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May 01 2018

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

April 30, 2018

809 University Blvd. E.  
Tuscaloosa, AL 35401  
205.759.7111

Alva Lambert, Executive Director  
State Health Planning and Development Agency  
100 North Union Street, Suite 870  
Montgomery, AL 36104

RE: Request for Determination of Exemption Status for Replacement Equipment;  
DCH Health System – Lewis & Faye Manderson Cancer Center

Dear Mr. Lambert,

On behalf of DCH Health System – Lewis & Faye Manderson Cancer Center, please accept the attached Request for Determination of Exemption Status for Replacement Equipment pursuant to Chapter 410-1-5 of the Certificate of Need Rules and Regulations. If exemption status is granted, the DCH Health System – Lewis & Faye Manderson Cancer Center will replace an aging Clinac IX Linear Accelerator with a Varian TruBeam System 120 NLC Linear Accelerator. This cutting edge technology provides faster, safer high-dose radiation treatments and is capable of treating more disease sites than the existing equipment. The total cost of the replacement equipment is \$4,075,717.00. In order to accommodate the new equipment, existing shelled space will have to be built out into a treatment room. The estimated cost of that construction is \$900,000.00, which falls well below the current other capital expenditure threshold for a Certificate of Need.

Thank you for your consideration of our request and we would respectfully request a favorable determination of exemption status for this essential equipment needed in our cancer treatment facility. If you have any questions, or need additional information, please do not hesitate to call me at 205-759-7357 or Stephanie Craft at 334-271-8820.

Sincerely,

A handwritten signature in black ink that reads "Donna Marrero". The signature is written in a cursive, flowing style.

Donna Marrero, MHA, FACHE  
Vice President – Outpatient/Ancillary Services

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STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

State Health Planning and Development Agency

Mailing address: Post Office Box 303025 Montgomery, Alabama 36130-3025

Street address: 100 North Union Street, Suite 870, Montgomery, Alabama 36104

Request# EQR 2018-001
Date Rec.
Received by: DLC

REQUEST FOR DETERMINATION OF EXEMPTION STATUS

FOR REPLACEMENT OF EXISTING EQUIPMENT

A filing fee the amount of \$ 4,540.60 has been submitted with this application

REQUESTER IDENTIFICATION (Check One) HOSPITAL (X) NURSING HOME( )

OTHER ( ) (Specify)

A. DCH Health System- Lewis & Faye Manderson Cancer Center

Name of requester
801 University Blvd. E. Tuscaloosa Tuscaloosa
Address City County

B. Lewis & Faye Manderson Cancer Center

Name of Facility/Organization (if different from A)
809 University Blvd E. Tuscaloosa Tuscaloosa
Address City County
Alabama 35401 (205) 759-7800
State Zip Phone

C. Name of Legal Owner (if different from A or B)

Address City County
State Zip Phone

D. Donna Marrero Vice President Outpatient/ Ancillary Services

Name and Title of Person Representing Proposal and With Whom SHPDA Should Communicate
809 University Blvd E. Tuscaloosa Tuscaloosa
Address City County
Alabama 35401 (205)759-7357
State Zip Phone

DESCRIPTION OF EQUIPMENT TO BE REPLACED    DESCRIPTION OF PROPOSE NEW EQUIPMENT

A. Manufacturer

Varian Medical System  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Varian Medical Systems  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. Model:

Clinac IX  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TrueBeam System 120 NLC  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Name of equipment:

IX  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Fair market value of equipment at present:

Trade in value to Varian \$230,000  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E. Cost of equipment (include written price quote):

\$4,075,717 includes trade in old equipment  
\_\_\_\_\_  
\_\_\_\_\_

F. Describe use of current equipment:

The equipment delivers high radiation doses for the treatment of cancer patients.  
\_\_\_\_\_  
\_\_\_\_\_

Describe use of proposed equipment:

Same as above  
\_\_\_\_\_  
\_\_\_\_\_

G. List any attachments or additional procedures associated with this equipment that could not be performed by old equipment:

(N/A)  
\_\_\_\_\_  
\_\_\_\_\_

H. Can any procedures be performed with the proposed new equipment that cannot be performed with the replaced equipment? If yes, describe in detail:

No except: Faster, Safer with millimeter precision

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I. Location of existing equipment (include room#):

Manderson Cancer Center, 809 University Blvd. E. Tuscaloosa AL, 35401

Main level in radiation oncology

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J. List specially trained or qualified personnel necessary for operation of equipment:

Medical Physicist, Radiation Therapist, and Dosimetrist

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K. What use will be made of old equipment when replaced?

(Trade in on new equipment, used as back up, save for parts, etc.)

Traded in on the purchase of the new technology (TrueBeam) \$230,000

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L. List job titles of any additional personnel that will be required to operate the new equipment.

None

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M. Describe any renovation or new construction that will be necessary for the installation of the Replacement equipment and cost:

Vault in Radiation Oncology currently shelled area that will need to be built out into a treatment room.

Estimated construction cost \$900,000

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N. Describe any new annual operating cost associated with this project such as maintenance contracts, salaries of new employees hired due to equipment, etc.

Maintenance contract for TrueBeam, but the current contract for the IX will go away with the trade in

Current: IX is \$200,000 Annually

New TrueBeam will be \$330,000 Annually

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III. COST

A. Equipment Costs (Costs have to be supported by price quote on manufacturer's stationary or letterhead.) Cost of equipment only; do not list lease cost.	<u>\$ 4,305,717</u>
B. Less trade-in of old equipment	<u>\$ 230,000</u>
C. Total cost of equipment	<u>\$ 4,075,717</u>

Calculation of fee for this determination:

Multiply dollar amount in III.C. (total cost of equipment) times 1% (the application fee for a Certificate of Need); 20% of this amount is the application fee for non-rural hospitals.

For rural hospitals, the application fee is 25% of the application fee as calculated above for non-rural hospitals.

Include manufacturer's literature on old equipment, if available, and the equipment.

Include any other information pertinent to the determination.

The Executive Director may request any other information which is relevant to his decision.

IV. CERTIFICATION

I certify that the information provided herein is true and correct and that there is no additional information which would be pertinent to this application which has not been provided. Further, I understand that any misrepresentation on this application or failure to include relevant information may void any favorable determination secured by such misrepresentation omission.

Donna Marrero

Signature of Applicant

DONNA MARRERO, VP

Applicant's Name and Title

(Type or Print)

Sworn to and subscribed before me this  
30<sup>th</sup> day of April, 2018.

Elizabeth A. Brown  
Notary Public (affix seal on original)

