



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 17, 2002

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mr. Ronald Schurra
Chief Executive Officer
Hilo Medical Center
1190 Waianuenue Ave.
Hilo, Hawaii 96720

Dear Mr. Schurra:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #02-12A for change of 22 Medical/Surgical beds to SNF beds and the addition of 4 SNF/ICF beds at a capital cost of \$14,158.

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 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 Agency has determined that 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 supports the "critical and essential service" of providing "adequate facilities for long term care" identified as a regional priority for Hawaii County in Chapter III of the Hawaii Health Performance Plan (H2P2). The applicant also states that the proposal addresses the provisions of H2P2 by providing long term care to patients with advanced Alzheimer's disease (Chapter VI, H2P2) and with heart disease and stroke (Chapter VII, H2P2).
 - b. The applicant states that it accepts all patients including the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities and other underserved groups.
 - c. The applicant states that it is accredited by the Joint Committee on Accreditation of Healthcare Organizations (JCAHO) and is Medicare certified. The applicant states that all departments and services at Hilo Medical Center are included in the facility-wide performance improvement plan. The applicant also states that it has a long term care continuous quality improvement committee.

- d. The applicant states that the increased revenue generated by the proposal will enable the hospital to continue to support non self-sustaining hospital services that are vital to the community such as obstetrics and emergency services.
- e. The applicant states that for the period December 2001 to April 2002, there was an average of 36.5 patients per day in acute care beds waiting to be transferred to long term beds.
- f. The applicant projects that by placing these patients in beds which are appropriate to the level of care, its operating income will increase by \$2,028,556 in Year 1 and \$1,998,247 in Year 3 of the proposal.
- g. The applicant states that the number of waitlisted patients in acute care beds has created difficulty for the hospital in admitting emergency room patients to acute care beds.
- h. The applicant states that the financial resources for the proposal are available from the hospital's operating revenue and from the Hawaii Health Systems Corporation (HHSC). The applicant states that the proposal will require the following staff: six certified nurses aids, two activities aides, one dietetic technician and one medical social worker. The applicant states that no additional management resources are needed for the proposal.

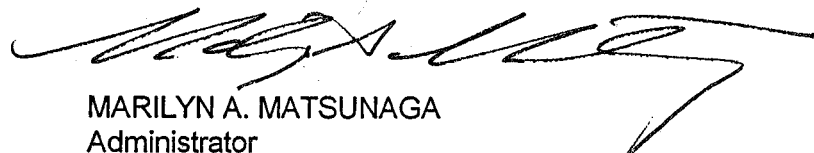
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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

1. There is a public need for this proposal.
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 Hilo Medical Center for the proposal described in Cert. #02-12A. The maximum capital expenditure allowed under this approval is \$14,158.

Please be advised that this Decision is not the Agency's final decision. 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 this decision within ten working days from the date of the filing of the decision. Accordingly, this decision will not become final until 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 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 July 17, 2002:

Mr. Ronald Schurra
Chief Executive Officer
Hilo Medical Center
1190 Waiianuenue Ave.
Hilo, Hawaii 96720

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY


MARILYN A. MATSUNAGA, Administrator