



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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August 27, 2014

Richard M. Linehan, Director of Planning
MaineHealth
110 Free Street
Portland, ME 04101-3908

RE: Acquisition and Control of Franklin Community Health Network

Dear Mr. Linehan:

This letter will serve as notification that, on this date, I have decided to **grant with conditions** a Certificate of Need (CON) that authorizes MaineHealth to acquire control of Franklin Community Health Network.

My approval is conditioned on the following:

Condition: The applicant is to report improvements in quality and outcome measures related to the community services instituted to reduce chronic disease, obesity, colorectal cancer, dental care, domestic violence, fatal motor vehicle deaths, suicide and substance abuse. This report will be required on an annual basis within 90 days of its fiscal year end beginning with the time period when the CON was approved until a full 3 years have elapsed since the date of the project commencement.

Condition: MaineHealth will notify DHHS whether it intends to make a Notice and Report filing with the FTC under the HSR Act.

If MaineHealth makes a Notice and Report HSR filing, MaineHealth will:

- * Provide to DHHS any letter from the FTC acknowledging the filing of the Notice and report.
- * Notify DHHS if the FTC or DOJ has granted a request for early termination of 30-day waiting period requirement; or if the FTC or DOJ has made a formal request for additional information that would extend the 30-day waiting period.
- * Notify DHHS if the FTC or DOJ has allowed the waiting period and any subsequent extension to lapse without taking further action, thereby allowing the transaction to occur.

Condition: The applicant is to report referral patterns in the FCHN service area. The report will include the patients' diagnosis, permanent residence and hospital where the patients receive services. This report will be required on an annual basis within 90 days of its fiscal year end beginning with the time when the CON was approved until a full 3 years have elapsed since the date of the project commencement.

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 Departments regulations. The specific details of the project for which I have granted this CON are contained in the record.

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, 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 reports:

FINAL REVIEW: Briefing memo to Mary C. Mayhew, Commissioner, DHHS, dated August 1, 2014.

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.

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

MCM/klv

cc: Kenneth Albert, R.N., Esq. Director, DLRS
Sarah Taylor, Assistant Director, DLRS
Larry Carbonneau, Manager Health Care Oversight, DLRS
Herb Downs, Director, Audit
Colin Lindley, Rate Setting
Janine Raquet, AAG