



North Carolina Department of Health and Human Services
Division of Health Service Regulation

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Division Director

July 8, 2015

Catharine W. Cummer, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707)

Exempt from Review – Replacement Equipment

Record #: 1630
Facility Name: Duke Raleigh Hospital
FID #: 923421
Business Name: Duke University Health System
Business #: 639
Project Description: Replace CT scanner in Medical Office Building 8
County: Wake

Dear Ms. Cummer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of June 22, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(7). Therefore, you may proceed to acquire, without a certificate of need, the GE Resolution GSI CT scanner. This determination is based on your representations that the unit will be removed from North Carolina and will not be used again in the State without first obtaining a certificate of need.

Moreover, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project. It should be noted that the Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this office and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Michael J. McKillip
Project Analyst

Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Construction Section, DHSR
Assistant Chief, Healthcare Planning
Acute and Home Care Licensure and Certification Section, DHSR



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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Catharine W. Cummer
Regulatory Counsel, Strategic Planning

June 22, 2015

Via Electronic Mail

Martha Frisone
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704



Re: Exempt Equipment Replacement at Duke Raleigh Hospital Outpatient Imaging

Dear Ms. Frisone:

The purpose of this letter is to request the Section's written confirmation that the acquisition of a replacement CT scanner at Duke Raleigh Hospital's outpatient imaging department located in Medical Office Building 8 is exempt from certificate of need review pursuant to N.C.G.S. Section 131E-184(7). Because the existing CT is reaching end of life, Duke would like to replace this equipment to ensure ongoing quality patient care.

A completed equipment comparison form and capital cost form are enclosed. The total capital cost of the project, including the equipment cost, is \$1,369,064. Adjusting the capital cost to reflect the \$150,000 trade-in credit the vendor is providing for the existing equipment would lead to a total project cost of \$1,519,064. The vendor's quote for the replacement equipment is available for review upon request. The existing equipment is currently in use at that location, but will be removed from service in the state upon placement of the replacement equipment into service.

We would appreciate your confirmation that this project is exempt from CON review. Thank you for your attention to this request. If you have questions, please let me know.

Very truly yours,

A handwritten signature in cursive script that reads 'Catharine W. Cummer'.

Catharine W. Cummer

Enclosures

Handwritten initials, possibly 'MFC', in the bottom right corner of the page.

EQUIPMENT COMPARISON
DRAH OPI CT

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT	CT
Manufacturer of Equipment	GE Medical Systems	GE Medical Systems
Tesla Rating for MRIs	n/a	n/a
Model Number	GE LightSpeed VCT	GE Revolution GSI
Serial Number	402537CN5	To be determined
Provider's Method of Identifying Equipment	Asset #150258	To be determined
Specify if Mobile or Fixed	Fixed	Fixed
Mobile Trailer Serial Number/VIN #	n/a	n/a
Mobile Tractor Serial Number/VIN #	n/a	n/a
Date of Acquisition of Each Component	2008	To be determined - 2015
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	1,313,940	\$1,369,064
Total Cost of Equipment	1,000,000	\$1,368,808
Fair Market Value of Equipment	\$150,000	\$1,368,808
Net Purchase Price of Equipment	1,000,000	\$1,218,808
Locations Where Operated	Duke Raleigh Hospital Outpatient Imaging	Duke Raleigh Hospital Outpatient Imaging
Number Days In Use/To be Used in N.C. Per Year	250	250
Percent of Change in Patient Charges (by Procedure)	NA	0
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	0
Type of Procedures Currently Performed on Existing Equipment	CT procedures	NA
Type of Procedures New Equipment is Capable of Performing	NA	CT procedures

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: DRAH OPI CT
 Provider/Company: DUHS

A. Site Costs

- (1) Full purchase price of land
 Acres _____ Price per Acre \$ _____ \$ _____
- (2) Closing costs \$ _____
- (3) Site Inspection and Survey \$ _____
- (4) Legal fees and subsoil investigation \$ _____
- (5) Site Preparation Costs
 - Soil Borings..... \$ _____
 - Clearing-Earthwork... \$ _____
 - Fine Grade For Slab... \$ _____
 - Roads-Paving..... \$ _____
 - Concrete Sidewalks.... \$ _____
 - Water and Sewer..... \$ _____
 - Footing Excavation.... \$ _____
 - Footing Backfill..... \$ _____
 - Termite Treatment.... \$ _____
 - Other (Specify)..... \$ _____
- Sub-Total Site Preparation Costs \$ _____
- (6) Other (Specify) \$ _____
- (7) Sub-Total Site Costs \$ _____

B. Construction Contract

- (8) Cost of Materials
 - General Requirements \$ 3,294
 - Finishes \$ 6,422
 - Mechanical/Electrical \$ 13,369
 - Other (Specify) \$ _____
- Sub-Total Cost of Materials..... \$ 23,085
- (9) Cost of Labor..... \$ 30,575
- (10) Other (Specify)..... \$ _____
- (11) Sub-Total Construction Contract \$ 53,660

C. Miscellaneous Project Costs

- (12) Building Purchase..... \$ _____
- (13) Fixed Equipment Purchase/Lease \$ 1,218,809
- (14) Movable Equipment Purchase/Lease \$ _____
- (15) Furniture \$ 8,000
- (16) Landscaping \$ _____
- (17) Consultant Fees
 - Architect and Engineering Fees \$ 21,000
 - Legal Fees..... \$ _____
 - Market Analysis..... \$ _____
 - FPDC Management Fees..... \$ 4,500
 - Other (specify)..... \$ _____
- Sub-Total Consultant Fees..... \$ 25,500
- (18) Owner Fees \$ 3,515
- (19) Interest During Construction \$ _____
- (20) Operational Costs \$ 59,580
- (21) Sub-Total Miscellaneous \$ 1,315,404
- (22) Total Capital Cost of Project (Sum A-C above) \$ 1,369,064

I certify that, to the best of my knowledge, the costs of the proposed project named above are complete and correct.

Barrett Pulvin Date Certified: 6/17/15
 (Signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

Lawyer Date Signed: 6/17/15
 (Signature and Title of Officer Authorized to Represent Provider/Company)