



ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: 11-03A Date of Receipt:
To be assigned by Agency

APPLICANT PROFILE

Project Title: Establishment of Adult Day Health Facility – The Senior Enrichment Center at Home Pumehana

Project Address: 270 Kolapa Place, Kaunakakai, Molokai, HI 96748

Applicant Facility/Organization: Arcadia Elder Services

Name of CEO or equivalent: Emmet White

Title: President & CEO

Address: 1434 Punahou Street, Honolulu, HI 96822

Phone Number: (808) 941-0941 Fax Number: (808) 949-4965

Contact Person for this Application: Philip Isaacs

Title: Director of Home and Community-Based Programs

Address: 1660 S. Beretania Street, Ste 201, Honolulu, Hawaii 96826

Phone Number: (808) 440-3048 Fax Number: (808) 440-3083

CERTIFICATION BY APPLICANT

I hereby attest that I reviewed the application and have knowledge of the content and the information contained herein. I declare that the project described and each statement amount and supporting documentation included is true and correct to the best of my knowledge and belief.

Emmet White
Signature

12-23-2010
Date

Emmet White
Name (please type or print)

President & CEO
Title (please type or print)

1. **TYPE OF 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: _____	_____

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:	<u>X</u>
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**
- C. Your governing body: list by names, titles and address/phone numbers **See Attachment C**
- 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) **5-3-002:168**

See Attachment D

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.

N/A

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

6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:		AMOUNT:
1.	Land Acquisition	_____
2.	Construction Contract	_____
3.	Fixed Equipment	_____
4.	Movable Equipment	<u>\$34,835.64</u>
5.	Financing Costs	_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>\$15,000.00</u>
7.	Other: _____	\$ _____
TOTAL PROJECT COST:		<u>\$49,835.64</u>

B. Source of Funds		
1.	Cash	_____
2.	State Appropriations	_____
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: <u>Program Funds</u>	<u>\$49,835.64</u>
TOTAL SOURCE OF FUNDS:		<u>\$49,835.64</u>

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.

A new service of Adult Day Health is planned at The Senior Enrichment Center at Home Pumehana's Adult Day Care Program. At this time Home Pumehana houses Senior Housing for independent seniors/disabled individuals, in addition to the Day Care Center. The expansion to the Adult Day Health services will allow additional services permitted under Title 11 Chapter 96 which include nursing, therapeutic (Physical, Occupational, Speech), social work, pharmaceutical and psychological services.

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

See attached Implementation Schedule

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.

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 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

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.

Implementation Schedule

Note: The facility was completed in 2003 and has been operating as an Adult Day Care Center since June 15, 2010. The proposed Adult Day Health Program is a change in service provision and does not require additional funding.

A. Date of site control for proposed project	N/A – Facility already constructed
B. Dates by which other government approval s/permits will be applied for and received	<ul style="list-style-type: none"> • Building Permit/COO – 1/6/2003 • Fire Inspection – 1/5/2010 • DHS Adult Day Care License - Exp. June 14, 2011 • Adult Day health License from DOH, Office of Health Care Assurance (OHCA) – licensing application will be submitted subsequent to CON approval.
C. Dates by which financing is assured for project	N/A – facility already constructed
D. Date Construction will commence	N/A – facility already constructed
E. Length of construction period	N/A – facility already constructed
F. Date of completion of project	N/A – facility already constructed
G. Date of commencement of operation	Adult Day Care Program – 6/15/10 licensed, participants admitted 8/10/2010 Adult Day Health Program – Commence operation subsequent to receipt of Licensure from DOH, contingent on CON approval

EXECUTIVE SUMMARY

Relation to the State of Hawaii Health Services and Facilities Plan

The goal of the Health Services and Facilities Plan (HSFP) is to “provide older adults with the opportunity to better maintain good health and independent personal functioning”. Its objective, “to reduce the risk of injury and abuse by promoting a safe environment and community,” will be supported by the proposed enhancement to the Senior Enrichment Center at Home Pumehana by expanding its current Adult Day Care Center to include an Adult Day Health Program. Expansion of its services will allow for the provision of care and services to participants with higher acuity levels of care needs.

In Chapter III of HSFP 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 burden to their families and to the community”, and b) for the Molokai community – “increased geriatric care services for the growing elderly population “, which includes Adult Day Care and Rehabilitation/Occupational Therapy.

Need and Accessibility

There is a substantial need and demand for day health programs in the State of Hawaii and more so on the island of Molokai, which currently has no adult day health program and only one Adult Day Care Program. The proposed program will be located in Kaunakakai with access to the only Senior Housing Complex on island, within a mile of the hospital, Fire/EMS services, Community Health Clinic and pharmacy. The program also has a handicap van which can be used to transport kupuna who do not have any means of transportation to and from the program.

The services to be provided by the proposed Program will be available for the Molokai community of aging and disabled seniors. In the future, as funds become available through financial operations and contributions as they may be generated, the Senior Enrichment Center at Home Pumehana plans a scholarship fund for adults/seniors who fall within the gap group with insufficient income or means to attend the center. The Program does not discriminate on the basis of race, gender, creed, religion or sexual preference and will be available to all adult persons in need of and interest in receiving services.

Quality Criteria

By including an Adult Day Health Program in the existing Adult Day Care Center at Home Pumehana, participants, depending on their functional level, will benefit from services such as limited nursing, therapeutic services (Occupational, Speech and Physical), medication administration, limited social services, a myriad of activities and socialization, as well as cognitive stimulation.

Arcadia Elder Services, a subsidiary management company owned, operated and staffed by Arcadia Retirement Residence, will contract with Na Pu'uwai Native Hawaiian Health Care System to manage and operate the proposed Adult Day Health Program. To maintain a high standard of quality care, Arcadia Elder Services will oversee the operations of the Adult Day Health Program and ensure that Na Pu'uwai adheres to standards as developed and required by Arcadia Elder Services. In order to provide excellent quality of care, Arcadia Elder Services estimates a staff of 6 FTEs (1 FTE Program/Activity Director, 3 FTE CNAs), .5 FTE Registered Nurse and .25 FTE Medical Director.

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

Cost and Finances

There is no major capital cost for the proposed program. In January 2002, the building was constructed by Hale Mahaolu as an addition to their Senior Community Center.

In June 2010, Arcadia Elder Services obtained a license to operate an Adult Day Care program, which is being managed and operated by Na Pu'uwai Native Hawaiian Health Care System. The proposed program is an additional program that will be offered at the Adult Day Care Center under the auspices of AES. The cost of the construction of the facility is not being charged to the program as the construction was funded through HUD and other funding sources as obtained by Hale Mahaolu .

On a revenue basis, the proposed adult day health program is expected to operate with a deficit for years-1 and 2 of its operations. As the unemployment in Molokai is almost double the statewide average at 14.0%, and the per capita income of \$15,200 is among the lowest in the State (\$21,525), it is difficult to obtain large amounts of revenue. The current day care clients qualify for Medicaid assistance and only one client is able to pay the full costs. Thus, it is difficult at this time to estimate the total revenue to be generated from this venture. Na Pu'uwai has applied for grants to assist in payment for operating costs.

Relation to the Existing Health Care System Criterion

Expanding Adult Day Health services at the Senior Enrichment Center at Home Pumehana site will enhance the health care system in the community by providing a much-needed service to a fast growing elderly population. The program will create up to 8 slots for individuals who need and could benefit from day health services on the island of Molokai.

The program will work in concert with the hospital, Community Health Center, community therapists, community outreach programs within the community and the Aging Network within Maui County. The proposed program will not affect the utilizations

of other health care systems. Molokai is faced with a lack of long term care services, as there is no nursing home, 3 adult residential care homes with a bed capacity of 15 residents (who currently are not able to care for individuals at the nursing home level of care), and no adult foster homes for the elderly or the disabled.

Based on results of a long term survey conducted in 2010 of 166 kupuna, 47% indicated that they would utilize the services of an adult day care center. The current day care center was licensed effective June 15, 2010, and officially admitted its first clients on August 10, 2010. As the day care is in its infancy stages the licensed capacity of 12 has not been achieved. However, based on assessments conducted or potential clients and feedback from the community, it appears that many kupuna that are home bound and would benefit from a structured day program, are at the nursing home level of care, and would qualify for and benefit from services of a day health program.

Availability of Resources

Human resources for the proposed Senior Enrichment Center at Home Pumehana Adult Day Health Program are available, as Na Pu'uwai has the available staff and hiring is not anticipated to be a problem.

With respect to financial resources, the facility has already been built by Hale Mahaolu through its funding resources and is currently operating as an Adult Day Care Center. This proposal simply enhances and expands the service provision to enable care and services to clients of a higher acuity level and does not require additional funds.