

# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

BENJAMIN J. CAYETANO  
GOVERNOR OF HAWAII

MARILYN A. MATSUNAGA  
ADMINISTRATOR

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August 2, 2002

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Charles P. Harris  
Executive Director  
Aloha Nursing & Rehab Centre  
45-545 Kamehameha Highway  
Kaneohe, Hawaii 96744

Dear Mr. Harris:

The State Health Planning and Development Agency has evaluated your Certificate of Need application #02-15A for the change in ownership from Island Health Care Co. Ltd. to its merged general partner, Aloha Management Company, Inc. at a capital cost of \$59,425.

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)(4), i.e.: "any change of ownership, where the change is from one entity to another substantially related entity."
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 will not affect its support for the H2P2 priority of long term care for the elderly.
  - b. The applicant states that it will continue to provide skilled and intermediate services to patients in need of such care. The applicant states that its proposal will not impact the bed mix or services provided by the facility.
  - c. The applicant states that the proposal will not impact the quality of care currently provided at the facility.
  - d. The applicant states that the only cost of the proposal is for minor legal cost in drawing up the plan of merger, articles of merger and corporate resolutions. The applicant states that its proposal will not result in the need for additional financing.
  - e. The applicant states that there will be no change in the services currently provided by the facility and that the proposal will not impact the existing health care system.

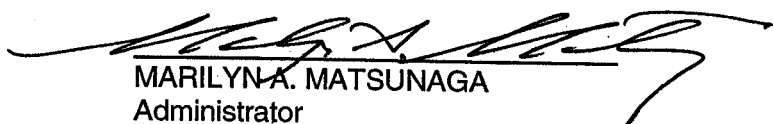
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 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 Aloha Nursing & Rehab Centre for the proposal described in Cert. # 02-15A. The maximum capital expenditure allowed under this approval is \$59,425.

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.

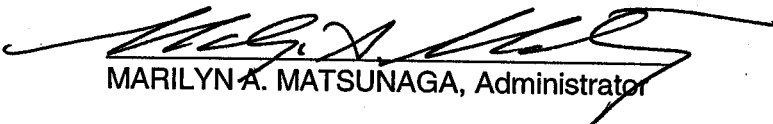
  
MARILYN A. MATSUNAGA  
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative 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 August 2, 2002.

Charles P. Harris  
Executive Director  
Aloha Nursing & Rehab Center  
45-545 Kamehameha Highway  
Kaneohe, Hawaii 96744

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

  
MARILYN A. MATSUNAGA, Administrator