HAWAI'I STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: 12-18A Date of Receipt:
To be assigned by Agency

APPLICANT PROFILE

Project Title: Establishment of CT Services

Project Address: 56-117 Pualalea St.

Kahuku, HI 96731

Applicant Facility/Organization: Kahuku Medical Center

Name of CEO or equivalent: Stephany Nihipali Vaioleti

Title: Administrator

Address: SAA

Phone Number: (808) 293-9221 Fax Number: (808) 293-2262

Contact Person for this Application: Stephany Nihipali Vaioleti

Title: Administrator

Address: SAA

Phone Number: SAA Fax Number: SAA

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 Date 8/8/12

Stephany Nihipali Vaioleti, Administrator

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

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

2. **PROJECT LOCATION INFORMATION**

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

Statewide:	
O`ahu-wide:	
Honolulu:	
Windward O`ahu:	X
West O`ahu:	
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 – to be located within facility)
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 - Building permit and DOH radiology permit
C. Your governing body: list by names, titles and address/phone numbers (See attached)
D. If you have filed a Certificate of Need Application this current calendar year, you may skip the four items listed below. (See attached) All others, please provide the following:
   - Articles of Incorporation
   - By-Laws
   - Partnership Agreements
   - Tax Key Number (project's location)

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	
Outpatient Facility					
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.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
TOTAL			

6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:		AMOUNT:
1.	Land Acquisition	_____
2.	Construction Contract	$360,000
3.	Fixed Equipment	_____
4.	Movable Equipment	$380,000
5.	Financing Costs	_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	_____
7.	Other: Professional Fee	$115,771
	TOTAL PROJECT COST:	**$855,771**

B. Source of Funds		
1.	Cash	_____
2.	State Appropriations (CIP)	$855,771
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: _____	_____
	TOTAL SOURCE OF FUNDS:	**$855,771**

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.

- Addition of a CT scan to supplement Diagnostic Radiology services.

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: - Please see attached timeline

a) Date of site control for the proposed project,
b) Dates by which other government approvals/permits will be applied for and received,
c) Dates by which financing is assured for the project,
d) Date construction will commence,
e) Length of construction period,
f) Date of completion of the project,
g) Date of commencement of operation

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.

9. **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. – See summary

a) Relationship to the State of Hawai`i Health Services and Facilities Plan.
b) Need and Accessibility
c) Quality of Service/Care
d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
e) Relationship to the existing health care system
f) Availability of Resources.

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.

__X___ 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.

__X___ The applicant believes it will not have a significant impact on the health care system.

EXECUTIVE SUMMARY

Kahuku Medical Center intends to purchase and operate a CT scanner as part of its efforts to improve access and the quality of care provided to residents of the Ko'olauloa and North Shore communities of Oahu. The addition of the CT scan services was identified as a top priority by the 1998 community Ho'opono Kahuku Hospital Conference and the Kahuku Hospital Community Advisory Board as consulted on potential new services. It has remained a priority as Kahuku Hospital transitioned to Kahuku Medical Center (KMC). The existing Radiology Dept. area will be expanded and renovated to accommodate the CT scan equipment.

Relationship to the Hawaii Health Services and Facilities Plan (2009)

The proposed CT scanner is an accepted tool that is used to diagnose and assist with the treatment of many ailments and diseases and is an important devise in providing medical care under current standards of care. This proposal for the addition of CT scan services at KMC is in alignment with the Hawaii Health Services and Facilities Plan (2009).

The availability of CT scan services in the Ko'olauloa and North Shore communities will help individuals achieve optimum health. These services are an important element in the health care environment that adds value to all constituents by improving access, quality and efficacy in a cost-effective manner. As stated in the Plan, "Benefits are defined as the form of improved access for the service area(s) population combined with significant improvement in quality and/or significant reduction in cost to the public." KMC's CT will not meet the CT threshold and thus, consideration for an exception is being made. The population size of KMC's service area is too small to ever meet the threshold standard to justify a CT. However, concerns about access and quality of care (CT is a standard of care for hospitals) outweighs the suboptimum utilization data.

Having a CT scanner at KMC will:

1. Promote and support the long-term viability of the health care delivery system
2. Expand and retain the health care workforce to enable access to the appropriate level of care in a timely manner
3. Ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost
4. Strive for equitable access to health care services: services will be available within the community, thus, saving time and resources to drive an hour both ways

Need and Accessibility

Currently, there are no CT scan services available in the Ko'olauloa and North Shore areas of Oahu. Residents from these areas must travel to either Wahiawa General Hospital or Castle Medical Center to receive such care. Everyday of the every week some resident in this community is sent elsewhere to obtain a CT scan. It may be because the patient has persistent headaches, dizziness, abdominal pain, recurring blood in the stools, or a mass found on a chest x-ray are examples of the kinds of patients who would benefit from having diagnostic CT Scan services available in their own community.

The Emergency Department at KMC is often obliged to transfer patients to other facilities solely for the purpose of obtaining diagnostic CT scan services. The patient with a severe headache or change in mental status may be experiencing an intracranial bleed or ischemic stroke, a medical emergency most

commonly seen in the elderly. With CT scan capabilities, KMC could develop an ischemic stroke protocol for the prompt delivery of thrombolytics, often resulting in a dramatic and complete return of patient function, thus saving lives, enhancing life quality, and reducing health dollars spent in the long run.

Kahuku Medical Center projects that the need and demand of the residents of our primary service area for CT scans is approximately 1000 procedures per year, which is the estimated number of emergency and non-emergency scans now being performed on these residents. The entire number of scans is now being done by other hospitals/facilities on the island. These services like all of KMC's services will be offered to all residents of the area, and in particular the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

Quality of Service and Care

Kahuku Medical Center has a history of providing quality service to patients and referring physicians. The proposed CT scanner will enhance KMC's existing services and allow KMC to have a more comprehensive imaging department. KMC will have policies and procedures in place to ensure that all staff will be adequately trained; equipment and processes will meet and/or exceed all safety requirements. Quality initiatives will be tracked and reported regularly.

Cost and Finances

The first year projection of 250 CT scan procedures is about 25% of the total number of CT scans provided to our residents (250/1000 = 25.0%). For the third year projection of 500 procedures, KMC will earn a profit of $45,145. KMC participates with all available insurers, including Medicare and Medicaid and its charges are comparable with those of other facilities throughout the state. KMC expects that this service will continue to be profitable from year three and on.

Relation to the Existing Health Care System

The proposed CT scanner will offer new diagnostic applications that currently do not exist at KMC.

Availability of Resources

KMC now has the staff and will have the expertise necessary to operate the proposed CT scanner. There is one radiology tech on each shift and when outpatient procedures are scheduled, another tech will be available to assist. The manager and one staff member will receive 40 hours of training on the mainland through the vendor, Toshiba. They will be responsible for training the other staff and ongoing support from Toshiba will be offered.

KMC has been allocated $5 million from the State of Hawaii for Capital Improvement Projects, one of them, the proposed CT scanner.

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