



# HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

## ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: 12-02A Date of Receipt:  
To be assigned by Agency

### APPLICANT PROFILE

Project Title: Establishment of an 8-bed Special Treatment Facility

Project Address: 45-3514 Paauhau Road  
Honoka'a, HI 96727

Applicant Facility/Organization: Power-On Coaching, Inc.

Name of CEO or equivalent: Jean-Francois Benoit

Title: Chief Executive Officer (CEO) and Program Director, The Exclusive Addiction Treatment Center

Address: P.O. Box 1460, Honokaa, HI 96727

Phone Number: 808-775-1635 Fax Number: 808-775-1637 (call first)

Contact Person for this Application: Deborah Roberts

Title: Program Administrator, The Exclusive Addiction Treatment Center

Address: 68-1786 Puu Nui Street, Waikoloa, HI 96738

Phone Number: 808-430-1461 Fax Number: 808-775-1637 (call first)

### 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

2-20-12  
\_\_\_\_\_  
Date

Jean-Francois Benoit  
\_\_\_\_\_  
Name (please type or print)

CEO and Program Director  
\_\_\_\_\_  
Title (please type or print)

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

Public \_\_\_\_\_  
Private   X    
Non-profit \_\_\_\_\_  
For-profit   X    
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: \_\_\_\_\_  
Maui County: \_\_\_\_\_  
Kaua`i County: \_\_\_\_\_  
Hawai`i County:   X  

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 Lease as Attachment A.**
- 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

- Jean-Francois Benoist  
CEO/Program Director  
The Exclusive Hawaii  
P.O. Box 1460  
Honokaa, Hawaii 96727  
808-775-1635
- Joyce Marvel-Benoist  
Secretary  
Power-On Coaching, Inc.  
P.O. Box 1460  
Honokaa, Hawaii 96727  
808-775-1635

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 Attachment B**
- By-Laws **See Attachment C**
- Partnership Agreements **N/A**
- Tax Key Number (project's location) 3-4-5-002-079-0000

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<br>(over \$400,000) | New/Upgraded Medical Equip.<br>(over \$1 million) | Other Capital Project<br>(over \$4 million) | Change in Service | Change in Beds |
|---------------------|--|---|---|-------------------|----------------|
| Inpatient Facility  |  |   |   | 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. **N/A**

| 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>0</u>            |
| 3. | Fixed Equipment   | <u>0</u>            |
| 4. | Movable Equipment   | <u>\$ 17,500</u>    |
| 5. | Financing Costs   | <u>0</u>            |
| 6. | Fair Market Value of assets acquired by lease, rent, donation, etc. | <u>\$ 2,881,014</u> |
| 7. | Other: _____  | <u>0</u>            |

**TOTAL PROJECT COST: \$2,898,514**

**B. Source of Funds**

|    |  |                     |
|----|--|---------------------|
| 1. | Cash   | <u>\$ 17,500</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 leased spaced paid by rent | <u>\$ 2,881,014</u> |

**TOTAL SOURCE OF FUNDS: \$2,898,514**

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 project calls for an 8-bed special treatment facility to be located on a private estate in Honoka'a on the Big Island. We will be providing 24-hour short-term residential addiction recovery and rehabilitation services for adult men and women. Clients will self-refer or be referred by their physician, therapist, interventionist or other addiction professional.

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, Lease agreement was signed on January 30, 2012.
  - b) Dates by which other government approvals/permits will be applied for and received, We plan to apply for our state license immediately upon award of CON and hope to be in receipt of the license by March 2012.
  - c) Dates by which financing is assured for the project, N/A
  - d) Date construction will commence, N/A
  - e) Length of construction period, N/A
  - f) Date of completion of the project, N/A
  - g) Date of commencement of operation The Exclusive Hawaii is hopefully accepting its first client in March 2012.

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.

Power-On Coaching, Inc. is requesting a certificate of need for an 8-bed special treatment facility known as "The Exclusive" to be utilized for residential addiction recovery and rehabilitation. These services will address abuse of alcohol, pharmaceutical drugs, cocaine, opiates, eating disorders and other behavioral addictions. Our team of experienced and licensed professionals will also assist clients suffering from personality disorders, relationship problems, career stress and other issues related to their addiction.

The cognitive behavioral therapy approach that overlays our structure is called Core Belief Restructuring (CBR). CBR is a non-12 step program methodology that focuses on exploration and core-level change of the individual's self-destructive beliefs. Once these beliefs are brought

into conscious awareness, the client is able to let go of addictive behaviors and live a fuller and more rewarding life.

The Exclusive will serve high-profile individuals and executives who seek an environment of luxury, peace and anonymity. These are the individuals who are uncomfortable participating in the usual community based programs for addiction recovery. As a result, they are often under served. These individuals are also most often those who control physical pain by abusing alcohol, pharmaceutical and other drugs. There are few places on earth better suited for such private and customized treatment than the tropical setting of the Big Island; local culture and traditions will be woven into the milieu. It is our intention that by providing such a unique option within Hawaii, we can attract and keep our valued professionals here for treatment.

The proposed services will meet certificate of need requirements as follows:

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

Our goals reflect the priorities of the Statewide Health Coordinating Council (SHCC) and Big Island Subarea Health Council (SAC) in regards to residential addiction services we offer.

#### SHCC Applicable General Principles

- Expand and retain the health care workforce to enable access to the appropriate level of care in a timely manner. The Exclusive cares deeply about expanding and retaining our Big Island workforce so that clients needing care can get the care. We are in the process of hiring up to 30 local Big Island residents in full, part time and contract positions from housekeeping to counseling. With the number of staff we will have in place and on call, we will be able to offer a level of care that is highly responsive, where clients will be able to access services and support 24/7. By offering competitive salaries and benefits and creating a fair, consistent and ohana-style atmosphere, we will keep turnover to a minimum.
- Ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost. We support providing quality care at reasonable cost. We will maintain and evolve a well-documented procedure for measuring outcomes and working for continuous improvement. Our costs will continue to be lower for our targeted clientele than mainland rates at similar facilities. Within our rate structure, we will provide either a basic and hi-lux level of care, that clients may select within their budget and preferences.
- Ensure all projects are appropriate for the regional and statewide continuum of care. Our project is appropriate and adds to the Big Island and statewide continuum of care. By maintaining a current network for linkage and referral, working with other agencies to facilitate the flow of clients to and from our facility to their programs, offering trainings to both the public and the professional community on our strategies that work with addicted clients, and joining with other agencies to problem solve around the unique challenges on our island, we hope to assume a valued place in the local and state service array.
- Encourage and support health education, promotion, and prevention initiatives. An important goal for our facility is to share new approaches to care and healing with the community and create enduring collaborations with the various levels of care to help clients successfully deal with their addiction. We will do regular free presentations to both the public and professionals to share the knowledge of what we have found to work. We will participate in local forums aimed at preventing addiction and problem solving community substance use issues.

### SHCC Applicable Specific Health Areas of Concern

- Increase and improve access to substance abuse programs, services, and education. In addition to sharing our approaches with the community, we have spoken with Ku Aloha Ola Mau (formerly DASH) about pre-screening callers who may be more appropriate for their services and providing free trainings to their professionals on our therapeutic techniques. They, in turn, have offered to assist us with medical consultation for our clients if needed and share information on their cultural programs that we might incorporate into our services. Our desire is to multiply these relationships with other local agencies in the community, continually seeking ways to exchange information and transition clients. By working together, we can link adults with addiction problems to services in a smoother and more seamless manner.

### Applicable SAC Priorities

- Provider (Workforce) Shortage: Increase the number of and retention of the health care workforce. This includes but is not limited to: Specialty care providers; Allied Health Professionals. We are in the process of hiring and interviewing for up to 25 local, Big Island full-time, part-time and contracted specialty care providers in the areas of addiction medicine, naturopathic medicine, psychotherapy, substance abuse counseling, massage therapy, acupuncture, nutrition, meditation, yoga and other standard and alternative approaches to wellness and healing. Our naturopath will also be training interns at our site who will eventually join our Big Island workforce. In the event of a shortage of qualified individuals, our directors many potential contacts off island and on the mainland. A member of our staff who will come in several times a year to offer specialized counseling is considering a future move to Hawaii.
- Facilities Shortage: Increase the number of and improve the access to and the quality of health care facilities. We will be the first facility on the big island or anywhere in Hawaii that serves the more high-end clientele suffering from addiction to pain medications and other substances. These individuals must usually leave Hawaii for the services we offer. We hope to make our quality of care known to the community and thereby attract future such endeavors in Hawaii.

### b) Need and Accessibility

Results from the 2008 National Survey in Drug Use and Health conducted by the U.S. Substance Abuse and Mental Health Services Administration (SAMSHA) identified 7 million or 2% of all individuals as drug addicted. 3.1 million or approximately 1% of the total population were classified as dependent on or abusing both alcohol and illicit drugs. Applying these figures to Hawaii County's 2010 population of 185,079, there may be as many as 4,048 drug-addicted individuals with 1,881 addicted to both alcohol and other substances. There is and will continue to be a serious need for substance addiction treatment for all age ranges in the population.

Included in these numbers are our CEO's, our physicians, and other highly visible successful individuals who have contributed much to our island and our state. While their financial resources are not a barrier, programs that will motivate them to seek care are almost non-existent. A call to the Office of Healthcare Assurance verified that while there are two licensed Behavioral Health Treatment Facilities for Adults in Crisis, there are no licensed special treatment facilities treating adults with addictions on the Big Island. The demand is high but the supply is non-existent.

Our program strongly encourages tangible community service as a central aspect of the client's

process toward recovery and sustainable wellness. By urging graduates to form peer discussion groups on their return home, we continue to help both the client and the community. In addition, presentations offered on the Big Island by our team of professionals will help motivate others looking for support, and assist families in getting help for their loved ones.

In our continuing effort to reach out, no client will be turned away and no call from a potential client will be left unanswered. Whether or not a client is appropriate for our program, we will put out the effort to link them to services that will meet their needs. We will thereby become another connection between clients reaching out for help and the services they need.

### c) Quality of Service/Care

The Exclusive will use a wide range of highly trained professionals to deliver a coordinated, wrap-around program that ensures immediate relief as well as long-term health and lifestyle changes. Our program administrator will oversee consistent delivery of services and effectiveness of program objectives. The following staff will be required to have a current Hawaii state license: medical director, psychiatrist, psychologist, clinical social workers, and registered nurses. Our substance abuse counselors will be certified by the State of Hawaii. Our naturopath, dietitian and massage therapists will be licensed or certified in their respective professions. Other members of our staff will include yoga instructors, an art therapist and a meditation guide/martial arts instructor. There will be a staff member with current CPR certification on the premises at all times.

We will work as a team to maintain high standards and ensure a high degree of client satisfaction through the spirit of aloha and first class care. All staff will be fully oriented to job expectations, confidentiality/HIPAA and safety regulations, crisis response, facility operations, and client relations (hospitality) prior to having contact with patients. In addition to maintaining these skills, ongoing trainings will include client and self-care practices.

Ongoing training of professional staff will include Core Belief Restructuring, medication management, working with the dual diagnosis client, therapeutic best practices and clinical documentation. A certified substance abuse counselor (CSAC), psychologist and medical director will provide regular clinical supervision and follow-up. The Program Director will be the advisor for CBR methodology. Administrative supervision and review will be the responsibility of Program Administrator to assure that the facility is operating at peak efficiency and with complete and accurate documentation.

The staff to care ratio will be maintained at 4:1. Upon admission, all clients will have a complete physical with a chemical blood profile, TB testing and a psychiatric evaluation. The evaluation will drive any dietary or medication regimens that may be necessary and will be tracked by the dietitian and nursing staff under the supervision of a licensed physician.

The special dietary support offered by The Exclusive directly aids the healing process, increasing the quality and outcomes of the entire program. We will cater to all special dietary needs including vegan, sugar-free, gluten-free, and dairy-free diets. Diets will also be prepared based on ethnic or religious preferences. There are plans in place to grow food on the premises or purchase from local organic farms.

Treatment will be provided in a safe, secure and private atmosphere well suited to the needs of each client. We will customize treatment plans for one-to-one sessions, marriage and family

counseling, relapse prevention, acupuncture, meditation, nutritional counseling, physical fitness, and a host of other therapies and activities. Family programs will provide opportunities for healing work with the entire family, as is appropriate for the individual client. Collaborative support will also be given to employers who are involved in the recovery efforts of an employee during and after the program.

High standards of care will be maintained through the use of identified outcome measures. These will be developed and regularly evaluated by the Management Team. Outcome measures will look at operational efficiency, client satisfaction, and positive outcomes. A quality assurance plan will be created to implement these measures and will include internal checklists, pre and post client surveys and regular review of client readmissions, sentinel events, symptom reduction, and improvements in social connectedness and family functioning.

We will be applying for the Special Treatment facilities license upon completion of our Certificate of Need and will comply with all rules and regulations. We have already contacted the Commission on Accreditation of Rehabilitative Facilities (CARF) and intend to pursue accreditation as soon as we are operational. We also plan to join the National Association of Addiction Treatment providers.

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

In order to assure solvency and sustainability for the next several years, our first and third revenue/cost projections (Exhibit D) are written to reflect minimum expectations. Based on these projections, we represent the following: Projecting the first year of operation from March 1<sup>st</sup> to February 28<sup>th</sup>, we expect an average of at least 3 clients per day. The average bed day rate of \$1167.00 will vary slightly based on the specific accommodation requested by the client. The aftercare rate is a one-time fee of \$5,000 per client. The full rate, therefore, will cover the customized treatment for the client including psychiatric assessment, therapeutic and clinical costs, room, board, meals and nutritional counseling and planned activities or outings plus aftercare. Our revenue projections for the first year are \$1,285,000.00 with costs of \$1,192,455.00.

During the third year of operation, we project an average of 4.5 clients with the same rates and services. Our revenue projections for the third year are \$ 2,040,000.00 with costs of \$1,755,533.00.

Our working capital of \$75,000 can be covered by the corporation from personal funds. Outside funding sources will not be required.

With the future success of our program, we would like to extend our addiction program to low income individuals Statewide. Our plans are to re-evaluate our profitability and viability after our third year of operation and after earning our CARF accreditation. At that time we will begin the process of obtaining 501(c)(3) status. We expect the award of accreditation and non-profit status to take up to five years to attain. Initially our non-profit program will offer outpatient addiction services. We may currently offer clients an opportunity to do sustainable farming as part of their road to recovery. We will eventually own or lease a second facility to offer these services on both an in-patient and outpatient basis but will defer such decisions until the proper time.

Profits will also help to defray the costs of free community educational programs offered by our professional staff. Staff incentives and educational opportunities will be expanded including profit sharing, year-end bonuses and travel to conferences and specialized trainings. The work at the Exclusive facility will also inspire us to pursue further outcome studies of the special methodology used with clients.

We will offer specialized treatment to a specialized clientele. Our facility will therefore remain non-competitive with care currently offered on the Big Island and statewide and therefore have no impact on healthcare costs. We hope to become a center that attracts the interest of the professional community, both in Hawaii and on the mainland. Such interest could attract professionals to stay in Hawaii and, influenced by our successful methodologies, continue their work here.

e) Relationship to the existing health care system

The Exclusive will assume a valued place in the Big Island continuum of care as a short-term residential facility for a well defined set of individuals with addiction problems. At no time will the work of The Exclusive negatively impact the ability of other residential health care services to continue to serve clients. We intend to initiate and reinforce our relationships with other facilities, private practice clinicians, physicians, certified substance abuse practitioners, and other concerned community members who assist folks with addiction problems to work together to improve access and successfully transition clients to and from various levels of care as needed. We are currently working out a referral system with Ku Aloha Ola Mau to pre-screen potential clients who call us and may be more suitable for their program. Ultimately, whether or not we can take an individual into our facility, we will take seriously our responsibility to link anyone who calls to the support they need.

f) Availability of Resources.

The Exclusive is a new residential treatment program that has already chosen from a rich pool of experienced practitioners trained to provide clients with highly customized care.

The following are committed to becoming full-time employees:

- A program director to provide and supervise Core Belief Restructuring therapy. He will also initially serve as intake and marketing director
- A program administrator with experience in mental health and statewide licensing procedures
- Two CSACs with specialties in trauma work and hypnotherapy and a counselor trained in Core Belief Restructuring methodology
- A specialist in "Laughter" Yoga and life coaching

The following are committed to becoming part-time employees (up to 19 hours per week)

- A whole foods chef, a yoga and fitness trainer, a massage therapist/acupuncturist and a meditation trainer
- Two part time naturopathic physicians, one with training as a nutritional counselor and acupuncturist
- A trained intake coordinator
- A life mission coach

The following are committed to work as regular contractors:

- A medical doctor certified by the American Board of Addiction Medicine
- A psychologist to provide cognitive behavioral therapy including relapse prevention techniques.
- An HR/business manager to provide personnel and payroll functions

We are completing a final round of interviews for the following positions.

- Head Chef (full-time)
- Housekeepers (1 full time and 1 part time)
- Night residential aides (1 full time and 1 part time)
- Nurses (1 full time LPN and 1 part time)
- Groundskeeper (including pool maintenance)
- Client Services Coordinator, Breakfast Server and Chauffeur (1 full time and 1 part time)
- An additional intake coordinator (part time)
- An interventionist (contractor)

In summation, we currently have 16 full time, part time and contract staff committed to work at our facility. We are currently interviewing for 12 more staff in all these categories. As our census grows, we hope to add a full time Intake Director and Marketing Director, and a contracted Information Technology expert.

Our recruiting methods have included word-of-mouth, email distribution, and online advertisements. Resumes are carefully reviewed and potential candidates pre-screened by phone. The first in-person interview is conducted by more than one person using standardized questions targeted for each role. At that time candidates are provided with more detailed position descriptions and an opportunity to ask questions. The final candidates may have a second interview or assignment and be introduced to others already committed to working at the facility. All candidates hired for full and part time positions fill out standardized paperwork, including employment background, emergency information, eligibility verification, withholding allowance, EEO-1 voluntary surveys and are required to have background checks and drug screenings. Contractors receive mutually agreed upon contractor agreements at time of hire. All new hires regardless of employment status receive the same orientation training required for employees.

Capital requirements for start-up and the initial operations expenses will come from personal funding reserves sufficient to cover the projected costs and losses projected. Additional income will come from the clients participating in the program. Our working capital of \$75,000 comes from private funds. Other capital will come from client fees.

**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.