

House District 13

Senate District 6

**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):

DEPARTMENT OF HEALTH

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: HANA HEALTH

Dba:

Street Address: 4590 HANA HIGHWAY
HANA, HAWAII 96713

Mailing Address: P.O. BOX 807
HANA, HAWAII 96713

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name CHERYL VASCONCELLOS

Title Executive Director

Phone # 808-248-7515, ext. 26

Fax # 808-248-7225

e-mail cvasconcellos@hanahealth.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:

DESIGN AND CONSTRUCTION DOCUMENTS FOR THE EXPANSION OF HANA HEALTH FACILITIES

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2015: \$ 1,107,600

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 \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ _____

CHERYL VASCONCELLOS, EXECUTIVE DIRECTOR
NAME & TITLE

1-20-14
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;

Hana Health is a 501(c)(3) non-profit organization. The purpose of Hana Health is to improve the general health and well-being of the Hana community through the provision of medical care and other social, economic and health related programs. Hana Health is the only health care provider in the Hana district, serving the primary health care and emergent medical needs of residents and visitors alike. Hana has been designated by the federal government as a Medically Under-Served Population, a Primary Care Health Professional Shortage Area, a Dental Health Professional Shortage Area and a Mental Health Professional Shortage Area.

Hana Health is currently providing primary medical care, dental health services and behavioral health care to the people of Hana. Unlike most primary care clinics in the State, Hana Health coordinates activities with American Medical Response and Maui Memorial Medical Center in the provision of urgent/emergency medical services. Hana Health provides assistance in stabilizing patients with life threatening illness or traumatic injury prior to transport to the hospital on the other side of the island. This takes place seven days a week, 24 hours a day as **Hana Health is the only health care provider in the district.**

In fiscal year 2012-2013, Hana Health provided medical care to 1,690 individual patients who made 5,571 visits to the Health Center of which 336 were urgent care visits and 32 were emergency visits (stabilized and transported to tertiary care). In addition, there were more than 1,163 dental visits, 111 ophthalmology visits, 88 acupuncture visits and 96 behavioral health visits. Forty percent (40%) of the patients served were insured through Medicaid, Medicare, or were uninsured and provided with subsidized care. Fifty three percent (53%) of patients served were Native Hawaiian. Thirty three percent of those served were under 19 years of age, and 12% were 65 years of age and older

2. The goals and objectives related to the request;

Goal I. It is the goal of Hana Health to construct facilities that are modern, safe, “green” and designed to meet current and projected health care, ancillary and support service needs.

Objectives.

- A. Complete the site plan, design work and construction documents to include the preparation of detailed working drawings and specifications for health center development.
- B. Obtain a building permit from the County of Maui.

3. The public purpose and need to be served;

Construction of modern health care and support service facilities in the Hana District will improve the health, wellness and safety of the resident population, as well as visitors to the area. Without Hana Health, the only medical center in the District of Hana, the entire resident population of the District, as well as 600,000 visitors per year would be at greatly increased risk for serious, often fatal medical problems and injury resulting in death.

Geographic Need Indicators: Located in Maui County, the rural district of Hana (Census Tract 301) is one of the most isolated areas in the state of Hawaii. Hana town is 57 miles from Wailuku, the County Seat. The trip takes approximately 2.5 hours along a single lane road with 617 turns and 56 bridges. The road winds through tropical rain forests and along steep cliffs. Hana District is made up of small, isolated settlements scattered over 233 square miles. Many of the villages are located a minimum of 45 minutes from the main town of Hana. Limited access to health and social services, as well as education, employment and economic opportunity can largely be attributed to Hana’s isolation and relatively small population base.

Poverty Rate: In the past 12 months, 8.5% of Hana families were living at or below poverty level, compared to 17.73% in 2000. Per capita income has also increased to \$21,731 in 2012, compared to \$12,031 in 1998, but is still the second lowest in the State. (U.S. Census Bureau, American Fact Finder 2008-2012; State of Hawaii Primary Care Needs Assessment Data Book 2012). Hana is the second poorest community in the state, based on per capita income. Almost 83% of the students attending Hana High and Elementary School are Hawaiian, 19.4% are living in poverty, and 74% receive free or reduced cost lunch based on household size and income (Maui County Data Book -2012).

Unemployment: In 2012, the broadest measure of labor underutilization, designated U-6 (which includes the unemployed, workers employed part time for

economic reasons, and those marginally attached to the labor force), was 12.8 percent in Hawaii, down from 15.1 percent in 2011 (Bureau of Labor Statistics). In research conducted on behalf of Hana Health in August 2013 by QMark Research and Polling it was found that approximately 11% of the Hana District population was unemployed and seeking work. An additional 15% of those surveyed were underemployed – working part time, but seeking full time work. When the results are tracked we note a decrease in those looking for work (unemployed & part-time seeking full-time) in 2013 falling from 41% in 2011 to 26% in 2013. However, this is more than double the State rate for labor underutilization.

Health: “Disease incidence and mortality are strongly associated with lifestyle and risk factors. Of all racial groups living in Hawaii, Native Hawaiians are the racial group with the highest proportion of risk factors leading to illness, disability and premature death. “The data depicts Native Hawaiians experiencing high rates of circulatory diseases and malignant neoplasms, particularly digestive and respiratory types, which appear to be strongly associated to risk factors such as smoking, alcohol consumption, obesity, sedentary life, and so on. The data also indicate that large segments of the Native Hawaiian population were recipients of state and federal sponsored health care services, a clear indication that low income is a barrier to full access to health care systems”(Office of Hawaiian Affairs 2006 Data Book).

"Chronic disease, disability, and early death are destructive forces in individual lives and in whole communities. Their toll is high-and they do not strike at random. A large body of evidence indicates that socioeconomic status (SES) is a strong predictor of health. Better health is associated with having more income, more years of education, and a more prestigious job, as well as living in neighborhoods where a higher percentage of residents have higher incomes and more education." (Network on Socioeconomic Status and Health, Macarthur Foundation).

Native Hawaiians living in the Hana District have a high risk health profile resulting in the onset of preventable chronic health conditions and premature death. This is exasperated by high rates of unemployment/underemployment and poverty. In addition, there is limited access to mediating opportunities due to the extreme isolation, small population, limited economic base and rural nature of the Hana District. When asked to identify problems facing their community, in a 2011 needs assessment conducted by QMark Research and Polling for Hana Health, Native Hawaiians identified healthcare related issues (31%) and lack of job opportunities (27%) as the two most serious problems facing Hana.

In “Planning the Future of Community Health Centers in Hawaii” published in October 2010, the Hawaii Primary Care Association points out that currently, each neighbor island suffers from a primary care provider deficit of at least 20%. Further, that recruitment and retention in Hawaii’s rural community health centers

is “extraordinarily challenging” given the environment most of the health centers work in. Hana Health, like other rural health centers in the state, is unable to meet the ancillary needs of both the physician and professional workforce. The lack of adequate schooling for children, unaffordable housing, insufficient spousal employment opportunities, and the need for peer socialization greatly hinder health center recruitment and retention efforts. These underlying community deficits make retention of providers at health centers difficult.

Hana’s isolation and relatively small population base has resulted in limited access to health care, educational opportunity, social services and quality employment. The cost of providing service of any kind to this small, yet vulnerable population is extremely high, often 30% to 50% higher than the main population centers of Maui.

Facility Needs:

- Built in 1965, the current medical center is almost 50 years old.
- Originally designed as a small hospital, the layout and infrastructure is not conducive to the current primary health care setting.
- Current programs have outgrown the 4,000 square foot facility. Five trailers have been leased and placed on the property to help alleviate the space crunch, at an annual cost of \$30,000. These trailers currently provide office and storage space for health center programs.
- A 75 year old, 600 square foot house has been divided into three sections and provides space for the kupuna nutrition program, administrative offices and a staff residence.
- Administrative offices are scattered throughout the campus, complicating communication and the use of shared equipment, i.e. copy and fax machines, mail machines, etc.
- Program expansion is hampered by the lack of facilities. Health and wellness programs are often conducted outside, under a tent. New medical programs/services cannot be initiated due to space limitations, i.e. cardiac rehabilitation, specialty services provided by visiting physicians, physical therapy, hospice/long term care, medically supervised detoxification from illegal substances, etc. The Hana Fresh farm and market operate under tents and is in need of a permanent facility for the washing, packing and refrigeration of Hana Fresh Farm produce.
- The current health center entrance is unsafe (the sale of the neighboring property resulted in the narrowing of Hana Health’s driveway by more than 10 feet) and needs to be re-aligned to the opposite side of the property.
- There is a lack of parking and walk ways forcing staff and patients to walk through the rain and mud to reach trailers, tents and rest room facilities located behind the clinic.
- There is inadequate lighting in the evening and this creates a safety hazard for staff and patients.

- Storage space is non-existent. There is a large shed used to store everything from medical records, to clinic and farm market supplies, There are tents located throughout the property that provide “storage space” for supplies and equipment.

4. Describe the target population to be served; and

Residents of the Hana District make up Hana Health’s primary target population with a special emphasis on meeting the needs of Native Hawaiians.

5. Describe the geographic coverage.

The District of Hana – Census Tract 301.

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;

Prepare a site plan, schematic designs and construction documents to include the preparation of detailed working drawings and specifications for health center development. Secure all permits necessary to initiate construction.

Tasks and Responsibilities:

- A.** Prepare/Publish RFP and select architect - Board of Directors and Executive Director.
- B.** Revise and update existing site plan to reflect current and future operations and space requirements – Architect.
- C.** Prepare schematic designs and preliminary cost estimates - Architect.
- D.** Modify schematic designs as necessary and prepare construction documents – Architect.
- E.** Prepare cost estimate and “value engineer” project as necessary – Architect.
- F.** Prepare Final Cost Estimates – Architect
- G.** Prepare and submit building permit application to County of Maui – Architect
- H.** Modify plans as necessary to secure building permit - Architect

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

See Attached Timeline.

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

Hana Health is committed to providing quality services to all beneficiaries in an organization - wide effort to continuously improve our processes and the delivery of care to the community we serve. Hana Health maintains a Quality Assurance/Performance Improvement System to assure excellence in the quality of care provided. The system is designed to increase accountability, support quality improvement, facilitate and support program decisions, monitor the population's health status, empower patients and families to make informed health care decisions and provide evidence to eliminate wasteful practices. Hana Health's quality assurance program measures, monitors, tracks and improves performance in key aspects of all operations.

The Board of Directors maintains oversight for the Quality Assurance/Performance Improvement Program and will be monitoring progress on this project as well.

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.**

- A. Completion of Construction Documents
- B. Secure a building permit

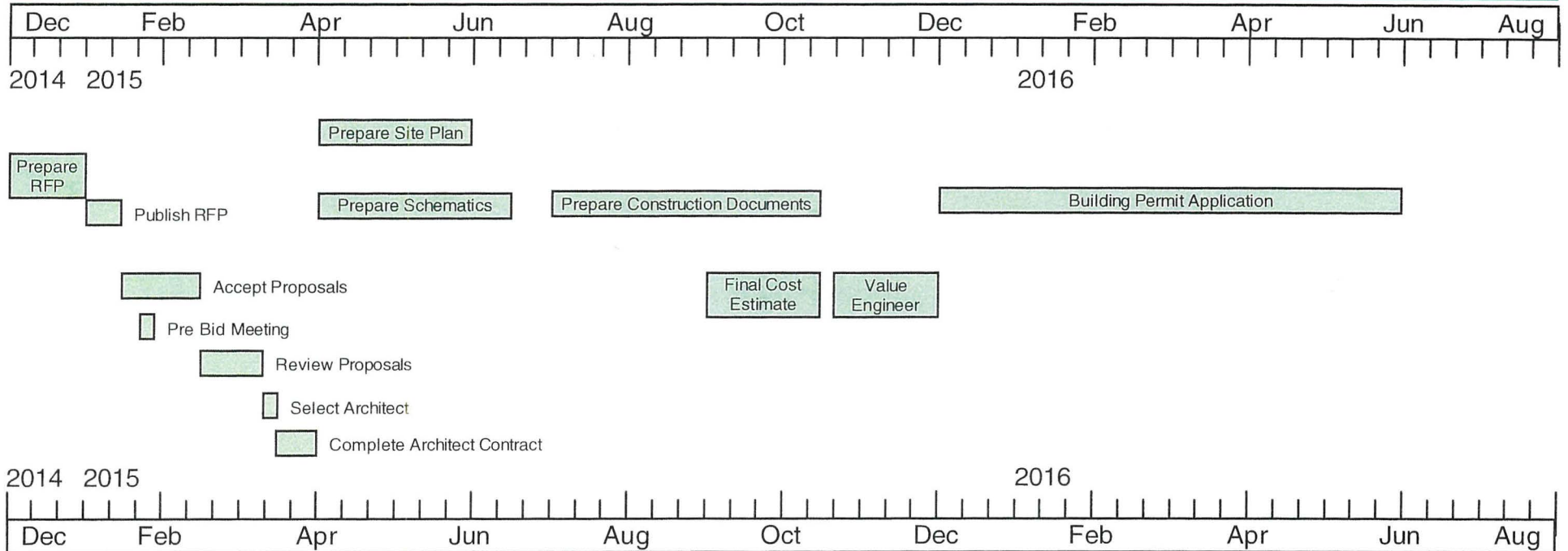
III. Financial

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.**

HANA HEALTH DEVELOPMENT PROJECT

Site Plan, Schematics, Construction Documents and Permit



Created with Timeline Maker Professional. Produced on Jan 18 2014.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
276,900	276,900	276,900	276,900	1,107,600

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

Hana Health intends to apply for other funds for the construction phase of this project including CDBG, USDA Rural Development, EDA and private foundations.

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.**

NA

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

There are no unrestricted current assets as of December 31, 2013.

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.

Hana Health has been providing medical care to the district of Hana since July 1997 and State POS agreements have been awarded to Hana Health for the same period.

Hana Health's Executive Director and Board of Directors has a demonstrated track record in securing and managing public funds for both operations and capital improvement. In addition, Hana Health manages a twelve-acre project site which currently includes the medical center, a residence for ambulance personnel, administrative offices, **a newly constructed Nutrition Center** (a \$2.3 million project) and the Hana Fresh organic farm and market.

For example, Hana Health has received funds for and has managed the following projects over the last three years:

1. Federal Title VI funds for the Senior Lunch Program in the amount of \$85,000.
2. Bureau of Primary Care FQHC 330 funds (federal) in the amount of \$825,000 for operations and \$311,000 for construction of the Nutrition Center.
3. CDBG funds (county) in the amount of \$300,000 for construction of the Nutrition Training Center.
4. HUD funding in the amount of \$500,000 for Nutrition Center equipment.
5. State Purchase of Service for operation of the Hana Health in the amount of \$1,164,000 for operations.
6. State CIP grant (2010 appropriation) in the amount of \$900,000 was released in May 2013 for clinic construction. Numerous problems with the release/use of funding seem to be resolved, and the project is moving forward.

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.

Hana Health operates on a 2.035 acre parcel of property where the current medical center is located, and on an adjoining ten acre parcel. Both parcels are owned by the State of Hawaii and have been leased to Hana Health for 55 years, at \$1 per year. Hana Health facilities range from 50 to 80 years old and are in need of continual repair and maintenance. Limited renovation of the medical facility was completed in 1999 and included measures to meet ADA requirements and replacement of the roof (which is in need of replacement again). The Nutrition Center which was completed in May 2012 is ADA compliant.

Facilities include a 4,000 square foot medical clinic, a para-medics residence, a house that has been divided into three sections, serving as the administrative offices, the Kupuna Meal Program site, and a staff residence. There are 5 modular units that support administrative office and program needs.

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.

Staffing

Position Requirements

Executive Director

A minimum of 10 years experience in similar capacity.

The Executive Director is responsible for project implementation and oversight. She has worked with several architectural and planning firms to address the completion of state and federal environmental assessments, zoning issues, conceptual designs for the health center campus, schematic designs and construction documents for the Hana Health Nutrition Center and the Maui County building permit process. She managed construction of the recently completed Nutrition Center, as well as the permit process for the Telemedicine, Business and Training Center. DLNR would not provide approval for this project, so it had to be tabled, resulting in the termination of a \$500,000 EDA grant. Ms. Vasconcellos is currently managing a \$900,000 state CIP grant which includes the installation of three new septic systems to replace the existing Large Capacity Cesspools located on the property. Ms. Vasconcellos also managed a \$350,000 health center renovation project in 1997, and in her prior position as the Executive Director of Planned Parenthood of Hawaii, she managed ten clinic renovation/construction projects.

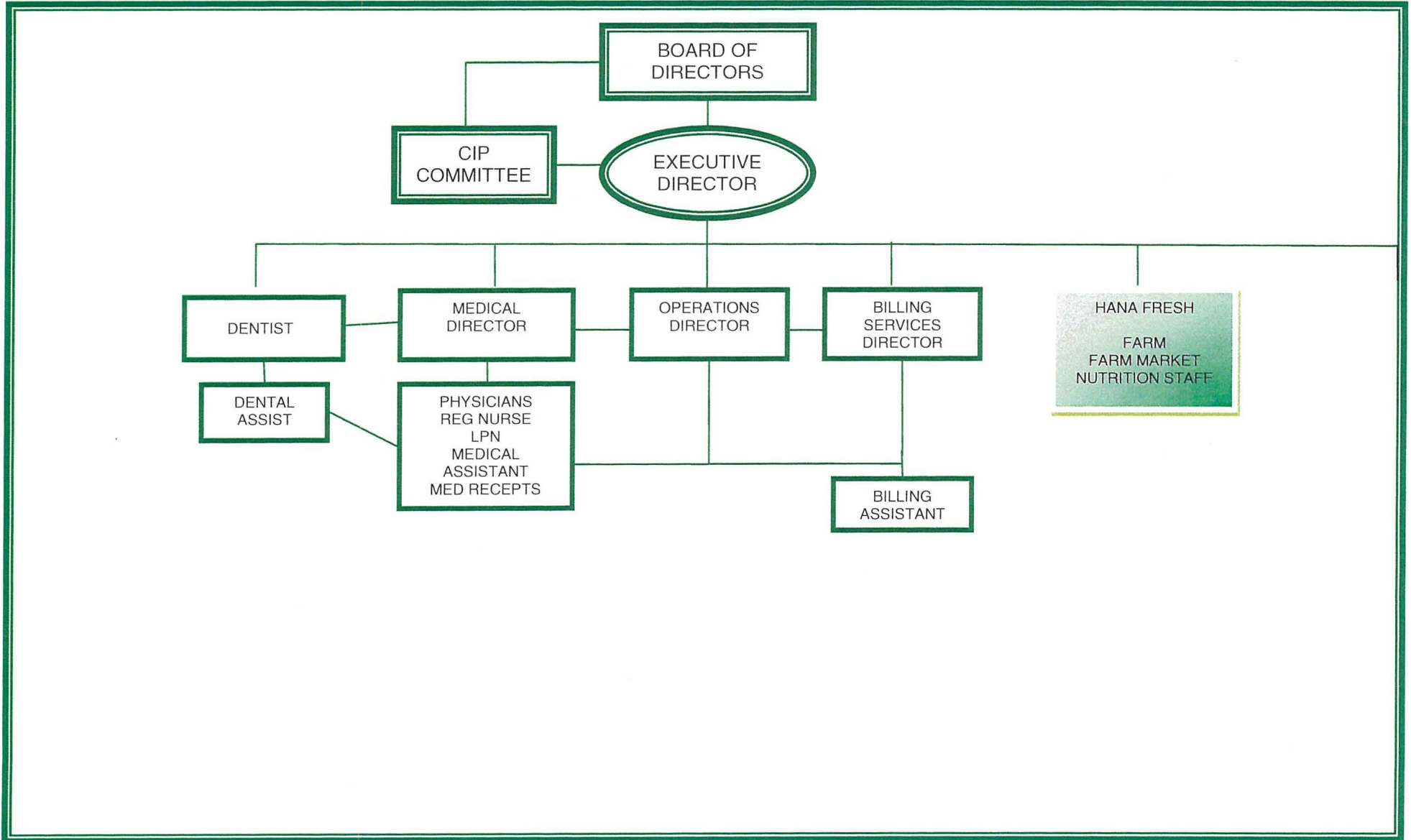
B. Organization Chart

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.



ORGANIZATION CHART
2014



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.

Physician/Medical Director	\$185,000
Physician	\$155,000
Dentist	\$140,000

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.

None.

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.

N.A. All architects/engineers used for this project will be appropriately licensed.

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

Applicant: HANA HEALTH

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	1,107,600			
TOTAL (A+B+C+D+E)				
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,107,600	CHERYL VASCONCELLOS	808-248-7515, EXT 26	
(b)				
(c)				
(d)				
TOTAL BUDGET	1,107,600	CHERYL VASCONCELLOS, EXECUTIVE DIRECTOR Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: HANA HEALTH

NA

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)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

NA

Applicant: HANA HEALTH

Period: July 1, 2014 to June 30, 2015

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

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

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: HANA HEALTH

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			1,107,600			
LAND ACQUISITION						
DESIGN						
CONSTRUCTION					4,000,000	4,000,000
EQUIPMENT						
TOTAL:			1,107,600		4,000,000	4,000,000
JUSTIFICATION/COMMENTS:						
Construction costs for a 12,000 square foot facility is estimated to cost \$11,076,000. Architect/engineering fees are estimated at 10% of project cost.						