



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

August 1, 2019

Brandon Enfinger
205 Page Road
Pinehurst, NC 28374

Exempt from Review – Replacement Equipment

Record #: 3008
Facility Name: Pinehurst Medical Clinic
FID #: 030801
Business Name: Pinehurst Medical Clinic, Inc.
Business #: 1423
Project Description: Replace existing CT scanner
County: Moore

Dear Mr. Enfinger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of July 30, 2019, 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 Philips 64 slice CT scanner to replace the Philips 64 slice CT scanner, model number 45511309031. 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 and Radiation Protection and Radiation Protection 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,

[Handwritten signature of Tanya M. Saporito]

Tanya M. Saporito
Project Analyst

[Handwritten signature of Martha J. Frisone]

Martha J. Frisone
Chief

cc: Construction Section, DHSR
Radiation Protection Section, 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
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July 29, 2019

Tanya Rupp
Project Analyst
Division of Health Service Regulation, Certificate of Need
NC Department of Health and Human Services

Re: Pinehurst Medical Clinic, Inc. Bus id 1423
Replacement of CT Scanner Ind. id 1465
Pinehurst, NC 28374 Fid 030801
NR id 3008

Dear Ms. Rupp:

Pinehurst Medical Clinic, Inc. ("PMC") intends to replace an existing CT scanner located in our 205 Page Road medical office building in Pinehurst, NC 28374. The existing CT scanner is over ten years old and has approached the end of its useful life. PMC is prepared to acquire a new Philips 64 slice CT scanner.

The proposed project meets the definition of "replacement equipment" found in G.S. 131E-176(22a) for the following reasons:

1. PMC will replace the existing CT scanner 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. PMC seeks to replace comparable medical equipment currently in use at a project capital cost less than \$750,000.
4. The existing equipment will be removed from PMC service.

In support of our request, please find attached:

Attachment A – Project Capital Costs
Attachment B – NC CON Equipment Comparison chart

PMC'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 the N.C.G.S. Section 131E-176(16) apply to the proposed project. The total projected capital cost for the project is \$555,054.

Tanya Rupp
Project Analyst
Division of Health Service Regulation, Certificate of Need
NC Department of Health and Human Services
July 29, 2019
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The proposed capital costs will be limited to equipment costs as the replacement unit will be placed on the same bolt pattern as the current equipment.

Based on the information provided, please confirm that PMC's replacement equipment exemption request does not constitute a new institutional health service and is exempt from the Certificate of Need review.

If you need any additional information, please do not hesitate to contact me at (910) 235-3004.

Regards,



Brandon Enfinger
Chief Executive Officer
Pinehurst Medical Clinic, Inc.

Attachments

ATTACHMENT A
PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: Pinehurst Medical Clinic, Inc. Replacement CT Scanner
Provider/Company: Pinehurst Medical Clinic, Inc.

A. <u>Site Costs</u>	(1) Full purchase price of land	\$	NA
	Acres _____ Price per Acre	\$	NA
	(2) Closing costs	\$	NA
	(3) Site Inspection and Survey	\$	NA
	(4) Legal fees and subsoil investigation	\$	NA
	(5) Site Preparation Costs	\$	NA
	Soil Borings	\$	NA
	Clearing-Earthwork	\$	NA
	Fine Grade for Slab	\$	NA
	Roads-Paving	\$	NA
	Concrete Sidewalks	\$	NA
	Water and Sewer	\$	NA
	Footing Excavation	\$	NA
	Footing Backfill	\$	NA
	Termite Treatment	\$	NA
	Other (Specify)	\$	NA
	Sub-Total Site Preparation Costs	\$	NA
	(6) Other (Specify)	\$	NA
	(7) Sub-Total Site Costs	\$	NA
B. <u>Construction Costs</u>	(8) Cost of Materials	\$	NA
	General Requirements	\$	NA
	Concrete/Masonry	\$	NA
	Woods/Doors & Windows/Finishes	\$	NA
	Thermal & Moisture Protection	\$	NA
	Equipment/Specialty Items	\$	NA
	Mechanical/Electrical	\$	NA
	Other (Specify)	\$	NA
	Sub-Total Cost of Materials	\$	NA
	(9) Cost of Labor	\$	NA
	(10) Other (Specify)	\$	NA
	(11) Sub-Total Construction Costs	\$	NA
C. <u>Miscellaneous Project Costs</u>	(12) Building Purchase	\$	NA
	(13) Fixed Equipment Purchase (64-slice CT Scanner; Intellispace Portal; shipping and sales tax on both)	\$	499,992
	(14) Movable Equipment Purchase/Lease	\$	NA
	(15) Furniture	\$	NA
	(16) Landscaping	\$	NA
	(17) Consultant Fees	\$	NA
	Architect and Engineering Fees	\$	NA
	Legal Fees	\$	NA
	Market Analysis	\$	NA
	Other (Specify)	\$	NA
	Sub-Total Consultant Fees	\$	NA
	(18) Financing Costs (e.g. Bond, Loan, etc.)	\$	55,062
	(19) Interest During Construction	\$	NA
	(20) Other (Staff Costs - 40 hours at \$100 per hour)	\$	NA
	(21) Sub-Total Miscellaneous	\$	NA
	(22) Total Capital Cost of Project (Sum A-C above)	\$	555,054

ATTACHMENT B

Pinehurst Medical Clinic - CT Scanner Replacement	Existing Equipment	Replace Equipment
Type of Equipment	CT Scanner (64 Slice)	CT Scanner (64 Slice)
Manufacturer of Equipment	Philips	Philips
Tesla Rating for MRIs	n/a	n/a
Model Number	455011309031	TBD
Serial Number	15537	TBD
Provider's Method of Identifying Equipment	From Gantry	From Gantry
Specify 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	Dec-08	TBD
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Provider will hold Title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction)	\$ 1,106,440.00	\$ 555,054.00
Total Cost of Equipment	\$ 967,440.00	\$ 555,054.00
Fair Market Value of Equipment	\$100,000	\$ 555,054.00
Net Purchase Price of Equipment	n/a	\$ 555,054.00
Locations Where Operated	205 Page Road Pinehurst, NC 28374	205 Page Road Pinehurst, NC 28374
Number Days In Use/To be used in N.C. Per Year	260	260
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