



# 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

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

March 17, 2005

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Joan McGarry-Nakayama  
Executive Director  
Leeward Radiation Oncology  
91-2135 Fort Weaver Road, Suite B-120  
Ewa Beach, HI 96706

Dear Ms. McGarry-Nakayama:

The State Health Planning and Development Agency has evaluated Certificate of Need application #05-05A for a change in ownership of Leeward Radiation Oncology, 91-2135 Fort Weaver Road, Ewa Beach, HI at a capital cost of \$180,000.

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. Leeward Radiation Oncology (LRO) (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 it "... is currently a general partnership with four partners. This proposal is for the acquisition by two of the partners of the partnership interest of the other two partners."
  - b. The applicant states that "The proposed project only involves the change in ownership of an existing service. The relationship of this radiation therapy service to the H2P2 was addressed and established at the initial launching of this service. LRO will continue to comply with the guidelines of the H2P2."
  - c. The applicant states that "The need and accessibility of the service was addressed and established at the initial launching of this service. The change in ownership will not change how the service relates to need and accessibility."
  - d. The applicant states that "The service provided by LRO will continue to be of high quality, and will not be affected by the change of ownership."

- e. The applicant states that "The project continues to be cost-effective, since it utilizes the existing facility, existing equipment and existing staff."
- f. The applicant states that "The change of ownership proposed in this application will not change the relationship of the service to the existing health care system."
- g. The applicant states that "The cost to SFHE and IRO of acquiring the interests of the other two partners is \$90,000 each. These funds are readily available."
- h. The applicant states that "...staffing will not be affected by the proposed change in ownership."

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 Leeward Radiation Oncology for the proposal described in application #05-05A. The maximum capital expenditure allowed under this approval is \$180,000.

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 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.

  
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 17, 2005:

Joan McGarry-Nakayama  
Executive Director  
Leeward Radiation Oncology  
91-2135 Fort Weaver Road, Suite B-120  
Ewa Beach, HI 96706

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David T. Sakamoto, M.D.  
Administrator