



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

March 14, 2023

Sandy T. Godwin
stgodwin@capefearvalley.com

Exempt from Review – Replacement Equipment

Record #: 4150
Date of Request: January 18, 2023
Facility Name: Cape Fear Valley Medical Center
FID #: 955687
Business Name: Cumberland County Hospital System
Business #: 578
Project Description: Replace a fixed MRI scanner on the main hospital campus
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(f). Therefore, you may proceed to acquire without a certificate of need the GE Sigma Premier fixed MRI scanner to replace the GE Signa Excite fixed MRI scanner (Serial # 2352173). 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,

[Handwritten signature of Tanya M. Saporito]

Tanya M. Saporito
Project Analyst

[Handwritten signature of Micheala Mitchell]

Micheala Mitchell
Chief

cc: Acute and Home Care Licensure and Certification 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

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

January 18, 2023

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 Fixed MRI Scanner at Cape Fear Valley Medical Center/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 fixed MRI scanner located on the main campus in the hospital's diagnostic services center. 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 fixed MRI scanner is situated in the diagnostic services center at CFVMC and has been in service for over 18 years. The equipment has exceeded its useful life. CFVMC intends to replace the fixed MRI scanner with a new GE fixed MRI 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."*

Under the new provisions found at N.C. Gen. Stat. 131E-184(f)(1)-(3), the CON law provides:

- (f) *The Department shall exempt from certificate of need review the purchase of any replacement equipment that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(22a) if all of the following conditions are met:*
- (1) *The equipment being replaced is located on the main campus.*
 - (2) *The Department has previously issued a certificate of need for the equipment being replaced. This subdivision does not apply if a certificate of need was not required at the time the equipment being replaced was initially purchased by the licensed health service facility.*
 - (3) *The licensed health service facility proposing to purchase the replacement equipment shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.*



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SLEEP CENTER

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.

- A. The equipment being replaced is located on the CFVMC main campus.
- B. The Department has previously issued a certificate of need for the equipment being replaced, i.e., M-6603-02.
- C. The total estimated cost to acquire and install the replacement equipment is \$2,129,251. See Attachment A.
- D. The replacement equipment will be purchased for the sole purpose of replacing comparable equipment currently in use, which will be traded in and removed from North Carolina. A copy of the equipment comparison table is included in Attachment B.
- E. The replacement equipment is functionally similar to existing equipment and will be used for the same diagnostic procedures as the equipment currently in use.
- F. 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.

CFVMC requests that the Division of Health Service Regulation make a determination that the replacement of the fixed MRI 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: CFVMC MRI Replacement	
Building Purchase Price	\$ -
Purchase Price of Land	\$ -
Closing Costs	\$ -
Site Preparation	\$ -
Construction / Renovation Contract (s)	\$ 478,456
Landscaping	\$ -
Architect / Engineering Fees	\$ -
Medical Equipment	\$ 1,650,795
Non-Medical Equipment	\$ -
Furniture	\$ -
Consultant Fees (specify)	\$ -
Financing Costs	\$ -
Interest during Construction	\$ -
Other (contingency)	
TOTAL CAPITAL COSTS	\$ 2,129,251

Attachment B

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment	GE Signa Excite	GE Signa Premier
Manufacturer of Equipment	General Electric	General Electric
Tesla Rating for MRIs	3.0T	3.0T
Model Number	Signa Excite	NA
Serial Number	2352173	NA
Provider's Method of Identifying Equipment	ID tags on equipment	NA
Specify If Mobile or Fixed	Fixed	Fixed
Mobile Trailer Serial Number / VIN #	NA	NA
Mobile Tractor Serial Number / VIN #	NA	NA
Date Acquired	5/3/2004	NA
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Will hold title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	\$3,241,427	\$2,129,251
Total Cost of Equipment		\$1,650,795
Fair market Value of Equipment	NA	\$1,650,795
Net Purchase Price of Equipment	\$2,576,247	\$1,650,795
Locations Where Operated	Cape Fear Valley Medical Center Diagnostic Services Center	Cape Fear Valley Medical Center Diagnostic Services Center
Number of Times Equipment was Used to Provide a Health Service during the 12 months prior to the Date of the Written Notice	260	NA
Type of Procedures Currently Performed on Existing Equipment	MRI's compatible with software	NA
Type of Procedures New Equipment is Capable of Performing	NA	Additional diagnostic exams available with newer software

CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER

I certify that to the best of my knowledge, the projected total construction capital cost for the proposed project is complete and correct and that it is our intent to carry out the proposed project as described.

Signature of Licensed Architect or Engineer

Title of Officer / Agent

18 JANUARY 2023
Date Signed