



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII

MARILYN A. MATSUNAGA
ADMINISTRATOR

1177 Alakea St. #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

October 9, 2002

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

James L. Clay
Kauai Care Center, LLC
970 Fifth Avenue NW, Suite 7
Issaquah, WA 98027

Dear Mr. Clay:

The State Health Planning and Development Agency has evaluated your Certificate of Need application #02-13A for the change in ownership of Kauai Care Center, 9611 Waena Road, Waimea, Kauai at a capital cost of \$2,380,000.

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) (4), i.e.: "any change of ownership, where the change is from one entity to another substantially related entity."
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 facility is consistent with the goals established in the Hawaii Health Performance Plan (H2P2). The applicant states that its proposal will not change the facility's relationship to the plan.
 - b. The applicant states that its facility will remain accessible to all underserved groups in the community following the proposed change in ownership.
 - c. The applicant states that the services provided at the facility will remain the same after the proposed change in ownership and it will continue to comply with all applicable federal and state regulations and guidelines.
 - d. The applicant states that its revenue and cost projections will not be affected by the proposed change in ownership and that the costs and charges to its residents will be unaffected by the proposal.

- e. The applicant states that the proposal is not expected to require new capital or additional personnel.

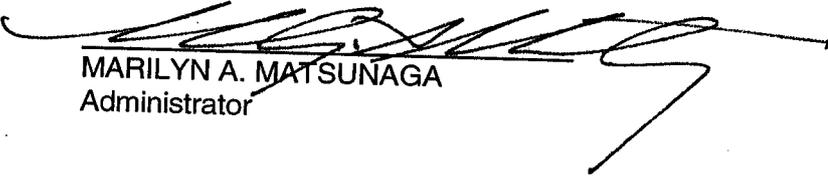
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 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 Kauai Care Center, LLC for the proposal described in Cert. # 02-13A. The maximum capital expenditure allowed under this approval is \$2,380,000.

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.

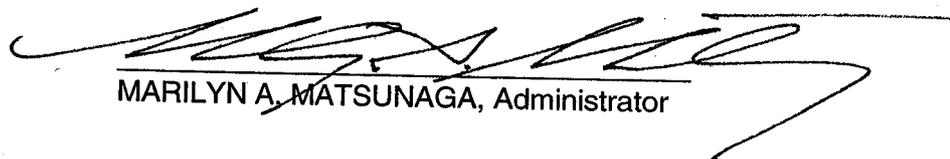

MARILYN A. MATSUNAGA
Administrator

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 October 9, 2002.

James L. Clay
Kauai Care Center, LLC
970 Fifth Avenue NW, Suite 7
Issaquah, WA 98027

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



MARILYN A. MATSUNAGA, Administrator