



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: #14-06A Date of Receipt:
To be assigned by Agency

APPLICANT PROFILE

Project Title: Bed changes: -4 Acute/long term swing bed, +4 SNF/ICF 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: 808-621-4211 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.


Signature

6/14/2014
Date

Don Olden
Name (please type or print)

CEO
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: _____
- 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 decreased 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) **Federal ID# 99-0269825, location is Wahiawa General Hospital. 128 Lehua St, Wahiawa HI 96786**

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					
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	37	0	37
Acute/long term swing	+4	-4	0
CCU	6	0	6
SNF/ICF	103	+4	107
Acute-Psychiatric	10	0	10
Obstetric	0	0	0
TOTAL	160		160

6. PROJECT COSTS AND SOURCES OF FUNDS

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. _____
- 7. Other: _____

TOTAL PROJECT COST: 0

B. Source of Funds

- 1. Cash _____
- 2. State Appropriations _____
- 3. Other Grants _____
- 4. Fund Drive _____
- 5. Debt _____
- 6. Other: _____

TOTAL SOURCE OF FUNDS: 0

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.

Deletion of 4 Acute/long term swing beds and addition of 4 SNF/ICF beds.

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, Applied for long term care bed license change to DOH in June 2014 and expected to receive approval by July 30, 2014
- 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.

On May 20, 2014 Queens West is planning to open their medical center. It is expected that Wahiawa General Hospital will immediately feel the impact of the closure by a decrease in Emergency Department visits and acute inpatient admissions. Daily ambulance visits are also expected to decrease, all resulting in decreased inpatient admissions to the ICU and Medical/Surgical units. Wahiawa General Hospital needs to convert 4 acute/long term care swing beds located on the third floor of the hospital to SNF/ICF beds to better meet the needs of our patients. The 4 beds were OB beds fully configured to meet Medical/Surgical criteria until converted to SNF beds in 2009.

The conversion of the 4 Acute/long term swing beds to 4 SNF/ICF beds will better serve the needs of our patient population. This change will help reduce the waitlisted patients,

and increase patient satisfaction and patient safety by being admitted to an appropriate bed sooner.

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

The reconfigured 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, specifically in Central and West Oahu areas. Specific health areas of concern that will be addressed are; to ensure capacity and access to emergency and acute 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 emergency services, critical care, general acute care and SNF/ICF services.

b) **Need and Accessibility**

The proposed project to increase SNF/ICF beds will help meet the needs of the community and improve the accessibility of beds. Acute care and long term care services will be available to all patients regardless of age, sex, race, income, or disabilities. Additional long term care SNF/ICF beds permits more patients to remain in their community and allows family members to visit more frequently and reduce transportation difficulties.

The addition of 4 SNF/ICF will better accommodate the needs of the community by decreasing the need to transfer patients to alternate facilities and reduce "boarding" and waitlisted patients in the emergency and acute care departments.

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 with 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. All rooms, beds, and related electromechanical support services already exist and no renovation or related capital costs will be needed.

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REVENUE AND OPERATING COSTS

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Projected revenues and expenses for the Medical surgical, ICU and Long Term Care units are:

	Fiscal Year 2014			Total
	Med/Surg	ICU	SNF	
Gross Patient Care Revenue	17,733,147	6,818,667	10,216,000	34,767,813
Expenses:				
Salaries & Wages	5,848,000	1,402,103	4,009,333	11,259,436
Other Expenses	654,119	153,897	342,667	1,150,680
Total Expenses	6,468,000	1,556,000	4,352,000	12,376,000

Projected revenues and expenses for the Medical surgical, ICU and Long Term Care units are:

	Fiscal Year 2016			Total
	Med/Surg	ICU	SNF	
Gross Patient Care Revenue	10,639,888	7,159,600	11,945,755	29,745,243
Expenses:				
Salaries & Wages	3,508,800	1,472,208	4,571,150	9,552,158
Other Expenses	392,471	161,592	359,800	913,863
Total Expenses	3,901,271	1,633,800	4,930,950	10,466,021

SNF/ICF revenue improvements should occur due to an increase in SNF/ICF admissions. The expected improvements will occur by having 4 additional SNF/ICF beds on the third floor which will relieve the problem of waitlisted patients in acute care services and also increase the staffing effectiveness for a 14 bed SNF/ICF, rather than the current 10 SNF/ICF beds. The census in the SNF averaged 88 patients per day or a 95% census over the last 12 months so the ability to utilize additional beds in SNF/ICF beds is expected to increase. However, the acute care census and revenues are expected to decrease by 40% or more due to Queens West opening in May 2013. In summary: The change in bed allocation as requested in this CON is being done to ensure the availability of SNF/ICF services in Central and West Oahu and accommodate the influx of SNF/ICF patients due to Queens West opening and to improve throughput from the WGH acute care setting to long term beds as needed. It should also improve efficiency, reduce operating cost, enhance the allocation of appropriately trained staff and provide a more optimal setting for patients on the third floor of the hospital.

e) Relationship to the existing health care system

Due to Queens opening of Queens West in May 2014, the existing system in central and west Oahu will be impacted significantly. This proposed project will allow Wahiawa General Hospital to provide additional SNF/ICF care services to patients in Central Oahu. We expect a decrease in the number of patients admitted through the emergency department so a decrease in the number of acute patients is anticipated combined with an increase in SNF/ICF patients. The increase of SNF/ICF will better meet the needs of the community and surrounding areas.

Availability of Resources.

The necessary resources are available at WGH. However, due to Queens West opening and the availability of resources the proposed project will result in a decrease in FTE's. Specifically the project will create a decrease of 3 RN's, 1 CNA and 1 ward clerk per 8 hour shift. Staffing requirements are less for long term care beds. Some of the existing staff are being cross trained within the organization and will provide this service without additional cost to the organization.

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.