



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 02-19A

Applicant: St. Francis Healthcare System of Hawaii

Project Title: Renovation of two operating rooms into two endoscopic
operating suites

Project Address: St. Francis Medical Center
2230 Liliha Street
Honolulu, Hawaii

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

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

2. PROJECT LOCATION INFORMATION

A. Project will be located in:

- State Senate District Number: 13
- State House District Number: 27
- County Council District Number: 6
- Neighborhood Board District Number (O`ahu only): 12

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

- Statewide: _____
- O`ahu-wide: X
- Honolulu: X
- 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)
- 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.)
- C. Your governing body: list by names, titles and address/phone numbers
- 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
 - 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			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.

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

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.

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, **upon Bond sale/closing – March 2003 (anticipated)**
- b) Dates by which other government approvals/permits will be applied for and received, **upon Bond sale/closing – March 2003 (anticipated)**
- c) Dates by which financing is assured for the project, **February 2003 (anticipated)**
- d) Date construction will commence, **April 2003 (anticipated)**
- e) Length of construction period, **3 to 4 months (anticipated)**
- f) Date of completion of the project, **August 2003 (anticipated)**
- g) Date of commencement of operation, **not applicable – business operation will continue through duration of the project.**

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.

- a) Relationship to the Hawai'i Health Performance Plan (H2P2), also known as 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.

Executive Summary: Proposed Operating Room Renovations

St. Francis Medical Center currently has 8 operatory suites that are over 35 years old. They have not been updated and certain pieces of existing equipment are over 16 years old. These are existing Operating Rooms that will continue to remain open during renovation, averaging a minimum of 1,200 hours per room utilization per year, based on a 7.5 hours per day for 250 days per year.

The plan is to improve the lighting and upgrade the general overall clinical environment. For reasons of safety, we are changing the wall covering to brighten the room and the existing dark flooring with a lighter colored one. When needles are dropped on the floor for instance, they are nearly impossible to find. This is a patient safety issue as needle counts are performed before and after each case to ensure all are accounted for. The plumbing needs to be replaced; bathrooms need to be renovated to comply with ADA requirements.

In addition, two of the eight existing suites will be converted into endoscopic "supersuites" providing complete integration of state-of-the-art equipment, ergonomic design. The suite integrates monitors and video equipment into ceiling-mounted booms. All additional equipment controls are centralized at the nurse's station. This "OR of the future" will significantly reduce overall turnaround times, maximize staff efficiency, and improve overall quality of services. In addition, there are other advantages for the patient simply due to the minimally invasive nature of the procedures that will be possible with the "endosuite":

- Shorter length of stay
- Faster recovery and return to normal activities
- Reduced post-operative pain
- Increased post-operative comfort
- Lower infection rate
- Less cost than conventional surgery

Relationship to the Hawaii Health Performance Plan

The proposed renovations to ambulatory care services, as well as technological improvement by construction of endoscopic suites in two operating rooms directly support the overall goals of the Hawaii Health Performance Plan, as stated on page II-1, section C.1:

"... The Hawaii Health Performance Plan draws on the goals of national and local efforts... these are integrated with community specific concerns as well as age-group sub-goals... increase the span of healthy life for Hawaii's residents... older adults will maintain good health and independent personal functioning... reduce health disparities among Hawaii's residents... achieve equitable and effective access at a reasonable cost for all Hawaii's residents to health services that are responsive to the holistic needs of community's members..."

Fully-integrated, minimally invasive endoscopic suites facilitate improvements to St. Francis Healthcare System operations and overall quality of patient care by significantly reduce overall turnaround times, enabling a greater volume of patients to be served with the services provided by St. Francis. In addition, the minimally invasive nature of the suites facilitate clinical outcome improvements such as reduced bleeding and trauma, faster recovery times, reduced post-operative pain, lower infection rates and a faster return to normal activities, resulting in an *increased life span for Hawaii's resident and facilitating maintenance of good health and independent personal functioning.*

The St. Francis Healthcare System has historically serviced under-privileged and indigent populations, and has made charity work and community service an integral facet to its Mission ("...to create healthy communities in the Spirit of Christ's healing ministry..."). By approving the proposed project, many of St. Francis' patients who are from the under-privileged/indigent populations will be able to receive improved healthcare services that were previously unavailable to them due to difficulties in receiving care at for-

profit institutions. This helps to *reduce health disparities among Hawaii's residents and achieves equitable and effective access at a reasonable cost.*

The proposed project further supports several of H2P2's overall objectives, found on page II-2, C.2:

- (1) Reducing the effects of chronic disease and prolonging health related quality life.**
- (2) Reducing morbidity and pain through timely and appropriate treatment**

Honolulu & Windward Oahu Subarea Values and Priorities are also directly supported by our proposed project:

- ⇒ **Values: Excellence (continual quality improvement), effectiveness (improved outcomes)**
- ⇒ **Priorities: Chronic health risks, injuries (children & elderly)**

Need and Accessibility

When the operating rooms were constructed at St. Francis Medical Center 35 years ago, the technology was significantly more cumbersome and less effective than current times. The advent of laparoscopic, minimally invasive surgeries (MIS) has significantly changed surgeries and outcomes for the better, with less invasion to the body, as well as ability to turnaround cases faster. For example, the MIS suite would enable a higher volume of Laparoscopic Nephrectomies (kidney harvest from live donors); meaning less trauma to the patient – further enhancing transplant services for the Pacific Region. Currently, there are no dedicated, fully integrated endoscopic suites at St. Francis Medical Center. With significant growth in laparoscopic surgeries and a correlating need for endoscopy rooms, a minimum of two MIS suites will enable St. Francis Medical Center to meet patient needs.

Studies of the elderly population indicate the high volume of chronic conditions and corresponding medical care needs. In addition, the elderly population is growing at a significant rate, creating and increased need for healthcare services. The MIS rooms would enhance throughput, enabling a higher volume of patients to be served and greater access to quality medical care. In addition, a portion of the patient base at St. Francis is derived from the under-served and indigent populations – and the proposed project facilitates access to medical technology improvements that were previously more difficult to access due to lack of adequate medical insurance coverage and accessibility. Room set-up turnaround times would also be reduced with the new MIS suites (approximately from 45 minutes to 15 minutes), reducing cost – by reducing overtime needs due to extended set-up times. The technological and operational enhancements achieved with the MIS suites are necessary to enable St. Francis to modernize efficiently and cost-effectively.

Quality of Service / Care

St. Francis Healthcare System must comply with a multitude of Federal and State regulations as well as maintaining accreditation of both medical centers (Liliha & West) by complying with the standards of the Joint Commission of Accredited Healthcare Organizations (JCAHO). Our detailed operational policies and procedures ensure quality of care, as well as our clinical pathways, well-defined job descriptions, process improvement program and ongoing physician and employee education/training.

Cost and Finances

The statement of revenue and expenses for the first three years of operations indicate there is sufficient revenue generated to fund operating expenses as well as provide adequate cash for debt servicing. (Please refer to Attachment F).

Relationship to the Existing Healthcare System

The project will meet the needs of the patient population and communities that are served by St. Francis Healthcare System of Hawaii.

RECEIVED
JUL 30 3 58
FIDELITY PLUS
DEV AGENCY
Page 7

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.