



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

Application Number: # 23-13A Date of Receipt: ST. RUTH'S CLINIC AGENCY  
To be assigned by Agency

**APPLICANT PROFILE**

Project Title: Relocation of 8 bed Residential Special Treatment Facility

Project Address: 120 Punakea Loop, Lahaina, HI, 96761

Applicant Facility/Organization: Maui Recovery Services, LLC (Also referred to as "Maui Recovery" in this document).

Name of CEO or equivalent: Adam Nesenoff

Title: Chief Executive Officer

Address: 18700 Ocean Mist Drive, Boca Raton, Florida, 33498

Phone Number: (631)-681-8066 Fax Number: N/A

Contact Person for this Application: Amory Mowrey

Title: Executive Director

Address: 270 Pakalana Place, Kihei, HI, 96753

Phone Number: (415) 864-9131 Fax Number: (808) 868-5790

**CERTIFICATION BY APPLICANT**

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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.

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Signature

12/20/2023

Date

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Amory Mowrey

Executive Director

Name (please type or print)

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: \_\_\_\_\_

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 MOU / Lease agreement as 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.) **OHCA STF licensing approvals.**
- C. Your governing body: list by names, titles and address/phone numbers
- 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 **(N/A)**
  - Partnership Agreements **(N/A)**
  - Tax Key Number (project's location): (2) 4-7-011-012-0002

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				X23	DEC 27 AIO :46
Outpatient Facility					ST. HILTI PLNS & DEV. AGENCY
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. (N/A)

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
<b>TOTAL</b>			

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

**A. List All Project Costs:**

**AMOUNT:**

- |    |  |                       |
|----|--|-----------------------|
| 1. | Land Acquisition   | _____                 |
| 2. | Construction Contract  | _____                 |
| 3. | Fixed Equipment  | _____                 |
| 4. | Movable Equipment  | _____                 |
| 5. | Financing Costs  | _____                 |
| 6. | Fair Market Value of assets acquired by<br>lease, rent, donation, etc. | <u>\$5,559,153.00</u> |
| 7. | Other: _____   | _____                 |

**TOTAL PROJECT COST: \$5,559,153.00**

**B. Source of Funds**

- |    |  |       |
|----|--|-------|
| 1. | Cash   | _____ |
| 2. | State Appropriations   | _____ |
| 3. | Other Grants   | _____ |
| 4. | Fund Drive   | _____ |
| 5. | Debt   | _____ |
| 6. | Other: <u>FMV of leased property to be paid by monthly rent \$5,559,153.00</u> |       |

**TOTAL SOURCE OF FUNDS: \$5,559,153.00**

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.

We seek to change location of the already established 8 bed special treatment facility, Maui Recovery, to now be located at 129 Punakea Loop, Lahaina, HI, 96761, under Hawaii title 11 statute 98 for Special Treatment Facility. We provide 24/7 short term residential addiction, treatment, and resin and rehabilitation services for adult men and women in a highly private environment. This change in location will represent no significant changes to our Policy and Procedure, or the scope or nature of the services currently provided.

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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: **December 18th 2023.**
  - b) Dates by which other government approvals/permits will be applied for and received: **Once a change of location has been approved, we will immediately begin the necessary steps to transfer our STF license (#112) to the new location. OHCA has already been notified preemptively of our intention to change location, and has expressed support in assisting to make the transition as seamless as possible. We hope to have the new location licensed by 1/15/2024**
  - 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: **N/A**
  - g) Date of commencement of operation: **Pending transfer of STF license to the new location, Maui Recovery expects to begin operations 2/1/2024.**

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.

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.

Maui Recovery is requesting a change of location for the already existing certificate of need (#18-05a) for the 8-bed special treatment facility known as "Maui Recovery" (currently functioning in Kihei, Hawaii), with the new facility to be utilized for the same services of residential addiction recovery and rehabilitation. This certificate of need application is for simply a change in location. These services address abuse of alcohol, substances, process addictions, and low to medium acuity mental health challenges. Our team of experienced and licensed professionals assist clients suffering

from personality disorders, relationship problems, career stress and other issues related to their addiction.

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Maui Recovery serves high-functioning individuals who seek a wellness-focused environment which provides anonymity, many of which come to us from the Hawaiian Islands. Many of our clients are individuals who are uncomfortable participating in the usual community based programs for addiction recovery, and who require 30 day residential services rather than outpatient. As a result, they are often underserved. It is our intention that by providing such a unique option within Hawaii, we will continue attract and keep our valued professionals here for treatment.

The proposed services will meet certificate of need requirements as follows:

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

Maui Recovery's Relationship to the State of Hawaii Health Services and Facilities Plan ("HSFP") was established and met in our original Certificate of Need application (#18-05a, approved May 25th, 2018). The proposed change in address will not affect Maui Recovery's relationship to HSFP.

b) Need and Accessibility

The need for the services Maui Recovery provides was already established in Certificate of Need application #18-05a.

Accessibility will remain mainly the same. Due to the longer term nature of the residential in-patient services that Maui Recovery provides, accessibility is less of a priority. The new proposed location is less than 15 miles from the current location (roughly 14.75 miles), and is equally as accessible to the target group as the current location. Additionally, Maui Recovery believes that the change in location will offer an environment which is more conducive to healing for our residents; one that is not in close proximity to bars, smoke shops, and other businesses which promote the use of alcohol or where the use of other illicit substances is known to occur as is the case in our current location. Furthermore, and again, the proposed change of location will represent no anticipated changes in Maui Recovery's policy and procedure, operations, management, ownership, or any other facet of Maui Recovery's scope which would jeopardize Maui Recovery's good standing as a licensed STF.

c) Quality of Service/Care

Relocation will have no impact on the quality of care, as the same services will be provided in the proposed new location. Maui Recovery will continue to comply with and exceed the standards laid out by the Office of Health Care Assurance to maintain our good standing as a licensed Special Treatment Facility (#112).

Furthermore, Maui Recovery intends to pursue CARF accreditation once relocated to the proposed location to demonstrate our continued commitment to excellence to both our clients and the community.

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

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<b>Year 1</b>	<b>Projected</b>
Net Patient Revenue	\$2,050,864.00
Operating Expense	\$1,844,577.00
Net Income	\$206,287.00
<b>Year 3</b>	<b>Projected</b>
Net Patient Revenue	\$2,461,036.00
Operating Expense	\$2,121,263.00
Net Income	\$339,773.00

In order to assure solvency and sustainability for the next several years, revenue and operating expenses are written to reflect minimum expectations. In year one, we expect an average of 5 unique client admissions per month. The average daily bed rate of \$1200 per day (out of state residents) and \$900 per day (in state resident, Kama'aina rate) will vary slightly based on the specific accommodation requested by the client. During the third year of operation, we conservatively expect an average of 6 unique client admissions per month, alongside a 15% increase to operating expenses to continue to develop the most robust and effective program that we can within our scope. Although it is not expected, Maui Recovery has sufficient financial resources to provide any needed working capital in the coming years.

e) Relationship to the existing health care system

The proposed change in address is not expected to negatively impact the existing health care system. Maui Recovery hopes to continue to provide a valuable service to Maui and Hawai'i, and even in the case where we can not be of service to an individual, remain committed to helping link that individual to the appropriate level of care or service.

f) Availability of Resources.

All, or the vast majority of staff and independent contractors will be moving to the new location, so there should be no or very minimal impact on staffing resources. In the case that any hiring is needed, we hope to be able to provide job opportunities to those on the west side of Maui who may have lost jobs as a result of the devastating Lahaina wildfires.

Although it is not expected, Maui Recovery has sufficient financial resources to provide any needed working capital in the coming years.



10. **Eligibility to file for Administrative Review.** This project is eligible to file for Administrative review because: (Check all applicable)

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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.

STATE HEALTH DEPT. AGENCY

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.