

**Department of Health and Human Services
Division of Licensing and Regulatory Services
11 State House Station
Augusta, ME 04333
Preliminary Analysis**

Date: May 11, 2011

Project: Transfer of Bed Rights to Ross Manor from CA Dean Memorial Hospital

Proposal by: Ross Manor

Prepared by: Larry D. Carbonneau, Senior Health Care Financial Analyst
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Directly Affected Party: None

Recommendation: Approve

	Proposed Per Applicant	Approved CON
Estimated Capital Expenditure	\$ 340,000	\$ 340,000
Maximum Contingency	\$ 5,000	\$ 5,000
Total Capital Expenditure with Contingency	\$ 345,000	\$ 345,000
Third Year Incremental Operating Costs	\$ 594,736	\$ 594,736
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MaineCare Neutrality:	Neutral	

I. Abstract

A. From Applicant

Project Description

“Ross Manor a 159 bed health care campus located in Bangor Maine, seeks certificate of need (CON) approval under the simplified process or waiver of CON to relocate up to 20 of the 24 NF beds from CA Dean Hospital, county of Piscataquis to Ross Manor located in Bangor Maine, county of Penobscot subject to the Mainecare revenues associated with the acquired bed rights and sufficient to cover the additional requested MaineCare costs associated with the bed relocation in accordance with Mainecare budget neutrality policy.”

“Ross Manor has the capacity to add these beds without any new construction. As such we ask the Department to consider the expedited review standards which only require that the applicant demonstrate neutrality with respect to historic costs. Ross’s Mainecare rate will not increase as a result of adding up to 20 NF beds and thus while Ross’s project is not to convert banked beds, it seems reasonable to substitute the evidence of neutrality for the intensity of preparing a proforma and cost report. Otherwise we have prepared our response to the determinations required and to decision criteria.”

“Ross Manor has agreed to pay CA Dean a value for the resources according to a certain letter of intent (attached). Further, Ross Manor acknowledges that the price paid for the bed rights is not includable in future MaineCare rates.”

“It is also expected that the amount of resources needed for neutrality associated with this project will be less than the amount available. Accordingly, a letter of intent will be filed with the Department for inclusion of the balance of the resources in a replacement facility project in Ellsworth, Maine or for a new facility in Bucksport, Maine or for both.”

