



# HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

## ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 02-33A

Applicant: Straub Clinic & Hospital

Project Title: Addition of a Cardiac Catheterization unit

Project Address: 888 South King Street  
Honolulu, HI

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: \_\_\_\_\_

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2. PROJECT LOCATION INFORMATION

A. Project will be located in:

State Senate District Number:   12  

State House District Number:   25  

County Council District Number:   6  

Neighborhood Board District Number (O`ahu only):  11/sub.4 

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

Statewide:

- O`ahu-wide:   x
- Honolulu: \_\_\_\_\_
- Windward O`ahu: \_\_\_\_\_
- West O`ahu: \_\_\_\_\_
- Mauı 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) **(not required – project to be located in Straub 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 (such as building permit, land use permit, etc.)

— **Certificate of Need from the State Health Planning & Development Agency**

— **A building permit from the State of Hawaii**

— **Department of Health Certificate**

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

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 (**attached**)
- By-Laws (**attached**)
- Partnership Agreements (**not applicable**)
- Tax Key Number (project's location) **2-1-42-10, 23 and 24**

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
<b>TOTAL</b>			

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

<b>A. List All Project Costs:</b>	<b>AMOUNT:</b>
1. Land Acquisition	_____
2. Construction Contract	_____
3. Fixed Equipment	<b><u>\$ 1,700,000</u></b>
4. Movable Equipment	_____
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	_____
7. Other: <b><u>Facility Renovation</u></b>	<b><u>206,000</u></b>
<b>TOTAL PROJECT COST:</b>	<b><u>\$ 1,906,000</u></b>

<b>B. Source of Funds</b>	
1. Cash	<b><u>\$ 1,906,000</u></b>
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	_____
6. Other: _____	_____
<b>TOTAL SOURCE OF FUNDS:</b>	<b><u>\$ 1,906,000</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.

**The service to be added is a second catheterization system to be located at Straub Clinic & Hospital. Reference: Certificate of Need Rules Section 11-186-5 category of service (1)(4)(A) "Cardiac Catheterization".**

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,
  - 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.

Implementation Schedule	Target Date	Notes
a) Site Control	N/A	(to be in current Straub facility)
b) Government Approvals/Permits	1/1/2003	Certificate of Need Building Permit Dept. of Health Certificate
c) Financing	1/1/2003	Straub has available cash for equipment and facility renovation
d) Construction Start	2/15/2003	
e) Construction End	3/25/2003	
f) Completion of Project	3/30/2003	
g) Commencement of Operations	4/1/2003	

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.

**Straub Clinic & Hospital seeks approval for a second cardiac catheterization lab to improve access and service to its patient population due to increasing utilization and demand. The second cardiac catheterization lab will also help alleviate the backlog for the current lab for inpatient and outpatient procedures, scheduling difficulties and improve access for both our physicians and patients.**

**The second cardiac catheterization lab will be located on the second floor of Straub Clinic & Hospital adjacent to the current cardiac catheterization lab.**

**a) Relationship to H2P2.**

**The proposed project addresses the critical elements of the health care delivery system and its underlying desirable characteristics. The proposal is responsive to H2P2's overall vision / priorities and Chapter VII "Heart Disease and Stroke" specific objectives related to access, quality management, cost-effectiveness, and continuity of care.**

**The additional cardiac catheter lab will provide better access for the cardiac population which will enhance the H2P2 objectives of early detection and diagnosis, improved treatment and better outcomes. The project reflects Straub's commitment to excellence in comprehensive cardiac services, utilizing Straub's team of physicians and other health care professionals in improving patient care and outcomes. The project will leverage existing facility space, professional and support staff, and other Straub resources thereby expanding cardiac catheterization services in the least costly manner. Continuity of care is enhanced through improved capacity in diagnostic and therapeutic cardiac services as well as reduced delays for both urgent and scheduled procedures.**

**b) Need and Accessibility.**

With all indicators pointing to continued growth in Hawaii's cardiac patient population, improved access to cardiac catheterization services is necessary for optimum patient outcomes in their diagnosis, monitoring and treatment.

For the age groups 55+ and 65+, death from heart disease ranks #1, accounting for more than 30% for these age groups, and 29% for all age groups in Hawaii in 1998 (Hawaii DOH, vital statistics records, 2000). The State also projects that between 2000 and 2020, the age groups 55+ and 65+ will increase in significant proportion to the rest of the population, from 22.5% and 13.6% to 31.8% and 19.2%, respectively (DBEDT 2025 Report, Feb. 2000). The overall need for diagnosis and treatment of heart disease will continue to increase through 2020.

Straub's current cardiac catheterization volume of 1,133 exceeds the minimum threshold of 1,125 required for expansion of an existing service unit (H2P2, Chapter II, page 7, #8).

The project meets the need and accessibility criteria due to the current cardiac catheterization volume at Straub coupled with the expected increase in the number of patients with cardiac diseases. The second cardiac catheterization lab will serve 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. The primary service area is Oahu, although patients from the neighbor islands and Pacific basin will also be served.

**c) Quality of Service/Care.**

The project meets the quality of service/care criteria for several reasons. The second catheter lab will utilize Straub licensed and trained professionals, Straub credentialed physicians, and will be located in Straub - an accredited (JCAHO) facility. All required licenses and certifications will be obtained and maintained for this project. Lastly, Straub has an excellent track record in the provision of cardiac services and has been recognized by HCIA-Sachs as one of the "Top 100" hospital in the US for heart care.

Quality of cardiac services and care at Straub will be improved by the addition of the second cardiac catheterization lab due to a more efficient design, accessibility, scheduling flexibility, and more patient-oriented operation.

**d) Cost and Finances.**

The second cardiac catheterization lab will have minimal impact on the overall costs of health services in the community as it will be funded entirely from

Straub's existing capital and the financial projections (attached) reflect a positive margin starting in year one. The project is cost-effective as it utilizes existing space and other resources within Straub. The cost of and charges for providing the services will be similar to the existing cardiac catheter lab and will therefore have minimal, if any, impact on the community (including payers and patients). The project will enhance availability of cardiac catheterization services for inpatients at Straub which may reduce the length of stay and thereby reduce the cost of care.

Five year revenue/cost projections (attached).

e) Relationship to Existing Health Care System.

The project is not expected to have a significant (if any) impact on the existing health care system. The utilization of the current cardiac catheterization lab by Straub patients is in excess of the threshold as set forth in H2P2. The additional cardiac catheterization lab is not anticipated to have any negative clinical, operational and/or financial impact on the current catheterization lab.

The primary use of the additional cardiac catheterization lab will be for the existing Straub patient population coupled with the expected overall increase in demand for such services due to the aging population and associated rise in cardiac diseases.

The project is the least costly and most effective method for Straub to meet the current and expected need for cardiac catheterization services. The project takes advantage of current Straub space, resources and its successful cardiac program to provide the most effective and least expensive solution.

f) Availability of Resources.

Straub has sufficient trained professionals, management, systems and other resources to fully support the proposed second cardiac catheterization lab. The project will utilize existing space within Straub. The project costs will be funded entirely with internal capital with no additional financial capital required after start-up.

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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.

  x   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.

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