



# 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

August 1, 2005

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Arthur Ushijima  
President and Chief Executive Officer  
The Queen's Medical Center  
1301 Punchbowl Street  
Honolulu, HI 96813

Dear Mr. Ushijima:

The State Health Planning and Development Agency has evaluated Certificate of Need application #05-15A from The Queen's Medical Center for the addition of X-Ray, Bone Density Screening and Mammography Services to The Queen's Health Care Center-Hawaii Kai Clinic, at capital cost of \$547,000.

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. The Queen's Medical Center (the "applicant") has proven by a preponderance of the evidence that its proposal meets the Certificate of Need criteria in Section 11-186-15, HAR:
  - a. The applicant states that "The Queen's Health Care Center has been in Hawaii Kai since 1987 providing primary care and specialty services in the areas of OB-GYN, General Surgery, Oncology, Podiatry, Geriatrics, Nutritional Counseling, and Cardiology."
  - b. The applicant states that "General x-ray, bone density screening, and mammography services will be implemented, upon SHPDA approval, to better serve our patients. By providing these services on-site, diagnosis can be made quickly and treatment initiated earlier, resulting in improved patient outcomes and satisfaction. It will increase the accessibility of care to patients by providing these services in a convenient, patient - friendly setting."

- c. The applicant states that "This project supports the H2P2 Statewide Priorities of 'increasing access to cost-effective health care services' and 'the development of care delivery systems for the elderly and chronically ill population.' Having mammography and bone density screening services in an easy-to-access community setting will encourage early detection and treatment of breast cancer and osteoporosis, while having general x-ray services on site will enable earlier diagnosis and treatment initiation."
- d. The applicant states that the addition of the new services at the clinic will improve accessibility to Hawaii's care delivery system for patients 60 years of age and older by reducing the transportation/mobility barriers that increase with aging.
- e. The applicant states that "The Queen's Health Care Center-Hawaii Kai Clinic is accessible to all residents and visitors to Oahu, including the elderly, low-income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups."
- f. The applicant states that "The Queen's Medical Center is licensed by the Hawaii State Department of Health, accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and certified by Medicare."
- g. The applicant further states that "Diagnostic imaging and mammography services are accredited by the American College of Radiologists (ACR)."
- h. The applicant states that "The proposed project will improve quality of care by: 1) enabling earlier diagnosis and initiation of treatment, 2) reducing the pain and suffering associated with untreated disease/injury, 3) improving patient outcomes through early intervention and prevention, 4) encouraging patients to seek diagnostic and screening services by providing these services within their community in an easy-to-access, patient friendly-setting."
- i. The applicant projects that for year one of the proposal net revenue will be \$326,900 with direct expenses of \$519,800. The applicant projects that for year three of the proposal revenue will be \$406,000 with direct expenses of \$571,700.
- j. The applicant states that "Service fees will remain the same as those charged at the Medical Center, thereby reducing overall costs to patients through lower transportation needs and time savings."
- k. The applicant states that "The avoidance of administrative and renovation costs at the Medical Center will offset this project's shortfall in the long run."
- l. The applicant states that "The proposed project will be funded by available cash balance. An additional 3.0 FTEs of radiology technicians will be required. Although there is a shortage of radiology technicians, The Queen's Medical Center has been successful in recruiting and retaining qualified radiology technicians, both locally and from the mainland."

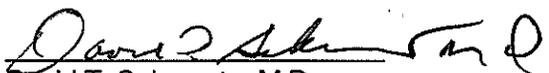
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 The Queen's Medical Center for the proposal described in application #05-15A. The maximum capital expenditure allowed under this approval is \$547,000.

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 August 1, 2005:

Arthur Ushijima  
President and Chief Executive Officer  
The Queen's Medical Center  
1301 Punchbowl Street  
Honolulu, HI 96813

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY



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Administrator