



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

October 28, 2024

Ms. Taylor Spell
Tspell2@capefearvalley.com

Exempt from Review – Replacement Equipment

Record #: 4624
Date of Request: September 30, 2024
Facility Name: Cape Fear Valley Medical Center
FID #: 955687
Business Name: Cumberland County Hospital System, Inc.
Business #: 578
Project Description: Replace two existing CT scanners on the main campus
County: Cumberland

Dear Ms. Spell:

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(a)(7). Therefore, you may proceed to acquire without a certificate of need the Siemens Somatom Drive and the Siemens Somatom go.Top Excel CT scanners to replace the existing Philips and the GE Lightspeed CT scanners on the main hospital campus. 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,

Tanya M. Saporito
Project Analyst

Micheala Mitchell
Chief

cc: Acute and Home Care Licensure and Certification Section, DHSR
Radiation Protection 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

From: [Taylor Spell](#)
To: [Tanya, Saporito](#)
Subject: [External] RE: One more question
Date: Tuesday, October 22, 2024 2:23:04 PM
Attachments: [image002.png](#)
[image003.png](#)

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Hi Tanya,

Great questions! There are a lot of exemptions, and it is a little confusing! Please see responses below in red.

I hope this helps! Please let me know if you need any additional clarification!

Thank you,

Taylor

Taylor Spell, CPA | Senior Finance & Strategic Planning Analyst

Cape Fear Valley Health System | 101 Robeson Street, Suite 303 | Fayetteville, NC 28301

Office: 910-615-7529 | tspell2@capefearvalley.com



From: Tanya, Saporito <tanya.saporito@dhhs.nc.gov>

Sent: Tuesday, October 22, 2024 2:06 PM

To: Taylor Spell <TSpell2@capefearvalley.com>

Subject: One more question

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The Original Sender of this email is tanya.saporito@dhhs.nc.gov

Hi Taylor!

I have just a couple more questions about the replacement CT scanners at CFVMC:

1. Two of the CT scanners are proposed to be replaced at "Valley Pavilion" per your letter/email. Does that refer to Cape Fear Valley Medical Center Health Pavilion North? **Valley Pavilion is on the main campus of CFVMC. The section of the hospital the two CTs are located is referred to by us as Valley Pavilion. We are not requesting to replace the CT at Health Pavilion North at this time.**
2. There is one CT scanner proposed to be replaced at the "Cancer Center". Is that part of the main campus of the hospital, and licensed as part of it also? **Yes, the cancer center that is part of the main campus of the hospital and licensed as part of CFVMC.**
3. Please confirm my understanding: One MRI scanner will be replaced at Betsy Johnson Hospital. One CT Scanner will be replaced at CFV-Bladen Hospital. Four CT scanners will be replaced at the "main campus" of CFVMC as follows:

- a. Two at “Valley Pavilion” (CFVMC—Health Pavilion North?) **CFVMC Main Campus Only**
- b. One in the ED at CFVMC **Correct**
- c. One at the Cancer center, which is on the main campus of the hospital? **Correct**

Thank you; I’ve looked at our records and want to be certain the letters from the Agency accurately reflect your proposal!

Tanya M. Saporito, J.D. *I work from home and in the office. Email is the best way to contact me.*

Project Analyst

[Division of Health Service Regulation](#), Certificate of Need

[NC Department of Health and Human Services](#)

Office: 919-855-3873

Tanya.saporito@dhhs.nc.gov

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From: [Taylor Spell](#)
To: [Tanya, Saporito](#)
Subject: [External] RE: question
Date: Thursday, October 17, 2024 2:48:08 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[CFVMC CT Replacement Exemptions - Main Campus.pdf](#)
[Betsy Johnson MRI Replacement Exemption.pdf](#)
[CFV Bladen CT Replacement Exemption.pdf](#)

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Tanya,

I just realized that the information for the old equipment we are proposing to replace is listed within the attachments (attachment A). The new equipment we are proposing to replace the old with is not included in the attached exemption requests. The snapshot below shows the old equipment and the new equipment (all Siemens). Does this help?



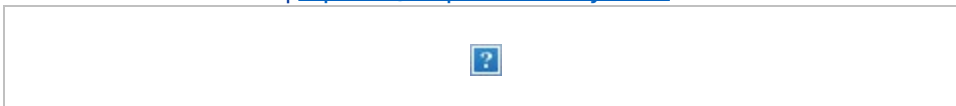
Thank you,

Taylor

Taylor Spell, CPA | Senior Finance & Strategic Planning Analyst

Cape Fear Valley Health System | 101 Robeson Street, Suite 303 | Fayetteville, NC 28301

Office: 910-615-7529 | tspell2@capefearvalley.com



From: Taylor Spell

Sent: Thursday, October 17, 2024 2:38 PM

To: 'Tanya, Saporito' <tanya.saporito@dhhs.nc.gov>

Subject: RE: question

Hello,

Thank goodness it is almost Friday! I have just requested the information and will send it your way as soon as I receive it. For future exemptions, would it be helpful for you all if I include a section within the attachments denoting the existing model/serial number and tesla strength for the equipment proposed to be replaced?

Thank you,

Taylor

Taylor Spell, CPA | Senior Finance & Strategic Planning Analyst

Cape Fear Valley Health System | 101 Robeson Street, Suite 303 | Fayetteville, NC 28301

Office: 910-615-7529 | tspell2@capefearvalley.com



From: Tanya, Saporito <tanya.saporito@dhhs.nc.gov>

Sent: Thursday, October 17, 2024 2:25 PM

To: Taylor Spell <TSpell2@capefearvalley.com>

Subject: question

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Happy Friday eve!

Will you please provide the model and/or serial number, manufacturer and Tesla strength of the existing fixed MRI scanner that is proposed to be replaced?

Additionally, please provide the same information regarding the existing CT scanners that are proposed to be replaced, all pursuant to the exemption requests dated September 30, 2024?

Thank you in advance; I hope you are well!

Tanya M. Saporito, J.D. *I work from home and in the office. Email is the best way to contact me.*

Project Analyst

[Division of Health Service Regulation](#), Certificate of Need

[NC Department of Health and Human Services](#)

Office: 919-855-3873

Tanya.saporito@dhhs.nc.gov

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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

September 30, 2024

Ms. Tanya Saporito
Project Analyst, Healthcare Planning & Certificate of Need Section
Division of Health Service Regulation
N.C. Department of Health and Human Services
2704 Mail Center Service
Raleigh, NC 27699-2704

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HOMECARE & HOSPICE, LLC
CUMBERLAND COUNTY EMS
FAMILY BIRTH CENTER
HEART & VASCULAR CENTER
HEALTHPLEX
LIFELINK
CRITICAL CARE TRANSPORT
SLEEP CENTER

RE: Replacement of CT Scanners at Cape Fear Valley Medical Center/ Cumberland County

Ms. Saporito:

The purpose of this letter is to give the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") prior written notice pursuant to NCGS § 131E-184(f) that Cumberland County Hospital System, Inc. d/b/a Cape Fear Valley Medical Center ("CFVMC") plans to replace four CT scanners located on CFVMC's main campus.

NCGS § 131E-184(a)(7) provides an exemption from CON review for the acquisition and installation of "replacement equipment" costing less than \$3,000,000.00, provided that the CON Section receives prior written notice from the party proposing to acquire the equipment which explains why the proposed acquisition and installation qualifies under this exemption.

"Replacement equipment" is defined at N.C. Gen. Stat. § 131E-176(22a) as equipment which costs less than \$3,000,000 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."

According to 10A NCAC 14C .0303, "Replacement equipment" is "comparable" to the equipment being replaced if:

1. It is capable of providing the same health service as the equipment currently in use; and
2. The equipment to be replaced was acquired more than 12 months prior and was not refurbished or reconditioned when originally acquired.



CAPE FEAR VALLEY HEALTH

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LIFELINK
CRITICAL CARE TRANSPORT

SLEEP CENTER

The replacement of the CT scanners at CFVMC fall within the parameters of this exemption. Specifically:

1. Please see Attachment A for a copy of the replacement equipment comparison table, which demonstrates the proposed CT scanners are comparable to the CT scanners being replaced.
2. The CT scanners being replaced were each acquired more than 12 months ago and were not refurbished or reconditioned when originally acquired.
3. As shown in Attachment B, the estimated project cost for each replacement CT scanner is less than \$3M, which includes equipment and renovations to accommodate the replacement equipment.
4. This letter serves as prior written notice to the Department.

CFVHS asks the Division of Health Service Regulation to confirm that the proposed replacement of each CT scanner does not qualify as a new institutional health service and is therefore exempt from certificate of need review.

Please contact me at 910.615.7529 or tspell2@capefearvalley.com regarding any questions concerning this request.

Sincerely,

Taylor Spell
Senior Finance & Strategic Planning Analyst
Cape Fear Valley Health System

Attachment A
Replacement Equipment: Documentation of Comparable Equipment

<u>Cape Fear Valley Medical Center Replacement CT Scanners</u>	Valley Pavilion CT1	Valley Pavilion CT2	ED CT1	Cancer Center CT Sim
Type of Equipment	Philips iCT 128 slice	GE Lightspeed 16 slice	Philips Ingenuity 64 slice	Philips Brilliance Big Bore
Manufacturer of Equipment	Philips	GE	Philips	Philips
Tesla Rating for MRI	N/A	N/A	N/A	N/A
Model Number	iCT	Lightspeed 16	Ingenuity	Brilliance Big Bore
Serial Number	175	353107HM6	1461	3540
Provider's Method of Identifying Equipment	Valley Pavilion CT1	Valley Pavilion CT2	ED CT1	Cancer Center CT Sim
Specify if Mobile or Fixed	Fixed	Fixed	Fixed	Fixed
Mobile Trailer Serial Number / VIN #	N/A	N/A	N/A	N/A
Mobile Tractor Serial Number / VIN #	N/A	N/A	N/A	N/A
Date Acquired	6/15/2012	12/28/2015	8/10/2012	6/29/2009
Does Provider Hold Title to Equipment or Have a Capital Lease?	Owned	Owned	Owned	Owned
Specify if Equipment Was/Is New or Used When Acquired	New	New	New	New
Total Capital Cost of Project (Including Construction, etc.) <See Attachment B>	\$2,135,170	\$773,599	\$1,141,304	\$1,253,949
Total Cost of Equipment	\$1,840,390	\$565,255	\$888,123	\$908,802
Fair market Value of Equipment				
Net Purchase Price of Equipment				
Location Where Operated	Valley Pavilion	Valley Pavilion	CFVMC ED	CFVMC Cancer Center
Number of Times Equipment was Used to Provide a Health Service during the 12 months prior to the Date of the Written Notice	365 days	280 days	365 days	280 days
Type of Procedures Currently Performed on Existing Equipment	CT Scans	CT Scans	CT Scans	CT Scans
Type of Procedures New Equipment is Capable of Performing	CT Scans	CT Scans	CT Scans	CT Scans

**Attachment B
Replacement Equipment: Capital Cost**

	Valley Pavilion CT1	Valley Pavilion CT2	ED CT1	Cancer Center CT Sim
Projected Capital Cost Form:	Philips iCT 128 slice	GE Lightspeed 16 slice	Philips Ingenuity 64 slice	Philips Brilliance Big Bore
Building Purchase Price				
Purchase Price of Land				
Closing Costs				
Site Preparation				
Construction / Renovation Contract (s)	\$294,780	\$208,344	\$253,181	\$345,147
Landscaping				
Architect / Engineering Fees				
Medical Equipment	\$1,840,390	\$565,255	\$888,123	\$908,802
Non-Medical Equipment				
Furniture				
Consultant Fees (specify)				
Financing Costs				
Interest during Construction				
Other (Specify)				
TOTAL CAPITAL COSTS	\$2,135,170	\$773,599	\$1,141,304	\$1,253,949