

Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services
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June 26, 2014

Ms. Rebecca Gagnon, Administrator
RiverRidge Center
Kennebec Operations L.L.C.
3 Brazier Lane
Kennebunk, Maine 04043

RE: Addition of 14 SNF/NF Beds

Dear Ms. Gagnon:

This letter will serve as notification that, on this date, I have decided to **grant with condition** a Certificate of Need (CON) that authorizes RiverRidge Center to add 14 dually licensed Skilled/Nursing Facility Beds at RiverRidge Center. This approval is subject to the following:

Condition: This certificate of need approval will not be valid until each resident needing to relocate from the 16 bed RC unit at RiverRidge has a placement in a home and community based setting and the 1915C Medicaid Waiver has received CMS approval.

The approved capital expenditure associated with this project is \$200,000. Any costs exceeding 105% of the approved capital expenditure, or \$210,000 may require a subsequent review.

In order for this CON to remain valid, the project must be "commenced" within one year from the date of the original approval, noted above. You must complete implementation reports on your activities as specified for this type of Project (CON Procedures Manual for Nursing Facility Level of Care Projects, 10-149 Chapter 5, Section 71.05, Subsection R). Failure to commence the project within this 12-month period will result in expiration of the CON, unless an extension is obtained, as cited above.

I am granting this CON because I have determined that the project meets the criteria set forth in the CON Act Sec. 335(1) and the Department's regulations. The specific details of the project for which I have granted this CON are contained in the record.

Please be aware that in accordance with Section 346 of the Maine CON Act this Certificate, as modified herein, is valid only for the stated scope, premises and facility named in the above referenced application and is not transferable or assignable.

Furthermore, it should be clearly understood that our analysis and findings regarding the need for the proposed project, as well as its financial and economic feasibility, are predicated on the application record as described in the Manual, 10-149 Chapter 5, Section 71.05, Subsection M. Consequently, the proposal must be implemented consistent with the approval stated in this letter, as informed and clarified by the Department's analysis and findings as summarized in the following Department staff reports:

FINAL REVIEW: Briefing memo to Mary C. Mayhew, Commissioner, DHHS, dated June 11, 2014.

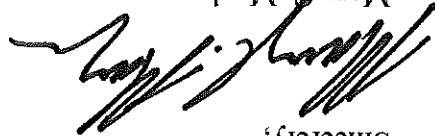
No significant changes to the project, no variations from the projected operating costs, no modifications of the terms of financing the project, and no increase in the capital expenditures to be made are permitted without the prior written approval of the Department. Any such variances may result in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

Please work closely with my staff in the Division of Licensing and Regulatory Services to assure that this project is implemented in accordance with the provisions of this Certificate and applicable rules and regulations. As part of this requirement, you are reminded that, prior to any construction, the appropriate licensing and certification and State Fire Marshal officials must approve all working drawings and construction specifications.

The CON statute 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 Health Care Oversight.

My staff will work with you as necessary.

Sincerely,



Mary C. Mayhew
Commissioner

MCM/klv

cc: Kenneth Albert, R.N., Esq. Director, DLRS

Sarah Taylor, Assistant Director, DLRS

Larry Carbonneau, Manager Health Care Oversight, DLRS

Herb Downs, Director, Audit

Colin Lindley, Rate Setting

Janine Raquet, AAG

Mike Tyler and Dan Maguire, Consultants for Genesis

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