



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

April 6, 2022

Sandy T. Godwin
stgodwin@capefearvalley.com

Exempt from Review – Replacement Equipment

Record #: 3864
Date of Request: March 29, 2022
Facility Name: Cape Fear Valley Medical Center-Health Pavilion North
FID #: 030360
Business Name: Cumberland County Hospital System, Inc.
Business #: 578
Project Description: Replace existing CT scanner
County: Cumberland

Dear Ms. Godwin:

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 Siemens Somatom Go Open Pro CT scanner to replace the Siemens Senation CT scanner (Serial # 55261). 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



BEHAVIORAL HEALTH CARE
BLADEN COUNTY HOSPITAL
CAPE FEAR VALLEY
MEDICAL CENTER
CAPE FEAR VALLEY
REHABILITATION CENTER
HEALTH PAVILION NORTH
HIGHSMITH-RAINEY
SPECIALTY HOSPITAL
HOKE HOSPITAL

March 29, 2022

Ms. Tanya Saporito
Project Analyst, Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Center Service
Raleigh, NC 27699-2704

RE: Replacement of CT Scanner at Cape Fear Valley Medical Center – Health Pavilion North / Cumberland County

BLOOD DONOR CENTER
BREAST CARE CENTER
CANCER CENTER
CAPE FEAR VALLEY
MEDICAL GROUP
CARELINK
CAPE FEAR VALLEY
HOMECARE & HOSPICE, LLC
CUMBERLAND COUNTY EMS
FAMILY BIRTH CENTER
HEART & VASCULAR CENTER
HEALTHPLEX
LIFELINK
CRITICAL CARE TRANSPORT
SLEEP CENTER

Dear Ms. Saporito:

The purpose of this letter is to notify the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") that Cape Fear Valley Medical Center ("CFVMC") plans to replace a CT scanner located at CFVMC Health Pavilion North. CFVMC requests a determination that the respective 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.

The existing CT scanner is located at CFVMC Health Pavilion North and has been in service for 15 years. The equipment has exceeded its useful life. CFVMC intends to replace the existing CT scanner in the same location with a new Siemens CT scanner. The existing equipment will be removed from CFVMC when the replacement equipment is installed.

Pursuant to NCGS § 131 E-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.

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



CAPE FEAR VALLEY HEALTH

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HOKE HOSPITAL

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- (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.

As set forth below, we believe that Cape Fear Valley Medical Center’s project meets these requirements and is exempt from certificate of need review.

- (1) The total estimated cost to acquire and install the replacement equipment is less than \$2,000,000. See Attachment A.
- (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.
- (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) CFVMC will not acquire any other major medical equipment or develop any other new institutional health services described in N.C. General Statute 131-E176(16) as part of this project.
- (5) The project will not increase patient charges or per procedure operating expenses more than 10% within 12 months of the replacement equipment being acquired.

A copy of the equipment comparison table is included in Attachment B.

CFVMC 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.

Please contact me at 910.615.6852 or stgodwin@capefearvalley.com regarding any questions concerning this request.

Sincerely,

Sandy T. Godwin
Vice President, Planning
Cape Fear Valley Health System

Attachments

Attachment A

Projected Capital Cost Form	
Building Purchase Price	\$ -
Purchase Price of Land	\$ -
Closing Costs	\$ -
Site Preparation	\$ -
Construction / Renovation Contract (s)	\$ 240,033
Landscaping	\$ -
Architect / Engineering Fees	\$ -
Medical Equipment	\$ 835,775
Non-Medical Equipment	\$ 9,956
Furniture	\$ -
Consultant Fees (specify)	\$ -
Financing Costs	\$ -
Interest during Construction	\$ -
Other (Contingency)	\$ 59,967
TOTAL CAPITAL COSTS	\$ 1,145,731

Attachment B

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment	64 slice CT	64 slice CT
Manufacturer of Equipment	Siemens	Siemens
Tesla Rating for MRIs	NA	NA
Model Number	Senation 64	Somatom Go Open Pro
Serial Number	55261	TBD
Provider's Method of Identifying Equipment	serial number	serial number
Specify if Mobile or Fixed	fixed	fixed
Mobile Trailer Serial Number / VIN #	NA	NA
Mobile Tractor Serial Number / VIN #	NA	NA
Date Acquired	6/22/2007	
Does Provider Hold Title to Equipment or Have a Capital Lease?	yes	
Specify if Equipment Was/Is New or Used When Acquired	new	new
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	\$1,941,164	\$1,145,731
Total Cost of Equipment	\$1,328,928	\$835,775
Fair market Value of Equipment		
Net Purchase Price of Equipment		
Locations Where Operated	Cape Fear Valley Medical Center - Health Pavilion North	Cape Fear Valley Medical Center - Health Pavilion North
Number of Times Equipment was Used to Provide a Health Service during the 12 months prior to the Date of the Written Notice	2,127	n/a
Type of Procedures Currently Performed on Existing Equipment	CT Head, Chest, Abdomen/Pelvis, Extremity, Angio, CT Sim	
Type of Procedures New Equipment is Capable of Performing		CT Head, Chest, Abdomen/Pelvis, Extremity, Angio, CT Sim

CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER

I certify that, to the best of my knowledge, the projected construction cost for the proposed project is complete and correct.

[Handwritten Signature] NC #7788



31 MARCH 2022

Date Signed