



## First Atlantic HealthCare

March 19, 2014

Larry D. Carbonneau, CPA  
Senior Health Care Financial Analyst  
Certificate of Need Unit - Planning, Operations and Quality  
Div. of Licensing & Regulatory Services  
DHHS - SHS #11  
41 Anthony Avenue  
Augusta, ME 04333-0011

Subject: CON - Letter of Intent  
Seaside Healthcare, LLC – Portland, Maine

Dear Mr. Carbonneau:

This correspondence constitutes a Letter of Intent in accordance with Section 71.05(A) of the Bureau of Elder and Adult Services Policy Manual, Certificate of Need for Nursing Facility Level of Care Projects.

On behalf of Seaside Healthcare, LLC, a First Atlantic Healthcare facility, we seek to initiate the Certificate of Need (CON) review process to the extent it applies and request your guidance on the best way to proceed for a review (expedited or simplified, if applicable) and CON approval of an additional 13 SNF beds.

### **Background:**

Seaside Healthcare, located on Baxter Boulevard in Portland, Maine, is a multi-level long term care facility offering SNF/NF and residential care services to the elderly of the greater Portland area. Seaside has been in operation since the 1970's and has been part of the First Atlantic Healthcare group since 1997. Currently the facility is dually licensed for Medicare and MaineCare beneficiaries in its 124 nursing facility beds and operates another 30 RCF Private Non-Medical Institution beds. Today the facility averages approximately 145 residents in its 154 beds for an occupancy of 94%.

### **Proposed Change:**

This proposed change would add 13 additional SNF/NF beds, increasing its current nursing facility capacity by 10% to a total of 137. The 30 RCF PNMI beds would remain as they are today. Seaside manages a brisk short term rehab business with an excess of 45 admissions and discharges on a monthly basis. The additional beds will allow Seaside flexibility to accommodate a census that regularly fluctuates by 5 patients throughout the week due to the admission cycles of its short-term patient population.

We propose to accomplish this increased in licensed beds by converting private rooms to semi-private rooms. As no new construction is required, this licensure expansion can occur at minimal cost. Additionally we believe the rooms are adequately sized in accordance with Regulations Governing the Licensing and Functioning of Nursing Facilities to accommodate semi-private spaces.

**Capital Costs and MaineCare Neutrality:**

Because no new construction or renovations are required to add these 13 new beds, the expected capital expenditure is limited to resident room furniture at a cost of approximately \$5,000 per bed or \$65,000. While the cost of capital is minimal and far below CON capital thresholds, there will be operating cost increases associated with the new beds, requiring MaineCare resources to meet the constraints of neutrality. We propose to use some of the remaining unallocated resources from the Collier's Replacement Facility project to satisfy this requirement. According to the most recent DHHS correspondence related to Collier's unallocated resources, there is \$1,888,795 available.

**Next Steps:**

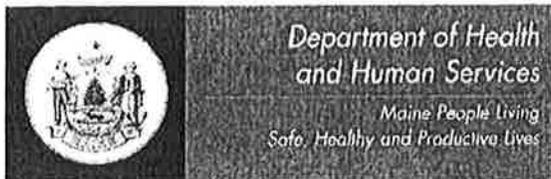
We look forward to working with you on this project and request a technical assistance meeting to more fully discuss our proposal and for your guidance through the CON application process. Please contact me if you need further assistance and to schedule the technical assistance meeting. My direct line is 619-7911 and email is [WandaP@FirstAtlantic.com](mailto:WandaP@FirstAtlantic.com).

Sincerely,



Wanda Pelkey, CPA  
Chief Financial Officer  
First Atlantic Healthcare

Encl



Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

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October 29, 2012

Ken Bowden  
First Atlantic Corporation  
222 Saint John Street #207  
Portland, ME 04102-3063

Re: RCF Facility in Connection with Collier's Replacement Facility

Dear Mr. Bowden,

This letter serves as notification that the department has completed its review of the plans for a residential care facility to be built as part of the CON approved Collier's replacement facility. As part of the principles of reimbursement for residential care facilities – room and board costs 10-144 Chapter 115 20.5, all proposed new construction or renovations involving capital expenditures, in the aggregate of thirty-five thousand dollars (35,000) or more in one fiscal year must obtain department approval in order to be considered reimbursable. The proposed development budget for the facility was approved as part of the CON application. Your application requests that we approve **30** of the **30 beds** available at this facility as **MaineCare eligible beds**. This project is **approved** based on the application and the approved CON.

Your proposal meets the MaineCare neutrality requirements for this project as we have identified a use of MaineCare revenues of \$1,227,599. You have identified resources of \$7,390,951. This approval will increase the committed resources to a total of \$5,502,156 for the Collier's replacement project. Subsequent to the commencement of this project you have a remaining balance unallocated resources of \$1,888,795.

Congratulations on your project. The area residents will be able to avail themselves of a well-designed and implemented plan to provide state-of-the art care when their moment of need arises.

Should you have any questions, please contact my office at 287-9216.

Sincerely,

Larry D. Carbonneau, Manager Health Care Oversight  
Senior Health Care Financial Analyst

cc: Herb Downs, Audit  
File