



Department of Health
and Human Services

Maine People Living
Safe, Healthy and Productive Lives

Paul R. LePage, Governor

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May 7, 2015

Kim Bernard, CPA
Budget & Reimbursement Manager
First Atlantic Healthcare
100 Waterman Drive
Suite 401
South Portland, ME 04106

RE: Portland Center for Assisted Living NPI # 1669708988-001 and 1477880870-001
Special Reimbursement Provisions for Energy Efficient improvements.

Ms. Bernard,

This correspondence responds to yours dated April 30, 2015 requesting that the department approve a capital expenditure in the amount of \$114,105, for treatment as under special reimbursement provisions for energy efficient improvements for Portland Center for Assisted Living (PCAL).

Your request is being approved.

NPI # 1477880870-001 - \$22,250.48 for a depreciable period of 7 years.
1669708988-001 - \$91,854.13 for a depreciable period of 7 years.

Principle 20.21(e)(1) provides for a minimum depreciable period for expenditures of greater than \$10,000 to be only 7 years. This period must be equal or greater than any term loan used to finance the allowable improvement. Since there was no loan used for this replacement item the depreciable period is 7 years. Principle 20.21(e)(5) includes the replacement of furnace burners that reduce the amount of fuel used as eligible improvements.

The department was provided with an estimate that indicated the \$114,105 would save an estimated \$25,384 annually in fuel savings. IN 2014, PCAL purchased and installed replacement boilers and a DHW heater for \$114,105 to serve its facility which was built in 1965. The boilers being replaced date from the original development of the building.

Portland Center for Assisted Living has two separate NPI numbers for the 170 bed facility. There are 28 beds in an Alzheimer's unit (NPI# 1477880870) and the remaining 142 beds are part of NPI# 1669708988-001. This approval is bifurcated for 19.5% of the Alzheimer's unit and the remaining 80.5% for the Geriatric unit based on a square foot basis.

Annual savings to the department are positive, \$9,083 (\$25,384-\$16,300) in that the annual savings from fuel costs are greater than the depreciation expense of the new energy efficient equipment. The items are approved.

Approval is based on assertions provided by the applicant.

Sincerely,

Larry Carbonneau, CPA, CGFM
Senior Health Care Financial Analyst

cc: File