



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 06-02A
Applicant: Marimed Foundation for Island Health Care Training
46-001 Kamehameha Hwy, Suite 301
Kaneohe, HI
Phone: 808 236-4900

Project Title: Establishment of 16 Special Treatment Facility (STF) beds

Project Address: 17-195 Ipuaiwaha Street, Keaau, HI

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

- Public _____
- Private _____
- Non-profit _____
- For-profit _____
- Individual _____
- Corporation _____
- 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: _____

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.)
State Department of Health – OCHA Licensing
- 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 ownership	Change in service/ establish new service/facility	Change in Beds
Inpatient Facility					√	
Outpatient Facility						
Private Practice						

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5. **TOTAL CAPITAL COST:** \$665,000

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	16	16
TOTAL	0	16	16

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.

The Foundation seeks to add a new location to provide services to an increased number of adolescents.

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

A. List All Project Costs:	AMOUNT:
1. Land Acquisition	<u>\$ 200,000</u>
2. Construction Contract	_____
3. Fixed Equipment	_____
4. Movable Equipment	_____
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	_____
7. Other: Structures _____	<u>465,000</u>
TOTAL PROJECT COST:	<u>\$ 665,000</u>

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B. Source and Method of Estimation

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

The costs reflected above are actual costs of purchase, no estimates used.

C. Source of Funds	AMOUNT:
1. Cash	<u>\$ 133,000</u>
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	<u>532,000</u>
6. Other: _____	_____
TOTAL SOURCE OF FUNDS:	<u>\$ 665,000</u>

Implementation Schedule

The property covered by this application is in process of being purchased by the Foundation and is expected to close on November 23, 2005. Its address is:

17-195 Ipuaiwaʻā Street
Keaau, HI 96749
TMK 3-1-7-030-015-0000

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1. Date of Site Control Document.

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Warranty Deed Recorded December 8, 2005

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

Licensing as a Special Treatment Facility was applied for on December 12, 2005 and is expected to be received by May 15, 2006.

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

November 23, 2005

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.

July 2006

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EXECUTIVE SUMMARY

The Wahiolanona'opio program was launched in response to a need identified by the County of Hawaii for treatment services for substance abusing youth. The Marimed Foundation has been awarded a contract (refer to Exhibit 5), which draws on its years of experience, to establish and operate a facility for the treatment of substance abuse amongst adolescents in the County of Hawaii. The Program currently has eight youth in residential treatment, six additional youth in out-patient treatment, and six youth waiting for space to open to enter treatment.

In 1996, 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 six residential facilities with a capacity of 48, 14 to 18 year old adolescents. The youth in treatment are primarily from the island of Oahu, but a large percentage is from the County of Hawaii. The Foundation recently closed one of the five facilities on Oahu with the idea of replacing this eight bed facility with one in Hawaii County to better serve the youth there. The residential program currently operating in Hawaii County is full and has a waiting list of six youth. The Foundation currently offers the following integrated services:

- Therapeutic services consistent with best practices provided by Qualified Mental Health Professional (QMHP), Mental Health Professional Therapist, Registered Nurse, Consulting Psychiatrist, and skilled Paraprofessionals and Youth Counselors on a 24/7 basis.
- Chemical dependency counseling provided by a Mental Health Professional and certified substance abuse counselors.
- 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 and land oriented recreation and experiential activities, including swimming, canoe paddling, and inter-island sailing aboard the Foundation's 96 foot Sailing School Vessel Makani Olu, as well as culturally based agricultural experiences.

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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.** Marimed Foundation Programs help achieve equitable access to health care services to all ethnic groups regardless of economic strata. There continues to be a need for cost effective treatment of substance abuse and mental health issues within our community. The treatment options offered by Marimed are comprehensive, cost effective, well coordinated, and responsive to the needs of the community. The programs also offer linkages to other support services that can be used long after leaving Marimed's residential program and increasing the probability of long term positive outcomes.

A nurturing and culturally sensitive family-like environment teaches youth that despite their challenges, they can be safe, secure and can trust and be accepted others. The family-like environment also helps develop positive relationships with others in a family community

- B. Need and Accessibility.** A demand exists for residential beds for adolescents with substance abuse and mental health issues in the County of Hawaii, which currently has no group home directed at co-occurring mental health and substance abuse issues for adolescents. The County Police Department has reported a 431% increase in the use of ICE, Child Protective Services for the County reports that 85 – 90% of their caseload is ICE or drug related, and ADAD reports that ICE use among 6th to 12th graders is 50% higher in Hawaii County than anywhere else in the State. Marimed programs are accessible by youth and families from all over the State, while the Wahiolanona'opio is primarily for Hawaii County youth. This addition will expand services to multi-ethnic adolescent males primarily from low income families, and add treatment options for adolescent females. This is an underserved group, since there is currently no residential facility for them on the Big Island. The State Department of Health, CAMHD, has made an award of 12 CBR beds to Marimed Foundation thru a competitive RFP for Residential beds on Hawaii Island. Additionally, the Wahiolanona'opio O Kapehu Program, as of March 31, 2006, is operating at its capacity of eight adolescents and has six youth on a waiting list for admission into the program.

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- C. Quality of Service/Care. Marimed Foundation has a., established, and continuous, quality assurance and improvement program, and was recently re-accredited with 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.

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The program offers the following services:

- Therapeutic care in a home like community based setting.
 - Mental health services under the supervision of qualified mental health and medical professionals 24 hours per day, seven days per week.
 - Medication management to assure all youth receive all appropriate prescription and non-prescription medication required.
 - Encourage and support family involvement throughout the treatment process.
 - Provide DOE acceptable educational program on-site that is transferable to youths home school on discharge.
 - On-going continuous quality improvement program.
 - Maintenance of Council on Accreditation and DOH Alcohol and Drug Abuse Division accreditation for services provided.
 - Continuing education and training program in all aspects of behavioral and substance abuse treatment for all direct care staff.
- D. Cost and Finances. The Foundation has the financial resources to insure continued operation of the program, and is under contract to provide services on Hawaii Island, which provides adequate financial resources for the services. Marimed anticipates establishing participating agreements with third party insurers, such as HMSA, Kaiser, and Tricare in the very near future. The Foundation has also responded to Department of Health RFP's to provide services in Hawaii County, and has a reasonable expectation of receiving contracts to provide services. The number of beds being sought by the Department of Health exceeds the number of currently contracted beds on Hawaii Island in both Community Based Residential and Therapeutic Group Homes. The staffing is based on CAMHD's contract requirements and clinical standards with a minimum staff to youth ratio of one direct care staff for every four youth and two staff on site at all times. The cost of about \$400 per day for community based services is significantly less than the estimated \$600 to \$900 per day for acute care. See attached financial projection.
- E. Relationship to Existing Health Care System. This application is an integral part of the continuum of care envisioned by Marimed Foundation, providing a step down from more expensive and more restrictive hospital-based programs. These acute hospital based programs are not located on Hawaii Island requiring the youth to be separated from their families. After completing residential treatment youth would be enrolled in an aftercare program using CSAC therapists, case managers, and other community based resources. Conversely, this program provides a step up from therapeutic foster care or therapeutic group home for youth who are not responding well in the less restrictive milieu due to stresses in the home environment.

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- F. Availability of Resources. Marimed Foundation has an experienced management and therapeutic team which has been providing community based therapeutic residential programs for many years. The required resources, both facility and staff, are available. The facility was purchased by Marimed Foundation with First Hawaiian Bank providing mortgage financing. The initial staff will be hired to provide residential services pending receipt of Certificate of Need and licensing as an STF by the Department of Health during May and June 2006. The initial staffing will include a Clinical Director, Program Director, CSAC Case Manager, Therapist, House Managers, Youth Counselors, Teacher/Marine Skills Instructor, and Program Nurse. Existing staffing for the program includes the Clinical Director, Program Director, CSAC Case Managers, Therapist and Program Nurse. The Foundation has had great success finding skilled staff through job fairs held at various community facilities in Hilo. In addition, we continue to use newspaper advertising and the relationships we have developed with the University of Hawaii system to attract and hire additional staff.

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