



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: #15-04A Date of Receipt: _____
To be assigned by Agency

APPLICANT PROFILE

Project Title: Establishment of Surface Ambulance Services

Project Address: 150 Lagoon Drive, Honolulu, HI 96819

Applicant Facility/Organization: Hawaii Life Flight Corporation

Name of CEO or equivalent: Joseph Hunt

Title: President – Hawaii Life Flight Corporation

Address: 150 Lagoon Drive, Honolulu, HI 96819

Phone Number: 808-833-2270 Fax Number: 808-836-2809

Contact Person for this Application: Dawn Guillermo

Title: Program Director – Hawaii Life Flight

Address: (Same As Above)

Phone Number: (Same As Above) Fax Number: (Same As Above)

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

March 6, 2015
Date

Dawn Guillermo
Name (please type or print)

Program Director – Hawaii Life Flight
Title (please type or print)

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

Public _____
Private _____
Non-profit _____
For-profit _____
Individual _____
Corporation _____
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: _____

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 Attachment "3A: Documentation"]
- 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.) [See Attachment 3B: Documentation"]
- C. Your governing body: list by names, titles and address/phone numbers [See Attachment "3C: Documentation"]
- 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 [See Attachment "3D: Documentation"]:
 - Articles of Incorporation
 - By-Laws [There are No By-Laws for this Organization]
 - Partnership Agreements [There are No Partnership Agreements for this Organization]
 - Tax Key Number (project's location)

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					
Outpatient Facility				X	
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
TOTAL			

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	<u>\$250,000</u>
5.	Financing Costs	_____
6.	Fair Market Value of assets acquired by lease	<u>\$123,000</u>
7.	Other: _____	_____

TOTAL PROJECT COST: \$373,000

B. Source of Funds

1.	Cash	<u>\$250,000</u>
2.	State Appropriations	_____
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: <u>Fair market value of leased space to be paid by monthly rent payments</u>	<u>\$123,000</u>

TOTAL SOURCE OF FUNDS: \$373,000

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.

Proposing to add ground/surface ambulance unit(s) at Hawaii Life Flight Honolulu base, using existing Hawaii Life Flight critical care transport teams to complete the ground ambulance portion of interfacility air medical transports from airport to Honolulu receiving facilities, improve patient care outcomes through continuity of care, improve accessibility for all patients needing Hawaii Life Flight services, reduce overall transport times, and reduce costs to Hawaii Life Flight patients via provision of ground transport internally without any added expense to the patients.

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: **IMPLEMENTATION DATES IN BOLD PRINT**

- a) Date of site control for the proposed project, **02/12/2015**
- b) Dates by which other government approvals/permits will be applied for and received, **JUNE 2015**
- 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, **SEPTEMBER 2015**
- g) Date of commencement of operation – **SEPTEMBER 2015**

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. **PLEASE SEE ATTACHED DOCUMENT(S)**

- a) Relationship to the State of Hawai'i Health Services and Facilities Plan.
- b) Need and Accessibility
- c) Quality of Service/Care
- d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
- e) Relationship to the existing health care system
- f) Availability of Resources

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.

9. EXECUTIVE SUMMARY:

a) Relationship to the State of Hawaii Health Services and Facilities Plan:

Additional supplemental/complimentary ground critical care ambulance transport units would provide internal completion and facilitate continuity of care for existing state licensed air medical ambulance services provided by Hawaii Life Flight, and allow Hawaii Life Flight transport teams to provide the entire spectrum of care to their patients – specifically transporting patients from aircraft landing at Honolulu International Airport to Oahu receiving medical facilities via Hawaii Life Flight ambulance.

The proposal by Hawaii Life Flight to establish internally supported surface ambulance services relates to the State of Hawaii Health Services and Facilities Plan (“the Plan”) both in terms of supporting the Statewide Health Coordinating Council (SHCC) Priorities outlined in Chapter 3 of the Plan in terms of both the General Principles and the Specific Areas of Concern on both an regional and statewide level. The addition of self-sustained surface ambulances provided by Hawaii Life Flight for use by it’s critical care flight crews during ground components of patient transport (ie, after patients arrive on Oahu via fixed wing/rotor wing and need continued transport to tertiary facilities with flight medical crews present) will help ensure the following SHCC Priorities via support of the following General Principles listed in Chapter 3 of the Plan:

- *SHCC, GENERAL PRINCIPLES, #3, 4: The proposed services will ensure that Hawaii Life Flight will maintain overall access for all it’s patients to the full spectrum of quality transport services and continuity of consistent timely surface transport services at a reasonable cost to all patients in Hawaii who need air medical transport/associated surface transport via the use of it’s own ground ambulances at no additional cost to the patient. The proposed services will also strive for equitable access to health care services statewide by improving access/transport at reduced cost to the patient via the proposed HLF surface ambulance services on Oahu by providing an option to HLF patients that does not add cost for the air ambulance transport ground component of transfer that currently exists without any other options to patients at this time.*
- *SHCC, GENERAL PRINCIPLE, #5: The surface ambulance services proposed by Hawaii Life Flight are appropriate for and will ensure, strengthen and enhance both the regional and statewide continuum of care involving patients transported by Hawaii Life Flight by increasing access to time-sensitive surface transport and by reduction in patient costs for air medical transport when Hawaii Life Flight surface units are used.*

9. EXECUTIVE SUMMARY (continued):

a) Relationship to the State of Hawaii Health Services and Facilities Plan (continued):

The proposal by Hawaii Life Flight to establish internally supported surface ambulance services will support the following Specific Areas of concern listed in Chapter 3 of the Plan:

- *SHCC, SPECIFIC AREAS OF CONCERN, #1: The proposed services will ensure additional capacity/access by patients to a continuum of acute and long-term care services on a state-wide level by improving access by patients requiring Hawaii Life Flight air medical transport to surface ambulance resources needed to assure consistent time-sensitive ground transport to tertiary receiving facilities once they arrive on Oahu at a reduced cost to those patients.*
- *SHCC, SPECIFIC AREAS OF CONCERN, #2: The proposed services will support and strengthen the statewide trauma system by assuring consistent and time-efficient overall air medical transport times by providing additional resources to Hawaii Life Flight air medical patients transported via fixed wing to Oahu and then Oahu-wide via additional provision of surface ambulances to complete the ground transport to tertiary centers of care on Oahu at reduced cost to those patients and in a timely fashion to ensure/improve patient outcomes.*
- *SHHC, SPECIFIC AREAS OF CONCERN, #4: The proposed services will increase and improve timely and consistent overall access to mental health programs and services for Hawaii Life Flight air medical patients transported via fixed wing to Oahu for those services when they are not available on neighboring islands.*

Additionally, the proposal by Hawaii Life Flight for surface ambulance services to transport it's patients for ground portions of fixed wing air medical transport addresses the following SUBAREA HEALTH PLANNING COUNCIL (SAC) PRIORITIES outlined in Chapter 3 of the Plan, specific to HONOLULU COUNTY – SPECIFICALLY, THE HONOLULU (HONSAC) PRIORITIES, THE WEST OAHU SAC PRIORITIES, AND ALSO THE WINDWARD SAC PRIORITIES:

- *SHHC, HONOLULU (HONSAC) PRIORITIES, #4: The proposed surface ambulance services for HLF patients arriving on Oahu and then needing surface transport to receiving facilities will further help reduce/control the escalating costs for senior health care and other needed services – in this case, the surface ambulance component of an air ambulance transport. Cost reduction will be accomplished by the removal of additional surface ambulance costs for senior aged patients, whether in terms of costs billed directly to the patient not covered by insurance, or by not billing any additional cost to the patient's insurance for the additional surface ambulance portion when the HLF surface ambulance is used.*

9. EXECUTIVE SUMMARY (continued):

a) Relationship to the State of Hawaii Health Services and Facilities Plan (continued):

The current use of alternative surface ambulance providers (whether AMR or City and County EMS) involves separate and additional billing to air ambulance patients/families for surface ambulance fees to the patient/patient's insurance in addition to the air ambulance fees. Availability/use of the proposed HLF surface ambulance will eliminate this added cost for senior patients (not to mention, patients of all ages), and contribute to de-escalation of senior healthcare costs locally and aggregately by reducing the segment of air medical patient transport-related costs.

- SHHC, WEST OAHU SAC PRIORITIES, #1 – IMPROVE AND INCREASE ACCESS: The proposal strives to promote emergency services (via strengthening the air medical component of those services) and to assure ongoing stability of air/surface ambulance services on a regional level (in this case, in West Oahu, and even Oahu-wide), due to each island's significant dependency and vulnerability for overall time-sensitive air medical transport services. The proposal addresses the time savings in the regional Oahu-wide component where patients are being transported to receiving facilities via air medical transport, but moreover addresses every other Hawaii region given that all patients arriving on Oahu via air ambulance and needing surface ambulance transport originated from one of the other Hawaiian island regions. Specifically, in terms of improved and increased access for West Oahu (as it relates to the aforementioned SHHC WEST-OAHU SAC PRIORITY #1), proposed HLF surface ambulance services will improve and increase access to acute care, critical care, specialty care, and further emergency care options for HLF patients arriving on Oahu and requiring timely transport to any of these types of care in West Oahu. The proposed services would add resources to assure surface ambulances for HLF air medical patients in these instances.

- SHHC, WINDWARD SAC PRIORITIES, #1 – IMPROVE BED AVAILABILITY: Although the proposed HLF surface ambulances have significant implications for helping achieve HONSAC and West Oahu SAC priorities, a likely positive effect will also occur that can help achieve Winward SAC Priority #1. Current available surface ambulance availability to accomplish transfer of ready patients to appropriate levels of care will be improved with the addition of proposed HLF surface ambulance to relieve the transfer volume from air ambulance transfers for the existing ambulance providers. This will reduce the waiting time for Windward facility transfers to be accomplished and further improve bed availability as an ultimate result.

9. EXECUTIVE SUMMARY (continued):

a) Relationship to the State of Hawaii Health Services and Facilities Plan (continued):

Conclusively, the addition of surface ambulance services to existing air medical transport services already licensed for and provided by Hawaii Life Flight, will help address multiple State Health Coordinating Council (SHCC) priorities on both the state-wide and regional levels, specifically (in the case of this proposal): SHCC GENERAL PRINCIPLE #3, 4, 5; SHCC SPECIFIC AREAS OF CONCERN #1, 2, 4; and on Oahu – SHCC HONSAC PRIORITY #4, WEST-OAHU SAC PRIORITY #1, and WINDWARD SAC PRIORITY #1.

b) Need and Accessibility: Hawaii Life Flight company provision of the ground component is needed for transported Hawaii Life Flight air ambulance patients to increase timely accessibility to ground transport on the receiving facility leg of the air mission to benefit the most critical time sensitive patients. Currently we have documented wait times for pre-scheduled transports involving the alternate ground transport provider in Honolulu which have been statistically significant (see specific discussion below). The ability of Hawaii Life Flight to provide internal ground ambulance services would supplement existing local alternative ground ambulance services provided, and would alleviate the documented delays for the sickest patients while obviating the additional costs incurred by Hawaii Life Flight patients since this proposed Hawaii Life Flight - provided ground transport component (when utilized) would be included in transport services for Hawaii Life Flight patients. Accessibility at reduced costs to patients would satisfy the need and increase cost effective accessibility. Turn around times in these cases would be improved so that Hawaii Life Flight critical care teams/aircraft finishing these missions would be return to neighbor islands more quickly to assure further air ambulance accessibility for subsequent mission activation requests from sending/requesting hospitals.

Specific data documented from HLF missions performed 1/2010 through 12/2013 provides longitudinal evidence supporting the need for the services being proposed. Out of 688 documented delays in ground ambulance response by American Medical Response (AMR) to the HLF Honolulu airport aircraft location to transport Hawaii Life Flight critical care teams/patients, 18% of those documented involved delayed response deviation by AMR from their original ETAs to meet in-bound HLF medical teams at Honolulu International Airport to complete the transport of critical care patients by ground to receiving tertiary hospital facilities on Oahu. The documented mean delay approached 12 minutes, with delays ranging from 5 to 55 minutes. This type of delay is statistically significant and will be mitigated with the addition of HLF surface ambulances.

9. EXECUTIVE SUMMARY (continued):

b) Need and Accessibility (continued):

All citizens and visitors in the State of Hawaii have access to emergency air medical transport services provided by Hawaii Life Flight, including persons of low income, all racial and ethnic minorities, women, handicapped persons, all other underserved groups, and the elderly, and all of these persons will have full access to the proposed surface ambulance services when they are needed.

In summary, the need and accessibility benefits afforded by Hawaii Life Flight-proposed ground ambulance units would include reduced cost to all patients served by Hawaii Life Flight who require ground transport once arriving on Oahu, along with a reduction in statistically significant documented third party ground ambulance delays documented above. The avoidance of ground transport delays is also of significance in terms of reducing transport times to receiving facilities as

much as possible for time critical patients, and there is scientific basis for this needed time savings in the case of cardiac, neurological, and traumatic injury patient populations in order to reduce morbidity and mortality in these critical care transport populations within the state that are transported by Hawaii Life Flight.

c) Quality of Service/Care:

Quality of Hawaii Life Flight critical care transport services and patient care would be maintained/improved via continuous staffing and patient care on the ground ambulances utilizing the existing Hawaii Life Flight critical care teams, and continuity of care would be assured in a more timely fashion in cases where Hawaii Life Flight proposed ground units are utilized.

The policies and procedures that will establish, monitor, and provide continuous ongoing evaluation of quality of care are already in place for the existing Hawaii Life Flight operations. Additionally, these policies and procedures, both for operations and patient care guidelines, are accredited and regularly audited by a third party standards organization – the National Accreditation Alliance of Medical Transport Applications (NAAMTA). Hawaii Life Flight adheres to all NAAMTA standards for both air and surface transport applications and settings. These standards meet or exceed local, state, national, and international quality requirements and ensure that the highest standards are maintained including management, operations, quality of care review, medical direction standards, communications, maintenance, provision of advanced patient care, advanced airway management, surface transport vehicle configuration and operations.

The personnel for the Hawaii Life Flight surface ambulances will be with staff licensed at the EMT, EMT-Paramedic, or as pre-hospital designated Registered Nurses by the State of Hawaii. If an EMT comprises the crew, the EMT will serve as the driver of the surface ambulance.

9. EXECUTIVE SUMMARY (continued):

c) Quality of Service/Care (continued):

Direct patient care will only be provided/maintained by Hawaii Life Flight's Flight Paramedics with additional critical care training/certifications (CCEMTP, FP-C, or CCP-C) and/or Hawaii Life Flight Registered Nurses with additional critical care training/certifications (CCRN, CFRN, or CEN). Hawaii Life Flight medical crews will remain with each patient after the patient lands in Honolulu and accompany them on the Hawaii Life Flight surface ambulance when that unit is utilized, thus maintaining continuity of patient care at the critical care transport level. Additional required credentials for all surface ambulance personnel will be identical to those required as a part of the accreditation for flight medical crews, including: Advanced Cardiac Life Support (ACLS), Pediatric Advanced Life Support (PALS), Neonatal Resuscitation Provider (NRP), Healthcare Provider CPR, Advanced Trauma Certification (TNCC for RNs; PHTLS or ITLS for Paramedics, or TNCC completion for all personnel accompanied by the HLF annual advanced skills/procedures lab). All Hawaii Life Flight surface ambulance patient care providers will have the same minimum years of experience in critical patient care as do the flight personnel per accreditation standards established by NAAMTA. Initial and ongoing clinical and operational training for surface ambulance personnel will also adhere to those standards established by NAAMTA accreditation which is continuously maintained by Hawaii Life Flight.

All requirements for operational, training, and patient care standards can be reviewed at the NAAMTA accreditation website (link listed below) and are also being attached with "9. Executive Summary – NAAMTA Medical Transport Accreditation Standards, Revision 1.6" included with the application:

https://intranet.naamta.com/includes/secure_file.cfm?ID=2&menuID=5061

Of important note, the personnel staffing the proposed surface ambulances operated by Hawaii Life Flight will be operating at a higher level of care than existing available 3rd party ambulances currently available on Oahu, as they will be staffed with critical care nurses and paramedics providing primary patient care functions. Further, there will be no delay in transport when Hawaii Life Flight surface ambulances are used as the transition to surface transport will be more consistent and immediate. This translates to improved Quality of Care via less transitions of care, higher credentials of staffing, and avoidance of surface transport delays in cases of time critical patients.

9. EXECUTIVE SUMMARY (continued):

d) Cost and Finances (revenue/cost projections for 1st and 3rd year operations):

Revenue neutrality is expected at both yearly intervals, as costs for the additional ground ambulance component would be included in the overall air transport services costs. Operational costs would be directly associated with ground ambulance operations and some additional ground personnel staffing as needed, but overall personnel costs would generally be revenue neutral when existing air medical transport team staff operate the ground ambulances. *The estimated cost projections for 1st and 3rd year operations are \$203,400 and \$229,500, respectively*

(Please refer to Attachment "9.: Executive Summary – 1st and 3rd Year Expense/Revenue Overview – HLF Surface Ambulance Services")

e) Relationship to the existing healthcare system: This is discussed above in "9. b)". The efficient delivery of continuity of care and air medical transport services at less cost to the patient will be achieved in cases where the ground transport component is provided under this new proposed Hawaii Life Flight plan (vs. additional costs billed by other 3rd party ground ambulance providers when they are involved with the air medical transport), and will contribute to faster air asset availability for subsequent air ambulance transport response requests to Hawaii Life Flight. This improves the air medical transport availability for the state while reducing cost burdens for the citizens needing these crucial services.

f) Availability of resources: The addition of Hawaii Life Flight ground ambulances for internal use to provide accessible, more cost efficient services to Hawaii Life Flight air transport patients will increase the availability of air ambulances due to faster return to service times along with other ground provider ambulance unit availability via reduced burden on their resource allocation to Hawaii Life Flight.

In terms of the types of personnel required to staff the proposed surface ambulances, existing Hawaii Life Flight air medical crews of RN/Paramedic or RN/RN will always be present to staff, operate, and provide patient care for the surface phase of transport of patients once they arrive on Oahu. These two staff members are consistently present and available because they are always on the incoming flight with the patient and can staff the surface ambulance for the duration of ground transport to the receiving facility. 3-4 Additional EMT-Basic staff may be hired to supplement the crew structure and be scheduled on 12 hour shifts as surface ambulance operators/drivers as needed based on surface ambulance utilization assessment once it has been in full operations. When existing Hawaii Life Flight air medical crews are staffing and operating the surface ambulances, they are already being compensated for their duty time as flight personnel so no additional source of funding is required as they are already being compensated.

9. EXECUTIVE SUMMARY (continued):f) Availability of resources (continued):

For any additional EMT-Basic staff, their compensation will be derived from billing/reimbursement for the air medical portion of the transport which, again, are already being received whether Hawaii Life Flight surface ambulance transport is utilized or not. Additional operational costs for the surface ambulance (including vehicle maintenance, fuel, insurance, permits/licenses) will be funded from the existing revenues derived from billing for the air medical portion of transport.

Initial project funding resources required to establish the proposed surface ambulance operations will come from cash on hand. As described above for the ongoing staffing and operational costs, funding will come from revenues derived from billing for the air medical portion of each surface transport.