



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY  
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**STANDARD APPLICATION - CERTIFICATE OF NEED PROGRAM**

ST HLTH PLNG  
& DEV. AGENCY

Application Number: 10-15  
To be assigned by Agency

Date of Receipt:

**APPLICANT PROFILE**

Project Title: Establishment of Home Health Agency services on the island of Kauai

Project Address: 4180 Rice Street, Suite 107-B, Lihue, HI 96766

Applicant Facility/Organization: Mastercare, Inc.

Name of CEO or equivalent: Anwar Kazi

Title: CEO

Address: 1314 South King Street, Suite 410, Honolulu, HI 96816

Phone Number: 808.330.2130 Fax Number: 808.597.1565

Contact Person for this Application: Anwar Kazi

Title: CEO

Address: 1314 South King Street, Suite 410, Honolulu, HI 96816

Phone Number: 808.330.2130 Fax Number: 808.597.1665

**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

Anwar Kazi  
Name (please type or print)

6/22/2011  
Date

CEO  
Title (please type or print)

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

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

Please see **Attachment 1**: Lease Agreements for the Kauai offices.

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.)

OHCA Home Health Agency license is currently being pursued. **Attachment 9** Medicare certification.

C. Your governing body: list by names, titles and address/phone numbers

Mastercard **RECEIVED**

Effective 10/15/2010

Anwar Kazi, Chief Executive Officer      2310 Kailua Street (808) 941-4118  
 Ashra Kazi, President      Honolulu, HI 96822

Kenneth Kamei, Director      1252 Uluhala Street (808) 263-4294  
 Kailua, HI 96834

**MEMBERS:**

Christina Nelsen, RN Supervisor      P. O. Box 3703 (808) 352-8092  
 Lihue, HI 96766

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
  - Attachment 2
- By-Laws
  - Attachment 3
- Partnership Agreements
  - Not applicable.
- Tax Key Number for Kauai is #360030220000

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						
Outpatient Facility					X	
Private Practice						

5. **TOTAL CAPITAL COST:**           \$97,500

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
N/A			
<b>TOTAL</b>			

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.

Mastercare, Inc. seeks to obtain state licensure for a Medicare Certified Home Health Agency to provide enhanced home healthcare services to the Medicare population for Kauai County.

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

A. List All Project Costs:

AMOUNT:

- |  |             |
|--|-------------|
| 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. | \$87,500.00 |
| 7. Other: Misc. Supplies/equipment                                     | \$10,000.00 |

**TOTAL PROJECT COST: \$97,500.00**

**B. Source and Method of Estimation**

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

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Cost estimates are based upon previous experience of establishing a Medicaid Waivered Home Health office. Estimates include miscellaneous supplies and equipment costs.

Source of Funds	ST HLTH PLNG & DEV. AGENCY	AMOUNT:
1. Cash		__ \$10,000 __
2. State Appropriations		_____
3. Other Grants		_____
4. Fund Drive		_____
5. Debt		_____
6. Other: FMV of lease space; paid by monthly rent payments		__ \$87,500 __
<b>TOTAL SOURCE OF FUNDS:</b>		<b>__ \$97,500 __</b>

**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,
- 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, and
- 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.*

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- a) **Date of site control for the proposed project**  
Required professional office space is currently occupied by Mastercare in Kauai at 4180 Rice Street, Suite 107-B and 108, Lihue, HI 96766 with a lease agreement from February 27, 2007 and is ongoing on a month-to-month basis.
  - b) **Dates by which other government approvals/permits will be applied for and received**  
Six months from the date of Medicare certification.
  - c) **Dates by which financing is assured for the project**  
Financing is currently secured.
  - d) **Date construction will commence**  
No construction will be needed for this project.
  - e) **Length of construction period**  
No construction will be needed for this project.
  - f) **Date of completion of the project**  
Not applicable.
  - g) **Date of commencement of operation.**  
Upon Medicare certification.

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.

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STATE PLANS  
& OPV AGENCY
- a) Relationship to 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

### Project Summary

Mastercare, Inc. (MC) is a locally owned and operated nursing home care service currently working with the Department of Human Services (DHS) and Department of Health (DOH) in order to serve clients and families in the communities of Kauai. Since 2007, MC has been successfully serving the residents of Kauai.

MC desires to be a Medicare certified Home Health Agency (HHA) and to provide home health services to the residents of Kauai. HHA services will include professional nursing services (e.g. registered nurse visits, wound care, oncology care, etc.) physical therapy, occupational therapy, speech therapy, social services and personal care services. MC will utilize its current Kauai office. It is anticipated that minimum capital expenditures will be incurred and operating revenues will cover increased operating expenses.

Headquartered in Oahu, MC currently provides in-home care services and private duty nursing services (Medicaid waived) on the islands of Oahu, Maui, Kauai and the Big Island. MC specializes in giving families the freedom of choice to maintain a quality of life in the comfort of their own home – because home is where you want to be.

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

This project promotes the State Health Plan goal to promote the long-term viability of the health care delivery system. It will also ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost. Mastercare encourages and supports health education, promotion, and prevention. Mastercare works to expand and retain the health care workforce to enable access to the appropriate level of care for our clients. We seek to hire, educate and retain the very best employees to ensure statewide continuum of care. MC seeks to provide equitable access to health care services. On occasion perspective clients who cannot afford our services will receive the same quality care at a negotiated rate. This project also promotes the goals of the Sub-area of Kauai for comprehensive system of care and community awareness.

**b) Need and Accessibility**

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This project will provide home health services to the residents of Kauai. The target populations for these services will include Medicare patients age 65 years and older.

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According to Health Trends in Hawaii ([www.healthtrends.org](http://www.healthtrends.org)) as Hawaii's population ages, the demand for home health services will continue to rise. The number of Medicare HHA clients needing home health services on the island of Kauai is expected to dramatically increase every five years. This growth in the number of HHA clients averages to an increase of approximately 320 HHA clients every five years. In 2010, each client averaged 17 visits per year so an increase of 320 clients will result in approximately 5,400 additional HHA visits every five years. The demand for additional HHA services by Medicare beneficiaries will be significantly impacted by the aging of the population. The increase in the number of adults aged 65 and older will result in an increase in the number of Medicare beneficiaries. This growth in the number of Medicare beneficiaries will bring about an increase in the demand for HHA services. However, while the demand for Medicare HHA services has increased there has not been an increase in the number of Medicare certified HHAs on the Hawaiian Islands in the past 10 years.

Kauai's older adult population (65 years and older) is expected to increase 5.56% by the year 2020 and by the year 2030 it is projected to be 30.17% of the total Kauai County' population. See Table 1 below

**Table 1**

	1980	1990	2000	2005	2010	2015	2020	2025	2030	2035
<b>Kauai'i's resident total population</b>	39400	51676	58506	61589	64567	68440	72148	75598	78837.2	81925
<b>Age group (years)</b>										
60-69	3437	4490	4467	5312	7134	9047	9881	9580	8929	8674
70-79	2040	3041	3846	3715	3764	4651	6398	8074	8851	8647
80+	730	1394	2191	2854	3337	3453	3641	4369	5789	7393
<b>% of total population</b>										
60-69	8.72%	8.69%	7.64%	8.62%	11.05%	13.22%	13.70%	12.67%	11.33%	10.59%
70-79	5.18%	5.88%	6.57%	6.03%	5.83%	6.80%	8.87%	10.68%	11.23%	10.55%
80+	1.85%	2.70%	3.74%	4.63%	5.17%	5.05%	5.05%	5.78%	7.34%	9.02%
<b>Total</b>	<b>15.75%</b>	<b>17.27%</b>	<b>17.95%</b>	<b>19.29%</b>	<b>22.05%</b>	<b>25.06%</b>	<b>27.61%</b>	<b>29.13%</b>	<b>29.90%</b>	<b>30.17%</b>
DBEDT 2035 Series Appendix Tables (Revised), Excel										

As a result, the limited number of Medicare certified HHAs will not be able to meet the dramatic increase in demand for HHA services by Medicare clients on the island of Kauai.

In order for these Medicare certified HHAs to meet the increased demand for services, these HHAs would need to hire additional nurses, therapists, social workers and personal care personnel. According to the Hawaii's Workforce Development for 2008, Hawaii will continue to experience a shortage in healthcare occupations (particularly in nursing) that is similar to the national trend. The current Medicare certified HHAs will have difficulty expanding services capabilities due to the difficulties in recruiting healthcare professionals. However, MC is able to provide HHA services to these Medicare HHA clients by using its current staff and will get commitments from other multi-disciplinary professionals to provide home health services on the Hawaiian Islands. The size of the organization and its statewide focus provides an advantage in attracting qualified HHA personnel and will allow it to expand as the Medicare population need for HHA services increases.

This project will assist with meeting this dramatic increase in demand for services provided by Medicare certified HHAs by offering increased access to home health services on the island of Kauai. MC will be able to offer and provide home health services to the low income population, ethnic minorities, women, people with disabilities, the elderly and other underserved populations who may not have otherwise received or have access to medical care at home.

### c) Quality of Service/Care

MC is planning to be the leading private duty nursing and home health agency in Hawaii. MC is committed to the values, principles and standards of providing the highest quality service and continuity of care to clients in their homes. MC is an in-home care provider on the islands of Oahu, Maui, Kauai and Hawaii. MC has been providing private duty nursing care on Kauai for 4 years, with a Medicaid waiver and is in compliance with all state and federal rules and regulations.

MC will follow the staffing model used to provide Medicare certified home health services on Kauai and will maintain the appropriate staff to patient ratios to provide quality care. MC will offer competitive compensation and benefits package to recruit qualified applicants. In addition to requiring proof of the required licensing and certifications, MC will conduct an extensive reference and background check (e.g. criminal abstract clearance) of every applicant. Applicant references are reviewed to ensure that they have the appropriate work related experience to provide services. MC staff will also receive regular in-service education and training and will be encouraged to become life-long learners.

MC has developed and implemented a quality assurance and improvement program on Kauai, Maui, Oahu and Hawaii to ensure that quality care is and will be provided to all clients. The MC quality assurance and improvement program includes service protocols, policies and procedures that define, monitor and evaluate the quality and effectiveness of care delivered. MC personnel will conduct frequent supervised visits to monitor an individual's medical condition and progress on his/her plan of care. MC will work closely with other health care providers such as the individual's physician and family members to ensure that appropriate care is provided. Information gathered from sources such as physician and client surveys, incident reports, chart reviews and client concerns will be used by MC to assure that the quality of the services provided meet MC's mission and goals of providing exceptional standards of care. This information will also be used to assure the continuous improvement in the quality of care provided by MC personnel. See Attachment 4 which is our latest Quality Improvement Trend Report.

In addition to our Quality Improvement Trend Reports, we also have a variety of letters of reference from accountants, attorneys, doctors, other healthcare professionals, politicians, and people who have benefitted from our services (See Attachment 5).

Positive survey responses that consistently exceed or meet expectations were received from and families on Oahu, Maui, Kauai and Hawaii. We received an over 80 percent response rate and we are attaching a small sample from our offices on Oahu, Maui, Kauai and Hawaii. Refer to Attachment 6 for the client survey results.

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

**Project Costs**

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There will be modest costs required for this project, approximately \$97,500.

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

By providing home health services to Medicare beneficiaries on the Hawaiian Island of Kauai, MC will improve the existing health care system by increasing the availability of and access to home health services. Receiving a state license will enable MC to further serve residents and their families in the various communities. MC is proposing to have an extensive outreach program which will allow MC personnel to establish relationships with sections of the community such as rural, low income individuals, ethnic minorities, women, people with disabilities and the elderly. MC's proposed outreach program will educate the community on health related issues and topics such as elder safety, Alzheimer's disease, dementia and fall prevention by conducting presentations at senior centers, health fairs and publishing articles. This proposed outreach program will enable MC to interact with and receive feedback from communities regarding the types of home health services being sought by members of the community.

Providing health services in a home environment will improve the quality of life for individuals with medical needs. Health care provided at home will increase an individual's emotional well being and decrease the amount of recovery time because individuals recover faster in a familiar home environment. Receiving medical care in the home also will allow individuals and family members to take an active role in the medical care the individual receives.

Providing quality home health care services on Kauai will decrease health care costs as the cost for home health services is less than the cost for inpatient and hospital services. The provision of home health services in a client's home will also reduce health care costs by having patients receive timely and appropriate care. This will help the client avoid being admitted to an institutional facility due to the lack of early prevention and detection at home. MC will conduct frequent visits to evaluate and determine whether individuals are receiving appropriate care. Frequent supervised visits will enable MC personnel to identify and monitor signs and symptoms of any changes or conditions in a timely manner and avoid the premature institutionalization of an individual.

Alternatives to this project include providing home health services in a hospital or institutional facility. This alternative is more costly and requires the removal of the client from the home. Another alternative is to have a family member provide the required care. However, this may not always be a practical and viable option due to the skills that may be required to provide these services

**f) Availability of Resources** RECEIVED

**Management Resources**

MC has an experienced management team that has successfully managed and operated MC's private duty nursing and home health services in Hawaii since 2004. The MC management team will continue to manage and operate the private duty nursing and home health services to be offered on the island of Kauai. The MC management team is led by Mr. Anwar Kazi, who is the founder and CEO of MC.

**Staffing Resources**

MC will utilize its current private duty Nurse and Nurse's Aide staff to provide home health and private duty nursing services to the residents of Kauai.

MC actively recruits home healthcare staff by placing advertisements in the Honolulu Star Bulletin and Midweek, participating in job fairs, offering recruiting incentives and collaborating with staffing agencies.

**Financial (Capital and Operating) Resources**

There are no capital costs required for this project other than the modest cost for equipment and supplies. All other expenditures including rental expense will be paid from operating funds.