



Department of Health and Human Services

Maine People living Safe, Healthy and Productive Lives

Paul R. LaPage, Governor

Mary C. McWhorter, Commissioner

Department of Health and Human Services
Licensing and Regulatory Services
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November 17, 2015

S. John Watson, CFO
The Cedars
630 Ocean Avenue
Portland, ME 04103

RE: Letter of Applicability: The Cedars – New Construction Project

Dear Mr. Watson:

This correspondence responds to yours dated October 29, 2015 in which, The Cedars proposes to construct a sizable renovation project in Portland, Maine. The capital cost for this project is estimated to be \$16.6 million.

Based on the information you provided, the Department of Health and Human Services has determined that the proposal as written is subject to review. The applicable reason(s) this is a covered project are indicated below (see 22 M.R.S.A. 329 (1-6):

- ☐ This project is a transfer of ownership or acquisition of control of a health care facility.
☐ This project is an acquisition of major medical equipment where the expenditure exceeds \$3,458,163.
☐ This project is a new health service where either:
☐ Capital expenditures exceed \$3,242,028 nor,
☒ Third year annual expenditures exceed \$1,080,676.
☐ This project is a new health care facility where:
☐ Capital expenditures exceed \$5,000,000 for a nursing facility or
☐ Capital expenditures exceed \$3,000,000 for other covered facilities.
☐ The total capital costs associated with the project exceeds:
☒ \$5,403,379 for nursing facilities.
☐ \$10,806,759 for hospitals or other covered facilities.
☐ The project is an increase in a licensed bed category or in the case of hospitals, greater than a 10% increase.

Sincerely,

[Signature]
Larry Carbonneau, CPA, CGEM
Senior Health Care Financial Analyst

cc: File
J. Ciembronewicz