



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

February 19, 2018

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

Exempt from Review – Replacement Equipment

Record #: 2516
Facility Name: Novant Health Presbyterian Medical Center (NHPMC)
FID #: 943501
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Replace existing bi-plane angiography system
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 February 9, 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 replace the Phillips Bi-Plane/Angiography System, Allura FD 20/20, with a Siemens B-Plane/Angiography System, Artis Q. This determination is based on your representations that the existing unit will be removed from North Carolina and will not be used again in the State without first obtaining a certificate of need.

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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

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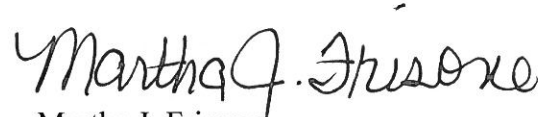
AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



Sincerely,



Gloria C. Hale
Team Leader



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

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Sharetta Blackwell, Program Assistant, Healthcare Planning, DHSR

February 9, 2018

Via Email



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

1079 Embury Plaza Boulevard
Winston-Salem, NC 27103

Re: Novant Health Presbyterian Medical Center
Replacement of Bi-Plane Angiography Equipment
Charlotte, North Carolina (Mecklenburg County)

Dear Ms. Hale:

Novant Health Presbyterian Medical Center (“NHPMC”) intends to replace an existing bi-plane angiography system located at the main campus of NHPMC in Charlotte, North Carolina. The existing bi-plane angiography equipment is past its useful life. Therefore, NHPMC will acquire a new Siemens Healthcare Artis Q system. See **Attachment A** for the Siemens quote and a Bayer quote for an injector system. The de-installation and removal of the existing equipment is being performed by the vendor as a trade-in (see page 7 of the Siemes quote). As part of the equipment cost, the vendor will provide onsite clinical training for the equipment. The total capital cost for the proposed replacement equipment project is estimated to be \$1,994,751¹. See **Attachment B** for detail of the Project Capital Cost.

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 biplane angiography equipment with the proposed equipment that is functionally similar and will be used for the same diagnostic purposes, although it possesses expanded capabilities due to technological improvements.
- (2) The proposed equipment will not be used to provide a new health service.
- (3) The acquisition of the proposed equipment 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 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 existing equipment will be removed from North Carolina.

In support of our request, please find attached:

- Attachment A** – Vendor Equipment Quotes
- Attachment B** – Project Capital Cost
- Attachment C** – NC CON Equipment Comparison chart

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.


Ms. Gloria Hale
Re: NHPMC Replacement of Bi-Plane Angiography Equipment
February 9, 2018
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NHPMC's acquisition of the replacement equipment does not require a certificate of need because none of the definitions of "new institutional health services" set forth in N.C.G.S. Section 131E-176(16) apply to the proposed project. As outlined above, the total cost for the project is \$1,994,751. The proposed capital cost includes equipment, as well as studies, surveys, designs, plans, working drawings, specifications, construction installation and other activities essential to making the equipment operational.

Based on the information provided, please confirm that NHPMC's 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.

Sincerely,



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

Enclosures

Cc: Barbara Freedy, Director, CON, Novant Health

**ATTACHMENT A –
Equipment Quotes:**

- **Siemens**
- **Bayer**

**ATTACHMENT C –
NC Equipment Comparison Form**

PROPOSED CAPITAL COSTS

Project Name: **PMC Bi-Plane/Angiography Interventional Rad Equip Replacement**

2/7/2018

Proponent: **Novant Health Presbyterian Medical Center**

A. Site Costs

(1)	Full purchase price of land		\$	0
	Acres _____ Price per Acre		\$	0
(2)	Closing Costs		\$	0
(3)	Site Inspection and Survey		\$	0
(4)	Legal fees and subsoil investigation		\$	0
(5)	Site Preparation Costs			
	Soil Borings	\$	-	
	Footing Excavation	\$	-	
	Footing Backfill	\$	-	
	Termite Treatment	\$	-	
	Sub-Total Site Preparation Costs		\$	0
(6)	Other (specify)		\$	0
(7)	Sub-Total Site Costs		\$	0

B. Construction Contract

(8)	Cost of Materials			
	General Requirements	\$	16,540.20	
	Concrete/Masonry	\$	4,968.60	
	Woods/Doors & Windows/Finishes	\$	23,158.80	
	Thermal & Moisture Protection	\$	1,684.80	
	Equipment/Specialty Items	\$	1,684.20	
	Mechanical/Electrical	\$	101,298.60	
	Other: Existing Conditions	\$	13,293.50	
	Other: Metals	\$	13,509.00	
	Other: Fire Suppression	\$	3,635.40	
	Sub-Total Cost of Materials			\$ 179,773
(9)	Cost of Labor GC Labor			\$ 119,848
(10)	Other: Option #1 - Catheter Cabinets			\$ 36,538
(11)	Sub-Total Construction Contract			\$ 336,160

C. Miscellaneous Project Costs

(12)	Building Purchase		\$	0
(13)	Fixed Equipment Purchase/Lease		\$	1,366,360
	Other: Injector		\$	30,130
	Other: Trade-In & De-install of Existing Equipment per Quote		\$	90,000
(14)	Movable Equipment Purchase/Lease		\$	0
(15)	Furniture		\$	0
(16)	Landscaping		\$	0
(17)	Consult Fees			
	Architect & Engineering Fees	\$	35,000.00	
	Architect & Engineering Reimbursable Expenses	\$	2,000.00	
	Market Analysis	\$	-	
	Other: DHSR Review Fee	\$	1,612.50	
	Sub-Total Consultant Fees			\$ 38,613
(18)	Financing Costs (e.g. Bond Loan, etc)		\$	0
(19)	Interest During Construction		\$	0
(20)	Other: Pre/Post TAB		\$	5,000
	Other: Pre-Construction Asbestos Survey		\$	2,500
	Other: Construction Contingency		\$	67,232
	Other: Abatement		\$	5,000
	Other: Signage		\$	500
	Other: Special Inspections		\$	3,500
	Other: Voice/Data/CATV Cabling		\$	5,000
	Other: Nurse Call System		\$	7,500
	Other: IT Contingency		\$	500
	Other: IT Contingency		\$	36,757
(21)	Sub-Total Miscellaneous			\$ 1,658,591
(22)	Total Capital Cost of Project (Sum A-C above)			\$ 1,994,751

**ATTACHMENT B –
Project Capital Cost Form**

PMC Angio Bi-Plane Replacement		EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)		Bi-Plane/Angiography	Bi-Plane/Angiography
Manufacturer of Equipment		Phillips	Siemens
Tesla Rating for MRIs		n/a	n/a
Model Number		Allura FD 20/20	Artis Q
Serial Number		3479	TBD
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		2010	TBD
Does Provider Hold Title to Equipment of Have a Capital Lease?		Title	Title upon acquisition
Specify if Equipment Was/Is New or Used When Acquired		New	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>		\$1,978,133	\$1,994,751
Total Cost of Equipment		\$1,310,357	\$1,321,365
Fair Market Value of Equipment		\$90,000	\$1,321,365
Net Purchase Price of Equipment			\$1,321,365
Locations Where Operated		PMC -- Radiology Dept.	PMD Radiology Dept.
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		Angiography	'----
Type of Procedures New Equipment is Capable of Performing		'----	Angiography