



# HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

## ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: #16-10A Date of Receipt: \_\_\_\_\_  
To be assigned by Agency

### APPLICANT PROFILE

Project Title: Establishment of Medicare Certified Home Health Agency Services on Lanai

Project Address: 832C Kiele Street, Lanai City, HI 96763

Applicant Facility/Organization: Arcadia Home Health Services

Name of CEO or equivalent: Emmet White

Title: President and CEO

Address: 1434 Punahou Street, Honolulu HI 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 Street, Honolulu, HI 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

September 13, 2016  
Date

Emmet White  
Name (please type or print)

President and CEO  
Title (please type or print)

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

Public	_____
Private	<u>  X  </u>
Non-profit	<u>  X  </u>
For-profit	_____
Individual	_____
Corporation	<u>  X  </u>
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:	_____
Windward O`ahu:	_____
West O`ahu:	_____
Maui County:	<u>  X  </u>
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)**

We are still awaiting finalization of the agreement with signatures as none received to date. Nevertheless, Na Pu`uwai is presently using and paying monthly for the leased premises on Lanai.

- 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 August 2014. When the CON approval is received AHHS will submit 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/Medicaid reimbursement for skilled and therapeutic services rendered.
- Then an application to request Accreditation from the Community Health Accreditation Program (CHAP) will be submitted. Through “deeming authority” granted by the Centers for Medicare and Medicaid Services (CMS), CHAP has 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.

- C. Your governing body: list by names, titles and address/phone numbers
- See Attachment 2 – Governing Body also contains the organizational chart for Na Pu'uwai Native Hawaiian Health Care System
  - Arcadia Home Health Services state license permits it to provide home care and home health services on Lanai. In this regard, Na Pu'uwai's staff under AHHS' license, and in collaboration and cooperation with AHHS, provides home care and home health services through the Ke Ola Hou O Lanai (KOHOL) office on Lanai.
- 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 (See Attachment 3)
  - By-Laws (See Attachment 4)
  - Partnership Agreements (See Attachment 5)
  - Tax Key Number (project's location) (See 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					
Outpatient Facility				X	
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. NA

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved

<b>TOTAL</b>			

**6. PROJECT COSTS AND SOURCES OF FUNDS**

**A. List All Project Costs:**

**AMOUNT:**

- |    |  |                   |
|----|--|-------------------|
| 1. | Land Acquisition   | <u>NA</u>         |
| 2. | Construction Contract  | <u>NA</u>         |
| 3. | Fixed Equipment  | <u>\$125.00</u>   |
| 4. | Movable Equipment  | <u>\$2000.00</u>  |
| 5. | Financing Costs  | <u>NA</u>         |
| 6. | Fair Market Value of assets acquired by lease, rent, donation, etc. (annually) | <u>\$ 250,000</u> |
| 7. | Other: _____   | _____             |

**TOTAL PROJECT COST: 252,125**

**B. Source of Funds**

- |    |                          |                      |
|----|--------------------------|----------------------|
| 1. | Cash                     | _____                |
| 2. | State Appropriations     | _____                |
| 3. | Other Grants             | _____                |
| 4. | Fund Drive               | _____                |
| 5. | Debt                     | _____                |
| 6. | Other: <u>HRSA GRANT</u> | <u>\$ 252,125.00</u> |

**TOTAL SOURCE OF FUNDS: 252,125**

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.

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/Medicaid certification as per HRS §323D-43(c) and Hawaii Administrative Rules (HAR) §11-186, in order to provide services to the island of Lanai, which is an addition of a new location of an existing service. 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, as indicated.

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: **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,
- 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. **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.

**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.

## **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 and are, at times, collectively referred to as "Arcadia".

Arcadia is the first and, to date, the 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 million 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 that 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.
- 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 that 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.
- 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 for the home health services it provides in collaboration with Na Pu'uwai.
  - In 2006, Arcadia entered into a Memorandum of Understanding with Na Pu'uwai Native Hawaiian Health Care System for the islands of Lanai and Molokai. Supplements have been added to the original 2006 MOU in 2012 and 2014, reflecting the establishments of Na Pu'uwai Senior Enrichment Center, an Adult Day Care/Day Health program duly licensed as a Day Care Center in August 2009 and an Adult Day Health Center in July 2014, and Arcadia Home Health Services Lanai duly State Licensed in July 2014 and Arcadia Home Health Services Molokai duly State Licensed in August 2014.
  - One aspect covered under said Memorandum, as it has been amended, is the "health provider" relationship by, between and among Na Pu'uwai and the aforementioned Arcadia entities, especially with respect to Arcadia Home Health Services (AHHS). AHHS' state license permits it to provide home care and home health services on Lanai. In this regard, Na Pu'uwai's staff, under AHHS' license, and in collaboration and cooperation with AHHS, provided homecare and home health services through the Ke Ola Hou O Lanai (KOHOL) office on Lanai. For convenient reference, Na Pu'uwai, KOHOL and



Arcadia Home Health Services are health services providers and are thus referred to as Arcadia, or Na Pu'uwai or KOHOL.

- In July 2014, Arcadia Home Health Services Lanai was duly State licensed by the Hawaii State Department of Health, Office of Health Care Assurance.
- The Arcadia Family of Companies, including Arcadia Home Health Services Lanai through its Memorandum of Understanding with Na Pu'uwai Native Hawaiian Health Care System (Na Pu'uwai), is committed to providing quality care and services to our Hawaii community.
- 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.

### **Relation to the State of Hawaii Health Services and Facilities Plan**

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 Lanai (AHHS Lanai) desires to provide older adults with the opportunity to better maintain their good health and independent personal functioning. Through its employees and policy, AHHS Lanai encourages its clients to voice their choices and preferences regarding aging in place in a safe and appropriate environment. AHHS Lanai endeavors to reduce the risk of injury and abuse by promoting and establishing a safe environment and community, using skilled 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, Care Coordination and transportation for medical services, as required.

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.”

Maui County’s Subarea Health Planning Counsel (2016-2019) addresses home and community based services through a) Promoting the paradigm shift of long term care -- the notion that home and community-based services encompasses more than nursing facilities; b) Investigate public and private partnerships to ensure optimal, cost effective, and quality care; c) Provide for and educate an adequate supply of home and community-based services workers to meet demand; d) Optimize reimbursement through Medicare, Medicaid, and third party insurers; e) Expand/create programs to provide accessibility for low income individuals to home and community-based services; f) Seek options to modernize and utilize electronical/technological equipment; and g) Increase access to primary care and specialty services (i.e., home care and home health services in the home).

AHHS Lanai is committed to providing care and services consistent with the values and priorities for the State of Hawaii, as well as the County of Maui. 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. A critical component is also to allow the client to remain on their home island, rather than have to fly to Oahu or Maui to seek services, unless it is direly necessary. Further, should hospitalization or specialty care be required off island, the client will be able to return home as soon as feasibly possible, to receive skilled nursing and/or rehabilitative services in their own home with in-home care. This would decrease the cost of care and housing off island and make it possible for the client to return to Lanai to the supportive arms of their family and loved ones.

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. Nursing services provides social support and social services as may be deemed appropriate.

AHHS Lanai 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.

Consistent with an informal "Focus Group" survey conducted by AHHS Lanai in April 2014 in multiple outreach activities using different venues and on February 11, 2015, AHHS on Lanai 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 with the love and support of their family and support system.

**Need and Accessibility:**

There is a need and demand for home health agency services in the State of Hawaii, on the island of Lanai 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 Lanai has been providing home care services since January 2014 and has been duly licensed under Title 11 Chapter 97 Home Health Agencies, since July 2014. AHHS Lanai is located in Lanai City within close proximity to those clients for whom they presently provide care and services. Currently, AHHS Lanai provides only private pay services based on the federal poverty guidelines and also receives some reimbursement from Medicaid waiver insurance carriers. As the only State Licensed Home Health Agency actively providing in home care on Lanai, clients face the challenge of paying out of pocket for services even at a tremendously decreased amount. Further, the challenge of financial sustainability for AHHS Lanai with decreasing federal funding support to Na Pu'uwai will create a hardship on the Agency without the support of Medicare subsidies/reimbursement.

The 2013 State of Hawaii Data Book states that there are 3,514 people in Lanai City. Lanai has a large Asian population that includes the second-highest concentration statewide of Asians (Filipinos and Japanese) (74.8 %). The Native Hawaiian account population accounts for 19.5% of the population. The median age of 38.6 years is equal to the reported State average and reflects a slightly lower percentage of residents 20 to 64 years (19.3%) and a higher percentage of those ages 65 and over (15.5%). In 2014, the median household income of Lanai City residents was \$53,684 with 9.6% living in poverty. Of those 200% or more below the federal poverty level, 25% are 65 years or older (versus the State average of 16%).

It is difficult to obtain Lanai specific data as the majority of data collected is for Maui County, and thus some of the information available is at best anecdotal and primarily reflective of ethnic data. The life expectancy for Maui County is 77.5 years for males and 83.7 years for females. As per the State's Healthy People 2010 objectives, native Hawaiians and Filipinos are the farthest from meeting the state's Health People's objectives, plus there are significant unmet health care needs and barriers to access to care. The lack of specialty care and the need to travel to Honolulu by air or to Maui via

ferry for specialty care and hospitalizations impacts heavily on the elderly both financially and psychologically.

The medical services on Lanai are centralized in the middle of Lanai City. Hawaii Pacific Health Corporation that includes Straub Family Health Center employs two family practice physicians. Lanai Community Hospital is a 10-bed long-term care facility that also provides emergency care and a fully staffed laboratory. There is a licensed six-station dialysis facility servicing 13 patients on the ground floor of the hospital that is independently operated by Fresenius Dialysis Services. On Lanai, the number of dialysis patients has increased from three to 13 in about nine years; currently, the number of patients utilizing the Lanai facility is 12. The island's only public health nursing (PHN) office is situated next to the dialysis facility; there is one PHN and one part-time health aide support. There are no mammography or ultrasound services on Lanai for breast cancer screening and/or detection, and Na Pu'uwai's satellite office on Lanai, Ke Ola Hou O Lanai (KOHOL) has supported and assisted residents through a Susan G. Komen breast cancer grant to travel to Maui to access these services. Department of Health also sponsors the Women, Infant, and Children (WIC) nutritional supplement program staffed by a dietitian from Maui and support staff from Lanai. Other health and human services have their parent companies off island, either on Maui or Oahu, and on island staff must rely on supervision and support by itinerant visits and/or by e-mail or phone. The Federally Qualified Health Center (FQHC), the Lanai Community Health Center, opened in fall 2008, and is staffed by two APRNs and psychologist who reside on island and a medical director who travels from Oahu two days weekly. The Maui County Office on Aging has placed a part time employee on Lanai; however, a once-thriving senior center operated by the Maui County Kaunoa program, which is primarily a congregate meal site for seniors, has temporarily closed due to the retirement of its 2 senior staff.

The need for home care and/or home health has become a critical issue. Through the Memorandum of Understanding between Arcadia and Na Pu'uwai, AHHS Lanai was established to meet the demands of the kupuna on Lanai allowing them the ability to receive in-home care and services and return to their home setting after traveling to Oahu when hospitalization or specialty services were required.

Currently, the Hawaii State Department of Health Office of Health Care Assurance lists twenty-eight (28) state licensed home health agencies within the State. AHHS Lanai is the only State Licensed agency on Lanai. 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 Lanai 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. For Lanai, as mentioned previously, as 25% of the 65+ population are below the federal poverty level, Medicare reimbursement will allow for the kupuna to receive skilled nursing and therapeutic services in their own home and not be required to pay out of pocket.

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 Lanai is committed to developing a continuum of care structure to assist with the aging demands that Lanai is, and will be, faced with. Further, AHHS Lanai 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 on the island of Lanai. 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 Lanai clients may require. Should the client require care and/or services on Oahu, coordination services will assist in communication with hospital discharge planners and/or specialty physicians to ensure that appropriate care and services are provided upon return to their home island. Further, assistance will be provided to the client and family in acquiring or arranging equipment, as well as construction for home modification.

### Quality criteria

#### 1. Quality of care:

AHHS Lanai has been operating as a home care agency since January 2014 and became duly licensed by the State of Hawaii under Title 11 Chapter 97 Home Health Agencies, in July 2014. AHHS Lanai presently serves, on average, 24 clients per month. The State Department of Health Office of Health Care Assurance conducted an initial licensing inspection in July 2014, at which time, no deficiencies were cited. (Attachment 7 – AHHS Lanai License with official notification)

AHHS Lanai provides ongoing training to its entire clinical staff with support from AHHS on Oahu. Registered Nurses undergo competency evaluations annually, as well as in-service training per state requirements. In addition, 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 that 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 Lanai is providing. Analyses of the surveys are conducted by AHHS Lanai, AHHS on Oahu Administrator and Na Pu'uwai 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 Home Health Agencies, HAR, an Advisory Committee consisting of the Medical Director, dietitian/nutritionist, community representative, RN with experience in public health, Administrator of AHHS on Oahu, Na Pu'uwai's Long Term Care Director and a consultant provides input on policies governing medical, nursing and therapeutic services in order to assure consistency with standards for best practices.

AHHS Lanai has implemented the use of Interventions to Reduce Acute Care Transfers (INTERACT II) for Home Health that 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 Lanai 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. Monthly teleconferences/videoconferences/web-based platforms, such as ZOOM (which is an expanded version of Go-To-Meetings which consists of business applications with the ability to share/edit and visualize documents) as well as quarterly on-site visits by the Administrator of AHHS on Oahu are conducted.

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

## 2. Staffing

AHHS Lanai is currently staffed with 1 full-time Registered Nurse and 2 Certified Nurse Aides, the equivalent of a half-time Social Worker, a half-time Dietitian, and 1 Housekeeper. An additional benefit is the availability of support services through the Arcadia Family of Companies, which provides mentoring, training and consultation on an ongoing basis. Contracted services include Rehabilitative Services (Physical, Occupational and Speech Therapists).

Our Registered Nurse has had 10+ years of experience in Home Health and long-term care. Due to the limited supply of CNAs on island and the lack of opportunities for on the job training, AHHS Lanai has developed orientation and mentoring for CNAs. At the time of hire, all staff is provided with an orientation period and an evaluation to determine skill level. Should staff require enhanced training, arrangements are made with resources within the Arcadia 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, knowledge and competency levels of every employee.

### 3. Licensure and certificates.

As noted above, AHHS Lanai has been duly licensed under Title 11, Chapter 97 Home Health Agencies, since July 2014.

When approval is received, AHHS Lanai 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.

AHHS Lanai is currently certified to receive reimbursement from Aloha Care for those clients eligible for Medicaid waiver support.

### 4. Memberships.

The Arcadia Family of Companies, including AHHS Lanai, 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 Lanai 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. As part of the Arcadia Family of Companies, AHHS Lanai also participates in the American Health Care Association/National Center for Assisted Living (AHCA/NCAL).

AHHS Lanai also has established partnerships with several organizations and programs related to its mission of improving the health status of residents of the Lanai community through venues, such as home health services. With limited resources on island, AHHS Lanai has had the opportunity to relate to KOHOL and Na Pu`uwai, to enhance its program and thereby, benefit the Lanai community. Na Pu`uwai's parent company, Papa Ola Lokahi, provides the umbrella for all of the Native Hawaiian Health Care Systems to ensure that data reports related to each island's unique characteristics are correct and are reflected in a relevant manner. In addition to the resources and training

opportunities that Arcadia provides, other entities with which AHHS Lanai is involved includes: (i) Maui County Office on Aging (MCOA); (ii) the Hawaii State Departments of Health, Education, and Human Services; (iii) Hawaii State Rural Health Association; (iv) Federal partners, such as the Federally Qualified Health Centers (FQHC); (v) Hawaii Primary Care Association; and hospitals and health care facilities that participate in KOHOL and Na Pu`uwai health screening and education events; (vi) Hawaii Pacific Health (Straub), (vii) Maui Memorial Hospital, Lanai Community Hospital, and Queens Medical Center; (viii) specific clinical programs, such as Wound Care resources and (ix) specific health education organizations, such as American Heart and Stroke Association, American Diabetes Association, Hawaii Association of Diabetes Educators.

5. Medicare reports: NA

**Cost and financial criteria:**

1. Description of the Institutions' Financial Base

There are currently 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.

Na Pu`uwai has been incorporated since 1991 as a non-profit 501 (c)(3) tax-exempt organization.

Attached as Exhibit D-1 are Consolidated (audited) Financial Statements for the family of companies, which include AHHS, for the last two years (See Attachment 8 – Exhibit D-1) and the single audit for Na Pu'uwai (See Attachment 9), done for the year ending September 30, 2015.

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

Attached as Exhibit D-2 are the projections for three years of revenues and expenses for AHHS Lanai through Na Pu'uwai and KOHOL. (See Attachment 10 – Exhibit D-2)

Attached as Exhibit D-3 is an AHHS Lanai operation information worksheet, using Na Pu'uwai and KOHOL personnel. (See Attachment 11 – Exhibit D-3)

Of particular note for AHHS Lanai, and in this application, is the past, present and anticipated client mix for the home care and home health services provided by AHHS Lanai. Should this application be approved by SHPDA, all billing for services will be



managed by Na Pu'uwai. The reimbursement provided by Medicare, however, is not expected to be a substantial revenue producer. Such revenue shall be used by Na Pu'uwai to assist in defraying cost of staffing and supplies necessary for the provision of senior care and/or services on Lanai. Further, as a result of the limited revenue projected in Exhibit D-2 compared to the larger expenses, including salaries and wages, are expected to be covered by grant in aid and other revenue sources available to Na Pu'uwai.

The approval of the application will enable AHHS Lanai to continue providing services for the kupuna we serve, offering them the additional opportunity of eligibility for Medicare reimbursement thereby adding to the strength of their limited resources to pay for skilled nursing and/or therapeutic care/services.

**Relationship to the existing health care system:**

As previously noted, there are currently twenty-eight (28) state licensed home health agencies within the State, with only AHHS Lanai licensed to provide home care and home health services on the island of Lanai. 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 Lanai currently collaborates with AHHS on Oahu and Hospice Hawaii on Lanai. AHHS on Oahu provides supportive services and training to AHHS Lanai. Ongoing collaboration exists with Hospice Hawaii on Lanai, as they may both be providing services to the same client

AHHS Lanai also communicates with, and has positive working relationships with physicians, Lanai hospital, Hospice Hawaii and Public Health Nursing in which AHHS Lanai makes referrals to, or from which AHHS receives referrals, based on the identified needs of our clients, especially when level of care changes occur. AHHS Lanai will utilize the attached AHHS Capabilities List, as appropriate, as it communicates with the providers who refer to its program. (See Attachment 12 - AHHS Capabilities List. Na Pu'uwai and KOHOL ascribe to and support, these capabilities.)

A positive benefit for AHHS Lanai is the availability of resources within the Arcadia family of companies as reflected in the following: on-going training to AHHS Lanai's entire clinical staff, including competency evaluations and required in-service training; assistance in on-going quality assurance and performance improvement meetings to identify concerns and needs and developing processes for improvements, monitoring and evaluation; facilitating AHHS' existing advisory committee to ensure policies are

consistent and reflect best practices; and utilizing AHHS tools for quality improvement, such as INTERACT II (Interventions to Reduce Acute Care Transfers) and OASIS (Outcome and Assessment Information Set) reporting. AHHS Lanai has also embraced the use of AHHS' "Vision" (electronic medical record) and Mobile View systems.

### **Availability of Resources**

Na Pu`uwai presently has sufficiently trained and competent staff to provide the services discussed in this application. AHHS Lanai currently has 1 full-time Registered Nurses, 2 Certified Nurse Aides, a part-time Dietitian, a part-time Social Worker, and it has contracted Rehabilitative staff.

There are no major capital costs for the proposed programs in this application. Currently, Na Pu`uwai's operational funds through its primary Federal grant from the Health Resources Services Administration (HRSA) supports the AHHS Lanai, including personnel costs, supplies, and related costs. Although it does not have the ability to bill Medicare for services, there is an established sliding fee scale that is based on very minimal payment from patients receiving these services. There is minimal reimbursement from a few private donors i.e. community members and local organizations have provided minimal monetary donations as KOHOL fees are extremely low – based on the need of services and utilization of a sliding fee scale. A few care recipients and/or their families pay for such services monthly upon receipt of invoices for services. Additionally, contractual agreements have been made to provide clinical RN support for clients requiring home intravenous (IV) infusions or IV site care, therefore LOA/MOUs have been made with organizations to provide the clinical support with provider orders. One such example is Pharmacare who pays for RN clinical support as ordered by a physician, which allows for clients to return to their homes on Lanai, avoiding lengthy hospital stays or expensive emergency room visits. Other agreements have been established with vendors such as American Medical Technologies (AMT) who enables the provision of RN services for clients with wounds through their expert consultation by wound care nurses, the provision of supplies. Although there is no monetary support provided to AHHS Lanai, this resource assures timely and expert wound care for clients. Lastly, agreements have been made with Medicaid waiver providers such as Aloha Care. Although the rate of reimbursement is lower than that of the national average for services, the partnership allows for Medicaid waiver recipients to receive much needed services and care.

Na Pu`uwai is primarily funded through a Federal grant from the Health Resources and Services Administration (HRSA). All staff, full time and part time, as well as consultants and contractors are paid through this grant. At times, Na Pu`uwai does have the opportunity to receive monies from other program-specific grants, such as Maui County Office on Aging that subsidizes elder care in the Adult Day Care and Health program; partnerships with other organizations, such as the Office of Hawaiian Affairs and a charter elementary school in a wellness program; tobacco cessation funding from private and state grants; and behavioral health support. Currently, these funding

streams help to keep AHHS Lanai and other long term care services viable and related staff fully employed.

We fully anticipate that AHHS Lanai will continue to hone its operations in order to achieve a break-even position and will eventually achieve an operating surplus that will be utilized by the Na Pu'uwai to enhance its services to our kupuna.