



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

Drexal Pratt
Division Director

November 26, 2013

Mr. Anthony H. Brett
Womble, Carlyle, Sandridge & Rice
One West Fourth Street
Winston-Salem, NC 27101

Exempt from Review - Replacement Equipment

Facility: Fayetteville Lithotripters Limited Partnership – Virginia I
Project Description: Replacement of existing mobile Lithotripsy Unit
County: Hertford
FID #: Vidant Roanoke-Chowan Hospital 923435

Dear Brett

In response to your letter of October 23, 2013 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 Lithotripsy Unit, model Storz F2, serial number OR-519 to replace the existing Lithotripsy Unit, model Siemens, serial number 1147. 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 Section with the serial number of the new equipment to update the inventory, if not already provided.

Moreover, you need to contact the Construction and & Acute and Home Care Licensure and Certification Sections 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 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.



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


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Mr. Brett
November 26, 2013
Page 2

Sincerely,


Jane Rhoe-Jones,
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR



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One West Fourth Street
Winston-Salem, NC 27101

Exempt from Review - Replacement Equipment

Facility: Fayetteville Lithotripters Limited Partnership – Virginia I
Project Description: Replacement of existing mobile Lithotripsy Unit
County: Chowan, Dare and Pasquotank Counties
FID #: Vidant Chowan 933102
Outer Banks Hospital 980550
Albemarle Health 952933

Dear Brett

In response to your letter of October 23, 2013 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 Lithotripsy Unit, model Storz F2, serial number OR-519 to replace the existing Lithotripsy Unit, model Siemens, serial number 1147. 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 Section with the serial number of the new equipment to update the inventory, if not already provided.

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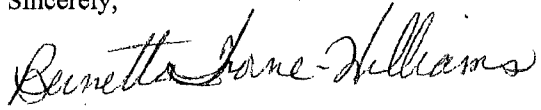
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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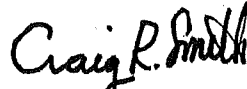


Mr. Brett
November 15, 2013
Page 2

Sincerely,

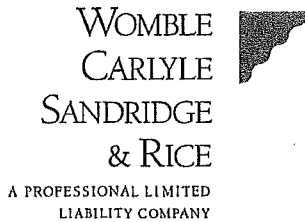


Bernetta Thorne-Williams,
Project Analyst



Craig R. Smith, Chief
Certificate of Need Section

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR



One West Fourth Street
Winston-Salem, NC 27101

Telephone: (336) 721-3600
Fax: (336) 721-3660
www.wcsr.com

Anthony H. Brett
Direct Dial: 336-721-3620
Direct Fax: 336-733-8331
E-mail: ABrett@wcsr.com

October 23, 2013

Via Certified Mail, Return-Receipt Requested
Via E-mail [craig.smith@dhhs.nc.gov]

Craig R. Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Request for Exemption from Review-Replacement Equipment/
Fayetteville Lithotripters Limited Partnership-Virginia I/Replace one
Mobile Lithotripsy Unit to be used at established sites/Chowan, Dare,
Hertford and Pasquotank Counties

Dear Mr. Smith:

As counsel for Fayetteville Lithotripters Limited Partnership – Virginia I (the “Partnership”), I am providing this information concerning a request for confirmation of exemption of the transaction described in this letter from certificate of need review pursuant to N.C.G.S. § 131E-184(a)(7). The transaction is for replacement equipment as defined in N.C.G.S. § 131E-176(22a) and 10A NCAC 14C.0303.

I have discussed this transaction with both analysts for Health Service Area VI as the established sites are in counties for which they have responsibility (Counties of Chowan, Dare and Pasquotank for Ms. Thorne-Williams and Hertford County for Ms. Rhoe-Jones). Based upon the requirements of the governing statutes and regulations and my discussions with both CON Analysts involved, it is my understanding that the information contained in this letter is sufficient for the issuance of the confirmation of exemption requested. However, if there are any questions, please let me know at your earliest convenience.

The Partnership is a grandfathered mobile lithotripsy service by virtue of its operations in North Carolina beginning in 1990 as is currently shown in the 2013 State Medical Facilities Plan

(the "SMFP"). As the Partnership was providing the service prior to March 18, 1993, it may provide mobile lithotripsy services throughout North Carolina. As reflected in the 2013 SMFP, the Partnership's existing sites are Albemarle Health (Elizabeth City in Pasquotank County), The Outer Banks Hospital (Nags Head in Dare County), Vidant Chowan Hospital (Edenton in Chowan County) and Vidant Roanoke-Chowan Hospital (Ahoskie in Hertford County). In addition, the Partnership provides mobile lithotripsy services at various hospitals in Virginia. The Partnership currently operates a Siemens lithotripter, Serial Number 1147 (the "Existing Equipment") which it acquired by purchase in February of 2003. The Partnership proposes to replace the Existing Equipment with a new Storz F2, Serial Number OR-519 (the "Replacement Equipment") which will be acquired by purchase and placed in operation in North Carolina no earlier than November 11, 2013. In addition to the Replacement Equipment, the Partnership has acquired by purchase a new truck to transport the Replacement Equipment.

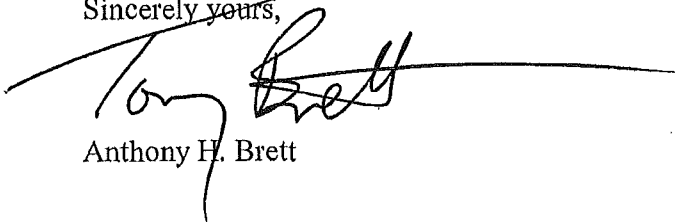
The Replacement Equipment has a cost of \$465,612 (Invoice attached). The new truck for the Replacement Equipment was acquired at a cost of \$98,775 (Bill of Sale attached). Therefore, the combined cost of the Replacement Equipment and all other items necessary for its operation are below \$2 million.

The Existing Equipment will be taken out of service, removed from North Carolina, and disassembled for parts. The current truck used to transport the Existing Equipment will be sold by the Partnership.

The Replacement Equipment is not capable of performing any additional procedures that are not performed by the Existing Equipment. The Replacement Equipment will not result in an increase in patient charges during its first twelve months of operation, and the Replacement Equipment will not result in an increase in per procedure operating expenses of the Partnership during the first twelve months of its operation.

Your timely consideration of this request for confirmation of exemption from certificate of need review is greatly appreciated.

Sincerely yours,



Anthony H. Brett

AHB:jea

cc: Bernetta Thorne-Williams (via email at bernetta.williams@dhhs.nc.gov)
Jane Rhoe-Jones (via email at jane.rhoe-jones@dhhs.nc.gov)
Robert Grimmer, Area Vice President

Enclosures (Invoice and Bill of Sale)



Karl Storz Lithotripsy

Karl Storz Lithotripsy-America, Inc.
 1000 Cobb Place Blvd
 Building 400, Suite 450
 KENNESAW, GA 30144
 US

Tel: 678-354-6229
 800-965-4846
 Fax: 678-354-6943
 Email: KSLA@KSLitho.com

Invoice

Bill To 111630
 FAYETTEVILLE LITHOTRIPTERS LIMITED
 PARTNERSHIP-VIRGINIA 1
 9601 AMBERGLEN BLVD
 SUITE 225
 AUSTIN TX 78729

Information
 Invoice Number 92928126
 Invoice Date 10/17/2013
 Sales Order Number 188284663
 Purchase Order No. 1324601.PA
 Lithotripter Ref# OR519
 Payment Terms Net due in 30 days
 Currency USD

Ship To 340750
 HEALTHTRONICS
 BLDG 3
 9825 SPECTRUM DRIVE
 AUSTIN TX 78717
 USA

Mail Payment To
 Karl Storz Lithotripsy-America, Inc.
 2151 E. Grand Avenue
 El Segundo, CA 90245
 USA

Details Page 1 of 1

Item	Material Description	Quantity		Total Contract Price	Invoice Amount
		Ordered	Shipped		
	THANK YOU FOR YOUR ORDER: Serial Numbers: SLX-F2 OR519 C-ARM E9-2364 CUSTOMER PICKUP MODULITH SLX-F2 Lithotripter Transportable Version Attachment for Transportable Version PM-8000 Urokit-Flex for Endourology 180 mm Shock Wave Source Single Focus Shock Wave Generator GE OEC 9900 Elite Digital Mobile C-arm GSP (9" I.I.) Yale Motorized Pallet Jack. 12 Month Warranty (Refer to Terms & Conditions of Sale, Sec 8.0) 6 Month Extension of Warranty Period on Table & C-arm (CONSUMABLES NOT INCLUDED, Travel and Labor Charges are not covered under the 6 month Extension Warranty Period).	1 EA	1 EA	465,612.00	460,362.00
000001	MISCELLANEOUS MODULITH SLX-F2 TRANSPORTABLE				
				Item Totals	460,362.00
				Total Freight	5,250.00
				Total Amount	\$ 465,612.00
				Net Amount to be paid	\$ 465,612.00

This invoice may not reflect the net cost of supplies to Purchaser. Additional discounts or other reductions in price, including, but not limited to, trade-in credits, rebates, and discount coupons, may be paid by Vendor and may be reportable under federal regulations at 42 C.F.R § 1001.952(h).

GENUINE KARL STORZ REPAIRS NOW AVAILABLE. CALL 800-965-4846

BILL OF SALE

Lithotrippers, Inc., in consideration of the sum of Ninety Eight Thousand, Eight Hundred Seventy Five Dollars(\$98,775.00), paid by Fayetteville Lithotrippers, LP-VA1., a business with a principal place of business and office located at 9825 Spectrum Drive, Bldg. 3, Austin, TX 78717 receipt of which is hereby acknowledged, hereby grants, sells and transfers the equipment described below (hereinafter called "equipment").

Description of equipment: 2012 Freightliner M2

VIN# IFVACWDT5CHBL8181

Buyer is purchasing equipment in an "As-Is" condition in reliance upon his knowledge and possession of the equipment and upon his personal inspection. Seller makes no warranties, express or implied, of any kind or nature except that (1) Buyer will acquire by the terms of the Bill of Sale, good title to the equipment free of all encumbrances, and (2) Seller has the right to sell the equipment. Without limiting the generality of or proximately caused by the seller of the foregoing, Seller makes no warranties with respect to the equity, content, condition, merchantability, or fitness for a particular purpose of the equipment and no warranties against patent infringement or the like.

Buyer agrees to save and hold harmless the Seller from and against any all Federal, State, Municipal, and Local license fees and taxes of any kind and nature, including without limiting the generality of the foregoing, and all excise, personal equipment, use and sales taxes, and from and against liabilities, obligations, losses,

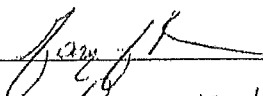
BILL OF SALE

damages, penalties, claims, actions and suits resulting therefrom and imposed upon, incurred by or asserted against Seller as a consequence of the sales of the Equipment to, or the ownership, possession, operation or use of the equipment by Buyer.

IN WITNESS WHEREOF, BUYER AND SELLER have executed this Bill of Sale this day of October 15, 2013.

Buyer:

Fayetteville Lithotripters LP-VA1

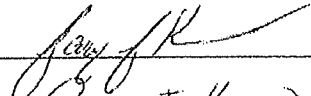
By: 
Printed: GARY J. KOROD

Title: VP

Date: 9/12/13

Seller:

Lithotripters, Inc.

By: 
Printed: GARY J. KOROD

Title: VP

Date: 9/12/13