

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

December 19, 2018

Lisa Griffin
Novant Health, Inc.
2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

Exempt from Review – Replacement Equipment

Record #: 2815
Facility Name: Novant Health Presbyterian Medical Center
FID #: 943501
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Replace CT scanner
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 December 12, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the GE Healthcare Revolution HD CT scanner to replace the GE Healthcare VCT CT scanner. This determination is based on your representations that the existing unit will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

Moreover, you need to contact the Agency's Construction, Radiation Protection, 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,

Gloria C. Hale
Team Leader

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

cc: Construction Section, DHSR
Radiation Protection Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

December 12, 2018

Via Email

Julie Faenza, 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 Presbyterian Medical Center
Replacement of CT Scanner
Charlotte, North Carolina (FID # 943501; Mecklenburg County)

Dear Ms. Faenza:

Novant Health Presbyterian Medical Center (“NHPMC”) intends to replace an existing CT Scanner located in the Radiology Department at the hospital in Charlotte, North Carolina. The existing 64-slice CT Scanner is over 12 years old and in need of being upgraded. Therefore, the new CT scanner is to a 128-slice with updated scanning capabilities. See **Attachment A** for the Equipment Quote which includes the removal and trade-in of the existing CT Scanner (page 2). The total capital cost for the proposed replacement equipment project is estimated to be \$821,047¹. See **Attachment B** for the Project Capital Cost. **Attachment B** includes all costs essential to acquiring the CT Scanner and making it operational.

The proposed project meets the definition of “replacement equipment” found in G.S. 131E-176(22a) because the total cost of the replacement CT Scanner, including all costs essential to acquiring and making the CT Scanner operational, is less than \$2 million. The replacement CT Scanner is being purchased for the sole purpose of replacing comparable equipment currently in use which will be sold or otherwise disposed of when replaced. In addition, the requirements of 10A N.C.A.C 14C.0303(d) are met because:

- (1) The Replacement CT Scanner is comparable to the Existing CT Scanner because it has the same technology as the equipment currently in use, although it possesses expanded capabilities due to technological improvements; and
- (2) The Replacement CT Scanner is functionally similar and is used for the same diagnostic as the Existing CT Scanner and will not be used to provide a new health service; and
- (3) The acquisition of the proposed Replacement 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 CT Scanner is acquired.

Also included as **Attachment C** is the completed North Carolina Equipment Comparison Form.

¹ The project cost does not include sales, property or excise taxes as NHPMC is not subject to these taxes as a non-profit, tax-exempt organization.

**ATTACHMENT A –
Vendor Equipment Quote**



GE Healthcare

Date: 08-09-2018
Quote #: PR7-C111969
Version #: 15
Q-Exp-Date: 08-30-2018

Total Quote Selling Price
Trade-In and Other Credits

\$695,776.08
\$30,000.00 *Trade-in*

Total Quote Net Selling Price

\$665,776.08

To Accept this Quotation

Please sign and return this Quotation together with your Purchase Order To:

Herbert Klann
Office: +1 724 504 8778
Mobile: 724-504-8778
Email: Herb.Klann@ge.com

Payment Instructions

Please **Remit** Payment for invoices associated with this quotation to:

GE Healthcare
P.O. Box 96483
Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate your form of payment.
- If you include the purchase order, please make sure it references the following information
 - The correct Quote number and version number above
 - The correct Remit To information as indicated in "**Payment Instructions**" above
 - The correct SHIP TO site name and address
 - The correct BILL TO site name and address
 - The correct Total Quote Net Selling Price as indicated above

"Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms. Signature page on quote filled out with signature and P.O. number.

*****OR*****
Verbiage on the purchase order must state one of the following: (i) Per the terms of Quotation #_____; (ii) Per the terms of GPO#_____; (iii) Per the terms of MPA #_____; or (iv) Per the terms of SAA #_____. Include the applicable quote/agreement number with the reference on the purchase order.

In addition, source of funds (choice of: Cash/Third Party Loan or GE HEF Lease or GE HEF Loan or Third Party Lease through _____), must be indicated, which may be done on the quote signature page (for signed quotes), on the purchase order (where quotes are not signed) or via a separate written source of funds statement (if provided by GE Healthcare)."



GE Healthcare

Date: 08-09-2018
 Quote #: PR7-C111969
 Version #: 15
 Q-Exp-Date: 08-30-2018

Item No.	Qty	Catalog No.	Description
	1		Revolution HD Systems
1	1	Y0000LC	Pricing Non-Disclosure Language
2	1	S7910ES	Rev HDe6 ES
3	1	B7590EN	English Keyboard Kit
4	1	B7877LP	Long cable set
5	1	B7877DW	VT 1700 TABLE
6	1	B7900LC	Low Dose CT Lung Screening Option with Indication For Use
7	1	R23053AC	Standard Service License

Quote Summary:

TIA

Total Quote Net Selling Price

\$665,776.08

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price
 Includes Trade In allowance, if applicable.)



GE Healthcare

Exhibit A

No.	Quotation No.	Date	Facility
1	PR10-C111712 v11	August 9, 2018	Novant Health Presbyterian Medical Center
2	PR10-C112301 v16	August 9, 2018	Novant Health Presbyterian Medical Center
3	PR7-C111969 v15	August 9, 2018	Novant Health Presbyterian Medical Center
4	PR9-C111959 v12	August 9, 2018	Novant Health Matthews Medical Center
5	PR5-C107830 v16	August 9, 2018	Novant Health Huntersville Medical Center

CT Scanner

Please see attached

PROPOSED CAPITAL COSTS

Project Name: **Replace CT #2 in Emergency Department**

December 11, 2018

Proponent: **NH Presbyterian Medical Center**

A. Site Costs

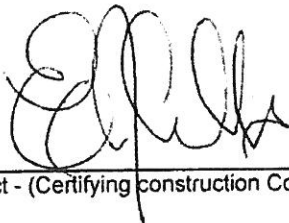
(1)	Full purchase price of land		\$	-
	Acres _____ Price per Acre		\$	-
(2)	Closing Costs		\$	-
(3)	Site Inspection and Survey		\$	-
(4)	Legal fees and subsoil investigation		\$	-
(5)	Site Preparation Costs	\$	-	-
	Soil Borings	\$	-	-
	Sub-Total Site Preparation Costs		\$	-
(6)	Other (specify)		\$	-
(7)	Sub-Total Site Costs		\$	-

B. Construction Contract

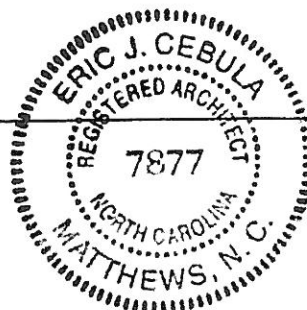
(8)	Cost of Materials		\$	-
	General Requirements	\$	-	-
	Concrete/Masonry	\$	-	-
	Woods/Doors & Windows/Finishes	\$	-	-
	Demolition	\$	-	-
	Equipment/Specialty Items	\$	-	-
	Mechanical/Electrical	\$	-	-
	Other : Remove/Install Linac Door	\$	-	-
	Sub-Total Cost of Materials		\$	-
(9)	Cost of Labor GC Labor		\$	-
(10)	Other - Total Construction per Revels		\$	94,121.00
(11)	Sub-Total Construction Contract		\$	94,121.00

C. Miscellaneous Project Costs

(12)	Building Purchase		\$	-
(13)	Fixed Equipment Purchase/Lease		\$	665,776.00
	Other: Trade-In Value of Existing CT		\$	30,000.00
	Other: (Specify)		\$	-
(14)	Movable Equipment Purchase/Lease		\$	-
(15)	Furniture		\$	-
(16)	Landscaping		\$	-
(17)	Consult Fees		\$	-
	Architect and Engineering Fees	\$	-	-
	Other - (Surveys & DHSR Review Fees)	\$	-	-
	Sub-Total Consultant Fees		\$	-
(18)	Financing Costs (e.g. Bond Loan, etc)		\$	-
(19)	Interest During Construction		\$	-
(20)	Other: Project Contingency		\$	31,150.00
(21)	Sub-Total Miscellaneous		\$	726,926.00
(22)	Total Capital Cost of Project (Sum A-C above)		\$	821,047.00



Architect - (Certifying construction Cost Only)



NH Presbyterian Medical Center – CT Scanner Replacement

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT Scanner	CT Scanner
Manufacturer of Equipment	GE Healthcare	GE Healthcare
Tesla Rating for MRIs	n/a	n/a
Model Number	VCT (64-Slice)	Revolution HD (128-slice)
Serial Number	382810CNO	1196
Provider's Method of Identifying Equipment	Internal Numbering System	Internal Numbering System
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	January 2006	TBD
Does Provider Hold Title to Equipment of 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>	\$547,458	\$821,047
Total Cost of Equipment	\$456,215	\$665,776
Fair Market Value of Equipment	\$30,000	\$665,776
Net Purchase Price of Equipment	---	\$665,776
Locations Where Operated	PMC Radiology	PMC Radiology
Number Days In Use/To be Used in N.C. Per Year	365	365
Percent of Change in Patient Charges (by Procedure)	None	None
Percent of Change in Per Procedure Operating Expenses (by Procedure)	None	None
Type of Procedures Currently Performed on Existing Equipment	CT Scans	----
Type of Procedures New Equipment is Capable of Performing	-----	CT Scans