



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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STANDARD APPLICATION - CERTIFICATE OF NEED PROGRAM

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Application Number: # 20-21 Date of Receipt:  
To be assigned by Agency

**APPLICANT PROFILE**

Project Title: Establishment of 120 Bed Skilled Nursing Facility/Intermediate Care Facility Veterans Home

Project Address: Kapolei, Oahu, Hawaii  
Tax Map Key: 9-1-016:035

Applicant Facility/Organization: Office of Veterans Services, State of Hawaii Department of Defense

Name of CEO or equivalent: Col-R Ronald P. Han, Jr.

Title: Director

Address: 459 Patterson Road, E-Wing, Room 1-A103, Hon., HI. 96819-1522

Phone Number: (808) 433-0420 Fax Number: (808) 433-0385

Contact Person for this Application: Wade T. Ishii

Title: Assistant Chief Engineering Officer, State of Hawaii Department of Defense

Address: 3949 Diamond Head Road, Room 228, Hon., HI. 96816-4495

Phone Number: (808) 369-3567 Fax Number: (808) 733-4235

**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

Col-R Ronald P. Han, Jr.  
Name (please type or print)

23 Aug 2021

Date

Director  
Title (please type or print)

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

- Public
- Private
- Non-profit
- For-profit
- Individual
- Corporation
- Partnership
- Limited Liability Corporation (LLC)
- Limited Liability Partnership (LLP)
- Other: State Agency

2. PROJECT LOCATION INFORMATION:

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

- Statewide:
- O'ahu-wide:
  - 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: Attachment 1 – Memorandum of Understanding between The Hawaii Housing Finance and Development Corporation, and State of Hawaii Department of Defense, dated August 29, 2019.

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.).

- US Dept. of Veterans Affairs Grant Approval
- HRS Ch. 343, Environmental Impact Statements
- National Pollutant Discharge of Elimination System (NPDES) Permit
- Building Permit
- Department of Health Licensure
- Department of Veterans Affairs Certification

C. Your governing body:

- MG Kenneth S. Hara, Adjutant General  
State of Hawaii Department of Defense
- BG Stephen F. Logan, Deputy Adjutant General  
State of Hawaii Department of Defense

- Col-R Ronald P. Han, Jr., Director Office of Veterans Services  
State of Hawaii Department of Defense

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D. If you have filed a Certification of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:

- Articles of Incorporation: N/A
- By-Laws: N/A
- Partnership Agreements: N/A
- Tax Key Number: 9-1-016-035

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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.

	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$4 million)	Change in ownership	Change in service/establish new service/facility	Change in Beds
Inpatient Facility			X		X	
Outpatient Facility						
Private Practice						

5. **TOTAL CAPITAL COST:** \$27,459,938

6. **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
SNF/ICF		120	120
<b>TOTAL</b>		120	120

7. **CHANGE IN 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 consult 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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Establishment of 120 SNF/ICF bed service.

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**8. PROJECT COSTS AND SOURCES OF FUNDS (For Capital Items Only)**

<b>A. List All Project Costs:</b>	<b>AMOUNT:</b>
1. Land Acquisition	\$0
2. Construction Contract	\$19,764,958
3. Fixed Equipment	\$0
4. Movable Equipment	\$1,385,308
5. Financing Costs	\$0
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	\$945,289
7. Other: Consultant Fees, Contingencies, Initial Utility Connections, etc.	\$5,364,383
<b>TOTAL PROJECT COST:</b>	<b>\$27,459,938</b>

**B. Source and Method of Estimation**

Describe how the cost estimates in Item "A" were made, including information and methods used:

Actual contract amounts for consultants and contractor, and estimated costs for contingencies, utility connections, etc.

**C. Source of Funds**

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AMOUNT:

1. Cash	\$0
2. State Appropriations	\$14,827,878
3. Other Grants	\$11,686,771
4. Fund Drive	\$0
5. Debt	\$0
6. Other: Fair Market Value of Lease	\$945,289
<b>TOTAL SOURCE OF FUNDS:</b>	<b>\$27,459,938</b>

**9. 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: August 29, 2019 – Memorandum of Understanding between The Hawaii Housing Finance and Development Corporation (HHFDC) and State of Hawaii Department of Defense, designating the site for the Hawaii State Veterans Home, and intent to enter into a long-term lease.
- b) Dates by which other government approvals/permits will be applied for and received:
  - HRS Ch. 343 Environment Impact Statements – Determination that a Supplement EIS is not required for the Villages of Kapolei EIS. Published in The Environmental Notice by OEQC on August 8, 2019.
  - NPDES permit approved, March 16, 2020.
  - Building Permit – Applied for permit March 19, 2019. Anticipate approval by September 2021 or sooner.
  - Department of Health Licensure – To be initiated after completion of construction
  - Department of Veterans Affairs Certification – To be initiated after completion of construction.
- c) Dates by which financing is assured for the project: Financing is from Federal grant funds and State Capital Improvement Program (CIP) funds. The State has received the Federal grant approval in June 2019. The State funds have been appropriated.
- d) Date construction will commence: The Construction contract was awarded on October 6, 2020. Subject to funding and permit approvals, construction commenced April 2021.
- e) Length of construction period: 730 calendar days.
- f) Date of completion of the project: Anticipated completion of construction is by April 2023. The furniture and equipment delivery is estimated to be completed October 2023 or sooner.
- g) Date of commencement of operation: Anticipated commencement of operation is October 2023 or sooner.

*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.*

10. **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.

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- 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

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**EXECUTIVE SUMMARY**  
**Daniel K. Akaka State Veterans Home**

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The State of Hawaii is proposing the construction of a 2 story 120 bed long-term care facility on an approximately 7- acre site located in Kapolei, Hawaii. Construction costs for this project are to be made available through the U.S. Department of Veterans Affairs (VA)'s State Home Construction Grant Program (SHCGP) and the State of Hawaii, which is characterized by a joint cost-sharing agreement between the VA and individual states.

The proposed new Daniel K. Akaka State Veterans Home (DKASVH) will house four 30 bed long-term care units that will be subdivided into 2 separate living areas in each unit that will serve 15 veterans each. The facility will serve veterans primarily on the island of Oahu but is open to veterans statewide. 32.67% of the military veterans living within the catchment area of the proposed project are aged 65 or older. With regard to the National Center for Veterans Analysis and Statistics immediately surrounding the proposed project site, the before mentioned county alone boasts 84,069 total resident veterans with 27,462 of them being the age of 65 or older.

Program areas and features for future VA residents include:

- 120 Single occupancy private rooms
- Household concept with common living / dining / service kitchen area
- Special needs rooms
- Rehab Rooms
- Occupational therapy room
- Speech therapy rooms
- Physician exam room
- Admin spaces including classroom and training rooms
- Prep Kitchen
- Central Laundry
- Adult Day Care Area

**A. Relationship to the State of Hawai'i Health Services and Facilities Plan**

The proposed 120 bed skilled nursing facility (SNF)/intermediate care facility (ICF) with adult day care at the Hawaii State Veteran Home, O'ahu has two distinct program target populations. The first is to serve the veteran population – long term stay who have been honorably discharged and meet other established criteria with priority directed to but not limited to 70% and above service connection (plus spouses and gold star parents depending upon resources, availability, and other established criteria. The second is to serve the veteran population – short term stay / rehabilitative who have been honorably discharged and meet other established criteria with priority directed to but not limited to 70% and above service connection. A 2014 feasibility study for a veterans home long-term care facility for Hawaii in concert with State and Territory State Veterans Homes bed-need authorizations published by the Office of Construction and Facility Management, State Veterans Homes, Department of Veterans Affairs has determined that the state is short by at least 173 SNF/ICF State Veterans Home beds. This facility will

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offer adult day care and also be a teaching / nursing home facility. Educational models of care will be available for RN, LPN, CNA, ancillary therapy and social work programs.

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B. Need and Accessibility

At the current time, there is one State Veterans Home SNF/ICF facility and one Community Living Center SNF/ICF in the State of Hawaii that provide services to the veteran population in a dedicated inpatient setting as is proposed for this new facility. There is a 60 bed Community Living Center located at the Tripler Army Medical Center and a 95 bed State Veterans Home facility located in Hilo, Hawaii. Both facilities are reaching their capacity limit. In addition, the Community Living Center on Oahu does not meet the increasing demand for veteran's care where the vast majority of Veterans reside because of limited capacity. The level of expertise in these areas of service will also be available to veterans in the State, a need not currently met by any other civilian SNF/ICF facilities on Oahu. Hawaii has one of the fastest growing aging populations of all the states between the years 2000 – 2020. This will place an increased demand for nursing home beds as well as alternative long-term care services.

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C. Quality of Service and Care

The State of Hawaii Department of Defense (DOD) and the State Office of Veterans Services (OVS) are responsible for the implementation, operation, evaluation and improvement of Quality Assurance programs for this long-term care facility. The VA's Quality Assurance program is operational within each of their skilled nursing facilities. The DOD and OVS' intention are to create a culture of Continuous Quality Improvement by incrementally improving resident outcomes over time, including all aspects of clinical services and business operations.

D. Costs and Financing

The design, construction, and equipment costs for the proposed new SNF/ICF facility on Oahu are being funded by the Federal VA and the State legislature. A memorandum of agreement has been executed between VA & DOD to share cost and to construct the Daniel K. Akaka State Veterans Home to meet all the Federal requirements in accordance with the VA SHCGP grant. Operational costs will be provided through VA funded Service Connection per diem, Medicare/Medicaid offset and, when appropriate, self-pay. The facility is intended to be a self-supporting project through these funding sources.

E. Relationship to the Existing Healthcare System

The proposed new SNF/ICF facility will effectively provide a much needed and specialized care service for Veterans, some spouses and gold star parents predominately residing on the Island of Oahu, but available to all throughout the State of Hawaii. A 2014 feasibility study for a second state veterans home long-term care facility for Hawaii in concert with State and Territory State Veterans Homes bed-need authorizations published by the Office of Construction and Facility Management, State Veterans Homes, Department of Veterans Affairs has identified that Hawaii will need an additional 173 nursing home beds to serve this population throughout the islands. This new facility will provide 120 beds of those 173 nursing home beds for the veterans community for all levels of care.



Veterans in particular require mental health services which are difficult to meet in the traditional SNF environment. Medically complex care is also needed for this population. There are many Veterans who have moved to the mainland from Hawaii based on their unmet medically complex care needs. Increasing the number of long-term care beds will increase accessibility when a current waitlist at local hospitals exists for general SNF/ICF care as well as for medically complex and behavioral health services.

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F. Availability of Resources

This facility is designed to meet the expanding need for SNF/ICF beds, specialty services in veteran skilled nursing and medically complex services. Given that all other facilities are essentially full and with a growing aging population, new facilities are required to be constructed to meet the ongoing needs.

Between the generally higher cost of construction in Hawaii in comparison to the mainland as well as higher wages, benefits and expenses, the final specialty rates for veteran skilled nursing and medically complex care supported by the state MedQuest program must be adequate to ensure the financial viability of the program.

This facility will provide critical healthcare services to Veterans in the state in an innovative way to meet the increasing demand of a "graying" population where land resources are limited.