

HAWAI'I STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: #12-1/A Date of Receipt:

APPLICANT PROFILE

Project Title: Addition of 5 bed Hospice Residential Home

Project Address: 76-6008 Mamalahoa Hwy, Kailua Kona, HI 96740

Applicant Facility/Organization: Hospice of Kona, Inc.

Name of CEO or equivalent: Laura Varney

Title: Executive Director

Address: PO Box 4130, Kailua Kona, HI 96745-4130

Phone Number: 808 324-7700 Fax Number: 808 327-0207

Contact Person for this Application: Laura Varney

Title: Executive Director

Address: PO Box 4130, Kailua Kona, HI 96745-4130

Phone Number: _808 324-7700 Fax Number: 808 327-0207

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

Date

Laura Varney Name (please type or print) Executive Director
Title (please type or print)

REPLACEMENT PAGE

2 (revised)

1.	TYPE OF 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)				

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					x
Outpatient Facility					
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
Hanning	0	5	5
Hospice			
			1
	0	5	5
TOTAL			

6.	PROJE	CT COSTS AND SOU	RCES OF FUNDS	91
	A. List	All Project Costs:		AMOUNT:
	1.	Land Acquisition		•
	2.	Construction Contract	t .	
	3.	Fixed Equipment		
	4.	Movable Equipment		20,000
	5.	Financing Costs		
	6.	Fair Market Value of a lease, rent, donation,	• •	400,000
	7.	Other:		
		:=	TOTAL PROJECT COST:	420,000
	B. Sou	rce of Funds		
	1.	Cash		20,000
	2.	State Appropriations		
	3.	Other Grants		
	4.	Fund Drive		
	5.	Debt		
7.	Monthly		alue of leased space to be paid by	400,000
			TOTAL SOURCE OF FUNDS	: 420,000

8. 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.

Hospice of Kona will be adding a 5 bed residential hospice home (Nakamaru Hale) to our existing Medicare Certified Hospice Program.

- 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, 5/1/2012
 - b) Dates by which other government approvals/permits will be applied for and received,
 Hospice of Kona will apply for Medicare Survey for Certification
 - c) Dates by which financing is assured for the project,
 - d) Date construction will commence,
 N/A Home is existing and being leased by Hospice of Kona.
 - e) Length of construction period, N/A

upon approval of CON.

- f) Date of completion of the project, 5/1/2012
- g) Date of commencement of operation 5/15/2012

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.

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. **Map Attached.**

Hospice of Kona's mission is "to provide family centered support, education and care for those approaching end of life." As a member of the National Hospice and Palliative Care Organization we believe in exceeding their Standards of Practice for Hospice Programs and strive to improve the quality of our program to better serve our patients and their families.

The goal at Nakamaru Hale is to drastically improve the quality care of our patients currently managing their terminal illness alone by offering a home environment which will allow them to live out the remainder of their days with care, comfort and compassion. As a Medicare Certified provider, Hospice of Kona will provide this care with our staff of highly trained professionals including our Hospice and Palliative Care Certified Physician, APRN, RN Case Managers, Certified Nursing Assistants, Spiritual Care Providers, Social Workers and trained volunteers.

- a) Relationship to the State of Hawai'i Health Services and Facilities Plan.
 - Promote and support the long-term viability of the health care delivery system. Hospice services are an integral part of the health care delivery system and these additional beds support the overall long term viability within the state.

Chapter 3 Statewide and Regional Priorities show that Hawaii County, as compared to the rest of the State, has the:

Highest growth rate of older adults (60 +) between 1980 & 2000

Lowest life expectancy

Highest coronary heart disease death rates

Highest cerebrovascular disease death rates

Highest cancer death rates

Hospice of Kona will continue to provide end of life services to terminally III patients of all ages, however our priorities are in direct alignment with that of the SAC as our primary demographic for eligible patients are adults over 60 with terminal diagnosis including but not limited to coronary heart disease, cerbrovascular disease and cancer which all have higher death rates in the County of Hawaii as compared to the rest of the State.

HSAC priorities include:

- Increasing the number of and retention of the health care workforce. Hospice of Kona's workforce of health care providers has been awarded the "Best Places to Work" not for profit winner for the State of Hawall. We believe in providing our patients with staff of highly trained professional who are valued by their employer.
- 2. Facilities Shortage: There are currently no Hospice Residential facilities serving our community. This project would increase the number of beds available for end of life patients from 0 to 5 in a quality health care facility.
- b) Need and Accessibility

Hospice of Kona strives to admit eligible patients to service within 24 hours of an appropriate referral. Delays have increased as a result of the need for a higher level of care than the average family member is able to provide. The first quarter of 2012 9 patients referred for hospice services died in the hospital before proper placement could be identified by the hospital discharge planners. Hospice services are accessible to all eligible patients based on

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medical assessment and never on race, class, religion, age or ability to pay.

There are no hospice residential beds currently available in Kona. Hospice patients requiring this level of care will have access to the home regardless of their ability to pay.

- c) Quality of Service/Care
 - Hospice of Kona has a well established Quality Improvement team who report directly to the Board of Directors of the organization. Quality Indicators have been developed to create a standard by which quality can be measured. Performance Improvement Projects are established to develop improvements if/when trends identify areas in need of improvement. Family and Physician satisfaction surveys are also tools used to develop areas of improvement.
- d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
 - Year one revenue for the assumption of the average of 3 beds occupied on average is approximately \$200,000 with costs expected to exceed that by approximately \$50,000. The anticipated loss will be covered by revenue generated through our existing Thrift Store sales. By the third year of operation we anticipate having a higher occupancy of 80 100% average resulting in revenue of approx \$335,000 with a potential loss of \$80,000 which will be covered through fund development including the Thrift Store, memorial donations and grants.
- e) Relationship to the existing health care system
 Hospice of Kona works collaboratively within the health care
 system specializing in Palliative End of Life Care. It is our
 expectation that referrals from KCH and PCP's will increase as the
 quality of care, safety and satisfaction for patients served in the
 home becomes reality.
- f) Availability of Resources.
 - The 24 hour care of patients residing in the hospice residential home, Nakamaru Hale will include an interdisciplinary team of 4 FTE CNA's, 1 FTE LPN, 1 homemaker, Physician and RN Case Managers, Social Workers, Spiritual Care and Volunteers assigned to each patient residing in the home. The additional staff necessary to provide quality care have been hired and training is underway.

The capital of \$20,000 cash on hand. The lease payments will be made monthly through facility revenue.

11. 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.
x_	It is an additional location of an existing service or facility.
x	The applicant believes it will not have a significant impact on the health care system.