



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR

MARILYN A. MATSUNAGA
ADMINISTRATOR

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

January 16, 2003

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Susan Merrill
Regional Hospital Administrator
Kaiser Foundation Hospital
3288 Moanalua Road
Honolulu, HI 96819

Dear Ms. Merrill:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #02-36A for the addition of a second Cardiac Catheterization unit at the Kaiser Permanente Moanalua Medical Center at a capital cost of \$3,545,000.

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 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 is consistent with the goals of the Hawaii Health Performance Plan (H2P2).
 - b. The applicant reports that it performed 1,408 cardiac catheterization procedures in calendar year 2001 and states that "this exceeds the capacity threshold guideline" (at least 1,125 procedures and a maximum of 1,250 procedures) set forth in H2P2 for the expansion of an existing cardiac catheterization laboratory.
 - c. The applicant states that the number of cardiac catheterization procedures performed for the calendar year 2001 increased by 13.8% and projects that it will be performing 1,534 cardiac catheterization procedures by 2004 assuming current operations at the one current lab. The applicant states that it is unable to provide sufficient invasive cardiac service for its membership based on national benchmarks from the American College of Cardiology and that essential invasive procedures are not available with the current cardiac catheterization laboratory.
 - d. The applicant states that its facility is approved by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) and accredited by the National Committee for Quality Assurance (NCQA).

- e. The applicant projects that operating expenses will be \$1,846,407 in Year 1 of the proposal and \$1,828,430 in Year 3. The applicant states that operating revenues are derived primarily from its health plan dues, which are not capitated by medical service or operating facility.
- f. The applicant states that its proposal will need a minimum capital investment of \$3.5 million to purchase equipment and implement its proposal. The applicant states that membership dues will not be raised as a direct result of this project and no new debt will be required. The applicant states that it will finance its proposal through retained earnings that have been set aside for capital improvements.
- g. The applicant states that its proposal will improve the existing health care system by insuring that adequate capacity is available to meet the increasing service demand for cardiac catheterization procedures.
- h. The applicant states that its proposal will require 1.65 FTE Registered Nurse, 0.5 FTE Anesthesiologist and a 0.14 FTE cardiac catheterization specialist. The applicant states that it does not anticipate any problems in recruiting.

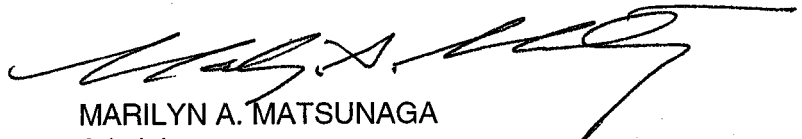
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 Kaiser Foundation Hospital for the proposal described in Cert. #02-36A. The maximum capital expenditure allowed under this approval is \$3,545,000.

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 of 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.



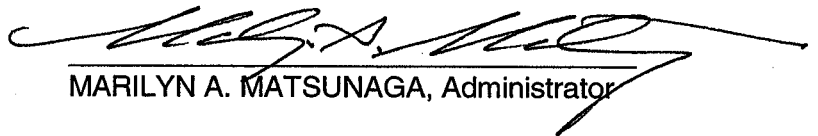
MARILYN A. MATSUNAGA
Administrator

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 January 16, 2003:

Susan Merrill
Regional Hospital Administrator
Kaiser Foundation Hospital
3288 Moanalua Road
Honolulu, HI 96819

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY


MARILYN A. MATSUNAGA, Administrator