



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 02-35A

Applicant: Rainbow Rehabilitation Services, Inc.

Project Title: Establish a 5 bed adult Special Treatment Facility

Project Address: 47-862B Kamehameha Hwy.
Kaneohe, HI

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

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

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ADMINISTRATION

2. **PROJECT LOCATION INFORMATION**

A. Project will be located in:

State Senate District Number: 23
State House District Number: 47
County Council District Number: 2
Neighborhood Board District Number (O`ahu only): 29

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

Statewide: X
O`ahu-wide: _____
Honolulu: _____
Windward O`ahu: _____
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: See attached lease.
- B. A listing of all other permits or approvals from other government bodies: None, except for age-range change on STF license from OHCA.
- C. Your governing body: R.R.S., Inc. Board of Directors
 - a) Robert Speers, Ph.D.
 - b) Marion Speers, P.T.
- D. Other items:
 - a) Articles of Incorporation: See attached.
 - b) By-Laws: See attached.
 - c) Partnership Agreements: None
 - d) Tax Key Number: TMK 4-7-18-25

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.

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	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
STF	0	5	5
TOTAL	0	5	5

6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:

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AMOUNT:

1.	Land Acquisition	\$ <u>0.00</u>
2.	Construction Contract	\$ <u>0.00</u>
3.	Fixed Equipment	\$ <u>0.00</u>
4.	Movable Equipment	\$ <u>0.00</u>
5.	Financing Costs	\$ <u>0.00</u>
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>\$250,000.00</u>
7.	Other: Existing furniture & equipment	<u>\$50,000.00</u>

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& DEV. APPROVED

TOTAL PROJECT COST: \$300,000.00

B. Source of Funds

1.	Cash	<u>\$50,000.00</u>
2.	State Appropriations	_____
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: <u>fair market value of leased property</u>	<u>\$250,000.00</u>

TOTAL SOURCE OF FUNDS: \$300,000.00

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.

Not Applicable

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: 02DEC31
- b) Dates by which other government approvals/permits will be applied for and received: 03JAN31
- c) Dates by which financing is assured for the project: Not applicable
- d) Date construction will commence: Not applicable
- e) Length of construction period: Not applicable
- f) Date of completion of the project: 03JAN31
- g) Date of commencement of operation: 03JAN31

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.

Briefly, this project will provide a small crisis shelter for persons with Developmental Disabilities (DD) who are experiencing emotional or behavioral adjustment difficulties in their current community placements. DD individuals in need of assistance will be admitted, crisis stabilization treatment will be provided, and when stable, the clients will be returned to their community living situations.

Approval of this project is being requested to meet the needs of the Developmental Disabilities Division (DDD) of the State Department of Health. DDD formerly operated a similar state-run program on the grounds of the

Waimano Home facility. Since this program was closed last June 30, there have been no services of this type available to the DD population. The DDD has now contracted with us (See attached AGREEMENT) to provide this service. The DDD is very eager to have services operational as soon as possible, given the lapse in availability over the past several months.

An updated copy of our proposal to DDD is attached to provide additional detail and is referenced in the section below to show how the project meets the certificate of need criteria.

a. Relationship to the Hawaii Health Performance Plan

The project is consistent with the H2P2 both in terms of Chapter XI: Behavioral Health and Chapter II: Vision and Guiding Principles. The following table illustrates how selected goals, problems, needs, etc. identified in H2P2 would be addressed by the project.

H2P2:	The Project:
XI-1. "Behavioral health...victims are universally underserved and are denied...adequate treatment..."	The project will provide adequate treatment to a currently underserved population.
XI-5 "A full continuum of care for behavioral health services traditionally includes the following settings of care... residential...and...support services, including... crisis outreach..."	The project will provide a residential setting for crisis outreach services where none exist now.
XI-6 "Hawaii remains deficient in providing an effective, full continuum of behavioral health care easily accessed by its people."	The project will add to the continuum of care, one more component which is effective and easily accessed.
II-2 "Objectives...Reducing the risk of injury and violence by promoting a safe environment and a safe community."	The project will provide reduction in the risks of harm to self and harm to others during crisis episodes.
II-4 "Each...modified health care facility service or technology is designed primarily to add value to the health-care delivery. Value is measured in terms of the appropriateness and/or cost-effectiveness as a means of achieving good patient healthcare outcomes."	The project will add value to the existing health-care delivery system by providing a currently missing type of service which is accessible to all appropriate patients, is cost-effective, and will achieve positive patient outcomes.

b. Need and Accessibility

The Developmental disabilities Division (DDD) estimates the total DD population statewide to be approximately 10,000. Of this number, DDD case managers estimate that about 5%, or 500 individuals, are subject to recurring crises involving emotional/behavioral adjustment issues. At any one time, we estimate that about 1%, or 5 of these, will be experiencing a situation severe enough to require a crisis stabilization admission. With a projected daily census of five residents, estimated

length of stay is four weeks per resident. Total number of individuals served annually is thus projected at $(52/4 = 13 \times 5) 65$. Additional and more detailed information regarding Need and Accessibility is presented in the attached Proposal for DD Behavioral Crisis Residential Program, especially Section IV SERVICE DELIVERY, Part A. Needs Assessment and Program Planning.

c. Quality of Service/Care

We will be maintaining the same high quality of care that we have historically provided. For the past six years, we have been providing, at this facility, a very similar program to a very similar population. We have been providing crises stabilization services to DD individuals in the 18 to 20 year-old range. During this time, this program and facility have been licensed (STF#58) by OHCA, accredited by CARF (maximum awards) and contracted (yearly) by CAMHD. Additional and more detailed information regarding quality is presented in the attached Proposal, especially Section II EXPERIENCE, CAPABILITY AND PERFORMANCE HISTORY, Part C. Quality Assurance and Evaluation.

d. Cost and Finances

There will be no significant change in revenue, capital costs, or operating costs as a result of the proposed project. Projected Annual Budgets for the first and third years of operation are attached.

e. Relationship to the existing health-care system

As described above in reference to H2P2, the project will supplement the current system by providing a resource that does not exist at present. Additional and more detailed information regarding the relationship to the existing system is presented in the attached Proposal, especially, Section II EXPERIENCE, CAPABILITY AND PERFORMANCE HISTORY, part D. Coordination of Services.

f. Availability of Resources

All resources necessary to implement this project are already available and in place. Staffing for the project is estimated at 12 FTEs. Current staff will be utilized for most positions with some new recruiting likely needed. No difficulties are anticipated in obtaining adequate staff.

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.