



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

STANDARD APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 03-07

Applicant: PDMI Care Inc.
85-175 Farrington Hwy.
Phone: 808-524-5900

Project Title: Establishment of 18 bed Special Treatment Facility

Project Address: 84-1064 Lahaina Street
Waianae, HI

1. TYPE OR 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: _____

State Senate District # 21
 County Council District # 1
 State House District # 45
 Neighborhood Board District # 24

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 "Plot Plan / Lex Tab"
- 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.) *DOH STF License.*
- C. Your governing body: list by names, titles and address/phone numbers
See "Corp Tab"
- 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: *See "Corp Info" Tab*
 - Articles of Incorporation
 - By-Laws
 - Partnership Agreements
 - Tax Key Number (project's location) *TMK 1-8-4-021-008-004*

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				X		
Outpatient Facility						
Private Practice						

5. **TOTAL CAPITAL COST:** \$275,000.00

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
STF	0	18	18
TOTAL			

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.

Establishing 18 beds in an STF Facility @

84-1064 Lahaina St. # 2, # 3, # 4

Waianai HI 96792

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

A. List All Project Costs:

	AMOUNT:
1. Land Acquisition	_____
2. Construction Contract	_____
3. Fixed Equipment	_____
4. Movable Equipment	<u>10,000.00</u>
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>265,000.00</u>
7. Other: _____	_____

TOTAL PROJECT COST: 275,000.00

B. Source and Method of Estimation

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

Costs estimates are actual costs to acquire land + equipment.
Land is leased to PDMI - Care.

C. Source of Funds

	AMOUNT:
1. Cash	<u>95,000.00</u>
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	<u>180,000.00</u>
6. Other: _____	_____

TOTAL SOURCE OF FUNDS: 275,000.00

REPLACEMENT PAGE

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 Construction will commence
- b. Length of construction period
- c. Dates by which financing is assured for the project
- d. Date of site control for the proposed project
- e. Facility licensure application submitted to Office of Health Care Assurance
- f. Facility licensure received from Office of Health Care Assurance
- g. Date of completion of the project
- h. Date of commencement of operation

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STATE DEPARTMENT OF HEALTH & DEV. AGENCIES

NA
 NA
 10/01
 07/02
 11/02
 11/03
 10/01
 11/03

10. EXECUTIVE SUMMARY:

PDMI-Care Inc is seeking a CON for 18 Special Treatment Facility Beds to be utilized for residential services in Makaha, on the island of Oahu as part of a multi-site program providing specialized supported residential services for the severely mentally ill population. PDMI is presently providing residential services at this site and is proposing to convert these beds to a Special Treatment Facility (STF) offering specialized supported residential housing services to consumers who do not fit into any other program. This designation will allow for PDMI to increase the acuity level of consumer receiving services at this site through the provision of more intensive and skilled staffing and medication management. These services will help to better meet the needs of this population as well as reduce the number of inappropriate emergency room visits and hospital admissions, thereby reducing the costs of psychiatric health care state-wide.

A brief description of the phases that govern the service delivery of PDMI-Care is outlined below:

- Phase I: This is known as the Engagement and discharge planning phase includes participating in the consumer's discharge planning process at the Hawaii State Hospital and other community facilities.
- Phase II: This is known as the Engagement and field trip phase includes engagement activities while the consumer is still a patient at the Hawaii State Hospital and other community facilities. This phase is designed to assist the consumer get acquainted with as well as transition smoothly back into the community.
- Phase III: This is known as the Community outreach phase in which the consumer lives in the PDMI facility and begins his journey of psychological recovery and hope as he/she learns and develops the skills necessary to successful function and be a part of the community.
- Phase IV: This is known as the Community stabilization phase in which the consumer learns to live outside of the PDMI-Care facility with support from PDMI-Care. This phase supports stabilization and integration into society as the consumer becomes a contributing part of society.

A brief description of how this project will meet each of the Certificate of Need Criteria listed below is as follows:

- A. Relationship to the Hawaii Health Performance Plan: (The Proposed services will):
 - provide independent and assisted living to people with a severe mental illness
 - reduce the risk of injury and violence by promoting a safe environment and a safe community
 - contribute to the secondary care supports and carry out those more complex health care functions that are specialized beyond basic primary care
 - require supporting collaborative relationships between local, regional, and state health care providers, thereby providing the most appropriate care coverage to our communities
 - meet the critical elements of a health care delivery system by providing access to appropriate, efficient, and cost-effective services that benefit the majority of residents; utilizing evidence based

- best practices for quality management; provide less costly outpatient, community based services as
- an alternative to more costly emergency room visits and hospitalizations; facilitating continuity of care through collaboration with various providers of service in the community
- positively impact the Hawaii Health Performance Plan's (H2P2) Behavioral Health Process measure of BHP-1(comprehensive spectrum of care), BHP-2(continuity of care), BHP-3 (accessibility of services) as well as the Behavioral Health Outcome measure of BHO-5 (Incidence/prevalence of mental illness), BHO-6 (consumer satisfaction), BHO-7 (relapse/recidivism), and BHO-8 (positive involvement after treatment program)

B. Need and Accessibility

The target population for this project is the mentally ill consumer, with or without a physical disability, 18 years or older, who is in need of a specialized supported residential living program. This project will provide services for the residents of Oahu.

There has been an increased demand for a residential treatment facility since 2001 when the AMHD focused on reducing the usage of more expensive inpatient services and on utilizing community support systems that support consumers in the least restrictive environment. The AMHD 2001 Service Development Implementation Plan reports that approximately 15% of mental health consumers are in need of crisis and intensive 24 hour rehabilitations services. Based on three studies that report an estimate of seriously mentally ill adults in Hawaii to be between 16,000 to 22,000 approximately 2400 consumers in the state, per year, might be expected to utilize the proposed level of services. Although there exists other specialized treatment facilities, none provide the level of care to the specialized targeted population served by PDMI.

C. Quality of Service/Care

The proposed services will improve the quality of care by

- providing medication monitoring by a psychiatric nurse under the direction of a psychiatrist 24 hour per day, 7 days per week
- providing a family environment that promotes and encourages independence
- providing consistency and structure to a population that has for the most part destroyed all prior family relationships
- maintaining appropriate staff to client ratios
- maintaining a qualified staff
- providing continuing education classes in crisis intervention and management techniques as well as substance abuse, dual diagnosis, forensic issues, CPR and safety issues.
- obtaining licensure as a STF with the Office of Health Care Assurance
- obtaining CARF accreditation

D. Cost and Finances - SEE ATTACHED BUDGET

E. Relationship to Existing Health Care System

PDMI-Care Inc. currently maintains collaborative relationships with Hawaii State Hospital, Queen's Medical Center, Castle Medical Center, Kahi Mohala, Adult Mental Health Division and Community based agencies. PDMI works with these agencies in developing effective discharge plans for consumers for whom PDMI will be providing services. Once in the PDMI program, a Plan of Care is designed that will address the needs and strengths of the consumer. Other community based programs will be utilized as deemed necessary. The proposed project will free up hospital beds that are needed for more acute situations such as suicidal or homicidal incidents as well as offer other providers of health care the option of placing consumers in a safe, therapeutic living environment. Case management services, dual diagnosis services, psychosocial rehabilitation, medication management, etc. will be consolidated and provided on site.

**All of PDMI's consumers are referred to us because all other agencies have refused or failed to work with them.

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F. Availability of Resource Criterion

PDMI Care Inc has an experienced management team and has been providing care services for the severely mentally ill population on Oahu for the past 10 years. Residential service have been provided for the past two years. PDMI-Care is a small agency dedicated and committed to providing services to this specialized population. Our team involves:

- Dr. David Berggren Executive Director, Sharon Fountain, BSBA, Quality Assurance Director, Lei Fountain, MBA, Director of Administrative Services, Louise Angel, RN, Medical Director William Carroll, Program/Facilities Manager.
- PDMI-Care has 13 employees and 2 independent contractors providing mental health services. Employees are screened, trained and supervised in their delivery of services.
- There are no capital funds required for this project. All other expenditures including lease payments will be paid for by operating funds.

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