



MID COAST HOSPITAL

June 29, 2012

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Kenneth Albert, RN, Esq., Director
Certificate of Need Unit
Division of Licensing and Regulatory Services, CON
Department of Health and Human Services
State House Station 11
Augusta, Maine 04333

Received
JUN 30 2012
Certificate of Need

Re: Letter of Intent - Mid Coast Hospital's Plan to Consolidate Healthcare Services in the Mid Coast Region

Dear Mr. Albert:

Please consider this as Mid Coast Hospital's Letter of Intent to file a Certificate of Need to consolidate all acute care inpatient and outpatient services at its Cook's Corner campus. We are requesting that this be considered a competing proposal to the CON contemplated in CMHC's Letter of Intent dated June 20, 2012. Mid Coast Hospital provides all of the same healthcare services that CMHC envisions providing through its proposed acquisition of PAMC. Because the CON Statute is not clear about the requirements for a competing proposal, and because there is no precedent that would provide us any guidance in this situation, Mid Coast is requesting the department to consider each of the following and rule on whether they would be reviewed as a competing project to CMHC's.

1) Competing proposal is not required to meet the CON dollar thresholds. Mid Coast would submit that as a competing proposal, there is no requirement to meet the CON dollar thresholds. While the statute is admittedly not clear, we do not believe that any interests are served by an interpretation of the statute that would force the competing proposal to meet the CON dollar thresholds. Consistent with the CON regulations and the very purpose of the CON law, if a competing application can provide the same or similar services, with the same or better outcomes, and do so under the CON dollar thresholds then it would follow that the competing proposal should not be required to meet the CON dollar threshold. In this regard, Mid Coast is requesting that its proposal to consolidate all acute care inpatient and outpatient services at its Cook's Corner campus be considered as a competing proposal to the CON contemplated in CMHC's Letter of Intent dated June 20, 2012. There are no capital costs associated with this project. The incremental operating costs in the community, however, will be reduced by \$21.7 million each year. This proposal seeks to provide the same or similar services that CMHC proposes to provide through its operation of PAMC, which could not provide services and could not exist without CMHC's substantial financial support and operational control. Mid Coast is capable of providing the same services to the community that CMHC seeks to provide through its operation of PAMC. Mid Coast can do so, however, in a manner that will save money and prevent the expensive and ongoing duplication that will result from CMHC's operation of PAMC.

2) Competing Proposal is required to meet the CON dollar thresholds. In the event that the statute is interpreted in such a manner that would require Mid Coast Hospital's competing proposal to meet the CON dollar thresholds, Mid Coast is prepared to make an investment of \$10,000,000 to establish a new

Parkview Health Trust, the income of which would be used to support efforts to improve the health and well being of the mid coast communities through prevention and other population health activities. In this regard, Mid Coast is requesting that its proposal to consolidate all acute care inpatient and outpatient services at its Cook's Corner campus be considered as a competing proposal to the CON contemplated in CMHC's Letter of Intent dated June 20, 2012. The capital costs associated with this proposal are \$10,000,000. The incremental operating costs in the community will be reduced by \$21.7 million each year. To be clear, Mid Coast's plan would include an expenditure under 22 M.R.S.A. § 329(3) and the provision of the same or similar services proposed by CMHC's operation of PAMC as discussed above.

We look forward to working with you and your staff throughout this process. We anticipate submitting our competing CON application on or about July 13, 2012. We would hereby request a technical assistance meeting. If you should have any questions, please do not hesitate to contact Robert McCue at 373-6028.

Sincerely,



Lois Skillings
President and Chief Executive Officer