



**HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY**

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**ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM** **OCT -6 P12 :36**

Application Number: # 23-09A Date of Receipt:  
To be assigned by Agency

6 DEY 10/5/23

**APPLICANT PROFILE**

Project Title: Establishment of a 10-Bed Special Treatment Facility

Project address: 806 & 818 Iwilei Road, Honolulu, HI 96817

Applicant Facility/Organization: State of Hawaii/Department of Health/Adult Mental Health Division (AMHD)

Name of CEO or equivalent: Yara Sutton, MBA, MS, MFT

Title: Performance Information Evaluation and Research Branch Manager

Address: 1250 Punchbowl Street, Honolulu, HI 96813

Phone Number: 808-453-6940

Fax Number: 808-453-6939

Contact Person for this Application: Michael Tamashiro, LCSW

Title: HSP V, AMHD Utilization Management Supervisor

Address: 2201 Waimano Home Road, Pearl City, HI 96782

Phone Number: 808-453-6993

Fax Number: 808-453-6995

**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.

Michael Tamashiro  
Signature

10/5/2023  
Date

Michael Tamashiro  
Name (please type or print)

HSP IV, UM Supervisor  
Title (please type or print)

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

- Public
- Private
- Non-profit
- For-profit
- Individual
- Corporation
- Partnership
- Limited Liability Corporation (LLC)
- Limited Liability Partnership (LLP)
- Other: State Agency

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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 Attachment 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 State of Hawaii Department of Health, Office of Health Care Assurance**
- C. Your governing body: list by names, titles and address/phone numbers
  - See Attachment B, B1
- 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: **Not applicable**
  - By-Laws: **Not applicable**
  - Partnership Agreements: **Not applicable**
  - Tax Key Number (project's location): **TMK:1-5-009:004 & TMK:1-5-009:011**

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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				X	
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.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
Special Treatment Facility		10	10
Total		10	10

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**6. PROJECT COSTS AND SOURCES OF FUNDS**

<b>A. List All Project Costs:</b>		<b>AMOUNT:</b>
1.	Land Acquisition	_____0_____
2.	Construction Contract	_____0_____
3.	Fixed Equipment	<u>\$251,100.00</u>
4.	Movable Equipment	_____0_____
5.	Financing Costs	_____0_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	<u>\$1,037,652.32</u>
7.	Other: _____	_____0_____
<b>TOTAL PROJECT COST:</b>		<b><u>\$1,288,752.32</u></b>

<b>B. Source of Funds</b>		
1.	Cash	_____
2.	State Appropriations	<u>\$251,100.00</u>
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: Fair market value of leased premises	<u>\$1,037,652.32</u>
<b>TOTAL SOURCE OF FUNDS:</b>		<b><u>\$1,288,752.32</u></b>

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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**Current Services:** The AMHD of the Hawaii State Department of Health is responsible for coordinating public and private human services into an integrated and responsive delivery system for adult mental health needs. The provision of direct services to consumers in the public sector is offered through programs offered by Community Mental Health Centers ("CMHC") and the Hawaii State Hospital ("HSH"). In addition, the Division contracts on a purchase-of-service basis with private providers for adult mental health services to supplement the efforts of the CMHCs or HSH. The AMHD provides and funds an array of services Statewide to adults 18 years and older, who are experiencing an emotional, behavioral, or psychological crisis or who have been diagnosed with a severe mental illness. The AMHD currently provides or funds over 20 community-based services including group homes, case management, residential treatment, crisis, forensic, and jail diversion.

**Proposed Services:** The AMHD is proposing to provide a 10-bed secured behavioral health stabilization Special Treatment Facility (STF) made available through a lease agreement between AMHD and Honolulu City & County. It will provide a safe, secure, 24 hours a day 7 days a week community-based alternative to multiple hospital readmissions, houselessness, and/or involvement in the criminal justice system.

This project will focus on individuals experiencing mental health and co-occurring disorders who are also chronically homeless and have high rates of recidivism.

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, September 13, 2023
- b) Dates by which other government approvals/permits will be applied for and received, **STF Licensure to be applied for upon approval of CON.**
- c) Dates by which financing is assured for the project, N/A
- d) Date construction will commence, N/A
- e) Length of construction period, To be completed by N/A
- f) Date of completion of the project: **Upon receiving STF Licensure**
- g) Date of commencement of operation: **Upon receiving STF Licensure**

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 AMHD intends to add a 10-bed secured behavioral health unit which will operate 24 hours per day, 7 days a week. The proposed STF is a component of the Behavioral Health Crisis Center (BHCC) located on the mezzanine floor of the former City and County Homeless Resource Center located at 806 & 818 Iwilei Road. This site will also house a 23/59 Observation Unit as well as Semi-Independent single-room apartments.

This proposed project will expand our existing comprehensive and integrated crisis network which includes Licensed Crisis Residential (LCRS) Crisis Mobile Outreach (CMO), Crisis Service Management, Peer Specialists, Stabilization Intensive Case Management, and a Crisis Mental Health and Substance Use call center.

The proposed STF will provide crisis care for the most vulnerable members of the community in a manner that aligns with nationally recognized best practices and is data-driven. These interventions may include but are not limited to supportive counseling, peer support, nursing services, linkage with medical and psychiatric care, assistance with linkage to benefits, and/or housing.

These services are free of charge and will include a minimum of three (3) meals a day and snacks. The site will also be able to purchase prescribed medications for community members without insurance. Transportation may be provided when necessary to facilitate crisis stabilization.

The proposed program will coordinate with the Courts, Public Defenders, Prosecutors, Probation Officers, and Forensic Coordinators to resolve criminal justice involvement without incarceration.

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

The proposed program will address the following specific health areas of concern in accordance with the State of Hawaii Health Services and Facilities Plan:

1. Promoting and supporting the long-term viability of the healthcare delivery system.
2. Improving and increasing access to mental health and substance abuse services.

The AMHD services 8,394 + consumers in the community through state-operated and purchase of services (POS) contract providers on Oahu and 5 Neighbor Islands.

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We have 350 + community-based staff statewide across 12 state-operated Community Mental Health Centers, 9 Clubhouses, and 1 Certified Community Behavioral Health Clinic on Maui.

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This project adds to the AMHD continuum of care for consumers with different levels of mental health needs and recovery goals that require voluntary or involuntary psychiatric intervention.

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The proposed STF supports the Honolulu (HONSAC) priority of increasing the availability of supportive services to help maintain the quality of life. The proposed project will provide more access to struggling older adults who have mental health and/or substance use issues and is intended to reduce the need for institutional care and prevent homelessness.

#### **b) Need and Accessibility**

The January 9<sup>th</sup>, 2020, Hawaii Mental Health Core Steering Committee Joint Report details the intersection between mental illness and the criminal justice system and how "Those in Hawaii suffering from mental illness too often languish in our community jails, as jails have replaced mental health facilities as the primary institutions for housing the mentally ill." The AMHD has actively collaborated with the Judiciary on multiple diversion programs such as Mental Health Emergency Workers (MHEW), ACT 26, Women's Court, Central Receiving Division Nursing Services, Mental Health Court, and Jail Diversion for a multi-directional approach to decriminalizing mental health. This proposal is yet another effort by AMDH to further this cause.

The proposed STF is a community-based treatment for individuals 18 years or older on Oahu who are high utilizers of services and are often chronically homeless with emotional disturbances, cognitive impairments, serious mental health, or substance use needs that require involuntary/voluntary commitment.

The project is unique as the STF is not a stand-alone program but is supported by a 23:59 medical/psychiatric observational unit on the 1<sup>st</sup> floor as well as affordable studio apartments on the second, third and fourth floor. At present no other entity in the State is providing such a comprehensive multifaceted program on one site.

The program intends to have a strong partnership between crisis care systems and law enforcement which will divert community members away from the criminal justice system and reduce the number of psychiatric boardings in emergency departments.

The AMHD provides services to all Hawaii residents including low-income individuals, racial and ethnic minorities, women, individuals with disabilities other underserved groups, and the elderly.

#### **c) Quality of Service/Care**

The proposed facility will improve the quality of mental health and substance use treatment as well as reducing criminal justice involvement by:

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1. Staffing the facility with a multidisciplinary team comprised of Psychiatrists, Nurses, Qualified Mental Health Professionals, Mental Health Workers, Mental Health Assistants, and Certified Peer Specialists.
2. Providing a comprehensive behavioral health and nursing assessment and developing an individualized treatment plan with patient and family input.
3. Maintaining staff-to-patient ratio as 1:8 with routine precaution checks.
4. Providing services in a manner consistent with the principles of Illness Management and Self-directed Recovery, Integrated Dual Diagnosis Treatment.
5. Collaboration/Coordination with Mental Health Emergency Workers, the Judiciary, Police, Probation officers as well as Prosecutors and Public Defenders.
6. Providing three (3) meals, plus snacks per day.
7. Providing or arranging for transportation when necessary to further facilitate crisis stabilization.
8. Providing medication, medication management plans and nursing support and continuous monitoring of patients.
9. Obtaining a STF licensure from the Office of Health Care Assurance.
10. Provide close supervision of the selected contractor by the Crisis Continuum and Medicaid Services Medical Director, Service Coordinator, Utilization Management and Performance Improvement.
11. Require that the contracted provider have on site 24 hours, seven days a week staff that are certified to perform CPR and First Aid. Certificates are to be maintained in each employee's personal file.
12. Require that the contracted provider is accredited by CARF, COLA or nationally recognized accreditation organization.

Individuals without insurance can receive medication from HURC.

The AMHD will maintain close oversight of the contracted provider and an AMHD Service Coordinator will be assigned to oversee the program. The Division's Performance Improvement Unit will monitor the vendor on an annual and as-needed basis to ensure contract compliance and fidelity to the treatment model. The business compliance unit will monitor the contractor on an annual and as-needed basis to ensure reimbursement claims are submitted properly to the Division.



The AMHD also plans to collect and share aggregate outcomes data such as numbers served, percentage stabilized and returned to the community, and connections to ongoing care.

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

	Revenue	Cost Projections/Expenses
First Year of Operation	1,000.00	\$1,548,606.12
Third Year of Operation	1,000.00	\$1,548,606.12

Although AMHD expects no profit the shortfall is budgeted through legislative appropriations.

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

The proposed STF will improve the provision of mental health evaluation, diagnosis, medication, crisis intervention, and short-term treatment and transitional housing for individuals 18 years or older who are experiencing a mental health crisis. The STF is unique in that it is only one component of the BHCC site. In addition, to the proposed STF the site will also house:

- An Observation Unit- will provide crisis support 24 hrs. a day, 7 days per week. Triage screening, assessment, evaluation, observation, and intervention services will be provided. Observation services are available to individuals who arrive intoxicated. Observation services also offer non-hospital options for medically monitored and managed detoxification.
- Supportive Housing Units- will provide one-bedroom transitional apartments that have the supervision and support of Mental Health Assistants eight (8) hours per day, seven (7) days per week.

The proposed STF and other components of the BHCC will improve the availability of health care in the community as it offers a comprehensive Holistic approach to individuals affected by addiction, chronic homelessness, and criminal justice involvement. The proposed project will endeavor to reduce the criminalization of mental illness as well as the chronic overutilization of emergency room departments on Oahu.

**f) Availability of Resources.**

The AMHD is uniquely qualified to provide these services as it currently contracts with over 60 providers for 26 distinct mental health services/treatments that range from group homes to case management. The AMHD will procure HURC through a Request for Proposal. The Request for Information put out on June 15, 2023, generated a significant amount of community interest and the Division intends to have identified a provider with an executed contract by September 2023.

The project will be funded through legislative appropriations.

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The provider that is selected through the request for proposal process will furnish the necessary positions outlined in the scope of service and abide by the established ratio of staff to consumers. The scope specifies that a registered nurse and behavioral health technician be on site 24 hours a day seven days a week.

**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.