



North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Office of the Director

2701 Mail Service Center • Raleigh, North Carolina 27699-2701  
<http://www.ncdhhs.gov/dhsr/>

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt, Director  
Phone: 919-855-3750  
Fax: 919-733-2757

January 22, 2013

Catharine W. Cummer, Regulatory Counsel, Strategic Planning  
Duke University Health System  
3100 Tower Blvd, Box 3229  
Durham NC 27707

**Exempt from Review**

Facility: Duke University Health System  
Project Description: Acquisition of unified laboratory information system software  
County: Durham  
FID #: 943138

Dear Ms. Cummer:

In response to your letter of January 15, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(3). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

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

Sincerely,

Michael J. McKillip  
Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section



**Mckillip, Mike**

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**From:** Catharine Cummer [catharine.cummer@duke.edu]  
**Sent:** Tuesday, January 15, 2013 11:59 AM  
**To:** Mckillip, Mike  
**Subject:** Notice of Exempt Acquisition of IT Equipment (DUHS)

Dear Mike,

I am writing to notify you of a proposed capital expenditure by Duke University Health System of approximately \$7.0 million to implement a unified laboratory information system (LIS) software called Beaker throughout DUHS Clinical Laboratories, including at Duke University Hospital, Duke Raleigh Hospital, and Durham Regional Hospital.

The current 23-year old software platform, Cerner Classic PathNet v015, will sunset on December 31, 2015. All Cerner clients have been advised that they will no longer receive support beyond that date. Therefore, the conversion of the laboratory information system to Beaker is necessary to ensure efficient and reliable laboratory services in the future.

The total capital expense of \$7.0 million for Beaker is comprises \$1.3 million hardware (infrastructure and workstation/equipment), \$1.3 million in interface costs, \$2.2 million for capitalizable FTEs, and \$2.2 million for consultant services (including \$500K labor contingency).

It is our understanding that the project is exempt from review as necessary "to provide data processing equipment." GS 131E-184(3). We would appreciate it if you could confirm our understanding that this project does not require a certificate of need. If you need further information, please let me know.

Thank you very much for your attention to this request.

Catharine

Catharine W. Cummer  
Regulatory Counsel, Strategic Planning  
Duke University Health System  
3100 Tower Blvd.  
Box 3229  
Durham, NC 27707  
(919) 668-0857 (office)  
(919) 423-6928 (cell)  
[catharine.cummer@duke.edu](mailto:catharine.cummer@duke.edu)

