



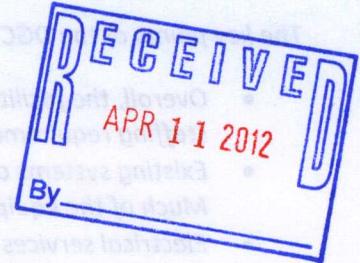
Treats Falls House, Inc.

"Enriching lives! One day at a time."

2 Hillside Road, P. O. Box 457, Orono, ME 04473
Phone (207) 866-3769 ~ Fax (207) 866-4982
www.treatsfallshouse.org

Catherine T. Robertson
Executive Director

April 9th, 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: Letter of Intent – Treats Falls House
Rehabilitation and Expansion of current ICF/MR facility

Dear Ms. Powell,

This correspondence constitutes a Letter of Intent in accordance with Section 71.05(A) of BEAS Policy Manual, Certificate of Need Regulations for Nursing Facility Level of Care Projects.

Request for ruling regarding the applicability of CON to the proposal

We desire to initiate the Certificate of Need ("CON") review process and request a determination regarding the applicability of CON on this proposal.

Brief Description, including location.

Treats Falls House (TFH) is an Intermediate Care Facility for persons with Mental Retardation (ICF/MR) located in Orono, Maine. This project would expand the building from 10,296 to 22,417 square feet, addressing several federal noncompliance issues as well as adding three (3) additional beds and space for day program services.

TFH was designed and constructed in 1979 and is licensed for 17 residents, currently operating at 100% utilization. Previously, we had 15 permanent residents with two beds reserved for short term respite services. However, we were forced, due to bed shortages, to change that model in fiscal year 2010, using the two respite beds for permanent placements. This, unfortunately, has created a shortage of respite beds in our area for higher needs individuals that TFH is uniquely equipped to serve.

The building, now over 30 years old, is in serious need of upgrading and expansion. We engaged the services of Design Group Collaborative (DGC) of Ellsworth Maine to assess our needs and prepare an Existing Conditions report and schematic design that would meet the various facility and programmatic challenges. We met with Peter Alexander, DHHS Team Leader for Region 3B to review these findings and provided his office with a complete packet of information received from DGC. We then received a letter of support from the regional office, recognizing the need for expansion and upgrade.

The key points of the DGC assessment are:

- Overall, the facility size is grossly undersized to accommodate the number of residents and staffing requirements.
- Existing systems and equipment in general for the building have met their life cycle expectations. Much of the equipment is old, out of date, and does not meet current code standards.
- Electrical services in resident rooms are not sufficient for resident equipment.
- The kitchen is grossly undersized for a facility this size.
- Separation of clean/dirty supplies, linens and medical supplies needs to be addressed.
- There is a lack of maneuvering space for adaptive equipment in resident bedrooms.
- The facility has inadequate activity and therapy space.
- The existing med room is too small to store medical/personal hygiene supplies.
- The number of resident and staff toilet facilities is below the minimum amount required for efficient operations.
- Exterior lighting is inadequate to provide security and safety for resident and staff connections to parking areas.
- Various areas are not in compliance with ADA standards, including specific plumbing fixtures, main entrance gate, resident toilet and door swings, resident kitchen in one house, outdoor courtyard, and separate Men's and Women's staff toilet.
- We lack of adequate storage for medical and supply areas, equipment and personal medical equipment.

Estimate of capital expenditures or annual operating cost of the proposed project, and anticipated utilization.

The following cost estimates were provided by DGC as part of their schematic design. Final bid documents will result in fixed bids through a competitive bid process from reputable contractors. We expect the final bids will result in lower costs than these preliminary estimates.

<u>Description</u>	<u>Cost</u>	<u>Depreciation (annual)</u>
Land	\$0	Current location is adequate for expansion
Buildings & Site Improvement (Includes 10% contingency)	\$7,001,142	\$175,029 (40 years straight line)
Soft Costs (fees, furniture, equipment)	\$1,909,402	\$127,294 (Avg 15 years straight line)

Utilization is anticipated to be 97% for 17 beds (permanent residents) and 90% for 3 beds (short term respite).

Anticipated date on which management services will commence, or an obligation for any proposed capital expenditure is to be incurred, nature of obligation and amount;

We anticipate the following timeline, per discussions with DGC:

<i>Establish financing</i>	<i>3 – 6 months from state approval to proceed</i>
<i>Final schematic</i>	<i>3 months following funding commitment</i>
<i>Final planning and bid documents</i>	<i>9 months from final schematic</i>
<i>Bid process</i>	<i>1-2 months</i>
<i>Construction process</i>	<i>12 – 18 months</i>

Anticipated date of submission of an application if one is required

We anticipate submitting an application within 90 days from determination of need. Should a Certificate Of Need not be required, we would begin acquiring financing immediately.

Anticipated date of commencement of the proposed project

We anticipate the actual construction to begin in May 2013.

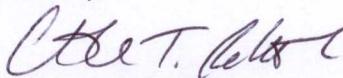
Anticipated date of completion of the proposed project or date on which services will first be offered to the public

Completion of project, based on construction start date of May 2013, is anticipated to be no later than November 2014. TFH will continue supporting 17 permanent residents during the constructions phase. Three additional beds will be available upon final project completion.

Next Steps and Assistance Meeting

We understand that we are required to meet with the department staff within 30 days of filing this letter of intent. We welcome the opportunity to work with you and look forward to meeting with you soon. Please let us know when your staff may be available for a Technical Assistance meeting. In the meantime, please feel free to contact me if you have any questions. My telephone number is 866-3769 and my email is crobertson@treatsfallshouse.org.

Sincerely,



Catherine Robertson
Executive Director

CC: Ricker Hamilton, Director OACPDS
Peter Alexander, Team Leader Region
Norma Fortin, Resource Coordinator
Rich Lawrence, Financial Analyst
Jim Martin, Resource Development Manager