



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR OF HAWAII
CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH
RONALD E. TERRY
ADMINISTRATOR

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

November 20, 2008

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Earl Greenia
Interim CEO
Kona Community Hospital
79 -1019 Haukapila Street
Kealahou, HI 96750

Dear Mr Greenia:

The State Health Planning and Development Agency has evaluated Kona Community Hospital's Certificate of Need application #08-19A for the addition of 34 Acute/SNF beds and the deletion of 34 SNF/ICF beds, at no capital cost.

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, Kona Community Hospital, 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.

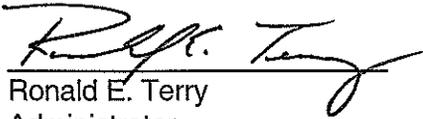
As required under Section 323D-43(b), Hawai'i Revised Statutes (HRS), the Agency finds that:

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 Kona Community Hospital for the proposal described in Certificate of Need application #08-19A. There is no capital expenditure authorized under this approval.

#08-19A, Administrative Review Decision
November 20, 2008
Page 2

Please be advised that pursuant to Section 323D-47, HRS, 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.

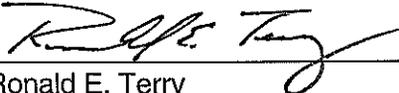

Ronald E. Terry
Administrator

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 November 20, 2008:

Earl Greenia
Interim CEO
Kona Community Hospital
79 -1019 Haukapila Street
Kealahou, HI 96750

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



Ronald E. Terry
Administrator