

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

August 12, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Matthew A. Claybaugh, Ph.D.
President and CEO
Marimed Foundation for Island Health Care Training
41-021 Likeke Place
Kaneohe, Hawaii 96744

Dear Dr. Claybaugh:

The State Health Planning and Development Agency has evaluated your application for Certificate of Need ("Cert.") #04-16A for the establishment of an 8 bed Special Treatment Facility in Laupahoehoe (Kapehu Rd at Mauluanui Rd), Hawaii at capital cost of \$575,000.

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 "A demand exists for residential beds for substance abusing adolescents in the County of Hawaii, which currently has no residential treatment facility directed at substance abuse."
 - c. The applicant states that "the County Police Department has reported a 431% increase in the use of ICE, Child Protective Services for the County reports that 85-90% of their caseload is ICE or drug related, and ADAD reports that ICE use among 6th to 12th graders is 50% higher in Hawaii County than anywhere else in the State."
 - d. The applicant states that it "... currently operates five residential facilities with a capacity of forty, 14 to 18 year old adolescents."
 - e. 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..."

- f. The applicant projects revenue and operating expenditures to be \$1,032,675 and \$727,928 respectively, in year one of the proposal and \$1,705,684 and \$1,355,568 respectively, in year three.
- g. The applicant states that its proposal "...is an integral part of the continuum of care...providing a step down from more expensive and more restrictive hospital-based programs. These acute hospital based programs are not located on the Big Island requiring the youth to be separated from their families. After completing residential treatment youth would be enrolled in an aftercare program using CSAC therapists, case managers, and community based resources."
- h. The applicant states that "The required resources, both facility and staff, are available."
- i. The applicant states that the initial staff, including a CSAC Case Manager, Program Manager, Youth Counselor, and Teacher/Marine Skills Instructor, has been hired and that "on going recruiting for additional Youth Counselor positions is occurring to insure adequate staffing when the residential facility is opened."


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. #04-16A. The maximum capital expenditure allowed under this approval is \$575,000.

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.

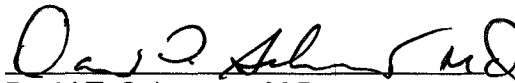

David T. Sakamoto, M.D.
Administrator

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 August 12, 2004:

Matthew A. Claybaugh, Ph.D.
President and CEO
Marimed Foundation for Island Health Care Training
41-021 Likeke Place
Kaneohe, Hawaii 96744

HAWAII STATE HEALTH PLANNING
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David T. Sakamoto, M.D.
Administrator