



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

Pat McCrory  
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Division Director

May 31, 2013

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

**Exempt from Review - Replacement Equipment**

Facility: Duke University Health System d/b/a Duke Raleigh Hospital  
Project Description: Replace two clinical laboratory chemistry analyzers  
County: Wake  
FID #: 923421

Dear Ms. Cummer:

In response to your letter of May 14, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(7). Therefore, you may proceed to acquire, without a certificate of need, the two chemistry analyzers [Beckman Coulter DxC 600i] to replace the existing chemistry analyzers [Siemens Dimension RXL; Serial numbers 221665 and 221671]. This determination is based on your representations that the existing units will be removed from North Carolina and will not be used again in the State without first obtaining a certificate of need. Further please be advised that as soon as the replacement equipment is acquired, you must provide the CON Section and the Medical Facilities Planning Section with the serial number of the new equipment to update the inventory, if not already provided.

Moreover, you need to contact the 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 this 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 Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

**Certificate of Need Section**

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

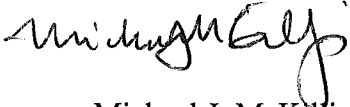
Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

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

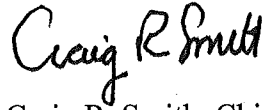
An Equal Opportunity/ Affirmative Action Employer



Sincerely,



Michael J. McKillip  
Project Analyst



Craig R. Smith, Chief  
Certificate of Need Section

cc: Construction Section, DHR  
Acute and Home Care Licensure and Certification Section

923421

*duke*

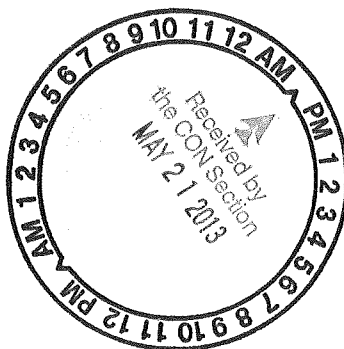
# Duke University Health System

**Catharine W. Cummer**  
Regulatory Counsel, Strategic Planning

May 14, 2013

Via Electronic Mail

Michael J. McKillip, Project Analyst  
Certificate of Need Section  
Division of Health Service Regulation  
2704 Mail Service Center  
Raleigh, NC 27699-2704



Re: Clinical Laboratory Project at Duke Raleigh Hospital

Dear Mr. McKillip:

I am writing to notify you of the proposed project to replace clinical laboratory equipment at Duke Raleigh Hospital and renovate the space to accommodate it, including an upgrade to the HVAC system. Duke is purchasing two Beckman Coulter DxC 600i units to replace two Siemens Dimension RXL chemistry analyzers. A completed equipment comparison form is enclosed as Exhibit 1. The capital cost form is enclosed as Exhibit 2. The total capital cost of the project is \$1,887,800, the majority of which reflects the upgrade of the HVAC system to support the replacement equipment. The existing equipment is currently in use at Duke Raleigh Hospital, but will be removed from service upon installation of the replacement equipment. The total project cost is less than \$2,000,000, and no piece of equipment exceeds \$750,000. If the total project cost is considered necessary to make the equipment operational, it is our understanding that this project would still be exempt from certificate of need review as the acquisition of replacement equipment. We would appreciate your confirming our understanding that this project does not require a certificate of need. Thank you very much.

Very truly yours,

*Catharine W. Cummer*

Catharine W. Cummer

Enclosures

cc: Leigh Bleecker

EQUIPMENT COMPARISON

Type of Equipment (List Each Component)	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Manufacturer of Equipment	chemistry analyzer system	chemistry analyzer system
Tesla Rating for MRIs	Siemens	Beckman
Model Number	Dimension RXLs	Coulter Dxc 600i
Serial Number	221665 221671	N/A
Provider's Method of Identifying Equipment	Chemistry analyzer	Chemistry analyzer
Specify if Mobile or Fixed	Fixed	Fixed
Mobile Trailer Serial Number/VIN #		
Mobile Tractor Serial Number/VIN #		
Date of Acquisition of Each Component	2005	2013
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>	Acquired by reagent commitment	\$1,887,800
Total Cost of Equipment		\$299,000 (for both machines)
Fair Market Value of Equipment	\$178,974 per machine	\$157,000 per machine
Net Purchase Price of Equipment		
Locations Where Operated	Duke Raleigh Hospital Core Laboratory	Duke Raleigh Hospital Core Laboratory
Number Days In Use/To be Used in N.C. Per Year	365	365
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	Chemistry analysis	NA
Type of Procedures New Equipment is Capable of Performing	NA	Chemistry analysis

**PROPOSED TOTAL CAPITAL COST OF PROJECT**

Project Name: Hospital Lab Renovation and New Rooftop Air Handling Unit  
 Provider/Company: Duke University Health System d/b/a Duke Raleigh Hospital

<b>A. Site Costs</b>		
(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.....	\$ _____	
Termites Treatment....	\$ _____	
Other (Specify).....	\$ _____	
Sub-Total Site Preparation Costs	\$ _____	
(6) Other (Specify)	\$ _____	
(7) Sub-Total Site Costs	\$ _____	
<b>B. Construction Contract</b>		
(8) Cost of Materials		\$ _____
General Requirements	\$ _____	
Concrete/Masonry	\$ _____	
Woods/Doors & Windows/Finishes	\$ _____	
Thermal & Moisture Protection	\$ _____	
Equipment/Specialty Items	\$ _____	
Mechanical/Electrical	\$ _____	
Other (Specify)	\$ _____	
Sub-Total Cost of Materials.....	\$ 403,160	
(9) Cost of Labor.....	\$ 604,740	
(10) Other (Specify).....	\$ _____	
(11) Sub-Total Construction Contract	\$ 1,007,900	
<b>C. Miscellaneous Project Costs</b>		
(12) Building Purchase.....	\$ _____	
(13) Fixed Equipment Purchase/Lease	\$ 392,400	
(14) Movable Equipment Purchase/Lease	\$ _____	
(15) Furniture	\$ _____	
(16) Landscaping	\$ _____	
(17) Consultant Fees		\$ _____
Architect and Engineering Fees	\$ _____	
Legal Fees.....	\$ _____	
Market Analysis.....	\$ _____	
Other (Specify).....	\$ _____	
Other (Specify).....	\$ _____	
Sub-Total Consultant Fees.....	\$ 231,500	
(18) Financing Costs (e.g. Bond, Loan, etc.).	\$ _____	
(19) Interest During Construction.	\$ _____	
(20) Other (Specify)                      CONTINGENCY	\$ 256,000	
(21) Sub-Total Miscellaneous	\$ 864,900	
(22) Total Capital Cost of Project (Sum A-C above)	\$ 1,867,800	

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

J. Michael Hester, AIA  
 (Signature of Licensed Architect or Engineer)

Date Signed: 5/9/13

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.

[Signature]  
 (Signature and Title of Officer Authorized to Represent Provider/Company)

Date Signed: 5/10/13