

August 19, 2015

Larry D. Carbonneau
Bureau of Healthcare Oversight
Division of Licensing and Regulatory Services
41 Anthony Avenue, State House Station #11
Augusta, ME 04333-0011

RE: Eastern Maine Medical Center Kitchen Renovation Project
CON non-reviewability determination request

Dear Mr. Carbonneau,

Eastern Maine Medical Center (EMMC) is seeking a determination from DHHS that EMMC's kitchen renovation project is non-reviewable under the certificate of need rules and regulations. Specifically, MRSA Title 22 Chapter 103-A Section 329 (3) exempts projects from Certificate of Need review where the capital expenditure is below the reviewability threshold; as of January 1, 2015 the threshold is \$10,806,759.

EMMC's kitchen and servery have seen few changes or upgrades since they were built in 1974. EMMC's food service now serves 20,000 customers per week, including patients, visitors and staff. The planned renovation will begin in 2016 and includes significant renovation of the kitchen space and servery. There will also be minor renovations to the dining area. No new space will be added to these areas.

The projected capital cost of the project is \$7 million. This includes \$2.5 million for equipment, which is mostly replacement equipment. Third year incremental operating costs are limited to depreciation and interest expense.

We are seeking confirmation from your office that this project does not require CON approval because the capital expenditure is well under the \$10.8 million capital threshold for hospital projects.

In early 2016, EMHS plans to issue tax-exempt bonds to finance this project; in anticipation we are requesting documentation from DHHS to meeting the regulatory requirements of bond counsel. Please advise us in writing of the CON applicability of this proposal as described.

Please contact Richard Fournier, EMHS Director of Planning, (973-7439) with questions.

Thank you.

Sincerely,



Deborah Carey Johnson, RN
President and Chief Executive Officer