



FIRST ATLANTIC HEALTHCARE

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Division of Licensing and
Regulatory Services

Ms. Phyllis Powel
CON Unit, Licensing Regulatory Services
Department of Human Services
State House Station 11
221 State Street
Augusta, Maine 043330-0011

Subject: Letter of Intent

Re: Purchase of Bed Rights Charles A. Dean Memorial Hospital and Nursing Home
("CA Dean")

Date: Wednesday, January 26, 2011

Dear Ms. Powel, *Phyllis*

We are sending this **Letter Of Intent** (LOI) as required by Section 71.05 of the Bureau of Elder and Adult Services Policy Manual, titled, CERTIFICATE OF NEED FOR NURSING FACILITY LEVEL OF CARE PROJECTS. Pursuant to this section we are providing the following information and seek a determination whether or not this particular project is subject to CON review by your office.

Brief Description:

Ross Manor a 159 bed health care campus located in Bangor Maine, intends to seek certificate of need (CON) approval under the simplified process or waiver of CON to relocate as many of up to 20 of the 24 NF beds from CA Dean Hospital, county of Piscataquis to Ross Manor located in Bangor Maine, county of Penobscot subject to need determinations and the Mainecare revenues associated with the acquired bed rights and sufficient to cover the additional requested MaineCare costs associated with the bed relocation in accordance with Mainecare budget neutrality policy.

Ross Manor has the capacity to add these beds without any new construction. As such we ask the Department to consider the expedited review standards which only require that the applicant demonstrate neutrality with respect to historic costs. Ross's Mainecare daily rate will not increase as a result of adding the beds. According to Muskie Institute data,

adding up to 20 NF beds at Ross Manor will result in meeting approximately 45% of the estimated unmet need for NF beds in the Bangor area by 2015.

Ross Manor has agreed to pay CA Dean a value for the resources according to a certain letter of intent, on file with the Department, dated September 24, 2010 and subject to the terms and conditions outlined in an agreement between the parties (attached). Further, Ross Manor acknowledges that the price paid for the bed rights is not includable in future MaineCare rates.

It is also expected that the amount of resources needed for neutrality associated with this project will be less than the amount available. Accordingly, a letter of intent will be filed with the Department to include the balance of the resources in a replacement facility project in Ellsworth, Maine or for a new facility in Bucksport, Maine or for both. We further understand that no more than 24 beds may result from the use of these resources.

We waive the in-person technical assistance meeting as we have been in contact with Mr. Larry Carbonneau of the CON Unit who has provided valuable instructional guidance for filing this letter of intent and for completion of the CON application using the Department's most current uniform application template.

Sincerely,



Kenneth Bowden, CEO
First Atlantic Healthcare

Cc: Ronald Coffin, President, Craig Coffin, COO and Wanda Pelkey, CFO
Ed Oliver, Vice-President EMHS, Genno Murray, CEO CA Dean
Larry Carbonneau CON Unit, Jack McMillan Elder Services