



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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August 5, 2021

CERTIFIED MAIL. RETURN RECEIPT REQUESTED

Kara Gomes
CEO/Administrator
Kahua Home Health Services, Inc.
1150 S. King Street, Suite 404
Honolulu, HI 96813

Dear Ms. Gomes:

The State Health Planning and Development Agency has evaluated Kahua Home Health Services, Inc.'s Certificate of Need application #21-13A for the establishment of Home Health Agency services at 1150 S. King Street, Suite 404, Honolulu, HI, at a capital cost of \$41,200 (the "Proposal").

The Agency makes the following findings of fact with respect to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR) 11-186-15(a). The Agency finds each of the following statements to be true and accurate.

1. The applicant states¹ that "The addition of Kahua Home Health Services, Inc. to provide home health and rehabilitation services is consistent with the goals of the State of Hawaii Statewide and Regional Priorities. Specifically:
 1. Promote and support the long-term viability of the health care delivery system.
 2. Expand and retain the health care workforce to enable access to the appropriate level of care at a reasonable cost.
 3. Strive for equitable access to health care services (i.e., remove financial barriers).
 4. Encourage and support health education, promotion, and prevention initiatives.

Honolulu (HONSAC) Priorities

Increase the availability of long-term care services and other supportive services.

- Long-term care term care services include nursing homes, assisted living facilities, home and community-based services and hospice services.
- Supportive service help maintain the quality of life and include housing, transportation, nutrition, and social support for independent living.

¹ For clarity, when the Agency quotes statements from the applicant in this section, it does so because the Agency finds such testimony to be persuasive and because the Agency has incorporated the referenced testimony as a finding of fact.

Identify and address workforce shortages in the health care industry with particular emphasis on senior care.

Control escalating costs in the senior care industry and other needed services. For example, reduce the need for institutionalized care.

West Oahu SAC Priorities

1. Improve and Increase Access
 - Acute care
 - Routine outpatient diagnostic services
 - Nursing home beds
 - Services for uninsured and underinsured

The addition of Kahua Home Health Services, Inc. support the hospitals post-acute strategies by reducing hospital length of stays and readmissions by providing quality home health and rehabilitation services to homebound patients in the privacy of their home. These services include routine diagnostic [sic] services (i.e., lab draws, vitals). This will allow long-term care facilities and hospitals access to more beds for their patients who require a higher acuity or, for long-term care facilities, to accept patients who don't have family support or are unhoused."

2. The applicant states that "Kahua Home Health Services, Inc. will comply with all Federal and State guidelines and certification requirements to achieve and maintain a CMS star rating of 4 or higher."
3. The applicant projects Net Income of \$82,800 for Year 1 of operations and \$319,000 for Year 3 of operations.
4. The applicant states that "Quality home health services is a major cost-savings to hospitals, health plans, Medicare, and state sponsored programs. Home health allows hospitals to discharge patients from the acute setting to post-acute services to reduce the length of stay and prevent hospital readmissions."

Conclusions and Order

The Agency finds that the Proposal meets the certificate of need criteria in HAR 11-186-15(a)(5) (6)(9) and (10). The criteria in HAR 11-186-15(a)(2) are not applicable to this Proposal. However, the Agency finds that the applicant has not proven by a preponderance of the evidence, pursuant to HAR 11-186-42, that the Proposal meets the criteria in HAR 11-186-15(a)(1). The Agency finds that the applicant has not proven by a preponderance of the evidence that there is a need for an additional home health agency service provider in the proposed service area.

Accordingly, the Agency hereby determines, pursuant to HAR 11-186-99.1(f), that the application does not meet the criteria for certificate of need established in section HAR 11-186-15(a) and therefore, the State Health Planning and Development Agency hereby DISAPPROVES and DENIES a Certificate of Need to Kahua Home Health Services, Inc. for the Proposal described in Certificate of Need application #21-13A.

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As the Proposal fails to meet the criteria in HAR 11-186-15(a) (1), the Agency makes no findings as to the application's relationship to the criteria in HAR 11-186-15(a)(3)(4)(7)(8)(11) and (12).



Serafin Colmenares, Jr.
Administrator