



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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July 30, 2018

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Jon F. Graham, M.D.
Member
Maui Spine and Laser Institute, LLC
1380 Lusitana Street, Suite 502
Honolulu, HI 96813

Dear Dr. Graham:

The State Health Planning and Development Agency (the "Agency") has evaluated Certificate of Need application #18-03A from Maui Spine and Laser Institute, LLC (the "applicant") for the establishment of an ambulatory surgery center limited to neurological and pain management procedures at 137 and 141 Ma'a St., Lots 2 and 3, Kahului, HI, at a capital cost of \$7,225,000 (the "Proposal").

1. Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that this proposal is eligible for administrative review as it meets one or more of the criteria in Section 11-186-99.1(b), HAR.
2. Section 323D-43(c) of the Hawaii Revised Statutes (HRS) states, in pertinent part:

"Each decision of the state agency to issue a certificate of need shall, except in an emergency situation that poses a threat to public health, be consistent with the state health services and facilities plan in effect under section 323D-15."
3. The applicant states that "The HSFP [health services and facilities plan] provides capacity (utilization) thresholds for certain standard categories of health care services to guide the initial determination of need for a service area. A Certificate of Need applicant looking to establish a freestanding ASC is ordinarily expected to enter into a collaborative arrangement with an existing acute care hospital in the county, which entails (1) a transfer agreement, (2) a commitment to support all training and recruitment of health care personnel for the benefit of the area, and (3) a commitment to enhance the EMS and trauma care systems of the area by using the Proposed Center, when necessary, such as in cases of natural disaster or pandemic."
4. The applicant states that "The Applicant has sent a letter of intent regarding a collaborative arrangement to Maui Memorial Medical Center ("MMMC") for its review. However, MMMC has not yet responded to the Applicant's request to finalize such a collaborative arrangement."


5. The state health services and facilities plan states that "A collaborative arrangement shall be made with an existing acute care hospital in the county. This collaboration shall, without limitation: a. Include a transfer agreement b. Commit to support all training and recruitment of health care personnel for the benefit of the area c. Commit to enhance the EMS and trauma care systems of the area by using the ASC, when necessary, for case such as natural disaster or pandemic."

Conclusions and Order

The Agency finds that the applicant has not made a collaborative arrangement with an existing acute care hospital in the county in accordance with the state health services and facilities plan. The Agency finds that the applicant has not demonstrated that the benefits of its Proposal clearly outweigh the requirement to enter into the collaborative arrangement pursuant to the state health services and facilities plan nor has it demonstrated that any modification of the said requirement is appropriate under the circumstances. The Agency finds that the Proposal is not consistent with the state health services and facilities plan in effect under Section 323D-15, HRS.

Accordingly, the State Health Planning and Development Agency hereby DISAPPROVES and DENIES a Certificate of Need to Maui Spine and Laser Institute, LLC for the Proposal described in Certificate of Need application #18-03A.

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
Romala Sue Radcliffe
Administrator