



Department of Health
and Human Services

Maine People Living
Safe, Healthy and Productive Lives

Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services
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September 25, 2014

Ms. Susan McDonough
Vice President, Strategy & System Development
Covenant Health Systems
100 Ames Pond Drive, Suite 102
Tewksbury, MA 01876

RE: Letter of Non-Applicability: LOI- Bangor Nursing & Rehabilitation Center- Management Agreement

Dear Ms. McDonough:

This correspondence responds to your letter dated September 9, 2014 in which Covenant Health Systems requests review of the 2013 management agreement with Bangor Nursing & Rehabilitation Center (NF). The capital cost for this project is estimated to be \$0.

Based on the information you provided, the Department of Health and Human Services has determined that the proposal as written is not subject to review. The applicable reason(s) this is not a covered project are indicated below:

- This project is not a transfer of ownership or acquisition of control of a health care facility.
- This project is not an acquisition of major medical equipment where the expenditure exceeds \$3,379,550.
- This project is not a new health service where neither:
 - Capital expenditures do not exceed \$3,168,328 nor,
 - Third year annual expenditures do not exceed \$1,056,109.
- This project is not a new health care facility where:
 - Capital expenditures do not exceed \$5,280,547 for a nursing facility or
 - Capital expenditures do exceed \$3,168,328 for other covered facilities.
- The total capital costs associated with the project does exceed:
 - \$5,280,547 for nursing facilities.
 - \$10,561,095 for hospitals or other covered facilities.
- The project is not an increase in a licensed bed category or in the case of hospitals greater than a 10% increase.

At any time, that you find that any applicable threshold for this project is going to exceed thereby requiring a review; you will need to apply for a subsequent review of the proposed project.

Sincerely,

Larry Carbonneau, CPA
Senior Health Care Financial Analyst

cc: File