

HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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**ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM**

Application Number: # 23-04A  
To be assigned by Agency

Date of Receipt:

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& DEV. AGENCY

**APPLICANT PROFILE**

Project Title: Renovation and Expansion of Emergency Room

Project Address: 1301 Punchbowl Street, Honolulu HI 96813

Applicant Facility/Organization: The Queen's Medical Center

Name of CEO or equivalent: Dr. George R. Bruno

Title: President, The Queen's Medical Center

Address: 1301 Punchbowl Street, Honolulu HI 96813

Phone Number: (808) 691-4153

Fax Number: (808) 691-1263

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: 808-691-1263

**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

6/13/23  
\_\_\_\_\_  
Date

Dr. George R. Bruno  
\_\_\_\_\_  
Name (please type or print)

President, The Queen's Medical Center  
\_\_\_\_\_  
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:   X
- 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)

- 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

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 **Attached**
- By-Laws **Attached**
- Partnership Agreements **N/A**
- Tax Key Number (project's location): **21035003**

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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					
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
n/a	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>\$65,891,781</u>
3.	Fixed Equipment	<u>\$1,308,448</u>
4.	Movable Equipment	<u>\$5,631,756</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>

TOTAL PROJECT COST: \$72,831,985

B. Source of Funds

1.	Cash	<u>N/A</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>\$72,831,985</u>
6.	Other: _____	<u>N/A</u>

TOTAL SOURCE OF FUNDS: \$72,831,985

**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 11-110-3 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

N/A

**7. 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:

- Date of site control for the proposed project: N/A
- Dates by which other government approvals/permits will be applied for and received: Building Permit Applied for in May 2023, issuance October 2023
- Dates by which financing is assured for the project: N/A
- Date construction will commence: May 2023
- Length of construction period: 18 months
- Date of completion of the project: November 2024
- Date of commencement of operation: November 2024

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.

**8. EXECUTIVE SUMMARY:**

The Queen's Medical Center – Punchbowl (Queen's) is a nonprofit hospital, founded in 1859 by Queen Emma and King Kamehameha IV. The mission of the Queen's organization is to provide in perpetuity, quality health care services to Native Hawaiians and the people of Hawai'i. As the only tertiary, quaternary hospital facility in Hawai'i and the Pacific Rim, we will be undertaking a major expansion project to update the Emergency Department (ED).

The current ED is significantly over capacity. For the last three fiscal years, the Queen's ED has run on average 30% over capacity. With the consolidation of administrative space from the General Services Building (GSB) to the ED, Queen's will be able to meet the needs of the community with 91 patient care spaces - 38 private centrally monitored rooms; of the 38, 6 will be isolation/negative pressure rooms, 4 for trauma, and 4 for resuscitation. 15 CDU observation bays will be included and 10 STAR bays will be semiprivate. The ED will also include 5 psychiatric rooms, 12 psychiatric observation rooms, and an expanded intake and triage space to care for lower acuity patients in order to meet the need of access to 24/7 emergent care and improve patient experience.

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

The project fulfills priorities included in the State of Hawai'i Health Services and Facilities Plan (HSFP) by supporting, improving capacity and accessibility at the only Level 1 Trauma Center in the state and the Pacific Basin.

The project meets the Statewide Health Coordinating Council (SHCC) priority of promoting and supporting the long-term viability of the health care delivery system by ensuring that residents from across the state who need acute care services are accommodated. The project will also fulfill the goal of ensuring overall access to quality health care.

**b. Need and Accessibility**

Current demand for emergent services exceeds the present ED space and with long average lengths of stay, expanded ED capacity will provide improved patient care and flow, and meet the needs of the community. When assessing capacity to national benchmarking standards, the number of ED visits per bays per years for the Queen's ED has consistently run over capacity by on average 30% between fiscal year 2018 to fiscal year 2020.

In addition to our increasing volume of patient visits, the QMC-PB ED goes on divert 80 hours on average per month (~160 ambulances diverted). The current capacity challenges impact access to advanced emergency services for critical and trauma care and serves as the safety net for many vulnerable populations. QMC-PB is the only Trauma Level 1 Center in the state with approximately 2,900 traumas visits per year. For residents who may experience a severe stroke, they are sent directly to QMC-PB ED. Our ED had approximately 900 annual acute stroke codes in FY 20, which represents a 54% increase from prior year.

For the current psychiatric rooms in the ED, on average, 16 days out of the month are exceeding capacity. QMC-PB is the busiest psych ED in the state, with many of our psychiatric patients coming in on an MH-1. MH-1 is a designation given to individuals transported to hospitals by the law enforcement who have reason to believe that the person is imminently dangerous to self or others. In calendar year 2019, over 1,600 individuals were brought in on an MH-1.

The consolidation and repurposing of administrative space in the general services building for the ED will facilitate greater access to emergent health care services and will continue to connect patients to the appropriate specialty providers for delivery of high quality services and compassionate care. All those served, particularly the elderly, low-income patients, racial and ethnic minorities, women, persons with disabilities, and other underserved groups, will have greater access to life-saving emergent services.

Additionally, the COVID-19 pandemic has highlighted the need for maintaining separate, well-ventilated triage areas for patients with and without signs and symptoms of infection. The expanded ED space is designed to reduce the spread of infection using technology, solid surfaces, disposable instruments and improved communication tools. It will also incorporate designated entry and exit to further facilitate safe and effective means for reductions in spread of infectious diseases.

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**c. Quality of Service/Care**

QMC-PB is licensed by the Hawai'i State Department of Health, accredited by the Joint Commission, and certified by Medicare. QMC-PB is the major tertiary and quaternary referral center for neuroscience, cardiovascular, cancer, orthopedics, surgery, behavioral health, and emergency medicine.

QMC-PB is the state's designated trauma center, verified as Level I by the American College of Surgeons, and has the only organ transplant program in Hawai'i.

QMC-PB is the only hospital in Hawaii (and fifth in the nation) to be accredited as a Level 1 Geriatric ED by the American College of Emergency Physicians.

QMC-PB is also approved to participate in medical residency training by the Accreditation Council for Graduate Medical Education and has achieved Magnet recognition – the highest institutional honor for hospital excellence- from the American Nurses Credentialing Center.

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

The expanded ED is expected to open in August 2025. For the first full year of operation, FY2026, projected revenue is expected to be \$24,737,015 and operating costs are expected to be \$23,118,626. In year three of operation, projected revenue is expected to be \$29,676,907 and costs are expected to be \$26,084,580.

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

The project will not significantly impact health care delivery. The expanded emergency department is expected to strengthen capacity, increase access, and align care delivery with the existing health care system.

**f. Availability of Resources**

Queen's has sufficient resources required and necessary funds required to equip, staff, and operate services in the proposed expanded emergency department. Financing for the proposed expansion will through funds received through our last bond funding in 2022 (\$300 million). Queen's 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.

**9. 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.

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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. 23 JUN 13 A11 21

\_\_\_\_\_ It is an acquisition of a health care facility or service, which will result in lower annual operating expenses for that facility, or service.

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\_\_\_\_\_ 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.

  X   The applicant believes it will not have a significant impact on the health care system.