



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

January 26, 2017

James Roskelly  
Cone Health  
1200 North Elm Street  
Greensboro, NC 27401-1020

**Exempt from Review – Replacement Equipment**

**Record #:** 2149  
**Facility Name:** Cone Health MedCenter Kernersville  
**FID #:** 070218  
**Business Name:** The Moses H. Cone Memorial Hospital Operating Corporation  
**Business #:** 1815  
**Project Description:** Replace existing CT  
**County:** Forsyth

Dear Mr. Roskelly:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of January 19, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the Siemens SOMATOM Definition AS-64 Slice CT Scanner to replace the GE Lightspeed 16 Slice CT Scanner. 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 Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

**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



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,



Celia C. Inman  
Project Analyst  
Need



Martha J. Frisone  
Assistant Chief, Certificate of

cc: Construction Section, DHSR  
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR

January 19, 2017

Ms. Martha J. Frisone, Assistant Chief, Certificate of Need  
Ms. Celia C. Inman, Project Analyst  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation, NC DHHS  
2704 Mail Service Center  
Raleigh, NC 27699-2704



Re: CT Scanner Replacement at Cone Health MedCenter Kernersville

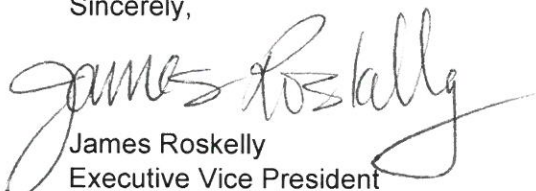
Dear Ms. Frisone and Ms. Inman:

Pursuant to NCGS § 131E-184(a)(7), I am writing to you to inform you of Cone Health's plans to replace one (1) of its existing computerized tomography (CT) scanners at Cone Health MedCenter Kernersville in Forsyth County (FID #070218). The CT scanner in question was first acquired in 2008 as part of CON Project ID #G-7823-07 (Attachment 1) by Diagnostic Radiology & Imaging, LLC (DRI) and Cone Health. Cone Health subsequently acquired DRI's interest in the CT scanner (and other imaging equipment at Cone Health MedCenter Kernersville) as approved by the Healthcare Planning and Certificate of Need Section in a letter dated June 28, 2013 (Attachment 2).

The replacement CT scanner will continue to be owned and operated by Cone Health and will be placed into service in January 2017. The equipment being replaced will be taken out of service and will not be used again in North Carolina without seeking appropriate approval from the Healthcare Planning and Certificate of Need Section. Cone Health is undertaking this important upgrade of its equipment to improve patient throughput and imaging quality. The current 16 slice scanner will be replaced with a 64 slice scanner, offering higher quality scans and enhanced patient safety capabilities. A comparison of the existing and proposed replacement equipment is included in Attachment 3. The proposed capital cost for this project is \$741,287. A detailed breakdown of the capital costs are included in Attachment 4.

Please let me know if I can answer any questions about this planned CT replacement project.

Sincerely,

  
James Roskelly  
Executive Vice President  
Strategic Development

JR/jc



**Attachment 1**  
**CON for Project ID #G-7823-07**



# STATE OF NORTH CAROLINA

Department of Health and Human Services

Division of Health Service Regulation

## CERTIFICATE OF NEED

for

Project Identification Number #G-7823-07

FID# 070218

**ISSUED TO:** Diagnostic Radiology & Imaging, LLC  
The Moses H. Cone Memorial Hospital  
The Moses H. Cone Memorial Hospital Operating Corporation  
1371 N. Elm Street  
Greensboro, NC 27401

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

**SCOPE:** Diagnostic Radiology & Imaging, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation collectively d/b/a Moses Cone Health System (lessor) shall develop a new diagnostic center in Kernersville with one CT scanner, one x-ray unit, one ultrasound unit, one mammography unit and one bone density unit/Forsyth County

**CONDITIONS:** See Reverse Side

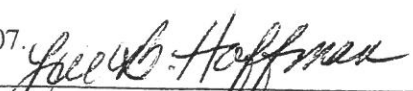
**PHYSICAL LOCATION:** Kernersville Diagnostic Center  
1635 Highway 66 South  
Kernersville, NC 27284

**MAXIMUM CAPITAL EXPENDITURE:** \$2,668,823

**TIMETABLE:** See Reverse Side

**FIRST PROGRESS REPORT DUE:** December 31, 2007

This certificate is effective as of the 6<sup>th</sup> day of September, 2007.

  
\_\_\_\_\_  
Chief, Certificate of Need Section  
Division of Health Service Regulation





**Project I.D. #G-7823-07  
Kernersville Imaging Center**

**Conditions**

1. Diagnostic Radiology & Imaging, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation collectively d/b/a Moses Cone Health System (lessor) shall materially comply with all representations made in the certificate of need application and the supplemental materials submitted to the Agency on August 21, 2007. In those instances in which any of these representations conflict, the applicants shall materially comply with the last-made representation.
2. Diagnostic Radiology & Imaging, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation collectively d/b/a Moses Cone Health System (lessor) shall acquire no more than one CT scanner, one x-ray unit, one ultrasound unit, one mammography unit and one bone density unit for Kernersville Imaging Center.
3. Diagnostic Radiology & Imaging, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation collectively d/b/a Moses Cone Health System (lessor) shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

**Timetable**

Contract award .....	November 1, 2007
Ordering equipment .....	February 1, 2008
50% completion of construction .....	February 15, 2008
Occupancy/offering of services .....	June 1, 2008



**Attachment 2**  
**Exemption Letter for Acquisition of Facility**





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

Drexdal Pratt  
Division Director

June 28, 2013

Terrill Harris  
Smith Moore Leatherwood  
P.O. Box 21927  
Greensboro, NC 27420

**Exempt from Review – Acquisition of Facility**

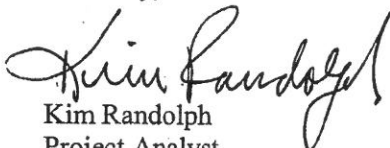
Facility: Greensboro Imaging at Kernersville  
Acquisition by: The Moses H. Cone Memorial Hospital Operating Corporation d/b/a Cone Health  
County: Forsyth  
FID #: 070218


Dear Ms. Harris:

In response to your letter of June 26, 2013, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, The Moses H. Cone Memorial Hospital Operating Corporation d/b/a Cone Health may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to G.S. 131E-181(b): "A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need."

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,

  
Kim Randolph  
Project Analyst

  
Craig R. Smith, Chief  
Certificate of Need Section

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



**Certificate of Need Section**

[www.ncdhhs.gov](http://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

An Equal Opportunity/ Affirmative Action Employer





**Attachment 3**  
**Equipment Comparison Form**





	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT Scanner	CT Scanner
Manufacturer of Equipment	GE	Siemens
Tesla Rating for MRIs	N/A	N/A
Model Number	Lightspeed 16 slice	SOMATOM Definition AS-64 slice
Serial Number	355088CN6	TBD
Provider's Method of Identifying Equipment	Serial Number	Serial Number
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	6/1/2008	1/23/2017
Does Provider Hold Title to Equipment or Have a Capital	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	N/A	See attached
Total Cost of Equipment	N/A	\$723,427.00
Fair Market Value of Equipment	\$6,676.00	\$723,427.00
Net Purchase Price of Equipment	N/A	\$723,427.00
Locations Where Operated	Cone Health MedCenter Kernersville	Cone Health MedCenter Kernersville
Number Days In Use/To be Used in N.C. Per Year	365	365
Percent of Change in Patient Charges (by Procedure)	0	0
Percent of Change in Per Procedure Operating Expenses (by	0	0
Type of Procedures Currently Performed on Existing Equipment	Head, Neck, Body, and CT guided interventions	N/A
Type of Procedures New Equipment is Capable of Performing	N/A	Head, Neck, Body, CT angiography, and CT guided interventions



**Attachment 4**  
**Capital Cost Worksheet**



**PROJECT CAPITAL COST**

<b>A.</b>	<b><u>Site Costs</u></b>			
(1)	Full Purchase Price of Land		\$	-
	# of Acres _____ Price per Acre	\$	-	
(2)	Closing Costs		\$	-
(3)	Site Inspection and Survey		\$	-
(4)	Legal fees and subsoil investigation		\$	-
(5)	Site Preparation Costs [Include]		\$	-
	Soil Borings			
	Clearing and Grading			
	Road and Parking			
	Sidewalks			
	Water and Sewer			
	Excavation and Backfill			
	Termite Treatment			
	<b>Sub-Total Site Preparation Costs</b>		\$	-
(6)	Other (specify)		\$	-
(7)	<b>Sub-Total Site Costs</b>			<b>\$ -</b>
<b>B.</b>	<b><u>Construction Contract</u></b>			
(8)	Cost of Materials [Include]			
	General Requirements			
	Concrete/Masonry			
	Woods/Doors & Windows/Finishes			
	Thermal and Moisture Protection			
	Equipment/Specialty Items			
	Mechanical/Electrical			
	<b>Sub-Total Cost of Materials</b>		\$	17,860.00
(9)	Cost of Labor		\$	-
(10)	Other (specify)		\$	-
(11)	<b>Sub-Total Construction Contract</b>			<b>\$ 17,860.00</b>
<b>C.</b>	<b><u>Miscellaneous Project Costs</u></b>			
(12)	Building Purchase		\$	-
(13)	Fixed Equipment Purchase/Lease		\$	723,427.00
(14)	Moveable Equipment Purchase/Lease		\$	-
(15)	Furniture		\$	-
(16)	Landscaping		\$	-
(17)	Consultant Fees			
	A&E Fees and Reimbursables	\$	-	
	Legal Fees	\$	-	
	Market Analysis	\$	-	
	Other (specify)	\$	-	
	<b>Total Consultant Fees</b>		\$	-
(18)	Financing Costs (e.g. Bond, Loan, etc.)		\$	-
(19)	Interest During Construction		\$	-
(20)	Other (specify)		\$	-
(21)	<b>Sub-Total Miscellaneous</b>			<b>\$ 723,427.00</b>
<b>D.</b>	<b>Total Capital Cost of Project (Sum A-C above)</b>			<b>\$ 741,287.00</b>

