

**STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY**  
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

**JOSH GREEN, MD**  
GOVERNOR OF HAWAII  
KE KIA'ĀINA O KA MOKUA'ĀINA 'O HAWAII  
**KENNETH S. FINK, MD, MGA, MPH**  
DIRECTOR OF HEALTH  
KALUNA HO'ŌKELE  
**JOHN C. (JACK) LEWIN, MD**  
ADMINISTRATOR

1177 Alakea Street, #402, Honolulu, HI 96813

Phone: 587-0788 Fax: 587-0783 [www.shpda.org](http://www.shpda.org)

May 19, 2026

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

IN THE MATTER OF	)	CERTIFICATE OF NEED
	)	APPLICATION
	)	NO. 25-11
Hawaii Island Sober Living, LLC	)	
	)	
Applicant	)	
_____	)	DECISION ON THE MERITS

DECISION ON THE MERITS

The State Health Planning and Development Agency (hereinafter "Agency"), having taken into consideration all of the records pertaining to Certificate of Need Application No. 25-11 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons, and the recommendation of the Hawaii County Subarea Health Planning Council, the Agency hereby makes its Decision on the Merits, including findings of fact, conclusions of law, order, and written notice on Certificate of Need Application No. 25-11. Where appropriate, Findings of Fact shall operate as Conclusions of Law, and Conclusions of Law shall operate as Findings of Fact. As many of the criteria for Certificate of Need are interrelated, each of the criteria and subheadings within the Findings of Fact shall be deemed to incorporate and include all other Findings of Fact to the extent relevant.

I

FINDINGS OF FACT

1. This is an application for a Certificate of Need ("Cert.") for the establishment of an 8 bed Special Treatment Facility at 73-4592 Hawaii Belt Rd., Kailua-Kona, HI, at a capital cost of \$2,311,900.
2. The applicant, Hawaii Island Sober Living, LLC, is a limited liability corporation.

3. The Agency administers the State of Hawaii's Certificate Program, pursuant to Chapter 323D, Hawaii Revised Statutes (HRS), and Title 11, Chapter 186, Hawaii Administrative Rules (HAR).

4. On September 3, 2025, the applicant filed with the Agency, a Certificate of Need application for the for the establishment of an 8 bed Special Treatment Facility at 73-4592 Hawaii Belt Rd., Kailua-Kona, HI, at a capital cost of \$2,311,900 (the "Proposal"). On September 30, 2025 the Agency determined the application to be incomplete. On October 15, 2025, December 15, 2025, January 23, 2026, and March 6, 2026, the applicant submitted revisions/additional information. On April 2, 2026, the application was determined to be complete. For administrative purposes, the Agency designated the application as Cert. #25-11.

5. The period for Agency review of the application commenced on April 23, 2026, the day notice was provided to the public pursuant to HAR 11-186-39.

6. The application was reviewed by the Hawaii County Subarea Health Planning Council at a public meeting on April 30, 2026. The Committee voted 5 to 0, in favor of recommending approval of the application.

7. The Certificate of Need Review Panel and Statewide Health Coordinating Council reviews of the application were waived pursuant to Section 323D-44.6 HRS.

8. This application was reviewed in accordance with Section 11-186-15(a), HAR.

9. Section 323D-43(b), HRS states:

"(b) No certificate of need shall be issued unless the state agency has determined that:

- (1) There is a public need for the facility or service; and
- (2) The cost of the facility or service will not be unreasonable in the light of the benefits it will provide and its impact on health care costs."

10. Burden of proof. Section 11-186-42, HAR, provides:

"The applicant for a certificate of need shall have the burden of proof, including the burden of producing evidence and the burden of persuasion. The degree or quantum of proof shall be a preponderance of the evidence."

II

**FINDINGS OF FACT**  
**CERTIFICATE OF NEED CRITERIA**

**A. REGARDING THE RELATION OF THE PROPOSAL TO THE STATE HEALTH SERVICES AND FACILITIES PLAN CRITERIA**

11. The applicant states<sup>1</sup> that “The facility will operate as a critical step-down and diversionary level of care by addressing the following State Priorities and Areas of Concern:

- Maintain access to quality care at a reasonable cost: Honu House offers clinically appropriate, lower cost alternatives to inpatient psychiatric hospitalizations. This will reduce emergency department utilization and unnecessary inpatient stay lengths that can pose a large financial burden on the patients.
- Promote equitable access to health care: Honu House will reduce geographical barriers experienced on the island and on neighboring islands. This will reduce financial and logistical transport barriers, as well as, increase culturally responsive access to care.
- Alignment with the regional and statewide continuum of care: Honu House serves as a diversion from emergency departments and a bridge to outpatient and community-based care.
- Support for health education, promotion, and prevention: Honu House will incorporate psychoeducation for patients and families, relapse prevention programming, discharge planning to include preventative services, and community collaboration and outreach initiatives.
- Expansion of awareness of available resources: Honu House will coordinate with hospitals, primary care, community providers to enhance interagency communication. Honu House also plans to engage in community outreach to spread awareness, as well as, offer available resources to the community.
- Access to mental health programs, services and education: Honu House offers access to a structured therapeutic recovery program that emphasizes behavioral health education.
- Access to substance abuse programs, services and education: Honu House offers extensive dual-diagnosis stabilization services by supporting relapse prevention planning, reducing substance-related emergencies and strengthening coordination with community substance use providers.”

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<sup>1</sup> For clarity, when the Agency quotes statements from the applicant or witnesses in this section, it does so because the Agency finds such testimony to be persuasive and because the Agency has incorporated the referenced testimony as a finding of fact.

12. The applicant states that “The following regional indicators further demonstrate the need for Honu House:

- Substance use disorders and poor mental health greatly impact an individual's life expectancy. By increasing access to care Honu House improves stabilization and overall health outcomes that could impact life expectancy and suicidality.
- Substance use disorders, impaired driving and untreated mental illness can all drastically increase motor vehicle fatalities due to the increase in risk taking behaviors. Improved access to treatment can reduce substance use generally, as well as, the likelihood of relapse and risk taking behaviors associated with substance use, guilt and shame.”

13. The Agency finds that the Proposal meets the relationship to the state health services and facilities plan criteria.

#### B. REGARDING THE NEED AND ACCESSIBILITY CRITERIA

14. The applicant states that “When compared to availability of STF beds in Honolulu County (656 STF beds for a population of 998,747), we have a ratio of 1 STF bed for every 1,522 people. Compare that same ratio to Hawaii County (40 STF beds for 209,790 member population) and the ratio is 1 STF bed for every 5,244 people, showing that Hawaii County is woefully underserved.”

15. The applicant states that “Given the sharp contrast between the supply and demand for addiction recovery STF beds, we foresee full utilization of all 8 beds within the first few weeks of the start of the program.”

16. The applicant states “Honu House serves as a diversion from emergency departments and a bridge to outpatient and community-based care. The proposed project does not duplicate existing services but rather fills a service gap in care.”

17. The applicant states that “Honu House is currently working through the steps to adopt an electronic medical record system so that we can work with medical insurance companies. Upon utilization of insurance, availability will be more accessible to underserved groups such as, low income, racial and ethnic minorities, women, people with disabilities, and elderly persons. The program will provide financially affordable rates for these individuals that are uninsured or underinsured as well.”

18. The applicant states “Honu House has also adopted procedures to accommodate disabilities and elderly individuals. Accessibility barriers identified in Honu House's annual risk assessment and planning include: physical issues,

attitudes and bias, communication including sign and telecommunication devices, community integration, environmental considerations, and finances of clientele... Honu House also addresses the needs of low income persons, racial and ethnic minorities, women, people with disabilities, underserved groups and the elderly through non-discrimination and cultural diversity procedures. Honu House has a zero tolerance policy for discrimination, harassment or retaliation of any kind. Honu House also provides staff education to reduce bias and provide culturally competent care to its patients.”

19. The Agency finds that the need and accessibility criteria have been met.

#### C. REGARDING QUALITY AND LICENSURE CRITERIA

20. The applicant states that “It is the policy of Honu House Hawaii (HHH) to have a continuous Quality Assurance Program and Performance Improvement Plan (QAPI/Compliance) and to ensure each employee has training in the plan and program to include data measuring the performance of high-risk, high-volume, problem-prone processes such as safety incidents and quality events.”

21. The applicant states that “We have a fully implemented Policies and Procedures Manual that meets and/or exceeds the requirements set forth in Title 11 Chapter 98.”

22. The applicant states that “All staff are trained in crisis intervention, trauma-informed care, CPR/First Aid, and confidentiality standards. Staffing ratios are maintained in accordance with Hawaii Department of Health STF regulations to ensure client safety and regulatory compliance.”

23. The Agency finds that the quality and licensure criteria have been met.

#### D. REGARDING THE COST AND FINANCIAL CRITERIA

24. The applicant states that “Honu House offers clinically appropriate, lower cost alternatives to inpatient psychiatric hospitalizations. This will reduce emergency department utilization and unnecessary inpatient stay lengths that can pose a large financial burden on the patients.”

25. The applicant states that “There are no alternatives that are less costly while also achieving the desired STF bed expansion to serve the county of Hawaii, especially since no new construction is needed for this project.”

26. The applicant projects revenue of \$2,443,000 and total expenses of \$1,439,000 for Year 1 of the proposed project and revenue of \$2,799,000 and

total expenses of \$1,713,000 for Year 3 of the proposed project.

27. The Agency finds that the cost and financial criteria have been met.

**E. REGARDING THE RELATIONSHIP OF THE PROPOSAL TO THE EXISTING HEALTH CARE SYSTEM OF THE AREA CRITERIA**

28. The applicant states that "The overall goal of Honu House Hawaii is to create a complete addiction recovery program to prevent the relapse of patients and help them overcome their struggles while providing a vital link back to the community."

29. The applicant states that "While the STF provides a vital function for the critical recovery of the patient, we also maintain IOP and sober living programs to meet the full continuity of care for the patient."

30. The applicant states "Honu House serves as a diversion from emergency departments and a bridge to outpatient and community-based care. The proposed project does not duplicate existing services but rather fills a service gap in care."

31. The Agency finds that the relationship to the existing healthcare system of the area criteria have been met.

**F. REGARDING THE AVAILABILITY OF RESOURCES CRITERIA**

32. The applicant states that "A large majority of the staff required to support operation of an STF with Honu House are already employed or contracted in the existing operations. The additional staff required, specifically to support the dietary requirements and other staffing needs, have already agreed to work with us once we start operating our STF."

33. The Agency finds that the availability of resources criteria have been met.

III

**CONCLUSIONS OF LAW**

Having taken into consideration all of the records pertaining to Certificate of Need Application No. 25-11 on file with the Agency, including the written and oral testimony and exhibits submitted by the applicant and other affected persons, the recommendation of the Hawaii County Subarea Health Planning Council and based upon the findings of fact contained herein, the Agency concludes as follows:

The applicant has met the requisite burden of proof and has shown by a preponderance of the evidence that the Proposal meets the criteria established in Section 11-186-15(a), HAR.

Accordingly, the Agency hereby determines that, pursuant to Chapter 323D-43(b), HRS:

- (1) There is a public need for this service; and
- (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.

**ORDER**

Pursuant to the findings of fact and conclusions of law contained herein, IT IS HEREBY DECIDED AND ORDERED THAT:

The State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Hawaii Island Sober Living, LLC for the Proposal described in Certificate of Need application No. 25-11. The maximum capital expenditure allowed under this approval is \$2,311,900.

**WRITTEN NOTICE**

Please read carefully the written notice below. It contains material that may affect the Decision on the Merits. The written notice is required by Section 11-186-70 of the Agency's Certificate of Need Program rules.

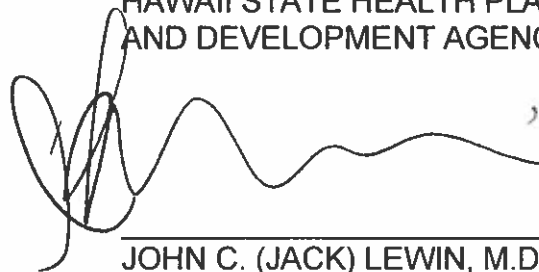
The decision on the merits is not a final decision of the Agency when it is filed. Any person may request a public hearing for reconsideration of the decision pursuant to Section 11-186-82 HAR. The decision shall become final if no person makes a timely request for a public hearing for reconsideration of the decision. If there is a timely request for a public

hearing for reconsideration of the decision and after the Agency's final action on the reconsideration, the decision shall become final.

(Note, pursuant to Chapter 323D-47, Hawaii Revised Statutes, a request for reconsideration shall be received by the Agency within ten working days of the state agency decision.)

DATED: May 19, 2026  
Honolulu, Hawaii

HAWAII STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a series of loops and a long horizontal stroke.

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JOHN C. (JACK) LEWIN, M.D.  
Administrator