

# MaineHealth

June 27, 2014

Mary Mayhew, Commissioner  
Department of Health and Human Services  
State House Station # 11  
Augusta, Maine 04333-0011

RE: Lincoln County Health Care  
Reorganization of Lincoln County Health Care  
Certificate of Need Application  
Request for Reconsideration

Dear Commissioner Mayhew:

Lincoln County Health Care and MaineHealth thank you for granting a Certificate of Need with conditions that authorizes the reorganization of Lincoln County Health Care.

Please note that LincolnHealth does not acquire control of Cove's Edge; Lincoln County Health Care continues to maintain control of Cove's Edge.

Lincoln County Health Care and MaineHealth agree to comply with two of the conditions related to the Certificate of Need - requiring LincolnHealth to report on the status of its final Critical Access approval and requiring LincolnHealth to report improvements in quality and outcome measures related to certain community services.

Lincoln County Health Care and MaineHealth are requesting reconsideration of the third condition - requiring LincolnHealth to provide a 24-hour urgent care service in the Boothbay community. Operating the Boothbay urgent care service 24-hours daily and sustaining the associated financial losses are inconsistent with Lincoln County Health Care's community health care vision.

Lincoln County Health Care has a well-developed vision for delivering clinically appropriate, high quality, affordable and financially sustainable health care to residents and visitors of Lincoln County. The Board of Trustees of Lincoln County Health Care are passing along significant cost savings to the community and are investing substantial capital and operating funding in the Boothbay community to realize this vision including:

- Improving the affordability of local health care by implementing \$7,200,000 in price reductions over a twelve month period beginning in October, 2013,
- Improving local primary care by investing \$895,000 in Lincoln Medical Partners' patient centered medical home model over a three year period,
- Expanding the Wound Care Program on the St. Andrews campus and
- Renovating the Wellness and Rehabilitation Services facilities on the St. Andrews campus at a capital cost of \$433,000.

Lincoln County Health Care and MaineHealth also are addressing the public's most pressing concern – improved access to Skilled Nursing level of care.

Throughout the public hearing process and the public comment period, the public was most concerned about access to "Rehabilitation Beds" (Skilled Nursing Beds). In February of 2014, Lincoln County Health Care increased the Gregory Wing's dually licensed skilled nursing capacity from six to thirty beds. In April of 2014, Lincoln County Health Care filed a Letter of Intent with the Department to further expand its Skilled Nursing capacity by an additional twelve beds.

Lincoln County Health Care and MaineHealth propose providing the Department with significant, relevant information not previously considered by the Department regarding the Boothbay urgent care service including:

- Urgent care demand, pro forma net revenue, expenses and contribution margin by time of day based on St Andrews Hospital Emergency Department actual 2013 experience.
- Anticipated consequences and potential implications of incurring the losses associated with operating the urgent care service 24-hours per day including:
  - Reversing, in whole or in part, the \$7.2 million in price reductions that LincolnHealth initiated in October 2013,
  - Hampering Lincoln County Health Care's ability to invest in other services including skilled nursing care in the Boothbay community and
  - Damaging LincolnHealth's financial condition by adversely affecting its operating margin and draining its Board designated funds.

Lincoln County Health Care and MaineHealth are requesting reconsideration of this condition in order to have an opportunity to address the issues and concerns expressed by the Department, to offer additional new, relevant information to the Department and to discuss alternatives to the condition as it is currently written.

There was no mention of an issue or concern regarding the hours of operation of the urgent care center in the pre-release technical assistance meeting. The condition did not appear in the preliminary analysis. As a result, Lincoln County Health Care and MaineHealth have had no opportunity to address the issues and concerns expressed by the Department, to offer additional information to the Department and to discuss alternatives to the condition as it is currently written.

At this point in the process, a reconsideration hearing provides the applicants with the opportunity to address the issues and concerns expressed by the Department, to offer additional information to the Department and to discuss alternatives related to the condition that would require LincolnHealth to provide a 24-hour urgent care service in the Boothbay community.

Lincoln County Health Care and MaineHealth are urging the Department to grant this request and schedule the public hearing in a timely manner.

While making this request for reconsideration, Lincoln County Health Care and MaineHealth are preserving for future review, if necessary, and therefore not waiving any argument that Certificate of Need review and approval are not required for the 2008 and

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2013 transactions or that the Department does not have authority under the CON statute to regulate termination of hospital services. These arguments are legal in nature, not factual. Therefore, Lincoln County Health Care and MaineHealth are not requesting a hearing on these points.

We look forward to your favorable response to our request for reconsideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rich Linehan', written in a cursive style.

Rich Linehan  
Director of Planning  
MaineHealth

c.c.: Kenneth Albert, RN, Esq., Director, Division of Licensing and Regulatory Services

Larry Carbonneau, Manager, Health Care Oversight, Division of Licensing and Regulatory Services

Janine Raquet, Assistant Attorney General, Maine Office of Attorney General