



# HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

## EMERGENCY APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 11-21 E Date of Receipt: \_\_\_\_\_  
To be assigned by Agency

### APPLICANT PROFILE

Project Title: Establishment of an Organ Transplant Center at The Queen's Medical Center

Project Address: 1301 Punchbowl Street

Honolulu, HI 96813

Applicant Facility/Organization: The Queen's Medical Center

Name of CEO or equivalent: Arthur A. Ushijima

Title: President and Chief Executive Officer

Address: 1301 Punchbowl Street, Honolulu, HI 96813

Phone Number: 808-547-4688 Fax Number: 808-547-4018

Contact Person for this Application: Paula Yoshioka

Title: Senior Vice President, Corporate Development

Address: 1301 Punchbowl Street, Honolulu, HI 96813

Phone Number: 808-691-7996 Fax Number: 808-691-7990

### 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.

Arthur A. Ushijima  
Signature

12/20/2011  
Date

Arthur A. Ushijima  
Name (please type or print)

President & Chief Executive Officer  
Title (please type or print)

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

Public \_\_\_\_\_  
Private  X   
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:  X   
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) \* **Not required – project is located on QMC campus**

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.)

\* **United Network for Organ Sharing (UNOS)**

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

\* **See Appendix A** \*

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 \* **See Appendix B** \*
- By-Laws \* **See Appendix C** \*
- Partnership Agreements \* **Not Applicable** \*
- Tax Key Number (project's location) **21035003**

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	
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.

\* Not Applicable \*

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
<b>TOTAL</b>			

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

**A. List All Project Costs:**

**AMOUNT:**

1.	Land Acquisition	<u>-0-</u>
2.	Construction Contract	<u>\$200.000</u>
3.	Fixed Equipment	<u>-0-</u>
4.	Movable Equipment	<u>-0-</u>
5.	Financing Costs	<u>-0-</u>
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>-0-</u>
7.	Other: _____	<u>          </u>

**TOTAL PROJECT COST: \$200.000**

**B. Source of Funds**

1.	Cash	<u>\$200.000</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: _____	<u>-0-</u>

**TOTAL SOURCE OF FUNDS: \$200.000**

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- 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.

**The new services is the establishment of an Organ Transplant Center at  
The Queen's Medical Center campus (CON Rules 11-186-5 (4) Special  
Services (F) Transplant Surgery)**

- 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: **N/A**
- B. Dates by which other government approvals/permits will be applied for and received:
  - United Network for Organ Sharing (UNOS): February 1, 2012**
- C. Dates by which financing is assured for the project: **Not Applicable**
- D. Date construction will commence: **Early January 2012**
- E. Length of construction period: **Estimated 30 days**
- F. Date of completion of the project: **Early February 2012**
- G. Date of commencement of full operation: **Early February 2012**  
**(pending CON and UNOS approvals)**

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.

**Nature of the Emergency**

Section 11-186-99 Hawaii Administrative Rules (“HAR”) provides for emergency CON applications where there is “a state of affairs involving an actual substantial injury to public health or where there is a clear and present danger of such an injury occurring.”

On December 16, 2011 Hawaii Medical Center (HMC) notified the United Network for Organ Sharing (UNOS) that it ceased operations of its Organ Transplant Center. Hawaii Medical Center East operated the only Organ Transplant Center in the state. With closure of the HMC Transplant Center, there is no other provider of organ transplant services in the entire state.

Since the program was established in 1969, Hawaii’s people have had access to life saving treatment without having to travel to the mainland for services. Without a Hawaii-based Organ Transplant Center, there is a clear and present public health danger for the more than 400 Hawaii residents who are on the waitlist for organs.

Without a Hawaii-based Organ Transplant Center, patients will lose access to locally provided transplant procedures providing them with a second chance at life. Candidates will need to reapply to other transplant centers, where there is no guarantee that they will be accepted. If accepted, patients and their families will need to travel long distances to the mainland. Such travel often requires prolonged stays and repeated long distance trips. Given the financial, emotional and physical stress of such travel, it is not unreasonable to assume that there would be an increase risk of patient mortality due to the absence of a Hawaii-based Organ Transplant Center.

The establishment of an Organ Transplant Center at The Queen’s Medical Center (QMC) will ensure that Hawaii’s people have continued access to life saving treatment.

**Executive Summary**

The Queen’s Medical Center is seeking approval to implement an Organ Transplant Center at The Queen’s Medical Center Campus, at 1301 Punchbowl Street in Honolulu at a cost of \$200,000 for remodeling of existing outpatient office space for a new Organ Transplant Center office.

As the largest private hospital in Hawaii, and as the leading medical referral center in the Pacific Basin, Queen's offers a comprehensive range of primary and specialized care services. Upon CON approval, the new Organ Transplant Center outpatient office will be located at POB III at the corner of Lauhala and Beretania on the QMC campus. The Organ Transplant Center will utilize the existing QMC inpatient hospital services including medical/surgical, telemetry, intensive care, surgical services,

pathology, blood bank, as well as other ancillary and support services. The QMC Transplant Center will contract with Clinical Laboratory Services of Hawaii, who is UNOS certified, for specialty laboratory services.

A team of qualified physicians with expertise in caring for organ transplant patients at HMC is already assembled as part of the medical staff at The Queen’s Medical Center. QMC is proposing to establish transplant programs in kidney, liver, kidney/pancreas and heart, consistent with the programs offered at HMC.

With regard to the extent of utilization of transplantation programs in Hawaii, the following table indicates that on average, 68 transplants were performed at HMC East annually.

	2005	2006	2007	2008	2009	2010	2011 YTD Aug
Kidney	70	53	42	53	46	45	30
Liver	14	11	12	13	17	16	13
Kidney/Pancreas	2	1	4	1	1	2	1
Heart	0	2	0	3	0	0	0
<b>TOTAL</b>	<b>86</b>	<b>67</b>	<b>58</b>	<b>70</b>	<b>64</b>	<b>63</b>	<b>44</b>

Source: OPTN Hawaii transplants performed Jan 1, 2005 - Aug 31, 2011

Establishment of The Queen’s Medical Center Transplant Program will improve the state’s healthcare system by ensuring that quality transplant services are available and accessible to Hawaii’s population.

#### **A. Relationship to the Hawai’i Health Performance Plan (H2P2)**

This new service is in alignment with the priorities of the Statewide Health Coordinating Council (SHCC) (Chapter 3 of the Hawaii HSFP); “to promote and support the long-term viability of the health care delivery system”, and “ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost”.

The proposed Organ Transplant Center will support access to quality health care in Hawaii. The QMC Organ Transplant Center will improve survival outcomes and quality of life for people with organ failure, reduce the pain and suffering associated with untreated chronic disease, and improve patient outcomes through earlier intervention and treatment.

The QMC Transplant Center will allow organs to be offered to sick patients within the area in which they are donated before being offered outside Hawaii. This helps to reduce organ preservation time, improve organ quality and survival outcomes, reduce costs, and increase access and frequency of transplants for Hawaii residents.

This new service is in alignment with the SHCC priority to “strive for equitable access to health care services” identified in Chapter 3 of the Hawaii HSFP. Minorities overall have a particularly high need for organ transplants because some diseases of the kidney, lung, pancreas, and liver are found more frequently in racial and ethnic minority populations than in the general population. Asians and Pacific Islanders are three times more likely than Whites to suffer from end-stage renal (kidney) disease. Similar blood type is essential in matching donors to recipients. Because certain blood types are more common in ethnic minority populations, matching donors and recipients within the same ethnic population can increase the frequency of transplants. The Organ Transplant Center at Queen’s will be in a unique position to facilitate matching donors and recipients of the same race and ethnicity.

This new service supports the Hawaii State Health Services and Facilities Plan (HSFP) goal to “focus on increasing cost-effective access to necessary health care services” (Chapter 1, HSFP 2009). A Transplant Program at The Queen’s Medical Center will reduce the need for patients and their families to travel to mainland Transplant Centers. Such travel often requires prolonged stays and repeated long distance trips which places undue emotional and physical stress, and financial burden on patients and their families.

**B. Need and Accessibility**

With the closure of the HMC Organ Transplant Center, there is no other provider of organ transplant services in the state. The demand for organs in Hawaii continues to exceed supply, and will continue to climb as the population ages and the incidence of chronic organ disease increases.

**Hawaii Organ Wait List**

AGE	
All Ages	420
6-10 Years	1
11-17 Years	3
18-34 Years	41
35-49 Years	105
50-64 Years	178
65 +	92

GENDER	
All Genders	420
Male	251
Female	169

ETHNICITY	
All Ethnicities	420
White	43
Black	4
Hispanic	6
Asian	242
Pacific Islander	45
Multiracial	79

WAITING TIME	
All Time	420
< 30 Days	9
30 to < 90 Days	24
90 Days to < 6 Months	39
6 Months to < 1 Year	40
1 Year to < 2 Years	103
2 Years to < 3 Years	70
3 Years to < 5 Years	79
5 or More Years	57

Source: OPTN Hawaii Waiting List as of November 11, 2011

There are approximately 420 people in Hawaii currently awaiting organ transplantation. According to Legacy of Life, Hawaii's designated organ procurement organization, 19 people died while waiting for a transplant in 2009.

Of the candidates on Hawaii's waiting list, 64% are 50 years or older, 40% are women, 90% are racial/ethnic minorities, and 14% have been waiting 5 years or longer for transplantation.

The QMC Organ Transplant Center will improve access to life saving treatment for qualified transplant candidates throughout the state including the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

### **C. Quality of Service/Care**

The Queen's Medical Center is licensed by the Hawaii State Department of Health, accredited by the Joint Commission (TJC) and certified by Medicare. Queen's is approved to participate in residency training by the Accreditation Council of Graduate Medical Education. The Queen's Medical Center is the state's first and only Magnet® hospital – the highest institutional honor for hospital excellence from the American Nurses Credentialing Center. QMC belongs to the National Cancer Institute Community Cancer Centers Program (NCCCP), one of 30 such centers in the nation.

Other affiliations include: Voluntary Hospitals of America, Healthcare Association of Hawaii, Hawaii Health Information Corporation, University of Hawaii John A. Burns School of Medicine, Hawaii Cancer Consortium, University of Hawaii School of Nursing, various University of Hawaii allied health programs, and Hawaii Pacific University nursing program.

The Queen's Medical Center utilizes the performance improvement process to improve the quality of patient care. Initiatives are identified both on an organizational and departmental level. These initiatives are implemented and reported to both leadership and staff. Quality indicators are tracked throughout the organization.

The proposed Organ Transplant Center will improve quality of care by: 1) improving survival outcomes and quality of life for people with organ failure, 2) reducing the pain and suffering associated with untreated chronic disease, and 3) improving patient outcomes through earlier intervention and treatment.

A team of qualified physicians, including surgeons, anesthesiologists and specialists with expertise in caring for organ transplant patients at HMC is already assembled as part of the medical staff at The Queen's Medical Center. Inpatient services for both pre and post transplantation care will be provided 24 hours a day by existing medical center staff. An experienced Transplant Manager has been hired. A multidisciplinary team of sixteen additional FTEs will be hired to support the Transplant Center,

one additional inpatient RN will be hired. Other clinical and administrative support staff will include a transplant social worker, transplant pharmacist, dietitian, and other financial, administrative and information services staff.

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

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For the first full year of operations, net operating income is projected at (\$1,272,000) with direct expenses of \$5,944,000. For the third full year of operations, net operating income is projected at (\$1,197,000) with direct expenses of \$9,379,000. QMC intends to fund the Transplant Center from other profitable hospital operations.

The Queen's Organ Transplant Center will provide an enormous benefit to the state, reducing the overall cost of healthcare by eliminating the need for patients and their families to travel long distances to mainland Transplant Centers. Such travel often requires prolonged stays and repeated long distance trips, generating high costs for patients and their families.

**E. Relationship to the existing health care system**

With the closure of the HMC Organ Transplant Center, there is no other provider of organ transplant services in the entire state. The QMC Organ Transplant Center will have a significant impact on Hawaii's health care system by providing Hawaii residents life saving treatment without having to travel to mainland Transplant Centers.

As a tertiary care center with a comprehensive range of specialty services, The Queen's Medical Center will be able to accommodate the addition of a transplant program within its existing facilities. The QMC Organ Transplant Center will complement services currently provided by QMC and other acute care hospitals by providing state-of-the-art care to patients requiring transplant services during the preoperative, inpatient and outpatient care continuum.

**F. Availability of Resources**

The Queen's Medical Center has the necessary funds required to establish and support the proposed service. Although additional hiring of staff will be required, the majority of clinical and non clinical personnel necessary to support the Transplant Center are currently employed at Queen's. Inpatient services for both pre and post transplantation care will be provided 24 hours a day by existing medical center staff. Led by an experienced Transplant Manager, a multidisciplinary team of sixteen additional FTEs will be hired to support the Transplant Center, including five RN Transplant Coordinators with a minimum of two to five years experience working at a Transplant Center. Two additional operating room RN's and one additional inpatient RN will be hired. Other clinical and administrative support staff will include a transplant social worker, transplant pharmacist, dietitian, and other financial,

including five RN Transplant Coordinators with a minimum of two to five years experience working at a Transplant Center. Two additional operating room RN's and one additional inpatient RN will be hired. Other clinical and administrative support staff will include a transplant social worker, transplant pharmacist, dietitian, and other financial, administrative and information services staff.

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administrative and information services staff. LOMC is confident that qualified personnel can be acquired through inquiries and interviews with persons who have the requisite training and experience.

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