



Department of Health
and Human Services

Maine People Living
Safe, Healthy and Productive Lives

Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services
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December 19, 2016

Mr. S. John Watson, CFO
The Cedars
630 Ocean Avenue
Portland, ME 04103

RE: Letter of Applicability: The Cedars New Construction

Dear Mr. Watson:

This correspondence responds to your updated letter of intent dated November 15, 2016 in which The Cedars proposes to retrofit the Hoffman Building into three skilled nursing households of 20 residents and construct a new skilled nursing building for two long term care resident households of 21 residents each on its' existing 11 acre campus.

Based on the information you provided, the Department of Health and Human Services has determined that the proposal as described is subject to review. The applicable reason(s) this is a covered project are indicated below:

- This project is a transfer of ownership or acquisition of control of a health care facility.
- This project is not an acquisition of major medical equipment where the expenditure exceeds \$3,458,163.
- This project is not a new health service where neither:
 - Capital expenditures exceed \$3,242,028 nor,
 - Third year annual expenditures exceed \$1,080,676.
- This project is not a new health care facility where:
 - Capital expenditures exceed \$5,000,000 for a nursing facility or
 - Capital expenditures exceed \$3,000,000 for other covered facilities.
- The total capital costs associated with the project do exceed:
 - \$5,403,379 for nursing facilities.
 - \$10,806,759 for hospitals or other covered facilities.
- The project is not an increase in a licensed bed category or in the case of hospitals not greater than a 10% increase in bed capacity.

Sincerely

Richard S. Lawrence
Senior Health Care Financial Analyst

cc: File