



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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STATE HEALTH PLANNING & DEV. AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 21-01A Date of Receipt:
To be assigned by Agency

APPLICANT PROFILE

Project Title: Establishment of X-Ray Services

Project Address: 500 Ala Moana Blvd., Ste. 5B, Honolulu, HI 96813

Applicant Facility/Organization: Avanti Imaging, LLC fka Hawaii Pacific Imaging, LLC dba InSight Imaging

Name of CEO or equivalent: Massimiliano Keomahuilani "Max" Clini

Title: President

Address: 500 Ala Moana Blvd., Ste. 5B, Honolulu, HI 96813

Phone Number: (808) 275-2008 Fax Number: (808) 275-2009

Contact Person for this Application: Max Clini

Title: President

Address: 500 Ala Moana Blvd., Ste. 5B, Honolulu, HI 96813

Phone Number: (808) 275-2008 Fax Number: (808) 275-2009

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.

Massimiliano Clini
Signature

February 2, 2021
Date

Massimiliano Clini
Name (please type or print)

President
Title (please type or print)

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

- Public _____
- Private X
- Non-profit _____
- For-profit X
- Individual _____
- Corporation _____
- Partnership _____
- Limited Liability Corporation (LLC) X
- 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: X
- Honolulu: _____
- 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)
 - **Not Applicable; will be housed in current leased space**
- 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.)
 - **Amendment to existing Department of Health Radiation Permit**
- C. Your governing body: list by names, titles and address/phone numbers
 - **See Appendix 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 Appendix B**
 - By-Laws **Not Applicable**
 - Partnership Agreements **See Appendix C**
 - Tax Key Number (project's location)

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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. **21 FEB 2009 P 3:36**

	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$4 million)	Change in Health Services DEV. ASSESS	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.

- **Not Applicable**

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
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 | _____ |
| 2. | Construction Contract | _____ |
| 3. | Fixed Equipment | <u>\$50,000.00</u> |
| 4. | Movable Equipment | _____ |
| 5. | Financing Costs | _____ |
| 6. | Fair Market Value of assets acquired by
lease, rent, donation, etc. | _____ |
| 7. | Other: _____ | _____ |

TOTAL PROJECT COST: \$50,000.00

B. Source of Funds

- | | | |
|----|----------------------|--------------------|
| 1. | Cash | <u>\$50,000.00</u> |
| 2. | State Appropriations | _____ |
| 3. | Other Grants | _____ |
| 4. | Fund Drive | _____ |
| 5. | Debt | _____ |
| 6. | Other: _____ | _____ |

TOTAL SOURCE OF FUNDS: \$50,000.00

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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 type 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 is for the establishment of a new service, subject to HRS § 11-185-5(3)(C) (Diagnostic Radiology). The proposed project will add a new x-ray machine to the existing InSight Imaging clinic at 500 Ala Moana Blvd., Suite 5B, Honolulu, HI 96813.

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, **[Not applicable; will be added to currently leased space]**
- b) Dates by which other government approvals/permits will be applied for and received,
 - o **Amendment to existing Department of Health Radiation Permit: Will be applied for and confirmed by not later than [2/16/2021]**
- c) Dates by which financing is assured for the project, **No financing required.**
- d) Date construction will commence, **No construction required**
- e) Length of construction period, **Not applicable.**
- f) Date of completion of the project, **Within thirty (30) days of CON approval.**
- g) Date of commencement of operation **Within thirty (30) days of CON approval.**

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.

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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.

InSight Imaging requests approval from the State Health Planning and Development Agency to add a new x-ray machine to the existing InSight Imaging clinic at 500 Ala Moana Blvd., Suite 5B, Honolulu, HI 96813. This proposal meets all of the criteria for approval, as discussed below.

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

By providing and improving additional imaging capabilities for Honolulu patients closer to home, this project is consistent with the goal and objective of the State of Hawaii Health Services and Facilities Plan ("HSFP") to "increase cost effective access to necessary health care services" and to "promote regionalization of services where appropriate." (Chapter 1, HSFP 2009).

As x-ray scanning technology is one of the most useful tools physicians utilize to make accurate diagnoses to determine the appropriate treatment for patients—including the elderly—a this project is also consistent with both the Statewide Health Coordinating Council ("SHCC") goals to "...ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost" (Chapter 3, HSFP 2009) and the Honolulu Subarea Council ("HSAC") goals to "...control escalating costs in the senior care industry and other needed services." (Chapter 3, HSFP 2009).

b) Need and Accessibility

The x-ray machine will be deployed to provide diagnostic radiology services for patients of physicians who currently must send their patients to a hospital setting to obtain an x-ray. Many patients, particularly those who are older in age and/or have immunocompromised health conditions, do not feel comfortable entering a hospital facility due to COVID fears. That hesitation is likely to persist long after the pandemic is under control. However, due to the poor/inadequate reimbursement of the x-ray modality, there are very few outpatient centers offering the service.

The addition of x-ray services by InSight Imaging will improve quality of care and accessibility of service to patients visiting their physicians in Restaurant Row and the broader downtown area, allowing providers the ability to reach accurate diagnoses in a more expedient manner. InSight Imaging will continue to provide care to all

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patients, in particular the elderly, low-income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

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c) Quality of Service/Care

InSight Imaging adheres to the Continuous Process Improvement Plan. The purpose of the Continuous Process Improvement Plan is to systematically measure, assess/reassess and improve the performance of all clinical and administrative functions, particularly those tied to patient safety and service.

InSight Imaging is accredited by the American College of Radiology ("ACR") and will continue to meet all guidelines necessary to maintain this distinguished national quality benchmark. InSight Imaging is Medicare and Medicaid certified and will continue to comply with all State and federal laws and regulations. Compliance to the ACR accreditation program includes: appropriate HIPAA protocols when handling patient records, procedures for documenting qualifications of facility's personnel for licenses and certifications, equipment quality controls and respective surveys, and patient safety protocols. Diagnostic services will continue to be provided by board certified radiologists. InSight Imaging has employed an x-ray technologist certified by the American Registry of Radiologic Technologists.

InSight Imaging will continue to maintain the highest levels of imaging protocols that will meet or exceed the requirements placed by the industry quality standards governing bodies to include: the American College of Radiology (ACR) and the Nuclear Regulatory Commission (NRC).

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

The x-ray machine is projected to have a positive financial performance on a go-forward basis beginning in the year 2022. InSight Imaging is committed to optimal utilization of the x-ray machine, including continued open access to independent physicians, hospitals and other health care providers. X-ray charges and reimbursement rates will be based upon customary and current Medicare and private payor measurements.

The financial projections are in Appendix D. The project is cost-effective as it adds a service in high demand to an already outfitted and well-equipped imaging clinic.

e) Relationship to the Existing Health Care System

The project is not expected to have any adverse impact to the existing health care system, as it is providing access to a service not readily available outside of the hospital setting. The introduction of this service at the same location as the other imaging services offered by InSight Imaging will expand access to x-ray services to the community by providing an outpatient location for all patients regardless of age, gender, or socioeconomic status being treated by Honolulu physicians.

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f) Availability of Resources

The cost of the x-ray machine will be covered by cash on hand. InSight Imaging has the financial, clinical staff and administrative support to operate and maintain the x-ray service including sufficient funds from operating capital to staff the service as needed. InSight Imaging has hired an x-ray technologist with more than 20 years' experience in the field and will leverage its current administrative staff to support this additional service. The cash needed to consummate and complete this project is derived via the company's retained earnings.

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.