

## HAWAI'I STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

# **STANDARD APPLICATION - CERTIFICATE OF NEED PROGRAM**

Application Number: Date	e of Receipt:
APPLICANT PRO	OFILE
Project Title: Establishment of Home Health Agency service	es on the island of Oahu
Project Address: 1314 South King Street, Suite 410, Honolu	ılu, HI 96816
Applicant Facility/Organization: Mastercare, Inc.	
Name of CEO or equivalent: Anwar Kazi	
Title: CEO	
Address: 1314 South King Street, Suite 410, Honolulu, HI 9	
Phone Number: 808.330.2130 Fax Number	per: 808.597.1565
Contact Person for this Application: Anwar Kazi  Title: CEO  Address: 1314 South King Street, Suite 410, Honolulu, HI 9  Phone Number: 808.330.2130 Fax Number	6816
CERTIFICATION BY A  I hereby attest that I reviewed the application and have contained herein. I declare that the project described documentation included is true and correct to the best of my	e knowledge of the content and the information and each statement amount and supporting
Signature	Date
Anwar Kazi	CEO
Name (please type or print)	Title (please type or print)

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1.	TYPE OR ORGANIZATION: (Please check all applicable)
	Public Private
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)
	Please see Attachment 1: Lease Agreements for the Oahu offices.
	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.)
	OHCA Home Health Agency license is currently being pursued. Attachment 9 Medicare certification.

C. Your governing body: list by names, titles and address/phone numbers

Mastercare, Inc.

#### Effective 10/15/2010

Anwar Kazi, Chief Executive Officer Ashra Kazi, President	2319 Kaala Street Honolulu, HI 96822	(808) 941-4118
Kenneth Kamei, Director	1252 Ulupalakua Street	(808) 263-4294
MEMBERS:	Kailua, Hi 96834	
Maribel Rubin, RN Supervisor	94-512 Hahana Place Waipahu, HI 96797	(808) 352-8072
Paula Harrington-Hill, RN Supervisor	P. O. Box 240401 Honolulu, HI 96824	(808) 551-4407
Christina Nelsen, RN Supervisor	P. O. Box 3703 Lihue, HI 96766	(808) 352-8092

- D. If you have filed a Certification of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:
  - Articles of Incorporation
    - o Please see Attachment 2, Articles of Incorporation for Mastercare, Inc.
  - By-Laws
    - o Please see Attachment 3, By-Laws of Mastercare, Inc.
  - Partnership Agreements
    - Not applicable.
  - Tax Key Number for Oahu is #24004004
- **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 ownership	Change in service/ establish new service/facility	Change in Beds
Inpatient Facility						
Outpatient Facility					х	
Private Practice						

5. TOTAL CAPITAL COST:\$135,000	
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6.	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
N/A			
			3:
ТОТА	L		

7. CHANGE IN 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 consult 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.

Mastercare, Inc. seeks to obtain state licensure for a Medicare Certified Home Health Agency to provide enhanced home healthcare services to the Medicare/Medicaid population of Hawaii to include Oahu County at present.

8. PROJECT COSTS AND SOURCES OF FUNDS (For Capital Items Only)

Α.	List A	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.	\$115,000.00
	7.	Other: Misc. Supplies/equipment	\$ 20,000.00
		TOTAL PROJECT COST:	\$135,000.00

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### B. Source and Method of Estimation

Describe how the cost estimates in Item "A" were made, including information and methods used:

Cost estimates are based upon previous experience of establishing a Medicaid Waivered Home Health office. Estimates include miscellaneous supplies and equipment costs.

Source of Funds		AMOUNT:	
1.	Cash	\$20,000	
2.	State Appropriations		
3.	Other Grants		
4.	Fund Drive		
5.	Debt		
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	\$115,000.00	

TOTAL SOURCE OF FUNDS: \$135,000.00

- 9. 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:
  - 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, and
  - 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.

a) Date of site control for the proposed project

Required professional office space is currently occupied by Mastercare in Oahu at 1314 South King Street, Suite 410, Honolulu, HI 96814 with a lease agreement from June 26, 2006 and is ongoing on a month-to-month basis.

- b) Dates by which other government approvals/permits will be applied for and received Six months from the date of Medicare certification.
- c) Dates by which financing is assured for the project Financing is currently secured.
- d) Date construction will commence
  No construction will be needed for this project.
- e) Length of construction period
   No construction will be needed for this project.
- f) Date of completion of the project Not applicable.
- **g)** Date of commencement of operation. Upon Medicare certification.

- 10. 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.
  - 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

### **Project Summary**

Mastercare, Inc. (MC) is a locally owned and operated nursing home care service currently working with the Department of Human Services (DHS) and Department of Health (DOH) in order to serve clients and families in the communities of Oahu. Since 2004, MC has been successfully serving the residents of Oahu.

MC desires to be a Medicare certified Home Health Agency (HHA) and to provide home health services to the residents of Oahu. HHA services will include professional nursing services (e.g. registered nurse visits, wound care, oncology care, etc.) physical therapy, occupational therapy, speech therapy, social services and personal care services. MC will utilize its current Oahu office. It is anticipated that minimum capital expenditures will be incurred and operating revenues will cover increased operating expenses.

Headquartered in Oahu, MC currently provides in-home care services and private duty nursing services (Medicaid waivered) on Oahu. MC specializes in giving families the freedom of choice to maintain a quality of life in the comfort of their own home – because home is where you want to be.

### a) Relationship the State of Hawai'i Health Services and Facilities Plan

This project promotes the State Health Plan goal to promote the long-term viability of the health care delivery system. It will also ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost. Mastercare encourages and supports health education, promotion, and prevention. Mastercare works to expand and retain the health care workforce to enable access to the appropriate level of care for our clients. We seek to hire, educate and retain the very best employees to ensure statewide continuum of care. MC seeks to provide equitable access to health care services. On occasion perspective clients who cannot afford our services will receive the same quality care at a negotiated rate. This project also promotes the goals of the Sub-areas of Oahu for comprehensive system of care and community awareness.

### b) Need and Accessibility

This project will provide home health services to the residents of Oahu. The target populations for these services will include Medicare and/or Medicaid beneficiaries also private pay and private insurance who are 65 years and older and/or disabled or medically fragile and require home health services.

According to Health Trends in Hawaii (<a href="www.healthtrends.org">www.healthtrends.org</a>) as Hawaii's population ages, the demand for home health services will continue to rise. The number of Medicare HHA clients needing home health services on the island of Oahu is expected to dramatically increase every five years. This growth in the number of HHA clients averages to an increase of approximately 320 HHA clients every five years. In 2010, each client averaged 17 visits per year so an increase of 320 clients will result in approximately 5,400 additional HHA visits every five years.

The demand for additional HHA services by Medicare beneficiaries will be significantly impacted by the aging of the population. According to the Hawaii State Health Planning & Development Agency (SHPDA), 7,390 patients or approximately 70 percent out of a total of 10,622 patients utilizing Medicare HHA services were 65 years and older.

The increase in the number of adults aged 65 and older will result in an increase in the number of Medicare beneficiaries. This growth in the number of Medicare beneficiaries will bring about an increase in the demand for HHA services. However, while the demand for Medicare HHA services has increased there has not been an increase in the number of Medicare certified HHAs on the Hawaiian Islands in the past 10 years.

Honolulu's older adult population (65 years and older) is expected to increase by an average of 2.1 percent yearly over the next couple of decades. See Table 1 below. By the year 2030, the older adult population is projected to represent 20 percent of the total Honolulu County population.

Table 1

Elderly Population as Proportion of Total, by County

Percent of total population

Year	Hawai`i	Honolulu	Kaua`i	Maui
1970	9.0 %	5.0 %	9.0 %	8.9 %
1980	10.3 %	7.4 %	11.2 %	10.0 %
1990	12.5 %	11.0 %	13.1 %	11.3 %
2000	13.5 %	13.5 %	13.8 %	11.4 %
2006	13.3 %	14.4 %	14.2 %	11.7 %
2010	13.8 %	14.4 %	14.4 %	12.6 %
2020	13.8 %	17.3 %	18.5 %	17.0 %
2030	19.1 %	19.9 %	20.3 %	20.0 %

N/A = Not Available

Source: U.S. Census Bureau, Population Division.

Note: Elderly is defined as 65 years of age or older.

As a result, the limited number of Medicare certified HHAs will not be able to meet the dramatic increase in demand for HHA services by Medicare clients on the island of Oahu.

In order for these Medicare certified HHAs to meet the increased demand for services, these HHAs would need to hire additional nurses, therapists, social workers and personal care personnel. According to the Hawaii's Workforce Development for 2008, Hawaii will continue to experience a shortage in healthcare occupations (particularly in nursing) that is similar to the national trend. The current Medicare certified HHAs will have difficulty expanding services capabilities due to the difficulties in recruiting healthcare professionals. However, MC is able to provide HHA services to these Medicare HHA clients by using its current staff and will get commitments from other multi-disciplinary professionals to provide home health services on the Hawaiian Islands. The size of the organization and its statewide focus provides an advantage in attracting qualified HHA personnel and will allow it to expand as the Medicare population need for HHA services increases.

This project will assist with meeting this dramatic increase in demand for services provided by Medicare certified HHAs by offering increased access to home health services on the island of Oahu. MC will be able to offer and provide home health services to the low income population, ethnic minorities, women, people with disabilities, the elderly and other underserved populations who may not have otherwise received or have access to medical care at home.

### c) Quality of Service/Care

MC is planning to be the leading private duty nursing and home health agency in Hawaii. MC is committed to the values, principles and standards of providing the highest quality service and continuity of care to clients in their homes. MC is an in-home care provider on the islands of Oahu, Maui, Kauai and Hawaii. MC has been providing private duty nursing care on Oahu for over 5 years, with a Medicaid waiver and is in compliance with all state and federal rules and regulations.

MC will follow the staffing model used to provide Medicare certified home health services on Oahu and will maintain the appropriate staff to patient ratios to provide quality care. MC will offer competitive compensation and benefits package to recruit qualified applicants. In addition to requiring proof of the required licensing and certifications, MC will conduct an extensive reference and background check (e.g. criminal abstract clearance) of every applicant. Applicant references are reviewed to ensure that they have the appropriate work related experience to provide services. MC staff will also receive regular in-service education and training and will be encouraged to become life-long learners.

MC has developed and implemented a quality assurance and improvement program on Oahu, Maui, Kauai and Hawaii to ensure that quality care is and will be provided to all clients. The MC quality assurance and improvement program includes service protocols, policies and procedures that define, monitor and evaluate the quality and effectiveness of care delivered. MC personnel will conduct frequent supervised visits to monitor an individual's medical condition and progress on his/her plan of care. MC will work closely with other health care providers such as the individual's physician and family members to ensure that appropriate care is provided. Information gathered from sources such as physician and client surveys, incident reports, chart reviews and client concerns will be used by MC to assure that the quality of the services provided meet MC's mission and goals of providing exceptional standards of care. This information will also be used to assure the continuous improvement in the quality of care provided by MC personnel. See <a href="https://example.com/Attachment4">Attachment4</a> which is our latest Quality Improvement Trend Report.

In addition to our Quality Improvement Trend Reports, we also have a variety of letters of reference from accountants, attorneys, doctors, other healthcare professionals, politicians, and people who have benefitted from our services (See **Attachment 5**).

Positive survey responses that consistently exceed or meet expectations were received from and families on Oahu, Maui, Kauai and Hawaii. We received an over 80 percent response rate and we are attaching a small sample from our offices on Oahu, Maui, Kauai and Hawaii. Refer to **Attachment 6** for the client survey results.

# d) Cost and Finances (include revenue/cost projections for the first and third year of operation)

### **Project Costs**

There will be modest costs required for this project, approximately \$135,000.

### e) Relationship to the Existing Health Care System

By providing home health services to Medicare beneficiaries on the Hawaiian Island of Oahu, MC will improve the existing health care system by increasing the availability of and access to home health services. Receiving a state license will enable MC to further serve residents and their families in the various communities. MC is proposing to have an extensive outreach program which will allow MC personnel to establish relationships with sections of the community such as rural, low income individuals, ethnic minorities, women, people with disabilities and the elderly. MC's proposed outreach program will educate the community on health related issues and topics such as elder safety, Alzheimer's disease, dementia and fall prevention by conducting presentations at senior centers, health fairs and publishing articles. This proposed outreach program will enable MC to interact with and receive feedback from communities regarding the types of home health services being sought by members of the community.

Providing health services in a home environment will improve the quality of life for individuals with medical needs. Health care provided at home will increase an individual's emotional well being and decrease the amount of recovery time because individuals recover faster in a familiar home environment. Receiving medical care in the home also will allow individuals and family members to take an active role in the medical care the individual receives.

Providing quality home health care services on Oahu will decrease health care costs as the cost for home health services is less than the cost for inpatient and hospital services. The provision of home health services in a client's home will also reduce health care costs by having patients receive timely and appropriate care. This will help the client avoid being admitted to an institutional facility due to the lack of early prevention and detection at home. MC will conduct frequent visits to evaluate and determine whether individuals are receiving appropriate care. Frequent supervised visits will enable MC personnel to identify and monitor signs and symptoms of any changes or conditions in a timely manner and avoid the premature institutionalization of an individual.

Alternatives to this project include providing home health services in a hospital or institutional facility. This alternative is more costly and requires the removal of the client from the home. Another alternative is to have a family member provide the required care. However, this may not always be a practical and viable option due to the skills that may be required to provide these services.

### f) Availability of Resources

### Management Resources

MC has an experienced management team that has successfully managed and operated MC's private duty nursing and home health services in Hawaii since 2004. The MC management team will continue to manage and operate the private duty nursing and home health services to be offered on the island of Oahu. The MC management team is led by Mr. Anwar Kazi, who is the founder and CEO of MC.

### **Staffing Resources**

MC will utilize its current private duty Nurse and Nurse's Aide staff to provide home health and private duty nursing services to the residents of Oahu.

MC actively recruits home healthcare staff by placing advertisements in the Honolulu Star Bulletin and Midweek, participating in job fairs, offering recruiting incentives and collaborating with staffing agencies.

### Financial (Capital and Operating) Resources

There are no capital costs required for this project other than the modest cost for equipment and supplies. All other expenditures including rental expense will be paid from operating funds.