



C. Earl Hunter, Commissioner

Promoting and protecting the health of the public and the environment.

Memorandum

Date: September 1, 2009

To: Healthcare Facilities

From: Beverly Brandt, Chief
Bureau of Health Facilities and Services Development

Subject: Standard items to be included in a Non-Applicability Request for diagnostic equipment in a freestanding diagnostic facility or physician's office.

This document is to be used as guidance only for the submission of a Non-Applicability request to the Department. Additional information may be requested from the Department of the applicant after initial review of original request and subsequent information. Submission of the below elements does not guarantee approval of the request should the Department find the total project cost to be in excess of the cost threshold prescribed in Regulation 61-15. It should be noted that this template is not to be used for the acquisition of diagnostic equipment in a hospital setting.

The following is a listing of elements that are generally required for a non-applicability request for diagnostic equipment in a freestanding diagnostic facility or a physician's office:

- Written description or narrative of the proposed project
- Statement of total project cost
- Completed ownership disclosure form (enclosed).

Further, the request must include the following verification documents and exhibits:

- A valid quote for the purchase or lease of the proposed equipment; the quote must not have exceeded its expiration date
- If freight, installation, rigging, insurance, etc. is not included in the price of the equipment, please provide separate quotes for these items
- If the equipment is being leased, documentation of the current purchase price for the proposed equipment ****Please note that the current fair value/purchase price for any leased items should be used in calculating the total project cost.**
- For existing buildings (not new construction), a signed estimate for any renovations or upfit associated with the project, to include all construction costs and related professional fees; all renovation or upfit costs incurred for area dedicated to the proposed modality should be broken out from the overall construction/renovation costs
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Non-Applicability Request Memo

September 1, 2009

Page 2

- A schematic or floor plan for the suite and/or building occupied by the diagnostic facility/practice that clearly identifies and labels each room or area
- A written gross square footage program of space for each area within the building or suite as well as the total gross square footage for the building; this should correspond with the submitted floor plan/schematic
- A current appraisal of the land and building for facilities that are not newly constructed or verifiable documentation of the cost of the land and building for new construction. A current appraisal is an appraisal that is less than one (1) year old from application submission date.
- An invoice for the appraisal fees if the appraisal was obtained for the purpose of valuing the land and/or building in the non-applicability request
- A signed estimate for all consultant, attorney, medical physicist, A/E, and other professional fees that have been or may be incurred for the proposed project
- A listing and supporting documentation for the value of all furnishings, computer/fax, telephones and other equipment properly charged under generally accepted accounting principals as a capital cost. This should include capital costs incurred by the applicant for billing and transcription related to the project (i.e. computers, billing software, T-1 line, etc.).
- Please note that sales tax should be included in the cost or value of all furnishings fixtures and equipment.
- A signed statement from a bank or lender verifying the estimated costs associated with the financing of the project

The Department further advises any applicant to contact Sallie Harrell at (803) 545-4200 with any questions regarding the submission of Non-Applicability requests for diagnostic equipment in a freestanding diagnostic facility or physician's office. Thank you for your cooperation.

Enclosure: Ownership disclosure form

Provide the following ownership information:

- (a) Proposed name of facility;
- (b) Name and address of licensee or prospective licensee. (Note: The licensee is defined as the legal entity who, or whose governing body, has the ultimate responsibility and authority for the conduct of the facility or service; the owner of the business. The licensee must be the entity to whom the Certificate of Need is issued.)
- (c) Complete title of the licensee's governing body.
- (d) Name, title and mailing address of presiding officer of the governing body.
- (e) Name and mailing address of all persons and/or legal entities having any ownership interest or ownership interest or owner's equity of the licensee to include a schedule of percent and type of ownership claim of each.
- (f) Name and mailing address of all persons and/or legal entities claiming liabilities of the licensee or of the facility or service for which this Certificate of Need is requested to include a schedule of percent and type of claim of each.
- (g) Provide a listing which identifies all officers of the licensee.
- (h) Is the land and/or building on/in which the proposed facility or service to be conducted owned by the applicant? YES NO. If no, provide information on the land and building similar to the required in (b) through (g) above.
- (i) Has the licensee engaged an entity other than an employee of the licensee to manage or operate the facility or service? YES NO. If yes, provide information similar to that required in (b) through (g) above.
- (j) Is there any agreement, contract, option, understanding, intent or other arrangement that will effect a change in any of the information requested and/or provided in (b) through (g) above? YES NO. If yes, provide information similar to that required in (b) through (g) above.
- (k) Provide a complete listing of all existing licensed health care facilities and/or services and Certificates of Need in which the proposed licensee currently has an ownership interest, to include names and addresses of each facility or service. In the cases of Certificates of Need for undeveloped facilities and services, provide the name, address, and telephone number of a contact person representing the authority which issued the Certificate of Need.
- (l) Should the licensee be a subsidiary corporation, provide a diagram of the licensee's relationship to the parent corporation and list the name and address of the parent corporation as well as the corporation which has ultimate control. In addition, please provide the name and mailing address of all persons/legal entities having ownership interest of 5 percent or more or any person with any agreement, contract, option, arrangement, or intent to acquire ownership interest of 5 percent or more, of all corporations in the corporate organizational structure which have ultimate control of the licensee.