



Department of Health and Human Services
Commissioner's Office
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February 5, 2010

Mitchell A. Rousseau
11 Bank St
Brunswick, ME 04011

RE: Replacement Facility for Amenity Manor

Dear Mr. Rousseau:

This letter will serve as notification that, on this date, I have decided to **grant with conditions** a Certificate of Need (CON) that authorizes a replacement facility for Amenity Manor in Brunswick, ME to be built and owned by HLR MAR, LLC and operated by Horizons Living and Rehab Center, Inc. The approved capital expenditure associated with this project is \$8,500,000. Any costs exceeding \$8,925,000 (the approved capital expenditure plus approved contingency of \$425,000) will trigger a subsequent review.

My approval is conditioned on the following being implemented:

1. The applicant shall continue to operate the 37 nursing beds at the Montello Manor facility for a period of at least three years following the implementation of this project.
2. The applicant shall present a plan that addresses quality metrics as presented in the STAR program, including current metrics at their facilities and their goals for all their facilities, as well as, annual progress reports for three years in accomplishing these goals.
3. The applicant shall provide CONU with a final agreement detailing the operation of the 37 nursing beds at Montello Manor, which includes information on the delicensing of any beds.
4. The applicant shall provide a copy of the management agreement between Rousseau Management, Inc and Horizons Living and Rehab Center, Inc., the operating company, no less than 90 days before occupancy of the facility.

In order for this CON 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 the project within this 12-month period will result in expiration of the CON, unless an extension is obtained, as cited above.

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's regulations. The specific details of the project for which I have granted this CON 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 June 19, 2009.

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 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 approval and conditions stated in this letter, as informed and clarified by 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 and Richard April, Health Care Financial Analyst, CONU to Phyllis Powell, Manager, CONU, Licensing and Regulatory Services, dated October 22, 2009.
2. FINAL REVIEW: Briefing memo to Brenda M. Harvey, Commissioner, DHHS, dated February 5, 2010.

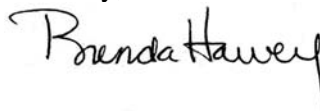
No significant changes to the project, no variations from the projected operating costs, no modifications of the terms of financing the project, and no increase in the capital expenditures to be made are permitted without the prior written approval of the Department. Any such variances may result in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

Please work closely with my staff in the CONU 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 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 CONU.

My staff will work with you as necessary.

Sincerely,



Brenda M. Harvey
Commissioner, DHHS

PP/cg

cc: Catherine Cobb, Director
Phyllis Powell, CONU Manager
Anne Flanagan, Assistant Director
Herb Downs, Audit
John "Jack" McMillin, OES
Janine Raquet, AAG
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