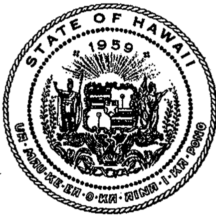


STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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

August 14, 2002

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Raleigh Awaya
Chief Operating Officer
St. Francis Medical Center
2226 Liliha Street, Suite 226
Honolulu, HI 96817

Dear Mr. Awaya:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #02-19A for the renovation of operating rooms including the conversion of two operating rooms into two endoscopic operating suites at St. Francis Medical Center at a capital cost of $5,850,000.

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 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 supports the objectives and regional priorities of Hawaii Health Performance Plan (H2P2).

    b. The applicant states that that currently there are no dedicated, fully integrated endoscopic suites at its facility and that the proposed endoscopic suites will enhance patient care by decreasing the length of stay, increasing recovery time, reducing post-operative pain, lowering infection rates and reducing the cost of surgery.

    c. The applicant states that with significant growth in laparascopic surgeries and a correlating need for endoscopy rooms, a minimum of two suites will enable the applicant to meet patient needs. The applicant states that the addition of its two endoscopy suites will also enhance kidney transplant services for the Pacific Region.

    d. The applicant states that it has historically provided service to under-privileged and indigent populations and has made charity work and community service an integral part of its mission.

    e. The applicant states that it is accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO) and complies with federal and state regulations.

f. The applicant projects net cash flow of $1,245,000 for Year 1 of operations and $1,962,000 for Year 3. The applicant states that its proposal generates sufficient revenue to fund operating expenses and adequate cash for debt servicing.

g. The applicant states that the majority of project financing will be provided by debt financing insured through the U.S. Housing and Urban Development and that additional project costs will be funded through the St. Francis Healthcare Foundation.

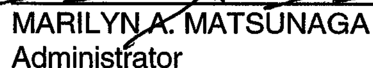
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 at St. Francis Medical Center for the proposal described in Cert. #02-19A. The maximum capital expenditure allowed under this approval is $5,850,000.

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.



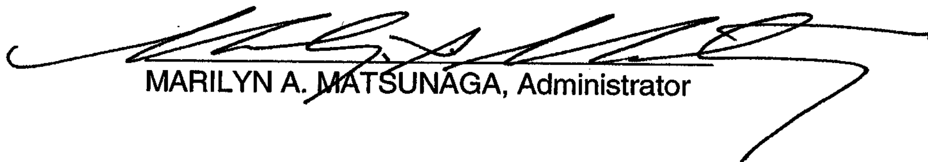
MARILYN A. MATSUNAGA
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative 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 August 14, 2002.

Raleigh Awaya
Chief Operating Officer
St. Francis Medical Center
2226 Liliha Street, Suite 226
Honolulu, HI

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



MARILYN A. MATSUNAGA, Administrator

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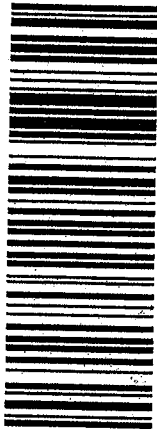
PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL



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U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

#02-18A and #02-19A DOM OFFICIAL USE

Postage	$ .60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 4.65

Mailed 8/14/02

Postmark Here

Sent To Raleigh Awaya
Street, Apt. No.; or PO Box No. St. Francis Medical Center 2226 LiliheXSXX St., #226
City, State, ZIP+4 Honolulu, HI 96817

PS Form 3800, January 2001 — See Reverse for Instructions

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to: #02-18A/#02-19A

Raleigh Awaya
Chief Operating Officer
St. Francis Medical Center
2226 Liliha Street, Suite 226
Honolulu, HI 96817

COMPLETE THIS SECTION ON DELIVERY

A. Received by *(Please Print Clearly)* B. Date of Delivery

C. Signature
X ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Copy from service label)*

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952