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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: X
- Windward O`ahu: _____
- West O`ahu: X
- 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) **[not required – project located on KMCPM facility]**
- 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.).

-Certificate of Need, State Health Planning & Development Agency
-Building Permit, Honolulu Department of Planning & Permitting
-Department of Health Certificate.

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

-See Attachment A

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: **See Attachment B**
- By-Laws: **See Attachment C**
- Partnership Agreements: **Not Applicable**
- Tax Key Number: **1-9-8-16: 40**

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				X	
Outpatient Facility				X	
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.

- NOT APPLICABLE (N/A) -

Type of Bed	Current Total	Bed	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
N/A	N/A		N/A	N/A
TOTAL				

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6. PROJECT COSTS AND SOURCES OF FUNDS

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A. List All Project Costs:

AMOUNT:

1.	Land Acquisition	ST HLTH PLNG & DEV. AGENCY	N/A
2.	Construction Contract		<u>\$695,000</u>
3.	Fixed Equipment		<u>\$600,000</u>
4.	Movable Equipment		_____
5.	Financing Costs		_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.		_____
7.	Other: Architectural/Planning		<u>\$70,000</u>

TOTAL PROJECT COST: \$1,365,000

B. Source of Funds

1.	Cash		<u>\$ 1,365,000</u>
2.	State Appropriations		_____
3.	Other Grants		_____
4.	Fund Drive		_____
5.	Debt		_____
6.	Other: _____		_____

TOTAL SOURCE OF FUNDS: \$1,365,000

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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.

This project is an additional location of an existing service. The service to be added is a 2nd computed tomography (CT) scanner to be located at Kapi'olani Medical Center at Pali Momi (KMCPM).

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: **COMPLETED**
Site located within existing campus.
- b) Dates by which other government approvals/permits will be applied for and received: **January 29, 2007**
- c) Dates by which financing is assured for the project: **N/A**
- d) Date construction will commence: **February 05, 2007**
- e) Length of construction period: **15 weeks**
- f) Date of completion of the project: **May 21, 2007**
- g) Date of commencement of operation: **May 28, 2007**

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.

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.

Kapi'olani Medical Center at Pali Momi (KMCPM) seeks approval for an additional CT scanner to improve access and safety to its patient population and meet the growing demands placed on our emergency room. KMCPM currently has a 64 slice CT scanner in operation. An additional 16 slice CT scanner will improve patient safety and provide redundancy during downtime of our existing 64 slice CT scanner. CT downtime has constrained our ability to respond to patients seeking emergency medical treatment and provide uninterrupted inpatient care. An additional CT scanner will also improve overall access for both our physicians and patients by creating capacity on our existing 64 slice CT enabling additional time-intensive services - such as image guided biopsy (ultrasound biopsy) - to be performed.

The additional CT scanner will be located on KMCPM's imaging department located on the 2nd floor. The proposed CT scanner is a refurbished Phillips 16 slice scanner.

a) Relationship to the Hawaii Health Performance Plan (H2P2), also known as the State of Hawaii Health Services and Facilities Plan.

The proposal is responsive to H2P2's overall vision/priorities and specific objectives related to access, quality management, cost-effectiveness, and continuity of care.

KMCPM as a not-for-profit hospital has always provided care for inpatients, outpatients and emergencies regardless of a patients' ability to pay. KMCPM has also been pro-active over the years in investing in the facility to bring greater benefit to patients by providing increased capacity, enhanced quality and a higher level of customer service in anticipation of the growth of the Leeward, Central and West Oahu area.

The additional CT scanner will provide better access to the Leeward patient population as well as meet H2P2 objectives of early detection and diagnosis, improved treatment and better outcomes. A second CT reflects KMCPM's commitment to excellence in comprehensive diagnostic services and improving patient care and outcomes. The project will leverage existing facility space, professional and support staff, and other KMCPM resources thereby adding a CT scanner in the least costly manner. Continuity of care is enhanced through improved capacity in diagnostic services and reduced throughput delays for both urgent and scheduled procedures.

b) Need and Accessibility

The addition of a second CT will respond to the need and accessibility of emergency room services for Leeward area patients. Since 2000, emergency room visits at KMCPM have increased by 11,958 to 30,263 (65.3%). In the previous 12 months alone KMCPM, emergency room visits have increased by more than 2,600 (9.7%). Increases in emergency room visits and in-patient acuity makes 24 hour availability to a CT scanner a necessity to provide uninterrupted care to our patients.

In order to respond to this growing need, it is crucial that the KMCPM emergency room has a CT available at all times. CT downtimes jeopardize patient safety and impacts patient outcomes as it lengthens the time before they receive medical care. CT downtime also leads to higher medical costs as additional staff time is expended to prepare these patients for transport to another facility. Thus periodic CT downtime - both planned and unplanned - makes the necessity of emergency room CT access unmet with only 1 CT. KMCPM has the highest percent of emergency room "caution" status as a result of CT unavailability among all Leeward Oahu hospitals. Hospital facilities with multiple CT units report lower emergency room caution status than those with 1 CT (**see Attachment D**). The CT was down a total of 177.45 hours in the previous 12 months and attributed to 12.3% of total KMCPM emergency room caution status hours. During this period, a total of 18 in-patients had to be transported to another facility to receive scans as a result of CT downtime.

The addition of a second CT will provide redundancy and ensure CT emergency room availability during these instances which will improve emergency room services and reduce emergency transport re-routes resulting from CT downtime. The additional CT scanner will also improve overall access and convenience for both our physicians and patients by creating capacity for additional time intensive services - such as image guided biopsies - which are time intensive. The ability to provide this added capability will reduce patient costs of travel for Leeward residents as well as improve patient outcomes by enabling quicker medical response and reduce the need for multiple visits.

Current public data (for 2006) regarding CT scans is not available. However, Oahu's anticipated population growth in the Leeward area is expected to result in increased demand for diagnostic procedures. The new CT will meet the projected growth in demand for both advanced minimally invasive procedures and general surgeries for residents of West Oahu.

The primary service area is Central and Leeward Oahu, although patients from the neighbor islands and Pacific Basin will also be served. KMCPM will continue to provide care to all residents of the area including: Medicare, Medicaid, QUEST and all underserved groups.

c) Quality of Service/Care

The proposed project meets the quality of service/care criteria for several reasons. The second CT scanner will utilize KMCPM licensed and trained professionals that are located at the JCAHO accredited KMCPM facility. All required licenses and certifications will be obtained and maintained for this project. KMCPM has been recognized in "U.S News and World Report" (July 15th 2006) as one of the America's Best Hospitals for the provision of care to patients with Coronary Artery Disease. Additionally, KMCPM was awarded First Place for outstanding performance for quality by HMSA and awarded an Annual Performance Achievement Award from the American Heart Association.

Quality of diagnostic services and subsequent care to the Leeward community will be improved due to the efficiencies, better accessibility, and enhanced scheduling flexibility achieved through having two CT scanners on site.

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d) **Cost and Finances (include revenue/cost projections for the first and third year of operation)**

The project will have minimal impact on the overall costs of health services to the community as it will be entirely funded from KMCPM's existing capital and financial projections (see **Attachment E**) and reflect a positive margin by year 1. The project is cost-effective as it utilizes existing space and used equipment. The cost of and charges for providing the services will be similar to the existing CT scanner and will therefore have minimal impact on the community (including payers and patients). The project will enhance availability and timeliness of diagnostic services for inpatients which will reduce inpatient length of stays and cost of care. The additional CT unit will also reduce costs of care to the patient by eliminating travel time by Leeward residents into central Honolulu and reduce the need for multiple visits. Three year revenue/cost projections are provided (see **Attachment E**).

e) **Relationship to the existing health care system**

The project is not expected to have a significant (if any) impact on the existing health care system and is in response to the fact that KMCPM emergency room visits have increased by 11,958 to 30,263 (65.3%) since 2000. KMCPM's current annualized volume of 15,684 on its 64 slice scanner exceeds the minimum threshold of 4,500 CT procedures required for expansion of an existing service unit (H2P2).

f) **Availability of Resources.**

KMCPM has sufficient trained professionals, management, systems and other resources to fully support the proposed second CT scanner. The KMCPM Imaging Department is under direction of the Director of Imaging Services and Chief Operating Officer of KMCPM and is currently staffed with 8 professional staff comprised of 7 CT technicians and 1 imaging assistant. Current staff will be utilized and 1 additional CT technologist will be hired. KMCPM has financial resources from current hospital cash funds to pay for this project with no additional financial capital required after start-up.

10. 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.