



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

VIA EMAIL ONLY

March 13, 2018

Rebecca Garland  
Becky.Garland@grahamcounty.org

**No Review**

**Record #:** 2540

**Business Name:** Graham County

**Business #:** 2809

**Project Description:** Acquire diagnostic imaging equipment below the \$500,000 threshold for diagnostic imaging centers

**County:** Graham

Dear Ms. Garland:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of February 21, 2018 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.

However, you need to contact the Agency's Construction and Radiation Protection Sections 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 in your correspondence. 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 this office. 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.

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

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



Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Julie M. Faenza  
Project Analyst



Martha J. Frisone, Chief  
Healthcare Planning and Certificate of Need Section

cc: Construction Section, DHSR  
Radiation Protection Section, DHSR  
Sharetta Blackwell, Program Assistant, Healthcare Planning, DHSR  
Juanita.Colvard@grahamcounty.org (Juanita Colvard, Director of Transportation)  
kivey@pda-inc.net

## Faenza, Julie M

---

**From:** Kelly Ivey <kivey@pda-inc.net>  
**Sent:** Friday, March 09, 2018 4:37 PM  
**To:** Faenza, Julie M  
**Subject:** RE: [External] No Review Request Graham County

**CAUTION:** External email. Do not click links or open attachments unless verified. Send all suspicious email as an attachment to Report Spam.

You can contact us, of course, but Becky's contact information is [Becky.Garland@grahamcounty.org](mailto:Becky.Garland@grahamcounty.org) and 828-479-7960

In correspondence could you cc Juanita Colvard, Director of Transportation. 828-479-6287, [Juanita.colvard@grahamcounty.org](mailto:Juanita.colvard@grahamcounty.org) ... she is the project coordinator in Graham County

Thank you!  
Kelly Ivey

---

**From:** Faenza, Julie M [mailto:Julie.Faenza@dhhs.nc.gov]  
**Sent:** Friday, March 09, 2018 4:25 PM  
**To:** 'Kelly Ivey' <kivey@pda-inc.net>  
**Subject:** RE: [External] No Review Request Graham County

Last question – is there contact information for Ms. Garland, or are y'all to be the contact people?

---

**From:** Kelly Ivey [mailto:kivey@pda-inc.net]  
**Sent:** Thursday, March 08, 2018 9:28 AM  
**To:** Faenza, Julie M  
**Subject:** RE: [External] No Review Request Graham County

**CAUTION:** External email. Do not click links or open attachments unless verified. Send all suspicious email as an attachment to Report Spam.

Hi Julie,

The county will offer the services, with a management contract for operations.

Thank you!  
Kelly Ivey

---

**From:** Faenza, Julie M [mailto:Julie.Faenza@dhhs.nc.gov]  
**Sent:** Wednesday, March 07, 2018 5:35 PM  
**To:** 'Kelly Ivey' <kivey@pda-inc.net>  
**Cc:** Colvard, Juanita <[juanita.colvard@grahamcounty.org](mailto:juanita.colvard@grahamcounty.org)>  
**Subject:** RE: [External] No Review Request Graham County

Kelly, just to confirm – it will be the county itself that is operating and offering services? Not a company authorized by the county? I just need to know so I can properly enter the information into our database. Thanks.

**From:** Kelly Ivey [mailto:kivey@pda-inc.net]  
**Sent:** Wednesday, March 07, 2018 11:49 AM  
**To:** Faenza, Julie M  
**Cc:** Moore, Veronica M; Colvard, Juanita  
**Subject:** [External] No Review Request Graham County

**CAUTION:** External email. Do not click links or open attachments unless verified. Send all suspicious email as an attachment to Report Spam.

Ms. Faenza,

Attached in a no review request submitted on behalf of our client, Graham County Government. Please respond to this email as confirmation of receipt. If you have any questions, or require any additional information, please do not hesitate to contact me.

Thank you!  
Kelly

*Kelly Ivey*

**PDA, Inc.**

919.754.0303

[www.pdaconsultants.com](http://www.pdaconsultants.com)

*"Take a problem, make it a feature."*

**CONFIDENTIALITY NOTICE:** This message is confidential and intended solely for the use of the person (s) to whom it is addressed. If you are not the person named, or responsible for delivering it to that person, be aware that disclosure, copying, distribution or use of this information is strictly PROHIBITED. If you have received this communication in error, or are uncertain as to its proper handling, please immediately notify the sender, delete this e-mail and destroy any copies in any form immediately.

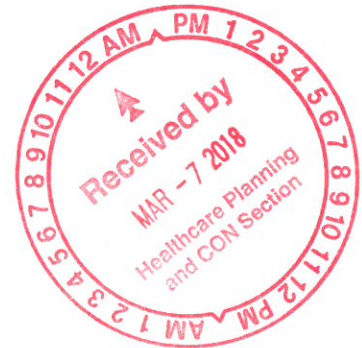
---

Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized State official. Unauthorized disclosure of juvenile, health, legally privileged, or otherwise confidential information, including confidential information relating to an ongoing State procurement effort, is prohibited by law. If you have received this email in error, please notify the sender immediately and delete all records of this email.

**DELIVERED VIA EMAIL**

February 21, 2018

Ms, Julie Faenza  
Analyst Certificate of Need Section  
Department of Facility Services  
809 Ruggles Drive  
Raleigh, NC 27603  
[Julie.Faenza@dhhs.nc.gov](mailto:Julie.Faenza@dhhs.nc.gov)  
2704 Mail Service Center  
Raleigh, North Carolina 27699-2704



RE: Request for Determination of Non-Reviewability for Acquisition of Medical Equipment for a Physician Office Building, Robbinsville, Graham County

Dear Ms. Faenza:

Please accept this letter as a request for a determination that the acquisition of certain medical diagnostic equipment is for a medical office building/ urgent care center located at 21 South Main Street, Robbinsville, NC 28771 is exempt from review. The total capital cost of equipment individually valued at \$10,000 is less than \$500,000 including the cost of installation. Thus, the capital expenditure does not meet the definition of a Diagnostic Center in NCGS 131E-176(14o) or the definition of Major Medical Equipment in NCGS 131E-176(7a)

The County wishes to open the office on May 1, 2018 and offer x-ray and ultrasound services. The estimated cost for the installed equipment is \$258,300. The county owns the building and our building inspector worked with a local contractor to estimate the cost of sheetrock lead lining for the x-ray room. The x-ray unit will be provided by the physician who will operate the clinic and the ultrasound will be purchased. We have provided a vendor quote estimate for the ultrasound and a letter from Dr. Castor with the estimated value of the x-ray. We have also calculated an allowance for shipping and installation.

No new institutional health services will be offered at this site without a certificate of need application. We therefore believe that this project is non-reviewable because it is not a new institutional health service; and, would appreciate your confirmation of this understanding.

Please let us know if you have any questions. We appreciate your attention to this request.

With kind regards,

A handwritten signature in black ink that reads "Rebecca Garland, MPA, CPA".

Rebecca Garland  
County Manager



Cc: Juanita Colvard

Attachments:

Exhibit A - Vendor Quote

Exhibit B - Proposed Total Capital Cost of Project

Exhibit C - Offer to Provide Existing X-ray Equipment

**PHILIPS HEALTHCARE**  
 A division of Philips North America LLC  
 22100 Bothell Everett Highway  
 P.O. Box 3003  
 Bothell, Washington 98041-3003



<b>Quotation #:</b> 1-1RNWZXU	<b>Rev:</b> 1	<b>Effective From:</b> 26-Feb-18	<b>To:</b> 27-Apr-18
<b>Presented To:</b> GRAHAM COUNTY 21 S. MAIN STREET ROBBINSVILLE, NC 28771  Tel:  <b>Alternate Address:</b>		<b>Presented By:</b> James Hickey <i>Account Manager</i>  Randy Miller <i>Regional Manager</i>  Tel: (919) 426-4634 Fax:  Tel: (832) 326-5380 Fax:	
<b>Date Printed:</b> 26-Feb-18			
<b>Submit Orders To:</b> 22100 Bothell Everett Hwy Bothell WA 98021-8431  Tel: (800) 982-2011			
		Fax: (425) 487-8110	

This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips North America LLC ("Philips") and is intended for use only by the customer whose name appears on this quotation. It may not be disclosed to third parties without the prior written consent of Philips.

**IMPORTANT NOTICE:** Health care providers are reminded that if the transactions herein include or involve a loan or discount (including a rebate or other price reduction), they must fully and accurately report such loan or discount on cost reports or other applicable reports or claims for payment submitted under any federal or state health care program, including but not limited to Medicare and Medicaid, such as may be required by state or federal law, including but not limited to 42 CFR 1001.952(h).

### Quote Solution Summary

<u>Line #</u>	<u>Product</u>	<u>Qty</u>	<u>Price</u>
	101930 Affiniti 70 Ultrasound System	1	\$93,880.80
Equipment Total:			\$93,880.80

### Solution Summary Detail

<u>Product</u>	<u>Qty</u>	<u>Each</u>	<u>Monthly</u>	<u>Price</u>
101930 Affiniti 70 Ultrasound System	1	\$93,880.80		\$93,880.80

Buying Group: NO CONTRACT

Contract #: NONE

**Add'l Terms:**

Each Quotation solution will reference a specific Buying Group/Contract Number representing an agreement containing discounts, fees and any specific terms and conditions which will apply to that single quoted solution. If no Buying Group/Contract Number is shown, Philips' Terms and Conditions of Sale will apply to the quoted solution.

Each equipment system listed on purchase order/orders represents a separate and distinct financial transaction. We understand and agree that each transaction is to be individually billed and paid.

**Payment Terms: 0% Down, 100% due upon Invoicing Net 30**



**EXHIBIT B**

**PROPOSED CAPITAL COSTS**

Project name: Graham County Urgent Care

Proponent: Graham County

<b><u>A. Site Costs</u></b>	
(1) Full purchase price of land _____ Acres at \$_____ per acre	NA
(2) Closing costs	
(3) Site inspection and survey	
(4) Legal fees/subsoil investigation	
(5) Site preparation costs Soil borings Clearing-earthwork Fine grade for slab Roads-paving-sidewalks Water and sewer Footings Termite treatment Other (specify) Sub-total site preparation costs	
(6) Other (Demolition)	
(7) Sub-Total Site Costs	
<b><u>B. Construction Contract</u></b>	
(8) Cost of materials General requirements Concrete/masonry Woods/doors/windows finishes Thermal & moisture protection Equipment and specialty items Mechanical/electrical/plumbing Other: (Specify) Sub-total materials and labor	
(10) Other (Escalation and cost 33%)	
Sub-Total Construction Contract	50,000

<b>C. Miscellaneous Project Costs</b>	
(11) Building purchase	
(12) Fixed equipment purchase/lease	\$70,000
(13) Movable equipment purchase/lease	150,000
(14) Furniture	
(15) Landscaping	
(13) Consultant fees: Architect and engineering Certificate of need prep Legal fees Market analysis Other (Specify) Sub-Total Consultant Fees	
(14) Financing costs (e.g. bond, loan, etc.)	
(15) Interest during construction	
(16) Other (Shipping and installation Contingency)	\$6,650
(17) Sub-Total Miscellaneous	\$251,650
<b>(18) TOTAL CAPITAL COST OF PROJECT</b>	<b>\$283,300</b>

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

*Scott D. Miller, AIA PFA ARCHITECTS*  
(Signature of Licensed Architect or Engineer)

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

*[Signature]*  
(Proponent - signature of officer)

*[Signature]*  
(County Manager)

**DELIVERED VIA EMAIL**

February 28, 2018

Ms, Julie Faenza  
Analyst Certificate of Need Section  
Department of Facility Services  
809 Ruggles Drive  
Raleigh, NC 27603  
[Julie.Faenza@dhhs.nc.gov](mailto:Julie.Faenza@dhhs.nc.gov)  
2704 Mail Service Center  
Raleigh, North Carolina 27699-2704

RE: X-ray Medical Equipment for a Physician Office Building, Robbinsville, Graham County

Dear Ms. Faenza:

As the Medical Director of the physician office building / urgent care center in Robbinsville at the location of the former health department on Main street, I have agreed to provide a standard x-ray machine. I own will purchase that equipment. According to my practice records, the equipment is 2 years old and had an original purchase price of \$65,000. The present value, which includes the cost to have it installed at the Graham urgent care location is \$70,000. This is based on my experience with other urgent care centers that I operate in adjacent counties.

Regards,



Randal|Castor, MD