

House District 46

Senate District 22

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):

I. APPLICANT INFORMATION:

WAHIAWA GENERAL HOSPITAL
Legal Name of Requesting Organization or Individual:

Db/a:

Street Address: 128 LEHUA ST
WAHIAWA, HI 96786

Mailing Address:

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DOUG DEGRAAF

Title CHIEF EXECUTIVE OFFICER

Phone # 808-621-4210

Fax # 808-621-4451

E-mail DOUG.DEGRAAF@WAHIAWAGENERAL.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:

OPERATING FUND SUPPORT FOR WAHIAWA GENERAL HOSPITAL'S SUSTAINABILITY PLAN.

4. FEDERAL TAX ID #:

5. STATE TAX ID #:

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018 \$ 3,900,000

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 NAME & TITLE OF AUTHORIZED REPRESENTATIVE

[Redacted Signature]

DOUG DEGRAAF CHIEF EXECUTIVE OFFICER
NAME & TITLE

1/20/17
DATE SIGNED

AUTHORIZED SIGNATURE

Rev 12/2/16



RECEIVED

1/20/17 *na*

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;
Wahiawa General Hospital (WGH) is a community owned, private, nonprofit corporation under section 501-(c)-3 of the Internal Revenue Code. Wahiawa General Hospital is located in the city Wahiawa, Hawaii, on the island of Oahu. The Hospital was established in 1944 by the Department of Defense. A few years later a group of leaders in the Wahiawa Community agreed to assume operation of the Hospital in order to continue to provide healthcare services to the people of Central Oahu and the North Shore.

A voluntary Board of Directors governs WGH. The Directors represent a broad spectrum of professional, business and community leaders. The Board is dedicated to providing quality healthcare services for all people within the Hospital's service area.

WGH is currently licensed for 53 inpatient acute care beds, which includes 10 geriatric psych. and 107 skilled nursing beds. It provides excellent emergency services supported with radiology and laboratory services, inpatient intensive care, inpatient telemetry and medical surgical services. Key services at WGH include Emergency Services, Acute Care, Senior Behavioral Health and Long Term Skilled Nursing. Emergency Services are critically important to the community and are averaging 55/60 emergency visits per day and over 95% of all inpatients are admitted via Emergency Services.

WGH is a critical component of Oahu's island-wide emergency medical services (EMS) network. Its Emergency Services, staffed by Board Certified Physicians, offers EMS coverage for the 30-mile contiguous area from Waialua to Kahuku on the North Shore through Wahiawa and Mililani. Most of this area is connected by a two-lane road. It helps get emergency care to people within the crucial Golden Hour of response time.

A Major Area Employer

WGH is a major employer in the Central Oahu area with approximately 520 total full-time and part-time employees.

Approximately 90% of WGH's employees live in Kahuku, Haleiwa, Waialua, Wahiawa, Mililani and West Oahu- approximately 8% are from Honolulu and 2% from Kailua and East Oahu. Physicians providing services at WGH live in many areas of Oahu, including Kailua, Honolulu, Central Oahu, and the North Shore.

A majority of the employees are members of one of three unions: Hawaii Nurses Association, United Public Workers, or International Longshore and Warehouse Union.

WGH is important not only for the community's medical health, but its economic health as well.

Crisis:

Wahiawa General Hospital was faced with extraordinary circumstances which lead to its financial crisis:

- Physician Shortages in Hawaii - WGH experienced a major outflow of specialist physicians to Honolulu hospitals. To stem the tide, the hospital changed its care delivery model to include hospitalists to care for its inpatients. This translated to a budget of over \$1.6 million to support the Hospitalists, on-call surgeons and anesthesiologists.
- Support of Family Medicine Residency Teaching Program - For over 20 years, WGH supported the UH Family Medicine Residency Program. It cost the hospital approximately \$2 million in unfunded costs annually. The hospital stepped to the plate to help grow Hawaii's physician base, but this hurt its operating cash reserves.

In late calendar year 2014, Queen's Medical Center Hawaii Pacific Health and HMSA agreed to help fund and develop a consortium model to support the Family Medicine Residency Program Faculty Costs. Wahiawa General Hospital agreed to transfer the Physicians Clinic Mililani to University Clinical, Education and Research Associates (UCERA), a subsidiary of John A. Burns School of Medicine (JABSOM). as part of this effort, however funding for the State of Hawaii's and JABSOM's portion of this Program never materialized

- Queen's Medical Center -West (QMC-W) Opening - In addition to the above issues, Wahiawa General Hospital experienced nearly a 20% reduction in its patient revenues with the reopening of QMC-W. A 20% drop in revenues was catastrophic in and of itself. Almost no hospital in the United States could have survived such an event.
 - In Fiscal Year 2015, due to QMC-W opening, WGH needed to adjust for a drop in operating revenues of over \$900,000 per month which has created an incipient insolvency problem.
 - For comparison to prior years: Wahiawa's patient revenues have essentially

been flat based on FY 2011 before QMC-W closed versus FY 2015 after QMC-W reopened.

- Hawaii Health Systems Corporation (HHSC) - Hawaii's public hospital provide a healthcare safety net for their communities. All of HHSC's acute care hospitals operate in rural areas. Many of them struggle financially due to the payor mix in their service area. Similarly, WGH is a safety net for its region with a payor mix that makes it challenging to meet budget needs. WGH is the only rural hospital in the state not affiliated with a larger healthcare system.
- Wahiawa Neighborhood Revitalization Strategy Area (NRSA) - Wahiawa is designated by the federal government as a distressed community. Many of Wahiawa's patients are from the Wahiawa Neighborhood Revitalization Strategy Area (NRSA). A large number of them rely on support from both Quest and Subsidized Affordable Care Act (ACA) insurance programs. Serving a distressed community means that Wahiawa General Hospital, more than most, has significant bad debts and charity care. This creates operating losses.

Here is a sample of charity care incurred by the hospital – FY15-- \$2.1 million, FY16-- \$1.0 million, FYTD17 (Dec)-- \$1.1 million.

Further, about 85% of patients are from Medicare and Medicaid insurance programs which pay at rates below cost and therefore do not provide sufficient operating margins to create positive operating cash flows. Admissions to Wahiawa's acute hospital services consist of approximately 65% Medicare 20% Medicaid, 12.5% private insurance and 2.5% uninsured. The financial distribution of the skilled nursing unit also is comprised of approximately 85% Medicare and Medicaid patients.

- Pension Plan Funding and Tax Liabilities - A defined benefit pension plan liability that could not be funded almost caused the hospital to close in FY 2006 but the hospital has worked out a reduced funding plan through the Pension Benefit Guarantee Corporation (PBGC).

The hospital had defined benefit pension plan and excise tax liabilities of over \$27 million that could not be paid. The PBGC notified the Hospital in August 2012 that it had legally taken over the pension plan effective March 2010. A settlement term sheet has been agreed to and the PBGC is drafting the respective Legal Settlement Documents. The impact is estimated to decrease Wahiawa' pension related liabilities by approximately \$18 to \$20 million. The Final Settlement will reduce Wahiawa's pension related liabilities substantially but not provide a cash infusion.

Due to operational losses the hospital has additional unfunded pension

amounts from FY2013-FY2016 that are estimated at \$2 million.

- WGH's Physicians Clinic Mililani - The losses related to running the clinic over the last decade have exceeded \$1 million per year and most recently the Hospital was not able to pay the Faculty costs of the program in a timely manner. Since 2007 WGH has funded \$3.6 million in excess costs over revenues at the clinic.
- Major repair and maintenance - The hospital has basic yet significant infrastructure needs. The roof leaks and the need to continually repair and clean up after water damage requires expending personnel resources as well as financial resources. The roof needs to be replaced. There is a need to renovate bathrooms to be fully compliant with the American with Disabilities Act (ADA), the fire alarm system is at the end of its life and needs to be replaced, the same holds true for our hot water tank. Air handling units are needed for areas including the lab, the admissions area must be renovated to become fully Health Insurance Portability and Accountability Act (HIPAA) compliant, the exterior of the building has to be painted. The list of basic CIP needs is longer. So much was deferred because the hospital simply did not have funds.

Without funding support from the Legislature, Wahiawa Hospital is not sustainable and creating a new Business Model with a new partner will not likely occur.

2. The goals and objectives related to the request;

Goal: Develop and Implement turnaround plan

This will be a multiple year process during which time financial support from the Legislature will be crucial. In November 2016, WGH retained Community Hospital Corporation (CHC) on a three year contract. CHC is a tax-exempt corporation dedicated to assisting rural hospitals. It specializes in critical access hospital and larger hospitals to around 150 beds. CHC has substantial experience in successfully operating and turning around troubled hospitals. They provided an interim CEO and interim CFO upon retirement of WGH's CEO Don Olden in December.

A certain level of stability is required in order for the hospital to move forward.

Objective: Support for basic operations while the hospital implements turnaround.

Objective: Support for salaries and benefits while the hospital continues to adjust its care model and business operations.

Objective: Continued support of the Hospitalist Physicians. With the physician shortage and lack of community-based doctors, there is significant need for hospitalists to provide ongoing care for the hospital's inpatients.

Objective: Support for addressing liabilities that have amassed due to past operational deficits.

3. The public purpose and need to be served;

The public purpose of this grant request is to assure the financial viability and sustainability of WGH and the continued provision of Emergency and Acute Services to residents of Central Oahu, West Oahu and the North Shore. Plus, permit Wahiawa to develop an affiliation with a stronger partner and transform its business model into a sustainable strategy.

4. Describe the target population to be served;

WGH serves the overall population of approximately 110,000 residents of the Central Oahu and North Shore area, plus over two million tourists annually. The community includes a diverse population of adults, seniors, military personnel and tourists.

Wahiawa General Hospital serves the federally designated distressed community NRSA.

5. Describe the geographic coverage;

WGH's service area includes the communities of Kahuku, Haleiwa, Waialua, Wahiawa and Mililani with some overlap into Waipahu, Kunia and West Oahu. The State of Hawaii Department of Health considers WGH to be a critical link in the emergency services network for Oahu. WGH's emergency room is the nearest full- service emergency service for residents in a 30-mile radius primarily on a two-lane road. WGH is the hospital that receives many of the ambulance visits due to other area hospitals being on divert.

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:

- Perform Operational Assessment of these key items:
 - Financial Impact
 - Staffing Patterns
 - Supply Chain
- Prioritize capital repairs and needs

- Involve the Wahiawa community
- Implement new business and service model over the course of three years.

Tasks:

- Community Hospital Corporation (CHC), which started at WGH December 1, 2016, has access to best practice models and resources. Prior to sending an interim CEO and CFO to Wahiawa, in November, they generated a preliminary financial analysis. Detailed analysis is now in progress.
 - A part of the detailed analysis is looking at staffing patterns and occupancy rates in the various hospital departments. The analysis will result in changes being made to better utilize personnel while decreasing costs.
 - Supply Chain cost savings. Wahiawa is the only stand alone, rural hospital in Hawaii. However, with our three year management contract with CHC, we now have access to group purchasing rates that will reduce the costs of medical supplies. Analysis is ongoing to identify specific items that will have the most immediate impact on hospital operations.
 - Prioritize capital improvement projects.
 - Meet with the Wahiawa Community. The people of Wahiawa are incredible and we are so grateful for their love of their hospital. Last summer, with Mr. Herman Kiili at the helm, the community held a car wash to raise funds for the hospital. We want to always continue to honor their belief and relationship with their hospital.
 - Part of looking at our business model will be to continue to reach out to other hospitals. In these times, a rural hospital cannot continue on its own and must join with other hospitals.
2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

In total, the timeline for accomplishing the above Scope of Services and Tasks is three years. A hospital cannot be turned around in a year. Given all the moving parts involved, changes in reimbursement, and evolving patient needs, a reasonable timeline is three years.

Year 1: By the end of year one,

- We will fully implement changes to our supply chain. By joining with CHC's group purchasing, we will decrease hospital expenses for medical supplies and pharmaceuticals.
- Staffing patterns will be implemented to flow with occupancy rates instead of being static.
- If we are able to secure funding from the Legislature, our highest priority capital improvement projects will be underway to repair and renovate areas necessary that if further neglected will render the hospital inoperable.
- Hold community "talk story" sessions to update the community on what the hospital is doing, answer their questions, and listen to their ideas.

Year 2: By the end of year two:

- CHC will assist the WGH Board retain a permanent CEO and CFO
- CHC will continue to assist with implementing best practices
- A strategy will be in place to address unfunded liabilities
- Adjustment will be completed to the service delivery system to enhance potential revenue generation
- If we are able to secure funding from the Legislature, priority capital projects that we could not afford in year one will be implemented.
- WGH Board will initiate discussions with various hospital systems with the intent to join them.
- Hold community “talk story” sessions to update the community on what the hospital is doing, answer their questions, and listen to their ideas.

Year 3: By the end of year three:

- Revenue enhancement and expense savings plan will be fully in place. These would have been phased in over the three year period.
- The WGH Board hopes to secure an affiliate relationship with a hospital system.
- Hold community “talk story” sessions to update the community on what the hospital is doing, answer their questions, and listen to their ideas.

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

The WGH Board has in place a contract with CHC for the three year period. It is a performance based relationship with clear lines of accountability. There will be monthly progress reports to the Board based on specific benchmarks.

Further, WGH has a financial monitoring process that reviews its financial status monthly, including staffing ratios for efficiency. WGH is The Joint Commission (formerly JCAHO) accredited and maintains the quality assurance plans for patient care. In addition, WGH is certified by the Centers for Medicare and Medicaid (CMS), participates in the Hospital Quality Initiative, and regularly reports its quality outcomes which are posted on the Medicare.gov Hospital Compare website for public scrutiny. WGH is aware that while fiscal austerity could have a negative impact on the quality of patient care, WGH will continue to sustain its on-going monitoring and evaluation of quality initiatives

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.

The WGH Board will provide updates three times per State fiscal year. These updates will provide:

- Financial Impact:
 - Changes in revenue enhancement accomplished within the preceding four months.
 - Changes in expense saving accomplished within the preceding four months
- Staffing Patterns:
 - Listing of Staffing pattern changes
- Supply Chain
 - Total dollar savings from changes in Supply Chain during the preceding four months
- A list of ongoing improvement projects, graded on a scale of
 - S = started within the preceding four months
 - IP = In progress
 - C = completed within the preceding four months
- Date/time/place of community “talk story” sessions with brief description

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 2018.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
975,000	975,000	975,000	975,000	3,900,000

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

The hospital developed an extensive list of organizations that provide grants to hospitals. We intend to apply for as many as possible in the coming fiscal year.

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.

- Memorial Hermann Healthcare System
- Richardson Regional Medical Center
- Trinity Mother Frances Hospitals and Clinics
- United Regional Health Care System
- Valley Baptist Health System, Harlingen

Since its inception, CHC remains a not-for-profit company whose sole mission is to help hospitals remain community-operated and governed. CHC owns, manages and consults with hospitals across the United States.

CHC Consulting was founded in 2006, to assist hospitals needing strategic consulting services, assistance with special projects and opportunities for joint ventures.

Based in Plano, Texas, our organization provides community hospitals with the resources and experience they need to improve the quality of treatment outcomes, patient satisfaction and financial performance.” (source: CHC website)

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.

WGH is currently licensed for 53 inpatient acute care beds (including 10 geriatric psych beds) and 107 skilled nursing beds. It provides excellent emergency services supported with state-of-the-art radiology and laboratory services, inpatient intensive care, inpatient telemetry and medical surgical services. Key services at WGH include Emergency Services, Acute Care, Senior Behavioral Health and Long Term Skilled Nursing. Emergency Services are critically important to the community and are averaging 55/60 emergency visits per day and over 95% of all inpatients are admitted via Emergency Services.

WGH is a critical component of Oahu’s island-wide emergency medical services (EMS) network. Its Emergency Services, staffed by Board Certified Physicians, offers EMS coverage for the 30-mile contiguous area from Waiialua to Kahuku on the North Shore through Wahiawa and Mililani. Most of this area is connected by a two-lane road. It helps get emergency care to people within the crucial Golden Hour of response time.

Wahiawa General Hospital has been serving the community since 1944. Changes in reimbursement, physician shortages, the reopening of a west Oahu Hospital, unfunded liability, deferred maintenance and more resulted in the hospital’s dire financial situation.

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.

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.

WGH is led by dedicated community members with a diverse and well balanced array of expertise including active and retired Board Certified community physicians, financial executives, military, a large land management executive, engineer, attorney, and community residents.

The WGH Board retained CHC to assist in management during this turnaround. CHC has a unique "checks and balances" system in place to appropriately report and inform the Board of Directors of the operations of WGH.

Since its inception, CHC remains a not-for-profit company whose sole mission is to help hospitals remain community-operated and governed. CHC owns, manages and consults with hospitals across the United States.

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. Attached

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.

- Chief Executive Office- \$188,236
- Pharmacy Manager- \$166,453
- Assistant Administrative Quality- \$132,889

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.

Currently a pending civil suit related to discriminatory and retaliatory practice, no estimate available.

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.

Wahiawa General Hospital is licensed by the State of Hawaii Department of Health, certified by the Centers for Medicare and Medicaid (CMS), and accredited by The Joint Commission

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.

Turning around a hospital cannot be done within one fiscal year. We have a three year plan in place. The success of that plan is dependent in part on continued state support. The hospital will be seeking out other grant opportunities, but none identified have the ability to fund operations as is possible with the state. Other grant giving organizations do not have the funding capacity of the state. Other grant giving organizations often have restrictions limiting using funds for operations.

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. Attached

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Applicant: _____ Wahiawa General Hospital

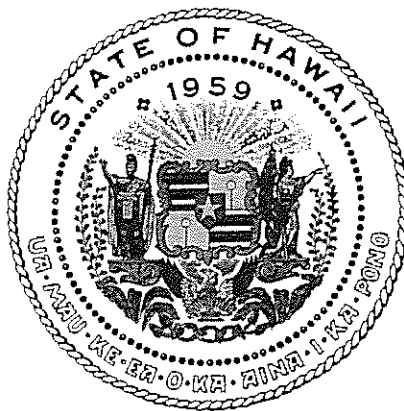
BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries (professional Fees)	900,000			
2. Payroll Taxes & Assessments	0			
3. Fringe Benefits	2,000,000			
TOTAL PERSONNEL COST	2,900,000			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance- Charity	1,000,000			
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
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TOTAL OTHER CURRENT EXPENSES	1,000,000			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	3,900,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested		Name (Please type or print) _____ Phone _____		
(b) Total Federal Funds Requested		Signature of Authorized Official _____ Date _____		
(c) Total County Funds Requested		Name and Title (Please type or print) _____		
(d) Total Private/Other Funds Requested				
TOTAL BUDGET				

GOVERNMENT CONTRACTS AND / OR GRANTS

Applicant: _WAHIAWA GENERAL HOSPITAL_____

Contracts Total: 6,055,090

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	TRAUMA SYSTEM SPECIAL FUND	07/01/16-06/30/17	DOH	STATE	50,000
2	COMP MEDICAL & HEALTH CARE SVC	07/01/14-06/30/17	DOH	STATE	6,005,090
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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

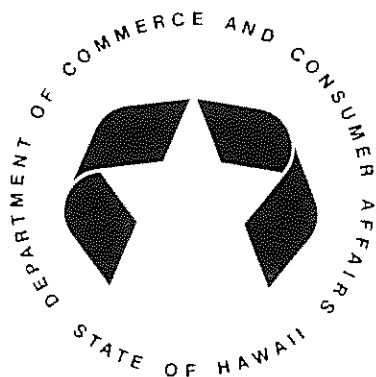
WAHIAWA GENERAL HOSPITAL

was incorporated under the laws of Hawaii on 11/21/1988 ;
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.

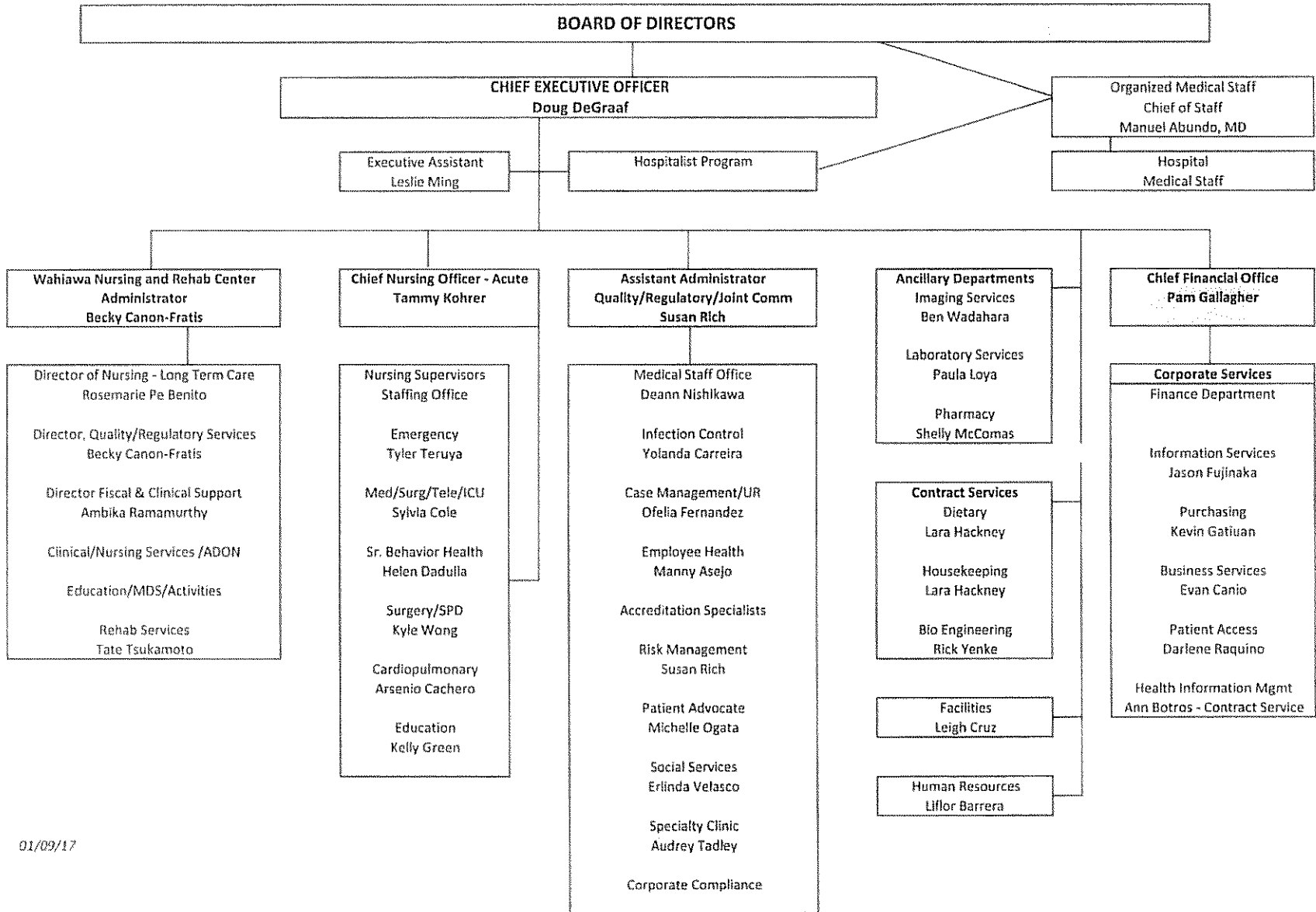
IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of the
Department of Commerce and Consumer
Affairs, at Honolulu, Hawaii.

Dated: January 19, 2017

Director of Commerce and Consumer Affairs



WAHIAWA GENERAL HOSPITAL ORGANIZATION CHART



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

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants 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.

WAHIAWA GENERAL HOSPITAL
(Typed Name of Individual or Organization)


(Signature)

1/20/2017
(Date)

DOUG DEGRAAF CHIEF EXECUTIVE OFFICER
(Typed Name) (Title)