



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Office of the Director

2701 Mail Service Center • Raleigh, North Carolina 27699-2701
<http://www.ncdhhs.gov/dhsr/>

Pat McCrory
Governor

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Ambassador (Ret.)
Secretary DHHS

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Phone: 919-855-3750
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January 22, 2013

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

Exempt from Review - Replacement Equipment

Facility: Duke University Health System d/b/a Duke University Hospital
Project Description: Replace SPECT camera with a SPECT/CT camera
County: Durham
FID #: 943138

Dear Ms. Cummer:

In response to your letter of January 16, 2013, 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 GE Discovery SPECT/CT camera to replace the existing GE Millenium SPECT camera [Serial # 3100-1840]. 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. Further please be advised that as soon as the replacement equipment is acquired, you must provide the CON Section and the Medical Facilities Planning Section with the serial number of the new equipment to update the inventory, if not already provided.

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,

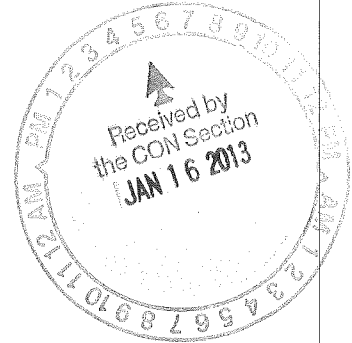
Michael J. McKillip
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section



Duke University Health System

Catharine W. Cummer
Regulatory Counsel, Strategic Planning



January 16, 2013

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: Equipment Replacement Project at Duke University Hospital – SPECT/CT

Dear Mr. McKillip:

I am writing to notify you of the acquisition of SPECT/CT camera at Duke University Hospital (“DUH”) to replace an existing SPECT camera. The existing and replacement equipment both can provide nuclear medicine procedures. A completed equipment comparison form and certified capital cost form are enclosed, as well as a copy of the quote for the new equipment. The total extended selling price reflecting the fair market value of the equipment is \$1,162,154. There are no construction costs associated with this replacement, as the replacement equipment will be installed in the new Duke Medical Pavilion building at DUH for which DUH has already received a certificate of need. The existing equipment is currently in use at DUH, but will be removed from service in the state upon placement of the replacement equipment into service.

It is our understanding that this replacement is exempt from certificate of need review as the exempt acquisition of replacement equipment pursuant to N.C.G.S. Section 131E-184. We would appreciate your confirmation of this understanding. Thank you for your attention to this request. Should you have any questions, please let me know.

Very truly yours,

A handwritten signature in cursive script that reads "Catharine W. Cummer".

Catharine W. Cummer

Enclosures

cc: Monte Brown
Britt Crewse

EQUIPMENT COMPARISON

Type of Equipment (List Each Component)	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Manufacturer of Equipment	SPECT	SPECT/CT
Tesla Rating for MRIs	GE	GE
Model Number	Millennium VG	Discovery NM/CT 670 Camera
Serial Number	3100-1840	
Provider's Method of Identifying Equipment	117369	
Specify if Mobile or Fixed	Fixed	
Mobile Trailer Serial Number/VIN #		
Mobile Tractor Serial Number/VIN #		
Date of Acquisition of Each Component	1999	
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>		\$1,162,154
Total Cost of Equipment	\$475,058	\$1,162,154
Fair Market Value of Equipment		\$1,162,154
Net Purchase Price of Equipment	\$475,058	\$1,162,154
Locations Where Operated	DUH - Duke South	DUH - DMP
Number Days In Use/To be Used in N.C. Per Year	365	365
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	Nuclear Medicine Procedures	NA
Type of Procedures New Equipment is Capable of Performing	NA	Nuclear Medicine Procedures

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: **Acquisition of Nuclear Medicine Equipment**
 Provider/Company: **Duke University Health System d/b/a Duke University Hospital**

A. Site Costs

- (1) Full purchase price of land \$ _____
 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) \$ _____
- (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 \$ _____

C. Miscellaneous Project Costs

- (12) Building Purchase..... \$ _____
- (13) Fixed Equipment Purchase/Lease \$ 1,162,154
- (14) Movable Equipment Purchase/Lease \$ _____
- (15) Furniture \$ _____
- (16) Landscaping \$ _____
- (17) Consultant Fees
 - Architect and Engineering Fees \$ _____
 - 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) \$ _____
- (21) Sub-Total Miscellaneous \$ _____
- (22) Total Capital Cost of Project (Sum A-C above) \$ 1,162,154

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

 N/A (no construction costs) Date Certified: _____
 (Signature of Licensed Architect or Engineer)

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.

 Date Signed: 11/16/13
 (Signature and Title of Officer Authorized to Represent Provider/Company)

Quotation Number: P3-C139123 V 35

Duke University Hospital
2301 Erwin Rd
Durham NC 27705-4699

Attn: Thomas Boehringer
Erwin Rd. , Hospital North BOX3808, Rom 1531
Durham NC 27710

Date: 12-31-2012

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. GE Healthcare agrees to provide and Customer agrees to pay for the Products listed in this GE Healthcare Quotation ("Quotation"). "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products, shall constitute an agreement by either party to any such terms.

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- Terms of Delivery: FOB Destination
- Quotation Expiration Date: 12-31-2012
- Billing Terms: 80% delivery / 20% Installation
- Payment Terms: NET 30
- Governing Agreement: Duke University Health System

Each party has caused this agreement to be signed by an authorized representative on the date set forth below. Please submit purchase orders to GE Healthcare
3200 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188

GE HEALTHCARE _____ Date _____
 Thomas Harris
 Product Sales Specialist
 Wilmington, NC
 US
 Phone: 910 540 2007
 Thomas.Harris@med.ge.com

CUSTOMER _____ Date _____
 Authorized Customer

 Print Name and Title

 PO #

 Desired Equipment First Use Date

GE Healthcare will use reasonable efforts to meet Customer's desired equipment first use date. The actual delivery date will be mutually agreed upon by the parties.

INDICATE FORM OF PAYMENT:

(If there is potential to finance with a lease transaction, GE HFS or otherwise, select lease.)

___ Cash * ___ Lease ___ HFS Loan

If financing please provide name of finance company below*:

*Selecting Cash or not identifying GE HFS as the finance company declines option for GE HFS financing.



Quotation Number: P3-C139123 V 35

Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
1		Discovery NM/CT 670			
1	H3100NA	DISCOVERY NMCT 670 ACQO Discovery NM/CT 670 ACQO Discovery NM/CT 670 brings together the new NM detectors, new wide bore gantry, and the BrightSpeed Elite multi-detector CT with LightSpeed VCT technology inside. This powerful Combination provides high quality hybrid SPECT/CT, standalone NM, and standalone CT images across a wide range of applications with shorter acquisitions achieved via better efficiency, dose reduction and improved image quality. Discovery NM/CT 670 Main Features: Operator ergonomics all gantry operators of Various heights and ensure visibility of the patient. Side controls are optimally positioned to support detectors and persistence display during scan set-up. NM Detectors: The integrated system includes two extra large rectangular all-digital detectors with a 3/8 crystal for all-purpose nuclear imaging featuring five real-time corrections: o Uniformity o Linearity o Energy o Isotope decay o Center of Rotation (COR) 3/8 Nuclear Detector Characteristics: o 59 circular PMT's-53x3 (76mm) and 6x1.5 (38mm) o Crystal Thickness: 3/8 (9.5mm) o UFOV: 54x40 cm E 0.5 cm	\$1,244,500.00	47.27%	\$656,224.85



Quotation Number: P3-C139123 V 35

Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
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Quote Summary:

Total Extended Selling Price: \$1,162,153.65
Total Quote Net Selling Price \$1,162,153.65

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)

