

HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM ²² FEB -4 A8 55

Application Number: # 21-23A
To be assigned by Agency

Date of Receipt: ST. HEALTH PLANNING & DEV. AGENCY

APPLICANT PROFILE

Project Title: Establishment of an 8 bed Special Treatment Facility

Project Address: 73-4617 Kaloko Halia Pl.
Kailua Kona, HI 96740

Applicant Facility/Organization: The Ohana Retreat LLC dba The Ohana Addiction Treatment Center

Name of CEO or equivalent: Elliott Smith

Title: CEO

Address: 75-5915 Walua Rd. Kailua Kona, HI 96740

Phone Number: (808) 746-9003 Fax Number: (808) 746-4273

Contact Person for this Application: Elliott Smith

Title: CEO

Address: 75-5915 Walua Rd. Kailua Kona, HI 96740

Phone Number: (808) 746-9003 Fax Number: (808) 746-4273

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

1/31/2022
Date

Elliott Smith
Name (please type or print)

CEO
Title (please type or print)

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

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- Public _____
- Private _____ ✓
- Non-profit _____
- For-profit _____ ✓
- Individual _____
- Corporation _____
- 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: _____
- 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) **See Appendix 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.) **A STF license issued by the State of Hawaii Department of Health, Office of Healthcare Assurance**
- C. Your governing body: list by names, titles and address/phone numbers
 - a) **Elliott Smith, CEO, 75-5915 Walua Rd., Kailua Kona, HI 96740, (808) 746-9003**
- 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 - **See Appendix B**
 - Partnership Agreements – **N/A**
 - Tax Key Number (project's location) - **730240830000**

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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 Service	Change in Beds
Inpatient Facility					STF (VIII)
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
STF	0	8	8
			8

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TOTAL		8	'22 MAR 11 P3:00
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6. PROJECT COSTS AND SOURCES OF FUNDS STATE FLOW & DEV. AGENCY

A. List All Project Costs: **AMOUNT:**

- 1. Land Acquisition _____
- 2. Construction Contract _____
- 3. Fixed Equipment _____
- 4. Movable Equipment _____
- 5. Financing Costs _____
- 6. Fair Market Value of assets acquired by lease, rent, donation, etc. \$193,800
- 7. Other: _____

TOTAL PROJECT COST: \$193,800

B. Source of Funds

- 1. Cash _____
- 2. State Appropriations _____
- 3. Other Grants _____
- 4. Fund Drive _____
- 5. Debt _____
- 6. Other: Lease assets to be paid by rent \$193,800

TOTAL SOURCE OF FUNDS: \$193,800

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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 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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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,
December 31, 2021
- b) Dates by which other government approvals/permits will be applied for and received,
STF License to be applied for upon approval of the Certificate of Need.
- c) Dates by which financing is assured for the project,
N/A
- d) Date construction will commence,
N/A
- e) Length of construction period,
N/A
- f) Date of completion of the project,
March 1, 2022
- g) Date of commencement of operation
Upon licensing of Office of Health Care Assurance

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.

The Ohana Retreat LLC dba The Ohana Addiction Treatment Center is a multidisciplinary substance use, alcohol use, and co-occurring treatment center based on the Big Island of Hawaii. We offer substance use treatment and co-occurring mental health disorder treatment to individuals suffering from substance use, alcohol use and drug addiction.

We also provide co-occurring disorder treatment services at risk of emotional disturbance, a very common occurrence in those suffering from addiction.

The Ohana was founded to address gaps in the continuum of care for substance use disorders. We assist clients in the transition back to life. Our program is designed to help individuals heal while giving them the opportunity to continue working or going to school part-time.

Our name, "The Ohana," means family; it captures our commitment to building a healthy and happy community. We know that isolation and addiction go hand in hand, so we treat this matter with a focus on connections. We create a family and foster an environment of loyalty, trust, and commitment to recovery, with both our clients and our staff.

At The Ohana we acknowledge that every treatment facility is different. It is important that potential clients find a program whose beliefs and values resonate with them for the best chance of success in recovery.

The Ohana at Kaloko Gardens



Figure 1 – Bird's eye view of Property

73-4617 Kaloko Halia Pl.
Kailua Kona, HI 96740

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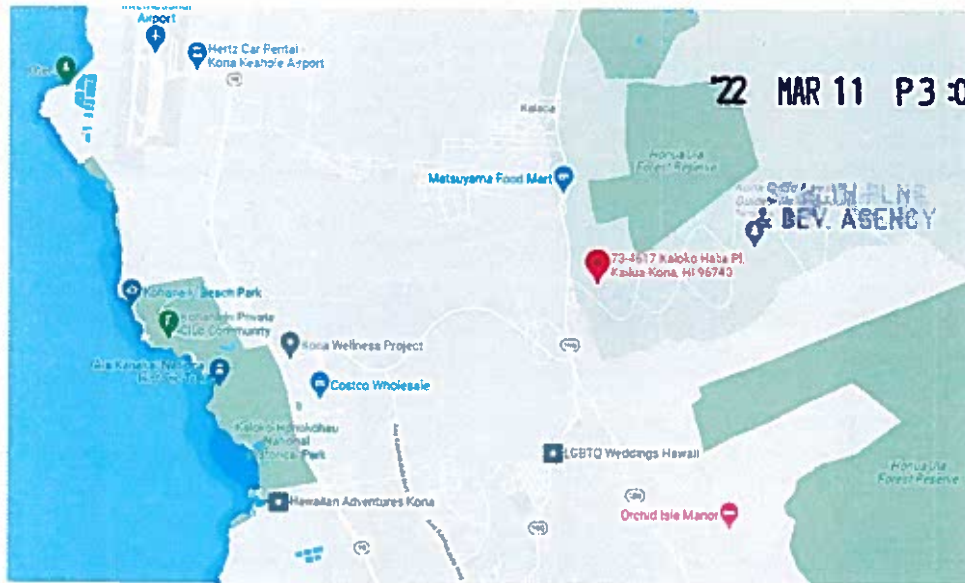


Figure 2 – Map of The Ohana at Kaloko Gardens Treatment Center

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

The approval of an STF in Hawaii County would help address the ever-growing demand for alcohol and drug treatment, specifically alcohol and drug abuse in Hawaii. Hawaii County only has 5 STF facilities and a bed utilization rate of over 80%. With an incredibly low amount of treatment options for Hawaiian residents, the need for an additional STF on Hawaii Island is critical.

Establishing an 8-bed STF on Hawaii Island allows The Ohana Retreat LLC to provide substance use and educational services that advance Hawaii Statewide Health Coordinating Council (SHCC) priorities. The program allows the SHCC to *expand and retain health care workforce to enable access to the appropriate level of care in a timely manner and ensures that any proposed service will at least maintain overall access to quality health care at a reasonable cost*. The project will support the specific health area of concern of SHCC to *increase and improve access to substance abuse programs, services, and education*.

The program will promote and support the health care delivery system's long-term viability by providing a long-term treatment option for those suffering from Alcohol and Drug abuse and addiction. The program will reduce admissions to acute care facilities and offers another option for those in need of these services. With STF waiting lists exceeding 6 months on the Big Island, the establishment of an additional STF is necessary.

The program *expands and retains the health care workforce and enables addiction care services in a timely manner*. The program would provide knowledgeable and capable alcohol and drug addiction counselors in a home setting accessible for qualified individuals including Licensed and accredited staff.

By operating the 8-bed STF for Alcohol and Drug abuse dependency, The Ohana Retreat LLC addresses a significant part of the specific area of concern of *increasing and improving access to substance abuse programs, services, and education.*

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Lastly, and just as important, the program would address Hawaii County Planning Council priorities and *increases the availability of long term care services including home and community based services.*

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b) Need and Accessibility

There clearly is a need for more Alcohol and Drug treatment centers, specifically inpatient treatment services on the Big Island of Hawaii. The last Treatment Needs Assessment conducted by the State of Hawaii Department of Health, Alcohol, and Drug Abuse Division in 2007 reported that *"the overwhelming conclusion to the entire report is that there are not, nor could there ever be, enough treatment slots for all of the people diagnosed as either dependent or abusing drugs and in need of treatment services."*

Regarding Hawaii, the most recent survey data is from the 2017 — 2018 National Survey on Drug Use and Health (NSDUH) conducted by the US Department of Health and Human Services reported over 36,000 were consuming illicit drugs across the state.

To satisfy demand there are currently only five inpatient STF facilities in the County of Hawaii. The five facilities have a total of 32 beds. According to the US Substance Abuse and Mental Health Services Administration (SAMHSA) 2019 Survey; 24,360 people on the Big Island of Hawaii were needing but not receiving treatment for Substance Use, Alcohol Use, & Illicit Drug use. With this data alone, it is undeniable that additional access to inpatient treatment on the Big Island is needed.

The proposed Kaloko Gardens facility will be the third medical detox facility in Hawaii County. Our admitted patients will receive detox medicine directly from our medical doctors and nurses as a medical detox facility. Patients will no longer need to seek out their own medications from their own doctor. Since our proposed STF will be open 24 hours per day, seven days a week, 365 days per year, our staff will be able to handle most emergencies on location without the need of sending the patient to an emergency room.

Medical detox is detoxification combined with medical care. Our medical personnel carefully monitor and supervise the patients in this process, administering medication to assist in the withdrawal process. Medical detox has been proven to be more effective in treating those with drug dependencies than social detox methods.

The proposed STF at 73-417 Kaloko Halia Pl. in Hawaii is easily accessible by car or via public transportation. The STF is easy to access from Kona International Airport for inter-island patients.

The Ohana Retreat LLC has a Non-Discrimination Policy and will admit qualified patients without regard to their race, color, gender, age, religion, disabilities, or sexual orientation. We welcome eligible residents of the area, including the elderly, low income, ethnic and racial minorities

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c) Quality of Service/Care

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The Ohana Retreat LLC will improve the quality of drug addiction care by:

- Providing specialized treatment and addressing the specific needs of persons struggling with addictions. Through the expertise of a multidisciplinary team: a licensed psychiatrist, clinical social workers, certified substance abuse counselors, registered nurses, dietitian, program coordinator, recovery coaches, and Ho'oponopono practitioners.
- Staffing to client ratios will be 1 to 2 minimum.
- Providing a comprehensive psychiatric evaluation to the client. The psychiatric evaluation and continuing assessment drive any pharmacologic interventions needed.
- Provide a medication regimen and management plan with nursing assessment and monitoring of clients who may be experiencing withdrawal symptoms.
- Delivering individualized treatment using evidence-based therapy in individual and group settings with a licensed Clinical Director & Therapist.
- Provide services 24 hours per day, seven days per week, including but not limited to thirty (30) hours of face-to-face treatment each week, medication monitoring/management, and dietary services provided by a registered dietitian.
- Ensure the participation of family members in treatment when appropriate.
- Ensure community safety, while providing a structured environment in which the individual can be maintained in a least restrictive and appropriate setting.
- Provide services in a residential and relaxing atmosphere.
- Establish quality improvement through identified performance improvement measures provided by the leadership team. Establish a Quality Assurance Plan along with client satisfaction surveys.
- High standards for treatment outcomes measures by using empirically based models of treatment, effective supervision structures, and aftercare contacts. High standards for client satisfaction and work diligently as a team to ensure a high degree of satisfaction (reflecting the hospitality "Aloha spirit," and first-class accommodations).
- Provide staff training and ongoing, regularly occurring competencies for staff. Training will occur regularly and addresses the following: the tenants of Positive Psychology and Cognitive Behavioral Therapy, medication management: DSM-IV TR diagnosis and treatment, self-care practices, substance abuse treatment and management, dual diagnosis, hospitality and customer care, CPR and first aid, cultural competency, and confidentiality/HIPAA training. Training will ensure that staff understands the treatment program's goals, their roles in achieving the program goals, and the best practices to be followed for individualized treatment within the program. Staff surveys, incident reviews, and staff meetings will help identify additional training needs and areas of interest.
- Psychiatrists, clinical social workers, and nurse practitioners are required to have a current Hawaii state license.

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- Substance abuse counselors will be certified by the State of Hawaii.
- All other non-licensed staff will participate in in-house training before having contact with clients.
- All staff will have a current CPR certification.

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

	Revenue	Cost Projections/Expenses
Year One	\$1,536,000	\$1,083,189
Year Three	\$2,304,000	\$1,260,000

e) Relationship to the existing health care system

The Ohana Retreat LLC has established relationships with State of Hawaii health care system providers. This project will not adversely impact other STF's due to their being only five other providers providing this level of care. The proposed services of The Ohana Retreat LLC will help to alleviate this demand.

f) Availability of Resources.

Staff - The Ohana Retreat LLC is proposing a new residential treatment program with a team of the highest quality, experience, and skills in the drug treatment field. The leadership team is comprised of Hawaii licensed professionals with over 50 combined years of experience providing Alcohol and Drug counseling services.

- Licensed Clinical Social Worker and Certified Substance Abuse Counselor with over 25 years of experience providing Alcohol and Drug abuse and addiction counseling services. Currently working in The Ohana's Outpatient Center and will transfer to this location.
- One Licensed Psychiatrist Medical Doctor specializing in addiction medicine with over 25 years of experience, bringing more than four decades of addiction medicine experience. Currently working in The Ohana's Outpatient Center.
- One Certified Substance Abuse Counselor (CSAC) with over ten years of experience Currently working in The Ohana's Outpatient Center.

Facility - The Ohana Retreat LLC has already signed a lease for the building in Kona for the STF and currently operates it as sober living housing. It is prepared to provide residential drug treatment services.

All resources, including personnel, finances, facility, and other resources to start the STF upon issuance of an STF license.

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10. **Eligibility to file for Administrative Review.** This project is eligible to file for Administrative review because: (Check all applicable)

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- 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.