



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

November 23, 2021

Kristy Hubard
Kristy.Hubard@nhrmc.org

Exempt from Review – Replacement Equipment

Record #: 3731
Date of Request: November 11, 2021
Facility Name: New Hanover Regional Medical Center
FID #: 943372
Business Name: Novant Health New Hanover Regional Medical Center
Business #: 3330
Project Description: Replace existing 64-slice CT scanner located in emergency department
County: New Hanover

Dear Ms. Hubard:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced project is exempt from certificate of need review in accordance with G.S. 131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the GE Revolution Apex CT scanner to replace the GE 64-slice GE VCT, serial number 7796YC4. This exemption replaces the previous exemption (number 3532) issued by the Agency on April 16, 2021. 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.

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,

[Handwritten signature of Tanya M. Saporito]

Tanya M. Saporito
Project Analyst

[Handwritten signature of Micheala Mitchell]

Micheala Mitchell
Chief

cc: Radiation Protection Section, DHSR
Construction Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

November 1, 2021

Ms. Micheala Mitchell
Chief, Health Care Planning and Certificate of Need
NC Division of Health Services Regulation
809 Ruggles Drive
Raleigh, NC 27603

RE: Request for No Review Determination for Replacement of Equipment / New Hanover County

Dear Ms. Mitchell:

In April 2021, Novant Health New Hanover Regional Medical Center ("NH NHRMC") filed a request for a no review determination in record #3532 to replace its 16-slice GE BrightSpeed computed tomography (CT) scanner with a HD GE Revolution Apex CT scanner. However, since the time of the request, the project has been forced to change due to equipment failure.

Previously, the project was stated as follows:

CT Scanner	Current Location	Location After Project Completion
16-Slice GE BrightSpeed	NHRMC CT Department Room 1	Traded-In to Brooks Medical Systems
64-Slice GE VCT	NHRMC ED Department	NHRMC CT Department Room 1
HD GE Revolution Apex	To Be Purchased	NHRMC ED Department

However, due to recent equipment failures in the 64-Slice GE VCT, that unit will be removed from inventory and directly replaced by the above-mentioned GE Revolution Apex with a total project cost of \$1,936,394. (This project cost remains the same as originally proposed and referenced in record #3532 no review determination.)

The new scenario will be as follows:

CT Scanner	Current Location	Location After Project Completion
16-Slice GE BrightSpeed	NHRMC CT Department Room 1	Will stay in NHRMC CT Dept Room 1 until replacement at a later time
64-Slice GE VCT	NHRMC ED Department	Traded in to Brooks Medical Systems
HD GE Revolution Apex	To Be Purchased	NHRMC ED Department

Exemption from Review

Pursuant to NCGS § 131E-184(a): "The department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, when notice includes an explanation of why the new institutional health service is required, for any of the following: ... (7) To provide replacement equipment."

NCGS § 131E-176(22a) defines “replacement equipment” as equipment that costs less than \$2,000,000 and is purchased for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced.

Applicable Regulations

10A NCAC 14C.0303 defines “comparable medical equipment” as equipment that “is functionally similar and which is used for the same diagnostic or treatment purposes.” Replacement equipment is comparable if:

- (1) it has the same technology as the equipment currently in use, although it may possess expanded capabilities due to technological improvements; and
- (2) it is functionally similar and is used for the same diagnostic or treatment purposes as the equipment currently in use and is not used to provide a new health service; and
- (3) the acquisition of the equipment does 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.

Replacement equipment is not comparable to the equipment being replaced if the replacement equipment is capable of performing procedures that could result in the provision of a new health service or type of procedure that has not been provided with the existing equipment.

Compliance

NH NHRMC hereby certifies that:

1. The estimated project costs for the replacement of the existing CT scanner is less than \$2,000,000.
2. The replacement equipment will be purchased for the sole purpose of replacing comparable equipment currently in use, which will be traded in for disposal and removed from North Carolina. A comparison of the existing and replacement equipment is provided in Exhibit A.
3. The replacement equipment is functionally similar to existing equipment and will be used for the same diagnostic and/or treatment procedures as the equipment currently in use.
4. No increase in charges will occur within the first twelve months after the replacement equipment is acquired.
5. The average cost per CT scan will not increase as a result of the equipment replacement.

Determination Requested

NH NHRMC requests that the Division of Health Service Regulation make a determination that the replacement of the CT scanner, as proposed herein, does not constitute new institutional health services and is thus exempt from certificate of need review.

If you require additional information concerning this request, please contact me at 910-667-5908.

Sincerely,



Kristy Hubard
Chief Strategy Officer
Novant Health New Hanover Regional Medical Center

Exhibit A - Existing/Replacement Equipment Comparison

EQUIPMENT COMPARISON

Exhibit A

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Equipment Location	NHRMC	NHRMC
Type of Equipment	CT	CT
Manufacturer	GE	GE
Model	64-Slice GE VCT	Revolution Apex
Serial Number	77969YC4	TBD at purchase
Date of Acquisition	July 2014	May 2021
Specify if Equipment Was/Is New or Used When Acquired	Used	New
Total Capital Cost of Project (Including Construction, etc.)		\$1,936,394 \$40,000 (Electrical/HVAC Work) \$55,000 (Brooks Medical Systems) \$189,523 (AW Server) \$1,651,871 (CT Scanner)
Total Cost of Equipment	\$320,645	\$1,651,871
Percent of Change in Patient Charges (by Procedure)	N/A	0%
Type of Procedures Currently Performed on Existing Equipment	Diagnostic CT scan	Diagnostic CT scan

From: [O'Dacre, Nancy](#)
To: [Tanya, Saporito](#)
Cc: [Waller, Martha K](#); dlegarth@nc.rr.com
Subject: [External] For review: NHRMC Equipment replacements
Date: Tuesday, November 2, 2021 7:25:47 AM
Attachments: [2021 NHRMC CT Replacement UPDATED.pdf](#)
[2021 PMH CT replacement.pdf](#)

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Good morning, Tanya!

Attached please find two letters related to equipment replacements. One letter is for equipment at NHRMC and one is for equipment at Pender Memorial Hospital (managed by NHRMC).

Please let me know if you need anything else.

Thanks!

Nancy

Nancy L. O'Dacre
Administrator of Radiology
2131 S. 17th Street
Wilmington, NC 28401

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