



Caribou Nursing Home, Inc.

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Larry Carbonneau, CPA
Senior Health Care Financial Analyst
Department of Health and Human Services
41 Anthony Avenue
State House Station 11
Augusta, ME 04333-0011

Letter of Intent

January 18, 2016

Dear Larry,

Caribou Nursing Home, Inc. submits this letter of intent to transfer 6 NF bed licenses from its Presque Isle Rehab and Nursing Center to its Caribou Rehab and Nursing Center.

Caribou Nursing Home, Inc. (CNH) was formed in 1972, built the Caribou Nursing Home facility in 1973 and acquired the Presque Isle Nursing Home in 1976. CNH Inc. adopted the "Rehab and Nursing Center" dba's for each facility in 2005.

Presque Isle Rehab and Nursing Center, currently at 67 SNF/NF beds, desires to transfer 6 bed licenses to the Caribou Rehab and Nursing Center, which currently has 61 SNF/NF beds. This is brought about by the increasingly difficult inability to secure physician coverage at the Presque Isle facility, a problem that doesn't exist at the Caribou facility. The two facilities are located 13 miles apart, both service the greater central Aroostook County area and both take admissions regularly from the two local hospitals, Cary Medical Center in Caribou and The Aroostook Medical Center (TAMC) in Presque Isle.

Prior to the institution of Med 94 Caribou Rehab was a 110 bed facility. Following Med 94, Caribou Rehab closed beds gradually until July, 2007 when it had descended to its current license of 61. Simultaneous to this change CMS was issuing numerous new regulations requiring the addition of more nursing **office** personnel. Also the acuity of the typical resident was steadily increasing, requiring more nursing supplies. As a result, most of the empty bedrooms that resulted from decreasing occupancy were converted to offices, storage rooms and some private bedrooms.

In order for Caribou to add 6 more beds, several rooms will be converted back to bedroom use. To do this, some storage rooms and offices will be relocated and others doubled up. We will not be expanding Caribou facility outside of its current footprint. The necessary renovations should not exceed \$100,000, If we exceed the \$100,000 amount, we'll be nowhere near the \$500,000 CON monetary limit. If possible, I'd like these changes completed by the end of our September 30, 2016 fiscal year so we can begin the new fiscal year on October 1, 2016 with the different bed capacities. I therefore request a simplified and expedited review if this qualifies for such.

Bryan Smith CPA will be completing a projected MaineCare cost report for each facility next month. Please advise me as to what other information I am to submit after your acceptance of this letter of intent.

Sincerely,


Phil Cyr, Vice President
Caribou Nursing Home, Inc.

"Our Service Says We Care"