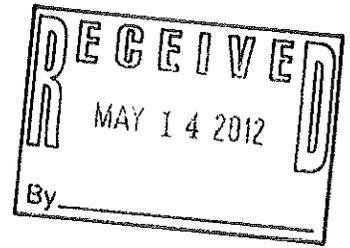




First Atlantic HealthCare



May 9, 2011

Ms. Phyllis Powell, Assistant Director
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: Re-license of 10 reserved beds - Marshall's Healthcare

Dear Ms. Powell,

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:

In accordance with the MaineCare Reimbursement Manual we seek to convert 10 reserved NF beds back to active status. No construction to the facility or capital expenditures will be needed. Therefore, we request expedited review under subsection two of section 335.

Need:

Marshall's Healthcare residential care occupancy has lowered recently and of the 10 RCF beds available only 5 are currently occupied. Of the five individuals living here, three are believed to be NF eligible. Therefore, it is an ideal moment to convert the reserved NF beds back to active status thus adding NF beds to the Washington County region in the most cost effective manner as no capital costs will be incurred to do so and at a time when the future of Atlantic Rehabilitation in Calais is questionable. Attached with this letter of intent is the department's statewide inventory of reserved beds obtained from DHHS and filed as an exhibit during the recent reconsideration hearing for the Ellsworth replacement facility CON.

We welcome the opportunity to discuss this project more fully with you and your staff prior to our submitting an application for CON approval using the Department's most current uniform application template.

Sincerely,

A handwritten signature in black ink, appearing to read "Wanda Pelkey", with a long horizontal flourish extending to the right.

Wanda Pelkey, CFO
First Atlantic Healthcare

Cc: Ronald Coffin, Craig Coffin and Kenneth Bowden
Larry Carbonneau, Analyst