



# HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

## ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 10-05A Date of Receipt:  
To be assigned by Agency

### APPLICANT PROFILE

Project Title: Bed additions: +1 Med/Surg bed, +1 ICU bed, +4 SNF/ICF beds. Bed deletions: -8 Obstetric beds.

Project Address: 128 Lehua Street, Wahiawa, Hawaii 96786

Applicant Facility/Organization: Wahiawa General Hospital

Name of CEO or equivalent: Don Olden

Title: CEO

Address: 128 Lehua Street, Wahiawa, Hawaii 96786

Phone Number: 808-621-4210 Fax Number: 808-621-4451

Contact Person for this Application: Susan Rich

Title: Assistant Administrator

Address: 128 Lehua Street, Wahiawa, Hawaii 96786

Phone Number: 808-621-4308 Fax Number: 808-621-4418

### 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.

Don Olden  
Signature

JUNE 28, 2010  
Date

Don Olden  
Name (please type or print)

CEO  
Title (please type or print)

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

Public   X   
Private  \_\_\_\_\_  
Non-profit   X   
For-profit  \_\_\_\_\_  
Individual  \_\_\_\_\_  
Corporation   X   
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:   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) **NA**
- 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.) **An updated License for Skilled Nursing and Intermediate care facility (Wahiawa General Hospital) from the State of Hawaii department of Health will be needed to reflect the increased number of beds.**
- C. Your governing body: list by names, titles and address/phone numbers
- 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)

**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	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
Medical/surgical	36	+1	37
ICU	5	+1	6
SNF/ICF	103	+4	107
Acute-Psychiatric	10	0	10
Obstetric	8	-8	0
<b>TOTAL</b>	162	-2	160

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

<b>A. List All Project Costs:</b>	<b>AMOUNT:</b>
1. Land Acquisition	_____
2. Construction Contract	_____
3. Fixed Equipment	_____
4. Movable Equipment	_____
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	_____
7. Other: Relocate Telemetry monitors	\$6000.00
<b>TOTAL PROJECT COST:</b>	<b>\$6000.00</b>

<b>B. Source of Funds</b>	
1. Cash	\$6000.00
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	_____
6. Other: _____	_____
<b>TOTAL SOURCE OF FUNDS:</b>	<b>\$6000.00</b>

**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.

In May 2007 Wahiawa General Hospital discontinued staffing obstetric and nursery services due to financial losses and the loss of qualified physicians in the local community required to support these services.

The space is now being used for SNF/ICF patients.

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**7. 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, **N/A**
- b) Dates by which other government approvals/permits will be applied for and received, **NA**
- 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, **NA**
- g) Date of commencement of operation **upon licensing**

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.

**8. 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.

In May 2007 Wahiawa General Hospital discontinued staffing obstetric and nursery services due to financial losses and the loss of qualified physicians in the local community required supporting these services. The 8 bed unit has been used for overflow of Medical/Surgical and waitlisted patients. Wahiawa General Hospital needs to convert 4 of the OB beds to SNF/ICF to better manage its waitlisted patients in a more appropriate and cost effective setting.

The conversion of the OB beds to +1 ICU bed and +1 Medical/Surgical bed will better serve the needs of our patient population by utilizing a telemetry system to monitor our patients thus reducing the need to transfer to other facilities, thereby reducing costs to the healthcare system.

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

The proposed services are designed to add value to the Health Services and Facilities Plan (HSFP) by promoting and supporting the long-term viability of the health care delivery system in the state of Hawaii. Specific health areas of concern that will be addressed are; to ensure capacity and access to a continuum of long-term care services and to ensure capacity and access to primary care services. The proposed project addresses the WEST OAHU SAC PRIORITIES by improving and increasing access to critical care, acute care and nursing home beds.

b) **Need and Accessibility**

The proposed project to increase SNF/ICF beds will help to meet the needs for long term care in the community and improve the accessibility of beds as well as provide a more appropriate setting for this patient population. Long term care services will be available to all patients regardless of age, sex, race, income, or disabilities. Additional SNF/ICF beds translate to the ability of more patients to remain in their community thus allowing family to visit more frequently.

The addition of 1 ICU bed and 1 medical surgical bed will better accommodate the needs of the community by decreasing the need to transfer to alternate facilities and increasing the types of beds most frequently occupied.

The reduction of 8 OB beds will minimally affect the community since there are dedicated women's and children's facilities in close proximity and the unit rarely had more than four OB patient's at any given time. Usual OB census was less than four. All OB patients had been safely discharged from the hospital by the time the unit was no longer staffed. In case of emergency, patient's can still be delivered in the Emergency Department and transferred to a more appropriate facility after stabilization.

c) **Quality of Service/Care**

Wahiawa General Hospital is Joint Commission accredited and strives to maintain and improve the quality of care and quality of services provided to its patient population. All staff will be assured of competency and will receive ongoing education. The hospital will comply will all Federal and State licensing requirements for physicians and staff.

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

**CAPITAL COSTS**

There will not be any capital cost involved. The relocation of the SNF Beds to the prior OB bed area is simply a move of the 10 SNF Beds from the second floor of the hospital

to the third floor and increasing the SNF beds from 10 to 14. All rooms, beds, and related electromechanical support services already exist and no renovation or related capital costs will be needed.

**REVENUE AND OPERATING COSTS**

Fiscal year 2011-2012 (beginning July 1 2010) Projected revenues and expenses for the Medical surgical, ICU and Long Term Care units are:

	2011				
	Med/Surg	ICU	SNF	SNFIII	Total
Gross Patient Care Revenue	8,730,514	4,042,752	9,100,550	915,042	22,788,858
Expenses:					
Salaries & Wages	3,707,658	1,069,071	3,659,057	83,838	8,519,624
Other Expenses	300,912	373,776	285,804	51,072	1,011,564
Total Expenses	4,008,570	1,442,847	3,944,861	134,910	9,531,188

Fiscal year 2013-2014 (beginning July 1 2012) Projected revenues and expenses for the Medical surgical, ICU and Long Term Care units are:

	2013				
	Med/Surg	ICU	SNF	SNFIII	Total
Gross Patient Care Revenue	9,262,202	4,288,956	9,654,773	970,768	24,176,699
Expenses:					
Salaries & Wages	3,933,454	1,134,177	3,881,894	88,944	9,038,469
Other Expenses	319,238	396,539	303,209	54,182	1,073,168
Total Expenses	4,252,692	1,530,716	4,185,103	143,126	10,111,637

Revenue improvements should be minor due to only moving SNF patients from the second floor to the third floor. The expected improvements will occur by having an additional 4 SNF beds on the third floor which will relieve the wait listed problem in the medical surgical unit on the second floor. Typically, there are two to five SNF wait listed patients residing in the second floor medical surgical unit and the cost per patient day is approximately \$500. Moving these waitlisted patients from a high cost medical surgical unit to the SNF unit will result in a cost savings of approximately \$250 per patient day.

In summary: The relocation of beds as requested in this CON is being done to improve efficiency, reduce operating cost, allocation of appropriately trained staff and provide a more optimal setting for the SNF patients on the third floor of the hospital.

e) **Relationship to the existing health care system**

This proposed project will allow Wahiawa General Hospital to provide SNF/ICF services to its patients as well as provide increased telemetry service in the ICU and Medical/Surgical units. There will be minimal impact on the existing health care system. The OB unit rarely had four OB patients at any one time and more typically one to two Mom's and babies. There are close by facilities with excess capacity to address these patients. This proposal will allow Wahiawa General Hospital to directly provide much needed services to its patients without burdening the health system.

f) **Availability of Resources.**

The proposed project will require a change in the mix of FTE's. Most of the staff are within the organization and have or will provide this service without additional cost to the organization. It is expected that any new FTE's will be hired locally and trained within the system as needed. Two FTE's may be needed due to staffing ratio and unit clerk functions.

9. **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.