



**STANDARD APPLICATION – CERTIFICATE OF NEED PROGRAM**

Application Number: # 11-14 Date of Receipt: \_\_\_\_\_  
To be assigned by Agency

**APPLICANT PROFILE**

Project Title: Establishment of Medicare Certified Home Health Agency Services on Kauai

Project Address: 2-2488 Kaumualii Highway, Kalaheo, Kauai, Hawaii 96741

Applicant Facility/Organization: Ohana Home Health, LLC

Name of CEO or equivalent: Susannah Wooway, CCC-SLP

Title: Owner/Partner

Address: PO BOX 826, Kalaheo, HI 96741

Phone Number: (808)652-0267 Fax Number: (808) 335-5657

Contact Person for this Application: Susannah Woolway, CFO

Title: Owner/Partner

Address: PO BOX 826, Kalaheo, HI 96741

Phone Number: (808)652-0267 Fax Number: (808) 335-5657

**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.

Susannah Woolway  
Signature

8/11/11  
Date

Susannah Woolway, CCC-SLP

Name (please type or print)

Owner/Partner

Title

1. **TYPE OR 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: \_\_\_\_\_

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:   X
  - 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)
- 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.)
- C. Your governing body: list by names, titles and address/phone numbers
- D. If you have filed a Certification of Need Application this current calendar year, you may skip the four items below. All others, please provide the following:
  - Articles of Incorporation
  - By-Laws
  - Partnership Agreements
  - Tax Key Number (project's location)

3. DOCUMENTATION:

**A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent)**

"Lease Agreement" Ohana Home Health LLC has signed a lease with Ohana Sports Medicine LLC. *Please see Attachment 1.*

**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.)**

Federal standards: JACHO certification (contact person: Rebecca Schumann), Medicare and Medicaid.

State standards: Completion of Certificate of Need, Licensure from State of Hawaii Service standards to be established that conform to the safety and care requirements as set forth in the Conditions of Participation and Conditions for coverage under the Centers for Medicare and Medicaid Services.

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

Members of Ohana Home Health advisory committee are listed below:

Name, Title & Address, Phone Number

CEO: Melinda Murray, OTR/L  
PO Box 453  
Kalaheo, HI 96741  
(808) 652-1954  
EMAIL: [mindy.murray@inbox.com](mailto:mindy.murray@inbox.com)

CFO: Susannah Woolway, CCC/SLP  
PO Box 826  
Kalaheo, HI 96741  
(808) 652-0267  
EMAIL: [woolway.suzie@gmail.com](mailto:woolway.suzie@gmail.com)

Medical Director: Dr. David Zimmerman, MD  
West Kauai Medical Clinic  
4300 Lae Rd.  
Kalaheo, HI 96741  
(808) 332-8523  
EMAIL: [kauaicalls@gmail.com](mailto:kauaicalls@gmail.com)

Registered Nurse Advisor: Linda Neuman, RN/KCC Nursing Instructor  
PO Box 1336  
Kilauea, HI 96754  
(808) 346-1958

Physical Therapy Advisor: Daniel Schaal, PT, Owner of Ohana Sports Medicine  
4353 Waialo Rd., 11A  
Ele'ele, HI 96705  
(808) 335-5808  
EMAIL: [schaal.dan@gmail.com](mailto:schaal.dan@gmail.com)

IT Consultant: David Murray  
1196 Nohea Street  
Kalaheo, HI 96741  
(808) 652-2647

Attorney Nancy Budd  
4374 Kukui Grove Street  
Suite 103  
Lihu'e, HI 96766  
(808) 245- 5343

**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:** *Please see Attachment 2, Articles of Incorporation for Ohana Home Health, LLC*

**\*Operating Agreement:** *Please see Attachment 3. Ohana Home Health is an LLC. Per instruction of attorney, Nancy Budd, by-laws and partnership agreements are for corporations as designated by the IRS.*

**\*Tax Key Number (Projects location):** 4-2-3-3-028, Located at 2-2488 Kaumualii Hwy, Kahaleo, HI 96741.

**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:** \$65,554.00

**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
NA	NA	NA	NA
<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. If you are unable to determine which category best describes your project, please consult with agency staff.

**7. CHANGE IN SERVICE.**

**Reference (3) Non-Bed Services Home Health Agency under the Certificate of Need Rules 11-186-5.**

Establishment of a certified home health agency based on Kauai, providing comprehensive services throughout the Garden Island. Services will include: Skilled Nursing, Physical Therapy, Occupational Therapy, Speech Therapy, Behavioral Health (i.e., social work) and home health aide visits. Service standards to be established will conform to the safety and care requirements set forth in the Conditions of Participation and Conditions for coverage under the Centers for Medicare & Medicaid Services.

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

<b>A. List All Project Costs:</b>	<b>AMOUNT:</b>
1. Land Acquisition	_____
2. Construction Contract	_____
3. Fixed Equipment	_____
4. Movable Equipment	<u>\$ 17,997</u>
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc. ( <i>Lease 36 months X \$800 mo.</i> )	<u>28,800</u>
7. Other: <u>CON Preparation/Contingency</u>	<u>\$ 18,757</u>
<b>TOTAL PROJECT COST:</b>	<u>\$ 65,554</u>

**B. Source and Method of Estimation**

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

*Please refer Exhibit D-5, Pro Forma Assumptions.*

**C. Source of Funds**

1.	Cash	<u>\$27,754</u>
2.	State Appropriations	<u>0</u>
3.	Other Grants	<u>0</u>
4.	Fund Drive	<u>0</u>
5.	Debt	<u>0</u>
6.	Other: Fair market value of lease space to be paid by monthly rent payments.	<u>\$28,800</u>

**TOTAL SOURCE OF FUNDS: \$65,554**

**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.

**a) Date of site control for the proposed project:**

Lease Date: August 1, 2011. *Please see Attachment 1.*

**b) Dates by which other government approvals/permits will be applied for and received:**

- July 1, 2011: In Process. A written request to the Hawaii State Department of Health, Office of Health Care Assurance (601 Kamokila Boulevard, Room 395, Kapolei, HI 96707) for licensure as a home health agency has been submitted requesting approval to provide home health services to Commercial and Private Pay patients. A letter has been submitted, with a response from SHPDA. *Please refer to Attachment 4.*
- March 1, 2012 – This is the target date to by which the proposed Medicare certification will be obtained.

**c) Dates by which financing is assured for the project:**  
Financing is currently secured.

**d) Date construction will commence:**  
No Construction is associated with the project.

**e) Length of construction period:**  
No Construction is associated with the project.

**f) Date of completion of the project:**  
Not applicable.

**g) Date of commencement of operation:**  
January 1, 2012

**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.

#### **Executive Summary**

Ohana Home Health, LLC proposes to establish a new, freestanding, Medicare Certified home health agency on Kauai. The full range of services will be offered 24 hours per day, seven days per week to all patients in need.

The application was filed in response to only having a single Medicare certified home health agency on Kauai that does not offer the full range of services and reportedly has "wait listed" patients.

There are minimal capital costs associated with the project. There is no construction involved. Office space will be leased.

- a) Relationship to the State of Hawaii 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**

**a) Relationship to the State of Hawaii Health Services and Facilities Plan:**

We at Ohana Home Health have a good understanding of both the Statewide and Regional priorities and needs for Kauai. There is a large gap in services for home health patients on Kauai, specifically in the areas of speech language pathology and behavioral health agencies, thus not under local control and do not offer any speech therapy or social work services by a licensed, certified speech language pathologist.

The Principles of Ohana Home Health, Melinda Murray OT and Susannah Woolway SLP, are longtime residents and have a vested interest, both personally and professionally, in providing a higher level of care to home health patients. Each have a clear understanding that Kauai needs a more comprehensive system of home health care from birth-to-death which is both affordable and assessable.

Affordable, by assisting in health care accessibility to those patients who are either not insured or under insured, and assessable by already having established a network of paraprofessionals who have a unique understanding of what it takes to "make things go" here on Kauai.

There is a glaring lack of use of a very tangible resource which is the nursing program at Kauai Community College. Ohana Home Health will support the effort to recruit and retain our nursing students and graduates by providing them opportunities to work locally.

The Principles are strong advocates for patients and their families; well respected within their professional communities; have a long history of community support projects throughout Kauai and take great pride in an ethical approach to business as well as in their personal and professional lives. All of which will ensure access to a continuum of health care services.

**b) Need and Accessibility:**

Ohana Home Health recognizes that there is a need on Kauai for an additional Medicare/Medicaid certified home health agency in Kauai County. These services are needed island-wide, not only for our local, resident population but visitors to our island, which can swell the population by 30,000 on any given day. The State of Hawaii, its counties and our nation are getting older. This increase and future deficiencies in home health services delivery are challenged by the influx of retirees to the state and outflow of our workers to points in the mainland. The Medicare Home Health Compare website only shows one Medicare certified HHA (St. Francis Home Care Services) on Kauai and they do not provide Medical Social Worker or Speech Therapy services. Clearly, there is a lack of patient choice and incomplete service offerings for our Island.

**c) Quality of Service/Care:**

Ohana Home Health's Quality Improvement (QI) program will be a program of organizational activities designed to measure outcomes including adequacy, appropriateness, and effectiveness of services and products by means of routine, ongoing assessments to assure high quality.

Quality in the home health agency starts when the phone rings for an inquiry and proceeds long after the patient has been discharged. Quality care incorporates the expectations of all customers, not just payers. Quality care expands across every phase of operations and is an integral part of the overall business plan.

The QI Plan is the working plan from which all improvement projects will be based. These plans will echo Ohana Home Health's philosophy, mission and purpose. It will identify goals, purposes, standards and criteria. A plan will be generated/updated as part of each QI quarterly meeting. The Plan will reflect an organizational approach to include appropriate departments, services and disciplines.

The QI program will promote collaborative working environment while providing for individual and organizational self-interest. Ohana Home Health's program will focus on systems, be outcome-oriented, direct all activities/actions toward process improvement and focus on quality care and problem prevention.

Quality is never an accident. Our monitoring systems will address outcomes in a quantifiable manner. The measurable dimensions of our agency performance include: efficiency, appropriateness, availability, effectiveness, timeliness, safety, continuity, and respect and caring.

If approved, Ohana Home Health plans to become CHAP accredited. Ohana Home Health will also participate in Medicare's OASIS (Outcome and Assessment Information Set) and OBQM/OBQI (Outcome Based Quality Management/Improvement).

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

The impact of this project on the overall costs of health services for the County of Kauai is projected to be a positive one.

- Year 1: Projected Gross Total Revenue for year one is \$580,669. Projected Gross Revenue for Medicare alone is: \$243, 038. Total cost projection for the first year is \$546,830. Net income is projected at \$33,839.
- Year 3: Projected Gross Revenue for year three is \$715,898. Projected Gross Revenue for Medicare alone is: \$298, 774. Cost projection

\$639,847. Net income for third year is \$76,051. *Please see Exhibit D-3- Three year Expense/Revenue.*

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

Advances in technology, the rapid growth of the aging population, and an increased emphasis on cost containment and cost effectiveness are converging to push home care to the front of the continuum of care as a means of shrinking acute care costs while providing high quality outcomes associated with inpatient care.

Home care consists of a wide variety of services provided to older, disabled or convalescing persons who do not need institutional care but require some assistance in meeting their health care needs. The likelihood of using home health care services increases with age because usually functional status declines with age. Currently, about 75% of all current home health care patients were 65 years or older. More women (66%) were receiving home health care services than their male (34%) counter parts, partly because the average life expectancy of women exceeds men.

Changing technology is continually redefining patient care that can appropriately be provided in the home. Advances in home medical equipment permit an ever wider array of services to be provided in the home where once an inpatient stay was required.

**f) Availability of Resources:**

Home Health Agencies are low capital cost entities. The Agencies do not require large expenditures for construction or equipment. Most Agencies operate from rented office space and require minimal office furniture and equipment. The Proposed Agency's Total Capital expenditure is projected to be \$65,554 of which \$17,997 represents Furniture & Equipment. *Please see Exhibit D- 5, Pro-forma Assumptions for details of all cost capitalized.*

The applicant has sufficient Cash & Securities on hand to fund these expenditures for the project. *See Exhibit D-2 OHH Bank Statement.*