

BRIEFING MEMO

Maine Veterans' Home - Bangor **Therapeutic Services Addition**

DATE: June 7, 2010

TO: Brenda M. Harvey, Commissioner, DHHS

THROUGH: Catherine Cobb, Director, Division of Licensing and Regulatory Services

FROM: Phyllis Powell, Assistant Director, Planning, Quality and Development
Larry Carbonneau, Health Care Financial Analyst

SUBJECT: Construction of a Therapy Services Addition to the Maine Veterans' Home in Bangor, 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 Section 326 et seq., as amended.

REGISTERED AFFECTED PARTIES: None

I. BACKGROUND:

The Maine Veterans' Homes ("MVH") is a public corporation created by the State Legislature, 37-B M.R.S.A. §601-611 to provide long-term nursing care, skilled nursing care, assisted living care, and therapeutic services to Maine veterans, and the spouses and "gold star" parents of such veterans. The MVH Bangor location is a 150-bed facility which opened in 1995 and consists of 120 duly-certified NF/SNF beds and 30 early Dementia PNMI beds. The MVH campus is 22.85 acres in size, which includes a 6.3 acre ground lease parcel designated for a VA Community Based Outpatient Clinic (CBOC). Groundbreaking for the CBOC occurred in May 2010.

II. PROJECT DESCRIPTION:

MVH Bangor is seeking CON approval to construct a therapeutic services addition to its facility. The project will result in the construction of a one-story, 4,155 square foot addition that is expected to result in capital expenditures of \$2,067,750, including walkways and additional parking.

MVH residents will benefit from increased flexibility in their therapy schedules. The addition of the planned therapy pool will provide patients with specific needs the ability to enhance their recovery.

MaineCare neutrality is ensured because the operating costs for the therapeutic services are not reimbursable through MaineCare. Current MaineCare rules require apportioning the fixed costs of the facility on a square foot basis between different services offered at the facility.

The Preliminary Review by CONU staff, dated May 13, 2010, concluded that the applicant had met its burden to demonstrate that the application meets the criteria for approving the project.

III. HIGHLIGHTS:

Letter of Intent dated May 18, 2009
Application filed and certified as complete on February 17, 2010
Public Informational Meeting held March 5, 2010
Preliminary analysis released on May 13, 2010
Record Closed on June 3, 2010
Briefing memo dated June 7, 2010

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:

The department recommended approval with one condition. This condition is related to the need to ensure patient privacy since the new addition will be accessible through the existing facility and its own entrance. The condition included in the preliminary analysis requires further action from the applicant to ensure that the privacy of residents of the facility is assured.

VI. CONCLUSION:

For all the reasons set forth in the Preliminary Analysis, the record and in this memorandum, the department concludes that the review criteria have been satisfied. The department recommends that the Commissioner approve a Certificate of Need for this project with the following condition:

1. MVH shall present a plan to assure patient privacy.

VII. RECOMMENDATION:

CONU recommends this proposal be **Approved with one condition.**

Estimated Capital Expenditure:	\$2,067,750
Maximum Contingency:	\$ 103,367
Total Capital Expenditure with Contingency:	\$2,171,118
Estimated Operating Costs:	\$ 127,281