



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

August 3, 2023

Taylor Spell

TSpell2@capefearvalley.com

Exempt from Review – Replacement Equipment

Record #: 4239
Date of Request: July 12, 2023
Facility Name: Cape Fear Valley Medical Center
FID #: 943057
Business Name: Cumberland County Hospital System
Business #: 578
Project Description: Replace a CT scanner
County: Cumberland

Dear Ms. Spell:

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 Siemens CT scanner to replace the Phillips CT scanner, model number 453567088051. 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,

Tanya M. Saporito
Project Analyst

Micheala Mitchell
Chief

cc: Acute and Home Care Licensure and Certification Section, DHSR
Radiation Protection 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



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

June 30, 2023

Ms. Tanya Saporito
 Project Analyst, Healthcare Planning & Certificate of Need Section
 Division of Health Service Regulation
 N.C. Department of Health and Human Services
 2704 Mail Center Service
 Raleigh, NC 27699-2704

RE: Replacement of CT Scanner at Cape Fear Valley Medical Center / Cumberland County

BLOOD DONOR CENTER
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 CANCER CENTER
 CAPE FEAR VALLEY MEDICAL GROUP
 CARELINK
 CAPE FEAR VALLEY HOMECARE & HOSPICE, LLC
 CUMBERLAND COUNTY EMS
 FAMILY BIRTH CENTER
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 SLEEP CENTER

Ms. Saporito:

The purpose of this letter is to notify the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") that Cape Fear Valley Medical Center ("CFVMC") plans to replace a CT scanner located on the hospital's main campus. CFVMC requests a determination that the respective replacement is exempt from review because it falls within the definition of NCGS § 131E-184(a)(7) and the regulations set out in 10A NCAC 14C .0303.

The existing CT scanner is situated in the CFVMC cancer center, which is located on the hospital's main campus. The equipment has been in service at CFVMC for 18 years and has exceeded its useful life. CFVMC intends to replace the existing CT scanner in the same location with a Siemens CT scanner. The existing CT scanner will be removed from CFVMC and returned to the vendor when the replacement CT scanner is installed.

Pursuant to NCGS § 131 E-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 \$2,108,000 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.

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



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- (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.

The replacement of the CT scanner at CFVMC falls within the parameters of this exemption. Specifically:

- 1. The equipment being replaced is currently in use at CFVMC.
- 2. The total estimated cost to acquire and install the replacement CT scanner is less than \$2,108,000. Please see the following table.

Capital Cost Summary

Item	Cost
CT scanner	\$930,702
Construction/Renovation	\$345,147
Total	\$1,275,849

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- 3. 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.
- 4. 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.
- 5. CFVMC will not acquire any other major medical equipment or develop any other new institutional health services described in N.C. Gen. Stat. §131E-176 (16) as part of this project.
- 6. The project will not increase patient charges or per procedure operating expenses more than 10% within 12 months of the replacement equipment being acquired.

Please see Attachment 1, which contains a letter from Christopher Tart, PharmD, Vice President, Professional Services at CFVMC. Attachment 2 contains a copy of the projected capital cost.



CAPE FEAR VALLEY HEALTH

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CFVMC 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.

Please contact me at 910.615.6852 or stgodwin@capefearvalley.com regarding any questions concerning this request.

Sincerely,

Sandy T. Godwin
Vice President, Planning
Cape Fear Valley Health System

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HOKE HOSPITAL

June 8, 2023

Ms. Tanya Saporito
Project Analyst, Health Planning and Certificate of Need Section
North Carolina Division of Facilities Services
809 Ruggles Dr.
Raleigh, NC 27603

Re: Replace an existing CT located in Cape Fear Valley Medical Cancer Center

Dear Ms. Saporito:

I am the President of Highsmith-Rainey Specialty Hospital at Cape Fear Valley Health System (CFVHS). In this role, one of the areas that I am responsible for is the oversight and administration of the Cancer Center at Cape Fear Valley Medical Center (CFVMC).

This letter is to provide documentation that the CT scanner CFVHS is proposing to replace is currently in use in the CFVMC Cancer Center at 1638 Owen Drive, Fayetteville, NC. We currently provide both inpatient and outpatient clinical patient services at the current location. In addition, the proposed replacement equipment will be in the same location as the current equipment.

The equipment to be purchased is a Siemens CT scanner and will be used to diagnose patients consistent with what is done today on our older CT scanner. While the CT will have updated technology and will be faster with better image quality, the equipment is comparable to the equipment being replaced.

We look forward to receiving notification from the Certificate of Need Section that the replacement equipment is consistent with the statutory language and is indeed exempt from CON review.

Please do not hesitate to contact me with any questions.

Sincerely,



Christopher Tart, PharmD
President, Highsmith-Rainey Specialty Hospital
Cape Fear Valley Health System

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	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment	CT Sim	CT Sim
Manufacturer of Equipment	Philips	Siemens
Tesla Rating for MRIs	NA	NA
Model Number	453567088051	
Serial Number	7414	
Provider's Method of Identifying Equipment	CT Simulator	CT Simulator
Specify if Mobile or Fixed	Fixed	Fixed
Mobile Trailer Serial Number / VIN #	NA	NA
Mobile Tractor Serial Number / VIN #	NA	NA
Date Acquired	6/27/2005	NA
Does Provider Hold Title to Equipment or Have a Capital Lease?	Own	Will Own
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	\$1,948,206.41	\$1,275,849
Total Cost of Equipment		\$930,702
Fair market Value of Equipment	NA	
Net Purchase Price of Equipment	NA	
Locations Where Operated	Cape Fear Valley Medical Center	Cape Fear Valley Medical Center
Number of Times Equipment was Used to Provide a Health Service during the 12 months prior to the Date of the Written Notice	962	NA
Type of Procedures Currently Performed on Existing Equipment	77014 - CT Guided Placement 77290 - Complex Simulation 77332 - Special Treatment Aide Device Simple 77334 - Special Treatment Aide Device Complex 57155 - Tandem and Ovoid Insertion 57156 - Insertion Vaginal Brachytherapy Device	NA
Type of Procedures New Equipment is Capable of Performing	NA	Same Procedures as Existing CT: 77014 - CT Guided Placement 77290 - Complex Simulation 77332 - Special Treatment Aide Device Simple 77334 - Special Treatment Aide Device Complex 57155 - Tandem and Ovoid Insertion 57156 - Insertion Vaginal Brachytherapy Device

CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER

I certify that, to the best of my knowledge, the projected total construction capital cost for the proposed project is complete and correct and that it is our intent to carry out the proposed project as described.

Signature of Licensed Architect or Engineer

Date Signed



From: [Tanya, Saporito](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] CFVMC CT replacement exemption request
Date: Wednesday, July 12, 2023 12:54:46 PM
Attachments: [CT SIM Replacement CFVMC Main Campus - Exemption.pdf](#)

For logging. I am going to work on it soon!

Tanya M. Saporito, J.D. *I work from home and in the office. Email is the best way to contact me.*
Project Analyst
[Division of Health Service Regulation](#), Certificate of Need
[NC Department of Health and Human Services](#)

Office: 919-855-3873
Tanya.saporito@dhhs.nc.gov

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From: Sandy Godwin <stgodwin@capefearvalley.com>
Sent: Wednesday, July 12, 2023 12:40 PM
To: Tanya, Saporito <tanya.saporito@dhhs.nc.gov>
Cc: Taylor Spell <TSpell2@capefearvalley.com>
Subject: [External] CFVMC CT replacement exemption request

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Happy Wednesday,

I hope you are having a great day and week and staying cool and safe during the hot summer months. While I love the summer, it feels so much hotter this month than normal for July.

Allow me to introduce via email, Taylor Spell. Taylor is our Senior Finance and Strategic Planning Analyst. She is super awesome and is assuming more responsibility regarding regulatory CON and Licensure reporting.

Attached is Cape Fear Valley Medical Center's exemption request to replace a CT scanner on the hospital's main campus. Please let us know if you have any questions.

Have a great day!

Sandy

Sandy T Godwin
Vice President of Planning
Cape Fear Valley Health System
910-615-6852 office
stgodwin@capefearvalley.com

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