



AND CARE CENTER

587 North Deer Isle Road • Deer Isle, Maine 04627

May 11, 2015

Larry D. Carbonneau, CPA
Division of Licensing & Regulatory Services – Bureau of Health Care Oversight
Department of Health and Human Services
41 Anthony Avenue
11 State House Station
Augusta ME 04330-0011

RE: Island Nursing Home and Care Center - Letter of Intent to Renovate Facility

Dear Mr. Carbonneau:

As a follow-up to my conversation with Mr. Lawrence, I am requesting a determination that the project discussed below is not subject to Certificate of Need (CON) review or approval. In addition, I am also seeking clarification if this project requires review and approval by your office under Principle 20.5 of the Principles of Reimbursement for Residential Care Facilities.

Island Nursing Home and Care Center (INH) is a freestanding 70-bed not-for-profit nursing and residential care facility located in Deer Isle. INH provides skilled rehabilitative, long-term and residential care services to its residents. We are a dually certified facility providing care to both MaineCare and Medicare beneficiaries.

INH is planning to renovate the nursing and residential care units as well as parts of the administrative wing to include upgrades to our laundry, dietary and activity areas. The projected renovations are intended to modify the layout of the facility to meet the needs and demands of our changing population through improved access to each unit and provide an environment our residents and their families expect when choosing a facility. The renovations will also include upgrades to the physical plant of which 80% is over 30 years old. The project will include adding approximately 13,000 square feet to the facility's footprint to accommodate these changes. We anticipate the project will start in late spring 2016 upon substantial completion of our capital campaign and will be completed by July 1, 2017.

Total project costs are estimated to be approximately \$4.5 million, including capitalized costs, which will benefit both the nursing and residential care units. The project is expected to be financed through a combination of \$2 million in charitable contributions, \$2 million in financing and \$500,000 funded through our reserves. Capital costs are allocated between the nursing and residential care units of the facility based on allowable square footage, therefore a portion of depreciation, interest and other costs associated with the renovations will be allocated to the residential care unit.

Larry D. Carbonneau, CPA
Division of Licensing & Regulatory Services – Bureau of Health Care Oversight
Department of Health and Human Services
May 11, 2015
Page 2

Please provide confirmation that this project is not subject to CON review by your office. Please also provide clarification if approval from your office is required for the portion of the costs that will be allocated to the residential care unit, as the total costs allocated to the unit are anticipated to exceed \$350,000. In addition, if approval by your office is required, please provide me with the data your department needs in order to review the project and issue the approval.

Thank you for your assistance with this matter and if you have any questions or require additional information as you review our request, do not hesitate to contact me at 207-348-2351 or mplourde@islandnursinghome.org.

Sincerely,



Marc Plourde, Administrator

cc: Richard Lawrence