

BRIEFING MEMO

Cummings Health Care Facility, Inc.

Acquisition of Control of Cummings Health Care Facility, Inc. located in Howland, Maine

DATE: November 18, 2013

TO: Mary C. Mayhew, Commissioner, DHHS

THROUGH: Ken Albert III, Director, Division of Licensing and Regulatory Services

FROM: Phyllis Powell, Assistant Director, Medical Facilities
Larry Carbonneau, Senior Health Care Financial Analyst
Richard S. Lawrence, Senior Health Care Financial Analyst

SUBJECT: Acquisition of control of Cummings Health Care Facility, Inc. located in Howland, Maine.

ISSUE ACTIVATED BY: The referenced proposal requires Certificate of Need (CON) approval as defined in "The Maine Certificate of Need Act of 2002," 22 MRSA §326 et seq., as amended.

REGISTERED AFFECTED PARTIES: None

I. BACKGROUND:

Cummings Health Care Facility, Inc. (CHCF) (NPI #1619967627-001) is a 54 bed facility licensed for 34 SNF/NF beds and 20 RCF beds located in Howland, Maine. The Cummings family has owned and operated the business since 1973.

II. PROJECT DESCRIPTION:

This project involves a transfer of ownership between family members. 32 shares of CHCF currently owned by Fern P. Cummings will be transferred to Melinda E. and David B. Goslin. The transfer of the remaining shares will give control to Melinda and David Goslin who currently own 68 shares between them. Please see table below:

CHCF Owners	Current Ownership	Proposed Ownership
Fern P. Cummings	32	0
Melinda E. Goslin	34	50
David B. Goslin	34	50
Total shares	100	100

Melinda and David Goslin have been involved in the administration and management of the facility for a combined 33 years. Accordingly, there will be no changes in the administration and management of the facility as a result of the change in ownership. There will be no change in the facility's MaineCare rate, services being offered to the community or finances, nor are there significant costs related to this transfer.

The Preliminary Review by CONU staff, dated October 18, 2013, concluded that the applicant met its burden to demonstrate that the application meets the criteria for approving the project.

III. HIGHLIGHTS:

Letter of Intent dated: May 28, 2013
Technical Assistance meeting held: July 1, 2013
CON application filed: August 19, 2013
CON application certified complete: August 19, 2013
Public Informational Meeting held: N/A
Public Hearing: N/A
Preliminary analysis released: October 22, 2013
Record Closed: November 13, 2013

IV. PUBLIC COMMENTS RECEIVED IN RESPONSE TO THE PRELIMINARY ANALYSIS:

Following release of the Preliminary Analysis, no public comments were received.

V. CONU ANALYSIS/APPLICANTS COMMENTS:

i. Fit, Willing and Able:

Cummings Health Care Facility, Inc. has been under the same ownership since 1973 and has been a provider of both SNF/NF beds and Level IV Residential Care beds for decades. The services provided by the applicant are consistent with applicable licensing and certification standards.

ii. Economic Feasibility:

This transaction involves the transfer of ownership shares of CHCF between family members. No change in cost basis will result from this transaction. No changes to the facilities operations or financial results are expected due to the ownership change. This is demonstrated by the pro forma cost report submitted with the application. No changes in the current reimbursement rates are allowable because of this transaction.

iii. Public Need:

Based on historical occupancy data there is a demonstrated need for SNF/NF beds and Level IV Residential Care services in Penobscot County. Continuing to provide necessary services in this geographic area will have a positive impact on the health status indicators of the population to be served. The applicant will offer services to all residents of the area proposed to be served and therefore will ensure accessibility of the service.

iv. Orderly and Economic Development:

This transaction involves the transfer of ownership of an existing facility. No major changes to services or to bed licenses are proposed. It is unlikely that more effective, more accessible or less costly alternative technologies or methods of service delivery will become available. This project will not result in increased costs to the Maine health care system.

v. Outcomes and Community Impact:

The applicant is assuming control of an existing nursing facility. Services will be continued in the current geographic area. The existing scope of services will not be changed. Since there will be no change in either services or the number of licensed beds, existing service providers will not be negatively impacted.

vi. Service Utilization:

There will be no change in the services offered by Cummings Health Care Facility, Inc. as a result of this transaction. This project does not represent an inappropriate increase in service utilization due to a documented need for the services.

vii. Funding in MaineCare Nursing Facility Funding Pool

This project utilized no resources from the MaineCare Nursing Facility Funding Pool.

VI. CONCLUSION:

For all the reasons set forth in the Preliminary Analysis and in the record, CONU concludes that the review criteria have been satisfied. CONU recommends the approval of the CON.

VII. RECOMMENDATION:

CONU recommends this proposal be **Approved**.