



Blood Bank of Hawaii | ANNUAL REPORT FY2016

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VITAL STATISTICS FY2016

Number of Unique Donors



23,249

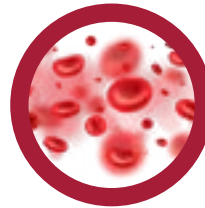
Whole Blood



910

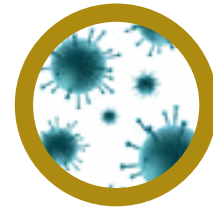
Platelets

Blood Collected - Procedures



46,328

Red Blood Cells



5,281

Single Donor Platelets

Units Distributed



46,727

Red Blood Cells



7,854

Single Donor Platelets





RICK CHING
Board of Trustees Chair

A CHANGED ORGANIZATION

Blood Bank of Hawaii (BBH) is a different organization today than we were one year ago.

The permanent closure of blood collections at our Dillingham headquarters, due to the impact of anticipated rail construction, changed BBH on many levels. We are amid a two-year recovery plan to rebuild our donor base and have relied on short-term blood resource sharing from the mainland to offset the shortfall of local collections. We posted a financial loss but were fiscally successful as we ended the year better than anticipated.

We are on a steady course with our mission—providing a safe and reliable blood supply for Hawaii— as a neon sign guiding our every turn. The past year would have been more daunting had it not been for the tremendous support from

the community. Businesses, churches, clubs and schools rallied their efforts to support Hawaii's patients. Dedicated BBH leadership and staff ensured there was enough blood on the hospitals' shelves.

The path ahead may not always be clear, especially as we search for a new home to relocate BBH headquarters. What is clear is that Hawaii understands the importance of a local blood supply. Our goal to be self-sustainable resonates with our island culture. Together we will travel this rocky road and map out the course for a strong future.

On behalf of BBH and the Board of Trustees, we thank you for your unwavering support and commitment to saving lives of Hawaii's loved ones.

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aio

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KIM-ANH NGUYEN
President and CEO

IN PROGRESS

Nationwide blood centers, like hospitals and other industries, are focusing on efficiency to reduce costs. Meanwhile more services are required to meet public health and patient needs with the focus on Triple Aim: the best care, for the most people, at the lowest cost. The challenge facing hospitals and blood centers alike is how to meet the regulatory requirements, provide enhanced services and maintain the lowest possible pricing.

For BBH, we continue striving towards operational excellence day-to-day but also have the added uncertainty and pressure of responding to the rail project. We must focus on the relocation of our laboratory, component manufacturing, blood storage, distribution, mobile staging, warehouse and administrative operations currently housed at our headquarters on Dillingham.

In the last year we have made much progress. The path ahead is winding and laced with obstacles. BBH remains steadfast on taking a proactive approach in guarding our State's precious resource and ensuring Hawaii has a safe and

reliable supply of blood. With all challenges, there are opportunities.

Culture of Change

Investing into our infrastructure was necessary to lay the foundation for future technological improvements. In fall 2015, we successfully implemented our new blood bank enterprise computer system and continue to refine its functionality. While executing the planned improvements, we also adapted and responded to emerging public health issues such as Zika, Hepatitis A and Dengue outbreaks. We are actively engaged in statewide disaster preparedness as the sole provider of Hawaii's blood supply. With the diversity of stakeholders relying on BBH, we must be riding the curve of change, remaining agile and responding rapidly. Change is now, more than ever, simply a part of BBH culture.

Road to Recovery

Over the past two years, our donor center operations have changed dramatically. We renovated our facility on Young Street and



transformed it into our new primary donor center. On January 4, 2016 we officially closed donor collections at BBH headquarters and began the long process of finding new homes for our Dillingham donors.

We anticipated attrition with a permanent loss of donors, a shift in operations as donors explored new locations and a need to expand mobile operations to welcome new donors. Lifesaver Clubs hosted larger and more frequent drives. We ramped up from single and double bloodmobile events to our first ever triple. We developed flexible neighborhood donation centers to offer donors a new home.

The change in our blood collections operations has been costly but necessary to ensure a reliable and consistent blood supply. The temporary shortfall in blood collection during this recovery period necessitated blood imports from the mainland. Anticipating these challenges we budgeted a loss of \$1.1 million. Through efforts to curtail and reduce expenses, we reduced the

deficit by 35 percent by fiscal year end.

As we traverse down the road of recovery, we look ahead to reaching our destination of long-term sustainability. Leading indicators show us breaking even in the upcoming year.

Uncharted Territory

Today's environment calls for balancing clinical effectiveness with operational efficiency. Hospitals strive to improve patient care with the recent adoption of mandated patient safety measures and implementation of enhanced trauma response capability. These two clinical needs require availability of more universal blood: Type O red blood cells and type AB plasma.

Meeting these new demands impels BBH to reimagine operations and inventory practices. More sophisticated automation in blood collection enables us to diversify donation types that better match with patient need. Meanwhile, BBH is decreasing waste in our production chain and collaborating with our hospital partners with full transparency

to reduce their waste through developing prudent inventory and transfusion practices.

We are going into this uncharted territory together to ensure optimal patient care and long-term mutual viability.



The Path Ahead

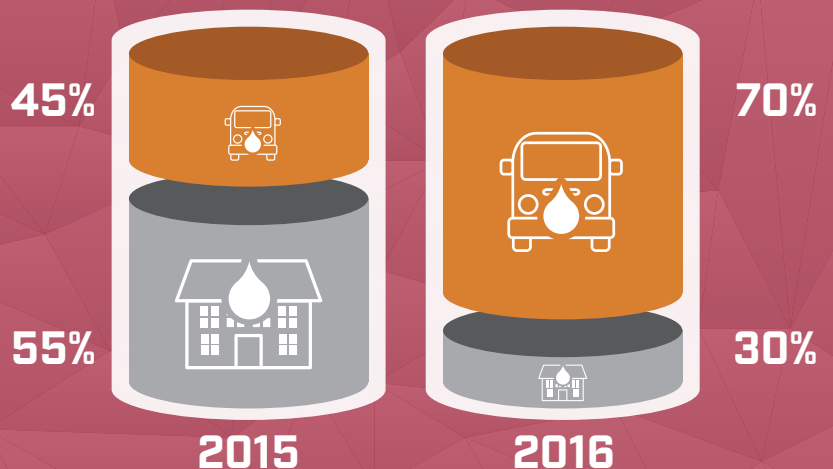
As donors find their new home, we continue our search for regulatory compliant facilities to relocate BBH headquarters. With rail construction delayed we are shifting our strategy from emergency evacuation to a more cost effective one-stage move.

We are exploring all options for our new headquarters and recognize that public and private partnership is the only path forward. The State appropriated nearly \$1.5 million in grant-in-aid last year to help with relocation and the City and County of Honolulu awarded \$125,000 towards a new bloodmobile. The sale of our Dillingham facility, grants and private foundation support will be critical for an uninterrupted and safe blood supply for Hawaii.

Together we will continue on this journey, making progress and saving lives.

A Changed Organization

A shift in blood collection locations has changed BBH operations.



FINANCIAL HIGHLIGHTS

| Financials (in 000s) | FY2014 | FY2015 | FY2016 |
|------------------------------|---------------|---------------|---------------|
| Operating Revenue Total | \$ 17,608 | \$ 16,344 | \$ 16,892 |
| Operating Expenses Total | (15,918) | (16,676) | (17,643) |
| NET OPERATING MARGIN | 1,690 | (332) | (751) |
| Non-operating Revenue Total | 408 | 125 | 362 |
| Non-operating Expenses Total | (590) | (573) | (327) |
| NET CHANGE IN ASSETS | 1,508 | (780) | (716) |

| Balance Sheet (in 000s) | FY2014 | FY2015 | FY2016 |
|--------------------------------|---------------|---------------|---------------|
| Assets | \$ 19,479 | \$ 19,715 | \$ 19,435 |
| Liabilities | (3,228) | (4,244) | (4,680) |
| NET ASSETS | 16,252 | 15,471 | 14,755 |

SPECIAL THANKS

BBH is grateful for the generous support from donors and benefactors which help us face unexpected changes and navigate challenges out of our control.

BBH was awarded two Grant-In-Aids (GIA) due to hardships presented by the construction of the rail so close to our headquarters on Dillingham Boulevard. The State of Hawaii GIA will help offset construction costs for a new facility and the City and County of Honolulu GIA covered the remaining funds needed to purchase a new bloodmobile necessary to replace donors lost with the closure of donation center at Dillingham headquarters. These are challenging times for the blood banking industry, yet with the support of the community we remain steadfast in our mission to provide a safe and reliable blood supply for Hawaii’s patients.



Grants

State of Hawaii Grant-In-Aid
\$1,488,000

City & County of Honolulu Grant-In-Aid
\$125,000

Donations

\$10,000

Hawaiian Electric

\$4,000

Just Give/Amex

\$5,500

Donate Well

\$1,000

Matson Navigation

J. Watumull Fund

Robert Wo

\$500-999

Chevron – Your Cause

In Memory of Sandra Fardal

Executive Women International –
Honolulu Chapter

Winifred Harada

\$100-499

Amazon Smile Foundation

Benevity Community Impact
Fund

Patrick J. Duarte

IBM Employee Service Center

In Memory of Wythe Edward Braden

In Memory of Ricky Hau

In Memory of Alex Leong

In Memory of John Tsuhako

Stanton Johnston

Desmond Kotake

State of Hawaii Dept. of Education,
Kapaa High School

Truist

Jerel I Yamamoto

Under \$100

In Memory of Grace Uno

In Memory of Mila Yandell

Howard Kakimoto

Dane W. Lee

Network for Good



Community Lifesaver Clubs

Lifesaver Clubs (LSC) are companies and organizations which host, sponsor and recruit for blood drives to help meet the community blood needs of Hawaii's hospitals and patients. The LSC efforts this past year played an exceptionally vital role to help offset the loss and relocation of Dillingham blood donors. LSC across the state grew their blood drives by increasing their collection goals, adding more drives, or becoming a new club. Thanks to their heroic commitments, **mobile drives grew from 55% to 70%**. The greater visibility in the community also inspires new donors and helps ensure we are able to fulfill our mission and save lives together.

- | | | |
|---|---|---|
| 1132 Bishop | Hawaii Pacific Health | Our Lady of Sorrows |
| 677 Ala Moana | Hawaii Pacific University | Pacific Beach Hotel |
| Acura of Honolulu | Hawaii Shotokan Karate | Pacific Guardian Center |
| AIO | Hawaii State Teachers Association | Pepsico |
| Airport Industrial Park | Hawaii USA Federal Credit Union | ProService Hawaii |
| Alii Place | Hawaiian Cement | Resurrection of the Lord Catholic Church |
| ALTRES | Hawaiian Electric Company | Rising Phoenix Jaycees |
| American Savings Bank, F.S.B. | Hawaiian Telcom Main | Rotary Club |
| Anchor Church | HiEmployment | Sea Life Park |
| Avis Budget Group | Hilton Worldwide | Servco Pacific, Inc. |
| Bank of Hawaii | Holy Family Catholic Academy | Shepherd Ohana |
| BMW of Honolulu | Honda Windward | Shriners Hospitals for Children |
| BYU Hawaii | Honolulu Fire Department | Simplex Grinnell |
| C3 Car Club Hawaii | Honolulu Ford | St. John Lutheran Church |
| C4 Christ Centered Community Church | Honolulu Police Department | St. John Vianney Parish |
| Calvary by the Sea Lutheran Church | Honpa Hongwanji Hawaii Betsuin | St. Joseph Church |
| Calvary Chapel | Iglesia Ni Cristo Waipahu | St. Stephen Catholic Church |
| Castle Medical Center | Islands Hospice | Starwood Hotels & Resorts |
| Central Pacific Bank | Kailua Community Church | State of Hawaii |
| Chaminade University of Honolulu | Kailua United Methodist Church | Taste Tea |
| Cherry Blossom Festival | Kaimuki Christian Church | The Arc in Hawaii |
| Church of the Holy Cross | Kaiser Permanente | The Bridge Church of the Nazarene |
| City & County of Honolulu | Kaneohe Yacht Club | The Church of Jesus Christ of Latter-Day Saints |
| County of Hawaii | Kapilina Beach Homes | The Home Depot, Inc. |
| Creations of Hawaii | Kauai County | The Kahala Hotel & Resort |
| CrossFit 808 | Keller Williams Realty | The Modern Honolulu |
| CrossFit HTF | Ko Olina Beach & Sports Club | The Queen's Health Systems |
| Delta Airlines | KROC Center Hawaii | The Ritz-Carlton Residences, Waikiki Beach |
| Dr. K.B. Chun & Sons | Kuakini Health System | The Shops at Dole Cannery |
| Eagle Scouts | Kualoa Ranch | Tony Group Autoplex |
| Egan's Fit Body Bootcamp | Legal Aid | UFC Gym |
| Enterprise Holdings | Locations LLC. | University Avenue Baptist Church |
| Federal Building | Longs Drugs Hawaii Regional Business Office | University of Hawaii Systems |
| First Hawaiian Bank | Lutheran Church of Honolulu | Wahiawa General Hospital |
| First Presbyterian Church of Honolulu at Koolau | Lwin Ohana | Wahiawa Hongwanji Mission |
| Foodland Supermarket Ltd. | Marriott | Waianae Coast Comprehensive Health Center |
| Gategourmet | Matson Navigation | Waimanalo Seventh-day Adventist Church |
| GEICO Insurance | Matson Terminals | Ward Village |
| GP Roadway Solutions | Maui Economic Opportunity | Waterfront Plaza |
| Grand Hyatt Kauai | Mauna Kea Beach Hotel | Wells Fargo |
| Group 70 International | Melaleuca | Wilson Okamoto Corporation |
| Hale Pawaa | Moanalua Gardens Missionary Church | Word of Life Christian Center |
| Halekulani Hotel | Monsanto Company | Wyndham Bali Hai Villas |
| Hapuna Beach Prince Hotel | Nā Lama Kukui | Youth Challenge Academy |
| Hawaii Coffee Company | New Hope | |
| Hawaii County | Oahu Transit Services, Inc. (TheBus) | |
| Hawaii County Police Department | Oceanic Time Warner Cable | |
| Hawaii Independent Energy | Ono Construction | |
| Hawaii Medical Service Association | Our Lady of Good Counsel | |

High School Lifesaver Clubs



Student donors are the foundation of Hawaii's most loyal donors of the future. Like their mainland counterparts, they are the largest growing group of blood donors. This up-and-coming generation understands the need to give back, and that they are! In 2016, nearly **40 high schools** hosted **91 blood drives**, collecting **4,386 units of blood** contributing approximately 10% of the State's blood supply. With more than 300 more units collected this past year, the 2% increase of the blood supply is expected to grow again this year with 16-year-olds joining the ranks of blood donors.

Aiea High School
 Farrington High School
 H. P. Baldwin High School
 Henry J. Kaiser High School
 Hilo High School
 Iolani School
 Island Pacific Academy
 James B. Castle High School
 James Campbell High School
 Kahuku High & Intermediate School
 Kailua High School
 Kaimuki High School
 Kalaheo High School
 Kalani High School

Kamehameha Schools - Hawaii
 Campus
 Kamehameha Schools - Kapalama
 Campus
 Kamehameha Schools - Maui
 Campus
 Kapaa High School
 Kapolei High School
 Kauai High School
 King Kekaulike High School
 Le Jardin Academy
 Leilehua High School
 Maryknoll High School
 Mid-Pacific Institute
 Mililani High School

Moanalua High School
 Nanakuli High & Intermediate
 School
 Pearl City High School
 Punahou School
 Radford High School
 Roosevelt High School
 Sacred Hearts Academy
 Waiakea High School
 Waialua High & Intermediate School
 Waianae High School
 Waimea High School
 Waipahu High School

Community Supporters

BBH would not be able to meet the needs of Hawaii's patients without community support. Whether it's providing cost-free locations for blood drives, donating resources, promotional support or services, our community supporters play a key role in saving lives.

AIPA Properties, LLC
 American Assets Trust
 Auntie Sally Kaleohano's Luau Hale
 Cameron Center
 Castle & Cooke, Inc.
 Castle Resorts & Hotels
 CBRE Group, Inc.
 Church of the Holy Cross
 Colliers Monroe Friedlander, Inc.
 Dave's Hawaiian Ice Cream
 Designs by Kadooka
 Douglas Emmett, Inc.
 Friends for Life Hilo
 Hale Mahaolu
 Hawaii Pastors Roundtable

Hawaii Reserves, Inc.
 Hawaii State Teachers Association
 Retirees
 Hawaiian Airlines
 HMSA
 Honpa Hongwanji Hilo Betsuin
 Hui Okinawa
 Kalihi Business Association
 Kaunoa Senior Center
 Kihei Community Center
 Kiwanis Clubs
 La Tour Café
 Lahaina Civic Center
 Lions Clubs International
 McDonald's Restaurants of Hawaii

MMI Realty Services, Inc.
 Ohana Broadcast Company
 Pacific Ink & Art Expo
 Pearlridge Center
 PM Realty Group
 Puna Hongwanji Mission
 Retired & Senior Volunteer Program
 (RSVP)
 Shriners Hospitals for Children
 Sofos Realty Corporation
 The Social
 Vacations Hawaii
 Waikele Center
 Waiola Life



Blood Bank of Hawaii

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