



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII

LORETTA J. FUDDY, A.C.S.W., M.P.H.  
DIRECTOR OF HEALTH

ROMALA SUE RADCLIFFE, B.A., M.A.  
ADMINISTRATOR

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May 19, 2011

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

James Lambeth, M.D.  
President  
Hawaii Radiologic Associates, Ltd.  
688 Kīnoole St., Suite 103  
Hilo, Hawaii 96720

Dear Dr. Lambeth:

The State Health Planning and Development Agency (the "Agency") has evaluated Hawaii Radiologic Associates, Ltd.'s Certificate of Need application #11-08A for the acquisition of an additional Magnetic Resonance Imaging (MRI) scanner to be located at 75-5653 Kuakini Hwy., Kailua-Kona, HI, at a capital cost of \$1,750,000 (the "Proposal").

Having taken into consideration all of the records pertaining to Certificate of Need Application #11-08A on file with the Agency, including the written and oral testimony and exhibits submitted by Hawaii Radiologic Associates, Ltd. and other affected persons, as provided under Section 11-186-99.1 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

1. The Proposal is eligible for administrative review as it meets the criterion in HAR 11-186-99.1(b) (5), i.e.: "an additional location of an existing service or facility."
2. The applicant, Hawaii Radiologic Associates, Ltd., has proven by a preponderance of the evidence that the Proposal meets the Certificate of Need criteria in Section 11-186-15, HAR including, but not limited to, a determination that:
  - a. The Proposal is consistent with the state health services and facilities plan including the plan's capacity threshold for the expansion of magnetic resonance imaging (MRI) services.
  - b. The Proposal will be fully accessible to all residents of the area, and in particular low income persons, racial and ethnic minorities, women, people with disabilities, other underserved groups, and the elderly.
  - c. The Proposal meets the quality of care criteria and will improve the quality of care for MRI service patients.
  - d. The Proposal meets the cost and financial criteria and is projected to be financially feasible.
  - e. The Proposal will enhance the existing healthcare system of the area by allowing the applicant to provide imaging studies not currently capable of being provided.

- f. The personnel and financial resources are available for the Proposal.
3. There is no compelling public interest which will be served by requiring the application to go through the standard review process.

Pursuant to Subsection 323D-43(b), Hawaii Revised Statutes (HRS), the Agency has determined that:

1. There is a public need for the service; and
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 Hawaii Radiologic Associates, Ltd. for the Proposal described in Certificate of Need Application #11-08A. The maximum capital expenditure allowed under this approval is \$1,750,000.

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.

  
Romala Sue Radcliffe  
Administrator