June 26, 2019

Sarah Taylor, Director, Division of Licensing & Certification
And
Larry Carbonneau, CPA, Program Manager, Healthcare Oversight
And
Rich Lawrence, Senior Healthcare Financial Analyst
Department of Health and Human Services
41 Anthony Avenue
11 State House Station
Augusta, Maine 04333-0011

RE: Letter of Intent to file a Certificate of Need Application for Mid Coast - Parkview Health Merger

Dear Ms. Taylor, Mr. Carbonneau, and Mr. Lawrence,

This letter serves as a notification of MaineHealth’s intent to file a Certificate of Need (CON) application for a merger with Mid Coast - Parkview Health.

The project is a merger of two healthcare providers who share an existing affiliation. Mid Coast - Parkview Health, located at 123 Medical Center Dr., Brunswick, ME, 04011, is an affiliated member of MaineHealth, located at 110 Free St., Portland, ME, 04101. MaineHealth and Mid Coast - Parkview Health have shared an affiliation since September 9, 1999. As an affiliate of MaineHealth, Mid Coast - Parkview Health relies on Maine Medical Center, MaineHealth’s tertiary referral medical center, and its specialists to be the principal referral hospital and sub-specialty service provider.

In consultation with its own Board leadership over the last year, Mid Coast - Parkview Health’s management has determined that the best interests of the residents of the Mid Coast Hospital service area will be advanced if Mid Coast - Parkview Health becomes integrated within a hospital system rather than remain a standalone hospital/healthcare organization. MaineHealth is committed to a mission of caring for and improving the health of all residents in the 11 southern most counties in Maine and Carroll County, New Hampshire. The Mid Coast – Parkview Health service area is located predominately in northern Cumberland and Sagadahoc counties within MaineHealth’s service area. Integrating Mid Coast – Parkview Health and its providers into MaineHealth advances our mission. The movement of patients between care at Mid Coast – Parkview Health and between its providers, and care by Maine Medical Center specialists, should be clinically seamless, on the same electronic health record, without anomalies that drive differences in treatment protocols. The proposed merger is the next step towards enabling these improvements.

The CON application will describe in detail that MaineHealth is fit, willing, and able to complete this project successfully, that the project is economically feasible, that there is a public need for the improved coordination and efficiencies that will result from the project, that this project is consistent with the orderly and economic development of healthcare in the state, describe the opportunities for positive impacts to patient outcomes and the community, and a determination that the project will not result in increases to service utilization of healthcare services. No capital expenditures will be made in order to effectuate the merger. The parties have agreed, as part of the integration plan, that the Mid Coast-Parkview Health operations merged into MaineHealth will convert by the end of 2021 to the Epic electronic health record and
financial and operation systems currently utilized by MaineHealth. The parties have targeted a net savings goal of approximately $3 million in annual operating expenses in the third year.

MaineHealth and Mid Coast - Parkview Health have targeted January 1, 2020 as the effective merger date and expect to submit an application for a Certificate of Need in August, 2019. Depending on the timeline of regulatory approvals and clearances, MaineHealth and Mid Coast-Parkview Health may elect to execute the merger in two steps: MaineHealth’s acquiring control of Mid Coast-Parkview Health on January 1, 2020, followed several months thereafter by the full merger of Mid Coast Hospital into MaineHealth. MaineHealth and Mid Coast - Parkview Health do not intend to waive a technical assistance meeting with the Department.

Sincerely,

[Signature]

Alexander M Green
Director of System Planning & Regulatory Compliance

Cc: Lois Skillings, President and Chief Executive Officer, Mid Coast – Parkview Health
    Robert McCue, Vice President of Finance and Chief Financial Officer, Mid Coast – Parkview Health
    Mark Harris, Chief Planning Officer, MaineHealth
    Robert Frank, General Counsel, MaineHealth