



Department of Health and Human Services
Commissioner's Office
221 State Street
11 State House Station
Augusta, Maine 04333-0011
Tel: (207) 287-3707; Fax (207) 287-3005
TTY: 1-800-606-0215

July 1, 2009

Michelle Hood, CEO
Eastern Maine Healthcare Systems
43 Whiting Hill Rd
Brewer, ME 04412

RE: Emergency CON to allow EMHS to acquire control of DECH as Emergency Receiver

Dear Ms. Hood:

I am pleased to notify you that on this date I have decided to **grant with conditions** the Emergency Certificate of Need (CON) that authorizes Eastern Maine Healthcare Systems (EMHS) to acquire control of Down East Community Hospital (DECH) as Emergency Receiver.

My approval is conditioned on the following:

- 1) This acquisition of control is limited to the scope of activities as specified in the Court Order dated July 1, 2009.
- 2) This Certificate of Need shall expire when the court-ordered Receivership expires. If EMHS were to move to form an alliance with DECH, a complete certificate of need would need to be filed and approved.

I am granting this Emergency CON with conditions because I have determined that the project meets the criteria set forth in the CON Act Sec. 335(9) and the Department's regulations. The specific details of the project for which I have granted this Emergency CON are contained in the record in accordance with the provisions of the Maine Certificate of Need Act. Please be aware that in accordance with Section 346 of the Maine Certificate of Need Act this Certificate, as modified herein, is valid only for the stated scope, premises and facility and is not transferable or assignable.

The proposal must be implemented consistent with the approval and conditions stated in this letter, as informed and clarified by the Department's analysis and findings as summarized in the following Department staff report:

1. FINAL REVIEW: Briefing Memo to Brenda M. Harvey, Commissioner, DHHS, dated July 1, 2009.

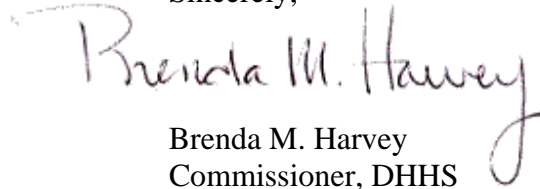
No significant changes to the project, no variations from the projected operating costs, no modifications of the terms of financing the project, and no increase in the capital expenditures to be made are permitted without the prior written approval of the Department. Any such variances may result in either the disallowance of related expenses, financial penalties or the immediate revocation of the CON.

Please work closely with my staff in the CONU to assure this project is implemented in accordance with the provisions of this Certificate and applicable rules and regulations.

The law requires that a holder of a CON make a written report at the end of each six-month period following its issuance. Details regarding this and related requirements will be made the subject of a separate letter from the CONU.

My staff will work with you as necessary.

Sincerely,

A handwritten signature in dark ink that reads "Brenda M. Harvey". The signature is written in a cursive style with a large, looping "H" at the end.

Brenda M. Harvey
Commissioner, DHHS

PP/dap

cc: Catherine Cobb, Director, DLRS
Phyllis Powell, CONU Manager
Anne Flanagan, Assistant Director
Herb Downs, Audit
Janine Raquet, AAG
Benjamin P. Townsend, Esq.