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May 6, 2014

Phyllis Powell, Assistant Director
of Medical Facilities
Division of Licensing & Regulatory Services
Department of Health & Human Services
11 State House Station
41 Anthony Avenue
Augusta, ME 04333-0011

RE: **Eyecare Medical Group, P.A. - Expansion of ASU**

Dear Phyllis:

This letter follows up on my recent discussions with Larry Carbonneau of your office. This office represents Eyecare Medical Group ("EMG"), a Maine Professional Association. Since late 2012, I have been informing your office through Mr. Carbonneau of plans by EMG to renovate and expand its existing ambulatory surgical unit ("ASU") in order to increase the capacity from two operating rooms to four, while also renovating the administrative and clinical space for its medical practice.

On behalf of EMG, this letter serves as a Letter of Intent pursuant to 22 M.R.S.A. §337(1) and Chapter 6 of the Maine Certificate of Need Manual, as well as a request for a determination from your office that the proposed renovations of the ASU at EMG will not trigger CON review.

At the outset, it bears emphasis, that there are no changes planned for the health services to be offered in the ASU. It will continue to accommodate the same ophthalmological procedures as were performed there previously. It will simply offer these same procedures in four operating rooms rather than two. In short, there is no "new health service" involved with this expansion. Since there is no new health service, according to 22 M.R.S.A. §329(3) a Certificate of Need would be required for "the obligation by or on behalf of a new or existing health care facility of any capital expenditure of \$10,000,000 or more."

EMG currently manages a two operating room ASU in Portland. EMG is now expanding its ASU at the same time it is renovating clinical and administrative space for the medical practice. When I first informed your office of this project well over a year ago, at that time in light of the estimates for the capital expenditures for the expansion of the ASU it had been my understanding that because the project was far below the thresholds triggering CON review, a

Phyllis Powell, Assistant Director of Medical Facilities

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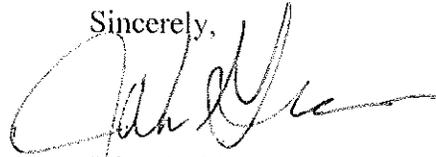
Letter of Intent was optional. The ASU project is now underway, and in fact the budget confirms that the expenditures are far below any applicable CON thresholds. At this point, however, I would like to obtain written confirmation, to be shared with the Division of Licensing, that the project does not require CON review.

The portion of this project devoted to the expansion of the ASU from two operating rooms to four and the related work (development of six pre and post-operative stations and an expanded ASU waiting room) comes to approximately \$2,150,000 in construction costs and an additional \$400,000 in new equipment. The remainder of the construction project is for a new exam room and further expansion in the clinical space for the medical practice on the second floor as well as an elevator shaft and stairwell space and office and storage space, all of which are unrelated to the ASU "facility." The total project cost, including such renovation work within the medical practice as well as the ASU expansion, is projected to be \$3.4 million. Again, of that total, \$2.5 million is the estimate for the renovation work of the ASU, related space and equipment purchases. I am enclosing a spreadsheet describing in greater detail the projected cost of the expansion project.

In light of the above, EMG respectfully requests a determination from your office as to whether the proposed expansion of the ASU from two operating rooms to four is subject to a Certificate of Need review.

Thank you for your attention to this matter.

Sincerely,



John D. Gleason

JDG/ml

Eyecare Medical Group
 Building Project 2013-2014
 ASC Construction Costs
 April 24, 2014

	<u>Total</u>	<u>ASC</u>	<u>Non-ASC</u>
Construction contract with M.R. Brewer for renovation and new construction for ASC and non-ASC space.	2,820,601	2,153,801	666,800
Square footage	5,350	3,470	1,880
Percentage		65%	35%
Average cost per square foot - estimated	\$ 527.22	\$ 620.69	\$ 354.68
ASC Equipment (Approximate)		400,000	
Total ASC costs		<u><u>2,553,801</u></u>	