

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR OF HAWAII

CHIYOME L. FUKINO, M.D.
DIRECTOR OF HEALTH

DAVID T. SAKAMOTO, M.D., M.B.A.
ADMINISTRATOR

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January 2, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Matthew A. Claybaugh, Ph.D.
President and CEO
Marimed Foundation for Island Health Care Training
47-440 Pulama Road
Kaneohe, Hawaii 96744

Dear Dr. Claybaugh:

The State Health Planning and Development Agency has evaluated your application for Certificate of Need ("Cert.") #03-33A for the establishment of an 8 bed Special Treatment Facility at 47-440 Pulama Road, Kaneohe, HI at capital cost of \$615,000.

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 H2P2 principle of providing comprehensive, well coordinated, cost-effective services responsive to the needs of the community.
 - b. The applicant states that its program serves adolescents "...with a wide range of emotional, conduct and substance abuse disorders. Estimates by the State indicate that demand for these services remains high (see H2P2), and that there is an insufficient number of beds available to meet this demand."
 - c. The applicant states that it "...has obtained accreditation from the Council on Accreditation for Child and Family Services and the Department of Health's ADAD" and "...has an established, and continuous, quality assurance and improvement program..."
 - d. The applicant states that it is currently licensed by the Department of Health for Felix Class youth only and that licensing to provide services to non Felix Class youth is expected to be received in February 2004.

- e. The applicant projects net income of \$48,846 for Year 1 of operations and \$73,744 for Year 3.
- f. The applicant states that "The alternative to this proposal would be more expensive acute hospitalization, or cheaper, but ineffective out-patient treatment."
- g. The applicant states that its proposal "...is an integral part of the continuum of care envisioned by Child and Adolescent Mental Health Division of the State Department of Health, providing a step down from more expensive and more restrictive hospital-based programs."
- h. The applicant states that "The required resources, both facility and staff, are already in place and operating as an STF for Felix Class youth only."

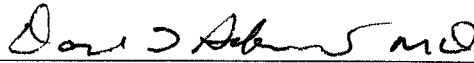
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

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 Marimed Foundation for Island Health Care Training for the proposal described in Cert. #03-33A. The maximum capital expenditure allowed under this approval is \$615,000.

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.



David T. Sakamoto, M.D.
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 2, 2004:

Matthew A. Claybaugh, Ph.D.
President and CEO
Marimed Foundation for Island Health Care Training
47-440 Pulama Road
Kaneohe, Hawaii 96744

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



David T. Sakamoto, M.D.
Administrator