



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

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Application Number: # 23-07A Date of Receipt:
To be assigned by Agency

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APPLICANT PROFILE

Project Title: Establishment of Outpatient Surgery Services

STATE HEALTH
& DEV. AGENCY

Project Address: **888 South King Street, Honolulu, HI 96813**

Applicant Facility/Organization: **Straub Clinic and Hospital**

Name of CEO or equivalent: **David Underriner**

Title: **Chief Executive Officer (CEO)**

Address: **Executive Offices
888 South King Street, Honolulu, HI 96813**

Phone Number: (808) 522-2520 Fax Number: 808-522-2506

Contact Person for this Application: **Michael Robinson**

Title: **Vice President, Government Relations & Community Affairs**

Address: 55 Merchant Street, 27th Floor, Honolulu, HI 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

Date

David Underriner

CEO, Straub Clinic & Hospital

Name (please type or print)

Title (please type or print)

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STATE HEALTH
& DEV. AGENCY

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.).

-Certificate of Need, State Health Planning & Development Agency

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: **2-1-42-10, 23 and 24**

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	
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.

- NOT APPLICABLE (N/A) -

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	\$ N/A
2.	Construction Contract	\$ N/A
3.	Fixed Equipment	\$
4.	Movable Equipment	\$ 234,000
5.	Financing Costs	\$ N/A
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	\$ N/A
7.	Other:	\$ N/A
TOTAL PROJECT COST:		<u>\$ 234,000</u>

B. Source of Funds

1.	Cash	\$ 234,000
2.	State Appropriations	\$ N/A
3.	Other Grants	\$ N/A
4.	Fund Drive	\$ N/A
5.	Debt	\$ N/A
6.	Other:	\$ N/A
TOTAL SOURCE OF FUNDS:		<u>\$ 234,000</u>

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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.

This project seeks to transfer existing services delivered by our Straub Plastic Surgery (SPS) department to an outpatient surgery center ("Center"). The project will utilize equipment and space currently utilized by the SPRS to enable greater regulatory and operational efficiencies for patient care and to accommodate the health care reconstructive and cosmetic surgical service delivery under the Center.

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: **October 15, 2023**
- 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: **October 31, 2023**
- g) Date of commencement of operation: **November 1, 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.

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.

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a) Relationship to the State of Hawaii Health Services and Facilities Plan.

This project meets the following priorities and objectives of the statewide and regional priorities of SHPDA's Health Services and Facilities Plan (HSFP, 2009).

First, this project is consistent with the goals and objectives of the State of Hawai'i Health Services and Facilities Plan (HSFP) to "increase cost effective access to necessary health care services" and to "promote regionalization of services where appropriate" (Chapter 1, HSFP 2009). This completed project will enable more efficient access to patients requiring reconstructive and cosmetic surgical services. Second, this project is also consistent with the Statewide Health Coordinating Council (SHCC) general principle to "[p]romote and support the long-term viability of the health care delivery system." (Chapter 3, HSFP 2009). The proposed project will ensure that these surgical services are designed to accommodate the health care delivery models of the future. Third, this project is in alignment with the SHCC's general principle in support of projects that are "...appropriate for the regional and statewide continuum of care." The proposed project will provide the necessary organizational structure to patients to receive reconstructive and cosmetic services.

b) Need and Accessibility

The Straub Plastic Surgery (SPS) department currently provides both reconstructive surgery and cosmetic surgery, and clinic visits related to these services. This project will enable these same services to be performed, however as a non-provider based outpatient surgical center ("Center").

Reconstructive surgery helps to restore the form and function of the body that may have been damaged due to birth abnormalities, disease, or trauma. Plastic surgeons often treat and follow post burn patients who are discharged from the Straub Burn Center, the only burn unit in the Pacific Region. Reconstructive surgeries performed in our department include breast reconstruction after breast cancer, skin cancers and reconstruction, skin grafts, facial repairs from dog bites, tendon repair, biopsies, removal of lumps and bumps, etc. Cosmetic services offered in our department include both non-invasive procedures and invasive surgical procedures. The proposed surgery center will continue to provide services such as botox injections, breast augmentation, breast reduction, facelifts, liposuction, ear lobe repairs, laser skin care, chin/cheek augmentation, hair transplants, rhinoplasty, lip augmentation, etc. These procedures/surgeries will be performed under local, intravenous, or general anesthesia. The proposed surgical center will serve both pediatric and adult patients, however primarily focused on adult patients.

Straub will continue to provide care to all residents of the area including Medicare, Medicaid, QUEST, low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups.

c) Quality of Service/Care

Founded in 1921, Straub Medical Center is a fully-integrated not-for-profit health care provider with a 159-bed hospital in Honolulu, a network of neighborhood clinics and a visiting specialist program that reaches throughout the State of Hawai'i. With more than 400 employed or contracted physicians who are leaders in their fields, Straub provides its patients with expert diagnoses and treatments for more than 32 different medical specialties, including bone and joint, heart, cancer, endocrinology/diabetes, family medicine, gastroenterology, geriatric medicine, internal medicine, women's health, vascular and urology. Straub is home to the Pacific Region's only multi-disciplinary burn treatment center. The hospital consistently brings new technologies and innovative medical practices to Hawai'i, such as minimally invasive cardiac surgery and total joint replacement. Straub is an affiliate of Hawai'i Pacific Health, the state's largest health care affiliate network.

Straub is a licensed hospital by the Hawai'i State Department of Health, Medicare certified, and accredited by the Joint Commission. In 2020, Straub was the only Hawai'i hospital to be recognized by Healthgrades as one of the Nation's best hospitals. Straub has also won numerous awards in recognition for quality of services and care including; Healthgrades 2009-19 Outstanding Patient Experience Award; Healthgrades Patient Safety Excellence Award, 2015-17 for being in the top 5 percent in the nation in patient safety; Leapfrog Group's "A" Hospital Safety Score; CMS 5 Star Rating in 2016-17, and 2019.

Straub Medical Center has experience in providing reconstructive and cosmetic services through the current Straub Plastic Surgery (SPS) Department. The same resources, equipment and management expertise to deliver the current service will be applied to the Center to maintain the same level of service quality. In fiscal year 2023, the SPRS Department was the treatment site for 4,203 visits with 445 of those visits related to ambulatory procedures/surgeries. The remainder of these visits included consultations, follow ups, pre-operative exams, post-operative exams, and botox injections. The proposed Center will be accredited by Quad A (also known as the American Association for the Accreditation of Ambulatory Plastic Surgery Facilities – AAAAPSF) and will incorporate Patient Safety Data Reporting (PSDR) standards utilized by accredited facilities. The adoption of PSDR standards will ensure that the Center will incorporate a system-wide culture of clinical quality and demonstrate the positive results of Quad-A accreditation.

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

The project will have minimal impact on the overall costs of health services in the community as it will be funded from internal resources. The project's financial projections reflect a positive net margin by year 1. Three year revenue/cost projections are provided (see **Attachment D**). The proposed project will not increase healthcare costs from existing trends as the conversion to an outpatient surgery center will result in regulatory and operational efficiencies in the delivery of existing services.

e) Relationship to the existing health care system

The proposed project will not have a significant impact on the health care delivery system as it is simply the transitioning of existing services into a redefined clinical model distinct from the general hospital. The proposed project will strengthen the existing health care system as it will provide a more efficient regulatory care setting for current and future patients. The completed project will increase access to specialty outpatient services with a more patient friendly facility and a facility to support more efficient inpatient care.

f) Availability of Resources.

As an affiliate of Hawai'i Pacific Health (HPH), Straub has sufficient financial resources, trained professionals, management, systems and other resources to fully support the project. Straub will continue to have sufficient internal resources to provide the existing services as an outpatient surgery center. No additional staff will be required to deliver the proposed service.

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.