



Department of Health
and Human Services
*Maïne Department
de la Saïnté et du Bien-être*

Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services
Commissioner's Office
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June 10, 2013

Mr. Marvin Ostreicher
VK Health Facilities, LLC
C/O National Health Care Associates, Inc.
46 Stauderman Avenue
Lynbrook, NY 11563

RE: Transfer of Operational Control of Seven Kindred Nursing Facilities to VK Health Facilities, LLC.

Dear Mr. Ostreicher:

This letter will serve as notification that, on this date, I have decided to **grant** a Certificate of Need (CON) that authorizes the transfer of operational control of seven Kindred nursing facilities to VK Health Facilities, LLC. The total approved capital expenditures associated with this project are \$4,999,674. Any costs exceeding \$4,999,674 will require a subsequent review.

In order for this CON to remain valid, the project must be "commenced" within one year from the date of the original 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 the CON, unless an extension is obtained, as cited above.

I am granting this CON 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 CON are contained in an application found to be subject to review in accordance with the provisions of the Maine Certificate of Need Act, and was certified complete by the applicant on March 15, 2013.

Please be aware that in accordance with Section 346 of the Maine Certificate of Need Act this Certificate, 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 have been 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 reports:

1. PRELIMINARY STAFF REPORT: Report dated April 16, 2013.
2. FINAL REVIEW: Briefing memo to Mary C. Mayhew, Commissioner, DHHS, dated June 4, 2013.

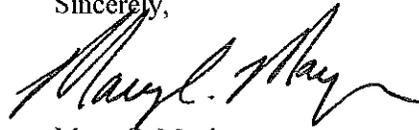
No significant changes to the project, no variations from the projected operating costs, no modifications of the terms of financing the project, and no increase in the capital expenditures to be made are permitted without the prior written approval of the Department. Any such variances may result in either the disallowance of related expenses, financial penalties or the immediate revocation of the CON.

Please work closely with my staff in the CONU 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 construction, the appropriate licensing and certification and State Fire Marshal officials must approve all working drawings and construction specifications.

The law 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 the CONU.

My staff will work with you as necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary C. Mayhew".

Mary C. Mayhew
Commissioner, DHHS

cc: Phyllis Powell, Assistant Director, DLRS
Herb Downs, Audit
Janine Raquet, AAG
File