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Via Email and U.S. Mail

Larry Carbonneau, MBA, CPA, CGFM
Senior Healthcare Financial Analyst
Health System Oversight
Department of Health and Human Services
State House Station #11
Augusta, Maine 04333-0011

December 22, 2017

Re: Mercy Hospital Campus Consolidation
Letter of Intent/ Reviewability

Dear Mr. Carbonneau:

Mercy Hospital (Mercy), a member of Eastern Maine Healthcare Systems (EMHS) is submitting this **letter of intent/ reviewability** to proceed with the planned consolidation of hospital operations to the Fore River campus. Please advise us in writing of the CON applicability of this proposal as described below.

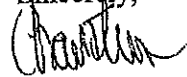
Mercy currently provides hospital services on two campuses in Portland: downtown on State Street, and on the Fore River campus, which commenced operations in 2008. As noted in Mercy's 2005 certificate of need, the master facility plan anticipated the future consolidation of inpatient and ambulatory services on the Fore River campus. Mercy and EMHS leadership have determined that the time is right to proceed with the next phase of the master facility plan.

This proposal is to construct or renovate and equip approximately 108,000 ft. sq. to support needed inpatient, outpatient, surgical, support and administrative services. The Mercy / EMHS management team will develop program projections, architectural designs, and financial feasibility analyses.

The total capital cost of the project is estimated at \$75 million, including construction and related costs, new equipment, and financing costs. Current projections are that the proposed project will result in incremental net operating *savings* from the efficiencies gained in consolidating campus operations. Construction would commence after CON approval.

Following your response on reviewability, we are prepared to schedule a technical assistance meeting and to submit a CON application thereafter.

Please contact Jean Mellett, Associate VP, Planning and Strategy, (973-7443) with questions. Thank you.

Sincerely,

Charles Therrien
President

Cc: Jean Mellett

