STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

NEIL ABERCROMBIE
GOVERNOR OF HAWAII

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October 25, 2012

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Richard K. Jacques
President and Chief Executive Officer
Covenant Surgical Partners, Inc.
401 Commerce Street, Suite 740
Nashville, Tennessee 37219

Dear Mr. Jacques:

The State Health Planning and Development Agency has evaluated Covenant Surgical Partners, Inc.'s Certificate of Need application #12-25A for the acquisition of a membership interest in Pacific Endoscopy Center, LLC, 1029 Makolu Street, Suite H, Pearl City, Hawaii, at a capital cost of $20,155,655.

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 one or more of the criteria in Subsection 11-186-99.1(b), HAR.

(b) The applicant, Covenant Surgical Partners, Inc., has proven by a preponderance of the evidence that its proposal meets the Certificate of Need criteria in 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 Covenant Surgical Partners, Inc. for the proposal described in Certificate of Need application #12-25A. The maximum capital expenditure allowed under this approval is $20,155,655.

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

Romala Sue Radcliffe
Administrator