



## HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

### STANDARD APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 03-06

Applicant: Kids Behavioral Health of Hawaii, Inc.  
440 Kapiolani St., Hilo, Hawaii  
Phone: 808-961-6635

Project Title: Establishment of a 32 bed Special Treatment Facility

Project Address: 440 Kapiolani St.  
Hilo, Hawaii

1. TYPE OR 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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ST. HEALTH PLAN & DEV. AGENCY

2. PROJECT LOCATION INFORMATION:

A. Project will be located in:

- State Senate District Number:   1
- State House District Number:   2
- County Council District Number:   2
- Neighborhood Board District Number (O`ahu only): \_\_\_\_\_

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

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

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

- A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent)  
**See Attachment 1 - Lease**
- 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.)  
**See Attachment 2 - License**
- C. Your governing body: list by names, titles and address/phone numbers  
**See Attachment 3**
- D. If you have filed a Certification 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 Attachment 3**
  - By-Laws **See Attachment 3**
  - Partnership Agreements **NA**
  - Tax Key Number (project's location) **2-4-055:001**

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					

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5. **TOTAL CAPITAL COST:** \$353,272.00

6. **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
Special Treatment Facility	0	32	32
<b>TOTAL</b>	0	32	32

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 consult 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.

We are proposing to provide a 32 beds Special Treatment Facility to provide residential treatment services to children ages 11 to 18. This will be the only facility of it's type in the County of Hawai'i.

**8. PROJECT COSTS AND SOURCES OF FUNDS (For Capital Items Only)**

**A. List All Project Costs:**

		<b>AMOUNT:</b>
1.	Land Acquisition	RECEIVED \$0
2.	Construction Contract '03	MAR 21 A9:17 \$0
3.	Fixed Equipment	ST. HILLO PLANNING & DEV. AGENCY \$0
4.	Movable Equipment	\$3,272.00
5.	Financing Costs	\$0
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	\$350,000.00
7.	Other: _____	_____
<b>TOTAL PROJECT COST:</b>		<b><u>\$353,272.00</u></b>

**B. Source and Method of Estimation**

Describe how the cost estimates in Item "A" were made, including information and methods used:

Based upon on actual expenses for minor movable equipment already purchased.

The value of land and property is based upon limited use comparable sales in the Hilo Area.

**C. Source of Funds**

		<b>AMOUNT:</b>
1.	Cash	\$3,272.00
2.	State Appropriations	\$0
3.	Other Grants	\$0
4.	Fund Drive	\$0
5.	Debt	\$0
6.	Other: <u>Fair Market Value</u>	\$350,000.00

**TOTAL SOURCE OF FUNDS: \$353,272.00**

9. **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,  
**1/2000**
- b) Dates by which other government approvals/permits will be applied for and received,  
**5/15/03**
- c) Dates by which financing is assured for the project,  
**NA**
- d) Date construction will commence,  
**NA**
- e) Length of construction period,  
**NA**
- f) Date of completion of the project, and  
**7/1/03**
- g) Date of commencement of operation.  
**7/1/03**

*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.*

10. **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.

Kids Behavioral Health of Hawai'i, Inc. DBA: Pu'ukamalu is currently a 25 bed Felix exempt facility offering Special Treatment Facility services (Residential Treatment to children ages 11 to 18). This application is to establish a thirty-two (32) bed facility through which we can continue to serve exempt Felix Class children, and in addition, allow us to accept non Felix class children for the same services. This service and program will be the only Special Treatment Facility for residential services for adolescents in the above age group in the County of Hawai'i. This service and program will serve as a primary area, the County of Hawai'i, but will accept children from other locations within the State. The facility will, and will continue to provide safe, secure, evidence based services to children ages 11 through 18. The program is designed with two major components. First is the mental health treatment component, which is aimed at providing care, support, and treatment, for the mental health issues of those we serve. The second major component is our educational program, which provides on-going educational services on an expanded year bases for those residents enabling them to be prepared to re-enter the education system. This program offers a cost effective alternatives to long-term acute care and provides a major portion of a progressive system of continuing care aimed at reintroducing young people back into society with the tools and the desire to succeed. Kids Behavioral Health of Hawai'i, Inc. DBA: Pu'ukamalu has been providing these services in Hilo for over three years. Pu'ukamalu has both boys and girls as residents, and currently has 25 residents in addition to a waiting list of 34 children.

- Provide a safe and secure environment for youth between ages 11-18, while not only taking advantage of mental health services, but also an extensive educational program.
- Contribute to secondary care supports to those facilities and services providing acute level of care.
- Require supportive collaborative relationships between local, regional, and state health care providers, thus providing the most appropriate level of care to youth in our communities.
- meet critical elements of a health care delivery system by providing access to appropriate, efficient, and cost-effective services that benefit the majority of residents; utilizing evidence-based, best practices for quality-management; providing less costly services when compared to acute levels of care; facilitating continuity of care through collaborations with various providers of services in the community, and encouraging and promoting constituent participation through active involvement of a community advisory board that has been established by Kids Behavioral Health of Hawai'i, Inc. DBA: Pu'ukamalu.
- Positively impact the Behavioral Health process measures of BHP-1 (comprehensive spectrum of care), BHP-2 (continuity of care), BHP-3 (accessibility of services) as well as the Behavioral Health Outcome measures of BHO-5 (incident/prevalence of mental illness), BHO-6 (consumer satisfaction), BHO-7 (relapse/recidivism), and BHO-8 (positive involvement after treatment program)

REPLACEMENT PAGE

### **b) Need and Accessibility**

The target populations for this proposal are the educationally and mentally challenged adolescents, age 11 through 18. This project will continue to provide services primarily to the County of Hawai'i, but will be available to others throughout the state.

The demand for residential care for this age group has been on the rise. The best example of the need that we can provide as it relates to this Certificate of Need is the fact that Pu'ukamalu has currently 25 licensed beds and all of these beds are currently full and have been full for the last four months. In addition, we currently have a list of 34 boys and girls, awaiting admission to our program. This population (resident and waiting list) represents only those children referred by the State Child and Adolescent Mental Health Division. Other referral sources seeking services are Department of Education, Judiciary of Hawai'i, acute care hospitals, acute care mental hospitals, and third party insurers. There is little doubt as to the need we hope to help fulfill.

The proposed beds will provide services that are accessible to a wide range of referring entities to include CAMHD, acute care hospitals, the Judiciary State of Hawai'i, Dept. of Education, acute care providers and individual services providers. Accessibility will be enhanced due to the fact that we will be able to accept children regardless of funding source.

The beds and services will be accessible to all appropriately referred youth of the County of Hawai'i including underserved populations. In addition to the County of Hawai'i being the primary service area, services will be available to the rest of the State of Hawai'i without regards to race, ethnicity, gender, and disability.

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

The proposed will improve the quality of care:

- providing medication management.
- providing mental health services under the oversight of a psychiatrist 24 hours a day 7 days a week.
- providing services in a home-like atmosphere.
- providing on-going quality assurance monitoring.
- encouraging consumer involvement and choice.
- providing continuous quality improvement through the activities of the Quality Assurance Committee and Quality programs that have already been implemented.

- providing continuing education in all aspects in behavioral health care and to identify and implement training program when and where there is a need.
- maintaining licensure as a Special Treatment Facility with the Office of Health Care Assurance.
- maintaining CARF accreditation.
- maintaining certification by the State Child and Adolescent Mental Health Division.

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

The primary cost of the proposed project are the operating costs and the necessary financing is derived from existing contracts with the State Child and Adolescent Mental Health Division. Personnel costs are projected to be approximately \$2,000,000.00 per year based upon an average daily census of thirty (30) residents. Staffing levels are flexible according to census keeping in mind the minimum staff to patient ratio is one (1) direct care staff for ever four (4) residents. The project will reduce health care cost by providing a less costly alternative to acute care, which can cost in the vicinity of \$650 to \$750 per day. The projected cost per day of the program we are seeking to have certified is \$375.00. This cost includes the cost of a physician where the acute care facility costs are exclusive of physician charges. The savings are evident when one considers the differences in charges for both professionals as well as facilities.

**e) Relationship to the Existing Health Care System**

Kids Behavioral Health of Hawai'i, Inc. DBA: Pu'ukamalu is currently the largest single contractor with the State Child and Adolescent Mental Health Division for residential services. We've also proposed to the Judiciary of the State of Hawai'i to provide the same residential services to children, of the same age group. Other entities that have indicated that they would refer to our program are the Department of Education, providers of acute level of care and third party insurers. These services are complimentary to those services already provided within the State and as mentioned earlier would be the only such services available in the County of Hawai'i. They also represent a significant portion of the continuum of care necessary to help insure that children are provided the necessary tools to succeed outside institutional environment.

**f) Availability of Resources**

Kids Behavioral Health of Hawai'i, Inc. DBA: Pu'akamalu has an experienced management team who has been involved in providing these types of services for many years. In addition the organization enjoys many corporate level resources through individuals that likewise have many years of experience. These individuals are not only represented locally at the center itself, but also corporately. In addition, Kids Behavioral of Hawai'i, Inc. has many resources and facilities on the mainland that provide the same and similar services. The corporation has many individuals that are part of the corporate structure that have many years of experience to offer. It is also important to point out that Pu'ukamalu located in Hilo, HI and is already fully staffed. Any staff additions that would be necessary would be minor in nature. These additions would be recruited from the local area as is the current practice. Additions would include one therapist, Masters Level and up to five additional behavioral health specialists. There are no necessary additions to the existing physical space to accommodate the additional 7 beds. Also the only additional equipment required would be the additional beds needed for these additional residents. Financial resources for this project already exist through contracts that we have with the State Child and Adolescent Mental Health Division and are sufficient to support this project.