



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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March 11, 2005

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Cole Marvin
Administrator
Life Care Services Corporation of Hawaii, Inc.
1314 Kalakaua Avenue, 2nd Floor
Honolulu, HI 96826

Dear Mr. Marvin:

The State Health Planning and Development Agency has evaluated Life Care Services Corporation of Hawaii, Inc. dba Hale Ola Kino's Certificate of Need application #05-02A for the change in designation of 32 SNF beds to 32 SNF/ICF 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), i.e.: "any proposal which is determined by the agency not to have a significant impact on the health care system."
2. Life Care Services Corporation of Hawaii, Inc. dba Hale Ola Kino (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 "Per the recommendation of the Office of Health Care Assurance, State of Hawaii Department of Health, Hale Ola Kino is requesting that its Certificate of Need be changed from an SNF designation to an SNF/ICF designation for 32 beds."
 - b. The applicant states that "Residents that are admitted at the SNF level of care would be able to remain in the same bed should their level of care be changed to ICF. Hale Ola Kino would not have to discharge, transfer or move residents in the event their level of care was not appropriate for the licensed bed that they reside in. As such Hale Ola Kino would be able to better service the needs of Hawaii's senior as well as the residents of One Kalakaua Senior Living."
 - c. The applicant states that "Hale Ola Kino's 32-bed skilled nursing facility relationship to the local health care system will not change as a result of an SNF/ICF designation. An SNF/ICF designation will more accurately represent the services that are currently being provided by Hale Ola Kino."

- d. The applicant states that "Hale Ola Kino is a licensed skilled nursing facility by the State of Hawaii and a Medicare/Medicaid certified provider. Hale Ola Kino is also an accredited HMSA and Kaiser affiliated provider."
- e. The applicant states that "Hale Ola Kino will continue to provide the highest quality of skilled and intermediate care to the seniors of Hawaii as well as the residents of One Kalakaua Senior Living."
- f. The applicant states that "A revised designation from SNF to SNF/ICF will have no affect on the revenues and expenses for Hale Ola Kino's operations."

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 Life Care Services Corporation of Hawaii, Inc. dba Hale Ola Kino for the change in designation of 32 SNF beds to 32 SNF/ICF beds at no capital cost.

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 March 11, 2005:

Cole Marvin
Administrator
Life Care Services Corporation of Hawaii, Inc.
1314 Kalakaua Avenue, 2nd Floor
Honolulu, HI 96826

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



David T. Sakamoto, M.D.
Administrator