



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR OF HAWAII

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DIRECTOR OF HEALTH

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ADMINISTRATOR

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January 14, 2005

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Joanne L. Lundstrom
Executive Director/CEO
Mental Health Kokua
1600 Kapiolani Blvd., Suite 700
Honolulu, HI 96814

Dear Ms. Lundstrom:

The State Health Planning and Development Agency has evaluated Mental Health Kokua's Certificate of Need application #04-24A for the addition of 2 Special Treatment Facility beds at 140 Wainaku Street, Hilo, HI at no capital cost.

Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

1. This proposal is eligible for administrative review as it meets the criterion in Section 11-186-99.1(b)(6), i.e.: "any proposal which is determined by the agency not to have a significant impact on the health care system."
2. Mental Health Kokua (the "applicant") has proven by a preponderance of evidence that its proposal meets the Certificate of Need criteria in Section 11-186-15, HAR:
 - a. The applicant states that its proposal will positively impact the behavioral health process measures in Chapter XI of H2P2: BHP-1 (comprehensive spectrum of care), BHP-2 (continuity of care), and BHP-3 (accessibility of services) as well as the behavioral health outcome measures: BHO-5 (incidence/prevalence of mental illness), BHO-6 (consumer satisfaction), BHO-7 (relapse/recidivism), and BHO-8 (positive involvement after treatment program).
 - b. The applicant states that "The target population for this project are adults, 18 years or older, who have mental illness and are in need of Interim Housing residential services."
 - c. The applicant states that the Adult Mental Health Division (AMHD) 2001 Service Development Implementation Plan reports that approximately 9% of mental health consumers (1440 consumers statewide) are in need of interim housing residential services.
 - d. The applicant states that extrapolating these figures to the East Hawaii population, approximately 100 to 135 consumers during the year might be expected to utilize the proposed services.

- e. The applicant states that "There are no Interim Housing residential services available in East Hawaii."
- f. The applicant states that the proposed services will improve the quality of care by: providing medication management/monitoring by psychiatric nurses under the direction of a psychiatrist 24 hours per day, 7 days a week, providing on-going quality assurance monitoring, maintaining appropriate staff to consumer ratios, maintaining a qualified staff consisting of clinical and behavioral health specialists, including a full-time Registered Nurse available 24/7.
- g. The applicant states that the project will reduce health care costs by providing less expensive alternatives to emergency room visits and acute hospitalization. The applicant projects that cost savings per bed day is \$475-\$775 for Interim Housing services.
- h. The applicant states that its proposed services will "...provide options for those consumers who do not meet the criteria for hospitalization but would not be appropriate for unmonitored community housing."
- i. The applicant states that no new staff or capital is required for the project.

There is no compelling public interest which will be served by requiring the application to go through the standard review process.


As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

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

Accordingly, the State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Mental Health Kokua for the proposal described in application #04-24A. There is no capital expenditure authorized under this approval.

Please be advised that pursuant to Section 323D-47, HRS and Section 11-186-99.1(g) HAR, any person may, for good cause shown, request in writing a public hearing for reconsideration of the Agency's decision within ten working days from the date of this decision. Accordingly, if no person makes such a timely request for reconsideration, this decision shall become final immediately after the deadline for making such a request has expired.

C: OHCA

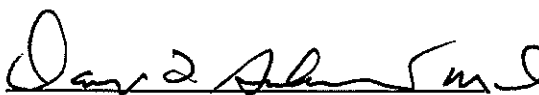

David T. Sakamoto, M.D.
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative Review Decision 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 January 14, 2005:

Joanne L. Lundstrom
Executive Director/CEO
Mental Health Kokua
1600 Kapiolani Blvd., Suite 700
Honolulu, HI 96814

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

A handwritten signature in black ink, appearing to read "David T. Sakamoto".

David T. Sakamoto, M.D.
Administrator