September 23, 2010

Phyllis Powell, Assistant Director
Division of Licensing and Regulatory Services
Certificate of Need Unit
Department of Health and Human Services
State House Station #11
Augusta, Maine 04333-0011

RE: Maine Medical Center
Electrophysiology Equipment Replacement
Letter of Intent

Dear Ms. Powell:

Maine Medical Center (MMC) is requesting a ruling from the Department regarding the applicability of the Certificate of Need Program to MMC’s proposed capital expenditures to replace Electrophysiology equipment.

Maine Medical Center is replacing the bi-plane angiography system in one of its Electrophysiology (EP) Laboratories. The equipment being replaced includes the bi-plane angiography equipment, contrast injector system, UPS, video switch and equipment rack (boom). The acquisition cost of the equipment includes the cost of the equipment itself and all associated studies, surveys, designs, plans, working drawings and specifications.

The Maine Certificate of Need Act of 2002, 22 M.R.S.A. § 328 (16) states that in determining whether major medical equipment costs more than the threshold, “the cost of studies, surveys, designs, plans, working drawings, specifications and other activities essential to acquiring the equipment must be included.” (Manual, Definitions, page 8.)

The replacement equipment will be acquired for a capital expenditure of $1,407,000.

Concurrent with the acquisition of the equipment, Maine Medical Center is incurring capital costs for facility renovations, infrastructure replacement and furniture purchases. The facility renovations include strengthening structural steel and Unistrut for the room, replacing worn out flooring, and refinishing the room’s walls and ceiling. Maine Medical Center also is replacing the existing chiller with a higher capacity, more efficient chiller. Storage cabinets, task chairs and keyboard trays are being purchased as well. The opportunity to coordinate the renovations with the installation of the replacement equipment avoids the premium costs associated with off-shift construction and installation and minimizes interruption to this service.

These capital expenditures will cost $502,243.

The capital expenditures for equipment acquisition and building renovations are below the $3.1 million review threshold for capital expenditures.
If the Department determines that this project is subject to Certificate of Need review and approval, MMC respectfully requests that the Department deem the project to be qualified for the simplified review and approval process as described in the Maine Certificate of Need Act of 2002, 22 M.R.S.A. § 336 (5) regarding the replacement of major medical equipment.

I will be contacting you soon to arrange a meeting to discuss these capital expenditures and the Department’s determination. Please feel free to contact me if you have any questions; I may be reached by telephone at 207-662-2451 or by email at linehr@mmc.org.

Sincerely,

[Signature]

Richard M. Linehan
Director of Planning