



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

February 24, 2015

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

Exempt from Review - Replacement Equipment

Facility: Duke University Hospital
Project Description: Replace PET/CT scanner
County: Durham
FID #: 943138

Dear Ms. Cummer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of February 13, 2015, the above referenced proposal 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 Discover IQ PET/CT scanner to replace the existing GE Discovery STE PET/CT scanner located in the Cancer Center. 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 Section 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,

Michael J. McKillop
Project Analyst

Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Construction Section, DHSR
Assistant Chief, Healthcare Planning
Radiation Protection Section



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

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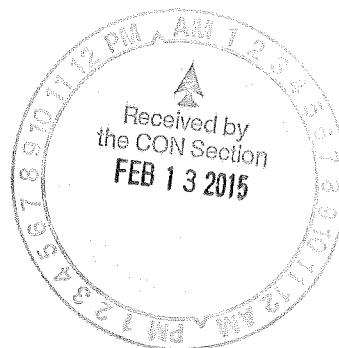
Duke University Health System

Catharine W. Cummer
Regulatory Counsel, Strategic Planning

February 13, 2015

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: Exempt Equipment Replacement at Duke University Hospital

Dear Mr. McKillip:

The purpose of this letter is to request the Section's written confirmation that the acquisition of a replacement PET/CT at Duke University Hospital is exempt from certificate of need review pursuant to N.C.G.S. Section 131E-184(7). This replacement is needed due to the age of the existing machine.

A completed equipment comparison form and capital cost form are enclosed. The total capital cost of the project, including the equipment cost, is \$1,623,000. The vendor's quote for the replacement equipment is available for review upon request. The existing equipment is currently in use, but will be removed from service in the state upon placement of the replacement equipment into service.

We would appreciate your confirmation that this project is exempt from CON review. Thank you for your attention to this request. If you have questions, please let me know.

Very truly yours,

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

Catharine W. Cummer

Enclosures

EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	PET/CT	PET/CT
Manufacturer of Equipment	General Electric (GE) Healthcare	General Electric (GE) Healthcare
Tesla Rating for MRIs	N/A	N/A
Model Number	Discovery STE 16 slice	Discover IQ 16 slice
Serial Number	393404CN9	TBD
Provider's Method of Identifying Equipment	Asset# 133631	Asset# TBD
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	July 2003	TBD 2015
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	\$1,623,000
Total Cost of Equipment	\$2,100,000	\$1,289,629
Fair Market Value of Equipment	\$205,000	\$1,289,629
Net Purchase Price of Equipment	\$2,100,000	\$1,084,629
Locations Where Operated	DUH Main Campus Cancer Center	DUH Main Campus Cancer Center
Number Days In Use/To be Used in N.C. Per Year	250	250
Percent of Change in Patient Charges (by Procedure)	N/A	0
Percent of Change in Per Procedure Operating Expenses (by Procedure)	N/A	0
Type of Procedures Currently Performed on Existing Equipment	PET/CT procedures	N/A
Type of Procedures New Equipment is Capable of Performing	N/A	PET/CT procedures

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: **PET/CT Replacement**
 Provider/Company: **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).....utilities, permits, inspections \$ _____
- (11) Sub-Total Construction Contract \$ **300,000**

C. Miscellaneous Project Costs

- (12) Building Purchase..... \$ _____
- (13) Fixed Equipment Purchase/Lease \$ **1,110,000**
- (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):
 utilities/permits/inspections; design and management, contingency \$ **213,000**
- (21) Sub-Total Miscellaneous.. \$ _____
- (22) Total Capital Cost of Project (Sum A-C above) \$ **1,623,000**

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

 (Signature of Licensed Architect or Engineer) Date Certified: _____

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.

Carolina Clapnet
 _____ Date Signed: 2/12/15
 (Signature and Title of Officer Authorized to Represent Provider/Company)