

Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

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August 10, 2012

Mr. William L. Caron, Jr., President and CEO  
MaineHealth  
110 Free Street  
Portland, ME 04101-3908

Ms. Patricia Aprile, President and CEO  
H.D. Goodall Hospital (HDGH)  
25 June Street  
Sanford, ME 04073

RE: H. D. Goodall Hospital Inc. (HDGH) becoming a subsidiary of MaineHealth

Dear Mr. Caron and Ms. Aprile:

This letter will serve as notification that, on this date, I have decided to **grant with conditions** a Certificate of Need (CON) that authorizes H.D. Goodall Hospital Inc. to become a subsidiary of MaineHealth.

This CON will allow HDGH to amend its articles of incorporation and bylaws so that MaineHealth shall become its sole member, thereby making HDGH a subsidiary corporation of MaineHealth (membership).

My approval is conditioned on the following being implemented:

1. Within 45 days of CON approval, MaineHealth and H.D. Goodall Hospital shall notify the Department, regarding their intentions to make a filing with the Department of Justice and Federal Trade Commission under the Hart-Scott-Rodino Act.
2. If MaineHealth and H.D. Goodall Hospital make such a filing under the Hart-Scott Rodino Act, they shall provide to the Department any letter from the Department of Justice or Federal Trade Commission acknowledging the filing of the Notice and Report.
3. If MaineHealth and HDGH makes a filing under the Hart-Scott-Rodino Act, MaineHealth and HDGH shall notify the Department if the Department of Justice or Federal Trade Commission has granted a request for early termination of the 30-day waiting period requirement; or if the Department of Justice or Federal Trade Commission has made a formal request for additional information that would extend the 30 day waiting period.

4. If MaineHealth and HDGH have made a filing under the Hart-Scott-Rodino Act, MaineHealth and HDGH shall notify the Department if the Department of Justice or Federal Trade Commission has allowed the waiting period and any subsequent extension to lapse without taking further action thereby allowing the transaction to occur.
5. If MaineHealth and HDGH have made a filing under the Hart-Scott-Rodino Act, MaineHealth and HDGH shall notify the Department if the Department of Justice or Federal Trade Commission has taken further action to not allow the transaction to occur.
6. Report, for a period of three years from the time of commencement of this proposed acquisition, any planned reduction in existing health services available in the greater Sanford community (western and central York County).
7. Report improvements in quality outcomes attributable to this merger for a period of three years from merger date.
8. Report cost savings attributable to this merger for a period of three years from merger date.

In order for this CON to remain valid, the project must be "commenced" within one year from the date of the original approval noted above. 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 with conditions 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 28, 2012.

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 approval and conditions stated in this letter, as informed and clarified by the Department's analysis and findings as summarized in the following Department staff reports:

1. PRELIMINARY STAFF REPORT: Report from Larry Carbonneau, Senior Health Care Financial Analyst, HealthCare Oversight to Phyllis Powell, Assistant Director, Medical Facilities, Licensing and Regulatory Services, dated July 13, 2012.
2. FINAL REVIEW: Briefing memo to Mary Mayhew, Commissioner, DHHS, dated August 6, 2012.

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

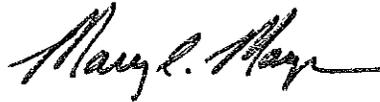
without the prior written approval of the Department. Any such variances may result in either the disallowance of related expenses, financial penalties or the immediate revocation of the CON.

Please work closely with my staff in the CONU to assure this project is implemented in accordance with the provisions of this Certificate and applicable rules and regulations.

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 CONU.

My staff will work with you as necessary.

Sincerely,



Mary C. Mayhew  
Commissioner, DHHS

MCM/klv

cc: Kenneth J. Albert, RN, Esq., Director  
Phyllis Powell, Assitant Director  
Larry Carbonneau, Manager, HealthCare Oversight  
Herb Downs, Audit  
Janine Raquet, AAG  
Rich Linehan, MaineHealth  
Robert S. Frank, MaineHealth  
Dan Forgues, H.D. Goodall Hospital  
James Kilbreth, H.D. Goodall Hospital  
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