



Sun Healthcare Group, Inc.

101 Sun Avenue
Albuquerque, NM 87109

505.821.3355
Fax 505.468.2944
Fax 505.468.4908

September 25, 2009

Ms. Phyllis Powell
State of Maine CON Manager
31 Anthony Avenue
Augusta, ME 04333-0011

Re: Certificate of Need ("CON") Letter of Intent

Dear Ms. Powell:

This letter will serve as our Letter of Intent to initiate a CON review to obtain approval for Maine Medicaid provider numbers for four of our New Hampshire long term care facilities. A narrative was offered in our July 20, 2009 letter explaining our desire and our position and, in response, we received a letter from Larry Carbonneau dated August 27, 2009 indicating that CON approval would be necessary.

We provide post-hospitalization short-term rehabilitative services under Medicare Part A Skilled Nursing benefits in four (4) facilities located within fifteen (15) miles of the Maine border. The majority of our short-term rehabilitation patients are discharged home within 35 days of admission. Medicare Skilled Nursing Benefits include a co-insurance charge after the first twenty (20) days. We are seeking a MaineCare Provider Number to bill Medicare Co-Insurance to MaineCare.

This service is an extension of current hospital benefits for Maine residents and is for a limited period of time. This is different from, and should not be confused with, nursing home coverage. We are not seeking to add additional nursing home beds to the MaineCare program. Should a patient covered under Medicare Part A benefits need to make the transition to nursing home care for long term placement in New Hampshire they would at that time be considered a New Hampshire resident and eligible for N.H. Medicaid. Again, we are not seeking a Long Term Care Provider number. We are only seeking a provider number to that will enable our centers to bill Medicare A Skilled Nursing co-insurance to MaineCare. This is likely to be similar to existing Maine hospitals and rehabilitation centers.

Our centers will be using **Value Code A2** and **Revenue Code 120** when billing Mainecare, which is for Skilled Nursing Care Co-Insurance. We will not be using Revenue Code **167** which is for Long Term Care (nursing home) Services.

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The centers that are requesting MainCare approval are as follows:

Colonial Hill of Rochester
62 Rochester Hill Road
Rochester, NH 03867

Clipper Harbor of Portsmouth
188 Jones Ave.
Portsmouth, NH 03801

Langdon Place of Dover
60 Middle Road
Dover, NH 03820

Mineral Springs of North Conway
PO Box 3147
1251 White Mountain Highway
North Conway, NH 03860

Pursuant to Section 71, 10-149 Ch. 5 of the Bureau of Elder and Adult Services Policy Manual, we would like to request a Technical Assistance Meeting in moving forward with the CON review and approval. Please contact me via email or telephone if you have any questions. Thank you.

Respectfully submitted,

Virginia Lovelace

505-468-4742

virginia.lovelace@sunh.com