



North Carolina Department of Health and Human Services
Division of Health Service Regulation

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Division Director

March 12, 2014

Catharine W. Cummer, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707

Exempt from Review - Replacement Equipment

Facility: Duke University Health System d/b/a Duke University Hospital
Project Description: Replace a CT simulator
County: Durham
FID #: 943138

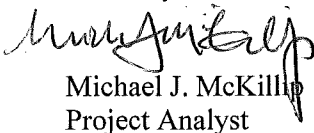
Dear Ms. Cummer:


In response to your letter of February 28, 2014, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(7). Therefore, you may proceed to acquire, without a certificate of need, the Philips Healthcare Brilliance CT simulator to replace the existing GE Lightspeed CT simulator [Serial # 344119CN3]. This determination is based on your representations that the existing unit will be removed from North Carolina and will not be used again in the State without first obtaining a certificate of need. Further please be advised that as soon as the replacement equipment is acquired, you must provide the CON Section and the Medical Facilities Planning Branch with the serial number of the new equipment to update the inventory, if not already provided.

Moreover, you need to contact the Construction Section to determine if they have any requirements for development of the proposed project.

It should be noted that this 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 Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,


Michael J. McKillop
Project Analyst


Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Construction Section, DHSR



Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer



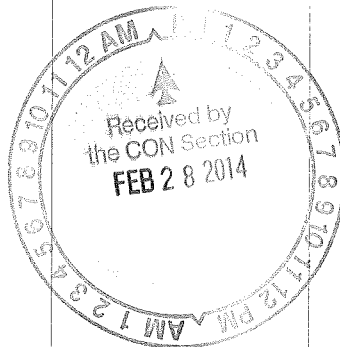
 **Duke University Health System**

Catharine W. Cummer
Regulatory Counsel, Strategic Planning

February 28, 2014

Via Electronic Mail

Michael J. McKillip, Project Analyst
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704



Re: Exempt Equipment Replacement at Duke University Hospital

Dear Mr. McKillip:

The purpose of this letter is to request the Section's written confirmation that the acquisition of a replacement CT simulator at the Duke University Hospital Cancer Center is exempt from certificate of need review pursuant to N.C.G.S. Section 131E-184.

A completed equipment comparison form and capital cost form are enclosed. The total capital cost of the project, including the equipment cost, is \$1,406,500. The vendor's quote for the replacement equipment is available for review upon request. The existing equipment is currently in use at Duke University Hospital, but will be removed from service in the state upon placement of the replacement equipment into service.

We would appreciate your confirmation that this project is exempt from CON review. Thank you for your attention to this request. If you have questions, please let me know.

Very truly yours,



Catharine W. Cummer

Enclosures

EQUIPMENT COMPARISON

Type of Equipment (List Each Component)	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Manufacturer of Equipment	CT/Simulator	CT/Simulator
Tesla Rating for MRIs	GE Medical Systems	Philips Healthcare
Model Number	n/a	n/a
Serial Number	GE Lightspeed RT16 2377708-7	100017 Brilliance CT Big Bore
Provider's Method of Identifying Equipment	344119CN3 Asset#137157	
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	8/17/2004	To be determined
Does 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.) <Use Attached Form>		1,408,500
Total Cost of Equipment	925,470	703,433
Fair Market Value of Equipment		
Net Purchase Price of Equipment	925,470	643,433
Locations Where Operated	Duke Hospital Radiation Oncology Clinic	Duke Hospital Radiation Oncology Clinic
Number Days In Use/To be Used in N.C. Per Year	365	365
Percent of Change in Patient Charges (by Procedure)	NA	0
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	0
Type of Procedures Currently Performed on Existing Equipment	CT/Simulations	NA
Type of Procedures New Equipment is Capable of Performing	NA	CT/Simulations

PROJECTED CAPITAL COST

Project Name: FPDC #3486 Radiation Oncology CT Replacement

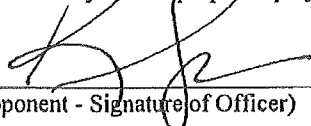
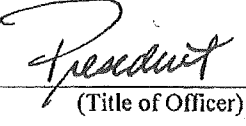
Proponent: _____

A. Site Costs			
(1)	Full purchase price of land	\$ 0	
	Acres _____ Price per Acre \$ _____		
(2)	Closing costs	\$ 0	
(3)	Site Inspection and Survey	\$ 0	
(4)	Legal fees and subsoil investigation.	\$ 0	
(5)	Site Preparation Costs		
	Soil Borings	\$ 0	
	Clearing-Earthwork	\$ 0	
	Fine Grade For Slab	\$ 0	
	Roads-Paving	\$ 0	
	Concrete Sidewalks	\$ 0	
	Water and Sewer	\$ 0	
	Footing Excavation	\$ 0	
	Footing Backfill	\$ 0	
	Termite Treatment	\$ 0	
	Other (Specify) _____	\$ 0	
	Sub-Total Site Preparation Costs	\$ 0	
(6)	Other (Specify) _____	\$ 0	
(7)	Sub-Total Site Costs		\$ 0
B. Construction Contract			
(8)	Cost of Materials		
	General Requirements	\$ _____	
	Concrete/Masonry	\$ _____	
	Doors & Windows/Finishes	\$ _____	
	Thermal & Moisture Protection	\$ _____	
	Equipment/Specialty Items	\$ _____	
	Mechanical/Electrical	\$ _____	
	Other (Specify) _____	\$ _____	
	Sub-Total Cost of Materials	\$ 276,000	
(9)	Cost of Labor	\$ 184,000	
(10)	Other (Specify) _____	\$ 0	
(11)	Sub-Total Construction Contract		\$ 460,000
C. Miscellaneous Project Costs			
(12)	Building Purchase	\$ 0	
(13)	Fixed Equipment Purchase/Lease	\$ 644,000	
(14)	Movable Equipment Purchase/Lease	\$ 76,000	
(15)	Furniture	\$ 11,000	
(16)	Landscaping	\$ 0	
(17)	Consultant Fees		
	Architect and Engineering Fees	\$ 32,000	
	Legal Fees	\$ 0	
	Market Analysis	\$ 0	
	Other (Specify) _____	\$ 0	
	Sub-Total Consultant Fees	\$ 32,000	
(18)	Financing Costs (e.g. Bond, Loan, etc.)	\$ 0	
(19)	Interest During Construction	\$ 0	
(20)	Other (Specify) _____ Contingency _____	\$ 183,500	
(21)	Sub-Total Miscellaneous		\$ 946,500
D.	Total Capital Cost of Project		\$ 1,406,500

I certify that, to the best of my knowledge, the costs of the proposed project named above are complete and correct.

 (Signature of Licensed Architect or Engineer) Date Certified: _____

I assure that, to the best of my knowledge, the above costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

 
 (Proponent - Signature of Officer) (Title of Officer) Date Signed: 2/27/14