



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR OF HAWAII

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DIRECTOR OF HEALTH

DARRYL D. SHUTTER
ACTING ADMINISTRATOR

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July 6, 2007

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Danelo Canete, M.D.
President and Chief Executive Officer
Hawaii Medical Center, LLC
2228 Liliha Street, #305
Honolulu, Hawaii 96817

Dear Dr. Canete:

The State Health Planning and Development Agency has evaluated Hawaii Medical Center, LLC's Certificate of Need application #07-03A and its application under Part VII of Chapter 323D, Hawaii Revised Statutes (HRS) for the transfer of its assets to two wholly-owned subsidiary corporations: Hawaii Medical Center East, LLC and Hawaii Medical Center West, LLC, at a capital cost of \$34,721,855.

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)(4), HAR, i.e.: "Any change of ownership, where the change is from one entity to another substantially related entity;"
- (b) The applicant, Hawaii Medical 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), 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 the proposed acquisition and transfer under Part VII of Chapter 323D, HRS and ISSUES a Certificate of Need to Hawaii Medical Center East, LLC and Hawaii Medical Center West, LLC for the proposal described in Certificate of Need application #07-03A. The maximum capital expenditure allowed under this approval is \$34,721,855.

#07-03A, Administrative Review/Part VII, 323D, HRS Decision
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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.



Darryl D. Shutter
Acting Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative Review/Part VII, 323D, HRS 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 July 6, 2007.

Danelo Canete, M.D.
President and Chief Executive Officer
Hawaii Medical Center, LLC
2228 Liliha Street, #305
Honolulu, Hawaii 96817

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AND DEVELOPMENT AGENCY



Darryl D. Shutter
Acting Administrator