



HALE MAKUA HEALTH SERVICES

472 Kaulana Street • Kahului, Hawaii 96732
P: 808.877.2761 • F: 808.871.9262
www.halemakua.org

January 17, 2014

Senate Committee on Ways and Means

State Capitol, Rm. 208

Honolulu, HI 96813

Attn: Rod Becker

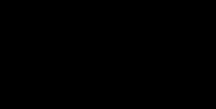
Aloha Rod:

Attached please find a grant-in-aid request from Hale Makua Health Services to replace and aging nurse call system at our Hale Makua, Wailuku nursing home.

If you have any questions, please do not hesitate to contact me at;

Ph: 808 871-9217 (w)
808 385-3267 (cell)
tonyk@halemakua.org.

Sincerely,



Tony Kneg
C.E.O.

House District 8

Senate District 5

**THE TWENTY-SEVENTH LEGISLATURE
APPLICATION FOR GRANTS AND 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:

Dbas: Hale Makua Health Services

Street Address: 472 Kaulana St., Kahului, Hi. 96732

Mailing Address: Same as street address

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name ANTHONY "TONY" KRIEG

Title C.E.O.

Phone # (808) 871-9217

Fax # (808) 871-9262

e-mail tonyk@halemakua.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:

HALE MAKUA WAILUKU – NURSE CALL SYSTEM REPLACEMENT

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2015: \$ 187,000

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 \$ 187,000

FEDERAL \$

COUNTY \$

PRIVATE/OTHER \$

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

ANTHONY J. KRIEG C.E.O.
NAME & TITLE

1/16/14
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;

Hale Makua Health Services (HMHS) was established by the Maui community in 1946 to care for its frail, vulnerable elderly who needed 24-hour care and had no family or resources to provide the care. From its humble beginning over 65 years ago, HMHS has grown from a 24-bed residential home to 378 beds in two facilities (Kahului and Wailuku) with a multitude of services along a continuum of care. Our services and programs now include long-term nursing care (both skilled and intermediate care); inpatient and outpatient rehabilitation programs; Medicare certified home health services; adult day health; respite care; and consultation to the public on elder service options, and financing strategies. We are the largest long-term care provider on the island of Maui. The only other provider is: Kula Hospital, HHSC, with 104 beds. Eighty five percent (85%) of our nursing home residents are Medicaid recipients.

Our mission, “We improve the well-being of those in our care through compassionate personalized health services in our home and yours” reflects the commitment we have to providing the best possible care with competence and compassion to those we cherish as part of our island’s Ohana. We want to be sure that HMHS, in all it does reflects love, honor, and compassion in the times when people need us; that we respond to the needs of our residents (patients) and community; and that all of our residents receive the highest quality of care possible, in an environment that is safe, welcoming and comforting.

The present Wailuku facility was built in increments over a period of many years. Construction was completed in 1968, and the beautiful 124-bed facility features a unique indoor-outdoor design. It provides intermediate nursing care (ICF) and a care home to long-term residents, a short-stay respite program for those needing alternative care for up to three days, and laundry services for both the Wailuku and Kahului long-term care facilities. While aesthetic and programmatic renovations have been made over the years, the facility is in need of structural renovations.

These include a new nurse call system, which is over 20 years old, to continue to meet federal state and life safety regulations.

2. The goals and objectives related to the request;

Goal: To ensure we continue to provide quality nursing and long term care at Hale Makua Wailuku by complying with all applicable regulatory mandates and creating and maintaining an environment that is safe, accessible and comfortable while promoting the highest levels of dignity and independence possible for our residents.

Objectives: By December 2015, install a new nurse call system that meets current federal, state, and life safety requirements.

3. The public purpose and need to be served;

The population aged 75 and over is the fastest growing population on the island of Maui. Hale Makua Health Services two nursing homes admit 85% of the discharges who need SNF care from Maui's only hospital, Maui Memorial Medical Center. All of these admissions are Maui residents and most are Medicaid recipients. A fully functioning nurse call system is a critical component to provide prompt and safe care to nursing home residents. The current system at Hale Makua Wailuku is over 20 years old and sometimes does not function due to corroded wiring and other equipment breakdown. It is also difficult to get parts for the old system.

4. Describe the target population to be served; and

The target population that will be served is the frail elderly who need nursing and care home services, their families and caretakers.

5. Describe the geographic coverage.

Hale Makua Health Services serves the entire island of Maui and accepts residents from anywhere in the state of Hawaii, although most come from Maui or are Maui residents returning from stays in Honolulu hospitals.

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 project to install a new nurse call system at Hale Makua Wailuku will involve:

- A. Developing bid specifications and documents for a new nurse call system
 - B. Publishing requests for bids from qualified contractors and suppliers
 - C. Evaluating and awarding a qualified bid
 - D. Ordering of materials and installation of new system
 - E. Testing of the new systems
 - F. Dismantling the old system after testing of the new is successful
- Financial oversight of the project will be the responsibility of Joyce Tamori, Hale Makua Health Services Chief Financial Officer
 - Oversight of the project installation and coordination with the contractor will be managed by Mark Souza, Director of Engineering, Hale Makua Health Services
 - Overall supervision of the project will be Connie Miller, licensed Administrator of the Hale Makua Wailuku nursing home.

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

July-September 2014

- Receive notification of funding from State of Hawaii
- Prepare bid documents and publish bid notice
- Review bids and award bid to qualified contractors

October-December 2014

- Contractor orders materials and new nurse call system components
- Installation period starts and is completed by December

January-March 2015

- Testing and adjustment of the new nurse call system
- Dismantling of the old system
- Acceptance of the system by Hale Makua Health Services
- Publication of the notice of completion and final report to the State of Hawaii

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

Hale Makua Health Services chief financial officer, director of engineering and Wailuku Administrator will monitor and keep the project on track. Change orders if any, will be carefully scrutinized to keep the project cost increases to a minimum. Hale Makua Health Services' CEO and its board of directors will receive monthly reports on the progress of the installation.

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.**

Hale Makua Health Services will submit quarterly financial and progress reports to the state department assigned to interface with the project . Variances from budget and timeframe will be communicated clearly and timely.

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 2015.**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
	\$93,500		\$93,500	\$187,000

3. **The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2015.**

No additional state or county funds will be sought in FY 1015. Hale Makua Health Services primary sources of revenue are from the Medicare and Medicaid programs. We will have a major luau fundraiser in September, 2014.

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

5. **The applicant shall provide the balance of its unrestricted current assets as of December 31, 2013.**

^^

Current unrestricted assets are \$10.2 million

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.

Tony Krieg, CEO

Tony is a Master's prepared Licensed Nursing Home Administrator who is responsible for managing and overall direction of HMHS, which has an annual budget of over \$23 million. During his 32-year tenure, he has participated in four strategic planning sessions with the organization's Board of Directors, has overseen numerous construction and renovation projects, and led a major Capital Campaign in 1993. He also established and manages a foundation whose sole purpose is to support the non-profit corporation. Tony has been responsible for spearheading the development of various task forces and partnerships to address the shortage of skilled nursing beds on the island of Maui, and is a member and officer of various Boards and healthcare associations throughout the State.

Joyce Tamori, CFO

Joyce has a bachelors degree in Business Administration with a major in accounting and is a certified public accountant. She has been with HMHS since 2003, and has administrative responsibility for all financial activities affecting the organization and its programs. Joyce plans, develops, organizes, implements, evaluates, directs, and coordinates all organizational activities concerned with financial administration, general accounting, resident/client business services and statistical reporting.

Connie Miller, Administrator of Hale Makua Wailuku

Connie has been a licensed nursing home administrator at Hale Makua Wailuku since 2010. Prior to becoming administrator managed a \$15 million program which provided programs and services for clients as an alternative to nursing home placement. She also managed a \$750,000 CIP grant from the State of Hawaii to install a new fire sprinkler system at Hale Makua Wailuku. This project was finished on-time and under budget resulting in a return of excess funds to the state due to the project management efficiencies.

Mark Souza, Director of Maintenance and Engineering

Mark has been with Hale Makua for 20 years supervising six maintenance engineers on two properties and has had extensive experience working with state, county, and private funds for capital expansion and renovation of facilities. He has over 30 years of engineering and maintenance experience and is responsible for oversight and coordination of all day-to-day construction, renovation and capital expansion in all areas of both facilities.

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.

Hale Makua Health Services operates two nursing homes, one in Kahului, Maui with 245 SNF/ICF beds and the other in Wailuku with 90 SNF/ICF beds which includes a 23-bed Adult Residential Care Home (ARCH type II). This proposal is to replace an aging nurse call system at Wailuku for both the nursing home and care home residents. These nursing homes comprise seventy-five percent (75%) of all long term care beds on Maui.

Hale Makua Health Services has successfully managed facility construction and renovation projects with minimal disruption to our residents, programs, and services. Project specifications outline, and preconstruction meetings define, details that allow for project completion within agreed timelines with adequate notification for staff to address any inconveniences.

V. Personnel: Project Organization and Staffing

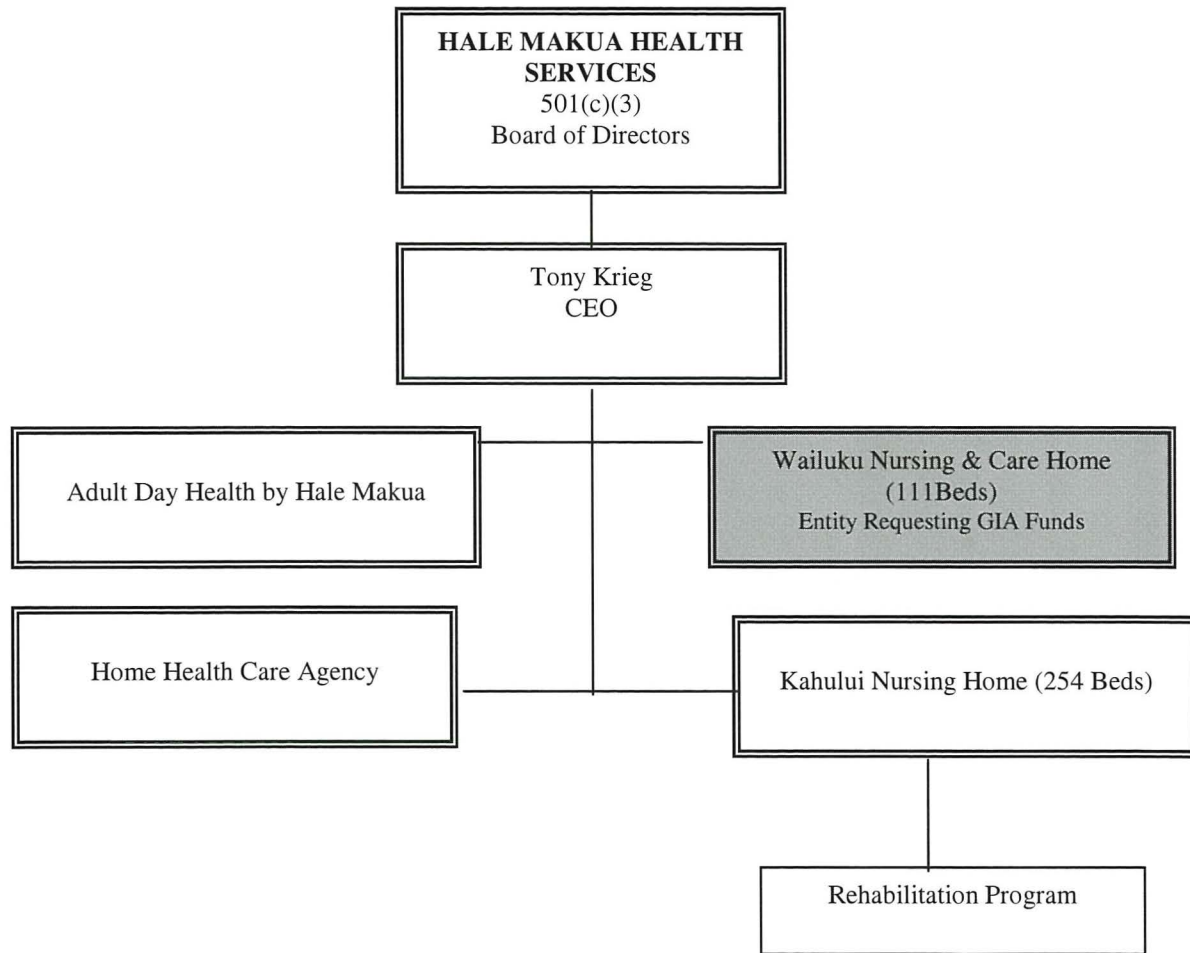
A. Proposed Staffing, Staff Qualifications, Supervision and Training

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.

Not applicable as this is a CIP project

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.



C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

CEO \$206,569
 CFO \$137,500
 CHRO \$107,875

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 no pending litigation or any outstanding judgments against Hale Makua Health Services.

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.

Hale Makua's Wailuku facility is licensed by the State of Hawaii, Department of Health, Hospital and Medical Facilities Branch and is inspected annually under state and federal guidelines.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2014 to June 30, 2015)

App Hale Makua Health Services

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	187,000			
TOTAL (A+B+C+D+E)				
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	187,000	Anthony J. Krieg	808 871-9217	
(b)		Name	Phone	
(c)		[Redacted Signature]	1/16/2014	
(d)			Date	
TOTAL BUDGET	187,000	Anthony J. Krieg, C.E.O. Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Hale Makua Health Services

Period: July 1, 2014 to June 30, 2015

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Not Applicable				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Hale Makua Health Services

Period: July 1, 2014 to June 30, 2015

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Nurse Call System	1.00	\$187,000.00	\$ 187,000.00	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:	1		\$ 187,000.00	

JUSTIFICATION/COMMENTS:
 Total cost includes planning, bid specifications, system purchase, installation, testing and removal of old system.

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

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Hale Makua Health Services

Period: July 1, 2014 to June 30, 2015

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: 2012-2013	FY: 2013-2014	FY:2014-2015	FY:2014-2015	FY:2015-2016	FY:2016-2017
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT			187,000			
TOTAL:	0	0	187,000		0	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.

Hale Makua Health Services
(Typed Name of Individual or Organization)

1/16/14
(Date)

Anthony J. Krieg
(Typed Name)

C.E.O.
(Title)