



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE  
GOVERNOR

MARILYN A. MATSUNAGA  
ADMINISTRATOR

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

June 26, 2003

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Richard S. Kishaba  
President  
Integrated Health Resources, LLC  
45-181 Waikalua Road  
Kaneohe, HI 96744

Dear Mr. Kishaba:

The State Health Planning and Development Agency has evaluated your Certificate of Need application #03-09A for the change in ownership of Leeward Integrated Health Services (the "facility"), 84-390 Jade Street, Waianae, HI from Leeward Integrated Health Services, Inc. to Integrated Health Resources, LLC at a capital cost of \$4,650,000.

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 will help to achieve the H2P2 goals of increasing the span of healthy life for Hawaii's residents.
  - b. The applicant states that the occupancy rates at the facility for the last two years were 96.96% (2001) and 97.51% (2002) respectively.
  - c. The applicant states that there are currently 93 SNF/ICF beds at the facility and there will be no increase or decrease in beds as a result of the proposed change in ownership.
  - d. The applicant states that the facility is licensed by the State of Hawaii and is Medicare/Medicaid certified. The applicant states that the facility will continue to be licensed and certified after the proposed change in ownership and that it will retain the current staffing ratios at the facility to maintain quality of care after the proposed change in ownership.

- e. The applicant states that cost associated with the proposal will be \$371,416 per year for lease rent and \$90,000 per year for interest on promissory note and that these expenses will be funded from operations. The applicant projects excess funds from operations to be \$250,073 for year one of the proposal and \$266,072 for year three.
- f. The applicant states that the staff that is currently employed at the facility will remain after the proposed change in ownership.
- g. The applicant states that the financial resources required for the project are available from operating revenues.

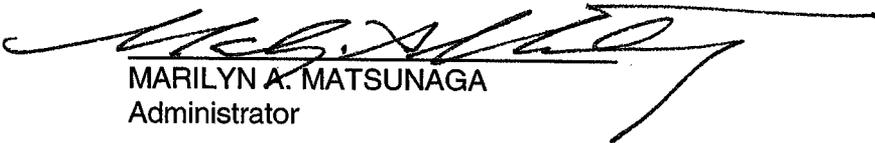
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 Integrated Health Resources, LLC for the proposal described in Cert. #03-09A. The maximum capital expenditure allowed under this approval is \$4,650,000.

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 26, 2003.

Richard S. Kishaba  
President  
Integrated Health Resources, LLC  
45-181 Waikalua Road  
Kaneohe, HI 96744

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

  
MARILYN A. MATSUNAGA, Administrator