



## 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  
December 23, 2005

### CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Joyce Timpson  
President  
Kahala Senior Living Community, Inc.  
4389 Malia Street  
Honolulu, Hawaii 96821

Dear Ms. Timpson:

The State Health Planning and Development Agency has evaluated Kahala Senior Living Community, Inc.'s Certificate of Need application #05-31A for the conversion of 16 SNF/ICF beds to 16 SNF 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. Kahala Senior Living Community, Inc. (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 "Ho'olani Care center at Kahala Nui is a 60-bed skilled/intermediate nursing facility located at Kahala Nui, a Continuing Care Retirement Community."
  - b. The applicant states that "Hi'olani Care Center at Kahala Nui's relationship with H2P2 was established in application 00-30A. The change in bed designation will continue to meet the requirements of H2P2."
  - c. The applicant states that the need for the 60 bed facility was established in certificate of need application 00-30A and that the conversion of the 16 beds will better service needs of the residents of Hi'olani Care Center.
  - d. The applicant states that "The conversion of 16 swing beds to 16 SNF beds will require no additional changes to meet the requirements for quality established in 00-30A.
  - e. The applicant projects that the net skilled nursing income for the proposal will be \$2,336,528 for FY 2006 and \$2,989,909 for FY 2008.

- f. The applicant states that "Hi'olani Care Center at Kahala Nui's 60-bed SNF/ICF relationship to the local health care system will not change as a result of 16 of its beds being designated as SNF. The beds will allow us to provide the full continuum of care within our community..."
- g. The applicant states that "No additional staff is required and no additional capital expense will be incurred."

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

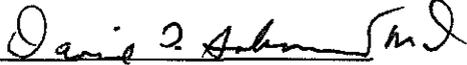
As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

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 Kahala Senior Living Community, Inc. for the proposal described in application #05-31A. 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

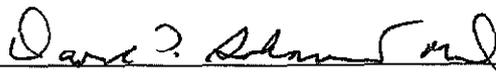
  
David T. Sakamoto, M.D.  
Administrator

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 23, 2005:

Joyce Timpson  
President  
Kahala Senior Living Community, Inc.  
4389 Malia Street  
Honolulu, Hawaii 96821

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

  
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David T. Sakamoto, M.D.  
Administrator