



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

June 12, 2003

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Wallace M. Miura
President
Honolulu Neighborhood Housing Services, Inc.
c/o 3249B Koapaka Street
Honolulu, HI 96819

Dear Mr. Miura:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #03-12A to establish a 33-bed Skilled Nursing / Intermediate Care ("SNF/ICF") facility in a continuing care retirement community to be located in Waikiki, Hawaii at a capital cost of \$4,433,616. The project is to be located at the tentative street address of 1529 Ala Wai Blvd., Honolulu, HI no. TMK 2-6-011:004 and TMK 2-6-011:002, the specific street number to be assigned by the City and County of Honolulu.

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 the primary purpose of the 33 SNF/ICF beds is to provide nursing care for the approximately 215 seniors residing in the Kapiolani Akahi project.
 - b. The applicant states that the need for the 33 SNF/ICF beds was previously established under Certificate of Need #97-22 (operated by Regency Pacific, Inc.) for a prior project site at 909 Kapiolani Boulevard and subsequently re-established by Certificate of Need #99-16A (operated by Regency Pacific, Inc.) for the Sheridan-Makaloa Street site. Both previous Certificate of Need projects were approved but never implemented and subsequently withdrawn. The applicant states that the need for the 33 SNF/ICF beds still exists.

- c. The applicant states that the present location on Ala Wai Boulevard is located within a 1 ½ mile radius of the two previous locations and has the same demographics and the same need.
- d. The applicant states that the SNF/ICF beds will be made available for use by the larger community based on availability. These beds will enhance the availability of high quality nursing care in the community and reduce the burden on the present health care system by providing care to the residents of Kapiolani Akahi and the larger community.
- e. The applicant states that it will be the licensed provider for the proposal. It is contracting with Regency Pacific, Inc. to operate the 33 SNF/ICF beds, provide licensed staff, policies and procedures, patient assessment and plan of care, support services and quality of care standards and practices for the SNF/ICF.
- f. The applicant states that its facility will be will licensed by the Department of Health, Medicare/Medicaid certified and will maintain quality of care through a continuous quality improvement plan.
- g. The applicant states that the proposal requires capital funds of \$4,433,616 funded through the total project budget of \$100 million which is 100% debt financed through tax-exempt bonds in addition to a short term pre-construction loan.
- h. The applicant states that the proposal addresses the Hawaii Health Performance Plan's goals to increase the span of healthy life for Hawaii's residents and to maintain good health and independent personal functioning for older adults.
- i. The applicant states that the proposal addresses the current need for long term care beds on Oahu.
- j. The applicant states that the project will contribute to the existing health care system by increasing the availability of needed services to Hawaii's seniors.
- k. The applicant states that Pacific Regency will provide the necessary staff for the proposal.

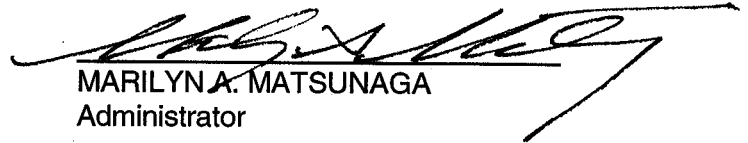
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 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 Honolulu Neighborhood Housing Services, Inc. for the proposal described in Cert. #03-12A. The maximum capital expenditure allowed under this approval is \$4,433,616.

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 June 12, 2003.

Wallace M. Miura
President
Honolulu Neighborhood Housing Services, Inc.
c/o 3249B Koapaka Street
Honolulu, HI 96819

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY


MARILYN A. MATSUNAGA, Administrator