



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

November 30, 2017

Lisa Griffin
2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

Exempt from Review – Replacement Equipment

Record #: 2447
Facility Name: Novant Health Rowan Medical Center
FID #: 933436
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Utilize Temporary Mobile CT scanner during Replacement of CT scanner
County: Rowan

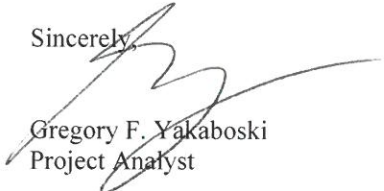
Dear Ms. Griffin:


The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of November 16, 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 temporarily replace without a certificate of need the existing CT scanner with a mobile CT scanner while the replacement of the existing CT scanner is taking place. 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, Radiation Protection and Acute and Home Care Licensure and Certification Sections, DHSR 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,


Gregory F. Yakaboski
Project Analyst


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

cc: Radiation Protection Section, DHSR
Shareta Blackwell, Program Assistant, 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



November 16, 2017



2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

Via Email

Greg Yakaboski, Project Analyst, Certificate of Need
N.C. Department of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Novant Health, Inc. – Novant Health Rowan Medical Center
Replacement of Imaging Equipment
Salisbury, NC (Rowan County) – FID 933436
Record # 2404



Dear Mr. Yakaboski:

As you know, Novant Health, Inc. and Novant Health Rowan Medical Center (“NHRMC”) intend to replace an existing CT scanner currently located at the main campus of NHRMC in Salisbury, North Carolina. The total project cost is \$1,671,023. This request was approved on September 27, 2017. NHRMC will need to utilize a temporary mobile CT scanner while the replacement of the existing CT scanner is taking place. NHRMC estimates that the replacement period will take 2-3 months at cost of approximately \$70,000 in total.

The proposed project meets the definition of “replacement equipment” found in G.S. 131E-176(22a) and 10A N.C.A.C 14C.0303 for the following reasons:

- (1) NHRMC will replace the existing CT scanner with a temporary mobile CT scanner that is functionally similar and will be used for the same diagnostic purposes.
- (2) The temporary mobile CT scanner will not be used to provide a new health service.
- (3) The use of the temporary mobile CT scanner will not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.
- (4) NHRMC seeks to replace comparable medical equipment currently in use at project cost less than \$2 million.
- (5) The existing equipment was not purchased second-hand nor was the existing equipment leased.

NHRMC's utilization of a temporary mobile CT scanner does not require a certificate of need because none of the definitions of "new institutional health services" set forth in N.C.G.S. Section 131E-176(16) apply to the proposed project. As outlined above, the total cost for the temporary mobile CT service is \$70,000. The proposed capital cost includes equipment, as well as studies, surveys, designs, plans, working drawings, specifications, construction installation and other activities essential to making the equipment operational. Once the proposed new CT scanner is in place and operational, NHRMC will cease using the temporary mobile CT unit. Therefore, there will be no increase in the number of CT scanners operated by NHRMC.

If you need additional information, please do not hesitate to contact me.

Sincerely,

Lisa Griffin
Manager, Certificate of Need
Novant Health, Inc.

Cc: Barbara Freedy, Director, CON, Novant Health