



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII

MARILYN A. MATSUNAGA
ADMINISTRATOR

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June 27, 2002

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mr. Ronald Schurra
Chief Executive Officer
Hilo Medical Center
1190 Waianuenue Avenue
Hilo, Hawaii 96720

Dear Mr. Schurra:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #02-05A for the replacement of your peripheral angiography equipment, at a capital cost of \$1,500,000.

As provided under Section 11-186-99.1 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

1. This proposal is eligible for administrative review as it meets the criterion in Section 11-186-99.1(b)(6), i.e.: "any proposal which is determined by the agency not to have a significant impact on the health care system."
2. The applicant has proven by a preponderance of evidence that its proposal meets the Cert. criteria in Section 11-186-15, HAR:
 - a. The applicant states that its proposal relates well to the critical elements of the health care delivery system as well as the Hawaii County subarea values and priorities as set forth in H2P2.
 - b. The applicant states that it has the only angiography unit on the Big Island and that mechanical malfunction downtimes have substantially increased during the last year i.e.: "five downtimes within a four week period". The applicant states that its existing unit is at the end of its working life and within a very short time will no longer be operable in a safe manner.
 - c. The applicant states that in 2001 it performed 401 angiography procedures and states that the number of procedures has increased an average of 17% per year over the past six years.
 - d. The applicant states that its proposal will be accessible to all patients, including the elderly, low income, racial and ethnic minorities, women, handicapped persons and other underserved groups, regardless of their ability to pay.

- e. The applicant states that it has a history of providing quality angiography services in conjunction with Hawaii Radiologic Associates and that this will continue after the implementation of the proposal. The applicant states that it is accredited by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) and is licensed by the Department of Health/Medicare certified.
- f. The applicant states that the improvements to the proposed replacement equipment will create a safer environment by decreasing radiation exposure to the patient. The applicant also states that the replacement equipment will enable the applicant to offer more and improved angiography services such as rotational angiography, stent-grafts, and angiography procedures for patients who have problems with their liver.
- g. The applicant projects that its proposed service will result in operating losses of (\$23,405) in year one of the proposal and (\$32,006) in year three. The applicant states that it has the only angiography unit on the Big Island and is a necessary service for a full service community hospital. The applicant states that it will use revenue from other services in the Imaging Department to offset the losses from angiography services.
- h. The applicant states that the capital resources for the project are available through a loan from Academic Capital Group and no new staff is expected to be needed for the proposal.

There is no compelling public interest which will be served by requiring the application to go through the standard review process.

As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

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

Accordingly, the State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Hilo Medical Center for the proposal described in Cert. #02-05A. The maximum capital expenditure allowed under this approval is \$1,500,000.

Please be advised that pursuant to Section 323D-47, HRS and Section 11-186-99.1(g) HAR, any person may, for good cause shown, request in writing a public hearing for reconsideration of the Agency's decision within ten working days from the date this decision. Accordingly, if no person makes such a timely request for reconsideration, this decision shall become final immediately after the deadline for making such a request has expired.



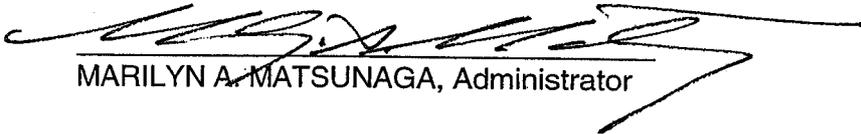
MARILYN A. MATSUNAGA
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative Review Decision was duly served upon the applicant by sending it by certified mail, return receipt requested, in the United States Postal Service addressed as follows on June 27, 2002.

Ronald Schurra
Chief Executive Officer
Hilo Medical Center
1190 Waiianuenue Ave.
Hilo, HI 96720

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY


MARILYN A. MATSUNAGA, Administrator