



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: # 24-11A Date of Receipt:
To be assigned by Agency

APPLICANT PROFILE

Project Title: Establishment of Home Health Agency Services

Project Address: 1001 Dillingham Boulevard, Suite 317.

Honolulu, Hawaii 96817

Applicant Facility/Organization: Tyler Kimura Agency, LLC, dba Always Best Care

Name of CEO or equivalent: Tyler Kimura

Title: President

Address: 1001 Dillingham Boulevard, Suite 317, Honolulu, Hawaii 96817

Phone Number: (808)-207-8558 Fax Number: (808)-207-8557

Contact Person for this Application: J. George Hetherington, Esq.

Title: Attorney

Address: 1100 Alakea Street, Suite 3100, Honolulu, Hawaii 96813

Phone Number: (808) 540-4504 Fax Number: (808) 540-4503

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]
Signature

8/23/2024
Date

Tyler Kimura
Name (please type or print)

President
Title (please type or print)

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

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

2. PROJECT LOCATION INFORMATION

A. Primary Service Area(s) of Project: (please check all applicable)

- Statewide: _____
- O`ahu-wide: X
- Honolulu: X
- Windward O`ahu: X
- West O`ahu: X
- 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 1 (Tenant Lease and First Amendment of Lease).

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.):

- General Excise Tax Certificate
- State of Hawaii, Department of Health Licensure
- Medicare Certification

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

See Attachment 2.

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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 Organization – See Attachment 3.
- By-Laws – Not applicable.
- Operating Agreement – See Attachment 4.
- Tax Key Number (project's location) - TMK: ~~41-1-5-015-008~~

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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					
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 AUG 27 P2:36	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.		_____
7. Other: <u>Office Lease Rent</u>		<u>\$47,595.24</u>
TOTAL PROJECT COST:		<u>\$47,595.24</u>

B. Source of Funds

1. Cash	_____
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	_____
6. Other: <u>FMV of leased premises to be paid by monthly lease rent</u>	<u>\$47,595.24</u>
TOTAL SOURCE OF FUNDS: <u>\$47,595.24</u>	

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 new Home Health Agency to provide home health services to adult residents on the island of Oahu. The standard category of proposed health care service is in Section 11-186-5(3)(G).

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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: September 1, 2021
- b) Dates by which other government approvals/permits will be applied for and received: Within thirty (30) Days of CON approval
- 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 Upon Medicare certification.

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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.

- 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.

Executive Summary

Always Best Care ("ABC"), based in Honolulu, Hawaii, submits this Certificate of Need application to establish home health care services for Oahu's adult residents, including Veterans Affairs ("VA") health care patients (the "Proposal"). ABC's initial office will be located at 1001 Dillingham Boulevard, Suite 317, Honolulu, Hawaii 96817.

ABC received its home care license in January 2022 and has already built up a reputation on Oahu for being a reliable provider of non-medical in-home care services, which includes light housekeeping, medication reminders, transportation, and activities

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of daily living ("Support Services"). Currently, Support Services are provided to approximately 100 clients per week by nearly 125 nurse aides employed by ABC.

24 AUG 27 P2:36

This application specifically seeks SHPDA's approval to add the following services to ABC's offerings (collectively, "Home Health Services"):

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- Skilled Nursing
- Physical Therapy
- Occupational Therapy
- Speech Therapy
- Medical Social Services
- Family Caregiver Education
- Assistance with Activities of Daily Living
- Nutritional Services
- Personal Care
- Transport Services
- Meal Preparation and Serving

Many of ABC's current patients who receive Support Services (especially its VA patients) also require medical services such as medication administration, g-tube feeding, wound care, colostomy care, and physical and occupational therapy services. In addition, ABC frequently receives referrals from hospitals and other facilities requesting both non-medical personal care as well as skilled and therapy services. CON approval would allow ABC to provide both Support Services and Home Health Services to offer a comprehensive continuum of care and facilitate their patients aging in place.¹ As a single patient-centered provider, ABC will provide its broad range of services to adult patients, and will accept Medicare, commercial health plans, and private pay. Services may be provided by ABC at the patient's residence, an assisted living or long-term facility, or residential care facility.

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

Threshold utilization levels for home health care and community-based social services are not directly addressed in Chapter 2 of the Hawaii Health Services and Facilities Plan ("HSFP"). However, its absence from Chapter 2 does not equate to a lack of a need for additional Home Health Services in Hawaii. Rather, Home Health Services help to combat rising health care costs in the state as facility-based services tends to increase health care costs and spending. ABC's focus on supplying both Home Health Services and Support Services is designed to encourage those patients who would otherwise seek institutionalized care to consider remaining at home, where appropriate.

¹ ABC notes that the establishment of Support Services is not contemplated by any of the standard categories of health care services set forth in HAR § 11-186-5. Accordingly, despite references to such Support Services herein, ABC's current offering of these Support Services is not subject to the certificate of need requirements. Prior to SHPDA's approval of this CON application and obtaining any necessary licensure, ABC will continue to provide only Support Services.

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ABC's entry into the Home Health Services industry will improve accessibility to such services on Oahu and help to advance the Statewide Health Coordinating Council ("SHCC") priorities of ensuring that the Proposal will:

24 SEP 30 P1:36

1. Promote and support the long-term viability of the health care delivery system.
2. Expand and retain the health care workforce to enable access to the appropriate level of care at a reasonable cost.
3. Strive for equitable access to health care services (i.e., remove financial barriers).
4. Encourage and support health education, promotion, and prevention initiatives.
5. Expand awareness of available human, financial, programmatic resources.

ABC will provide cost-effective in home care that reduces the need for patients to rely on hospitals and other health care facilities, in turn promoting the long-term viability of the healthcare delivery system. Through its delivery of personalized care, ABC will also organically direct focus to health education, promotion, and prevention initiatives that will empower patients to take charge of their health, ultimately leading to better outcomes. ABC will also strive to expand patient awareness of available resources and will connect patients and families to essential support systems, fostering a more informed and resilient community.

The Proposal will also advance several Honolulu Subarea Council priorities by:

1. Increasing the availability of:
 - Long-term care services, including home and community-based services.
 - Supportive services that help maintain quality of life, including transportation, nutrition, and social support for independent living.
2. Identifying and addressing workforce shortages in the health care industry with particular emphasis on senior care.
3. Controlling escalating costs in the senior care industry and other needed services. For example, by reducing the need for institutionalized care.

ABC will work with its referral sources to align with post-acute strategies, intended to reduce the length of hospital stays and chance of readmission, by providing quality home health and rehabilitation services to homebound patients in the privacy of their home. Offering an extensive package of services will allow long-term care facilities and hospitals to keep their beds open for patients with a higher acuity or, for long-term care facilities, to accept patients who don't have family support or are unhoused.

B) Need and Accessibility

Hawaii has the highest life expectancy in the United States with a record of 80.7 years.² Due in part to this phenomenon, the population on Oahu is projected to age rapidly over

² https://www.cdc.gov/nchs/pressroom/sosmap/life_expectancy/life_expectancy.htm

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the next twenty years, which, by nature, will contribute to a significant rise in demand for Home Health Services and Support Services. In 2022, Oahu had a population of 955,638 with approximately 195,377 people over age 65 (19.6% of the total population).³ The State of Hawaii, Department of Business, Economic Development and Tourism (DBEDT) projects that by 2040, there will be 381,000 residents in the state over age 65 with 24.7% of them over age 85 (ages 75-84 will account for 18.2% and ages 65-74 will account for 38.4%).⁴

Home Health Services and Support Services are more frequently utilized by older individuals as their mobility and ability to live independently decreases. As a greater proportion of the population falls into these oldest age ranges, it is inevitable that a greater proportion of the population will be sicker and require the type of home health care offered by the Proposal. Unsurprisingly, caregiving in America continues to rise, with 1 in 5 Americans currently serving as a caregiver and 1 in 6 non-caregivers expecting to become a caregiver in the next two years.⁵ Therefore, it is critical to act now to lay the necessary supportive infrastructure in anticipation of this impending increase in the need for health services and elderly care.

In addition to the growing elderly population, CMS data shows that Hawaii is the state with the lowest rate of utilization for Home Health services in the nation. Per a 2021 CMS report on utilization among Medicare home health agencies, Hawaii is far below the 8.3% nationwide average rate of utilization for Home Health Services—with Hawaii's utilization rate being only 3.05%.⁶

Similarly, the breakdown of 2021 utilization figures for Home Health Services indicates that 84 out of every 1,000 Medicare enrollees receive Home Health Services on average nationwide.⁷ For Hawaii, however, the number of persons who received Home Health Services was only 30 out of every 1,000 Medicare enrollees during that same year.⁸ When viewed alongside the Home Health Services utilization rates of states with comparable populations (see Table 1, below), it is clear that Hawaii is well below the utilization standard and that Hawaii's population—which is the fastest aging and has the longest life expectancy of all the states—has both an immediate and projected need for additional home health agencies.

³ See Table 1.29—Resident Population by Age Group, By County: 2022, available at: <https://files.hawaii.gov/dbedt/economic/databook/db2022/section01.pdf>

⁴ See Table 1.24—Resident Population Projections by Age and Sex: 2010 to 2045, available at: <https://files.hawaii.gov/dbedt/economic/databook/db2022/section01.pdf>

⁵ <https://www.cdc.gov/aging/publications/features/supporting-caregivers.htm#:~:text=The%20number%20of%20caregivers%20increased,than%201%20in%205%20Americans.&text=By%2030%2C%20an%20estimated%2073,be%2065%20years%20or%20older.>

⁶ <https://www.cms.gov/files/document/2019cpmsmdcrhha3.pdf>

⁷ <https://data.cms.gov/summary-statistics-on-use-and-payments/medicare-service-type-reports/cms-program-statistics-medicare-home-health-agency>

⁸ *Id.*

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Table 1. 2021 Home Health Services Utilization Figures in States with Populations Between 1 - 2 Million

<u>State</u>	<u>Total Original Medicare Enrollees</u>	<u>Total Persons with Home Health Services Utilization</u>	<u>Home Health Services Utilization Percentage</u>	<u>Home Health Visits per 1,000 Enrollees</u>
Hawaii (pop. 1.442m)	145,637	4,445	3.05%	605
Idaho (pop. 1.901m)	215,741	14,996	6.95%	1,699
Maine (pop. 1.372m)	187,420	14,427	7.70%	1,622
New Hampshire (pop. 1.389m)	234,830	19,871	8.46%	1,727
Rhode Island (pop. 1.096m)	111,983	10,978	9.80%	2,453

Furthermore, consistent with the low number of patients served, column 5 of Table 1 also shows Hawaii at the very bottom of the list for the number of Home Health Services visits provided per 1,000 enrollees (with 605 visits, compared to the national average of 2,147 visits).⁹

The National Center for Health Statistics has published data showing that about half of the home health agencies in existence in 2015 discharged 100 patients or fewer annually.¹⁰ With only thirteen home health care agencies on Oahu, there remains relatively few home health agency providers compared to the number of potential individuals on Oahu that could benefit from Home Health Services. Furthermore, of these thirteen, only six are Medicare certified with only one of these six having a Medicare star rating above 3.5.¹¹ Only Medicare certified agencies can potentially qualify to provide Home Health Services to VA patients. Due to this relatively small number of eligible home health providers, VA patients requiring Home Health Services are typically placed on a waitlist for more than two weeks prior to receiving an initial assessment. ABC already provides Support Services to VA patients with no waitlist. If the CON is approved, ABC expects to receive the necessary certifications required to accommodate the same VA patients (and other VA patients) who may require Home Health Services.

Notwithstanding ABC's competencies with respect to caring for VA patients, ABC will also provide Home Health Services to all residents of Oahu, including the elderly, low-income persons, racial and ethnic minorities, women, children, persons with disabilities, and other underserved groups. ABC can provide Home Health Services to Hawaii's growing elder population who reside alone or live as a couple with no adult children or grandchildren to aid with caregiving. This is particularly important as Hawaii's elder population who resides alone continues to grow, with current estimates as follows:

⁹ *Id.*

¹⁰ https://www.cdc.gov/nchs/data/series/sr_03/sr03_43-508.pdf

¹¹ www.medicare.gov

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Table 2. Estimated Elderly Population Living Alone ¹²	
Males age 65+	19,617
Females age 65+	31,340

24 AUG 27 P 2:37

Overall, ABC expects the need for services that allow patients to remain in their home during periods of illness will continue to grow in the coming years and ABC believes that the Proposal will help ensure that there is sufficient supply to meet this rising demand.

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C. Quality and Service/Care

ABC's President, Tyler Kimura, is a Nurse Aide and knowledgeable of the proper procedures and rules agencies shall adhere to as a home health agency. Under Mr. Kimura's leadership, ABC will comply with all Federal and State guidelines and certification requirements. As of the date of submission of this application, ABC maintains a 4.7/5 star rating on Google, and a 4.7/5 star rating on Yelp. ABC staff answers the phone 24 hours a day, 365 days per year, and will also have a nurse on call 24/7.

ABC's goal is to employ competent, caring, and well-trained individuals who are responsive to the needs of patients, their families, and the communities on Oahu. ABC's Home Health Services will be provided by licensed medical professionals, including doctors, nurses, therapists, and aides duly trained to treat and manage a wide breadth of illnesses, injuries, and medical conditions. ABC will extensively vet each member of its team as to character, competence, education, experience, and satisfaction of any licensure requirements needed to provide particular services. Once hired, staff members will be trained and oriented and will work under direct supervision during their initial period of employment. The length of direct supervision is related to their existing level of experience and the judgment of their supervisors. ABC will offer competitive compensation, in-service training, professional development opportunities (including continuing education), an inviting work environment, mentorship, support, and knowledgeable trustworthy management. ABC's main objective is to empower and incentivize staff to work together to execute ABC's mission of providing the best senior care in the world.

Staff competency evaluations are conducted 90 days after hire and on an annual basis thereafter. All core and specialty competency requirements must be successfully completed to receive a satisfactory performance appraisal. ABC's governing body will implement quality assessment performance improvement ("QAPI") plans to identify areas of improvement to ensure patient safety and quality of care. ABC's QAPI Committee meets quarterly and as needed to identify issues, look for trends, and review charts, employee files, complaints, patient incidents, employee incidents, patient infection logs/reports, employee infection log/reports, satisfaction surveys and any other pertinent materials. Based on these reviews, performance improvement plans ("PIP") will be implemented to stop/fix issues and/or stop/fix negative trends. The QAPI

¹² <https://www.hawaiiadrc.org/Data/Sites/1/media/docs/2023-2027StatePlanOnAgingDraft050523.pdf>

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Committee will also meet to discuss areas of improvements and review of the PIP to evaluate their effectiveness. ABC's Clinical Record Review Committee meets quarterly and as needed to address patient issues and review clinical records. ABC's Ethics Committee meets annually and as needed to address any ethical issues.

As an added measure to ensure patient comfort and the delivery of top-notch care, ABC also strives to provide equitable access to its programs and services among Hawaii's underserved populations. Hawaii's elderly population of 60+ is multilingual, with 27.3% of older adults speak another language other than English and 16.1% reporting that they do not speak English very well.¹³ To facilitate communication, ABC has taken steps to equip its staff with healthcare workers who speak languages other than English. ABC is also pleased to offer family caregiver education to better support the patient and teach family caregivers ways to manage stress and care for themselves while acting as a caregiver.

Finally, ABC is a member of or affiliated with NAHC Private Duty Home Care, Activated Insights formerly Home Care Pulse, and Healthcare Association of Hawaii.

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

The revenue and cost projections for the Proposal's first and third years of operation are summarized in the table below. Note that these projections do not include ABC's revenue earned/expenses incurred from its provision of Support Services, only from Home Health Services to be provided by ABC.

	Projected 1st Full Year Operations	Projected 3rd Full Year Operations
Total Operating Revenue	\$250,000	\$1,500,000
Operating Expenses		
Salaries, Wages, Benefits	\$150,000	\$800,000
Other Expenses	\$50,000	\$300,000
Depreciation	\$0.00	\$0.00
Total Expenses	\$200,000	1,100,000
Net Income (Loss) from Operations	\$50,000	\$400,000
Add Back: Depreciation	\$0.00	\$0.00
Excess (Deficit) Fund from Operations	\$50,000	\$400,000

E. Relationship to Existing Health Care System

The Proposal will have a significant positive impact on the health care system on Oahu by helping to boost the supply of home health services available to Oahu residents, including VA patients which is a segment that currently has difficult accessing home health services in an efficient manner.

¹³ <https://www.hawaiiadrc.org/Data/Sites/1/media/docs/2023-2027StatePlanOnAgingDraft050523.pdf>

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ABC already has a working relationship with many providers in the community and receives patient referrals for Support Services from the Queen's Medical Center, Kaiser Permanente, Kuakini Medical Center, Pali Momi and most skilled nursing facilities on Oahu. These facilities have many patients who are also in need of Home Health Services, so ABC would expect to continue its relationship with these providers upon CON approval to serve as a one stop shop for both Support Services and Home Health Services. In addition, ABC also receives many patient referrals from the VA, individual physicians, fiduciaries, home care patient agencies, current ABC home care patients, and word of mouth (including from the internet). Therefore, the infrastructure is already in place to make for a smooth transition when it comes to expanding the range of services ABC offers.

ABC will make Home Health Services more accessible to all residents, with the goal of achieving significant cost savings for the benefit of the health care system overall. A competent home health agency allows hospitals to discharge patients from the acute setting to post-acute services at the right time, without having to wait for a long term care facility bed to open up. This reduces the overall length of the hospital stay, on top of taking advantage of the fact that high quality Home Health Services better prevent hospital readmissions.

F. Availability of Resources

ABC has sufficient financial resources to develop and sustain the Proposal, including the resources needed to maintain operations until it receives Medicare certification and beyond, if necessary.

ABC will use its existing employees to staff the Proposal initially. ABC's current staff consists of a director of operations, three schedulers, a human resource manager, a recruiter, a patient care manager, a supervisor, an after-hours scheduling team, three nurses, and approximately 125 aides. ABC has two Registered Nurses and one Licensed Practical Nurse who are available to provide services island wide, with a nurse available 24 hours a day. ABC will expand upon this existing staffing and structure upon approval of the CON and receiving Medicare certification by (1) hiring a nursing supervisor on a per diem basis, and (2) expanding the nursing staff with as the business grows.

With respect to recruiting personnel, ABC has never had a problem finding qualified employees. The 125 nurse aides that ABC currently has were all hired in the past two years. ABC uses Indeed and other online job boards to solicit applicants. To retain employees, ABC plans to pay at or above industry standards, allow remote work, permit flexible scheduling, recognize and reward employees for outstanding performance, host employee appreciation events, provide wellness offerings by ensuring the workplace is clean and hygienic with health and safety protocols in place, provide 100% paid health insurance coverage to full time workers. Above all, ABC always prioritizes treating all of its employees with respect and autonomy. ABC provides all employees orientation and

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on-going training sessions to ensure they are well supported in providing quality services and familiar with protocols for providing services to patients.

'24 AUG 27 P2:37

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