



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief
Phone: (919) 855-3873
Fax: (919) 733-8139

March 29, 2012

Sandy T. Godwin
Executive Director for Corporate Planning
Cape Fear Valley Health System
1638 Owen Drive
Fayetteville, NC 28304

RE: No Review / Cape Fear Valley Health System / Acquire CT Equipment / Cumberland County

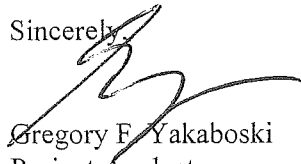
Dear Ms. Godwin:

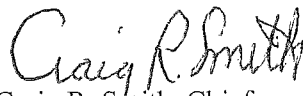
The Certificate of Need (CON) Section received your letters and email of December 20, 2011, March 20, 2012 and March 26, 2012 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

In addition, you should contact the Construction Section, DHSR to determine if they have any requirements for development of the proposed project. Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D.# (FID) if the facility is licensed.

Sincerely,


Gregory F. Yakaboski
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR
Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR



Yakaboski, Greg

From: Sandy Godwin [stgodwin@capefearvalley.com]

Sent: Monday, March 26, 2012 2:50 PM

To: Yakaboski, Greg

Subject: CT No Review and Exemption Requests

Please allow me to clarify the difference in the equipment included in two separate project requests from December 2011. One was for a CT Exemption and the other was for a No Review.

Our Exemption request includes the purchase of a 128 Slice CT scanner. This Scanner allows advanced complex highly technical testing not provided by a 64 slice.

In contrast, our No Review includes the purchase of a 64 slice CT Scanner, a much lower technology.

Thank you
Sandy Godwin
Cape Fear Valley Health System

CONFIDENTIALITY NOTICE: This electronic mail transmission may contain informat

Yakaboski, Greg

From: Shea Poteet [spoteet@capefearvalley.com]
Sent: Tuesday, March 20, 2012 4:18 PM
To: Yakaboski, Greg
Cc: Sandy Godwin
Subject: Back Up
Attachments: Cost Break Out.tif; ATT00001.c

Simple break out attached.



Shea Poteet | Strategic Analyst | Corporate Planning
Cape Fear Valley Health System | 1638 Owen Drive | Fayetteville, NC 28304
(910) 615-4544 | (910) 476-2693 cell | Fax (910) 321-6187 | spoteet@capefearvalley.com

EXHIBIT A continued
PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: CT Scanner Equipment

Provider/Company: Cape Fear Valley Health System

A. Site Costs

(1) Full purchase price of land.....		\$ <u>NA</u>	
Acres _____ Price per Acre	\$ <u>NA</u>		
(2) Closing costs.....		\$ <u>NA</u>	
(3) Site Inspection and Survey.....		\$ <u>NA</u>	
(4) Legal fees and subsoil investigation		\$ <u>NA</u>	
(5) Site Preparation Costs			
Soil Borings.....	\$ <u>0</u>		
Clearing-Earthwork...	\$ <u>0</u>		
Fine Grade For Slab...	\$ <u>0</u>		
Roads-Paving.....	\$ <u>0</u>		
Concrete Sidewalks....	\$ <u>0</u>		
Water and Sewer.....	\$ <u>0</u>		
Footing Excavation....	\$ <u>0</u>		
Footing Backfill.....	\$ <u>0</u>		
Termite Treatment....	\$ <u>0</u>		
Other (Specify).....	\$ <u>0</u>		
Sub-Total Site Preparation Costs		\$ <u>0</u>	
(6) Other (Specify)		\$ <u>0</u>	
(7) Sub-Total Site Costs			\$ <u>0</u>

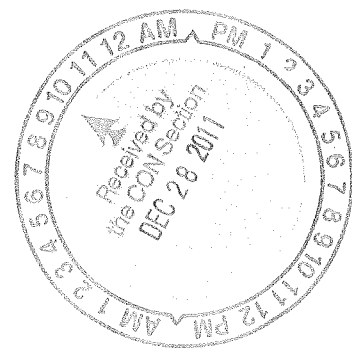
B. Construction Contract

(8) Cost of Materials			
General Requirements	\$ <u>0</u>		
Concrete/Masonry	\$ <u>250</u>		
Woods/Doors & Windows/Finishes	\$ <u>200</u>		
Thermal & Moisture Protection	\$ <u>0</u>		
Equipment/Specialty Items	\$ <u>200</u>		
Mechanical/Electrical	\$ <u>18,800</u>		
Other (Specify) Lead-lined gyp. wallboard	\$ <u>800</u>		
Sub-Total Cost of Materials.....		\$ <u>20,250</u>	
(9) Cost of Labor.....		\$ <u>17,500</u>	
(10) Other (Specify).....10% Contingency		\$ _____	
(11) Sub-Total Construction Contract			\$ <u>37,750</u>

C. Miscellaneous Project Costs

(12) Building Purchase.....		\$ _____	
(13) Fixed Equipment Purchase		\$ <u>3,693.96</u>	
(14) Movable Equipment Purchase/Lease		\$ <u>572,644.16</u>	
(15) Furniture		\$ _____	
(16) Landscaping		\$ _____	
(17) Consultant Fees			
Architect and Engineering Fees	\$ <u>18,800</u>		
Legal Fees.....	\$ _____		
Market Analysis.....	\$ _____		
Other (Specify)..... <u>Building Permit</u>	\$ <u>550</u>		
Other (Specify)..... <u>DHSR Review</u>	\$ <u>1,700</u>		
Sub-Total Consultant Fees.....		\$ <u>21,050</u>	
(18) Financing Costs (e.g. Bond, Loan, etc.).		\$ _____	
(19) Interest During Construction.		\$ _____	
(20) Other (Buyout of equipment at end of lease)		\$ <u>99,000.00</u>	
(21) Sub-Total Miscellaneous.			\$ <u>696,388.12</u>
(22) Total Capital Cost of Project (Sum A-C above)			\$ <u>734,138.12</u>

Beef



BEHAVIORAL HEALTH CARE
BLADEN COUNTY HOSPITAL
CAPE FEAR VALLEY MEDICAL CENTER
CAPE FEAR VALLEY REHABILITATION CENTER
HEALTH PAVILION NORTH
HIGHSMITH-RAINEY SPECIALTY HOSPITAL

December 20, 2011

Craig Smith, Chief of Certificate of Need
Greg Yakaboski, Project Analyst
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704

BLOOD DONOR CENTER
CANCER CENTER
CARELINK
CAPE FEAR VALLEY HOME CARE & HOSPICE, LLC
CUMBERLAND COUNTY EMS
FAMILY BIRTH CENTER
HEART & VASCULAR CENTER
HEALTHPLEX
LIFELINK CRITICAL CARE TRANSPORT
PRIMARY CARE PRACTICES
SLEEP CENTER

SUBJECT: Request for No Review Determination to Acquire CT equipment

Dear Mr. Yakaboski:

Cape Fear Valley Health System intends to purchase an additional CT unit. The total capital expenditure associated with the equipment is \$734,138.12, which includes both the expenditure associated with the acquisition of the CT and any necessary up-fit and expense to install the equipment.

We believe that this project does not meet the definition of a new institutional health service as defined in GS131E-176 and that it does not require CON review or approval.

Cape Fear Valley requests that the Division of Health Service Regulation make a determination that the acquisition of the proposed CT does not constitute a new institutional health service and is thus exempt from certificate of new review.

If you require additional information concerning this request, please contact me at 910-615-6852.

Sincerely,

Sandy T. Godwin

Sandy T. Godwin
Executive Director for Corporate Planning
Cape Fear Valley Health System