

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR OF HAWAII
CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH
RONALD E. TERRY
ADMINISTRATOR

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

January 9, 2008

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Thomas M. Driskill Jr.
President
Kahuku Medical Center
3675 Kilauea Avenue
Honolulu, Hawaii 96816

Dear Mr. Driskill:

The State Health Planning and Development Agency has evaluated Kahuku Medical Center's Certificate of Need application #07-30A for the deletion of 2 Skilled Nursing Facility (SNF) beds and for the conversion of 10 SNF beds to 10 SNF/ICF beds at no capital cost.

Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

- (a) The 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."
- (b) The applicant, Kahuku Medical Center, has proven by a preponderance of the evidence that its proposal meets the Certificate of Need criteria in Section 11-186-15, HAR.
- (c) 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), Hawai'i Revised Statutes (HRS), the Agency finds that:

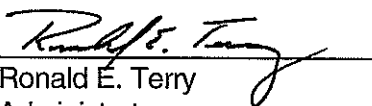
1. There is a public need for this proposal.
2. The cost of this proposal will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

Accordingly, the State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Kahuku Medical Center for the proposal described in Certificate of Need application #07-30A. There is no capital expenditure authorized under this approval.

#07-30A, Administrative Review Decision
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Please be advised that pursuant to Section 323D-47, HRS, 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

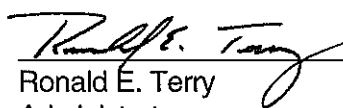

Ronald E. Terry
Administrator

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 9, 2008:

Thomas M. Driskill Jr.
President
Kahuku Medical Center
3675 Kilauea Avenue
Honolulu, Hawaii 96816

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY



Ronald E. Terry
Administrator