

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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September 9, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

IN THE MATTER OF)	CERTIFICATE OF NEED
)	APPLICATION
)	NO. 04-18E
American Medical Response (AMR))	
)	
Applicant)	
_____)	DECISION ON THE MERITS

DECISION ON THE MERITS

The State Health Planning and Development Agency (hereinafter "Agency"), having taken into consideration all of the records pertaining to Certificate of Need Application No. 04-18E on file with the Agency, hereby makes its Decision on the Merits, including findings of fact, conclusions of law and order on Certificate of Need Application No. 04-18E.

I

BACKGROUND

1. On August 3, 2004 the applicant filed with the Agency a Certificate of Need application for the establishment of a helicopter air ambulance service for Maui County, at a capital cost of \$1,750,000.
2. American Medical Response (AMR) is a trade name registered in the State of Hawaii to International Life Support, Inc.
3. On August 4th, August 5th, August 11th, August 24th, September 1st, September 3rd, and September 9th, 2004, the applicant submitted additional information. On September 9th, 2004, the application was determined to be complete. For administrative purposes, the Agency designated the application as Cert. #04-18E.

II

FINDINGS OF FACT

4. The applicant states that "We believe there is a clear and present danger to the public health if the service is unable to begin operations in September 2004 as is now scheduled. If SHPDA permits an emergency CON application, the application could be processed and approved September 2004. Any delay could result in death or serious injury to members of the public who need the service of a helicopter air ambulance, but are unable to get it."

5. The applicant states that "There is a precedent for granting emergency CON review to a helicopter air ambulance. In 1999 the agency approved such an application (#99-05E) from Pacific Helicopter and AMR for a helicopter ambulance service on Kaho'olawe as part of the unexploded ordinance clearance and environmental restoration project. Clearly, the danger on Kaho'olawe was high, but the population at risk was small. For the three islands of Maui County we have a much higher population (128,241 residents in 2000) which is at risk of death or serious injury every day this important service is unavailable."

6. With respect to the H2P2 goal of increasing the span of healthy life for Hawaii's residents, the applicant states that "Rapid access to emergency care, especially meeting the 'golden hour,' standard will save and extend lives."

7. With respect to the H2P2 Maui County Tri-Isle Subarea Values and Priorities, the applicant states that "... the Tri-isle SAC identified 5 main priorities. The second of these (as noted above) is 'Emergency Medical Services+; Ground+; Aeromedical (helicopter).' This proposal directly responds to this priority."

8. The applicant states that "Chapters IV through XI of the H2P2 discuss various diseases and conditions. The most pertinent ones addressed by this proposal would be in Chapter VII, Heart Disease and Stroke. This proposal directly addresses process measure HDP-10 'number of persons receiving thrombolytic therapy when appropriate.' "

9. The applicant states that "Currently, there is no helicopter air ambulance service in Maui County ... It is crucial for many patients (especially trauma, heart and CVA cases) that they arrive at a facility with definitive treatment within the 'golden hour'. There are many remote places on the three islands where it is impossible to achieve this standard through basic ground transportation, or through ground transportation combined with the existing fixed-wing air ambulance."

10. The applicant states that its services will be accessible to all patients who need it and that services will be provided without discrimination based on race, age, ethnicity, income, religion, gender or any other category.

11. The applicant states that "AMR is an existing provider of ALS ambulance service in the State of Hawai'i" and that it has "...experience in providing helicopter ambulance service for the Kaho'olawe project."

12. The applicant states that "We are fully licensed, and our staff is trained, certified and experienced."

13. The applicant states that "No capital funding is required by AMR, since the helicopter will be sub-contracted from Pacific helicopters, and there will be no cash financing or other debt."

14. The applicant states that the operating expenses for the last 11 months of fiscal year 2005 (August 1, 2004 – June 30, 2005) are estimated to be \$1,223,000.

15. The applicant states that "The operating expenses for year one will be subsidized by the State and the County. The State and County subsidies (\$611,500 each) have already been appropriated and committed."

16. The applicant states that "The service will be integrated into the existing EMS service of Maui and the State. It will also be fully integrated into the hospital systems of Maui and O'ahu."

17. The applicant states that "The helicopter will be stationed at the Kahului airport, and will have a pilot standing by 24 hours a day."

18. The applicant states that "The flight crew will be provided by Pacific Helicopters as part of its sub-contractual agreement with AMR."

19. The applicant states that "We anticipate that the normal EMS crew on the helicopter will consist of 1 EMT and 1 MICT" and further states that "The EMS crew itself will be provided through existing EMTs and MICTs staffing the ground ambulance station at Kula."

20. The Agency finds that the applicant has proven by a preponderance of evidence that its proposal meets the criteria established in Sections 11-186-15 and 11-186-99 HAR.

III

CONCLUSIONS OF LAW

Having taken into consideration all of the records pertaining to Certificate of Need Application No. 04-18E on file with the Agency and based upon the findings of fact contained herein, the Agency concludes as follows:

The applicant has met the requisite burden of proof and has shown by a preponderance of the evidence that its proposal meets the criteria established in Sections 11-186-15 and 11-186-99, HAR.

Accordingly, the Agency hereby determines that, pursuant to Section 11-186-99, HAR and Section 323D-43(b), Hawaii Revised Statutes (HRS):


1. An emergency situation exists.
2. There is a public need for this proposal.
3. The cost of the service will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

ORDER

Pursuant to the findings of fact and conclusions of law contained herein, IT IS HEREBY DECIDED AND ORDERED THAT:

The State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to American Medical Response (AMR) for the proposal described in Cert. #04-18E. The maximum capital expenditure allowed under this approval is \$1,750,000.

As provided under Section 11-186-99(e) HAR, this is the final decision of the Agency.


David T. Sakamoto, M.D.
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Decision on the Merits was duly served upon the applicant by sending it by certified mail, return receipt requested, in the United States Postal Service addressed as follows on September 9, 2004.

Louis K. Meyer
Chief Executive Officer, Northwest Plains Region
American Medical Response
7575 Southfront Road
Livermore, CA 94550-4201

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

A handwritten signature in black ink, appearing to read "David T. Sakamoto", written over a horizontal line.

David T. Sakamoto, M.D.
Administrator