January 15, 2020

Ms. M. Michelle Hood, FACHE, President and CEO
Northern Light Health
The Cianchette Building
43 Whiting Hill Road
Brewer, ME 04412

Ms. Marie Vienneau, FACHE, President and CEO
Mayo Regional Hospital
897 W Main Street
Dover-Foxcroft, ME 04426

RE: Northern Light Health and Mayo Regional Hospital Merger

Dear Ms. Hood and Ms. Vienneau:

This letter will serve as notification that on this date, I have decided to approve with conditions a Certificate of Need (CON) that authorizes the merger of Northern Light Health and Mayo Regional Hospital.

My approval is conditioned on the following:

**Condition**: The applicant is to report improvements in quality and outcome measures for services provided by Mayo on an annual basis, within 90 days of its fiscal year end, beginning with the time period when the Certificate of Need was approved until a full three years have elapsed since the date of project completion.

**Condition**: In order to monitor Mayo’s financial position, the applicant is to provide a copy of Mayo’s audited financial statements and/or EMHS financial statements that clearly identifying Mayo’s financial performance (balance sheet, income statement, utilization data) on an annual basis, beginning with the time period when the Certificate of Need is approved until a full three years have elapsed since the date of project completion.

In order for this CON to remain valid, the project must be “commenced” within two years 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. Failure to commence the project within this 24-month period will result in expiration of the CON, unless extended.
I am granting this CON because I have determined that the project meets the criteria set forth in the CON Act Sec. 335(1) and the Department regulations. The specific details of the project for which I have granted this CON are contained in the record.

Please be aware that in accordance with Section 346 of the Maine Certificate of Need Act this 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, are predicated on the application record as described in the Manual Chapter 8, Subsection 5. Consequently, the proposal must be implemented consistent with the approval stated in this letter, as informed and clarified by the Department’s analysis and findings as summarized in the following Department staff reports:

FINAL REVIEW: Briefing memo to Jeanne M. Lambrew, Commissioner, DHHS, dated December 5, 2019.

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 Health Care Compliance and Operations to assure this project is implemented in accordance with the provisions of this Certificate and applicable rules and regulations.

The Certificate of Need statute requires that a holder of a CON 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 Division of Licensing and Certification.

My staff will work with you as necessary.

Sincerely,

Jeanne M. Lambrew
Commissioner

JML/klv

cc: Bill Montejo, Director, Division of Licensing and Certification
Larry Carbonneau, Manager Healthcare Compliance and Operations, DLC
Herb Downs, Director, Audit
File