



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY  
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**ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM**

Application Number: # 22-09A  
To be assigned by Agency

Date of Receipt: ST. HEALTH & DEV. AGENCY

**APPLICANT PROFILE**

Project Title: Expansion of CT Services and Establish Radiation Therapy

Project Address: 91-2141 Fort Weaver Road  
Ewa Beach, HI 96706

Applicant Facility/Organization: The Queen's Medical Center

Name of CEO or equivalent: Darlana Chadwick

Title: President

Address: 91-2141 Fort Weaver Road, Ewa Beach, HI 96706

Phone Number: 691-7988 Fax Number: 691-7990

Contact Person for this Application: Jacce S. Mikulanec

Title: Director, Government Relations

Address: 1301 Punchbowl Street, Honolulu, HI 96813

Phone Number: 808-691-7994 Fax Number:

**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.

7/21/2022

Signature

Date

Darlana Chadwick  
Name (please type or print)

President  
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: \_\_\_\_\_

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: \_\_\_\_\_ 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
- Medicare Survey and certification
- Radiation Certification

C. Your governing body: list by names, titles and address/phone numbers

- Attachment

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: On file with Agency (See attached)
- By-Laws: On file with Agency (See attached)
- Partnership Agreements: N/A

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- Tax Key Number (project's location) 91017123

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					
Outpatient Facility			X	X	
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
<b>TOTAL</b>	N/A	N/A	N/A

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6. PROJECT COSTS AND SOURCES OF FUNDS

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A. List All Project Costs:	AMOUNT:
1. Land Acquisition	<u>N/A</u>
2. Construction Contract	<u>\$5,824,375</u>
3. Fixed Equipment	<u>\$5,017,093</u>
4. Movable Equipment	<u>\$1,064,192</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>N/A</u>
<b>TOTAL PROJECT COST:</b>	<b><u>\$11,905,660</u></b>

B. Source of Funds

1. Cash	<u>\$11,905,660</u>
2. State Appropriations	<u>N/A</u>
3. Other Grants	<u>N/A</u>
4. Fund Drive	<u>N/A</u>
5. Debt	<u>N/A</u>
6. Other: _____	<u>N/A</u>
<b>TOTAL SOURCE OF FUNDS:</b>	<b><u>\$11,905,660</u></b>

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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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The Queen's Medical Center (QMC) is planning to establish radiation therapy at The Queen's Medical Center, West Oahu (QMCWO) campus and expanded CT services.

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
  - Radiation – April 2022 (submitted) / August 2022 (expect approval)
  - CT – October 2022 (apply) / April 2023 (expect approval)
- c) Dates by which financing is assured for the project, N/A
- d) Date construction will commence,
  - Radiation - March 2022
  - CT – May 2023
- e) Length of construction period,
  - Radiation - 5 months
  - CT- 2 months
- f) Date of completion of the project,
  - Radiation - July 2022
  - CT – September 2023
- g) Date of commencement of operation
  - Radiation - August 2022
  - CT – September 2023

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.

The Queen's Medical Center-West O'ahu (QMCWO) extends the mission of The Queen's Health Systems (Queen's) to the fastest growing region in Hawai'i, West O'ahu. QMCWO is a full service emergency hospital that serves the central and

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western regions on the island of O'ahu and is division of The Queen's Medical Center (QMC).

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In order to meet the growing health care needs of the West O'ahu community, QMCWO is planning on expanding the Cancer Center by establishing radiation services through the purchase of a linear accelerator (LINAC), a CT SIM and build out of a new vault (bunker) and building extension to house the equipment. This project is located on the QMCWO campus, in the Clinical Services Center (CSC) connected to the hospital and is the previously the site of the Cancer Center of Hawai'i. This proposed project will provide needed radiation therapy services to the West community, minimizing travel time thus improving the patient care experience. The QMC Punchbowl campus will be winding down one of the three LINAC machines, with outpatient volumes being decanted to the QMCWO campus once this project is complete. Currently, twenty-six percent (about a 1/4<sup>th</sup>) of Punchbowl volume comes from zip codes west of Pearl City. To ensure a smooth and cohesive transition to West, we estimate that initial decanting volumes from Punchbowl will start at fifteen percent.

This CON application also proposes an additional CT in the QMCWO Emergency Department, which will provide for more efficient, expedited emergency care and services for patients in need of a CT scans.

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

The project described in this application aligns with the priorities of the Health Services and Facilities plan, the West Oahu Subarea Health Planning Council (SAC) priorities, and acknowledges the radiation therapy and CT unit capacity thresholds.

First, the project is consistent with both the Statewide Health Coordinating Council's (SHCC) general principles to (1) Promote and supports the long-term viability of the health care delivery system; and, (2) Ensure equitable access and ensures that the project is appropriate for regional and statewide continuum of care.

Additionally, this project aligns with the SHCC's specific area of concern to establish a statewide emergency and trauma system. The Queen's Medical Center is a member of the statewide trauma system, which provides critical care for patients suffering from major traumatic injuries. Emergency departments play a vital role as access points the systems of care required for rapid response and triage for care. This project supports these systems of care by providing increased access to CT services directly within the ED and accomadates the increased need in services, therefore reinforcing a intregated system of care for the West O'ahu community.

Second, the project will meet the Honolulu County/West O'ahu SAC priorities by improving and expanding access to specialty care and emergency care options.

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Quality care and patient access are vital to ensuring the sustainability of the health care delivery system. Establishing an additional radiation oncology department for the West population will enhance access for the community to meet the increasing demands for these services without being forced to travel outside of their community.

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According to the most recent 2020 state utilization report, the average utilization per unit for CTs at QMCWO was 12,795 procedures, which exceeds the minimum utilization threshold of 8,600 CT procedures per year per unit for expansion of existing units and services. The addition of a CT in the West ED and within the expanded Cancer Center Services, will provide the community with greater access, reduced wait times and barriers for CT services.

The establishment of radiation therapy at QMCWO will allow The Queen's Medical Center to expand radiation therapy services to the West O'ahu community; there are currently no radiation therapy services in the West O'ahu community. For radiation therapy, the current threshold for a new unit/service, the minimum annual utilization for each provider in the service area is 7,200 procedures per unit and the utilization of the new unit/service is projected to meet the minimum utilization rate by the third year of operation. Although current thresholds fall below the minimum utilization, this project meets the sub-optimum utilization since the benefits of increased access, reduced barriers to care, etc. outweigh potential under-using of services.

Currently, there is no radiation therapy services offered in the West Oahu region. The West Oahu region consisting of the Leeward Coast cities of Nanakuli, Makaha, and Waianae, as well as Ewa Beach, Kapolei, and Waipahu, has the highest concentration of Native Hawaiians, an underserved population with limited resources such as lack of transportation and caregiver support. Improved access to care of this frail population requiring multiple cancer treatments reduces their commute and treatment time, which equates to enhancing their quality of life. The commute time for West Oahu cancer patients is approximately 45 minutes to the nearest Cancer Center or approximately 90 minutes to receive cancer services within the Queen's Health System. The traveling time to and from treatment significantly exceeds the actual cancer treatment time of approximately 20 minutes per day, with some patients requiring up to 5 treatments per week, and up to a 6 week period.

The West O'ahu community will have access to radiation therapy, including a full service oncology department, at QMCWO. The addition of radiation therapy services will allow QMCWO to provide clinical best practices and focus on patient centered cancer care. Comprehensive cancer services available to West Oahu patients, includes navigation services, social work, nutritional services, pain and palliative care, and survivorship. This service is crucial for continuity of care for a patient centered approach and improved patient outcomes for Native Hawaiians and the entire West community.

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Through the mission of Queen's, QMCWO strives to provide quality health care services to improve the well-being of Native Hawaiians and all the people of Hawai'i. Access to services will be available to all patients, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

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**b) Need and Accessibility**

QMCWO is a full service emergency hospital that serves the central and western regions on the island of O'ahu. According to the 2010 U.S. Census, it is projected that nearly 50% of O'ahu's population will reside in West O'ahu. As QMCWO continues to grow to meet the needs for emergent and radiation therapy services in the region, the additional capacity for CT and radiation therapy services will optimize operations, decrease travel time for patients (including cancer patients) in West O'ahu, increase access to high quality, cost-effective health care services, and strengthen the current health care system.

There are currently no radiation therapy services in the West O'ahu community. QMC currently has three LINAC units and one CT SIM at our Punchbowl campus in Honolulu, providing radiotherapy treatment to meet both outpatient and inpatient needs of the State. Currently, twenty-seven percent of the Punchbowl campus radiation therapy volume comes from West O'ahu. There will be little to no impact on existing radiation therapy services provided for the community with no additional LINACs included in this project. The Punchbowl campus currently has three LINACs with a plan to decommission one machine as it nears its end of life service.

The requisite for radiation therapy services essential to meet the needs of the growing West O'ahu community and outpatient volumes from the Punchbowl campus will be decanted to The Queen's West O'ahu campus. This proposed project will provide needed radiation therapy services, minimizing travel time thus improving the patient care experience. By expanding access to radiation therapy services to West O'ahu, our patients will have improved access and experience by providing much needed services in the community, minimizing driving distance and time away from family and reducing missed treatments.

The additional CT in the ED will provide with greater access, reduced wait times and barriers for CT services. There are currently two CTs located at QMCWO, one in the outpatient building (separate from the main hospital building) and the other within the facility. Currently, there is only one CT machine available to our ED and we have experienced cases where delays in treatment during times of emergencies have occurred because the one CT was in use. The additional CT for the ED will ensure access to critical care imaging services.

The expansion of CT services and radiation therapy services will allow for continued partnerships community providers and facilitate increased collaboration, optimal



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alignment with the health care system so that patients will have access to stronger and integrated system that delivers care in an improved timely and more cost-effective manner for the West O'ahu Community. The QMCWO surpassed the original projected volumes for operations since the first day it opened and is currently at capacity. By broadening the ability of QMCWO to attend to the needs of the health care needs in West O'ahu, this project will extend our mission to provide quality health care services and elevate the health of Native Hawaiians and the entire West community.

**c) Quality of Service/Care**

The Queen's Health System continuously pursues excellence in quality health care, expanding services to meet the needs of the community and focuses on cost-effective health care. The Joint Commission, our Magnet recognition, Regulatory bodies, Quality Assurance programs and national accreditations ensures our accordance with cost-effective care being delivered with the highest quality standards.

The Queen's Medical Center is the only American College of Radiology (ACR) certified radiation oncology department in the State, certified member of the MD Anderson Cancer Network, the leading cancer center in the United States, and our treatments are built upon peer-reviewed, evidence-based protocols and National Comprehensive Cancer Network (NCCN) guidelines.

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

The completion and opening of services is expected in FY 2022 for radiation therapy and FY2023 for the CT in the ED.

For radiotherapy services, in the first full year of operation (FY2023) projected revenue is expected to be \$3,002,650 and operating costs are expected to be \$3, 172,934. In year three of operation, projected revenue is expected to be \$3,063,003 and costs are expected to be \$3,366,166.

For the additional CT in the ED, the first full year of operations is expected to be in FY2023. Projected revenue is expected to be \$9,863,532 and operating costs are expected to be \$523,078. In year three of operation, projected revenue is expected to be \$10,464,221 and costs are expected to be \$493,078.

**e) Relationship to the existing health care system**

The project will not significantly impact health care delivery. The Punchbowl campus currently has three LINACs with a plan to decommission one machine as it nears its end of life service. As such, there will be little to no impact on existing radiation therapy services provided for the community with no additional LINACs included in this project.

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The additional CT in the ED and the establishment of radiation services at QMCWO will strengthen capacity, increase access, and align care delivery with the existing health care system. Those in need of emergent CT imaging will have access to receiving services and the community will have access cancer center resources, providers, and quality care at our West O'ahu campus.

f) Availability of Resources.

The Queen's Health Systems has sufficient resources required and necessary funds required to equip, staff, management personnel, and operate services the proposed expanded emergency department. The Queen's Health Systems maintains experienced human resources professionals who ensure that the appropriate personnel and medical professionals are hired as needed for the continuity of quality health care services and access to care at all our hospital campuses and facilities. The Queen's Medical Center will be able to staff the LINAC and CT SIM with experienced licensed therapists, a physicist and dosimetrist. Additionally, Queen's is preparing to recruit and staff radiation services at West with a dedicated oncology physician and provide additional coverage for specialty services with existing employed providers.

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.