

HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY  
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**ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM**

Application Number: **# 21-15A** 21 JUN 2021 Date of Receipt:  
To be assigned by Agency

**APPLICANT PROFILE**

STATE HEALTH PLANNING  
& DEV. AGENCY

Project Title: Renovation and Addition of Cardiac Catheterization Lab

Project Address: 1301 Punchbowl Street, Honolulu, HI 96813

Applicant Facility/Organization: The Queen's Medical Center

Name of CEO or equivalent: Jason C. Chang

Title: President, The Queen's Medical Center

Address: 1301 Punchbowl Street, Honolulu, HI 96813

Phone Number: 691-7988 Fax Number: 691-7990

Contact Person for this Application: Colette Masunaga

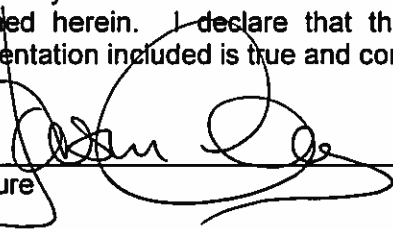
Title: Director, External Affairs, The Queen's Health Systems

Address: 1301 Punchbowl Street, Honolulu, HI 96813

Phone Number: 691-7969 Fax Number: 691-7990

**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

6/21/2021  
\_\_\_\_\_  
Date

Jason C. Chang  
\_\_\_\_\_  
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 \_\_\_\_\_ X
- For-profit \_\_\_\_\_
- Individual \_\_\_\_\_
- Corporation \_\_\_\_\_ X
- Partnership \_\_\_\_\_
- Limited Liability Corporation (LLC) \_\_\_\_\_
- Limited Liability Partnership (LLP) \_\_\_\_\_
- Other: \_\_\_\_\_

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)

Not required – project is located on the QMC campus.

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

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

- Attachment

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)
- By-Laws (Attachment)
- Partnership Agreements - N/A
- Tax Key Number (project's location) – 401678, formerly TMK:2-1-035:003

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4. **TYPE OF PROJECT.** This section helps our reviewers understand the 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	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
N/A	N/A	N/A	N/A

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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 HEALTH PLNG & DEV. AGENCY	<u>N/A</u>
2.	Construction Costs (Design, Construction, IT)		<u>\$13,352,196</u>
3.	Fixed Equipment		<u>\$7,503,080</u>
4.	Movable Equipment		<u>\$3,575,001</u>
5.	Financing Costs		<u>N/A</u>
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.		<u>N/A</u>
7.	Other: _____		<u>N/A</u>

**TOTAL PROJECT COST: \$24,430,277**

B. Source of Funds

1.	Cash		<u>\$24,430,277</u>
2.	State Appropriations		<u>N/A</u>
3.	Other Grants		<u>N/A</u>
4.	Fund Drive		<u>N/A</u>
5.	Debt		<u>N/A</u>
6.	Other: _____		<u>N/A</u>

**TOTAL SOURCE OF FUNDS: \$24,430,277**

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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 19-186-5 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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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: January 2020
- c) Dates by which financing is assured for the project: N/A
- d) Date construction will commence: January 2020
- e) Length of construction period: 27 months
- f) Date of completion of the project: March 2023
- g) Date of commencement of operation: April 2023

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.

The Queen's Medical Center- Punchbowl seeks approval for the renovation and addition of one laboratory for catheterization procedures to be performed.

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

The proposed catheterization lab renovation and addition supports and aligns with the priorities and objectives of the Hawaii Health Services and Facilities Plan (HSFP) and the Honolulu (HONSAC) priorities. This project will increase access to advanced technology. Over the last 5-10 years, current technologies with EP Digital Mapping systems have drastically improved, allowing the Electrophysiologist to heal erratic heart rhythms like Atrial Fibrillation with minimal invasive techniques. Access to improved technology and increased capacity due to the project will be particularly advantageous to our kupuna and senior population statewide.

Based on our state's population and the small number of physicians able to perform this procedure and treatment, current access is significantly limited to those in need. It is our experience that certain populations are severely under treated with medicine based approaches or not treated at all. For those heart arrhythmia patients who go without treatment, face higher

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risk of strokes caused by clots thrown from the heart, shortness of breathing, dizziness and overall general weakness. For these reasons, this cardiac catheterization lab addition and renovation aligns with the HSFP goals to “increase cost-effective and necessary health care services” as well as “promoting regionalization of services.”

The project will also meet the HSFP priority of supporting projects that are appropriate for regional continuum of care. The additional lab space will increase capacity and access to cardiac services for the community as well as provide additional support for neighbor island patients that are transferred to The Queen’s Medical Center, Punchbowl Campus.

This project will also increase access to care through expanded electrophysiology (EP) treatment capacity for our patients. EP Labs serve as a focal point for state of the art procedures, including Lead Management, where Queen’s will be the only hospital in the state to provide lead extraction procedures, previously only done on the Mainland. We provide a multi-disciplinary, comprehensive service to our patients. Almost 10% of adults over the age of 65 have Atrial Fibrillation, and often have comorbidities: ~84% have hypertension, 35% have congestive heart failure (CHF) and 30% have some form of cerebrovascular disease. We’re seeing an increasing association with AF and heart failure as almost 40% of AF patients develop CHF and vice versa. AF increases the risk for stroke 5-fold. According to SG-2, “>25% of American (said) and unmet social need prevented them from accessing necessary health care in the past year.” This highlights the need to develop an EP program, partnering with general cardiology and community providers (PCP) to extend trust and build relationships within the patient’s communities.

Access to services will be available to all patients, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

Furthermore, the additional labs meet established thresholds set forth in Chapter 2 of the HSFP for the project’s service area. The threshold for expansion of existing adult cardiac catheterization unit/services requires the providers’ annual utilization is an average go at least 1,200 diagnostic-equivalent per unit per year. Queen’s current annual cardiac catheterization volume in 2019 of 1,471 and 1,352 in 2020 meet and exceed the established threshold requirements.

**b) Need and Accessibility**

Cardiovascular disease (CVD) is the leading cause of death in Hawaii; annually responsible for almost 2,575 deaths and over 18,000 hospitalizations. Native Hawaiians (and other Pacific Islander populations) are 10% more likely to be diagnosed with heart disease and other cardiac conditions as compared to non-Hispanic whites. Among Compact of Free Association (COFA) communities, CVD is one of the leading causes of death and results in higher than normal hospitalization rates as compared to non-Hispanic whites and Japanese populations.

Queen’s is the largest hospital in urban Honolulu serving a broad section of our community. It is our mission to provide quality health care services to improve the well-being of Native Hawaiians and all people of Hawaii. We do this, in part, by assessing the medical needs of our patients, the community and the state and expanding services when appropriate as in this project. Queen’s current cardiac catheterization labs perform an average of 1,352 procedures in 2020 which exceeds the current HSFP threshold of 1,200.

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Queen's location in the urban downtown Honolulu region lends itself to serving a broad section of the community with a higher than average number of underserved groups including Hawaiian and Pacific Islanders, elderly, low-income individuals, those with MH-1 and other significant mental health illness; including Medicare, Medicaid, and Quest coverage. This project will enable Queen's to continue to serve these and other underserved populations not only on Oahu but from around the entire state (78.5% of our cardiac patients are from Oahu, 17.3% are from Hawaii Island, 3.2% are from Maui, and less than 1% are from Kauai, Molokai, and Lanai).

c) Quality of Service/Care

QMC is licensed by the Hawaii State Department of Health, accredited by The Joint Commission, and certified by Medicare. As the major tertiary and quaternary referral center for neuroscience, cardiovascular, cancer, orthopedics, surgery, behavioral health, and emergency medicine, QMC provides the highest standards of care to our patients and community. QMC is approved to participate in medical residency training by the Accreditation Council for Graduate Medical Education and QMC has achieved Magnet recognition from the American Nurses Credentialing Center. QMC was also awarded a five-star rating by the Centers for Medicare & Medicaid Services for overall hospital quality. The rating reflects 57 measures across 7 comprehensive areas: Mortality, Readmission, Safety of Care, Patient Experience, Efficient Use of Medical Imaging, Timeliness of Care, and Effectiveness of Care. Queen's also received the 2020 American Heart Association (AHA)/American Stroke Association's Get With the Guidelines Stroke Gold Plus Quality Achievement Award. Queen's also received the Target: Stroke Elite Plus Award and Target: Stroke Honor Roll Advanced Therapy Award. AHA also awarded Queen's the Hearth Failure Gold Quality Achievement Award.

All required licenses and certifications have been, or will be, obtained and maintained for this project.

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

For the first full year of operations, net operating income is projected to be \$12,459,349 with direct expenses of \$10,970,638. For the third full year of operations net operating income is projected at \$12,962,707 with direct expenses of \$ 11,536,527.

The cardiac catheterization lab addition will have little to no impact on the overall costs of health services to the community since funding will come from Queen's internal resources. Queen's has the capital resources necessary to fund this project.

e) Relationship to the existing health care system

The proposed project will strengthen and optimize the existing health care system for the community by increasing access to cardiac catheterization services and broadening the ability of Queen's to provide . Queen's catheterization lab utilization was nearly at capacity pre-COVID-19 pandemic, therefore, we see this project as a critical expansion that ensures we are able to administer cardiac care safely and effectively for our patients.

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f) Availability of Resources.

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Queen's has access to sufficient resources and necessary funds required to equip, staff, management personnel, and operate services for the additional cardiac catheterization project. Queen's maintains experienced human resources professionals who ensure that the appropriate personnel and medical professionals are hired as needed for the continuity of quality health care services and access to care at all our hospital campuses and facilities.

**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.