



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: 20-08A  
To be assigned by Agency

Date of Receipt: ST HLTH PLNG & DEV. AGENCY

**APPLICANT PROFILE**

Project Title: Acquisition of Surgical Robot  
Project Address: 888 South King Street, Honolulu, HI 96813  
Applicant Facility/Organization: Straub Clinic & Hospital  
Name of CEO or equivalent: Martha Smith  
Title: Chief Executive Officer  
Address: Executive Offices  
888 South King Street, Honolulu, HI 96813

Phone Number: (808) 522-3109 Fax Number: (808) 522-4111

Contact Person for this Application: Michael Robinson  
Title: VP, Government Relations & Community Affairs  
Address: 55 Merchant Street, 27<sup>th</sup> Floor, Honolulu, HI 96813  
Phone Number: (808) 535-7124 Fax Number: (808) 535-7111

**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.

Martha Smith  
Signature

Martha Smith  
Name (please type or print)

6/15/20  
Date

CEO, Straub Clinic & Hospital  
Title (please type or print)

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

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

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2. PROJECT LOCATION INFORMATION

A. Primary Service Area(s) of Project: (please check all applicable)

- Statewide: \_\_\_\_\_
- O`ahu-wide: \_\_\_\_\_
- Honolulu:   X
- Windward O`ahu: \_\_\_\_\_
- West O`ahu: \_\_\_\_\_
- Maui County: \_\_\_\_\_
- Kaua`i County: \_\_\_\_\_
- Hawai`i County: \_\_\_\_\_

3. DOCUMENTATION (Please attach the following to your application form):

A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent)

- N/A

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.).

**-Building Permit, Honolulu Department of Planning & Permitting**

C. Your governing body: list by names, titles and address/phone numbers

**-See Attachment A**

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 B**
- By-Laws: **See Attachment C**
- Partnership Agreements: **Not Applicable**
- Tax Key Number: **2-1-42-10, 23 and 24**

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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.

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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 Services	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	Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
<b>TOTAL</b>	N/A	N/A	N/A

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6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:

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1.	Land Acquisition	\$	N/A
2.	Construction Contract	\$	341,700
3.	Fixed Equipment	\$	308,300
4.	Movable Equipment	\$	N/A
5.	Financing Costs	\$	N/A
6.	Fair Market Value of assets acquired by lease: Equipment Lease	\$	1,970,000
7.	Other:	\$	N/A
<b>TOTAL PROJECT COST:</b>			<b><u>\$ 2,620,000</u></b>

a. Source of Funds

1.	Cash	\$	650,000
2.	State Appropriations	\$	N/A
3.	Other Grants	\$	N/A
4.	Fund Drive	\$	N/A
5.	Debt	\$	N/A
6.	Other: FMV of leased surgical robot to be paid monthly.	\$	1,970,000
<b>TOTAL SOURCE OF FUNDS:</b>			<b><u>\$ 2,620,000</u></b>

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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 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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This project does not involve the establishment of a new service or a new location of an existing service. The project does exceed the \$1,000,000 capital cost threshold related to the acquisition of new equipment.

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: **N/A**
- b) Dates by which other government approvals/permits will be applied for and received: **June 2020**
- c) Dates by which financing is assured for the project: **N/A**
- d) Date construction will commence: **July 2020**
- e) Length of construction period: **4 Weeks**
- f) Date of completion of the project: **August 2020**
- g) Date of commencement of operation: **August 2020**

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.

Straub Clinic & Hospital ("Straub") seeks to acquire a robotic surgical system which will assist our surgeons performing minimally invasive surgery.

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

The proposed project meets the Statewide Health Coordinating Council (SHCC) general principles. Specifically, the proposed project meets the SHCC principle to "ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost." The addition of the surgical robot will provide greater access to higher quality specialized surgical services to all patients through greater access to this surgical device.

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**b) Need and Accessibility**

The proposed project will be used to enhance the general quality and efficiency of surgical procedures performed by our surgeons. The robotic surgical system will facilitate minimally invasive surgery resulting in faster recovery times and will reduce the possibility of surgical infections for our patients. As a non-profit health care provider, Straub will provide access to this service to all residents of the area, and in particular the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

**c) Quality of Service/Care**

The proposed equipment purchase will ensure that superior clinical outcomes and excellence are maintained. This equipment will better enable minimally invasive procedures to be performed by our surgeons. Minimally invasive surgery is considered ideal in many types of surgical cases. For our surgeons, this machine will improve quality by providing better dexterity, visualization, precision and control when using the robotic surgical system. For our patients, minimally invasive surgery provides faster recovery times, lower blood loss and greater patient satisfaction and outcomes compared to traditional open procedures.

Founded in 1921, Straub Medical Center is a fully-integrated not-for-profit health care provider with a 159-bed hospital in Honolulu, a network of neighborhood clinics and a visiting specialist program that reaches throughout the State of Hawai'i. With more than 400 employed or contracted physicians who are leaders in their fields, Straub provides its patients with expert diagnoses and treatments for more than 32 different medical specialties, including bone and joint, heart, cancer, endocrinology/diabetes, family medicine, gastroenterology, geriatric medicine, internal medicine, women's health, vascular and urology. Straub is home to the Pacific Region's only multi-disciplinary burn treatment center. The hospital consistently brings new technologies and innovative medical practices to Hawai'i, such as minimally invasive cardiac surgery and total joint replacement. Straub is an affiliate of Hawai'i Pacific Health, the state's largest health care network.

Straub is a licensed hospital by the Hawai'i State Department of Health, Medicare certified, and accredited by the Joint Commission. In 2020, Straub was the only Hawai'i hospital to be recognized by Healthgrades as one of the Nation's best hospitals. Straub has also won numerous awards in recognition for quality of services and care including; Healthgrades 2009-19 Outstanding Patient Experience Award; Healthgrades Patient Safety Excellence Award, 2015-17 for being in the top 5 percent in the nation in patient safety; Leapfrog Group's "A" Hospital Safety Score; CMS 5 Star Rating in 2016-17, and 2019.

**d) Cost and Finances (include revenue/cost projections for the first and third year of operation)**

The proposed equipment purchase will not negatively impact the operating performance of Straub's surgical department (see **Attachment D**). The project is also cost-effective as it utilizes existing space and other resources within Straub and will have minimal impact on the overall costs of health services in the community as it will be funded from internal resources. The proposed project will also reduce costs throughout the health care system by reducing patient surgical recovery time and reducing patient length of stay.

**e) Relationship to the existing health care system**

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The proposed equipment purchase will strengthen the existing health care system by providing greater access to minimally invasive surgical services. The addition of robotic services will also strengthen the health care workforce by enabling surgeons and the surgical team opportunity to train on state of the art robotic surgical technology when providing minimally invasive services to patients. Straub as a not-for-profit hospital has always provided care for inpatients, outpatients, and emergency visits irrespective of a patients' ability to pay. The proposed equipment purchase will enhance patient quality and access to O'ahu families.

**f) Availability of Resources.**

Straub has sufficient trained professionals, management, systems and other resources to fully support the proposed equipment purchase. The equipment purchase may require a change in the mix of FTEs and staff may require additional training, however, these additional resources are within the organization and will be provided with minimal additional cost to the organization. The construction will be funded from internal cash reserves and retained earnings. The surgical robot will be acquired by lease and paid by monthly installments from operating 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.