

House District 5  
Senate District 3

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):

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

The Bay Clinic, Inc.

Dbas: n/a

Street Address: 224 Halli St., Bldg. B, Hilo HI 96720

Mailing Address: Same as above

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name HAROLD WALLACE

Title Interim Chief Executive Officer

Phone # (808) 961-0499

Fax # (808) 961-5678

e-mail hwallace@bayclinic.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 THE NEW 5,286 SQUARE FOOT KA'Ū FAMILY HEALTH AND DENTAL CENTER FACILITY TO EXPAND ACCESS TO AFFORDABLE AND COMPREHENSIVE PRIMARY, DENTAL, AND BEHAVIORAL HEALTH CARE FOR THE PEOPLE OF THE KA'Ū DISTRICT, HAWAII ISLAND.

4. FEDERAL TAX ID #:

5. STATE TAX ID #:

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2014: 350,000

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 \$ 878,708  
FEDERAL \$ 2,011,535  
COUNTY \$ 0  
PRIVATE/OTHER \$ 151,788

TYPE NAME

HAROLD WALLACE, INTERIM CHIEF EXECUTIVE OFFICER

1/29/2013

NAME & TITLE

DATE SIGNED

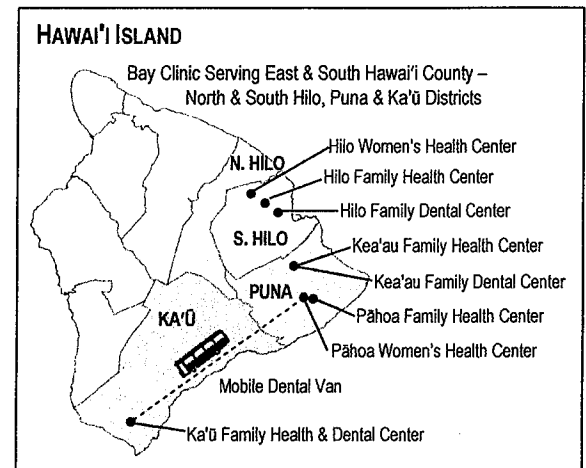
## Application for Grants and Subsidies

*If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. Background and Summary

#### 1. Applicant's Background

Bay Clinic, Inc. (BCI) is a 501(c)(3) non-profit community health center originally founded as a women's clinic in Hilo, Hawai'i in 1983. Since that time, BCI has expanded from a small rural clinic to a network of eight comprehensive community health centers serving the medical, dental and behavioral health care needs of the communities located in East and South Hawai'i Island. BCI provides affordable, quality, and comprehensive health care for all regardless of insurance status or ability to pay living in the Hawai'i County districts of North and South Hilo, Puna, and Ka'u. We proudly serve 18,250 patients with over 73,000 visits per year.



BCI's service region encompasses 51% of Hawai'i Island's total land area and 58% of the island's total population or 106,745<sup>i</sup>, 43% of which live 200% below Federal Poverty Level (FPL). BCI's rural 2,048 square mile service region is a federally designated medically underserved area/population (MUA/P) and Health Professional Shortage Area (HPSA) with providers regularly closing their doors<sup>ii</sup>.

BCI is the largest Federally Qualified Health Center (FQHC) on Hawai'i Island. As the only FQHC serving East and South Hawai'i Island, we have a profound responsibility to the communities located in our service area that is unmatched by any other organization. Our services are offered on a sliding fee scale adjusted according to patients' income level, and no one is turned away because of their inability to pay. As the only safety-net health care provider in our area, it is critical to the health of our entire community that we continue to fulfill our mission: *to provide high quality, patient-centered, comprehensive health care that is accessible, affordable, coordinated, and culturally competent and community directed for all.*

Our target populations are those who experience the greatest barriers to health care access including little or no health insurance, poverty, geographic isolation, lack of transportation, cultural and language differences and/or little understanding of how to access health care.

## 2. The goals and objectives related to the request

Bay Clinic is currently constructing a 5,286 square feet facility in downtown Na'ālehu, Ka'ū District, South Hawai'i Island that will house our Ka'ū Family Health and Dental Center. Once completed, the facility will provide expanded access to primary care. The new facility will also enable BCI to establish a permanent dental center on-site offering regularly scheduled dental care, dedicated spaces for behavioral health, and establish a 340B participating pharmacy. The 340B Drug Pricing Program enables covered entities, such as Bay Clinic, to purchase outpatient drugs at significantly reduced prices. By significantly expanding the spectrum of care provided in-house, BCI will be able to more effectively manage patient care throughout the continuum of their treatment.

The construction of the new Ka'ū Family Health and Dental Care facility will result in enhanced access to comprehensive patient-centered health care in the Ka'ū District; as well as for the people living in the upper Puna and lower Kona regions. The primary result of the expanded access to comprehensive health care will be improved health outcomes of our current patients and expanded access to care for **3,400** additional patients with an expected **8,500** more encounters per year. This will significantly help fulfill a community priority as highlighted in the 2009 County of Hawai'i Ka'ū Community Development Plan.

### Goal 1: Expand Access to Comprehensive Health Care for All

Ensure all people in the Ka'ū District, particularly those who face the greatest barriers to care, have timely access to affordable, quality, and comprehensive health care.

#### *Objectives for Goal 1*

- a) Complete the Ka'ū Family Health and Dental Center Construction Project that will expand access to comprehensive health care and establish a dental center on-site for the residents of the Ka'ū District; the dental center will be the first and only providing regular and affordable dental care for all, and particularly the underserved and low-income, in the Ka'ū region.
- b) Establish an adequate HIT network in the new facility to support Electronic Health Record (EHR) and a web-based interactive patient portal system to sponsor efficient and timely care delivery and patient satisfaction as well as provide for 'other' health care access point options.

### Goal 2: Expand Spectrum of Services in the Region

Plan, establish and fully integrate permanent dental care, behavioral health care, and 340B participating pharmaceutical services in the new Ka'ū facility.

#### *Objectives for Goal 2*

- a) Establish dental and behavioral health care infrastructure, including the procurement of necessary equipment and supplies, in preparation of the opening of the new Ka'ū facility.

- b) Enter into the 340B program with the Health Resources and Services Administration to implement the Provider/In-House Dispensing option, in which the covered entity owns drugs; employs providers licensed in the state to dispense; holds a license for dispensing for the participating providers; and is fiscally responsible for operating and dispensing costs in the Ka’ū facility.
- c) Recruit and train new providers, dentists, social workers, and other clinical and non-clinical staff in preparation for expanded care delivery and additional spectrum of services in the new Ka’ū facility, as well as on the use of EHR.
- d) Expand our Dental Residency Program to include the soon-to-be-operational Ka’ū Family Dental Center.

3. The Public Purpose and Need to be Served

A recently published study, the Chronic Disease Disparities Report 2011: Social Determinants and the 2012 Hawai’i Primary Care Data Book demonstrate that the poorest residents of Hawai’i live in BCI’s service region. The majority of people residing in this region is less likely to be insured, have lower per capita income, and is more likely to be less educated when compared to State and national level data. The data reveals that our target population experiences chronic health conditions at a higher rate compared to the rest of the State’s population.

The Ka’ū region, in particular, experiences some of the worst health indicators and health care disparities compared to all other regions in the entire State. The Ka’ū District has the largest percent of its population (48%) below 200% FPL in the entire State, followed by the Puna district at 47%. Hawai’i Island also has the highest percentage of children living in poverty compared to the rest of the State<sup>iii</sup>.

According to the 2009 State Primary Care Needs Assessment Data Book, Ka’ū had the highest socio-economic risk in the entire State; the Puna District was ranked 3<sup>rd</sup>; and Hilo was ranked 5<sup>th</sup> most at risk<sup>iv</sup>. Within Hawai’i County, the districts of Ka’ū, Puna, and Hilo were ranked 1, 2, and 3 most at risk respectively.

Lastly, access to primary care providers is a critical problem in our service area. Data from the Hawai’i Medical Services Association indicated that there are eight physicians (excluding BCI physicians) accepting new patients in our service area. These eight combined with BCI providers make up about 20 primary care providers accepting new Med-QUEST patients in our service area; a ratio of 1 physician for every 5,300 people. This is a barrier for both Med-QUEST patients and for those

*“The nonprofit community health center (Bay Clinic) serves low-income and uninsured island residents. I assure you that there is more to Bay Clinic than this. I am well insured and am not low-income. But Bay Clinic was my only resource for health care on the East side of the Big Island as there are no physicians who are taking new patients, insured or not, high income or not, at all in East Hawaii. Bay Clinic is it for everyone new to the Big Island, insured or not, poor or not. To paint Bay Clinic as the poor person’s clinic is to hide the ugly side of Big Island health care. Bay Clinic is all we have...” – Hawaii Tribune Herald, 1/2008.*

with private insurance as well. In addition, recent layoffs in local hospitals as well as continued limitations of local private primary care settings reflect Hawai'i County's increasingly desperate health care situation<sup>v</sup>.

#### 4. Target Population to be Served

The extremely isolated and rural Ka'ū District is home to 6,949 widely disbursed residents and the area is a federally designated MUP and a primary care, dental, and mental health HPSA. The Ka'ū region experiences some of the worst health indicators and health care disparities compared to all other regions in our entire State of Hawai'i. This is primarily due to the vast geographic area and distance it takes to travel to Hilo, the hub of medical and dental care on our island.

The Ka'ū area has the third lowest per capita income, the second highest infant mortality rate at 12%, and 45% of pregnant moms have less than adequate prenatal care. The prevalence of diabetes in Ka'ū residents is 9.5%, over 5 percentage points above Healthy People 2010 indicators. 30% of the population has not visited a dentist in the past year and nearly 50% have had permanent teeth removed.

The County of Hawai'i 1998, 2004, 2005, and 2009 Strategic and Community Development Plans for Ka'ū all highlights the community's need for increased access to health care services in Ka'ū. The data collected for the 2009 Plan showed that, of the 3,852 community members surveyed, access to health care was ranked among the top four critical priorities along with economic development, education, and sanitation. The 1998, 2004, and 2005 plans listed access to essential infrastructure and public services such as equitable health and human services to be among the highest priorities.

Medical care services are limited in the region, patients requiring specialized care must commute to either Hilo, the medical hub for East and South Hawai'i, or Kona for care. In addition, behavioral health services in the region are critically restricted and at this time BCI can only provide behavioral health services one day per month. Lastly, BCI is the only entity providing dental care in the region and only through our dental mobile van as there is no space in the current facility to accommodate a permanent dental center.

If we do fully implement this project as planned for the residents of Ka'ū, many will:

- Continue to forego care until their conditions are critical and require emergency care.
- Not receive the necessary dental care they require, including the children in the region where the rate of untreated tooth decay is already high.
- The majority of women will not receive regular cervical and breast cancer screening and pregnant women will not receive prenatal care, particularly in the first trimester.

- Residents in serious need of behavioral health services will not get the level of care they require to cope with their conditions.
- Families will not receive the scope of preventive care services and wellness programs to support healthier and more productive lives.

Should BCI not be able to fully complete, equip, and man the new Ka'ū facility, the provision of health care services to meet the demands of the growing Ka'ū population will continue to be woefully inadequate. Health disparities will continue to widen and health outcomes will continue to worsen.

## 5. Geographic Coverage

Bay Clinic's service area encompasses the East and South Hawai'i County districts of North and South Hilo, Puna, and Ka'ū (please see service area map on page 1); 51% of Hawai'i Island's total land area. The project will positively impact the availability of comprehensive health care services for the people living in the Ka'ū District, Upper Puna District, and Lower South Kona District.

### *Primary Beneficiary: Ka'ū District*

The primary beneficiary will be the residents of the Ka'ū District. The Ka'ū District is the southernmost region on Hawai'i Island and the largest district in the County with an area of 947 square miles. The District alone is larger than any of the other islands in Hawai'i. The district is so large that the islands of O'ahu, Moloka'i, and Kaho'olawe combined can easily fit within the district's boundary. The extremely isolated region is home to 6,949<sup>vi</sup> widely disbursed residents and the area is a designated MUP and a primary care, dental, mental health HPSA.

### *Secondary Beneficiaries: Upper Puna and Lower South Kona Districts*

The Puna District is a rural 500 square mile region bounded by the districts of Hilo and Ka'ū to the north and west respectively. Only two towns, Pāhoa and Kea'au, service this vast and largely agricultural region. Upper Puna is a designated MUP and a dental and mental health HPSA. The District is home to 45,326 residents, of which 56% of families rely on food stamps, the highest in the State; 26% of the residents receive TANF; and the poverty rate of young children and the elderly is second- and third-highest in the State respectively. Moreover, 46% of adults have had permanent teeth removed; 41% of the children have untreated tooth decay; 28% of women receive less than adequate prenatal care; 60% of babies are born to mothers with pre-existing medical conditions; and 16% of adults are without health insurance, second highest in the State. Compared to most other communities in the State, more adults of all ages are living with disabilities, including almost half of the population ages 65 and over<sup>vii</sup>.

The South Kona District comprises of nearly 36 square miles and encompasses several small towns. The region is home to over 11,000 people and the area features

upland ranches and coffee farms. Although unemployment is low, the per capita income in the South Kona area is lower than the State as a whole. The poverty rate for children under the age of 5 is high, and the child abuse rate is double the State average<sup>viii</sup>.

## II. Service Summary and Outcomes

### 1. Scope of Work, Tasks and Responsibilities

The design of the new Ka'ū Family Health and Dental Center focuses on maximizing the 5,286 square feet of space within a patient flow network. To ensure handicap accessibility, all bathrooms will be redesigned to ADA standards and hallways and entry/exit points will be widened and clearly marked. In addition, the project will increase the number of exam rooms from 4 to a combined total of 12 (4 with the current health center and 8 with the new facility.)

The new facility will also have dedicated spaces for dental care, chronic care management and behavioral health, as well as feature improved efficiency of our care delivery through a space utilization design integrating a patient flow network throughout the facility. This will minimize provider movement within and between exam and treatment rooms; control patient flow; and provide patient confidentiality through space arrangement.

These key design features will ensure access to the facility and our services for our disabled patients, increase access to quality, affordable, and comprehensive health care for all, strengthen service process methodologies, and support cost effective operational streamlining activities; thereby resulting in greater patient satisfaction and better health outcomes for the people of Ka'ū.

#### *Tasks and Responsibilities*

Our Board and Project Team are jointly responsible for the implementation of this project. Harold Wallace, BCI Interim Chief Executive Officer (CEO) is the Project Manager for this undertaking. He is responsible for project oversight and ensuring all tasks are completed on time and within budget.

The Chief Finance Officer (CFO) is responsible for purchasing, budget management, and financial reporting. The Health Information Technology (HIT) Director assures completion of all aspects of the information technology infrastructure in the newly constructed facility. The Medical Director and Facilities Manager are jointly responsible for the arrangement and design of the facility layout to maximize space usage for optimal patient flow, patient and staff security and safety, health care delivery, confidentiality, and compliance. The Facilities Manager is also responsible for the maintenance of the facility and general upkeep of all non-clinical equipment.

The Project Team will manage the project through division of tasks according to specialty and responsibility using some of the key strategies that led to the successful outcomes of our past capital projects; namely the renovation of our Hilo Family Health Center in 2008 and the remodeling and opening of our Pahoa Women's Health Center and Hilo Family Dental Center in 2009 and 2012 respectively.

The project is and will continue to be closely monitored and potential problems quickly identified and practical solutions implemented to ensure that the project progresses on-schedule and within budget. The Project Team will work closely with experts on the Board and with those industry mavens with whom we consults in matters of law, compliance, finances, and real estate.

Potential risks associated with construction delays due to unavailability of materials and weather, both considered medium level threats, and other possible barriers have been identified and contingencies incorporated in the construction timetable and project budget.

## 2. Projected Annual Timeline

<b>Name</b>	<b>Duration</b>	<b>Start</b>	<b>Finish</b>
Bids & Contracts			Completed
Review Bids and Award Contract			Completed
Grading & Building Permits			Completed
Site Work			Completed
Foundation	30 days	1/2/2013	2/1/2013
Rough Carpentry	60 days	1/2/2013	3/1/2013
Concrete Slabs	30 days	2/1/2013	3/1/2013
H.V.A.C.	30 days	3/1/2013	4/1/2013
Plumbing Rough-in	30 days	4/1/2013	5/1/2013
Electric Rough-in	30 days	6/1/2013	7/1/2013
Specialty Rough-ins	30 days	7/1/2013	8/1/2013
Roofing	30 days	8/1/2013	9/1/2013
Exterior Finishes	30 days	9/1/2013	10/1/2013
Insulation	30 days	10/1/2013	11/1/2013
Drywall	30 days	11/1/2013	12/1/2013
Floor Finishes	60 days	1/1/2014	3/1/2014
Paint	15 days	3/1/2014	3/15/2014
Interior Trim	5 days	3/15/2014	3/20/2014
Plumbing Trim	5 days	3/20/2014	3/25/2014
Exterior Landscaping	60 days	8/1/2013	11/1/2013
Hardware	15 days	3/1/2014	3/15/2014
Installation of Specialty Equipment	5 days	3/25/2014	4/1/2014
Cleaning	3 days	4/5/2014	4/8/2014
Final Walk-through	0.00d	4/20/2014	4/20/2014
Move-in	0.00d	4/21/2014	4/28/2014
Grand Opening	0.00d	5/5/2014	5/5/2014



### 3. Quality Assurance and Evaluation Plans

As a FQHC, we operate in compliance with all federal laws and regulations governing FQHC's. Within this context, our operations, including procurement practices, are compliant with federal laws and regulations. We are evaluated through standardized data collection procedures of our Electronic Medical Records, Practice Management and Financial Management Systems. This project is and will continue to be monitored and evaluated using these standardized FQHC systems.

NAN, Inc., the firm contracted for this project, commenced with on-site construction of the Ka'ū Family Health and Dental Center in October 2012. To date, the project deliverables are in conformance with the project timeline and we do not expect major delays that have the potential to put the project significantly behind schedule. Please see attached 'Attachment 4' for pictures showing the progress made to date on the project. BCI is dedicated to ensuring the timeline is followed and have taken tangible measures to ensure this.

- We have built in penalties for delays to the construction timeline – wherein our contractor must pay \$500 per day in penalties if they do not meet the agreed upon timeline. The contract with this inclusion was finalized in May 2012.
- In June 2012, we hired a new CEO with previous construction experience, Harold Wallace, who is committed to seeing this project to completion.
- We have contracted the services of RiderLevettBucknal, RLB, in November 2012, to act as our Owner Representative to oversee the progress of the project. RLB ensures that the contractor is on time, and the work is on budget and of good quality.
- The construction team comprising of the Bay Clinic CEO, NAN, Inc. Project Manager, RLB Owner Representative, and Fleming and Associates (Architect) AIA Principal have developed a Master Schedule (above) and meet regularly to ensure compliance to the schedule.

To further support the timely completion of this project, we have initiated the following steps to identify and quickly resolve any issue that may arise to ensure that the project is completed on time.

- In addition to developing the Master Schedule, the Construction Team also created a 'three-week look ahead schedule' for the project that shows real-time deadlines and potential barriers to be addressed. This is an active living document that is updated and reviewed by the team regularly.

- RLB, the Owner Representative, has and will continue to provide Bay Clinic with weekly progress reports on the status of the project and any potential issues that must be addressed for smooth progression.
- Fleming and Associates, AIA Principal, will continue to undertake regularly scheduled site visits and the Construction Team will also continue to meet monthly to ensure project conformance with Master Schedule. Prescheduled meetings for 2013 are as follows:

Architect AIA Principal Site Visit Schedule	Construction Team Meeting Schedule
January 9, 2013	January 23, 2013
February 6, 2013	February 20, 2013
March 6, 2013	March 20, 2013
April 3, 2013	April 17, 2013
May 1, 2013	May 15, 2013
June 5, 2013	June 19, 2013
July 3, 2013	July 17, 2013
August 7, 2013	August 21, 2013
September 4, 2013	September 18, 2013

The project is progressing smoothly and within the accepted timeline. With our built-in safeguards for non-performance, as well as our prescheduled progress review and site inspections, we feel that the project will proceed without major barriers and the quality of the end-product is guaranteed.

4. Measure(s) of Effectiveness that will be Reported to the State Agency (expending)

Measures of effectiveness will be demonstrated through the completion and opening of the Ka’u Family Health and Dental Center with:

- Expanded capacity for primary care by an addition 6 exam rooms;
- Established permanent dental care program on-site;
- A behavioral health program with an on-site social worker present for regular scheduled services; and
- Established 340B participating pharmacy on-site.

In addition to the above, we expect to experience a:

- 33% increase in patients receiving primary medical care by the second year of operation;
- 50% rise in patients receiving behavioral health care by the second year of operations;
- 50% increase in patients receiving dental care by the second year of operations; and

- Improved patient satisfaction with the level of service, range of services, and access to the facility particularly by our disabled patients, thereby improving health outcomes in the region.

### III. Financial

#### Budget

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

PLEASE SEE ATTACHED COMPLETED BUDGET FORMS.

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
\$250,000	\$100,000	\$0	\$0	\$350,000

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

None at this time.

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.

None planned at this time.

### IV. Experience and Capability

#### A. Necessary Skills and Experience

Our Board is comprised of community leaders; of which one-third are highly experienced in facility development for government and community services buildings. This project is Board directed and they will work in close partnership with Harold Wallace, Interim CEO and Project Manager to ensure the successful completion of this construction project.

Our Project Team is spearheaded by Harold Wallace. Mr. Wallace has over seventeen years of health care management and leadership experience, including facilities construction and renovation projects. The Project Team comprises of the

CEO, CFO, HIT Director, Medical Director, Dental Director, and the Facilities Manager.

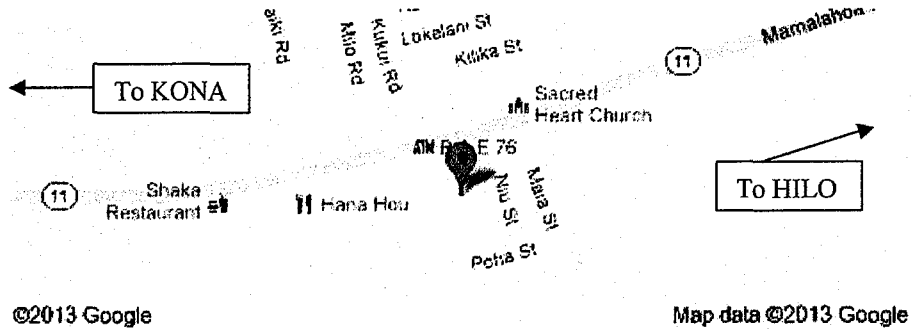
The Project Team members are highly experienced in construction projects and were principals in the successful acquisition, design, project arrangements, and fundraising for our three large capital projects:

- The Hilo Family Health Center in 2008;
- The Pahoia Women’s Health Center in 2009; and
- The Hilo Family Dental Center in 2012.

The team members, collectively, have extensive experience in renovation and construction projects in rural regions as well as the Hawai’i Island environment.

**B. Facilities**

BCI is currently constructing a new 5,286 square foot comprehensive health and dental center in the town of Na’ālehu, Ka’ū



District, Southern region of Hawai’i Island. BCI owns 2 acres of land in downtown Na’ālehu. There is a 3,456 square foot old ‘Plantation’ style home on the property that currently serves as our Ka’ū Family Health Center (KFHC).



*Ka’u Family Health Center  
Current Structure Built in the 1930’s*

However, the facility does not have adequate space to expand to meet the current and future primary, dental, and behavioral health care needs of the region. The current KFHC that serves the 6,950 residents of Ka’ū has only 4 medical exam rooms, limited mental health services (one day per month), and no permanent on-site dental services due to lack of space.

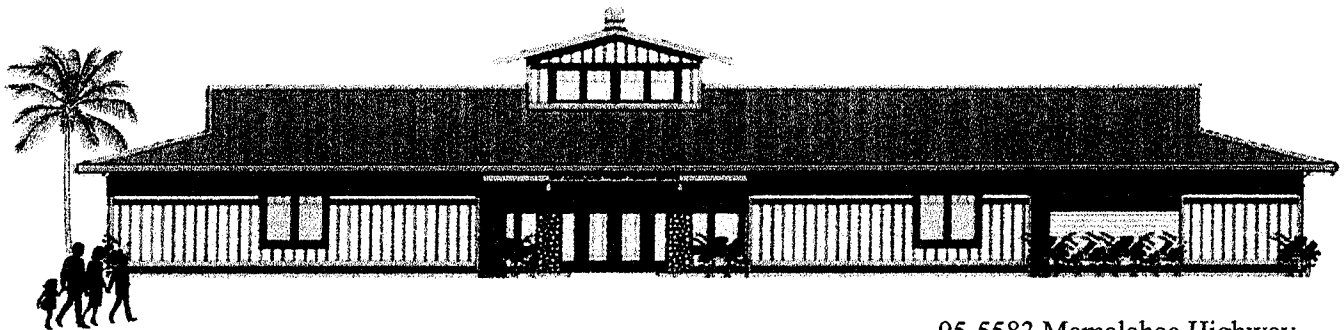
The new facility that will be built adjacent to the existing building and will add 5,286 square feet of clinical space and dental services to the site. The new structure and current building combined will increase the number of exam rooms from four to a total of twelve (4 in the current structure, and 8 in the new facility).

The new structure will have six medical and two dental exam rooms, behavioral health rooms, one lab, two triage rooms, medical records room, Information Technology control room, provider and nursing stations, sterilization rooms, and a

waiting area. The facility will also include a conference room and office space for enabling and care coordination staff.

With the addition of the new building, Bay Clinic will have a total of 8,742 square feet dedicated to providing comprehensive health care to the residents of Ka'ū. Most of the medical and dental care will be diverted to the new facility and the current 3,456 building will be used for behavioral health, some medical services, and all administrative functions. This project will increase access to 3,400 additional patients with an expected 8,500 additional visits per year.

**New Ka'ū Family Health and Dental Center Facility**

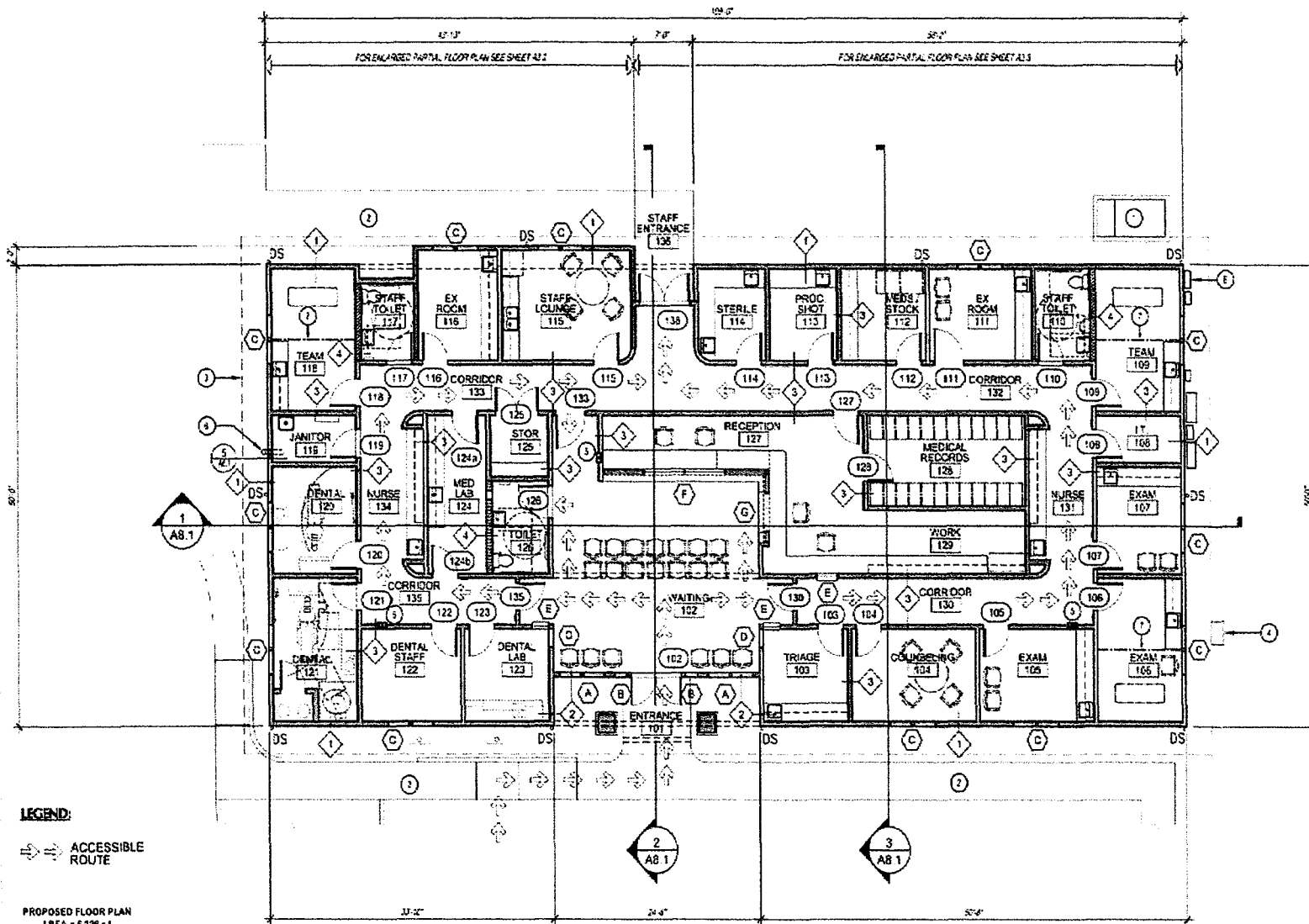


95-5583 Mamalahoa Highway  
Na'ālehu, Hawaii 96772

**Expanded Access to Care**

The new Ka'ū facility will expand access to care by increasing the square footage of clinical space for Bay Clinic to expand current services and to establish dental and behavioral health care on-site.

	<b>Current Structure</b>	<b>New Facility</b>
Medical Exam Room	4	6
Dental Exam Room	0	2
Behavioral Health Room	0	2
Triage Room	0	2
Sterilization Room	0	2
Lab	1	1
Medical Records Room	0	1
Information Technology Control Room	1	1
Provider and Nursing Stations	0	1
Waiting Area	1	1
Conference Room	0	1



**SHEET NOTES:**

- A. SEE ENLARGED FLR PLAN, SHEET A3.2 & A3.3
- B. SEE FIN SCHED, SHEET A4.1
- C. SEE EXT EL, SHEET A5.1
- D. SEE RCP, SHEET A6.1
- E. SEE ROOF PLAN, A7.1
- F. SEE DR SCHED, SHEET A11.1
- G. SEE WDW SCHED, SHEET A12.1

**KEYNOTES:**

- 1. ADD W/ CONC PAD, STD
- 2. CONC WALK, STD
- 3. DASHED LINE OF ROOF OVERHANG
- 4. VALVE BOX, SCD
- 5. FEC, SEE DET 5/116.1
- 6. FIRE SPRINKLER RISER, SFSD
- 7. SURFACE MOUNTED GLIBBLE CURTAIN TRACK, SEE RCP
- 8. ELECTRICAL EQUIPMENT, SED

**LEGEND:**  
 ACCESSIBLE ROUTE

PROPOSED FLOOR PLAN  
 AREA = 5326 sf



**1 FLOOR PLAN**  
 SCALE: 1/8"=1'

0 2 4 8  
 SCALE IN FEET

To ensure handicap accessibility, all bathrooms will be Americans with Disabilities Act standards and hallways and entry/exit points will be widened and clearly marked. In addition, overall productivity will be significantly improved as the redesign integrates a patient-flow network model for greater efficiency in care delivery, which will furnish providers with added time to deliver compassionate care and also lessen patient wait times. The patient-flow model will also reduce risk and enhance safety thus improving patient satisfaction and health outcomes.

With the expansion of the facility, we will be able to add one more ‘Health Care Team’ (HCT) to the site, making it a total of two care teams servicing the Ka’ū region. Each HCT consists of one physician, one mid-level APRN, one nurse, and one care coordinator treating each patient. We take the patients’ cultural traditions, personal preferences and values, family situations and lifestyles into consideration when working with a patient to devise the best treatment options and potential outcomes.

This approach empowers patients to become more active in their health care by putting the responsibility for important aspects of self-care and monitoring into the patients’ hands – along with the tools and support they need. In addition, the new clinic will have one behavioral health specialist, and one dentist and supporting staff. Enabling services, such as smoking cessation, Women, Infant, and Children nutrition programs, and Diabetes Self-Management will be provided at the new site.

## **V. Personnel: Project Organization and Staffing**

### **A. Proposed Staffing, Staff Qualifications, Supervision and Training**

This project is Board directed and managed by our CEO, in collaboration with our Project Team to ensure this project is successfully accomplished. Our Project Team will manage the project through division of tasks according to expertise and responsibility. The team, as a whole, is highly proficient in the implementation of renovation and construction projects in the Hawai’i Island environment. The team comprise of the following individuals:

*Mr. Harold Wallace: Interim Chief Executive Officer and Project Manager:* Mr. Wallace has over seventeen years of experience managing health center establishments and is considered a doyen of the community health center model, particularly serving rural and at-risk regions. During his tenure with other health care organizations, Mr. Wallace has successfully managed six construction related projects.

*Mr. Michael Lukson, Chief Financial Officer:* Mr. Lukson has over ten years of financial management experience in the non-profit sector. Mr. Lukson is well-versed in matters dealing with financial accountability and reporting requirements

for public and private funding, including financial budgeting and monitoring for capital projects.

*Dr. Charles Dundas, Medical Director:* Dr. Dundas has over thirty years of experience in the medical field. He has worked, domestically and abroad, providing medical outreach services to underserved populations. Dr. Dundas also co-founded the East Texas Family Medicine practice, a group practice that is focused on patient-centered comprehensive health care. Dr. Dundas also established a free clinic in an East Texas women's shelter one day per month. He is well-versed and skilled in the design of health centers for improved patient flow and care delivery.

*Dr. Brian Higa, DMD, Dental Director:* Dr. Higa was a key member of our BCI team that planned and implemented the establishment of our Mobile Dental Van and our new Hilo Dental Clinic that opened for operations in January 2012.

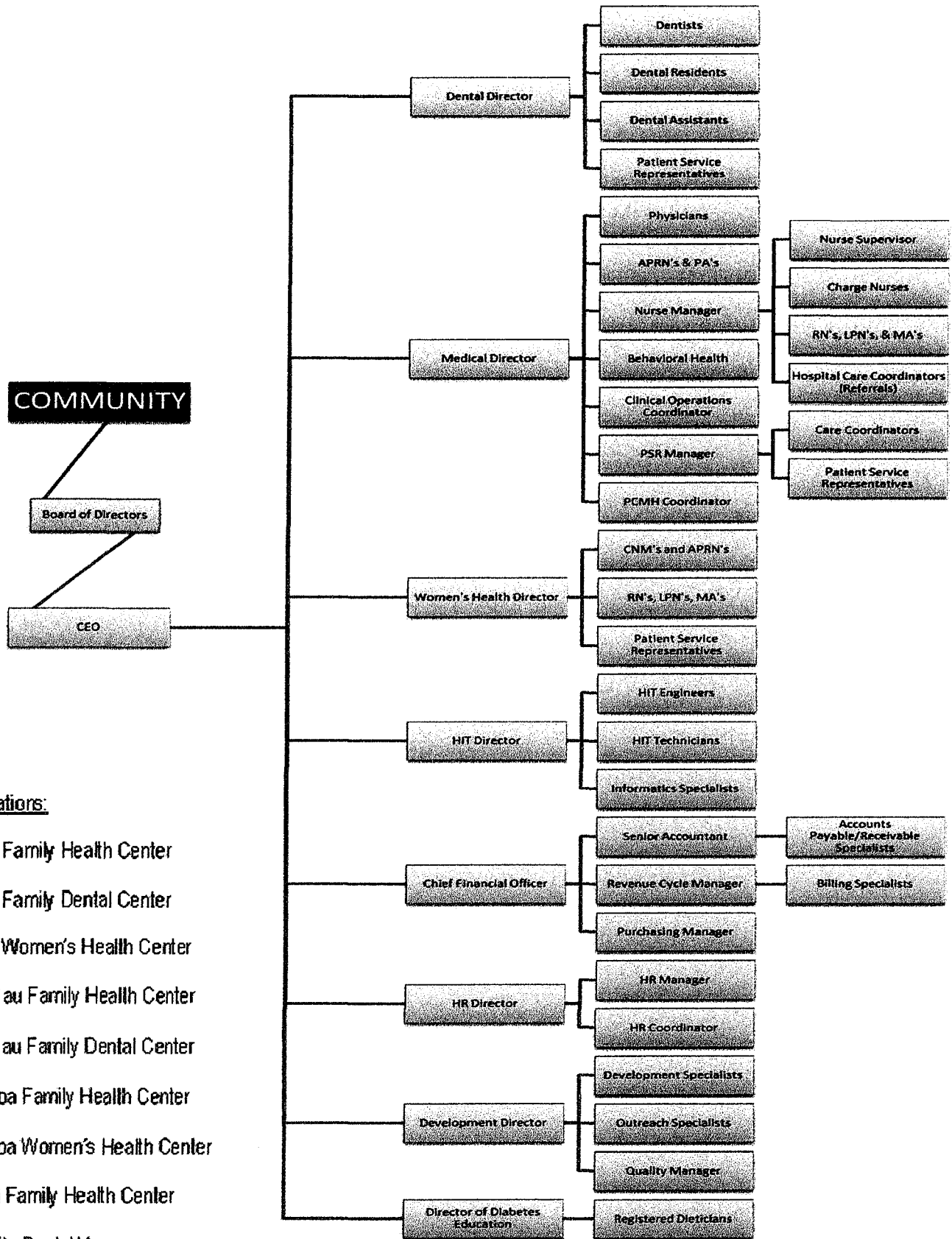
*Mr. Michael Lennolt, Health Information Technologies (HIT) Director:* Mr. Lennolt successfully ensured the implementation of HIT equipment and ensured delivery of HIT services at all of our current community health center sites.

*Mr. Mike Taylor, Facilities Manager:* Mr. Taylor has over 25 years of experience in managing small-, medium-, and large-scale capital construction, renovation, and extension projects in the health services sector. Mr. Taylor was a key member in the redesign of our Hilo Family Health Center and design and construction of our Hilo Family Dental Center.

Our Board and Project Team have put in place the necessary structure to effectively monitor the progress of the project and will rectify difficulties as they may arise. Potential issues will be quickly identified and practical solutions implemented to ensure that the project progresses on-schedule and within budget. The Project Team will work closely with experts on the Board and with those industry mavens with whom we consults in matters of law, compliance, finances, and real estate.



**B. Organization Chart**



Locations:

- Hilo Family Health Center
- Hilo Family Dental Center
- Hilo Women's Health Center
- Kea'au Family Health Center
- Kea'au Family Dental Center
- Pahoa Family Health Center
- Pahoa Women's Health Center
- Ka'u Family Health Center
- Mobile Dental Van

## VI. Other

### A. Litigation

There are three pending litigations to which BCI is a party. All three involve former employees of Bay Clinic who were release from duty.

One Complaint was not served on Bay Clinic within the timeframe required by the court rules; a motion to dismiss has been filed on behalf of the Bay Clinic and that motion is scheduled to be heard on February 1, 2013.

The EEOC is investigating the claims of another.

Bay Clinic has denied all allegations and there are no current outstanding judgments.

### 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.

Not applicable.

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<sup>i</sup> U.S. Census 2010, figures compiled by the County of Hawai'i, Department of Research & Development.

<sup>ii</sup> Fuddy L, Hayes D, Eshima M, and Burke M. *State of Hawai'i Primary Care Needs Assessment Data Book* (2009). Honolulu, HI: Hawai'i State Department of Health.

<sup>iii</sup> Cook, W., Chung, C., Ve'e, T. *Native Hawai'i and Pacific Islander Health Disparities*. Asian and Pacific Islander American Health Forum, August 2010.

<sup>iv</sup> Fuddy L, Hayes D, Eshima M, and Burke M. *State of Hawai'i Primary Care Needs Assessment Data Book* (2009). Honolulu, HI: Hawai'i State Department of Health.

<sup>v</sup> Pacific Business News. Published July 20, 2008. *Financial Pain Worsens for two Big Island Hospitals*. July 20, 2008. [online] <http://pacific.bizjournals.com/pacific/stories/2008/07/21/story13.html>



<sup>vi</sup> Source: U.S. Census Bureau, 2010.

<sup>vii</sup> *Pahoa Area Community Profile*, Center on the Family, College of Tropical Agriculture & Human Resources, University of Hawai'i, Version 1.1, November 2003.

<sup>viii</sup> *South Kona Area Community Profile*, Center on the Family, College of Tropical Agriculture & Human Resources, University of Hawai'i, Version 1.1, November 2003.

**BUDGET REQUEST BY SOURCE OF FUNDS**  
(Period: July 1, 2013 to June 30, 2014)

Applicant:     The Bay Clinic, Inc.    

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>State FY2005 Funds Secured (b)</b>	<b>Federal Funds Secured (c)</b>	<b>Other Funds Secured (d)</b>
<b>A. PERSONNEL COST</b>				
1. Salaries	0	0	0	0
2. Payroll Taxes & Assessments	0	0	0	0
3. Fringe Benefits	0	0	0	0
<b>TOTAL PERSONNEL COST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. OTHER CURRENT EXPENSES</b>	<b>0</b>			
1. Airfare, Inter-Island	0	0	0	0
2. Insurance	0	0	0	0
3. Lease/Rental of Equipment	0	0	0	0
4. Lease/Rental of Space	0	0	0	0
5. Staff Training	0	0	0	0
6. Supplies	0	0	0	0
7. Telecommunication	0	0	0	0
8. Utilities	0	0	0	0
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. EQUIPMENT PURCHASES</b>	<b>0</b>	<b>0</b>	<b>28,000</b>	<b>151,788</b>
<b>D. MOTOR VEHICLE PURCHASES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E. CAPITAL</b>	<b>350,000</b>	<b>878,708</b>	<b>1,983,535</b>	<b>0</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>350,000</b>	<b>878,708</b>	<b>2,011,535</b>	<b>151,788</b>
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	350,000	Yousau Bells  (808) 961-4078		
(b) State FY'05 Funds Secured	878,708			
(c) Fed: HRSA & USDA Secured	2,011,535			
(d) Private Funds Secured	151,788			
<b>TOTAL BUDGET</b>	<b>3,392,031</b>	Harold Wallace, Interim CEO Name and Title (Please type or print)		

## BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: The Bay Clinic, Inc.

Period: July 1, 2013 to June 30, 2014

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
n/a				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				<b>0.00</b>
<b>JUSTIFICATION/COMMENTS:</b>				
The Bay Clinic, Inc. is requesting funds only for the construction of the new 5,286 square foot Ka'u Family Health and Dental Center. No salaries are requested with this grant application.				

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant:     The Bay Clinic, Inc.    

Period: July 1, 2013 to June 30, 2014

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
n/a			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				<b>0</b>

**JUSTIFICATION/COMMENTS:**

This application's grant request in the amount of \$350,000 will be applied directly toward construction costs only. No equipment is requested as part of this application.

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
n/a			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				<b>0</b>

**JUSTIFICATION/COMMENTS:**

No motor vehicle will be purchase as part of the construction project.

## BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: The Bay Clinic, Inc.

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	0	0
LAND ACQUISITION	0	0	0	0	0	0
DESIGN	0	0	0	0	0	0
CONSTRUCTION	0	0	350,000	162,000	0	0
EQUIPMENT	151,788	28,000	0	152,500	0	0
<b>TOTAL:</b>	<b>151,788</b>	<b>28,000</b>	<b>350,000</b>	<b>314,500</b>	<b>0</b>	<b>0</b>

**JUSTIFICATION/COMMENTS:**

The total cost of the project is **\$3,706,110**; of which **\$3,042,031** has been secured as follows: The total cost of construction is **\$3,257,000**. Included in this cost is all plans, design, legal and insurance fees, facility exterior/interior, and landscaping. Of the total needed, \$2,862,243 has been secured as follows: FY2004/5 State of Hawai'i Grant-in-Aid \$878,708 and FY209/10 HRSA Facilities Investment Program \$1,983,535. The outstanding balance to cover all construction related costs is **\$394,757**.

Total cost of equipment for this project is **\$449,110**. This includes all Health Information Technology equipment including the establishment of Electronic Health and Dental Records; computer systems; communication system; medical equipment; dental equipment; and furniture. Of the total \$449,110 required to equip the facility, \$179,788 has been secured: FY11 Atherton Family Foundation \$75,000; FY11 Ka'u Family Fun Fest Community Fundraising Event and private individual and local business donations \$76,788; and FY12 USDA Community Facilities Program \$28,000. The outstanding balance to cover all equipment costs is **\$269,322**.

Total outstanding balance to complete the project is **\$664,079**. We are requesting **\$350,000** from the Hawai'i State Grant-in-Aid to be applied to the remaining balance outstanding needed to complete the construction of the Facility. This critically needed Grant-in-Aid support in combination with the requested support from other sources will total the necessary funds required to complete and outfit the new Ka'u Family Health and Dental Center.

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO  
CHAPTER 42F, HAWAII 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, Hawaii 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, Hawaii 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, Hawaii 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, Hawaii 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.

The Bay Clinic, Inc.



1/29/2013

(Signature)

(Date)

Harold Wallace

Interim CEO

(Typed Name)

(Title)