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April 7, 2015

Larry Carbonneau, CPA  
Senior Health Care Financial Analyst  
Health Care Oversight  
Division of Licensing and Regulatory Services  
Department of Health & Human Services  
41 Anthony Avenue  
State House Station 11  
Augusta, ME 04333-0011

RE: **Bangor Eye Surgery, P.A.**

Dear Mr. Carbonneau:

This office represents Bangor Eye Surgery, P.A., a new Maine professional services corporation which will be providing ophthalmological surgery services in Bangor, Maine and consisting of three (3) physician shareholders. Bangor Eye Surgery ("BES") will be located in new medical offices at 900 Hammond Street in Bangor, Maine, commencing July 1, 2015. All elements of the BES surgical practice, including the administrative offices, will be housed in the new Hammond Street location.

As part of the establishment of its surgical practice, the three shareholders of BES are developing a single operating room ambulatory surgical center ("ASC") for the provision of ophthalmological surgery services. On behalf of BES, this letter serves as a Letter of Intent pursuant to 22 M.R.S.A. § 337(1) and Chapter 6 of the Maine Certificate of Need Procedures Manual, as well as a request for a determination from your office that the proposed development of an ambulatory surgical center for BES will not trigger a CON review.

In cooperation with its architects, BES has developed a plan for a single operating room ASC adjoining the same Hammond Street premises as Eastern Maine Eye Associates, P.A. ("EMEA"), a non-surgical professional association owned by the same three (3) ophthalmologist shareholders who own BES. The new ASC will consist of a single operating room as well as waiting and recovery rooms, separated entirely from the clinical offices of the EMEA practice.

The ophthalmologic surgical procedures planned for the BES facility are currently performed entirely in a hospital outpatient surgery setting. This proposal entails moving the location of these procedures from the hospital operating room to the new Hammond Street ASC.

Because this represents a “new health service” at the new surgery center, albeit procedures already performed in the same community, I will offer both projected capital expenditures and projected third-year incremental operating costs associated with the introduction of these procedures.

The ASC will be 600 square feet, accommodating a single operating room with three recovery and admission bays, a bathroom, a sterile processing room, and a reception and waiting room separate from the EMEA medical practice.

With respect to the proposed capital expenditures, the ophthalmologists have commissioned architectural plans for the development of the surgery center. I am enclosing a copy of the floor plan as Exhibit A, which has already received approval from Jeff Zabik. The budget for the construction project, as set forth in the enclosed materials at Exhibit B, as it pertains to the development of the surgical unit and adjoining areas and including all predevelopment activities by the architects and the compliance and certification consultants, comes to \$156,968. In addition to those construction expenses, the ophthalmologists anticipate the purchase of \$340,000 in equipment for the facility, as set forth on Exhibit C. This brings the total projected capital expenditures for the development of the ambulatory surgical center to approximately \$496,968.

With the planned introduction of these ophthalmologic procedures into the new ambulatory surgical center, the ophthalmologists have also undertaken a detailed analysis of the projected third-year incremental operating costs associated with these procedures. Please refer to the attached spreadsheet at Exhibit D, in which the projected figures are set forth both on a per procedure and total basis for the third year of operations. The projected incremental third-year cost figure comes to \$886,922.44.

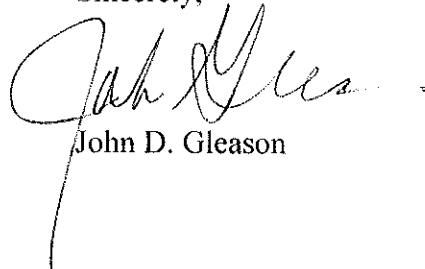
In short, it appears that the proposed capital expenditures and incremental third-year operating expenses associated with the development of the new ambulatory surgical center fall below the statutory thresholds of \$3 million for capital expenditures associated with the construction, development or other establishment of a new health facility, \$3,242,028 for capital expenditures associated with the offering or development of a new health service, and \$1,080,676 for incremental third-year operating costs associated with the addition of a new health service. As a result, it is our belief that Certificate of Need review of this proposed construction is not warranted.

With the submission of the enclosed materials, BES is requesting a determination from your office as to whether the proposed development of the ambulatory surgical center is subject to a Certificate of Need review.

Larry Carbonneau  
April 7, 2015  
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Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Gleason". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end of the name.

John D. Gleason

JDG/ml  
Enclosures  
cc: Garth Wilbanks, M.D.