



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  
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TTY Users: Dial 711 (Maine Relay)

August 21, 2015

Michelle Hood  
President and CEO  
Eastern Maine Healthcare Systems  
43 Whiting Hill Road  
Brewer, ME 04412

**RE: Acquisition of Control of Maine Coast Memorial Hospital**

Dear Ms. Hood:

This letter will serve as notification that, on this date, I have decided to **grant with conditions** a Certificate of Need (CON) that authorizes Eastern Maine Health Systems to acquire control of Maine Coast Memorial Hospital.

My approval is conditioned on the following:

**Condition:** The applicant is to report cost savings attributable to the transaction for three years following the commencement of the CON.

**Condition:** The applicant is to report improvements in quality and outcome measures for three years following the commencement of the CON.

In order for this CON to remain valid, the project must be "commenced" within two years from the date of the original approval, noted above. You must complete implementation reports on your activities as specified for this type of Project (CON Procedures Manual, Chapter 11, Sec. 3). Limited extensions may be available, if requested in a timely manner and for good cause, as explained in the Manual, Chapter 9, Sec. 3. Failure to commence the project within this 24-month period will result in expiration of the CON, unless extended, as cited above.

I am granting this CON because I have determined that the project meets the criteria set forth in the CON Act Sec. 335 (1) and the Department's regulations. The specific details of the project for which I have granted this CON are contained in the record.

Please be aware that, in accordance with Section 346 of the Maine Certificate of Need Act, this Certificate, as modified herein, is valid only for the stated scope, premises and facility named in the above referenced application and is not transferable or assignable.

Furthermore, it should be clearly understood that our analysis and findings regarding the need for the proposed project, as well as its financial and economic feasibility, are predicated on the application record as described in the Manual, Chapter 8, Subsection 5. Consequently, the proposal must be implemented consistent with the approval stated in this letter, as informed and clarified by the Department's analysis and findings as summarized in the following Department staff reports:

FINAL REVIEW: Briefing memo to Mary C. Mayhew, Commissioner, DHHS, dated August 1, 2015.

No significant changes to the project, no variations from the projected operating costs, no modifications of the terms of financing the project, and no increase in the capital expenditures to be made are permitted without the prior written approval of the Department. Any such variances may result in either the disallowance of related expenses, financial penalties or the immediate revocation of the Certificate of Need.

Please work closely with my staff in Health Care Oversight to assure this project is implemented in accordance with the provisions of this Certificate and applicable rules and regulations.

The Certificate of Need statute requires that a holder of a CON make a written report at the end of each six-month period following its issuance. Details regarding this and related requirements will be made the subject of a separate letter from Health Care Oversight.

My staff will work with you as necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary C. Mayhew", with a long horizontal flourish extending to the right.

Mary C. Mayhew  
Commissioner, DHHS

MCM/klv

cc: Phyllis Powell, Director, DLRS  
Sarah Taylor, Assistant Director, DLRS  
Larry Carbonneau, Manager Health Care Oversight, DLRS  
Herb Downs, Director, Audit  
Colin Lindley, Rate Setting  
Jane Gregory, AAG  
File