

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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April 9, 2009

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

IN THE MATTER OF)	CERTIFICATE OF NEED
)	APPLICATION
)	NO. 09-02
ORI Anuenue Hale, Inc.)	
)	
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. 09-02 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons and the recommendations of the Oahuwide Certificate of Need Review Committee, the Agency hereby makes its Decision on the Merits, including findings of fact, conclusions of law, order, and written notice on Certificate of Need Application No. 09-02.

I

BACKGROUND

1. This is an application for a Certificate of Need ("Cert.") for the establishment of an Adult Day Health service at 64-1488 Kamehameha Highway, Wahiawa, HI at a capital cost of \$835,391.
2. The applicant, ORI Anuenue Hale, Inc. is a nonprofit corporation.

3. The Agency administers the State of Hawaii's Certificate Program, pursuant to Chapter 323D, Hawaii Revised Statutes (HRS), and Title 11, Chapter 186, Hawaii Administrative Rules (HAR).

4. On January 21, 2009, the applicant filed with the Agency a Certificate of Need application for the establishment of an Adult Day Health service at 64-1488 Kamehameha Highway, Wahiawa, HI at a capital cost of \$835,391 (the "Proposal"). On March 5, 2009, the applicant submitted additional information. On March 12, 2009, the application was determined to be complete. For administrative purposes, the Agency designated the application as Cert. #09-02.

5. The period for Agency review of the application commenced on March 24, 2009, the day notice was provided to the public pursuant to 11-186-39 HAR.

6. The application was reviewed by the Oahuwide Certificate of Need Review Committee at a public meeting on March 30, 2009. The Committee voted 4 to 0 in favor of recommending approval of the application.

7. The Certificate of Need Review Panel and Statewide Health Coordinating Council reviews of the application were waived pursuant to Section 323D-44.6 HRS.

8. This application was reviewed in accordance with Section 11-186-15, HAR.

9. Pursuant to Section 323D-43(b), HRS:

"(b) No Certificate shall be issued unless the Agency has determined that:

- (1) There is a public need for the facility or service; and
- (2) The cost of the facility or service will not be unreasonable in the light of the benefits it will provide and its impact on health care costs."

10. Burden of proof. Section 11-186-42, HAR, provides:

"The applicant for a certificate of need or for an exemption from certificate of need requirements shall have the burden of proof, including the burden of producing evidence and the burden of persuasion. The degree or quantum of proof shall be a preponderance of the evidence."

II

FINDINGS OF FACT

A. REGARDING THE RELATION OF THE PROPOSAL TO THE STATE HEALTH SERVICES AND FACILITIES PLAN (HAWAII HEALTH PERFORMANCE PLAN) OR "H2P2"

11. The applicant states that "H2P2's goal to 'provide older adults with the opportunity to better maintain good health and independent personal functioning' and its objective 'to reduce the risk of injury and abuse by promoting a safe environment and community' will be supported by the proposed project to add an Adult Day Health program which will expand ORI Anuenue Hale's services for adults with special needs, particularly targeting the West Oahu area."

12. The applicant states that "In Chapter III-2 of H2P2, statewide and regional priorities include: a) for statewide – 'Foster the development of care 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 and social burden to their families and to the community,' and Chapter III-6 of H2P2, b) for West Oahu subarea – 'affordable long-term care and services in general for the elderly and their family members.' The proposed project supports these priorities by creating a day health program that will benefit adults with special needs."

13. The applicant states that the Proposal supports Chapter VI of H2P2 – *Diabetes and Other Chronic Disabling Conditions*, by helping individuals with chronic conditions maintain independence and a higher level of functioning which is H2P2's goal regarding chronic care.

14. The Agency finds that this criterion has been met.

B. REGARDING NEED AND ACCESSIBILITY CRITERIA

15. The applicant states that "The target population affected by this project are elderly and disabled individuals who would benefit from an option to institutional care by providing a safe and stimulating environment with special programming and services that foster health and well-being ..., increase one's quality of life, and is economically accessible."

16. The applicant states that "The Elderly Affairs Division of the City and County of Honolulu and service providers under its Aging Network reports in the Abstract Four Year Plan on Aging that there is... a need for older individuals to receive

services through a coordinated system of gap-filling, supportive, community-based services, which meets their needs and supports their ability to remain at home."

17. The applicant states that "The report also indicated that the 35 adult day care/day health service providers on Oahu are able to meet only about four (4) percent of the estimated existing need. The report further estimates '48,635 need daytime personal care in a supervised, congregate setting' such as an adult day care/day health service."

18. The applicant states that "Of the 35 existing service providers of adult day care/ health in Hawaii, approximately 1832+ clients, are being served."

19. The applicant states that "With the elderly population rapidly increasing and projected to rise to 20% of Honolulu's total population by 2010..., the demand for Adult Day Health programs far outweighs the supply."

20. The applicant states that "The services to be provided by the proposed Program will be available to the Oahu community of aging and disabled older adults, especially West Oahu. ...In the future, as funds become available, or are generated, ORI Anuenue Hale plans to set aside funds for low-income adults with special needs to attend the Center. The Program does not discriminate on the basis of race, gender, creed or religion, and will be available to adults of all races, women, people with disabilities and the elderly."

21. The Agency finds that the need and accessibility criteria have been met.

C. REGARDING QUALITY AND LICENSURE CRITERIA

22. The applicant states that "The proposed project will improve quality of care by assisting adults in maintaining good health and independent personal functioning as well as increasing community-based, geriatric care services for the growing older adult population."

23. The applicant states that "To monitor and evaluate the quality of care rendered, ORI Anuenue Hale will prepare a detailed 'Policy and Procedures Manual' in compliance with government regulations. ORI Anuenue Hale will comply with all of the required standards of care under H.A.R. Title 11, Chapter 96 for Freestanding Adult Day Health Centers."

24. The applicant states that "The Agency will adhere to the standards in management, as required by the Department of Health for the proposed Adult Day Health program."

25. The applicant states that "All staff working at the Adult Day Health Center will be First Aid/ CPR certified and all staff will possess an active professional license as may be appropriate. All on-site staff will receive monthly in-service training."

26. The Agency finds that quality and licensure criteria have been met.

D. REGARDING THE COST AND FINANCIAL CRITERIA

27. The applicant states that "In 2008, ORI Hale completed the building where the adult day health center will operate. The cost of construction of the facility is not being charged to the program because the construction was funded through government and other private sources. There are no loans to be paid."

28. The applicant states that "On a revenue basis, the proposed adult day health program is expected to operate with a small deficit for the current year. Donations, fund raising and current contract services funds will help to cover the current year deficit...We anticipate Year 1, Year 2 and Year 3 to show a surplus, which should increase as we increase the number of participants in our program."

29. The applicant states that "The outcome for having an Adult Day Health program will be improved quality of life for this vulnerable group and relief of care givers and/or their families from the heavy financial burden of caregiving. These services will prevent premature institutionalization of seniors and people with disabilities and help to maintain their independent personal functioning for as long as possible."

30. The applicant states that "This proposal makes available a less costly alternative to nursing home costs, which average \$8,000+ per month."

31. The Agency finds that cost and financial criteria have been met.

E. REGARDING THE RELATIONSHIP OF THE PROPOSAL TO THE EXISTING HEALTH CARE SYSTEM OF THE AREA

32. The applicant states that its proposal "...will enhance the health care system in the community by providing a much-needed service to a fast growing population of adults with special needs."

33. The applicant states that "The program will work in concert with hospitals, rehab centers, and other day care and day health programs to provide

alternatives to families and adults with special needs in our community. The proposed program will not affect the utilization of other health care systems... The 20 slots this program will provide by Year 3 will not negatively impact other programs because the demand far outweighs the supply."

34. The Agency finds that these criteria have been met.

F. REGARDING THE AVAILABILITY OF RESOURCES

35. The applicant states that "With respect to financial resources, the facility has already been built and paid for with government funding and other sources and the agency is currently operating a Health and Wellness program for seniors."

36. The applicant states that "Human resources for the proposed ORI Anuenue Hale Adult Day Health program are available."

37. The applicant states that "ORI Anuenue Hale's sister facility, ORI (Opportunities for the Retarded, Inc.) has an established interdisciplinary team of professionals including a physician, nurse, social worker, dietician, psychiatrist, psychologist and pharmacist who will help to assure the quality of care at the Wellness Center."

38. The Agency finds that the applicant has met this criterion.

III

CONCLUSIONS OF LAW

Having taken into consideration all of the records pertaining to Certificate of Need Application No. 09-02 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons, the recommendations of the Oahuwide Certificate of Need Review Committee 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 the Proposal meets the criteria established in Section 11-186-15, HAR.

Accordingly, the Agency hereby determines that, pursuant to Chapter 323D-43(b):

- (1) There is a public need for this proposal; and
- (2) The cost of the proposal 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 ORI Anuenue Hale, Inc. for the proposal described in Certificate Application No. 09-02. The maximum capital expenditure allowed under this approval is \$835,391.

WRITTEN NOTICE

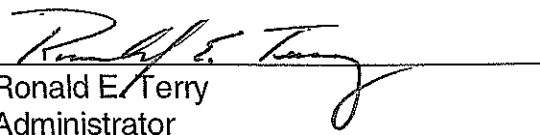
Please read carefully the written notice below. It contains material that may affect the Decision on the Merits. The written notice is required by Section 11-186-70 of the Agency's Certificate of Need Program rules.

The decision on the merits is not a final decision of the Agency when it is filed. Any person may request a public hearing for reconsideration of the decision pursuant to Section 11-186-82 HAR. The decision shall become final if no person makes a timely request for a public hearing for reconsideration of the decision. If there is a timely request for a public hearing for reconsideration of the decision and after the Agency's final action on the reconsideration, the decision shall become final.

(Note, pursuant to Chapter 323D-47, Hawaii Revised Statutes, a request for reconsideration shall be received by the Agency within ten working days of the state agency decision.)

DATED: April 9, 2009
Honolulu, Hawaii

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY


Ronald E. Terry
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Decision on the Merits, including findings of fact, conclusions of law, order, and written notice, 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 April 9, 2009.

Susanna F. Cheung
President and CEO
ORI Anuenue Hale Inc.
64-1510 Kamehameha Highway
Wahiawa, Hawaii 96786-2915

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



Ronald E. Terry
Administrator