



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

BENJAMIN J. CAYETANO  
GOVERNOR OF HAWAII

MARILYN A. MATSUNAGA  
ADMINISTRATOR

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June 6, 2002

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Bruce Behnke  
President and Regional Manager  
Kaiser Permanente Medical Care Program  
3288 Moanalua Road  
Honolulu, HI 96819

Dear Mr. Behnke:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #02-07A for the expansion of your planned Waipio clinic at 94-1492 Moaniani Street, Waipahu, Hawaii at a capital cost of \$5,700,000.

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 because 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 Agency finds that 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 is consistent with the vision, goals and regional priorities of the Hawaii Health Performance Plan (H2P2)
  - b. The applicant states that total office visits for its health plan members in the Punawai area were 75,500 in 2000 and projects this to increase to 94,317 by 2005. The applicant also states that in 2000, it provided 9,100 visits to non-plan members and Mainland Kaiser members.
  - c. The applicant states that it is accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO) and the National Committee for Quality Assurance (NCQA).
  - d. The applicant states that its proposal of purchasing land and building a clinic is more cost-effective and operationally feasible than the previous option (approved in Cert. #01-02A) of leasing a building and purchasing it in the future.

- e. The applicant states that its proposal will require an additional capital investment of \$5.7 million and that funds are available through a capital generation program supported by operating revenues and through long-term debt of its nationwide program. The applicant states that operating funds for its proposal will be available through cash reserves for start-up activities and through normal operations after opening.
- f. The applicant states that additional staff of 1 physician, 1 registered nurse, 1 medical assistant and 1 receptionist will be required for the proposal and that it does not anticipate any problems recruiting such staff.

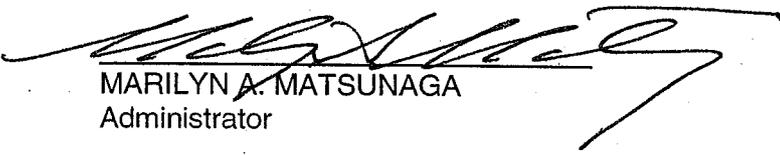
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

Pursuant to 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 this proposal 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 Kaiser Permanente Medical Care Program for the proposal described in Cert. #02-07A. The maximum capital expenditure allowed under this approval is \$5,700,000.

Please be advised that this Decision is not the Agency's final decision. Pursuant to Section 11-186-82, 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 of the filing of the decision. Accordingly, this decision will not become final until the said 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 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 6, 2002.

Bruce Behnke  
President and Regional Manager  
Kaiser Permanente Medical Care Program  
3288 Moanalua Road  
Honolulu, HI 96819

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

  
MARILYN A. MATSUNAGA, Administrator