



## 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

November 6, 2006

### CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Kauai Care Center, LLC  
Attention: James L. Clay  
970 Fifth Avenue NW  
Issaquah, WA 98027

Dear Mr. Clay:

The State Health Planning and Development Agency has evaluated Kauai Care Center, LLC's Certificate of Need application #06-20A for the net addition of 15 SNF/ICF beds (+20 beds and -5 beds) at 9611, 9641 & 9631 Waena Road, 4578 Waimea Canyon Drive and 9722 Huakai Road, Waimea, Hawaii, at a capital cost of \$3,980,780.

Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

- (a) The 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."
- (b) The applicant, Kauai Care Center, LLC, has proven by a preponderance of the evidence that its proposal meets the Certificate of Need criteria in Section 11-186-15, HAR.
- (c) There is no compelling public interest which will be served by requiring the application to go through the standard review process.

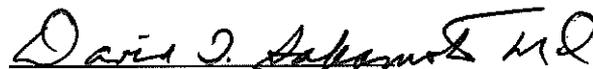
As required under Section 323D-43(b), Hawai'i Revised Statutes (HRS), the Agency finds that:

1. There is a public need for this proposal.
2. The cost of this proposal 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 Kauai Care Center, LLC for the proposal described in Certificate of Need application #06-20A. The maximum capital expenditure allowed under this approval is \$3,980,780.

#06-20A, Administrative Review Decision  
November 6, 2006  
Page 2

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

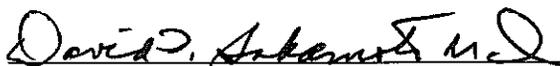
C: OHCA

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 November 6, 2006.

Kauai Care Center, LLC  
Attention: James L. Clay  
970 Fifth Avenue NW  
Issaquah, WA 98027

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY



David T. Sakamoto, M.D.  
Administrator