



**HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY  
ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM**

Application Number: # 12-17A Date of Receipt:  
To be assigned by Agency

**APPLICANT PROFILE**

Project Title: Addition of 2<sup>nd</sup> Cardiac Catheterization Unit

Project Address: 98-1079 Moanalua Road, Aiea, HI 96701

Applicant Facility/Organization: Pali Momi Medical Center

Name of CEO or equivalent: Jen Chahanovich

Title: Chief Operating Officer (COO)

Address: Executive Offices  
98-1079 Moanalua Road, Aiea, HI 96701

Phone Number: (808) 485-4434 Fax Number: (808) 485-4400

Contact Person for this Application: Michael Robinson

Title: Executive Director, Government Affairs

Address: 55 Merchant Street, 26<sup>th</sup> Floor, Honolulu, HI 96813

Phone Number: (808) 535-7124 Fax Number: (808) 535-7111

**CERTIFICATION BY APPLICANT**

I hereby attest that I reviewed the application and have knowledge of the content and the information contained herein. I declare that the project described and each statement amount and supporting documentation included is true and correct to the best of my knowledge and belief.

  
Signature

7/19/12  
Date

Warren Chaiko  
Name (please type or print)

Vice President, Design & Construction  
Title (please type or print)

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1. TYPE OF ORGANIZATION: (Please check all applicable)

- Public \_\_\_\_\_
- Private   X
- Non-profit   X
- For-profit \_\_\_\_\_
- Individual \_\_\_\_\_
- Corporation \_\_\_\_\_
- Partnership \_\_\_\_\_
- Limited Liability Corporation (LLC) \_\_\_\_\_
- Limited Liability Partnership (LLP) \_\_\_\_\_
- Other: \_\_\_\_\_

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2. PROJECT LOCATION INFORMATION

A. Primary Service Area(s) of Project: (please check all applicable)

- Statewide: \_\_\_\_\_
- O`ahu-wide: \_\_\_\_\_
- Honolulu:   X
- Windward O`ahu: \_\_\_\_\_
- West O`ahu:   X
- Maui County: \_\_\_\_\_
- Kaua`i County: \_\_\_\_\_
- Hawai`i County: \_\_\_\_\_

3. DOCUMENTATION (Please attach the following to your application form):

- A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent) **N/A**
- B. A listing of all other permits or approvals from other government bodies (federal, state, county) that will be required before this proposal can be implemented (such as building permit, land use permit, etc.).

- Certificate of Need, State Health Planning & Development Agency
- Building Permit, Honolulu Department of Planning & Permitting
- Department of Health Radiation License

C. Your governing body: list by names, titles and address/phone numbers

-See Addendum A

D. If you have filed a Certificate of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:

- Articles of Incorporation: **See Addendum C**
- By-Laws: **See Addendum C**
- Partnership Agreements: **Not Applicable**
- Tax Key Number: **1-9-8-16: 57**

4. **TYPE OF PROJECT.** This section helps our reviewers understand what type of project you are proposing. Please place an "x" in the appropriate box.

	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$4 million)	Change in Service	Change in Beds
Inpatient Facility		X	X		
Outpatient Facility		X	X		
Private Practice					

5. **BED CHANGES.** Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

- NOT APPLICABLE (N/A) -

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
N/A	N/A	N/A	N/A
<b>TOTAL</b>			

**6. PROJECT COSTS AND SOURCES OF FUNDS**

<b>A. List All Project Costs:</b>	<b>AMOUNT:</b>
1. Land Acquisition	\$ _____
2. Construction Contract	\$ <u>1,975,000</u>
3. Fixed Equipment	\$ <u>3,228,000</u>
4. Movable Equipment	\$ <u>327,050</u>
5. Financing Costs	\$ _____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	\$ _____
7. Other: Architectural/Planning	\$ _____
<b>TOTAL PROJECT COST:</b>	<b>\$<u>5,530,050</u></b>

<b>B. Source of Funds</b>	
1. Cash	\$ <u>5,530,050</u>
2. State Appropriations	\$ _____
3. Other Grants	\$ _____
4. Fund Drive	\$ _____
5. Debt	\$ _____
6. Other: FMV of Lease	\$ _____
<b>TOTAL SOURCE OF FUNDS:</b>	<b>\$<u>5,530,050</u></b>

7. **CHANGE OF SERVICE:** If you are proposing a change in service, then please briefly list what services will be added/modified. Be sure to include the establishment of a new service or the addition of a new location of an existing service. Please reference the Certificate of Need Rules Section 11-186-5 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

This project is an additional location of an existing service. The service to be added is a 2<sup>nd</sup> cardiac catheterization unit to be located at 98-1079 Moanalua Road, Aiea, HI 96701.

8. **IMPLEMENTATION SCHEDULE:** Please present a projected time schedule for the completion of this project from start to finish. Include all of the following items that are applicable to your project:

- a) Date of site control for the proposed project: **N/A**
- b) Dates by which other government approvals/permits will be applied for and received: **August 1, 2013**
- c) Dates by which financing is assured for the project: **N/A**
- d) Date construction will commence: **August 1 2014**
- e) Length of construction period: **10 weeks**
- f) Date of completion of the project: **October 2014**
- g) Date of commencement of operation: **October 2014**

Please remember that the Agency does monitor the implementation of Certificates approved. Non-implementation of a project as described in your application may result in a fine and/or withdrawal of the certificate of need.

**EXECUTIVE SUMMARY:** Please present a brief summary of your project. In addition, provide a description of how your project meets each of the certificate of need criteria listed below. If a new location is proposed, please attach an easy to read map that shows your project site.

Pali Momi Medical Center (PMMC) seeks approval for a second cardiac catheterization unit (CCU) to improve access and service to Central and West O'ahu patient population due to increasing utilization and demand. The second CCU will improve capacity for both inpatient and outpatient procedures.

**a) Relationship to the State of Hawaii Health Services and Facilities Plan.**

First, by providing additional cardiac catheterization capabilities for West O'ahu patients closer to home, this project is consistent with the goals and objectives of the State of Hawai'i Health Services and Facilities Plan (HSFP) to "increase cost effective access to necessary health care services" and to "promote regionalization of services where appropriate" (Chapter 1, HSFP 2009).

Second, the proposed addition of a second cardiac catheterization unit is also consistent with the established standards of service thresholds for the project's service area. For the expansion of an existing cardiac catheterization service provider, the stated HFSP threshold is that "...the provider's utilization is an average of at least 1,200 diagnostic equivalent procedures per unit per year" (Chapter 2, HSFP). PMMC's current annual cardiac catheterization volume of 1,265 diagnostic equivalent units exceeds the minimum threshold requirements.

Third, this project is also consistent with both the Statewide Health Coordinating Council West O'ahu Statewide Area Council (SHCC) to "...ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost" (Chapter 3, HSFP 2009) and the West O'ahu Subarea Council (SAC) to "...improve and increase access to acute care, critical care, specialty care, emergency care options, and routine outpatient diagnostic services." (Chapter 3, HSFP 2009). The increased capacity and capabilities provided by the additional CCU will provide both greater options and improved cardiac care options for Central and West O'ahu patients.

**b) Need and Accessibility**

Pali Momi as a not-for-profit hospital has always provided care for inpatient, outpatient and emergency visits irrespective of a patients' ability to pay. Pali Momi has also been proactive over the years in investing in the facility to bring greater benefit to patients by providing increased capacity, enhanced quality and a higher level of customer service in anticipation of the growth of the Leeward, Central and West Oahu area. The primary service area is Central and West Oahu, although patients from the neighbor islands and Pacific Basin will also be served. Continuity of care is enhanced through improved capacity in diagnostic services and reduced throughput delays for scheduled procedures.

The addition of a CCU will respond to the need and accessibility of cardiac services within Oahu's highest anticipated population growth area. Pali Momi services the West and Central O'ahu neighborhoods which are amongst the fastest growing population areas in the state as illustrated below:

**Table 1.15-- RESIDENT POPULATION FOR OAHU NEIGHBORHOODS:  
2000 AND 2010**

<b>Neighborhood Area</b>	<b>2000</b>	<b>2010</b>	<b>Percent change</b>
Oahu total	876,156	911,841	4.1
22 Waipahu	59,284	61,879	4.4
23 Ewa	43,794	59,877	36.7
24 Waianae Coast	41,242	43,420	5.3
25 Mililani/Waipio/Melemanu	36,805	37,419	1.7
26 Wahiawa	38,929	38,690	-0.6
27 North Shore	18,380	17,724	-3.6
34 Makakilo/Kapolei/Honokai Hale	25,919	35,697	37.7
35 Mililani Mauka-Launani Valley	10,622	18,461	73.8

Source: City and County of Honolulu Planning and Permitting Department, Planning Division, records.

The increased demand for cardiovascular care resources necessitates that health care providers assess their ability to meet the needs of the community they serve. This project meets the need and accessibility criteria due to the current cardiac catheterization volumes at Pali Momi Medical Center and the expected increase in the number of patients with cardiovascular diseases.

The second CCU will serve all residents of the West and Central O'ahu areas. The primary service area is O'ahu, although patients from the neighbor islands will also have access to these services. Pali Momi will continue to provide care to all residents of the area including: Medicare, Medicaid, QUEST and all underserved groups.

**c) Quality of Service/Care**

The proposed project meets the quality of service/care criteria for several reasons. The second CCU will utilize Pali Momi licensed and trained professionals that are located at the Joint Commission accredited Pali Momi facility. All required licenses and certifications will be obtained and maintained for this project. Pali Momi has been recognized in "U.S News and World Report" as one of the America's Best Hospitals for the provision of care to patients with Coronary Artery Disease. Additionally, Pali Momi has also been previously awarded First Place for outstanding performance for quality by HMSA and awarded an Annual Performance Achievement Award from the American Heart Association.

Quality of diagnostic services and subsequent care to the West Oahu community will be improved due to the efficiencies, better accessibility, and enhanced scheduling flexibility achieved through having two CCUs.

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**d) Cost and Finances (include revenue/cost projections for the first and third year of operation)**

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The project will have minimal impact on the overall costs of health services in the community as it will be funded from internal resources and the project's financial projections reflect a positive margin by year 1. The cost of and charges for providing the services will be similar to the existing CCU and will therefore have minimal impact on the community (including payers and patients). The additional CCU unit will also reduce costs of care and improve patient safety by eliminating travel time by West Oahu residents into downtown Honolulu. Three year revenue/cost projections are provided (see Addendum B).

**e) Relationship to the existing health care system**

The proposed project will strengthen the existing health care system as it is in response to current and existing demand for cardiac catheterization services. Pali Momi's current CCU diagnostic equivalent procedures of 1,265 exceed the SHPDA minimum threshold for expansion of an existing CCU unit of 1,200 diagnostic equivalent procedures per year.

**f) Availability of Resources.**

Pali Momi has sufficient trained professionals, management, systems and other resources to fully support the proposed second CCU. Current staff will be utilized and 1 additional CCU technologist and 2 registered nurses will be hired. Pali Momi has financial resources from current hospital operating funds and retained earnings to pay for this project's initial capital requirements and working capital after start up.

**10. Eligibility to file for Administrative Review.** This project is eligible to file for Administrative review because: (Check all applicable)

- It involves bed changes, which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.
- It involves service changes which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.
- It is an acquisition of a health care facility or service, which will result in lower annual operating expenses for that facility, or service.
- It is a change of ownership, where the change is from one entity to another substantially related entity.
- It is an additional location of an existing service or facility.
- The applicant believes it will not have a significant impact on the health care system.