



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

STANDARD APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 02-25

Applicant: Marimed Foundation

Project Title: Establishment of 8 bed Special Treatment Facility

Project Address: 47-250 Ahaolelo Road
Kaneohe, HI

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

Public	_____
Private	_____
Non-profit	<u> √ </u>
For-profit	_____
Individual	_____
Corporation	<u> √ </u>
Partnership	_____
Limited Liability Corporation (LLC)	_____
Limited Liability Partnership (LLP)	_____
Other: _____	_____

2. **PROJECT LOCATION INFORMATION:**

A. Project will be located in:

State Senate District Number: 23

State House District Number: 47

County Council District Number: 2

Neighborhood Board District Number (O'ahu only): 29

B. Primary Service Area(s) of Project: (Please check all applicable)

Statewide:	_____
O'ahu-wide:	<u> √ </u>
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 Exhibit 1
- 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.) **The only other licenses or permits required are shown in Section C Part III.**
- C. Your governing body: list by names, titles and address/phone numbers
See Exhibit 2
- 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 **See Exhibit 3**
 - By-Laws **See Exhibit 4**
 - Partnership Agreements **Not Applicable**
 - Tax Key Number (project's location) **See Page 5 of 7**

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				✓	JAN -2 2010
Outpatient Facility					
Private Practice					

5. **TOTAL CAPITAL COST:** \$413,627

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
Special Treatment Facility	0	8	8
TOTAL	0	8	8

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 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.

Expand services to non-Felix class youth, which requires Certificate of Need. Services to Felix class youth only presently exempted from CON requirements.

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

A. List All Project Costs: AMOUNT:

1.	Land Acquisition	RECEIVED	\$162,000
2.	Construction Contract	'03 JAN -2 P1211	_____
3.	Fixed Equipment	ST. HILTY PLUMB & HEV. AGENCY	_____
4.	Movable Equipment		_____
5.	Financing Costs		_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.		_____
7.	Other: Improvements Purchased		\$198,000_

TOTAL PROJECT COST: \$ 360,000

B. Source and Method of Estimation

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

Actual Cost Used

C. Source of Funds AMOUNT:

1.	Cash	\$108,000
2.	State Appropriations	_____
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	\$252,000
6.	Other: _____	_____

TOTAL SOURCE OF FUNDS: \$360,000

Implementation Schedule

The property covered by this application was purchased by the Foundation in July 1999. Its address is:

Hale Ho'omaka'ana
47-250 Ahaolelo Road
Kaneohe, Hi 96744
TMK 4-7-029-002

1. Date of Site Control Document.

Mortgage dated July 16, 1999

2. Dates by which other approvals/permits will be applied for and received.

This facility is currently licensed as an eight bed Special Treatment Facility by the Department of Health, using the exemption provided for serving Felix class youth only.

3. Date by which financing is assured for this project.

July 16, 1999

4. Date construction will commence.

Not Applicable

5. Length of construction period.

Not applicable

6. Date of completion of the contract.

Not applicable

7. Date of commencement of operations.

The facility has been in operation as a licensed special treatment facility for Felix class youth only since September, 1999. Expected date of operation without Felix class restriction is July 1, 2003.

EXECUTIVE SUMMARY

The Kailana Program was launched in 1993 in response to a Request for Proposals (RFP) issued by the Department of Health's Child and Adolescent Mental Health Division (CAMHD). It was designed to serve those moderate to severely emotionally impaired youth that had been at Hawaii State Hospital and/or Castle Medical Center, as well as other youth identified as needing comprehensive, sub-acute residential mental health and special education services.

In 1996, an additional 24 residential beds were added through licensing of Marimed Foundation's Sailing School Vessel Tole Mour as a special treatment facility. A Certificate of Need was issued in March 1996 for the Tole Mour, and in July 1996 for the shore based Kailana – Kokokahi Program. In July 1997, the ship-based and shore-based programs were merged into a single program known as the Kailana Program. This was done in response to a March 1997 RFP from CAMHD that sought to reduce the number of provider contracts and encourage consolidation and cost savings.

The Foundation severed a working partnership with Hale Kipa in 1999, and opened a group home in Kaneohe to replace the Kalihi facility that had been used in the partnership. In 2000 the Foundation decided to sell the Tole Mour, and replace it with three eight bed residential facilities. All four of these facilities were licensed by the Department of Health as Special Treatment Facilities, and were granted Certificate of Need exemption based on serving Felix Class youth only.

The Program currently operates four residential facilities with a capacity of thirty-two, 14 to 18 year old adolescents. The youth in treatment are primarily from the island of Oahu and are offered the following integrated services:

- Individual, group, and family therapy provided by a child and adolescent psychiatrist, a clinical psychologist, and four graduate level mental health professionals.
- Chemical dependency counseling provided by a clinical psychologist and certified substance abuse counselor.
- Administration of medication and primary care nursing services by an on-site registered nurse.
- On-site secondary level and special education services provided by teachers employed by Marimed Foundation.
- Ocean-oriented recreation and experiential activities, including swimming, canoe paddling, small craft sailing, and inter-island sailing aboard the Foundation's 96 foot Sailing School Vessel Makani Olu.

The Program provides a nurturing and therapeutic placement option, in a non-institutional setting, for youth for whom home-based treatment is not possible, due either to the severity of the youth's emotional disorder or to stressors within the home setting, but for whom hospitalization is not deemed necessary. It provides a level of service for emotionally disturbed youth that, with respect to both client

security and intensity of therapeutic activity, falls between hospitalization and home-based therapy on the continuum of services available to youth in Hawaii. It serves adolescents who have been hospitalized and are ready to transition to less intensive care. It also serves adolescents who are temporarily in need of services that are more comprehensive than can be offered in the home, and that are not compromised by negative influences within the home.

The proposed services will meet Certificate of Need criteria as follows:

- A. Relationship to Hawai'i Health Performance Plan. The current H2P2 states that more behavioral health services are needed in the areas of treatment of dually diagnosed youth, substance abusing youth, individuals with special needs and the necessary follow-up as a continuum of treatment. This is precisely what the Kailana Program offers the youth in its care.
- B. Need and Accessibility. A demand exists for residential treatment beds for severely emotionally disturbed youth. The Kailana Program serves "at risk" youth, 95% of whom come from low-income households and represent a cross culture of minority ethnic backgrounds.
- C. Quality of Service/Care. Marimed Foundation has an established, and continuous, quality assurance and improvement program, has the required STF licenses and U.S. Coast Guard licenses, and has obtained accreditation from the Council on Accreditation for Child and Family Services and the Department of Health's ADAD. Additionally the Foundation is affiliated with a number of local and national youth and professional organizations including the Hawaii Youth Services Network, Western States Youth Services Network, National Network for Youth, Association for Experiential Education, and American Sail Training Association.
- D. Cost and Finances. The Foundation has the financial resources to insure continued operation of the program. No new debt or new equipment is proposed. The four homes used by the Kailana program replace facilities that were older, more expensive to operate and maintain.
- E. Relationship to Existing Health Care System. This application is an integral part of the continuum of care envisioned by Child and Adolescent Mental Health Division of the State Department of Health, providing a step down from more expensive and more restrictive hospital-based programs. It will help address the needs of Office of Youth Services, who desire to treat youth in a non-institutional environment in order to improve outcomes and reduce recidivism.
- F. Availability of Resources. The required resources, both facility and staff, are already in place and operating as an STF for Felix Class youth only.