



Springbrook Center

**LETTER OF INTENT**

509 Forest Avenue  
Portland, ME 04112  
Tel 207 774 8444  
Fax 207 774 9643

June 24, 2009

Phyllis Powell, Manager  
Certificate of Need Unit  
Div. of Licensing and Regulatory Services  
Department of Health and Human Services  
#11 State House Station  
41 Anthony Avenue  
Augusta, ME 04333-0011

Larry Carbonneau, CPA, Project Analyst  
Certificate of Need Unit  
Department of Health and Human Services  
#11 State House Station  
41 Anthony Avenue  
Augusta, ME 04333-0011

RE: Springbrook Center – Letter of Intent  
Conversion of Residential Care Beds to NF Beds

Dear Phyllis and Larry:

This correspondence constitutes a Letter of Intent in accordance with Section 71.05(A) of the BEAS Policy Manual, Certificate of Need Regulations for Nursing Facility Level of Care Projects.

On behalf of Springbrook Center (Westbrook Operations, LLC), one of the Genesis Healthcare of Maine, Inc. facilities (“Springbrook”), we seek to initiate the Certificate of Need (“CON”) review process to the extent it applies, to seek your advice and guidance on the best way to proceed, and to obtain CON approval of our proposal to delicense 23 Residential Care (RC) beds and acquire Reserved Nursing Care (NF) beds to provide an Medicaid income stream sufficient to facilitate replacing the 23 RC beds with 23 NF beds.

We understand that this filing triggers the need for a Technical Assistance Meeting as the appropriate next step. We welcome the opportunity to meet with you and your staff as soon as possible.

Phyllis Powell, Manager  
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Larry Carbonneau, CPA, Project Manager

### **Background**

It is the intention and goal of Springbrook Center, located in Westbrook, Maine to eliminate providing Residential Care Services and to effectively convert that space into additional NF services.

Springbrook would purchase 36 "Reserved" beds at Borderview Rehab and Living Center, Courtland Rehab and Living Center, Sanfield Rehab and Living Center and Southridge Rehab and Living Center (collectively "the North Country facilities"), as well as a sufficient number of NF beds from Fryeburg Health Care Center and Freeport Nursing Center (collectively "the Hicks facilities"), to accomplish the addition of 23 NF beds to the Springbrook facility. Under the proposed transaction SB would reserve the right sell the 23 Residential Care beds.

### **Capital Costs**

There will be minimal, if any, additional capital costs required to the Springbrook Center because the current Residential Care Space was built to Skilled Care Requirements.

### **MaineCare Budget Neutrality**

We are also aware of the requirements of §334 of the CON Act that requires demonstration of MaineCare Budget Neutrality as prerequisite for approval. We seek your guidance on how best to satisfy this requirement. We believe it makes sense to satisfy this requirement by acquiring a sufficient Medicaid income stream to meet the neutrality requirement.

### **Next Steps and Technical Assistance Meeting**

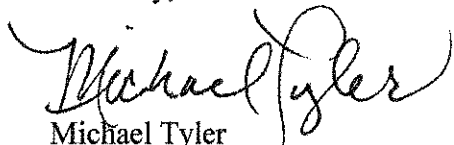
We welcome the opportunity to work with you and look forward to meeting with you soon. I will be following up with you on scheduling a Technical Assistance meeting. In

Phyllis Powell, Manager  
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Larry Carbonneau, CPA, Project Manager

the meantime, please feel free to contact me if you have any questions. My telephone number is 774-8444, ext. 249 and my email is [mtyler@sandyriver2.com](mailto:mtyler@sandyriver2.com).

Sincerely,

  
Michael Tyler  
Vice President of Development