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December 9, 2011

VIA US MAIL & EMAIL

Phyllis Powell
Acting Director and CONU Manager
Maine Department of
Health & Human Services
Division of Licensing & Regulatory Services
41 Anthony Avenue
State House Station 11
Augusta, ME 04333-0011

RE: Genesis HealthCare (“Genesis”)

Dear Phyllis:

Thank you for your letter received November 17, 2011 confirming that the corporate structure modifications set forth in my letter of September 23, 2011 do not require CON review and approval. I am now writing to request a Not Subject To Review (“NSTR”) determination regarding changes to the lease structures for the 11 Maine facilities. These changes are associated with a HUD refinancing of the loans and mortgages of the 11 landlord entities of the Sandy River Health Systems.

As part of the HUD refinancing, there will be a master lease between each of the Sandy River Health System landlord entities and Genesis HealthCare of Maine, LLC, which in turn will enter into individual subleases with each of the 11 Genesis Maine operating entities. It is currently planned for the new lease structure and the HUD refinancing to be implemented simultaneous with (1) the conversion of Genesis HealthCare of Maine, Inc. to Genesis HealthCare of Maine, LLC and (2) the changes to intermediate parent entities within the Genesis organization, both of which were disclosed in our September 23, 2011 letter and confirmed as not requiring CON review and approval in your November 17, 2011 letter. The changes to certain investors and ownership percentages at the investor level of the Genesis organizational structure and the changes to selected officers and directors of certain parent entities disclosed in our September 23 letter and confirmed as not requiring CON review and approval in your November 17 letter will occur first. We have attached for your reference the final proposed organizational structure.

Genesis is reviewing the terms of the refinancing with the Maine DHHS Office of MaineCare Services, and is making appropriate filings laying out the pertinent details. Thus, any

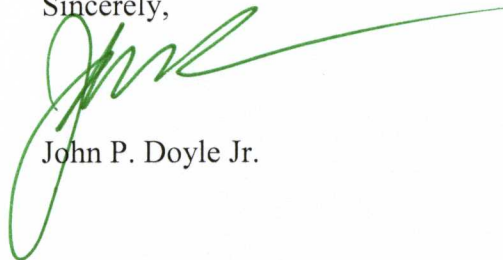
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reimbursement concerns will be addressed and resolved pursuant to the Maine DHHS Office of MaineCare Services review under authority of Section 44.5.3(4) of the NF Principles of Reimbursement.

We do not believe the HUD refinancing and resulting master lease and sublease structure require separate CON review or approval from the CONU, and request that you confirm this through the issuance of an NSTR. I will be in touch shortly to confirm receipt of this filing and to determine what further questions you may have. Thank you for your attention to this matter.

Sincerely,



John P. Doyle Jr.

JPD:mty

Attachments

Cc: Larry Carbonneau (via email only)
Christina Firth (via email only)
Kathryn Kovach (via email only)
Michael Sherman, Esq. (via email only)
Beth Hungate-Noland, Esq. (via email only)
Hedy Rubinger, Esq. (via email only)
Keith Mauriello, Esq. (via email only)

