



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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April 13, 2020

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Anwar Kazi  
CEO  
Mastercare, Inc.  
1314 S. King St., Suite 424  
Honolulu, HI 96814

Dear Mr. Kazi:

The State Health Planning and Development Agency (the "Agency") has evaluated Certificate of Need application #19-14A for administrative review from Mastercare, Inc. (the "applicant") for the establishment of home health agency services at 395 Kilauea Ave., Unit B3, Hilo, HI, at a capital cost of \$49,900 (the "Proposal").

1. Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that the Proposal is eligible for administrative review as it meets the criterion in Subsection 11-186-99.1(b) (5), HAR, i.e.: "An additional location of an existing service or facility."
2. The applicant states that "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 will also ensure 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."
3. The applicant states that "...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... 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."
4. The applicant states that "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."

5. The applicant states that "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... The Medicare population of 65 and older make up 20.9%..."
6. In written testimony dated March 11, 2020, Jolean Uilani Yamada – ADSM-CM and Meredith Catalini – ADSM-Intake, of the Hawaii County Office of Aging, state "Population trends are driving the shape and scope of home health needs and services and this will continue to increase as our aging population increases. Therefore, it is our hope that increased options are available to meet the growing need and to provide choices for those needing supports."
7. The applicant states that "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."
8. The applicant states that "Mastercare would provide services for the Medicare population regardless of race, ethnicity, gender, disability or any other underserved group."
9. The applicant states that "Mastercare, Inc. recently received its state license for home health care services... 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."
10. The applicant projects patient service revenue of \$60,900 and net income from operations of \$19,110 for Year 1 of operations and patient service revenue of \$66,700 and net income from operations of \$20,930 for Year 3 of operations for the Proposal.
11. The applicant states that "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."
12. The applicant states that "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."
13. The applicant states that "Mastercare is prepared to increase the availability of Medicare certified Home healthcare services to the residents and visitors in Hawaii County... 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."

14. In written testimony received March 11, 2020, BAYADA Home Health Care states "Medicare certified home health care staff provide skilled medical care under the orders of a physician. It is unclear whether Mastercare understands the various scope of practices and competencies required for a full complement of staff required under the Medicare-Conditions of Participation (CoPs)."
15. The applicant states that "Mastercare is state licensed in all locations and Oahu is currently Medicare certified and Chap accredited."

#### Conclusions

The Agency finds that the Proposal meets the certificate of need criteria in Hawaii Administrative Rules (HAR) 11-186-15(a) (1) (3) (4) (5) and (7) - (12) inclusive. The criteria in HAR 11-186-15(a)(2) are not applicable to this proposal.

The Agency finds that the applicant has not proven by a preponderance of the evidence that the Proposal meets criteria in HAR 11-186-15(a)(6), namely, "The applicant's compliance with federal and state licensure and certification requirements."

The Agency finds that the Proposal, if modified in accordance with the condition below, would meet the criteria in HAR 11-186-15(a)(6).

#### Order and Conditional Certification

The State Health Planning and Development Agency hereby APPROVES and ISSUES a CONDITIONAL Certificate of Need to Mastercare, Inc., for the Proposal described in Certificate of Need application #19-14A. The condition is that on or before Noon HST, May 18, 2020, the applicant shall submit to the Agency, for Agency approval:

- Modification of its application in the form of written certification that it will comply with the Medicare requirements for the provision of Medicare-certified home health agency services for the Proposal including, without limitation, CMS policies, procedures and conditions of participation.

This modification is required for the application to successfully meet the criteria for the issuance of a certificate of need as established in HAR 11-186-15(a).

As provided under Section 323D-46, HRS and Section 11-186-77 HAR, the applicant shall have 10 days from the date that the Agency approves the modification to certify, in writing, that the required written modification to its application has been made.

The Agency has determined that the Proposal is eligible for administrative review as it meets one or more of the criteria in HAR 11-186-99.1(b) and that there is no compelling public interest which will be served by requiring the application to go through the standard review process.

As required under Section 323D-43(b), HRS, the Agency determines that, if modified as specified in the above Order,

1. There will be a public need for this proposal; and
2. The cost of the service will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

The maximum capital expenditure allowed under this approval is \$49,900.

Please be advised that pursuant to Section 323D-47, HRS, any person may, for good cause shown, request in writing a public hearing for reconsideration of the Agency's decision within ten working days from the date of this decision. Accordingly, if no person makes such a timely request for reconsideration, this decision shall become final immediately after the deadline for making such a request has expired.

  
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Serafin Colmenares, Jr.  
Acting Administrator