



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

November 23, 2021

Kristy Hubard

Kristy.hubard@nhrmc.org

Exempt from Review – Replacement Equipment

Record #: 3744

Date of Request: November 1, 2021

Facility Name: Pender Memorial Hospital, Inc.

FID #: 923394

Business Name: Novant Health New Hanover Regional Medical Center, LLC

Business #: 3330

Project Description: Replace existing CT scanner at Pender Memorial Hospital

County: Pender

Dear Ms. Hubard:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced project is exempt from certificate of need review in accordance with G.S. 131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the S7880BKREvolution EVO Gen 3 CT scanner to replace the Bright Speed Elite CT scanner, serial number 321624HM9. 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.

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

Micheala Mitchell
Chief

cc: Radiation Protection Section, DHSR
Construction 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

MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704

<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

November 1, 2021

Ms. Micheala Mitchell
Chief, Health Care Planning and Certificate of Need
NC Division of Health Services Regulation
809 Ruggles Drive
Raleigh, NC 27603

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

Dear Ms. Mitchell:

Pursuant to 10A NCAC 14C.0202, Pender Memorial Hospital (“PMH”) intends to replace a computed tomography (CT) machine and requests a determination that such replacement is exempt from review because it falls within the definition of NCGS § 131E-184 (a)(7) and the regulations set out in 10A NCAC 14C.0303. Novant Health New Hanover Regional Medical Center (“NHNHRMC”) is the managing entity of Pender Memorial Hospital (“PMH”). The existing CT scanner at Pender Memorial Hospital was installed in 2013 and has reached the end of its useful life. The existing CT scanner will be traded-in to GE for a \$22,000 credit. There are no construction or renovation costs associated with this project.

CT Replacement

Site	Equipment to be Replaced	Trade-in of Existing	Total Project Cost
Pender Memorial Hospital	GE Bright Speed Elite	Y	\$492,514.31

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

NHNHRMC hereby certifies that:

1. The estimated project costs for the replacement of the existing CT scanner is 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

NHNHRMC requests that the Division of Health Service Regulation make a determination that the replacement of the CT scanner, as proposed herein, does not constitute new institutional health services and is 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
Novant Health New Hanover Regional Medical Center,
Managing Entity of Pender Memorial Hospital

Exhibit A - Existing/Replacement Equipment Comparison

EQUIPMENT COMPARISON

Exhibit A

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT	CT
Manufacturer of Equipment	GE	GE
Tesla Rating for MRIs	NA	NA
Model Number	5122080-10	TBD
Serial Number (Magnet Serial #)	321624HM9	TBD
Provider's Method of Identifying Equipment (Version)	Bright Speed Elite	S7880BK Revolution EVO Gen 3
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	02/25/2013	TBD
Dues Provider Hold Title to Equipment or 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.)		\$492,514.31
Total Cost of Equipment	\$469,592.00	\$492,514.31
Fair Market Value of Equipment	\$22,000	
Net Purchase Price of Equipment	\$469,592.00	\$492,514.31
Locations Where Operated	CT Suite Pender Memorial Hospital	CT suite Pender Memorial Hospital
Number Days In Use/To Be Used in N.C. Per Year	365	365
Percent of Change in Patient Charges (by Procedure)	N/A	0%
Percent of Change in Per Procedure Operating Expenses (by Procedure)	N/A	0%
Type of Procedures Currently Performed on Existing Equipment	Diagnostic CT	Diagnostic CT
Type of Procedures New Equipment is Capable of Performing	N/A	Same as Existing CT

From: [O'Dacre, Nancy](#)
To: [Tanya, Saporito](#)
Cc: [Waller, Martha K](#); dlegarth@nc.rr.com
Subject: [External] For review: NHRMC Equipment replacements
Date: Tuesday, November 2, 2021 7:25:47 AM
Attachments: [2021 NHRMC CT Replacement UPDATED.pdf](#)
[2021 PMH CT replacement.pdf](#)

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Good morning, Tanya!

Attached please find two letters related to equipment replacements. One letter is for equipment at NHRMC and one is for equipment at Pender Memorial Hospital (managed by NHRMC).

Please let me know if you need anything else.

Thanks!

Nancy

Nancy L. O'Dacre
Administrator of Radiology
2131 S. 17th Street
Wilmington, NC 28401

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