LETTER OF INTENT

Date: _____

1. Name of entity which would implement the proposed project: _____

Address: _____

City, State, and Zip: _____

Phone Number: _____

Contact Person: _____

2. Person filling out letter of intent if other than the entity listed above:

Name: _____

Address: _____

City, State, and Zip: _____

Phone Number: _____

3. Include a general project description:

_____

4. (a) Estimate the capital expenditure, not including interest.

_____

(b) If the project is to be financed:
Term of the financing, in years _____
Rate of interest _____
Total interest expenses _____

5. For New Hospital Services

Fill out this section *only* if you are proposing to initiate a *new* service at an *existing hospital*. This section does not need to be completed for proposed new facilities.

If a *new hospital service* as defined in OAR 333-550-0010(4) is proposed:

(a) Indicate the projected annual operating cost for the first fiscal year in which the service will operate at normal levels of utilization and with normal allocations for ongoing expense items, including all direct and indirect expenses with sufficient budgetary information to support projections.

(b) Attach a budget forecast, by affected service, for the first 3 years of operation. Please note that this information need not be filled out if your proposal is not for a new health service. However, in some cases, the purchase of major medical equipment may also constitute a new health service. Include at least the following information:

(A) Gross revenues;

(B) Direct expenses, including a breakdown into salaries, payroll taxes and fringe benefits, supplies, depreciation and interest;

(C) Indirect expenses, identified by categories which may include but are not limited to operation and maintenance of plant, housekeeping, billing, insurance;

(D) Deductions from revenue;

(E) Net operating income (or loss) after the allocation of indirect expenses from non-revenue producing departments.

(c) For the first 3 years of operation, provide the number of full-time equivalent staff for the particular service.

Year 1 _____

Year 2 _____

Year 3 _____

(d) (A) For the first 3 years of operation, provide units of service per year.

Year 1 _____

Year 2 _____

Year 3 _____

(B) Define units of service:

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6. For Long-term Care Facility Projects

Only entities who are *long-term care facilities (nursing homes)* or who propose long-term care services need to fill out this section. If your project involves long-term care, please indicate which of the following apply:

		YES	NO
(a)	The project proposes to initiate a new long-term care facility or service.	☐	☐
(b)	The project proposes an increase in the skilled nursing or intermediate care bed capacity of an existing facility of more than 10 beds or more than 10 percent of the current long-term care bed capacity whichever is less.	☐	☐
	(A) If "Yes", what is the current long-term-term care bed capacity of the facility; and	_____	
	(B) How many additional long-term care beds are proposed?	_____	
(c)	The project proposes to rebuild an existing long-term care facility.	☐	☐
(d)	The project involves relocation of an existing long-term care facility building to a new site.	☐	☐
(e)	The project involves relocation of existing long-term care beds from one licensed health care facility to another.	☐	☐

7. When a new facility or different service delivery site is planned, indicate the approximate location under consideration by town or zip code and nearest road intersections.

_____

8. Please indicate whether the project involves any of the following:

		YES	NO
(a)	Does the project involve the establishment of a new service or facility which will predominantly serve medically indigent patients?	☐	☐
(b)	Does the project involve the initiation of new residential care or treatment services for the elderly?	☐	☐
(c)	Is the entity filing the letter of intent an existing closed system long-term care facility (i.e., a nursing home operated by a continuing care retirement community)?	☐	☐

9. Will capital projects, equipment purchases or acquisitions, other than those covered by the letter of intent, occur within one year of the start or completion date of the proposal?

_____

If so, identify them when a health service related linkage exists. A health service linkage exists between any projects which affect a single health service, patient care unit or area within the facility; or between any series of projects which cannot be independently constructed.

10. Indicate:

(a) The approximate time at which an application, if any, is expected to be filed:

_____

(b) The date planned for substantial implementation:

_____

11. Describe the project's relationship, if any, to an HMO:

_____

Signature:

_____ Date: _____

Position:

_____