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Via email; signed copy mailed

Division of Licensing and
Regulatory Services

Phyllis Powell, Manager
Certificate of Need Unit
Division of Licensing and Regulatory Services
Department of Human Services
State House Station # 11
Augusta, Maine 04333-0011

RE: MaineHealth[®]
Webber Hospital Association d/b/a Southern Maine
Medical Center Membership
Letter of Intent

Dear Ms. Powell:

MaineHealth[®] is requesting a ruling from the Department regarding the applicability of the Certificate of Need Program to MaineHealth[®]'s proposed project that Webber Hospital Association d/b/a Southern Maine Medical Center becomes a subsidiary corporation of MaineHealth[®] (Membership). MaineHealth[®] believes that this project is subject to review through the simplified review and approval process as described in the Maine Certificate of Need Act of 2002, 22 M.R.S.A. § 329 and § 336. Projects subject to the simplified review and approval process are not subject to established review cycles and need not be funded within the Capital Investment Fund.

MaineHealth[®] also seeks to arrange a Technical Assistance Meeting within the next 30 days of this Letter of Intent as required by the Maine Certificate of Need Act of 2002, 22 M.R.S.A. § 337; and the Maine Certificate of Need Procedures Manual for Health Care Facilities (other than Nursing Facilities) Chapter 2, Subsection 2 (2). The purposes of the Technical Assistance Meeting with the Department staff are to assist the Department in understanding the application and to receive technical assistance concerning the nature, extent and format of the documentary evidence, statistical data and financial data required for the Department to evaluate the proposal.

MaineHealth[®], Portland, Maine, is a non-profit § 501(c)(3) health care corporation, with the purpose of developing a community care network that provides a broad range of integrated health care services in Maine through member organizations, including hospitals and other health care provide organizations.

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Webber Hospital Association is a non-profit § 501(c)(3) health care corporation doing business as Southern Maine Medical Center, a 150-bed community hospital in Biddeford, Maine, providing a critically necessary continuum of high quality inpatient and outpatient health care services for the residents of York county.

MaineHealth[®] proposes to amend Webber Hospital Association's Articles of Incorporation and Bylaws so that MaineHealth[®] shall become its sole member thereby making Webber Hospital Association a subsidiary corporation of MaineHealth[®] (Membership). The transfer of ownership involves no new capital expenditure requiring a Certificate of Need as described in 22 M.R.S.A. § 329 (3).

MaineHealth[®] believes that this project is subject to review as described in the Maine Certificate of Need Act of 2002, 22 M.R.S.A. § 329; and the Maine Certificate of Need Procedures Manual for Health Care Facilities (other than Nursing Facilities) Chapter 4, Subsection 1-B (1) regarding transfer of ownership or acquisition of control of a health care facility.

MaineHealth[®] believes that this project is subject to the simplified review and approval process as described in the Maine Certificate of Need Act of 2002, 22 M.R.S.A. § 336; and the Maine Certificate of Need Procedures Manual for Health Care Facilities (other than Nursing Facilities) Chapter 7, Subsections 9-A and 9-C. Projects subject to the simplified review and approval process are not subject to established review cycles and need not be funded within the Capital Investment Fund.

This project primarily involves the maintenance of a health facility. The project (1) will result in no or a minimal additional expense to the public or to the health care facility's clients; (2) will be in compliance with other applicable State and local laws and regulations; and (3) will significantly improve or, in the alternative, not significantly adversely affect the health and welfare of any person currently being served by the health care facility.

This project involves the acquisition of control by MaineHealth[®] of Webber Hospital Association d/b/a Southern Maine Medical Center. The acquisition consists of a management agreement or similar arrangement and primarily involves the day-to-day operation of the facility in its current form. Therefore, the project is economically feasible in light of its impact on (1) the operating budget of the facility and the applicant; and (2) the applicant's ability to operate the facility without increases in the facility's rates beyond those that would otherwise occur absent the acquisition.

MaineHealth[®] has also submitted a letter of intent to the Department in anticipation of filing an application for a Certificate of Public Advantage for the proposed acquisition of control by MaineHealth[®] of Webber Hospital Association d/b/a Southern Maine Medical

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Center as a subsidiary corporation (Membership). The issuance of a Certificate of Public Advantage is governed by the Hospital and Health Care Provider Cooperation Act, 22 M.R.S.A. Chapter 405-A, which prescribes a review process for evaluation of the transaction under detailed statutory standards.

Please feel free to contact me if you have any questions; I may be reached by telephone at 207-662-2451 or by email at linehr@mmc.org.

Sincerely,



Richard M. Linehan

Director of Planning

c.c.: Brenda Harvey, Commissioner, Department of Health and Human Services

Trish Riley, Director, Governor's Office of Health Policy and Finance

Catherine Cobb, Director, Division of Licensing and Regulatory Services,
Department of Health and Human Services

Christina Moylan, Attorney General, Office of the Attorney General

Janine Raquet, Assistant Attorney General, Office of the Attorney General