



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII

GARY L. GILL  
ACTING DIRECTOR OF HEALTH

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January 16, 2014

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Allyse Roesch  
President  
Kokua Ambulance, LLC  
92-1033 Ko'io Dr., Villa E  
Ko'Olina, HI 96707

Dear Ms. Roesch:

The State Health Planning and Development Agency (the "Agency") has evaluated Certificate of Need application #13-12A from Kokua Ambulance, LLC (the "applicant") for the establishment of back-up surface ambulance services for the Honolulu Emergency Medical Services Division, to be located at 501 Sumner Street, 6E, Honolulu, HI, at a capital cost of \$310,000 (the "Proposal").

1. Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that this proposal is eligible for administrative review as it meets the criterion in Subsection 11-186-99.1(b) (2), i.e.: "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".
2. The applicant states that "Kokua Ambulance will provide one additional backup ambulance to the City and County of Honolulu Department of Emergency Services ("C&C"). Kokua Ambulance's services will include emergency ("911" or "ALS") and non-emergency ("non-emergent" or "urgent" or "BLS") transports."
3. The applicant states that "Once granted CON approval, Kokua Ambulance will bid on the 911 and non-emergent backup contract with C&C."
4. The applicant states that "Once this application is approved, Kokua Ambulance will apply for and obtain its ambulance license from the State Department of Health in Hawaii. After receiving the ambulance license, Kokua Ambulance will apply for and obtain the subsequent certifications of Medicare and Medicaid."
5. The applicant states that "Kokua Ambulance has staff ready to fulfill its staffing needs and has two Hawaii licensed MICTs and two Hawaii licensed EMTs who will be employed once this application is approved."

6. The applicant states that "Expected revenues from the first and third year of operation are as follows: 2014(beginning March)-\$472,148.00; 2016-\$577,781.00. Expected costs from the first and third year of operation are as follows: 2014 (beginning March)-\$371,563.00; 2016-\$454,792.00."
7. The applicant states that "Along with two Hawaii licensed MICTs and two Hawaii licensed EMTs, Kokua Ambulance has an interim Medical Director. Dr. Fagan is currently licensed in the State of Hawaii and is McCormick Ambulance's Medical Director in Los Angeles County."
8. The applicant states that "A line of credit will be established with Mercy Medical Transportation, Inc., totaling \$75,000, to cover operating costs. A line of credit will also be established with Richard Roesch, totaling \$225,000, to cover operating costs and the project costs of the ambulance and equipment."
9. The applicant states that "On August 7, 2013 the City Council of the City and County of Honolulu adopted Resolution 13-158 CD1: Urging the Honolulu Emergency Services Department to evaluate the need for a second provider for backup ambulance service for the City and County of Honolulu."
10. On December 13, 2013, the Honolulu Emergency Services Department (HESD) filed its response to City and County of Honolulu Council Resolution 13-158 ("HESD's report"). HESD's report was dated December 12, 2013.
11. HESD's report states "The following information is submitted in response to Council Resolution No.13-158, which requests that the Honolulu Emergency Services Department (HESD) evaluate the need for a second private ambulance service provider for additional back-up services to service the West Oahu region, to reduce the impact of non-911 patient transport calls on the 911 system, to decrease costs to the City, and to improve patient care."
12. HESD's report provides that, during the period August 8, 2013 to October 31, 2013, the total number of West Area cold (non-emergent) calls dispatched to the current back-up ambulance provider, American Medical Response ("AMR") were as follows: August 8 to August 31, 2013 – 22 calls, September 2013 – 51 calls, and October 2013 – 36 calls.
13. In a memorandum dated December 12, 2013 to Mark Rigg, Director of HESD, Patty Dukes, Chief, City and County, Emergency Medical Services Division ("C&C EMS"), et al., Dr. Linda Rosen, Chief of the Emergency Medical Services & Injury Prevention Systems Branch (EMSIPSB), requested HESD and C&C EMS to suspend the referral of cold non-emergent BLS calls to AMR. In her memo, Dr. Rosen states, in pertinent part, "Per our recent discussions I would like to suspend the referral of "cold BLS calls," i.e. those calls that are non-emergent after dispatch triage to American Medical Response. Effective December 15, 2013, all calls for assistance from AMR will be treated as "back-up" calls. The use of AMR for back-up will be driven by dispatch operational protocols and system need."

14. In written testimony dated December 27, 2013, Anna Paro, Administrative Manager, AMR, states that "Since that memorandum (Dr. Rosen's) was issued, the call volume to AMR from the City & County has essentially disappeared. AMR had zero requests on December 15, 2013; one call was offered on December 16, 2013 but then canceled by the City & County; and there were zero requests on December 17, 2013. AMR has received no other calls from the City & County from December 15 through December 25, 2013. If the City & County plans to handle all of the non-emergent 9-1-1 calls itself, per Dr. Rosen's memorandum, there is clearly no need for a secondary back-up provider."

#### Conclusions and Order

The Agency finds that, as a result of the suspension of the referral of cold BLS calls, as requested by EMSIPSB, there has been a significant reduction in the demand for back-up surface ambulance services for C&C EMS. i.e. One referral from December 15, 2013 through December 25, 2013, which was subsequently canceled by C&C EMS. Accordingly, the Agency finds that, currently, there is not a need for a second back-up surface ambulance provider for C&C EMS.

The Agency finds that the applicant has not proven by a preponderance of the evidence that its Proposal meets the criterion in HAR 11-186-15(a)(1). Accordingly, the State Health Planning and Development Agency hereby DISAPPROVES and DENIES a Certificate of Need to Kokua Ambulance, LLC, for the Proposal described in Certificate of Need application #13-12A.

As the Proposal fails to meet the criteria in HAR 11-186-15(a) (1), it is not necessary for the Agency to make any findings as to the application's relationship to the criteria in HAR 11-186-15(a)(3 - 12, inclusive). The criterion in HAR 11-186-15(a)(2) is not applicable to this Proposal.

The applicant may submit a new certificate of need application to provide an additional backup ambulance to C&C EMS in the event that the call volume from C&C EMS increases significantly and back-up requests are turned down by the current back-up provider, AMR.

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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.



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Romala Sue Radcliffe  
Administrator