



# MAINE VETERANS' HOMES

*caring for those who served*

*Via Email and Hand-delivery*

CENTRAL OFFICE  
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AUGUSTA, ME 04330  
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January 24, 2017

Sarah Taylor, Director  
Div. of Licensing & Regulatory Services  
Dept. of Health & Human Services  
Div. of Licensing & Regulatory Services  
11 State House Station  
41 Anthony Avenue  
Augusta, Maine 04333-0011

Rich Lawrence  
Healthcare Financial Analyst  
Dept. of Health & Human Services  
Div. of Licensing & Regulatory Services  
11 State House Station  
41 Anthony Avenue  
Augusta, ME 04333-0011

**RE: Letter of Intent - Replacement Facility for Augusta SNF and RCF**

Dear Ms. Taylor and Mr. Lawrence:

This Letter of Intent ("LOI") provides notice of our intent to file with your office ("DLRS") a Certificate of Need ("CON") Application to construct a replacement Skilled Nursing Facility ("SNF") and an Assisted Living / Residential Care Facility ("RCF") to replace our existing facility now located at 310 Cony Road, Augusta, Maine. The replacement facility will be located at 35 Henry's Way in Augusta.

The Maine Veterans' Homes ("MVH") is submitting this LOI to DLRS consistent with the requirements of 22 M.R.S.A. § 337 and your regulations, Ch. 5, Sec. 71.05.

We are asking our counsel on this matter, John Doyle and Holly Lusk of the Preti Flaherty firm, and Tammy Brunetti, CPA of Berry Dunn, to work with us and with the DLRS CON Team on this matter. John will be in touch shortly to confirm your receipt of this filing and to learn what further information you may seek at this time. He will also work with you on a date for the Technical Assistance Meeting. We are hoping the afternoon of February 21 would work for you.

We address below our understanding of the key regulatory requirements for this LOI.

- (a) Request for a Ruling. MVH requests a ruling from DLRS confirming that CON approval is required for this replacement facility.
- (b) Description of Project. MVH is proposing to construct a replacement facility to be located at 35 Henry's Way in Augusta, across from the new Maine General Medical Center. The new facility will operate 138 beds, including 108 SNF beds and 30 Assisted Living / RCF beds. This is a reduction of 12 SNF beds from the 120 SNF beds at our existing facility and is based upon demand projections regarding Veteran populations.

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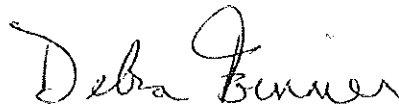
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- (c) Estimated Capital Expenditures. The estimated total cost of the replacement facility is \$78.68 M. Of this figure, we estimate that approximately \$75.86 M constitutes the CON reviewable capital expenditure. The remaining expenses of approximately \$2.82 M are associated with non-reviewable elements such as surface parking, underground parking and information and communications systems.
- (d) Anticipated Date of Commencement of Capital Expenditures. Currently, the anticipated date of commencement of substantial capital expenditures for construction of the project is early 2018.
- (e) Anticipated Date of Submission of CON Application. The anticipated date of submission of the CON application is summer 2017.
- (f) Anticipated Date of Commencement of Construction. The anticipated date of commencement of construction for the project is early 2018.
- (g) Anticipated Date of Completion. The anticipated date of completion for the project is twenty-eight (28) months from commencement, or mid-2020.
- (h) Request for Technical Assistance Meeting. We look forward to a Technical Assistance Meeting and to learn further the required and recommended elements for a full CON application. We will be pleased to coordinate with you on a time that works for all. The afternoon of Tuesday, February 21, 2017 would work well for us.

Please feel free to contact me if you require any additional information. Likewise, John Doyle will be following up further with you as well.

Sincerely,



Debra Fournier, MSB, CPHQ, NHA  
Chief Operating Officer

KJK/nc

Enclosure

Cc. Kelley J. Kash, Chief Executive Officer  
Tammy Brunetti, CPA  
John P. Doyle, Jr.  
Holly Lusk