



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE  
GOVERNOR OF HAWAII

CHIYOME L. FUKINO, M.D.  
DIRECTOR OF HEALTH

DAVID T. SAKAMOTO, M.D., M.B.A.  
ADMINISTRATOR

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December 20, 2004

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mr. Ronald Schurra  
Chief Executive Officer  
Hilo Medical Center  
1190 Waianuenuue Ave.  
Hilo, Hawaii 96720

Dear Mr. Schurra:

The State Health Planning and Development Agency has evaluated Hilo Medical Center's Certificate of Need application #04-22A for the deletion of 11 pediatric beds at no capital cost.

Pursuant to Title 11, Chapter 186 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), HAR, i.e.: "any proposal which is determined by the agency not to have a significant impact on the health care system."
2. Hilo Medical Center (the "applicant") has proven by a preponderance of evidence that its proposal meets the Certificate of Need criteria in Section 11-186-15, HAR:
  - a. The applicant states that "Although HMC is approved for 11 pediatric beds, the census of pediatric patients is so low (ADC of 1.9 in 2002 and 1.3 in 2003) that it would be inefficient and inappropriate to confine pediatric patients in a dedicated unit."
  - b. The applicant states that "HMC anticipates that in the near future there will still be about 1 or 2 pediatric patients per day needing inpatient care at HMC. We can successfully meet the needs of these patients by accommodating them in regular med/surg beds. This practice is validated by the success of other neighbor island hospitals, such as Maui Memorial and Wilcox... which provide quality care to pediatric patients without a dedicated pediatric unit."
  - c. The applicant states that "The deletion of the pediatric beds will not affect our care for pediatric patients, since they will still be getting the same quality of care at our facility."
  - d. The applicant states that "There are no capital costs involved. There is no cost in deleting the beds."

- e. The applicant states that "The deletion of 11 pediatric beds will not have an impact on the existing health care system. HMC will still care for pediatric patients. There are no other acute facilities in East Hawaii, and the other hospitals on the island will not be affected."

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

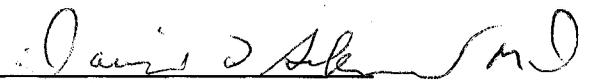
As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

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 application #04-22A. There is no capital expenditure authorized under this approval.

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 of 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.

C: Office of Health Care Assurance

  
David T. Sakamoto, M.D.  
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 December 20, 2004:

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

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

A handwritten signature in black ink, appearing to read "David T. Sakamoto", written over a horizontal line.

David T. Sakamoto, M.D.  
Administrator