

HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 14-05A Date of Receipt: _____
To be assigned by Agency

APPLICANT PROFILE

Project Title: Addition of 16 Special Treatment Facility (STF) beds

Project Address: 45-845 Po-okela Street
Kaneohe, HI 96744

Applicant Facility/Organization: The Alcoholic Rehabilitation Services, Inc. dba Hina Mauka

Name of CEO or equivalent: Alan Johnson

Title: Chief Executive Officer

Address: 45-845 Po'okela Street, Kaneohe, HI 96744

Phone Number: (808) 236-2600 Fax Number: (800) 236-2626

Contact Person for this Application: Marie Hughes

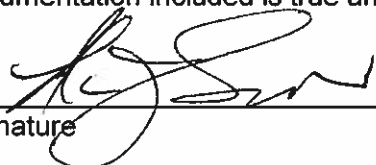
Title: Chief Administrative Officer

Address: 45-845 Po'okela Street, Kaneohe, HI 96744

Phone Number: (808) 447-5249 Fax Number: (808) 236-2626

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

Alan Johnson
Name (please type or print)

May 16, 2014
Date

Chief Executive Officer
Title (please type or print)

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

- Public _____
- Private _____ x
- Non-profit _____ x
- For-profit _____
- Individual _____
- Corporation _____ x
- 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: _____ 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) [Attachment 1]
- 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.) [Attachment 2]
- C. Your governing body: list by names, titles and address/phone numbers [Attachment 3]
- 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 [Attachment 4]
 - By-Laws [Attachment 5]
 - Partnership Agreements N/A
 - Tax Key Number (project's location) [Attachment 6]

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					X
Outpatient Facility					
Private Practice					

5. BED CHANGES. Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
STF	53	16	69
TOTAL	53	16	69

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6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:	'14 JUN -6 P3 :38	AMOUNT:
1. Land Acquisition		<u>0</u>
2. Construction Contract	ST HLTH PLAN & DEV. AGENCY	<u>2,240,000</u>
3. Fixed Equipment		<u>250,000</u>
4. Movable Equipment		<u>10,000</u>
5. Financing Costs		<u>0</u>
6. Fair Market Value of assets acquired by lease, rent, donation, etc.		<u>0</u>
7. Other: _____		<u>0</u>
TOTAL PROJECT COST:		<u>2,500,000</u>

B. Source of Funds

1. Cash		<u>100,000</u>
2. State Appropriations		<u>1,950,000</u>
3. Other Grants		<u>385,000</u>
4. Fund Drive		<u>50,000</u>
5. Debt		<u>0</u>
6. Other: <u>Community Donations</u>		<u>15,000</u>
TOTAL SOURCE OF FUNDS:		<u>2,500,000</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.

N/A

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: [\[Attachment 7\]](#)
- 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

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. [\[Attachment 8\]](#)
- 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.

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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9. **EXECUTIVE SUMMARY:**

Hina Mauka intends to expand our existing 53 bed adult residential facility by adding an additional 16 beds. This will help up to 200 more adult patients. Starting with a planning grant from the City and County, Hina Mauka will prepare a bid and select the best qualified and lowest priced Architect. The architect will begin planning, including developing drawings and preparing a bid for selecting a project manager. We will select the Project Manager who will help with obtaining proper permits, inspections, audit fees and other administrative costs. The Architect and Project Manager will prepare a construction bid and help select the contractor.

Certificate of Need Criteria:

a) Relationship to the State of Hawai'i Health Services and Facilities Plan.

Currently, Hina Mauka provides a comprehensive continuum of care to treat substance use disorders and related mental health issues that includes adult residential, intensive outpatient, family counseling, and urine analysis testing at three sites on Oahu. The proposed expansion of residential beds compliments the Statewide Health Coordinating Council's priorities by increasing and improving access to substance abuse services for residents of Oahu. In addition the proposed expansion of beds compliments the Windward Subarea Health and Planning Council's priorities of improving bed availability and transfer of patients from acute care facilities to specialized continued treatment. The proposed bed expansion is for adult residential clients defined by age as 18 years or older.

b) Need and Accessibility.

Hina Mauka averages 40 people per day on the wait list who are waiting for bed openings because residential beds in all facilities across Oahu are full. More and more people need the residential level of care because their complex problems are becoming more severe with chronic substance abuse and untreated psychological and medical challenges that require longer term acute care to effectively attain and maintain recovery. While Quest is essentially state funded services, the State is also increasing their direct funding for treatment from both Judiciary and Public Safety because treatment reduces recidivism, improves safety and lowers costs. Many of these patients, who have mental illness and/or homelessness or criminality issues, have chronic conditions that meet criteria for residential treatment. Public Safety/parole, report that there are over 1,000 potential parolees who need residential care before their re-entry into communities. Without our proposed bed expansion, many people will start reentry into our community without treatment for their serious addiction. Moreover, the general populations who are not offenders remain unhealthy in our community because without treatment, they are unable to manage their complex issues on their own. Hina Mauka accepts all referrals on the island of Oahu including the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups who need access to those services.

c) Quality of Service/Care.

Hina Mauka is a not-for-profit substance abuse treatment agency that was incorporated in

1976 as The Alcoholic Rehabilitation Services of Hawaii, Inc. Hina Mauka has been CARF accredited since 1998.

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Hina Mauka has on its staff Psychiatrists, Registered Nurses, Licensed Social Workers, and Certified Substance abuse counselors. Hina Mauka is currently licensed by the State to provide residential services at our Kaneohe site in Windward Oahu. At this site, where the proposed expansion is planned, Hina Mauka also provides the full continuum of care including Motivational Enhancement, Residential, Intensive Outpatient (IOP), Outpatient, Recovery Oriented Services/Continuing Care, as well as urine collection and testing. Hina Mauka has extensive experience utilizing Evidence-Based Practices. Hina Mauka uses evidence-based treatment curriculum that can be found at SAMHSA's National Registry of Evidence-based Programs and Practices as well as National Institute on Drug Abuse endorsed practices. Evidence-based curricula that Hina Mauka has experience utilizing include Treatment Improvement Protocol (TIP) 39 - Substance Abuse Treatment and Family Therapy; TIP 48 - Managing Depressive Symptoms in Substance Abuse Clients During Early Recovery; TIP 50 - Addressing Suicidal Thoughts and Behaviors in Substance Abuse Treatment; and, from NIDA, scientific information about the disease of drug addiction and research on drug abuse and criminal justice, including interventions to promote successful re-entry. Hina Mauka identifies SAMHSA-designated programs that are EBP and approaches that have been proven to serve the adult population, including cognitive behavioral therapy and motivational interviewing. Hina Mauka has experience with training and supervising staff to use evidence-based practices in order to ensure fidelity to the programs while also ensuring they are appropriate for the Hawaii population.

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

Hina Mauka requested \$250,000 from State Grant-in-Aid and received \$187,500 for a planning project to expand our existing 53 bed facility by 16 beds. Hina Mauka would apply for the next grant in aid as well as secure foundation funds for the construction phase. The proposed budget is:

Cash	\$100,000
State Grant-In-Aid (GIA) Appropriations	\$1,950,000
City and County GIA 2014/2015	\$385,000
Castle Foundation	\$50,000
Community Donations/Board of Directors	\$15,000
Total	\$2,500,000

Revenue and cost projections for the first and third year of the operation:

	Revenue	Cost Projections/Expenses
First Year	948,045.	882,500.
Third Year	1,037,616	981,750

e) **Relationship to the existing health care system.**

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As the medical field moves towards a Patient Centered Medical Home model, we now know that 5% of Hawaii's people utilize about 50% of all medical costs in the state. People with chronic medical conditions that use emergent care, generate huge costs and generally have significant behavioral health problems that include substance abuse. Hina Mauka is addressing these challenges by developing the expertise and capacity to treat chronic addiction as a means to help us improve care and substantially lower costs. Effectively treating both chronic medical and behavioral health conditions simultaneously often requires residential treatment. Expanding residential services will be key in the future to address these debilitating and costly medical conditions effectively. Hina Mauka has developed expertise with mental health diagnoses and can effectively treat both substance abuse and mental illness. Since the American Medical Association has declared addiction a brain disease in 2011, treatment for substance use disorders has progressive understandings that have resulted in new medications that greatly enhance treatment effectiveness. Treatment, as an effective solution to the significant and costly social problems caused by addiction, is evolving exponentially and will be expanded as the preferred choice in the near future.

f) **Availability of Resources.**

Hina Mauka's revenue is \$7.6 million per year from state, federal and insurance contracts. For adults, our population is over 95% low-income. Hina Mauka has a 53 bed facility serving about 500 Hawaii residents per year. Hina Mauka has fundraising capabilities through our Board of Directors and has contracted with Beth Lum, a fund raiser from CFR. Hina Mauka has relationships and previous funding from many of the local foundations including Castle, Weinberg, HCF, and numerous other local foundations and businesses. Hina Mauka currently raises funds through an annual luncheon, Run/Walk, and recently, a luau. We are a member of AUW. With about 135 total staff, Hina Mauka has a three staff Maintenance department, about 10 staff in Accounting and IT departments, and two staff in Quality Control department.

Hina Mauka has long term leadership with our CEO/COO (17 years), CFO (over 14 years) and CAO (9 years) achieving stable financial results. Linda Brownholtz, CFO has over 40 years accounting experience and Marie Hughes, CAO, has over 30 years of managerial experience. Hina Mauka proposes to contract with a Project Manager under this grant to help lead this project to successful completion. Hina Mauka will obtain fidelity bonds for these staff as part of the project if required. Hina Mauka will work closely with the City for each project activity. Hina Mauka collaborates with over 25 other non-profit agencies, multiple state agencies such as DOH, DHS, PSD, Judiciary, and has long standing relationships, through our Board, with banks, construction companies, legal services, accounting firms, insurance companies, HECO, and numerous other businesses. Hina Mauka has and is developing stronger relationships with Native Hawaiian groups.

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For this proposed bed expansion, Hina Mauka will hire six (6) additional staff. One (1) intake/admissions Counselor; two (2) Counselors; two (2) Treatment Associates and one (1) support staff. The minimum level of education, training, and experience preferred for staff that are authorized to provide services are: The minimum level of education, training, and experience preferred for staff that are authorized to provide services are:

- Licensed Counselors – Current Licensed Marriage and Family Therapist (LMFT) or Licensed Clinical Social Worker (LCSW).
- Counselors – Certified Substance Abuse Counselor (CSAC) and/or master's level in social work, psychology or related field.
- Treatment Associates - High school diploma and ability to work with and relate to clients with substance abuse disorders, including dually diagnosed. Certification in CPR, AED and First Aid.
- Support Staff - High school diploma or GED equivalent. Advanced skills in MS Word, Excel, and Outlook.

Hina Mauka recruits staff from within, provides job opportunities opportunity listings to local universities and colleges, local newspapers, internet job listing sites and the Hina Mauka website.

All applicants are considered according to the positions minimum qualifications. Hina Mauka has a non-discrimination policy except in the areas of criminal convictions when individuals who are actively under Federal or State pretrial services, probation, parole, or supervised status for any clinical or administrative position in any clinical capacity. New hires are on probation for 90 days. During this time they receive training on job duties, and policies and procedures. Volunteers, interns, and trainees receive orientation and training as necessary. Each employee receives an employee handbook. Staff is provided extensive training each year. Hina Mauka includes a line item budget each year for training.