



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

November 27, 2018

Kristy Hubard
2131 South 17th Street
Wilmington, NC 28402

Exempt from Review – Replacement Equipment

Record #: 2777
Facility Name: New Hanover Regional Medical Center
FID #: 943372
Business Name: New Hanover Regional Medical Center
Business #: 1395
Project Description: Replace existing CT scanner at the hospital on 17th Street and at the NHRMC Orthopedic Hospital
County: New Hanover

Dear Ms. Hubard:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter dated November 7, 2018 and received on November 15, 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 without a certificate of need the following CT scanners as shown in the table:

Table with 2 columns: EQUIPMENT LOCATION, MAKE / MODEL EXISTING. Rows include NHRMC 17th Street (GE VCT) and NHRMC Orthopedic Hospital (SIEMENS Somatom).

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,



Tanya M. Saporito  
Project Analyst



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

November 7, 2018

Ms. Martha Frisone, Chief  
 Healthcare Planning and Certificate of Need Section  
 Division of Health Service Regulation  
 NC Department of Health and Human Services  
 2704 Mail Service Center  
 Raleigh, North Carolina 27699-2704



RE: Request for No Review Determination for Replacement of Equipment / New Hanover County

Dear Ms. Frisone:

Pursuant to 10A NCAC 14C.0202, New Hanover Regional Medical Center <sup>943378</sup> ("NHRMC") intends to replace two of its computed tomography (CT) machines and requests a determination that such replacements are exempt from review because they falls within the definition of NCGS § 131E-184 (a)(7) and the regulations set out in 10A NCAC 14C.0303.

**CT Replacements**

Site	Equipment to be Replaced	Trade-in of Existing	Total Project Cost
NHRMC 17 <sup>th</sup> Street	GE VCT	Y	\$800,520
NHRMC Orthopedic Hospital	Siemens Somatom	Y	\$719,000

**Exemption from Review**

Pursuant to NCGS § 131E-184(a): "The department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, when notice includes an explanation of why the new institutional health service is required, for any of the following: ... (7) To provide replacement equipment."

NCGS § 131E-176(22a) defines "replacement equipment" as equipment that costs less than \$2,000,000 and is purchased for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced.

**Applicable Regulations**

10A NCAC 14C.0303 defines "comparable medical equipment" as equipment that "is functionally similar and which is used for the same diagnostic or treatment purposes." Replacement equipment is comparable if:

- (1) it has the same technology as the equipment currently in use, although it may possess expanded capabilities due to technological improvements; and
- (2) it is functionally similar and is used for the same diagnostic or treatment purposes as the equipment currently in use and is not used to provide a new health service; and
- (3) the acquisition of the equipment does 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.

Replacement equipment is not comparable to the equipment being replaced if the replacement equipment is capable of performing procedures that could result in the provision of a new health service or type of procedure that has not been provided with the existing equipment.

### **Compliance**

NHRMC hereby certifies that:

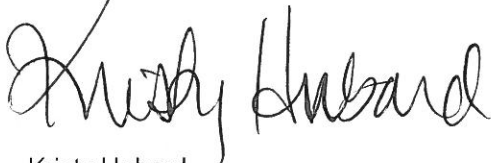
1. The estimated project costs for the replacement of the existing CT scanners are each less than \$2,000,000.
2. The replacement equipment will be purchased for the sole purpose of replacing comparable equipment currently in use, which will be traded in for disposal and removed from North Carolina. A comparison of the existing and replacement equipment is provided in Exhibit A.
3. The replacement equipment is functionally similar to existing equipment and will be used for the same diagnostic and/or treatment procedures as the equipment currently in use.
4. No increase in charges will occur within the first twelve months after the replacement equipment is acquired.
5. The average cost per CT scan will not increase as a result of the equipment replacement.

### **Determination Requested**

NHRMC requests that the Division of Health Service Regulation make a determination that the replacement of the two CT scanners, as proposed herein do not constitute new institutional health services and are thus exempt from certificate of need review.

If you require additional information concerning this request, please contact me at 910-667-5908.

Sincerely,



Kristy Hubard  
Chief Strategy Officer  
New Hanover Regional Medical Center

Exhibit A - Existing/Replacement Equipment Comparison

**EQUIPMENT COMPARISON**

**Exhibit A**

	<b>EXISTING EQUIPMENT</b>	<b>REPLACEMENT EQUIPMENT</b>
Equipment Location	NHRMC 17 <sup>th</sup> Street	NHRMC 17 <sup>th</sup> Street
Type of Equipment	CT	CT
Manufacturer	GE	SIEMENS
Model	VCT	AS+
Serial Number	449037CN1	TBD at purchase
Date of Acquisition	2/24/2007	December 2018
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.)	N/A	\$800,520
Total Cost of Equipment	N/A	\$699,000
Percent of Change in Patient Charges (by Procedure)	N/A	0%
Type of Procedures Currently Performed on Existing Equipment	CT scan	CT scan

	<b>EXISTING EQUIPMENT</b>	<b>REPLACEMENT EQUIPMENT</b>
Equipment Location	NHRMC Orthopedic Hospital	NHRMC Orthopedic Hospital
Type of Equipment	CT	CT
Manufacturer	SIEMENS	SIEMENS
Model	SOMATOM	AS+
Serial Number	51539	TBD at purchase
Date of Acquisition	4/12/2006	September 2018
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.)	N/A	\$719,000
Total Cost of Equipment	N/A	\$699,000
Percent of Change in Patient Charges (by Procedure)	N/A	0%
Type of Procedures Currently Performed on Existing Equipment	CT scan	CT scan