



## STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE  
GOVERNOR OF HAWAII

CHIYOME L. FUKINO, M.D.  
DIRECTOR OF HEALTH

DAVID T. SAKAMOTO, M.D., M.B.A.  
ADMINISTRATOR

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September 15, 2005

### CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Joanne L. Lundstrom  
Executive Director/CEO  
Mental Health Kokua  
1121 Kapiolani Blvd., Suite 345  
Honolulu, HI 96814

Dear Ms. Lundstrom:

The State Health Planning and Development Agency has evaluated Certificate of Need application #05-17A from Mental Health Kokua for the establishment of an 8 bed Special Treatment Facility at 75-5748 Alano St., Kailua-Kona, HI, at capital cost of \$400,000.

Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

1. This proposal is eligible for administrative review as it meets the criterion in Section 11-186-99.1(b)(6), i.e.: "any proposal which is determined by the agency not to have a significant impact on the health care system."
2. Mental Health Kokua (the "applicant") has proven by a preponderance of evidence that its proposal meets the Certificate of Need criteria in Section 11-186-15, HAR:
  - a. The applicant states that its proposal will positively impact the Behavioral Health Process measures in Chapter XI of H2P2: BHP-1 (comprehensive spectrum of care), BHP-2 (continuity of care), and BHP-3 (accessibility of services) as well as the Behavioral Health Outcome Measures: BHO-5 (incidence/prevalence of mental illness), BHO-6 (consumer satisfaction), BHO-7 (relapse/recidivism), and BHO-8 (positive involvement after treatment program).
  - b. The applicant states that "The target population for this project are adults, 18 years or older, who have mental illness and are in need of interim residential services."
  - c. The applicant states that the Adult Mental Health Division (AMHD) 2001 Service Development Implementation Plan reports that approximately 15% of mental health consumers (2400 consumers per year statewide) are in need of interim residential services.
  - d. The applicant projects that, extrapolating these figures to the West Hawaii population, approximately 120 to 165 consumers during the year may be in need of the proposed services.

- e. The applicant states that "There are no providers of this service at this time in the West Hawaii area."
- f. The applicant states that its services "...will be accessible to all residents of West Hawaii, including all underserved populations."
- g. The applicant states that the proposed services will improve the quality of care to the target group by: providing medication monitoring, providing on-going quality assurance monitoring, maintaining appropriate staff to consumer ratios, maintaining a qualified staff consisting of clinical and bachelor level behavioral health specialists, including a consulting Registered Nurse.
- h. The applicant states that it is accredited by CARF and will be seeking licensure as a Special Treatment Facility for the proposed service with the State of Hawaii Office of Health Care Assurance.
- i. The applicant states that the project will reduce health care costs by providing less expensive alternatives to emergency room visits and acute hospitalization. The applicant projects that cost savings per bed day is \$496-\$796 for Interim Housing Services.
- j. The applicant projects that for year one of the proposal total revenue will be \$387,441 and total expenses will be \$387,442. The applicant projects that for year three of the proposal total revenue will be \$426,155 and total expenses will be \$427,155.
- k. The applicant states that its proposed services will "...provide options for those consumers who do not meet the criteria for hospitalization but would not be appropriate for unmonitored community housing."
- l. The applicant states that "The primary cost of the proposed project is the operating cost. Operating revenue sources are AMHD purchase of service funds, county grants, and program service fees..."

There is no compelling public interest which will be served by requiring the application to go through the standard review process.

As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

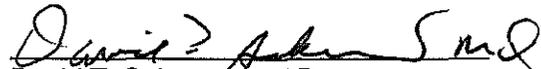
1. There is a public need for this proposal.
2. The cost of the service will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

Accordingly, the State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Mental Health Kokua for the proposal described in application #05-17A. The maximum capital expenditure allowed under this approval is \$400,000.

#05-17A, Administrative Review Decision  
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Please be advised that pursuant to Section 323D-47, HRS and Section 11-186-99.1(g) HAR, any person may, for good cause shown, request in writing a public hearing for reconsideration of the Agency's decision within ten working days from the date of this decision. Accordingly, if no person makes such a timely request for reconsideration, this decision shall become final immediately after the deadline for making such a request has expired.

C: OHCA

  
David T. Sakamoto, M.D.  
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative Review Decision was duly served upon the applicant by sending it by certified mail, return receipt requested, in the United States Postal Service addressed as follows on September 15, 2005:

Joanne L. Lundstrom  
Executive Director/CEO  
Mental Health Kokua  
1221 Kapiolani Blvd., Suite 345  
Honolulu, HI 96814

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AND DEVELOPMENT AGENCY



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