



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

Pat McCrory
Governor

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Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

November 20, 2014

Catharine W. Cummer, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707

Exempt from Review - Replacement Equipment

Facility: Duke Cancer Center Macon Pond
Project Description: Replace CT simulator
County: Wake
FID #: 050382

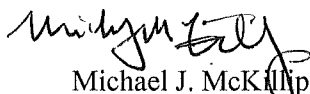
Dear Ms. Cummer:


In response to your letter of November 13, 2014, 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 Siemens Somatom Definition Edge CT simulator to replace the existing GE Lightspeed CT simulator. 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.

Moreover, you need to contact the Radiation Protection Section 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.

Sincerely,


Michael J. McKillop
Project Analyst


Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHSR
Radiation Protection Section, DHSR



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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 **Duke University Health System**

Catharine W. Cummer
Regulatory Counsel, Strategic Planning

November 13, 2014

Via Electronic Mail

Michael J. McKillip, Project Analyst
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704



Re: Exempt Equipment Replacement at Duke Cancer Center Macon Pond (Raleigh)

Dear Mr. McKillip:

The purpose of this letter is to request the Section's written confirmation that the acquisition of a replacement CT simulator at the Duke Cancer Center Macon Pond in Raleigh is exempt from certificate of need review pursuant to N.C.G.S. Section 131E-184. As you know, the Duke University Health System has acquired the radiation oncology facility previously operated by Cancer Centers of North Carolina, which acquisition was effective November 7, 2014. Because the existing CT simulator at that facility was acquired nine years ago and is reaching end of life, Duke would like to replace this equipment to ensure ongoing quality patient care.

A completed equipment comparison form and capital cost form are enclosed. The total capital cost of the project, including the equipment cost, is \$1,992,898. The vendor's quote for the replacement equipment is available for review upon request. The existing equipment is currently in use at that location, but will be removed from service in the state upon placement of the replacement equipment into service.

We would appreciate your confirmation that this project is exempt from CON review. Thank you for your attention to this request. If you have questions, please let me know.

Very truly yours,

Handwritten signature of Catharine W. Cummer in cursive.

Catharine W. Cummer

Enclosures

EQUIPMENT COMPARISON – DUKE CANCER CENTER MACON POND CT/SIMULATOR

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT/Simulator	CT/Simulator
Manufacturer of Equipment	GE Medical Systems	Siemens
Tesla Rating for MRIs	n/a	n/a
Model Number	GE Lightspeed Qx/I CT Scanner	Siemens Somatom Definition Edge CT Scanner
Serial Number	919787USCT	To be determined
Provider's Method of Identifying Equipment		
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	3/8/2005 (by CCNC)	To be determined
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	N/A	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>		1,992,898
Total Cost of Equipment	402,841	1,475,000
Fair Market Value of Equipment	100,000	
Net Purchase Price of Equipment	402,841	1,375,000
Locations Where Operated	Duke Cancer Center Macon Pond	Duke Cancer Center Macon Pond
Number Days In Use/To be Used in N.C. Per Year	255	255
Percent of Change in Patient Charges (by Procedure)	NA	0
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	0
Type of Procedures Currently Performed on Existing Equipment	CT/Simulations	NA
Type of Procedures New Equipment is Capable of Performing	NA	CT/Simulations

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: 3535 HSRH CCNC Macon Pond Road CT Replacement
 Provider/Company: Duke University Health System ~~at Duke University Medical Center Hospital~~

A. Site Costs

- (1) Full purchase price of land \$ NA
- Acres _____ Price per Acre \$ _____
- (2) Closing costs \$ _____
- (3) Site Inspection and Survey \$ _____
- (4) Legal fees and subsoil investigation \$ _____
- (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.... \$ _____
 - Other (Specify)..... \$ _____
 - Sub-Total Site Preparation Costs \$ _____
- (6) Other (Specify) \$ 30,250 (utilities, permits, inspections)
- (7) Sub-Total Site Costs \$ _____

B. Construction Contract

- (8) Cost of Materials
 - General Requirements \$ _____
 - Concrete/Masonry \$ _____
 - Woods/Doors & Windows/Finishes \$ _____
 - Thermal & Moisture Protection \$ _____
 - Equipment/Specialty Items \$ _____
 - Mechanical/Electrical \$ _____
 - Other (Specify) \$ _____
 - Sub-Total Cost of Materials..... \$ _____
- (9) Cost of Labor..... \$ _____
- (10) Other (Specify)..... \$ _____
- (11) Sub-Total Construction Contract \$ 251,924

C. Miscellaneous Project Costs

- (12) Building Purchase..... \$ _____
- (13) Fixed Equipment Purchase/Lease \$ 1,513,724 (furniture, equipment and technology)
- (14) Movable Equipment Purchase/Lease \$ _____
- (15) Furniture \$ _____
- (16) Landscaping \$ _____
- (17) Consultant Fees
 - Architect and Engineering Fees \$ 75,000
 - Legal Fees..... \$ _____
 - Market Analysis..... \$ _____
 - Other (Specify)..... \$ _____
 - Other (Specify)..... \$ _____
 - Sub-Total Consultant Fees..... \$ _____
- (18) Financing Costs (e.g. Bond, Loan, etc.) \$ _____
- (19) Interest During Construction. \$ _____
- (20) Other (Specify) \$ 122,000 (contingency)
- (21) Sub-Total Miscellaneous \$ _____
- (22) Total Capital Cost of Project (Sum A-C above) \$ \$1,992,898

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

J. Malcolm Harris
 (Signature of Licensed Architect or Engineer)

Date Certified: 11/17/2014

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

Monty Bean VP & Secretary
 (Signature and Title of Officer Authorized to Represent Provider/Company)

Date Signed: 11-12-14