



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

October 1, 2002

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Maurice W. Nicholson, M.D.
Medical Director
Gamma Knife Center of the Pacific, Inc.
2226 Liliha Street, Suite B1
Honolulu, HI 96817

Dear Dr. Nicholson:

The State Health Planning and Development Agency has evaluated your Certificate of Need application #02-22A for the change in ownership of The Gamma Knife Center of the Pacific, 2230 Liliha Street, Honolulu, HI at a capital cost of \$2,771,000.

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 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 facility meets the provisions of the Hawaii Health Performance Plan (H2P2) by striving to increase the span of healthy living for Hawaii residents and reducing health disparities while maintaining accessibility at a reasonable cost. The applicant also states that its service is consistent with Chapter V of H2P2 in that it "provides a unique and effective treatment of cancer (brain) through our multidisciplinary cancer team including physicians and other health care professionals."
 - b. The applicant states that it currently treats an average of 11 patients per month, an increase from 5 patients per month three years ago. The applicant also states that its service is accessible to all patients in the community, and in particular the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

- c. The applicant states that as a result of its proposal, the applicant will be responsible for providing its own nurse and physicist both of which were previously being provided by St. Francis Medical Center. The applicant states that it has hired the physicist previously employed by St. Francis who will provide the same quality service as before. The applicant states that it has hired a certified registered nurse who continues to follow the St. Francis quality service plan and has passed its competency test.
- d. The applicant states that it has 10 neurosurgeons and 5 radiation oncologists certified to perform gamma knife treatments. The applicant states that these physicians will continue to provide the same quality service and care after the implementation of its proposal.
- e. The applicant states that it has the only gamma knife service in the State of Hawaii and the immediate Pacific Basin (excluding Japan). The applicant states that it is an open facility, with relationships to Tripler Hospital, Queen's, Straub, Kuakini, and a facility in American Samoa.
- f. The applicant states that it does not require any additional resources for the proposal.

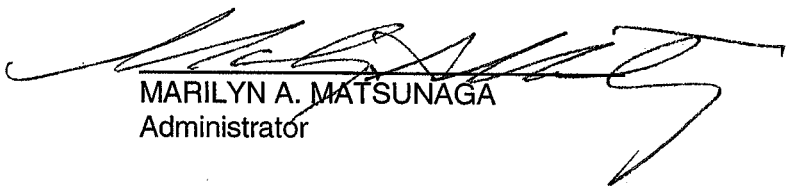
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 Gamma Knife Center of the Pacific, Inc. for the proposal described in Cert. # 02-22A. The maximum capital expenditure allowed under this approval is \$2,771,000.

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.

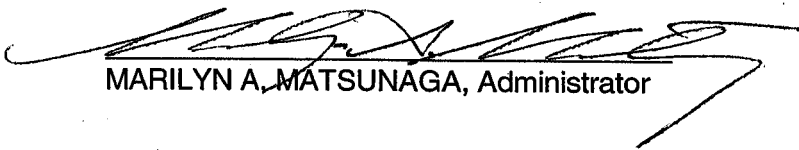

MARILYN A. MATSUNAGA
Administrator

CERTIFICATE OF SERVICE

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

Maurice W. Nicholson, M.D.
Medical Director
Gamma Knife Center of the Pacific, Inc.
2226 Liliha Street, Suite B1
Honolulu, HI 96817

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY


MARILYN A. MATSUNAGA, Administrator