



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 19-14A
To be assigned by Agency

Date of Receipt: **ST HLTH PLNG & DEV. AGENCY**

APPLICANT PROFILE

Project Title: Establishment home health agency services on the Big Island

Project Address: 395 Kilauea Ave. Unit B3

Hilo, HI 96720

Applicant Facility/Organization: Mastercare, Inc.

Name of CEO or equivalent: Anwar Kazi

Title: CEO

Address: 1314 S. King Street, Suite 424, Honolulu, HI 96814

Phone Number: 808-597-1564 Fax Number: 808-597-1565

Contact Person for this Application: Kathy Shields

Title: Accountant

Address: 1314 S. King Street, Suite 424, Honolulu, HI 96814

Phone Number: 808-427-6004 Fax Number: 808-597-1565

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.

Signature

Date

Anwar Kazi
Name (please type or print)

CEO
Title (please type or print)

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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- Attachment #2
- By-Laws-Attachment #3
- Partnership Agreements N/A
- Tax Key Number (project's location) 3-2-2-007-001-0004

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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.

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

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6. PROJECT COSTS AND SOURCES OF FUNDS
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A. List All Project Costs:

AMOUNT:

- | | | | |
|----|--|-------------------------------|-------------|
| 1. | Land Acquisition | ST HLTH PLNG
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| 2. | Construction Contract | | _____ |
| 3. | Fixed Equipment | | _____ |
| 4. | Movable Equipment | | _____ |
| 5. | Financing Costs | | _____ |
| 6. | Fair Market Value of assets acquired by
Lease, rent, donations etc. | | 31,800_____ |
| 7. | Other: Office Supplies/Equipment _____ | | 18,100_____ |

TOTAL PROJECT COST: 49,900_____

B. Source of Funds

- | | | | |
|----|---|--|-------------|
| 1. | Cash | | 18,100_____ |
| 2. | State Appropriations | | _____ |
| 3. | Other Grants | | _____ |
| 4. | Fund Drive | | _____ |
| 5. | Debt | | _____ |
| 6. | Other: FMV of leased space to be paid by monthly rent | | 31,800_____ |

TOTAL SOURCE OF FUNDS: 49,900_____

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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 19-101-29 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

STATE HEALTH PLAN & DEV. AGENCY

Mastercare, Inc. seeks to obtain Certificate of Need for Medicare Certified Home Health Agency to provide enhanced home healthcare services to the Medicare population of Hawaii to include Hawaii County.

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: N/A
- a) Date of site control for the proposed project, August 2019
 - b) Dates by which other government approvals/permits will be applied for and receive. upon certificate of need 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, N/A
 - g) Date of commencement of operation: upon Medicare certification

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.

Project Summary:

Mastercare, Inc. recently received its state license for home health care services (**Attachment #4**), and now seeks to add Medicare Certified care services on the island of Hawaii, in the Hilo area and remote areas of the island. Mastercare, Inc. has been operating the Hilo office since 2005 and will use current and newly recruited staff to provide Medicare services including occupational, speech, and physical therapy, as well as social work. As a state licensed home health agency, Mastercare, Inc. is committed to providing quality services at minimal costs. Mastercare, Inc. has offices on the islands of Maui and Kauai, and the corporate office located on Oahu recently received Medicare certification and is Chap accredited. The Hilo office has received many requests for Medicare services since the corporate office has been certified.

- a) Relationship to the State of Hawai'i Health Services and Facilities Plan

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This project is in line with the SHCC priorities by promoting the State Health Plan goal to promote the long-term viability of the health care delivery system. It also ensures that any proposed services will maintain overall access to quality health care at a reasonable cost, as well as to ensure capacity and access to a continuum of long-term care services. Mastercare, Inc. attends the latest conferences to stay up-to-date with changes to encourage and support health education, promotion, and prevention with our clients.

In regards to the Sub-Area Planning priorities, Mastercare, Inc. works to expand and retain the health care workforce, to enable access to the appropriate level of care for our clients in all areas of Hawaii County. To address the workforce shortage in the healthcare industry, Mastercare, Inc. seeks to hire, educate, and retain the very best employees. We strive to ensure statewide continuum of care, by attending job fairs, support conferences, community involvement, and by taking advantage of continued education opportunities. Mastercare, Inc. continuously recruits through many sources to find the best caregivers for our client's needs. To address high risk health indicators, Mastercare, Inc. utilizes and stays informed of evidence-based care practices, sets care management goals, and tracks the progression of clients. Mastercare, Inc. also has regular interdisciplinary care team meetings, and in-services, such as DDID ICAP, SIS, LEP meetings, and individual service plan meetings. Mastercare, Inc., has recently partnered with CWS and is in discussion with Kuakini nursing administration to offer floor shift support and CNA contracts. Mastercare, Inc. and Hawaii County office of Aging collaborate in an effort to spread awareness on shortage of caregivers and resources for participants.

b) Need and Accessibility

This project will provide quality home health services to the residents of The Big Island. The target populations for these services will include Medicare beneficiaries. Those 65 and older made up 17.1 percent of Hawaii's total 1.4 million residents in 2016, according to the U.S. Census Bureau. Between April 1, 2010 to July 1, 2016 Hawaii's population grew 5 percent while the 65 and older population grew 25 percent, with an average growth rate of 3.6% annually. (<http://files.hawaii.gov/dbedt/census>) In 2016 The Bureau of Labor Statistics reports an expected increase of 41 percent for home health aide new positions by 2026.

As the population of baby boomers continues to age, the need for more caregivers providing quality care will continue to grow. AARP expects ratios from 3 to 1 in 2030 and 2 to 1 going into 2050. Medicare.gov currently identifies only 3 Medicare certified facilities. Mastercare's business structure allows us to expand our current services on the Big Island to meet current and growing future needs of our growing Medicare population. Approving this certificate of need will enable the 65 and older population of Hawaii County to have access to continuous quality care.

As of 2019 Hawaii County population is 200,983, up 8.43% since 2010. That represents the highest rate of growth of all the counties. (<http://worldpopulationreview.com/us-counties/hi/>) The Medicare population of 65 and older make up 20.9%, and an additional 7.7% of the total population under the age of 65 is disabled. (<https://www.census.gov/quickfacts/fact/table/hawaiicountyhawaii,US/AGE775218>).

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Total Number of Hawaii Medicare Beneficiaries

Year	Hawaii Total	Growth	Percent increase
2015	241,052	7,285	3%
2016	249,086	8,034	3%
2017	256,449	7,363	3%
2018	268,978	12,529	5%

<https://www.kff.org/medicare/state-indicator/total-medicare-beneficiaries/>

The charts below is using 2017 statewide data to extrapolate Hawaii County totals based on statewide totals

	Statewide Data	Hawaii County as 14% of State
Total # of Patients	3,728	522
Total # of Home Visits	71,728	10,042

https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMSProgramStatistics/2017/Downloads/UTIL/2017_CPS_MDCR_HHA_3.PDF

	Total # of Medicare Home Health Patients In HI	Total # of Medicare Home Health Patients in Hawaii County (14%)	New home health beneficiaries (4% growth)	Estimated capacity (rounded)	Visits per year (based on 20 visits)
Year One 2020	3,728	522	21	543	10,860
Year Two 2021	3,914	548	22	570	11,400
Year Three 2022	4,110	575	23	598	11,960

The chart above assumes a 4% growth based on the average growth from 2015-2018 based on the chart of Total Number of Hawaii Medicare Beneficiaries.

Once granted certification, and upon implementation, Mastercare, Inc. could potentially serve all identified patients estimated to be in need of services. Mastercare, Inc. has a pliable business model which allows us to expand our services to meet the growing needs of the community, which will allow us to serve 100% of new beneficiaries in 2019 and beyond. Mastercare would provide services for the Medicare population regardless of race, ethnicity, gender, disability or any other underserved group.

c) Quality of Service/Care

Mastercare, Inc. (Mastercare) is continually striving to be a principal Home Health Care agency in the state of Hawaii. Mastercare is state licensed in all locations and Oahu is currently Medicare certified and Chap accredited. As an in-home care provider on the islands of Oahu, Maui, Kauai and Hawaii (The Big Island), Mastercare's operating philosophy is that our staff focuses on providing meaningful one to one care and companionship. This work is enhanced with the 24/7 backing of our clinical support staff. Staff assignments are made with "continuity of care" in mind.

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For fourteen (14) years, with a Medicaid waiver and in compliance with all state and federal rules and regulations, Mastercare has been providing Private Duty Nursing in-home care on The Big Island. The 65+ population on The Big Island is in need of additional resources to provide in home clinical and non-clinical care. Mastercare has the experience to fill this need. On The Big Island, Mastercare is prepared to put patient safety first in providing in home care and companionship. Clinical and non-clinical healthcare professionals will be vetted for their knowledge, skills, and attitudes. Mastercare recruit's staff that demonstrate personal and societal responsibility for the delivery of safe, quality patient care. Mastercare staff is charged with the obligation for staying up to date in their clinical and non-clinical knowledge and skills to ensure they are giving the right care, treatment, and support at the right time. "Quality" is ultimately determined by the overall performance of a service as seen by the client. Mastercare is therefore seeking feedback from the clients and their support networks.

Mastercare has developed an ongoing Quality Assurance and Improvement Program. This program is in use on Oahu, Maui, Kauai, and Hawaii. Mastercare gathers information and data from many sources. These sources include, but may not be limited to, the client's physician(s), family members, incident reports, chart reviews, client complaints/grievances, and supervised visit reports. This information will be used to assure the continuous improvement in the quality of care Mastercare provides.

Mastercare is constantly recruiting and hiring the best talent available. Essentially Mastercare looks for those applicants that successfully complete our vetting process. Satisfactory and valid licensing and certifications are confirmed. Extensive background checks including a Criminal Abstract Clearance are completed for each applicant. Applicant references are evaluated for the appropriate work experience. Mastercare provides a comprehensive orientation, regular in-service education and training, and strongly encourages the Mastercare staff to become life-long learners.

Finally, the seniors and their families on The Big Island need someone to help care for them to provide a better quality of life. This is where Mastercare comes in. Mastercare provides quality home health services to the elderly and disabled. Our workers are professionals who form emotional bonds with their clients. We believe that in order to provide quality services, you must provide personalized services.

Our Motto

Home is the best place to be.

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d) Cost and Finances (include revenue/cost projections for the first and third year of operation) See exhibit D-2

There will be modest costs for this project of \$49,900

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e) Relationship to the existing health care system

Mastercare has an existing relationship with the Hawaii County health care community. We work together in educating, caring, and maintaining quality of life for residents, Mastercare clients. Expanding that partnership to those eligible for Medicare will increase our participation in this countywide partnership. Mastercare's approval as a Medicare provider will allow more choice by Hawaii County residents and visitors and for Mastercare to serve more clients. Medicare certification will permit Mastercare to implement an outreach program. Mastercare plans to establish/expand relationships in rural and other areas. This program will include giving presentations at senior centers, health fairs, publishing articles, and other opportunities to meet with the Hawaii County Community residents. The focus of the outreach will be informing and educating those we meet on subjects such as Alzheimer's disease, dementia, fall prevention, and elder safety in general. Mastercare plans on increased interactions with the community which will also allow for the receipt of feedback. The feedback is welcome as it will support Mastercare's Quality Assurance and Improvement planning.

Mastercare is prepared to increase the availability of Medicare certified Home healthcare services to the residents and visitors in Hawaii County. Mastercare's motto is "Home is the Best Place to be". Home health services allow some patients to be discharged from the hospital, support our clients to age in place, and for Mastercare staff to identify and meet any changing health care needs.

Mastercare's experience demonstrates that Home Health promotes, maintains, or restores the client's health and reduces the effects of disease/disability. Fortunately, a wide range of services can be provided in the comfort of the client's home. Home Healthcare is usually less expensive, more convenient and just as effective as care received in a hospital or skilled nursing facility. Mastercare's goal is to support our client's efforts to get better and regain their independence as much as possible. Mastercare has found and intends to continue to help the client's loved ones maintain their own quality of life while making sure the client is safe and comfortable.

Mastercare appreciates applicants and staff that are attentive and engaged listeners, are professional and a reliable presence, participate in further training, and offer enjoyable companion care.

The initial complete care plan will be developed by a licensed professional who has assessed the care needs. Intermittently, throughout the extent of the relationship, a supervisor or manager will conduct frequent visits to evaluate and determine if the care being given is appropriate. In summary, Mastercare will provide Hawaii County an expanded choice of Medicare Home Health providers, serve as an alternative to confinement, and relieve family members from the responsibility.

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f) Availability of Resources.

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Management Resources

Mastercare, Inc. has an experienced management team that has successfully managed and operated Mastercare, Inc.'s private duty nursing and home health services in Hawaii since 2004. In August of 2018 the corporate office on Oahu received Chap Accreditation and Medicare certification. The Mastercare, Inc management team will continue to manage and operate the private duty nursing and home health services to be offered on The Big Island. The Mastercare, Inc. management team is led by Mr. Anwar Kazi, who is the founder and CEO of Mastercare, Inc.

Staffing Resources

Mastercare will utilize its current staff to provide Medicare certified home health to the residents of The Big Island.

- Statewide Operations manager1
- Statewide Director of Nursing1
- Registered Nurses6
- Certified Nurses Assistants23
- Service Supervisors3
- Clerical staff3

Mastercare actively recruits home healthcare staff by placing advertisements in the Honolulu Star Advertiser and Midweek, participating in job fairs, offering recruiting incentives and collaborating with staffing agencies.

Financial (Capital and Operating) Resources

There are no capital costs required for this project other than the modest cost for equipment and supplies. All other expenditures including rental expense will be paid from operating funds.

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.

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_____ It is an acquisition of a health care facility or service, which will result in lower annual operating expenses for that facility, or service.

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_____ It is a change of ownership, where the change is from one entity to another substantially related entity.

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 x 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.