



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number #06-22A

Applicant: Bristol Hospice-Hawaii, LLC
255 East 400 South, #200
Salt Lake City, UT 84111

Phone: 801 596-8844

Project Title: Establishment of Hospice services

Project Address: 1667 Pensacola Street
Honolulu, Hawaii

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

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

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2. PROJECT LOCATION INFORMATION

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

- Statewide: _____
- O`ahu-wide: _____ X
- Honolulu: _____ X
- 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 (e.g. lease/purchase agreement, DROA agreement, letter of intent) see Attachment I
- 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 II
- C. Your governing body: list by names, titles and address/phone numbers Attachment III
- 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)
 see Attachment IV

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.

see Attachment V

	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					
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.

see Attachment VI

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

6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:

AMOUNT:

1.	Land Acquisition	RECEIVED	_____
2.	Construction Contract		_____
3.	Fixed Equipment	'06 AUG 15 A6:33	<u>10,000</u>
4.	Movable Equipment	ST. HLTH. PLAN & DEV. AGENCY	<u>15,000</u>
5.	Financing Costs		_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.		<u>150,000</u>
7.	Other: _____		_____

TOTAL PROJECT COST: 175,000

B. Source of Funds

1.	Cash		<u>25,000</u>
2.	State Appropriations		_____
3.	Other Grants		_____
4.	Fund Drive		_____
5.	Debt		_____
6.	Other: <u>Est. Fair Market Value of Lease</u>		<u>150,000</u>

TOTAL SOURCE OF FUNDS: 175,000

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.

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Hospice, free standing Medicare certified hospice

services. The hospice services will be provided to meet

the physical, psychosocial and spiritual needs of hospice

patients and families/caregivers

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:

see Attachment VIII

- 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.

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.

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.

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Executive Summary:

Bristol Hospice, LLC, is a subsidiary of Avalon Health Care focusing on the delivery of hospice services in the geographic areas as identified in the strategic plan. Bristol Hospice, LLC is a for profit, privately owned, limited liability company. Attached is an organizational chart which includes the Bristol Hospice, LLC reporting structure, subsidiaries, and proposed Bristol Hospice – Hawaii, LLC program. **(Exhibit A)**

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Bristol Hospice, LLC is proposing to open a free-standing, Medicare certified, hospice program, Bristol Hospice – Hawaii, LLC. In addition the hospice will seek Community Health Accreditation Program (CHAP) deem status. The program will provide hospice services that are intended to meet the physical, psychosocial, practical, and spiritual needs of the hospice patients and their families/caregivers. The hospice services will be provided to terminally ill patients in their place of residence, which could be in the patient's own private residence, a skilled nursing facility, adult foster care, or other living arrangements. The scope of services to be provided will include the following levels of care: Routine, Continuous Care, General Inpatient, and Respite Inpatient. An interdisciplinary group of professionals and volunteers will develop with each patient and family/caregiver a plan of care which will include, as appropriate/related to the terminal illness, the following services: nursing, physician, home health aide, counseling, spiritual support, therapy, dietary counseling, volunteers, durable medical equipment, supplies, and bereavement services for up to 13 months after the death.

The total project cost is \$175,000. The project will have a net positive cash flow sixteen months after start up. Initial cash will be available from our parent corporation.

The staff for the hospice program will meet the federal and National Hospice and Palliative Care Organization (NHPCO) guidelines. The following hospice staff will be needed for the initial start up of the program:

- Medical Director
- Executive Director (Administrator)
- Director of Patient Care Services
- Registered Nurse
- Licensed Vocational Nurse
- Chaplain
- Volunteer Coordinator (combined role initially)
- Bereavement Coordinator (combined role initially)
- Medical Social Worker
- Dietary Counselor
- Home Health Aide
- Therapy – PT, OT, ST

The Bristol Hospice – Hawaii, LLC office will be open from 8:00 a.m. to 5:00 p.m., Monday through Friday except on designated holidays. Core services; Registered Nurse, Physician, Social Worker, and Bereavement Counselors, are

available 24 hours a day, seven (7) days a week. Registered nurses are utilized for the program's on-call services.

In summary, the advantages of opening the Bristol Hospice – Hawaii, LLC are:

- Improved hospice access and service for the Hawaii residents in the program service area.
- Additional family and community support through the Hospice Services Bereavement and Volunteer programs
- Additional palliative and end of life services through the hospice program.

Additionally, as noted above, the hospice programs would provide all four levels of care and scope of services as indicated by the patient's plan of care.

a.) Relationship to the Hawaii Health Performance Plan (H₂P₂)

The Hawaii Health Performance Plan (H₂P₂) goals include: Increasing the span of healthy life for Hawaii's residents, reduce health disparities among Hawaii's residents and achieve equitable and effective access, at reasonable cost, for all Hawaii's residents to health services that are responsive to the holistic needs of community members.

The Bristol Hospice – Hawaii, LLC program will contribute to the H₂P₂ goals. The proposal for a free standing hospice in Honolulu will improve the existing health-care system by providing certified hospice service to meet the needs of the terminally-ill and their families on Oahu. A free standing hospice will provide all four levels of care in the patient's resident i.e. Home, facility, etc. The four levels of care consist of the following: Routine, Continuous Care, General Inpatient, and Respite Inpatient. The hospice services will provide sensitivity and support for patients and their families in the final phase of a terminal illness. The hospice focus is to treat the person and the family holistically. The focus includes comfort, pain and symptom control, living life to the fullest with dignity and comfort.

b.) Need and Accessibility

The hospice program will be accessible to patients meeting the hospice criteria for Medicare, Medicaid, and third party insurance. In addition, families and caregivers will receive Bereavement services for thirteen months following the death. The Volunteer program will be available to service the patients and families in the community.

The hospice program, as noted, will address H₂P₂'s standard of improved access by being responsive to the community needs.

The program's focus on providing the four levels of care, as indicated by the patient's plan of care, will support the H₂P₂ goals noted above.

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The National Hospice and Palliative Care Organization (NHPCO), 2004 National Data Set reports the following regarding the percentage of level-of-care days **(Exhibit B)**:

- Routine 95.8%
- General Inpatient 3.0%
- Respite 0.2%
- Continuous 1.0%

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Additionally, the hospice program focus will include comfort and pain and symptom control for cancer and non-cancer diagnosis. The following is an overview from the NHPCO Facts and Figures Report regarding cancer and the top five (5) "non-cancer" diagnosis.

- Cancer diagnosis accounted for 46% of hospice admissions in 2004
- The following conditions represented the top five "non-cancer" diagnosis
 - End stage heart disease at 12.2%
 - Dementia at 8.9%
 - Diabetes at 8.2%
 - Lung disease at 7.1%
 - End stage kidney disease at 3.1%
- More hospice patients over 75 are now being served
 - 64.7% of hospice patients are 75 years or older versus 63% in 2003

Also, the hospice program contributes to the H₂P₂ goals through the Volunteer and Bereavement programs and support provided to the community. The NHPCO 2004 Facts and Figures Report provides an overview of the value and support provided to the community through these programs

Volunteer commitment and Bereavement support remain strong **(Exhibit C)**:

- Approximately 400,000 hospice volunteers contributed 10.3% of all hours provided to hospices
- On average, about two family members per death receive hospice bereavement support, each receiving two to three contacts. 16% of these individuals are community members whose family member did not receive hospice care.

The Hawaii Health Information Corporation(HHIC 2005) year 2005 data for 65+ years and older top five diseases and reasons for hospitalization as follows **(Exhibit D)**.

• Pulmonary	139 Other Pneumonia	Discharges 2,318
• Cardiology	194 Heart Failure	Discharges 2,138
• Cardiology	190 Acute Myocardial Infarction	Discharges 1,189
• Pulmonary	137 Major Respiratory Infections & Inflammations	Discharges 1,180
• Neurology	045 CVA & Precerebral Occlusions W Infarct.	Discharges 1,107

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Additionally, below is a comparison of the top five NHPCO disease groups surveyed by hospice in 2004 to the disease groups referenced in the 2005 HHIC data report **Exhibits C and D).**

NHPCO	HHIC Diseases	Discharges
End stage heart disease at 12.2%	194 Heart Failure	2,138
	190 Acute Myocardial Infarction	1,189
Diabetes at 8.2%	420 Diabetes	351
Lung disease at 7.1%	139 Other Pneumonia	2,318
	137 Major Respiratory Infectious and Inflammations	1,180
End stage kidney disease 3.1%	460 Renal Failure	524

The availability of the proposed hospice program will improve and allow for greater access of hospice services for terminally ill persons and their families in the community. In 2004, the United States hospices served 797,117 Medicare patients. Due to the aging population, an increasing interest and concern about end-of-life care and rising health care costs, the need for Medicare-certified hospices will continue to rise. The 2004 American Community Survey ranked Hawaii seventh in the nation with population greater than 65. The survey data reports Hawaii 65+ population at 13.7% (2004 American Community Survey. **(Exhibit E)**)

Additionally, as noted in the US. Census Bureau report dated April 21, 2005 Hawaii's 65+ population will grow 103.6% by 2030 (U.S.Census Bureau). **(Exhibit F)**

The GAO Study 1999-2000 reported on the value hospice services bring to quality of life. The study of hospice patients vs. other nursing home patients presented the following results regarding hospice patients,

- Were less likely to be hospitalized in the last 30 days, 90 days, and last six months of life.
- More likely to receive superior pain assessment and treatment.
- More likely to have dyspnea regularly assessed and treated
- More likely to have depression and anxiety treated.

Additionally, GAO suggests the value added care that hospice provides may improve quality of life at the end of life for the longer stay hospice patients (>30 days). Also improved end of life outcomes and patients/families receive additional psychosocial support as well as bereavement services. This further supports the need for the proposed hospice program to increase the current access of hospice services which support H₂P₂ goals.

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c.) Quality of Services/Care

Bristol Hospice, LLC has an extensive Quality Assurance and Performance Improvement program. The program is designed and implemented to promote the following:

- Operational Compliance with all Hospice Conditions of Participation; Code 42 of Federal Regulations 418.1-418.405.
- Operational compliance with Community Health Accreditation Program Standards (CHAP). All Bristol Hospice programs will be CHAP deem status accredited.
- National Hospice and Palliative Care Organization Standards (NHPCO).
 - Operational Staffing Model based on NHPCO Standards.
 - Quality Assurance Program aligned with NHPCO Quality initiatives.
- Quality Outcomes benchmarking will be completed through the use of the NHPCO Family Evaluation Satisfaction Survey. **(Exhibit G)**

Bristol Hospice – Hawaii, LLC will obtain all appropriate permits, licenses, and certification to provide certified hospice services. In addition to meeting the local, state, and federal requirements, Bristol Hospice – Hawaii, LLC will also voluntarily seek deem status from Community Health Accreditation Program (CHAP). **(Exhibit H)**

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

The Bristol Hospice – Hawaii, LLC's, total project cost is \$175,000. The operation proforma/budget for the first year through the third year of operation is attached for review. Revenue will be \$1.3 Million in the first year and will increase to \$3.2 million by year three. The project will have a net positive cash flow sixteen months after start up. Initial cash will be available from our parent corporation. **(Exhibit I)**

e.) Relationship to the Existing Health Care System

Establishing the Bristol Hospice – Hawaii, LLC, program and services will improve the existing health care system. As noted above, it will improve accessibility of hospice services for patients and families on Oahu.

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In addition, the Bristol Hospice-Hawaii, LLC goals are to serve as a community resource and work collaboratively with other institutions and health care providers to promote the delivery of quality health care services. (i.e. Hospitals, Facilities etc.)

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In establishing the Bristol Hospice-Hawaii LLC., hospice services will be provided in the patient's residence. The patient's residence is defined as where the patient resides (i.e. home, facility.) The services will include all four levels of care; Routine, Continuous Care, General and Respite Inpatient. The General Inpatient level of care may be provided, under arrangement, in Skilled Nursing Facilities. The four levels of care will be utilized to provide quality services and coordination of care with other health care providers.

Currently, there are only two certified Hospice providers in Honolulu, HI, St. Francis Hospice Program and Hospice Hawaii, Inc. An additional hospice program is needed to provide services as noted above and meet the needs of the current and future Oahu population. The following is a comparison of similar size counties by population greater than 65+ and the available hospice programs (Exhibit J).

- Arizona, Pima County population greater than 65+ is at 14.1% has nine hospice programs.(U.S. Census Bureau, 2004 American Community Survey)
- Oahu, Honolulu County population greater than 65+ is at 14.0% has two hospice programs. (U.S. Census Bureau, 2004 American Community Survey)

In addition, Bristol Hospice-Hawaii, LLC will serve as a resource to educate the community on hospices services. The proposed hospice program will provide in-services for health providers and facilities. The program will provide community services through the Volunteer program. Counseling services will be available through the Bereavement and Spiritual care programs; the Bereavement program is available to families and friends for thirteen months after death.

f.) Availability of Resources

As noted in part **d** above, the initial funds are available through our parent corporation Avalon Health Care, Inc.

The program revenue will be \$1.3 million in the first year and will increase to \$3.2 million by year three. The project will have a net positive cash flow sixteen months after start-up.

Also as noted above, the staffing requirement will meet federal, CHAP, and NHPCO guidelines. The staff needed for the start up agency are as follows:

- 1 Executive Director
- 1 Medical Director
- 2 FTE RN/LVN
- 1 Chaplain
- 1 Social Worker
- 1 Home Health Aide
- 1 Therapy PT, ST, OT

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An organizational chart and leadership roster is included in **Exhibit K**. Although RN's are in high demand, we have a successful recruitment plan.

Bristol Hospice - Hawaii, LLC's Governing Body will have the authority, responsibility, and accountability for the hospice operation. The Governing Body structure is as follows:

- Executive Director (chair)
- Director of Patient Care Services
- Bereavement Coordinator
- Volunteer Coordinator
- Clinical Supervisor

Additionally, the following committees support the hospice operation and services:

- Quality Council
- Professional Advisory Committee
- Interdisciplinary Team