



**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

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KE KA'ĀINA O KA MOKU'ĀINA 'O HAWAII

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November 12, 2024

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

IN THE MATTER OF)	CERTIFICATE OF NEED
)	APPLICATION
)	NO. 24-02
Shalom Hospice of Hawaii LLC)	
)	
Applicant)	
)	DECISION ON THE MERITS
)	

DECISION ON THE MERITS

The State Health Planning and Development Agency (hereinafter "Agency"), having taken into consideration all of the records pertaining to Certificate of Need Application No. 24-02 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons, the recommendations of the Oahuwide Certificate of Need Review Committee, the Statewide Health Coordinating Council, and the Certificate of Need Review Panel, the Agency hereby makes its Decision on the Merits, including findings of fact, conclusions of law, order, and written notice on Certificate of Need Application No. 24-02. Where appropriate, Findings of Fact shall operate as Conclusions of Law, and Conclusions of Law shall operate as Findings of Fact. As many of the criteria for Certificate of Need are interrelated, each of the criteria and subheadings within the Findings of Fact shall be deemed to incorporate and include all other Findings of Fact to the extent relevant.

I

FINDINGS OF FACT

1. This is an application for a Certificate of Need for the establishment of hospice services at 677 Ala Moana Building, 677 Ala Moana Boulevard, Honolulu, HI, at capital cost of \$645,400.
2. The applicant, Shalom Hospice of Hawaii LLC, is a limited liability corporation.

3. The Agency administers the State of Hawaii's Certificate Program, pursuant to Chapter 323D, Hawaii Revised Statutes (HRS), and Title 11, Chapter 186, Hawaii Administrative Rules (HAR).

4. On January 29, 2024, the applicant filed with the Agency, a Certificate of Need application for the for the establishment of hospice services at 677 Ala Moana Building, 677 Ala Moana Boulevard, Honolulu, HI, at capital cost of \$645,400 (the "Proposal"). On February 27, 2024, the Agency determined the application to be incomplete. On March 13, 2024, and April 5, 2024, the applicant submitted revisions/additional information. On April 12, 2024, the application was determined to be complete. For administrative purposes, the Agency designated the application as No. 24-02.

5. The period for Agency review of the application commenced on May 9, 2024, the day notice was provided to the public pursuant to HAR 11-186-39.

6. On May 16, 2024, the application was reviewed by the Oahuwide Certificate of Need Review Committee at a public meeting. The Committee voted 4 to 0, in favor of recommending conditional approval of the application. The condition was that, within the time frame of 6 months to 1 year, the applicant provides supporting evidence for the care to their stated Jewish population as well as to underserved areas such as the Leeward Coast and the North Shore.

7. On June 6, 2024, the application was reviewed by the Statewide Health Coordinating Council. The Council voted 5 to 1, in favor of recommending conditional approval of the application. The condition was that the applicant provides a plan to demonstrate their strategy to meet the needs of the underserved groups and also how they are going to staff their proposal for supplying services to not only the Jewish population, but also the underserved groups.

8. On August 1, 2024, the application was reviewed by the Certificate of Need Review Panel. The Panel voted 7 to 0, in favor of recommending disapproval of the application.

9. This application was reviewed in accordance with Section 11-186-15(a), HAR.

10. Section 323D-43(b), HRS states:

"(b) No certificate of need shall be issued unless the state agency has determined that:

(1) There is a public need for the facility or service; and

(2) The cost of the facility or service will not be unreasonable in the light of the benefits it will provide and its impact on health care costs.”

11. Burden of proof. Section 11-186-42, HAR, provides:

“The applicant for a certificate of need shall have the burden of proof, including the burden of producing evidence and the burden of persuasion. The degree or quantum of proof shall be a preponderance of the evidence.”

II

FINDINGS OF FACT CERTIFICATE OF NEED CRITERIA

A. REGARDING THE RELATION OF THE PROPOSAL TO THE STATE HEALTH SERVICES AND FACILITIES PLAN CRITERIA

12. The applicant states¹ that “...persons of the Jewish faith do not have equitable access to end of life hospice services that are consistent with their religious belief and teachings. Shalom Hospice will expand the availability of in-home end of life hospice services for this ethnic/religious minority population which is underserved. Shalom Hospice will provide Jewish hospice care to Jewish patients in a manner that recognizes Jewish heritage, history and traditions. Shalom Hospice is different than existing hospice agencies in Hawaii such that it is uniquely positioned and qualified to serve the Jewish people through the Service Area.”

13. The applicant states that “Shalom Hospice will have a focused effort to identify the Jewish patients who are hospice appropriate and in need of hospice services. It will work with these patients and families to obtain the maximum benefit - physically, emotionally and spiritually - from hospice during end of life journey. Enhancing hospice services for the defined population results in overall healthcare delivery system savings and therefore support the system's long term viability.”

¹ For clarity, when the Agency quotes statements from the applicant or from witnesses, it does so because the Agency finds such testimony to be persuasive and because the Agency has incorporated the referenced testimony as a finding of fact.

14. The applicant states that “Shalom Hospice directly addresses the Honolulu priorities by improving access to home-based hospice services for the underserved ethnic (Jewish) minority. Shalom Hospice will provide supportive services in the home to enable the patient to maintain quality of life during his/her final months.”

15. The applicant states that “Shalom Hospice directly addresses the West Oahu and Windward SAC priorities by improving access to home-based hospice services to keep older adults out of institutions. Through this home-based programming, it will also improve the hospital bed availability as in home hospice services enables timely transfer of patients to hospice services in the home.”

16. The Agency finds that the Proposal meets the relationship to the state health services and facilities plan criteria.

B. REGARDING THE NEED AND ACCESSIBILITY CRITERIA

17. The applicant states that “The specific target population for Shalom Hospice is the Jewish population and their families who reside within the Service Area.”

18. The applicant states “...persons of the Jewish faith do not have equitable access to end of life hospice services that are consistent with their religious belief and teachings. Shalom Hospice will expand the availability of in-home end of life hospice services for this ethnic/religious minority population which is underserved. Shalom Hospice will provide Jewish hospice care to Jewish patients in a manner that recognizes Jewish heritage, history and traditions. Shalom Hospice is different than existing hospice agencies in Hawaii such that it is uniquely positioned and qualified to serve the Jewish people through the Service Area.”

19. The applicant states that “Shalom Hospice will fill an identified and confirmed gap in the healthcare system. It will serve Jewish patients taking into consideration customs, rituals and traditions appropriate in Jewish end-of-life care. No such programs currently exist in Hawaii, and specifically on the island of Oahu.”

20. The applicant states “In terms of accessibility, there is currently no Jewish hospice agency in the City & County of Honolulu. As indicated by the many letters of support for this project, the Jewish community has not been well served by the existing hospice agencies in that they are not currently equipped to provide personalized care within the framework of Jewish law and ritual.”

21. In written testimony received by the Agency on May 16, 2024, Moshe Hakemolo states "...there is a notable absence of healthcare practitioners providing end of life care consistent with Jewish teachings. Based on our full understanding of available resources, I believe there is a void in end-of-life care that considers the unique religious philosophies and practices of those who are of Jewish faith. As a result, I can confirm there is an access barrier to hospice services for traditional Jewish residents. With this background, it is particularly important that your organization approve Shalom Hospice to establish a hospice with an emphasis on Jewish patients. Shalom Hospice is different from the existing end of life providers in Hawaii and on the island of Oahu. It is a smaller more flexible provider which has confirmed our identified need for Jewish hospice services. Shalom Hospice recognizes and understands the unique needs of the Jewish population in end of life care..."

22. In his written testimony, Mr. Hakemolo further states "It is my understanding Shalom Hospice intends on operating its hospice services for Jewish patients in a manner that recognizes the special needs of Jewish patients in end-of-life care. It will work with Jewish organizations to sponsor community education events and workshops regarding the benefits of hospice services, the interdisciplinary team approach to care for patients in hospice, and the ways in which hospice can meet the physical, emotional, and spiritual needs of Jewish patients and the patients' families at the end of life. It will also establish specific protocols for meeting the special needs of the Jewish population including having a focus on the needs and providing recognition and support for holocaust survivors, addressing pain control measures, and providing life sustaining measures in accordance with religious observances."

23. In written testimony received by the Agency on May 16, 2024, Barron Guss states "The transition from life to death in Jewish tradition involves rituals and practices that provide support and comfort to the dying and anchors them in their faith. Existing hospices in Hawaii are not experienced in the many Jewish traditions surrounding the sick and dying. While the existing hospices provide meaningful services for some population groups, they do not meet the end of life needs of Hawaii's Jewish population. Those who are diagnosed as terminally ill - and Jewish - are underserved at their most vulnerable point in their lives, as they near the end with terminal diagnoses."

24. In his written testimony, Mr. Guss further states "Our Jewish residents will benefit from having access to a Jewish hospice program; such a program does not exist so many of these persons have unmet needs in end of life. Shalom Hospice has a full understanding of the unique requirements of the Jewish population and will implement its specific hospice program to meet the special needs of Jewish people in end of life care."

25. In written testimony received by the Agency on May 16, 2024, Rabbi Mendy Kraznjansky states “Until now the Jewish community has been underserved by hospice organizations due to a lack of familiarity with Jewish practice. The entry of Shalom Hospice of Hawaii would fill a great void and dire need for the Jewish community, since it is run by people familiar with the Jewish culture of comforting the dying and the Jewish way of death.”

26. In written testimony received by the Agency on May 24, 2024, Representative Darius K. Kila, House District 44, Honokai Hale, Nānākuli, Mā’ili, states “As you may be aware, many areas within my district face significant challenges in accessing healthcare services, with end-of-life care being a critical yet often neglected aspect... Shalom Hospice has proposed establishing a hospice facility aimed at serving Honolulu County, with a particular focus on reaching underserved populations. This initiative includes religious minorities, such as the Jewish community, and residents of the Leeward Coast, which encompasses my district.”

27. In written testimony received by the Agency on June 3, 2024, Kay Lorraine (Bate) states “The Jewish community is underserved, particularly in the area of hospice services. Actually, it’s more than underserved – it has none... Add to this, the fact that there are areas such as the Leeward Coast of Oahu that are particularly underserved in the area of palliative care service providers.”

28. In her written testimony, Ms. Lorraine (Bate) further states “Shalom Hospice would expand hospice services for underserved communities on Oahu, as well as the Jewish community, which currently has no access to faith-appropriate end-of-life care at all.”

29. The applicant states that “The feedback from Oahu’s Jewish community articulated herein confirms that, while there are five hospices serving Oahu, none are proficient in the customs and special requirements expected by Jewish patients as part of a complete end-of-life care plan. This creates significant programmatic and cultural access barriers to appropriate hospice care for the Jews on Oahu. There is clearly a desperate need on Oahu for a hospice provider who has the skills and know-how required to accommodate the specific observances, practices and beliefs of Jewish persons, and Shalom Hospice confirms that it is well-equipped to fill this void.”

30. The applicant states that “Shalom Hospice will provide Jewish hospice care to Jewish patients in a manner that recognizes Jewish heritage, history and traditions.”

31. The applicant states that “In addition to serving Oahu’s Jewish population, Shalom Hospice anticipates that it will also serve non-Jewish persons residing in Jewish households, individuals who seek a specific religious focus in their final

months of life, and others diagnosed as terminally ill with six months or left to live regardless of their religious affiliation (i.e., including all demographics, the elderly, low-income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups)."

32. The applicant states that "Of note, while Shalom Hospice will place an emphasis on serving the Jewish people, it will not refuse or deny care to non-Jewish patients that seek services from Shalom Hospice."

33. The Agency finds that the Jewish population has a need for the services proposed to be offered by the applicant and that the applicant's Proposal will meet this need.

34. The Agency finds that, if the application is modified in accordance with the condition identified on Page 12 of the Decision on the Merits, the need and accessibility criteria will be met.

C. REGARDING QUALITY AND LICENSURE CRITERIA

35. The applicant states that "The detailed plan to elevate the quality of care available to the Jewish population includes, among other things, maintaining NIJH accreditation, ascribing to Chayim Aruchim, employment of rabbis as appropriate spiritual leaders, employment of a Jewish services coordinator (liaison), collaboration with Jewish Community Services, establishment of a Jewish bereavement program, and creation of a Jewish virtual reality program."

36. The applicant states "Shalom Hospice will develop and maintain a Quality Assurance Performance Improvement (QAPI) Plan similar to the ones in place at its affiliates. The purpose of Shalom Hospice's QAPI Plan is to provide a strategy for the systematic organization-wide implementation of quality assessment and performance improvement activities. This ensures that the organization provides appropriate, high-value, effective and efficient services in accordance with its mission and current standards of practice."

37. The applicant states that "The Applicant's QAPI Committee will identify and address quality issues and implement corrective action plans as necessary."

38. The applicant states that "The QAPI Committee will have the overall responsibility and authority to conduct a confidential review of information for the identification of concerns and trends for negative findings. The completion of tasks may be accomplished through designated individuals or quality project teams. Specific responsibilities will include:

- Identifying trends in clinical outcomes

- Evaluating data related to systems and services offered to patients
- Monitoring new systems and services
- Monitoring customer and patient satisfaction”

39. The applicant states that “The Medical Director will be a licensed physician and will attain Board Certification in Hospice and Palliative Care. The Clinical Manager will also attain Hospice and Palliative Care Nurse Certification.”

40. The applicant states the following licenses/certificates/accreditations are required or will be sought for the Proposal:

Community Health Accreditation Partner (CHAP) Accreditation
National Institute of Jewish Hospice (NIJH) Accreditation
Medicare Certification

41. The Agency finds that the quality and licensure criteria have been met.

D. REGARDING THE COST AND FINANCIAL CRITERIA

42. The applicant states that “Shalom Hospice will benefit the overall healthcare system as hospice care at the end of life is more cost effective than acute care in institutional settings.”

43. The applicant states that “Medicare is the primary payer for hospice services; therefore charges and costs will be based on the Medicare conditions of participation and the associated rate payment system. Medicare reimburses based on the patient day type with one of four types included in the benefit: routine, general inpatient, respite and continuous care. The per diem rates range from the lowest routine (\$198 to \$250 depending on day of service) to the highest for crisis or continuous care (\$76 per hour)... Shalom Hospice anticipates the majority (97.3 percent) of all its patient days will be routine. By providing hospice services in a routine setting (home, assisted living or long-term facility), Shalom Hospice will be minimizing the Medicare costs to the overall system. It will also enable earlier discharge from an acute care bed as Shalom Hospice will have the resources (personnel, equipment - DME, supplies and other ancillary items) to care for the patient in their own residence.”

44. The applicant states that “The start-up costs for the proposed hospice to serve the Jewish population residing on the island of Oahu is \$88,400. These costs are minimal as there are no hard or soft construction costs involved. The initial costs include primarily furnishing and equipment for the office to be leased at 677 Ala Moana Boulevard. Specifically identified items include signage, furniture, computers, software, telephones, tablets and other such operating items. These costs will be funded in full by the principals of Shalom Hospice of

Hawaii, Rabbi Samuel Honigwachs as Trustee and Samuel Stern as Managing Member.”

45. The applicant projects total operating revenue of \$778,512 and total expenses of \$1,419,528 for Year 1 of the proposed project, total operating revenue of \$2,335,537 and total expenses of \$2,303,551 for Year 2 of the proposed project, and total operating revenue of \$4,065,564 and total expenses of \$3,338,560 for Year 3 of the proposed project.

46. The applicant states that “Shalom Hospice's objective is to ensure continuity of care and avoid duplication for these populations. In acute care hospital settings, services for Shalom Hospice patients will be brief and temporary and will represent existing patients suffering from an acute care episode. In such cases, Shalom Hospice will provide assistance in implementing the patient's hospice care plan, but will not provide hospital services. This is the most cost-effective method of providing care to patients who require temporary acute inpatient treatment. Shalom Hospice will also provide care to residents of long-term care facilities that are medically unable to return home but require hospice care. Given the unique qualifications required to serve the Jewish population with end-of-life hospice services, and the fact no existing hospice on the island has these qualifications or capabilities, the concept of collaboration or partnering is not an option for Shalom Hospice. Shalom Hospice has the necessary expertise to meet the end-of-life hospice needs of Hawaii's Jewish population. Because this segment of the community is underserved, the only acceptable alternative is to approve Shalom Hospice's CON application to provide hospice services for the Jewish population who reside in Honolulu County.”

47. The Agency finds that the cost and financial criteria have been met.

E. REGARDING THE RELATIONSHIP OF THE PROPOSAL TO THE EXISTING HEALTH CARE SYSTEM OF THE AREA CRITERIA

48. The applicant states that “Shalom Hospice will fill an identified and confirmed gap in the healthcare system. It will serve Jewish patients taking into consideration customs, rituals and traditions appropriate in Jewish end-of-life care. No such programs currently exist in Hawaii, and specifically on the island of Oahu.”

49. The applicant states that “The applicant states that “Shalom Hospice's objective is to ensure continuity of care and avoid duplication for these populations. In acute care hospital settings, services for Shalom Hospice patients will be brief and temporary and will represent existing patients suffering from an acute care episode. In such cases, Shalom Hospice will provide assistance in

implementing the patient's hospice care plan, but will not provide hospital services. This is the most cost-effective method of providing care to patients who require temporary acute inpatient treatment. Shalom Hospice will also provide care to residents of long-term care facilities that are medically unable to return home but require hospice care. Given the unique qualifications required to serve the Jewish population with end-of-life hospice services, and the fact no existing hospice on the island has these qualifications or capabilities, the concept of collaboration or partnering is not an option for Shalom Hospice. Shalom Hospice has the necessary expertise to meet the end-of-life hospice needs of Hawaii's Jewish population. Because this segment of the community is underserved, the only acceptable alternative is to approve Shalom Hospice's CON application to provide hospice services for the Jewish population who reside in Honolulu County."

50. The applicant states "Because Shalom Hospice will focus on serving the Jewish population, which is currently underserved, its operations will have no negative impact on the existing hospice providers as they will continue to serve their existing clientele. However, for those Jewish patients who are currently utilizing costlier types of care, Shalom Hospice will provide an overall economic and utilization benefit to the healthcare system through admission of the Jewish terminally ill patients to the Shalom Hospice service.

51. The Agency finds that, if the application is modified in accordance with the condition identified on Page 12 of the Decision on the Merits, the relationship to the existing healthcare system of the area criteria will be met.

F. REGARDING THE AVAILABILITY OF RESOURCES CRITERIA

52. The applicant states that "The start-up costs for the proposed hospice to serve the Jewish population residing on the island of Oahu is \$88,400. These costs are minimal as there are no hard or soft construction costs involved. The initial costs include primarily furnishing and equipment for the office to be leased at 677 Ala Moana Boulevard. Specifically identified items include signage, furniture, computers, software, telephones, tablets and other such operating items. These costs will be funded in full by the principals of Shalom Hospice of Hawaii, Rabbi Samuel Honigwachs as Trustee and Samuel Stern as Managing Member."

53. The applicant states that "Shalom Hospice is confident it will successfully recruit qualified personnel to staff its operations. It will recruit and develop a staff consistent with its operations, including recruitment of Rabbis to provide the spiritual component of hospice, recruitment of a Jewish services coordinator to be a liaison with the County's Jewish organizations and community, and recruitment of appropriate clinical staff experienced to provide end of life care.

Recruitment will rely upon the community linkages being established by Shalom Hospice, including referrals from those constituents who have provided information on the gaps in services. It will also rely on standard mechanisms of print and internet advertising, use of agencies and contacts with professional schools.”

54. The Agency finds that, if the application is modified in accordance with the condition identified on Page 12 of the Decision on the Merits, the availability of resources criteria will be met.

III

CONCLUSIONS OF LAW

Having taken into consideration all of the records pertaining to Certificate of Need Application No. 24-02 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons, the recommendations of the Oahuwide Certificate of Need Review Committee, the Statewide Health Coordinating Council, the Certificate of Need Review Panel, and based upon the findings of fact contained herein, the Agency concludes as follows:

1. The Proposal meets the certificate of need criteria in HAR 11-186-15(a) (3), (4), (5), (6), (7) (9) and (11). The criteria in HAR 11-186-15(a)(2), and (8) are not applicable to this Proposal.
2. The applicant has failed to show by a preponderance of the evidence that its Proposal, as it is currently written, meets the certificate of need criteria in HAR 11-186-15(a)(1), (10) and (12).
3. The application, if modified as specified in the Order below, would successfully meet the criteria for the issuance of a certificate of need.

Conditional Certification

ORDER

Pursuant to the findings of fact and conclusions of law contained herein, IT IS HEREBY DECIDED AND ORDERED THAT:

The State Health Planning and Development Agency hereby APPROVES and ISSUES a CONDITIONAL Certificate of Need to Shalom Hospice of Hawaii

LLC, for the Proposal described in Certificate of Need application No. 24-02, as modified herein.

The condition is that, on or before February 12, 2025, the applicant shall submit to the Agency, for Agency approval:

A written plan for providing hospice services to, not only the underserved Jewish population, but also for providing hospice services to other underserved populations on Oahu, including without limitation, the underserved populations residing on the Leeward Coast and the North Shore of Oahu. The written plan shall include a staffing plan for providing services to these underserved populations. The plan objective shall be to meet the needs of the underserved populations without negatively impacting the existing healthcare system of the area.

This modification is required for the application to successfully meet the criteria for the issuance of a certificate of need as established in Section 11-186-15(a), HAR.

As provided under Section 323D-46, HRS and Section 11-186-77, HAR, the Agency establishes March 12, 2025, as the date by which the applicant shall certify, in writing, that the required modification to the application has been made.

As required under Section 323D-43(b), HRS, the Agency has determined that, if modified as specified in the Order:

1. There is a public need for the facility or service; and
2. The cost of the facility or service will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

The maximum capital expenditure allowed under this conditional approval is \$645,400.

WRITTEN NOTICE

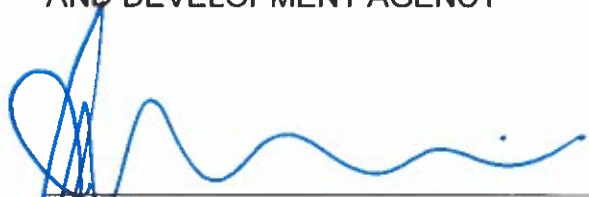
Please read carefully the written notice below. It contains material that may affect the Decision on the Merits. The written notice is required by Section 11-186-70, HAR, of the Agency's Certificate of Need Program rules.

The decision on the merits is not a final decision of the Agency when it is filed. Any person may request a public hearing for reconsideration of the decision pursuant to Section 11-186-82, HAR. The decision shall become final if no person makes a timely request for a public hearing for reconsideration of the decision. If there is a timely request for a public hearing for reconsideration of the decision and after the Agency's final action on the reconsideration, the decision shall become final.

(Note, pursuant to Chapter 323D-47, HRS, a request for reconsideration shall be received by the Agency within ten working days of the state agency decision.)

DATED: November 12, 2024
Honolulu, Hawaii

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



JOHN C. (JACK) LEWIN, M.D.
Administrator