



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

21 DEC 17 AM 11:08

Application Number: # 21-27A
To be assigned by Agency

Date of Receipt:

STATE HEALTH PLANNING
& DEV. AGENCY

APPLICANT PROFILE

Project Title: Acquisition of Neurosurgery Equipment
Project Address: 98-1079 Moanalua Road
Aiea, Hawai'i 96701
Applicant Facility/Organization: Pali Momi Medical Center
Name of CEO or equivalent: David Underriner
Title: Chief Executive Officer
Address: Executive Offices
98-1079 Moanalua Road Aiea Hawai'i 96701
Phone Number: (808) 485-4434 Fax Number: (808) 485-4400

Contact Person for this Application: Michael Robinson

Title: Vice President, Government Relations & Community Affairs

Address: 55 Merchant Street, 27th Floor Honolulu, Hawai'i 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.

Signature

David Underriner

Name (please type or print)

Date

Chief Executive Office

Title (please type or print)

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

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- 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: X
- Honolulu: X
- Windward O`ahu: _____
- West O`ahu: X
- 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 (project's location): **1-9-8-16: 57**

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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 Service	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	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
	N/A	N/A	N/A
TOTAL			

6. PROJECT COSTS AND SOURCES OF FUNDS

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a) List All Project Costs:

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AMOUNT:

1.	Land Acquisition	<u>N/A</u>
2.	Construction Contract	<u>\$ 748,000</u>
3.	Fixed Equipment	<u>N/A</u>
4.	Movable Equipment	<u>\$2,400,000</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>Training</u>	<u>\$ 72,000</u>

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TOTAL PROJECT COST: \$3,220,000

b) Source of Funds

1.	Cash	<u>\$1,220,000</u>
2.	State Appropriations	N/A
3.	Other Grants	N/A
4.	Fund Drive	<u>\$2,000,000</u>
5.	Debt	N/A
6.	Other:	N/A

TOTAL SOURCE OF FUNDS: \$3,220,000

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 11-106-5 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

The project involves the acquisition of new neurosurgical equipment which exceed the SHPDA expense thresholds related to the purchase 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: **December 2021**
 - c) Dates by which financing is assured for the project: **N/A**
 - d) Date construction will commence: **October 2021**
 - e) Length of construction period: **6 weeks**
 - f) Date of completion of the project: **December 2021**
 - g) Date of commencement of operation: **December 2021**

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.

Pali Momi Medical Center (PMMC) seeks to acquire new medical equipment which will assist surgeons performing neurosurgery craniotomy procedures.

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

This project is consistent with the goals and objectives of the SHPDA's Health Services and Facilities Plan (HSFP). First, by providing additional neurosurgical capabilities in Central and West O'ahu, this project is consistent with the goals and objectives of the State of Hawai'i Health Services and Facilities Plan (HSFP) goal to "increase cost effective access to necessary health care services" and to "promote regionalization of services where appropriate" (Chapter 1, HSFP 2009). The project will provide greater access to higher quality specialized surgical services to all patients through greater access to neurosurgical services using the advance neurosurgical equipment.

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Second, this project is also consistent with objectives of the Statewide Health Coordinating Council (SHCC) 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 West O'ahu Subarea Council (SAC) to "...improve and increase access to acute care, critical care, specialty care, emergency care options, and routine outpatient diagnostic services." (Chapter 3, HSFP 2009). The enhanced capabilities provided by the expanded surgical program will provide both greater accessibility and improved neurosurgery care outcomes for Central and West O'ahu patients

b) Need and Accessibility

Pali Momi seeks to expand neurosurgery services to include surgical neuro-navigation computer-based surgical guidance and intraoperative 2D/3D imaging advanced technologies. The proposed project will be used to enhance the quality and efficiency of neurosurgical procedures performed by our neurosurgeons. During Fiscal Year 2021, Pali Momi performed 34 neurosurgical procedures. Four months into the current fiscal year Pali Momi has performed 28. We project that approximately 107 procedures will be performed at our facility by year 3 of the project.

As a non-profit health care provider, Pali Momi 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. Pali Momi will serve all residents of the West and Central O'ahu areas and all parts of O'ahu, the neighbor islands and the Pacific Basin regardless of ability to pay or insurance coverage.

c) Quality of Service/Care

Pali Momi Medical Center is a not-for-profit medical center located in Aiea, serving Central and West O'ahu. With private rooms, 118 beds and nearly 500 physicians on its medical staff, Pali Momi offers a full range of services. It has delivered many medical firsts for the community, including West O'ahu's only interventional cardiac catheterization unit for the detection and treatment of heart disease and the largest comprehensive center for cancer care. Pali Momi also has a fully integrated minimally invasive surgical suite, CT scan and MRI services, emergency services, a women's center and the state's first retina center. Pali Momi was founded in 1989 and is part of Hawai'i Pacific Health, one of the state's largest health care systems.

Pali Momi is committed to ensuring superior clinical outcomes and excellence and the neurosurgical equipment supports maintaining that standard. The advanced technology will better enable our surgeons to perform procedures in a more efficient manner leading to reduce time in the operating room for both the surgeon and patient.

The project will also improve patient outcomes by reduced recovery time in the hospital. The addition of this equipment will surgeons experience utilizing higher quality images of the patient anatomy. For the health care system, the project will improve operating room time utilization and improve access to operating time for surgeons and patients

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Pali Momi's awards and recognition:

- 2021 American Heart Association/American Stroke Association Guidelines – Stroke Gold Plus with Honor Roll Elite and Target; Type 2 Diabetes Honor Roll.
- *Women's Health Center accredited by the National Accreditation Program for Breast Centers.*
- *Healthgrades 2019-2021 Outstanding Patient Experience Award™; top 10 percent nationwide for 3 years in a row.*
- *Healthgrades 2021 Five Star recipient for Hip Fracture Treatment; four years in a row (2018-2021).*
- *Healthgrades 2021 Five Star recipient for Treatment of Heart Failure.*
- *Healthgrades 2020 Five Star recipient for Pacemaker Procedures.*
- *Healthgrades 2020 Five Star recipient in Treatment for Bowel Obstruction.*
- *2016-2021 Awarded an "A" Hospital Safety Score by the Leapfrog Group (national leader on patient safety).*
- *Pali Momi Medical Center was rated as High Performing for Heart Failure care by U.S. News & World Report 2019-20 Best Hospitals.*
- *Recognized Primary Stroke Center by American Heart Association/American Stroke Association.*
- *Pali Momi Women's Center is designated as a Breast Imaging Center of Excellence by the American College of Radiology. It is ranked among the top women's centers in the nation.*
- *Bariatric Surgery Center of Excellence designation from the American Society for Metabolic & Bariatric Surgery (ASMBS).*
- *Accredited cancer center by the American College of Surgeons Commission on Cancer.*

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 Pali Momi Medical Center and achieve positive net margin by Year 1 of operation (**See Attachment D**). The project is also cost-effective as it is utilizing existing space and other resources within Pali Momi and will have minimal impact on the overall services in the community as it will be funded from internal resources and philanthropic source. The proposed project will also reduce overall health care 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

The proposed equipment purchases will strengthen the existing health care system by providing greater access to neurosurgical procedures performed using advanced technology. The addition of equipment will also strengthen the health care workforce by enabling surgeons and the surgical team to train on state of the art neurosurgical equipment. It will also enhance patient outcomes and access for O'ahu families.

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f) **Availability of Resources.**

Pali Momi has sufficiently trained professionals, management, systems and other resources to fully support the proposed equipment purchases. The equipment purchases 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 financial resources are available for the project.

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.