



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

February 20, 2018

Sandy Godwin
1638 Owen Drive
Fayetteville, NC 28304

Exempt from Review

Record #: 2518
Business Name: Cape Fear Valley Health System
Business #: 335
Project Description: Develop a physician office building in Lumberton with an urgent care center and imaging department
County: Robeson

Dear Ms. Godwin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter dated January 29, 2018 and supplemental information received on February 13, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(9). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction, Radiation Protection 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 this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate;

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

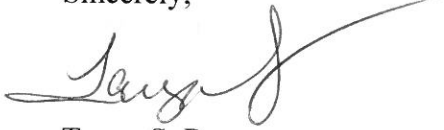
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(3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Tanya S. Rupp
Project Analyst



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

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Radiation Protection Section, DHSR
Sharetta Blackwell, Program Assistant Healthcare Planning, DHSR

Rupp, Tanya

From: Sandy Godwin <stgodwin@capefearvalley.com>
Sent: Tuesday, February 13, 2018 4:25 PM
To: Rupp, Tanya
Subject: [External] RE: Exemption Request dated January 29, 2018
Attachments: Summary of Equipment cost for CFVHS Robeson Imaging Center 2 13 2018.pdf

CAUTION: External email. Do not click links or open attachments unless verified. Send all suspicious email as an attachment to Report Spam.

Hey Tanya,

I apologize for the delay. I was out of the office a couple of days last week.

Per your request from Tuesday, February 06, 2018 regarding the CFVHS Imaging Center Exemption Request dated January 29, 2018, I have attached a list of the equipment we intend to include in the Robeson Imaging Center in Lumberton.

The attached document also includes a list of all the IT equipment and construction costs associated with making the equipment operational. Also, the equipment costs includes necessary taxes.

Please let me know if you need any additional documentation.

Thanks so much,
Sandy

Sandy Godwin | Corporate Director | Financial Planning & Analytics
Cape Fear Valley Health System | 1638 Owen Drive | Fayetteville, NC 28304
Office (910) 615-6852 | Cell (910) 818-3079 | stgodwin@capefearvalley.com

From: Rupp, Tanya [mailto:tanya.rupp@dhhs.nc.gov]
Sent: Tuesday, February 06, 2018 3:47 PM
To: Sandy Godwin
Subject: Exemption Request dated January 29, 2018

Hi Sandy,

I received your request for an exemption from Certificate of Need Review pursuant to N.C. Gen. Stat. §131-184(a)(9) for construction of a Medical Office Building. In your letter, you indicate that the project calls for the development of an urgent care center and imaging center, and you state that the total cost of that project will be below \$500,000.

However, in order for the Agency to make a determination that the capital cost of the project is below \$500,000.00, please submit a detailed list of all the medical diagnostic equipment to be acquired by the facility which cost ten thousand dollars (\$10,000) or more, and the cost of each item. After we receive that information, we will be better able to make a determination regarding the proposal and whether it is exempt from review.

Thank you in advance. Please feel free to submit your response via email. Please do not hesitate to contact me if you have any questions. Have a good day!

Tanya S. Rupp, JD

Project Analyst

Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services

919-855-3873 office

Tanya.rupp@dhhs.nc.gov

809 Ruggles Drive

2704 Mail Service Center

Raleigh, NC 27699-2704



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CFVHS Robeson Imaging Center - Total Capital Expenditure

Equipment	\$316,057.38
IT	\$8,720.10
Construction	\$159,075.12
Total	<u>\$483,852.60</u>

CFVHS Robeson Imaging Center - Imaging Equipment

Item	Quantity		
GE CT Scanner	1	\$	201,600.00 ✓
Bracco Injector	1	\$	20,950.00 ✓
Phillips Ultrasound	1	\$	4,000.00 ✗
Ultrasound Stretcher	1	\$	3,901.38 ✗
Siemens DR X-Ray Unit	1	\$	78,645.00 ✓
Trophon	1	\$	6,961.00 ✗
Trash Cans	3	\$	35.37 ✗
BP Cuffs	3	\$	124.89 ✗
		\$	316,057.38

CFVHS Robeson Imaging Center - IT Equipment

Item	Quantity	Price Each	Total
Network Drops	5	\$ 275.00	\$ 1,375.00
Tablets	3	\$ 2,035.08	\$ 6,105.24
Tablet Protector Case	3	\$ 80.49	\$ 241.47
Tablet Pen	3	\$ 45.00	\$ 135.00
Tablet Keyboard	3	\$ 104.00	\$ 312.00
			\$8,168.71
		Tax	\$551.39
		TOTAL	\$8,720.10 ✓

CFVHS Robeson Imaging Center - Construction Costs

Construction Cost Original Contract Base Sum	\$ 100,113.60
Imaging Room Shielding Cost	25,893.00
Change Order re: Imaging Room Door Modifications	2,477.00
Change Order re: Casework and Solid Surface Adds	2,853.26
Change Order re: Flooring Credit	(456.89)
Change Order re: X-ray Support Structure	4,900.00
Change Order re: Additional X-ray Support & Electrical Work	6,500.00
Total Change Orders	<u>\$ 16,273.37</u>
Total Construction Hard Cost	<u>\$ 142,279.97</u>
Site Costs Lumberton Electrical Connection	\$ 1,924.45
Soft Costs	<u>\$ 14,870.70</u>
Other	\$ 16,795.15
Total Project Construction Cost	<u><u>\$ 159,075.12</u></u>

January 29, 2018

BEHAVIORAL HEALTH CARE
BLADEN COUNTY HOSPITAL
CAPE FEAR VALLEY
MEDICAL CENTER
CAPE FEAR VALLEY
REHABILITATION CENTER
HEALTH PAVILION NORTH
HIGHSMITH-RAINEY
SPECIALTY HOSPITAL

Tanya Rupp, Project Analyst
Division of Health Service Regulation
Health Planning and Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704



RE: Cape Fear Valley Health System MOB - Lumberton

BWS ID 335
FID 030360
NR 2518

BLOOD DONOR CENTER
CANCER CENTER
CARELINK
CAPE FEAR VALLEY
HOMECARE & HOSPICE, LLC
CUMBERLAND COUNTY EMS
FAMILY BIRTH CENTER
HEART & VASCULAR CENTER
HEALTHPLEX
LIFELINK
CRITICAL CARE TRANSPORT
PRIMARY CARE PRACTICES
SLEEP CENTER

Dear Ms. Rupp:

Cape Fear Valley Health System is renovating an existing office building to create a medical office building in Lumberton, North Carolina. The total capital expenditure associated with the project is estimated to be less than the \$2,000,000 capital expenditure threshold defined in G.S.131-176(16)(b) as a new institutional health service. Therefore, we believe that this project does not meet the definition of a new institutional health service and that it does not require CON review or approval. Further, the development of a medical office building, regardless of the total capital expense, is not subject to CON review in accordance with G.S.131-184(a)(9), unless the project includes a new institutional health service is developed or offered in the building.

The project includes the development of an urgent care center and the development of an imaging center. However, the total cost of all the medical diagnostic equipment which cost ten thousand dollars (\$10,000) or more acquired for the imaging center does not exceed five hundred thousand dollars (\$500,000). In determining that the cost of the diagnostic equipment acquired was less than five hundred thousand dollars (\$500,000), CFVHS considered the costs of the equipment, studies, surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making the equipment operational. The capital expenditure for the equipment includes either the fair market value of the equipment or the cost of the equipment, whichever is greater. The total cost of the imaging equipment and construction associated with making the equipment operational is less than \$500,000. Therefore, the project does not include the development of a "Diagnostic Center" as defined in G.S.131-176(7a). Therefore, there will be no institutional health service developed or offered in the building.

CFVHS requests that the Division of Health Service Regulation make a determination that the proposed medical office building does not constitute a new institutional health service and is thus exempt from certificate of new review.



CAPE FEAR VALLEY®
TRANSFORMING HEALTHCARE™

If you have any questions concerning this request please do not hesitate to call me at (910) 615-6852.

Sincerely,

Sandy T. Godwin
Executive Director for Corporate Planning
Cape Fear Valley Health System

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MEDICAL CENTER

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