

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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July 15, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

IN THE MATTER OF)	CERTIFICATE OF NEED
)	APPLICATION
)	NO. 04-14
Aloha Mobile Imaging)	
)	
Applicant)	
)	DECISION ON THE MERITS
_____)	

DECISION ON THE MERITS

The State Health Planning and Development Agency (hereinafter "Agency"), having taken into consideration all of the records pertaining to Certificate of Need Application No. 04-14 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons and the recommendations of the Oahuwide Certificate of Need Review Committee, the Agency hereby makes its Decision on the Merits, including findings of fact, conclusions of law, order, and written notice on Certificate of Need Application No. 04-14.

I

BACKGROUND

1. This is an application by Aloha Mobile Imaging, for a Certificate of Need ("Cert.") for the establishment of a Mobile (Portable) X-ray service on Oahu at a capital cost of \$31,552.
2. Aloha Mobile Imaging is a trade name registered in the State of Hawaii to Mahlon F. Harris, a sole proprietor.

3. The Agency administers the State of Hawaii's Certificate Program, pursuant to Chapter 323D, Hawaii Revised Statutes (HRS), and Title 11, Chapter 186, Hawaii Administrative Rules (HAR).

4. On May 11, 2004, the applicant filed with the Agency a Certificate of Need application for the establishment of Mobile (Portable) X-ray service on Oahu at a capital cost of \$31,552. On May 24, June 8, June 15, and June 18, 2004, the applicant submitted additional information. On June 18, 2004, the application was determined to be complete. For administrative purposes, the Agency designated the application as Cert. #04-14.

5. The period for Agency review of the application commenced on June 23, 2004, the day notice was provided to the public pursuant to 11-186-39 HAR.

6. The Oahuwide Certificate of Need Review Committee met at a public meeting on June 30, 2004 and unanimously recommended approval of this application.

7. The Certificate of Need Review Panel and Statewide Health Coordinating Council reviews of the application were waived pursuant to Section 323D-44.6 HRS.

8. This application was reviewed in accordance with Section 11-186-15, HAR.

9. Pursuant to Section 323D-43(b), HRS:

“(b) No Certificate shall be issued unless the Agency has determined that:

- (1) There is a public need for the facility or service; and
- (2) The cost of the facility or service will not be unreasonable in the light of the benefits it will provide and its impact on health care costs.”

10. Burden of proof. Section 11-186-42, HAR, provides:

“The applicant for a certificate of need or for an exemption from certificate of need requirements shall have the burden of proof, including the burden of producing evidence and the burden of persuasion. The degree or quantum of proof shall be a preponderance of the evidence.”

II

FINDINGS OF FACT

A. REGARDING THE RELATION OF THE PROPOSAL TO THE STATE HEALTH SERVICES AND FACILITIES PLAN (HAWAII HEALTH PERFORMANCE PLAN) OR "H2P2"

11. The applicant states that its proposal will assist in achieving the goals of H2P2 by improving the health care of those residing in nursing homes.
12. The applicant states that its service is consistent with the H2P2 critical elements of access, quality management, cost-effectiveness and continuity of care.
13. The applicant states that its proposal supports the provisions of *Chapter IV – Infectious Diseases* and *Chapter V – Cancer* of H2P2.
14. The Agency finds that this criterion has been met.

B. REGARDING NEED AND ACCESSIBILITY CRITERIA

15. The applicant states that that its target population is "...primarily the elderly, but also includes patients with disabilities, racial and ethnic minorities or anyone in a Nursing Home or private residence who has been prescribed a portable x-ray."
16. The applicant states that in 2002, there were approximately 2539 occupied long term beds on Oahu. The applicant further states that 1245 of these beds have in-house or mobile x-ray support while the remaining 1294 occupied beds do not have such support.
17. The applicant states the "The Honolulu County Profile on page 11 of the booklet titled *Health Planning Data Tool* dated May 2003, indicates the resident population aged sixty-five years and over will double by the year 2025. This will further impact the need."
18. The applicant states that its service "will be accessible to all residents of private homes and Nursing Homes of the community and to not only the elderly, but to racial and ethnic minorities, women, children low-income persons and people with disabilities."

19. The Agency finds that the need and accessibility criteria have been met.

C. REGARDING QUALITY AND LICENSURE CRITERIA

20. The applicant states that "The proposed service will improve the quality of health care to the target group of Nursing Home and Private home bound residents. It is very difficult in many cases for Nursing Home residents to move from familiar surroundings. They become confused and disoriented that takes days to correct. If they can avoid being moved and can remain in familiar surroundings where radiological exams can be performed in their room, the resident's mental health is not compromised. "

21. The applicant states that "The proposed facility requires licensure from the state department of health, certified by Medicare and is also a Medicaid provider."

22. The applicant states that "Technologists will be registered with the American Registry of Radiologic Technologists and certified by the State of Hawaii, Board of Radiologic Technology."

23. The applicant states that the owner/operator has over 40 years experience as a Registered Radiologic Technologist and 25 years experience in the mobile X-ray industry.

24. The Agency finds that quality and licensure criteria have been met.

D. REGARDING THE COST AND FINANCIAL CRITERIA

25. The applicant states that its proposal will "... save nursing home costs by eliminating the need to transport a patient in their van and utilizing a nurse or nursing assistant to accompany the resident. Eliminating the need for Hospital emergency room and emergency room physician's services will save additional costs."

26. The applicant projects net revenues and operating expenses to be \$100,434 and \$42,703, respectively, in year one of the proposal and \$150,617 and \$95,868, respectively, in year three.

27. The Agency finds that cost and financial criteria have been met.

E. REGARDING THE RELATIONSHIP OF THE PROPOSAL TO THE EXISTING HEALTH CARE SYSTEM OF THE AREA

28. The applicant states that "Aloha Mobile Imaging will bridge the gap between Nursing Home and Hospital out patient services. The resident will not need to leave his/her familiar surroundings and be transported to a stationary x-ray facility thus compromising his mental stability."

29. The applicant states that its service "...will free the Nursing Home nurses and nursing assistants from the need to physically prepare the patient for transport as well as saving time and energy to document the patient's transfer."

30. The Agency finds that these criteria have been met.

F. REGARDING THE AVAILABILTY OF RESOURCES

31. The applicant states that "Aloha Mobile Imaging has access to resources to successfully implement and operate and to complete the proposed project."

32. The applicant states that the vehicle and equipment have been purchased and that reserves of \$20,000 have been set aside for working capital.

33. The applicant states that one full-time Radiologic Technologist is required for year one of its proposal and that this position will be staffed by the owner of Aloha Mobile Imaging.

34. The applicant states that when monthly volume reaches 150 patients, an additional half-time Radiologic Technologist will be hired.

35. The Agency finds that the applicant has met this criterion.

III

CONCLUSIONS OF LAW

Having taken into consideration all of the records pertaining to Certificate of Need Application No. 04-14 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons, the recommendations of the Oahuwide Certificate of Need Review Committee and based upon the findings of fact contained herein, the Agency concludes as follows:

The applicant has met the requisite burden of proof and has shown by a preponderance of the evidence that the Proposal meets the criteria established in Section 11-186-15, HAR.

Accordingly, the Agency hereby determines that, pursuant to Chapter 323D-43(b):

- (1) There is a public need for this proposal; and
- (2) The cost of the proposal will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

ORDER

Pursuant to the findings of fact and conclusions of law contained herein, IT IS HEREBY DECIDED AND ORDERED THAT:

The State Health Planning and Development Agency hereby APPROVES and ISSUES a certificate of need to Aloha Mobile Imaging for the proposal described in Certificate Application No. 04-14. The maximum capital expenditure allowed under this approval is \$31,552.

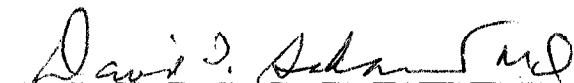
WRITTEN NOTICE

Please read carefully the written notice below. It contains material that may affect the Decision on the Merits. The written notice is required by Section 11-186-70 of the Agency's Certificate of Need Program rules.

The decision on the merits is not a final decision of the Agency when it is filed. Any person may request a public hearing for reconsideration of the decision pursuant to Section 11-186-82 of the Agency's Certificate of Need Program rules. The decision shall become final if no person makes a timely request for a public hearing for reconsideration of the decision. If there is a timely request for a public hearing for reconsideration of the decision and after the Agency's final action on the reconsideration, the decision shall become final.

DATED: July 15, 2004
Honolulu, Hawaii

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



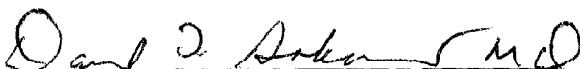
David T. Sakamoto, M.D.
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Decision on the Merits, including findings of fact, conclusions of law, order, and written notice, 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 July 15, 2004.

Mahlon F. Harris
Owner/Administrator
Aloha Mobile Imaging
59-013 Holawa Place
Haleiwa, HI 96712

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY


David T. Sakamoto, M.D.
Administrator