



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

Pat McCrory  
Governor

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

Drexdal Pratt  
Division Director

November 25, 2014

Lisa Griffin  
2085 Frontis Plaza Drive  
Winston-Salem, NC 27103

**No Review**

Facility or Business: Novant Health Thomasville Medical Center  
Project Description: Acquire CT scanner  
County: Davidson  
FID #: 923112

Dear Ms. Griffin:

The Certificate of Need Section (CON Section) received your letter of November 12, 2014 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

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

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.



**Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

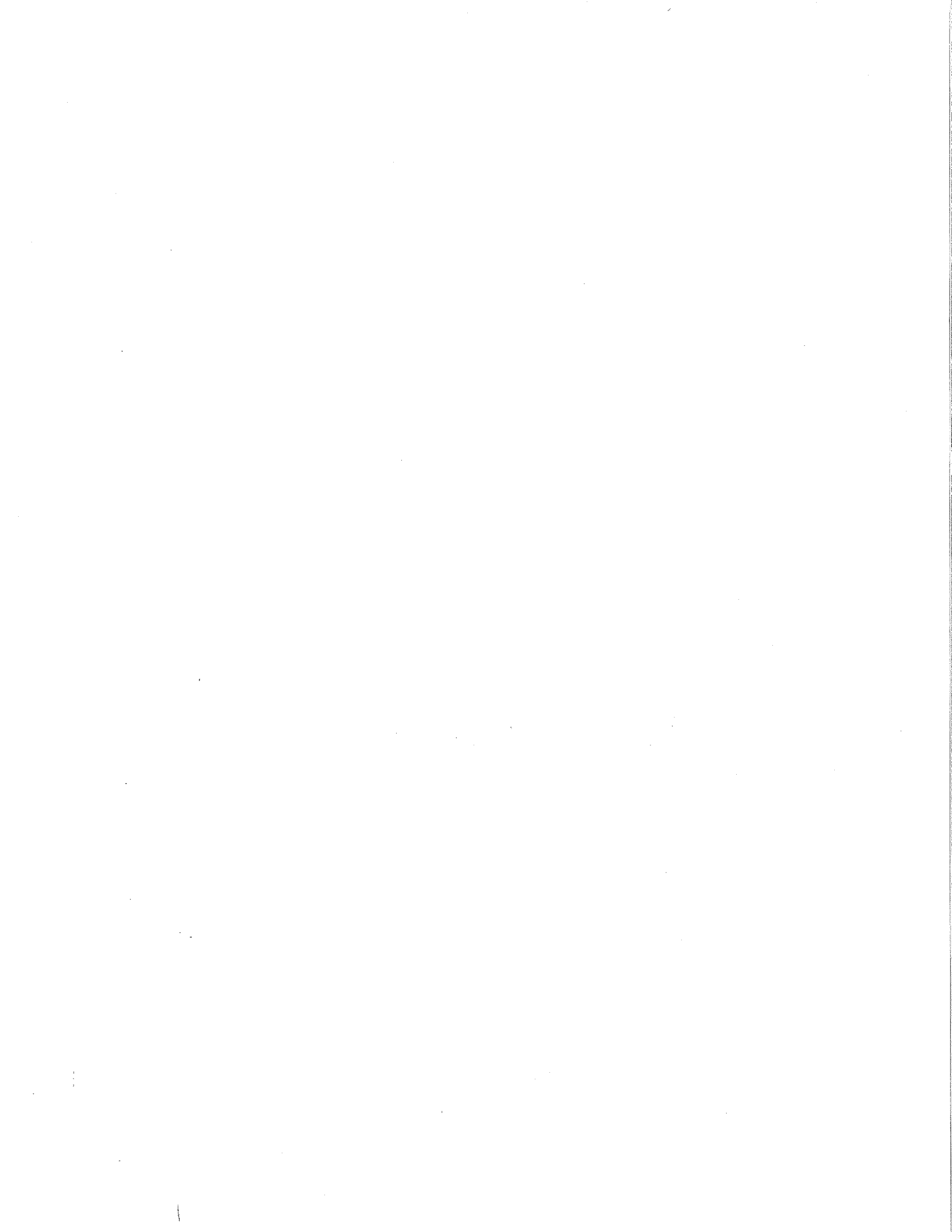
Telephone: 919-855-3873 • Fax: 919-733-8139

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



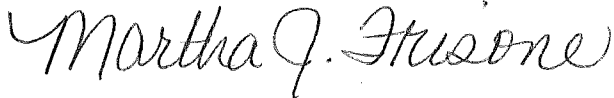


Lisa Griffin  
November 25, 2014  
Page 2

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,

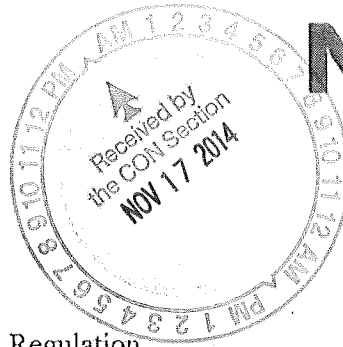
  
Kim Randolph, Project Analyst



Martha J. Frisone, Interim Chief  
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHSR  
Construction Section, DHSR





Novant Health  
2085 Frontis Plaza Drive  
Winston-Salem, NC 27103

November 12, 2014

Ms. Kimberly Randolph, Project Analyst  
North Carolina Division of Health Service Regulation  
Certificate of Need (CON) Section  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Re: Relocation and Replacement Equipment Exemption Request; CT Scanner at Novant Health Winston Salem Healthcare (WSHC; Forsyth County) to be Relocated to Novant Health Thomasville Medical Center (TMC; Davidson County)

Dear Ms. Randolph:

This letter outlines Novant Health's project to relocate an existing 40-slice CT scanner from Winston Salem Healthcare (WSHC), a Novant Health entity, to replace an existing 4-slice CT Scanner at Novant Health Thomasville Medical Center (TMC). The existing, outdated CT scanner at TMC will be taken out of service and de-installed by International Medical Services located in Fort Mill, South Carolina (See Attachment F).

The total project costs related to the relocation of the WSHC CT Scanner to replace the TMC CT Scanner is \$694,721. Included in these project costs is the de-installation, removal, transportation and re-installation of the 40-slice scanner by Siemens (see Attachment D). Also included as Movable Equipment related to relocation of the 40-slice CT from WSHC are fluoroscopy component upgrades, including an injector stand. The quotes for these items are included in Attachment E. These upgrades are necessary to bring the 40-slice CT, which was used exclusively in an outpatient clinic setting, to the current standard of care for CT Imaging in an acute care hospital setting at TMC.

The project cost does not include: sales, property or excise taxes since TMC is a non-profit, tax-exempt organization and is not subject to these taxes. Since this is a relocation of an existing CT scanner to replace an outdated CT Scanner, the only training necessary is related to the fluoroscopy upgrades. This expense is included in the total project costs and is indicated on Attachment E. The existing equipment at TMC to be removed by International Medical Equipment & Services (see Attachment F) and will then be removed from the state by the vendor who is located in Fort Mill, South Carolina.

Both the existing TMC CT and the relocated WSHC CT are comparable medical equipment as explained on the following page. This project should be approved by the Agency as exempt pursuant to N.C.G.S. Section 131E-184(a)(7).

This exempt project will replace a functionally similar equipment item and will not increase the inventory of approved CT scanners in Davidson County. As a result there will be one less CT Scanner in Forsyth County. The relocated CT scanner is consistent with the replacement equipment definition at 10 NCAC 03R.0214(d) which states that the

Ms. Kimberly Randolph

November 12, 2014

Relocation & Replacement Equipment Request – NHTMC CT Scanner

Page 2

replacement equipment is comparable to the equipment being replaced if it has the same technology as the equipment currently in use, although it may possess expanded capabilities due to technological improvements. As previously noted, the relocated CT Scanner will be upgraded for fluoroscopy which is the standard of care and equipment for CT Scanners to be used in an acute care hospital setting at TMC.

Pursuant to 10A NCAC 14C.0303 the proposed CT scanner constitutes replacement equipment because:

1. It is comparable to the equipment currently in use. It has the same technology as the equipment currently in use, although it does possess expanded capabilities (fluoroscopy component upgrades to the 40-slice CT Scanner) due to the technological improvements.
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.
3. The acquisition of the new equipment will 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.
4. The existing equipment was not purchased second-hand nor was the existing equipment leased.
5. The replacement equipment is not capable of performing procedures that will result in the provision of a new health service or type of procedure that has not been provided with the existing equipment.

Attached for your convenience please find:

- 1) Project/capital cost schedule which identifies the components of the project costs (Attachment A);
- 2) the NC CON equipment comparison form summarizing essential information about the proposed equipment relocation & replacement (Attachment B);
- 3) a certified estimate of related construction costs from an independent licensed North Carolina architect (Attachment C);
- 4) a vendor quote related to the de-installation of the WSHC 40-Slice CT Scanner (Attachment D);
- 5) vendor quotes related to upgrades to the 4-Slice CT Scanner (Attachment E) and,
- 6) vendor quote related to the de-installation & disposal of the 4-Slice CT Scanner (Attachment F).

TMC's acquisition of the relocated CT scanner does not require a certificate of need because none of the definitions of "new institutional health service" set forth in N.C.GS Section 131E-176(16) is implicated. As discussed above, the total cost for the project is \$694,721. This is well below the \$2 million dollar statutory exemption threshold for

Ms. Kimberly Randolph  
November 12, 2014  
Relocation & Replacement Equipment Request – NHTMC CT Scanner  
Page 3

replacement equipment. This includes the cost of the equipment, as well as studies, surveys, designs, plans, working drawings, specifications, construction installation and other activities essential to making the equipment operational (such as staff training).

In conclusion, based on the information described above, please confirm that Novant Health's relocation of its CT Scanner from WSHC to replace the CT Scanner at TMC does not constitute a "new institutional health service" and does fit within the replacement equipment exemption definition. Therefore, the project is not subject to certificate of need review.

Please let us know as soon as possible if you need additional information to assist in your consideration of this request. Thank you for your prompt consideration of this request.

Sincerely,



Lisa Griffin  
Manager, Certificate of Need  
Financial Planning and Analysis  
Novant Health, Inc.

Enclosures

cc: Barbara Freedy, Director, CON, Novant Health  
Laura MacFadden, Vice President, Design & Construction, Novant Health

*File: NHTMC Relo&REER Cover Letter 11114.doc*

# Attachment A



# PROPOSED CAPITAL COSTS

Project Name: Relocate WSHC 40-Slice CT to NHTMC

12-Nov-14

Proponent: Novant Health Thomasville Medical Center

**A. Site Costs**

(1)	Full purchase price of land		\$	N/A
	Acres _____ Price per Acre		\$	N/A
(2)	Closing Costs		\$	N/A
(3)	Site Inspection and Survey		\$	N/A
(4)	Legal fees and subsoil investigation		\$	N/A
(5)	Site Preparation Costs	\$		
	Soil Borings	\$		
	Clearing Earthwork	\$		
	Fine Grade For Slab	\$		
	Roads Paving	\$		
	Concrete Sidewalks	\$		
	Water and Sewer	\$		
	Footing Excavation	\$		
	Footing Backfill	\$		
	Termite Treatment	\$		
	Sub-Total Site Preparation Costs		\$	N/A
(6)	Other (specify)		\$	N/A
(7)	<b>Sub-Total Site Costs</b>		\$	<b>0.00</b>

**B. Construction Contract**

(8)	Cost of Materials		\$	198,732.00	REF. ATTACH C
(9)	Cost of Labor		\$	132,489.00	ATTACH C
(10)	Other: De-install & Relo Siemens 40-Slice CT		\$	47,530.50	ATTACH D
(11)	<b>Sub-Total Construction Contract</b>		\$	<b>378,751.50</b>	

**C. Miscellaneous Project Costs**

(12)	Building Purchase		\$	N/A	
(13)	Fixed Equipment Purchase/Lease (FluroComp upgrades)		\$	62,372.00	ATTACH E
	Other: FMV of 40-Slice CT being relocated		\$	140,765.00	ATTACH B
	FMV of Old 4-Slice per International Medical		\$	12,500.00	ATTACH F
(14)	Movable Equipment Purchase/Lease (Injector Stand)		\$	1,700.00	ATTACH E
(15)	Furniture		\$	N/A	
(16)	Landscaping		\$	N/A	
(17)	Consult Fees				
	Architect and Engineering Fees	\$		38,500.00	Arch Letter ATTACH C
	Legal Fees	\$		N/A	
	DHSR review fee	\$		0.00	
	Other (Med gas testing, Special Inspections, etc.)	\$		0.00	
	Sub-Total Consultant Fees		\$	38,500.00	
(18)	Financing Costs (e.g. Bond Loan, etc)		\$	N/A	
(19)	Interest During Construction		\$	N/A	
(20)	Other:				
	IT	\$		0.00	
	Contingency	\$		60,132.43	
	Sub-Total Other		\$	60,132.43	
(21)	<b>Sub-Total Miscellaneous</b>		\$	<b>315,969.43</b>	
(22)	<b>Total Capital Cost of Project (Sum A-C above)</b>		\$	<b>694,720.93</b>	

# Attachment B

Thomasville Medical Center – CT Scanner/Radiology Department	EXISTING EQUIPMENT (4-slice @ TMC)	REPLACEMENT EQUIPMENT (40-slice relo fr WSHC to TMC)
Type of Equipment (List Each Component)	CT Scanner (4 slice)	CT Scanner (40 slice)
Manufacturer of Equipment	Siemens	Siemens
Tesla Rating for MRIs	n/a	n/a
Model Number	Somatom Volume Zoom	Sensation 40
Serial Number	1949	3722
Provider's Method of Identifying Equipment (TMC uses an internal numbering system to identify equipment.)	Internal Asset Numbering System	Internal Asset Numbering System
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	2/15/2002	2006 Original Purchase
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>	\$983,029	694,721
Total Cost of Equipment	\$983,029 (Orig)	\$989,184 (Orig)
Fair Market Value of Equipment	\$12,500	\$140,765
Net Purchase Price of Equipment	\$12,500	\$140,765
Locations Where Operated	Radiology Dept.	Radiology Dept.
Number Days In Use/To be Used in N.C. Per Year	365	365
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 Imaging	
Type of Procedures New Equipment is Capable of Performing		CT Imaging

# Attachment C

KSQ/Peterson  
2115 Rexford Road Suite 500  
Charlotte North Carolina 28211

704 364 3400 office



October 27, 2014

Mr. Jeff Bailey  
Construction Project Manager  
Novant Health, Inc.  
Construction & Facility Services  
3600 Country Club Road, Suite 102  
Winston-Salem, North Carolina 27104

Re: Novant Health, Inc.  
Thomasville Medical Center  
CT Equipment Replacement (relocate from WSHC)  
Thomasville, North Carolina

Dear Jeff:

We have prepared our estimate for the Thomasville Medical Center CT Equipment Replacement (relocate from WSHC). We estimate the construction labor cost will be \$198,732.00 and the construction material cost will be \$132,489.00. Therefore we estimate the total construction cost to be \$331,221.00.

The architectural and engineering design fees are \$34,000.00 and project reimbursable expenses are \$4,500. Therefore, the total estimated construction cost including architectural and engineering fees and reimbursable expenses is \$369,721.00.

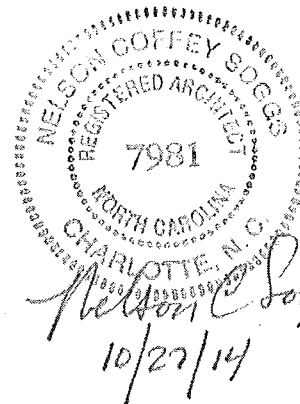
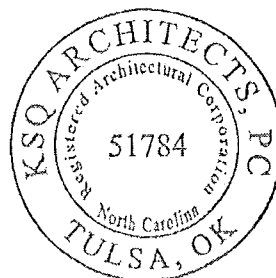
If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Nelson C. Soggs, AIA, LEED® AP, Associate  
Senior Project Manager  
KSQ/Peterson

NCS/jlj

6605-00



# Attachment D

SIEMENS

Healthcare

October 31, 2014

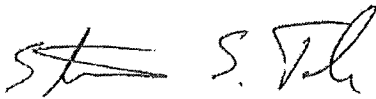
Ms. Roonie Saxon  
Sr. Director Radiology  
Acute Care Imaging GWSM  
3333 Silas Creek Parkway  
Winston-Salem, NC 27103

Dear Ms. Saxon

This letter is in response to your request for a price guarantee in reference to the relocation and re-installation of the Siemens Somatom Sensation 40 CT system, FL# 400-185471. This work was quoted at \$47,530.50 on binding quote 1-9QUJI9, dated July 25, 2014. Although the quote indicates pricing is valid for 30 days, Siemens can extend this price through March 19, 2015. Please attach this letter to the quote for your records. The same will be done at Siemens.

Thank you for selecting Siemens as your equipment and service provider and thank you for the opportunity to relocate this system.

Sincerely,



Steve Tole  
Regional Service Manager  
Siemens Medical Solutions  
336.210.6036 mobile





Date \_\_\_\_\_

Customer P.O. # (initial if not applicable) AS

Acceptance Date: \_\_\_\_\_

This proposal is valid for 30 days. Agreement becomes effective upon Customer signature and Siemens acceptance.

# SIEMENS

Siemens Medical Solutions USA, Inc.  
51 Valley Stream Parkway, Malvern, PA 19355

SIEMENS REPRESENTATIVE  
Jacob Kruger - (828) 332-2551

## PRELIMINARY PROPOSAL

**FINANCING:** The equipment listed above may be financed through Siemens. Ask us about our full range of financial products that can be tailored to meet your business and cash flow requirements. For further information, please contact your local Sales Representative.

Siemens Healthcare is pleased to submit this Preliminary Pricing Proposal. A Preliminary Pricing Proposal is provided for planning purposes only; it is not contractually binding. To receive a contractually binding proposal for the Products listed above, inclusive of Terms, Conditions, and Warranty coverage, please contact your Siemens Healthcare Sales Representative.

Siemens Healthcare

Jacob Kruger  
(828) 332-2551  
jacob.kruger@siemens.com

# Attachment E

# SIEMENS

Siemens Medical Solutions USA, Inc.  
51 Valley Stream Parkway, Malvern, PA 19355

SIEMENS REPRESENTATIVE  
Jacob Kruger - (828) 332-2551

## PRELIMINARY PROPOSAL

Customer Number: 0000005455

Date: 11/3/2014

THOMASVILLE MEDICAL CENTER  
207 OLD LEXINGTON ROAD  
THOMASVILLE, NC 27360

*Fluoro upgrades*

The following quote configuration is only valid for Siemens' system with functional location #400-185471.

Valid only with a PET purchase.

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Quote Nr: 1-8FD4OE Rev. 0

---

### SOMATOM Sensation 64,40,Open eco - Upgrades and Options for Installed Base

All items listed below are included for this system: (See Detailed Technical Specifications at end of Proposal.)

Qty	Part No.	Item Description
1	14407508	<b>RS Advanced Intervention incCAREVision</b> Advanced Intervention is the biopsy mode combined with CARE Vision designed for a fast and intuitive workflow for all fluoroscopic interventional procedures.
1	14405926	<b>RS Table-side Control #S</b> The "Table-side control" option supports CT interventions and CT fluoroscopy (CARE Vision CT) and allows the user to control the CT system directly from the examination room.
1	14429899	<b>RS 2nd add. 19" Flat Screen Monitor</b> Additional high-resolution color flat screen monitor for parallel image viewing, e.g. in the examination room or the physician's office. The option includes a second high resolution, flicker-free, 19-inch (48 cm) color flat panel display, video transmitter, video receiver with power supply and power cable.
1	14429895	<b>RS Connection 36 m</b> Set of 36-meter-long fiber-optic cables for connection of an additional monitor.
1	CT_BUDG_AD DL_RIG CT_CCTABCN OTL_INS	<b>Budgetary Add'l/Out of Scope Rigging \$3,000</b>
1	CT_ADD_32_I NS	<b>CardiacCTA Boot Camp, Physician, No T&amp;L</b> This one-and-a-half-(1.5) day physician led workshop provides radiologists and cardiologists hands on opportunity to interpret 50 cardiac case studies which are necessary to maintain cardiac competency. Training includes hands-on supervised work on Siemens syngo via Thin Client (r) workstations led by physician experts in the field of cardiovascular CT. Tuition is for one physician attendee. Travel and lodging not included. This educational offering must be completed by the later of (12) months from purchase or install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.
1		<b>Additional onsite training 32 hours</b> Up to (32) hours of on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from date of purchase order. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.

# SIEMENS

Siemens Medical Solutions USA, Inc.  
51 Valley Stream Parkway, Malvern, PA 19355

SIEMENS REPRESENTATIVE  
Jacob Kruger - (828) 332-2551

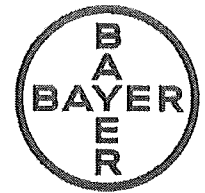
## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
1	14429915	<b>RS Monitor Cart for CARE Vision</b> Mobile equipment cart for the accommodation and safe installation of one monitor in the examination room.

System Total:

**\$62,372**

Bayer HealthCare



**Quotation**

Quote To:  
WINSTON SALEM HEALTHCARE  
IMAGING  
250 Charlois Blvd  
WINSTON SALEM NC 27103-1508  
USA

Bayer HealthCare LLC

Quotation number: 0020012221  
Customer number: 0000091913  
Date: 10/31/2014  
Page: 1

Valid from: 10/31/2014 to 12/30/2014

Attn: Louis Frye  
704-985-2325 / lrfrye@novanthealth.org

*We deliver according to the following terms and conditions:*

Currency: USD

*Terms of payment:* 30 d. w/o discount of inv. net

*Terms of delivery:* Carriage paid FOB DESTINATION

Item	Part No	Qty	Unit Price	UoM	Amount
1	60782251	1 PCE	1,700.00	1 PCE	1,700.00
	PEDESTAL, FIXED HEIGHT, SHORT, ASM				
	Net value		1,700.00		1,700.00
<b>Sub Total</b>					1,700.00
<b>Total</b>					1,700.00

When applicable, State and Local taxes will be calculated on the order. If you are exempt from taxes, contact customer support at 1(800)633-7231  
If pricing and terms of this order are based upon your current Group Purchasing Organization (GPO) affiliation, any change to your current affiliation may require a new quote or updated terms and pricing.

THANK YOU FOR YOUR ORDER

# Attachment F

International Medical Equipment & Service, Inc.  
8190 Regent Parkway  
Fort Mill, SC 29715 USA  
Ph. 704-739-3597 | Fax 704-259-4008  
info@IMESimaging.com | www.IMESimaging.com



**International  
Medical**  
EQUIPMENT & SERVICE  
Hometown Feel, Global Reach

March 19, 2014  
REVISED 10/7/14

Michael Bargesser  
Radiology Service Manager  
Novant Health CEMP  
1578 Roger Dale Carter Drive  
Kannapolis, NC 28081

Michael:

We are pleased to make the following offer, subject to full inspection:

***Offer to Purchase***

---

**Equipment:**

**Amount Offered:**

Siemens Somatom Volume Zoom CT Scanner:

\$12,500

- \* Dura 532 5.3 MHU tube replaced 12/30/13
- \* System installed 2002
- \* Total Current Events, rotations, scan seconds, and/or mAs on Gantry: 1.35957(million) scan secs
- \* Total Current Slices, rotations, scan seconds, and/or mAs on X-ray Tube: 11715
- \* One console
- \* SW revision level: VA47C

**Terms:**

- Offer must be accepted within 30 days
- System removal must be within 90 days

**Payment Terms:**

- Full payment due prior to removal
- Seller to provide clear evidence of title to the equipment

We look forward to working with you. Please let us know if you have questions or comments.

Regards,

A handwritten signature in black ink that reads "Trey McIntyre".

Trey McIntyre  
Page 1 of 2



International Medical Equipment & Service, Inc.  
8190 Regent Parkway  
Fort Mill, SC 29715 USA  
Ph. 704-739-3597 | Fax 704-259-4008  
Info@IMESimaging.com | www.IMESimaging.com



**International  
Medical**  
EQUIPMENT & SERVICE

Hometown Feel, Global Reach

## *Purchase Agreement Acceptance*

---

This agreement dated **October 7, 2014** by International Medical Equipment & Service (IMES) and Novant Health CEMP is to provide the equipment and services described in the Equipment section of this agreement.

**Purchaser agrees to the following terms and conditions:** Purchase agreement is subject to a satisfactory system inspection. IMES has the right to cancel agreement if the system is not up to OEM specifications. IMES will be responsible for removal and normal de-installation cost. IMES is not responsible for construction costs to grant clear access to system. For MRI systems only, IMES requires helium levels to be greater than 85% at the time of system removal.

**Seller agrees to the following terms and conditions of purchase:** to provide system maintenance records, system OEM manuals and software. Seller will provide clear evidence of title purchase; system title to be transferred once payment is received in full. Seller agrees to comply with HIPPA regulations and remove all patient data before system removal.

**This offer is valid for thirty days and becomes null and void if not accepted by that date.**

**By signing this agreement, Seller and Purchaser both agree to terms and conditions referred to herein.**

For and on behalf of International Medical

For and on behalf of Novant Health CEMP

Signed \_\_\_\_\_

Signed \_\_\_\_\_

Name Trey McIntyre

Name \_\_\_\_\_

Title President

Title \_\_\_\_\_

*Please return signed documents to Patti Hinson*

Phone 704.739.3597, Ext. 4004

Fax 704.259.4008

Email phinson@IMESimaging.com

International Medical Equipment & Service, Inc.  
8190 Regent Parkway  
Fort Mill, SC 29715 USA  
Ph. 704-739-3597 | Fax 704-259-4008  
info@IMESimaging.com | www.IMESimaging.com



**International  
Medical**  
EQUIPMENT & SERVICE  
Hometown Fee!, Global Reach

November 5, 2014

Michael Bargesser  
Radiology Service Manager  
Novant Health CEMP  
1578 Roger Dale Carter Drive  
Kannapolis, NC 28081

Re: Siemens Somatom Volume Zoom CT Scanner

Michael:

This letter is to confirm that IMES will use the above-referenced system for parts only.

Please let us know if you need further information.

Best regards,

A handwritten signature in black ink that reads "Trey McIntyre".

Trey McIntyre  
President