February 13, 2020

Rich Lawrence, Senior Healthcare Financial Analyst
Division of Licensing and Certification
Department of Health and Human Services
State House Station # 11
41 Anthony Avenue
Augusta, Maine 04333-0011

In Re: MaineGeneral Medical Center - Request for Certificate of Need No Further Action Decision

Dear Mr. Lawrence,

As we discussed with Department personnel on January 22, 2020, MaineGeneral Medical Center ("MGMC") will be undertaking a small renovation project to reconfigure our Inpatient Rehabilitation Unit and add some Med/Surg beds. We were advised informally that this project did not need Certificate of Need ("CON") approval. This letter serves as our formal request for a Not Reviewable Letter. On behalf of MGMC, we respectfully request a ruling from the Department regarding the applicability of a CON review and approval for MGMC’s proposed project to convert and renovate a portion of its existing medical center building at 35 Medical Center Parkway in Augusta, Maine. MGMC is a 192 bed licensed acute care hospital, with a 20 beds excluded Inpatient Rehabilitation Unit ("IRF").

Specifically, MGMC will be conducting renovations to:

(i) Convert eight (8) of its existing twenty (20) excluded IRF Beds to non-excluded inpatient beds. The current IRF is 18,170 square feet. The IRF will be reduced to approximately 9,993 square feet in size. MGMC will preserve a physically separate unit of twelve (12) excluded IRF beds. No change in license needed for this work.

(ii) Renovate 4,318 square feet to add six (6) non-excluded inpatient beds to the hospital, which will increase our total licensed beds from 192 to 198.

Program areas in the scope of work include the Inpatient Rehabilitation Unit, Med/Surg beds, and the area surrounding the Inpatient Rehabilitation Unit on the Terrace Level of our Augusta hospital. Some administrative functions will be moved to the third floor. The project will not require any expansion of the footprint of our building and can be achieved in existing space.
Project Plan:

Overview of Renovations: MGMC will be converting eight (8) IRF beds to non-excluded inpatient beds. The eight (8) converted beds will be added to the six (6) new beds to make a Med/Surg unit of fourteen (14) beds on the Terrance level beside our remaining twelve (12) bed IRF. The construction of the new beds will require some reconfiguration of existing space on the same floor. To keep the remaining twelve (12) IRF beds physically separate from the hospital’s other beds we will be moving the IRF boundary wall and reconfiguring the space to accommodate the remaining twelve (12) beds in one designated unit.

Project Capital Expenditures:

The following are breakout values for the renovations:

- $1,900,000 Construction Costs
- $250,000 Design/Permitting
- $350,000 Outfitting
- $300,000 Project Cost Contingency as these are estimates we do not know final actual costs of work, materials and supplies.
- $2,800,000 Total Project Costs

Project meets Maine CON Criteria of Not Reviewable:

MGMC requests determination of CON applicability. MGMC believes that this project is not reviewable by the State under The State of Maine’s Certificate of Need Requirement because it is not a covered project. Specifically,

(i) The project does not exceed the 2020 Certificate of Need capital threshold of $12,365,130. The estimated cost of construction for the project is $2,800,000, which includes all renovation, engineering, design, outfitting and permitting services; and

(ii) The increase in the licensed beds is less than 10%. Ten percent of 192 is 19.2. MGMC is only increasing its licensed beds by six (6) beds, under 10%. See Title 22 M.R.S. Sec. 329(5).

Public Need for the Project and Outcomes

We believe that these changes will positively impact our ability to serve our community by:
- Decreasing the number of patients in our region that get transferred to other facilities due to a lack of beds;
Reducing the time for ED patients needing to be admitted having access to a bed;
Enabling our Surgical Services to continue to grow to meet the needs of our community;
Enabling us to accept patient transfers from other facilities.

All communications regarding this request may be directed to me:

Chuck Hays, President & Chief Executive Officer
MaineGeneral Medical Center
35 Medical Center Parkway
Augusta, ME 04330
chuck.hays@mainegeneral.org

Thank you for your consideration of this matter.

Sincerely,

Chuck Hays
President & Chief Executive Officer

Cc (via e-mail):
William Montejo, Director Division Licensing & Certification (DLRS.info@maine.gov)
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