



Maine Department of Health and Human Services

John Elias Baldacci  
Governor

August 7, 2007

221 State Street  
#11 State House Station  
Augusta, ME 04333-0011

Brenda M. Harvey  
Commissioner

Mr. Herbert Paris  
President and Chief Executive Officer  
Mid Coast Hospital  
123 Medical Center Drive  
Brunswick, ME 04011

RE: Mid Coast Hospital Proposal to Expand/Renovate Medical Surgical Beds and Emergency Department

Dear Mr. Paris:

I am pleased to notify you that on this date I have decided to **grant with conditions** the Certificate of Need that authorizes Mid Coast Hospital to expand/renovate their medical surgical beds and emergency department located at 123 Medical Center Drive in Brunswick, Maine. The approved capital expenditure associated with this project is \$19,803,133. Any costs exceeding \$21,324,000 (the approved capital expenditure plus approved contingency of \$1,521,113) will trigger a subsequent review.

My approval is conditioned on Mid Coast Hospital (MCH) implementing the following:

1. The total licensed bed capacity of MCH will be 92 beds;
2. MCH will report the number of diversions and boarding events annually to the Certificate of Need Unit (CONU) for the period beginning in 2007 through three years following project implementation;
3. MCH will report data on increased efficiencies in throughput for diagnostic services annually beginning for a period of three years following project implementation;
4. MCH will report results from the Obesity prevention annually for a period of three years following implementation.

In order for this Certificate of Need to remain valid, the project must be "commenced" within one year 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 a project within this 12-month period will result in expiration of the Certificate of Need, unless an extension is obtained, as cited above.

I am granting this Certificate of Need 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 Certificate of Need are contained in an application found to be subject to review in accordance with the provisions of the Maine Certificate of Need Act, and was certified complete by the applicant on December 15, 2006. Please be aware that in accordance with Section 346 of the Maine Certificate of Need Act this

*Our vision is Maine people living safe, healthy and productive lives.*

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 have been predicated on the application record as described in the Manual, Chapter 8, subsection 5. Consequently, the proposal must be implemented consistent with the Department's analysis and findings as summarized in the following Department staff reports:

1. PRELIMINARY STAFF REPORT: Report from Larry Carbonneau, Health Care Financial Analyst, CONU to Phyllis Powell, Manager, CONU, Licensing and Regulatory Services, dated June 20, 2007.
2. FINAL REVIEW: Briefing memo to Brenda M. Harvey, Commissioner, DHHS, dated August 2, 2007.

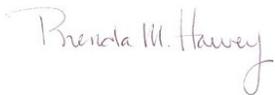
No significant changes to the project, no variations from the projected operating costs, no modifications of the terms of financing the project, and no increase in the capital expenditures to be made are permitted without the prior written approval of the Department. Any such variances may result in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

Please work closely with my staff in the Certificate of Need Unit to assure this project is implemented in accordance with the provisions of this Certificate and applicable rules and regulations. As part of this requirement, you are reminded that, prior to construction, the appropriate licensing and certification and State Fire Marshal officials must approve all working drawings and construction specifications.

The law requires that a holder of a Certificate of Need 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 the CONU.

We appreciate your willingness to work with us during the review process.

Sincerely,



Brenda M. Harvey  
Commissioner, DHHS

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Cc: Phyllis Powell, CONU Manager  
Larry Carbonneau, Health Care Financial Analyst  
Denise Osgood, Medical Facilities Unit  
Herb Downs, Audit  
Janine Raquet, AAG