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Division of Licensing and
Regulatory Services *MC*

June 20, 2012

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

RE: Central Maine Healthcare/ Parkview Adventist Medical
Center
Central Maine Healthcare Acquisition of Control of
Parkview Adventist Medical Center
Letter of Intent

Dear Ms. Powell:

Central Maine Healthcare ("CMHC") and Parkview Adventist Medical Center are requesting a ruling from the Department regarding the applicability of the Certificate of Need Program to Central Maine Healthcare's proposed acquisition of control of Parkview Adventist Medical Center. Currently, Parkview's governing documents provide for 9 individual Members with certain defined authority, including election of the Board of Directors. The proposed transaction would substitute CMHC as the sole Member, in place of the 9 individuals. This will be accomplished through amendments to Parkview's articles of incorporation and bylaws. No other substantive changes are involved.

There is no additional capital or operating costs anticipated as a result of this transaction. No changes in services, increase in beds, or new equipment are proposed.

If the Department determines that this acquisition is subject to Certificate of Need review and approval, Central Maine Healthcare and Parkview Adventist Medical Center respectfully request that the Department deem the project to be qualified for the simplified review and approval process as described in the Maine Certificate of Need Act of 2002, 22 M.R.S.A. § 336.

Central Maine Healthcare is a non-profit § 501(c) (3) health care corporation headquartered in Lewiston, Maine. Central Maine Healthcare is the parent entity for various Maine-based hospitals and health care provider organizations. The Department approved Central Maine Healthcare's acquisition of control of Bridgton Hospital and Rumford Hospital in 1999.

Parkview Adventist Medical Center (hereafter referred to as Parkview) is a non-profit § 501(c) (3) health care corporation located in Brunswick, Maine which provides high quality inpatient and outpatient health care services for the patients who primarily reside in Sagadahoc and eastern Cumberland counties.

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As a result of the transaction for which Central Maine Healthcare is seeking a certificate of need, Parkview will become a member of the Central Maine Healthcare system. In this respect, the transaction constitutes an “acquisition of control” within the meaning of 22 M.R.S.A. § 329 (1). Parkview will be maintained as a healthcare organization in its current form. Responsibility for the day-to-day operational control of Parkview will reside with the Parkview, subject to ultimate oversight by Central Maine Healthcare. All property of Parkview pre-closing will remain the property of Parkview post-closing. Parkview will retain its tax-exempt charitable status. Endowment funds of Parkview, including funds held in trust or otherwise for the benefit of Parkview or its subsidiaries will remain assets of Parkview. There is no capital expenditure requiring a Certificate of Need as described in 22 M.R.S.A. § 329 (3) involved in this transaction. There are no incremental third year operating costs associated with this transaction.

Qualification for Simplified Review

The applicants believe that this transaction qualifies for simplified review since it primarily involves the maintenance of a health facility as defined in 22 M.R.S.A. § 336 (1) and acquisition of control as defined in 22 M.R.S.A. § 336 (3).

Maintenance Project

The proposed transaction addresses the requirements (in italicized text) to qualify for simplified review as a maintenance project in the following manner:

- (A) *Will result in no or a minimal additional expense to the public or to the health care facility's clients.*

Central Maine Healthcare and Parkview anticipate that Parkview's becoming a member of Central Maine Healthcare will result in no additional expense to the public or to Parkview's clients.

- (B) *Will be in compliance with other applicable State and local laws and regulations.*

Parkview currently operates in compliance with applicable State and local laws and regulations; this transaction will not change that compliance.

- (C) *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.*

Central Maine Healthcare and its member organizations consistently have demonstrated their commitment to quality improvement. Parkview will be held to the same expectations as other Central Maine Healthcare members. As a member of Central Maine Healthcare, Parkview will participate in the development and implementation of Central Maine Healthcare – initiated and sponsored health status improvement, clinical integration, and quality improvement initiatives.

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Acquisition of Control

The proposed transaction addresses the requirements (in italicized text) to qualify for simplified review as an acquisition of control project in the following manner:

(A) *Consists of a management agreement or similar arrangement; and*

Parkview's membership in Central Maine Healthcare is similar to the arrangements that are the basis for other local health systems becoming members of the Portland based MaineHealth system and two hospitals that joined Central Maine Healthcare in 1999 that have been reviewed and approved by the Department.

(B) *Primarily involves the day-to-day operation of the facility in its current form*

The transaction requires no change in the day-to-day operation of Parkview.

(C) *Is economically feasible in light of its impact on:*

(1) The operating budget of the facility and the applicant; and

The transaction results in no net increase in the operating budgets of Parkview or the applicant.

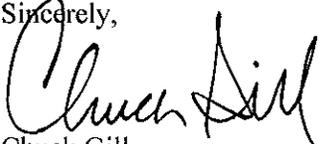
(2) The applicant's ability to operate the facility without increases in the facility's rates beyond those that would otherwise occur absent the acquisition.

The transaction results in no net increase in Parkview's rates beyond those that would otherwise occur absent the transaction.

We anticipate that an application will be filed on or after July 13, 2012. Pursuant to Chapter 6, sections 1(B)(5) and 2(2)(a) of the CON rules, the applicant waives the technical assistance meeting.

Please feel free to contact me if you have any questions; I may be reached by telephone at 207-795-2711 or by email at gillch@cmhc.org

Sincerely,



Chuck Gill
Vice-President for Public Affairs

Cc: Larry Carbonneau