

**Department of Health and Human Services
Division of Licensing and Regulatory Services
State House, Augusta, Maine
Preliminary Analysis**

Date: September 19, 2008

Project: Emergency Department and Nuclear Medicine Renovation

Proposal by: Houlton Regional Hospital

**Prepared by: Phyllis Powell, Certificate of Need Manager
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Directly Affected Party: NONE

Recommendation: Approve with Conditions

	Proposed Per Applicant	Approved CON
Estimated Capital Expenditure	\$ 3,715,679	\$ 3,851,886
Maximum Contingency	\$ 300,561	\$ 192,950
Total Capital Expenditure with Contingency	\$ 4,016,240	\$ 4,044,836
Third Year Incremental Operating Costs	\$ 392,569	\$ 392,569
Capital Investment Fund (CIF) Impact:	\$ 322,855	\$ 322,855
CIF debit 2008	\$ 322,855	\$ 322,855
Bureau of Insurance Regional Impact Estimate		0.384 %

INTRODUCTION

"Houlton Regional Hospital ("Houlton") proposes to renovate and redesign its existing Emergency Department and Nuclear Medicine space to address current operating issues, including but not limited to, problems with patient access, confidentiality, infection control and security."

"The redesign and renovations to the ED include: an addition to provide a dedicated walk-in entrance, a waiting room with a dedicated air-handling unit, a triage room, a registration office and patient support space that will include toilets, vending machines and wheelchair storage. The renovations will improve the access to the ED by effectively separating the ED patient population from the rest of the hospital. The renovations will provide a direct, independent, well-marked access to the ED and will vastly enhance patient and visitor safety and privacy by separating the ED and general hospital populations."

"In conjunction with the Emergency Department renovations, Houlton also proposes to renovate and redesign its dedicated space for Nuclear Medicine and Radiology, including a new addition of 705 square feet."

"The existing Nuclear Medicine camera is housed in inadequate space. Multiple tasks and functions are performed in the Nuclear Medicine camera room, including stress prep, stress testing, and thyroid uptake. Additionally, the current Nuclear Medicine camera room presently provides the only access to the hot lab and tech work space. Frequently, this space must be used to perform these various tasks and functions concurrently, which compromises patient safety, patient privacy, and staff efficiency. The Nuclear Medicine program will be vastly improved with the addition of separate rooms for stress prep, stress testing and tech work space."

"Proposed renovations to the Radiology Department include relocating the echo room, relocating radiologist office space, and renovating the waiting room. The bone densitometry room will be relocated to the new addition so that it will be physically part of the Radiology Department, creating efficiencies for staff."

"The significant issues at the ED and the Nuclear Medicine area cannot be addressed without affecting the adjacent Radiology Department and Cardio/Pulmonary Rehabilitation area."

"Similarly, since Cardio/Pulmonary Rehabilitation will be displaced by the ED renovations, Houlton proposes to consolidate Rehabilitation and Cardio/Pulmonary Services into one program supported by a single, consolidated gym space (currently the hospital staffs and maintains 2 separate gyms). The proposed plan contemplates construction of a new 4,178 square foot addition to house a rehab gym, staff workroom, staff break room, manager's office, and a dedicated room for the tilt table and holter monitoring program."

"Total capital cost of the Project is \$4,016,240."

"The estimated incremental third-year operating costs for the Project are \$392,569 and includes project depreciation, project financing expense, increase in staffing expenses, and an increase in the related employee benefits."

I. Project Description**A. From Applicant****Emergency Department Improvements**

"The Emergency Department (ED) at Houlton is significantly compromised by (i) poor access, (ii) lack of appropriate and dedicated waiting, triage and registration space, and (iii) a mechanical system not in compliance with code."

"Patients currently enter the ED through the main entrance of the hospital. Emergency patients then have to wait in the central concourse area of the hospital, rather than in a dedicated ED waiting room, creating problems as to patient and visitor safety and privacy."

"The improvements in access to the ED include a 710-foot addition, which will provide a dedicated, well-marked entrance to the ED. The entrance will include a walk-in entrance only for the ED. Site modifications, including relocation of the hospital's helipad, will be required to separate the walk-in entrance and the drop-off from the ambulance entrance. In separating the Emergency Department population from the population of the rest of the hospital, Houlton's ED access will be brought into compliance with current standards. The separation of the ED and general hospital populations will greatly enhance patient and visitor safety and privacy."

"Another important aim of the Project is to provide the Emergency Department with its own waiting room, with a dedicated air-handling unit. The existing cardio gym next to the Emergency Department will be renovated into the following needed spaces for the Emergency Department: a triage room, a patient registration office, and patient support space, including toilets, space for vending, and storage for wheelchairs."

Nuclear Medicine/Radiology

"Houlton has purchased a new Nuclear Medicine camera to replace its existing camera which was 17 years old. However, Houlton's existing Nuclear Medicine camera room is inadequate. It cannot satisfactorily accommodate the camera itself and all of the necessary, related functions that occur in the space, including stress prep, stress testing, thyroid uptake, access to the hot lab, and work space for the technicians. These activities occur concurrently now, compromising patient safety, patient privacy, and efficiency and productivity of staff."

"Accordingly, Houlton proposes to renovate and redesign its dedicated space for Nuclear Medicine and Radiology, including a new addition of 705 square feet and renovations to existing space of 1,117 square feet."

"The proposed reconfiguration will include additional space for Nuclear Medicine, thereby improving safety and service for Houlton's Nuclear Medicine program. The new

space will include separate rooms for stress prep, stress testing, and workspace for technicians."

"The Project will also contain improvements for the Radiology Department, including a relocated echo room, a relocated radiologist's office, and a renovated waiting room. The hospital's bone densitometry room will also be relocated to the new addition so that it is physically part of the Radiology Department, creating efficiencies for staff."

Cardio/Pulmonary Rehabilitation

"Because the renovations to the Emergency Department will displace a substantial portion of the Cardio/Pulmonary Rehabilitation space, the Project proposes to consolidate Rehabilitation and Cardio/Pulmonary Services into one location within the new addition. The Cardio/Pulmonary program will be supported by a single, consolidated gym space. (Currently, the hospital staffs and maintains two separate gyms.) Also included in the new addition will be a dedicated room for the tilt table and holter monitoring program, a staff workroom, a staff break room, and a department manager's office."

Ground Floor Mechanical and Storage Space

"The lower level of the Cardio/Pulmonary–Radiology addition, which will be partially buried in the hillside, will have a room for an emergency generator as well as space for mechanical equipment and storage."

Summary of Square Footage Calculations

"The Project's additions and renovations involve the following square footage:

Department	Square Feet
Emergency	
New	710
Renovation	1,500
Nuclear Medicine/Radiology	
New	705
Renovation	1,117
Cardio/Pulmonary Rehabilitation	
New	3,925
Renovation	0
Ground Floor Mechanical and Storage	
New	2,300
Renovation	620
Total New Square Footage	7,640

Total Renovated Square Footage 3,237"

"An explanation of why and how the Project is consistent with the priorities of the State Health Plan is set forth in Section VIII."

"The Project does not involve the introduction of any new services. However, the Project will result in better prevention, via improved infection control in Houlton Regional Hospital's Emergency Department."

"The Project consists of renovations and a small addition at Houlton Regional Hospital's main facility at 20 Hartford Street, Houlton Maine. (See Section 1 regarding the particular services affected by the Project.)"

"In addition to improving patient safety and privacy, and compliance with code, the Project will improve Houlton Regional Hospital's efficiency in providing its existing services and procedures."

"Anticipated, direct benefits to the public include improved patient access to ED services. Additionally, the Project will improve patient privacy and safety."

"By improving ED access, the Project will enable Houlton to reduce patient infection risks and improve patient privacy."

"Additionally, the Project will enable Houlton to: (i) consolidate Rehabilitation and Cardio/Pulmonary Services into a single location within the proposed new addition located in close proximity to the renovated ED; (ii) consolidate Radiology services by relocating the hospital's bone densitometry room to the same addition so it is physically part of the Radiology Department; and (iii) provide sufficient space for Nuclear Medicine services. These consolidations will improve staff efficiency, patient safety and quality of care."

"Houlton Regional Hospital plans to meet the voluntary price and control targets established by the Dirigo Reform Act."

"Houlton Regional Hospital is currently introducing an electronic medical records ("EMR") system. (The hospital's strategic plan that appears as Appendix I, Exhibit 7, specifically outlines Houlton Regional Hospital's plan for EMR.) Although the introduction of EMR is not part of this Project, the services that are affected by this Project will be part of the EMR system. Houlton Regional Hospital's IS Department will ensure that wiring and cabling needed for the hospital's EMR system is included in the renovations and addition that constitute the Project."

"The region's capacity for the services has not changed greatly over the past few years. The Project will enable Houlton Regional Hospital to serve the same patients more safely and with a higher quality of care."

"There are no other providers of the Project's affected services in Houlton Regional Hospital's primary service area."

"Because there are no other providers of the Project's affected services in Houlton Regional Hospital's primary service area, there should be no impact on the costs of other providers."

"Houlton Regional Hospital is committed to a sustainable approach to the design and operation of the Project as it relates to the use of "green" building standards on both internal and external environments. The design firm, Stantec, a LEED certified group, will be working with Houlton Regional Hospital on the Project. Stantec will plan the Project's renovations and addition according to LEED guidelines using an integrated approach."

"With regard to exterior impact, Houlton is currently working with Stantec to ensure that applicable Department of Environmental Protection standards are met and that the environmental impact of the Project is considered and minimized."

"Similarly, with regard to internal systems and products, Houlton Regional Hospital continues to be proactive in complying with "green" building standards. The Hospital has made several upgrades in recent years including: installation of an O-Zone laundry purification system and energy efficient boiler burner replacement (fitted with automated electronic burner controls) through the Efficiency Maine Program. These represent two of the many support systems at the Hospital that have been improved and have reduced the Hospital's impact on the environment. Consistent with Houlton's three year projected capital equipment budget, future improvements will include lighting upgrades to major corridors of the Hospital and Main and Emergency entrances, as well as parking areas, and various furniture and fixture replacements."

"All interior and exterior renovations, improvements and replacements, specifically including those related to the Project, will be implemented using an integrated approach consistent with "green" building standards."

"Conditioned upon receiving CON approval in Summer 2008, final design and engineering will be completed early Fall 2008, including receipt of contract bids. Construction would then begin in November 2008. Based upon these premises, construction on the Project would be completed between September and November 2009."

Information Relating to Change in Facility/Plant

"As explained in Section 1, the projection involves renovation and a small addition."

"The structure will be a single story, steel frame building."

"The dimensions of the new space and renovations are detailed above in Section II(1)(E)."

"Two copies of the single line schematic plans drawn to scale (1/8" to 1") have been attached to the CON Application submission. Additionally, two reduce sized schematic plans are attached as Appendix II, Exhibit 1."

"The renovations and addition will take place at Houlton Regional Hospital's existing facility, on land owned by Houlton Regional Hospital."

"In coordination with its architects, SMRT, Houlton has designed the Project to use best practices in building construction and renovations. Houlton intends to be mindful of waste and good stewards of natural and financial resources. Houlton and SMRT will follow the guidelines provided by the U.S. Green Building Council and the Green Guide for Healthcare."

"For the past three years, Houlton Regional Hospital has had the following capital expenditures:

9/30/05	\$1,042,293
9/30/06	\$1,898,167
9/30/07	\$ 656,779

"Cash flow issues resulting from, among other things, timing of MaineCare payments, required Houlton Regional Hospital to substantially reduce its capital expenditures in 2006-07 to those that were absolutely necessary. The typical capital expenditures budget for Houlton Regional Hospital is \$1.2 million; the capital budget for 2005-06 was higher due to the expansion of one of the Hospital's Rural Health Clinics."

"The Project meets the Hospital's immediate needs and is related to a focused facility master plan, developed by SMRT in 2006, to address specific issues in the following areas: Emergency Room, Nuclear Medicine, Cardio/Pulmonary Rehabilitation, Intensive Care Unit, Medical/Surgical Unit and Physician Office Space."

B. CONU Discussion

Houlton Regional Hospital is located at 20 Hartford Street, Houlton, Maine. The proposed project is primarily being considered to improve the flow through of the emergency, nuclear medicine/radiology and cardio/pulmonary rehabilitation departments. This project proposes the addition of 7,640 sq. ft of new construction and 3,237 sq. ft of renovated space. This will be a single story plus basement addition.

The project consists of new construction and renovations to move the emergency room's waiting area out of the hallway into a separate location now occupied by the cardio/pulmonary rehabilitation department. This new location will include a dedicated walk-in entrance for the emergency room, a waiting room with a dedicated air-handling

unit, a triage room, a registration office and patient support space that includes toilets, vending machines and wheelchair storage. Currently the ED waiting room is located in the hallway off the main lobby. The main lobby also currently serves as the walk-in entrance for the ED. This part of the project includes new construction of 710 sq. ft. and 1,500 sq. ft. of renovated space.

The nuclear medicine/radiology department will be redesigned to include separate rooms for stress prep, stress testing, workspace for staff, relocated echo room, a relocated radiologist's office and a renovated waiting room. The hospital's bone densitometry room will be relocated so that it will become part of the radiology department. This will consist of 705 sq. ft. in new construction and 1,117 sq. ft. of renovated space. Currently, many of these services are all combined into one open space that is inappropriate and not private when more than one patient is receiving services. The new nuclear medicine camera also requires additional space to operate appropriately.

The cardio/pulmonary rehabilitation department will be consolidated into one location consisting of 3,925 of new construction. This will consist of a consolidated gym space, dedicated room for the tilt table and monitoring program, a staff workroom, a staff break room and a department manager's office. Most of the current department is being dislocated by the emergency department's waiting room area.

The lower level basement addition of this project will include space for an emergency generator, mechanical equipment and storage. It consists of 2,300 sq. ft. of new construction and 620 sq. ft. of renovated space.

II. Profile of the Applicant**A. From Applicant**

"Houlton Regional Hospital, 20 Hartford Street, Houlton, Maine 04730"

"Houlton Regional Hospital is a nonprofit, 501(c)(3) corporation."

"Houlton Regional Hospital's primary service area is Southern Aroostook County, and includes the following towns: Houlton, Oakfield, Patten, Danforth and Island Falls. Houlton's secondary service area is Northern Washington County and Penobscot County, and includes the following towns: Monticello, Hodgdon, Littleton, Linneus, Sherman, Smyrna, Orient, Ludlow, New Limerick and Stacyville."

"Houlton Regional Hospital is licensed for 25 acute care and 28 long term care beds."

Affiliates

"Medical Arts, Inc., 20 Hartford Street, Houlton, Maine 04730."

"Relationship: Medical Arts, Inc., is a 100%-owned subsidiary of Houlton Regional Hospital. Medical Arts, Inc., is a physician practice corporation and currently involves only Aroostook County Surgical Associates."

"NEHE-MRI, LLC, 260 Main Street, Suite A, Presque Isle, Maine 04769"

"Relationship: NEHE-MRI, LLC, is a 50% partner with Houlton Regional Hospital in a joint venture called New England Health Imaging-Houlton, LLC. This venture provides MRI services to patients at Houlton Regional Hospital."

"Thomas J. Moakler, CEO of Houlton Regional Hospital, and Cindy Daigle, CPA, CFO of Houlton Regional Hospital, are Chairman and Treasurer, respectively, of New England Health Imaging-Houlton, LLC."

"Houlton Regional Hospital is currently licensed by the State of Maine as a critical access hospital and is certified by Medicare and Medicaid as well as all major health plans."

"A copy of Houlton's hospital license is attached as Appendix I, Exhibit 1."

"A copy of Houlton's certification letter from the Centers for Medicare and Medicaid Services is attached as Appendix I, Exhibit 2."

"In the past three years, Houlton has only been surveyed twice. Copies of the cover letters from state surveys, Plan of Correction, and State Acknowledgment of the Plan of Correction are attached as Appendix, I, Exhibits 3. The Statements of Deficiencies are available upon request. "

"Copies of Houlton Regional Hospital's consolidated financial statements for FYE September 30, 2005, 2006 and 2007, are attached as Appendix I, Exhibit 4. Also attached as Appendix I, Exhibit 5 is the Ratio Analysis Report, dated September 30, 2007, and prepared by Berry, Dunn, McNeil and Parker."

"Copies of Houlton Regional Hospital's (i) Quality Assessment/Improvement/Risk Management Plan and (ii) Quality Assessment/Improvement/Risk Management Program 2008 Strategic Plan, are attached as Appendix I, Exhibit 6 and Exhibit 7."

Additional Information

"A list of the Board of Directors of Houlton Regional Hospital is attached as Appendix I, Exhibit 8. A list of the Administrative Council of Houlton Regional Hospital is attached as Appendix I, Exhibit 9. The key individual involved with the Project will be Bart Peters. Mr. Peters' title is Plant Manager and he possesses 9 years experience in this position, 21 years total with Houlton Regional Hospital. His background and expertise is in the electrical field, and facilities and construction management."

"A copy of Houlton Regional Hospital's organizational chart is attached as Appendix I, Exhibit 10."

"New England Health Imaging - Houlton, LLC. Houlton Regional Hospital and NEHE-MRI, LLC, each has a 50% membership interest. A copy of the organizational chart for NEHE-MRI, LLC, is attached as Appendix I, Exhibit 11."

"Medical Arts, Inc. There is no separate organizational chart for Medical Arts, Inc. Medical Arts, Inc., reports operationally to Houlton Regional Hospital's Director of Physician Practices and Rural Health Centers, and financially to Houlton Regional Hospital's CFO."

"Houlton serves patients from a wide geographic area in southern Aroostook County and a mostly rural population of approximately 20,000 people."

"Services offered at Houlton include a 24-hour physician-covered emergency department, and the following comprehensive medical/surgical services: internal medicine, gynecology, obstetrics, family practice, urology, ENT, general surgery, oncology, pediatrics, orthopedic surgery, and radiology. Houlton's Specialty Clinic Department also provides local access to specialty health care providers. Houlton's Specialty Clinic provides access to physicians affording specialty care in Neurology, Endocrinology, Pediatric Endocrinology, Rheumatology, Pain Management, Otolaryngology, Physiatry, Pacemaker Clinic, and Allergy Testing. In addition to providing acute care services, Houlton provides many outpatient services, including pulmonary and cardiac rehabilitation, and physical, occupational, and speech therapy."

"Houlton is the largest employer in southern Aroostook County with over 400 employees and a payroll of approximately \$17 million."

"Houlton is also the location for the Center for Community Health Education (CCHE), a multifunctional, education center. Opened in 1997, the mission of the CCHE is to provide comprehensive education programs that promote health and wellness. The hospital also uses the facility to provide continuing education for physicians and staff."

B. CONU Discussion

i. Criteria

Relevant criteria for inclusion in this section are specific to the determination that the applicant is fit, willing and able to provide the proposed services at the proper standard of care as demonstrated by, among other factors, whether the quality of any health care provided in the past by the applicant or a related party under the applicant's control meets industry standards.

ii. Analysis

The applicant provided a copy of its license issued September 20, 2007 effective until September 30, 2008.

The Medical Facilities Unit of Division of Licensing and Regulatory Services completed a site survey on September 13, 2006. Houlton Regional Hospital's plan of correction was submitted on October 12, 2006 and was deemed to be acceptable on October 30, 2006.

On October 3, 2004 the Centers for Medicare & Medicaid Services (CMS) approved Houlton Regional Hospital's certification for participation in the Medicare program as a critical access hospital (CAH) effective October 1, 2004 for 25 beds.

Houlton Regional Hospital does not participate in the Joint Commission certification process.

iii. Conclusion

CONU recommends that the Commissioner find that the applicant is fit, willing and able to provide the proposed services at the proper standard of care as demonstrated by, among other factors, whether the quality of any health care provided in the past by the applicant or a related party under the applicant's control meets industry standards.

III. Capital Expenditures & Financing**A. From Applicant**

Item	Estimated Cost (Current Dollars)
Purchase of Land/Related Fees	0
Purchase of Building(s)	0
Land Surveys, Soil Test, Borings	15,000
Architects' Basic Fees (Original Design and Revisions)	360,000
Engineering Consultant Fees	0
Plans and Specifications (Printing)	0
Project Supervision (Architect or Other)	0
"Construction (including site and off-site work, general, plumbing, heating, air conditioning, ventilation, electrical, elevators, connecting utilities, etc.)"	3,040,000
Contingency Fees (per CON limits)	300,561
Fixed Equipment (outside the construction contract) to be purchased directly by the applicant	0
Movable Equipment	20,000
Consultant Fees (feasibility, financial, management studies and surveys)	5,000
Legal Fees	20,000
Insurance (Premium) During Construction	4,000
Permit fees (State/Local/CON)	25,000
Federal Agency Finance/Service Fees (FHA/HUD, SBA, Rural Dev., MHHEFA, etc.)	29,000
Interest During Construction	197,679
TOTAL ESTIMATED CAPITAL EXPENDITURES	4,016,240

"Houlton Regional Hospital also completed the CON Unit's Financial Forecast Module, a copy of which is attached as Appendix 6."

"These capital costs were primarily obtained from Houlton's architectural firm, SMRT. A few capital costs were based upon vendor quotes."

"The movable equipment will be new furniture for the waiting areas described in the Project. The new furniture will have an estimated cost of \$20,000, with a useful life of 10 years."

"The accounting firm, Berry, Dunn, McNeil and Parker, prepared a debt capacity study in its report presented to the Board of Trustees on February 2, 2007. A copy of the study is attached as Appendix III, Exhibit 1. The study illustrates that Houlton's Debt Service Coverage Ratio has sufficient debt capacity to finance the Project."

- 3rd year operating margin with the Project: 1.80%
- 3rd year operating margin without the Project: 2.58%
- 3rd year operating expense with the Project: \$49,062,855
- 3rd year operating expense without the Project: \$48,671,000

"Houlton Regional Hospital has not completed a pro-forma cost report to determine the cost per adjusted discharge. However, costs are expected to increase 1.0% in the third year (including the Project) and discharges are expected to remain stable. Houlton anticipates that the cost per discharge will increase 1.0% as well."

"The study referenced in the above Section III(5), a copy of which is attached as Appendix III, Exhibit 1, and Houlton Regional Hospital's audited consolidated financial statements for FYE September 30, 2005, 2006 and 2007, copies of which are attached as Appendix I, Exhibit 4, document evidence of the availability of sufficient working capital."

"Houlton Regional Hospital plans to fund a portion of the Project with equity, estimated to be in the amount of \$1 million; the remainder of the Project will be financed by the issuance of tax-exempt bonds through the Maine Health and Higher Educational Facilities Authority (MHHEFA). Since these bonds will not be issued until Fall 2008, Houlton Regional Hospital conservatively used 5.0% for the interest rate for purposes of projections. The bonds will be amortized over 30 years."

"The Project will result in only one staffing change. Houlton's Project proposes to replace one Emergency Department CNA position with a Registered Nurse. This change would increase the hourly rate for the position from \$9.18 to \$24.97, the first-year salary from \$40,208 to \$109,369, and the benefits for the position from \$11,660 to \$31,717."

	<u>3rd Year</u>
New position:	
Salary	139,585
Benefits	40,480
Entire HRH facility	
Salary	23,527,268
Benefits	6,453,598

"Houlton Regional Hospital has been very successful in recruiting and retaining Registered Nurses. Houlton currently has 11 nursing students who are part of Houlton's loan forgiveness program. When these students graduate, they have a commitment to work at Houlton Regional Hospital to pay off the loan."

"Most positions in Houlton's Emergency Department are filled internally. Houlton's Registered Nurse turnover rate for 2007 was 9.0%. The average turnover rate for Registered Nurses for all Maine's hospitals is 14.9%."

"Houlton Regional Hospital anticipates no change to the patient charge structure as a result of this Project."

	1st Year	2nd Year	3rd Year
Revenues	45,580,301	47,828,398	50,189,589
Total expenses	44,821,472	46,882,083	49,062,855
Non-operating expenses	863,000	891,000	919,000
Total change in net assets	(104,171)	55,315	207,734

"Copies of Houlton Regional Hospital's audited consolidated financial statements for FYE September 30, 2005, 2006 and 2007, are attached as Appendix I, Exhibit 4."

"Payroll is explained above in Section V(2)."

Increase in cost due to the Project	1st Year	2nd Year	3rd Year
Utilities	29,590	30,478	31,392
Interest	145,555	143,115	140,549
Depreciation	106,048	106,048	106,048

"The Project does not involve an increase in any services."

"We do not anticipate that the Project will result in any cost savings to Houlton Regional Hospital. The Project should result in savings to the health care system generally by reducing infection rates. Additionally, the Project should result in increased efficiencies. For example, ED patients in the waiting area at Houlton Regional Hospital will no longer be mixed with the general patient population, all Cardiac Rehabilitation services will now be performed in a single location, and Nuclear Medicine will have more space for testing, camera and prep."

"Houlton Regional Hospital is fully licensed. The Project, when implemented, will be in compliance with all applicable federal and state rules and regulations."

"Houlton Regional Hospital's campus meets the applicable zoning requirements. Houlton has shared its proposed Project plans with the City of Houlton planning officials. Houlton Regional Hospital will be submitting plans to the Division of Licensing and Certification and to the State Fire Marshall for their respective reviews."

"Houlton Regional Hospital has engaged SMRT of Portland, Maine to design the contemplated expansion and renovation to comply with all applicable standards and to fulfill its programmatic needs. Among other reasons, the firm was chosen because it has an excellent awareness of municipal, state and federal ordinances, statutes, life safety codes and other regulations. The design of the Project incorporates all of these requirements."

“The Project recognizes the issue of sprawl by not including any expansion of the hospital into a new area or onto new lands. The Project calls only for needed renovation of the existing hospital building and a small addition that abuts the existing building.”

B. CONU Discussion

i. Criteria

Relevant criteria for inclusion in this section are specific to the determination that the economic feasibility of the proposed services is demonstrated in terms of the:

- Capacity of the applicant to support the project financially over its useful life, in light of the rates the applicant expects to be able to charge for the services to be provided by the project; and
- The applicant's ability to establish and operate the project in accordance with existing and reasonably anticipated future changes in federal, state and local licensure and other applicable or potentially applicable rules.

ii. Analysis

The applicant has shown a reduction in the amount of capitalized assets of (\$205,424) from FYE 2004 to FYE 2007. For the forecast period, not including this project, the applicant projected capitalized assets will increase by \$6,162,876 from FYE 2007 to FYE 2013.

The applicant has not undertaken any CON projects for several years. In December, 2005 the applicant received a Not-Subject-To-Review (NSTR) determination to expand a rural health clinic at a capital cost of \$700,777 and in January, 2006 received a NSTR determination for a joint venture with NEHE-MRI, L.L.C. to provide MRI services at Houlton Regional Hospital at a capital cost of \$1,180,000.

Houlton Regional Hospital has agreed to contribute \$1,000,000 in equity towards this project, approximately a 25% contribution and finance the remaining debt, 75%, from MHHEFA through an issuance of tax exempt bonds.

The applicant completed the financial module and left one minor field incomplete. The applicant did not specifically address a need for a contingency greater than 5%. Therefore, CONU adjusted the contingency amount to 5% of the out-of-pocket costs indicated in the application. This adjusted total capital expenditures with contingency by \$28,000 and third year operating costs by less than \$750 annually. These adjustments conform with the other applications in the 2008 cycles.

Financial Ratio Analysis

In an effort to sustain readability, the pertinent financial ratios, as well as financial projections are on file with CONU. The following discussion relies on the information presented by the applicant. At the technical assistance meeting held on February 6, 2008, the applicant was presented a format with which to complete significant financial projections, including construction timelines and operating expenses. Twenty-three ratios were developed with the applicant's submission to help elucidate the current financial position of the hospital and the impact of the proposed project on its operating and financial feasibility.

The years presented are 2004 through 2007 (audited) and 2008 through 2013 (projected). Also, since the third operating year of the proposed project is 2013, that year is presented as modified for the effects of the CON on hospital operations. A final column related to the difference between the third year with CON compared to third year results without the CON project is also presented. The source for Maine Industry Medians and Northeast Regional Medians is the 2008 Almanac of Hospital Financial and Operating Indicators. We are presenting 2006 reported numbers for comparison to the project.

There are four areas of financial ratio analysis related to the ability of the project to be successful. These ratios are profitability, liquidity, capital structure and activity ratios.

Profitability ratios attempt to show how well the hospital does in achieving an excess of revenues over expenditures or providing a return. Generating revenue in excess of expenditures is important to secure the resources necessary to update plant and equipment, implement strategic plans, or respond to emergent opportunities for investment. Losses, on the other hand, threaten liquidity, drain other investments, and may threaten the long-term viability of the organization. The profitability ratios reported here include the operating margin, which measures the profitability from operations alone, the net margin (called total margin in some sources), which measures profitability including other sources of income, and the return on total assets.

Financial Performance Indicators

Profitability	2006	2007	2008	2010	2013	2006 ME State Median	Northeast Median
Operating Margin	2.08 %	3.77 %	3.45 %	2.10 %	2.24 %	3.80 %	1.83 %
Total Margin	-1.20 %	0.77 %	1.49 %	0.18 %	0.41 %	4.68 %	3.00 %
Return on Total Assets	-1.61%	1.12 %	2.47 %	0.34 %	0.86 %	5.26 %	3.48 %

All three margins indicate that if the proposed project occur that Houlton Regional Hospital would remain profitable. However, the comparison between operating year

2004, 2005 and 2006 indicates that operating margins were decidedly lower in 2004 than in 2005 and 2006. The 2006 operating margin for Houlton Regional Hospital was more in line with what is expected for a facility of its size and purpose in Maine. The 2008 operating margin is projected at 3.45 %. A projected operating margin of 2.10 % in 2010 is consistent with the range that Houlton Regional Hospital has experienced in 2005-2006. Houlton Regional Hospital has the means to take on additional expenses based upon excess of revenues over expenditures.

The CONU financial analysis considers information contained in the 2008 Almanac of Hospital Financial and Operating Indicators and generally accepted accounting standards in determining the financial capability of a hospital to support a proposed project.

The review of financial indicators is important because they can present a fair and equitable representation of the financial health of an organization and assist in presenting appropriate comparisons. This provides a sound basis for a determination of whether the hospital has the ability to commit the financial resources to develop and sustain the project. While there are a number of indicators that are used in the industry, the ones applied to this review have been selected due to their direct relevance to the financial health of the applicant. The following analysis is based upon information provided by the applicant in its application. One item of terminology needs to be defined. Throughout the analysis a comparison of high-performance and low-performance hospitals is referenced. These groups are based on the uppermost and lowermost quartiles of hospitals based on their return on investments. This analysis chose to not specifically discuss return on investment but decided instead to use that ratio to group all hospitals in regards to making a comparison to the particular project and applicant.

Non-profit hospitals need to perform at financially sustainable levels in order to carry out their public missions. An adequate operating margin is a key indicator of the financial health of a hospital. Of great concern to CONU is the determination of the reasonableness of the methodology the applicant has used in determining the appropriateness of the timing and scope of the project. Over time, capital expenditures can and need to be made in order to meet the goals expressed in the State Health Plan. CONU evaluates the applicant's ability to organize and respond to its challenges in improving and maintaining the health care system.

Operating margins in the high performing hospital group have seen greater improvements in margins while hospitals in the low performing group are sliding. High performing hospitals are doing better now than five years ago. Over the same time, lower performing hospitals are generally doing worse than five years ago. There is a widening gap between high and low performing hospitals. Improvement in operating profits for high-performing hospitals drives this widening performance gap. As a comparison, operating margins in the Northeast Region are considerably lower than in other regions.

The Maine State average for operating margin in 2006 was 3.80%. Houlton Regional Hospital in 2006 was 2.08 %, which puts them lower than the median for hospitals in Maine but closer to the middle of hospitals of their size in the Northeast.

The trend for operating margin in the State of Maine has been improving from a low of -1.35 to the present high of 3.8. Houlton Regional Hospital for the past four operating years including 2007 averaged 1.55 %. 2007 was 3.77 % which helped to offset the -2.59 % Houlton Regional Hospital reported in 2004. Over the course of the projection through 2013 it is estimated that the hospital will have an operating margin rising to greater than 3.48 % before dropping to 2.58 % through 2013 (2.24 % if the project is approved).

The effect of this project on operating margins, as projected by the applicant, is a decrease from 3.77 (FY2007) to 2.24 (FY2013). This project is not expected to cause a significant impact on the operating margin of the hospital by itself.

Financial Performance Indicators

Profitability	2006	2007	2008	2010	2013
Operating Surplus	\$ 692,994	\$1,354,376	\$1,347,720	\$910,000	\$1,126,734
Total Surplus	\$(400,324)	\$ 276,973	\$ 581,405	\$ 79,000	\$ 207,734

This table indicates that Houlton Regional Hospital has the capacity to financially support this project.

Liquidity: Current ratios and acid test ratios are indicators of the ability of a hospital to meet its short-term obligations. The acid test ratio is generally considered to be a more stringent measure because it recognizes only the most liquid assets as resources available for short-term debt; the current ratio assumes that inventory and accounts receivable can be liquidated sufficiently to meet short-term obligations. Days in accounts receivable and average payment period also are used to monitor liquidity. Respectively, they indicate the average length of time the hospital takes to collect one dollar of receivables or pay one dollar of commercial credit. Together, they can provide a cursory indication of cash management performance.

Financial Performance Indicators

Liquidity	2006	2007	2008	2010	2013	2006 ME State Median	Northeast Median
Current Ratio	1.07	1.19	1.35	1.39	1.22	1.67	1.53
Days in Patient Accounts Receivable	51.52	49.55	49.80	48.91	48.69	56.3 Days	47.7 Days
Days Cash on Hand	38.39	61.95	37.16	40.47	29.47	97.9 Days	67.7 Days

Average Payment Period	99.07	86.07	64.71	54.65	54.58	49.9 days	61.2 Days
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In terms of liquidity, Houlton Regional Hospital currently has sufficient liquidity, with a significant payment lag of 48 days between being paid and paying for services in 2006. The projection indicates an improving lag over the forecasted period projected to be just 6 days by 2013. The average payment period is projected to rebound in 2013 to 54 days from a high in 2006 of 99 days. This forecasted average payment strengthens the assurance that cash needs can be met. Days in accounts receivable decreased by 3 days in the same period. Days cash on hand was in a range of 40-50 days in the 2004-2006 periods and is projected to decrease slightly to 29 days during the course of the project.

Liquidity measures a hospital's ability to manage change and provide for short-term needs for cash. This liquidity alleviates the need for decision making to be focused on short term goals and allows for more efficient planning and operations of a hospital.

Days Cash On Hand is a ratio that is an industry accepted, easily calculated, method to determine a hospital's ability to meet cash demands.

The year 2006 marked a steep decline of cash on hand nationally. Hospitals with revenue of \$25M-60M have 49 days cash on hand. Houlton Regional Hospital with Net patient service revenue of \$33M and cash on hand of 38 days in 2006 clearly has slightly less cash on hand than the average hospital in its peer group. S & P Bond ratings showed no clear distinction between ratings and cash on hand for investment grade ratings. This may mean that high performing hospitals do attempt to control excess levels of on-hand cash.

In 2006 the average days cash on hand for all sources for hospitals in the State of Maine was 97.9 days. Calculated days cash on hand for Houlton Regional Hospital in 2006 was approximately 38.4 days indicating that Houlton Regional Hospital was in the 25th percentile.

According to the same source, between 2000 and 2004 the average days cash on hand remained about 68 days. In 2006 cash on hand reached a five year low. Between 2004 and 2013 average days cash on hand for Houlton's is projected to decrease by 14 days. In 2004, Maine had 15% less days cash on hand than the Northeast Region at 80 days, 12 days more than the Maine average. In 2006, Maine hospitals had increased their cash on hand by 50% in two years to be 30 above the regional average.

The impact of the proposed project is calculated to be a decrease of 9 days cash on hand in the third operating year as compared to the non CON operating projection (with and without this project). This is a minor decrease in days cash on hand. Based upon source information this hospital is projected to be in the 25th percentile for days cash on hand, compared to today's industry averages, with or without the project. Therefore this project will not have a substantial impact on Houlton Regional Hospital's operating ability to meet its cash demands.

Activity and Capital Structure: Activity ratios indicate the efficiency with which an organization uses its resources, typically in an attempt to generate revenue. Activity ratios can present a complicated picture because they are influenced both by revenues and the value of assets owned by the organization. The total asset turnover ratio compares revenues to total assets. Total assets may rise (or fall) disproportionately in a year of heavy (dis)investment in plant and equipment, or decrease steadily with annual depreciation. Thus, it is helpful to view total asset turnover at the same time as age of plant. Debt service coverage is reviewed in greater detail. Debt Service coverage measures the ability of a hospital to cover its current year interest and balance payments.

Financial Performance Indicators

Solvency	2006	2007	2008	2010	2013	2006 ME State Median	Northeast Median
Equity Financing	23 %	26 %	30 %	33 %	31 %	58.00 %	47.4 %
Debt Service Coverage	1.40	1.75	1.96	1.64	1.84	3.48	3.52
Cash Flow to Total Debt	5.3 %	7.7 %	10 %	8 %	10 %	23.8 %	18.2 %
Fixed Asset Financing	95.4 %	97.0 %	93.3 %	82 %	84 %	52.0 %	65.3 %

Many long term creditors and bond rating agencies evaluate capital structure ratios to determine the hospital's ability to increase its amount of financing. During the past 20 years, the hospital industry has radically increased its percentage of debt financing. This trend makes capital structure ratios important to hospital management because these ratios are widely used by outside creditors. Values for these ratios ultimately determine the amount of financing available for a hospital. Debt service coverage is the most widely used capital structure ratio. Debt service coverage minimums are often seen as loan requirements when obtaining financing. Debt service coverage is the ratio of earnings plus depreciation and interest expense to debt service requirements. In 2006 the median Maine hospital's debt service coverage (DSC) was 3.48x.

Houlton Regional Hospital had a DSC in 2006 of 1.40x which places it in the range below the 10th percentile. The trend statewide for 2002-2006 has been increasing with a low of 2.36 in 2002 and a high of 3.71 in 2004. The trend for Houlton Regional Hospital has been rather steady for the last 3 years from 1.30x to 1.40x from 2004-2006. The trend as projected by Houlton Regional Hospital for this project 2008-2013 is that DSC is expected to slightly improve with 2013 being projected to be 1.84x.

Houlton Regional Hospital has the capacity and the ability to have adequate debt service coverage. If Houlton Regional Hospital were to maintain its debt service coverage at a

ratio consistent with its recent history, a change of 0.27x would not significantly impact its ability to service its loans.

The 2008 Almanac commented: “Low performance hospitals have historically used more debt to finance net fixed assets than high performance hospitals. With the removal of capital cost pass through, long term debt will become most costly relative to equity. High performance hospitals are restructuring their capital positions to reflect this shift in the relative costs of debt and equity capital. However, we expect fixed asset financing ratios to continue to remain stable during the next 5 (five) years as hospitals curtail their growth in new capital expenditures and reduce their reliance on long term debt.”

The Northeast has considerably higher rates in financing fixed assets than other regions. The 2006 average for hospitals in the State of Maine was 52 percent in regards to fixed asset financing. In 2006 Houlton Regional Hospital was at 95.4 percent which is above the 90th percentile for the State of Maine. For the years 2002-2006, for hospitals with revenues similar to Houlton Regional Hospital, 48 percent is about the average.

The applicant supplied an analysis from its financial consultant which indicated the applicant’s limited ability to bring on additional debt beyond which is considered for this project. The financial ratios reflect this inability to support any additional debt beyond the \$3,000,000 anticipated for this project.

The fixed asset financing ratio over the past 5 years has remained relatively consistent in the State of Maine.

The proposed financing is consistent with the way Houlton Regional Hospital is spending the funds on fixed assets. This is because a significant portion of Houlton Regional Hospital’s existing debt is expected to be repaid during the next five years. Total debt in year three of the project (2013) is expected to be approximately \$870,000 less than 2006.

Efficiency Ratios: Efficiency ratios measure various assets and how many times annual revenues exceed these assets.

Financial Performance Indicators

Efficiency	2006	2007	2008	2010	2013	2006 ME State Median	Northeast Median
Total Asset Turnover	1.34	1.46	1.66	1.86	2.07	1.12	1.13
Fixed Asset Turnover	2.96	3.38	3.72	4.10	4.39	2.74	2.77
Current Asset Turnover	3.67	3.82	4.43	5.04	5.77	4.19	4.15

Total asset turnover (TAT) provides an index of the number of operating revenue dollars generated per dollar of asset investment. Higher values for this ratio imply greater generation of revenue from the existing investments of assets. Larger hospitals usually have lower values for turnover than smaller hospitals. This can be attributed to two factors. First, larger hospitals are most likely to have newer physical plants. Second, capital intensity is often greater in larger hospitals due to more special services and higher levels of technology.

In 2004, according to the source cited above Maine hospitals had a TAT of 1.12.

For 2004 Houlton Regional Hospital had a TAT of 1.26. This is indicative of the relative age of the hospital and its small size and is expected because of the lack of significant hospital improvements over the past decade.

In the period of 2000 – 2004 there has been a steady increase in the TAT for Maine hospitals. The expected trend for Houlton Regional Hospital is for TAT to increase during the time frame of this project 2010-2013. This is reflective of the hospital planning to spend significant funds for capital improvements and additional investments in technology.

Operating Costs in the third operating year are expected to increase by \$392,569. For the Bureau of Insurance this amount is adjusted to a current value of \$316,782 in order to calculate the impact of this project on commercial insurance premiums. The impact on the CIF if approved would be \$322,855. The \$392,569 includes \$106,763 in depreciation and \$140,549 in interest expense. Additional costs for staffing and supplies amounts to \$145,257 in 2013 dollars.

In completing this section of the analysis, the CONU concludes that, as proposed, the applicant can financially support the project. Demands on liquidity and capital structure are expected to be adequate to support projected operations. Financing and turnover ratios show little impact on the organization as a whole from successfully engaging in this project. The hospital has shown current earnings which are not expected to be significantly impacted by this project.

Changing Laws and Regulations

CONU staff is not aware of any imminent or proposed changes in laws and regulations that would impact the project. Houlton Regional Hospital presently has the organizational strength to adjust to reasonable changes in laws and regulations.

iii. Conclusion

The applicant has demonstrated the financial capacity to support the project over its useful life and the organizational strength to adjust to reasonable changes in laws and rules.

CONU recommends that the Commissioner determine that Houlton Regional Hospital has met its burden to show that the proposed project demonstrates economic feasibility.

IV. Needs to be Met

A. From Applicant

"As noted in the above Profile of the Applicant Section, Houlton Regional Hospital's primary service area is Southern Aroostook County, and includes the following towns: Houlton, Oakfield, Patten, Danforth and Island Falls. Houlton's secondary service area is Northern Washington County and Penobscot County, and includes the following towns: Monticello, Hodgdon, Littleton, Linneus, Sherman, Smyrna, Orient, Ludlow, New Limerick and Stacyville."

"The population to be served by the project is approximately 20,000."

"The following is a summary of the total visits or tests performed for each of the relevant services affected by the Project for the past three years:

	<u>Emergency Dept.</u>	<u>Cardiac Rehab.</u>	<u>Nuclear Medicine</u>
Year ending 9/30/05	13,300	3,087	1,930
Year ending 9/30/06	13,254	2,500	1,745
Year ending 9/30/07	13,601	2,260	1,584

"Cardiac Rehab experienced significant staffing turnover from 9/30/05 to 9/30/07 which resulted in the elimination of a few of the classes while new staff were being trained. Cardiac Rehab is now up to full staffing. Nuclear Medicine also experienced significant staffing turnover in early 2007. Additionally, for several days in 2007, no tests were performed because of the replacement of the Nuclear Medicine camera."

"Houlton Regional Hospital is currently meeting the demand for these services and does not anticipate that demand will increase. Use of the Emergency Department has remained fairly stable. Houlton anticipates that Cardiac Rehab services will return to previous levels now that this service is back at full staffing. The demand for nuclear medicine is contingent upon physicians' requests for the tests; Houlton expects the demand to remain fairly stable."

"The contemplated improvements, as explained in detail in the Project Description (Section VII) and Consistency with State Health Plan (Section VIII), are needed in order to bring Houlton into compliance with current standards and to improve patient (and visitor) safety, privacy, confidentiality and quality of care. By way of example, as discussed in Section VIII, by creating a separate, dedicated entrance to the ED and a separate, dedicated waiting area for ED patients, as well as providing a separate, dedicated air-handling unit for the ED waiting area, Houlton will significantly reduce the risk of infections for hospital visitors, guests, employees and other members of the hospital population."

"Houlton Regional Hospital is currently meeting the demand for these services and does not anticipate that demand will increase. The contemplated improvements will meet the need of improving patient safety, privacy and quality of care."

"A schedule of Houlton Regional Hospital's payor mix is attached as Appendix IV, Exhibit 1, reflecting the hospital's heavy dependence on Medicare and Medicaid."

Additional Information

"AIA provides guidelines related to size of treatment rooms, privacy and safety, HIPAA, etc. These guidelines are significantly more stringent than those in place at the time the current spaces for the ED, Nuclear Medicine, Radiology and Cardio/Pulmonary Rehabilitation were built."

"The contemplated improvements, as explained in detail in the Project Description Section, bring Houlton's ED, nuclear medicine space and radiology space into compliance with current standards."

"The Project will significantly improve patient privacy, safety and quality of care, and will improve the cost effectiveness of care."

"As explained above in Section IV(4), Houlton Regional Hospital is currently meeting the demand for these services and does not anticipate that demand will increase."

B. CONU Discussion

i. Criteria

Relevant criteria for inclusion in this section are specific to the determination there is a public need for the proposed services as demonstrated by certain factors, including, but not limited to:

- Whether, and the extent to which, the project will substantially address specific health problems as measured by health needs in the area to be served by the project;
- Whether the project will have a positive impact on the health status indicators of the population to be served;
- Whether the services affected by the project will be accessible to all residents of the area proposed to be served; and
- Whether the project will provide demonstrable improvements in quality and outcome measures applicable to the services proposed in the project.

ii. Analysis

This application speaks to the physical plant needs of the facility and states that this project will reduce the risk of infections and falls thus improving patient safety, privacy and quality of care. Currently patients presenting themselves at the emergency department are required to wait in the hallway before treatment. The current hallway waiting area is not located to permit staff observation of patients nor does it have the necessary general ventilation for airborne infection control. The current area used for Nuclear Medicine is cramped and often has several patients receiving tests simultaneously in this small area causing the potential for slip and falls and breach of confidential information.

During CONU's site visit, it was observed that a significant possibility for confusion for patients attempting to reach the emergency department existed. Significant numbers of patients attempt to enter through the ambulance entrance; this is the only way to enter into the emergency department from that side of the hospital. The current ambulatory pathway is to enter through the main entrance and traverse past general reception and the elevators before reaching a space in the hallway that serves as the waiting area for the emergency department. CONU was able to overhear conversations by patients and staff raising HIPAA concerns. Upon observation, the radiology department was noticeably constricted.

Another area of concern provided by the applicant was an increase seen in their ED elopements (patients left without being seen). Elopements have increased from 90 in FY2005, 94 in FY 2006 to 139 in FY 2007. ED patients have remained consistent the past three years with ED patients leaving against medical advice ("ADA"). The applicant believes this is a direct cause from not being able to monitor the ED waiting area at its current location and expects an improvement in these areas.

The suggested space configurations for the proposed areas are within AIA guidelines.

Houlton Regional Hospital is a not-for profit hospital and therefore, its services need to be accessible to all residents of the area. However, at the Public Hearing held on June 17, 2008 (requested by 31 persons in the hospitals service area), testimony was given that demonstrated patients insured by the Maine State Employee Health Insurance Program were seeking treatment and having tests performed in hospitals many miles away that are qualified as Tier I hospitals under their insurer's plan. Currently, Houlton Regional Hospital is not considered a Tier I hospital under this employer plan. Consequently approximately 5% of the private pay patients are forced to pay higher insurance deductibles or seek treatment at another hospital as a result of Houlton Regional Hospital not meeting the criteria for inclusion. Because of this, potential patients testified that they have been forced to seek medical care in Bangor, which is 120 miles away from Houlton.

Eastern Maine Medical Center is the tertiary referral center for Northern and Eastern Maine including Houlton Regional Hospital service area. Houlton Regional Hospital has transfer agreements with EMMC and has recently provided a letter of support for a \$250

million expansion being developed at EMMC dated December 20, 2007. Houlton Regional Hospital should work collaboratively with EMMC to insure quality measures are in place to prevent unnecessary patient migration for services that could be performed at Houlton Regional Hospital. This includes becoming a Tier I hospital as defined by the Maine State Employees Health Insurance Program. This is a quality issue and certificate of need approval should not be granted for healthcare facilities that do not subscribe to basic quality measures. Please see recommended condition of approval number 1 and 2.

iii. Conclusion

CONU recommends that the Commissioner determine that Houlton Regional Hospital, subject to all recommended conditions, will meet its burden and will demonstrate that the proposed project meets the public need.

V. Alternatives Considered**A. From Applicant****Status Quo**

"The only alternative available to Houlton to meet its needs was to make no changes to the existing services and programs at Houlton Regional Hospital."

"This approach was rejected for a number of reasons, including: (i) it completely ignores the existing, immediate need at Houlton for a separation of ED access from the general population, as outlined in the above sections regarding Project Description and Needs and Consistency with State Health Plan; (ii) it fails to address the patient safety issues (infection control risks in the ED, inadequate space in nuclear medicine space, etc.) associated with the current configuration of the hospital services; (iii) it fails to address the patient privacy issues caused by the current configuration of hospital services; (iv) it fails to acknowledge existing staff inefficiencies caused by the current configuration of services, and (v) it fails to acknowledge the staff efficiencies and improved quality of patient care that could be achieved through proper consolidation and minimal reconfiguration."

"For the above reasons, this option was rejected."

B. CONU Discussion**i. Criteria**

Relevant criteria for inclusion in this section are specific to the determination that the proposed services are consistent with the orderly and economic development of health facilities and health resources for the State as demonstrated by:

- The impact of the project on total health care expenditures after taking into account, to the extent practical, both the costs and benefits of the project and the competing demands in the local service area and statewide for available resources for health care;
- The availability of state funds to cover any increase in state costs associated with utilization of the project's services; and
- The likelihood that more effective, more accessible or less costly alternative technologies or methods of service delivery may become available.

ii. Analysis

The applicant states that this project as provided is the only alternative to an ED that has no separate waiting area to protect against infections, slip and falls, increase in elopements

and patients leaving against medical advice, and inadequate space in the nuclear medicine department and HIPAA confidential requirements.

Total projected 3rd year incremental operating costs are projected to be \$392,569 and of that amount MaineCare's 3rd year cost is \$93,653,345 ($\$392,569 \times 23.90\%$ (MaineCare payor mix projected by the applicant for CON project type of services only)), which is both the Federal and State portions combined. Currently the impact to the State portion of the budget by the third year of operation (2013) would be approximately \$32,779 ($\$93,653,345 \times 35\%$). This is a minimal amount and State funds must be made available to cover these costs if the project is approved.

It is unlikely that more effective, more accessible or less costly alternative technologies or methods of service delivery may become available to this proposed project.

iii. Conclusion

CONU recommends that the Commissioner determine that Houlton Regional Hospital has met its burden by demonstrating that the proposed project is consistent with the orderly and economic development of health facilities and health resources for the State.

VI. State Health Plan**i. Introduction**

This section includes information presented in the application relative to how the proposed project specifically relates to priorities in the State Health Plan (SHP). The applicant's comments, as well as input received from the Maine CDC/DHHS, and CONU findings are incorporated under the respective priorities for the SHP. The complete text of the Public Health Assessment by the Maine CDC/DHHS is contained in the CONU record.

This year, Certificate of Need (CON) applicants were provided with two items that provided clarifying information regarding the State Health Plan.

The first item is a memo to Potential CON Applicants dated October 9, 2007. This memo was developed by the Advisory Council on Health Systems Development to provide clarification and guidance relative to the State Health Plan Priority "projects that directly and unambiguously protect the public's health and safety," more specifically: 1) "projects that have as a primary, overriding objective the elimination of threats to patient safety" and 2) "projects that center on a redirection of resources and focus toward population-based health and prevention; such efforts address our state's greatest area of need . . ." The criteria and definitions contained in this memo will be used to evaluate the applications consistency with the State Health Plan. A copy of this memo is on file with CONU. It was included in packets distributed to attendees at the Technical Assistance Training, February 6, 2008.

The second item is a letter to CON Applicants dated January 10, 2008. This letter was developed to provide clarification specific to which State Health Plan guides the 2008 CON review process. The letter states that the current State Health Plan will guide the CON review.

Relevant criterion for inclusion in this section is specific to the determination that the project is consistent with the goals and priorities of the State Health Plan.

It is important to note that priorities are further defined within the CON section of the SHP. The CONU review of consistency with the SHP follows and is organized by priority.

a. **Applicant's Discussion**

"This section of the CON application describes how Houlton Regional Hospital's Project is consistent with the State Health Plan's goals to improve patient safety and quality of care, contributes to lowering the costs of care, helps to create greater efficiencies, expands care for the chronically ill, and demonstrates best practices in building construction."

ii. **Analysis**

Priority: Projects that protect public health and safety are of utmost importance.

Projects that have as a primary, overriding objective the elimination of specific threats to patient safety.

a. **Applicant's Discussion on Priority**

"Projects with the primary objective of eliminating threats to patients' safety."

"Houlton Hospital's Proposed Emergency Department Renovations Will Significantly Reduce the Hospital's Infection Control Risks and Other Threats to Patient Safety."

"Presently, Houlton Hospital's patients are unable to access the ED through a separate entrance, but are rather required to access the ED through the hospital's main entrance. Moreover, because the ED does not have a dedicated waiting room, ED patients are required to wait in the hospital's central concourse area."

"As a result of the current layout, which requires ED patients to share space with other members of the hospital population, hospitalized patients, visitors, guests and hospital employees are unnecessarily exposed to potential infections and blood and bodily fluids from ED patients seeking treatment for contagious medical conditions. The Centers for Disease Control and Prevention ("CDC") has identified emergency departments as frequent sources of transmission of airborne infections. CDC, Guideline for Isolation Precautions: Preventing Transmission of Infectious Agents in Healthcare Settings, p. 36 (2007). The CDC has noted that "[p]atients actively infected with or incubating transmissible infectious diseases are seen frequently in ambulatory settings (e.g., ...emergency departments) and potentially expose healthcare personnel and other patients, family members and visitors." CDC, Guideline, p. 58 (see Appendix 5 for referenced excerpt). The CDC has stressed the importance of the separation of such patients from common hospital waiting areas in order to minimize infection transmissions to other hospital visitors, and the "need for vigilance and prompt implementation of infection control measures at the first point of encounter within a healthcare facility (e.g. reception and triage areas in emergency departments....)." CDC Guideline, pp. 58, 67 (see Appendix 5 for referenced excerpts). The CDC has noted that "physical proximity...has been associated with an increased risk of transmission of infections via

the droplet route,” and has recommended the “spatial separation” of infected persons in common waiting areas and “the practice of distancing infected persons from others who are not infected” as important effective measures for “decreasing the risk of transmission of pathogens contained in large respiratory droplets....” CDC, Guideline, p. 68 (see Appendix 5 for referenced excerpt)."

"Additionally, because patients who are mentally ill, intoxicated, combative, or violent, tend to seek care at the ED, having such patients share waiting area space with other hospital visitors increases the likelihood of altercations and poses unnecessary risks to both ED patients and to visitors."

"Houlton’s proposed ED renovations will remedy these problems by creating a separate, dedicated entrance to the ED and a separate, dedicated waiting area for ED patients in a secluded area at the back of the ED, as well as providing a separate, dedicated air-handling unit for the ED waiting area. (The CDC has recognized the importance of the separation of patients infected with agents that can remain suspended in the air for long periods to areas with special air handling and ventilation capabilities, such as hospital emergency rooms, in order to minimize airborne infections to others. CDC, Guideline, p. 71.) As a result of these changes, the risk of airborne infections, exposures to blood and bodily fluids, and altercations with ED patients is significantly reduced for hospital visitors, guests, employees and other members of the hospital population."

"Houlton Hospital’s Proposed Emergency Department and Nuclear Medicine Renovations Will Improve Patient Privacy."

"Because ED patients presently lack a separate, dedicated waiting area, ED patients and their accompanying friends and family members are afforded very limited privacy in the current patient triage, registration and waiting areas."

"Houlton’s proposed ED renovations will create a private patient triage room, a patient registration office, and more secluded patient support space and waiting areas specifically for ED patients. These new areas will afford greater protection of patient confidentiality and privacy in accordance with the federal HIPAA Privacy Standards and Maine law governing the confidentiality of healthcare information, as well as enhance provider-patient and provider-family communication in difficult emergency crises."

"Additionally, the space presently available for Nuclear Medicine at Houlton is extremely limited and provides virtually no privacy to patients undergoing nuclear medicine imaging scans, stress preps, stress tests, thyroid uptakes, and hot laboratory work. Presently, all of these tests and procedures occur in the same space concurrently, and such space limitations significantly compromise patient privacy."

"Houlton’s proposed Nuclear Medicine renovations involve renovations and an addition that will include separate testing areas for stress preps, stress testing and workspace for technicians. Separating these treatment areas will afford patients greater privacy and confidentiality during such tests and procedures."

"Houlton Hospital's Proposed Nuclear Medicine Renovations Will Reduce the Risk of Patient Falls."

"Because the existing space that accommodates Houlton's Nuclear Medicine camera is cramped and crowded with equipment, machines, technicians and laboratory staff for conducting various related tests and procedures, patients who enter this area for imaging scans and other tests are at significant risk of tripping and falling over various equipment cables and machines."

"Patient falls in the hospital setting are common and can cause significant harm, result in greater lengths of stay, and can expose the hospital to significant legal liability, all of which ultimately increase the costs of care. Falls constitute the most significant type of adverse event occurring in hospitals, and negatively affect patients' length of stay, function, physical and emotional health, independence, and quality of life. Wilson, E.B., Preventing patient falls, AACN Clinical Issues 9 (1998): 100-108 (see Appendix 5 for referenced excerpt). A significant cause of patient falls in the hospital setting is unfamiliar surroundings and poorly placed equipment and accessories."

"Houlton's proposed addition and renovations to the Nuclear Medicine area will significantly reduce this risk by affording greater space for its new Nuclear Medicine camera, separate testing areas for various related Nuclear Medicine tests and procedures, and separate workspace for Nuclear Medicine technicians. This new space will afford patients with limited mobility and hospital staff sufficient space to negotiate around equipment and machines."

"Houlton Hospital's Proposed Cardiac Rehabilitation Program Renovations Will Enhance Emergency Department Patients' Access to Timely Cardio/Pulmonary and Rehabilitation Services."

"Houlton's proposed renovations to the ED will displace a substantial portion of the present Cardio/Pulmonary and Rehabilitation space. As a result, Houlton's proposal also includes a plan to consolidate and move Rehabilitation and Cardio/Pulmonary Services into a single location within the proposed new addition located in close proximity to the renovated ED."

"These proposed changes will afford ED patients who are experiencing a cardiopulmonary event easier and speedier access to Cardio/Pulmonary services than is presently available under the current space configuration."

b. Maine CDC/DHHS Assessment

"Part of this project addresses public health and safety to the degree that these issues are addressed by separating the ED patient population from the rest of the hospital. It is unclear if the current ED has adequate negative pressure rooms and if not, if the proposed renovations include adding them. If part of the purpose of the project is to update patient

safety and ventilation ED standards, it would seem appropriate, if possible, to assure adequate negative pressure rooms in the ED.”

c. CONU Discussion

The applicant provided additional information that a negative pressure room would be made part of this reconfiguration of ED space. The applicant also stated their concerns with the increase of elopements and patients leaving against medical advice.

Projects that center on a redirection of resources and focus toward population-based health and prevention.

a. Applicant’s Discussion on Priority

"As explained in detail in the above Section VIII(1), the Project will reduce the risk of airborne infections, exposures to blood and bodily fluids, and altercations with ED reduced for hospital visitors, guests, employees and other members of the hospital population."

b. Maine CDC/DHHS Assessment

“There does not appear to be any redirection of resources to population-based health and prevention as part of this proposal.”

c. CONU Findings

CONU concurs with Dr. Mills’ (Maine CDC/DHHS) comment that this project does not involve any redirection of resources to population-based health and prevention as part of this approval.

d. Determination

CONU finds that the applicant has demonstrated that this project will directly and unambiguously protect patient safety.

Priority: Projects that contribute to lower costs of care and increased efficiencies.

Projects that clearly demonstrate they will generate cost savings either through verifiable increased operational efficiencies or through strategies that will lead to lower demand for high cost services in the near or long term.

a. Applicant’s Discussion on Priority

1. *"Projects that will reduce future demand for health care services."*

"By improving patient access in rural communities—one of the Guideposts of the State of Maine Health Plan (see State of Maine Health Plan, p. 7)—and by reducing hospital infection control risks, patient falls and other threats to patient safety, the Project will reduce future demand for health care services."

2. *Projects that result in reduced operating costs for existing facilities.*

"The Project significantly improves patient access to Houlton Regional Hospital's ED, Nuclear Medicine and Cardio/Rehabilitation services."

b. Maine CDC/DHHS Assessment

"The applicant indicates that the project, by reducing infection control risks and patient falls, may reduce future demand for health care services. However, there is no evidence provided that the current hospital configuration has resulted in higher than expected rates of infections or patient falls. And, if there were such higher rates, the project would expect to reduce them to an expected rate."

c. CONU Findings

The CONU concurs with Dr. Mills' comment that the applicant does not provide information that would show a decrease in number of infections, slip and falls, elopements or patients leaving against medical advice. As noted earlier this hospital does not subscribe to basic quality measures necessary to be a Tier I hospital.

Projects that physically consolidate hospitals or services that serve all or part of the same area that demonstrate an appropriate, cost effective use for the "abandoned" infrastructure, that do not result in increased costs to the health care system and that, in accordance with state policy as expressed in Maine's Growth Management Act, do not contribute to sprawl.

a. Applicant's Discussion on Priority

"Houlton's proposed renovations to the Emergency Department will displace a substantial portion of the present Nuclear Medicine, Cardio/Pulmonary and Rehabilitation space."

"In doing so, Houlton will be able to consolidate services in the new addition and in the renovated, reconfigured space. Houlton will: (i) consolidate and move Rehabilitation and Cardio/Pulmonary Services into a single location within the proposed new addition located in close proximity to the renovated ED; (ii) consolidate radiology services by relocating the hospital's bone densitometry room to the same addition so it is physically part of the Radiology Department; and (iii) provide sufficient space for Nuclear Medicine services."

“As explained in the Project Description in Section II and in the above response, the proposed renovations and addition will make excellent use of the existing capacity and infrastructure. The ED improvements will occupy the abandoned space, thereby utilizing the existing infrastructure. Accordingly, 100% of the existing space will be renovated to address deficiencies and limitations.”

"As shown in the schematic drawings, the new addition will be integrated into the existing structure. Utilizing existing infrastructure affords the greatest amount of flexibility and has the least amount of financial impact on Houlton and the state health system. By using an incremental approach, this option allows Houlton to use existing space and infrastructure, thus creating cost efficiencies."

b. Maine CDC/DHHS Assessment

“This project does not include any abandoned infrastructure, but does consolidate some services.”

c. CONU Findings

The CONU concurs that this project does consolidate some services.

d. Determination

The applicant has met this determination.

Telemedicine projects that facilitate improvements and cost-efficiencies in the quality of diagnosis and treatment in smaller, rural communities.

a. Applicant’s Discussion on Priority

The applicant did not discuss this specific priority as this is not a telemedicine project.

b. Maine CDC/DHHS Assessment

“This project does not include a telemedicine component.”

c. CONU Findings

This is not a telemedicine project.

Priority: Projects that advance access to services and reflect a collaborative, evidence-based strategy for introducing new services and technologies.

a. Applicant’s Discussion on Priority

The applicant did not discuss this specific priority.

b. Maine CDC/DHHS Assessment

“No new services are proposed.”

c. CONU Findings

No new services are proposed.

Priority: Projects that include a complementary preventive component that will lead to a reduced need for services at the population level.

a. Applicant’s Discussion on Priority

The applicant did not discuss this specific priority.

b. Maine CDC/DHHS Assessment

“There is no indication in the application that this project includes a comprehensive preventive program.”

c. CONU Findings

This priority was not discussed.

Priority: Construction that employs green building methods

a. Applicant’s Discussion on Priority

"As explained in Section II(12), Houlton Regional Hospital is committed to a sustainable approach to the design and operation of the Project as it relates to the use of “green” building standards on both internal and external environments."

"All interior and exterior renovations, improvements and replacements related to the Project will be implemented using an integrated approach consistent with “green” building standards."

b. Maine CDC/DHHS Assessment

“The applicant states that they are committed to a sustainable approach to the design and operation of the project, though no commitment to a particular green standard was mentioned.”

c. CONU Findings

The CONU concurs with the comments from Dr. Mills.

d. Determination

The applicant will be required to implement green technology construction standards wherever necessary to meet these criteria.

Priority: Investments in the MHINT project and also investments in electronic medical records systems, such as HL7, will receive a higher priority ranking than those applicants failing to make such investments.

a. Applicant's Discussion on Priority

"Applicants demonstrating investment in and/or use of an electronic medical records system with an HL7 interface, allowing for exchange of information."

"As explained in Section II (8), Houlton Regional Hospital is currently introducing an electronic medical records ("EMR") system. The hospital's strategic plan that appears as Appendix I, Exhibit 7, specifically outlines Houlton's plan for EMR. Although the introduction of EMR is not part of this Project, the services that are affected by this Project will be part of the EMR system. Houlton Regional Hospital's IS Department will ensure that wiring and cabling needed for our EMR system is included in the renovations and addition that constitute the Project."

b. Maine CDC/DHHS Assessment

"The applicant states that they are currently introducing an EMR system that will include the ED and nuclear medicine."

c. CONU Findings

The CONU acknowledges the applicant is in the process of implementing an electronic medical records system.

d. Determination

The applicant has met these criteria.

Priority: Projects that exercise less than 0.5% increase on regional insurance premiums.

a. Applicant's Discussion on Priority

No discussion from the applicant was provided.

b. Bureau of Insurance Assessment

“Estimate that the maximum impact of this CON project on private health insurance premiums in Houlton Regional Hospital’s service area for the project’s third year of operation will be approximately 0.384% (\$0.384 per \$100) of premium. I further estimate that this project, in its third year of operation, will have an impact on statewide private health insurance premiums of approximately 0.005% (\$0.005 per \$100) of premium.”

c. Conclusion

The impact for regional insurance premiums is less than 0.5%.

d. Determination

The applicant has met these criteria.

iii. Conclusion

The applicant has satisfied a few of the State Health Plan priorities. CONU recommends that the Commissioner determine that this applicant has met its burden to show that this project is consistent with the State Health Plan.

VII. Outcomes and Community Impact**A. From Applicant**

"The Project will ensure high quality outcomes in the following ways:

- By reducing the risk of infections for hospital visitors, guests, employees and other members of the hospital population;
- By reducing the risk of patient falls;
- By improving patient privacy;
- By improving patient confidentiality;
- By improving staff efficiencies; and
- By improving patient management and quality of care."

"The Project will not negatively affect the quality of care delivered by existing service providers. In Houlton's primary service area, there are no other providers of emergency medicine, nuclear medicine, radiology or cardio/pulmonary rehabilitation services."

B. CONU Discussion**i. Criteria**

Relevant criterions for inclusion in this section are specific to the determination that the project ensures high-quality outcomes and does not negatively affect the quality of care delivered by existing service providers.

ii. Analysis

The applicant states the project will reduce infection rates, slip and falls, elopements and departures against medical advice by having a separate waiting area for ED patients so they can be monitored effectively by the ED staff. A negative air pressure room will isolate airborne infections attributable to ED patients and visitors. ED staff will be prepared to monitor elopements and those departures against medical advice that should lead to lower cost of care and fewer complications in the future. The applicant states they are the only service provider in the service area, therefore this project will not negatively affect the quality of care delivered by existing service providers. See condition number 2.

Houlton Regional Hospital is a not-for profit hospital and therefore to ensure quality outcomes, its services need to be accessible to all residents of the area. However, at the Public Hearing held on June 17, 2008, testimony was given that demonstrated patients insured by the Maine State Employee Health Insurance Program were seeking treatment and having tests performed in Hospitals many miles away that unlike Houlton Regional Hospital, are qualified as Tier I hospitals under their insurers plan. As a consequence, approximately 5% of the private pay patients are forced to pay higher insurance deductibles or seek treatment at another hospital as a result of Houlton Regional Hospital not meeting the criteria for inclusion. Because of the higher out-of-pocket costs for these

patients there is a barrier to these patients in seeking medical services at Houlton Regional Hospital.

iii. Conclusion

CONU recommends that the Commissioner determine that Houlton Regional Hospital has met its burden, subject to the conditions for approval, that this project will ensure high quality outcomes and will not negatively affect the quality of care delivered by existing service providers.

VIII. Service Utilization**A. From Applicant**

"No services are being added; rather the Project is a reconfiguration of existing services to address patient safety, patient privacy and existing inefficiencies. The Project will not result in inappropriate increases in service utilization."

B. CONU Discussion**i. Criteria**

Relevant criterion for inclusion in this section are specific to the determination that the project does not result in inappropriate increases in service utilization, according to the principles of evidence-based medicine adopted by the Maine Quality Forum.

ii. Analysis

The CONU did not receive an assessment from the Maine Quality Forum; however, this project is not projected to increase service utilization as no new services are being added.

iii. Conclusion

The CONU recommends that the Commissioner determine that Houlton Regional Hospital has met its burden to demonstrate that inappropriate increases in Service Utilization will not occur.

IX. Other**A. Funding in Capital Investment Fund**

"Houlton understands that the current Capital Investment Fund limit for small projects is approximately \$960,000. The third-year operating costs for the Project are \$392,569. Houlton also understands that the third-year operating costs for the only other project in the current small project pool are approximately \$92,000. Accordingly, Houlton understands that the Project can be funded within the Capital Investment Fund."

B. CONU Discussion**i. Criteria**

Relevant criteria for inclusion in this section are related to the needed determination that the project can be funded within the Capital Investment Fund.

ii. Analysis

The small hospital project cycle was not a competitive cycle. This project was the only application submitted for review. No other project is in this small hospital review cycle.

iii. Conclusion

The CONU recommends that the Commissioner determine that Houlton Regional Hospital has met its burden to demonstrate that there are sufficient funds in the Capital Investment Fund (CIF) to fund this project. CONU recommends that this project can be funded with the CIF.

X. Timely Notice

A. From Applicant

Letter of intent filed:	December 12, 2007
Subject to CON review letter issued:	December 17, 2007
Technical assistance meeting held:	February 6, 2008
CON application filed:	March 21, 2008
CON application certified as complete	Determined by Department

B. CONU Discussion

Letter of Intent filed:	December 12, 2007
Subject to CON review letter issued:	December 17, 2007
Technical assistance meeting held:	February 6, 2008
CON application filed:	March 21, 2008
CON certified as complete:	March 21, 2008
Public Information Meeting Held:	April 15, 2008
Public Hearing held:	June 17, 2008
Comment Period Ended:	July 17, 2008

XI. Findings and Recommendations

Based on the preceding analysis, including information contained in the record, the CONU recommends that the Commissioner make the following findings and recommendations:

- A. That the applicant is fit, willing and able to provide the proposed services at the proper standard of care as demonstrated by, among other factors, whether the quality of any health care provided in the past by the applicant or a related party under the applicant's control meets industry standards.
- B. The economic feasibility of the proposed services is demonstrated in terms of the:
1. Capacity of the applicant to support the project financially over its useful life, in light of the rates the applicant expects to be able to charge for the services to be provided by the project; and
 2. The applicant's ability to establish and operate the project in accordance with existing and reasonably anticipated future changes in federal, state and local licensure and other applicable or potentially applicable rules;
- C. The applicant has demonstrated that there is a public need for the proposed services certain factors, including, but not limited to:
1. The project will substantially address specific health problems as measured by health needs in the area to be served by the project;
 2. The project has demonstrated that it will have a positive impact on the health status indicators of the population to be served;
 3. The services affected by the project will be accessible to all residents of the area proposed to be served; and
 4. The applicant has demonstrated that the project will provide demonstrable improvements in quality and outcome measures applicable to the services proposed in the project (Subject to conditions);
- D. The applicant has demonstrated that the proposed services are consistent with the orderly and economic development of health facilities and health resources for the State as demonstrated by:
1. The applicant has demonstrated what the impact of the project on total health care expenditures after taking into account, to the extent practical, both the costs and benefits of the project and the competing demands in the local service area and statewide for available resources for health care;

2. The availability of State funds to cover any increase in state costs associated with utilization of the project's services; and
3. The likelihood that more effective, more accessible or less costly alternative technologies or methods of service delivery may become available was not demonstrated by the applicant;

In making a determination under this subsection, the commissioner shall use data available in the state health plan under Title 2, section 103, data from the Maine Health Data Organization established in chapter 1683 and other information available to the commissioner. Particular weight must be given to information that indicates that the proposed health services are innovations in high quality health care delivery, that the proposed health services are not reasonably available in the proposed area and that the facility proposing the new health services is designed to provide excellent quality health care.

- E. The applicant has demonstrated that the project is consistent with the State Health Plan;
- F. The applicant has demonstrated that the project ensures high-quality outcomes and does not negatively affect the quality of care delivered by existing service providers;
- G. The applicant has demonstrated that the project does not result in inappropriate increases in service utilization, according to the principles of evidence-based medicine adopted by the Maine Quality Forum; and
- H. That the project can be funded within the Capital Investment Fund.

For all the reasons contained in the preliminary analysis and in the record, CONU recommends that the Commissioner determine that this project should be **Approved subject to the following conditions.**

1. The applicant must become a Tier I Hospital under the qualifications of the Maine State Health Employee Health Insurance Plan before this project can become operational.
2. The applicant must report for the first three full years of operation the following statistics: The number of hospital infection rates, slip and fall rates, ED elopements rates and ED departures against medical advice rates.
3. The applicant will be required to state a firm commitment to introduce green technologies wherever possible when constructing this project.
4. The applicant will be required to include negative pressure capabilities as commented on by Dora Mills, MD (Maine CDC / DHHS).