



Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services
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November 25, 2013

Rich Linehan
Director of Planning
MaineHealth
110 Free Street
Portland, ME 04101-3908

RE: Henrietta D. Goodall Hospital, Inc. to become a member of MaineHealth (Subsequent Review)

Dear Mr. Linehan:

This letter will serve as notification that, on this date, I have decided to **grant with conditions** a subsequent review of your Certificate of Need (CON) that was authorized on August 10, 2012 approving Henrietta D. Goodall Hospital becoming a member of MaineHealth. This subsequent review was triggered by your Letter of Intent dated October 31, 2013 regarding the merger of Southern Maine Medical Center and Henrietta D. Goodall hospital into a combined entity to be known as Southern Maine Health Care (SMHC).

My approval is conditioned on the following:

1. SMHC will report on patient volume for both the labor and delivery care and after hours surgery at the Biddeford campus for a period of three years from merger date.
2. SMHC will report cost savings attributable to this merger for a period of three years from merger date.
3. SMHC will report any planned reduction in existing health services available in the greater Sanford and Biddeford communities for a period of three years from merger date.
4. SMHC will report improvements in quality outcomes attributable to this merger for a period of three years from merger date.

In order for this subsequent review to remain valid, the project must be "commenced" within one year from the date of the subsequent review 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 this subsequent review.

I am granting this subsequent review 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 subsequent review are contained in the record.

Please be aware that in accordance with Section 346 of the Maine Certificate of Need Act this approval, 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, are predicated on the application record as described in the Manual, Chapter 8, Subsection 5. Consequently, the proposal must be implemented consistent with the approval stated in this letter, as informed and clarified by the Department's analysis and findings as summarized in the following Department staff report:

1. AMENDED REVIEW: Subsequent Review Briefing Memo to Mary Mayhew, Commissioner, DHHS, dated November 20, 2013.

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 Certificate of Need.

Please work closely with my staff in Health Care Oversight to assure this project is implemented in accordance with the provisions of this Certificate and applicable rules and regulations. As part of this requirement, you are reminded that, prior to any construction, the appropriate licensing and certification and State Fire Marshal officials must approve all working drawings and construction specifications.

The Certificate of Need statute 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 Health Care Oversight.

My staff will work with you as necessary.

Sincerely,



Mary C. Mayhew
Commissioner, DHHS

cc: Kenneth Albert, Director, Div. of Licensing and Regulatory Services, DHHS
Phyllis Powell, Assistant Director, Div. of Licensing and Regulatory Services, DHHS
Larry Carbonneau, Manager, Div. of Licensing and Regulatory Services, DHHS
Herb Downs, Audit, Division of Audit, DHHS
Janine Raquet, AAG
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