



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 04-05A

Applicant: Mental Health Kokua
1600 Kapiolani Blvd., #700, Honolulu, HI
Phone: 808-737-2523

Project Title: Establishment of a six-bed Special Treatment Facility

Project Address: Kailua-Kona, Hawaii

1. TYPE OF 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: _____

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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: X

REPLACEMENT PAGE

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 Attachment A – Site Control Document

- 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 License application to follow.

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

See Attachment B – Governing Body

- 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
- By-Laws
- Partnership Agreements
- Tax Key Number (project's location)

**See Attachment C
Articles of Incorporation**

**By-Laws
Tax Key Number**

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					

4. **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
		6	6
TOTAL		6	6

5. PROJECT COSTS AND SOURCES OF FUNDS

A. List 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 <u>lease</u> , rent, donation, etc.	<u>\$330,000</u>
7. Other: _____	_____

TOTAL PROJECT COST: \$330,000

B. Source of Funds

1. Cash	_____
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	_____
6. Other: <u>Lease Payments</u>	<u>\$330,000</u>

TOTAL SOURCE OF FUNDS: \$330,000

6. **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.

We will be utilizing the house currently leased in West Hawaii for crisis residential as a Special Treatment Facility to provide Licensed Crisis Residential Services to clients referred by the Adult Mental Health Division, Department of Health.

7. **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,
Currently have control of site.
- b) Dates by which other government approvals/permits will be applied for and received.
STF pending CON completion.
- c) Dates by which financing is assured for the project
Financing is secured for project.
- d) Date construction will commence
N/A
- e) Length of construction period,
N/A
- f) Date of completion of the project,
N/A
- g) Date of commencement of operation
July 2004

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.

8. **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.

Mental Health Kokua (MHK) is requesting a CON for 6 Special Treatment Facility beds to be utilized for crisis residential services in Kona, serving the geographical area of West Hawaii as part of a multi-site program providing Specialized Residential

Rehabilitation Services for the severely mentally ill population. These services in Kona will address placement and services needs of this population as well as reduce the number of inappropriate hospital admissions, thereby reducing the costs of psychiatric health care state-wide. MHK will staff six (6) beds.

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:

- Reduce health disparities among Hawaii residents
- 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 supportive 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 evidenced-based practices for quality management; providing 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; encouraging and promoting constituent participation through active involvement of consumers in the Mental Health Kokua advisory board as well as the employment of consultants by Mental Health Kokua.
- Positively impact the Behavioral Health Process measures of BHP-1 (comprehensive spectrum of care), BHP-2 (continuity of care), BHP-3 (accessibility of services) as well as the Behavioral Health Outcome measures 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 are adults, 18 years or older, who have mental illness and are in need of crisis residential services. The project will address needs for this population in West Hawaii.

There has been an increased need to reduce the usage of more expensive inpatient services and emphasis on providing community support systems that support consumers in the least restrictive environment. The Adult Mental Health Division (AMHD) 2001 Service Development Implementation Plan reports that approximately 15% of mental health consumers are in need of crisis and intensive

24 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. Extrapolating these figures to the West Hawaii population of approximately 60,000 (5% of the total Hawaii population), it is estimated that there are approximately 800 to 1100 seriously mentally ill adults in the Kona area, and that approximately 120 to 165 of this population during the year might be expected to utilize the proposed Crisis Residential services. There are no providers of this service at this time in the Kona area. Mental Health Kokua expects the six (6) beds will be at 100% capacity.

The only other resources available for potential consumers for Crisis Residential services are hospital emergency room treatment, psychiatric hospitalization, or incarceration.

The beds/services will be accessible to all residents of West Hawaii, including all underserved populations. MHK will accept consumers authorized by the AMHD's Utilization Management process. MHK does not have an exclusionary policy that is inconsistent with AMHD guidelines. The proposed services will accept all referrals without regard to income, race, ethnicity, gender, disability, or age. These individuals are provided with transportation, financial assistance, and other services. Accessibility for low-income individuals is assured through funding for these services without regard to the individual's income status. This financial arrangement is particularly important to the population receiving these services as virtually all of these consumers are receiving some form of public assistance due to their mental health status, are unemployed, and without the financial means to independently access such services. All racial and ethnic minorities will be admitted and will be provided service by a multi-ethnic and racially diverse staff, trained in the delivery of culturally appropriate services. The facility accepts both males and females and is staffed with both male and female staff to increase sensitivity to the needs of each gender.

C. Quality of Service/Care

The proposed services will improve the quality of care by

- Providing medication management/monitoring by psychiatric nurses under the direction of a psychiatrist 24 hours per day, 7 days a week.
- Providing "in vivo" life skills training including, but not limited to, cooking, household chores, shopping, money management and household chores.
- Providing services in a home-like atmosphere.
- Providing on-going quality assurance monitoring.
- Encouraging consumer involvement and consumer choice.
- Continuous quality improvement through the activities of the Quality Management Committee, responsible for MHK's Quality Management Plan. The plan includes objectives and expected outcomes for effectiveness,

efficiency, utilization, safety, human resources, and clinical quality improvement. (see attachments "D" and "E")

- Utilization of internal policies and procedures to monitor and evaluate quality of care.
- Continuing high standards for treatment outcomes and consumer satisfaction.
- Maintaining appropriate staff to consumer ratios.
- Maintaining a qualified staff consisting of clinical and bachelor level behavioral health specialists, including full-time, on-site Registered Nurses as well as a psychiatrist available on-call 24/7. Staff, under the supervision of a licensed mental health professional, will provide on-site coverage during the day, evening and night shifts bc.
- Providing training for staff in the following areas on a recurring basis: medication and medication management; psychosocial rehabilitation; DSM-IV diagnosis and treatment; crisis response and management; substance abuse and co-occurring disorder management; CPR and First Aid; cultural competency; and confidentiality. Training is provided that ensures all staff have knowledge of the appropriate use of community resources, crisis intervention techniques, and procedures for involuntary hospitalization. Staff attend in-service training based on a strategic training plan to upgrade the educational and professional qualifications developed in conjunction with the AMHD. At least one (1) training session addresses the areas of substance abuse/dual diagnosis, and forensic issues. Training is also provided to ensure staff understand the goals of the crisis residential program, their roles in achieving the program goals, and best practices in person centered residential rehabilitation. Staff surveys, incident reviews, and staff meetings identify additional training needs, with training based on identified need and interest.

D. Cost and Finances

The primary cost of the proposed project is the operating cost. Funding is derived from contracts with AMHD (with some supplemental money from fund raising efforts, 3rd party payment (CCS), Grants, donations, etc). Personnel costs projected per year total are estimated at \$511,855 for the required staffing total of 9.9 FTEs.

(see Exhibit D-2)

The project will reduce health care costs by providing less expensive alternatives to emergency room visits (\$1000 or more per visit), and acute hospitalization (\$700 - \$1000/day). Projected cost saving per bed day is \$400 – \$700 for Crisis Residential services. Alternatives for the proposed project include more costly hospitalization and emergency services that do not adhere to the evidenced based best practices in providing services in the least restrictive environment. Fewer or less qualified staff would compromise safety for the consumer and the community as well as the quality of care and services.

E. Relationship to Existing Health Care system

Mental Health Kokua has a long history of collaborative working relationships with the Adult Mental Health Division, Community Mental Health Centers, and the Housing and Community Development Corporation of Hawaii. Other long standing collaborative relationships with the Hawaii Island Police Department, Kona Community Hospital, Big Island Substance Council, and other community based agencies. MHK works with these entities in the development of effective discharge plans for consumers for whom MHK is providing services, provides consultation for agencies who may also be treating these consumers, and works with these agencies to facilitate admission of MHK consumers when necessary. The proposed Special Treatment Facility beds that will provide crisis residential services fills the gap between psychiatric hospitalization and community living for the severely mentally ill population. Crisis Residential services provide short-term housing and treatment (up to fourteen (14) days) or as authorized by AMHD's utilization process. These services provide options for those consumers who do not meet the criteria for hospitalization but would not be appropriate for unmonitored community housing. This would increase the availability of service options for health care in the community. The proposed project would free up hospital beds that are needed for more acute situations such as suicidal and homicidal incidents as well as offer other providers of health care the option of placing consumers in a safe, therapeutic environment.

F. Availability of Resources Criterion

- 1) Mental Health Kokua has been providing recovery facilities and mental health services on behalf of Hawaii citizens with mental illness since 1973. MHK's management team includes:
 - An Executive Director/CEO, who has more than twenty (20) years experience in administering a mental health agency, and has Masters Degrees in Social Work and Public Health.
 - The Director of Programs, who has a BA degree in Psychology, twenty-three (23) years of experience with Mental Health Kokua and is a surveyor for CARF, The Rehabilitation Accreditation Commission.
 - The Director of Business and Development, formerly Director of Finance, has a Masters degree in Public Health and over 15 years experience as the primary fiscal and accounting professional for Mental Health Kokua. Responsible for Development which includes grant writing, fund raising and marketing.
 - The Fiscal Manager, who has a B.A. degree in Business Management and thirty (30) years of accounting experience, eleven (11) years with Mental Health Kokua.
 - The Director of Hawaii County Services has a Masters Degree in Psychology and has over twenty (20) years experience in the mental health field.

- The Clinical Director is a licensed psychologist (PhD.) in the state of Hawaii.

2) MHK has 146 employees providing mental health services. Employees are screened, credentialed, trained and supervised in their delivery of services. MHK has been successful at recruiting and retaining personnel committed to working with the very special needs population of persons with mental illness. As important as the degree, is the need for caring, sensitive, good humored, accepting role models for clients.

9. **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.

It is an additional location of an existing service or facility.

The applicant believes it will not have a significant impact on the health care system.