



# 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

February 28, 2003

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Frank Freda  
Chief Executive Officer  
The ARC of Maui  
95 Mahalani St., Suite #17  
Wailuku, HI 96793

Dear Mr. Freda:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #03-03A to increase the total number of beds to 5 Intermediate Care Facility/Mental Retardation (ICF/MR) beds at 450-B Kanaloa Avenue, Kahului, Maui at no capital cost.

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 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 services are available to any individual certified by a physician to be in need of ICF/MR placement.
  - b. The applicant states that its proposal supports both the federal and state department of health policies favoring the need for developmentally disabled persons to remain in their community.
  - c. The applicant states that it currently operates three ICF/MR facilities and has a demonstrated record of providing quality care.
  - d. The applicant states that the quality of service/care at its facility is based on an individual program plan designed by a team of professionals (nurse, dietician, pharmacist, psychologist and recreation therapist) which identifies client's needs and monitors client outcomes. The applicant states that its ratio of staff to clients is approximately 1:2.

- e. The applicant states that its proposal will meet licensure and certification requirements.
- f. The applicant states its proposal requires no capital funds and that operating revenue is available through federal and state reimbursement funds.
- g. The applicant states that the proposal relates well to the existing health care system in that it will meet the need on Maui for high quality ICF/MR services.
- h. The applicant states that there is no capital cost associated with its proposal and that qualified staff already exists within its organization.


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 ARC of Maui for the proposal described in Cert. #03-03A. There is no capital expenditure authorized under this approval.

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.

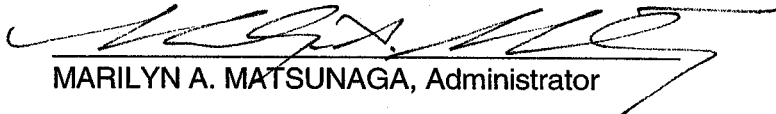
  
MARILYN A. MATSUNAGA  
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Decision on the Merits 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 February 28, 2003.

Frank Freda  
Chief Executive Officer  
The ARC of Maui  
95 Mahalani St., Suite #17  
Wailuku, HI 96793

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

  
MARILYN A. MATSUNAGA, Administrator