



**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  
Licensing and Regulatory Services  
41 Anthony Avenue  
11 State House Station  
Augusta, Maine 04333-0011  
Tel.: (207) 287-9300; Fax: (207) 287-9307  
Toll Free (800) 791-4080; TTY Users: Dial 711 (Maine Relay)

August 6, 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- St. Joseph Rehabilitation and Residence- Management Agreement**

Dear Ms. McDonough:

This correspondence responds to yours dated August 5, 2014 in which Covenant HealthCare proposes to enter into a management agreement with St. Joseph Rehabilitation and Residence (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 reasons 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 either:
  - Capital expenditures do not exceed \$3,168,328.
  - Third year annual expenditures do not exceed \$1,506,109.
- This project is not a new health care facility where:
  - Capital expenditures do not exceed \$5,000,000 for a nursing facility or
  - Capital expenditures do exceed \$3,168,328 for other covered facilities.
- The total capital cost associated with the project does not exceed:
  - \$5,280,547 for nursing homes.
  - \$10,561,095 for hospitals or other covered facilities.
- The project is not an increase in the licensed bed category or in the case of a hospital 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