



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number: #08-04A

Applicant: Adult Mental Health Division, State of Hawaii
45-710 Keaahala Road, Kaneohe, Hawaii

Phone: 808 236-8237

Project Title: Establishment of a 22- bed Special Treatment Facility at
the Hawaii State Hospital

Project Addresses: same

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1. TYPE OF ORGANIZATION: (Please check all applicable)

- Public _____
- Private _____
- Non-profit _____
- For-profit _____
- Individual _____
- Corporation _____
- Partnership _____
- Limited Liability Corporation (LLC) _____
- Limited Liability Partnership (LLP) _____
- Other: Department of Health X

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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: _____

3. DOCUMENTATION (Please attach the following to your application form):

- A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent)
- 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.)
- C. Your governing body: list by names, titles and address/phone numbers
- 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 A.

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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					
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.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
Specialized Residential Treatment Facility	0	22	22
TOTAL	0	22	22

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6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:

1.	Land Acquisition	<u>N/A</u>
2.	Construction Contract	<u>N/A</u>
3.	Fixed Equipment	<u>N/A</u>
4.	Movable Equipment	<u>N/A</u>
5.	Financing Costs	<u>N/A</u>
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>\$600,000</u>
7.	Other: <u>Furnishings, Furniture</u>	<u>\$ 20,000</u>

TOTAL PROJECT COST: \$620,000

B. Source of Funds

1.	Cash	<u>N/A</u>
2.	State Appropriations	<u>X</u>
3.	Other Grants	<u>N/A</u>
4.	Fund Drive	<u>N/A</u>
5.	Debt	<u>N/A</u>
6.	Other: <u>Fair market value of cottages; furnishings/furniture to be provided by the State.</u>	<u>\$620,000</u>

TOTAL SOURCE OF FUNDS: \$620,000

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 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.

Establish a 22-bed specialized residential treatment facility.

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,
- b) Dates by which other government approvals/permits will be applied for and received,
- c) Dates by which financing is assured for the project,
- d) Date construction will commence,
- e) Length of construction period,
- f) Date of completion of the project,
- g) Date of commencement of operation

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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.

See Attachment A.

9. **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.

- a) Relationship to the Hawai'i Health Performance Plan (H2P2), also known as the State of Hawai'i Health Services and Facilities Plan.
- b) Need and Accessibility
- c) Quality of Service/Care
- d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
- e) Relationship to the existing health care system
- f) Availability of Resources.

See Attachment A.

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.

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

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ATTACHMENT A

3. **DOCUMENTATION**

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- A. N/A; State-owned land
- B. Office of Health Care Assurance Specialized Residential Treatment Facility License
- C. Governing Body
 - 1) Chiyome Leinaala Fukino, M.D.
Director of Health
1250 Punchbowl Street
Honolulu, HI 96813
PH: (808) 586-4410
 - 2) Michelle R. Hill
Deputy Director for Behavioral Health
1250 Punchbowl Street
Honolulu, HI 96813
PH: (808) 586-4416
 - 3) Thomas W. Hester, M.D.
Chief, Adult Mental Health Division
1250 Punchbowl Street
Honolulu, HI 96813
PH: (808) 586-4686
- D. Certificate of Need
 - Articles of Incorporation – N/A
 - By-Laws – See Attachment B.
 - Partnership Agreements – N/A
 - Tax Key Number – See Attachment C.

8. **IMPLEMENTATION SCHEDULE**

- a) N/A
- b) Office of Health Care Assurance Specialized Residential Treatment Facility License by July 1, 2008.
- c) N/A
- d) N/A
- e) N/A
- f) N/A
- g) July 1, 2008

9. **EXECUTIVE SUMMARY**

- a) 1. The project will meet the goals of the plan by reducing health disparities to Hawaii residents. It will also maintain good health and allow for personal independence in functioning in a lesser restrictive environment from the inpatient hospital setting.
- 2. The objective of the project will be to promote a safe environment and enhance safety to the community.

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3. It will support regional State-wide efforts by reducing the cost to the communities throughout the State by allowing 22 clients to step down from the high cost of inpatient care to a lesser restrictive setting, thereby reducing cost for services provided. It will assist West Oahu with their priorities of mental health and substance abuse services as a high percentage of all clients have both mental health and substance abuse requirements that need treating. It will assist Honolulu in meeting the priority of behavioral health services as the targeted populations mentioned above have behavioral issues as well.
- b) The project will target those patients that no longer require the higher level inpatient care at Hawaii State Hospital and for whom there is no level of service available in the outpatient service arena appropriate to provide for their care and treatment with the enhanced security requirements. This project will serve to step these clients down to a lesser restrictive level of care but maintain the public safety aspects while care and treatment continues until the clients are ready to move on to an even lesser restrictive level of care in outpatient service arena. The project will allow the hospital more availability to meet the continuing need of clients requiring inpatient hospital level care. The hospital is currently over census and demands for inpatient can not be met except through those ordered from the courts of the State. The project would allow for 22 clients to receive services outside the inpatient treatment facility and create more access for those needing inpatient mental health services. The project will provide for 22 clients to receive service at a time but there is a need for more services of this type and thus the program will operate a capacity with a waiting list until those additional services can be made available. Accessibility will be made to all resident groups without regard for their ability to pay, race, sex, religion, etc. as may be ordered by the courts of the State.
- c) The hospital as the project administrator will obtain licensure for the project from the State of Hawaii, Department of Health, Office of Health Care Assurance. The project will operate under the administrative supervision of the Administrator of the Hawaii State Hospital with a Mental Health Supervisor serving as the Program Director. There are 25.5 Full Time Equivalent (FTE) positions to operate the 24 hour a day 7 days a week project. There are 6.0 FTE dedicated to Registered Nurses (RN's), 4.0 FTE's dedicated to Licensed Practical Nurses (LPN's), 15 FTE's dedicated to Psychiatric Technicians (PT's), and .5 FTE dedicated to Recreational Therapy activities. Additional services and treatment will come from community and hospital resources already in place such as Medical Doctors/Psychiatrists, psychologists, community case managers, and other support staff (i.e., clerical, maintenance, etc.). The individuals

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providing the various types of care, treatment, and services will be required to meet the minimum qualifications and experience required of all civil service personnel employed in the State, State licensure requirements, and administrative rules and regulations.

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d) Cost and Financing:

The following are the cost projections for the first and third years:

- First year costs = \$1,114,000 for 25.5 FTE's for staffing the four cottages
- Third year costs = \$1,114,000 for 25.5 FTE's for staffing the four cottages.

* Maintenance costs for the facility are already being borne by the hospital and are not expected to change or pose an additional burden on the budget.

Financing/Revenue Projects:

The following first and third year revenue projections are based on current historical data on Federal matching funds for \$1.5M in claims for services rendered:

- First year projection = based on 16-bed eligibility, a total of \$500,000 yearly is projected.
- Third year projection = based on 22-bed eligibility, a total of \$750,000 yearly is projected.

- e) This project will fill a gap in services between the most restrictive inpatient hospital services and the lesser restrictive community services in the residential setting.
- f) Capital improvement resources (CIP) are available for security fencing for the facility.

Staffing resources have been requested in this the Supplemental Year of the budget cycle. It requests 25.5 FTE's as indicated above to support the operations, care, and treatment in this project. A contingency plan is in plan to assign current staff from within the hospital to support for the care, treatment, and services if the positions are not approved. This will be accomplished by obtaining staff through existing Nursing Agency Contracts, volunteers from current employees at the hospital willing to work in this new project, and as a last resort ordered or mandated to work in this project until other alternative staffing is available or comes on line.