

# BRIEFING MEMO

## First Atlantic Healthcare, Inc. Replacement of Collier's Nursing Home

**DATE:** December 13, 2011

**TO:** Mary Mayhew, Commissioner, DHHS

**THROUGH:** Phyllis Powell, Assistant Director, Division of Licensing and Regulatory Services *PPowell*

**FROM:** Larry Carbonneau, Senior Health Care Financial Analyst

**SUBJECT:** Replacement of a Nursing Facility in Ellsworth, Maine

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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 M.R.S.A. §326 et seq., as amended.

**REGISTERED AFFECTED PARTIES:** None

### **I. BACKGROUND:**

This application seeks approval to replace Collier's nursing facility located in Ellsworth, Maine.

The replacement facility will offer 61 dually certified NF beds, 30 residential care level IV beds and 10 assisted living apartments. The proposed total of 101 beds, potentially adds 21 NF, 30 PNMI residential care beds and 10 assisted living apartments in Hancock County.

The Certificate of Need unit has authority to grant a Certificate of Need that covers the nursing facility portion of the project. The Certificate of Need unit does not have the authority to approve residential care projects as it is beyond the scope of the Maine Certificate of Need Act of 2002. Therefore, this project will be reviewed as a nursing facility with 61 beds. The applicant will have the opportunity to make changes in the plan through the subsequent review process if plans change or approval for a Residential Care unit is obtained from the Office of Elder Services.

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

This project proposes closing Atlantic Rehabilitation located in Calais and Collier's located in Ellsworth and replace both facilities with an Ellsworth facility.

Total project cost is estimated to be \$9,680,330.

The cost per square foot of the new Ellsworth facility is \$152.43 (\$9,686,713 total building costs divided by 63,548 square feet). When compared to Marshall & Swift valuation service standards, this figure is similar to a Good Class C convalescent hospital (\$156.68) and a Good Class D convalescent hospital (\$148.90). It is unclear in the application which class of building the applicant plans to build.

