting and information technology functions. With experience auditing health care facilities in a major audit firm, Liane brings her knowledge and expertise to the team.

KPHC Chief Operations Officer Darrin Sato is also a member of the Project Team and holds a Master's Degree in Social Work from the University of Hawaii. Darrin assisted with the KPHC Downtown/Chinatown satellite and was essential to community engagement on this project. Darrin is responsible for the day to day operations at KPHC, ensuring the financial viability of the Health Center and its programs.

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.

KPHC's Organizational 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.

This is Not Applicable. KPHC does not have any pending litigation or outstanding judgements.

B. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

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

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Kalihi-Palama Health Center

Period: July 1, 2013 to June 30, 2014

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Not Applicable			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Not Applicable			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Kalihi-Palama Health Center

Period: July 1, 2013 to June 30, 2014

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: 2011-2012	FY: 2012-2013	FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
PLANS	0	0	0	0		
LAND ACQUISITION	0	0	0	0		
DESIGN	0	300000	0	0		
CONSTRUCTION	0	800000	3000000	4900000		
EQUIPMENT	0	0	0	0		
TOTAL:	0	1,100,000	3,000,000	4,900,000		
<p>JUSTIFICATION/COMMENTS: Grant-in-Aid funds will be used toward renovations and construction to consolidate KPHC's programs and services into one location. Funds may also be used toward the purchase of furniture, fixtures, and equipment, as well as other related costs.</p>						

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The 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:
 - a) 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;
 - b) Complies 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;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows 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.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) 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.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants or subsidies 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

(Signature) (for Organization)

(Signature)

January 25, 2013

(Date)

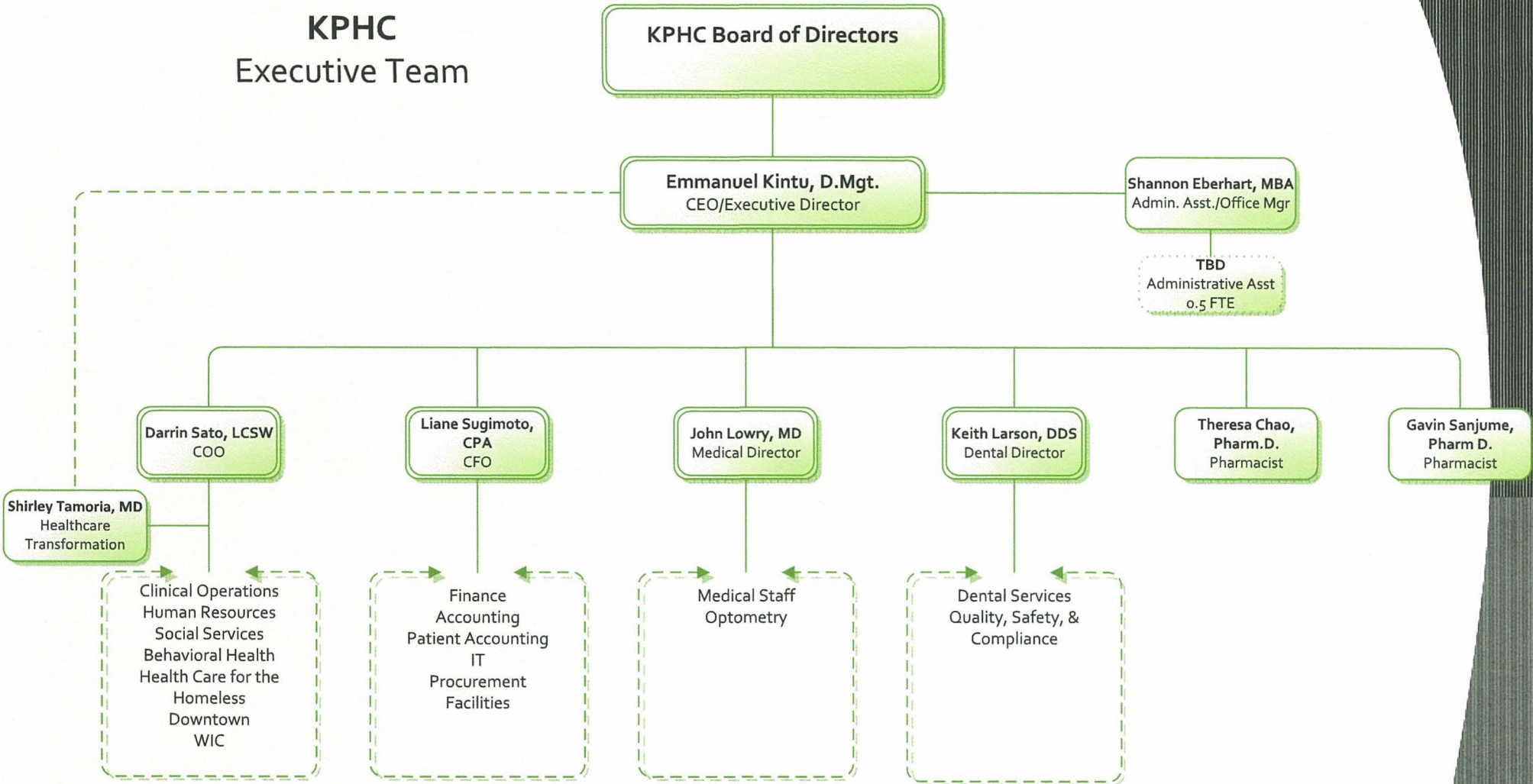
Emmanuel Kintu, D. Mgt. MBA

(Typed Name)

CEO and Executive Director

(Title)

KPHC Executive Team



Kalihi-Palama Health Center

Hale Ho'ola Hou – House of New Life