

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)



Certificate of Need Act

2025 Annual Report

Required by:
22 §343; PL 2009, c. 383

Submitted by:
Maine Department of Health and Human Services
Division of Licensing and Certification

Table of Contents

Introduction	1
I. Thresholds for Reviewability	2
II. Limits on Investment	2
III. Review Process	3
IV. 2024 Project Review Record	5
V. Implementation Reports	7
VI. Legislative Changes	7

Introduction

The Maine Department of Health and Human Services (the “Department”) is required to report annually on activities conducted pursuant to Maine’s Certificate of Need Act (hereinafter “CON Act”). The requirements for such a report are included in law at 22 M.R.S.A. §343. This Report contains the required information for calendar year 2024.

The annual report must include information on any Certificate of Need (hereinafter CON) granted or denied, as well as information concerning any penalties assessed, under the CON Act.

The CON Act provides the framework for review of applications by or on behalf of certain health care facilities (hospitals; psychiatric hospitals; nursing facilities; kidney disease treatment centers, including freestanding hemodialysis facilities; rehabilitation facilities; ambulatory surgical facilities; independent radiological service centers; and independent cardiac catheterization centers). These applications ask to expand plant and equipment, provide new services, allow for transfer ownership and/or control, and other initiatives requiring a CON.

I. Thresholds for Reviewability

The CON Act establishes several thresholds that trigger review. The thresholds in effect during 2024 are listed in Table 1.

Table 1 Thresholds in Effect for 2024

Category	Amount
New Major Medical Equipment	\$4,414,059
Capital Expenditures	\$13,793,936
New Technology	\$4,414,059
Nursing Facility Capital Expenditures	\$6,896,968
New Health Facility	\$3,000,000
Nursing Facility	\$5,000,000
New Health Services:	
Capital Expenditure	\$4,138,181
3 rd Year Incremental Operating Cost	\$1,379,394

Providers may request a determination that a project does not require a CON. A “not subject to review” determination is issued if the total projected costs fall below the applicable thresholds. A “not subject to review” determination is only made once all applicable terms and costs of the project have been determined. A provider requesting a “not subject to review” determination must submit a Letter of Intent with all the applicable information.

The Certificate of Need Unit (“CONU”) of DHHS’s Division of Licensing and Certification may issue a “not subject to review” determination if the nature of the project itself does not require a CON. As in the case of the thresholds, the provider may obtain such a determination by filing a Letter of Intent, completely describing the nature of the project.

In the twelve months ending December 31, 2024, CONU issued eleven (11) “not subject to review” determinations.

II. Limits on Investment

MaineCare Funding Pool

By statute, nursing facility projects that add beds to the system may be approved only when MaineCare budget neutrality is maintained. In other words, a project increasing MaineCare costs must have an equal decrease in MaineCare costs elsewhere.

Amendments in 2007 to the CON Act created a MaineCare funding pool for nursing facility projects. The pool consists of savings obtained by delicensing nursing facility beds on or after July 1, 2005. The funds are to be utilized for development of nursing facility beds in areas of the State where additional beds are necessary to meet community need.

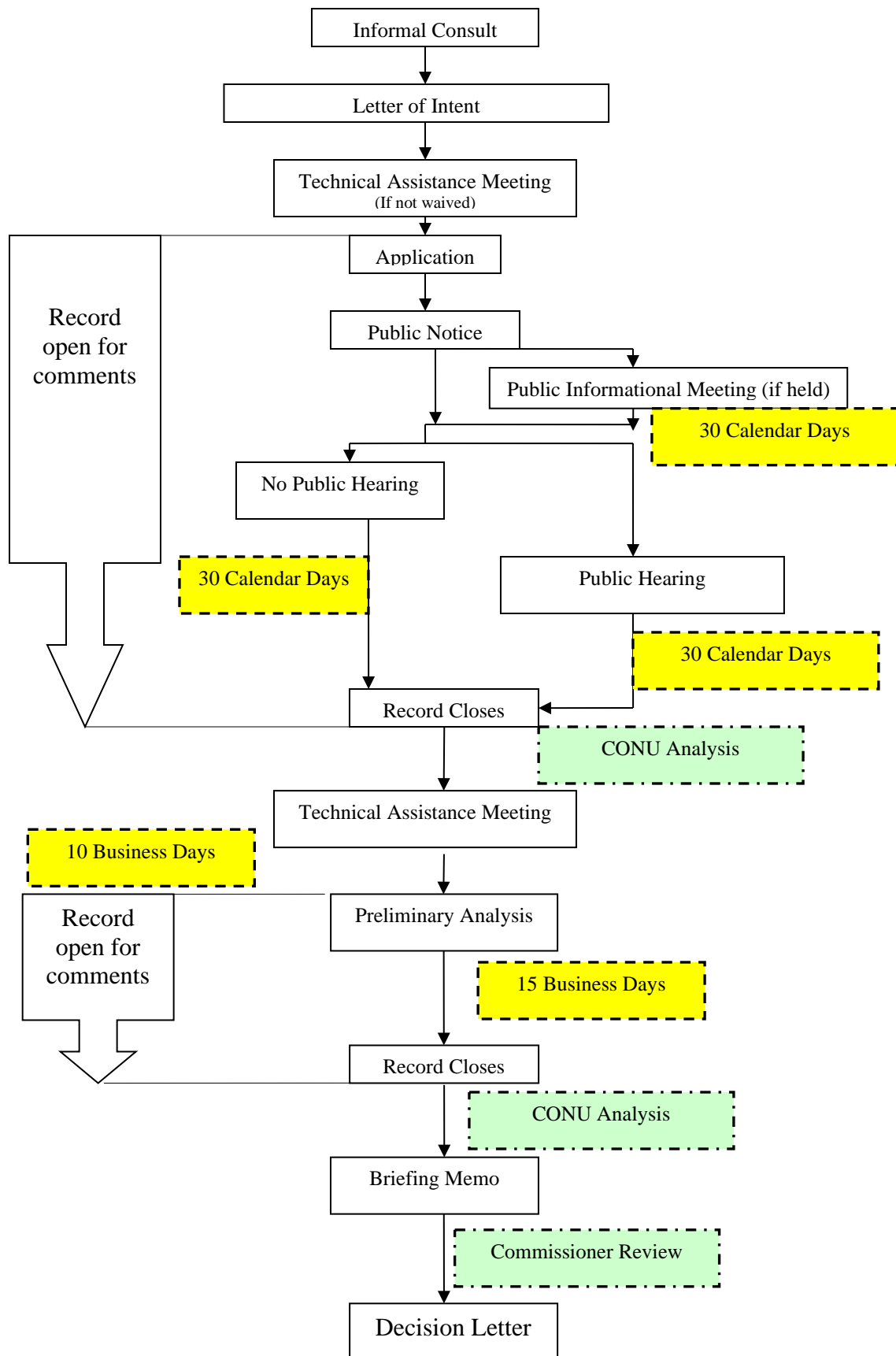
The CONU identified \$1,019,569 available to the funding pool as a result of delicensing transaction between July 1, 2005, and the 2007 Amendments. This funding pool represents the MaineCare share of third-year incremental operating costs for approved CON projects.

As of December 31, 2024, the MaineCare funding pool for nursing facilities had a balance of \$147,665.

III. Review Process

During the review process, in addition to considering information submitted from the applicant(s), information and comments from the public are included and considered. In order to provide adequate time for public comments and additional information to be included as part of the official record, the record is considered “Open” during specific times. The flow chart below illustrates when the record is “Open”.

Applicants for a CON are required to pay a nonrefundable fee for the review of each project. In 2024, revenue from these fees totaled \$138,500. These funds are used to offset expenditures related to completing CON activities.



IV. 2024 Project Review Record

CONU is responsible for reviewing hospitals, nursing facilities and other health care facilities. The following chart illustrates the seven (7) completed CON reviews by facility type for 2024.

Review Type	Applicant	Description
Hospital	Encompass Healthcare	New Inpatient Rehab Facility
Hospital	Mount Desert Island	Facility Renovation
Hospital	Millinocket Regional Hospital	Emergency Department Renovation
Nursing Home	Caribou Nursing Home	Addition of 5 SNF/NF Beds
Nursing Home	St. Joseph's Manor	Retain SNF/NF Temporary Beds
Amb. Surgery Center	Central Maine Health Ventures	Change of Ownership
Amb. Surgery Center	Clarion View Partners	Change of Ownership

CONU has received a Letter of Intent or CON applications for five (5) additional CON reviews. These reviews are listed below by facility type for 2024.

Review Type	Applicant	Description
Nursing Home	Ventas, Inc.	Acquisition of Control
Nursing Home	Lakewood Continuing Care	Change of Ownership
Nursing Home	Caribou Nursing Home, Inc.	Change of Ownership
Nursing Home	Aroostook Health Center	Change of Ownership
Amb. Surgery Center	MaineHealth	New Facility

Subsequent Reviews are conducted when a CON has been issued and then changes are necessary in financing, licensing, location, bed capacity, the addition or termination of health services, or substantial changes in the design of the health care facility or type of construction. CON did not conduct any Subsequent Reviews during 2024.

Per 22 M.R.S.A §329(6) a nursing facility converting beds used for the provision of nursing services to beds to be used for the provision of residential care services does not require Certificate of Need approval. CONU must determine that any increased MaineCare residential care costs associated with the converted beds are fully offset by reductions in the MaineCare costs from the converted nursing home beds. 22 M.R.S.A §333-A and §334-A require the CONU review the impact of the additional residential care beds on existing residential care facilities within 30 miles of the facility adding beds if occupancy levels within the 30-mile radius are below 80%. In addition, CONU must approve any increases in licensed beds or transactions incurring costs in excess of \$500,000 per 10-144 Chapter 115 Principles of Reimbursement for Residential Care Facilities – Room and Board Costs. CONU approved three (3) nursing home conversions and one increase in licensed residential care beds in 2024.

Review Type	Applicant	Description
Conversion	Magnolia Tall Pines	Convert SNF/NF Beds to Residential Care Beds
Conversion	Magnolia Ellsworth	Convert SNF/NF Beds to Residential Care Beds
Conversion	Seal Cove	Convert SNF/NF Beds to Residential Care Beds
Increased beds	Schooner Estates	Increase Residential Care beds from 10 to 26.

CONU has received an application for a change of ownership with capital costs exceeding \$500,000. These facilities are listed below:

Review Type	Applicant	Description
Capital Costs Exceeding \$500,000.	Bella Point Prince Point	Change of Ownership
Capital Costs Exceeding \$500,000.	Lodges Care Center	Change of Ownership
Capital Costs Exceeding \$500,000.	Bella Point Bridgton	Change of Ownership
Capital Costs Exceeding \$500,000.	Bella Point Fryeburg	Change of Ownership
Capital Costs Exceeding \$500,000.	Bella Point Seal Cove	Change of Ownership
Capital Costs Exceeding \$500,000.	Wellmore Point	Change of Ownership
Capital Costs Exceeding \$500,000.	East Point	Change of Ownership
Capital Costs Exceeding \$500,000.	Rising Hill	Change of Ownership
Capital Costs Exceeding \$500,000.	Pleasant Meadows Estates	Change of Ownership
Capital Costs Exceeding \$500,000.	Hilltop Manor	Change of Ownership
Capital Costs Exceeding \$500,000.	Bayview Manor	Change of Ownership
Capital Costs Exceeding \$500,000.	The Lamp Memory Care Center	Change of Ownership
Capital Costs Exceeding \$500,000.	Bella Point Freeport	Change of Ownership
Capital Costs Exceeding \$500,000.	Bella Point Camden	Change of Ownership

CONU conducted eleven (11) “Not Subject to Review” (NSTR) determinations during 2024. These projects do not meet the CON thresholds and/or statutory provisions for requiring a CON review.

Review Type	Applicant	Description
Not Subject to Review	Central Maine Healthcare	Reorganization
Not Subject to Review	MaineHealth	Replacement Equipment
Not Subject to Review	Maine Dental Surgery Center	Addition of Services
Not Subject to Review	Mercy Hospital	Addition of Services
Not Subject to Review	MaineGeneral Medical Center	Purchase of Equipment
Not Subject to Review	Plastic & Hand Surgical Assoc.	Relocation of Facility
Not Subject to Review	CESC, LLC	Reorganization
Not Subject to Review	Stephens Memorial Hospital	Swing Bed Services
Not Subject to Review	Central Maine Eye Surgery	Reorganization
Not Subject to Review	MaineHealth	Purchase of Equipment

Not Subject to Review	Kennebec Valley Family Dentistry	Addition of Services
-----------------------	----------------------------------	----------------------

V. Implementation Reports

Holders of a CON are required to submit written reports to the Department in accordance with 22 M.R.S.A. §350-C. These reports summarize the progress on the CON project and the applicant's compliance with any conditions required by the CON. Conditions may be attached to a project at the discretion of the Commissioner. CONU makes recommendations to the Commissioner if it concludes that conditions would further the purpose of the CON Act.

VI. Legislative Changes

There have been no substantive changes to the CON statute.

The Department of Health and Human Services (DHHS) does not discriminate on the basis of disability, race, color, creed, gender, age, sexual orientation, or national origin, in admission to, access to or operation of its programs, services, activities or its hiring or employment practices. This notice is provided as required by Title II of the Americans with Disabilities Act of 1990 and in accordance with the Civil Rights Acts of 1964 as amended, Section 504 of the Rehabilitation Act of 1973 as amended, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and the Maine Human Rights Act. Questions, concerns, complaints, or requests for additional information regarding civil rights may be forwarded to the DHHS' ADA Compliance/EEO Coordinator, State House Station #11, Augusta, Maine 04333, 207-287-4289 (V) or 207-287 3488 (V), TTY: Maine Relay 711. Individuals who need auxiliary aids for effective communication in programs and services of DHHS are invited to make their needs and preferences known to the ADA Compliance/EEO Coordinator.

This notice is available in alternate formats, upon request.