



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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**ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM**

Application Number: # 23-11A Date of Receipt:  
To be assigned by Agency

STATE HEALTH  
& DEV. AGENCY

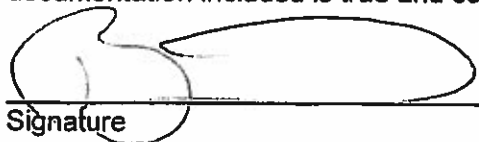
**APPLICANT PROFILE**

Project Title: Expansion of Operating 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

10/18/23  
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

- 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):

- Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent) N/A
- 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

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

- Attached
- 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
  - By-Laws: On File
  - Partnership Agreements: N/A
  - Tax Key Number (project's location): 401678

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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	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

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TOTAL		23 NOV 21 A10 :39	
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6. PROJECT COSTS AND SOURCES OF FUNDS

<b>List All Project Costs:</b>	<b>AMOUNT:</b>
1. Land Acquisition	_____
2. Construction Contract	<u>\$6,417,044</u>
3. Fixed Equipment	<u>\$3,502,478</u>
4. Movable Equipment	<u>\$1,688,147</u>
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	_____
7. Other: _____	_____

**TOTAL PROJECT COST:** \$11,607,669

<b>Source of Funds</b>	
1. Cash	<u>\$11,607,669</u>
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	_____
6. Other: _____	_____

**TOTAL SOURCE OF FUNDS:** \$11,607,669

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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.

N/A

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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: N/A
- b) Dates by which other government approvals/permits will be applied for and received: June 2024
- c) Dates by which financing is assured for the project: May 2024
- d) Date construction will commence: June 2024
- e) Length of construction period: June 2024-January 2025
- f) Date of completion of the project: January 2025
- g) Date of commencement of operation: February 2025

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's proposed hybrid operating room (OR) project is an advanced procedural space, consisting of two rooms and critical adjacent support spaces, that combine a traditional operating room with an image guided interventional suite focused on vascular and endovascular medical procedures - including vascular surgery, interventional cardiology, cardiovascular surgery, interventional radiology, neurosurgery, and interventional neuroradiology (see attached schematic). This

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combination allows for highly complex, advanced surgical procedures employing an inter-disciplinary group of clinicians prepared to meet evolving and complex needs of patients. Since 2009, hybrid OR technology has steadily increased both in academic and community hospital settings to better meet the medical needs of complex patient care.

The proposed hybrid OR is an aseptic environment that combines surgical equipment, instruments, surgical tables, OR lights, equipment management systems, and surgical booms along with fixed advanced imaging systems (MRI, CT, Echo, and fluoroscopy), which will offer the capability to perform combined image-guided procedures with minimally invasive procedures. These state-of-the-art spaces also allow for the combination of image guided surgery with open procedures - including fixed imaging in an OR setting. The proposed hybrid OR also allows for modular designed rooms that can be reconfigured for new equipment to incorporate additional state-of-the art modifications as needed and/or necessary.

If the need arises to convert a minimally invasive surgery to an open procedure, the proposed spaces allow for a transition to an open procedure by providing all the necessary capability and personnel in one space. Additionally, for our hospital facility this OR will lend to the integration of new procedures that enable greater options for patients with complex disease states and also lead to reduction in radiation exposure.

Furthermore, patients typically experience a shorter recovery time following a procedure in a hybrid OR, due to less stress from multiple surgeries. Additionally, patients typically have a shorter length-of-stay at the hospital because they don't have to recover from multiple procedures, and don't require as many patient management resources which, has the added benefit of addressing challenges related to length-of-stay. The modular stainless steel wall system also ensures greater infection prevention further improving patient outcomes and patient recovery time and thus further reducing length of patient stays.

The proposed hybrid OR further helps our facility avoid duplicated equipment, resources, space, supplies and staff allocations. With a hybrid OR, staff saves time with surgeries as procedures can be booked as one procedure versus two separate procedures.

- Relationship to the State of Hawai'i Health Services and Facilities Plan

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

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

- Need and Accessibility

Current demand for surgical services at QMC has increased overall 6% from the previous FY year (over 11,000 cases) and we expect this demand to remain consistent for our facility into the future. Queen's is the largest hospital in urban Honolulu serving a broad and diverse community. It is our mission to provide quality health care services

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and improve the overall well-being of Native Hawaiians and all people of Hawai'i. We do this, in part, by assessing the medical needs of our patients, the immediate community, and the state and using such assessments to then expand services when deemed appropriate and/or necessary as in the case of this proposed project. Queen's further asserts that it makes its services, including those that would be provided via this proposed project, available to all patients regardless of ability to pay; this includes Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons and the elderly.

- Quality of Service/Care

The Queen's Medical Center (QMC) was named the top hospital in Hawai'i in U.S. News and World Reports 2023-24 Best Hospitals rankings and ratings release on August 2, 2023. In the same report, QMC was rated as "High Performing" in the following specialties: cancer, neurology & neurosurgery, geriatrics, orthopedics, pulmonology and lung surgery and urology. Furthermore, QMC was rated as "High Performing" in the following procedures/conditions: aortic valve surgery, COPD, colon cancer surgery, heart attack, heart bypass surgery, heart failure, lung cancer surgery, ovarian cancer surgery, TAVR, stroke, pneumonia, and uterine cancer surgery.

QMC 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. We are also 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. It is also the only hospital in Hawai'i (and fifth in the nation) to be accredited as a Level 1 Geriatric ED by the American College of Emergency Physicians.

QMC 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.

Additionally, the COVID-19 pandemic has highlighted the need for maintaining well-ventilated operating areas for patients and providers alike; the new hybrid OR is designed to reduce the spread of infection by using technology, solid surfaces, state-of-the-art equipment and instruments, and improved communication tools thus making the proposed space safer overall.

All required licenses and certifications have been, or will be, obtained and maintained for this proposed project.

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

Year one revenue projection is \$115,189; expenses are \$108,294. Year three revenue projection is \$121,020; expenses are \$114,793.

- Relationship to the existing health care system

The proposed expanded OR service is expected to strengthen and optimize overall surgical capacity, increase access to surgical services, and better align care delivery

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within the existing health care system. Our facility continues to see increased surgical volume in our main operating room and we project this to continue into the near future; especially with regard to thoracic, cardiac, and vascular surgeries.

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- Availability of Resources

The Queen's Medical Center has sufficient and necessary funds required to equip, staff, manage personnel, and operate services at the proposed hybrid OR project. The project will be funded through existing cash contributions. The proposed project will have no impact on the overall costs of health services to the community since funding will come from Queen's internal resources.

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.