

# **BRIEFING MEMO**

## **Katahdin Nursing Facility** **Purchasing Assets of Katahdin Nursing Home, Inc.**

**DATE:** May 4, 2009

**TO:** Brenda M. Harvey, Commissioner, DHHS

**THROUGH:** Catherine Cobb, Director, Division of Licensing and Regulatory Services

**FROM:** Phyllis Powell, Manager, Certificate of Need Unit  
Larry Carbonneau, Health Care Financial Analyst

**SUBJECT:** Proposal by an LLC to be formed; Ronald C. Coffin, Craig G. Coffin and Kenneth E. Bowden to purchase the assets of Katahdin Nursing Home in Millinocket, Maine. First Atlantic Healthcare will manage the facility.

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**ISSUE ACTIVATED BY:** The referenced proposal requires Certificate of Need (CON) approval as defined in "The Maine Certificate of Need Act of 2002," 22 MRSA Section 326 et seq., as amended.

**REGISTERED AFFECTED PARTIES:** None

### **I. BACKGROUND:**

- The applicant for this project is a yet to be formed LLC whose members are Ronald C. Coffin (majority member), Craig G. Coffin and Kenneth W. Bowden. These individuals all have several years of experience owning, operating and managing healthcare facilities.
- First Atlantic Corporation, d/b/a First Atlantic Healthcare, a Maine corporation, currently manages fifteen facilities throughout Maine.
- The Division of Licensing and Regulatory Services, Long-Term Care Unit, confirms that Katahdin Nursing Home is a nursing facility licensed in the State of Maine and is MaineCare and Medicare certified.
- This project is MaineCare Neutral by virtue of the rates to be charged. The assets will be purchased at their current state book value.

### **II. PROJECT DESCRIPTION:**

The applicants to purchase the assets of the facility located in Millinocket. There are 36 dually certified nursing care beds and no residential care beds.

First Atlantic Healthcare (Mr. Bowden is President) will operate the facility for the LLC. First Atlantic has operated long term facilities since 1985. Katahdin Nursing Home has been in operation for many years with its primary historical service area comprising an approximate 25 mile radius of Millinocket.

**III. HIGHLIGHTS:**

Letter of Intent dated December 1, 2008  
Subject to CON review letter issued January 9, 2009  
Technical Assistance Meeting was waived by the applicant  
Application filed and certified as complete on December 16, 2008  
Applicant's public informational meeting held on January 27, 2009  
Preliminary analysis released on March 31, 2009  
Preliminary analysis published in newspapers on April 3, 2009  
Record closed on April 17, 2009

**IV. PUBLIC COMMENTS RECEIVED IN RESPONSE TO THE PRELIMINARY ANALYSIS:**

Following release of the Preliminary Analysis, no public comments were received.

**V. CONU ANALYSIS/APPLICANTS COMMENTS:**

The Preliminary Analysis by CONU staff, dated March 24, 2009, concluded that this application met all the CON review criteria.

This determination was made with the recommendation that one condition be included. This condition is necessary to ensure that the goals of the State Health Plan are met and quantitative results of its policies and procedures are realized. The applicant will 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 two years in accomplishing these goals.

The applicants did not respond to the Preliminary Analysis including the proposed condition.

**VI. CONCLUSION:**

For all the reasons set forth in the Preliminary Analysis, in the record, and considering the condition included, CONU concludes that the review criteria have been satisfied. CONU recommends that the Commissioner approve a Certificate of Need for this applicant.

**VII. RECOMMENDATION:**

CONU recommends this proposal be **Approved with one Condition:**

1. The applicant will 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 two years in accomplishing these goals.

Estimated Capital Expenditure:	\$670,504
Estimated Operating Costs:	\$2,376,197