



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number: #08-05A

Applicant: Hawaii Healthcare Professionals, Inc.
707 Richards Street, #526
Honolulu, Hawaii 96813
Phone: 808-531-8177

Project Title: Establishment of Home Health Care services on Oahu
Project Address: same

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

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

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 PERMIT
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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)

Please see Attachment 1 Lease Agreement for 707 Richards Street, Suite 526

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.)

Medicare/Medicaid Certification

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

Members of Hawaii HealthCare Professional Inc.'s Professional Advisory Committee are listed below:

Fristoe, Claudia 2025 Keeaumoku St. Honolulu, HI 96822 Phone: (808) 531-8177	Kline, Steven D. P.O. Box 1193 Waimea, HI 96796 Phone: (808) 338-9452
Frutoz-de Harne, Carolyn 707 Richards Street Ste. #526 Honolulu, HI 96813 Phone: (808) 531-8177	Lesser-Benton, Joni 372 LikeLike Place Kapaa, HI 96746 Mobile: (808) 482-1754
Frutoz-Gill, Linda 1291 Kaelehu St. Honolulu, HI 96825 Phone: (808) 531-8177	Rider, Johnathan 4345 Kuke St. Kilauea, HI 96734 Phone: (808) 652-2695
Hopkins, Heather 3-3420 Kuhio Hwy. Suite B Lihue, HI 96766 Phone: (808) 245-1523	Simental MD, Jorge Samuel Mahelona Memorial Hospital Emergency Department 4800 Kawaihau Rd. Kapaa, HI 96746 Phone: (808) 823-4194
Jaeda Elvenia 3240 Kuhio Highway Lihue, HI 96766 Phone: (808) 245-1162	Williams, Thomas 3-3420 Kuhio Hwy. Suite B Lihue, HI 96766 Phone: (808) 335-0499

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 – Please see Attachment 2 Articles of Incorporation of HHCP
- By-Laws – Please see Attachment 3 Bylaws of HHCP
- Partnership Agreements – Not applicable
- Tax Key Number (project's location) – 1-2-01-26:13

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.

Not applicable

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

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6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:

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AMOUNT:

1.	Land Acquisition	_____
2.	Construction Contract	_____
3.	Fixed Equipment	<u>\$ 14,310</u>
4.	Movable Equipment	_____
5.	Financing Costs	_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>\$463,295 (1)</u>
7.	Other: _____	_____

TOTAL PROJECT COST: \$477,605

(1) This project cost reflects the Total Property and Equipment per the HHCP December 31, 2006 Balance Sheet (refer to Attachment 14) and does not represent the incremental FMV of assets due to the start up of the HHA services.

B. Source of Funds

1.	Cash	<u>\$ 14,310</u>
2.	State Appropriations	_____
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: Fair Market Value of lease spaced to be paid by monthly rent	<u>\$463,295</u>

TOTAL SOURCE OF FUNDS: \$477,605

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.

Hawaii Healthcare Professionals, Inc. seeks to establish a Medicare
 Certified Home Health Agency to provide enhanced home health care
 services to the Medicare and Medicaid population of Oahu, Hawaii.

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,	Office lease currently in effect.
b) Dates by which other government approvals/permits will be applied for and received,	February 1, 2008
c) Dates by which financing is assured for the project,	February 2, 2008
d) Date construction will commence,	No construction required.
e) Length of construction period,	No construction required.
f) Date of completion of the project	Not applicable
g) Date of commencement of operation	April 1, 2008

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.

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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.

Project Summary

Hawaii HealthCare Professionals, Inc. (HHCP) seeks to be a Medicare certified Home Health Agency (HHA) and provide home health services to the residents of Oahu. HHA services will include professional nursing services (e.g., registered nurse visits, wound care, oncology care, etc.), physical therapy, occupational therapy, speech therapy, social services and personal care services. HHCP will utilize its current Oahu offices and expand its current professional staff to provide the home health services. It is anticipated that minimum capital expenditures will be incurred and operating revenues will cover operating expenses.

Headquartered in Oahu, HHCP currently provides private duty nursing and home health care services on Kauai and private duty nursing services on Oahu and Maui. HHCP specializes in giving families the freedom of choice to maintain a quality of life in the comfort of their home. HHCP has operated a state licensed and Medicare certified HHA on the island of Kauai since 2000. Since 2005, HHCP has been licensed by the State of Hawaii to provide private duty nursing services to commercial insurance enrollees on the islands of Oahu and Maui. Refer to Attachment 4 for HHCP's business registration and Attachment 5 for a business overview of HHCP.

- a) **Relationship to the Hawai'i Health Performance Plan (H2P2), also known as the State of Hawai'i Health Services and Facilities Plan.**

This project promotes the H2P2 goal and objective of increasing the span of healthy life for Hawaii's residents by enabling individuals, especially older adults, to maintain good health and independent personal functioning. The goal of HHCP is to maintain an individual's health in the home with minimum interference. HHCP will provide home health services in a person's home and train and educate the individual and family members on the individual's medical condition and treatment plan. HHCP will also offer home safety assessments and assistance with community resources to enable the individual to safely reside in the home while having access to necessary community based services. Health services provided in the home environment will

also increase an individual's span of healthy life by improving an individual's emotional well being and decreasing the amount of recovery time.

The HHCP health care delivery system will include the critical elements of a health care delivery system as defined by the H2P2.

- **Access:** HHCP's outreach program promotes a healthy community by educating and familiarizing communities about health care issues, such as elder safety, Alzheimer's, fall prevention and emergency response systems and the resources and services available to individuals. This outreach program enables HHCP to interact with and receive feedback from communities regarding the types of home health services being sought by members of the community. Individuals may not readily have access to medical services due to limited mobility or lack of transportation. Offering medical services that are reasonable and competitive in cost in a person's home allows these individuals to receive these services and avoid early admission to a hospital or facility.
- **Quality Management:** HHCP will follow the staffing model used to provide Medicare certified home health services on Kauai and will maintain the appropriate staff to patient ratios to provide quality care. HHCP will hire qualified staff by offering competitive compensation and benefit packages. HHCP personnel will have the appropriate work related experience and proof of appropriate licensing and certification. HHCP personnel will also receive in-service training and education. HHCP will monitor the quality of care provided to individuals by conducting patient satisfaction surveys, evaluations and by monitoring the quality of care against national clinical benchmarks and by participating in national initiatives to improve the quality of care provided.
- **Cost-Effectiveness:** HHCP personnel will partner with other health care professionals to identify an individual's appropriate level of care and to determine the appropriate caregiver. HHCP personnel will closely monitor any change in an individual's medical condition to ensure that the person receives appropriate care to avoid unnecessary hospitalization. HHCP will also provide assistance with community resources to ensure that the individual's needs are met in the most cost efficient manner.
- **Continuity of Care:** HHCP will work in concert with the individual, hospitals and/or facilities, family members, physicians and caseworkers to confirm the type of service required by the individual and to develop a personal plan of care. Working with other health care professionals will ensure that individuals receive appropriate care.
- **Constituent Participation:** HHCP will use responses from client satisfaction surveys and will establish partnerships with health care professionals such as an individual's physician and caseworker to ensure that the appropriate care

is provided. HHCP will foster relationships with sections of the community such as rural, low income individuals, racial and ethnic minorities, women, people with disabilities and the elderly through an outreach program. The HHCP outreach program will educate the community about health care services and initiatives by conducting presentations at senior centers and health fairs and publishing articles on topics such as elder safety, Alzheimer's, fall prevention and emergency response systems.

As a certified Medicare HHA, HHCP will also promote H2P2 state and Oahu regional priorities by increasing the availability of and access to cost-effective and affordable home health services to Oahu residents. Currently, HHCP provides private duty nursing services on Oahu. This project will enable HHCP to offer the full spectrum of home health services in addition to private duty nursing services to Medicare and/or Medicaid beneficiaries. This will help to reduce the financial, emotional and physical burdens felt by many families seeking to care for their loved ones at home. Families will feel secure knowing that an individual has a qualified home health professional assisting them with the individual's medical and other needs (i.e., activities of daily living).

The services provided by HHCP in the individual's home will be delivered according to the individual's needs. HHCP personnel will promptly confirm the services required after an individual is referred to HHCP. HHCP will also conduct frequent supervised visits to verify that the services are appropriate and satisfactory. If there are changes to an individual's medical condition, HHCP will closely monitor the individual to provide appropriate care. With regular supervised visits by HHCP personnel, signs and symptoms of medical changes will be identified and reported in a timely manner. This will enable the appropriate health care professional to respond to the medical condition and possibly avoid an early admission to a hospital.

b) Need and Accessibility

This project will provide home health services to the residents on the island of Oahu. The target population for these services include Medicare and/or Medicaid beneficiaries who are 65 years and older and/or disabled and require home health services.

According to Health Trends in Hawaii (www.healthtrends.org), as Oahu's population ages, the demand for home health services will continue to rise because of the relationship between age and mortality, prevalence of chronic conditions and disability. The number of Medicare HHA patients needing home health services on Oahu is expected to dramatically increase by an average of 4 percent every five years. See Table 1 below. This growth in the number of HHA patients averages to an increase of approximately 320 HHA patients every five years. See Table 1 below. In 2000, each patient averaged 17 visits per year so an increase of 320 patients will result in approximately 5,400 additional HHA visits every five years. Refer to Attachment 6 for the 2000 Medicare HHA utilization data.

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Table 1: Demand for Home Health Services on Oahu

Honolulu County Population	2005	2010	2015	2020	2025	2030
Total resident population	912,900	952,650	995,550	1,037,250	1,078,050	1,117,300
Projected Total Patients	7,101	7,410	7,744	8,068	8,386	8,691

5 Year Growth Rates (%)	2005-2010	2010-2015	2015-2020	2020-2025	2025-2030
Projected Total Patients	4.35	4.5	4.19	3.93	3.64

Methodology: Medicare HHA use rates for the year 2000 were calculated for the island of Oahu and applied to the projected Oahu population by year. Medicare home health patients by island were based on 1999 SHPDA utilization reports. Refer to Table 3 and Table 4 in Attachment 7 for the HHA use rate calculation.

The demand for additional HHA services by Medicare beneficiaries will be significantly impacted by the aging of the population. The majority of HHA patients will be 65 years and older. According to the Hawaii State Health Planning & Development Agency (SHPDA), 7,390 patients or approximately 70 percent out of a total of 10,622 patients utilizing Medicare HHA services were 65 years and older. Refer to Attachment 6 for the 2000 Medicare HHA utilization data. Honolulu's older adult population (65 years and older) is expected to increase by an average of 2.1 percent each year over the next couple of decades. See Table 2 below. By the year 2030, the older adult population is projected to represent 20 percent of the total Honolulu County population. See Table 2 below.

Table 2: Projected Honolulu County Population

Honolulu County Population	2000	2005	2010	2015	2020	2025	2030
Age: 0 to 64 years	758,704	788,250	815,750	837,900	857,250	874,750	894,400
Age: 65 years and over	117,176	124,650	136,900	157,650	180,000	203,300	222,900
Total resident population	875,881	912,900	952,650	995,550	1,037,250	1,078,050	1,117,300

Annual Growth Rates (%)	2000-2005	2005-2010	2010-2015	2015-2020	2020-2025	2025-2030
Age: 65 years and over	1.2	1.9	2.9	2.7	2.5	1.9

Source: State of Hawaii Department Business and Economic Development. (2004 August). *Population and Economic Projections for the State of Hawaii to 2030, Table A-3. Honolulu County Population Projection, Selected Components, 2000-2030*

Data describing the current utilization of Medicare HHA services provided on the island of Oahu is not readily available. There are however, other factors that demonstrate the existence of an unmet need for these services. As previously discussed, there will be a dramatic increase in the demand for services provided by Medicare certified HHAs on the island of Oahu. See Table 1 above. Currently, there are 11 licensed HHAs located on the island of Oahu. The last HHA to be licensed by the State of Hawaii was in 2007 (State of Hawaii Department of Health, Office of Care Assurance, Medicare Section).

The increase in the number of adults aged 65 and older will result in an increase in the number of Medicare beneficiaries. As a result, this growth in the number of Medicare beneficiaries will bring about an increase in the demand for HHA services. However, while the demand for Medicare HHA services have increased there has not been an increase in the number of Medicare certified HHAs on Oahu. There are only seven (7) Medicare certified HHAs on the island of Oahu (State of Hawaii Department of Health, Office of Care Assurance, Medicare Section). The last HHA to be Medicare certified was approximately 12 years ago in 1996. As a result, the limited number of Medicare certified HHAs will not be able to meet the dramatic increase in demand for HHA services by Medicare patients on Oahu unless they are able to significantly increase their staffing in all service areas.

In order for these Medicare certified HHAs to meet the increased demand for services, these HHAs would need to hire additional nurses, therapists, social workers and personal care personnel. According to the Hawaii's Workforce Development for 2008, 2008 Report to the Governor (Workforce Development Council, December 2007), Hawaii will continue to experience a continued shortage in healthcare occupations (particularly in nursing) that is similar to the national trend. As a result, the current Medicare certified HHAs will have difficulty expanding service capabilities due to the difficulties in recruiting healthcare professionals. However, HHCP is able to provide HHA services to these Medicare HHA patients by using its current staff and already has commitments from two (2) physical therapists, one (1) occupational therapist, one (1) speech therapist and two (2) registered nurses to provide home health services on Oahu. Additionally, HHCP as an organization also has additional resources on the neighbor islands and the ability to actively recruit healthcare professionals on these islands. The size of the organization and its statewide focus provides an advantage in attracting qualified HHA personnel and will allow it to expand as the Medicare population need for HHA services increases.

This project will assist with meeting this dramatic increase in demand for services provided by Medicare certified HHAs by offering increased access to home health services on Oahu. HHCP will be able to offer and provide home health services to the low income population, ethnic minorities, women, people with disabilities, the elderly and other underserved populations who may not have otherwise received or have access to medical care at home.

c) Quality of Service/Care

HHCP is a leading private duty nursing and home health care agency in Hawaii. HHCP is committed to the values, principles and standards of providing the highest quality service and continuity of care to its patients in a home setting. Refer to Attachment 8 for a listing of HHCP's credentials, affiliations and industry recognitions. HHCP is a state licensed provider on the islands of Oahu, Maui and Kauai (refer to Attachment 9 for copies of the licenses) and a Medicare certified HHA on Kauai since 2000. HHCP has been providing private duty nursing care on Oahu

for the past 13 years and is in compliance with all state and federal rules and regulations.

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HHCP will follow the staffing model used to provide Medicare certified home health services on Kauai and will maintain the appropriate staff to patient ratios to provide quality care. HHCP will offer competitive compensation and benefits package to recruit qualified applicants. In addition to requiring proof of the required licensing and certifications, HHCP will conduct an extensive reference and background check (e.g., drug testing, criminal abstract clearance) of every applicant. Applicant references are reviewed to ensure that they have the appropriate work related experience to provide home health services. HHCP staff will also receive monthly in-service training and education and will be encouraged to attend educational sessions reimbursable by HHCP. Refer to Attachment 10 for the HHCP Mandatory Paid Ongoing & Annual In-service Schedule.

HHCP has developed and implemented a quality assurance and improvement program on Oahu, Maui and Kauai to ensure that quality care is and will be provided to all patients. The HHCP quality assurance and improvement program includes service protocols and policies and procedures that define, monitor and evaluate the quality and effectiveness of care delivered. HHCP personnel will conduct frequent supervised visits to monitor an individual's medical condition and progress on his/her plan of care. HHCP will work closely with other health care providers such as the individual's physician and family members to ensure that appropriate care is provided. Information gathered from sources such as physician and patient questionnaires, incident reports, chart reviews and patient complaints will be used by HHCP to assure that the quality of the services provided meet HHCP's mission and goals. Refer to Attachment 11 for a listing of other quality assurance indicators. This information will also be used to assure the continuous improvement in the quality of care provided by HHCP personnel.

HHCP's success in providing quality care is demonstrated with its accreditation by the Joint Commission of Accreditation of Healthcare Organizations (JCAHO) as a home care provider on Oahu, Maui and Kauai since 2000. The most recent accreditation for the HHCP facilities was in 2005 (refer to Attachment 12 for copies of the JCAHO certifications). HHCP is also licensed by the state for Oahu, Maui and Kauai. In addition, positive survey responses that consistently exceed or meet expectations were received from patients and families on Kauai. Refer to Attachment 13 for the 2006 Kauai patient survey results.

In a comparison of the national and state quality measures and ratings for July 2006 to June 2007 from the Medicare Quality Information Evaluation System (QIES), the quality ratings for HHCP on Kauai exceeded the state and national average ratings for almost every quality measure. See table below. HHCP will strive to match or surpass similar quality ratings on Oahu. Quality ratings for the seven (7) Medicare certified home health agencies located on Oahu are also listed in the table below.

Quality Measures	National Average	State Average	HHCP Kauai	CareResource Hawaii	Castle Home Care	Kaiser Permanente Home Health Agency	Koopa Home Health Agency	Prime Care Services Hawaii, Inc.	St. Francis Home Care Services	Wahiawa General Hospital HHA
HIGHER PERCENTAGES ARE BETTER										
Percentage of patients who get better at walking or moving around	42%	42%	44%	45%	39%	28%	(1)	48%	39%	46%
Percentage of patients who get better at getting in and out of bed	54%	53%	63%	54%	59%	48%	(1)	47%	44%	72%
Percentage of patients who have less pain when moving around	64%	64%	75%	65%	65%	56%	(1)	59%	63%	66%
Percentage of patients whose bladder control improves	50%	52%	57%	50%	60%	56%	(1)	47%	49%	68%
Percentage of patients who get better at bathing	64%	68%	68%	64%	75%	61%	(1)	63%	67%	69%
Percentage of patients who get better at taking their medicines correctly (by mouth)	43%	36%	43%	31%	44%	28%	(1)	36%	33%	37%
Percentage of patients who are short of breath less often	61%	70%	67%	73%	64%	64%	(1)	63%	68%	72%
Percentage of patients who stay at home after an episode of home health care ends	68%	73%	81%	81%	68%	58%	(1)	77%	75%	84%
Percentage of patients whose wounds improved or healed after an operations	79%	72%	81%	70%	74%	61%	(1)	66%	68%	65%
LOWER PERCENTAGES ARE BETTER										
Percentage of patients who had to be admitted to the hospital	28%	25%	18%	21%	30%	37%	(1)	21%	25%	16%
Percentage of patients who need urgent, unplanned medical care	21%	23%	22%	21%	31%	8%	(1)	21%	28%	22%
Percentage of patients who need unplanned medical care related to a wound that is new, is worse, or has become infected	1%	2%	3%	1%	2%	1%	(1)	0%	1%	4%
Source: This information (data) is gathered from the Quality Information Evaluation System (QIES) during the time period July 2008-June 2007 via the Medicare website at http://www.medicare.gov/HHCCompare .										
Notes: (1) The number of patients is too small to report. Call the agency to discuss this measure.										

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

Project Costs

There will not be capital costs required for this project other than the costs for equipment. HHCP will leverage current operating funds to finance this project. In addition to the current private duty nurse and nurse aide staff, HHCP will need the following additional staff to provide home health services on Oahu.

Staff	FTE	Total Cost
Statewide Administrator	1	92,000
Director of Nursing	1	75,000
Certified Nurse Assistant	4	81,000
Registered Nurse	3	171,879
Physical Therapist	2	122,000
Physical Therapist Assistant	2	74,000
Occupational Therapist (contracted)	2	56,000
Medical Social Worker (contracted)	1	19,000
Clerical	2	42,000
Total	18	732,879

These costs and other expenditures including rental expense will be paid from operating funds.

Projected Financial Performance

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The 2006 HHCP Income Statement and Balance Sheet are provided in Attachment 14. The HHCP 2008 to 2011 projected incremental income and expenses due to providing home health services to individuals on Oahu is provided in Attachment 15. Over 80 percent of HHCP's Kauai HHA business is generated from individuals aged 65 years and older. As a result, the projected incremental HHA income and expenses were calculated by increasing the Kauai HHA income and expenses by the proportion of the number of individuals aged 65 years and older on Kauai as compared to the number of individuals aged 65 years and older on Oahu.

The projected income and expenses schedule demonstrates that income from providing home health services to Medicare and/or Medicaid beneficiaries on Oahu will offset expenses during the first year of offering the home health services. In addition, expenses will continue to be offset by income for the following years.

e) Relationship to the Existing Health Care System

By providing home health services to Medicare and/or Medicaid beneficiaries on the island of Oahu, HHCP will improve the existing health care system by increasing the availability of and access to home health services. HHCP's extensive outreach program will allow HHCP personnel to establish relationships with sections of the community such as rural, low income individuals, ethnic minorities, women, people with disabilities and the elderly. HHCP's outreach program will educate the community on health related issues and topics such as elder safety, Alzheimer's and fall prevention by conducting presentations at senior centers and health fairs and publishing articles. This outreach program will enable HHCP to interact with and receive feedback from communities regarding the types of home health services being sought by members of the community.

Providing health services in a home environment will improve the quality of life of individuals with medical needs. Health care provided at home will increase an individual's emotional well being and decrease the amount of recovery time because individuals recover faster in a familiar home environment. Receiving medical care in the home also will allow individuals and family members to take an active role in the medical care the individual receives.

Providing quality home health care services on Oahu will decrease health care costs as the cost for home health services is less than the cost for inpatient and hospital services. The provision of home health services in a patient's home will also reduce health care costs by having patients receive timely and appropriate care and avoid being admitted to an institutional facility due to the lack of early prevention and detection at home and the inability to physically transport themselves to the location of the medical service(s). HHCP will conduct frequent visits to evaluate and determine whether individuals are receiving appropriate care. Frequent supervised visits will enable HHCP personnel to identify and monitor signs and symptoms of any

medical changes or conditions in a timely manner and avoid the premature institutionalization of an individual.

According to the Hawaii State Health Planning & Development Agency (SHPDA) Healthcare Utilization Report 2005 Data, the 2005 SNF/ICF occupancy rate for Honolulu County averages 95.18 percent. Since 1985, the long term care occupancy rates for Oahu have remained above 90 percent (*Id.*). As a result, according to the Healthcare Association of Hawaii's 2007 Financial Trends of Hawaii's Hospitals, Nursing Facilities, Home Care and Hospice Providers report, the number of waitlist days has increased in the state over the past two years. The increase in the number of waitlist days has resulted in a significant amount of uncompensated costs for hospital providers (*Id.*). Providing home health services to individuals may delay a person from needing inpatient services and as a result, alleviate some of the pressure on nursing homes to provide available beds and decrease the number of waitlist days.

Alternatives to this project include providing home health services in a hospital or institutional facility. This alternative is more costly and requires the removal of the patient from the home. Another alternative is to have a family member provide the required care. However, this may not always be a practical and viable option due to the medical skills that may be required to provide these services.

f) Availability of Resources

Management Resources

HHCP has an experienced management team that has successfully managed and operated HHCP's private duty nursing and home health services in Hawaii. The HHCP management team will continue to manage and operate the private duty nursing and home health services to be offered on the island of Oahu. The HHCP management team is led by Ms. Carolyn Frutoz-de Harne who is the founder and President/Chief Executive Officer of HHCP.

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Staffing Resources

HHCP will utilize its current private duty nurse and nurse aide staff to provide home health and private duty nursing services to the residents of Oahu. In addition, the following staffing will be needed to provide home health services on Oahu:

Staff	FTE
Statewide Administrator	1
Director of Nursing	1
Certified Nurse Assistant	4
Registered Nurse	3
Physical Therapist	2
Physical Therapist Assistant	2
Occupational Therapist (contracted)	2
Medical Social Worker (contracted)	1
Clerical	2
Total	18

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HHCP has commitments from two (2) physical therapists, one (1) occupational therapist, one (1) speech therapist and two (2) registered nurses to provide home health services on Oahu. HHCP will actively recruit the remaining home health care staff by placing advertisements in the Honolulu Advertiser, participating in job fairs, offering recruiting incentives and collaborating with staffing agencies. HHCP will also utilize available staff from the Kauai facility to ensure that the needs of home health care recipients on Oahu are satisfied.

Financial (Capital and Operating) Resources

There are no capital costs required for this project other than the costs for equipment. All other expenditures including rental expense will be paid from operating funds.

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.

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