



**HAWAII STATE HEALTH PLANNING AND DEVELOPMENT  
AGENCY**

**ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM**

Application Number: \_\_\_\_\_ Date of Receipt: \_\_\_\_\_  
To be assigned by Agency

**APPLICANT PROFILE**

Project Title: Establishment of 16 bed Special Treatment Facility

Project Address: 45-567 Pahia Road, Kaneohe Hawaii 96744

Applicant Facility/Organization: Po'ailani Inc.

Name of CEO or equivalent: Abby R. Paredes

Title: Chief Executive Officer

Address: 1005 Keolu Drive Kailua Hawaii 96734

Phone Number: 808-864-0020 Fax Number: 808-263-3508

Contact Person for this Application: Abby R. Paredes

Title: CEO

Address: 1005 Keolu Drive Kailua Hawaii 96734

Phone Number: 808-864-0020 Fax Number: 808-263-3508

**CERTIFICATION BY APPLICANT**

I hereby attest that I reviewed the application and have knowledge of the content and the information contained herein. I declare that the project described and each statement amount and supporting documentation included is true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Name (please type or print) Title (please type or print)

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

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

**2. PROJECT LOCATION INFORMATION**

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

Statewide: \_\_\_\_\_  
O'ahu-wide:  \_\_\_\_\_  
Honolulu: \_\_\_\_\_  
Windward O'ahu: \_\_\_\_\_  
West O'ahu: \_\_\_\_\_  
Maui County: \_\_\_\_\_  
Kauai 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 A – County tax assessment notice.**

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.)- **CUP2, Department of Sanitation, Building Department, Fire Department, Office of Health Care Assurance.**

C. Your governing body: list by names, titles and address/phone numbers-  
**See Attachment B- List of Board of Directors**

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- **Attachment C**
- By-Laws- **Attachment D**
- Partnership Agreements- **N/A**
- Tax Key Number (project's location)- **Attachment E**

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.

	Use 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	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
Special Treatment Facility (STF)		16 beds	16 beds

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

**A. List All Project Costs: AMOUNT:**

- 1. Land Acquisition: \$750,000.00
  - 2. Construction Contract: \$0.00
  - 3. Fixed Equipment: \$0.00
  - 4. Movable Equipment: \$0.00
  - 5. Financing Costs: \$0.00
  - 6. Fair Market Value of assets acquired by lease, rent, donation, etc:
  - 7. Other: \$0.00
- TOTAL PROJECT COST: \$750,000.00**

**B. Source of Funds**

- 1. Cash: \$0.00
- 2. State Appropriations: \$0.00
- 3. Other Grants: \$0.00
- 4. Fund Drive: \$0.00
- 5. Debt: \$750,000.00
- 6. Other: \$0.00

**Funded by:**

**Adult Mental Health Division  
Alcohol and Drug Abuse Division  
Private Insurance  
Veterans Administration**

**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.

**Po'ailani Inc. property located on 45-567 Pahia Road is currently certified by the Department of Health Adult Mental Health Division to provide supervised 24 Hour and 8/16 Hour housing to adults 18 years and older who are dual diagnosed. The current bed capacity is 32 beds. Po'ailani Inc. proposes to change the current service to provide a Specialized Residential Program (STF) for the same population. The bed capacity would decrease to a total of 16 beds.**

**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, **Completed**

b) Dates by which other government approvals/permits will be

applied for and received,	11/01/2009
c) Dates by which financing is assured for the project,	Completed
d) Date construction will commence,	Completed
e) Length of construction period,	Completed
f) Date of completion of the project,	Completed
g) Date of commencement of operation	01/15/2010

**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.

**Po'ailani Inc. is a private non-profit organization that has been providing treatment and housing services for over 32 years to adults that have both a mental illness and a substance abuse problem.**

**Currently Po'ailani Inc. provides sixteen bed Specialized Residential Treatment services in Kailua (OHCA#37-STF) and is proposing an expansion of services that will help to better meet the growing needs of this unique underserved population while reducing the number of inappropriate psychiatric hospital admissions and lengthy stays at the Hawaii State Hospital. Additionally, Po'ailani Inc. wait list for this level of services has steadily increased over the last five years.**

**Po'ailani Inc. purchased a 2 1/2 acre land in 2005 that has four homes and has been operating as a certified housing program funded by the Department of Health Adult Mental Health Division. Currently the site provides housing for 32 adults that are dual diagnosed. Po'ailani Inc. is proposing to change the level of service from housing to a Special Treatment Facility that will serve sixteen – (16) dual diagnosed adults.**

a) Relationship to the State of Hawai'i Health Services and Facilities Plan 2009

**Po'ailani Inc.'s proposed services at this location is in line with the Statewide Health Coordinating Council (SHCC) Priorities, addressing the Specific Health Areas of Concern by increasing and improving access to mental health programs, services, and education as well as increasing and improving access to substance abuse programs, services, and education.**

**Po'ailani Inc.'s proposed services also relate to the HONOLULU COUNTY, HONOLULU (HONSAC) PRIORITIES by increasing the availability of long-term care that is community based to create more accessibility.**

**Po'ailani Inc.'s application for a 16 bed Special Treatment Facility is in line with the WEST OAHU SAC PRIORITIES by providing mental health services as well as substance abuse services.**

Po'ailani Inc.'s proposed services are in line with the WINDWARD SAC PRIORITIES by improving the bed availability through timely transfer of patients from the HSH and other providers that are ready to move to a more appropriate, cost effective level of care for continued specialized treatment.

- Po'ailani Inc. has maintained the highest national accreditations/certification/licensing from CARF, the Department of Health and the Office of Health Care and Assurance. Meeting and/or exceeding these licensing requirements follows the Health Services and Facilities Plan 2009 Vision and Guiding Principles.
- Po'ailani Inc.'s current average occupancy rate of the existing 16-bed special treatment facility is 98% which exceeds the Health Services and Facilities Plan 2009 thresholds identified for occupancy rates for intensive treatment and detoxification. Po'ailani Inc.'s current waitlist averages over 35 clients that have been screened assessed and are ready for immediate placement each day. The proposed additional 16 STF beds at Pahia Road will increase and improve the accessibility to mental health and substance abuse services and education.

b) Need and Accessibility

The need to provide additional Specialized Residential Treatment services to the dual diagnosed population has grown since 2003 to the present.

The Adult Mental Health Division estimated the number of people in need of services has tripled from 5,201 individuals in 2003 to 15,576 individuals in 2007. There continues to be a lack of services for this level of care as evident in the growing waitlist statistics which has doubled within the last two years.

Currently there is an unmet need for the dual diagnosed population that is being discharged from the State Hospital or in need for a less restrictive level of care. There continues to be a lack of providers on O'ahu that offer a licensed specialized residential treatment facility. The current providers of this service on Oahu are limited and include the following:

Sand Island-	53 licensed specialized residential beds
Po'ailani Inc.-	16 licensed specialized residential beds
Hina Mauka-	8 licensed specialized residential beds

The total bed capacity for licensed specialized residential treatment (STF) on Oahu is 77 which leaves a huge ongoing deficit (99%) for the over 15,000 individuals in need of care. In addition, the Hawaii State Hospital continues to mandate the discharge of patients to a less restrictive, more cost effective level of care.

**A Special Treatment Facility at 45-567 Pahia Road will increase capacity and accessibility to specialized services designed to assist the dual diagnosed population which will reduce psychiatric hospitalizations and incarceration, support community reintegration from the Hawaii State Hospital, Kahi Mohala, private hospitals/providers and other community based mental health centers.**

**The proposed service accepts all referrals from the Department of Health (AMHD and ADAD) QUEST and private insurers without regard to income, race, ethnicity, gender, disability or age. For those with financial barriers, Po'ailani Inc. is funded by federal, state and private dollars to provide services to the target population.**

**Po'ailani Inc.'s proposed expansion on Pahia Road is centrally located in Kaneohe town and in close proximity to other providers such as medical care, dental care, legal aide, educational and social services.**

**c) Quality of Service/Care**

**Po'ailani Inc. services have historically met the highest national standards for the delivery of quality services to the dual diagnosis population statewide. Po'ailani Inc. has been providing specialized services for thirty-two – (32) years and has received the highest accreditation from CARF for the last three consecutive three year terms. Po'ailani Inc. has additionally maintained full compliance and licensure with ADAD and Office of Health Care and Assurance for the STF regulations for the specialized residential program located in Kailua Town. Po'ailani Inc. will continue to fully comply with federal and state licensure and certification requirements. This proposal represents an extension of services currently provided.**

**The proposed services provided by Po'ailani Inc. will improve the quality of care by the following:**

- The services shall be delivered by qualified staff which will include a psychiatrist, registered nurse, Master's level/CSAC clinicians and other direct service support staff that meets the Title 11 Department of Health Chapter 98 Special Treatment Facility qualifications.**
- Provide services 24 hours per day, 7 days per week including but not limited to twenty-five – (25) hours of face to face treatment each week, medication monitoring/management by an APRN, dietary services provided by a registered dietician.**
- The clinicians shall provide educational/process groups that consists of motivational enhancement, cognitive restructuring, smoking cessation, mental health and addiction education.**

- **Maintain staff to client ratio of 1:8.**
  - **Po'ailani Inc. shall continue its ongoing quality assurance program which includes but is not limited to Disaster Preparedness Plans, Health and Safety Program (Building, Fire and Sanitation Standards), and Administrative, Program, Employment and Facilities Policies and Procedures. Po'ailani Inc. staff shall continuously comply with pre-employment and annual mandatory training requirements.**
  - **Po'ailani Inc. shall continue to maintain its high standards for treatment outcomes which include treatment success rates, client satisfaction, and barriers to accessibility and input from the persons served.**
- d) Cost and Finances (include revenue/cost projections for the first and third year of operation) **See Attachment F - Financial Forecast.** Also see attached copies of contracts for services with the Department of Health.

**There is no capital cost associated for this proposed change of service for this location. Currently Po'ailani Inc. is providing housing services funded by the Department of Health, Adult Mental Health Division and the Alcohol Drug Abuse Division. Po'ailani Inc. is applying for a change of service to a Specialized Residential Program (STF). The proposal of service will reduce the State of Hawaii health care costs by providing a more cost effective level of care that is needed for this population. The State Hospital is faced with continuous overcrowding with hospitalizations costing an average of \$800.00-\$1,000.00 per day. Specialized Residential services provide a less restrictive level of care and follows the evidence-based model of best practices for the dual diagnosed population.**

- e) Relationship to the existing health care system  
**Po'ailani Inc. has established and maintained strong collaborative relationships with providers within the State of Hawaii's Health Care System. Other facilities will not be adversely affected by this project in light of the fact that there are only three other providers on the Island of O'ahu that are currently delivering this level of care. There is a State wide capacity shortage for specialized residential beds. Po'ailani Inc. proposed services will alleviate this unmet need.**
- f) Availability of Resources.  
**The necessary clinical staff and administrative personnel are already employed at Po'ailani Inc. Po'ailani Inc. purchased the property in 2005 and has maintained federal, state and private insurance to cover operational expenses.**

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. 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.