



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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STANDARD APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 11-12 To be assigned by Agency

Date of Receipt: ST HLTH PLNG & DEV. AGENCY

APPLICANT PROFILE

Project Title: Establishment of a Certified Home Health Agency – Kauai County

Project Address: 4297C Omao Road, Koloa, HI 96756

Applicant Facility/Organization: Stay at Home HealthCare Services, LLC

Name of CEO or equivalent: Richard Kishaba

Title: President

Address: 45-181 Waikalua Road, Kaneohe, HI 96744

Phone Number: 808-247-0003 Fax Number: 808-247-0018

Contact Person for this Application: Nadine Smith

Title: Chief Operating Officer

Address: 45-181 Waikalua Road, Kaneohe, HI 96744

Phone Number: 808-282-2508 Fax Number: 808-247-0018

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.

Signature: [Handwritten Signature]

Date: 6/21/2011

Name: Nadine Smith (please type or print)

Title: Chief Operating Officer (please type or print)

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

- Public
- Private
- Non-profit
- For-profit
- Individual
- Corporation
- 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: \_\_\_\_\_
- 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) **See letter of intent to lease and exhibit A floor plan of site Appendix "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.)

A. Date of site control for proposed project	<b>4297C Omao Road, Koloa, HI 96756</b> (See Appendix "A")
B. Dates by which other government approval s/permits will be applied for and received	Home Health Agency State License from DOH, Office of Health Care Assurance (OHCA) – DOH licensing and Medicare certification applications 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	Home Health Agency – Commence operation subsequent to receipt of Licensure from DOH and Medicare certification, contingent on CON approval

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

- 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 Appendix "C")
  - By-Laws – N/A
  - Partnership Agreements – N/A
  - Tax Key Number (project's location) – 2-7-008-030-0000

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					<b>X</b>	
Private Practice						

5. **TOTAL CAPITAL COST: \$90,900**

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
N/A			
<b>TOTAL</b>			

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.

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Stay at Home HealthCare Services, LLC (SHHS) is seeking to operate a Home Health Agency on the island of Kauai. The change in service would include the establishment of a certified home health agency throughout the county of Kauai to include skilled nursing services, physical therapy, occupational therapy, speech therapy, medical social services, dietary consultations and home-health aide services.

The addition of these services will complement the existing non-certified home health agencies through provision of care and services to a highly vulnerable population throughout the island. Service standards will be in compliance with the safety and care requirements set forth in the Conditions of Participation and Conditions of Coverage under the Centers for Medicare and Medicaid Services.

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

<b>A. List All Project Costs:</b>	<b>AMOUNT:</b>
1. Land Acquisition	_____
2. Construction Contract	_____
3. Fixed Equipment	_____
4. Movable Equipment	<b>\$65,900</b>
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	<b>\$25,000</b>
7. Other: _____	_____
<b>TOTAL PROJECT COST:</b>	<b>\$90,900</b>

**B. Source and Method of Estimation**

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

**Costs were based on estimate market prices for furniture, fixtures and equipment and the market price for the office space.**

<b>C. Source of Funds</b>	<b>AMOUNT:</b>
1. Cash	<b>\$1,000</b>
2. State Appropriations	_____

3.	Other Grants	_____
4.	Fund Drive	_____
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5.	Debt	<b>\$64,900</b>
6.	Other: Fair market value of leased space to be paid by monthly lease payments	<b>\$25,000</b>

**ST. HEALTH PLANNING & DEV. AGENCY**  
**TOTAL SOURCE OF FUNDS: \$90,900**

**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:

The proposed Home Health Agency is a change in service provision utilizing existing staff that possess the necessary credentials, licensure and competency to provide the required services which include skilled nursing, rehabilitation services (Physical, Occupational and Speech therapies), social services and medical interventions as required.

A. Date of site control for proposed project	4297C Omao Road, Koloa, HI 96756 (See Appendix "A")
B. Dates by which other government approval s/permits will be applied for and received	<ul style="list-style-type: none"> <li>Home Health Agency State License from DOH, Office of Health Care Assurance (OHCA) – DOH licensing and Medicare certification applications will be submitted subsequent to CON approval.</li> </ul>
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	Home Health Agency – Commence operation subsequent to receipt of Licensure from DOH and Medicare certification, contingent on CON approval

*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 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

Stay at Home HealthCare Services, LLC ("SHHS") is seeking to operate a Home Health Agency on the island of Kauai. SHHS is a wholly owned subsidiary of Ohana Pacific Management Company, Inc ("OPMC"). Currently, OPMC, through its wholly owned subsidiaries, is primarily engaged in the provision of the following services: skilled nursing care, intermediate care, respite care, adult day care/day health centers and rehabilitation services on the islands of Oahu and Kauai.

The company currently owns and manages the overall operations of four nursing facilities, with a total bed count of 391, located in Kaneohe, Koloa, Waianae, and Lihue. OPMC also manages a freestanding adult day care/day health center in Lihue. The primary care and services provided by the entities include:

- Ann Pearl Care Home on Oahu -Skilled nursing care, intermediate care, rehabilitation therapy, respite care, and adult day health services;
- Hale Kupuna Heritage Home on Kauai - Skilled nursing care, intermediate care, rehabilitation therapy, and activity services;
- Leeward Integrated Health Services on Oahu - Skilled nursing care, intermediate care, rehabilitation therapy, long-term care, and activity services;
- Garden Isle Health and Rehabilitation Center on Kauai - Skilled nursing care, intermediate care, rehabilitation therapy, and activity services;
- Kauai Adult Day Health Center on Kauai – Daily health and activity programs servicing the Kauai community; and
- Ohana Pacific Management Company - Overall strategic management for its respective subsidiaries/settings.

SHHS will adopt the same mission and vision of the organization which is consistent with the State of Hawaii, Health Services and Facilities Plan (HSFP) whereby:

1. Ohana Pacific Management Company's Mission is 'Caring for Our Kupuna'. The reason our company exists is to provide compassionate care for the Kupuna of Hawaii. Our Vision is 'To be a Blessing'. We strive to be a blessing by going beyond what is expected for all of our Ohana. Our Ohana include our Kupuna, our great Staff, our Families and the Communities which we serve.

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2. The Core Values of our Company guides our actions and is the basis for our Company's Culture. We are one entity united by our core values. We believe each facility or project will build on these core values to enhance its community and accomplish its mission. Our core values are:

- a. Our Kupuna come first.
- b. Our Staff is our most valuable resource.
- c. We believe in an empowered workforce.
- d. We emphasize teamwork.
- e. We provide our services with integrity and compassion.
- f. We are committed to excellence in all that we do.
- g. We believe in the importance of a positive attitude.
- h. We strive to continually improve our services.
- i. We believe in supporting, providing leadership, and investing in our community.
- j. We maintain a healthy financial position in order to fulfill our mission.

Stay at Home HealthCare Services, LLC will provide home care services in alignment with the statewide and regional priorities for Kauai. This project will be in direct alignment with the goals and objectives of the State of Hawai'i Health Services and Facilities Plan through collaboration with community resources to ensure care and services are provided to meet the individual needs of the client. No one is exactly alike and neither are their plans of care.

Our teams' client-centered approach to care will be guided by a comprehensive and customized program for each individual. The teams' understanding of each client's needs, preferences and expectations will guide them to provide meaningful and dependable quality care. Clients and their families will collaborate with the team to develop a plan consistent with the quality of life desired. This collaboration and comprehensive understanding leads to the personalized care and services necessary for the best quality of life. Our team will develop custom plans of care tailored to the specific circumstances of the individual.

#### **a) Relationship to the State of Hawai'i Health Services Plan**

SHHS fully understands the statewide and regional priorities outlined in the State of Hawaii, Health Services and Facilities Plan (HSFP). As outlined in "*Section A; Relation to the State Plan Criterion*", SHHS is committed to providing care and services consistent with the values and priorities of the State and County of Kauai. SHHS is a locally owned company and through OPMC has had a presence on Kauai since 2001 with expansions in 2004 and 2009 demonstrating an ongoing commitment to the provision of health care to the Kauai community. The organizations success is partially contributed to understanding the culture and diversity of Kauai and those we serve.

This project will encompass a large group of vulnerable individuals on Kauai in need of home health care services. The ability to provide a continuum of services from the hospital or skilled nursing facility back into the community is the project's primary goal and objective. This will enable Kauai residents to live in their own home while receiving the care and services necessary to achieve the highest possible quality of life and quality of care. Reintegration back into the community with appropriate services can decrease the number of unnecessary hospital days and promote a faster recovery period. Further, the program will provide training for caregivers to ensure that appropriate care is being provided and necessary services are sought timely.

As outlined in "Section A: Relation to the State Plan Criterion". SHHS is committed to deliver care and services in alignment with state and county values recognizing the needs of the unique culture we care for everyday.

### **b) Need and Accessibility**

There is a substantial need and demand for home health services in the State of Hawaii and more so on the island of Kauai, which currently has limited in-home services for the home bound. There are currently two Medicare certified home health agencies although only one is currently operating and providing services to the island. The proposed agency will be located in or near Lihue with close access to the hospital, fire and emergency medical services, a nursing facility and an adult day health center.

The services to be provided will be available for the Kauai community to individuals of all ages that require skilled nursing and/or therapeutic services. Additionally, the staff will provide care coordination that will enhance access to services as well as assistance in referrals to other community outreach services that their clients may require.

According to the U.S. census bureau, Kauai is expected to have the largest growth in elderly populations within the state. From 1990-2005 there is a clear documented increase in life expectancy which occurred on Kauai demonstrating a 2.2-year life expectancy increase which is the 2<sup>nd</sup> highest in the state.

Without the foresight to create a structure to meet the potential demands, Kauai may face the inability to care for those needing health care services. SHHS is committed to develop a continuum of care structure to assist with the aging demands that Kauai will be faced with as well as provide services to those who would otherwise not be able to access care due to obstacles such as lack of transportation, lack of support systems and medically fragile conditions. The provision of these services will provide early identification of risks that could contribute to hospitalization and allow interventions to be implemented early on in the assessment period.

For further detailed information and analysis of SHHS relationship to the need and accessibility, please refer to "Section B: Need and Accessibility".

### **c) Quality and Service/Care**

OPMC is a committed and compassionate company providing health care services to Kauai since 2001 with expansions in 2004 and 2009 including skilled nursing, rehabilitation and adult day health care. The organization demonstrates an ongoing commitment to the provision of health care to the Kauai community. Through SHHS, the establishment of a home health agency with care coordination, homebound individuals depending on their functional level, will benefit from services such as skilled nursing, therapeutic services (Occupational, Speech and Physical), assistance in medication, and social services/care coordination. An added component is the ability of SHHS to provide ongoing education to the client, family, caregivers and other individuals in the client's circle of support in the areas of disease management, appropriate methods of care giving and most important how to access needed services. SHHS will be dedicated to provide the committed and compassionate health care services to a highly vulnerable population on the island of Kauai.



In order to provide excellent quality of care, SHHS estimates a start-up staff of 7.92 FTEs including 2.44 FTEs Registered Nurses, 0.35 FTE Home Health Aides, .03 FTE Masters in Social Work, 1.10 FTEs Rehab therapists and 4.0 FTEs in administrative staff . Ongoing assessments will be conducted and as the client base increases, staffing patterns will be adjusted to meet those needs. SHHS is anticipating the need to establish satellite offices in order to provide timely outreach to its clients as the client base increases and on an as needed basis.

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

For further detailed information and analysis of SHHS relationship to the quality and service care criteria, please refer to "*Section C: Quality Criteria*".

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

There is no major capital cost for the proposed program. On a revenue basis, the proposed home health agency is expected to operate with a budget of \$1.55 million and anticipate revenues in the 1<sup>st</sup> year of \$750,000. We do not anticipate operating with a deficit. We will assist in the application process with DHS for those in need.

For further detailed information and analysis of SHHS relationship to the Cost and Finances please refer to "*Section D: Cost and Finances*".

**e) Relationship to the Existing Health Care System**

Home health services will enhance the health care system in the community by providing a much-needed service to a fast growing elderly population. The addition of this agency will provide homebound individuals with needed services as there currently is only one other Medicare/Medicaid certified home health agency on island. With the anticipated increase in the aging population coupled with the desire for the Kupuna to be cared for in their own home setting, SHHS will add additional services to the community by assisting in the reduction in the hospital wait list and allow for early discharge. Additionally, with the care coordination component, homebound individuals will also realize ready access to services that they may need.

The addition of this home health agency will not affect the utilizations of other health care systems currently operating on island, but instead complement the services currently available. The ability to expand into the home health sector will allow a greater population to be served that is now limited in home health services. The objective will be in direct alignment with the State of Hawai'i Health Services and Facilities Plan by reaching out to and servicing the identified vulnerable populations. Services will be provided to those with disabilities, all ethnic groups, low-income levels, rural geographical areas, and the elderly. The home health services will promote and provide community specific education on identified risk areas thus individualizing the education to meet the needs of the community at large.

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The ability of SHHS to customize the training programs will be accomplished through extensive resources on Oahu and Kauai within our current employees throughout the organization. In addition to a multitude of clinical staff, SHHS will have access to 5 dietitians, trained diabetic educators, certified wound care specialist, certified case manager, Intravenous certified nurses, negative-pressure wound trained nurses and a state approved CNA educator on Kauai and Oahu placing us at an advantage within the health care arena in the Hawaii.

Based on assessments conducted of potential clients and feedback from the community, it appears that many Kupuna, would seek services that SHHS would potentially provide. Based on the survey feedback 53% (49 out of 92 respondents) stated they would anticipate the need for home health care in the foreseeable future and 84% (78 out of 93) stated they would prefer care in their home versus a nursing home with reputation being the most significant factor when choosing followed by cost.

For further detailed information and analysis of SHHS relationship to the Relationship to Existing Health Care System, please refer to "*Section E: Relationship to Existing Health Care System*".

See Appendix "D" for copy of community survey

#### **f) Availability of Resources**

Human resources for the proposed home health agency are available. SHHS through OPMC has the available qualified staff and if needed, hiring is not anticipated to be a problem. SHHS is a wholly owned subsidiary of Ohana Pacific Management Company, Inc ("OPMC") that has the existing financial capital as well as human resources to fully support a viable home health services program for the Kauai community.

Further, SHHS will have access to recruiters both internally and externally if the need for additional personnel is required and throughout the organization. OPMC's current workforce is just under 600 personnel statewide with 256 located on the island of Kauai.

With respect to financial resources, SHHS through OPMC has the existing financial capital, as mentioned above, and thus the ability to completely fund and sustain this program. OPMC currently has multiple service agreements with health care providers and agencies on both Oahu and Kauai which will be extended to SHHS.

The intent of SHHS will be to establish additional contracts with respect to this program with multiple providers upon receipt of the certificate of need and State licensure. This proposal simply enhances and expands the service provision to enable care and services to homebound individuals and does not require additional funds.

For further detailed information and analysis of SHHS relationship to Availability of Resources, please refer to "*Section F: Availability of Resources*".

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