



Via Email and U.S. Mail

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EMHS MEMBERS

Acadia Hospital
Affiliated
The Aroostook Medical Center
Beacon Health
Blue Hill Memorial Hospital
Charles A. Dean
Memorial Hospital
Dirigo Pines
Retirement Community
Eastern Maine HomeCare
Eastern Maine Medical Center
EMHS Foundation
Inland Hospital
Mercy Hospital
Rosscare
Sebasticook Valley Health
VNA Home Health Hospice

Matthew Chandler, Assistant Director
Division of Licensing and Regulatory Services
Certificate of Need Unit
Department of Health and Human Services
State House Station #11
Augusta, Maine 04333-0011

February 9, 2015

Re: Maine Coast Memorial Hospital/ Eastern Maine Healthcare Systems
Transfer of Ownership
Letter of Intent/ Reviewability

Dear Mr. Chandler:

Eastern Maine Healthcare Systems ("EMHS") and Maine Coast Healthcare Corporation and its affiliates (collectively "MCHC") expect to execute a Member Substitution Agreement (the "Agreement") this week, setting forth the terms of a proposed affiliation of MCHC with EMHS (the "Transaction"). Completion of the Transaction will be subject to a number of contingencies, including Certificate of Need approval as indicated. Accordingly, we submit this Letter of Intent/Reviewability.

MCHC is a Maine nonprofit, tax-exempt corporation which is the sole corporate member of Maine Coast Regional Health Facilities, doing business as Maine Coast Memorial Hospital ("MCMH"), a 64-bed acute care hospital located in Ellsworth, Maine.

EMHS is a Maine nonprofit, tax-exempt corporation that is the parent of Eastern Maine Medical Center, The Acadia Hospital, The Aroostook Medical Center, Inland Hospital, Sebasticook Valley Health, C.A. Dean Memorial Hospital, Blue Hill Memorial Hospital and Mercy Hospital along with several other affiliated entities that provide a wide range of healthcare clinical and support services. Pursuant to the terms of the Agreement and upon successful completion of due diligence reviews, EMHS will become the sole corporate member of MCHC and thereby acquire control over MCMH.

This affiliation will improve access to services in the region and align Maine Coast with EMHS' population health focused programs. Following completion of the proposed Transaction, MCMH will continue to operate in a manner consistent with its historical mission. MCMH will continue to maintain a local governing Board which will have authority and responsibilities similar to the other integrated member organization hospital boards in the EMHS system.

Hart-Scott-Rodino ("HSR") filing with the Federal Trade Commission is not expected to be required due to the size of the Transaction. Our counsel will be keeping the Maine Attorney General's office informed about the Transaction.

Assuming that the Transaction requires State review, Richard Fournier, EMHS Director of Planning and Market Analysis, will be contacting you shortly to schedule a technical assistance meeting. This meeting will help us better understand how the Certificate of Need ("CON") review process will proceed in the context of the Transaction; the nature, extent and format of the documentary evidence, statistical data and financial data required; relevant timelines; and criteria to be applied.

The parties intend to file a Certificate of Need application for the proposed Transaction as soon as practical following the technical assistance meeting. The parties look forward to a timely review process consistent with the provisions of Public Law, Chapter 648, LD 1909, An Act To Simplify the Certificate of Need Process and Lessen the Regulatory Burden on Providers, which took effect on August 30, 2012.

Please respond regarding the CON review applicability to the Transaction.

We look forward to hearing from you and to working with your staff.

Sincerely,


M. Michelle Hood, President and CEO
Eastern Maine Healthcare Systems


Charles Therrien, President and CEO
Maine Coast Memorial Hospital

cc: Larry Carbonneau, CPA, Sr. Analyst, State Health System Oversight