



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR OF HAWAII

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DIRECTOR OF HEALTH

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ADMINISTRATOR

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September 22, 2005

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Edwin T. Muranaka, M.D.
President
Yeoh and Muranaka, M.D.'s, Inc.
1481 S. King Street, Suite 202
Honolulu, HI 96814

Dear Dr. Muranaka:

The State Health Planning and Development Agency has evaluated Certificate of Need application #05-18A from Yeoh and Muranaka, M.D.'s, Inc. for the addition of a 2nd CT scanner to be located at 1441 Kapiolani Blvd., Suite 306, Honolulu, HI, at capital cost of \$1,845,224.

Pursuant to Title 11, Chapter 186 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. Yeoh and Muranaka, M.D.'s, Inc. (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 will meet specific objectives and goals of H2P2 including the critical elements of access, quality management, cost-effectiveness and continuity of care.
 - b. The applicant states that its proposal "...will further increase the health care delivery system's capacity to enable the early detection, diagnosis and treatment of treatable diseases such as cancer, cardiovascular and pulmonary conditions. Early detection is critical in reducing the likelihood of morbidity and pain through early and appropriate treatment."
 - c. The applicant states that "H2P2 establishes an annual utilization rate threshold of 4,500 as a need related minimum for an additional CT Scanner. The current utilization of the existing Yeoh & Muranaka CT Scanner is above 4,500 per year thereby meeting the H2P2 requirement for a second CT Scanner."
 - d. The applicant states that "The increased resolution and speed of the 16 slice CT Scanner will improve the diagnostic and procedural capabilities resulting in improved quality of care and increased patient satisfaction."

- e. The applicant states that "Yeoh & Muranaka has a track record of 30+ years of providing quality healthcare service to patients and physicians ...Yeoh & Muranaka has the appropriate licenses, permits and approvals to currently provide CT Scanner and MRI services and will obtain the additional licenses, permits and approvals necessary for the 2nd CT Scanner."
- f. The applicant states that "The project is expected to generate positive net income from year 1 forward. The project will be funded primarily by debt to be repaid from on-going operations... The financial forecast indicates more than sufficient cash flow / net income to service the debt."
- g. The applicant states that "It is anticipated that the proposed project will have little impact on the existing health care system given the current high demand and projected continued increase in CT utilization."
- h. The applicant states that "Yeoh & Muranaka also has trained and experienced staff to operate the 2nd CT Scanner, leveraging the skill and experience of the physicians and clinical staff that operate the existing CT Scanner and Open MRI. No additional staffing will be required for the second CT Scanner."


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 Yeoh and Muranaka, M.D.'s, Inc. for the proposal described in application #05-18A. The maximum capital expenditure allowed under this approval is \$1,845,224.

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.

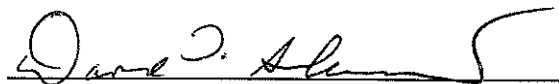

David T. Sakamoto, M.D.
Administrator

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 September 22, 2005:

Edwin T. Muranaka, M.D.
President
Yeoh and Muranaka, M.D.'s, Inc.
1481 S. King Street, Suite 202
Honolulu, HI 96814

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

A handwritten signature in black ink, appearing to read "David T. Sakamoto", written over a horizontal line.

David T. Sakamoto, M.D.
Administrator