



Department of Health
and Human Services

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Paul R. LePage, Governor

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Department of Health and Human Services
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May 27, 2015

Marc Plourde, Administrator
Island Nursing Home and Care Center
587 North Deer Isle Road
Deer Isle, ME 04330-0011

RE: Letter of Non-Applicability: LOI- Island Nursing Home

Dear Mr. Plourde:

This correspondence responds to yours dated May 11, 2015 in which Island Nursing Home and Care Center proposes to renovate its 38-bed Nursing Home. The facility currently includes 70 beds, 32 of which are residential care beds. This letter does not apply to that portion of the facility and will be a subject for additional correspondence. The capital cost for this project is estimated to be \$4,500,000 of which based on the current allocation procedure in your 6/30/2014 cost report approximately \$2,700,000 is related to nursing services.

Based on the information you provided, the Department of Health and Human Services has determined that the proposal as written is not subject to review. The applicable reason(s) this is not a covered project are indicated below:

- This project is not a transfer of ownership or acquisition of control of a health care facility.
- This project is not an acquisition of major medical equipment where the expenditure exceeds \$3,458,163.
- This project is not a new health service where neither:
 - Capital expenditures do not exceed \$3,242,028 nor,
 - Third year annual expenditures do not exceed \$1,080,676.
- This project is not a new health care facility where:
 - Capital expenditures do exceed \$5,000,000 for a nursing facility or
 - Capital expenditures do exceed \$3,000,000 for other covered facilities.
- The total capital costs associated with the project does not exceed:
 - \$5,403,379 for nursing facilities.
 - \$10,806,759 for hospitals or other covered facilities.
- The project is not an increase in a licensed bed category or in the case of hospitals greater than a 10% increase.

At any time, that you find that any applicable threshold for this project is going to be exceeded; you will need to apply for a subsequent review of the proposed project.

Sincerely,

Larry Carboneau, CPA
Senior Health Care Financial Analyst