

House District 20
Senate District 10

**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):

DEPARTMENT OF HEALTH

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Palolo Chinese Home

Db: N/A

Street Address: 2459 10th Avenue

Mailing Address: 2459 10th Avenue, Honolulu, Hawaii 96816

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DARRYL N. ING

Title Chief Executive Officer

Phone # (808) 739-6033

Fax # (808) 735-1754

e-mail darryl.i@palolohome.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:

RENOVATION AND EXPANSION OF VICTORIA WARD HALL

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2014: \$ 1,125,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

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

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

STATE \$ 750,000

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 77,800

TYPE OF REPRESENTATIVE:

DARRYL N. ING, CHIEF EXECUTIVE OFFICER
NAME & TITLE

1/24/13
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;

The **Palolo Chinese Home (PCH)** is a 501 (c) (3) not-for profit organization. Its origins date back to 1896 and it is Hawaii’s largest and second oldest Adult Residential Care Home (ARCH II – Expanded Care). PCH has 111 nursing home and residential care beds; PCH also has a senior day care program for 30 participants and an adult respite care program that provides short-term overnight stays for seniors from the community. Completing a full continuum of care services for seniors, PCH provides hospice care on premises through arrangements with all local hospice providers, including Hospice Hawaii, St. Francis Hospice, and Bristol Hospice.

The PCH Wellness Center provides therapeutic rehabilitation services to PCH residents and senior day care clients under the direction of the of their physicians and provided by qualified professional therapists. And the innovative community-based Hawaii Neighborhood Outreach to the Aged (HiNOA) program provides chore services for seniors in their homes. Through its Meals to Go program PCH prepares and delivers hot meals to seniors in the neighboring Palolo community and recently expanded the delivery area for frozen meal preparation and delivery.

2. The goals and objectives related to the request;

In 2003, PCH embarked on a phased campus redevelopment project to update and modernize its aging facilities and to increase its capacity to provide much needed services to the growing numbers of elderly in Hawaii. PCH has completed Phases I and II of its Master Plan – renovations to an existing nursing home building and the construction of a three-story Skilled Nursing / Food Service Complex and improvements to supporting infrastructure. PCH is currently undertaking Phase III which is the renovation and modernization of Farm Hall (built in 1957) to provide administrative office space in the former kitchen area and to create a meeting and gathering space for residents and their families. Phase III is scheduled to be completed in April 2013.

PCH is now prepared to launch **Phase IV** of its Master Plan in which plans are to build a Progressive Care Complex. The project will include: 1) Renovation of an existing building (Victoria Ward Hall) to convert its use from residential care to expanded rehab services, offices for support services and meeting rooms for staff and families. 2) We also plan to expand this building by constructing a new building addition that will have 69 skilled nursing beds and increase the campus' overall capacity to 130 nursing home and care home beds.

The building will be designed to meet the wants and needs of tomorrow's baby boomer senior citizens. The new one-story building addition will have 18,373 sq. ft. under the roof, providing 38 private and semi-private rooms. Plans also include a large courtyard and adjacent activity area for group dining, activities and events. The design of the outdoors follows the natural terrain and landscape, creating garden spaces for residents and their families to enjoy.

Phase IV also includes landscaping and additional parking spaces for visitors. Project costs are estimated at \$7.5 million. In addition to creating jobs in the construction industry, the completion of Phase IV will create an additional 75

healthcare jobs – including RNs, nursing aides, technicians and positions in food service and building and grounds maintenance.

3. The public purpose and need to be served;

Hawaii has the nation’s longest average life span of 79+ years, but ironically also leads the nation in a shortage of skilled nursing beds, lack of affordable housing for seniors and the highest number of extended families living in the same household due to our high cost of living.

According to the first report of the Hawaii State Long Term Care Commission, “Hawaii is home to the fastest aging population in the U.S.” The report states that rapid growth in Hawaii’s older population will put enormous pressure on families, on existing nursing and adult care facilities and on the state budget. Hawaii has the fewest long-term care beds in the nation: 43.4 beds per 1,000 residents – not even one-half that of the U.S. rate of 88.9 beds per 1,000. Hawaii also reports the fastest growing rate of senior citizens per capita in the nation with our 60+ population growing 2.5 times faster than the national average.

Demand for long-term care beds continues to increase, yet Hawai‘i’s bed rate of 43.4 beds per 1,000 results in an extremely high occupancy rate for nursing homes – 92.8 percent in 2010 compared to the national average of 83.6 percent. PCH’s own experience shows this to be true: within 6-months of completion of PCH's new Weinberg Hall in 2009, this skilled nursing building attained 100% occupancy. PCH continues to wait list people who need skilled nursing care.

Furthermore, the 2011 Overview of Long Term Care in Hawaii report stated that because of the shortage of long term care beds, Hawaii's nursing home occupancy rate is very high (92.8% compared to the national average of 83.6%). As a result, because there are so few beds in the state, nursing homes serve a more severely disabled population than the national average. In Hawaii, the nursing home ADL

Index (a measure of the need for assistance with activities of daily living) is 4.52 compared to the national average of 4.02, making Hawaii's index the highest in the nation.

The addition of new PCH nursing home beds and residences will help to alleviate the State's growing demand for long-term care.

4. Describe the target population to be served; and

The target population is severely disabled adults throughout the State of Hawaii with focus on those within a 4.5-mile radius of PCH -- Nuuanu to Niu Valley. The Hawaii State Department of Health's Behavioral Risk Factor Surveillance System (BRFSS) has tracked health risks and health behaviors since 1986. In 2011 it reported that approximately 18.1% of adults experienced a serious disability that limited their activities or ability to care for themselves. Findings also showed that as people age a higher percentage have a disabling condition: 23.5% in the 55-64 age group and 28.2% in the 65+ age group.

In 2010, PCH commissioned a survey by SMS Research and Marketing Services to conduct a study of the Hawaii market and assess its healthcare needs. Study results indicated that the majority of those surveyed desire modern facilities with privacy both in bedrooms and bathrooms but do not wish to pay a premium fee.

5. Describe the geographic coverage.

PCH serves residents and clients from throughout the State with the majority from the island of Oahu. In addition, as part of the HiNOA program, PCH focuses on serving the elderly in the surrounding communities of Palolo, St. Louis Heights, Wilhelmina Rise, Kaimuki and Kapahulu.

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;

The planning for Phase IV is being conducted by the architectural firm Obayashi Design Group that also worked on Phase I. The 46 year-old Victoria Ward Hall building will be renovated to accommodate a new Wellness Center, offices and meeting rooms for residents' families and staff.

The new one-story building addition will have 18,373 sq. ft. under the roof, providing 38 private and semi-private rooms. Plans also include a large courtyard and adjacent activity area for group dining, activities and events. The design of the outdoors follows the natural terrain and landscape, creating garden spaces for residents and their families to enjoy. Phase IV also includes landscaping and additional parking spaces for visitors. Project costs are estimated at \$7.5 million.

The PCH Building and Grounds Planning Committee is currently comprised of the Board Chair, CEO, COO, board members and the architect. Other members such as the construction manager and general contractor will become part of the team as they are hired. This committee will oversee the project.

Construction planning and preparation will include submitting and obtaining approvals for the architectural designs and building permits. The project will then be put to bid for a general contractor. Construction is expected to take approximately 12 months. A Certificate of Need for the additional skilled nursing beds was received from the State Health Planning and Development Agency on October 25, 2012.

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

	2013												2014												2015						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul					
Planning and Design																															
Permits Obtained																															
Bid Award; Construction																															

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

Annual inspections by the State Office of Healthcare Assurance provide an external review of PCH and its facilities. Inspections ensure compliance with State licensure rules, Medicare and Medicaid regulations, patient and resident safety and State and national fire codes. The PCH Building and Grounds Planning Committee will provide oversight and management of the project.

PCH monitors, evaluates and, if necessary, makes improvements to its services through three methods:

1. Residential Assessment Indicator is a tool used on a regular basis by the clinical staff to measure and monitor residents' care needs.
2. The Quality Assurance Program ensures that each clinical program monitors and measures outcomes of the various services it provides (includes nursing, therapy, dietary, pharmacy services). Program staff assess quality measures, identify areas for improvement, identify improvement measures, implement improvement measures and monitor effectiveness. The Quality Assurance Committee meets monthly to review the reports.
3. Patient Satisfaction Surveys are completed regularly by both the resident and his/her family. Meetings are scheduled periodically to discuss residents' and families' expectations for the care and support services provided by PCH.

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.

Measures of effectiveness to assess achievement and accomplishment facilities improvements are:

- Review and approval of all design and construction plans by the Hawaii State Department of Health
- Review and approval of all design and construction plans by the City Department of Planning and Permit
- Inspection by the City Building Department upon completion of construction

III. Financial

Budget

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

See attached

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
		\$562,500	\$562,500	\$1,125,000

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

Funding Source	Amount Requested
Corporations	\$200,000
Foundations	\$2,800,000
Chinese Societies	\$50,000
Individuals	\$500,000
Government	\$3,125,000

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.

Not applicable

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.

The Palolo Chinese Home has extensive experience in providing nursing home care on its campus and services for individuals who wish to remain in their homes in the community. PCH has provided services at its present site for over 90 years. It will continue to provide and increase its capacities for senior day care, overnight respite and hot meals to seniors in the community and services to elders in their homes through its HiNOA program.

PCH has successfully completed two major building projects (Phases I and II) on its campus: renovation of an existing nursing home building, the construction of a

three-story Skilled Nursing / Food Service Complex and improvements to the supporting infrastructure. PCH is currently undertaking Phase III which is the renovation and modernization of Farm Hall (built in 1957) to provide administrative office space in the former kitchen area and to create a meeting and gathering space for residents and their families. Phase III is scheduled to be completed in April 2013.

In addition, PCH has the expertise through its CEO, Hawaii licensed architects and contractors, and skilled volunteers to oversee and manage complex planning, development and construction projects.

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.

The Palolo Chinese Home is located on 15-acres in Palolo valley – the property is fully-owned by the Home. Its campus presently has four major buildings:

- the recently completed three-story Harry and Jeanette Weinberg Hall that provides rooms for 44 nursing beds and houses the Home's commercial kitchen, the Wellness Center and a meeting / conference and community room and meets ADA requirements
- the two-story Harry Wong Building, which was renovated in 2004, provides rooms for 17 nursing home beds and the 30-participant senior day care program and meets ADA requirements
- the residents' dining room is located in Farm Hall, which was built in 1957 and is currently under renovation and will meet ADA requirements upon completion

- the one-story Victoria Ward building was built in 1967 and houses 50 Adult Residential Care Home residents (this building will be renovated as part of Phase IV as described in this application)

A small two-story house provides offices for the CEO, Business office, and support staff. A house owned by PCH and adjacent to the main campus is leased to Islands Hospice who provides residential hospice care for up to five patients.

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.

Management and administrative staff for the operation of the new facility are presently available at PCH, including a licensed nursing home administrator as required by State rules. PCH also has a full time Director of Nursing. Many PCH professional staff members are teaching faculty at local nursing and nurse aide training programs. Additional staffing of approximately 75 new employees, consisting of RNs, nursing aides, technicians, food service and building and grounds will be hired as PCH prepares to open the new building.

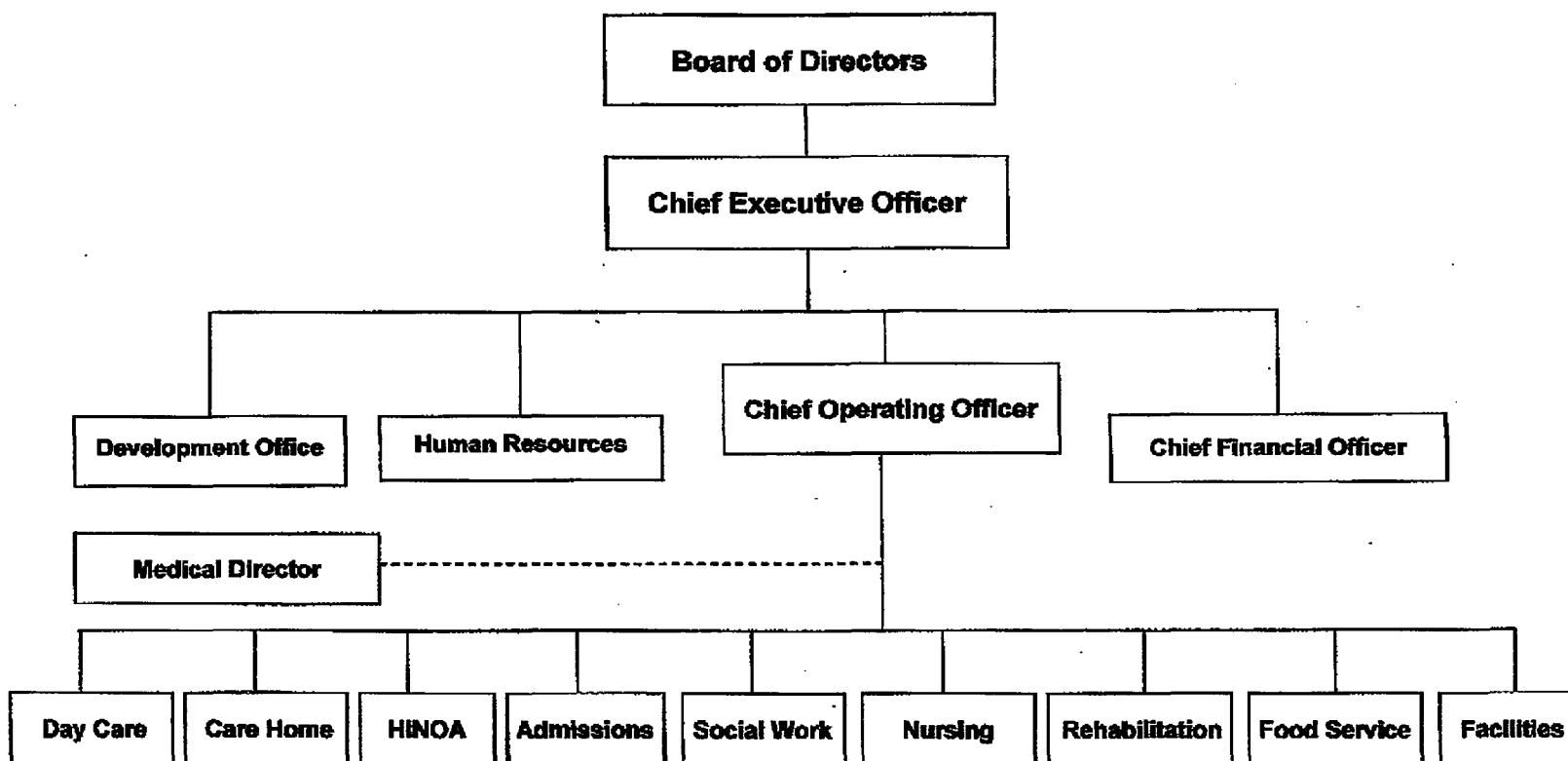
B. Organization Chart

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.

See attached



Palolo Chinese Home
Organizational Chart
2012



July 2012

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

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.

The Palolo Chinese Home is presently licensed with the Hawaii State Department of Health as an Adult Residential Care Home Type II – Expanded Care, ICF/SNF, Adult Day Care and a commercial kitchen.

It has City approved Conditional Use Permits (CUP); variances and minor amendments fulfilling land use requirements. A Certificate of Need for the additional skilled nursing beds was received from the State Health Planning and Development Agency on October 25, 2012.

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2013 to June 30, 2014)

Applicant: Palolo Chinese Home

BUDGET CATEGORIES	Total State Funds Requested (a)	Corporations and Foundations (b)	Individual Donors (c)	Other Donations (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	1,125,000	3,000,000	500,000	2,050,000
TOTAL (A+B+C+D+E)	1,125,000	3,000,000	500,000	2,050,000
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,125,000	Darryl N. Ing		
(b) Corporations & Foundations	3,000,000	808-739-6033		
(c) Individual Donors	500,000	Phone		
(d) Other Donations	2,050,000	1/24/13		
		Date		
TOTAL BUDGET	6,675,000	Darryl N. Ing, Chief Executive Officer		
		Name and Title (Please type or print)		

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: Palolo Chinese Home

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						
LAND ACQUISITION						
DESIGN				750000		
CONSTRUCTION		750000	1125000	4800000	75000	
EQUIPMENT						
TOTAL:		750,000	1,125,000	5,550,000	75,000	0
JUSTIFICATION/COMMENTS:						

**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.

Palolo Chinese Home

(Typed Name of Individual or Organization)



1/24/13

(Date)

Darryl N. Ing

(Typed Name)

Chief Executive Officer

(Title)