

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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October 17, 2007

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

IN THE MATTER OF)	CERTIFICATE OF NEED
)	APPLICATION
)	NO. 07-12
Kapiolani Medical Center at Pali Momi)	
)	
Applicant)	
_____)	DECISION ON THE MERITS

DECISION ON THE MERITS

The State Health Planning and Development Agency (hereinafter "Agency"), having taken into consideration all of the records pertaining to Certificate of Need Application No. 07-12 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons, the recommendations of the Oahuwide Certificate of Need Review Committee and the Certificate of Need Review Panel, the Agency hereby makes its Decision on the Merits, including findings of fact, conclusions of law, order, and written notice on Certificate of Need Application No. 07-12.

I

BACKGROUND

1. This is an application for a Certificate of Need ("Cert.") for the establishment of interventional cardiac catheterization services at Kapiolani Medical Center at Pali Momi (KMCPM), at a capital cost of \$1,900,000.
2. The applicant, Kapiolani Medical Center at Pali Momi, is a non-profit corporation.

3. The Agency administers the State of Hawaii's Certificate Program, pursuant to Chapter 323D, Hawaii Revised Statutes (HRS), and Title 11, Chapter 186, Hawaii Administrative Rules (HAR).
4. On April 30, 2007, the applicant filed with the Agency a Certificate of Need application for the establishment of interventional cardiac catheterization services at Kapiolani Medical Center at Pali Momi, at a capital cost of \$1,900,000 (the "Proposal"). On August 2, 2007 and September 7, 2007, the applicant submitted additional information. On September 11, 2007 the application was determined to be complete. For administrative purposes, the Agency designated the application as Cert. #07-12.
5. The period for Agency review of the application commenced on September 12, 2007, the day notice was provided to the public pursuant to 11-186-39 HAR.
6. The application was reviewed by the Oahuwide Certificate of Need Review Committee at a public meeting on September 18, 2007. The Council voted 4 to 0 in favor of recommending approval of this application
7. The application was reviewed by the Certificate of Need Review Panel at a public meeting on September 20, 2007. The Panel voted 6 to 0 in favor of recommending approval of this application.
8. The Statewide Health Coordinating Council review of the application was waived pursuant to Section 323D-44.6 HRS.
9. This application was reviewed in accordance with Section 11-186-15, HAR.
10. Pursuant to Section 323D-43(b), HRS:

"(b) No Certificate shall be issued unless the Agency has determined that:

 - (1) There is a public need for the facility or service; and
 - (2) The cost of the facility or service will not be unreasonable in the light of the benefits it will provide and its impact on health care costs."
11. Burden of proof. Section 11-186-42, HAR, provides:

"The applicant for a certificate of need or for an exemption from certificate of need requirements shall have the burden of proof, including the burden of producing evidence and the burden of persuasion. The degree or quantum of proof shall be a preponderance of the evidence."

II

FINDINGS OF FACT

A. REGARDING THE RELATION OF THE PROPOSAL TO THE STATE HEALTH SERVICES AND FACILITIES PLAN (HAWAII HEALTH PERFORMANCE PLAN) OR "H2P2"

12. The applicant states that "The proposed project will reduce health disparities among Hawaii residents by providing the same level of care to Leeward Oahu residents that are provided in Honolulu."

13. With respect to the West Oahu Subarea values and priorities, the applicant states "Emergency Medical Services is identified as a 'most critical need' in Section D. As the proposed ICCL will provide enhanced care for patients admitted into the KMCPM emergency room with acute Myocardial Infarction, the proposed project addresses this priority for the Leeward and Central Oahu area."

14. The applicant states that "H2P2 specifically identifies Heart Disease and Stroke as a priority area in Chapter VII and identified Heart Disease Outcome (HDO) measures for Cardiac Catheterization discharges (HDO-8) (sic) and Cardiac Interventions (HDO-10) as outcome measures. The proposed project will help assure that these outcomes are better managed and evaluated by providing measures of interventional procedures for the Leeward and Central Oahu region."

15. The Agency finds that this criterion has been met.

B. REGARDING NEED AND ACCESSIBILITY CRITERIA

16. The applicant states that "Leeward Oahu's population in 2006 was estimated at 433,178. The area's population is projected to increase to 458,051 by 2011. In addition, the adult population considered most at risk for heart disease for Leeward is expected to increase almost 11%, from approximately 150,000 to almost 166,000, over that same period. "

17. The applicant states that "...there are currently no widely available interventional cardiology services in the Leeward area..."

18. The applicant states that "The proposed project will ...provide access to a standard of care for Leeward residents not available with the current location of

existing providers. There are currently 14 cardiac catheterization labs on Oahu. However of those 14, 10 are located in downtown Honolulu."

19. The applicant states that "Patients lives and outcomes are improved when the length of time from when a patient suffers a heart attack and receives care is reduced. In more severe cases – for example acute coronary syndrome that can lead to myocardial infarction – the ability to perform necessary interventional procedures becomes vital. In emergency room situations, providing treatment within the 'golden hour' (the first sixty minutes after onset of an acute illness) is critical in maximizing a patient's chance of survival. Care is delayed in situations where a patient must be transported to another facility for necessary treatment. The addition of an Interventional Cardiac Catheterization Lab (ICCL) will allow all Leeward and Central Oahu residents diagnosed with acute coronary disease to receive life-saving interventional procedures within the 'golden hour' that is an accepted standard of care for acute myocardial infarction patients."

20. The applicant states that "... all residents of the area, and in particular low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups, and the elderly will have access to services."

21. The Agency finds that the need and accessibility criteria have been met.

C. REGARDING QUALITY AND LICENSURE CRITERIA

22. The applicant states that "The proposed ICCL will improve quality of care to the Leeward community by providing:

- Quicker response to heart attacks & enhanced continuity of care
- Advanced interventional procedures
- Reduced complications associated with transferring a patient and decrease in complications with critical patients
- Improved monitoring of care and continuous improvement processes"

23. The applicant states that "KMCPM will use the recommended Society for Cardiovascular Angiography and Interventions (SCAI) to establish quality guidelines to ensure patients receive optimal care and evidence-based practices."

24. The applicant states that "As an affiliate of Hawaii Pacific Health, KMCPM is a sister hospital to Straub Clinic and Hospital which currently performs interventional cardiac procedures including percutaneous coronary interventions (PCI)...The Cardiovascular Imaging and Intervention Center at Straub have extensive policies and procedures in place which promote quality of care...These policies and procedures will be used by KMCPM as well."

25. The applicant states that "All cardiologists are licensed in the State of Hawaii. Cardiac surgeons will be licensed in the State of Hawaii and will be certified by the American Board of Thoracic Surgery."

26. The applicant states that "Angiography Technologists will be certified radiological technologists licensed in the State of Hawaii. The technologists will be certified and registered by the American Registry of Radiologic Technologists (ARRT) in Cardiac Interventional Radiography requiring minimum experience ongoing continuing education. The technologists will be certified in Basic Life Support and Advanced Cardiac Life Support."

27. The applicant states that "Registered Nurses are licensed in the State of Hawaii and certified in Basic and Advanced Cardiac Life Support, Conscious Sedation, Intra Aortic Balloon Pump Operation, and Activated Clotting Time Analysis. Nurses are also experienced in Intensive Care Unit and/or Emergency Department."

28. The Agency finds that quality and licensure criteria have been met.

D. REGARDING THE COST AND FINANCIAL CRITERIA

29. The applicant states that "The startup costs for the project are \$1,900,000 which will be entirely funded by cash reserves of KMCPM parent company, Hawaii Pacific Health... the proposed project will generate positive cash flow from Year 1 to cover operational costs on a go-forward basis."

30. The applicant states that "This project will keep health care costs down and improve quality of care... Under this proposal, interventional catheterization services can be performed on a timely basis... Restoration of coronary blood flow within the target 90 minutes becomes challenging if a patient requires transfer to another hospital. The patient is at increased risk for extended cardiovascular ischemia or infarction, complications related to cardiogenic shock and impaired end-organ tissue perfusion. This time delay will result in costly complications, including prolonged hospital length of stay, increased morbidity, and a higher mortality rate."

31. The Agency finds that cost and financial criteria have been met.

E. REGARDING THE RELATIONSHIP OF THE PROPOSAL TO THE EXISTING HEALTH CARE SYSTEM OF THE AREA

32. The applicant states that "The proposed project will strengthen the existing healthcare system. Since there are currently no other widely available interventional cardiology services west of Red Hill, the availability of an ICCL at KMCPM will strength the existing Leeward/Central Oahu healthcare infrastructure. The proposed project will also alleviate resources dedicated to emergency medical transport. With the addition of an ICCL at KMCPM, patients will no longer have to be transported through the congested H-1 corridor to downtown during emergency situations. This project will allow emergency transport resources to be redeployed for use to transport patients to and from other areas."

33. The Agency finds that this criterion has been met.

F. REGARDING THE AVAILABILITY OF RESOURCES

34. The applicant states that "The current staffing model comprises of 2.0 FTE Registered Nurses and 1.5 FTE Angiography Technologists. An additional 2.0 FTE Registered Nurses and 1.5 FTE Angiography Technologists will be recruited and hired with the inclusion of interventional cardiac catheterization services..."

35. The applicant states "As an affiliate of Hawaii Pacific Health, KMCPM has the financial resources to secure all equipment and staffing resources required for this proposed project. As a cardiac catheterization lab – equipped for diagnostic procedures – already exists at KMCPM, a significant investment to provide the capital, administrative, and overhead costs to provide this service has already been undertaken."

36. The Agency finds that the applicant has met this criterion.

III

CONCLUSIONS OF LAW

Having taken into consideration all of the records pertaining to Certificate of Need Application No. 07-12 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons, the recommendations of the Oahuwide Certificate of Need Review Committee and the Certificate of Need Review Panel and based upon the findings of fact contained herein, the Agency concludes as follows:

The applicant has met the requisite burden of proof and has shown by a preponderance of the evidence that the Proposal meets the criteria established in Section 11-186-15, HAR.

Accordingly, the Agency hereby determines that, pursuant to Chapter 323D-43(b):

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

ORDER

Pursuant to the findings of fact and conclusions of law contained herein, IT IS HEREBY DECIDED AND ORDERED THAT:

The State Health Planning and Development Agency hereby APPROVES and ISSUES a certificate of need to Kapiolani Medical Center at Pali Momi for the proposal described in Certificate Application No. 07-12. The maximum capital expenditure allowed under this approval is \$1,900,000.

WRITTEN NOTICE

Please read carefully the written notice below. It contains material that may affect the Decision on the Merits. The written notice is required by Section 11-186-70 of the Agency's Certificate of Need Program rules.

The decision on the merits is not a final decision of the Agency when it is filed. Any person may request a public hearing for reconsideration of the decision pursuant to Section 11-186-82 HAR. The decision shall become final if no person makes a timely request for a public hearing for

reconsideration of the decision. If there is a timely request for a public hearing for reconsideration of the decision and after the Agency's final action on the reconsideration, the decision shall become final.

(Note, pursuant to Chapter 323D-47, Hawaii Revised Statutes, a request for reconsideration shall be received by the Agency within ten working days of the state agency decision.)

DATED: October 17, 2007
Honolulu, Hawaii

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



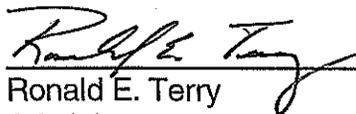
Ronald E. Terry
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Decision on the Merits, including findings of fact, conclusions of law, order, and written notice, 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 October 17, 2007.

Jen Chahanovich
Chief Operating Officer
Kapiolani Medical Center at Pali Momi
98-1079 Moanalua Road
Aiea, Hawaii 96701

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



Ronald E. Terry
Administrator