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August 17, 2015

Larry Carbonneau, CPA
Senior Healthcare Financial Analyst
Health Care Oversight
Division of Licensing and Regulatory Services
Department of Health and Human Services
41 Anthony Avenue
State House Station # 11
Augusta, Maine 04333-0011

Re: CVS Health
Establishment of MinuteClinic
Not Subject to Review Determination Request

Dear Mr. Carbonneau:

I am filing this Letter of Intent on behalf of our client, CVS Health. CVS Health hereby requests that the Department issue a non-applicability determination, in accordance with 10-144 CMR, Chapter 503, Section 6(2), with respect to CVS Health's plan to open retail health care clinic practices, known as MinuteClinic, at some of its retail pharmacies in Maine, which will provide a limited scope of primary care services to Maine residents.

Currently, MinuteClinic provides affordable, accessible, high quality primary care services at over 990 locations in 31 states and the District of Columbia and has treated over 25 million patients since it was first implemented in 2000. Conveniently located in CVS pharmacy locations, MinuteClinic is the largest retail clinic chain in the United States, operating over half of all retail primary care clinics in the country. Minute Clinic is fully accredited by The Joint Commission.

Through its employed, Maine licensed, family nurse practitioners and physician assistants, MinuteClinic will provide a limited scope of primary care services, including:



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- Diagnosis and treatment (including prescribing medications when appropriate) for common illnesses such as strep throat and ear, eye, sinus, bladder and bronchial infections;
- Treatment of minor abrasions and skin conditions;
- Common vaccinations such as influenza, tetanus, pneumonia, pertussis and Hepatitis A & B;
- Walk-in camp, sports and college physicals; and
- Wellness services designed to help patients identify lifestyle changes needed to improve their current and future health, including screenings for diabetes, high blood pressure and high cholesterol, and programs for weight loss and smoking cessation.

The estimated capital expenditure for renovations required to establish each MinuteClinic practice within an existing CVS retail pharmacy is less than \$100,000.¹ CVS only intends to open four MinuteClinic locations between now and the end of 2016, so its aggregated costs for all four locations should be well under \$400,000. No new technology or major medical equipment as defined in the CON Act will be acquired for use at any MinuteClinic site.

For the reasons set forth below, CVS Health does not believe that its MinuteClinic projects are subject to CON review and approval. Therefore, it does not anticipate filing CON applications for the projects and hereby waives any technical assistance meeting.

First, the capital expenditures for the projects, even if aggregated rather than treated as separate projects, are well below the current CON capital expenditure threshold and no “major medical equipment,” as that term is defined in 22 M.R.S. § 328(16), will be acquired.

Second, the proposed projects will not offer “new health services” as that term is defined in 22 M.R.S. § 328(17-A)(A-B) because they will not be offered by or on behalf of a “health care facility,” and they do not include the addition of new technology in “the office of a private health care practitioner” meeting the cost threshold set forth in M.R.S. § 328(17-A)(C).²

¹ The construction and millwork cost estimates CVS has obtained for its first two MinuteClinic practice sites are \$95,377 and \$86,701, respectively.

² Neither CVS Health (CVS pharmacies) nor MinuteClinic fall within the definition of “health care facility” as set forth in 22 M.R.S. § 328(8). With respect to Minute Clinic, Section 328(8) specifically excludes “...the office of a private health care practitioner, as defined in Title 24, section 2502, subsection 1-A, whether in individual or group practice.” 24 M.R.S. § 2502(1-A) defines “health care practitioner” to include “... physicians and all others certified, registered or licensed in the healing arts, including, but not limited to, nurses, podiatrists, optometrists, chiropractors, physical therapists, dentists, psychologists, physicians' assistants and veterinarians.” Moreover, in an email determination sent to us on July 30, 2015, Maine’s Division of Licensing and Regulatory Services determined that MinuteClinic practice sites are “group practices” operated by physicians, physician assistants and family nurse practitioners under Maine’s Medical Laboratory Act (“MLA”), 22 M.R.S.A. § 2013(1)(C)(1), and under Maine’s Rules Governing Maine Medical Laboratories and Health Screening Permits, 10-144 C.M.R. Chapter 156, Part One, Section 3.6.3, and are therefore exempt from licensure under such Act and Rules. Accordingly, the capital expenditures associated with the proposed projects are not being made by or behalf of a health care facility.

Larry Carbonneau, CPA

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Accordingly, CVS Health requests that the Department issue a non-applicability determination finding that CVS Health's MinuteClinic projects are not subject to CON review and approval.

Your assistance with this matter is sincerely appreciated. Kindly address any correspondence regarding this project to me on behalf of CVS Health.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe', written over a horizontal line.

Joseph M. Kozak
