



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

December 30, 2015

Lisa Griffin
Novant Health
2085 Frontis Plaza Drive
Winston-Salem, NC 27103

No Review

Record #: 1826
Facility Name: Novant Health Imaging Gastonia
FID #: 120159
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Replace CT scanner
County: ~~Mecklenburg~~ Gaston MF

Dear Ms. Griffin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letters of November 30, 2015 and December 16, 2015 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.

However, you need to contact the Agency's Construction, Acute and Home Care Licensure and Certification, and Radiation Protection Sections to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. 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 this office. 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



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

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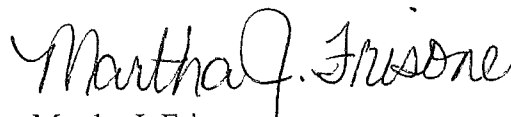
original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Gloria C. Hale
Project Analyst



Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHSR
Construction Section, DHSR
Radiation Protection Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning

MedQuest

ASSOCIATES

December 16, 2015

VIA EMAIL

Gloria Hale, Project Analyst
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Notice of Replacement Equipment for Health Service Area III, Gaston County/Novant Health Imaging - Gastonia in Gastonia, North Carolina

Dear Ms. Hale:

On behalf of Novant Health and in accordance with N.C. Gen. Stat. § 131E-184(a)(7), I am writing to notify the Department of Novant Health's intention to (1) replace an existing CT scanner currently located at Novant Health Imaging - Gastonia.

Novant Health Imaging - Gastonia (NHI-Gastonia) owns an existing CT scanner that is currently operational at its facility in Gastonia. *See Exhibit B*, attached replacement equipment comparison form. This CT scanner is the subject of this replacement request. As indicated in Novant Health's replacement request filed on or about November 30, 2015, NHI-Gastonia will be replacing its existing CT scanner with the 16-slice CT scanner from Novant Health Presbyterian Medical Center.

The estimated construction costs, including architect's fees and project contingency, for the proposed replacement equipment total \$40,000. The Fair Market Value of the 16-slice CT scanner is \$200,000. The total project cost for the replacement of the CT scanner is \$240,000.

This proposal meets the definition of "replacement equipment" as set forth in N.C. Gen. Stat. § 131E-176(22a) because:

1. The cost of the equipment and the cost of all activities essential to acquiring and making operational the replacement equipment are less than \$2 million; and
2. The sole purpose of this proposal is to replace comparable medical equipment currently in use, which will be sold or otherwise disposed of when replaced.

Further, this proposal meets the requirements of 10A NCAC 14C .0303(d) because:

- The GE 16-slice CT Scanner has the same technology as the existing CT scanner although it may possess expanded capabilities due to technological improvements;

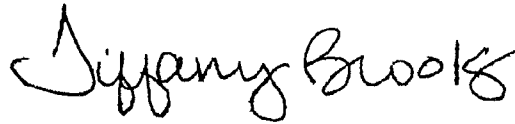
- The GE 16-slice CT scanner is functionally similar and is used for the same diagnostic or treatment purposes as the existing CT scanner and is not used to provide a new health service; and
- The acquisition of the GE 16-slice CT scanner will not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.

None of the exclusions in 10A NCAC 14C .0303(e) applies here.

Based on the foregoing, Novant Health respectfully requests that the CON Section confirm, in writing that the above referenced proposal is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(7).

Thank you for your time and attention.

Sincerely,

A handwritten signature in black ink that reads "Tiffany Brooks". The signature is written in a cursive, flowing style.

Tiffany Brooks
Manager, Certificate of Need

Enclosures

cc: Lisa Griffin
Per Normark

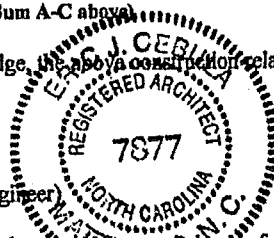
PROJECT CAPITAL COST

Project Name: Novant Health Imaging – Gastonia - CT Scanner Replacement
Proponent: Novant Health, Inc.

A. Site Costs			
(1)	Full purchase price of land	\$	N/A
	# Acres _____ Price per Acre \$ _____		
(2)	Closing costs	\$	_____
(3)	Site Inspection and Survey	\$	_____
(4)	Legal fees and subsoil investigation	\$	_____
(5)	Site Preparation Costs [Include]		
	Soil Borings		
	Clearing and Grading		
	Roads and Parking		
	Sidewalks		
	Water and Sewer		
	Excavation and Backfill		
	Termite Treatment		
	Sub-Total Site Preparation Costs	\$	_____
(6)	Other (Specify)	\$	_____
(7)	Sub-Total Site Costs		\$ _____
B. Construction Contract			
(8)	Cost of Materials [Include]		
	General Requirements		
	Concrete/Masonry		
	Woods/Doors & Windows/Finishes		
	Thermal & Moisture Protection		
	Equipment/Specialty Items		
	Mechanical/Electrical		
	Sub-Total Cost of Materials	\$	_____
(9)	Cost of Labor	\$	_____
(10)	Other	\$	_____
(11)	Sub-Total Construction Contract		<u>\$40,000</u>
C. Miscellaneous Project Costs			
(12)	Building Purchase	\$	_____
(13)	Fixed Equipment Purchase/Lease	\$	<u>200,000</u>
(14)	Movable Equipment Purchase/Lease	\$	_____
(15)	Furniture	\$	_____
(16)	Landscaping	\$	_____
(17)	Consultant Fees		
	Architect/Engineering Fees	\$	_____
	Legal Fees	\$	_____
	Market Analysis	\$	_____
	Other	\$	_____
	Total Consultant Fees	\$	_____
(18)	Financing Costs		
	(e.g. Bond, Loan, etc.)	\$	Not Applicable
(19)	Interest During Construction	\$	Not Applicable
(20)	Other (Contingency)	\$	_____
(21)	Sub-Total Miscellaneous		<u>\$200,000</u>
D.	Total Capital Cost of Project (Sum A-C above)		<u>\$ 240,000</u>

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

(Signature of Licensed Architect or Engineer)



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

(Proponent – signature of officer)

(Title of officer)

ATTY IN FACT

12/15/15

EQUIPMENT COMPARISON – MR REPLACEMENT
Novant Health Imaging – Gastonia

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT Scanner	CT Scanner
Manufacturer of Equipment	GE	GE
Tesla Rating for MRIs	N/A	N/A
Model Number	Lightspeed	580 RT
Serial Number	400534CN4	428320CN6
Provider's Method of Identifying Equipment	Serial Number	Serial Number
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	TBD
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	Used	Used
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	\$269,081	\$240,000
Total Cost of Equipment	\$	\$200,000 (FMV)
Fair Market Value of Equipment	\$	\$200,000
Net Purchase Price of Equipment	Same	
Locations Where Operated	920 Cox Rd Gastonia, NC 28054	920 Cox Rd Gastonia, NC 28054
Number Days In Use/To Be Used in N.C. Per Year	255	255
Percent of Change in Patient Charges (by Procedure)	NA	NA
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	NA
Type of Procedures Currently Performed on Existing Equipment	CT scans	
Type of Procedures New Equipment is Capable of Performing		CT scans