



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM ^{22 MAY 17 A10 56}

Application Number: # 22-04A
To be assigned by Agency

Date of Receipt:
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APPLICANT PROFILE

Project Title: Deletion of 43 SNF/ICF Beds; Addition of 45 Acute Medical/Surgical Beds

Project Address: 128 Lehua St.
Wahiawa, HI 96786

Applicant Facility/Organization: Wahiawa General Hospital

Name of CEO or equivalent: Brian Cunningham

Title: CEO

Address: 128 Lehua St. Wahiawa, HI 96786

Phone Number: 808-621-8411 Fax Number: 808-621-4451

Contact Person for this Application: Brian Cunningham

Title: CEO

Address: 128 Lehua St. Wahiawa, HI 96786

Phone Number: 808-621-4210 Fax Number: 808-621-4451

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.

Brian Cunningham
Signature

4/19/22
Date

Brian Cunningham
Name (please type or print)

CEO
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: _____

22 MAY 17 AIO 56

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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: _____
- 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 Applicable**
- 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.) **Updated OHCA License**
- C. Your governing body: list by names, titles and address/phone numbers **See Attached**
- 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 Attached**
 - By-Laws **See Attached**
 - Partnership Agreements **Not Applicable**
 - Tax Key Number (project's location) **Not Applicable**

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.

22 MAY 17 AIO 56

	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
SNF/ICF	136	-43	93
Acute Medical/Surgical	16	+45	61
Acute Critical Care	5	No change	5
TOTAL			159

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6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:

22 MAY 17 AIO :56

AMOUNT:

- 1. Land Acquisition NA
- 2. Construction Contract NA
- 3. Fixed Equipment \$195,000.00
- 4. Movable Equipment NA
- 5. Financing Costs NA
- 6. Fair Market Value of assets acquired by lease, rent, donation, etc. NA
- 7. Other: _____

TOTAL PROJECT COST: \$195,000.00

B. Source of Funds

NA

- 1. Cash \$195,000.00
- 2. State Appropriations _____
- 3. Other Grants _____
- 4. Fund Drive _____
- 5. Debt _____
- 6. Other: _____

TOTAL SOURCE OF FUNDS: \$195,000.00

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.

Deletion of 43 SNF/ICF Beds due to the lack of utilization and resources to support these beds. Our current bed count for our SNF/ICF service is 136, yet our census is currently only 60 residents. We have a current total of 76 empty SNF/ICF beds with no ability to staff these beds.

Therefore, we need to repurpose these beds to address the current care needs on island along with our organizational ability to serve these needs. To address this issue we plan to add an additional 45 Acute Medical/Surgical beds to meet the growing need to care for Acute "Waitlisted" patients.

*The reason that there are 2 more additional beds for Acute vs. the SNF/ICF deletion for this transition, which occurs in the same space of the hospital, is that the floor plan for SNF/ICF required more space for activities and dining, whereas acute care does not and this allows for additional patient beds.

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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, NA
- b) Dates by which other government approvals/permits will be applied for and received, Updated OHCA License - 7/1/22
- c) Dates by which financing is assured for the project, NA
- d) Date construction will commence, NA
- e) Length of construction period, NA
- f) Date of completion of the project, 7/1/22
- g) Date of commencement of operation 7/5/22

We are currently in the process of setting up the space in the hospital that houses these beds to transition from SNF/ICF to Acute Medical Surgical requirements. This includes upgrading the WiFi for Telemetry needs, mounting patient room TV's, and other minor set up activities. We anticipate being complete by 7/1/22 and being ready to receive patients as soon as SHPDA approvals and updated OHCA licensing approvals are received.

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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22 MAY 17 AIO 57

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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.
- 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.

This project is related to the ongoing shift in patient care needs post-COVID and WGH's ability to support these shifts. One significant shift has been an increase need to care for Acute "Waitlisted" patients that are unable to be transitioned to post-acute settings due to a number of clinical, reimbursement and regulatory limitations on the part of post-acute care organizations. Meanwhile these Acute "waitlisted" patients must remain in an acute care setting for significantly extended periods of time, thus taking up critical bed space for more acutely ill patients. This project will expand our acute medical/surgical bed capacity to house and care for our own Acute "Waitlisted" patients as well as possibly patients from other acute care facilities.

One of the big challenges we experienced as a state during this pandemic and that has continued is the need for additional acute medical/surgical beds, and this project will support this need.

Additionally, WGH has been struggling financially for over a decade and this bed change will allow WGH to discontinue 43 empty SNF/ICF beds that generate zero revenue and replace them with 45 Medical Surgical Beds that support the additional revenue for WGH while also providing a valuable service within the island's continuum of care.

- a) **Relationship to the State of Hawai'i Health Services and Facilities Plan (HHSFP) – This project is consistent with the goals and objectives of SHPDA's Health Services Facilities Plan (HSFP) along with a number of other recent State pandemic-related assessments that highlight the need for addition acute medical/surgical beds on Oahu and in the state.**

This bed change request supports the Statewide Health Coordinating Council (SHCC) Priorities as follows...

- **Promote and support the long-term viability of the health care delivery system. – By supporting WGH's ability to provide care that generates needed revenue to continue to deliver other critical services to our community such as Emergency Services, Outpatient Services and Inpatient services.**
- **Ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost. - By supporting WGH's ability to provide care that generates**

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22 MAY 17 AIO 57

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needed revenue to continue to deliver other critical services to our community such as Emergency Services, Outpatient Services and Inpatient services.

This requested bed change also supports some of SHCC's Specific Areas of Concern such as...

- Establish a statewide emergency and trauma system. – For without the needed revenue that this bed change is designed to accomplish for WGH, our Emergency Department, which is a key element of the island's trauma system, might be at risk, along with all of the other services of WGH.
- Ensure all projects are appropriate for the regional and statewide continuum of care. – This project fills gap in continuum of care between Hospital Acute services and Post-Acute SNF/LTC services by providing a more cost effective unit to house waitlisted patients.

This requested bed change also addresses some of the WEST OAHU SAC PRIORITIES such as...

- IMPROVE AND INCREASE ACCESS • Acute care • Critical care • Specialty care • Emergency care options • Routine outpatient diagnostic services (i.e., blood pressure, urinalysis) – Once again, this project will provide an additional source of revenue to maintain and strengthen our Emergency Department and Outpatient services while growing our Acute Care Services.
- In addition, beyond regional factors and in consideration of concerns related to patient Thresholds and Suboptimization, this project addresses the documented needs of an actual population rather than basing care design on statistical generalizations. This project directly addresses the current documented need for creating a more appropriate unit committed to caring for the growing acute waitlisted population.

- b) Need and Accessibility – The need for additional Acute Medical/Surgical beds in the state has been a major challenge during significant periods of the pandemic. This project creates 45 additional acute medical/surgical beds in the near term for this purpose.

The primary purpose for these 45 additional Acute/Med Surg beds is to provide care for the island's growing waitlisted population and to provide and free up needed acute care beds in hospitals to care for more acutely ill patients.

Once again, this project supports WGH's ability to provide care that generates needed revenue to continue to deliver other critical services to our community such as Emergency Services, Outpatient Services and Inpatient services.

And given that the 43 SNF/ICF beds have been empty for months, and given that we do not have and have not been able to recruit the needed staff to run these beds as SNF/ICF, there will be no

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22 MAY 17 AIO:57

STATE HEALTH PLANNING & DEV. AGENCY

negative consequences to the continuum of care related to this project.

And as far as Accessibility with these additional Acute Med/Surg beds relates, this unit will provide care for appropriate residents in the area including, the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

- c) **Quality of Service/Care** – The additional 45 Acute Medical/Surgical beds will fall under our existing hospital license, and receive the same commitment and attention to quality of service as our other residents, and will be surveyed based on the same Joint Commission and CMS guidelines.
- d) **Cost and Finances** (include revenue/cost projections for the first and third year of operation) – This project essentially eliminates 43 SNF/ICF beds that have remained empty for many months and that are generating zero revenue for WGH and replaces them with 45 Acute Med/Surg beds that may generate much needed revenue for our organization to enable us to maintain our other critical services such as our Emergency Department, and our Inpatient Acute Care Services and our Outpatient Services.

Project Financial Estimates below:

Year 1 Financial Estimates		Year 3 Financial Estimates	
Total Revenue	\$ 2,504,451	Total Revenue	\$ 3,409,716
Total Expenses	\$ (2,528,931)	Total Expenses	\$ (3,342,871)
Net Revenue	\$ (24,481)	Net Revenue	\$ 66,845

- e) **Relationship to the existing health care system** – This project links directly to a key current need for the State’s healthcare system (more acute medical/surgical beds). The project adds needed capacity for the growing waitlisted population on Oahu, while providing WGH with an additional source of revenue to fund other critical services.
- f) **Availability of Resources** – Most of the resources for this project will be supplied from within WGH’s current infrastructure, including the use of our available cash and current staff. However, a small number of additional staff will be hired for this service.

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.

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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.