



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

STANDARD APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number: #09-02

Applicant: ORI Anuenue Hale, Inc.
64-1488 Kamehameha Hwy.
Wahiawa, HI

Project Title: Establishment of Adult Day Health services

Project Address: same

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

Public	_____
Private	<u> X </u>
Non-profit	<u> X </u>
For-profit	_____
Individual	_____
Corporation	<u> X </u>
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:	<u> X </u>
Honolulu:	_____
Windward O`ahu:	_____
West O`ahu:	<u> X </u>
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 Attachment A
- 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.)
See Attachment B: Listing if Permits or Approvals before proposal can be implemented
- C. Your governing body: list by names, titles and address/phone numbers
See Attachment C: Board of Directors Information
- 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 Attachment D**
 - By-Laws - **See Attachment D**
 - Partnership Agreements - **Not applicable**
 - Tax Key Number (project's location) - **6-4-003:013**

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					X	
Private Practice						

5. **TOTAL CAPITAL COST:** \$ 835,391.00 (This includes land cost and the cost of the construction and completion of the Adult Day Health facility.)

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
TOTAL			

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.

A new service of adult day health is planned at ORI Anuenue Hale's new Wellness Center. This addition of service in our community is permitted under the CON rules and this section. This additional service will enable us to include nursing services, therapies, social services, pharmaceutical services and psychological services for the benefit of older adults / seniors with special care needs.

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

A. List All Project Costs:

AMOUNT:

1.	Land Acquisition	(Estimated land cost for the Adult Day Health facility)	\$ <u>7,862.00</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. – Building cost		\$ <u>827,529.00</u>
7.	Other:	_____	_____

TOTAL PROJECT COST: \$ 835,391.00

B. Source and Method of Estimation

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

The fair market value of the Wellness facility has not been formally assessed since the building was just completed in 2008. The amount listed above and below are based on actual, still to be audited, capital expenditures on the Wellness Facility utilizing four (4) CIP state appropriations and one private grant, which funded the completion of the building plus the land cost funded by city grants.

C. Source of Funds

AMOUNT:

1.	Cash	_____
2.	State Appropriations	\$ <u>777,529.00</u>
3.	Other Grants	\$ <u>50,000.00</u>
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: <u>City Appropriations</u>	\$ <u>7,862.00</u>

TOTAL SOURCE OF FUNDS: \$ 835,391.00

9. **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:

See attached Implementation Schedule

- 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, and
g) Date of commencement of operation.

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.

10. **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 E: Executive Summary (includes Site Map)

EXECUTIVE SUMMARY

Relationship to State Plan Criterion (H2P2)

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H2P2's goal to "provide older adults with the opportunity to better maintain good health and independent personal functioning" and its objective "to reduce the risk of injury and abuse by promoting a safe environment and community" will be supported by the proposed project to add an Adult Day Health program which will expand ORI Anuenue Hale's services for adults with special needs, particularly targeting the West Oahu area. By enabling ORI Anuenue Hale to expand its services to include adult day health, the agency is able to accept individuals with higher acuity levels.

In Chapter III-2 of H2P2, statewide and regional priorities include: a) for statewide – "Foster the development of care delivery systems for the elderly and chronically ill populations to provide effective management of their health and quality of life and in turn significantly reduce the heavy financial and social burden to their families and to the community," and Chapter III-6 of H2P2, b) for West Oahu subarea – "affordable long-term care and services in general for the elderly and their family members." The proposed project supports these priorities by creating a day health program that will benefit adults with special needs.

Need and Accessibility

There is a greater need and demand for day health programs in the State of Hawaii. Population studies and limited community and agency surveys demonstrate an immediate need for adult day health services. With the elderly population rapidly increasing and projected to rise to 20.0% of Honolulu's total population by 2010 (*reference: Abstract Four Year Plan on Aging 2007-2011, page 6*), the demand for Adult Day Health programs far outweighs the supply.

In the 2007-2011 Abstract Four-Year Area Plan on Aging report by the City and County of Honolulu, one of the goals was for "Older individuals to have in-home and community-based long-term care options" (*page 4*). The Four Year Area Plan also says that the U.S. Administration on Aging's efforts is to rebalance existing long-term care systems and offer "consumers at high-risk of nursing home placement to remain in their own homes and communities through the use of flexible service models, including consumer-directed models of care" (*page 4*).

In a comparison of the 2000 and 1990 censuses, the number of older adults in "areas traditionally thought of as 'country' – Waialua, Waianae, Koolauloa, Koolaupoko – gained population, while areas considered 'town', that is Honolulu, lost population. The major population growth has been and continues to be in the Ewa district (*page 7*)."

In addition, the Four Year Area Plan on Aging also reported data from the Department of Health in 2003 indicating that "32% of adults 60 years and older surveyed in Honolulu reported having high cholesterol...17% had diabetes, 49% had high blood pressure and 39% were overweight or obese" (*page 7*).

This report also states that the number of Honolulu residents 65 years and older, who have at least one disability, fell slightly in percentage from 40.4% in the year 2000 to 34.5% in the year 2005 (page 8). Still, "during that same period," the report states that "the total number of people 60 years of age and older with a disability increased by over 10,000 people" (page 8). The most common type of disability in both the 2000 and 2005 survey, was physical disability and a new category, "going outside the home alone to shop or visit a doctor's office" disability (page 8). "Of people 60 to 64-years old, one in four have at least one disability – a long-term condition that interferes with some aspect of their life. Among people 85-years or older, almost three out of four have a disability" (page 8).

Of the 122,994 persons who are 65 years of age or older, the report said that 18.5% live alone, with nearly 3x more women than men. Moreover, the Alzheimer's Association – Aloha Chapter, estimated, according to the report, that 10% of Oahu's population or 11,834 people, 65 years of age or older have Alzheimer's Disease and more than 7 out of 10 people living at home (page 8).

The Elderly Affairs Division of the City and County of Honolulu and service providers under its Aging Network reports in the Abstract Four Year Plan on Aging that there is an increasing need for services such as adult day care, on weekends and holidays as well as evening hours, and a growing number of "younger" elders (60-65) seeking assistance due to health related problems. There is also a growing concern of parents caring for adult children with disabilities, between the ages of 50 and 59, as to what will happen to their children when the parents can no longer provide care (page 11). There is a need for older individuals to receive services through a coordinated system of gap-filling, supportive, community-based services, which meets their needs and supports their ability to remain at home (reference: *Four-Year Plan on Aging 2007 – 2011, page 170*).

The report also indicated that the 35 adult day care / day health service providers on Oahu are able to meet only about four (4) percent of the estimated existing need. The report further estimates "48,635 need daytime personal care in a supervised, congregate setting" such as an adult day care / day health service (page 157).

The services to be provided by the proposed Program will be available to adults with special needs. It is anticipated that future utilization of the services will come primarily from residents in the facility's neighboring communities of Central Oahu and the North Shore and possibly portions of the Campbell area community, although the agency will not limit providing services to anyone eligible. Within the Central Oahu and North Shore communities, there is the Aged to Perfection Adult Day Care program currently serving 80 clients; while, the North Shore Hale Adult Day Care serves 20. It is apparent that this is hardly enough to meet the growing demand. Adult day care service providers in the area agree that an adult day health service is needed for some of their clients whose level of acuity require day health service.

The primary market areas include the Central Oahu, North Shore and possibly portions of the Campbell Area community. The agency's services will target older adults who are isolated, disabled, and economically and socially disadvantaged. The agency also anticipates participants to come from various socio-economic levels and racial, ethnic minority groups.

Obtained from the Center on the Family 2003 Community profiles showed the following statistics with regards to the targeted areas of service.

Target Areas to be Served	Total Population	% of Persons 65 & older living in poverty	% of Persons 65 & older with disability	% of Persons 65 & older living alone
Leilehua (Wahiawa)	41,608	9.9%	47.2%	28.9%
Waialua	12,435	8%	40.2%	14.5%
Kahuku	17,877	10.5%	43.8%	32.1%
Waipahu	51,458	12.1%	50.7%	17.6%
Mililani	45,123	3.2%	41.5%	25.9%
Campbell	43,637	8.2%	46.9%	11.3%

The **Leilehua area**, which includes the neighborhoods of Kunia, Wahiawa, Wheeler Army Airfield, Schofield Barracks and Whitmore Village, “has a relatively high unemployment rate. The per capita income is in the lowest 10% of all the communities in the State.” “Almost half of the residents are in the Armed Forces” and “only a few other communities have a lower percentage of people who own their own homes.”

The **Waialua** community encompassing “all of Haleiwa and parts of Waialua, Mokuleia and Kawailoa” in the North Shore of Oahu “has an unemployment rate that is slightly higher than the State Average and a per capita income that is in the lower half of all communities. Home ownership is low, and the percentage of families receiving Food Stamps is higher than in 75% of the communities statewide.”

The **Waipahu Area** “includes the neighborhoods of Waipahu, Waipio, Waikele, Robinson Heights, Royal Kunia and parts of Village Park.” “The per capita income of the Waipahu Area is in the lowest 20% in the State, and the unemployment rate is slightly higher than the State average. This community ranks second-highest in the State for seniors with disabilities and the fourth-highest for individuals over 65 living in poverty.”

Kahuku consists of the neighborhoods of Hauula, Kaaawa, Kahana, Kahuku, Kawela, Laie, Punaluu, Pupukea, Sunset Beach and Waimea. This community has a relatively high proportion of Caucasians, Hawaiians and Part-Hawaiians and has the highest concentration of Other Pacific Islanders in the State. “Per capita income is almost 25% lower than the state average. Unemployment is high, as is the percentage of people receiving food stamps and Temporary Assistance to Need Families (TANF). Almost one-third of the grandparents living with their grandchildren provide regular care for the children.”

The **Mililani area** covers “all of Mililani and includes Kipapa, Launani Valley, Waipio Acres and parts of Wahiawa.” This area generally has a per capita income “well above the state average and more people own their own homes here than in 90% of all the other communities.”

The **Campbell area** community is one of the fastest growing areas in the State and includes the “neighborhoods of Ewa, East Kapolei, Honouliuli, Ocean Pointe, West Loch and parts of Iroquois Point and Waipahu.” “The per capita income in this area is in the bottom third of the State almost 20% of the families in the Campbell Area receive assistance through the Food Stamp program. Almost half of the senior citizens here are living with a disability.”

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Overall, the areas, which will be served by ORI Anuenue Hale, will greatly benefit from affordable and accessible community-based services such as an adult day health to care for their growing number of adults with special needs.

Quality of Service/Care

By including an Adult Day Health program, participants will benefit from services such as limited nursing, rehabilitative and therapeutic activities, medication administration, limited social services, and recreation/socialization.

ORI Anuenue Hale, a private, non-profit 501(c)(3) corporation, will manage the proposed Adult Day Health program. ORI Anuenue Hale’s sister organization is ORI (Opportunities for the Retarded, Inc.) and has been operating a Medicaid Waiver (Home and Community Based) Adult Day Health program for 18 years and an Intermediate Care Facility for Persons with Mental Retardation (ICF-MR) for 12 years. ORI Anuenue Hale plans to meet state licensing requirements. As the number of participants to the Program increase, we also project hiring more direct care staff and increasing the time allotted for the Program by the administrator/program director. The full-time recreation therapist/activity coordinator may also serve as a direct care staff. Adult day health requirements for professional services such as physician, nursing, psychiatry, pharmacy, dietician, social and therapeutic services, will be met through the hiring of professional consultants.

The proposed project will improve quality of care by assisting adults in maintaining good health and independent personal functioning as well as increasing community-based, geriatric care services for the growing older adult population.

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

There is no major capital cost for the proposed program. In 2008, ORI Anuenue Hale completed the building where the day health center for adults with special needs, will currently operate. The proposed program is an additional program that will be offered by the agency. The cost of construction of the facility is not being charged to the program because construction was funded through other sources.

On a revenue basis, the proposed adult day health program is expected to operate with a small deficit for the current year. Donations, fundraising and current contract services funds will help to cover the current year deficit. We anticipate some of the program participants to be eligible for Medicaid funding for adult day health services. We anticipate Year 1, Year 2 and Year 3 to show a surplus, which should increase as we increase the number of participants in our program. The three-year projection of revenues and expenses is attached as **Exhibit D-2**.

Relationship to the Existing Health Care System

Expanding Adult Day Health services at the ORI Anuenue Hale site will enhance the health care system in the community by providing a much-needed service to a fast growing population of adults with special needs. The program will create up to 20 slots by Year 3, for individuals who need and could benefit from day health services on the island of Oahu. JAN 21 P3

The program will work in concert with hospitals, rehab centers, and other day care and day health programs to provide alternatives to families and adults with special needs in our community. The proposed program will not affect the utilization of other health care systems. There is currently a high demand for day health programs. The 20 slots this program will provide by Year 3 will not negatively impact other programs because the demand far outweighs the supply.

Availability of Resources

Recruiting and hiring of staff will be done by ORI Anuenue Hale and incrementally increase as required with the number of participants. Human resources for the proposed Adult Day Health Program are available. There is a potential pool of applicants from ORI Anuenue Hale's ongoing caregiver vocational training program, which is offered free to anyone interested from the community. ORI Anuenue Hale's training program utilizes the "Visions" curriculum of the Department of Health. Upon completion of this training program, students are able to take a Final and Medication Exam administered by the Department of Health. Passing these exams will enable students to receive a Caregiver Certificate from the Department of Health, which is an incentive for individuals who want to get into the field of caregiving.

ORI Anuenue Hale's sister organization, ORI (Opportunities for the Retarded, Inc.) operates an Adult Day Health Medicaid Waiver program for adults with developmental disabilities. The human resources, who are accessible to ORI Anuenue Hale, will have the experience and knowledge of operating an adult day health program.

With respect to financial resources, the facility for the adult day health program has already been built and paid for through government and private sources. Donations, fundraising monies and grants already obtained, will help to fund the upfront start-up costs and cover the year-end deficit for the current year operations. This proposal simply enhances and expands on existing day programs and does not require additional funds.