



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 24-05A
To be assigned by Agency

Date of Receipt: ST HLTH PLNG & DEV. AGENCY

APPLICANT PROFILE

Project Title: Establishment of Medicare Certified Home Health Agency services

Project Address: 3-3178 Kuhio Hwy, Ste D2
Lihue, HI 96766

Applicant Facility/Organization: Kokua Healthcare LLC

Name of CEO or equivalent: Jacob Mauer

Title: CEO

Address: 3-3178 Kuhio Hwy, Ste D2, Lihue, HI 96766

Phone Number: 808-466-1863 Fax Number: 808-900-3647

Contact Person for this Application: Jacob Mauer

Title: CEO

Address: 3-3178 Kuhio Hwy, Ste D2

Phone Number: 808-466-1863 Fax Number: 808-900-3647

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.

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Jacob Mauer

Signature

5/29/2024

Date ST HLTH PLNG
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Jacob Mauer

Name (please type or print)

CEO

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: _____

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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)

Please see **Attachment 1**: Lease Agreement for the Kauai Office

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.)

Medicare Certification

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

Jacob Mauer, LNHA, CEO, Member
3-3178 Kuhio Hwy, Lihue, HI 96766
808-466-1863

Iris Erickson, MSN, COO, Member
3-3178 Kuhio Hwy, Lihue, HI 96766
808-466-1863

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
 - Attachment 2
- By-Laws
 - N/A
- Partnership Agreements
 - N/A
- Tax Key Number (project's location)
 - 360060890000

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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	
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			
TOTAL			

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6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:	'24 JUN 17 P2:30	AMOUNT:
1. Land Acquisition		_____
2. Construction Contract	ST HLTH PLNG & DEV. AGENCY	_____
3. Fixed Equipment		_____
4. Movable Equipment		_____
5. Financing Costs		_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.		<u>\$25,200</u>
7. Other: <u>Misc. Supplies/equipment</u>		<u>\$10,000</u>
TOTAL PROJECT COST:		<u>\$35,200</u>

B. Source of Funds		
1. Cash	<u>\$10,000</u>	
2. State Appropriations	_____	
3. Other Grants	_____	
4. Fund Drive	_____	
5. Debt	_____	
6. Other: <u>FMV of lease space, paid by monthly rent payments</u>	<u>\$25,200</u>	
TOTAL SOURCE OF FUNDS:		<u>\$35,200</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.

Establishment of a Home Health Agency

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,
- b) Dates by which other government approvals/permits will be applied for and received,
- c) Dates by which financing is assured for the project,
- d) Date construction will commence,
- e) Length of construction period,
- f) Date of completion of the project,
- g) Date of commencement of operation

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.

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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.

_____ 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.

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

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- a) Date of site control for the proposed project,
Required professional office space is currently occupied by Kokua
Healthcare in Kauai at 3-3178 Kuhio Highway Ste D2, Lihue, HI
96766 with a lease agreement from 1 April ,2024
- b) Dates by which other government approvals/permits will be
applied for and received,
Estimated Date of December 1st, 2024
- c) Dates by which financing is assured for the project,
Financing is currently secured.
- d) Date construction will commence,
No construction will be needed for this project.
- e) Length of construction period,
No construction will be needed for this project.
- f) Date of completion of the project,
Estimated Date of March 2025
- g) Date of commencement of operation
Estimated Date of April 2025

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.

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- a) Relationship to the State of Hawai'i Health Services and Facilities Plan
 - b) Need and Accessibility
 - c) Quality of Service/Care
 - d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
 - e) Relationship to the existing health care system
 - f) Availability of Resources.

PROJECT SUMMARY:

Kokua Healthcare (KHC) is a locally owned and operated nursing home care agency working with The County of Kaua'i Agency on Elderly Affairs (AEA), VA Pacific Islands Health Care System and providers throughout Kaua'i to serve clients and families in the community.

KHC desires to be a Medicare certified Home Health Agency (HHA) and to provide home health services to the residents of Kaua'i. HHA services will include professional nursing services (e.g. registered nurse visits, wound care, oncology care, etc.) physical therapy, occupational therapy, speech therapy, social services and personal care services. KHC will utilize its current Kaua'i office. It is anticipated that minimum capital expenditures will be incurred and operating revenues will cover increased operating expenses.

Headquartered in Kaua'i, KHC currently provides in-home care services (Medicaid waived) on Kaua'i. KHC specializes in enriching the lives of those we serve by providing caring, compassionate, and wellness-focused in-home care and to provide an encouraging and supportive environment.

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

Kokua Healthcare proposal meets the CON Criterion for relationship to the State of Hawai'i Health Services and Facilities Plan (HSFP) as follows:

This project is committed to delivering Medicare-certified home health care within the context of the priorities laid out in the Hawaii Health Services and Facilities Plan (State Health Planning and Development Agency 2009). This project promotes the State Health Plan goal to promote the long-term viability of the health care delivery system. KHC encourages and supports health education, promotion, and prevention. KHC is the ideal agency to address some of the Kauai Subarea Planning Council's priorities. KHC will enhance the subarea priorities of the increasing amount of caregivers, increasing access to services, and decreasing social isolation amongst Kupuna. KHC seeks to provide equitable access to health care services. Kokua Healthcare works to expand and retain the healthcare workforce to enable access to the appropriate level of care for our clients and the Kaua'i Community.

b) Need and Accessibility

This project seeks to deliver exceptional home health services tailored to the unique needs of Kaua'i's residents, with a particular focus on Medicare beneficiaries aged 65 and above. As per the Census data compiled by the Department of Business, Economic Development & Tourism, Kaua'i County in Hawaii has witnessed a remarkable surge in its population, soaring by 79.35% since 2000. Notably, the segment of individuals aged 60 years and older has experienced a staggering growth of 212.62%, with over 19,895 individuals in this demographic, constituting more than 27% of the total population. The trajectory indicates an average annual increase of 1.1% in the overall population, while the older age group has surged at a rate of 3.5%. Projections further anticipate that by 2040, the number of individuals within this age bracket will surpass 36,000.

Against this backdrop, the healthcare landscape reveals a pressing need for expanded services. Kaua'i County currently boasts a total of 333 long-term care and short-term rehab beds yet staffing shortages have rendered only 255 beds available. On average, 227 beds were occupied daily in 2022. In light of the scarcity of long-term care facilities juxtaposed with the burgeoning elderly population, the imperative for additional home health care agencies becomes evident. Many individuals prefer the comfort and familiarity of receiving care within their own homes, a testament to the patient-centered ethos that underpins modern healthcare practices.

Moreover, home health care represents a financially prudent alternative amidst the backdrop of escalating healthcare costs. By delivering high-quality care in a cost-effective manner, this initiative aligns seamlessly with the overarching goal of enhancing healthcare accessibility and affordability.

This project will not only address the escalating demand for Medicare-certified Home Health Agencies (HHAs) but also broaden access to essential home health services throughout Kaua'i. KHC will allow access to services to all residents in the area, and in particular, the elderly, low-income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups will have access to our services. As KHC steps forward as a pivotal addition to the HHA landscape, it pledges to enhance the overall healthcare ecosystem on the island by fostering collaboration with existing care providers, thereby ensuring seamless coordination and delivery of exemplary care to every patient, irrespective of their setting or circumstance.

Indicator	Area	Units	2000	2005	2010	2015	2020	2021	2022	2025 (est)	2030 (est)	2035 (est)	2040 (est)
Total Resident Population	Kauai County	Persons	58,568	62,863	67,208	71,716	73,186	73,791	73,810	76,622	80,561	85,090	89,874
Population- 60 to 64 years	Kauai County	Persons	2,416	3,286	4,808	5,480	5,214	5,134	5,068				
Population- 65 to 69 years	Kauai County	Persons	2,060	2,461	3,297	4,626	5,033	5,026	4,968				
Population- 70 to 74 years	Kauai County	Persons	2,040	1,939	2,138	3,095	4,273	4,605	4,684				
Population- 75 to 79 years	Kauai County	Persons	1,801	1,726	1,631	1,867	2,590	2,773	3,077				
Population- 85 years and over	Kauai County	Persons	1,040	1,248	1,629	1,946	2,029	2,074	2,098				
Population Total - 60-85+	Kauai County	Persons	9,357	10,660	13,503	17,014	19,139	19,612	19,895	20,591	26,198	31,115	36,954

c) Quality of Service / Care

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KHC is poised to emerge as the premier private duty nursing and home health agency in Hawaii, driven by an unwavering commitment to delivering unparalleled quality of service and continuity of care directly to clients in the comfort of their homes. As a private home care provider on the scenic island of Kauai, KHC has proudly served the community for two years, boasting active contracts with esteemed partners such as the VA Pacific Island Health System, Kaua'i Office of Elderly Affairs - Kupuna Care Program, Long Term Care Insurances, and an active Medicaid waiver. Adhering rigorously to both state and federal regulations, KHC ensures compliance with utmost diligence.

In the pursuit of excellence, KHC adheres to a staffing model meticulously crafted for the provision of Medicare-certified home health services on Kaua'i, ensuring an optimal staff-to-patient ratio to uphold the highest standards of care. Recognizing the pivotal role of its workforce, KHC offers competitive compensation and comprehensive benefits packages to attract and retain top-tier talent. Moreover, rigorous screening processes, including extensive reference and background checks conducted through Fieldprint, guarantee that every member of the KHC team possesses the requisite licensing, certifications, and relevant work experience. Furthermore, continuous professional development is fostered through regular in-service education and training via the acclaimed online Relias Education platform.

A cornerstone of KHC's operational ethos is its robust quality assurance and improvement program, meticulously tailored for the unique needs of the Kaua'i community. KHC will fully comply with all rules and regulations of participation of a Medicare certified home health agency and all requirements of the required quality assurance programs. This program encompasses meticulously crafted service protocols, policies, and procedures aimed at defining, monitoring, and evaluating the quality and efficacy of care delivery. Through frequent supervised visits, KHC personnel diligently monitor the medical progress and adherence to individualized care plans, ensuring alignment with the highest standards of care. Close collaboration with healthcare stakeholders, including physicians and family members, ensures the seamless delivery of personalized care.

Feedback mechanisms, including client surveys, incident reports, chart reviews, and client concerns, serve as invaluable tools in KHC's pursuit of continuous improvement. The overwhelmingly positive survey responses from families and clients across Kaua'i underscore the efficacy of KHC's approach, with all surveys reflecting either extreme satisfaction or satisfaction with the services provided. These results not only validate KHC's commitment to excellence but also serve as a testament to its unwavering dedication to elevating the standards of care within the community.

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

There will be modest costs required for this project, approximately \$35,200

e) Relationship to the Existing Health Care System

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KHC operates in close collaboration with the Kaua'i Agency on Elderly Affairs (KAEA), firmly entrenched as a vital community resource and integral component of the ongoing Local Level Network on Aging outlined in the county's comprehensive four-year plan. Our existing programs, along with proposed home health initiatives, align seamlessly with this plan, offering invaluable support and enhanced service value to elderly residents throughout Kauai County, particularly those residing in rural areas.

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HEALTH PLAN
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Delivering health services within the comfort of one's home environment holds immense potential for improving the quality of life for individuals with medical needs. Home-based healthcare not only nurtures emotional well-being but also accelerates recovery times, as individuals tend to heal faster in familiar surroundings. Moreover, receiving medical care at home empowers individuals and their families to actively participate in the healthcare process, fostering a sense of ownership and empowerment.

The provision of quality home health care services on Kaua'i holds promise for curbing healthcare costs, given that home-based services typically incur lower expenses compared to inpatient and hospital care. By delivering timely and appropriate care directly to the client's doorstep, home health services have the potential to avert institutional admissions and associated costs, thereby alleviating strain on hospital resources. Without access to home health services, individuals may resort to hospitalization unnecessarily, exacerbating bed shortages in both skilled nursing facilities and acute care hospitals on the island.

KHC stands poised to complement existing healthcare providers and bridge gaps in service delivery, thus mitigating the need for more costly healthcare alternatives. With a comprehensive reach covering all areas of Kauai, KHC is well-positioned to ensure that every patient's needs are met, strengthening the fabric of community health across our island. By expanding our services to meet the needs of our current patients and acknowledging the projected modest patient census, we can significantly enhance access to home health services for our elderly population. Presently, only one Medicare certified home health agency operates on the island, underscoring the urgent need for additional medicare providers for which KHC aims to be. Granting CON status to KHC would thus yield substantial community health benefits, serving as a valuable complement to the existing healthcare landscape in our state.

f) Availability of resources

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Management Resources

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KHC boasts a seasoned management team with a proven track record of effectively overseeing and expanding a licensed home care agency on the enchanting island of Kaua'i since the inception of operations in 2022. Prior to this endeavor, our esteemed management cadre held leadership roles in the management of skilled nursing and rehabilitation facilities across Kaua'i, garnering invaluable expertise and insights into the intricacies of healthcare administration.

Drawing upon this wealth of experience and knowledge, the KHC management team is primed to sustainably manage and operate our home care agency on Kaua'i, poised to leverage the diverse array of resources at our disposal. This seamless transition ensures continuity of excellence in service delivery, with a steadfast commitment to meeting the evolving needs of our clients and the community at large.

Staffing Resources

KHC is deeply committed to harnessing the expertise of our seasoned nursing and certified nursing aide (CNA) staff to deliver exceptional home health services to the residents of Kaua'i. With a dynamic team comprising more than 45 registered nurses (RNs), licensed practical nurses (LPNs), and CNAs, we possess the breadth and depth of skills necessary to address the diverse needs of our community with empathy and proficiency. As we venture into the realm of home health, we are eager to expand our roster to include licensed therapists, further enriching our service offerings.

In our unwavering dedication to cultivating the next generation of caregivers, KHC maintains a longstanding partnership with the esteemed West Kaua'i CNA School. Through this enduring collaboration, we proudly extend scholarships to aspiring individuals enrolled in the school's CNA Training Program, nurturing a pipeline of new caregivers poised to serve the community with unwavering dedication and compassion.

Moreover, KHC actively spearheads recruitment initiatives aimed at attracting top-tier talent to bolster our home health team. Leveraging a multifaceted approach, we utilize diverse platforms such as Indeed, Google, Facebook, and Instagram to promote job openings and engage with prospective candidates. Additionally, we actively participate in job fairs and maintain close affiliations with the esteemed nursing program at Kaua'i Community College, thereby broadening our recruitment reach and ensuring a steady influx of skilled professionals into our ranks.

Through these concerted endeavors, KHC remains resolute in our mission to deliver unparalleled home health services to the residents of Kaua'i. By nurturing a workforce of compassionate caregivers and expanding our team to include licensed therapists, we are steadfast in our commitment to enhancing the health and well-being of our community.

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Financial (Capital and Operating) Resources

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There is no capital cost required for this project other than the modest cost for equipment and supplies. All other expenditures including rental expenses will be paid from operating funds.

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