

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

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

January 8, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Geri Marullo, R.N., Dr. Ph
President & CEO
Child and Family Service
91-1841 Fort Weaver Road
Ewa Beach, HI 96706

Dear Dr. Marullo:

The State Health Planning and Development Agency has evaluated your application for Certificate of Need ("Cert.") #03-37A for the establishment of an 8 bed Special Treatment Facility at 91-371 Kahuawai Street, Waipahu, HI at capital cost of \$604,000.

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 goals and objectives of the Hawaii Health Performance Plan (H2P2) including the provisions of *Chapter XI - Behavioral Health: Mental Health, Alcohol, Other Drugs and Tobacco*.
 - b. The applicant states that its proposal "provides behavioral health interventions, services and an educational setting in the home to youth who have been identified as having behavioral problems beyond what their parents/legal guardians are equipped to deal with."
 - c. The applicant states that it "...is currently serving Felix clients only... however we are now proposing to serve both Felix and non-Felix clients."
 - d. The applicant states that "Based upon the previous year's utilization rate, it is estimated that there will be an average of seven (7) clients per day for a total of 2555 bed days and a utilization rate of 87%."
 - e. The applicant states that "... This program will be accessible to all appropriately referred clients regardless of income, race, or disabilities."

- f. The applicant states that it is currently licensed by the Department of Health and is accredited by The Council on Accreditation for Families and Children (COA).
- g. The applicant states that it has a quality assurance program in place to "... monitor adherence and accountability to the standards of practice for the organization."
- h. The applicant projects revenue of \$799,961 and expenses of \$895,730 for year 1 of the proposal and revenue of \$810,662 and expenses of \$907,713 for year 3 of the proposal.
- i. The applicant states that "In the past, CFS has been able to successfully minimize or dispose of a program deficit through fundraising events and private donations."
- j. The applicant states that "This project decreases the incidents of hospitalization, incarceration and homelessness for the youth we serve."
- k. The applicant states that no new staff is needed for the proposal.

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

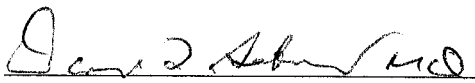
As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

- 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 Child and Family Service for the proposal described in Cert. #03-37A. The maximum capital expenditure allowed under this approval is \$604,000.

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.

C: OHCA

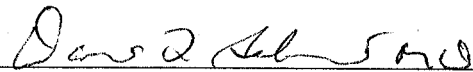

David T. Sakamoto, M.D.
Administrator

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 8, 2004:

Gerri Marullo, R.N., Dr. Ph
President & CEO
Child and Family Service
91-1841 Fort Weaver Road
Ewa Beach, HI 96706

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



David T. Sakamoto, M.D.
Administrator