



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

STANDARD APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 15-13 Date of Receipt:
To be assigned by Agency

APPLICANT PROFILE

Project Title: Establishment of Home Health Agency Services

Project Address: 1660 S. Beretania Street, Suite #201, Honolulu, Hawaii 96826

Applicant Facility/Organization: Arcadia Home Health Services

Name of CEO or equivalent: Emmet White

Title: President and CEO

Address: 1434 Punahou Street, Honolulu, Hawaii 96826

Phone Number: 983-1823 Fax Number: 949-4965

Contact Person for this Application: Hilary Okumura

Title: Administrator, Arcadia Home Health Services

Address: 1660 S. Beretania St., Suite #201, Honolulu, Hawaii 96826

Phone Number: 983-5904 Fax Number: 983-3828

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.

Emmet White
Signature

August 3, 2015
Date

Emmet White
Name (please type or print)

President & CEO
Title (please type or print)

1. TYPE OR 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: _____
- Honolulu: X
- 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 Attachment 1 – Copy of Lease/site Agreement
- 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.)

Arcadia Home Health Services (AHHS) has been duly State Licensed since July 2007. When the CON approval is received AHHS will submit an application to request Accreditation from the Community Health Accreditation Program (CHAP). Through “deeming authority” granted by the Centers for Medicare and Medicaid Services (CMS), CHAP also have the regulatory authority to survey agencies providing home health, hospice and home medical equipment to determine if they meet the Medicare Conditions of Participation and CMS Quality Standards.

Once the Accreditation is received, AHHS will submit an application through the Hawaii State Department of Health, Office of Health Care Assurance to the Centers for Medicare Medicaid Services (CMS) for certification approval to enable AHHS to receive Medicare reimbursement for skilled and therapeutic services rendered.

- C. Your governing body: list by names, titles and address/phone numbers
See Attachment 2 – Governing Body

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 Attachment 3)
- By-Laws (see Attachment 4)
- Partnership Agreements - NA
- Tax Key Number (project's location) (see Attachment 5)

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					X	
Private Practice						

5. **TOTAL CAPITAL COST:** _____ \$170,861.00 _____

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
TOTAL			

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.

Arcadia Home Health Services, currently duly State Licensed under Title 11 Chapter 97, Home Health Agencies by the Hawaii State Department of Health, proposes to seek Medicare certification as per HRS §323D-43(c) and Hawaii Administrative Rules (HAR)

§11-186, and will primarily provide services to East Honolulu. Service provision shall include but not be limited to skilled nursing and other therapeutic services (physical, occupational and speech therapies), dietary/nutritional and social work or care coordination services under a physician's direction to homebound clients on a part-time or intermittent basis in a place used as the individual's home. Additional services may be provided based on the choice/preference of the client which additional services include housekeeping, chore services, maintenance, spa (cosmetology, manicure or massage therapy), meals, and transportation for medical services, as indicated.

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

A. List All Project Costs:	AMOUNT:
1. Land Acquisition	_____
2. Construction Contract	_____
3. Fixed Equipment	<u>\$7,711.00</u>
4. Movable Equipment	<u>\$37,000.00</u>
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>\$126,150.00</u>
7. Other: _____	_____
TOTAL PROJECT COST:	<u>\$170,861.00</u>

B. Source and Method of Estimation

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

C. Source of Funds	AMOUNT:
1. Cash	<u>\$44,711.00</u>
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	_____
6. Other: <u>Fair Market Value of Leased space to be paid by monthly rent</u>	<u>\$126,150.00</u>

*Additional Cash from the family of companies, if needed;
See consolidated financial statements

TOTAL SOURCE OF FUNDS: \$170,861.00

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: **See Attached (Appendix A)**

- 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, and
- 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.

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. **See Attached (Appendix B)**

- 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

Implementation Schedule

Arcadia Home Health Services (AHHS) is currently duly State Licensed under Title 11 Chapter 97, Home Health Agencies by the Hawaii State Department of Health, and has been so licensed since July 2007. AHHS seeks Medicare certification, per HRS §323D-43(c) and Hawaii Administrative Rules (HAR) §11-186, and will primarily provide services to East Honolulu. (See Attachment 6 - Neighborhoods Served)

Service provision shall include but not be limited to skilled nursing and other therapeutic services (physical, occupational and speech therapies), dietary/nutritional, social work, and care coordination services under a physician's direction to homebound clients on a part-time or intermittent basis in a place used as the individual's home. Additional services may be provided based on the choice/preference of the client which may include housekeeping, chore services, maintenance, spa (cosmetology, manicure or massage therapy), meals, and transportation for medical services, as indicated, in order to enable the client to age in place.

A. Date of site control for proposed project	N/A – Will use office space in existing setting which has been leased since May 27, 2011.
B. Dates by which other government approvals/permits will be applied for and received	<ul style="list-style-type: none"> • Notice of intent to seek a CON, will be submitted Office of Health Care Assurance (OHCA) • Medicare Certification application will be submitted to Community Health Accreditation Program (CHAP) subsequent to CON approval.
C. Dates by which financing is assured for project	N/A – using existing office
D. Date Construction will commence	N/A – using existing office
E. Length of construction period	N/A – using existing office
F. Date of completion of project	N/A – using existing office
G. Date of commencement of operation	Duly licensed under Title 11 Chapter 97 Home Health Agency, effective July 2007, and will seek Medicare Certification subsequent to CON approval

EXECUTIVE SUMMARY

Introduction

The Arcadia Family of Companies consists of seven companies which includes Arcadia Home Health Services, as well as Arcadia Retirement Residence (Arcadia), Craigside Retirement Residence (15 Craigside), Arcadia Elder Services (which operates and manages the Adult Day Care and Day Health programs at Central Union Church and Kilohana Methodist Church), Arcadia At Home, The Arcadia Foundation, and Arcadia Community Services (the holding and parent company). All seven companies are private, non-profit 501(c)(3) tax exempt corporations.

Arcadia is the first and only accredited Continuing Care Retirement Community (CCRC) in Hawaii. Founded by Central Union Church, Arcadia opened in 1967, and offers gracious retirement living in an urban setting with easy access to all of Honolulu's social, cultural, educational and entertainment facilities, as well as shopping centers and churches. The 13-story tower residence provides 250 independent living apartments, which are also licensed to provide assisted living, if needed, 4 boarder beds, a 91-bed licensed nursing facility, and a range of services, and amenities, including healthcare, independent living, assisted living, dining, housekeeping, a library, clinic, wellness/fitness center, with an indoor swimming pool, a crafts room, chapel and a solarium. It is home for over 300 residents.

In 1987, Arcadia became a separate 501(c)(3) non-profit corporation whose sole member is Central Union Church. In 1992, Arcadia purchased the fee simple interest to its property from Punahou School. In 1999, Arcadia completed a \$10 million renovation project. It continues to upgrade its common areas, its independent living units as they become available for new occupants, and its nursing facility. It recently completed a \$7 mil. renovation of its lower level, its first floor lounge, chapel and dining areas, and added ten new private rooms to its nursing facility.

Recognizing the responsibility which accompanies a 501(c)(3) charitable tax exemption, Arcadia's family of companies provides valuable services to Arcadia and to the greater community in the following ways:

- The Arcadia Foundation (TAF), established in 1998 as a support organization for Arcadia, assists in helping with the costs of subsidization for Arcadia residents who have exhausted their resources. It also provides monies to assist with the needs of seniors in the community at large, including 15 Craigside. As the Foundation grows, its ability to provide greater assistance for seniors in need in Arcadia's communities and in the greater community also grows. The Arcadia Foundation was key to opening our new Continuing Care Retirement Community in Nu'uuanu at 15 Craigside.
- Established in 2001, Arcadia Elder Services (AES), another support organization for Arcadia, manages operations for Central Union's Adult Day Care and Day

- Health program and operations for the Adult Day Care and Day Health program at Kilohana United Methodist Church in Niu Valley. These centers provide a caring, safe, nurturing and secure environment for seniors. AES also provides management oversight for all the companies in the Arcadia Family of Companies.
- Since 2004, Arcadia Home Health Services (AHHS), also a support organization for Arcadia, has been providing a program of services for seniors who need some help and care and health services in their home, including personal care, housekeeping, and Arcadia meals. AHHS was licensed in 2007 by the Department of Health Office of Health Care Assurance to provide Home Health services. (AHHS seeks, by this CON application, to establish a viable path for Medicare certification.)
- In 2006, Arcadia, Arcadia Elder Services and The Arcadia Foundation, in collaboration with the Hawaii Conference of the United Church of Christ and the Hawaii Conference Foundation, planned and developed a moderate income CCRC on the former site of the Hawaii Conference Headquarters in Nu'uuanu. 15 Craigside opened in 2011. It is a 13-story tower which provides 170 independent living units (140 one-bedroom apartments and 30 studios), assisted living, 4 boarder beds, a 41-bed nursing facility, and a range of services throughout the building, similar to its sister CCRC, Arcadia. 15 Craigside includes a spacious lobby and reception area, kitchen and dining area, library, clinic, wellness and fitness center with an indoor swimming pool, a community meeting area, and a solarium with beautiful stained glass and stunning views.
- In 2010, Arcadia Community Services (ACS), a 501(c)(3) organization, was incorporated to support the missions of, and provide oversight for, Arcadia Retirement Residence and Craigside Retirement Residence (15 Craigside). ACS coordinates the efforts of all of the family of companies' programs, including our home and community based services.
- In 2013, Arcadia At Home (AAH), a 501(c)(3) organization, was incorporated. It is a "continuing care at home" program whose members participate in services, care and programs similar to, and availability at, its sister senior communities, Arcadia and 15 Craigside. The members, however, live in their own homes.

The Arcadia companies continue to be guided by a vision that calls each company to provide optimum effort in support of those whom we serve, and to provide benefits and service to seniors in the greater community. The companies diligently embrace the mandate and responsibility of their respective 501(c)(3) charitable tax exemptions. Monies earned by, and monies contributed to, and services provided by, the family of companies, provide the means by which the companies, are able to show social accountability as 501(c)(3) charitable tax exempt corporations.

The Arcadia Family of Companies, including Arcadia Home Health Services, are committed to providing quality care and services to our Hawaii community.

Relation to the State of Hawaii Health Services and Facilities Plan

Since 2004, providing home care and (since licensing in 2007) home health, the goal of the Health Services and Facilities Plan (HSFP) has been and continues to be to “focus on increasing cost-effective access to necessary health care services, promote the financial viability of the health care delivery system and to encourage optimization of services”. Arcadia Home Health Services (AHHS) desires to provide older adults with the opportunity to better maintain their good health and independent personal functioning. Through its employees and policy, AHHS encourages its clients to voice their choices and preferences regarding aging in place in a safe and appropriate environment. AHHS endeavors to reduce the risk of injury and abuse by promoting and establishing a safe environment and community, using skilled nursing, nursing care, and other therapeutic services (physical, occupational and speech therapies), dietary/nutritional guidance and social work, and care coordination services under a physician’s direction to homebound clients in a place used as the individual’s home. Additional services may be provided based on the choice/preference of the client; such services can include housekeeping, chore services, maintenance, spa (cosmetology, manicure or massage therapy), meals, transportation for medical services, as required, and chaplain supportive services, as appropriate.

Chapter III of the HSFP lists the following priorities: a) for Statewide consideration – “Promote and support the long term viability of the health care delivery system, ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost, strive for equitable access to health care services and encourage and support health education, promotion and prevention initiatives,” and b) for Honolulu County consideration – 1) Increase the availability of community based services, to help maintain the quality of life and include transportation, nutrition and social support for independent living; 2) Support efforts to promote scientifically-based nutritional health knowledge for the development of healthy living lifestyles; and, 3) Control escalating costs by reducing the need for institutional care.

AHHS is committed to providing care and services consistent with the values and priorities for the State of Hawaii, as well as the City and County of Honolulu. By providing services within the client’s home, our clinical staff is able to provide ongoing assessments and monitoring through face-to-face encounters and also, if available, through tele-health monitoring. Our care coordination assures ongoing communication with the client’s Primary Care Provider (PCP) and his/her family with the goal of provision of in-home care for as long as it is safely appropriate in order to reduce the need for hospitalization and/or unnecessary emergency room visits. Our dietitian will conduct nutritional assessments, make recommendations for appropriate menus/meals based on physician orders, and provide ongoing education to the client and the families for compliance with a dietary regimen. Social support is provided by nursing services, social services and a Chaplain, as may be deemed appropriate.

AHHS will continue to address safety issues in the home by conducting comprehensive nursing and functional assessments to identify factors such as risk for falls, wandering, cognitive concerns, disaster preparedness (development of an evacuation plan) and provide stimulation by engaging the client and encouraging participation in activities as tolerated by the client. Ongoing assessment of client status will be conducted in collaboration with the client's PCP. [Note: As noted above, AHHS, incorporated in 2004, and licensed by DOH to provide home health services in 2007, has always sought to follow the HSFP, as well as meeting the CON criteria outlined by SHPDA.]

Consistent with a survey conducted by AARP entitled, *Livability For All: The 2014 AARP Livable Communities Survey of Honolulu, Hawaii Adults Age 45+*, AHHS endeavors to meet the needs of the individuals that we serve, recognizing their desire to age in place for as long as they are safely able to remain in their own home.

Need and Accessibility:

There is a need and demand for home health agency services in the State of Hawaii, and, more specifically, home health agencies that are Medicare certified in order to enable the use of Medicare funds which provide a limited sum for necessary care and services for our elderly in need of skilled and therapeutic services.

AHHS has been providing home care services since 2004 and has been duly licensed under Title 11 Chapter 97 Home Health Agencies, since June 2007. AHHS is located in East Honolulu within close proximity to those clients for whom they presently provide care and services. Currently, AHHS provides only private pay services, and also receives some reimbursement from long term care insurance carriers. As our clients age with corresponding changes in their level of care, we have been referring clients to certified home health agencies to allow for maximizing their insurance reimbursement if Medicare reimbursement is available. In this regard, however, clients do face the challenge of selecting an agency with which they are not familiar, and encountering staff that are not as knowledgeable about the client's specific needs, idiosyncrasies, and preferences. Therefore, AHHS is seeking to obtain Medicare certification in order to better assist in meeting the needs and demands of some of our elderly within the community, as well as for our current clients, some of whom we have been providing care to for five or more years.

The 2013 State of Hawaii Data Book states that there are 195,138 individuals age 65+ in Honolulu County with 44% being males and 56% being females. The City and County of Honolulu's Four-Year Plan on Aging notes that Hawaii has, on average, the longest life expectancy at 79.8 years in the nation with males at 77.6 years and females at 83.4 years. Honolulu has the highest average, at 80.5 years amongst the counties. The number of individuals age 60+ increased 20% between the 2000 and 2010 census, with the majority of the elderly being female. The Department of Business and Economic Development and Tourism states that by 2030, when the first of the Baby

Boomer population reaches 85, the population at 85 and over will increase to 40,350 people from 30,238 in 2010.

One hundred twenty-three thousand (123,000) of those age 65 years and older live alone, and some have a disability limiting one or more of a person's activities of daily living for six months or more. And, about 10% live at the poverty line which is 115% of the normal federal guidelines for poverty.

In the Hawaii Behavioral Risk Factor Surveillance System (BRFSS) 2000 survey of persons 18 years and older, 14.42% (660,787) of the population over 18 were providing regular care for a friend or family member who was 60 years of age or older. Individuals most involved in caregiving, however, range in age from 45 to 75 (269,726). 17.93% in this age range indicated that they are caregivers, and women generally provide the majority of care, comprising 57.33% of the caregivers in this age group.

The above-mentioned data suggests that the age 65+ population, including their aging caregivers, will continue to require increasing assistance for care and for payment associated with that assistance.

Currently, the Hawaii State Department of Health Office of Health Care Assurance lists twenty-seven (27) state licensed home health agencies within the State. There are thirteen (13) on Oahu, and of those, seven (7) are certified to receive Medicare reimbursement. The 2012 National average utilization for home health services aged 65 and over was 10.5%. Hawaii's utilization rate for those aged 65 and over was 2.79%. 2014 utilization data is not yet available. It would, in all probability, reflect the closure of a large agency in June 2014. AHHS respectfully suggests that it is evident that there is a very substantial need for certified agencies to meet the current demands and, most assuredly, the future needs due to the increasing age and number of our Hawaii senior population.

With a clearly stated desire of the elderly to age in place, and with the elderly population growing, it is imperative that community-based healthcare services be increased, including the number of health service agencies able to receive Medicare reimbursement.

AHHS is committed to developing a continuum of care structure to assist with the aging demands that Honolulu is, and will be, faced with. Further, AHHS will 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 having medically fragile conditions. The provision of these services will help to provide an early identification of risks thereby possibly avoiding hospitalization, and allowing for interventions to be implemented early on in the assessment period.

The services to be provided will be available for aging individuals that require skilled nursing and/or therapeutic services residing in Honolulu County. Additionally, the staff

will provide care coordination that enhances access to services as well as assistance in referrals to other community outreach services that AHHS clients may require.

Quality criteria

1. Quality of care:

AHHS has been operating as a home care agency since 2004 and became duly licensed by the State of Hawaii under Title 11 Chapter 97 Home Health Agencies, in June, 2007. AHHS presently serves, on average, 110 clients per month. The State Department of Health Office of Health Care Assurance conducted a survey/inspection in June, 2013, at which time, no deficiencies were cited.

AHHS provides ongoing training to its entire clinical staff. Registered Nurses undergo competency evaluations annually, as well as in-service training per state requirements. Further, needs are identified through our nursing self-evaluations and supervisor evaluations. Our Certified Nurse Aides also undergo competency evaluations and the State approved 24 hour training/certification training biannually, as well as a minimum 12 hours of training annually. Registered Nurses monitor the care provided by CNAs to ensure that our clients are receiving a continual flow of quality services. CNAs are provided the opportunity to do self-evaluations, and additional training sessions are provided based on those areas which have been identified as requiring improved skill and competency.

Satisfaction Surveys are conducted annually for our clients and/or family members in order to provide feedback on the quality of care and services AHHS is providing. Analyses of the surveys are conducted by AHHS and ACS Administration in order to identify areas for improvement in care, service and quality.

Ongoing Quality Assurance and Performance Improvement meetings are held at least quarterly to identify concerns/needs, to conduct root cause analysis, and to develop processes for improvement and for ongoing monitoring and evaluation.

Pursuant to Chapter 97, HAR, an Advisory Committee consisting of the Medical Director, dietitian/nutritionist, community representative, RN with experience in public health, Administrator, CEO and President of the Arcadia Family of Companies, CFO for the companies, and a consultant provides input on policies governing medical, nursing and therapeutic services in order to assure consistency with standards for best practices.

AHHS has implemented the use of Interventions to Reduce Acute Care Transfers (INTERACT II) for Home Health which is a CMS approved quality improvement program designed to improve the identification, evaluation, and communication about changes in resident/client status. The tools include comprehensive assessments, information to ensure timely and quality transfers to and from hospitals back to one's home, and educational materials containing current best practice standards. AHHS also utilizes

tools and materials from Advancing Excellence, which is another CMS initiative that assists home health agencies to identify goals for improvement, data collection and training. Weekly care plan meetings are held to ensure that appropriate interventions/care/services are provided for our clients; concerns are also aired and appropriate revisions made to protocols, procedures and plans.

AHHS is familiar with the best practices set forth in OASIS (Outcome and Assessment Information Set) which AHHS will use regarding Medicare submissions related to Home Health reporting.

2. Staffing

AHHS is currently staffed with an Administrator, 2 Schedulers, 1 part-time Registered Nurses, 1 Certified Nurse Aide, the equivalent of a half-time Social Worker, and a half-time Dietitian. An additional benefit is the availability of support services through the Arcadia Family of Companies which include a Chaplain and Maintenance services. Contracted services include Rehabilitative Services (Physical, Occupational and Speech Therapists). (See Organizational Chart Attachment 7)

Our Registered Nurse and CNA generally have, at minimum, two years of experience in long term care. At the time of hire, all staff is provided with an orientation and an evaluation to determine skill level. Should staff require enhanced training, arrangements are made with resources within the family of companies to provide this training. Annual training is provided to all staff which includes, but is not limited to, areas of care/service related to the elderly population and to those areas relating to new initiatives and changes in regulations/requirements for senior living, services and care. Annual training and the companies' performance management program strive always to enhance the skill level, knowledge level and competency level of every employee.

3. Licensure and certificates.

As noted above, AHHS has been duly licensed under Title 11, Chapter 97 Home Health Agencies, since June 2007.

When approval is received, AHHS will seek Medicare certification via the Community Health Accreditation Program (CHAP) in order to be able to receive reimbursement for the required skilled and rehabilitative services provided for AHHS's clients which is reimbursed by Medicare.

4. Memberships.

The Arcadia Family of Companies, including AHHS, participates as a member in the Healthcare Association of Hawaii (Home Health/Hospice Division, Long Term Care Division and Assisted Living Facilities Sub-Division). This participation allows for collaboration with nursing facilities, hospitals, home health and hospice agencies and other agencies in home and community based settings; the family of companies,

including AHHS, participate in LeadingAge, which is a national organization for approximately 5,000 non-profit businesses. LeadingAge addresses quality measures and collaboration with other national associations. AHHS also participates in the American Health Care Association/National Center for Assisted Living (AHCA/NCAL). Arcadia Retirement Residence is also accredited by the Commission on Accreditation for Rehabilitation Facilities/Continuing Care Accreditation Commission (CARF-CCAC). Arcadia and 15 Craigside (and, hence, the family of companies) are also members of the Council for Health and Human Services Ministries within the United Church of Christ.

5. Medicare reports: NA

Cost and financial criteria:

1. Description of the Institutions' Financial Base

AHHS is one of the seven non-profit 501(c)(3) tax exempt organizations in The Arcadia Family of Companies.

AHHS was incorporated in 2004. It is a support organization for Arcadia Retirement Residence, and, since its incorporation, has provided help, care, and health services to seniors in their home who need some assistance with the activities of daily living and other challenges that senior aging brings. These services also include personal care, housekeeping and Arcadia meals. AHHS was licensed by the Department of Health in 2007 to provide Home Health services, and has done so on a limited basis.

Attached as Exhibit D-1 are Consolidated (audited) Financial Statements for the family of companies, which include AHHS, for the last two years (2013 and 2014).

As noted throughout this application, there are no major capital costs for AHHS in seeking a certificate of need which, if granted, will enable AHHS to apply for, and hopefully attain, Medicare certification.

Since 2004, AHHS has grown with The Arcadia Family of Companies in providing home and community based services through its home care and home health services. Over the last decade, AHHS has received, and continues to receive, support from The Arcadia Family of Companies, enabling our home health services company to develop and enhance its programs for our kupuna from all walks in life.

Attached as Exhibit D-2 are the projections for three years of revenues and expenses for AHHS as a part of the family of companies.

Attached as Exhibit D-3 is an AHHS operation information worksheet.

Of particular note for AHHS, and in this application, is the past, present and anticipated client mix for the home care and home health services provided by AHHS. Should this application be approved by SHPDA, the reimbursement provided by Medicare is not expected to be a substantial revenue producer for AHHS.

The approval, however, will enable AHHS to continue providing services for the kupuna we serve, offering them the opportunity of eligibility for Medicare reimbursement without having to change home health providers should a Medicare reimbursement opportunity arise.

AHHS and the family of companies also expect that the newest member of the family, Arcadia At Home (AAH), will require the services provided by AHHS for AAH members.¹

Relationship to the existing health care system:

As previously noted, there are currently twenty-seven (27) state licensed home health agencies within the State, thirteen (13) of which are on Oahu, and seven (7) of which (on Oahu) have been certified to receive Medicare reimbursement. The 2012 National average utilization for home health services was 10.5%, and Hawaii's utilization rate was 2.79%. Although the 2014 utilization data is not available, we think that with the closure of a large agency in June 2014, the utilization rate might even show a lower percentage. Respectfully, it appears that there is a substantive need for additional agencies, including certified agencies, to meet the current demands for Hawaii, and, most assuredly, the anticipated future needs arising due to the increasing age and number of our senior population.

AHHS currently collaborates with existing home health services agencies, and makes referrals to those agencies that are Medicare certified should our clients require skilled and/or therapeutic services which we are unable to provide at the moment it is needed because we are not Medicare certified. We are also involved in working with other agencies collectively to provide needed services when there is an identified staff shortage in any agency, at the moment, and such services are needed by that agency.

Further, AHHS communicates with, and has positive working relationships with physicians, hospitals, nursing facilities and other community based settings in which AHHS makes referrals to, or from which AHHS receives referrals, based on the identified needs of our clients, especially when level of care changes occur. (See AHHS Capabilities List Attachment 10)

A positive benefit for AHHS is the availability of resources within our family of companies. When immediate admissions for institutional care are needed or disasters occur, we are able to make immediate referrals to any one of our sister facilities for admissions and/or assistance. And, because of our ongoing collaboration with the member facilities within our member (HAH) organization, we are able to find appropriate placement for our clients as their level of care changes.

Availability of Resources

AHHS presently has sufficiently trained and competent staff to provide the services discussed in this application. AHHS currently has 1 part-time Registered Nurses, a Certified Nurse Aide, a part-time Dietitian, a part-time Social Worker, and access to a Chaplain, and it has contracted Rehabilitative staff, as well as the other aforementioned support staff.

There are no major capital costs for the proposed programs in this application. For over a decade, AHHS has grown its home and community based services with support from The Arcadia Family of Companies of which it is a member. We expect that AHHS will continue to hone its operations in order to achieve a break even position and, eventually achieve an operating surplus which will be utilized by the family of companies to enhance its services to our kupuna.

'Arcadia At Home (AAH) was incorporated in 2013. The members of AAH continue to live in their homes, having entered a life care agreement with Arcadia At Home, receiving, as needed, and/or desired, many of the types of services and care provided at 15 Craigside and Arcadia. AHHS provides many of these services in their homes. 15 Craigside and/or Arcadia also provide services to the members at 15 Craigside and Arcadia, if such services are needed by the members.