



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

Application Number: 12-04A Date of Receipt:
To be assigned by Agency

APPLICANT PROFILE

Project Title: Change of Ownership of Aloha Mobile Imaging.
Project Address: 403 Kawaihae Street, Unit C, Honolulu, HI, 96825
Applicant Facility/Organization: Kahana Kai LLC
Name of CEO or equivalent: Jason I. Kim
Title: Member
Address: 403 Kawaihae Street, Unit C, Honolulu, HI, 96825
Phone Number: 808-391-5582 Fax Number: 808-521-9454
Contact Person for this Application: Jason I. Kim
Title: Member
Address: 7192 Kalaniana'ole Hwy, Suite A143A, #209, Honolulu, HI, 96825
Phone Number: 808-391-5582 Fax Number: 808-521-9454

CERTIFICATION BY APPLICANT

I hereby attest that I reviewed the application and have knowledge of the content and the information contained herein. I declare that the project described and each statement amount and supporting documentation included is true and correct to the best of my knowledge and belief.

Jason I. Kim
Signature

3/4/12
Date

Jason I. Kim
Name (please type or print)

Member
Title (please type or print)

1. **TYPE OF ORGANIZATION:** (Please check all applicable)

Public _____
Private X
Non-profit _____
For-profit X
Individual _____
Corporation _____
Partnership _____
Limited Liability Corporation (LLC) X
Limited Liability Partnership (LLP) _____
Other: _____

2. **PROJECT LOCATION INFORMATION**

A. Primary Service Area(s) of Project: (please check all applicable)

Statewide: _____
O`ahu-wide: X
Honolulu: _____
Windward O`ahu: _____
West O`ahu: _____
Maui County: _____
Kaua`i County: _____
Hawai`i County: _____

3. **DOCUMENTATION** (Please attach the following to your application form):

A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent)

See Appendix A

B. A listing of all other permits or approvals from other government bodies (federal, state, county) that will be required before this proposal can be implemented (such as building permit, land use permit, etc.)

- *Certificate of Need, State Health Planning and Development Agency*
- *State of Hawaii Radiation Facility/Services License*

C. Your governing body: list by names, titles and address/phone numbers

Jason I. Kim
Director, Member
7192 Kalaniana`ole Hwy, Suite A143A,#209, Honolulu, HI 96825
Ph: (808)391-5582

Steven J. Kim
Member
P.O. Box 50113, Bellevue, WA, 98015

Ph: (425)213-4834

D. If you have filed a Certificate of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:

- Articles of Incorporation
See Appendix B
- By-Laws (Not applicable)
- Partnership Agreements (Not applicable)
- Tax Key Number (project's location) – 390340002:0003

4. **TYPE OF PROJECT.** This section helps our reviewers understand what type of project you are proposing. Please place an "x" in the appropriate box.

	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$4 million)	Change in Service	Change in Beds
Outpatient Facility				X	

5. **BED CHANGES.** Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

Not Applicable

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
N/A	N/A	N/A	N/A

TOTAL			
--------------	--	--	--

6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:

AMOUNT:

- | | |
|---|------------------|
| 1. Land Acquisition | _____ |
| 2. Construction Contract | _____ |
| 3. Fixed Equipment | _____ |
| 4. Movable Equipment | <u>\$150,000</u> |
| 5. Financing Costs | _____ |
| 6. Fair Market Value of assets acquired by
lease, rent, donation, etc. | <u>\$150,000</u> |
| 7. Other: _____ | _____ |

TOTAL PROJECT COST: \$300,000

B. Source of Funds

- | | |
|-------------------------|------------------|
| 1. Cash | <u>\$50,000</u> |
| 2. State Appropriations | _____ |
| 3. Other Grants | _____ |
| 4. Fund Drive | _____ |
| 5. Debt | <u>\$250,000</u> |
| 6. Other: _____ | _____ |

TOTAL SOURCE OF FUNDS: \$300,000

7. **CHANGE OF SERVICE:** If you are proposing a change in service, then please briefly list what services will be added/modified. Be sure to include the establishment of a new service or the addition of a new location of an existing service. Please reference the Certificate of Need Rules Section 11-186-5 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

The project is not an establishment of new service and will continue to provide mobile imaging services at various Oahu locations while utilizing a new office location (at the address described in the Applicant Profile). The proposed project involves a change of ownership of an existing mobile imaging operation, Aloha Mobile Imaging, ("AMI"), located at 1502 Pensacola St, Suite B-1, Honolulu, HI, 96822 currently owned and operated by Mahlon F. Harris. AMI has agreed to transfer its equipment and business to Kahana Kai LLC. Ownership will be transferred to Kahana Kai LLC, which will use the existing imaging equipment.

8. **IMPLEMENTATION SCHEDULE:** Please present a projected time schedule for the completion of this project from start to finish. Include all of the following items that are applicable to your project:
- a) Date of site control for the proposed project: Immediately upon approval of Certificate of Need
 - b) Dates by which other government approvals/permits will be applied for and received,
Existing certificates and licenses will be transferred immediately pending Certificate of Need approval.
 - c) Dates by which financing is assured for the project: January 1, 2012
 - d) Date construction will commence,
Not applicable.
 - e) Length of construction period,
Not applicable.
 - f) Date of completion of the project: Immediately upon approval of Certificate of Need
 - g) Date of commencement of operation: Immediately upon approval of Certificate of Need

Please remember that the Agency does monitor the implementation of Certificates approved. Non-implementation of a project as described in your application may result in a fine and/or withdrawal of the certificate of need.

RECEIVED

12 APR -2 A9 39

9. **EXECUTIVE SUMMARY:** Please present a brief summary of your project. In addition, provide a description of how your project meets each of the certificate of need criteria listed below. If a new location is proposed, please attach an easy to read map that shows your project site.

STATE PLANNING
& DEV. AGENCY

The proposed project is a change of ownership of an existing mobile imaging operation. Aloha Mobile Imaging, ("AMI") is a wholly owned by Mahlon F. Harris. AMI has agreed to transfer its equipment and business to Kahana Kai LLC. After the transfer of physical assets, Kahana Kai LLC will be the sole owner and operator of the existing mobile imaging operation. After the acquisition, Kahana Kai LLC will use the existing equipment, utilizing a new office location listed in the Applicant Profile, to continue the same mobile imaging services to the residents of Oahu.

- a) Relationship to the State of Hawai'i Health Services and Facilities Plan.

The proposed project involves only a change of ownership of an existing service. The relationship of the mobile imaging business to the State Health Plan was previously addressed in the original Certificate of Need application (No. 04-14). The change of ownership will not have an impact on the need or accessibility of this service. Kahana Kai LLC will continue to follow the guidelines of the State Health Plan.

- b) Need and Accessibility

The proposed project involves only a change of ownership of an existing service. The need and accessibility of the mobile imaging business were previously addressed in the original Certificate of Need application (No. 04-14) with subsequent review and approval. Kahana Kai LLC will continue to be accessible to all resident and visitors on Oahu, including the elderly, low-income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved group.

- c) Quality of Service/Care

Aloha Mobile Imaging is certified by Medicare. An application for a new Medicare number has been submitted but in the meantime the current number will be transferred. The current staff, including the current owner, will be retained. AMI's staff radiologic technologists are accredited by the American Registry of Radiologic Technologists (ARRT), State of Hawaii Radiologic Technology Board, and the American Society of Radiologic Technologists. All current technologists each have a minimum of 8 years of experience as radiographers and a combined 80 total years of

RECEIVED

experience. The members' technical and business experience will ensure that AMI continues to operate and provide medical imaging at a high level.

12 APR -2 19:39

- d) Cost and Finances (include revenue/cost projections for the first and third year of operation)

ST HLTH PLAN

The proposed project involves a change in ownership of an existing service. For the first full year of operations, FY 2011, net revenue is projected at \$200,000 with direct expenses of \$138,000. For the third full year of operations, FY 2013, net revenue is projected at \$220,000 and direct expenses of \$144,000. The project will be cost effective as it uses existing equipment and resources, while utilizing a new office location as described in the Applicant Profile.

- e) Relationship to the existing health care system

The project is not expected to impact the existing health care system as it is a continuation of existing service. The proposed project involves only a change in ownership of an existing mobile imaging service business. The relationship to the existing health care system was reviewed and approved with the original Certificate of Need application (No. 04-14). The change in ownership will not alter the relationship to the existing health care system.

- f) Availability of Resources.

Kahana Kai LLC has resources and professionals to manage and operate the mobile imaging service business. The proposed project will use existing equipment and resources, including the current staff, while utilizing a new office location as described in the Applicant Profile, to maintain existing services. The automobiles will stay at the current office location to ensure that the quick response that AMI has become known for will continue. Kahana Kai LLC has sufficient financial resources to fund the acquisition and to provide operating capital.

10. Eligibility to file for Administrative Review. This project is eligible to file for Administrative review because: (Check all applicable)

_____ It involves bed changes, which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.

_____ It involves service changes which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.

RECEIVED

It is an acquisition of a health care facility or service, which will result in lower annual operating expenses for that facility, or service.

12 APR -2 A9 39

It is a change of ownership, where the change is from one entity to another substantially related entity.

ST. CLAIR PERG
& DEV. AGENCY

It is an additional location of an existing service or facility.

The applicant believes it will not have a significant impact on the health care system.