

HAWAI'I STATE HEALTH PLANNING AND LEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

pplication Number:		Date of Receipt:
	APPLICAN'	Γ PROFILE
Project Title: <u>Establishment of an</u>	8-bed Special Trea	tment Facility
Project Address: 48-190 Kame Kaneohe, Hi		
Applicant Facility/Organization: _L	oveland Academy L	LC
Name of CEO or equivalent: Pa	tricia J. Dukes	
Title: _Administrator/Executive Dir	ector	
Address: 48-190 Kamehameha	Highway, Kaneohe	e, Hi 96744
Phone Number: <u>808 239-6348,</u>	808 222-6348	cell Fax Number: _808 524-7924
Contact Person for this Application	n: <u>Patricia J. Dukes</u>	, PhD
Title: Executive Director		
Address: 1506 Piikoi St., Honolu	ılu, Hi 96822	
Phone Number: <u>808 524-4243,</u>	808 222-6348 cell	Fax Number: <u>808 524-7924</u>
	CERTIFICATION	BY APPLICANT
		I have knowledge of the content and the information

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

Patricia J. Dukes, Ph.D Name (please type or print) Administrator/Executive Director

Title (please type or print)

1.	T	YPE OF ORGANIZATION: (Please check all applicable)			
	Pr No Fo Ind Co Pa Lir Lir	ivate X on-profit or-profit dividual orporation artnership mited Liability Corporation (LLC) mited Liability Partnership (LLP) her:			
2.	PF	ROJECT 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.	DC	CUMENTATION (Please attach the following to your application form):			
	A.	Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent). There is an existing lease agreement between the owner of the property (Patricia Dukes, single owner) and Loveland Academy LLC (Patricia Dukes, single owner).			
	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.) Special Treatment Facility License to follow.			
	C.	Your governing body: list by names, titles and address/phone numbers			
		Patricia J. Dukes Administrator/Executive Director 48-170 Kamehameha Highway Kaneohe, Hi 96744 808 239-6348			
	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 /Articles of Organization for LLC <u>See</u>
 Attachment A
- By-Laws N/A
- Partnership Agreements N/A
- Tax Key Number (project's location) <u>1-4-8-009-006</u>
- **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				Х	Х
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
Special Treatment	0	8	8
TOTAL	0	8	8

6. PROJECT COSTS AND SOURCES OF FUNDS

A. List	All Project Costs:	AMOUNT:
1.	Land Acquisition	0
2.	Construction Contract	0
3.	Fixed Equipment	ŏ
4.	Movable Equipment	
5.	Financing Costs	
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	620,071
7.	Other:	0
B. Sou	TOTAL PROJECT COST:	620,071
1.	Cash	0
2.	State Appropriations	0
3.	Other Grants	00
4.	Fund Drive	00
5.	Debt	0
6.	Other: Fair Market Value	620,071
	TOTAL SOURCE OF FUNDS:	620 071

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.

Currently Marcus House is a licensed TLP for 5 residents with a capacity for 8 residents. Marcus House currently provides Behavioral Health Program services to residents. The project is to add the CARF and NIPSA accredited Behavioral Health Programs to the Rehabilitation Program to complete STF in one location. The STF will provide a therapeutic residential program for care, diagnosis, treatment, or rehabilitation for socially or emotionally distressed persons diagnosed with autism spectrum disorders and other neurodevelopmental disorders. The ultimate objective is to assist individuals to transition to live as independently as possible.

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:

- a) Date of site control for the proposed project: 8/1/2009.
- b) Dates by which other government approvals/permits will be applied for and received, Jan 4, 2013
- 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, **Upon completion of STF licensure by DOH-OCHA**
- g) Date of commencement of operation, **Upon completion of STF licensure by DOH-OCHA**

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.

Marcus House is a proprietary Therapeutic Living Program that provides residential and behavioral health services to clients who have been diagnosed with autism spectrum disorders and other developmental challenges, including DD/ID. Marcus House proposes to provide Residential and Rehabilitation services in one location for the target population. Marcus House has been providing emergency respite services privately. Our agency is in the process of making application to the Developmental Disabilities branch to provide emergency shelter and emergency respite services under the Medicaid Waiver Program. A primary purpose is to keep clients in Hawaii for their services. To date, there are limited service providers who provide multidisciplinary specialty services for an autistic population in the State of Hawaii.

A. Relationship to the State of Hawai'i Health Services and Facilities Plan.

Some of the specific Health Areas of concern in accordance with the State of Hawaii Health Services and Facilities Plan include: 1) increasing and improving access to mental health programs, services, and education, and 2) behavioral health illnesses are misunderstood and stigmatized disorders in healthcare.

The proposed STF will:

- Promote and support the long term viability of the health care delivery system by providing a service that doesn't exist and ensure services are available so those needing service will not end up in emergency rooms,
- Increase and improve access to mental health programs and services by providing an alternative to emergency room visits, hospitalization and reduce sending children out of state for services.

B. Need and Accessibility

- The proposed services will be accessible to all residents of the area, and in particular children, adolescents and adults with autism spectrum disorders and other developmental disabilities, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups. The project will provide services for the residents of Oahu, as well as those residing on the outer islands.
- According to the Autism Society of Hawaii (ASH) it is estimated that Hawaii's prevalence of people with autism be around 1,900 over the lifespan from ages 3 to 66 as of 2012. This statistic is a rough estimate taken from the Center from Disease Control's (CDC) birth rate in Hawaii from the year Kanner discovered autism in 1943 to 2009. Additionally used was Autism Speaks estimates for prevalence of 1 in 5,000 in 1975, 1 in 2,500 in 1985, 1 in 500 in 1995 as well as the CDC's estimate for autism, which was 1 in 150 in 2000, 1 in 125 in 2004, 1 in 88 in 2008 released in 2012.

ASH also points out there are limitations to the 1,900 estimate: doesn't take into account the high number of military population which may increase the number, doesn't take into account mortality rate, and prior to 1975 ASH is applying the 1 in 5,000 statistic generally to the years prior.

However, says ASH, according to the latest Child Count 12/1/11, there are 257 students identified as autistic ages 3-5 and 1,133 ages 6-21, approximately 1,400 students with Autism Spectrum Disorder (ASD).

 There has been an increased demand for service providers of children and young adults diagnosed with autism spectrum disorders in the State of Hawaii. Currently there are no known STF that specialize in treating the unique needs of children and young adults with autism. There is clearly a need for an STF that specializes in this population, because treatments that are not specific to autism are not successful with this population and can, in fact, make a crises situation even worse.

C. Quality of Service/Care

The proposed service will improve the quality of care by:

- Providing service in a beautiful home, with a full view of the ocean and Chinaman's hat.
- Providing exposure to healing powers of nature, on Agricultural property with a full nursery on the property.
- Providing professional services to include: psychiatric nursing (under the direction of a psychiatrist 24 hours per day, 7 days per week), mental health therapies, dietician services, biopsychosocial rehabilitation, social rehabilitation, education/training, counseling, psychological, dietitian, social rehabilitation, education, counseling, speech and language pathology, occupational therapy and vocational training.
- Providing group and individual therapy sessions that target the Client's strengths and preferences. Group therapy can include:
 - Art Therapy
 - Music Therapy
 - Pet assisted Therapy
 - Cognitive Behavioral Therapy
 - Role Playing
 - Relaxation Therapy
 - Play Therapy
 - Life Skills
 - Activities of Daily Living (including personal grooming, healthy food choices, exercise, cooking, shopping, cleaning, pet and yard care)
- Providing on going multidisciplinary collaboration.
- Providing on-going quality assurance monitoring.
- Providing and maintaining appropriate staff and staff to participant ratios.
- Insuring that all staff have been trained in crisis prevention intervention (CPI), CPR and First Aide and that they are given the appropriate training and supervision to provide excellent care.

- Maintaining and implementing CARF and NIPSA Behavioral Health Standards and Therapeutic Standards (since 2001).
- Encouraging Client participation, as able, and Parent Participation in Treatment Planning, as well as acknowledging Client preferences and choices.
- Multidisciplinary team treatment planning and Discharge Planning.
- Obtain an STF license from the Office of Health Care Assurance.
- Maintain licensing standards and provide ongoing quality service.
- D. Cost and Finances (include revenue/cost projections for the first and third year of operation)
 - Revenue will be private pay, clients will be paying privately.
 - In order to assure solvency and sustainability for the next several years, our first and third revenue / cost projections are written to reflect minimum expectations. Based on these projections, we propose the following:
 - First year of operation from July 1st to June 31st, it is expected that an average of three (3) residents will be in the program daily. There will be resident costs and rehabilitation costs that may vary for each resident. The full rate will cover the customized treatment for the resident to include psychiatric assessment, therapeutic and clinical costs, room, board, meals and nutritional counseling and planned activates, outing costs and aftercare, if needed.
 - Based on the Emergency Shelter rates published by DOH for the DD/ID Medicaid Waiver program (\$504.80/day), revenue projections for the first year are estimated to be approximately \$540,000, with expenses estimated to be about \$502,000.
 - During the third year of operation, we project to have 8 residents with the same rates and services. Revenues would be projected to be approximately \$875,000, with expenses estimated at about \$834,000.
 - These amounts reflect a significant savings over what the state would be paying for emergency room visits/emergency room physician charges (minimum of \$1000 a visit) and inpatient hospitalization (with figures of up to \$2000 a day), depending upon the treatment delivered.

EXAMPLE	Projected 1 st Full Year Operations	Projected 3 rd Full Year Operations
Revenue	\$540,000	\$875,000
Labor Expenses (Salaries & Wages)	\$120,000	\$253,056
Depreciation	\$50,000	\$50,000
Bad Debt	NA	NA
Other Operating Expenses	\$332,000	\$530,944
Total Expenses	\$502,000	\$834,000

E. Relationship to the existing health care system

Marcus House, a Program of Loveland Academy, LLC on Oahu currently maintains collaborative relationships with Easter Seals, The ARRC of Hawaii, Child and Family Services, Autism Society of Hawaii, TACA, North Shore Mental Health Services, Liahona Youth Empowerment, and other community based agencies.

The proposed project for Special Treatment Facility, providing behavioral rehabilitation services, fills the gap between psychiatric hospitalization and community living for developmental disabled Participants. It provides services in Hawaii, so that families will not have to send the family member out of state for services. The proposed project will free up hospital beds, that may be needed for more acute situations, and, at the same time provide a safe and supportive environment to Resident Participants. Behavioral Specialist support services will be available to develop positive behavioral support plans to address behavioral issues and allow for appropriate transition for Participants to return to their care givers and home care givers.

F. Availability of Resources.

Revenue will come from private pay.

Staff

Loveland Academy, LLC has an experienced management team which has been successfully operating community-based and residential services on Oahu since July 1999 under the leadership of Dr. Patricia J. Dukes. Multidisciplinary team members include mental health providers, speech pathology consultants, occupational therapy consultants, psychologist, dietician, registered nurse, physician, and direct support workers. All have been associated with Loveland Academy for some time and have received specialized training in working with this population in a residential setting. Most have worked in Loveland Academy's Therapeutic Living Program for the past three years.

There will be no additional staffing requirements from TLP to STF. We currently have all positions in place.

There is no capital expenditure required for the project, going from TLP to STF.

10.	Eligibility to file for Administrative Review. This project is eligible to file 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.	
	x_	The applicant believes it will not have a significant impact on the health care system.	