



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM **19 OCT 29 P12 39**

Application Number: # 19-13A
To be assigned by Agency

Date of Receipt:

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APPLICANT PROFILE

Project Title: Establishment of 16 bed Special Treatment Facility

Project Address: 4940-C Ma'alo Road Lihue Kauai 96756
Applicant Facility/Organization: Hope Treatment Services

Name of CEO or equivalent: Stanley Perpignan

Title: Program Director

Address: PO Box 893397 Mililani Hawaii 96789

Phone Number: 808-392-1040 Fax Number: 808-744-1778

Contact Person for this Application: Stanley Perpignan

Title: Program Director

Address: PO Box 893397 Mililani Hawaii 96789

Phone Number: 808-392-1040 Fax Number: 808-744-1778

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.

[Handwritten Signature]
Signature

10/29/19
Date

Stanley Perpignan
Name (please type or print)

Director
Title (please type or print)

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

- Public _____
- Private _____
- Non-profit X
- For-profit _____
- Individual _____
- Corporation X
- Partnership _____
- Limited Liability Corporation (LLC) _____
- Limited Liability Partnership (LLP) _____
- Other: _____

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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: _____
- Kaua`i County: X
- 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)
- 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.) **OCHA License**
- C. Your governing body: list by names, titles and address/phone numbers
- 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
 - By-Laws
 - Partnership Agreements
 - Tax Key Number (project's location)

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.

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	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				X	
Outpatient Facility					
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.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
STF	0	16	16
TOTAL	0	16	16

6. PROJECT COSTS AND SOURCES OF FUNDS

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A. List All Project Costs:

AMOUNT:

1.	Land Acquisition	19 OCT 29 P12 39	<u>0</u>
2.	Construction Contract	ST HLTH PLNG & DEV. AGENCY	<u>0</u>
3.	Fixed Equipment		<u>\$19,000</u>
4.	Movable Equipment		<u>\$11,500</u>
5.	Financing Costs		<u>0</u>
6.	Fair Market Value of assets acquired by Lease, rent, donation, etc.		<u>\$ 697,259</u>
7.	Other: _____		<u>0</u>

TOTAL PROJECT COST: \$727,759

B. Source of Funds

1.	Cash	<u>\$30,500</u>
2.	State Appropriations	_____
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: Fair Market Value of leased premise to pay by monthly rent	\$697,259

TOTAL SOURCE OF FUNDS: \$727,759

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.

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Establishment of 16 bed Special Treatment Facility.

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:

- a) Date of site control for the proposed project, August 2, 2019
- b) Dates by which other government approvals/permits will be applied for and received, upon CON approval
- c) Dates by which financing is assured for the project, N/A
- d) Date construction will commence, N/A
- e) Length of construction period, N/A
- f) Date of completion of the project, Upon completion of STF License by OCHA
- g) Date of commencement of operation Upon completion of STF License by OCHA

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.

- 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)

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- 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: Please present a brief summary of your project. In addition, provide a description of how your project meets each of the certificates of need criteria listed below. If a new location is proposed, please attach an easy to read map that shows your project site.

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STATE OF HAWAII
DEV. AGENCY

Hope Treatment Services is requesting a CON for 16 bed (STF) Special Treatment Facility in order to provide residential substance abuse & Mental Health treatment for Kauai's youth. Hope Treatment Services will provide holistic treatment for the recovery from the diseases of addiction and mental illness. Client treatment will be individualized based on specific client needs, to include but not limited to: drug of choice, and life history. Hope Treatment Services subscribe to the concept that addiction is a disease as acknowledged by the American Psychiatric Association. Our program will consist of evidence based treatments acknowledged by SAMSHA and major insurance companies. All treatment will be provided by appropriately licensed and well-qualified staff.

a) Relationship to the State of Hawaii Health Services and Facility Plan.

Hope Treatment Services will be a need addition to the continuum of care for addiction and mental health treatment on the island of Kauai; and will become an integral part of the State of Hawaii health care unit. One of the goals of the state of Hawaii Services and Facilities Plan (HSFP) is to focus on increasing cost-effective access to necessary health care services. Hope Treatment Services accept (Private and Quest) insurance, making access to care more affordable for those served. The addition of these 16 STF bed will reduce cost involved in travelling distance for much needed treatment.

The mission of Hope treatment Services is: provide Kauai youths with the life skills need for a better tomorrow. *“Getting help today creates Hope for tomorrow”*

Promote and support the long term viability of the health care delivery system: In order for a healthcare system to remain viable, Hope Treatment Services will provide efficacious care and establish a full continuum of healthcare, all component of the entire system must be in place and able to provide the services needed for a community's overall health. Currently a gap exist in the continuum of care for Substance abuse and Mental Health treatment throughout the state and especially on the island of Kauai. Hope Treatment Services will help fill the gap by providing efficacious evidenced based substance abuse and Mental Health treatment for the residents suffering from addiction.

Hope Treatment Services Program is open to Referrals State wide. The Adolescent Healing Center is consistent with the statewide and regional priorities in that it adds an essential elements to the continuity of care and provides a cost effective means of diverting young men from more restrictive and more costly options through evidenced based treatment designed to alter and improve self-destructive and potentially dangerous behaviors, as well as increasing and improving access to treatment and education.

Hope Treatment Services will expand and retain the health care workforce to enable access to the appropriate level of care in a timely manner. Hope Treatment Services will provide meaningful and profitable employment for a variety of healthcare workers. Our Agency will provide gainful employment for physicians, mental health workers, nurses, and counselors; additionally we will provide opportunities for these clinicians; continued professional growth through work experience and subsequent advanced clinical knowledge and training.

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STATE HEALTH PLAN
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Hope Treatment Services will ensure that our services will at least maintain overall access to quality healthcare at a reasonable cost. One of the goals of Hope Treatments Services is to expand the availability of suitable treatment for clients with commercial insurance. We plan to accept commercial insurance and Quest thus reducing out of pocket expenses for clients. A recent report from one of Hawaii's major insurance companies demonstrated that more than half of all commercially insured consumers received inpatient substance abuse treatment outside of the state. By establishing a local resource for treatment we can increase the ability to reduce costs to residents of Hawaii by reducing travel costs and keeping clients closer to their families and primary supports which are crucial for discharge planning and setting a foundation for clients to maintain long term sobriety. Clients that are desirous for treatment but unable to locate an available STF bed are at risk of ultimately being an increased financial burden upon the state. Costs incurred by the state and its residents include, crime to support drug dependence, impacts on health that are more costly to insurance companies, danger to others as impaired driving or being under the influence of drugs or alcohol in a place of employment, as well as the detriment to healthy family functioning.

Hope Treatment Services will strive for equitable access to health care services (i.e., remove financial barriers, increase availability of physicians). Again, Hope treatment services will be a needed and critical addition to the continuum of care in relationship to substance abuse treatment. According to the most recent HSFP (2009), 75% of all Hawaii residents are insured. The insured clients require access to treatment when needed. Presently there are no other special treatment facility on the island. Current wait times at facilities for a residential substance abuse treatment for youth are between sixty to ninety days. Hope Treatment Services will provide additional residential substance abuse beds and will support an increase towards being able access to healthcare services for those in need.

Hope Treatment Services will ensure all projects are appropriate for the regional and statewide continuum of care as demonstrated above a glaring gap exists in the need for substance abuse treatment and the availability of beds to provide residential treatment that will compliment and support current services provided on island.

Hope Treatment Services will encourage and support health education as well as promotion and prevention initiatives. Hope Treatment Services will work with local clinics and providers to assure clients receive appropriate services on capacities both higher and lower than residential treatment. In doing so we will work with other providers and agencies to assure that a complete continuum of care is realized. We will be a needed link in the full spectrum of care, which includes but is not limited to; residential treatment, intensive outpatient services, sober living, housing, and outpatient group, individual, and family therapy. Along with providing a link in the state's continuum of care we will work to educate other facilities, healthcare providers, and

residents as to the importance of recovery and steps needed to obtain and maintain recovery from alcohol and substance abuse. These outreach efforts will include a needed educational component focusing on awareness of the disease of alcohol and substance abuse as well as how to treat it and available community resources.

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HIS INFRASTRUCTURE & RECOVERY AGENCY

One goal stated in the HSFP is to promote the financial viability of the health care delivery system. Hope Treatment Services will add stability to the current health care infrastructure of Hope Treatment Services. By adding additional residential treatment beds we will reduce the strain on existing providers that are beyond their capacities. One example would be reducing Emergency Room (ER) hospital visits to Wilcox Hospital, which is currently a costly way to treat those who are suffering from addiction. Many patients going to the ER could be better and more appropriately serviced through residential treatment rather than an inpatient hospital setting.

A specific area of concern as cited by the HSFP under the State Health Coordinating Council priorities is to increase access to substance abuse programs services, and education. Hope Treatment Services will add 16 bed additional residential beds to the island of Kauai County Lihue Region. It is estimated that this number is far too small of a number to support the daunting demand currently recognized on the island. As stated earlier, the only no other special treatment facility for youth on the island. The creation of these beds will somewhat reduce the demand for those being turned away for a much needed service.

b) Need and Accessibility

Hope Treatment Services will provide services to those on the higher end of the spectrum ages 13 through 17. It is expected that the sixteen (16) beds will reach capacity in short order and remain so indefinitely.

Hope Treatment Services Adolescent Treatment and Healing Center will be accessible to all boys between the ages of 13 through 17 without regard to race ethnicity or their ability to pay.

It is clear that the need for existing substance abuse resources is strongly needed throughout the United States including Kauai. The Island has the additional impediment of being geographically challenged in that our states residents cannot easily or inexpensively go to another town, city, or state for treatment without being subjected to high travel costs and separation from their family and primary support groups. Currently there is no other youths STF facility on the island of Kauai.

Hope Treatment Services will provide needed access to residents of State of Hawaii (Kauai primarily). We will provide treatment for youth under the age of 18. Our services will be available to all male youth regardless of race, ethnicity. Clients will be able to utilize insurance for services and we will verify coverage prior to admittance and assist them in attaining reimbursement. In most instances patients' only expenses will be that incurred by their mandated co-pay or co-insurance as determined by their individual insurance companies.

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STATE OF CALIFORNIA
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Clients without insurance will also be able to utilize our services on a fee-for-service with rates commensurate with national industry standards. Additionally, for those that are unable to afford our services, we plan to develop a scholarship program once profitable to contribute to underserved populations receiving appropriate care. Treatment Services will be assessable to all youth seeking services, low-income persons, racial/ethnic minorities, and other underserved groups. We plan to assist clients to apply for insurance reimbursement for fees incurred. Those that are either not a fit for our program or need services beyond our scope of practice will be referred to an appropriate agency.

c) Quality of Service/Care

Hope Treatment Services will utilize the best clinicians available in the field of addiction and mental health, in doing so we will strive to provide the highest quality evidence based treatment possible. Staff will all hold applicable state licenses and participate in continuing education and training. Our program will emphasize collaborative consultation so that all appropriate staff members will have the knowledge and participate in all patients' treatment. When needed and in accordance with best practices and HIPPA laws, coordination of care be coordinated with both incoming and outgoing provider and agencies. Staff is anticipated to consist of a medical director, Psychiatrist, Registered Nurse, therapist, certified substance abuse counselors and mental health technicians. Staff to client ratio will be maintained according to industry standards, insurance and accrediting body, SAMHSA guidelines.

The proposed program will improve the quality of care by providing:

1. Evidence-based treatment interventions, milieu-based programming, and activities designed to improve the functioning of the youth served.
2. An orderly schedule and normalized routine of therapeutic activities consistent with a trauma-informed approach are designed to improve behavior and functioning and support the development of daily living and independent living skills.
3. Opportunities for the youth to engage in age-appropriate structured recreational activities that support the development of positive social and interpersonal skills.
4. Group therapy at least five (5) times a week; sessions shall be a modality-driven family therapy session in support of safely transitioning the youth to his/her home/community. In cases where there is no family/guardian to participate in family therapy, discussions with social worker of care coordinator to support transitioning the youth to his/her home/community is acceptable.
5. Comprehensive psychiatric services to include medical evaluation, medication review, adjustment, and monitoring at least once (1) or as indicated by treatment plan. Psychiatrist is available for consultation with program staff as needed to guide treatment.

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6. On-site DOE educational program that addresses the youths educational needs including that addresses educational goals and objectives identified in the youth's IEP (if applicable).
7. Structured pre-vocational and vocational training activities as applicable.
8. Integrated individualized substance abuse counseling and education as indicated in youth's plan.
9. A documented treatment plan that identifies targets of treatment connected to realistic goals that will be developed as part of the initial assessment process and includes information from the pre-admission meeting and Mental Professional. The Mental Professional will be evaluated and revised as necessary, at least monthly as treatment proceeds and will include the youth, family/guardian and other relevant treatment members.
- a) The crisis component of the treatment plan will identify the youth's problematic behaviors, setting events, triggers and preferred means of calming and regaining control along with steps the caregivers will take in the event the behavior escalates out of control. The Crisis plan builds on available information from the youth's personal safety plan in the CSP. The crisis plan will focus on early intervention for any problematic behavior to reduce the need to take reactive steps.
 - b) The discharge component of the treatment team will specify discharge criteria directly linked to behaviors/symptoms that resulted in the admission, time frame for discharge and any aftercare resources needed to transition the youth to a less restrictive level of treatment. Planning begins at the pre-admission meeting and is revised throughout treatment to ensure that any potential obstacles to discharge are recognized and addressed before anticipated discharge date.
10. Treatment is designed to include all members of the family/caregivers, not just the specific youth through regular family therapy and therapeutic home passes.
11. If the youth is involved in treatment with another behavioral health provider(s) then, with proper consent, the Agency will notify any other behavioral health provider(s) of the youth's status to ensure care is coordinated. Hope Treatment Services will provide, when clinically indicated, direct transitional support services to facilitate successful discharge from the program and engagement in the step-down services. This service includes home-based intervention to conclude the family therapy work started while in the residential treatment program. When a youth steps-down to another island, tele-health technology shall be used to deliver these interventions.

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The treatment is family-centered and includes regular, intensive individual and family therapy (at least three (3) times a week). At minimum one (1) of these therapy Treatment Services will be accredited by CARF, for Behavioral Health Case management, Assessment and Referral, Court Ordered Treatment and Medication Management. CARF accreditation is one of the leading healthcare accrediting bodies in the United States and achieving their accreditation demonstrates that a facility consistently meets or exceeds standards for safety and quality of client care.

Hope Treatment Services will seek license as a Special Treatment Facility (STF) from the State of Hawaii Department of Health Office of Health Care Assurance (OHCA) as soon as possible. We will need the Certificate of Need prior to submitting an application to OHCA.

Hope Treatment Services will also become accredited by the State of Hawaii Department of Health Alcohol and Drug Abuse Division (ADAD) as soon as possible.

Hope Treatment Services will regularly review in-house data, policies and procedures in order to ascertain that treatment administered is efficacious, safe, and ethical. Oversight will be confirmed on multiple levels including our Medical Director, Third-Party Payers, OHCA, ADAD, and CARF.

d) Cost and Finances (include revenue/cost projections for the first and second year of operation) anticipated full house.

	2019	2020
Sale:	\$1,120,000	\$2,600,000
Costs:	\$919,840	\$1,042,000
Profit:	\$ 200,160	\$1,558,000

e) Relationship to the existing health care system

Hope Treatment Services will provide a needed link and identified gap in the existing infrastructure of Kauai and the State's treatment of substance abuse. We are assured to pose no negative impact on existing facilities and serve to complement existing treatment options. We will be able to accommodate overflow and be a referral source for existing outpatient substance abuse facilities. We will also become a strong referral source for established Intensive Outpatient (IOP) providers currently on the island in the event of a medical emergency individuals in need of urgent medical care will be transported to Wilcox Hospital Center or another facility as determined by emergency services personnel. Our facility is located approximately 3 miles from Wilcox Medical Center and 2.5 miles from the Lihue Fire Station.

f) Availability of Resources

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Hope Treatment Services is a new residential treatment program. However, interviews have already commenced in an effort to recruit the highest caliber of clinicians available. We have already reached out to a number of potential staff members that have expressed interest in joining our team. Prospective staff members that have extensive experience in working in substance abuse facilities and with those with addiction problems. In addition to the interviews we have completed we will continue our search for prospective employees and clinicians nationwide in order to attract the highest quality staff available, we have no concern that if approved for a CON we will be able to assemble a high quality staff capable of treating our clients in a manner that is safe, ethical, and meets all laws and industry standards. Prospective employee's licenses will be verified and will have background, criminal, and sex offender's clearances completed. In fact, we anticipate providing services that far exceed average facilities.

Our Executive Director has experience overseeing services provided to those suffering from mental illness and substance abuse. In that capacity she is our current supervisor for Severely Mentally Ill (SMI) case management programs for the Med Quest Community Care Services (CCS) program. Our Program Manager who has extensive experience in business management is the site director for our Wahiawa and Hilo Offices with oversight for approximately 300 SMI patients.

The \$125,000 working capital required for the project is currently in a Bank of Hawaii business account under Hope Treatment Services. The lease will be paid out of our banking account. We also have access to personal funds that can be utilized by/ granted if needed for additional operating expenses.