



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

April 18, 2019

Patrick B. Phillips
2700 Wayne Memorial Drive
Goldsboro, NC 27543

Exempt from Review – Replacement Equipment

Record #: 2918
Facility Name: Wayne UNC Health Care
FID #: 933535
Business Name: Wayne UNC Health Care
Business #: 2918
Project Description: Replace existing angiography unit
County: Wayne

Dear Mr. Phillips:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 12, 2019, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(f). Therefore, you may proceed to acquire without a certificate of need the 100237 Azurion 7M20 to replace the Innova 3100. 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 and Acute and Home Care Licensure and Certification 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,

[Handwritten signature of Tanya M. Saporito]

Tanya M. Saporito
Project Analyst

[Handwritten signature of Martha J. Frisone]

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

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification 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
www.ncdhhs.gov/dhsr • TEL: 919-855-3873



April 12, 2019

Bus 2734
FID 933535
NR 2918



Ms. Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

RE: Request for Exemption from Review to Replace Angiography Equipment at Wayne UNC Health Care

Dear Ms. Frisone:

Pursuant to N.C.G.S. 131E-184(f)(1)-(3)-Exemptions from Review-of the Certificate of Need Statute, I am writing to inform you of a project at Wayne UNC Health Care (“Wayne UNC”) to replace an existing unit of angiography equipment for a total cost that exceeds \$2,000,000.

Under the provisions found at N.C.G.S. 131E-184(f)(1)-(3), the CON law provides:

- (f) *The Department shall exempt from certificate of need review the purchase of any replacement equipment that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(22) if all of the following conditions are met:*
 - (1) *The equipment being replaced is located on the main campus.*
 - (2) *The Department has previously issued a certificate of need for the equipment being replaced. This subdivision does not apply if a certificate of need was not required at the time the equipment being replaced was initially purchased by the licensed health service facility.*
 - (3) *The licensed health service facility proposing the replacement equipment shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.*

As set forth below, we believe that Wayne UNC’s project meets these requirements and is exempt from certificate of need review.

Wayne UNC seeks to acquire a Philips Azurion (“Replacement Equipment”). The Replacement Equipment will replace Wayne UNC’s existing GE Innova (“Existing Equipment”). The Existing Equipment is currently located and in use in the angiography suite on the 1st floor of Wayne UNC’s main hospital building on its main campus located at 2700 Wayne Memorial Drive, Goldsboro, NC 27534. The Replacement Equipment will be relocated to space on the 1st floor that is currently occupied by a lab draw area (see Exhibit 1). The cost of the equipment, renovation of the existing space, and relocation of the lab draw area is included in the proposed capital cost, which is expected to exceed \$2 million (see Exhibit 2). The Existing Equipment and Replacement Equipment are/will be located in the main Wayne UNC hospital building, from which Wayne UNC exercises financial and administrative control. Please see Exhibit 3 for a copy of Wayne UNC’s current hospital license. The angiography lab was originally acquired as a “grandfathered” lab in the late 1980’s. Thus, a certificate of need was not required at the time the Existing Equipment was initially



purchased. The equipment qualifies as replacement equipment pursuant to regulatory and statutory definitions. A completed Equipment Comparison form is included as Exhibit 4. The Existing Equipment will be removed by the vendor (see Exhibit 5).

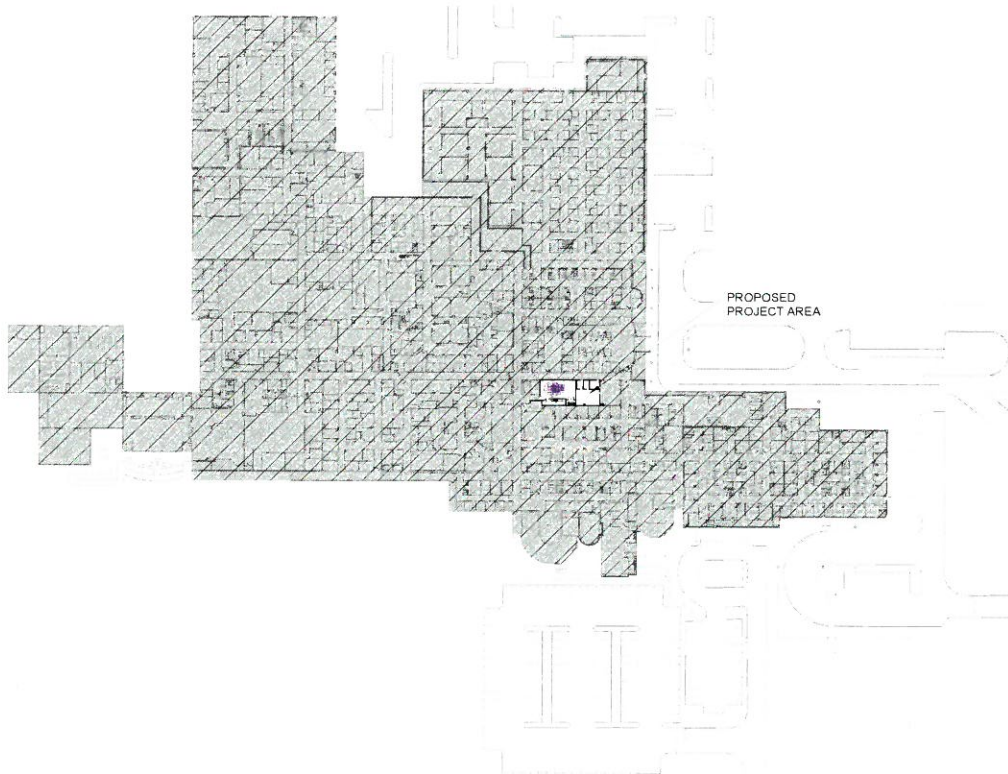
Based on the above facts, the proposed project is exempt from Certificate of Need review. We are requesting confirmation from your office to this effect.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick B. Phillips".

Patrick B. Phillips
Chief Operating Officer and Senior Vice President of Operations
Wayne UNC Health Care
Attachment

Exhibit 1



1 GROUND FLOOR - PROJECT AREA
SCALE: 1" = 100'-0"



Wayne UNC Angiography Suite



1 GROUND FLOOR - PROJECT AREA
SCALE 1" = 10'-0"

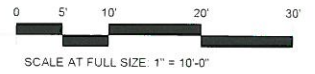


Exhibit 2

PROPOSED CAPITAL COSTS

Project Name: Wayne UNC Health Care Angiography Equipment Replacement

Proponent: Wayne UNC Health Care 2700 Wayne Memorial Drive Goldsboro, NC 27534

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 | \$ 431,809 | |
| (9) | Cost of Labor | \$ 221,206 | |
| (10) | Other (Specify) contingency | \$ 25,600 | |
| (11) | Sub-Total Construction Contract | | \$ 678,615 |

C. Miscellaneous Project Costs

| | | | |
|------|----------------------------------|--------------|--|
| (12) | Building Purchase | \$ _____ | |
| (13) | Fixed Equipment Purchase/Lease | \$ 1,900,000 | |
| (14) | Movable Equipment Purchase/Lease | \$ 168,000 | |
| (15) | Furniture | \$ 4,700 | |
| (16) | Landscaping | \$ _____ | |
| (17) | Consultant Fees | | |
| | Architect and Engineering Fees | \$ 108,400 | |

| | | | |
|------|--|------------------|------------------|
| | Legal Fees | \$ _____ | |
| | Market Analysis | \$ _____ | |
| | Other - physicist review | \$ <u>10,000</u> | |
| | Sub-Total Consultant Fees | \$ _____ | 118,400 |
| (18) | Financing Costs (e.g. Bond, Loan, etc.) | \$ _____ | |
| (19) | Interest During Construction | \$ _____ | |
| (20) | Other (Specify) contingency _____ | \$ <u>40,000</u> | |
| (21) | Sub-Total Miscellaneous | \$ _____ | 2,231,100 |
| (22) | Total Capital Cost of Project (Sum A-C above) | \$ _____ | 2,909,715 |

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



_____ Date Certified: 3/19/19

(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: _____

(Proponent - Signature of Officer)

(Title of Officer)

Exhibit 3

State of North Carolina

Department of Health and Human Services Division of Health Service Regulation

Effective January 01, 2018, this license is issued to

Wayne Memorial Hospital, Inc.

to operate a hospital known as

Wayne UNC Healthcare

located in Goldsboro, North Carolina, Wayne County.

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall remain
in effect until amended by the issuing agency.*

Facility ID: 933535

License Number: H0257

Bed Capacity: 316

General Acute 255, Psych 61,

Dedicated Inpatient Surgical Operating Rooms: 1

Dedicated Ambulatory Surgical Operating Rooms: 2

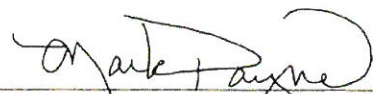
Shared Surgical Operating Rooms: 10

Dedicated Endoscopy Rooms: 3

Authorized by:



**Secretary, N.C. Department of Health and
Human Services**



Director, Division of Health Service Regulation

Exhibit 4

EQUIPMENT COMPARISON

| | EXISTING EQUIPMENT | REPLACEMENT EQUIPMENT |
|--|---------------------------|------------------------------|
| Type of Equipment (List Each Component) | Angiography Equipment | Angiography Equipment |
| Manufacturer of Equipment | GE | Philips |
| Tesla Rating for MRIs | NA | NA |
| Model Number | Innova 3100 | 100237 Azurion 7M20 |
| Serial Number | 544107BU6 | TBD |
| Provider's Method of Identifying Equipment | 919731WMINOV (SIN) | TBD |
| Specify if Mobile or Fixed | Fixed | Fixed |
| Mobile Trailer Serial Number/VIN # | NA | NA |
| Mobile Tractor Serial Number/VIN # | NA | NA |
| Date of Acquisition of Each Component | June 2007 | TBD |
| 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.) | NA | \$2.9 million |
| Total Cost of Equipment | \$900,000 (estimated) | \$1.9 million |
| Fair Market Value of Equipment | NA | \$1.9 million |
| Net Purchase Price of Equipment | NA | \$1.9 million |
| Locations Where Operated | Wayne UNC Health Care | Wayne UNC Health Care |
| Number Days In Use/To be Used in N.C. Per Year | 365 | 365 |
| Percent of Change in Patient Charges (by Procedure) | NA | <10% |
| Percent of Change in Per Procedure Operating Expenses (by Procedure) | NA | <10% |
| Type of Procedures Currently Performed on Existing Equipment | Angiography procedures | NA |
| Type of Procedures New Equipment is Capable of Performing | NA | Angiography procedures |

Exhibit 5



Thursday, March 07, 2019

DISPOSITION LETTER

To Whom it May Concern,

This is to inform the State of North Carolina that the trade in GE Innova 3100 (TIR 105121) that is being removed from Wayne Memorial Hospital will be shipped to AllParts Medical , 400 Brick Church Park Drive, Nashville, Tennessee 37207.

Kind Regards,

Mary Fort

Mary Fort
Equipment Sales Coordinator