

# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

BENJAMIN J. CAYETANO  
GOVERNOR OF HAWAII

MARILYN A. MATSUNAGA  
ADMINISTRATOR

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

July 1, 2002

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Arthur Ushijima  
President and Chief Executive Officer  
The Queen's Medical Center  
1301 Punchbowl Street  
Honolulu, HI 96813

Dear Mr. Ushijima:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #02-09A for the renovation of your neurology/neurosurgery unit a capital cost of \$5,011,000.

As provided under Section 11-186-99.1 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

1. This proposal is eligible for administrative review because 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."
2. The applicant has proven by a preponderance of evidence that its proposal meets the Cert. criteria in Section 11-186-15, HAR:
  - a. The applicant states that its proposal is consistent with the goals, objectives, regional priorities and Chapter VII – "Heart Disease and Stroke", of the Hawaii Health Performance Plan (H2P2).
  - b. The applicant states that it is accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO), licensed by the Department of Health and certified as a Level II Trauma Center by the American College of Surgeons.
  - c. The applicant states that according to H2P2, "the occurrence of heart disease and stroke will continue at or above the present level." The applicant states that the proposal will enable the applicant to meet this current and future need. The applicant states that the proposal will also improve quality of care by concentrating specialized practitioners in a single area increasing the opportunity to use best practices. The applicant further states that the proposal will allow the applicant to complete future renovations (necessary to meet current building codes and JCAHO standards) without reducing the acute care bed capacity of the medical center.

- d. The applicant states that the proposal will enable the medical center to continue providing the current level of accessibility to all residents of the area including the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities and other underserved groups.
- e. The applicant projects that for Year 1 of operations, net revenue will be \$4,216,500 with direct expenses of \$3,003,200 and for Year 3, net revenue will be \$4,516,800 with direct expenses of \$3,186,000.
- f. The applicant states that the proposal will be funded by available cash and that existing personnel are available to staff the proposed unit.

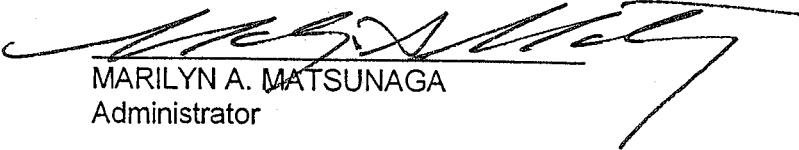
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

Pursuant to Section 323D-43(b), Hawaii 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 The Queen's Medical Center for the proposal described in Cert. #02-09A. The maximum capital expenditure allowed under this approval is \$5,011,000.

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 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.


  
MARILYN A. MATSUNAGA  
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative 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 1, 2002.

Arthur Ushijima  
President and Chief Executive Officer  
The Queen's Medical Center  
1301 Punchbowl Street  
Honolulu, HI 96813

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

  
MARILYN A. MATSUNAGA, Administrator