



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

STANDARD APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 03-25

Applicant: Health For All, Inc.
2730 Florin Rd., Sacramento, CA
Phone: 916-393-4861

Project Title: Establishment of an adult day health facility
94-830 Hikimoe St., Waipahu, Hawaii

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

REPLACEMENT PAGE

- 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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 SCHEIDT, FALGOUT & DEVER, ATTORNEYS

2. PROJECT LOCATION INFORMATION:

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

- Statewide: _____
- O`ahu-wide: X
- Honolulu: _____
- Windward O`ahu: _____
- West O`ahu: X
- 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)
 See Attachment 1 for 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.) Department of Health Licence, Fire Dept., Cert. of Need.
- C. Your governing body: list by names, titles and address/phone numbers
 See Attachment 2.
- 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
 - By-Laws
 - Partnership Agreements N/A
 - Tax Key Number (project's location) 9-4-17:51

} See Attachment 3

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 ownership	Change in service/ establish new service/facility	Change in Beds
Inpatient Facility		03 JUL 22 8:21 AM				
Outpatient Facility		SEP 10 10:10 AM			X	
Private Practice						

5. **TOTAL CAPITAL COST:** \$5,330,000.00

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
TOTAL			

7. **CHANGE IN 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.

Establishment of Adult Day Health Facility at Waipahu.

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

A. List All Project Costs:

AMOUNT:

1. Land Acquisition	0
2. Construction Contract	0
3. Fixed Equipment	0
4. Movable Equipment	0
5. Financing Costs	0
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	5,330,000 (land/bldg)
7. Other: _____	0

TOTAL PROJECT COST: 5,330,000

B. Source and Method of Estimation

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

Lease for building & ground for 20 years from Waipahu Community Church.

C. Source of Funds

AMOUNT:

1. Cash	5,330,000
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	_____
6. Other: _____ Lease	_____

TOTAL SOURCE OF FUNDS: 5,330,000

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, 7/31/03
- b) Dates by which other government approvals/permits will be applied for and received, 7/31/03
- c) Dates by which financing is assured for the project, N/A
- d) Date construction will commence, N/A
- e) Length of construction period, N/A
- f) Date of completion of the project, and 6/30/03
- g) Date of commencement of operation. 9/01/03

REPLACEMENT PAGE

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.

- 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

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EXECUTIVE SUMMARY

Relation to the State Plan (H2P2)

H2P2's goal (to provide older adults with the opportunity to better maintain good health and independent personal functioning) and objective (to reduce the risk of injury and abuse by promoting a safe environment and community) will be strongly supported by HFA's Waipahu Adult Day Health Care Center. This proposed project's goal is to provide affordable quality care to the low-income elderly and its objective is to reduce the effects of chronic diseases and prolong healthy lives.

HFA will also support and enhance the statewide and regional priorities. Statewide priority: "To foster development of care delivery systems for the elderly and chronically ill populations" and West O'ahu priority is "To provide affordable long-term care and services in general for the elderly and their family members."

Needs and Accessibility

Studies done among senior residents of Hawaii and in our specified region, Waipahu, show a significant need for this type of service. The GSI study stated in Application #02-27 (Central Union Church Adult Day Health) showed that for the island of Oahu, slots needed would be a conservative 421 with a potential for 945, which are 91 and 195 for Leeward & Central Oahu (23.5% of the Oahu's 65 and over population). This is a strong reason for the establishment of the Center. Hawaii is also experiencing a tremendous increase in the number of senior residents each year like the rest of the nation, thus the need for such a service is in great demand.

This service will be available to all the senior residents of West Oahu as well as to the rest of the island. Our center does not discriminate on the basis of race, gender, socio-economic status, or creed/religion. The services from this Center are available to every senior resident including those with disabilities.

Quality Criteria

HFA will provide quality care to its participants. This quality care will be delivered through nursing, occupational therapy, speech therapy, physical therapy, medication administration, social services, and socialization. To ensure that quality care is maintained and appropriately delivered, HFA will have a medical doctor, a registered nurse, an experienced health care provider and nurses' aides, physical therapist, occupational therapist, and a speech therapist. Their job descriptions as stated in the agency's Policies & Procedures Manual have been designed to maximize the quality of service provided to the clients. And as part of their training, the staff will participate in servant-leadership workshops so they can be culturally sensitive and have a deeper understanding of the clients' needs. This facility will be licensed by the Department of Health to operate as an Adult Day Health Center.

Cost and Finances

There is a capital cost, \$ 5,330,000.00 which has been paid for in full by donors and sponsors. The anticipated cost will be the expenses (staff salary, utilities, insurance, etc.) of running the program during its first year of operation. We anticipate a deficit of \$12,000.00 in our first year of operation but this will be compensated for by our corporate office in Sacramento, California.

Most of the revenue of the project will be generated from the fees paid by the clients and grants. With its intake of 10 in its first year of operation, the anticipated revenue will be \$156,000.00. As expected, this amount will be short of the agency's expenses but will increase in the succeeding years. This facility won't have major expenses such as cost of building and land because these have been paid for by the donors. There will be no special equipments' expenses also as they will not be needed.

Relation to the Existing Health Care System Criterion

The existence of an Adult Day Health Center in West O'ahu (Leeward & Central Oahu) will be an enhancement to the delivery of care to the senior residents in this part of the island. At present, there is no program that provides this type of care and the closest one, Kuakini Geriatric Care, is about ten miles away. This project will work in concert with hospitals, private doctors' offices, clinics, and other health care systems and will not affect the utilization of other health care systems.

Availability of Resources

HFA has the resources for this project. It will recruit its entry level-staff and volunteers from the local community first (Waipahu) and if none available, it will recruit from other communities. The recruitment will be done according to the state's regulations with emphasis on recruitment from the low-income communities. The building has been acquired and paid for. The salaries, utilities and other operational expenses will be offset by the fees received from the participants and monies from grants. The facility's anticipated deficit for its first year will be paid for by its corporate office and for its succeeding years' expenses, the center will pay from the sources mentioned already, clients' fees and grants' monies.