



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 15-02A Date of Receipt:
To be assigned by Agency

APPLICANT PROFILE

Project Title: Establishment of Adult Day Health Services

Project Address: 858 Second Street

Pearl City, Hawaii 96782

Applicant Facility/Organization: Waianae District Comprehensive Health and Hospital Board Inc.

Name of CEO or equivalent: Richard P. Bettini

Title: President and Chief Executive Officer

Address: 86-260 Farrington Highway, Waianae, Hawaii 96792

Phone Number: 808-697-3300 Fax Number: 808-697-3687

Contact Person for this Application: Lemetrica White

Title: Director of Adult Day Care

Address: 86-260 Farrington Highway, Waianae, Hawaii 96792

Phone Number: 808-561-2147 Fax Number: 808-456-4880

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
Richard P. Bettini, MPH, MS

Name (please type or print)

7/07/2015

Date
President and 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: _____ x
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)
- 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.)
- 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)

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	_____
5.	Financing Costs	_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>700,000</u>
7.	Other: _____	_____
	TOTAL PROJECT COST:	<u>700,000</u>

B. Source of Funds

1.	Cash	_____
2.	State Appropriations	_____
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: _____	<u>700,000</u>
	TOTAL SOURCE OF FUNDS:	<u>700,000</u>

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.

STATE HEALTH
& DEV. AGENCY

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: **SEE ATTACHMENT E**

- a) Date of site control for the proposed project,
- b) Dates by which other government approvals/permits will be applied for and received,
- c) Dates by which financing is assured for the project,
- d) Date construction will commence,
- e) Length of construction period,
- f) Date of completion of the project,
- g) Date of commencement of operation

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. **SEE ATTACHMENT F**

- 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.

EXECUTIVE SUMMARY

Relationship to State Plan Criterion

The State's health plan addresses the health care needs of the State, including inpatient care, health care facilities and special needs and provides dependent adults with the opportunity to better maintain good health and independent personal functioning. The plan depicts the most economical and efficient system of care commensurate with adequate quality of care, and shall include standards for utilization of health care facilities. In addition, the plan shall provide for the reduction or elimination of underutilized, redundant or inappropriate health care facilities and health care services. The services enable individuals to delay or prevent premature institutionalization. In addition, a safe environment reduces the risk of injury and abuse while providing caregivers much needed respite.

Specific goals include;

- Focus on increasing cost-effective access to necessary health care services, access is distinguished from convenience
- Promote the financial viability of the health care delivery system
- Encourage optimization of services and expensive technology by ensuring that supply meets the need and costs are reasonable
- Promote regionalization of services where appropriate

The Waianae Coast Comprehensive Health Center's (WCCHC) Adult Day Health (ADH) will expand the Health Center's licensed Adult Day Care (ADC) services to meet the needs of a more frail population in an area that is not well served.

The Waianae Coast Comprehensive Health Center will establish an Adult Day Health Program that is in line with the island of Oahu and statewide priorities. The ADH will promote and support the long-term viability of the health care delivery system, expand and retain the health care workforce to enable access to the appropriate level of care in a timely manner, ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost and strive for equitable access to health care services. The Waianae Coast Comprehensive Health Center Adult Day Health Program will strive to improve and increase access to medical facilities, increase community engagement, improve education and increase preventive medicine.

Need and Accessibility

The elderly are the largest users of health care services. Aging is one of the main factors in understanding the increasing need for health care. With aging, there is a relationship between

prevalence of chronic conditions, levels of disability and mortality. Since 1990, the number of elderly aged 65 and older has increased 120% in Hawaii compared to 40% nationally.

The trend in Hawaii continues to increase; in 1960 the elder population was 5% and in 2008 it was 15% of the population. In 2030, it is expected to represent 20% of the population. By 2030 it is expected that 1 in 5 individuals will be 65 and older compared to 1970 when it was 1 in 17. As life expectancy increases, it is necessary to be ready with expanded services to meet the growing need.

With the advent of services for the Aged, Blind and Disabled Population, there is a greater need and demand for ADH in the State of Hawaii. Studies and community and agency surveys demonstrate an increased need for ADH services.

WCCHC's mission statement; *"The Health Center is a healing center that provides accessible and affordable medical and traditional healing services with Aloha. The Health Center is a learning center that offers health career training to ensure a better future for our community. The Health Center is an innovator, using leading edge technology to deliver the highest quality of health care services"*. The overall mission of WCCHC is to provide services to patients regardless of their ability to pay. The majority of the Health Center's patients live below the poverty level. ADH has the same type of mission but specifically focused on the low income and/or quality of life and to avoid institutionalization.

WCCHC intends to increase the service it provides by developing ADH which is a service designed for adults who have chronic physical or cognitive impairments. Those who benefit from the services offered by ADH include: adults with Alzheimer's or other forms of dementia, Parkinson's, neuromuscular diseases or developmental disabilities, victims of stroke, heart attack or traumatic brain injury; elderly adults who are homebound and in need of social stimulation; and those who require assistance with activities of daily living such as; eating, toileting and bathing. ADH also provides health support services which include assistance with personal care and hygiene, administration of medications and injections, wound care and regular monitoring of blood pressure and blood sugar, weight, diet and health changes. In centers with participants that have higher acuity levels, a licensed nurse can provide tracheotomy care and tube feedings.

In the 2007-2011 *Abstract Four-Year Plan on Aging* report by the City and County of Honolulu, one of the goals was for older individuals to have in-home and community-based long-term care options. The Four Year Area Plan also says that the U.S. Administration on Aging's efforts is to rebalance existing long-term care systems and offer options for consumer, at high-risk of nursing home placement, to help them remain in their own homes and communities through the use of flexible service models, including consumer-directed models of care.

Pearl City is an example of a modern American metropolitan area. Of the population, 156 people reside in nursing homes. It is centrally located and easily accessible to the airport. The estimated per capita income is \$62, 036. The median age is 37.

The Aiea area has a population of 9, 338. At the end of the 19th century a sugarcane plantation was opened in the district by the Honolulu Plantation Company. After World War II, the plantation was shut down and the mill was converted to a sugar refinery. Meanwhile developers started extending the town into the surrounding sugar cane fields.

The Honolulu area is a major tourist attraction. It is also a major hub for international business and military defense. It is host to a diverse variety of east-west and Pacific culture, cuisine, and traditions. The City has been the capital of the Hawaiian Islands since 1845.

The over 60 population indicates that one in four have at least one disability-a-long term condition that interferes with some aspect of their life. In seniors over 85-years or older, almost three out of four have a disability. There is also a growing number of “younger” elders (60-65) seeking assistance due to health related problems.

The Elderly Affairs Division of the City and County of Honolulu in their Aging Network reports continues to report that there is an increasing need for services such as ADC/ADH. In addition, the services are needed on weekends as well as the evening hours.

There is a need for older individuals to receive services through a coordinated system of gap-filling, supportive, community-based services, which meets their needs and supports their ability to remain at home.

The report also indicates (*page 157*) that the current ADC and ADH programs providing services on Oahu, are able to meet only about four (4) percent of the estimated existing need. The report also indicates that there is a growing need for personal care in supervised, congregated settings.

The services to be provided by the proposed ADH will be available to adults in need of supervision and assistive health care. It will benefit all residents in the area. The project will serve the needs of the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

Quality of Service/Care

By including an ADH, participants will benefit from services such as limited nursing, rehabilitative and therapeutic activities, medication administration, limited social services and recreation/socialization.

WCCHC, a private non-profit 501(c)(3) corporation governed by a community that addresses health disparities, improves population health, and reduces health inequalities despite financial

and cultural barriers. The mission statement indicates that the health center is a healing center that provides accessible and affordable medical and traditional services with aloha.

WCCHC as a healing center; believes that the community can thrive physically, spiritually, and economically and enjoy a healthy life, “E ola pono.” This historic approach to health care is realized through the organization’s commitment to provide accessible, quality, and affordable, comprehensive health care, while preserving native Hawaiian culture and traditions in order to achieve complete wellness.

WCCHC as a learning center; provides educational resources and career advancements within the community. The community is empowered and economically flourishing as a result of the health career training and education offered through the WCCHC’s economic development initiatives.

WCCHC as an innovator is developing a Health Care Home in which the Waianae community, and all the patients served are treated with specialized care. I will have the most-up-to-date technological advancements in medical care and enabling services.

WCCHC is an exemplary institution of medical and cultural excellence and where the world community can experience and learn from its unique native Hawaiian traditional healing grounds.

WCCHC will manage the proposed ADH. The proposed project will improve quality of care by assisting adults in maintaining good health and independent personal functioning as well as increasing community-based, geriatric care services for the growing older adult population.

WCCHC’s administrative definition of quality is the degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge. All employees regardless of rank, longevity and position are expected to provide excellent customer service, pay attention to detail, provide a high level of accuracy, follows guidelines and procedures, be prompt in the responses to co-workers, patients and outside partners, and practice good communication, cooperation and teamwork among each other.

Quality assurance/improvement is the responsibility of all employees. The ADH instills principles of quality at all levels and are reflected in the policies and procedures. The program will obtain license from the state of Hawaii as an adult day care program and will meet and/or exceed quality standards.

The multidisciplinary team is comprised of various professions evaluating the overall effectiveness of the care plan for each individual and the response to care. The care plans are designed and implemented to improve and/or maintain levels of care.

Policies and Procedures have been developed based on the regulations for licensing of an ADH as provided by DOH. Quality standards will be maintained by monthly in-services for all staff based on the policies and procedures. In addition, staff is informed, daily about client needs via the communication log. The multidisciplinary team will meet for admissions, revisions and quarterly for quality assurance.

Cost and Finances

There is no major capital cost for the proposed program. The building was completed in 2005.

The total expected operating cost for the first year of operating the Adult Day Health is \$400,000. The total revenue expected during the first year of operation after expenses is approximately \$125,000. The total expected operating cost for the third year of operating the Adult Day Health is \$400,000. The total expected revenue during the third year of operation after expenses is approximately \$250,000.

WCCHC, in developing an ADH program will provide services that will enhance the health care system in the community by providing a much-needed service to a fast growing frail elder population.

The program will work in concert with; physician, social service agencies, hospitals, rehabilitation centers, and other ADC/ADH programs. The ADH will provide alternatives to families and adults who can benefit from ADH services on the Island of Oahu.

Availability of Resources

The program currently employs a licensed practical nurse, certified nursing assistants, and client care aides. As the number of participants to the ADH increase, we also project hiring more direct care staff with the appropriate credential to provide the services. Staffing will include; Director, Registered Nurse, Recreation Therapist, Activity Coordinator. It is anticipated that the program will provide additional employment opportunities for the target communities.

In addition, the ADH will require professional services such as; physicians, psychiatry, pharmacy, dietician, social and therapeutic services. WCCHC has an established varied service delivery system and will provide these necessary services on campus and in the facility as needed.

Professional consultant contracts will be developed for the services not available through the WCCHC system.