



Department of Health
and Human Services

Maine People Living
Safe, Healthy and Productive Lives

John E. Baldacci, Governor

Brenda M. Harvey, Commissioner

Department of Health and Human Services
Commissioner's Office
221 State Street
11 State House Station
Augusta, Maine 04333-0011
Tel: (207) 287-3707
Fax (207) 287-3005; TTY: 1-800-606-0215

December 26, 2008

John P. Doyle, Jr.
PretiFlaherty
One City Center
PO Box 9546
Portland, ME 04112-9546

RE: Subsequent Review of December 5, 2006 CON Issued to Genesis HealthCare of Maine, Inc.

Dear Mr. Doyle:

This letter will serve as notification that, on this date, I have decided to **grant approval** based on a subsequent review of the Certificate of Need (CON) authorizing Genesis HealthCare of Maine, Inc. to modify corporate structure for six organizational entities from corporation to limited liability corporations. My decision is based on a briefing memo prepared by the CONU, dated December 26, 2008. The effect of this action is to allow the proposed restructuring of FC-GEN related entities from corporations to limited liability companies.

In order for this CON to remain valid, the project must be commenced within one year from the date of this approval letter, by completing implementation activities specified for this type of project in Section 71.05 (O)(5) of the Bureau of Elder and Adult Services Policy Manual. Limited extensions may be available, if requested in a timely manner and for good cause, as explained in Section 71.05 (5)(a) of the Bureau of Elder and Adult Services Policy Manual.

Failure to commence a project within this 12-month period will result in expiration of the amended CON, unless an extension is obtained, as cited above.

I am granting this CON because I have determined that a public need for the proposal has been demonstrated; the applicant is fit, willing and able to provide the proposed services at the proper standard of care; the project is financially and economically feasible, and it is consistent with the orderly and economic development of health facilities and resources for the State and the State's Health Plan.

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 of 2002. Please be aware that, in accordance with Section 71.05 (0) (1) of the Bureau of Elder and Adult Services Policy Manual, this Certificate is valid only for the defined scope, premises and facility or person 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, has been predicated on the description of the proposed


project as presented in your application. This includes, but is not limited to; financial statements, other information contained in your application and the supplemental information you have presented to us during the course of our deliberations. No significant changes in the project; no variations from the projected operating costs, patient charges, Medicaid rates and patient mix; no modifications of the terms of financing the project, and no increase in the capital expenditure 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 amended 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.

The law requires that a holder of a CON make a written report at the end of each six-month period following its issuance. Any questions relative to this reporting requirement should be directed to the CONU.

Please work closely with my staff in the CONU during the review process.

Sincerely,


Brenda M. Harvey
Commissioner

cc: Catherine Cobb, Director, DLRS
Phyllis Powell, Manager, CONU
Larry Carbonneau, HCFA