



June 7, 2013

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, ME 04333-0011

Re: Letter of intent to increase licensed beds at Madigan Estates by 12-16 beds.

Dear Ms. Powell:

Please accept this correspondence as a letter of intent to file a Certificate of Need application as required by Section 71.05(A) of the Division of Licensing and Regulatory Services, Certificate of Need Regulations for Nursing Facility Level of Care Projects.

Background

Maple Grove Nursing Home, Inc. d/b/a Madigan Estates (MGNH) currently has 86 SNF/NF beds and 47 RCF beds. We also own and operate Madigan Home Health Care, a skilled home care agency and also a 14 unit private pay assisted living facility. Maple Grove has been owned and operated by Brenda Brown for the past 40 years. Her children Jim and Debbie are both licensed multi-level long term care administrators and are both active in the business. The facility serves the Greater Houlton Area.

Brief Description of Project

Houlton Regional Hospital (HRH) has agreed to convey the rights to the revenue stream/beds to MGNH. HRH which is a critical access hospital is currently licensed to operate 28 NF/SNF beds and will convert its acute beds to swing beds. MGNH will increase its licensed capacity by 12 – 16 beds. The hospital will no longer utilize the revenue stream associated with the beds. HRH will decrease its license by the 28 beds.

MGNH will construct an addition onto its existing facility to accommodate the new beds. The estimated capital cost will be between \$500,000 and \$1,000,000 for renovations, building cost and furnishings.

The project will require financing. We will also be requesting that the department validate the revenue stream that HRH will be conveying to MGNH. This request will be provided under separate

MGNH Letter of Intent

correspondence. This project will be MaineCare budget neutral with the transfer of the revenue stream from HRH.

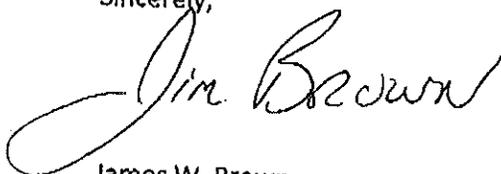
Timing

We anticipate filing a CON application as soon as possible with the expectation to begin construction in the 4th quarter of 2013 and begin admitting patients in the 3rd quarter of 2014.

Pursuant to Section 71.05(A) of the Division of Licensing and Regulatory Services, Certificate of Need Regulations for Nursing Facility Level of Care Projects, we request verification that this project is subject to review.

Please feel free to contact me at 538-6502 to further discuss the proposal and I also request that the department would schedule a technical assistance meeting to provide additional guidance and clarification from the department regarding the Certificate of Need Application.

Sincerely,



James W. Brown
Chief Financial Officer