



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

June 29, 2017

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

Exempt from Review – Replacement Equipment

Record #: 2314
Facility Name: Wesley Long Community Hospital, Inc.
FID #: 933540
Business Name: The Moses H. Cone Memorial Hospital
Business #: 1811
Project Description: Replace existing CT scanner at Wesley Long Hospital
County: Guilford

Dear Mr. Roskelly:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter dated June 19, 2017 and received on June 26, 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 CT scanner to replace the existing Siemens Somation Sensation 16 CT scanner, Serial # 3713, located at Wesley Long Hospital. 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.

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.

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

Martha J. Frisone
Chief, Healthcare Planning and
Certificate of Need Section

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

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



June 19, 2017

Ms. Martha J. Frisone, Chief
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: Imaging Equipment Replacement at Wesley Long Hospital (Lic# H0159/FID# 933540)

Dear Ms. Frisone and Ms. Inman:

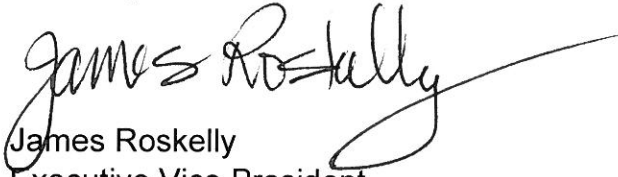
I am writing to you pursuant to NCGS § 131E-184(a)(7) to inform you of Cone Health's plans to replace a computerized tomography (CT) scanner at Wesley Long Hospital, a campus licensed as part of Cone Health (Lic# H0159). *Attachment 1* contains a comparison of the relevant information and specifications of the existing equipment and the planned replacement equipment. Of note, the replacement CT scanner will cost \$831,430 for the Definition AS 64 CT scanner. The new equipment will be functionally comparable to the existing equipment being taken out of service. Minor renovations to the imaging suite at Wesley Long Hospital to accommodate the replacement equipment will cost approximately \$340,000. These costs were estimated by Cone Health Construction Management based on their knowledge and expertise with similar projects. The total proposed capital cost for this equipment replacement is \$1,255,795. A detailed capital budget is included in *Attachment 2*.

The new equipment, which will be owned and operated by Cone Health, is planned to be placed into service in October 2017. The existing equipment will be removed from Wesley Long Hospital and taken out of service by Siemens Healthcare, the vendor of the new equipment. Cone Health is simply updating an important piece of imaging equipment with newer technology that offers improved patient throughput, increased patient safety due to decreased radiation doses, and improved imaging quality by upgrading the CT scanner from a 16 slice unit to a 64 slice unit. Indeed, Cone Health purchased this equipment over 10 years ago and it has exhausted its useful life.

Ms. Martha J. Frisone
Ms. Celia C. Inman
June 19, 2017
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Please let me know if I can answer any questions you have around this planned replacement.

Sincerely,

A handwritten signature in black ink that reads "James Roskelly". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James Roskelly
Executive Vice President
Strategic Development

JR\jc

Attachment

cc: Tonya Viars, Director, Imaging, Wesley Long Hospital
Robert Culp, Senior Project Manager, Cone Health Construction Management

Attachment 1
Equipment Comparison Form

EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT scanner	CT scanner
Manufacturer of Equipment	Siemens	Siemens
Tesla Rating for MRIs	N/A	N/A
Model Number	Somatom Sensation 16	SOMATOM Definition AS-64 Slice
Serial Number	3713	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	1/16/2006	10/2/2017
Does Provider Hold Title to Equipment or Have a Capital Lease?	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	\$831,430
Fair Market Value of Equipment	\$0	\$831,430
Net Purchase Price of Equipment	N/A	\$831,430
Locations Where Operated	Wesley Long Hospital	Wesley Long Hospital
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 Procedure)	0	0
Type of Procedures Currently Performed on Existing Equipment	General CT's Ablations/Biopsies Abscess Drainages	N/A
Type of Procedures New Equipment is Capable of Performing	N/A	General CT's Ablations/Biopsies Abscess Drainages

Attachment 2
Capital Cost Worksheet

PROJECT CAPITAL COST

A.	<u>Site Costs</u>			
(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			
	Sub-Total Site Preparation Costs		\$ -	
(6)	Other (specify)		\$ -	
(7)	Sub-Total Site Costs			\$ -
B.	<u>Construction Contract</u>			
(8)	Cost of Materials [Include]			
	General Requirements			
	Concrete/Masonry			
	Woods/Doors & Windows/Finishes			
	Thermal and Moisture Protection			
	Equipment/Specialty Items			
	Mechanical/Electrical			
	Sub-Total Cost of Materials		\$ -	
(9)	Cost of Labor		\$ -	
(10)	Other (Construction Contract)		\$ 340,704	
(11)	Sub-Total Construction Contract			\$ 340,704
C.	<u>Miscellaneous Project Costs</u>			
(12)	Building Purchase		\$ -	
(13)	Fixed Equipment Purchase/Lease		\$ 838,930	
(14)	Moveable Equipment Purchase/Lease		\$ 3,500	
(15)	Furniture		\$ 2,400	
(16)	Landscaping		\$ -	
(17)	Consultant Fees			
	A&E Fees and Reimbursables	\$ 43,500		
	Legal Fees	\$ -		
	Market Analysis	\$ -		
	Other (specify)	\$ -		
	Total Consultant Fees		\$ 43,500	
(18)	Financing Costs			
	(e.g. Bond, Loan, etc.)		\$ -	
(19)	Interest During Construction		\$ -	
(20)	Other (Contingency)		\$ 26,761	
(21)	Sub-Total Miscellaneous			\$ 915,091
D.	Total Capital Cost of Project (Sum A-C above)			\$ 1,255,795