

House District 8

Senate District 5

THE TWENTY-NINTH LEGISLATURE  
APPLICATION FOR GRANTS  
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"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.

"Recipient" means any organization or person receiving a grant.

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:  
Hale Makua Health Services

Db/a:

Street Address: 472 Kaulana Street, Kahului, HI 96732

Mailing Address: 472 Kaulana Street, Kahului, HI 96732

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DENISE THAYER

Title Director of Development & Marketing

Phone # (808) 871-9218

Fax # (808) 871-9262

E-mail deniset@halemakua.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

NURSING HOME CAPACITY BUILDING TO ALLEVIATE WAITLISTED PATIENTS FROM MAUI MEMORIAL MEDICAL CENTER.

4. FEDERAL TAX ID #:

5. STATE TAX ID #:

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 2,000,000

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 \$ \_\_\_\_\_  
 FEDERAL \$ \_\_\_\_\_  
 COUNTY \$ \_\_\_\_\_  
 PRIVATE/OTHER \$ \_\_\_\_\_

TYPE OF REPRESENTATIVE:

WESLEY LO, CEO

NAME & TITLE

1/19/17  
DATE SIGNED



RECEIVED

1/20/17 *Wesley*

## Application for Grants

*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. Please 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 70 years ago, Hale Makua has grown from a single 24-bed residential home to two licensed-intermediate and skilled nursing facilities in Central Maui with 344 beds with a multitude of services along a continuum of care. Our services and programs include long-term nursing care; inpatient and outpatient rehabilitation programs; Medicare certified home health services; adult day health; respite care; a 22-bed licensed-adult residential care home; 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 with 104 beds. Around eighty percent (80%) 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 quality care with competence and compassion to Maui's frail elders and disabled individuals of all ages in our nursing and care homes and in the homes of our clients. We want to be sure that Hale Makua Health Services, 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 excellent care, in an environment that is safe and homelike.

2. The goals and objectives related to the request;

Currently, on the Island of Maui there are three institutional healthcare facilities, Maui Memorial Medical Center (MMMC), which is the only acute care hospital, Kula Hospital, a critical access hospital consisting of primarily 99

nursing home beds, and Hale Makua Health Services, which operates among other lines of service, 344 nursing home beds and 22 care home beds.

The major goals of this request are to help alleviate MMMC's waitlist, which will save the State millions of dollars, and increase the census at Hale Makua nursing homes, which has been declining since 2009.

From a census standpoint, MMMC is the only acute care hospital on the island, often exceeding its capacity, resulting in "back-ups" in the emergency room due to the lack of beds and/or inability to transport patients to Honolulu.

Much of the problem with MMMC operating over capacity is related to the high number of patients who are no longer considered "acute" and therefore are no longer in need of acute level services (and are not reimbursed as acute care patients) and are waiting a transfer to long term care facilities. MMMC which with around 200 acute care beds, has approximately 35-40 beds per day taken up by these "wait-list" patients (approximately 20%).

Hale Makua nursing homes have been operating with a census of about 80-85%, with unoccupied beds of over 40 beds per day. This is on top of converting one of its Wailuku facility's nursing home wing to a 22 bed adult residential care home. These care home beds have an occupancy of only 50% or 11 beds filled.

The waitlist issue continues to be a significant problem for the healthcare delivery system as these "sub-acute" patients end up staying in the hospital and often times there are no beds available for acute care patients, which results in acute/emergency room patients being held in the emergency room and/or elective surgical procedures being cancelled to eliminate need for beds. This domino effect results in delayed care of patients by a hospital providing services for the entire island of Maui.

In a study by Hawaii Health Information Corporation, the reasons for waitlisted patients across the State were:

- Lack of sufficiently-staffed beds (to appropriately match waitlisted patient health needs)
- Source of payment for high cost antibiotics
- Source of payment for specialty equipment
- Source of payment for higher skill/mix at long-term care facilities

In addition previous studies done by MMMC collaboration with HMHS reflected that 36% of the waitlist is related to financial issues. This population includes the uninsured, homeless or Medicaid ineligible.

The financial issues that have resulted from this waitlist issue is that the cost per day to the State and the healthcare delivery system of a waitlisted patient is \$1,500 per day. Assuming an average of 35-40 patients per day for the year would equate to an expense of \$19.2 million to \$21.9 million per year.

Meanwhile, the cost of a SNF/ICF patient at Hale Makua (which currently has capacity) is about \$300 to \$500 per day, or for those same 35-40 patients, \$3.8/\$6.4 million (for 35 patients per day) to \$4.4/\$7.3 million (for 40 patients) per year.

Hale Makua is unable to admit these waitlisted patients for the following reasons:

- No payer/funding source
- Acuity is higher than the current clinical capabilities at Hale Makua
- Costs to take care of these patients exceeds insurance reimbursement

The problem will be exacerbated as the MMMC-Kaiser Permanente transition takes place, as Kaiser is bringing more physician capabilities to Maui to allow more Maui residents to stay on island for their acute care needs.

From a financial perspective, without adequate capacity to bring in more profitable services, it will result in continued subsidies to support waitlist patients at the highest cost in a hospital, and will limit more profitable lines to be brought in to allow the reduction in subsidy by the State at a faster pace.

From a clinical perspective, there will be an improvement in the continuum of care by taking care of the community at the appropriate level of care and the addition of Kaiser physicians to support the geriatric/long term care community resulting in the improvement of quality of care and a more efficient and patient-centered delivery system.

3. The public purpose and need to be served;

The purpose of this request is to improve the healthcare delivery system as well as increase the census at Hale Makua nursing homes, while reducing the total amount of subsidy by the State to support the County of Maui's healthcare needs. From a financial standpoint, MMMC is receiving in excess of \$30 million per year in State Subsidy. In addition the new Kaiser Transition, subsidy will continue to be required for the foreseeable future. The Kaiser proposal is structured that subsidy will be required to ensure operations and a 2% operating margin. Accordingly, if Kaiser can improve its operations, the subsidy from the State will reduce.

One of the biggest opportunities that Kaiser has in improving the financial performance of the hospital is the reduction in the wait-list which would provide added capacity for Kaiser to bring in higher margined services.

From a financial perspective, please see the following:

- Estimated Savings to Maui Memorial Medical Center through the elimination of uninsured, underinsured, homeless patients from the wait-list (10 patients)

$\$1,500 \text{ savings per day} \times 10 \text{ patients} \times 365 \text{ days per year} = \$5,475,000$   
per year

- Elimination of wait-list costs on higher acuity patients based on additional physician support from Kaiser (estimated at 5 patients per day)

$\$1,500 \text{ savings per day} \times 5 \text{ patients} \times 365 \text{ days per year} = \$2,737,500$

- Elimination of wait-list costs for patients requiring specialty equipment/disposables not currently being admitted to Hale Makua (estimated at 5 patients per day)

$\$1,500 \text{ savings per day} \times 5 \text{ patients} \times 365 \text{ days per year} = \$2,737,500$

Total Estimated Savings by the State of Hawaii:

$\$5,475,000 + \$2,737,500 + \$2,737,500 = \$10,950,000$

Cost of Subsidy to Hale Makua Health Services = \$2,000,000

4. Describe the target population to be served; and

The program's target population is Maui County residents who are who cannot live safely on their own, primarily elders and disabled individuals, and are on Maui Memorial Medical Center's waitlist for one of the following reasons:

- Individual is uninsured, underinsured or homeless
- Patient is a higher acuity than can be safely cared for at a nursing home
- Patient has a condition that Hale Makua cannot care for due to additional specialty equipment, medications, supplies, etc. needed to care for the individual (i.e. bariatric or respiratory patients)

5. Describe the geographic coverage.

Maui County, primarily the island of Maui.

## 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;

Scope of work for taking 20 individuals from MMMC's waitlist includes receiving \$2 million in funding to provide care and a home for 10 individuals for which HMHS would not be compensated for care, five individuals who are of a higher acuity than Hale Makua's nursing homes are currently able to safely care for, and five individuals who would need specialty equipment at the nursing home in order to receive care. HMHS would first need to negotiate a contract with Kaiser Permanente to provide physician services, which would enable Hale Makua to accept MMMC waitlisted patients of a higher acuity level. At the same time, HMHS would need to order specialty equipment such as bariatric lifts and beds, CPAP machines, etc. to care for the specialized needs of five patients on the MMMC waitlist. Once funding is received, HMHS could begin taking patients from the MMMC waitlist who have no payer source.

Responsible parties:

- Financial and contracting oversight will be the responsibility of Hale Makua Health Services Chief Financial Officer
  - Clinical evaluation of waitlisted patients at Maui Memorial Medical Center will be done by Hale Makua's UR Supervisor
  - Financial evaluation for waitlisted patient's ability to pay for services will be done by Hale Makua's Admissions Director / Financial Counselor
  - Overall supervision of individuals admitted to Hale Makua Kahului will be the Hale Makua Kahului Administrator
  - Overall supervision of individuals admitted to Hale Makua Wailuku will be the Hale Makua Wailuku Administrator
  - Procurement of the specialized equipment would be done by Hale Makua Health Service' Purchasing Manager
2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

July - September 2017

- Receive notification of funding from State of Hawaii

- Release of funding from State of Hawaii
- Purchase necessary specialty equipment and disposables
- Onboarding of Kaiser Permanente physician(s)
- Put policies and procedures into place to begin admitting higher acuity patients and uninsured/underinsured individuals from Maui Memorial Medical Center

October - December 2017

- Begin admitting patients from Maui Memorial Medical Center's waitlist

January - March 2018

- 10 uninsured/underinsured or homeless individuals admitted to Hale Makua from the Hospital's waitlist
- 5 high acuity patients admitted to Hale Makua from the Hospital's waitlist
- 5 patients needing specialty equipment, disposables, etc. admitted to Hale Makua from the Hospital's waitlist

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' plans for evaluating this request first includes closely assessing Maui Memorial Medical Center's waitlisted patients for those who could not previously be admitted because of lack of insurance, are at an acuity level that Hale Makua was not safely able to care for, or who need specialty equipment in order to receive care in a nursing home. Once the individuals who previously could not be admitted to the nursing home are admitted to Hale Makua, a care plan will be put into place and the quality of each individual's care will be closely monitored by an interdisciplinary team. The number of individuals that are admitted to Hale Makua from one of these categories will be closely monitored to ensure that target numbers are met by March 2018.

With regard to the physician component, quality assurance will be measured by compliance with state and federal regulatory requirements for physicians to provide 30, 60 and 90 day routine visits. Visits are tracked by Health Information Management clerks. Hale Makua Health Services' Medical Director ensures that attending physicians are compliant with visits.

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 in timely manner. The measures of effectiveness to the state will be measured by the organizations' ability to achieve the outcomes within the projected timeframe and at the anticipated cost.

### 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 budget forms.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2018.

| Quarter 1      | Quarter 2 | Quarter 3 | Quarter 4 | Total Grant    |
|----------------|-----------|-----------|-----------|----------------|
| \$2,000,000.00 |           |           |           | \$2,000,000.00 |

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2018.

- State Capital GIA for Resident Wandering System: \$175,000
- County CDBG: \$495,000
- HMHS fundraisers: \$225,000
- FTA 5310: \$71,572
- Private foundations: \$70,000

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not applicable as HMHS is a non-profit organization.



5. The applicant shall provide a listing of all federal, state, and county government contracts and grants it has been and will be receiving for program funding.
  - County for Physician Services received in FY16 and FY17: \$200,000
  - State Operations Grant in Aid for Physician Services approved but not yet received in FY17: \$350,000
6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2016.

Financial Statements as of December 31, 2016 have not yet been completed. As of October 31, 2016, HMHS had unrestricted current assets of \$9,870,030.

## **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.

Hale Makua Health Services (HMHS) is well equipped and staffed with over 450 employees to provide healthcare services for the frail elderly and disabled. The organization has been providing care for the elderly in the Maui community for 70 years. HMHS owns and operates two of the three nursing homes on Maui. The only other nursing home on Maui is at Kula Hospital, which is a critical access hospital. HMHS' nursing homes and rehab centers are both located in Central Maui. In addition, HMHS has operated a CHAP accredited home health care agency that provides home-bound individuals with skilled nursing and therapy for over 45 years, a state licensed adult day health center for over 25 years, and most recently opened a state licensed adult residential care home in 2013.

HMHS has been working for the past four years with Maui Memorial Medical Center and Kula Hospital to address the current and future needs of Maui's aging population. In collaborating with Maui's hospitals, the organizations have improved local capacity and coordination of care, allowed the organizations to work collaboratively to tackle other challenges in the current healthcare delivery system, as well as explored of strategies to strengthen the continuum of care from acute to the post-acute settings on Maui, as well as actively manage the waitlist.

For many years HMHS has worked with Maui Economic Opportunity to provide transportation for nursing home residents and Adult Day Health clients. Because of this collaboration long-term care residents are able to go to dialysis appointments three times per week, and Adult Day Health clients receive transportation from their homes to the Adult Day Health Center in Kahului.

In addition, a contract with Hospice Maui has created a collaboration where patients are admitted and attended at Hale Makua nursing homes utilizing Hospice Maui nursing, social work and physician resources to provide end of life care. This partnership provides hospice services for hospice patients who do not have a home and existing Hale Makua nursing home patients who choose hospice.

**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.

Hale Makua Health Services (HMHS) operates two nursing homes, one in Kahului, Maui with 254 SNF/ICF beds and the other in Wailuku with 90 SNF/ICF beds which includes a 22 bed care home (ARCH type II). These nursing homes comprise seventy-five percent (75%) of all long term care beds on Maui.

## 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.

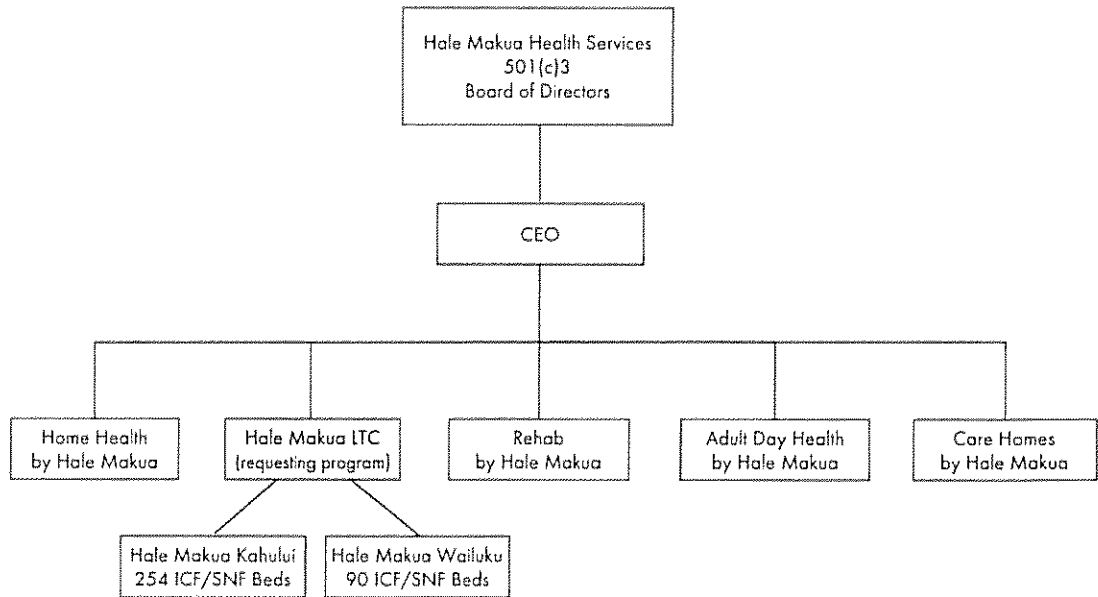
In addition to 70 years of experience running nursing homes on Maui, HMHS has a team of highly qualified staff who will be responsible for increasing the capacity of Hale Makua nursing homes by taking 20 individuals from the Hospital waitlist that cannot currently be admitted.

- HMHS CEO, Wesley Lo, will be responsible for providing oversight for this project. He has over 13 years of experience in the healthcare industry on Maui. Most recently he served as the CEO of Maui Memorial Medical Center, and led the transition of the public hospital to a partnership with Kaiser Permanente.
- HMHS CFO, Joyce Tamori, CPA, will be responsible for managing the financial aspects of the project including contract management, billing and fiscal reporting; and will be responsible for quarterly reports to the State. She has over 17 years of business and finance experience in the healthcare industry.
- Hale Makua Kahului Administrator, Connie Miller will provide oversight for all patients admitted to our Kahului nursing home. She has over 10 years of experience working at HMHS where she has also been the Hale Makua Wailuku Administrator, our Adult Residential Care Home administrator and launched and managed our Program for All-Inclusive Care for the Elderly (PACE). Connie is a state-licensed nursing home administrator.
- Hale Makua Wailuku Acting Administrator, Janinne Grimes, RN, will provide oversight for all patients admitted to Hale Makua Wailuku. She has seven years of experience as a Director of Nursing at a nursing home.
- The Admissions team will be led by Admissions Director and Financial Counselor, Margie Albete. Margie has been with the organization since 1983. She is widely-known on Maui as the go to person for her experience and ability to navigate applying and qualifying for Medicaid.
- Once admitted to a Hale Makua Nursing home, an interdisciplinary team comprised of nursing staff (Registered Nurse, Licensed Practical Nurse, and Certified Nursing Assistants), dietary staff including a Registered Dietitian, Activities staff, and social services under the oversight of a Licensed Social Worker.

- The physician who will be hired by Kaiser Permanente must be licensed to practice medicine in the State of Hawaii, hold a current, or be eligible for, board certification in area of specialty, be certified to participate in Medicare and Medicaid and hold all other licenses, permits, and/or approvals that are necessary to physician's practice of medicine. In addition, the physician must continuously qualify for and hold, on an unrestricted basis, those clinical privileges which are necessary to provide professional services, including good standing on the medical staff of Maui Memorial Medical Center, and be a member in good standing on the Medical Staff of HMHS. At least two years' experience working with the older/geriatric population is preferred, and previous nursing home or Veterans' Home experience is desirable.

**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 organization 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 \$230,000

CFO \$139,219  
CHRO \$109,223

## **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.

To the best of our knowledge, there is no pending litigation to which Hale Makua Health Services is a party, including any outstanding judgements.

### **B. Licensure or Accreditation**

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

Both of Hale Makua Health Services' nursing homes in Kahului and Wailuku are federally and state licensed, and surveyed for licensure and compliance with federal and state long-term care facility regulations annually.

### **C. Private Educational Institutions**

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

Not applicable.

### **D. Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2017-18 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2017-18, but
- (2) Not received by the applicant thereafter.

If funding to help increase capacity at Hale Makua and decrease the waitlist at Maui Memorial Medical Center is received in fiscal year 2017 -18, but not in future years, Hale Makua will only be able to care for those additional patients during the year in which funding is received. As noted above in the “public purpose and need to be served” section, this capacity building funding is to accommodate patients that are currently residing at the Hospital. Without these additional funds, Hale Makua would not be able to accept and care for these individuals.

**E. Certificate of Good Standing (If the Applicant is an Organization)**

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2016.

Please see attached for our DCCA Certificate of Good Standing dated January 12, 2017.

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Applicant: Hale Makua Health Services

| BUDGET CATEGORIES                       | Total State Funds Requested<br>(a) | Total Federal Funds Requested<br>(b)  | Total County Funds Requested<br>(c) | Total Private/Other Funds Requested<br>(d) |
|---|------------------------------------|---------------------------------------|-------------------------------------|--|
| <b>A. PERSONNEL COST</b>                |                                    |                                       |                                     |  |
| 1. Salaries                             |                                    |                                       |                                     |  |
| 2. Payroll Taxes & Assessments          |                                    |                                       |                                     |  |
| 3. Fringe Benefits                      |                                    |                                       |                                     |  |
| <b>TOTAL PERSONNEL COST</b>             |                                    |                                       |                                     |  |
| <b>B. OTHER CURRENT EXPENSES</b>        |                                    |                                       |                                     |  |
| 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. Contract Labor                       | 500,000                            | 0                                     | 0                                   | 0  |
| 10. Uncompensated Care                  | 1,000,000                          | 0                                     | 0                                   | 0  |
| 11                                      |                                    |                                       |                                     |  |
| 12                                      |                                    |                                       |                                     |  |
| 13                                      |                                    |                                       |                                     |  |
| 14                                      |                                    |                                       |                                     |  |
| 15                                      |                                    |                                       |                                     |  |
| 16                                      |                                    |                                       |                                     |  |
| 17                                      |                                    |                                       |                                     |  |
| 18                                      |                                    |                                       |                                     |  |
| 19                                      |                                    |                                       |                                     |  |
| 20                                      |                                    |                                       |                                     |  |
| <b>TOTAL OTHER CURRENT EXPENSES</b>     | <b>1,500,000</b>                   |                                       |                                     |  |
| <b>C. EQUIPMENT PURCHASES</b>           | <b>500,000</b>                     | <b>0</b>                              | <b>0</b>                            | <b>0</b>                                   |
| <b>D. MOTOR VEHICLE PURCHASES</b>       |                                    |                                       |                                     |  |
| <b>E. CAPITAL</b>                       |                                    |                                       |                                     |  |
| <b>TOTAL (A+B+C+D+E)</b>                | <b>2,000,000</b>                   |                                       |                                     |  |
| <b>SOURCES OF FUNDING</b>               |                                    | Budget Prepared By:                   |                                     |  |
| (a) Total State Funds Requested         | 2,000,000                          | Joyce Tapanori                        | (808) 873-6620                      |  |
| (b) Total Federal Funds Requested       |                                    | Name (Please type or print)           | Phone                               |  |
| (c) Total County Funds Requested        |                                    |                                       |                                     | 1/19/17                                    |
| (d) Total Private/Other Funds Requested |                                    | Official                              | Date                                |  |
| <b>TOTAL BUDGET</b>                     | <b>2,000,000</b>                   | Wesley Lo, CEO                        |                                     |  |
|   |                                    | Name and Title (Please type or print) |                                     |  |

## BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2017 to June 30, 2018

Applicant: Hale Makua Health Services

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



## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2017 to June 30, 2018

Applicant: Hale Makua Health Services

| DESCRIPTION<br>EQUIPMENT    | NO. OF<br>ITEMS | COST PER<br>ITEM | TOTAL<br>COST | TOTAL<br>BUDGETED |
|-----------------------------|-----------------|------------------|---------------|-------------------|
| Specialty medical equipment |                 |                  | \$ 500,000.00 |                   |
|                             |                 |                  | \$ -          |                   |
|                             |                 |                  | \$ -          |                   |
|                             |                 |                  | \$ -          |                   |
|                             |                 |                  | \$ -          |                   |
| TOTAL:                      |                 |                  | \$ 500,000.00 |                   |
| JUSTIFICATION/COMMENTS:     |                 |                  |               |                   |

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

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2017 to June 30, 2018

Applicant: Hale Makua Health Services

| 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: 2015-2016                                | FY: 2016-2017 | FY:2017-2018          | FY:2017-2018       | FY:2018-2019                         | FY:2019-2020 |
| PLANS                    not applicable  |  |               |                       |                    |                                      |              |
| LAND ACQUISITION    not applicable       |  |               |                       |                    |                                      |              |
| DESIGN                    not applicable |  |               |                       |                    |                                      |              |
| CONSTRUCTION        not applicable       |  |               |                       |                    |                                      |              |
| EQUIPMENT            not applicable      |  |               |                       |                    |                                      |              |
| TOTAL:                                   |  |               |                       |                    |                                      |              |
| JUSTIFICATION/COMMENTS:                  |  |               |                       |                    |                                      |              |

**GOVERNMENT CONTRACTS AND / OR GRANTS**

Applicant: Hale Makua Health Services

Contracts Total: -

|    | <b>CONTRACT DESCRIPTION</b> | <b>EFFECTIVE DATES</b> | <b>AGENCY</b> | <b>GOVERNMENT ENTITY<br/>(U.S. / State / Haw / Hon / Kau / Mau)</b> | <b>CONTRACT VALUE</b> |
|----|-----------------------------|------------------------|---------------|---|-----------------------|
| 1  | Not applicable              |                        |               |   |                       |
| 2  |                             |                        |               |   |                       |
| 3  |                             |                        |               |   |                       |
| 4  |                             |                        |               |   |                       |
| 5  |                             |                        |               |   |                       |
| 6  |                             |                        |               |   |                       |
| 7  |                             |                        |               |   |                       |
| 8  |                             |                        |               |   |                       |
| 9  |                             |                        |               |   |                       |
| 10 |                             |                        |               |   |                       |
| 11 |                             |                        |               |   |                       |
| 12 |                             |                        |               |   |                       |
| 13 |                             |                        |               |   |                       |
| 14 |                             |                        |               |   |                       |
| 15 |                             |                        |               |   |                       |
| 16 |                             |                        |               |   |                       |
| 17 |                             |                        |               |   |                       |
| 18 |                             |                        |               |   |                       |
| 19 |                             |                        |               |   |                       |
| 20 |                             |                        |               |   |                       |
| 21 |                             |                        |               |   |                       |
| 22 |                             |                        |               |   |                       |
| 23 |                             |                        |               |   |                       |
| 24 |                             |                        |               |   |                       |
| 25 |                             |                        |               |   |                       |
| 26 |                             |                        |               |   |                       |
| 27 |                             |                        |               |   |                       |
| 28 |                             |                        |               |   |                       |
| 29 |                             |                        |               |   |                       |
| 30 |                             |                        |               |   |                       |

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS PURSUANT TO  
CHAPTER 42F, HAWAII REVISIED STATUTES**

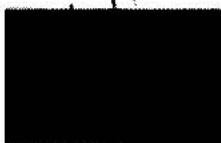
The undersigned authorized representative of the applicant certifies the following:

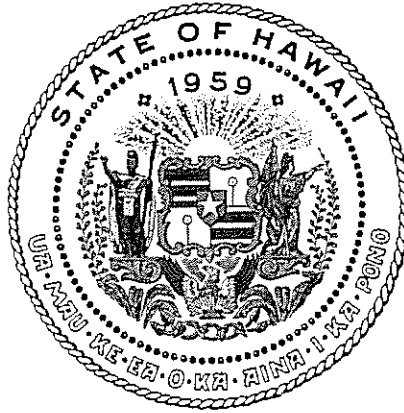
- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant 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 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.
- 2) If the applicant is an organization, 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 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 used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant 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 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

|   |                             |
|---|-----------------------------|
|  | Individual or Organization) |
| Wesley Lo   | 11/19/17<br>(Date)<br>CEO   |
| (Typed Name)  | (Title)                     |



## Department of Commerce and Consumer Affairs

### CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

HALE MAKUA HEALTH SERVICES

was incorporated under the laws of Hawaii on 01/15/1954 ;  
that it is an existing nonprofit corporation; and that,  
as far as the records of this Department reveal, has complied  
with all of the provisions of the Hawaii Nonprofit Corporations  
Act, regulating domestic nonprofit corporations.

IN WITNESS WHEREOF, I have hereunto set  
my hand and affixed the seal of the  
Department of Commerce and Consumer  
Affairs, at Honolulu, Hawaii.

Dated: January 12, 2017

Director of Commerce and Consumer Affairs

