



*Department of Health
and Human Services*

*Maine People Living
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John E. Baldacci, Governor

Brenda M. Harvey, Commissioner

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April 7, 2008

Douglas T. Jones, FACHE
President/CEO
Maine Coast Memorial Hospital
50 Union Street
Ellsworth, ME 04605

RE: Maine Coast Memorial Hospital CON Subsequent Review - Expand and Renovate Emergency and Sterile Processing Departments and Lobby/Registration Area

Dear Mr. Jones:

I am pleased to notify you that on this date I have decided to **grant** this subsequent review of your Certificate of Need (CON) that was approved on December 11, 2006 which authorized Maine Coast Memorial Hospital to expand and renovate their Emergency and Sterile Processing Departments and Lobby/Registration area in Ellsworth, Maine. The approved capital expenditure associated with this project is changed to \$9,912,513. Any costs exceeding \$9,413,446, the approved capital expenditure plus approved contingency of \$499,067, will trigger a subsequent review. The change approved involves a change in scope that now authorizes Maine Coast Memorial Hospital to expand the Emergency Department from 11 to 15 beds via new construction from 9,500 to 12,700 square feet, new construction of 7,500 square feet for Administration Services, renovations to the Sterile Processing Department and Lobby/Registration areas and a driveway and parking area for the Emergency Department.

In order for this CON to remain valid, the project must be "commenced" within two years from the date of the original approval noted above. A one year extension was granted on November 28, 2007. You must complete implementation reports on your activities as specified for this type of project (CON Procedures Manual, Chapter 11, Sec. 3). Limited extensions may be available, if requested in a timely manner and for good cause, as explained in the Manual, Chapter 9, Sec. 3. Failure to commence the project within this 12-month period will result in expiration of the CON unless an extension is obtained, as cited above.

I am granting this CON because I have determined that the project meets the criteria set forth in the CON Act Sec. 335(1) and the department's regulations. The specific details of the project for which I have granted this CON are contained in an application found to be subject to review in accordance with the provisions of the Maine Certificate of Need Act, and was certified complete by the applicant on March 21, 2006. Please be aware that in accordance with Section 346 of the Maine Certificate of Need Act this Certificate, as modified herein, is valid only for the stated scope, premises and facility named in the above referenced application and is not transferable or assignable.

Furthermore, it should be clearly understood that our analysis and findings regarding the need for the proposed project as well as its financial and economic feasibility have been predicated on the application record as described in the Manual, Chapter 8, subsection 5. Consequently, the proposal must be implemented consistent with the department's analysis and findings as summarized in the following department staff reports:

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1. PRELIMINARY STAFF REPORT: Report from Steven R. Keaten, Healthcare Financial Analyst, Certificate of Need Unit to Catherine Cobb, Director, Division of Licensing and Regulatory Services, dated October 16, 2006.
2. FINAL REVIEW: Briefing Memo to Brenda M. Harvey, Commissioner, DHHS, dated November 30, 2006.
3. AMENDED REVIEW: Subsequent Review Briefing Memo to Brenda M. Harvey, Commissioner, DHHS, dated March 25, 2008.

No significant changes to the project, no variations from the projected operating costs, no modifications of the terms of financing the project, and no increase in the capital expenditures to be made are permitted without the prior written approval of the department. Any such variances may result in either the disallowance of related expenses, financial penalties or the immediate revocation of the CON.

Please work closely with my staff in the Certificate of Need Unit to assure this project is implemented in accordance with the provisions of this Certificate and applicable rules and regulations. As part of this requirement, you are reminded that prior to construction, the appropriate licensing and certification and State Fire Marshal officials must approve all working drawings and construction specifications.

The law requires that a holder of a CON make a written report at the end of each six-month period following its issuance. Details regarding this and related requirements will be made the subject of a separate letter from the Certificate of Need Unit.

We appreciate your willingness to work with us during the review process.

Sincerely,

Brenda M. Harvey
Commissioner, DHHS

cc: Ellen Belknap
John Dickens
John P. Doyle, Jr., Esq.