



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

CORRECTED

September 21, 2017

Lisa Griffin
Novant Health
2085 Frontis Plaza Boulevard
Winston-Salem, North Carolina 27103

Exempt from Review

Record #: 2390
Facility Name: Novant Health Presbyterian Medical Center
FID #: 943501
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Temporarily replace existing, fixed PET/CT scanner located on main campus of Novant Health Presbyterian Medical Center with a mobile PET/CT scanner to be located at Novant Health Imaging-Museum
County: Mecklenburg

Dear Ms. Griffin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of September 14, 2017 the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(f). Therefore, you may proceed to temporarily replace the GE DST4 PET/CT scanner located at Novant Health Presbyterian Medical Center's main campus with a mobile PET/CT scanner to be located at Novant Health Imaging-Museum until the replacement of the fixed PET/CT scanner at Novant Health Presbyterian Medical Center has been completed.

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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

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

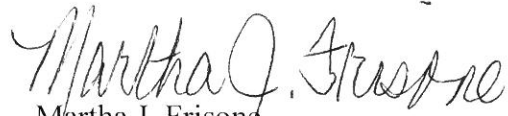


separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Gloria C. Hale
Project Analyst



Martha J. Frisone
Chief, Healthcare Planning and
Certificate of Need Section

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



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Gloria C. Hale
Project Analyst

Martha J. Frisone
Chief, Healthcare Planning and
Certificate of Need Section

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

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September 14, 2017

Via Email

Gloria Hale, Project Analyst, Certificate of Need
N.C. Department of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603



2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

Re: Novant Health, Inc. – Novant Health
Presbyterian Medical Center
Temporary Mobile PET Service during Replacement of Existing Fixed
PET/CT Scanner
Charlotte, NC (Mecklenburg County)

Dear Ms. Hale:

On or about June 30, 2017, Novant Health, Inc. and Novant Health Presbyterian Medical Center (“NHPMC”) notified the Agency of its intention to replace an existing fixed PET/CT scanner currently located at the main campus of NHPMC in Charlotte, North Carolina. The Agency issued an exemption request on July 14, 2017 (Record #2319). NHPMC has determined that it will require mobile PET/CT service during the replacement period in order to maintain continuity of care for its patients. NHPMC will contract with Alliance Imaging for the temporary use of one of Alliance’s out of state mobile PET units to provide this service at Novant Health Imaging – Museum (“NHI-Museum”). NHI-Museum is licensed as part of Novant Health Presbyterian Medical Center. Once the replacement of the fixed PET/CT scanner has been completed, Alliance Imaging will remove the temporary unit from service in North Carolina.

NHPMC anticipates that the replacement period will take approximately 12-14 weeks. During the replacement period, NHPMC patients in need of PET/CT scans will be seen at NHI-Museum utilizing the temporary mobile PET unit. NHI-Museum currently has a mobile imaging pad with all necessary components to utilize the mobile PET unit without any additional costs. As such, the only costs associated with temporary replacement PET/CT service are the monthly lease payments to Alliance Imaging. Based on the anticipated replacement period (12-14 weeks) including a contingency amount in the event of a delay in the replacement process, NHPMC estimates the cost for the temporary service to be \$100,000.

The proposed project meets the definition of “replacement equipment” found in G.S. 131E-176(22a) and 10A N.C.A.C 14C.0303 for the following reasons:

- (1) NHPMC will replace the existing unit with the temporary replacement unit that is functionally similar and will be used for the same diagnostic purposes, although it possesses expanded capabilities due to technological improvements.
- (2) The temporary replacement unit will not be used to provide a new health service.

- (3) The acquisition of the temporary replacement unit 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.
- (4) NHPMC seeks to temporarily replace comparable medical equipment currently in use at project cost less than \$2 million.
- (5) The existing equipment was not purchased second-hand nor was the existing equipment leased.
- (6) The temporary replacement equipment will be removed from North Carolina upon completion of the replacement period.

In support of our request, please find attached:

Attachment A – Project Capital Cost


Attachment B – NHI-Museum License Information

Attachment C – NC CON Equipment Comparison chart

Based on the information provided, please confirm that NHPMC's temporary replacement equipment request does not constitute a new institutional health service and is exempt from certificate of need review.

If you need additional information, please do not hesitate to contact me at (704) 384 – 3462 or at llgriffin@novanthealth.org.

Sincerely,



Lisa Griffin
Manager, Certificate of Need
Novant Health, Inc.

Enclosures

Cc: Barbara Freedy, Director, CON, Novant Health

**ATTACHMENT A –
Project Capital Cost Form**

**Novant Health Presbyterian Medical Center –
Fixed PET/CT Scanner Replacement – TEMPORARY SERVICE**

A. Site Costs		
	(1) Full purchase price of land	
	(2) Closing Costs	
	(3) Site Inspection & Survey	
	(4) Legal Fees & subsoil investigation	
	(5) Site Preparation Costs*	
	(6) Other:	
	(7) Sub-Total Site Costs	\$0
B. Construction Contract		
	(8) Cost of Materials	\$
	(9) Cost of Labor	\$
	(10) Other: <i>Construction Contingency</i>	\$
	(11) Sub-Total Construction Contract	\$
C. Miscellaneous Project Costs		
	(12) Building Purchase	
	(13) & (14) Fixed Equipment Purchase/Lease + Movable Equipment Purchase/Lease	\$100,000
	(14a) Information Technology	
	(15) Furniture	
	(16) Landscaping	
	(17) Consultant Fees (CON Consultant)	
	Architect & Engineering Fees (+ Reimbursables)	
	Other:	
	<i>Sub-Total Consultant Fees</i>	
	(18) Financing Costs (Bond, Loan, etc.)/Imputed Interest	
	(19) Interest During Construction	
	(20) Other (Specify): <i>Project Contingency</i>	
	(21) Sub-Total Miscellaneous	\$100,000
D. Total Capital Cost of Project	(22) Total Capital Cost of Project -<i>Sum above Subtotals for Rows (11) & (21)</i>	\$100,000

**ATTACHMENT B –
NHI-Museum Licensure Information**

Excerpt of PMC 2017 LRA

2017 Renewal Application for Hospital:
Novant Health Presbyterian Medical Center

License No: 110010
Facility ID: 943501

All responses should pertain to October 1, 2015 through September 30, 2016.

For questions regarding NPI contact Azzie Conley at (919) 855-4646.

Primary National Provider Identifier (NPI) registered at NPPES 1881647204

If facility has more than one "Primary" NPI, please provide 16229029954*
& NPI for Novant Health Charlotte Orthopedic Hospital which operates under the Novant Health Presbyterian Medical Center License.

⇒ List all campuses (as defined in NCGS 131E-176(2c) under the hospital license. Please include offsite emergency departments)

Name(s) of Campus:	Address:	Services Offered:
Novant Health Midtown Outpatient Surgery Center	1112 Randolph Rd Suite 740 Charlotte, NC 28204	OP Surgery Center
Novant Health Charlotte Outpatient Surgery Center	1800 E 4th St Charlotte, NC 28204	OP Surgery Center
Behavioral Health Adult Outpatient Hospital Program	1900 Randolph Rd Suite 402 Charlotte, NC 28204	OP Adolescent Btt

Please attach a separate sheet for additional listings

⇒ Attached List

ITEMIZED CHARGES: Licensure Rule 10A NCAC 13B .3110 requires the Applicant to provide itemized billing. Indicate which method is used:

- a. The facility provides a detailed statement of charges to all patients.
- b. Patients are advised that such detailed statements are available upon request.

*

Novant Health Imaging Museum
2900 Randolph Rd
Charlotte, NC 28211

Novant Health Imaging University
8401 Medical Plaza Drive Suite 100
Charlotte, NC 28277

Novant Health Charlotte Orthopedic Hospital
1901 Randolph Rd
Charlotte, NC 28207

* noted as part of PMC's campus
on 2017 LRA

p.3 (attachment)

**ATTACHMENT C –
NC Equipment Comparison Form**

Equipment Comparison Form
Novant Health Presbyterian Medical Center – Temporary PET CT Replacement

	Existing Equipment	Temporary Replacement Equipment	Replacement Equipment
Type of Equipment (List Each Component)	PET/CT Scanner	Mobile PET/CT Scanner	PET/CT Scanner
Manufacturer of Equipment	GE	GE	Siemens
Tesla Rating for MRIs	N/A	N/A	N/A
Model Number	DST 4	DST	Biograph MCT 20 Flow
Serial Number	6056PT6	7370PT0	TBD
Provider's Method of Identifying Equipment	Asset tag# X-0650	Serial Number	Asset tag
Specify if Mobile or Fixed	Fixed	Mobile	Fixed
Mobile Trailer Serial Number /VIN#	N/A	1S9FS482951182839	N/A
Mobile Tractor Serial Number /VIN#	N/A	1S9FS482951182839	N/A
Date of Acquisition of Each Component	2004	2005	2017
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Lease	Title
Specify if Equipment Was/Is New or Used When Acquired	New		New
Total Capital Cost of Project	\$3,362,665		\$2,046,306
Total Cost of Equipment		\$100,000 Lease	\$1,855,342
Fair Market Value of Equipment			\$1,855,342
Net Purchase Price of Equipment			
Locations Where Operated	200 Hawthorne Lane Charlotte, NC 28204	2900 Randolph Rd Charlotte NC 28211	200 Hawthorne Lane Charlotte, NC 28204
Number of Days in Use/To be Used in NC per Year	260	Approximately 12-14 weeks	260
Percent of Change in Patient Charges by Procedure	N/A	No increase	No increase
Percent of Change in Per Procedure Operating Expenses by Procedure	N/A	No increase	No increase
Type of Procedures Currently Performed on Existing Equipment	PET/CT scans	N/A	N/A
Type of Procedures New Equipment is Capable of Performing	N/A	PET/CT scans	PET/CT scans