



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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March 6, 2017

## CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Max Clini  
President  
Hawaii Pacific Imaging, LLC  
500 Ala Moana Blvd., Ste. 5B  
Honolulu, HI 96813

Dear Mr. Clini:

The State Health Planning and Development Agency (the "Agency") has evaluated Certificate of Need application #17-01A from Hawaii Pacific Imaging, LLC (the "applicant") for the acquisition of the Positron Emission Tomography (PET) and Computed Tomography (CT) private physician's practice located at 500 Ala Moana Blvd., Ste. 5B, Honolulu, HI, at a capital cost of \$320,000 (the "Proposal").

1. Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that the Proposal is eligible for administrative review as it meets the criterion in Subsection 11-186-99.1(b) (6), HAR, i.e.: "Any proposal which is determined by the agency not to have a significant impact on the health care system."
2. The applicant states that "This project involves the acquisition of an existing PET & CT clinic, owned by Dr. Richard DeJournett, located at 500 Ala Moana Blvd., Ste 5B Honolulu, HI".
3. The applicant states that "Quality and access are always top priorities to ensure the sustainability of Hawaii's health care delivery system... Preserving and conserving an array of services helps to safeguard the long term viability of health care in Hawaii. Dr. DeJournett's impending retirement may negatively impact existing PET/CT capacity for the Hawaii community at large as well as his current patient population."
4. The applicant states that "Access to services at the clinic will be available to all patients, in particular the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups."
5. The applicant states that "The proposed clinic will continue to provide the West Oahu community with easy access to its high quality specialized radiology services by extending transportation services to and from the facility free of charge."

6. The applicant states that "The clinic will continue to collaborate with other entities such as the University of Hawaii Cancer Center to improve the level of community understanding of cancer prevention and latest treatment opportunities."
7. The applicant states that "According to the State of Hawaii Department of Health, cancer is the second leading cause of death in Hawaii. Every year more than 6,000 Hawaii residents are diagnosed with an invasive form of cancer and more than 2,000 residents lose their lives from the disease."
8. The applicant states "Of the 10 most commonly diagnosed cancers, 8 of them are most often diagnosed by the CT and PET/CT modality to aid in the most appropriate therapeutic treatment regimen."
9. The applicant states that "There is a need for this service as evidenced by the existence of Dr. DeJournett's practice over the years. Dr. DeJournett's practice has performed 1,189 procedures in the last 12 months. Access to such procedures have been and will continue to be available to all patients, in particular the elderly, low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups."
10. The applicant states that "...the proposed clinic is accredited by the American College of Radiology (ACR) and will continue to meet all guidelines necessary to maintain this distinguished national quality benchmark. The ACR Positron Emission Tomography (PET) Accreditation program was developed and is directed by the Committee on Nuclear Medicine Accreditation of the Commission on Quality and Safety. This requirement was established by the Medicare Improvement for Patients and Providers Act of 2008 (MIPPA). Compliance to this program includes: appropriate HIPPA protocols when handling patient records, procedures for documenting qualification of facility's personnel for licenses and certifications, equipment quality controls and respective surveys, and patient safety protocols."
11. The applicant states that "HPI will continue to maintain the highest levels of imaging protocols that will meet or exceed the requirements placed by the industry quality standards governing bodies to include: the American College of Radiology (ACR) and the Nuclear Regulatory Commission (NRC)."
12. The applicant states that "Hawaii Pacific Imaging, LLC adheres to the Continuous Process Improvement Plan. This plan will be utilized at the proposed imaging clinic. The purpose of the Continuous Process Improvement Plan is to systematically measure, assess/reassess and improve the performance of all clinical and administrative functions, particularly those tied to patient safety and service."
13. The applicant states "For the first full year of operation, net revenue is projected at \$3,004,375, with direct expenses of \$2,797,896, resulting in an operating profit of \$206,479. In year 3 the operation is projecting net revenue at \$3,095,182, with direct expenses of \$2,910,931, resulting in an operating profit of \$184,251."

14. The applicant states that "The Hawaii Department of Health Chronic Disease Prevention & Management Branch has formed the Hawaii Comprehensive Cancer Control Coalition which developed a plan to reduce Hawaii's cancer burden. The vision of the coalition is "No More Cancer" and its four top priorities are: Prevention, Early Detection, Equitable Access to Care and Quality of Life. This proposed clinic will address two of the main coalition priorities by helping the community with early detection along with equitable access to all patients including the elderly, low income persons, racial and ethnic minorities, persons with disabilities both on Oahu as well as outer Islands."
15. The applicant states that "The proposed PET/CT imaging clinic will not alter the relationship to the existing health care system. Hawaii Pacific Imaging, LLC will continue existing operations in the same physical location. The proposed clinic will provide a continuity of specialized PET/CT imaging services for the patients served by Dr. DeJournett's private practice."
16. The applicant states that "Hawaii Pacific Imaging, LLC have the financial, clinical and administrative staff to manage and operate a physician practice. HPI has hired a physician who has completed board certification in both Radiology and Nuclear Medicine..."
17. The applicant states that "Additional staff will also be hired as needed. HPI has sufficient cash from operations to fund the transition of patients and provide operating capital."

#### Conclusions and Order

Pursuant to Title 11, Chapter 186, HAR, the Agency has determined that:

- (a) The Proposal is eligible for administrative review as it meets one or more of the criteria in HAR 11-186-99.1(b).
- (b) The applicant, Hawaii Pacific Imaging, LLC, has proven by a preponderance of the evidence that the Proposal meets the Certificate of Need criteria in HAR 11-186-15 (a).
- (c) There is no compelling public interest which will be served by requiring the application to go through the standard review process.

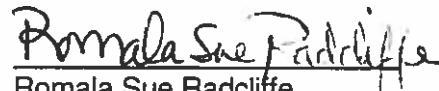
As required under Subsection 323D-43(b), HRS, the Agency finds that:

1. There is a public need for the Proposal.
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.

Accordingly, the State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Hawaii Pacific Imaging, LLC for the Proposal described in Certificate of Need Application #17-01A. The maximum capital expenditure allowed under this approval is \$320,000.

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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.

  
Romala Sue Radcliffe  
Administrator