

John D. Gleason, Esq.
jgleason@cutisthaxter.com

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September 12, 2012

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DIVISION OF
LICENSING & REGULATORY SERVICES

Phyllis Powell, Assistant Director
Planning, Development and Quality
Division of Licensing and Regulatory Services
Maine Department of Health & Human Services
State House Station 11
Augusta, ME 04333-0011

RE: **Central Maine Endoscopy, LLC**

Dear Phyllis:

This office represents Central Maine Endoscopy Center, LLC, a Maine limited liability company. John Irwin, D.O., developed the endoscopy center at Central Maine Endoscopy in 2002, following receipt of a license from the Division of Licensing and a written confirmation from the Certificate of Need Unit that his plan for sole ownership of Central Maine Endoscopy would not require a Certificate of Need. Since 2002, Dr. Irwin has remained the sole owner/member of Central Maine Endoscopy, and Central Maine Endoscopy has been the sole ambulatory surgical unit (ASU) in the building owned by CV Diagnostics.

On behalf of Central Maine Endoscopy, 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 renovations at Central Maine Endoscopy will not trigger CON review.

Background. Since its inception in 2002, only endoscopic procedures have been performed at the Central Maine Endoscopy facility. While Dr. Irwin plans to continue performing such procedures through Central Maine Endoscopy into the future as its sole owner/member, with renovations he will be able to perform the procedures in an upgraded operating room while allowing another practice as a co-tenant to perform its procedures in a new adjacent operating room of the ASU. To that end, two ophthalmologists, Drs. Marc B. Daniels and Peter C. Kohler, co-owners of the practice known as Eye Center of Central Maine which is already housed in the same building as Central Maine Endoscopy, plan to perform ophthalmologic surgical procedures in a portion of the renovated ASU. I will address this proposal in a separate letter to you.

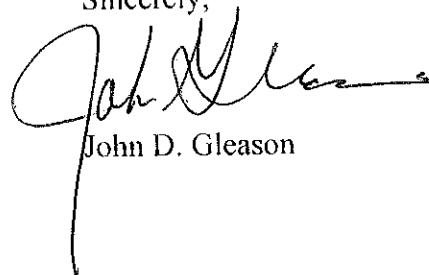
Certificate of Need Issues. Central Maine Endoscopy through Dr. Irwin, together with Eye Center of Central Maine, has conducted an analysis of the proposed capital expenditures associated with the renovations of the ASU, and the projected expenses fall far below the new financial thresholds for capital expenditures under §329(3) of the Act. With respect to proposed capital expenditures, Central Maine Endoscopy commissioned architectural plans for the renovations (see enclosed Exhibit A). The plans in entirety call for expansion of the existing building footprint; renovation and reconfiguration of existing office, conference and storage space; expanded parking; and development of two new operating rooms and expanded patient waiting and recovery rooms. As set forth in the enclosed materials (See Exhibit B), the entire budget for the construction project, inclusive of every aspect including non-ASU elements, comes to \$894,300. The projected cost for the renovation as it pertains to the expansion of the surgical unit and adjoining areas, however, based on a square footage calculation of all ASU-related areas as called for under the Act, comes to \$501,000. The ophthalmologists anticipate the purchase of an additional \$225,000 in equipment for the facility, which I will address in a separate letter submitted on their behalf.

In short, the proposed capital expenditures associated with the expansion of the ASU fall well below the new statutory threshold for capital expenditures under the Act. As a result, it is my understanding that based on the projected capital expenditures a CON review of this proposed addition to the Central Maine Endoscopy facility is not warranted. Moreover, because Central Maine Endoscopy is not planning the addition of any new health services for its own use of the ASU, I have not included any analysis of projected third year incremental annual operating costs. I will, however, address that issue in the submission on behalf of the ophthalmologists.

With the submission of the enclosed materials, Central Maine Endoscopy is requesting a determination from your office as to whether the proposed expansion of the ASU-related facilities is subject to a Certificate of Need review.

Thank you for your consideration in this matter.

Sincerely,



John D. Gleason

JDG/ml
Enclosures
cc: John Irwin, D.O.

LCD
LIBBY CAD DESIGN

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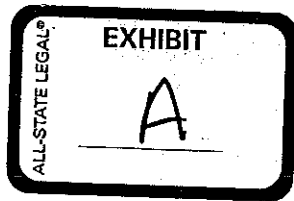
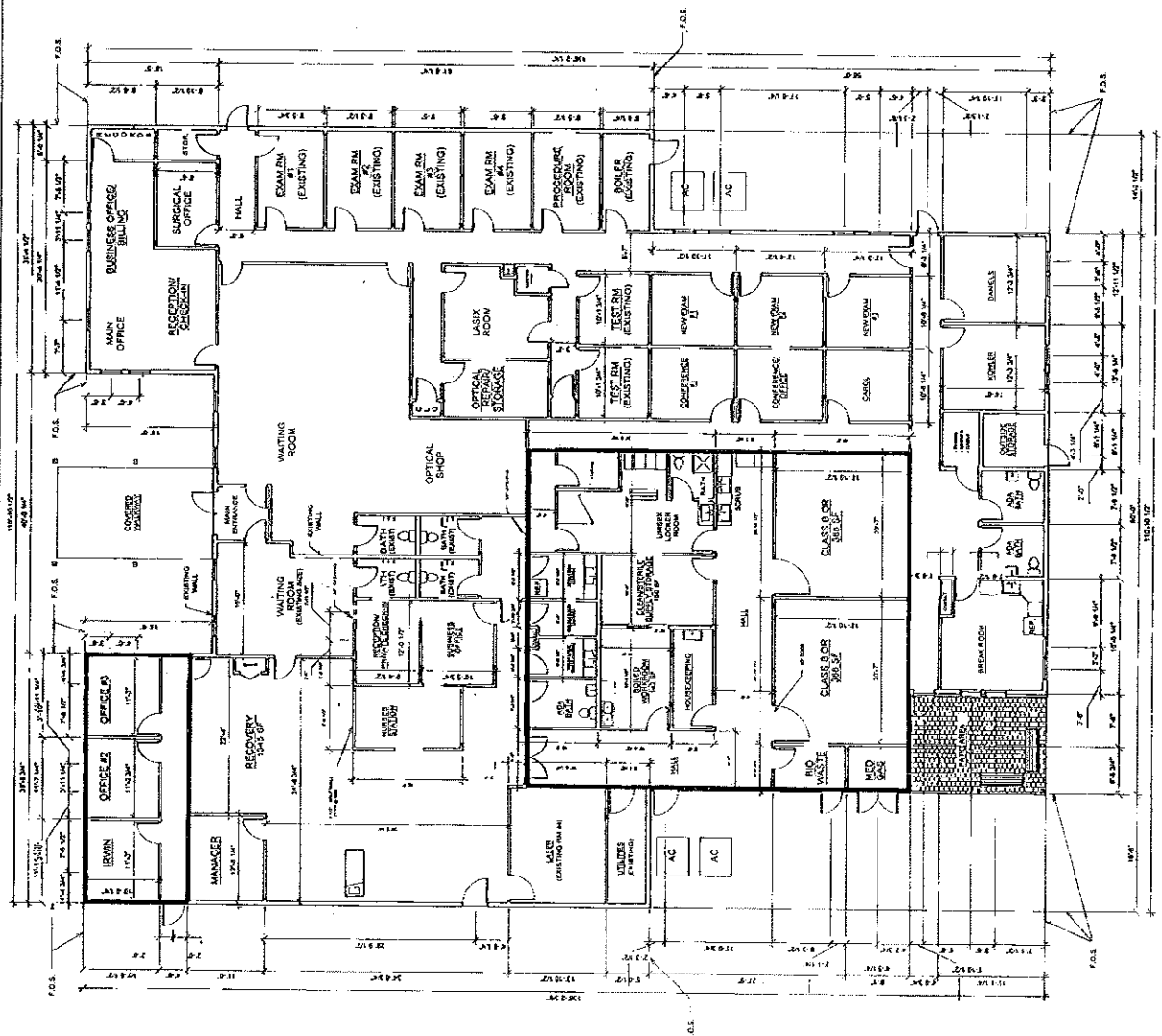
Adam Lowell
 ECCM Addition
 First Floor Plan

Project Number: LVN-1-012-1
 Date: 07/22/12
 Drawn By: G. LIBBY
 Checked By: LCD
 Scale: 1/8" = 1'-0"

A1

DRAWING IS FOR REVIEW
 PURPOSES ONLY. NOT RELEASED
 FOR CONSTRUCTION.

PLEASE NOTE
 Libby CAD Design is not responsible for the structural design of this project. All structural framing should be designed by a licensed professional engineer before construction begins.



Renovation of existing ASU for another Class B OR

General Conditions	\$	50,000.00
Permitting	\$	2,000.00
Demolition	\$	8,000.00
Sitework	\$	134,000.00
Concrete	\$	40,000.00
Electrical	\$	60,000.00
HVAC	\$	60,000.00
Plumbing	\$	15,000.00
Exterior framing shell	\$	150,000.00
Interior fitout	\$	274,000.00
Equipment	\$	20,000.00
Subtotal	\$	813,000.00
OH & P 10%	\$	81,300.00
Total Project Budget	\$	894,300.00

Class B OR Work	3340	sf	\$ 150.00	\$ 501,000.00
Overall Project	5560	sf	\$ 160.85	\$ 894,300.00

