Novant Health Huntersville Medical Center
Written Comments in Opposition
Carolinas Imaging Services, LLC – Huntersville
Project ID. No. F-11182-16
Filed: July 1, 2016

The 2016 State Medical Facilities Plan ("SMFP") identifies the need for one fixed MRI scanner in Mecklenburg County. Two applicants submitted certificate of need applications for the fixed MRI need determination. Novant Health, Inc. and Novant Health Huntersville Medical Center ("NHHMC") are requesting the approval of a second fixed MRI scanner in an outpatient setting in order to meet the high demand for MRI services at its existing facility. Carolinas Imaging Services, LLC ("CIS"), a joint venture between The Charlotte Mecklenburg Hospital Authority d/b/a Carolinas Healthcare System ("CHS") and Charlotte Radiology, P.A. ("CR"), has filed an application to acquire a fixed MRI scanner at an existing outpatient diagnostic center in Huntersville (CIS-Huntersville) that is currently served by one of CIS's mobile MRI units. As set forth in the following written comments regarding CIS-Huntersville's application, CIS fails to demonstrate the need for the project and its application should be denied. Based on years of growing MRI volumes at NHHMC, NHHMC has clearly demonstrated the need for a second fixed MRI scanner, and its application should be approved.

Criterion (3): CIS Does Not Demonstrate the Need for its Proposal.

A. CIS Abandoned Fixed MRI Service at Huntersville Years Ago, and Nothing Has Changed Showing Why It Needs to Restore Fixed MRI Service Now.

The Agency should first consider that CIS has previously admitted that its chosen location in Huntersville, 16455 Statesville Road, does not need a fixed MRI scanner. In Project I.D. No. F-7167-04, CIS was approved for a fixed MRI scanner at 16455 Statesville Road, Huntersville. This is the exact same address listed on page 115 of Section XI of the CIS application. CIS operated the fixed scanner at 16455 Statesville Road from approximately 2006 until sometime in 2008. In January 2008, CIS filed a declaratory ruling request in which it sought permission to move the scanner from 16455 Statesville Road to the Ballantyne area of Charlotte. See Exhibit A. This request was approved in March 2008. See Exhibit B. By July 2008, CIS moved the scanner to Ballantyne. See Exhibit C (page from Table 9K in the 2010 SMFP, documenting the relocation of Project I.D. No. F-7167-04). On page 17 of the CIS application, CIS states:

> *"CIS-Huntersville is more than capable of operating a fixed MRI unit. In fact, the proposed location for the fixed MRI scanner as proposed throughout this application*

previously housed a fixed MRI unit that was relocated in 2008 to meet the immediate needs of CIS-Ballantyne."

On page 19, CIS acknowledges:

> *"CIS-Huntersville operated a fixed MRI scanner prior to initiation of the mobile MRI service in 2008, when the fixed MRI scanner was relocated from CIS-Huntersville to CIS-Ballantyne. The proposed fixed scanner will be housed in the same space in which the previous fixed scanner was housed."*

The declaratory ruling request states:

> *"The Ballantyne location is a high growth area and the volume of patients being seen by the Ballantyne physicians is increasing dramatically. CIS in this request proposes to relocate the existing fixed MRI scanner at NorthCross [Huntersville] to Ballantyne and replace the fixed MRI service at NorthCross with mobile MRI service provided by CIS Unit 2 as described above. These relocations will allow CIS to meet the overwhelming demand at Ballantyne by utilizing its existing resources."*
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> ***
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> *"CIS is proposing to acquire a G.E. 1.5 Tesla (see attached Exhibit #5) mobile MRI scanner which is comparable to the NorthCross fixed MRI scanner. Mobile MRI service will be offered at NorthCross 3 days per week (Monday-Friday). This level of mobile service is consistent with the volume we are experiencing at NorthCross."*

See Exhibit A, page 3.

The declaratory ruling itself states that "CIS now seeks to relocate the Fixed Unit to an existing diagnostic imaging center at its Ballantyne site. . . . CIS states that the purpose of this relocation is to meet growth in demand at the Ballantyne site." See Exhibit B, page 3. Thus, there was no longer a need for a fixed unit CIS-Huntersville *and CIS made the decision to remove the fixed scanner from CIS-Huntersville*. From 2008 to the present, CIS has been using one of its mobile scanners at CIS-Huntersville.[1] As discussed in greater detail below, the mobile scanner has more than sufficient capacity to meet volumes at CIS-Huntersville.

[1] Since CIS owns the mobile scanner, replacing mobile service with fixed service at Huntersville is not a cost savings measure that would allow CIS to eliminate the costs of contracting with a third party vendor.

No one forced CIS to relocate the fixed scanner from Huntersville to Ballantyne; this was CIS's choice.[2] As the declaratory ruling request indicates, relocating the scanner cost approximately $186,185, a not insignificant sum. See Exhibit A, page 3. The mobile scanner would need to be moved at least once a week and could not be onsite at CIS-Huntersville 24/7/365. It is therefore reasonable to expect CIS carefully weighed the pros and cons of relocating the fixed scanner from Huntersville to Ballantyne before proceeding to do so. After experiencing a year or so of fixed MRI service at CIS- Huntersville, CIS determined that the fixed scanner was better placed 30 miles away in Ballantyne. If the fixed scanner was needed in Huntersville, CIS never would have moved it.

The Agency should carefully examine whether anything has changed since 2008 that would justify CIS's claim that it now needs fixed MRI service at the very same location it previously determined no longer needed fixed MRI service. While CIS discusses population growth in the northern Mecklenburg-southern Iredell area (see application, page 52), population growth in that area is nothing new; the area has been characterized by strong population growth since the 1990s. As evidence of this, NHHMC opened in November 2004, and CIS itself installed the fixed scanner that is the subject of the declaratory ruling request sometime in 2006. However, in the face of growing population, CIS decided that it no longer wanted to offer fixed MRI service at its location in Huntersville, and that the fixed scanner would be better utilized in Ballantyne. See Exhibit A. Population growth in the Huntersville area was not a compelling enough reason for CIS to continue to offer fixed MRI service, and CIS determined that the growing population would be well served by a mobile scanner. Thus, as far as CIS is concerned, population growth is not a changed circumstance that would justify CIS's newfound interest in fixed MRI services in Huntersville. By contrast, the growing population in the Huntersville area supports NHHMC's proposal, because its fixed MRI volumes in Huntersville have steadily and continually increased over a number of years, and demonstrate that NHHMC needs a second fixed MRI scanner.

CIS also discusses MRI growth at CHS facilities in Mecklenburg County. See application, page 40. The applicant is CIS, not CHS, and it is important to keep this distinction in mind. See application, page 4. CIS is a separate legal entity from CHS. CIS, the applicant, must

[2] The declaratory ruling request and the ruling refer to the fact that in December 2007, the Agency had sent CIS a notice that it was considering the withdrawal of the CON for Project I.D. No. F-7040-04, the mobile unit that now serves CIS-Huntersville. See, e.g., Exhibit B, page 2. This does not, however, mean that CIS was required to relocate the fixed scanner to Ballantyne. The declaratory ruling request itself makes clear that relocating the fixed scanner to Ballantyne was a business decision that CIS made because it believed that Ballantyne had a greater need for fixed MRI services than Huntersville. See Exhibit A.

demonstrate the need for *its* project at *its* chosen location. CIS cannot "piggyback" onto CHS's MRI volumes to mask the deficiencies in the CIS-Huntersville application.

CIS states that the mobile unit serving Huntersville "does not have the latest technology, thereby limiting its capabilities, and its small size makes it uncomfortable for larger patients and those who are claustrophobic." See application, page 18. Yet CIS states elsewhere in the application that it still intends to use the mobile scanner at CMC in Charlotte and CHS-Pineville, for a total of six days of service per week. See application, page 35 and Exhibit 8, page 248. CMC is a busy tertiary facility and CHS Pineville is a busy suburban hospital. Neither hospital is likely to use outdated imaging equipment that is ill-suited for a variety of patient types, including larger patients and claustrophobic patients. Thus, contrary to CIS's arguments, the CIS mobile scanner is not obsolete.[3] But even if the Agency credits CIS's statements, CIS always has the option to replace the mobile scanner with a newer model. In Novant Health's experience, replacing a mobile MRI scanner should cost less than $2 million, so the transaction would be exempt from CON review. See N.C. Gen. Stat. § 131E-184(a)(7). Nowhere in the application does CIS discuss this option.

CIS emphasizes that the proposed fixed scanner will be useful for larger patients and claustrophobic patients. See, e.g., application pages 18-19; 23. Similar to CIS's references to the growing population, the presence of larger patients and claustrophobic patients is not a changed circumstance justifying CIS's proposal. It is likely that the fixed scanner at CIS-Huntersville was serving some larger patients and claustrophobic patients in 2008 when CIS made the decision to discontinue fixed service at Huntersville. It is also likely that CIS-Huntersville continues to serve some larger patients and claustrophobic patients with the mobile scanner. In fact, the declaratory ruling request states that the mobile scanner is "comparable" to the fixed scanner. See Exhibit A, page 3. While CIS vaguely mentions "referring out" some larger patients and claustrophobic patients, see application, page 19, it is not clear whether this has actually happened during the time CIS has had mobile service at CIS-Huntersville, and if it has happened, how often it has happened, or whether any such referrals occurred because of the mobile scanner itself or for other reasons, such as co-morbidities that required that the patient receive a scan in a hospital setting. As discussed in greater detail below, the fixed scanner CIS proposes to acquire does not offer any special features specifically designed to benefit larger patients and claustrophobic patients. The proposed fixed scanner has a 60 cm (closed) bore and only a 350 lb table weight. See Exhibit 5 to CIS Application, p. 5. This is exactly what CIS has now on its mobile scanner that serves CIS-Huntersville. Thus, the claim that CIS needs a fixed scanner at CIS-Huntersville in order to accommodate larger patients

[3] Notably, the providers who signed letters of support for the CIS project (see application, Exhibit 20) do not express concerns about the technology on the CIS mobile scanner, and they do not mention any problems with the treatment of larger patients and claustrophobic patients on the CIS mobile scanner. While the letters state that "the addition of a fixed MRI scanner will enable CIS-Huntersville to ensure ongoing and continued access for all those in need of MRI services," the proposed CIS scanner will not serve Medicaid patients, see application, page 97, so Medicaid patients in need of MRI services will not be seen at CIS-Huntersville.

and claustrophobic patients is simply unsupported.[4] By contrast, NHHMC proposes to acquire a 70 cm open bore scanner with a 550 pound table capacity.

CIS also states that it is "inconvenient and inefficient" for patients and staff to exit the building to walk "some distance" (unspecified) to the mobile trailer. See application, page 18. CIS knew in 2008 when it voluntarily relocated the fixed scanner to Ballantyne that patients and staff would need to leave the building if CIS implemented mobile service in Huntersville. CIS still proceeded to relocate the fixed scanner to Ballantyne. Concerns about convenience and efficiency were insufficient to keep fixed MRI service at CIS-Huntersville in 2008, and they do not provide changed circumstances justifying CIS's proposal in 2016.

On page 23 of the application, CIS talks about the insurance advantages of freestanding fixed MRI facilities, and states that "there are no existing freestanding fixed MRI scanners in northern Mecklenburg County." It is ironic that CIS would now tout this as an advantage, when it decided in 2008 that northern Mecklenburg County did not need a freestanding fixed MRI scanner. The NHHMC proposal is for a freestanding fixed MRI scanner, so approving the NHHMC proposal offers many of the advantages CIS expressly abandoned in 2008. Moreover, and unlike CIS, NHHMC will be serving Medicaid patients with its second fixed MRI scanner as it does currently and will continue to do with its existing fixed MRI scanner. See CIS application, page 97.

In sum, CIS voluntarily walked away from fixed MRI service in Huntersville in 2008. Nothing has changed in the last eight years demonstrating why it needs fixed MRI service now. As discussed in greater detail below, its mobile volumes indicate that there is more than enough capacity on the mobile scanner to meet the needs of the patients CIS serves in Huntersville.

B. CIS's MRI Volumes at CIS Huntersville Do Not Demonstrate a Need for a Fixed Scanner.

Table 1 below outlines the historical MRI volume at CIS-Huntersville since 2008.

Table 1: Historical MRI Volume at CIS-Huntersville

YEAR	CIS-Huntersville Weighted MRI Volume
FY 2008-09	1129
FY 2009-10	1220

[4] Contrary to CIS's suggestion that mobile scanners are ill-suited for larger patients and claustrophobic patients. Siemens and Philips both manufacture 70 cm bore mobile scanners with table weight limits up to 550 lb. These scanners also have metal artifact reduction capability such as CIS references in its application. See application, page 23.

FY 2010-11	1391
FY 2011-12	1654
FY 2012-13	1678
FY 2013-14	2018
FY 2014-15	2621
3/2015-2/2016	Data not provided in CIS application

Source: 2011-Draft 2017 State Medical Facilities Plan

As shown in Table 1, the weighted MRI volume at CIS-Huntersville remained under 2,000 weighted scans until recently. Yet CIS predicts that this scan volume will essentially double to 5,242 weighted scans in 2020. See application, page 78. As discussed below in greater detail, this is unreasonable.

CIS's historically low volume stands in stark contrast to NHHMC's MRI volume:

Table 2: Comparison of Historical MRI Volumes at NHHMC and CIS-Huntersville

YEAR	CIS-Huntersville Weighted MRI Volume	% of Maximum Capacity for Fixed MRI Scanners (6864 weighted scans)	NHHMC Weighted MRI Volume	% of Maximum Capacity for Fixed MRI Scanners (6864 weighted scans)
FY 2009-10	1220	17.7%	7,205	105.0%
FY 2010-11	1391	20.3%	7,021	102.3%
FY 2011-12	1654	24.1%	7,356	107.2%
FY 2012-13	1678	24.5%	7,256	105.7%
FY 2013-14	2018	29.4%	7,173	104.5%
FY 2014-15	2621	38.2%	7,431	108.2%

Likewise, the two CIS outpatient fixed MRI scanners have yet to exceed 4,000 weighted MRI scans over numerous reporting cycles.

Table 3: Outpatient MRI Volume at CIS-South Park and CIS-Ballantyne

YEAR	CIS-South Park Weighted MRI Volume	% of Maximum Capacity for Fixed MRI Scanners (6864 weighted scans)	CIS-Ballantyne Weighted MRI Volume	% of Maximum Capacity for Fixed MRI Scanners (6864 weighted scans)
FY 2008-09	3,223	47%	2,097	31%
FY 2009-10	2,850	42%	1,931	28%
FY 2010-11	2,990	44%	2,229	32%
FY 2011-12	3,135	46%	2,391	35%
FY 2012-13	2,823	41%	2,864	42%
FY 2013-14	2,878	42%	2,946	43%
FY 2014-15	3,317	48%	3,513	51%
3/2015-2/2016	3,510	51%	3,826	55%

Source: 2011-Draft 2017 State Medical Facilities Plan

According to information from CIS, the mobile MRI unit is available onsite at CIS-Huntersville five days per week, for a total of 48 hours per week. See application, page 20. The proposed project will only increase the actual time of service by 18 hours per week, with the majority of the operational increase occurring due to one additional day of service on Wednesday. CIS fails to explain why it is not capable of expanding mobile MRI service at its Huntersville location since CIS owns and operates the mobile MRI unit that is servicing this site.

Table 4: Current and Proposed Hours of Operation

CIS-Huntersville	Current Mobile Schedule	Proposed Fixed MRI Schedule	Change
Monday	8am-5pm	8am-7pm	+2.0 hours
Tuesday	8am-5pm	8am-7pm	+2.0 hours
Wednesday	---	8am-7pm	+11.0 hours
Thursday	8am-5pm	8am-7pm	+2.0 hours
Friday	7am-7pm	8am-7pm	-1.0 hour
Saturday	8am-5pm	8am-7pm	+2.0 hours
Sunday	----	----	---

Source: CIS Application, page 20.

While CIS notes that the fixed MRI service will offer expanded hours of operation, see application, page 20, Table 1 shows that the historical volumes for the CIS mobile scanner do

not show a need for 66 hours of service each week. However, and to the extent CIS believes that it needs to increase the hours of service provided, there is nothing to preclude it from adding additional hours of service on the mobile scanner, nor would it be difficult to do so. For example, if CIS extended its hours of operation by 2 hours on Monday, Tuesday, Thursday and Saturday (essentially using the 8 am to 7 pm schedule it proposes for the fixed scanner), CIS would gain an additional 8 hours of service each week (56 hours per week total). And if it used the 7 am to 7 pm schedule it uses now on Fridays for the remaining days, CIS would gain an additional 12 hours per week (60 hours per week total). According to the Charlotte Radiology website, CIS-Huntersville is, in fact, open 5 days per week from 7 am to 7 pm, and from 7 am to 5 pm on Saturdays (though it apparently plans to stay open until 7 pm on Saturdays if it is awarded the CON for the fixed scanner). See Exhibit D. None of these options is considered in the CIS Application.[5]

C. CIS Distorted its Mobile Utilization.

CIS owns and operates two mobile MRI units in Mecklenburg County. However, in response to 10A N.C.A.C. 14C.2703(b)(2), CIS states that it "operates one existing mobile MRI scanner in the service area, which serves CIS-Huntersville and St. Luke's Hospital in Polk County, North Carolina". CIS further states that it **"removed from the service area the mobile MRI unit which previously served Carolina Neurological Clinic".** See application, page 32. The mobile MRI unit that served Carolina Neurological Clinic (CNC) was approved by the Certificate of Need Section in 2004 based on Project I.D. No. F-6868-03. According to the 2016 Medical Equipment Inventory Report (10/1/2014-9/30/2015) filed for this mobile MRI unit, its host sites included Carolina Health System - Anson and Carolina Neurological Clinic in Charlotte, which performed a total of 1,237 weighted procedures. This mobile MRI unit reported that it served the Anson site one day per week for 6 hours and two days per week at CNC for 12 hours per day, for a total of 30 hours of service weekly. Based on a review of correspondence with the Division of Health Service Regulation[6], CIS did not request a change of host sites nor indicate this unit would be removed from the service area. Upon information and belief, it appears that Alliance Imaging is now servicing CNC, while the CIS mobile MRI unit is parked in a lot near

[5] On page 46 of the application, CIS claims that the current schedule for the mobile MRI has a wait time of two days. If so, CIS could reduce this wait time, if not eliminate it entirely, by expanding the hours of service and/or offering Sunday service, and/or using the second CIS mobile to fill in on Wednesdays after the mobile lithotripter has left. Further, no information is provided about the number of patients who needed MRI scans "immediately" and had to go elsewhere.

[6] NHHMC reviewed declaratory rulings from January 1, 2014 through May 31, 2016, as well no review requests and exemptions from January 1, 2015 – May 31, 2016 to determine if CIS informed the Agency of its plan to remove the CIS mobile unit from service in Mecklenburg County. There was no information contained on DHSR's website related to this mobile MRI unit.

the garage of the main campus of Carolinas Medical Center.[7] It is apparent, looking at the volume for this mobile MRI unit, that CIS "removed" the mobile MRI unit from the service area in order to avoid responding to the requirements of 10A N.C.A.C. 14C.2703(b)(2). Any such action would be a flagrant disregard for the administrative rules as well as violation of the Certificate of Need law by failing to comply with the requirements of the Certificate of Need for this project to move the mobile MRI unit at least once per week to serve two or more host sites. See Exhibit E for copy of the certificate of need for this project and the 2016 Medical Equipment Inventory Report for the CIS Mobile Unit/F-6868-03.

D. CIS' Projected Utilization is Unreasonable.

The projected utilization for the proposed site, CIS-Huntersville, as well as the remaining CIS and CHS sites in Mecklenburg County is unreasonable in light of statements made by the applicant regarding current demand in its health system. In the third year of operation, CIS proposes that the four hospital sites, CMC, CMC-Mercy, CHS-University and CHS Pineville will experience decreases in each hospital site's fixed MRI volume while the fixed MRI volume at CIS-South Park and CIS-Ballantyne will remain exactly the same as their most recent 12-month utilization as reported on page 31 of the CIS application. The *only* facility that is projected to experience an increase in scan volume is CIS-Huntersville.

Table 5: Comparing Pages 31 and 33 from the CIS Application

Facility	Most Recent 12-Month Data Weighted Scans (pg. 31)	Project Year 3 Weighted Scans (Pg. 33)	% Change
CMC	23,303	20,795	-10.8%
CMC-Mercy	6,059	5,807	-4.3%
CHS University	5,872	5,381	-8.4%
CHS Pineville	10,642	8,995	-15.5%
CIS-Ballantyne	3,826	3,826	0
CIS-South Park	3,510	3,510	0
CIS-Huntersville	2,735*	5,242	92%
CIS Mobile UNIT	3,714	3,417	-8.0%

*Data as reported in Section IV, page 78 of the CIS application for CY 2015.

[7] On page 248 of the application, CIS represents that this "parked" unit is not in Mecklenburg County. CIS states that the "parked" unit will be used to serve St. Luke's Hospital. Thus, there is nothing wrong with the "parked" unit; CIS simply chose to "remove" it from service in Mecklenburg County in order to avoid responding to the requirements of 10A N.C.A.C. 14C.2703(b)(2).

It is simply not reasonable to expect that CIS-Huntersville is going to experience a 92% increase in volume in five years. CIS implicitly acknowledges this because it has projected absolutely no growth at its CIS-Ballantyne and CIS-South Park locations, which are freestanding outpatient imaging facilities with fixed MRI scanners, exactly like CIS-Huntersville. Like CIS-Huntersville, CIS-Ballantyne and CIS-South Park are joint ventures between CHS and CR. It is implausible that CIS-Huntersville will experience sudden, unprecedented growth while its sister facilities under the same ownership and management, and which are also located in growing areas of Mecklenburg County, will have exactly the same weighted scan volume in 2020 that they had from March 2015-February 2016-. The more likely scenario is that CIS-Huntersville's weighted scan volume will be similar to the much more modest volumes that have actually been experienced by CIS-Ballantyne and CIS-South Park. Neither of these facilities has come close to the 5,242 weighted scans that CIS-Huntersville predicts in Year 3 of the project. The modest scan volumes at CIS-Ballantyne and CIS-South Park are also far below the robust volumes that NHHMC has experienced. See Table 2 and Table 3.

CIS fails to explain why it is reasonable to assume that every site, as well as the mobile MRI unit, will experience flat to negative volume trends when the CIS-Huntersville site alone will increase its MRI volume by nearly 100% or approximately 2500 scans. As discussed above under the hours of operation, the proposed project only provides an additional 18 hours of service per week at CIS-Huntersville. Considering CIS-Huntersville's existing level of service, the additional hours of operation are insufficient to support an increase as suggested in the application. Based on the proposed additional service, it would be equivalent to performing 2.7 scans per hour (18 hours per week x 52 weeks per year = 936 hours; 2,507 scans/936 hours= 2.7 scans per hour). This is simply unreasonable based on the experience of CIS-Ballantyne and CIS-South Park. See Table 3. CIS-Ballantyne operates 68 hours per week, and CIS-SouthPark operates 70 hours per week. See Exhibits F and G. Neither of these facilities has historical weighted scan volume close to what CIS-Huntersville projects. Tellingly, CIS does not project that either CIS-Ballantyne and CIS-South Park will have any growth in scan volume over the next five years. See application, pages 31 and 33. The projected volume for each CHS/CIS site appears to be in direct contradiction to statements made by CIS in Section III of its application. For example, on page 40 of the CIS application, it states:

> *". . . CHS and CIS hospital-based and freestanding fixed MRIs have experienced 7.9 percent growth in weighted MRI scans from FFY 13 to FFY 15....As these services develop, hospital-based sites are continuing to provide MRI services to inpatients who are admitted to their facilities. At the same time, CHS hospitals are experiencing growth in inpatient census which requires more diagnostic imaging capacity of inpatients. As a*

result, capacity constraints at hospital-based sites are leading to increasing referrals to freestanding sites for outpatients..."

Based on the information set forth by CIS in its application, as a result of this project, all of the hospital sites will experience decreases in MRI volumes, the existing outpatient sites will remain completely unchanged and CIS-Huntersville alone will experience nearly a 100% increase in MRI volume based on 18 additional hours of service per week. Considering the higher demand for MRI services at CHS acute care facilities, it is unreasonable to project such declines in volume across the board while one low-volume site, CIS-Huntersville, will suddenly experience nearly triple digit growth. The projections set forth for this project are inconsistent with current trends and are contradictory to the statements made by the applicant in Section III of the application.

The unusual decline in MRI volume at the four CHS hospital sites (a total of 4,898 weighted scans, as reflected on Table 5 above) is also contradicted by CIS's statement that it plans to move the mobile now serving CIS-Huntersville to CMC and CHS Pineville. See application, page 35. If scan volume at these two hospitals is projected to decline by 4,155 weighted scans (comparing data shown on pages 31 and 33 of the application), it would not seem necessary to supplement fixed service with mobile service.

As Table 5 above shows, almost 5,000 weighted scans are projected to "disappear" from CHS hospitals by Year 3 of the project. CIS does not explain why this would be reasonable. Nor does CIS explain why it would be reasonable for CIS-Ballantyne's and CIS-South Park's weighted scan volume to remain exactly the same in 2015 and 2020. As Table 3 shows, at no time during eight reporting periods for CIS-Ballantyne and CIS-South Park have the volumes remained the same year over year, or for any five year period. CIS's unusual volume forecasts cannot be explained by the "volume shift" (see discussion in Section F. below) nor can they be rationalized on the basis of conservatism. The only reasonable explanation is that CIS artificially lowered the volumes so it could achieve 4,805 weighted MRI procedures at CIS-Huntersville by Year 3. See 10A NCAC 14C.2703(b)(3)(E).

While CIS projects a loss of almost 5,000 weighted scans at CHS hospitals by Project Year 3, CIS argues at the same time that its MRI volumes, when combined with CHS's MRI volume, is more significant than the MRI volume of Novant Health facilities in Mecklenburg County. See application, pages 40-44. This argument is both contradictory and misleading. CIS cannot rely on what it describes as "dramatic growth" of MRI volumes at the CHS hospitals and the CIS freestanding sites (application, page 40), when it asserts, just seven pages earlier (application,

page 33), that utilization will plummet in the case of the hospitals and stop growing at all in the case of the freestanding sites.

CIS's argument is also misleading because CIS is the sole applicant for the CIS-Huntersville project. See application, page 4. The matter to be decided in this review is which applicant demonstrated the need for its proposed project. The issue is not which system needs a fixed MRI scanner more. Both applicants have determined that a fixed MRI scanner is needed in Huntersville, though as discussed above, CIS abandoned Huntersville as a fixed MRI site in 2008. A side by side comparison of historical MRI volume at NHHMC and CIS-Huntersville clearly demonstrates the overwhelming need that NHHMC has for a new fixed MRI scanner.

Table 6: Side by Side Comparison of CIS-Huntersville and NHHMC

YEAR	CIS-Huntersville Weighted MRI Volume	% of Maximum Capacity for Fixed MRI Scanners (6864 weighted scans)	NHHMC Weighted MRI Volume	% of Maximum Capacity for Fixed MRI Scanners (6864 weighted scans)
FY 2009-10	1220	17.7%	7,205	105.0%
FY 2010-11	1391	20.3%	7,021	102.3%
FY 2011-12	1654	24.1%	7,356	107.2%
FY 2012-13	1678	24.5%	7,256	105.7%
FY 2013-14	2018	29.4%	7,173	104.5%
FY 2014-15	2621	38.2%	7,431	108.2%

Source: SMFP

In a further effort to confuse the issue, CIS contends "the need for an additional MRI scanner in the county is most heavily influenced by the volume at CHS and CIS" (see page 44). CHS is not the applicant here, and CIS-Huntersville's modest MRI volumes hardly "influenced" the need in the 2016 SMFP for 1 additional MRI scanner in Mecklenburg County. Moreover, in its analysis of Criterion (3), the Agency does not consider whether the applicant "influenced" the need determination. Rather, the Agency considers whether the applicant has provided reasonable and supported data and assumptions to demonstrate the need for its proposal. CIS-Huntersville, which is projecting an unprecedented 92% increase in MRI volume over five years, has not done so.

NHHMC does not need to resort to unsupported assumptions and hyperbole to demonstrate the need for its proposal. NHHMC clearly has substantially more MRI volume being performed

at its facility in Huntersville. NHHMC's one fixed MRI scanner operates over 100 hours per week and has recently added mobile MRI service as a temporary measure to assist with the extremely high demand for MRI services at NHHMC. The performance of CIS-Huntersville is not even close to that of NHHMC. The disparity between the two applicants is underscored by the following facts: (1) CIS voluntarily abandoned fixed MRI service in Huntersville in 2008; (2) CIS never mentions expanding the hours of mobile MRI service at CIS-Huntersville; and (3) CIS took its other mobile MRI scanner out of the service area. See application, page 32.[8]

Notwithstanding the present circumstances which require the immediate need for an additional full-time fixed MRI scanner at NHHMC, the CON-approved acute care bed and operating room expansion at NHHMC will have a dramatic impact on the imaging demands at NHHMC. The development of the acute care bed and operating room expansion at NHHMC will create a critical need for an additional fixed MRI scanner on campus. Even CIS acknowledges the growing demand for MRI services in acute care facility settings:

> *". . . CHS hospitals are experiencing growth in inpatient census which requires more diagnostic imaging capacity for inpatients. As a result, capacity constraints at hospital-based sites are leading to increasing referrals to freestanding sites for outpatients."* CIS Application, page 41.

This statement by CIS highlights the critical situation that exists at NHHMC. Inpatient demand at NHHMC has risen at such rate that it required an expansion of acute care and operating services. Without the necessary approval to acquire a second fixed MRI scanner, NHHMC will be substantially hampered in its ability to fully provide timely accessibility to MRI services for its inpatients and outpatients. The approval of CIS' application will not improve accessibility for both inpatients and outpatients and will result in a nominal increase of 18 hours of service per

[8] Removing the other mobile scanner from the service area not only flouts 10A NCAC 14C.2703(b)(2), but also shows a lack of demand for the service. With two mobile MRI scanners at its disposal, CIS could have 6 or possibly even 7 days of MRI service at CIS-Huntersville, if it wanted to operate on Sunday. The other mobile scanner is approved to serve CIS-Huntersville. See Exhibit A, page 2. While CIS says that a mobile lithotripter visits CIS-Huntersville on Wednesdays, it is not clear that the mobile lithotripter visits CIS-Huntersville every Wednesday or that the mobile lithotripter stays all day on Wednesday. According to draft Table 9A that will be used in the draft 2017 SMFP, only 112 lithotripsy procedures were performed at CIS-Huntersville in 2015. Assuming 50 weeks of service, this equates to 2.2 procedures per visit. Since a lithotripsy procedure takes approximately 45 minutes to an hour, see https://www.nlm.nih.gov/medlineplus/ency/article/007113.htm, it seems unlikely that the mobile lithotripter stays at CIS-Huntersville all day on Wednesday. This creates opportunity for CIS-Huntersville to provide MRI service on Wednesdays.

week in the Huntersville area, compared to a full 66 hours of additional service availability at NHHMC.[9]

E. CIS's Proposed Equipment Does Not Help CIS Demonstrate the Need for Fixed MRI Service at CIS-Huntersville.

CIS acknowledges that ". . . mobile MRI units represent an appropriate and effective means of delivering and providing access to MRI services at lower volume sites[.]" See page 45 of the CIS application. Given this statement, CIS fails to adequately demonstrate why its low-volume site in Huntersville cannot continue to utilize mobile MRI service, particularly when the primary change in the proposed schedule for the facility is one additional day of service per week. One of the advantages touted by CIS is that the proposed MRI equipment is technically superior to current equipment utilized at CIS-Huntersville, and as result CIS will be better able to serve patients. However, a review of the equipment specifications for both the proposed and existing equipment indicate that the proposed equipment is not a wide-bore unit but rather the same bore size as the existing mobile unit. This means that the proposed MRI unit will not offer the facility any new advantages in the capability to scan larger patients and claustrophobic patients as suggested on pages 19 and 47 of the CIS application. By contrast, NHHMC proposes to acquire a 70 cm open bore scanner.

On page 57 of the application, CIS suggests that given what it perceives as deficiencies of the current mobile MRI unit, it can expect an increase in referrals based on the following factors:

- *"... many patients, particularly larger patients or those who experience claustrophobia prefer a wider bore magnet, as proposed in this application, over the magnet currently provided by the mobile services."*

  As discussed above, the bore size of the current and proposed MRI units are exactly the same and therefore the proposed MRI unit will not offer any "wide-bore" advantages for CIS' patients.

- ". . . the proposed fixed MRI unit will be operational 66 hours per week, or 18 hours per week longer than currently available. This 38 percent increase in hours is also expected to result in a greater number of referrals."

[9] However, as discussed above, CIS projects that the weighted scan volumes at the CHS hospitals will go down, and that the weighted scan volumes at its two existing freestanding centers, CIS-Ballantyne and CIS-South Park will be the same in 2020 as they were in 2015. See pages 31 and 33 of the CIS Application. The only facility projected to experience any growth is CIS-Huntersville.

As an owner/operator of the existing mobile MRI service, CIS has not explained why the service at CIS-Huntersville cannot be supplemented with its existing mobile MRI unit due to the proposed nominal increase in hours per week.

- ". . . CIS-Huntersville does not currently offer MRI services on Wednesday as a mobile lithotripsy service occupies the mobile pad on that day. The proposed fixed unit will be available to schedule patients on Wednesdays which is expected to result in increased referrals."[10]

CIS-Huntersville projects an increase of over 2500 MRI procedures by Year 3 of operation. The applicant has failed to demonstrate that the primary increase of one day of service at the site will increase scan volume by nearly 100%.

F. The Projected Shifts in Referral Volume Are Unreasonable.

In support of its projections, CIS contends that it will shift MRI volume from three CHS hospitals in Mecklenburg County to the proposed scanner. See application, page 59. On page 61, CIS indicates that during CY 2015 there were 1,834 scans performed at CMC, CMC-Mercy and CHS University and that could have been appropriately performed on a fixed MRI scanner at CIS-Huntersville. CIS then applies separate growth rates for outpatient contrast scans and outpatient non-contrast scans to the projected shift of patients based on the changes in those volumes at CIS-Huntersville. CIS estimates that it will only serve 50% of this patient population at ramp-up rates of 80%, 90% and 100%. See application, pages 61 and 62.

There are at least three problems with CIS's "volume shift" argument. First, it confirms what is already evident in CIS-Huntersville's historical MRI volumes. Even with five days per week mobile MRI service, CIS-Huntersville's volumes are quite modest. Therefore, in order to make the proposed project work, CIS must try to shift volumes from other facilities. See application, page 55, showing that without volume shifts, CIS's project will not meet the performance standard of 4,805 weighted scans in Year 3. CIS's approach is inherently speculative. Just because a patient happens to live in CIS-Huntersville's service area and received an MRI at CMC-University, for example, does not mean the patient will necessarily choose CIS-Huntersville in the future for MRI scans. The applicant relies on CHS's extensive network of physicians, and cites its referring physician letters in Exhibit 20. But only 10 providers[11] submitted letters of support, and none of these providers states that he or she sees patients from the Huntersville area who now receive MRI scans at CMC, CMC-Mercy or CHS University.

[10] See footnote 5 regarding lithotripsy.

[11] One physician, Sanjay Iyer, M.D., submitted three letters. See application, Exhibit 20, pages 384, 387-388,

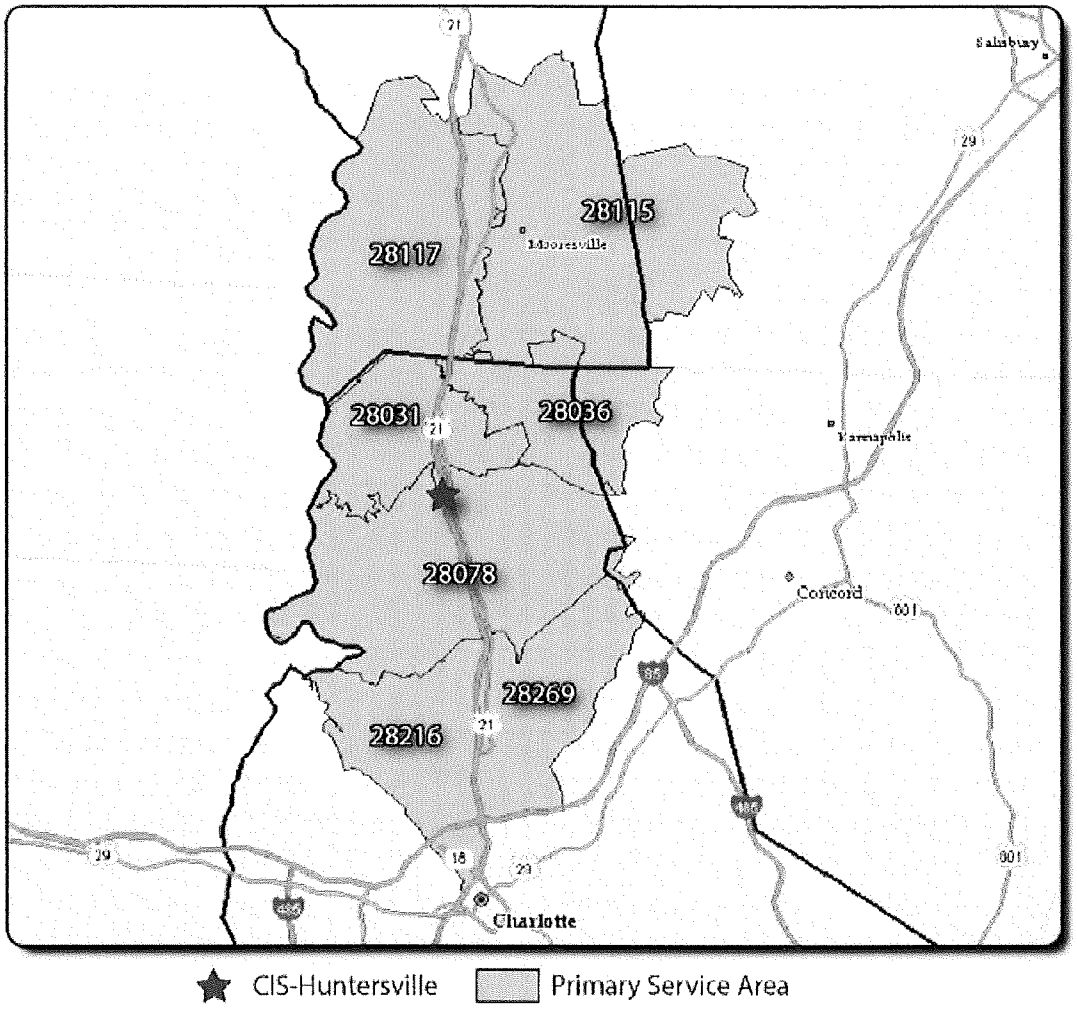
Rather, each of these providers states that he or she refers patients to the mobile scanner at CIS-Huntersville. The application provides no volume shift information for CIS-Ballantyne or CIS-South Park to substantiate CIS's assumptions. For example, in the first three years of fixed MRI service at these facilities, was there an MRI volume shift from CHS hospitals to these facilities? No such speculation exists in the NHHMC application; as shown by the extremely high volumes at NHHMC, the demand is already there.

Second, CIS fails to explain why it is reasonable to increase the shifted patients by the facility-specific rates experienced at CIS-Huntersville. Based on CY 2015 data, CIS states the scan volume for those patients to be shifted accounted for 1,834 scans and it projects that volume will increase by 21% to over 2,200 scans in Year 1 of the proposed project. CIS fails to provide any historical patient information beyond CY 2015 to demonstrate that the MRI patients from CIS-Huntersville's defined service area (the shifted patients) have grown at a rate that is consistent with the projected increases in the CIS application.

Third, the projected numbers and narrative in Section III appear to be at odds and should be considered unreliable in the evaluation of CIS-Huntersville's demonstration of need.

On page 58, CIS states:

"For purposes of the projections in this application, CIS-Huntersville conservatively assumes that its future increase in referrals will be attributable only to patients that originate from its primary service area."



Note: Map is for representation purposes only.

Based on the information provided on page 57, CIS drew 60.5% of its MRI patient origin from its primary service area during CY 2015 (approximately 1,655 scans).

Using the CY 2015 MRI volume of 2,735 at CIS-Huntersville as a basis, the increase in MRI volume for Year 1 is 1,624 scans, Year 2 – 2,047 scans and Year 3 – 2,507 scans, which according to the applicant would only be from the zip code areas as noted in the map above. Using the data provided in the CIS application, an estimate of the market share would be roughly 0.52% (1655 scans- CY 2015/316,864 residents –est.2015 population). By the third year of the project, this market share would increase to 1.2% (4,162 scans- CY 2020/351,279 – est. 2020 population), which is a significant increase that CIS fails to explain or demonstrate that is reasonable. Furthermore, this is inconsistent with the projected patient shift referenced in pages 61-62. For example, in CY 2020, the shifted patients from the service area will account

for 1,253 scans, not 2,507 scans. Overall, the projections provided by CIS are contradictory and unsupported.

Further complicating the matter is the table on page 247 of the CIS application, which shows the CHS hospital sites having the exact same number of weighted scans in Year 3 as they had in the most recent period, March 2015 to February 2016. See application, pages 30-31 and 246-247. On its face, this appears unreasonable, just as it is unreasonable to project that CIS-Ballantyne's and CIS-South Park's volumes will be exactly the same in 2020 as they were in March 2015-February 2016. The Project Year 3 numbers on page 247 are represented to be prior to projected shifts. See application, page 246. No information is provided explaining why, pre-shifting, volumes would be the same in Project Year 3 as compared to 2015-2016.

As to the shifting of patients, only outpatient scans are projected to shift. On page 250, CIS shows a total of 4,199 scans being shifted from the CHS hospitals to either CIS-Huntersville or to the CIS mobile. However, comparing pages 31 and 33 of the application, the difference in weighted scan volumes for the hospitals in 2015-2016 v. 2020 is 4,898. Thus, even if one assumes solely for argument's sake that the information regarding the volume shifts is reasonable[12], CIS does not explain the difference of 699 scans, leaving the reader to wonder whether inpatient scans are projected to decline, and if so, why. There is nothing in the application to suggest that it would be reasonable to expect inpatient scans to be lower in 2020 than they were in the most recent reporting period. The applicant is required to provide reasonable and supported assumptions, and CIS has failed to do so.

For the reasons discussed above, CIS-Huntersville has failed to adequately demonstrate that a need exists for the proposed project to replace existing mobile MRI service with a fixed MRI scanner in Huntersville and its application should be found non-conforming with Criterion 3.

CIS-Huntersville's project is also non-conforming with the language in Criterion (3) which states: "the applicant...shall demonstrate...the extent to which all residents of the area, and in particular low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved persons." The project does not propose to serve Medicaid patients, and will offer minimal charity care. See application, page 97; see discussion below regarding Criterion (13).

Accordingly, CIS's application should be found non-conforming with Criterion (3).

[12] To be clear, NHHMC makes no such assumption and respectfully submits that the Agency should not make any assumption as to the accuracy of CIS's projected volume shifts.

Criterion (4): CIS Has Not Proposed the Least Costly or Most Effective Alternative.

As required by Criterion (4), CIS-Huntersville fails to demonstrate that it has proposed the "least costly or most effective alternative...to meet the needs for the proposed project." CIS is proposing to spend nearly $2.2 million to re-do a project that it determined in 2008 was not needed. See application, page 106. As discussed above, the mobile scanner CIS is now using at CIS-Huntersville has more than adequate capacity to serve CIS-Huntersville, and CIS can expand the hours and days of service at CIS-Huntersville if it wishes. Spending $2.2 million to resurrect a previously-abandoned project in order to gain 18 more hours per week of MRI service when there are other options available is not the least costly or most effective alternative. Accordingly, CIS's application should be found non-conforming with Criterion (4).

Criterion (5): CIS's Financial Projections Are Unreliable

Since CIS-Huntersville fails to demonstrate need for the proposed project under Criterion (3), the financial projections for the project are unreliable and should result in non-conformity with Criterion (5).

Criterion (13): CIS's Project Does Not Meet the Needs of the Medically Underserved.

The CIS-Huntersville project will not offer expanded accessibility to care for the medically underserved populations as designated in Section VI of the application. On page 88 of the CIS application, "CIS has historically provided substantial care and services to all of the groups mentioned above." However, CIS-Huntersville will not provide MRI service to Medicaid patients at the proposed location due to IDTF concerns. Based on information from the NC DHHS website, the Medicaid population in Mecklenburg County increased by 6.5% in 2015 from 72,654 recipients to 77,368 recipients. The proposed project will not increase accessibility for the Medicaid patient population. The level of service to the indigent populations is also a concern. See Application, page 97. In the last year, CIS-Huntersville as a total facility provided only $46,781 in charity care or 1.2% of net revenue. See application, page 92. The estimated charity care for the MRI service is $30,050, which is approximately **20** scans annually based on the projected average charge of $1463. Comparatively, NHHMC will provide over $500,000 in charity care alone for its MRI services in Year 2. As a total facility, NHHMC provided over $18.5 million in charity care during CY 2015 for the community. The chart below compares the access to the medically underserved groups as proposed by each applicant.

Applicant	NHHMC	CIS-Huntersville
Self Pay/Indigent/Charity	1.91%	0.7%
Medicare/Medicare Managed Care	33.51%	21.1%
Medicaid	3.96%	0.0%
Totals	**39.38%**	**21.8%**

Source: Section VI for each application.

Not only will NHHMC's proposed project provide greater accessibility based on hours of operation, but NHHMC will by far offer enhanced accessibility to MRI services for the medically underserved populations in northern Mecklenburg County. By approving a second fixed MRI scanner at NHHMC, access will increase for both inpatients and outpatients as well as all medically underserved groups. CIS-Huntersville's project will not be capable of providing such far-reaching advantages for the Huntersville community.

Criterion (18a): CIS' Proposal Does Not Promote Competition

CIS's proposal does not promote competition. The current MRI volumes at CIS-Huntersville do not justify adding a fixed scanner. The projected volumes are based on unreasonable and speculative assumptions. This is not a situation in which CIS has no MRI service at Huntersville and is seeking to add MRI services for the first time. Rather, this is a situation in which CIS had fixed MRI services, and decided to relocate the fixed scanner elsewhere. Since that time, CIS has been able to meet the demand for MRI services in Huntersville with a mobile scanner that it has previously admitted is comparable to the fixed scanner it relocated. See Exhibit A. In fact, CIS has access to 2 mobile scanners, one of which it has elected to take out of service. See application, page 32.

CIS discusses the "innovative technologies" offered by its proposal. See application, page 84. While the proposed machine is new, it is not particularly innovative. Contrary to CIS's suggestion, it does not offer any special features designed to facilitate scanning larger patients and claustrophobic patients. Rather, the machine offers the same closed bore magnet that exists on the mobile scanner.

CIS's proposal does not enhance access. It will not serve Medicaid patients. See application, page 97. It will not serve any patients who do not otherwise go to CIS-Huntersville now or to other facilities within the CHS system. See application, page 59. The proposed machine does not offer any special features for larger patients and claustrophobic patients not already found on the existing mobile scanner.

CIS's proposal does not enhance value. While CIS suggests that its proposal is cost effective because CIS will be able to re-use the same space it vacated in 2008, see application, pages 85-86, CIS's position is not correct. CIS incurred costs in 2006 to install the fixed MRI scanner in Huntersville. A short time later, in early 2008, CIS determined that same space did not need a fixed MRI scanner and it subsequently incurred almost $200,000 in costs to remove the fixed MRI scanner from Huntersville. See Exhibit A. Now CIS proposes to incur almost $500,000 in construction costs and architect fees to re-initiate fixed MRI service in that same space. See application, pages 105-106 and Exhibit 17, page 377. This is in addition to the cost of the scanner and other items necessary to implement the service. All told, CIS plans to spend almost $2.2 million to re-do a project it once abandoned because it was not needed. See application, page 106. Viewed in that light, this proposal does not enhance value; to the contrary, it is actually a very expensive "do-over" of a project that CIS abandoned eight years ago.

In 2008, CIS stated that mobile service would be adequate to meet the needs of the patients CIS serves. See Exhibit A. As the volumes in the application demonstrate, that has proven to be the case. CIS again refers to wide bore access, but that is not the machine CIS proposed to buy. As to CIS's claims about lower out of pocket costs, CIS offers no specific details. Moreover, CIS's claims about lower out of pocket costs must be balanced against the fact that the project will not be available to Medicaid patients.

Backed by the resources of CHS, the largest public hospital system in the United States,[13] CIS is more than able to compete against Novant Health and any other provider of MRI services. As evidenced by its voluntary decision to relocate the fixed scanner to Ballantyne in 2008, CIS does not need a fixed MRI scanner in Huntersville in order to compete effectively. NHHMC, with its proven track record of years of growing MRI volumes in Huntersville, clearly needs a second fixed MRI scanner so that it can continue to provide efficient and cost-effective service to residents of Huntersville and surrounding areas.

Comparative Analysis

In competitive reviews, the Agency conducts a comparative analysis of the applications submitted for review.

[13] See Exhibit H, Modern Healthcare, Vol. 46, n. 25, June 20, 2016, page 18.

Geographic Accessibility

The 2016 SMFP contains a need determination for Mecklenburg County. Both NHHMC and CIS-Huntersville have determined that a need exists in northern Mecklenburg County, specifically Huntersville, for a fixed MRI scanner. However, the two proposals are not equal with respect to location. NHHMC is proposing to offer MRI services in a freestanding building on a campus that has demonstrated, over a number of years, a very strong and growing MRI program. The NHHMC proposal will increase access for outpatients, and also improve access for inpatients, as some outpatients now receiving MRI scans in the hospital can receive their scans in the medical office building. The CIS-Huntersville proposal, by contrast, is to serve the exact same site in Huntersville that CIS determined in 2008 no longer needed fixed MRI services and could be efficiently served with a mobile scanner. The CIS-Huntersville proposal will not do anything to improve access for hospital inpatients or outpatients.

Access by the Medically Underserved

APPLICANT	Projected Percentage of Total Procedures Provided to Medicare Recipients	Projected Percentage of Total Procedures Provided to Medicaid Recipients
NHHMC	33.51%	3.96%
CIS-Huntersville	21.1%	0.0%

As shown in the table above, NHHMC projects the higher percentage of services to be provided to both Medicare and Medicaid patients. Therefore, the application submitted by NHHMC is the most effective alternative with regard to access by underserved groups.

Projected Average Gross Revenue Per MRI Procedures

The following table outlines the projected gross revenue per MRI procedure in the third year of operation for each of the applicants.

Third Operating Year	NHHMC	CIS Huntersville
Gross Patient Revenue	$27,713,066	$6,790,919
Unweighted MRI Procedures	8482	4643
Gross Revenue/Procedure	$3,267	$1,463

The projected average gross revenue per MRI procedure does not necessarily reflect the actual charges to each patient. Typically, government and commercial payors reimburse the facility at a reduced rate as evidenced in the deductions from gross revenue. Furthermore, NHHMC's self-pay and indigent patients have access to reduced rates as well.

Projected Average Net Revenue per MRI Procedure

The following table outlines the projected net revenue per MRI procedure in the third year of operation for each of the applicants.

Third Operating Year	NHHMC	CIS Huntersville
Net Patient Revenue	$10,927,661	$3,476,627
Unweighted MRI Procedures	8482	4643
Net Revenue/Procedure	$1288	$749

CIS Huntersville projects a lower average net revenue per MRI procedure than NHHMC.

Projected Average Operating Expense per MRI Procedure

The following table outlines the projected average operating expense per MRI procedure in the third year of operation for each of the applicants.

Third Operating Year	NHHMC	CIS Huntersville
Total Operating Expenses	$1,875,211	$2,463,693
Unweighted MRI Procedures	8482	4643
Operating Expense/Procedure	$221	$531

NHHMC projects a lower average operating expense per MRI procedure than CIS-Huntersville.

Summary

The proposal submitted by NHHMC represents the most effective alternative with regard in this review:

- NHHMC projects a higher percentage of MRI procedures for Medicare recipients.
- NHHMC projects a higher percentage of MRI procedures for Medicaid recipients.
- NHHMC projects a lower average operating expense per MRI procedure.

The proposal submitted by CIS-Huntersville is a less effective alternative in this review:

- CIS-Huntersville projects a lower percentage of MRI procedures for Medicare recipients.
- CIS-Huntersville will not provide service for Medicaid recipients.
- CIS-Huntersville projects a higher average operating expense per MRI procedure.

Conclusion

CIS voluntarily abandoned fixed MRI service in Huntersville in 2008 because it perceived better opportunities elsewhere. Since that time, CIS has used one of its two mobile scanners to serve CIS-Huntersville. The mobile scanner has more than adequate capacity to meet current and future demands. CIS's application fails to demonstrate that anything has changed in the last eight years establishing that CIS needs to restore fixed MRI service at Huntersville.

CIS-Huntersville fails to adequately demonstrate that the need for the proposed project is based on reasonable and reliable projections. The proposed project fails to fully address the significant capacity constraints in the Huntersville area by effectively proposing a mere 18 additional hours of service per week. CIS has access to **two** mobile MRI units in Mecklenburg County and it has the ability to provide CIS-Huntersville with the additional service it is requesting in this application. It appears that CIS has covertly removed the second mobile MRI unit from use in order to skirt the historical mobile MRI threshold requirements in the MRI rules, which is highly questionable and calls into question the veracity of the entire application. The proposed fixed MRI unit, contrary to claims by CIS, is functionally similar to the current mobile MRI unit which cancels out any perceived benefit of replacing the mobile MRI unit. The utilization projections for this project indicate that all other CIS and CHS MRI assets will experience flat to decreasing volumes so that this project can artificially exceed the 4,805 weighted threshold. Overall, the proposed CIS-Huntersville application should be denied because it fails to demonstrate the need the service area has for the proposed project. By contrast, the NHHMC application is based on credible, historical volumes that document a compelling case for a second fixed MRI scanner at NHHMC.

NHHMC Written Comments in Opposition to CIS-Huntersville Attachments	
A	Carolinas Imaging Services, LLC - Declaratory Ruling Request January 4, 2008
B	Declaratory Ruling – March 5, 2008
C	Table 9K from the 2010 State Medical Facilities Plan
D	Facility Information – CIS Huntersville
E	CON for F-6868-03; 2016 Medical Equipment Inventory Reports for CIS Mobile Units
F	Facility Information – CIS-Ballantyne
G	Facility Information – CIS-South Park
H	Modern Healthcare – Under construction: Risk-based reimbursement – June 20, 2016

ATTACHMENT A

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January 4, 2008

VIA HAND DELIVERY
Robert J. Fitzgerald, Director
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N.C. Department of Health and Human Services
701 Barbour Drive
Raleigh, North Carolina 27603

Re: Carolinas Imaging Services, LLC
Request for Declaratory Ruling

Dear Mr. Fitzgerald:

This firm represents Carolinas Imaging Services, LLC ("CIS"). CIS is a joint venture whose members are Charlotte Radiology, P.A. and Charlotte Mecklenburg Hospital Authority d/b/a Carolinas Medical Center. CIS holds 2 certificates of need for mobile MRI's. The first MRI was approved and a CON was issued on October 5, 2004. It is identified as Project I.D. No. F-6868-03. For purposes of this request and consistent with the exhibits referred to herein it will be referred to as "CIS-Unit 1". The second MRI was approved and a CON was issued on November 30, 2004. It is identified as Project I.D. No. F-7040-04. It will be referred to as "CIS Unit 2". This letter is written to request a declaratory ruling to resolve two issues: confirmation of the prior removal of Ashe Memorial Hospital as a host site for Unit 2 and for the approval of the relocation of the fixed MRI scanner, currently located at NorthCross Imaging Center, to CIS's Ballantyne site.

Background – CIS – Unit 2

CIS-Unit 2 was initially approved per its issued Certificate of Need to provide mobile MRI services to three locations: Ashe Memorial Hospital, Jefferson, Carolinas Medical Center-University, Charlotte and Cleveland Regional Medical Center, Shelby. These host sites were subsequently changed as hereinafter described with the approval of the Division of Facility Services ("Agency").

On or about January 27, 2005, CIS filed a Petition for Contested Case Hearing, (05 DHR 0154), challenging the Agency's decision to deny Carolinas Imaging's Application (Project I.D. No.

F-7085-04) for a fixed MRI and to approve the applications of North East Medical Center (Project I.D. No. F-7068-04) and Cabarrus Radiologists (Project I.D. No. F-7088-04). This case was ultimately settled by the parties and the Agency through a Global Settlement Agreement (See attached Exhibit # 1.) As part of that settlement CIS provided settlement information in the form of a letter to the Agency relating to alternative sites for which CIS Unit 1 and Unit 2 would be allowed to provide services (See attached Exhibit # 2.) This letter was provided at the Agency's request for supplemental information in order for CIS to be permitted, through the settlement of the above referred to contested case appeal (05 DHR 0154), to provide services through its two mobile MRI scanners (CIS-Unit 1 and Unit 2) at new sites not identified in the respective CON applications. The August 1, 2005 letter states that Ashe Memorial Hospital was committed by contract to another mobile provider for the foreseeable future and that Cleveland Regional Medical Center had determined that it no longer required Carolinas Imaging's mobile services because of internal solutions to the MRI need in addition to the impending commencement of fixed MRI services in nearby Kings Mountain. As a consequence of receiving that information the Agency, through the Global Settlement Agreement, paragraph 10, allows either CIS-Unit 1 or CIS –Unit 2 to provide mobile MRI services at all of the following locations: NorthCross Imaging Center, Carolinas Medical Center ("CMC"), CMC-Pineville, CMC-University and CMC-Mercy. However, the Global Settlement Agreement on page 7 states that "CIS will continue to serve its current sites in Lincoln, Ashe and Anson Counties." As stated in the August 1, 2005, letter and as of this date, CIS is unable to provide services to Ashe Memorial Hospital because that hospital is under contract with another mobile MRI provider. CIS Unit-1 currently serves Anson and Lincoln Counties. The capital costs of relocating the MRI from NorthCross to Ballantyne are $186,185. (See attached Exhibit # 3.)

By letter dated December 4, 2007, the CON Section has notified CIS that it is considering the withdrawal of the certificate of need issued for CIS Unit 2. CIS is prepared to proceed with the development of the project pending your approval of the removal of Ashe Memorial Hospital as a mobile host site and the approval of this Declaratory Ruling Request.

Analysis Unit 2

Based on the Global Settlement Agreement, CIS has pre-approval to provide mobile MRI services at NorthCross and CMC-University. It appears no declaratory ruling is required in order to commence MRI service at those sites; however, we are utilizing this request to provide notice to the Agency of the use of these host sites.

By this letter, we do, however, request that you issue a Declaratory Ruling finding that the above changes, are in material compliance with CIS's application and the Global Settlement Agreement, within the meaning of N.C. Gen. Stat. § 131E-181(a), for the following reasons:

1. Due to the demand for MRI services in Mecklenburg County the availability of mobile MRI services at NorthCross Imaging Center and CMC-University will create greater accessibility to MRI services for Mecklenburg County residents.

2. The proposed sites are ready to begin offering mobile MRI services as soon as CIS's declaratory ruling request is approved and the CON Section confirms that CIS has made adequate progress in the development of its CIS Unit 2 and that CIS may retain its Certificate of Need for that MRI.

3. The requested host site changes will not result in any new capital expenditures which require a certificate of need application.

Request – CIS – Unit 2

By this request CIS is seeking, if necessary, the authority to:

1. Remove Ashe Memorial Hospital in Ashe County as a host site,
2. Add NorthCross Imaging Center, 16455 Statesville Road, Huntersville, NC in Mecklenburg County as a host site, and
3. Add service at CMC-University in Mecklenburg County as a host site.

Background – NorthCross Fixed MRI Relocation to Ballantyne

NorthCross Imaging Center currently operates a fixed MRI scanner pursuant to a Certificate of Need issued to it on January 25, 2006 (See attached Exhibit # 4.) Based on internal demand, and the pending acquisition and relocation of Eastover Diagnostic Imaging[1] by CIS, CIS has determined that a fixed MRI scanner is needed at its Ballantyne site. Ballantyne is an existing diagnostic imaging center owned by CIS. It is located at 15110 John J. Delaney Drive, Suite 130, Charlotte, N.C. Ballantyne, as approved in its CON application, currently provides CT, general x-ray and ultrasound services. The Ballantyne location is a high growth area and the volume of patients being seen by the Ballantyne physicians is increasing dramatically. CIS in this request proposes to relocate the existing fixed MRI scanner at NorthCross to Ballantyne and replace the fixed MRI service at NorthCross with mobile MRI service provided by CIS Unit 2 as described above. These relocations will allow CIS to meet the overwhelming demand at Ballantyne by utilizing its existing resources. The relocation of the NorthCross fixed MRI scanner will cost approximately $186,185 which is under the $2 million threshold set forth in G.S. § 131E-176(16)(b). (See attached Exhibit # 3.)

The proposed relocation of the NorthCross fixed MRI scanner to Ballantyne will maintain the fixed MRI scanner's location in Mecklenburg County. NorthCross Imaging Center's patients will continue to have access to MRI services utilizing the CIS Unit 2 mobile MRI scanner. CIS is proposing to acquire a G.E. 1.5 Tesla (See attached Exhibit # 5) mobile MRI scanner which is comparable to the NorthCross fixed MRI scanner. Mobile MRI service will be offered at NorthCross 3 days per week (Monday – Friday). This level of mobile service is consistent with the volume we are experiencing at NorthCross.

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[1] Eastern is a diagnostic imaging center owned by Charlotte Radiology. It is being acquired by CIS, LLC whose sole members are Charlotte Radiology, P.A. and the Charlotte Mecklenburg Hospital Authority.

The fixed MRI scanner at Ballantyne will serve a large portion of the patient population which was originally receiving services as Eastover DIC but which came from the Ballantyne area. In addition to that population, the fixed MRI at Ballantyne will also meet the growing volume of patients in the immediate Ballantyne area.

Request – NorthCross and Ballantyne

By this request, CIS is seeking the Agency's approval for the relocation of the fixed MRI scanner at NorthCross Imaging to Ballantyne. Both NorthCross and Ballantyne are owned and operated by CIS. CIS proposes to continue providing MRI services at NorthCross by utilizing CIS Mobile Unit 2 three days per week. The relocation of the CIS owned NorthCross fixed MRI scanner to Ballantyne will reallocate existing resources to area of Mecklenburg County experiencing an increasing demand for MRI services. The proposed relocation will not increase the existing inventory of fixed MRI scanners in Mecklenburg County and will allow CIS to most efficiently utilize existing and approved resources.

The proposed relocation will be carried out with as little disruption to NorthCross as possible. Assuming the Agency allows CIS to proceed with the development of the CIS Unit 2 project, CIS anticipates it will take 60 days for the arrival of the new mobile MRI unit. CIS will have mobile MRI services on site at NorthCross simultaneous with the relocation of the fixed MRI scanner.

Conclusion

CIS respectfully requests that you issue a Declaratory Ruling confirming the removal of Ashe Memorial Hospital as a host site for CIS's mobile MRI scanner-Unit 2. CIS also requests that you issue a Declaratory Ruling which provides that the fixed MRI scanner at NorthCross Imaging Center may be relocated to Ballantyne. A proposed Declaratory Ruling is enclosed for your review and consideration. For your convenience, a disk containing the proposed Declaratory Ruling is also enclosed. Thank you for your consideration. I look forward to hearing from you shortly.

Very truly yours,

BODE, CALL & STROUPE, L.L.P.

Robert V. Bode

RVB:trb
Encl.

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF FACILITY SERVICES
RALEIGH, NORTH CAROLINA

IN RE: REQUEST FOR A DECLARATORY RULING BY CAROLINAS IMAGING SERVICES, LLC	)))	**DECLARATORY RULING**

I, Robert J. Fitzgerald, as Director of the Division of Facility Services (the "Agency"), do hereby issue this declaratory ruling to Carolinas Imaging Services, LLC ("CIS"), pursuant to N. C. Gen. Stat. §150B-4 and 10 N.C.A.C. 3B.0310, under the authority delegated to me by the Secretary of the Department of Health and Human Services. This declaratory ruling will interpret whether CIS, by proposing to remove an original host site at Ashe Memorial Hospital in Ashe County, and relocate an existing fixed MRI scanner at NorthCross to Ballantyne, which is an existing Diagnostic Imaging Center owned by CIS in Mecklenburg County, remains in material compliance with its CON within the meaning of N. C. Gen. Stat. §131E-181(b).

For the reasons set out herein, the removal of Ashe Memorial Hospital as a proposed host site does not materially alter the conditions of the settlement related to CIS's mobile MRI scanner, and CIS may proceed to offer mobile MRI services to NorthCross and CMC-University without fear of the Agency withdrawing its CON. CIS may also proceed with the relocation of the fixed MRI scanner at NorthCross Imaging to Ballantyne in Mecklenburg County.

This ruling will be binding on this Agency so long as the material facts stated herein are accurate. This ruling applies only to this request. Except as provided by N. C. Gen. Stat. §150B-4, the Agency reserves the right to change the conclusions that are contained in this ruling. Mr. Robert V. Bode of the law firm Bode, Call & Stroupe, L.L.P., has requested this ruling on behalf of CIS, and has provided the facts set out below:

STATEMENT OF FACTS

Mobile MRI

Pursuant to Project I.D. No. F-7040-04, CIS was issued a certificate of need on November 30, 2004 to acquire its second mobile MRI unit ("CIS-Unit 2"). CIS-Unit 2 was approved to provide mobile MRI services to three locations: Ashe Memorial Hospital, Jefferson, Carolinas Medical Center-University, Charlotte and Cleveland Regional Medical Center, Shelby. On or about January 27, 2005, CIS filed a Petition for Contested Case Hearing, identified as 05 DHR 0154, challenging the Agency's decision to deny Carolinas Imaging's Application (Project I.D. No. F-7085-04) and to approve the applications of NEMC and Cabarrus Radiologists. As part of the ultimate settlement of that litigation, CIS explained in an August 1, 2005 letter to the Agency that it had identified alternate host sites for CIS-Unit 2. This letter was provided at the Agency's request for supplemental information in order for CIS to be permitted, through the settlement of case No. 05 DHR 0154 to provide mobile MRI services through its two mobile MRI scanners at new sites not identified in their prior CON applications. The August 1, 2005 letter states that Ashe Memorial Hospital had committed by contract to another mobile provider for the foreseeable future and Cleveland Regional Medical Center had determined that it no longer required Carolinas Imaging's mobile services because of internal solutions to the MRI need in addition to the impending commencement of fixed MRI services in nearby Kings Mountain. The Global Settlement Agreement executed in 2005 for 05 DHR 0154 allows either CIS-Unit 1 or CIS –Unit 2 to provide mobile MRI services at all of the following locations: NorthCross Imaging Center, Carolinas Medical Center ("CMC"), CMC-Pineville, CMC-University and CMC-Mercy. However, the Global Settlement Agreement on page 7 states that "CIS will continue to serve its

current sites in Lincoln, Ashe and Anson Counties." As discussed in the August 1, 2005 letter, CIS is unable to provide services to Ashe Memorial Hospital because the hospital is under contract to another mobile MRI provider. This situation has not changed based on the most current information available to CIS.

Ballantyne

As a condition of the settlement agreement, CIS must provide mobile MRI services to at least two sites. CIS intends to provide mobile MRI service at NorthCross and CMC-University with CIS-Unit 2.

NorthCross Imaging Center currently operates a fixed MRI scanner pursuant to a Certificate of Need issued to it on January 25, 2006 Based on internal demand, and the pending acquisition and relocation of Eastover Diagnostic Imaging[1] by CIS, CIS has determined that a fixed MRI scanner is needed at its Ballantyne site. Ballantyne is an existing diagnostic imaging center owned by CIS. It is located at 15110 John J. Delaney Drive, Suite 130, Charlotte, N.C. Ballantyne, as approved in its CON application, currently provides CT, general x-ray and ultrasound services. The Ballantyne location is a high growth area and the volume of patients being seen by the Ballantyne physicians is increasing dramatically. CIS proposes to relocate the existing fixed MRI scanner at NorthCross to Ballantyne and replace the fixed MRI service at NorthCross with mobile MRI service provided by CIS Unit 2 as described above. These relocations will allow CIS to meet the overwhelming demand at Ballantyne by utilizing its existing resources. The relocation of the NorthCross fixed MRI scanner will cost approximately $186,185, which is under the $2 million threshold set forth in G.S. § 131E-176(16)(b).

[1] Eastern is a diagnostic imaging center owned by Charlotte Radiology. It is being acquired by CIS, LLC whose sole members are Charlotte Radiology, P.A. and the Charlotte Mecklenburg Hospital Authority.

The proposed relocation of the NorthCross fixed MRI scanner to Ballantyne will maintain the fixed MRI scanner within Mecklenburg County. NorthCross Imaging Center's patients will continue to have access to MRI services utilizing the CIS Unit 2 mobile MRI scanner as described above. The CIS Unit 2 will be a G.E. 1.5 Tesla mobile MRI scanner which is comparable to the NorthCross fixed MRI scanner.

ANALYSIS

The CON law requires a review of a proposed change of site if it represents a material change in the physical location of the project [N. C. Gen. Stat. §131E-181(a)]. The proposed removal of Ashe Memorial Hospital as a mobile site is consistent with the Global Settlement Agreement and will not materially change the terms of the CON or settlement terms reached between CIS and the Agency. The relocation of the NorthCross fixed scanner to Ballantyne will not materially change the conditions of approval for the NorthCross project.

CONCLUSION

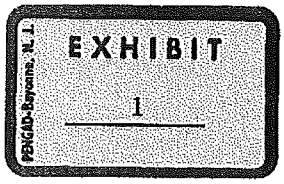
For all of the foregoing reasons, assuming the statement of facts in the request to be true, I conclude that the removal of Ashe Memorial Hospital as a mobile site for CIS-Unit 2 and the relocation of the fixed MRI scanner at NorthCross to Ballantyne will not violate N. C. Gen. Stat. §131E-181(a) because it will not constitute a material change in the terms of the CONs related to location and will not constitute a failure to satisfy a condition of the CON in violation of N. C. Gen. Stat. §131E-189(b).

This ruling is not intended, and should not be interpreted, to authorize any increase in the approved capital expenditure for this project, a change in the conditions placed on the certificate of need, or any other change in the approved project.

This the _____ day of _____, 2008.

_____

Robert J. Fitzgerald
Director, Division of Facility Services



STATE OF NORTH CAROLINA

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

COUNTY OF CABARRUS

STANLY MEMORIAL HOSPITAL, INC., Petitioner, v. NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF FACILITY SERVICES, CERTIFICATE OF NEED SECTION, Respondent, and CAROLINAS IMAGING SERVICES, LLC, CABARRUS MEMORIAL HOSPITAL d/b/a NORTHEAST MEDICAL CENTER, and CABARRUS RADIOLOGISTS, P.A., Respondent-Intervenors.	05 DHR 0153
CAROLINAS IMAGING SERVICES, LLC, Petitioner, v. NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF FACILITY SERVICES, CERTIFICATE OF NEED SECTION, Respondent, and STANLY MEMORIAL HOSPITAL, INC., CABARRUS MEMORIAL HOSPITAL d/b/a NORTHEAST MEDICAL CENTER, and CABARRUS RADIOLOGISTS, P.A., Respondent-Intervenors.	05 DHR 0154

GLOBAL SETTLEMENT AGREEMENT

NOW COME Petitioner/Respondent-Intervenor Stanly Memorial Hospital, Inc. ("Stanly"), Petitioner/Respondent-Intervenor Carolinas Imaging Services, LLC ("CIS"), Respondent North Carolina Department of Health and Human Services, Division of Facility Services, Certificate of Need Section (the "Agency"), and Respondent-Intervenors Cabarrus Memorial Hospital d/b/a NorthEast Medical Center ("NorthEast") and Cabarrus Radiologists, P.A. ("Cabarrus Radiologists") (all the foregoing are collectively referred to hereinafter as "the parties" or individually as a "party") and enter into the following Global Settlement Agreement ("Global Agreement") in order to settle and compromise all claims arising out of the above-captioned contested case.

RECITALS

WHEREAS, the 2004 State Medical Facilities Plan identified a need for two (2) fixed MRI scanners in MRI Service Area 11;

WHEREAS, the parties each filed an application for a certificate of need ("CON") to acquire a single fixed MRI scanner;

WHEREAS, the Agency identified the Stanly application as Project I.D. No. F-7084-04, the CIS application as Project I.D. No. F-7085-04, the NorthEast application as Project I.D. No. F-7086-04, and the Cabarrus Radiologists application as Project I.D. No. F-7088-04;

WHEREAS, on December 28, 2004, the Agency approved the applications of Cabarrus Radiologists and NorthEast to acquire fixed MRI scanners and disapproved the applications of CIS and Stanly;

WHEREAS, Stanly and CIS challenged the Agency's decision by initiating the above referenced contested case numbers 05 DHR 0153 and 05 DHR 0154 respectively in the Office of Administrative Hearings;

WHEREAS, NorthEast, Cabarrus Radiologists, and CIS intervened in contested case number 05 DHR 0153 and NorthEast, Cabarrus Radiologists, and Stanly intervened in contested case number 05 DHR 0154, and the cases thereafter were consolidated;

WHEREAS, CIS owns and operates two mobile MRI Scanners. The first mobile MRI scanner was originally authorized by CIS's mobile MRI Certificate of Need ("CON") Project approved on October 5, 2004, and identified as Project I.D. No. F-6868-03 (hereinafter referred to as "CIS Unit 1"). The second mobile MRI scanner was originally authorized by CIS's mobile MRI CON Project approved on November 30, 2004, and identified as Project I.D. No. F-7040-04 (hereinafter referred to as "CIS Unit 2").

WHEREAS, CIS has requested that it be permitted to provide mobile MRI services by either CIS Unit 1 or CIS Unit 2 at alternative sites not currently identified in their respective CON Applications.

WHEREAS, the execution of this Global Agreement does not constitute an admission of liability or error by any party;

WHEREAS, pursuant to N.C. Gen. Stat. § 150B-22, it is the policy of the State to settle disputes between State agencies and other persons whenever possible;

NOW THEREFORE, pursuant to N.C. Gen. Stat. §§ 150B-22 and 31(b), and subject to the approval of Robert J. Fitzgerald, Director of the Division of Facility Services, Stanly, CIS, Cabarrus Radiologists, NorthEast, and the Agency have reached a compromise settlement

resolving the differences among them in this contested case, and the terms and conditions of such Global Agreement are set forth below.

TERMS

1. Voluntary Dismissal with Prejudice by Stanly. Within five (5) business days after this Global Agreement is approved and adopted by Robert J. Fitzgerald, Director of the Division of Facility Services, Stanly shall file a notice of voluntary dismissal with prejudice in its contested case (05 DHR 0153) in the Office of Administrative Hearings. Stanly shall serve the other parties with a file-stamped copy of its notice of voluntary dismissal with prejudice by facsimile and mail within five (5) business days of its filing.

2. Voluntary Dismissal with Prejudice by CIS. Within five (5) business days after this Global Agreement is approved and adopted by Robert J. Fitzgerald, Director of the Division of Facility Services, CIS shall file a notice of voluntary dismissal with prejudice in its contested case (05 DHR 0154) in the Office of Administrative Hearings. CIS shall serve the other parties with a file-stamped copy of its notice of voluntary dismissal with prejudice by facsimile and mail within five (5) business days of its filing.

3. Agreement with Stanly. The Agency will schedule the 2006 Stanly County MRI review to begin on February 1, 2006. In addition, the Agency has reviewed additional information prepared by Stanly regarding its application, Project I.D. No. F-7084-04, and determined, based on the additional information presented, that the application is now conforming with all criteria with which the Agency originally found the application nonconforming. However, by executing this Global Agreement, CIS, NorthEast, and Cabarrus

Radiologists are not agreeing with the Agency's determination that Stanly's application (Project I.D. No. F-7084-04) is conforming with any review criteria.

4. Issuance of Certificate of Need to NorthEast. Within (5) five business days after it receives a file-stamped copy of the notices of voluntary dismissal with prejudice from CIS and Stanly, the Agency shall issue NorthEast a certificate of need for Project I. D. # F-7086-04. The certificate of need shall contain the conditions and timetable set out in Attachments A and B to this Global Agreement, respectively.

5. Issuance of Certificate of Need to Cabarrus Radiologists. Within (5) five business days after it receives a file-stamped copy of the notices of voluntary dismissal with prejudice from CIS and Stanly, the Agency shall issue Cabarrus Radiologists a certificate of need for Project I. D. # F-7088-04. The certificate of need shall contain the conditions and timetable set out in Attachments C and D to this Global Agreement, respectively.

6. Acceptance of Conditions and Timetable by NorthEast. NorthEast affirms its acceptance of the conditions and timetables set forth in Attachments A and B.

7. Acceptance of Conditions and Timetable by Cabarrus Radiologists. Cabarrus Radiologists affirms its acceptance of the conditions and timetables set forth in Attachments C and D.

8. Material Compliance Determinations Regarding NorthEast. Any and all determinations concerning: (a) whether NorthEast's performance with respect to Project I.D. # F-7086-04 materially complies with the representations in its certificate of need application; (b) whether such performance materially complies with any conditions imposed on its certificate of need; and (c) whether NorthEast is meeting, or is making good faith efforts to meet, its timetable

with respect to Project I.D. # F-7086-04 are within the discretion of the Agency. In the event the Agency should make any such determinations that are adverse to NorthEast, nothing in this Global Agreement shall prejudice any rights that may exist for NorthEast to appeal from any such determinations.

9. Material Compliance Determinations Regarding Cabarrus Radiologists. Any and all determinations concerning: (a) whether Cabarrus Radiologists' performance with respect to Project I.D. # F-7088-04 materially complies with the representations in its certificate of need application; (b) whether such performance materially complies with any conditions imposed on its certificate of need; and (c) whether Cabarrus Radiologists is meeting, or is making good faith efforts to meet, its timetable with respect to Project I.D. # F-7088-04 are within the discretion of the Agency. In the event the Agency should make any such determinations that are adverse to Cabarrus Radiologists, nothing in this Global Agreement shall prejudice any rights that may exist for Cabarrus Radiologists to appeal from any such determinations.

10. Approval of CIS Mobile Scanner Host Sites. By this Global Agreement, the Agency expressly approves CIS to provide mobile MRI services with either CIS Unit 1 or CIS Unit 2 at all of the following locations:

(a) NorthCross Imaging Center, located at NorthCross Medical Park, 16455 Statesville Road, Huntersville, Mecklenburg County;

(b) the licensed acute care hospital in Mecklenburg County currently operated as Carolinas Medical Center ("CMC");

(c) the licensed acute care hospital in Mecklenburg County currently operated as CMC-Pineville;

(d) the licensed acute care hospital in Mecklenburg County currently operated as CMC-University; and

(e) the licensed acute care hospital in Mecklenburg County currently operated as CMC-Mercy.

CIS will continue to serve its current sites in Lincoln, Ashe, and Anson Counties.

11. Release. Each party hereby releases all other parties, their officers, officials, employees, and representatives, from any and all liability that has arisen or might arise out of the Agency's review of the above-referenced certificate of need applications or this case.

12. Expenses. The parties agree that each party shall bear its own expenses, including attorneys' fees, arising from this case and that no claim for such costs or expenses shall be made by one party against any other.

13. Effect of Approval. If approved and adopted by Mr. Fitzgerald, this Global Agreement shall resolve all issues involved in, or arising out of, this case.

14. Effect of Disapproval. If this Global Agreement is not approved and adopted by Mr. Fitzgerald, the parties agree that this Global Agreement shall be null and void and that Stanly and CIS shall be entitled to proceed with the above-captioned contested case. In that event, Mr. Fitzgerald's review of this Global Agreement as provided herein shall not prejudice his authority to render the final agency decision following the hearing in this matter in accordance with Article 3 of Chapter 150B of the North Carolina General Statutes. In addition, if this Global Agreement is not approved and adopted by Mr. Fitzgerald, the parties agree that it shall be inadmissible at the contested case hearing for any purpose.

15. Waiver of Right to Appeal Global Agreement. The parties irrevocably waive any right to initiate an appeal from this Global Agreement, assuming that any such right exists; provided that nothing in this Global Agreement shall be construed to waive any claim for

enforcement or breach of this Global Agreement. The parties reserve the right to intervene in any appeal of this Global Agreement that might be filed by any third parties.

16. Merger. The parties further agree and acknowledge that this Global Agreement between the Agency and the private parties and any separate agreements among the private parties relating to the above-referenced contested cases set forth all of the terms and conditions between the parties concerning the subject matter of this agreement, superseding all prior oral and written statements and representations, and that there are no terms or conditions between the parties except as specifically set forth in these agreements.

17. Modification or Waiver. No modification or waiver of any provision of this Global Agreement shall be effective unless it is in writing. Any modification or waiver must be signed by authorized representatives of the parties and must be approved and adopted by the Director of the Division of Facility Services.

18. No Strict Interpretation Against Draftsman. Each of the parties has participated in the drafting of this Global Agreement and has had the opportunity to consult with counsel concerning its terms. This Global Agreement shall not be interpreted strictly against any of the parties on the ground that such party drafted the Global Agreement.

19. Recitals and Headings. All parts and provisions of this Global Agreement, including the recitals and paragraph headings, are intended to be material parts of this Global Agreement.

20. Authority to Settle. The undersigned represent and warrant that they are authorized to enter into this Global Agreement on behalf of the parties.

21. Successors and Assigns. This Global Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns.

22. Nonadmission of Liability or Error. It is understood and agreed by the parties that the settlement effected by this Global Agreement is a compromise of disputed claims, and the promises, terms, and conditions agreed to herein are not to be construed as an admission of any alleged liability, nonconformity, error, or other deficiency on the part of any of the parties. Any such alleged liability, nonconformity, error, or other deficiency is expressly denied by the respective parties.

23. *Ex Parte* Presentation. The parties authorize counsel for the Agency to present this Global Agreement to Mr. Fitzgerald *ex parte*.

24. Effective Date. This Global Agreement shall be effective as of the day and year on which it is approved and adopted by the Director of the Division of Facility Services.

IN WITNESS WHEREOF, the parties have executed (5) five original copies of this Global Agreement, with one (1) original copy being retained by each party.

[SIGNATURE PAGE FOLLOWING]

STANLY MEMORIAL HOSPITAL, INC. Date: _____

By: _____
Roy M. Hinson

Title: President/CEO of Stanly Memorial Hospital, Inc.

WE CONSENT:

SMITH MOORE, LLP Date: _____

By: _____
Terrill Johnson Harris, Esq.
Robert L. Wilson, Jr., Esq.
William R. Forstner, Esq.
300 North Greene Street
Suite 1400
P. O. Box 21927
Greensboro, NC 27420-1927
Telephone: (336) 378-5200
Attorneys for Stanly Memorial Hospital, Inc.

CAROLINAS IMAGING SERVICES, LLC Date:_____

By: _____

Title: _____

WE CONSENT:

KENNEDY COVINGTON LOBDELL & HICKMAN, LLP Date:_____

By: _____
Gary S. Qualls, Esq.
Colleen M. Crowley, Esq.
Kennedy Covington Lobdell & Hickman, LLP
2801 Slater Road, Suite 120
Morrisville, NC 27560
Attorneys for Carolinas Imaging Services, LLC

CERTIFICATE OF NEED SECTION Date:_____

By: _____
Lee B. Hoffman, Chief

WE CONSENT:

ROY COOPER Date:_____
Attorney General

By: _____
Matt Woodward, Esq.
Assistant Attorney General
N.C. Department of Justice
P.O. Box 629
Raleigh, NC 27602-0629
Counsel for the *Certificate of Need Section*

CABARRUS MEMORIAL HOSPITAL
d/b/a NORTHEAST MEDICAL CENTER

Date: _____

By: _____

Title: _____

WE CONSENT:

NELSON MULLINS RILEY & SCARBOROUGH, LLP Date: _____

By: _____
Noah H. Huffstetler, III, Esq.
Wallace C. Hollowell, III, Esq.
Catherine Cummer, Esq.
Nelson Mullins Riley & Scarborough, LLP
GlenLake One, Suite 200
4140 Parklake Avenue
Raleigh, N.C. 27612
Attorneys for Cabarrus Memorial Hospital d/b/a NorthEast Medical Center

CABARRUS RADIOLOGISTS, P.A. Date:_____

By: _____

Title: _____

WE CONSENT:

NELSON MULLINS RILEY & SCARBOROUGH, LLP Date:_____

By: _____

Noah H. Huffstetler, III, Esq.
Wallace C. Hollowell, III, Esq.
Catherine Cummer, Esq.
Nelson Mullins Riley & Scarborough, LLP
GlenLake One, Suite 200
4140 Parklake Avenue
Raleigh, N.C. 27612
Attorneys for Cabarrus Radiologists, P.A.

APPROVAL AND ADOPTION

The foregoing Global Settlement Agreement involving the Agency is hereby APPROVED AND ADOPTED this the _____ day of _____, 2005.

_____

Robert J. Fitzgerald, Director
Division of Facility Services

EXHIBIT A

Cabarrus Memorial Hospital d/b/a NorthEast Medical Center

PROJECT I.D. NO. F-7086-04

CONDITIONS OF APPROVAL

1. Cabarrus Memorial Hospital d/b/a NorthEast Medical Center shall materially comply with all representations made in the certificate of need application.

2. Cabarrus Memorial Hospital d/b/a NorthEast Medical Center shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

EXHIBIT B

Cabarrus Memorial Hospital d/b/a NorthEast Medical Center

PROJECT I.D. NO. F-7086-04

TIMETABLE

Obtaining funds necessary to undertake project	8/01/05
Completion of preliminary drawings	8/15/05
Completion of final drawings and specifications	9/01/05
Approval of final drawings and specifications by the Construction Section	10/01/05
Approval of site by the Construction Section	9/01/05
Contract award (notice to proceed)	10/01/05
25% completion of construction	10/25/05
50% completion of construction	11/25/05
75% completion of construction	12/15/05
Completion of construction	1/01/06
Ordering equipment	10/01/05
Arrival of equipment	1/01/06
Operation of equipment	1/30/06
Offering of service	1/30/06

EXHIBIT C

Cabarrus Radiologists, P.A.

PROJECT I.D. NO. F-7088-04

CONDITIONS OF APPROVAL

1. Cabarrus Radiologists, P.A. shall materially comply with all representations made in the certificate of need application.

2. Cabarrus Radiologists, P.A. shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

EXHIBIT D

Cabarrus Radiologists, P.A.

PROJECT I.D. NO. F-7088-04

TIMETABLE

Obtaining funds necessary to undertake project	11/1/05
Ordering equipment	3/1/06
Arrival of equipment	10/1/06
Operation of equipment	11/1/06
Offering of service	11/1/06

RTP Doc. #15976

Kennedy Covington

ATTORNEYS AT LAW

F-7040-04

EXHIBIT 2

Gary S. Qualls
919.466.1182
Fax: 919.516.2072
gqualls@kennedycovington.com

August 1, 2005

Matt Woodward
Assistant Attorney General
N. C. Department of Justice
P.O. Box 629
Raleigh, NC 27602-0629

Lee Hoffman, Chief
Certificate of Need Section
Division of Facility Services
Department of Health & Human Services
2706 Mail Services Center
Raleigh, NC 27699-2706

Re: Settlement Information Provided in the Context of Rule 408 of the Rules of Evidence in 05 DHR 0154

Dear Matt and Lee:

This letter responds to the Agency's request for supplemental information in order for Carolinas Imaging Services, LLC ("Carolinas Imaging") to be permitted, through the settlement of the MRI Service Area 11 contested case appeal (05 DHR 0154) to provide mobile MRI services through its two mobile MRI scanners at new sites not identified in the respective CON applications.

Carolinas Imaging filed two applications (the "Applications") for mobile magnetic resonance imaging ("MRI") scanners. The first scanner was originally authorized by the Carolinas Imaging Mobile MRI Project Certificate of Need ("CON") approved on October 5, 2004, and identified as Project I.D. No. F-6868-03 (hereinafter referred to as "Unit 1"). Carolinas Imaging was approved to provide mobile MRI services to four locations with Unit 1:

- Anson Community Hospital, 500 Morven Rd, Wadesboro
- Lincoln Medical Center, 200 Gamble Dr., Lincolnton
- Valdese General Hospital, 720 Malcolm Blvd., Valdese
- St. Luke's Hospital 101 Hospital Drive, Columbus

The second scanner was originally authorized by the Carolinas Imaging Mobile MRI Project CON approved on November 30, 2004, and identified as Project I.D. No. F-7040-04

(hereinafter referred to as "Unit 2"). Carolinas Imaging was approved to provide mobile MRI services to three locations with Unit 2:

- Ashe Memorial Hospital, Jefferson
- Carolinas Medical Center- University, Charlotte
- Cleveland Regional Medical Center, Shelby

For the reasons described later in this letter, Carolinas Imaging has located alternative sites for Unit 1 and Unit 2 to provide mobile MRI services for fewer than seven days a week, as needed. These alternative sites are as follows:

(a) NorthCross Imaging Center, located at NorthCross Medical Park, 16455 Statesville Road, Huntersville, Mecklenburg County;

(b) the licensed acute care hospital in Mecklenburg County currently operated as Carolinas Medical Center ("CMC");

(c) the licensed acute care hospital in Mecklenburg County currently operated as CMC-Pineville;

(d) the licensed acute care hospital in Mecklenburg County currently operated as CMC-University; and

(e) the licensed acute care hospital in Mecklenburg County currently operated as CMC-Mercy.

(collectively the "New Mecklenburg Sites").

Carolinas Imaging's Mobile MRI Project CONs authorize Carolinas Imaging to provide mobile MRI services at a total of seven different sites. However, since issuance of the CON, facts have changed. Upon further investigation, Carolinas Imaging has discovered that several sites are no longer available to Units 1 and 2 for the following reasons:

(1) Valdese General Hospital ("Valdese") located at 720 Malcolm Blvd. in Valdese, Burke County no longer has a need for Carolinas Imaging's services because it has contracted with the same mobile provider that previously served Grace Hospital (also in Burke County) since Grace Hospital has now acquired a fixed MRI and is no longer in need of any mobile services. In addition, Valdese very recently obtained CON approval for its own fixed MRI scanner, therefore eliminating the need for any mobile MRI services.

(2) St. Luke's Hospital ("St. Luke's") located at 101 Hospital Dr., Columbus, Polk County has contracted with another mobile MRI provider and no longer requires the services of Carolinas Imaging's mobile scanner.

Subject: RE: Letter with Supplemental Info to Settle Area 11 MRI
From: "Qualls, Gary" <gqualls@kennedycovington.com>
Date: Thu, 4 Aug 2005 17:01:35 -0400
To: <mwoodward@ncdoj.com>, <lee.hoffman@ncmail.net>

Lee: Responding to your voice mail, CIS still plans to serve the Lincoln and Anson County sites with its mobile MRI scanners.

Gary

-----Original Message-----
From: Qualls, Gary

Sent: Monday, August 01, 2005 4:03 PM
To: mwoodward@ncdoj.com; Lee B. Hoffman (lee.hoffman@ncmail.net)
Subject: Letter with Supplemental Info to Settle Area 11 MRI

On behalf of Carolinas Imaging, I have attached a letter which I am also
sending by regular mail. This letter contains reasoning as to why the
Agency should approve Carolinas Imaging to operate its mobile MRI scanners at certain sites in Mecklenburg County as part of the Area 11
MRI case settlement.

Lee: Matt gave me permission to forward this directly to you.

Gary

Gary S. Qualls
Kennedy Covington Lobdell & Hickman, L.L.P.

2801 Slater Road, Suite 120
Morrisville, NC 27560
Phone: (919) 466-1182
Fax: (919) 516-2072
gqualls@kennedycovington.com

(3) Ashe Memorial Hospital is committed by contract to another mobile provider for the foreseeable future.

(4) Cleveland Regional Medical Center has determined that it no longer requires Carolinas Imaging's mobile services because of internal solutions to the MRI need in addition to the impending commencement of fixed MRI services in nearby Kings Mountain.

Moreover, there are several other reasons why the New Mecklenburg Sites are logical substitutes.

(1) Mecklenburg County is contiguous to Lincoln County and near Cleveland and Anson Counties, where Units 1 and 2 are already approved to provide mobile MRI services.

(2) Unit 2 is already approved to serve Mecklenburg County. Specifically, Unit 2 is already authorized to provide MRI services at Carolinas Medical Center-University, which is one of the New Mecklenburg Sites.

(3) Carolinas Imaging will be operating its projects in a manner consistent with the representations made in its CON Applications and with any non-site-specific CON conditions. Allowing Carolinas Imaging to provide mobile MRI services through either Unit 1 or Unit 2 at the New Mecklenburg Sites instead of the Original Sites will not increase the capital costs or the operating costs from the amounts proposed in the CON Applications, and may in fact lower the operating costs since the alternative sites will require less travel for both units. Consequently, there would be no violation of the CON statute by permitting these proposed site changes and the changes would be consistent with the general objectives of the CON statute.

(4) Carolinas Imaging is committed to providing access to the medically underserved at all of its sites. Moreover, because the original host sites decided not to use Carolinas Imaging, not vice versa, Carolinas Imaging will certainly provide more care to the underserved by serving the New Mecklenburg Sites, than if the scanner were sitting idle.

(5) With respect to the NorthCross Imaging Center site (Site (a) in the list above), the Agency has already approved Carolinas Imaging to provide fixed MRI services at that site. Thus, the Agency has already agreed with Carolinas Imaging that the demand at that location justifies an MRI scanner. Because that approval has been appealed, Units 1 and 2 can be used to satisfy the pent up demand at NorthCross.

N.C. Gen. Stat. § 131E-181(a) provides that a "certificate of need shall be valid only for the defined scope, physical location and person in the named application." However, the Department has allowed parties wide latitude to make changes in the physical location named in their application where convenience dictates or the objectives of the CON statute are otherwise advanced. This proposal to allow Carolinas Imaging to provide mobile MRI services at the New

Mecklenburg Sites rather than at the original sites should not constitute a material change in the physical location of the project.

Based on the given state of facts set forth in this letter, Carolinas Imaging requests that the Department approve it, through settlement, to provide mobile MRI services with Unit 1 and Unit 2 at the New Mecklenburg Sites rather than solely at the original sites identified in the CON Applications for Units 1 and 2.

Sincerely,

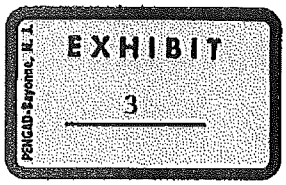
Gary S. Qualls

GSQ/sph

GE Healthcare
Technologies

Quotation
Equipment Relocation

December 31, 2007



Charlotte Radiology
2612 E. 7th St.
Charlotte, NC

We are pleased to present you with the following quote for equipment relocation as specified below and in the attached terms and conditions. A signed copy of this agreement along with a written Purchase Order for the amount specified will serve as our Notice to Proceed. This quote is good for 45 days from the date above. We kindly request a minimum of 20 business days notice prior to the planned start of the relocation in order to schedule appropriate resources.

System ID	System Description	Deinstallation	Reinstallation, Calibration, Testing	Other (see notes below)	Deinstall / Reinstall Total
704895HDe Vibromat	1.5T HDe CXK4 Vibromat			M1060MA	$35,700.00
				Total	$35,700.00

System ID	Deinstallation	Reinstallation, Calibration, Testing	Other (see notes below)	Deinstall / Reinstall Total
- System ID: 704895HDe - Software: 14x	Test for Baseline and Ramp Unit Down.	Ramp, Shim, Eddy Currents, RF Testing, & System Performance	2 men 4 days	$42,510.00
			Ramp and Shim, 1 man calibrations 5 days.	$35,450.00
				$26,780.00
				$45,745.00
			Total	$186,185.00

Current Location
Charlotte Radiology
16455 Statesville Rd
Northcross suite 320
Huntersville , NC

Deinstallation Start Date	Quoted Schedule Mon-Fri	Sat	Sun
tbd	8-5pm	N/A	N/A

New Location (if different than above)
Charlotte Radiology
15110 John J Delaney Dr
Charlotte NC

Reinstallation Start Date	Quoted Schedule Mon-Fri	Sat	Sun
tbd	8-5pm	N/A	N/A

Notes
All mechanical portions and rigging will be performed by Contractor teams.
Parts, or service needed due to physical relocation of system will not be included in system calibration and magnet ramp.
Vibromat to be installed by Mechanical Installation Team per GE Healthcare Specifications.

2800 South Colorado Blvd, Suite 2-1100
Denver, CO 80222
General Electric Company

GE Healthcare
Technologies

Additional Terms and Conditions –
Equipment Relocation

GE Healthcare		Customer	
Prepared By:	Georges Clinton	Authorized Representative:	
Title:	Account Manager	Title:	
Return To:	414-918-1653 (fax)	Date:	
Phone:	704-562-3717	Purchase Order #	

GE Healthcare
Technologies

Additional Terms and Conditions - Equipment Relocation

References herein to "products" and "services" mean the products and services purchased by Customer as identified on the applicable GE Healthcare Quotation.

RELOCATION SERVICES

GE Healthcare's relocation services provided or identified in its quotation will be performed in accordance with applicable GE Healthcare installation guides and project plans and are otherwise subject to the following additional provisions. The Customer agrees to review the applicable installation guides and project plans and perform its obligations set forth in those materials. Quotes, unless otherwise specified are provided for service during our standard hours (8:00 a.m. - 5:00 p.m., Monday through Friday excluding our observed holidays). Service provided outside of standard hours will result in additional charges.

The Customer will prepare the location for the re-installation consistent with GE Healthcare's written specifications including the installation of necessary system cable and assembly of any necessary equipment or hardware not provided by GE Healthcare, unless agreed otherwise in writing by the parties. The Customer will provide an electrician to disconnect and re-connect power to the system in both locations. For products that will be operated on or in connection with Customer supplied hardware or software, the Customer is responsible for ensuring that its hardware and software conform with GE Healthcare's minimum hardware and software requirements as made available. The customer will assume responsibility for added costs due to delays and work slowdowns caused by inadequate site preparation, facility requests, or other circumstances beyond the control of GE Healthcare.

Quotation assumes adequate doorway and hall sizes to allow passage of the equipment. GE is not responsible for dismantling of room or doorways if needed for removal or re-installation. Customer to provide electrician to disconnect and reconnect incoming power to the system at both locations.

SCOPE OF WORK

Inclusion (work to be performed)

- calibration to system specifications, and HHS testing as necessary to meet FDA and State requirements magnet ramp down, magnet ramp up, shem.

Exclusions (unless otherwise quoted) :

- Deinstallation will include a functional check of the system and any appropriate software back-ups prior to removal and all preparation necessary to ready your system for transport by an equipment mover. GE equipment dollies will be used where applicable.
- Reinstallation will include the physical installation of the equipment , calibration to system specifications, and HHS testing as necessary to meet FDA and State requirements.
- Pre-move site visit and coordination of room preparation with facility contractor
- New cabling, rails or other hardware resulting from changes in size and orientation of the new location or changes in required cable lengths
- Any repair parts and associated labor needed to bring the unit up to a fully operational condition as described in the next paragraph
- Labor or rigging to physically remove the system from its current locadon
- Transportation or labor to deliver the equipment to the new location
- Loss, repair or replacement of system or components, including x-ray tubes, due to transportation or storage of equipment
- Replacement of cryogens due to excessive boil-off prior to relocation or resulting from transportation of MR magnets
- Modifications or corrections to the work scope dictated by concealed conditions encountered in the performance of the work and not indicated by the drawings, or specifications

REPAIRS

Any repair parts and associated labor needed to bring the unit up to a fully operational system during initial functional check or during re-installation will be the responsibility of the Customer, and will be invoiced separately unless otherwise covered by an existing GE service agreement.

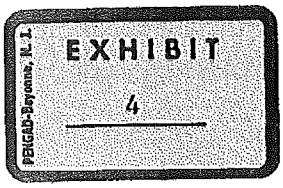
DRAWINGS

Equipment site drawings for the new location will be provided at the customer's request for no additional charge. If subsequent to preparing site drawings, Customer decides to terminate this agreement in compliance with the terms for Termination, Customer will be responsible for GE's cost in preparing the site drawings, and will be invoiced separately.

PAYMENT TERMS

The service payment terms are stated in the GE Healthcare Quotation or Additional Terms and Conditions, as applicable. Payment for services will be due 30 days from the date of the associated invoice. Invoices will be issued at the completion of the relocation work. For quotes involving more than one relocation , GE Healthcare may elect to bill separately for each completed move as they are completed.

2800 South Colorado Blvd, Suite 2-1100
Denver, CO 80222
General Electric Company



STATE OF NORTH CAROLINA
Department of Health and Human Services
Division of Facility Services

CERTIFICATE OF NEED
for
Project Identification Number F-7167-04
FID# 080697

ISSUED TO: Carolinas Imaging Services, LLC
P. O. Box 32861
Charlotte, NC 28232

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: Acquire one fixed Magnetic Resonance Imaging (MRI) scanner to be located in an existing diagnostic center, Northcross Imaging Center, in Huntersville/Mecklenburg County.

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Northcross Imaging Center
16455 Statesville Road
Huntersville, NC 28078

MAXIMUM CAPITAL EXPENDITURE: $2,060,005

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: May 1, 2006

This certificate is effective as of the 25th day of January, 2006.

Lee B. Hoffman
Chief, Certificate of Need Section
Division of Facility Services

CONDITIONS:

1. Carolinas Imaging Services, LLC shall materially comply with all representations made in its certificate of need application.

2. Carolinas Imaging Services, LLC shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

TIMETABLE:

Obtaining funds necessary to undertake project---------- February 1, 2006
Completion of preliminary drawings ---------- September 15, 2004
Completion of final drawings and specifications ---------- February 1, 2006
Approval of final drawings and specifications by the Construction section, DFS------ April 1, 2006
Approval of Site by Construction Section, DFS---------- April 1, 2006
Contract Award (Notice to Proceed)---------- April 2, 2006
25% Completion of construction (25% of the contract in place)---------- May 2, 2006
50% completion of construction ---------- June 16, 2006
75% Completion of construction ---------- August 1, 2006
Completion of construction ---------- September 15, 2006
Ordering equipment ---------- April 2, 2006
Arrival of equipment ---------- September 1, 2006
Operation of equipment ---------- October 1, 2006
Occupancy/offering of services---------- October 1, 2006

EXHIBIT 5

GE Healthcare

QUOTATION

Quotation Number: P6-C24764 V 1

Charlotte Radiology
16455 Statesville Rd, Ste 320
Huntersville NC 28078

Attn: Mr Mike Vachino
Ops Manager
OP Radiology
16455 Statesville Rd, Ste 320
Huntersville NC 28078

Date: 01-02-2008

This agreement is by and between the customer and the GE Healthcare entity (referred to herein as "GE Healthcare"), each as identified in the applicable signature block below. GE Healthcare agrees to provide and customer agrees to pay for the products and/or services set forth in this agreement, all in accordance with the terms and conditions set forth herein. This agreement is comprised of:

1) This GE Healthcare Quotation (together with any applicable schedules referred to herein) that identifies the product and/or service offerings purchased or licensed by customer;

2) The attached (i) GE Healthcare Warranty documentation, (ii) GE Healthcare Additional Terms and Conditions documentation and (iii) GE Healthcare Statement of Service Deliverables documentation, as applicable; and

3) The attached GE Healthcare Standard Terms and Conditions-Sales and Service.

In the event of conflict among the foregoing items, the order of precedence is as numbered above. This agreement constitutes the complete agreement of the parties relating to GE Healthcare's delivery of the products and/or services identified in the GE Healthcare Quotation and supersedes all prior oral or written proposals, statements, agreements, commitments, or understandings with respect to the matters provided for herein. Quotation expiration date is as stated below unless otherwise indicated. This Quotation is subject to pricing, configuration and credit approval.

• Terms of Delivery:	FOB Destination
• Quotation Expiration Date:	01-18-2008
• Billing Terms:	10% down / 70% delivery / 20% installation or first patient use
• Payment Terms:	UPON RECEIPT
• Contract Price Protection:	12 months from date of contract execution, subject to increase 0.5% per month after such 12 months period.

Each party has caused this agreement to be signed by an authorized representative on the date set forth below.

General Electric Company, GE Healthcare
A GE Healthcare business
3200 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188
www.gemedical.com

Submitted By: _____ Date
Georges Clinton
Sales Representative
Charlotte, NC
US
Phone: 888-293-7798
Fax: 414-918-1653
Georges.Clinton@med.ge.com

Agreed To By: _____ Date
Authorized Company Representative

Please return to your local sales representative.

PO#

CUSTOMER Agreed To By: _____ 1/3/08
Authorized Customer Representative — Date

MARK JENSEN
Print or Type Name

CIS. Manager
Title

3200 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188
General Electric Company
General Electric Company, GE Healthcare

GE Healthcare

QUOTATION

Quotation Number: P6-C24764 V 1

Qty	Catalog No.	Description
1		**GoldSeal EXCITE 1.5T EchoSpeed Mobile**
1	L1001EF	Signa 1.5T EXCITE Expert 8-Channel Mobile System
1	L1061LA	Signa 1.5T CXK4 Mobile Magnet
1	E8800JN	Medrad 8 Channel Neurovascular Coil for 1.5T Systems
1	W0901MR	4 Day + 8 Hour MR TiP Onsite/TVA Blended System Training
68	S3005MR	MR Cash on Account - $5,000

Quote Summary:

Total Quote Net Selling Price **$1,088,050.00**

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)

Coach included in Total Net Selling price

This contract is contingent upon the approval of the North Carolina Department of Health and Human Resources, Certificate of Need Board (CON), and the approval of the Carolinas Imaging Services (CIS) Managers.

3200 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188
General Electric Company
General Electric Company, GE Healthcare

GE Healthcare

Standard Terms and Conditions Sales and Service

References herein to "products" and "services" mean the products (including equipment and software) and services purchased by Customer as identified on the applicable GE Healthcare Quotation.

1. **Confidentiality.** GE Healthcare will treat patient information as confidential and comply with applicable privacy laws. Each party will treat the terms of this agreement and the other party's written, proprietary business information as confidential if marked as confidential or proprietary. Customer will treat GE Healthcare (and GE Healthcare's third party vendors') software and technical information as confidential information whether or not marked as confidential and shall not use or disclose to any third parties any such confidential information except as specifically permitted in this agreement or as required by law (with reasonable prior notice to GE Healthcare). The receiving party shall have no obligations with respect to any information which (i) is or becomes within the public domain through no act of the receiving party in breach of this agreement, (ii) was in the possession of the receiving party prior to its disclosure or transfer and the receiving party can so prove, (iii) is independently developed by the receiving party and the receiving party can so prove, or (iv) is received from another source without any restriction on use or disclosure.

2. **Warranties.** GE Healthcare warrants that its services will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will promptly re-perform any non-conforming services for no charge as long as Customer provides reasonably prompt written notice to GE Healthcare. Product warranties (if applicable) are set forth in the GE Healthcare warranty forms delivered with this agreement. The foregoing service remedy, together with any remedy provided in the applicable GE Healthcare product warranty forms delivered with this agreement, are Customer's sole and exclusive remedies (and GE Healthcare's sole and exclusive liability) for warranty claims. These exclusive remedies shall not have failed of their essential purpose (as that term is used in the Uniform Commercial Code) as long as GE Healthcare remains willing to repair or replace defective warranted products or re-perform any non-conforming services for no charge, as applicable, within a commercially reasonable time after being notified of Customer's warranty claim. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, WILL APPLY. GE Healthcare may use refurbished parts in new products as long as it uses the same quality control procedures and warranties as for new products. Any part for which GE Healthcare has supplied a replacement shall become GE Healthcare property.

3. **Software License.** GE Healthcare grants to Customer a non-exclusive, non-transferable license to use for internal business only the GE Healthcare software, third-party software and associated documentation provided hereunder by GE Healthcare to Customer, subject to the license scope and other restrictions set forth in this agreement. Customer may permit its employees, agents and independent contractors to use the software and associated documentation consistent with this agreement; provided, however, that Customer shall be responsible for any acts of its employees, agents and/or independent contractors which are inconsistent with this agreement. Customer may only use any third-party software provided by GE Healthcare together with the GE Healthcare software and will comply with all third-party software license terms included in any click or shrink wrap license or of which GE Healthcare otherwise makes Customer aware. Without GE Healthcare's prior written consent, Customer may not: (i) copy, sublicense, distribute, rent, lease, loan, resell, modify or translate the software or create derivative works based thereon; (ii) directly or indirectly decompile, disassemble, reverse engineer or otherwise attempt to learn the source code, structure, algorithms or ideas underlying the software; (iii) provide service bureau, time share or subscription services based on the software; or (iv) remove, obscure or modify any markings, labels or any notice of the proprietary rights, including copyright, patent and trademark notices of GE Healthcare or its licensors. Customer may make one copy of the software solely for backup purposes. GE Healthcare and its licensors, as applicable, retain all ownership and intellectual property rights to the software and documentation. If Customer acquires any rights to the software or documentation, Customer hereby assigns all of those rights to GE Healthcare or its licensors, as applicable. No license rights are granted (whether by implied license or otherwise), to Customer, except as specifically provided in this section. If Customer is a U.S. Government agency, Customer acknowledges that the software licensed under this agreement is a commercial item that has been developed at private expense and not under a Government contract. The Government's rights relating to the software are limited to those rights applicable to Customers as set forth herein and is binding on Government users in accordance with Federal Acquisition Regulation 48 C.F.R. Section 12.212 for non-defense agencies and/or Defense FAR Supplement 48 C.F.R. Section 227.7202-1 for defense agencies.

4. **Indemnification.** GE Healthcare will defend, indemnify and hold harmless Customer from any third party claims brought against Customer for infringement of intellectual property rights arising from Customer's use of the GE Healthcare manufactured equipment and/or GE Healthcare proprietary software purchased or licensed by Customer from GE Healthcare in accordance with their specifications and within the license scope granted in this agreement. If any such claim materially interferes with Customer's use of the GE Healthcare manufactured equipment and/or GE Healthcare proprietary software, GE Healthcare shall, at its option: (i) substitute functionally equivalent non-infringing products; (ii) modify the GE Healthcare product so that it no longer infringes but remains functionally equivalent; (iii) obtain for Customer at GE Healthcare's expense the right to continue to use the infringing GE Healthcare product; or (iv) if the foregoing are not commercially reasonable, refund to Customer the purchase price, as depreciated (based on five year's straight-line depreciation), for the GE Healthcare product that gave rise to the claim. Any such claims against Customer arising from Customer's use of the GE Healthcare manufactured equipment and/or proprietary software after GE Healthcare has notified Customer to discontinue use of such equipment and/or software and offered one of the remedies set forth in clauses (i) through (iv) above are the sole responsibility of Customer. This section represents Customer's sole and exclusive remedy (and GE Healthcare's sole and exclusive liability) regarding any claim of infringement associated with the GE Healthcare manufactured equipment and/or proprietary software and/or any use thereof. The above indemnification obligation is conditional upon

Customer providing GE Healthcare prompt written notice of the third party infringement claim after receipt of notice of such claim, allowing GE Healthcare to control the defense and disposition of such claim, and reasonably cooperating with GE Healthcare in the defense. GE Healthcare shall not have any obligation to Customer hereunder: (a) for damages sought by a third party claimant based on or resulting from the amount of revenues or profits earned or other value obtained by the use of such GE Healthcare product, or the amount of use of such GE Healthcare product; or (b) for infringement claims based on or resulting from: (i) the use of such GE Healthcare product in combination with any computer software, tools, hardware, equipment, or any other materials, or any part thereof, or services, not furnished by GE Healthcare or authorized by GE Healthcare in its documentation; (ii) the use of such GE Healthcare product in a manner or environment, or for any purpose, for which GE Healthcare did not design or license it, or in violation of GE Healthcare's instructions on use; or (iii) any modification of such GE Healthcare product by Customer or any third party. GE Healthcare shall not be responsible for any compromise made by Customer or its agents without GE Healthcare's consent. This indemnification obligation is expressly limited to the product purchased or licensed by Customer from GE Healthcare. In addition to any other limitations stated in this section, this section does not apply to Gold Seal Exchange Products.

5. **Termination.** If either party materially breaches this agreement and the other party seeks to terminate on the basis of that breach, such other party shall notify the breaching party in writing, setting out the breach, and the breaching party will have 60 days following such notice to remedy the breach. If the breaching party fails to remedy the breach during that period, the other party may, subject to the terms of Sections 2, 4 and 21.3, by written notice terminate this agreement. All orders are subject to (i) GE Healthcare's on-going credit review and approval and (ii) GE Healthcare's on-going determination that Customer and the proposed order or related service agreement comply with all applicable laws and regulations, including those relating to workplace safety, FDA matters, Federal Healthcare Program Anti-kickback compliance, export/import control and money laundering prevention. Customer acknowledges that the products are or may be subject to regulation by the FDA and other federal or state agencies. Customer shall not use or permit the products to be used in any manner that does not comply with applicable FDA or other regulations or for any non-medical, entertainment, or amusement purposes. Further, Customer represents that it is purchasing the products for its own use consistent with the terms of this agreement and that it does not intend to re-sell the products to any other party or to export the products outside the country to which GE Healthcare delivers the products. If GE Healthcare determines in good faith at any time that there are legal or regulatory compliance and/or material credit issues with the order or related service agreement, GE Healthcare may terminate this agreement (including warranty services hereunder) immediately upon written notice to Customer.

6. **Data Access.** Customer shall permit GE Healthcare to connect to the products, or to otherwise access performance data related to the products, to gather and use products and resource usage data in various ways such as product development, quality initiatives, benchmarking and reporting services. The data collected by GE Healthcare will be used, during and after the term of this agreement, in accordance with all applicable laws and regulations and in a manner that will maintain confidentiality.

7. **Force Majeure.** Neither party is liable for delays or failures in performance (other than payment obligations) under this agreement due to a cause beyond its reasonable control. In the event of such delay, the time for performance shall be extended as reasonably necessary to enable performance.

8. **Record Retention.** If Section 1861(v)(1)(i) of the Social Security Act applies to this agreement, subsections (i) and (ii) of such Section are made a part hereof. If applicable, GE Healthcare will retain and make available, and insert the requisite clause in each applicable subcontract requiring its subcontractors to retain and make available, the contracts, books, documents and records to the persons, upon the requests, and for the periods of time as required by such subsections.

9. **Cost Reporting.** Customer will (i) fully and accurately account for, and report in any applicable cost reports or otherwise fully disclose to government program payors and accurately reflect where and as appropriate to the applicable reimbursement methodology, and (ii) provide information upon request by federal or state agencies concerning, all services and other items, including any discounts, received from GE Healthcare under this agreement in compliance with all applicable laws, including the federal Social Security Act and implementing regulations relating to Medicare, Medicaid, and other federal and state health care programs.

10. **Customer Responsibilities.** In order for GE Healthcare to perform its obligations under this agreement (including warranty obligations), Customer agrees to:

- Provide and maintain a suitable, safe and hazard-free location and environment for the GE Healthcare products and services in material compliance with any written requirements provided by GE Healthcare, perform GE Healthcare recommended routine maintenance and operator adjustments, ensure that any non-GE Healthcare provided service is performed by, and GE Healthcare products are used by, qualified personnel in accordance with applicable user documentation.
- Provide GE Healthcare prompt and unencumbered access to the products, network cabling and communication equipment as necessary to perform services. This access includes providing and maintaining connectivity to the products (modem line, internet connection, vpn persistent access, broadband internet connection, or other secure remote access reasonably requested by GE Healthcare) to permit GE Healthcare to perform support services and meet service levels, including remote diagnostic, monitoring and repair services. GE Healthcare may separately charge Customer for a scheduled service call where Customer does not provide such access and GE Healthcare is therefore required to schedule an additional service call.

- Provide a secure area reasonably near the products for GE Healthcare's proprietary service materials. Customer shall not have any right, title or interest in or to these materials or any license or other right to access, use, or decompile these materials. Customer agrees to use reasonable efforts to protect this GE Healthcare property against damage, loss or unauthorized access or use.
- Promptly place service calls in accordance with any reasonable GE Healthcare protocols provided to Customer and designate a Customer representative and alternate as GE Healthcare's support contacts with the necessary skills to assist GE Healthcare in the diagnosis of service problems.
- Establish and maintain security, virus protection, backup and disaster recovery plans for any data, images, software or equipment (GE Healthcare's services do not include recovery of lost data or images). This responsibility includes maintaining secure network and network security components, firewalls and security-related hardware or software, preventing unauthorized access to the product and preventing interception of communications between GE Healthcare's service center and the product.
- Obtain and maintain all licenses, permits, and other approvals necessary for installation, use, disposal, and recycling (each as applicable) of products provided under this agreement. During the term of this agreement, Customer will take all necessary and legally required precautions for the health and safety of GE Healthcare personnel who will perform any service at the Customer site, including, but not limited to, (i) instructing any GE Healthcare personnel who will be present at the Customer site about Customer's safety procedures and practices, (ii) providing GE Healthcare with current written information identifying all known existing hazardous materials (including wastes) on or near the Customer site that could affect the GE Healthcare personnel, (iii) taking all necessary and/or legally required actions to properly store, remove and/or remediate any safety conditions and hazardous materials so that GE Healthcare may safely perform its services, and (iv) maintaining a workplace and operating environment in accordance with Federal, State and/or local requirements. GE Healthcare shall have no obligation to perform services until Customer has complied with each of the items identified above.

Unless expressly provided otherwise, Customer is separately responsible for: (a) the repair, replacement or removal of any disposables, consumables, supplies, accessories or collateral equipment; (b) the provision of or payment for any applicable rigging or facility cost; and (c) any service necessitated by (i) Customer's or its representative's designs, specifications, or instructions, (ii) anything external to the products, including any causes or events beyond GE Healthcare's reasonable control, (iii) product misuse, (iv) combining any component of the products with any incompatible equipment or software, or (v) Customer's relocation, additions, or changes to the products, unless GE Healthcare has consented in writing to such relocations, additions or changes.

11. Terms of Payment. The payment terms for the product(s) and/or service(s) are stated in the GE Healthcare Quotation or additional terms and conditions, as applicable. For any products requiring final assembly or installation by GE Healthcare, if such assembly or installation is delayed by more than 30 days after delivery of the products for any reason for which Customer is responsible, GE Healthcare will bill Customer for and Customer will pay GE Healthcare any remaining payments due under this agreement. If Customer has a good faith dispute regarding payment for a particular product (or subsystem thereof) or service, such dispute shall not entitle Customer to withhold payment for any other product (or subsystem thereof) or service purchased from GE Healthcare. GE Healthcare may revoke credit extended to Customer because of Customer's failure to pay for any products or services when due or for any other reason deemed good or sufficient by GE Healthcare, and in such event all subsequent shipments and services shall be paid for on receipt. Customer grants GE Healthcare a purchase money security interest in all items of equipment listed in the GE Healthcare Quotation until full payment is received, and Customer agrees to perform all acts and execute all documents as may be necessary to perfect GE Healthcare's security interest. Prices for upgrades and revisions assume that Customer returns the replaced component and transfers title to GE Healthcare at no charge to GE Healthcare.

12. Late Payment. Failure to make timely payment is a material breach of this agreement, for which (in addition to other available remedies) GE Healthcare may suspend performance under any or all GE Healthcare agreements until all past due amounts are brought current. If GE Healthcare so suspends, GE Healthcare will not be responsible for the completion of planned maintenance due to be performed during the suspension period and any product downtime will not be included in the calculation of any uptime commitment. Interest shall accrue on past-due amounts at a rate equal to the lesser of 1.5% per month or the maximum rate permitted by applicable law. Customer will reimburse GE Healthcare for reasonable costs (including attorneys' fees) relating to collection of past due amounts. Any credits that may be due to Customer under an agreement may be applied first to any outstanding balance. If, after product delivery, Customer does not make any payments for the products within 45 days after such payments are due, GE Healthcare may, upon 10 days prior written notice to Customer, either (a) enter upon Customer's site and remove the products or (b) temporarily disable the products so that they are not operational.

13. Taxes. Prices do not include sales, use, gross receipts, excise, valued-added, services, or any similar transaction or consumption taxes ("Taxes"). Customer acknowledges and agrees it shall be responsible for the payment of any such Taxes to GE Healthcare unless it otherwise timely provides GE Healthcare with a valid exemption certificate or direct pay permit. In the event GE Healthcare is assessed Taxes, interest and penalty by any taxing authority, Customer agrees to reimburse GE Healthcare for any such Taxes, including any interest or penalty assessed thereon. Each party is responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

14. Customer Training. Unless otherwise stated in the catalog description, training must be completed within 12 months after (i) the date of product delivery for training purchased with products and (ii) the start date for services for training purchased with services. If training is not completed within the applicable time period, GE Healthcare's obligation to provide the training will expire without refund.

15. Assignment; Use of Subcontractors. Neither party may assign any of its rights or obligations under this agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may transfer and assign this agreement without the other party's consent to any person or entity (except to a GE Healthcare competitor) that is an affiliate of such party or that acquires substantially all of the stock or assets of such party's applicable business if any such assignees agree, in writing, to be bound by the terms of this agreement. Subject to such limitation, this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. GE Healthcare may hire subcontractors to perform work under this agreement; provided, however, that GE Healthcare will at all times remain responsible for the performance of its obligations and duties under this agreement.

16. Medical Diagnosis and Treatment. Customer hereby acknowledges and agrees that all clinical and medical treatment and diagnostic decisions are the responsibility of Customer and its professional healthcare providers.

17. Amendment; Waiver; Survival. This agreement may be amended only in writing signed by both parties. Any failure to enforce any provision of this agreement is not a waiver of that provision or of either party's right to later enforce each and every provision. The terms of this agreement that by their nature are intended to survive its expiration (such as the confidentiality provisions included herein) will continue in full force and effect after its expiration. Software license provisions applicable to perpetual software licenses fully paid for prior to termination shall survive termination of this agreement.

18. Governing Law; Disputes; Limitation of Liability. The law of the state where the product is installed or the service is provided will govern any dispute between the parties. EACH PARTY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT. Disputes (other than collection matters) arising under or relating to this agreement will be submitted to the American Arbitration Association ("AAA") office located closest to the largest metropolitan area of the state where the product is installed or the service is provided for binding arbitration in accordance with the AAA's Commercial Arbitration Rules. The cost of the arbitration, including the fees and expenses of the arbitrator, will be shared equally, with each party paying its own attorneys' fees. The arbitrator will have the authority to award damages only to the extent otherwise available under this agreement. GE HEALTHCARE'S (AND ITS REPRESENTATIVES') LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL NOT EXCEED: (A) FOR STAND-ALONE PRODUCT OR SERVICE OFFERINGS, THE PRICE FOR THE PRODUCT OR SERVICE THAT IS THE BASIS FOR THE CLAIM; OR (B) FOR SERVICE CONTRACTS, THE ANNUAL CONTRACT PRICE FOR THE SERVICE THAT IS THE BASIS FOR THE CLAIM. NEITHER CUSTOMER NOR GE HEALTHCARE (NOR ITS REPRESENTATIVES) SHALL HAVE LIABILITY TO THE OTHER UNDER THIS AGREEMENT FOR ANY PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, SUCH AS EXCESS COSTS INCURRED, DATA LOSS OR LOST PROFITS OR REVENUE. The limitation of liability and exclusion of damages shall apply even if the limited remedies fail of their essential purpose.

19. Contract Formation. GE Healthcare's Quotation is subject to withdrawal at any time before acceptance. Customer accepts by signing and returning the Quotation or by sending a purchase order in response to the Quotation. Upon Customer's acceptance, GE Healthcare's Quotation and the related terms and conditions referred to in the Quotation (as modified to the extent applicable by any strategic purchasing agreement Customer may have in effect at the time with GE Healthcare) shall constitute the entire agreement relating to the products and services covered by the Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this agreement in making their decisions to enter into this agreement. No agreement or understanding, oral or written, in any way purporting to modify these terms and conditions or the Quotation, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding on GE Healthcare unless hereafter made in writing and signed by GE Healthcare's authorized representative. Customer is hereby notified of GE Healthcare's objection to any terms inconsistent with this Quotation and to any other terms proposed by Customer in accepting this Quotation. Neither GE Healthcare's subsequent lack of objection to any such terms, nor the delivery of the products or services, shall constitute an agreement by GE Healthcare to any such terms. GE Healthcare's supplies and accessories products are covered by a separate terms and conditions statement available at www.gehealthcare.com/accessories.

20. Leases. If Customer is acquiring use of products through an equipment lease (a "Lease") with an equipment lessor (a "Lessor"), certain provisions of this agreement will be modified as follows: (i) payment (the applicable Lessor or Customer, as agreed by the parties, will pay GE Healthcare the purchase price for the products per the terms of the applicable GE Healthcare Quotation, including any applicable GE Healthcare additional terms and conditions, or such other terms and conditions as shall be agreed to in writing by GE Healthcare and the Lessor); (ii) title transfer (GE Healthcare will convey title to the equipment portion of the products to the applicable Lessor per the terms of the applicable GE Healthcare Quotation, including any applicable GE Healthcare additional terms and conditions, or such other terms and conditions as shall be agreed to in writing by GE Healthcare and the Lessor); (iii) acceptance (as between Customer and the applicable Lessor, the terms of product acceptance shall be governed by the applicable Lease and other documentation entered into between Customer and such Lessor; as between GE Healthcare and such Lessor, the terms of product acceptance shall be governed by the terms of the applicable GE Healthcare Quotation, including any applicable GE Healthcare additional terms and conditions, or such other terms and conditions as may be agreed to in writing by GE Healthcare); (iv) warranties (subject to the last sentence of this section, all warranties hereunder shall extend to and be enforceable by Customer); and (v) software licenses (Customer shall be an authorized end-user under any software licenses under this agreement in connection with the products, subject to the applicable license terms and conditions). Notwithstanding this section, if the applicable Lessor does not comply with the terms of this agreement relating to items (i) and (iii) above, Customer continues to be responsible for the payment and acceptance obligations hereunder. As between the applicable Lessor and Customer, the applicable Lease terms may modify the manner in which warranties hereunder are enforceable by Customer, provided that GE Healthcare shall not be bound by any Lease terms that would modify GE Healthcare's warranty obligations unless GE Healthcare has agreed in writing to such modifications.

21. Products. The following provisions shall apply only to the purchase or licensing of products:

21.1 Delivery: When feasible, GE Healthcare reserves the right to make delivery in installments. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. Delivery dates are approximate. If Customer fails to schedule a delivery date with GE Healthcare within six months after order entry, GE Healthcare may cancel Customer's order upon written notice to Customer.

21.2 Transportation, Title and Risk of Loss: Unless otherwise indicated in the GE Healthcare Quotation, shipping terms are C.I.F. (Cost Insurance Freight). GE Healthcare is responsible for payment of freight and for arranging and paying for insurance on behalf of Customer against property damage or loss until delivery to Customer. Title and risk of ownership to equipment passes to Customer at GE Healthcare's shipping dock. Software is licensed to Customer, but no title to or other ownership interest in such software passes to Customer.

21.3 Installation: GE Healthcare's installation services provided or identified in its Quotation will be performed in accordance with applicable GE Healthcare installation guides and project plans and otherwise subject to the following additional provisions. Customer agrees to review the applicable installation guides and project plans and perform its obligations set forth in those materials.

- Customer will prepare the location for the installation consistent with GE Healthcare's written specifications and applicable law. Customer will install necessary system cable and assemble any necessary equipment or hardware not provided by GE Healthcare, unless agreed otherwise in writing by the parties. For products that will be operated on or in connection with Customer supplied hardware or software, Customer is responsible for ensuring that its hardware and software conform with GE Healthcare's minimum hardware and software requirements as made available to Customer. Unless GE Healthcare has agreed in writing to maintain responsibility for an applicable service, Customer will be responsible for enabling the connectivity and interoperability between its Customer supplied hardware or software or other systems or devices and the GE Healthcare product, including, without limitation, procuring and installing any modifications, interfaces or upgrades consistent with GE Healthcare's written specifications.
- Unless Customer has elected to purchase network preparation and certification services from GE Healthcare as set forth in the GE Healthcare Quotation, Customer is solely responsible for ensuring that Customer's network is adequate for the proper operation and performance of the products and that it otherwise meets GE Healthcare's network configuration requirements (including requirements for preparation of Customer's site, remote interconnections and Internet Protocol address assignments) provided by GE Healthcare to Customer.
- If local labor conditions make it impractical to, or GE Healthcare is directed not to, use GE Healthcare's regular employees for the installation, all work will be performed by Customer's laborers or outside labor at Customer's expense; provided that GE Healthcare will, at Customer's request, furnish supervision for proper installation.
- GE Healthcare will provide Customer with the product(s) in the configuration as listed in the Quotation. The configuration is based upon information furnished to GE Healthcare by Customer. Customer is responsible for modifications, if any, to the configuration due to inaccuracies or incompleteness of the information furnished to GE Healthcare by Customer, changes in Customer's needs or requirements, or for other reasons attributable to Customer.
- For products that GE Healthcare is obligated to install under the terms of this agreement, if GE Healthcare delivers the product but fails to perform its installation obligations, then in such event Customer shall nevertheless be obligated to pay GE Healthcare an amount equal to the product purchase price less the fair market value of the applicable installation services, taking into account the type of product and level of installation required ("Installation Service FMV"). An independent third party shall determine the Installation Service FMV pursuant to the dispute resolution provisions of Section 18. Subject to the terms of Section 18 and notwithstanding any other provision of this agreement to the contrary, the deduction of the Installation Service FMV shall be Customer's sole and exclusive remedy (and GE Healthcare's sole and exclusive liability) in the event GE Healthcare fails to perform its installation obligations under this agreement.

21.4 Acceptance: Unless expressly provided otherwise in this agreement or in the applicable GE Healthcare installation guide or standard project plan, Customer shall be deemed to have accepted a product delivered by GE Healthcare under this agreement on the earlier of: (i) if GE Healthcare installs the product, 5 days after GE Healthcare notifies Customer that it has completed assembly and the product is operating substantially in accordance with GE Healthcare's published performance specifications; (ii) if GE Healthcare does not install the product, 5 days after delivery of the product to Customer; or (iii) the date Customer first uses the product for patient use.

22. Services. The following provisions shall apply only to the purchase of services:

22.1 Coverage Commencement for Certain Equipment: GE Healthcare may inspect all equipment that has been without GE Healthcare warranty or service contract coverage for more than 30 days. This service agreement will be effective for such equipment only after a GE Healthcare service representative has determined its eligibility. If service or initial repair is required, the cost will be separately invoiced to Customer at GE Healthcare's then current list prices/rates for time and materials. GE Healthcare and Customer will from time to time review the inventory of equipment covered by the agreement to confirm its accuracy. Service fees may be adjusted following any such review by written agreement of the parties.

22.2 End of Support Announcement: If GE Healthcare announces to its customers that it will no longer offer support ("end of product life") for a product or component, then upon at least 12 months' prior written notice to Customer, GE Healthcare may, at its option, remove any such item from all GE Healthcare service agreements, with an appropriate adjustment of charges, without otherwise affecting such agreements. GE Healthcare will use its reasonably diligent efforts to continue its support obligations under this service agreement for any product or component that is approaching its end of product life for as long as it is covered by this service agreement.

22.3 Inflation Adjustments: After the first year of the agreement, but no more than annually, GE Healthcare may adjust the service fees by an amount no more than one-half of the prior 12-month increase in the US Bureau of Labor Statistics (BLS) Employment Cost Index (ECI) for "Precision production, craft, and repair occupations (not seasonally adjusted, total compensation)", or any replacement index as determined by the BLS. This adjustment shall be no more than 2% annually and Customer will be notified by GE Healthcare at least 60 days prior to any adjustment.

22.4 Additional Services: Customer is responsible for notifying GE Healthcare to the extent it proposes to add items to a service agreement. Any services provided by GE Healthcare at Customer's request that are not covered by this agreement will be furnished at GE Healthcare's then current list prices/rates for time and materials, plus expense reimbursement for reasonable travel and living expenses.

GE Healthcare

Additional Terms and Conditions For Diagnostic Imaging Products

These Additional Terms and Conditions incorporate GE Healthcare's Standard Terms and Conditions – Sales and Services (GE Healthcare) and will apply to the purchase and use of GE Healthcare diagnostic imaging products in the X-Ray, Mammography, CT, MR, PET, PET Cyclotron/Chemistry, and Nuclear modalities. Certain provisions apply only to pre-owned GoldSeal Preferred products in these modalities and other provisions apply only to construction work GE Healthcare has agreed in writing to provide.

Cancellation and Payments. If Customer cancels an order without GE Healthcare's prior written consent within 90 days before the scheduled delivery date, Customer will pay a cancellation charge of 15% of the price of the products ordered. GE Healthcare will retain as a credit any payments received up to the amount of the cancellation charge. If Customer cancels an order for products requiring site evaluation services by GE Healthcare or its representatives, Customer will also pay GE Healthcare reasonable charges for such services performed prior to cancellation. If applicable for the order, Customer will pay all progress payments (other than the final payment) prior to final product calibration, and GE Healthcare may, at its option, delay final calibration until required progress payments are received.

Order Changes. GE Healthcare will accept order changes up to 5 weeks prior to scheduled delivery or, for orders placed less than 5 weeks before the delivery date, up to 3 business days after its receipt of the order. GE Healthcare reserves the right to refuse late change requests. Product delivery may be delayed by late change requests.

Site Preparation. If applicable, Customer will be responsible, at its expense, for preparing the site where the products will be installed in accordance with GE Healthcare's site preparation requirements. Site preparation requirements vary by product and are described in the applicable GE Healthcare product pre-installation manual and other materials provided by GE Healthcare. Site preparation includes, but is not limited to, compliance with all necessary electrical, lighting, heating, air conditioning, plumbing, radiation shielding, fire protection, ceiling and wall structures/supports, architectural/seismic preparations, magnetic and radio frequency shielding, and other environmental requirements, as applicable for the specific product.

For MR systems, Customer will provide a site and surroundings suitable for installation and operation of an MR system producing strong magnetic and electric fields, and Customer will be required to provide a water chiller meeting GE Healthcare specifications.

For PET or PET Cyclotron/Chemistry systems, Customer will provide a site and surroundings suitable for installation and operation of such a system using and/or producing radiation. Further, Customer will be responsible for obtaining all required federal, state, and local licenses and permits for radioactive sealed sources and radioisotopes used with such system. If permitted under applicable licensing requirements, GE Healthcare representatives will work under Customer's license and supervision when handling any radioactive substance for which a license is required, or Customer will provide such handling itself under an appropriate license. Customer will provide all radioactive sources and radioisotopes for calibration and performance checks of such system.

Site Evaluation Assistance. If applicable, upon Customer's request, GE Healthcare will provide reasonable assistance in evaluating and reviewing Customer's site preparation plans, drawings and materials to facilitate compliance with GE Healthcare's site planning requirements. Site evaluation assistance available from GE Healthcare varies by product and will be coordinated through GE Healthcare's assigned installation specialists. GE Healthcare's site evaluation services rely on and are subject to the completeness and accuracy of information provided by Customer, its representatives and contractors, and conditions prevailing at the time of such site evaluation services. Such site evaluation services are intended only to assist Customer in fulfilling its responsibility to ensure that the site complies with GE Healthcare's applicable site preparation requirements.

Installation and Certification. If applicable, GE Healthcare will provide product assembly, installation, interconnection, calibration and checkout services, as required, at no additional charge, except for items excluded herein. Upon completion of assembly and installation and prior to turnover of the products to Customer for clinical use, as applicable, GE Healthcare will perform prescribed tests using its own performance specifications, instruments and procedures to verify that the products meet GE Healthcare's applicable performance specifications. GE Healthcare will not provide rigging or site preparation services in connection with product installation, unless otherwise agreed in writing by GE Healthcare for an additional charge. GE Healthcare will not install accessory items such as illuminators, pass boxes, cabinets, darkroom equipment or processors for X-Ray and CT products, unless otherwise agreed in writing by GE Healthcare.

Customer will provide any licenses, permits and approvals needed for installation and use of the products, including, but not limited to, licensing, compounding, packing, holding and reporting requirements of the FDA, NRC, state radiation control authorities and state pharmacy and medical boards, and any state or local architectural/seismic submissions and approvals, as applicable. GE Healthcare will file any required Federal and State reports relating to its installation activities. GE Healthcare will not install, test, certify or provide its own software license or warranty for products that are not listed in its on-line catalog or price pages at the time of sale (such products are normally identified by NL or NW series numbers), unless otherwise agreed in writing by GE Healthcare.

Applications Training. At Customer's request and for an additional charge, GE Healthcare will provide training for Customer personnel through GE Healthcare's Learning Solutions TiP "Training in Partnership" program. Customer may select training at GE Healthcare's then-current standard rates and in accordance with its then-current training program offerings and terms.

Use in Manufacturing. The products and/or their components may have been operated intermittently under normal conditions and/or used in staging similar types of products for a limited time period at GE Healthcare's manufacturing facility to (1) verify that products and components perform reliably in accordance with their specifications or (2) facilitate engineering testing of other components and software. Further, the products and/or components may have undergone design maturity testing at GE Healthcare's manufacturing facility to validate the reliability of new or modified product design and manufacturing processes. Such tests are conducted on a small percentage of newly manufactured products and simulate normal operation within a product's technical specifications for a limited time period. Use of products or components for the purposes described above does not impair their useful life or affect their warranty.

Remote Access. If applicable, Customer is responsible for providing and maintaining an appropriate telephone line or Broadband connection at the site that GE Healthcare may use to provide remote diagnostic service for the products. Eligible products include an uptime commitment during the warranty period, provided Customer maintains a Broadband connection in accordance with GE Healthcare specifications and allows GE Healthcare to remotely monitor performance of the products via this connection. GE Healthcare will provide details of this uptime commitment for eligible products.

Mobile Systems. For products that are approved by GE Healthcare for use as transportable, relocatable and mobile systems, GE Healthcare will deliver the system to Customer's van manufacturer and furnish final assembly services to place the system in Customer's van. At the time of order, Customer must notify GE Healthcare of the van manufacturer to which the system is to be shipped. It is Customer's responsibility to make arrangements with the van manufacturer for delivery of the van and to comply with any additional planning requirements of the van manufacturer. For MR systems, GE Healthcare's product tests will be performed when assembly in the van is completed and MR system operation will be re-checked when the van is delivered to Customer.

GoldSeal Preferred Products. For products designated as GoldSeal Preferred products (identified by catalog numbers beginning with L, NL193-199, and NL528), the products have been previously owned and used; they are not new. When delivered to Customer, the products may have received mechanical, electrical and/or cosmetic reconditioning, as necessary, and will meet their original specifications. GE Healthcare will deliver pre-owned mobile, transportable and relocatable MR and CT systems to Customer's site at no additional charge. Since pre-owned products may be offered simultaneously to several customers, their sale to Customer is subject to their continued availability at the time Customer offers to purchase the products. If the products are no longer available, (1) GE Healthcare will attempt to identify other pre-owned products in its inventory that meet Customer's needs and (2) if substitute products are not acceptable to Customer, GE Healthcare will cancel the order and refund any deposit Customer has paid for such products.

iCenter and iLinq. If specified in the Quotation, GE Healthcare will provide iCenter and/or iLinq information management services at no additional charge during the term of the applicable product warranty, subject to then-applicable terms and conditions for such services.

Site Access Control. Customer is responsible for controlling access to the products and for all operations and protocols using the products at the site, and Customer will comply with all applicable laws and regulations related to site access control.

For MR systems, Customer acknowledges that such systems utilize magnets of high field strength and radio frequency electromagnetic fields. The magnetic fields of such systems attract ferro-magnetic articles and are capable of rapidly accelerating such articles toward the magnet, creating corresponding physical danger to persons in the vicinity and possible damage to such systems. In addition, the magnetic and radio frequency fields of such systems may adversely affect the operation of pacemakers, equipment containing magnetic reed switches, and aneurysm or surgical clips.

For PET or PET Cyclotron/Chemistry systems, Customer acknowledges that such systems utilize radioactive materials. As with all systems utilizing radioactive materials, hazards exist creating possible physical danger to persons in the vicinity.

Radioactive Materials. For nuclear, PET and/or PET Cyclotron/Chemistry systems that require the use of radioactive sources included with the order, Customer is solely responsible for obtaining any NRC and other government licenses required to use such sources. If Customer does not provide GE Healthcare with satisfactory evidence that Customer has obtained all required licenses at the time of order entry, GE Healthcare may, at its option, remove such sources from the order and create a second order for such sources. GE Healthcare will then ship the other products ordered and bill Customer for the amount due for delivery of products under the original order, less the amount attributable to such sources. GE Healthcare will ship such sources to Customer only after Customer provides GE Healthcare with satisfactory evidence that Customer has obtained all required licenses for such sources and GE Healthcare will bill Customer for the amount due for such sources upon shipment. Customer shall pay for and accept delivery of the other products and such sources per the above procedures.

In addition, Customer will provide all radioactive sources and radioisotopes for calibration and performance checks of such system. For PET Cyclotron/Chemistry systems, GE Healthcare will provide 4.12 grams of ^{18}O water per installed ^{18}F target to perform GE Healthcare's standard on-site acceptance testing, and Customer is responsible for the expense of any additional testing requirements for such systems.

Magnet Maintenance and Cryogens. The price of MR systems includes all cryogens necessary for final assembly and testing of the MR system. Cryogen loss attributable to power loss or water chiller failure for the MR system's shield cooler or condenser system during installation is Customer's responsibility, and Customer will be billed for cryogen replacement in 250 liter (minimum dewar size) increments plus the associated cryogen transfill labor at GE Healthcare's standard hourly billed service rates. After final assembly, Customer will be responsible to supply and install all cryogens, unless cryogen loss is caused by a defect in material or workmanship within the scope of GE Healthcare's applicable MR system warranty. Following final assembly, GE Healthcare will offer magnet maintenance and cryogen service under a separate agreement. The typical helium level upon final assembly as measured using the supplied helium meter is approximately 70%.

Provided cryogen boil-off rates have not been adversely affected by actions of Customer, its representatives or contractors, or any third party not authorized by GE Healthcare, GE Healthcare will provide a super-conductive magnet which, at the expiration of the warranty period, has cryogen boil-off rates not exceeding those stated in GE Healthcare's applicable magnet specifications. GE Healthcare has no responsibility to Customer for cryogen boil-off rates subsequent to expiration or termination of the applicable MR system warranty.

End Of Life Disposal. For PET and PET Cyclotron/Chemistry systems, at the end of the system's useful life, Customer is responsible for disposing of the system in accordance with applicable federal, state and local laws and regulations. Upon request, GE Healthcare will provide consulting concerning the disposal of such systems to help promote compliance with regulations and environmentally responsible disposal.

PET Cyclotron/Chemistry Special Terms. For PET Cyclotron/Chemistry systems, any target or gas processing system purchased with the system must be installed with the original system prior to system checkout. Installation after this time will require a separate quotation by GE Healthcare and is billable to Customer at GE Healthcare's then-current installation rates. Further, any system storage fees associated with this

order are solely the responsibility of Customer. PET Cyclotron/Chemistry systems are sold for use in generating radiotracers for diagnostic imaging applications only. GE Healthcare does not sell or intend such systems or any part(s) thereof for use in radiation therapy.

Software License. Except as modified by license terms provided for specific software, GE Healthcare grants Customer a non-exclusive, non-transferable license to use the software (1) for Customer's internal business use and (2) only on the specific equipment for which GE Healthcare provided Customer the software at the identified location (or, for mobile systems, in the specific vehicle) identified in the Quotation. Customer may make one copy of the software in machine-readable form solely for backup purposes, in accordance with Customer's standard back-up policies, provided Customer reproduces on such copy the copyright notice and any other proprietary legends that were on the original copy.

GE Healthcare also grants Customer a non-exclusive, non-transferable license to use the copy of the documentation ("documentation" means GE Healthcare provided user manuals, on-line help functions and user instructions regarding the operation, installation or maintenance of the software) identified in the Quotation and having a white cover or label and/or a notice that identifies it as "operating documentation", and use the tools or instruments identified in the Quotation and provided with the equipment in a container having a white cover or label and/or a notice that identifies them as "operating tools", for the sole purpose of using the software and equipment for their intended purposes.

Customer may transfer authorized copies of the software, operating documentation and operating tools to a party that purchases or otherwise acquires the equipment and accepts the terms of this license and any other applicable license terms, except that GE Healthcare's prior written consent is required for transfers of software and documentation that are (i) not a part of the base system standard operating software or documentation for the equipment and (ii) generally provided by GE Healthcare to its customers for a separate fee or charge. Advanced service software is subject to a separate fee and eligibility criteria and licensed under a separate agreement with GE Healthcare.

Affiliate Billing. If Customer's order includes products manufactured by more than one GE Healthcare affiliated company, each affiliated company may invoice Customer separately for the portion of the total price under the Quotation attributable to its products, under the same payment terms specified in the Quotation. There shall be no additional fees or charges to Customer for such separate invoicing.

GE Healthcare-Supplied Parts. GE Healthcare products are designed to provide optimum performance with GE Healthcare-supplied parts. Accordingly, GE Healthcare can make no assurances that product performance will not be affected by the use of non-GE Healthcare-supplied parts. In some instances, use of non-GE Healthcare-supplied parts may affect product performance or functionality.

To enhance user awareness when non-GE Healthcare-supplied tubes are in use, certain products that use x-ray or image intensifier tubes have been designed to recognize GE Healthcare-supplied tubes and report to the user the presence of a non-GE Healthcare-supplied tube. This will permit the user to make any adjustments to product use that the user deems appropriate. Use of the products with non-GE Healthcare-supplied tubes/other parts is always at the user's discretion. GE Healthcare assumes no liability for the use of non-GE-Healthcare supplied tubes/other parts and disclaims any responsibility for any effect such tubes/other parts may have on product performance.

Broadband Connectivity. GE Healthcare will provide Customer with expanded warranty protection for eligible diagnostic imaging systems covered by the Quotation, as identified in the Quotation ("Eligible Systems"), in consideration of Customer's commitment to provide a broadband network connection to enable GE Healthcare to better provide warranty service for the Eligible Systems during the warranty period. The following provisions will apply only to Eligible Systems and only during the warranty period:

To be eligible for this expanded warranty protection, Customer must: (1) establish (if not previously established) and maintain a broadband network connection at Customer's site that connects to the Eligible System, which broadband connection meets GE Healthcare's minimum specifications, (2) provide GE Healthcare with access to the Eligible System through Customer's broadband network connection and maintain security for Customer's broadband network connection in accordance with appropriate industry best practices, (3) provide necessary support to maintain such broadband network connection, including designation of a primary Customer contact person, (4) provide GE Healthcare with at least 2 business days advance notice of any planned changes to Customer's network that may impact such broadband connection and with notice of any unplanned changes (e.g., power outages, computer viruses, system crashes) to Customer's network that may impact such broadband connection within 2 business days after the occurrence of the unplanned changes, (5) reasonably cooperate with GE Healthcare in maintaining such broadband connection during all such planned and unplanned changes, and (6) use reasonable efforts to ensure that Customer's connection to the Internet and LAN systems operate at a maximum of 75% of capacity and have an uptime rate of at least 98%.

If Customer performs these responsibilities, GE Healthcare will provide Customer, at no additional charge and in addition to other remedies available under GE Healthcare's warranty, an uptime commitment of 97% (95% for all covered nuclear imaging systems and all covered X-ray systems except digital mammography, digital radiographic and vascular X-ray systems), and uptime remedies, as described below:

(i) "Uptime Commitment" means GE Healthcare's commitment on Eligible System uptime during the warranty period, as defined below.

(ii) "Uptime Remedy" is, in addition to the other remedies specified in the warranty, Customer's sole and exclusive remedy if GE Healthcare fails to meet any Uptime Commitment over a 26-week measurement period during the warranty period. Should the Eligible System fail to achieve the Uptime Commitment as calculated by the Uptime Commitment Calculation, GE Healthcare will provide an extension of Customer's service agreement with GE Healthcare for the Eligible System (or, if Customer has not entered into a service agreement with GE Healthcare, the warranty period for the Eligible System) at no additional charge, as follows:

% < Uptime Commitment	Extension
0	0 weeks

0.1 - 3.0	1 week
3.1 - 8.0	2 weeks
8.1 - 13.0	4 weeks
> 13.0	6 weeks

(iii) "Uptime Commitment Calculation" means the calculation used to determine achievement of the Uptime Commitment, as follows:

The basis for each measurement period is GE Healthcare's standard warranty service coverage hours of A hours per day, B days per week for 26 weeks, less C hours spent on PMs (planned maintenance) during that interval:

Hours1 = A hours per day X B days per week X 26 weeks.

Hours2 = Hours1 - C hours for planned maintenance

Required in-service hours at Customer's % commitment:

Hours3 = Hours2 X Customer's %.

(iv) An Eligible System will be considered inoperable and out of service under the Uptime Commitment if, due to GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, the Eligible System is unavailable for scanning patients and diagnosing images on the Eligible System display console or operator's console. Peripheral equipment such as remote consoles, magnetic tape drives, hard copy devices, and multi-format and laser cameras are excluded from the terms of the Uptime Commitment. Repair and adjustments required for anything other than Eligible System failure, and damage or inoperability due to any cause other than GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, will be excluded from the Uptime Commitment Calculation, including without limitation damage through misuse, operator error, inadequate environmental or air conditioning protection, power failure, and acts of God. PM time will not be included in the calculation of downtime. If GE Healthcare's responding representative agrees the Eligible System is inoperable due to GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, the Eligible System will be considered out of service from the time the request for service was received by GE Healthcare until the Eligible System is again turned over to Customer for operation. If Customer fails to give GE Healthcare immediate and unencumbered access to the Eligible System or continues to obtain scans after notifying GE Healthcare of any Eligible System failure, the Eligible System will be considered to be in service.

Construction Special Terms. The following special terms apply to certain site preparation design and construction services ("work") provided with the products. These terms supersede any conflicting terms set forth above for the work. These terms apply only to the work; they do not apply to the products or any other services. Except to the extent the work satisfies Customer's site preparation responsibilities for the products, Customer remains responsible for such responsibilities in accordance with the terms set forth above.

- Time for Performance and Delays. The work will be commenced as soon as practical after the contract including the work has been formed and GE Healthcare's credit approval of Customer for such contract. The schedule for GE Healthcare's performance of the work is based on a workweek of five 8-hour days, Monday through Friday, exclusive of GE Healthcare observed holidays. Unless stated otherwise, all work will be performed on the 1st shift (usually between 7 a.m. and 5 p.m.). GE Healthcare is not liable for delays in performance of the work due to causes beyond its reasonable control, and its time for performance of the work will be extended for a period equal to the time lost by reason of such delays. In addition, Customer shall pay GE Healthcare for the reasonable and allocable increased costs, if any, resulting from such delays.
- Substantial Completion. Substantial completion of the work occurs when the work is completed to the extent it is available for reasonable use or occupancy (e.g., the work and work site are ready for installation of the products).
- Changes and Extra Work. Customer may request in writing changes in the work. If those changes affect the price or time required for performance of the work, GE Healthcare will so advise Customer in writing. The contract for the work shall be modified by written amendment signed by GE Healthcare's and Customer's authorized representatives to reflect those changes and any resulting changes in price and/or time required for performance of the work.
- Alternate Contractors. If Customer requests that all or a part of the work be performed by contractor(s) other than the contractor(s) selected by GE Healthcare, Customer will pay to GE Healthcare, in addition to the price for the work, all additional costs incurred by GE Healthcare resulting from its compliance with such request.
- Site Rules. While performing the work, GE Healthcare will observe Customer's reasonable regulations and rules in effect at the work site, provided GE Healthcare is reasonably notified of such rules and regulations. GE Healthcare will keep the work site and adjoining premises reasonably clear of its work rubbish.
- Work Warranties. GE Healthcare will require its work contractor(s) to issue directly to Customer their standard warranty for the portion of the work provided by such contractor(s) without any recourse or liability to GE Healthcare. GE Healthcare does not warrant the work, including but not limited to the labor, services or materials forming all or a part of the work; GE Healthcare provides such items AS IS.
- Liens. GE Healthcare will, upon receipt of final payment for the work, submit to Customer a waiver of lien rights or a similar instrument as may be permitted under the laws of the state where the work is performed.
- Drawings. All drawings, specifications, designs, bills of material, calculations, operating instructions and other documents (originals and copies) submitted by GE Healthcare in connection with the work are confidential and remain GE Healthcare's exclusive property and shall

not be used by Customer without GE Healthcare's prior written authorization. Customer may retain copies of these documents as a source of information for maintenance and modification to the work.

- Title and Risk of Loss. Title to a completed portion of work passes to Customer the earlier of its incorporation into the construction or upon GE Healthcare's receipt of payment for such portion of the work. GE Healthcare remains responsible for transportation and risk of loss for the work until it reaches substantial completion, after which those responsibilities pass to Customer. If Customer occupies a portion of the work before its substantial completion, risk of loss for that portion of the work passes to Customer upon such occupancy.
- Substitution. GE Healthcare may, at its option, make substitutions in the work if such substitutions would reduce any delay caused by unavailability of specified work materials or equipment and provided that the substituted work materials or equipment are of at least equal quality to that specified.
- Hazardous Materials. If asbestos or other hazardous materials are known or suspected to be within the work site and other ancillary areas that GE Healthcare representatives or contractors may occupy during the performance of the work, Customer will immediately advise GE Healthcare of that condition in writing. Customer will complete its inspection and testing for those materials, and the removal of or implementation of any special precautions to the extent required by applicable regulations governing those materials prior to the on-site work commencement date designated in GE Healthcare's construction schedule for the work, if any.

  If asbestos or other hazardous materials are suspected or discovered at the work site or in areas that GE Healthcare or GE Healthcare's contractor(s) occupy during the course of performance of the work, the discovering party shall immediately advise the other party of that condition and all work in the effected areas shall cease. Customer shall test the suspected materials for asbestos or other hazardous materials and provide GE Healthcare with copies of the test results before GE Healthcare or its contractor(s) are required to resume any portion of the work in the affected areas.

  If the asbestos or other hazardous materials must be removed or special precautions must be taken, Customer, at its expense, will immediately remove the asbestos or other hazardous materials or take all precautions required by applicable regulations governing those materials. GE Healthcare will delay the work at the work site until Customer has completed removal of the asbestos or other hazardous materials or has taken any other precautions required by applicable regulations. GE Healthcare's time for performance of the work will be extended for a period equal to the time lost by reason of such delay. In addition, Customer will pay GE Healthcare for the reasonable and allocable increased costs resulting from such delay.
- Concealed Conditions. If concealed or unknown conditions are encountered in the performance of the work, the parties shall equitably adjust the work price and GE Healthcare's time for performance of the work.
- Suspension/Termination. Customer may request a suspension of the work by notifying GE Healthcare in writing in advance of the requested suspension date and indicating the suspension period. GE Healthcare will advise Customer of any estimated increase in price and GE Healthcare's time for performance of the work resulting from such suspension. Customer shall pay GE Healthcare for the reasonable and allocable increased costs resulting from such suspension and GE Healthcare's time for performance of the work will be extended for a period equal to the time lost by reason of such suspension.

  If the length of such suspension exceeds an aggregate total of 60 calendar days, then GE Healthcare may, at its option and at any time thereafter prior to resumption of its performance of the work, either require full or partial payment for the work in advance or terminate its contract obligations related to the work and recover the termination charges described below.

  If GE Healthcare's contract obligations related to the work are terminated by either party, Customer shall pay GE Healthcare for all work performed and for any expenses related to its performance of the work incurred by GE Healthcare up to the date of or as a result of such termination, including reasonable profit on the work performed.

GE Healthcare

Warranty Statement (United States)

WARRANTY SCOPE

These warranties cover the following GE Healthcare products:

- Magnetic Resonance
- Computed Tomography
- Mammography
- Positron Emission Tomography (including scanners, cyclotrons & chemistry labs)
- Centricity® products (excluding Group Management, Practice Management & EMR, unless sold with a Centricity Business Solutions product)
- Nuclear
- X-ray
- Surgical Navigation Systems
- Cardiology
- Ultrasound
- Bone Mineral Densitometry
- Physiological Monitoring
- Small Animal Imaging
- Anesthesia Delivery
- Respiratory Care
- Gold Seal Preferred
- Phototherapy and other infant care accessories
- Microenvironments, including Giraffe®, Care Plus®, Ohio® Infant Warmer Systems and Panda™ Baby Warmers

This warranty statement incorporates GE Healthcare's Standard Terms and Conditions – Sales and Service.

Term Usage. "Warranted Product" is a collective term which includes both the above-listed manufactured equipment and licensed software purchased by and/or licensed to (as applicable) Customer under the relevant GE Healthcare quotation. Where an item of equipment has software code embedded in it, the code will only be considered licensed software under this warranty statement if the applicable GE Healthcare quotation provides a separate part number for that software.

Equipment Warranty. Except as indicated otherwise below, GE Healthcare warrants for 1 year from the Warranty Commencement Date (as defined below) that (i) the equipment will be free from defects in title, material and workmanship under normal use and service and (ii) except for equipment manufactured in compliance with Customer's designs or specifications, the equipment will perform substantially in accordance with GE Healthcare's written technical specifications for the equipment (as such specifications exist on the date the equipment is shipped) (the "Equipment Specifications"). This warranty covers both parts and labor and is available only to end-users that purchase the equipment from GE Healthcare or its authorized distributors. Customers purchasing through an authorized distributor must contact GE Healthcare promptly following such purchase to enable this warranty.

Software Warranty. Except as indicated otherwise below, GE Healthcare warrants for 90 days from the Warranty Commencement Date that (i) the licensed software will perform substantially in accordance with the applicable Documentation (as defined herein), (ii) it has not inserted any Disabling Code (as defined herein) into the licensed software and (iii) it will use reasonable commercial efforts consistent with industry standards to scan for and remove any software viruses before installation of the applicable Warranted Product. Except as indicated otherwise below, GE Healthcare warrants that it has the right to license or sublicense the licensed software to Customer for the purposes and subject to the terms and conditions set forth in GE Healthcare's Standard Terms and Conditions – Sales and Service. As used in this warranty statement, (i) "Disabling Code" means computer code that is designed to delete, interfere with, or disable the normal operation of the Warranted Product; provided, however, that code included in the licensed software that prevents use outside of the license scope purchased for the software will not be deemed to be Disabling Code and (ii) "Documentation" means the GE Healthcare user manuals, on-line help functions, technical specifications and user instructions regarding the operation, installation and use of the software as made available by GE Healthcare to Customer.

Pre-owned Equipment. GE Healthcare's Gold Seal Preferred Products (certain pre-owned GE Healthcare equipment) are provided with GE Healthcare's standard warranties carrying the same duration as the new equipment warranty, but in no event exceeding one year (unless otherwise provided in writing by GE Healthcare). Gold Seal Exchange Products are provided "AS IS". Multi-Vendor Preferred Products (pre-owned non-GE equipment) are provided with a limited warranty, which is stated in the applicable GE Healthcare quotation for such equipment. Except as expressly provided in this paragraph or in the applicable GE Healthcare quotation, used and/or pre-owned equipment is not warranted by GE Healthcare.

Supplies and Accessories. GE Healthcare's warranty for its supplies and accessories (sometimes identified by catalog numbers starting with the letter "E") that are shipped with Warranted Products is included in a separate warranty statement, which is available at www.gehealthcare.com/accessories. GE Healthcare X-ray and Image Intensifier Tubes and Maxiray X-ray Tubes are covered by a separate warranty statement, which is available upon request. Supplies and accessories for Datex-Ohmeda, Inc. Anesthesia, Respiratory Care and monitors carry a warranty of (a) 12 months for reusable products and (b) the earlier of first use or expiration date for disposable products.

Third-Party Software and Equipment. This warranty statement does not cover Third-Party Software and Equipment (as defined herein) delivered with the Warranted Products (commonly identified by NL or NW series numbers in GE Healthcare's quotation). "Third-Party Software and Equipment" means any non GE Healthcare software or equipment (i) delivered to Customer in the third-party manufacturer/supplier's packaging and with its labeling or (ii) for which GE Healthcare expressly indicates (either in the GE Healthcare quotation or in the product documentation) that the software or equipment is provided with the third-party manufacturer/supplier's warranty in lieu of a GE Healthcare warranty. Such products are covered by the third-party manufacturer/supplier's warranties, to the extent available. Anesthesia monitor mounting solutions Third-Party Software and Equipment purchased directly from GE Healthcare will not be treated as Third-Party Software or Equipment.

WARRANTY COMMENCEMENT

Unless expressly provided otherwise in this warranty statement or the applicable GE Healthcare quotation, the warranty period begins (the "Warranty Commencement Date") on the 7th day following shipment to the end-user Customer, unless GE Healthcare installs the Warranted Products, in which case the warranty period begins on the earlier of (i) the date the Warranted Products are ready for the end-user Customer's use (as defined in the Equipment Specifications or Documentation or other documentation, as applicable) or (ii) the 30th day following shipment to the end-user Customer if installation is delayed for reasons beyond GE Healthcare's reasonable control. The warranty period for any Warranted Product or component furnished to correct a warranty failure will be the unexpired term of the warranty applicable to the repaired or replaced Warranted Product.

REMEDIES

If Customer promptly notifies GE Healthcare of Customer's warranty claim during the warranty period and makes the Warranted Product available for service, GE Healthcare will, at its option (i) with respect to equipment, either repair, adjust or replace (with new or exchange replacement parts) the non-conforming Warranted Product or components of the Warranted Product and (ii) with respect to GE Healthcare's licensed software, either correct the non-conformity or replace the applicable licensed software. Warranty service will be performed without charge from 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel. For certain Warranted Products, GE Healthcare will perform warranty service only at an authorized service center or, in some instances, via a secure, remote connection to a GE Healthcare online center. With respect to GE Healthcare's warranty for the services it provides to Customer, Customer's exclusive remedy is set forth in GE Healthcare's Standard Terms and Conditions – Sales and Service.

LIMITATIONS

GE Healthcare shall not have any obligation to Customer hereunder if the warranty claim results from or arises out of: (i) the use of the Warranted Product in combination with any software, tools, hardware, equipment, supplies, accesories or any other materials or services not furnished by GE Healthcare or recommended in writing by GE Healthcare; (ii) the use of the Warranted Product in a manner or environment, or for any purpose, for which GE Healthcare did not design or license it, or in violation of GE Healthcare's recommendations or instructions on use; or (iii) any alteration, modification or enhancement of the Warranted Product by Customer or any third party not authorized or approved in writing by GE Healthcare. In addition, this warranty does not cover the Warranted Product to the extent it is used in any country other than the country to which GE Healthcare ships the Warranted Product (unless GE Healthcare expressly agrees otherwise in writing). GE Healthcare does not guarantee that licensed software will operate without error or interruption.

In addition, these warranties do not cover: (i) any defect or deficiency (including failure to conform to Equipment Specifications and/or Documentation, as applicable) that results, in whole or in part, from any improper storage or handling, failure to maintain the Warranted Products in the manner described in any applicable instructions or specifications, inadequate back-up or virus protection or any cause external to the Warranted Products or beyond GE Healthcare's reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand and other particles or debris; (ii) the payment or reimbursement of any facility costs arising from repair or replacement of the Warranted Products; (iii) any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer; (iv) expendable supply items; and (v) stockpiling of replacement parts. For network and antenna installations not provided by GE Healthcare or its authorized agent(s), network and antenna system troubleshooting will be billable at GE Healthcare's standard service rates.

For MR systems, these warranties do not cover (i) any defect or deficiency that results, in whole or in part, from failure of any water chiller system supplied by Customer, (ii) service to any water chiller systems supplied by Customer and (iii) for MR systems with LHe/LN or shield cooler configured superconducting magnets (except for MR Systems with LCC magnets), any cryogen supply, cryogenic service or service to the magnet, cryostat, coldhead, shield cooler compressor or superconductive or resistive shim coils unless the need for such supply or service is caused by a defect in material or workmanship covered by these warranties (GE Healthcare's MR Magnet Maintenance and Cryogen Service Agreement is available to provide supplemental coverage during the warranty period). For Proteus XR/a, Definium and Precision 500D x-ray systems, these warranties do not cover collimator bulbs.

EXCEPTIONS TO GE HEALTHCARE STANDARD WARRANTIES DESCRIBED ABOVE

CT Partial System Equipment Upgrades*: Six months
MR Partial System Equipment Upgrades*: 60 days
X-ray Partial System Equipment Upgrades*; High Voltage Rectifiers and TV Camera Pick-Up Tubes: Six months
PET Partial System Equipment Upgrades* (Scanners, Cyclotrons and Chemistry Labs): Six months
Nuclear Partial System Equipment Upgrades*: Six months
GE OEC New or Exchange Service/Maintenance Parts: 90 days
HealthNet Lan, Advantage Review — Remote Products: 90 days
GE Ultrasound Exchange Probes and Transducers, Ultrasound Water Path attachment Kit: Three months
LOGIQWorks Ultrasound Products: (i) repair services will be provided at no charge remotely via Broadband (preferred) or via a dial-up modem; (ii) field support/service is available for an additional charge and (iii) technical support via telephone from 7:00 am to 7:00 pm Central Time, Monday-Friday, excluding GE Healthcare holidays.
LOGIQBook and Other Handheld/Compact Ultrasound Products: Standard warranty includes (i) repair services at GE Healthcare service facilities, (ii) three business day turnaround repair time for systems shipped via overnight delivery (where available), measured from the date of shipment (GE Healthcare is not responsible for delays in overnight shipment), (iii) technical support via telephone from 7:00 am to 7:00 pm Central Time, Monday-Friday, excluding GE Healthcare holidays, (iv) field support/service is available for an additional charge, (v) loaner systems service, for an additional charge and (vi) preventative maintenance for an additional charge. For an additional charge, GE Healthcare will also provide the following enhanced warranty features as part of the system warranty: (i) coverage for system damage due to accidental dropping or mishandling, with a maximum of two replacement systems during the term of the warranty and (ii) loaner systems or probe replacement service available for next day delivery (if overnight delivery service is available).
Ultrasound Partial System Equipment Upgrades*: 90 days (Customer will not be credited the value of this warranty against pre-existing warranties or service agreements).
Dash, Solar 8000M, 8000i & Tram: Additional two years of parts only coverage, excluding displays (United States only)
DINAMAP ProCare Vital Signs Monitors: Two years
DINAMAP Pro 100-400V2 Series Monitors: Three years
Enterprise Access: One year parts, 90 days labor
MAC 1200: Three years (United States only)
Batteries: Ninety days, except (i) for LOGIQBook batteries, which are warranted for 12 months and (ii) for Nickel cadmium or lead acid batteries for X-ray and mammography systems (which will carry a 60-month warranty prorated as shown below). For Nickel cadmium or lead acid batteries for X-ray and mammography systems, warranty service will be performed without charge from 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel only during the first twelve months of the 60-month warranty period. For X-ray and mammography systems, if nickel cadmium or lead acid batteries need replacement during their applicable warranty period, Customer will pay the price of the replacement battery in effect on its delivery date less a Pro Rata Credit Allowance (as defined herein). The Pro Rata Credit Allowance for batteries that fail less than 12 months after the warranty begins is 100%. The Pro Rata Credit Allowance for batteries that fail more than 12 months after the warranty begins is:

$$1 - (\#\text{ of Mos. After Warranty Commencement} / 60) \times 100\%$$

For the purpose of Pro Rata Credit Allowance, a fraction of a month less than 15 days will be disregarded, and a fraction of a month equal to or greater than 15 days will be regarded as a full month.
QS Perinatal System: Equipment delivered with Centricity Perinatal System is "Third-Party Equipment".
Care Plus® Incubator: Three years parts, one year labor
Ohio® Infant Warmer Systems and Panda™ Warmers: Lifetime parts warranty on heater coil rod
BiliBlanket® Plus High Output Phototherapy System: Two years on Light Box and 18 months on Fiberoptic Pad
Microenvironment and Phototherapy expendable components, this includes but is not limited to patient probes, probe covers and light bulbs: 30 days
GE OEC refurbished c-arms: 6 months after installation
Oximeters: 36 months from installation, or 39 months from GE Healthcare invoice, whichever occurs sooner
Tec 7 Vaporizers: Three years
Tec 6 Plus Vaporizers: Two years

*** NOTE:** For partial system equipment upgrades, the warranty applies only to the upgraded components

Additional Terms and Conditions
For Performance Solutions Realize Engagement

If Performance Solutions Realize Engagement services are set forth on the Quotation, then these Additional Terms and Conditions apply to the provision of such services and supplement the GE Healthcare's Standard Terms and Conditions – Sales and Service and Additional Terms and Conditions - Service attached to the Quotation.

Definitions. The following definitions shall apply to this agreement:

"Customer Performance Improvement Team" means Customer staff selected to participate in the Engagement.

"Dashboard" means the proprietary visual tool developed by GE Healthcare for Customer to convey information relating to progress toward operational performance improvement goals.

"Deliverables" means the items to be delivered by GE Healthcare to Customer as part of the Engagement as described in the section below entitled "Deliverables".

"Department" means the Diagnostic Imaging operation for a single hospital or single imaging clinic with an annual procedure volume less than 250,000 exams.

"Engagement Plan" means the plan developed by GE Healthcare with input from Customer for implementing this Engagement.

"Executive Sponsor" means the main point of contact for the Engagement within Customer's organization.

"Jump Start Marketing Kit" means the marketing materials provided to Customer that are intended to assist in building educational marketing campaigns to promote new capabilities and drive volume.

"Key Performance Metrics" means the measurements that define performance levels for the Department. Key Performance Metrics may include Departmental revenue, labor expense, marketing penetration, the use of clinical procedures or other factors.

"Participating Facilities" means Customer facilities listed on the Realize Schedule to be signed separately by the parties.

"Realize Equipment" means the diagnostic imaging equipment included in this agreement, as described in the Quotation.

"Services" means the services to be performed by GE Healthcare as part of the Engagement as described under the section below entitled "Deliverables."

"Steering Committee" means key stakeholders designated by the Executive Sponsor that are required to provide leadership and oversight for the Engagement.

"Work-Out™" is a meeting facilitated by the GE Healthcare Engagement leader to lead the Customer Performance Improvement Team to a conclusion regarding an operational or marketing change.

Engagement
GE Healthcare will implement a Performance Solutions Realize Engagement ("Engagement") designed to (1) assess performance of the Realize Equipment relative to workflow, services marketing and market demand for expanded clinical services and (2) help Customer make measurable improvements to Key Performance Metrics to the Realize Equipment.

Deliverables
GE Healthcare will commence the Engagement at a mutually agreeable time by establishing a start date ("Kickoff Conference") two (2) weeks prior to the installation of the Realize Equipment. Provided that Customer makes Customer's personnel available according to the Engagement timeline, the Engagement shall be completed within six (6) months after Kickoff Conference. Engagements that are not completed within twelve (12) months of shipping of the Realize Equipment for reasons other than GE Healthcare's failure to perform will be terminated and closed without any refund to Customer or further liability to GE Healthcare.

The Deliverables for the Engagement are listed below:

- At or soon after the installation date for the Realize Equipment is agreed to by Customer and GE Healthcare, GE Healthcare will conduct a planning meeting with Customer's Executive Sponsor to explain, review and finalize the Engagement timeline. This planning meeting may be conducted by telephone.
- The "Shaping Outcomes Onsite Session" consists of an introduction of the GE Healthcare team to the Customer Steering Committee. The parties will review and agree on an Engagement timeline and help the Customer define goals for the Realize Equipment. The parties will also work to better understand potential stakeholders, resistance and systems/structures issues that may impact the intended outcomes.

- A GE Healthcare consultant will meet with Customer's Department leadership and Customer's marketing or communications team to develop a marketing deployment plan for educating the referral community with marketing materials and events.

- A Workflow and Marketing Work-Out meeting will be held to review patient workflow cycle time measurements and the Jump Start Marketing Kit. The purpose of the meeting is to identify opportunities for improvement and to develop an action plan to implement the ideas generated. The action plan will focus on ideas that can be implemented by the Customer within fourteen (14) days of the Work-Out session.

- A final meeting will be held with the Customer Performance Improvement Team to conclude the Engagement. This meeting will summarize the activity and improvements around equipment utilization, applications proficiency, workflow improvement and marketing programs.

Customer Responsibilities
Customer shall have the following responsibilities:

- Provide and maintain broadband Internet connectivity for the Realize Equipment.

- Communicate clearly to Participating Facility staff the Steering Committee's strong support of the Engagement.

- Complete all data collection and Customer-assigned tasks defined in the Engagement Plan within the timeframes specified in the Engagement Plan.

- Provide access to appropriate Customer executives and Department managers as necessary during the Engagement, including reviewing analysis of performance improvement opportunities.

- Provide a team leader who will act as the point of contact for the Engagement and ensure completion of action items identified in meetings.

- Support operational workflow and human resource changes within each Participating Facility necessary to implement agreed-upon performance improvement initiatives.

- Support the participation and attendance by team members in all scheduled meetings and presentations. Meetings may be rescheduled with agreement from both parties.

Improvement Measurement
During the Engagement, GE Healthcare will identify and facilitate the improvements and process changes that, based on the data made available, would, if fully implemented, result in opportunities for revenue improvement. The improvements and changes GE Healthcare recommends may have been implemented in other hospitals and health systems. The opportunity will be calculated from a baseline established from data provided by Customer on past performance. Opportunities for revenue improvement will be calculated by multiplying the annualized number of additional possible exams projected by the Engagement by the average reimbursement for such additional exams. The additional opportunity for new types of procedures will be calculated by multiplying the annualized number of possible additional exams (by exam type) by the average reimbursement for such additional exams. The success of the Engagement and GE Healthcare's ability to recommend improvements is contingent upon both parties fully complying with their respective roles and responsibilities.

Extra Work and Stand-by Charges
Any work requested by Customer that falls outside the scope of the Services, or any additional work by GE Healthcare resulting from Customer's failure to perform the Customer Responsibilities, shall be billed to Customer in accordance with GE Healthcare's then-current "Daily Rate" for such services. GE Healthcare reserves the right to charge Customer for stand-by time for delays caused by Customer that extend the implementation of the Deliverables or performance of the Services in excess of thirty (30) calendar days beyond the schedule mutually agreed to by the parties, in accordance with the most current GE Healthcare "Stand-by Rate," as long as GE Healthcare has given prior notification to Customer of such delays, and has given Customer an opportunity to comply with the established schedule.

Confidential Information
Customer expressly consents to the use by GE Healthcare of any Customer data generated by the Services or Deliverables, provided that such use shall not publicly identify Customer data by name or divulge Customer data by name to any competing facility of Customer that has been identified in writing by Customer to GE Healthcare before the time any such data is first provided to GE Healthcare. Customer shall provide all information to GE Healthcare in a format that preserves the confidentiality of patient-level data (e.g., by deleting or encrypting patient-identifiable information).

All Services and Deliverables, and all information, data, designs, and methodologies related thereto (collectively, the "Proprietary Information") are the property of GE Healthcare, and Customer acknowledges and agrees that such Proprietary Information is confidential, has tangible value and includes trade secret information of GE Healthcare. Except to the extent to that GE Healthcare grants rights to Customer to use the Proprietary Information pursuant to this agreement, GE Healthcare shall retain all rights to the Proprietary Information, including all copyright rights therein, and no license to Customer under any patent, copyright, trademark or other intellectual property right of GE Healthcare is either granted or implied by Customer's receipt of any Proprietary Information. No rights under copyrights are transferred to Customer except as specifically provided in this agreement. Customer may not create derivative works based upon the Proprietary Information in whole or in part, and shall not decompile, disassemble or reverse engineer any Proprietary Information. All improvements, enhancements and modifications to the Proprietary Information shall be owned exclusively by GE Healthcare. Notwithstanding the above and except as may be otherwise modified or further restricted by any provision of a written agreement of the parties, upon full payment for the respective Services, GE Healthcare grants to Customer a perpetual, nontransferable license to use the reports and documents generated by GE Healthcare pursuant to this agreement and delivered to Customer ("Reports and Documents") solely for the management of Customer's business operations. Customer will have the right to use, reproduce, and adapt the Reports and Documents for such purposes, but shall not market, sell, sublicense, distribute or disclose all or any portion of the Reports and Documents to any third party without GE Healthcare's prior written consent. Customer will retain ownership of any data specific to Customer's employees or business operations contained in the Reports and Documents.

Customer agrees not to sell, lease, assign or otherwise transfer, disclose or make available, in whole or in part, any portion of the Proprietary Information or the terms of this agreement, and Customer shall prevent disclosure of any part of the Proprietary Information or the terms of this agreement to any employee or third party for any reason, except for disclosure for internal use by the Participating Facilities in accordance with this agreement. Customer agrees to use the Proprietary Information only in furtherance of its rights and obligations under this agreement. Upon the expiration or termination of the Engagement, Customer shall return to GE Healthcare all Proprietary Information provided to Customer pursuant to this agreement within thirty (30) days after such expiration or termination or such other time requested by GE Healthcare.

Customer's duties and obligations that are included in this section shall survive any termination of this agreement and/or Customer's right and license to use a Deliverable, Report or Document.

Limitation of Liability

Customer acknowledges that GE Healthcare consulting services provided hereunder and data that may be generated by the Services or Deliverables are intended to serve as a guide and basis for general comparisons and evaluations, but not as the sole basis upon which any specific conduct is recommended or undertaken. GE Healthcare shall have no liability for any loss, cost, claim or expense caused by: (1) actions by Customer in the implementation of any recommendation made by GE Healthcare; or (2) medical diagnosis or treatment decisions made by Customer, including without limitation Customer's medical staff. Customer accepts sole responsibility for the consequences of use of any training, materials or other items provided by GE Healthcare, including any shared practices or information provided by GE Healthcare hereunder, and shall indemnify GE Healthcare for any claims, damages, or liabilities incurred by GE Healthcare as a result of such use.

Notwithstanding any Services, Deliverables, training or materials provided by GE Healthcare directed toward improving clinical outcomes and clinical quality, Customer is solely responsible for such clinical outcomes and clinical quality, and in no event shall GE Healthcare's provision of the Services, Deliverables, training or materials in connection therewith be deemed the rendering of medical advice or services by GE Healthcare. GE Healthcare shall have no liability for any damages, loss, charge, claim, liability, expense, award or fine arising out of, based upon, relating to or resulting from any Services, Deliverables, training, materials or other items directed toward improving clinical outcomes and clinical quality.

Non-solicitation

During the term of the Engagement and for a period of twelve (12) months thereafter, Customer agrees not to solicit for employment, without GE Healthcare's prior written approval, any employees of GE Healthcare who have been involved in the Engagement.

GE Healthcare

Standard Terms and Conditions Of Sale For Accessories and Supplies

These terms and conditions apply to any sale of GE Healthcare accessories and supplies ("Product") that GE Healthcare makes separate from a quotation for equipment. These terms and conditions also apply to the sale of Product along with GE Healthcare equipment under a GE Healthcare equipment quotation; provided that for such sales the terms and conditions of the GE Healthcare equipment quotation will take precedence in the event of any conflict with the following provisions below: PRICES, HANDLING CHARGES AND TAXES; PAYMENT; DELIVERY; TRANSPORTATION, TITLE AND RISK OF LOSS; and GENERAL MATTERS. "Customer" means any customer of GE Healthcare purchasing a Product hereunder.

PRICES, HANDLING CHARGES AND TAXES

Prices are subject to change without notice. Products will be invoiced at the price in effect on the date GE Healthcare accepts Customer's order.

Shipping charges will be applied according to GE Healthcare's then current shipping rates and policies. If priority transportation is requested, it will be provided at GE Healthcare's then current charge for such service.

Any applicable taxes will be added to the prices, unless GE Healthcare receives a tax exemption certificate from Customer that is acceptable to the taxing authorities.

PAYMENT

Payment in full is due upon receipt of GE Healthcare's invoice, including any invoice with respect to partial shipments.

If Customer's financial condition gives GE Healthcare, in its judgment, reasonable grounds for insecurity concerning Customer's ability to perform Customer's obligations under this contract, GE Healthcare may require full or partial payment in advance and suspend any further work until the payment is received. Failure to make such payment within ten days of demand by GE Healthcare will be a repudiation of the contract. In such event, GE Healthcare will be entitled to receive reimbursement for GE Healthcare's reasonable and proper cancellation charges. Customer grants to GE Healthcare a purchase money security interest in the Products until GE Healthcare receives full payment.

DELIVERY

Delivery dates are approximate. GE Healthcare is not liable for delays in performance or delivery due to a cause beyond its reasonable control. These causes include, without limitation, any delay of sources to supply materials and equipment, government priorities and labor or transportation problems. If such a delay occurs, GE Healthcare may extend the performance or delivery date for a period of time equal to the delay.

TRANSPORTATION, TITLE AND RISK OF LOSS

C.I.F. pursuant to Section 2-320 of the Uniform Commercial Code. GE Healthcare is responsible for payment of freight and payment for or providing insurance against property damage or loss until delivery to Customer. Title and risk of ownership passes to Customer at C.I.F. point. Software is licensed to Customer under these Standard Terms and Conditions of Sale for Accessories and Supplies, but no title to or other interest in such software passes to Customer.

PRODUCT RETURNS

a. Products may be returned for reasons such as wrong, defective or outdated Products received or Products damaged during shipment. For full instructions please refer to the return policy documentation available online at www.gehealthcare.com or obtain a copy by calling 1-800-558-5102.
b. Return Material Authorization must be obtained within 30 calendar days of shipment.
c. Sterile and environmentally controlled Products cannot be returned unless the Product is defective. Please refer to the Product labeling for these classifications.
d. Return shipments must be received within 21 calendar days of authorization to receive credit.
e. Returns, due to no fault of GE Healthcare, are subject, but not limited to a minimum 15% restocking fee. This charge will not apply to Product failures covered by warranty.
f. Credit is based upon the condition of the Product and other restrictions may apply.

WARRANTIES AND DISCLAIMER

a. **Scope of Warranties**

Product Warranties: GE Healthcare warrants to Customer that Products will (1) be free from defects in material and workmanship and (2) conform to the Product descriptions and specifications contained in GE Healthcare's Accessories and/or Supplies catalogs as in effect on the date the Products are shipped to Customer. If GE Healthcare's catalogs do not contain descriptions or specifications for a Product, the manufacturer's applicable descriptions and specifications as in effect on the date the Product is shipped to Customer will apply.

Title, Patent and Copyright Warranty: GE Healthcare warrants to Customer that when they are delivered, the Products will be free from defects in title and will not be subject to any valid patent or copyright infringement claim.

b. **Duration of Warranties**

The GE Healthcare catalog and/or website includes "Service/Warranty Codes" for each Product. The Service/Warranty Code provides a reference to the attached Service/Warranty Code Descriptions, which identify the installation, warranty, applications and post-warranty service, if any, provided for each Product. The warranty period for all warranted Products, except the warranty of title and the Patent and Copyright Warranty, is limited in time as shown below:

- All Products with Service/Warranty Code T ..... 100 Years
- All Products with Service/Warranty Code V ..... 25 Years
- All Products with Service/Warranty Codes X ..... 15 Years
- All Products with Service/Warranty Codes F ..... 3 Years
- All Products with Service/Warranty Codes D, J, N, O, R or Z ..... 2 Years
- All Products with Service/Warranty Codes A, B, C, E, G, L, P, Q, S or Y ..... 1 Year
- All Products with Service/Warranty Code H ..... 6 Months
- All Products with Service/Warranty Code K ..... 3 Months
- All Products with Service/Warranty Code M ..... 1 Month
- All Products with Service/Warranty Code W ..... Out of Box Failure Only

The warranty period begins on the date the Products are delivered to Customer. But, if GE Healthcare or its subcontractor installs the Products, the warranty period begins on the earlier of (1) five days after the date GE Healthcare or its subcontractor notifies Customer that installation has been completed and the Products are operating in accordance with the applicable Product descriptions or specifications, or (2) the date Customer first uses the Products. If such installation is delayed for thirty days or more from the date of delivery for a reason beyond GE Healthcare's reasonable control, the warranty period will begin on the thirtieth day after the date of delivery.

c. **Warranty Exclusions**

These warranties are exclusive and in lieu of all other warranties, representations or conditions, whether written, oral, expressed, implied, or statutory. NO EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE APPLIES.

The warranties do not cover:

1. Any defect or deficiency (including failure to conform to Product descriptions or specifications) which results, in whole or in part, from (a) any alteration, improper storage, handling, use or maintenance, or any extraordinary use, repair or service of the Products, by anyone other than GE Healthcare or its authorized representatives, (b) failure to strictly comply with any written recommendations, instructions, or warnings provided by GE Healthcare or the manufacturer, (c) using or combining the Products with any item or data except as specified in the Product specifications or using or combining the Products with any item or data that does not properly and unambiguously exchange data with the Products in accordance with the Products' specifications, (d) any of Customer's designs, specifications or instructions, (e) any failure to use the Products in accordance with their specifications, including upper and lower date limits, (f) any failure of the Products other than GE Healthcare-manufactured Products to use or process correctly dates, or (g) any cause external to the Products as furnished by GE Healthcare or beyond its reasonable control;
2. Products not listed in GE Healthcare's Accessories and/or Supplies catalogs at the time of sale, and all Service Manuals (Non-listed Products and Service Manuals are provided AS IS).
3. Use of any Product on or in connection with a machine for which it was not designed, and any defect or deficiency (including failure to conform to Product descriptions or specifications) which results, in whole or in part, from machine defects;
4. Customer combining the Product with any item of others or with any incompatible items of GE Healthcare's or Customer's failure to acquire or install upgrades, or take other actions, which GE Healthcare may recommend so that Products properly function.
5. The payment or reimbursement of any facility costs arising from repair or replacement of the Products or parts; and
6. Products installed outside the United States and Canada.

d. **Exclusive Warranty Remedies**

Product Warranties: If Customer promptly notifies GE Healthcare of its warranty claim and makes the Product available for service, GE Healthcare will provide the warranty service indicated in the applicable Service/Warranty Code description.

Title, Patent and Copyright Warranty: GE Healthcare will defend or settle any suit against Customer to the extent it is based on an infringement claim, which would be a breach of the Title, Patent and Copyright warranty. If the infringement claim is valid, GE Healthcare will pay all damages and costs awarded against Customer due to the breach. In addition, GE Healthcare will (at its option) obtain a license for Customer to continue using the infringing Product, provide a non-infringing replacement, alter the Product so that it is non-infringing,

or remove the infringing Product and refund that price (less reasonable depreciation) and any return transportation costs paid by Customer.

The statements above and the warranty service identified in the applicable Service/Warranty Code descriptions are Customer's exclusive remedies and GE Healthcare's sole liability for any warranty claims.

DISCLOSURE OF INFORMATION

Any information Customer transmits to GE Healthcare in connection with the Products is not to be regarded as confidential unless GE Healthcare agrees in writing.

SOFTWARE

If GE Healthcare provides computer software in connection with the sale of a Product, GE Healthcare will arrange for Customer to be granted a non-exclusive license or sublicense to use the software with the Product. By acceptance of the software, Customer agrees to the applicable terms and conditions of the license or sublicense and agrees to execute, prior to delivery of the software or upon request, an agreement containing such terms and conditions. A copy of such terms and conditions is available at any time upon request to GE Healthcare.

LIMITATIONS OF REMEDIES AND DAMAGES

THE TOTAL LIABILITY OF GE HEALTHCARE AND ITS AFFILIATES AND REPRESENTATIVES TO CUSTOMER AND CUSTOMER'S EXCLUSIVE REMEDY RELATING TO THE PRODUCTS IS LIMITED TO THE PRICE STATED FOR THE PRODUCT WHICH IS THE BASIS FOR THE CLAIM.

Customer agrees that GE Healthcare and its affiliates and representatives have no liability to Customer for (1) any punitive, incidental or consequential damages, such as lost profit or revenue, (2) any assistance not required as part of this contract, or (3) anything occurring after the warranty period ends.

Customer will be barred from any remedy unless Customer gives GE Healthcare prompt written notice of the problem complained of.

This is a commercial sales transaction. Any claim related to this contract will be covered solely by commercial legal principles. GE HEALTHCARE, ITS AFFILIATES AND REPRESENTATIVES AND CUSTOMER WILL NOT HAVE ANY NEGLIGENCE OR OTHER TORT LIABILITY TO THE OTHER ARISING FROM THIS CONTRACT. This limitation does not affect claims by third parties for personal injury due to GE Healthcare's, its affiliates' or representatives' or Customer's negligence or product liability.

GENERAL MATTERS

These terms and conditions are intended to be the complete and exclusive statement of the terms of the contract between the parties. Please understand that GE Healthcare's acceptance of Customer's order is expressly made conditional on Customer's assent to all of GE Healthcare's terms. No prior proposals, statements, course of dealing or usage of the trade will be part of the contract.

Any assignment of the contract by Customer will be void without GE Healthcare's prior written consent. If any part of the contract is found invalid, the remaining part will be effective. The law of the State of Wisconsin will govern any dispute between the parties with respect to Products GE Healthcare ships within the United States, and the law of the province of Ontario will govern any dispute between the parties with respect to Products GE Healthcare ships within Canada.

SERVICE/WARRANTY CODES

a. <u>All Service/Warranty Codes</u>

The terms and conditions of GE Healthcare's Product Warranties apply to all warranty claims.

Basic Service Premise for Products – GE Healthcare Field Engineers will take the first call for service and either provide direct support or arrange for support from the manufacturer or its dealers as indicated by the individual Service/Warranty Code.

If the Service/Warranty Code calls for Product return for repair or in-warranty exchange, Customer must return the Product as GE Healthcare directs.

GE Healthcare provides warranty service from 8:00 AM to 7:00 PM CST Monday-Friday EXCLUDING GE HEALTHCARE HOLIDAYS. If a Service/Warranty Code provides for warranty service to be performed on Customer's site, such service is available outside the above hours at GE Healthcare's prevailing service rates and subject to the availability of personnel.

b. <u>Service/Warranty Code Descriptions</u>

A GE Healthcare directly, or through a sub-contractor, provides the following:

- Installation.
- Parts.
- On-site warranty service to repair, adjust or replace (at GE Healthcare's option and using new or exchange replacement parts) non-conforming products or parts.
- Applications training in some cases (with additional charge).
- Post-warranty service, at prevailing hourly billed service ("HBS") rates and, in some cases, under GE Healthcare service contracts.

B GE Healthcare directly provides the following through GE Healthcare's Global Parts Operation (GPO):

- New or exchange replacement parts at no charge to correct non-conforming products or parts during the warranty period.
- New or exchange replacement parts at GE Healthcare's normal prices for post-warranty repairs.

Note: Installation, applications training and on-site service is the Customer's responsibility. However, GE Healthcare's Field Engineers may be available at prevailing HBS rates. Contact GE CARES for availability.

C **GE Healthcare arranges for the third-party Product Manufacturer or its dealers to provide the following:**

- Installation (in some cases with an additional charge).
- Parts.
- On-site warranty service to repair, adjust, or replace (at the manufacturer's or dealer's option and using new or exchange replacement parts) non-conforming products or parts.
- Applications training in some cases (some with additional charge).
- Post-warranty service at prevailing service rates.

D **GE Healthcare refers to the Product Manufacturer warranty which provides the following:**

- Basic functional troubleshooting (no technical labor) with supplier phone support.
- Repair or replacement (at the manufacturer's or dealer's option) of defective products or parts.

Note: The battery for Service/Warranty Code D has a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

E **GE Healthcare directly, or through a sub-contractor, provides:**

- Installation (in some cases with an additional charge).
- Basic functional troubleshooting (no technical labor) with supplier phone support.
- Coordination of unit exchange or loaner program for in-factory service.

GE Healthcare arranges for the third-party Product Manufacturer or its dealers to provide in-factory service:

- At no charge during the warranty period.
- At manufacturers or dealer's prevailing service rates outside of the warranty period. Products must be returned to the manufacturer or dealer, at GE Healthcare's expense during warranty and Customer's expense after warranty, for repair.

F **GE Healthcare refers to the Product Manufacturer warranty which provides the following:**

- Basic functional troubleshooting (no technical labor) with supplier phone support.
- Replacement of non-conforming products or parts, which Customer returns to the manufacturer or dealer during the warranty period.

Note: For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

G, J, O and Q **GE Healthcare refers to the Product Manufacturer warranty which provides the following:**

- Start up and commissioning.
- Basic functional troubleshooting (no technical labor) with supplier phone support 24/7.
- Warranty service to repair, adjust, or replace (at the manufacturer's or dealer's option) non-conforming products or parts (excluding installation, time and material).

Note: The UPS battery for Service/Warranty Code G has a 9-year pro-rated warranty to cover non-conforming material. Start up and commissioning for Service/Warranty Code O applies only to 10 KVA and above. The UPS battery for Service/Warranty Codes O and Q has a 1-year warranty to replace the product. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate. Warranty service for Service/Warranty Codes G and O is provided On-site. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate

H, K, L and M **GE Healthcare directly provides the following:**

- Exchange of non-conforming products, which Customer returns to GE Healthcare during the warranty period.

Note: Installation, parts, applications training, and on-site service is the Customer's responsibility.

N, R and S **GE Healthcare refers to the Product Manufacturer warranty which provides the following:**

- Installation.
- Preventative Maintenance.
- Parts & Labor.

Note: Post-warranty service, at manufacturer's prevailing HBS rates, and in some cases, under GE Healthcare service contracts. The battery for Service/Warranty Code R has a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

P **GE Healthcare directly provides the following:**

- Replacement of non-conforming components.

Note: Installation, parts, applications training, and on-site service is the Customer's responsibility.

T, V and X GE Healthcare directly provides the following:

- Replacement of Product only; GE Healthcare will not replace patient records.
- Product is warranted only for image legibility.

Note: Installation, parts, applications training, and on-site service is the Customer's responsibility.

W GE Healthcare directly provides the following:

- Replacement of Product only for Out of Box failure.

Note: Installation, parts, applications training, and on-site service is the Customer's responsibility.

Y and Z GE Healthcare refers to the Product Manufacturer warranty which provides the following:

- Basic functional troubleshooting (no technical labor) with supplier phone support.
- Replacement of non-conforming components.

Note: All electrical components (excluding the UPS) for Service/Warranty Code Z have a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

c. Additional Product or Service Information

FOR ADDITIONAL PRODUCT OR SERVICE INFORMATION OR ASSISTANCE, please contact the Customer Service Rep (in the U.S. call 1-800-558-5102; in Canada call 1-800-668-0732).

ALL REQUESTS FOR SERVICE ON PRODUCTS should be directed through GE CARES (from the U.S. call 1-800-437-1171; from Canada call 1-800-668-0732

GE Healthcare

Warranty Statement
X-Ray and Image Intensifier Tubes
(United States and Canada)

WARRANTY SCOPE

These warranties cover each GE Healthcare X-ray or image intensifier tube ("Tube") listed in the GE Healthcare Quotation. This warranty statement incorporates GE Healthcare's Standard Terms and Conditions – Sales and Services.

GE Healthcare warrants that, starting with the Warranty Commencement Date and for the Warranty Period (as defined below): (i) the Tube will be free from defects in title, material and workmanship under normal use and service and (ii) except for Tubes manufactured in compliance with Customer's designs or specifications, the Tube will perform substantially in accordance with GE Healthcare's written technical specifications for the Tube (as such specifications exist on the date the Tube is shipped) ("Tube Specifications"). This warranty statement defines GE Healthcare's warranty obligations for both parts and labor and is available only to end-users that purchase Tubes from GE Healthcare or its authorized distributors. The Warranty Period for all warranties, except the warranty of title and the Patent and Copyright Warranty, is limited in time as shown below.

WARRANTY COMMENCEMENT DATE AND WARRANTY PERIODS

Determining Warranty Periods For Tubes

The Warranty Period start date ("Warranty Commencement Date") for Tubes supplied as part of a new system installation will be the system installation date. The Warranty Commencement Date for replacement Tubes is determined by (i) the date GE Healthcare installs the Tube or (ii) if the date of installation is unknown, then the date of GE Healthcare's invoice to Customer or GE Healthcare's authorized distributor, as applicable, and in all cases not later than six (6) months following shipment of the Tube by GE Healthcare. The Warranty Periods are determined as follows:

- Customer Receives A New Tube As Part Of A New System Installation: For Tubes furnished to Customer as part of a new system installation, the Warranty Period for the replacement Tube will be the full term of the warranty, as shown in the chart below.
- Customer Pays A Portion Of The Cost For The New Tube (Pro Rata Calculation Table Applies): For Tubes purchased by Customer with A PRO-RATA ALLOWANCE, the Warranty Period for the new Tube will be the full term of the warranty, as shown in the chart below.
- Customer Pays The Entire Cost For The New Tube: For Tubes purchased by Customer with NO PRO-RATA ALLOWANCE, the Warranty Period for the new Tube will be the full term of the warranty, as shown in the chart below.
- GE Healthcare Pays The Entire Cost For The New Tube: For Tubes furnished to Customer under terms of the FULL WARRANTY PERIOD, as described in the chart, the Warranty Period for the new Tube will be the unexpired term of the warranty applicable to the last Tube for which Customer paid all or a portion of the cost of that Tube. (Note that the Warranty Period is not "reset" for Tubes supplied when GE Healthcare pays the entire cost for the replacement Tube.)
- GE Healthcare Supplied Tubes Under A GE Healthcare Tube Contract: For Tubes furnished to Customer under terms of a GE Healthcare Tube contract, refer to the Tube contract terms for discussion of any warranty provisions for the Tube. (Note that in general, at Tube contract termination, GE Healthcare provides no warranty of any kind on the Tube(s) remaining in the system.)

REMEDIES

If, within 10 days after Tube failure, Customer notifies GE Healthcare of Customer's warranty claim during the Warranty Period, provides GE Healthcare with the information shown below, and makes the Tube available for service, GE Healthcare will, at its option, either repair, adjust or replace (with new or exchange replacement parts) the non-conforming Tube or parts of the Tube. Customer must provide GE Healthcare in writing (i) GE Healthcare's serial number of the Tube, (ii) the location and GE Healthcare's serial number of the system on which the Tube was installed, (iii) the date the Tube failed, (iv) the date the Tube was removed from service, and (v) the exposure counter reading when the Tube was removed. Warranty service will be performed as detailed below (with some types of service for a charge and other types of service on a no charge basis, as listed below) during GE Healthcare's standard service coverage hours of 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays ("Standard Coverage Hours"), and outside of Standard Coverage Hours at GE Healthcare's then-prevailing service rates (except as otherwise stated herein) and subject to the availability of personnel.

Customer must: (i) use the Tube in accordance with GE Healthcare service instructions and recommendations for the Tube and the system on which it is installed (including warm up and calibration procedures); (ii) perform preventive and corrective maintenance of the Tube utilizing maintenance procedures in accordance with GE Healthcare service instructions and recommendations and using GE Healthcare replacement parts or replacements parts of equivalent quality; and (iii) keep and make available to GE Healthcare, upon request records documenting the above maintenance.

Customer's failure to (i) properly use the Tube, (ii) perform the maintenance described above, (iii) maintain the information required above, (iv) provide the above information or any other information required by this warranty within the designated time periods, or (v) permit GE Healthcare, to verify such information during GE Healthcare's normal working hours will invalidate this warranty.

Determining Tube Charge For Replacement Tubes

Customer will pay the price of the replacement Tube in effect on its delivery date less the applicable Pro Rata Warranty Allowance (if applicable) described in the table that follows. For the purpose of the Pro Rata Warranty Allowance, a fraction of a month less than 15 days will be disregarded, and a fraction of a month equal to or greater than 15 days will be regarded as a full month.

Non-CT Tubes (Radiographic, Radiographic & Fluoroscopic, Vascular, and Mammographic)

For Non-CT Tubes, warranty service does not include installation of the replacement Tube in Customer's system, but upon Customer's request, GE Healthcare, will install the Tube at GE Healthcare's then-prevailing service rates. If a replacement Tube is not installed by GE Healthcare, Customer must, not later than 10 days after its installation date, provide GE Healthcare, in writing (i) GE Healthcare's serial number of the replacement Tube, (ii) the location and GE Healthcare's serial number of the system on which the replacement Tube has been installed, (iii) the date of installation, and (iv) the exposure counter reading on the installation date.

CT Tubes Replaced During Full Warranty Period

Determining Labor Charges For Tubes Replaced During Full Warranty Period: No service charges for the installation of the replacement Tube will be billed to Customer for CT Tubes replaced during the Full Warranty Period when those Tubes are replaced during Standard Coverage Hours.

- GE Healthcare Pays The Entire Cost For The CT Tube: For CT Tubes furnished to Customer under terms of the FULL WARRANTY PERIOD as described in the chart, there is no charge to Customer for GE Healthcare installation costs for installation during Standard Coverage Hours. For services performed outside the Standard Coverage Hours, the service will be provided at GE Healthcare's prevailing service rates at the time of service, less a credit for the comparable service had it been rendered during the Standard Coverage Hours, so that Customer will pay the net difference. No refund or payment will be issued to Customer or other parties who choose to utilize either in-house or third party service providers for installation of the replacement Tube.

CT Tubes Replaced During Pro Rata Warranty Period

Determining Labor Charges For CT Tubes Replaced During Pro Rata Warranty Period: Customer will pay GE Healthcare a service charge for the installation of the replacement CT Tube in effect on the date the service is rendered, less the applicable Pro Rata Labor Allowance. (Note that the Pro Rata Labor Allowance may be applied only to charges by GE Healthcare for GE Healthcare supplied labor.) No refund or payment will be issued to Customer or other parties who choose to utilize either in-house or third party service providers for installation of the replacement Tube. GE Healthcare will make a credit allowance at the billing rate for services performed for installation during Standard Coverage Hours. For services performed outside of Standard Coverage Hours, the service will be performed at GE Healthcare's prevailing service rates at the time of service, less a credit for the comparable service had it been rendered during Standard Coverage Hours, so that Customer will pay the net difference.

- Customer Pays A Portion Of The Cost For The Replacement Tube: For Tubes furnished to Customer with A PRO-RATA WARRANTY ALLOWANCE to correct the warranty failure, the labor allowance multiplier will be calculated at the same pro-rata rate as is applicable to the part that is being replaced or repaired. That allowance will be applied to the prevailing service rates at time of service. Customer will pay the service charge less the Pro-Rata Labor Allowance amount.

LIMITATIONS

GE Healthcare shall not have any obligation to Customer hereunder if the warranty claim results from or arises out of: (i) the use of the Tube in combination with any hardware, equipment, supplies, accessories or any other materials or services not furnished by GE Healthcare or recommended in writing by GE Healthcare; (ii) the use of the Tube in a manner or environment, or for any purpose, for which GE Healthcare did not design or manufacture it, or in violation of GE Healthcare's recommendations or instructions on use; or (iii) any alteration, modification or enhancement of the Tube by Customer or any third party not authorized or approved in writing by GE Healthcare. In addition, this warranty does not cover the Tube to the extent it is used in any country other than the country to which GE Healthcare ships the Tube (unless GE Healthcare expressly agrees otherwise in writing).

In addition, these warranties do not cover: (i) any defect or deficiency (including failure to conform to Tube Specifications that results, in whole or in part, from any improper storage or handling, failure to maintain the Tubes in the manner described in any applicable instructions or specifications or any cause external to the Tubes or beyond GE Healthcare's reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand and other particles or debris; (ii) any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer; (iii) expendable supply items; and (iv) stockpiling of replacement parts.

GE Healthcare

WARRANTY PERIODS

TUBE TYPE OR SYSTEM DESCRIPTION (a)	FULL WARRANTY PERIOD (b)	PRO RATA WARRANTY PERIOD (c)
Radiographic	30 days	24 months
Radiographic & Fluoroscopic	30 days	24 months
Vascular	30 days	24 months
Mammographic	30 days (d)	12 months
MX150 Vascular	36 months	N/A
Performix 160A (MX160)	36 months	N/A
MX120 Fluoroscopic	30 days	18 months
CT Max	4,000 slices	40,000 slices or 12 months
CT 8800/9000 Metal	4,000 slices	40,000 slices or 12 months
CT 8800/9000 Graphite	4,000 slices	40,000 slices or 12 months
GE CGR Graphite	4,000 slices	40,000 slices or 12 months
GE Technicare CT	4,000 slices	40,000 slices or 12 months
CT Pace/Sytec 2000-4000	5,000 slices	80,000 slices or 12 months
CT SRi/Synergy	6,000 slices	80,000 slices or 12 months
CT 9800 Graphite	5,000 slices	80,000 slices or 12 months
HiLight Advantage	5,000 slices	80,000 slices or 12 months
Pegasus on CT/e	5,000 slices	50,000 slices or 12 months
Pegasus on CT/e Dual	30 days	50,000 slices or 12 months
ProSpeed/Sytec 6000-8000	9,000 slices	110,000 slices or 12 months
HiSpeed Advantage on HiSpeed Advantage and CT/I	9,000 slices	140,000 slices or 12 months
Solarix on LX/I, FX/I, DX/I	10,000 slices	100,000 slices or 12 months
Solarix 350 on BrightSpeed Select 4, 8 or 16 (Lite)	500 exams (e)	6,000 exams or 12 months
Solarix 630 on HiSpeed ZX/I	10,000 slices	100,000 slices or 12 months
Solarix 630 on NX/I Pro	30 days	12 months or 15,000 amp-seconds
Performix-ADV on CT/I	12 months or 100,000 slices, whichever occurs first (f)	N/A
Performix-ADV QX/i	12 months or 30,000 amp-seconds, whichever occurs first (f)	N/A
Performix Ultra on LightSpeed 16, LightSpeed Ultra, LightSpeed Plus, LightSpeed QX/i, HiSpeed QX/i, Discovery LS, Discovery ST	12 months or 70,000 amp-seconds, whichever occurs first (f)	N/A
Performix Ultra on BrightSpeed 16 (Elite), BrightSpeed 8 (Edge), BrightSpeed 4 (Excel)	12 months or 6,000 patient exams, whichever occurs first (f)	N/A
Performix Pro80 (D3634T) on LightSpeed Pro 16, LightSpeed RT	12 months or 70,000 amp-seconds, whichever occurs first (f)	N/A
Performix Pro VCT100 (D3194T) on LightSpeed Pro16	12 months or 70,000 amp-seconds, whichever occurs first (f)	N/A
Performix Pro VCT100 (D3194T) on LightSpeed VCT, LightSpeed VCT Select, LightSpeed RT16, LightSpeed Xtra, Discovery VCT	12 months or 6,000 patient exams, whichever occurs first (f)	N/A
Image Intensifier	30 days	24 months

COMMENTS

(a) For actual catalog numbers, please contact your local GE Healthcare representative.
(b) Initial period of time or amount of use after warranty begins during which a full 100% warranty is provided for a Tube that fails.
(c) Maximum period of time or amount of use during which a Pro Rata Warranty Allowance is provided for a Tube that fails. The Pro Rata Warranty Allowance and the Pro Rata Labor Allowance are calculated as follows:

$$1 - \frac{\text{Number of months between date of Warranty commencement and date of failure}}{\text{Complete Warranty Time Period}} \times 100\%$$

OR

$$1 - \frac{\text{Slices Taken or Amp-Seconds}}{\text{Complete Pro Rata Warranty Slice Or Amp-Second Amount}} \times 100\%$$

The Pro Rata Warranty period ends at the expiration of the maximum time period or the maximum usage amount identified in column (c) above, whichever occurs first.
(d) Mammography tubes included with new systems have a full 12 month, non-prorated warranty. Mammography replacement tubes carry a 30 day full warranty/12 month prorated warranty.
(e) Solarix 350 tubes included with new systems have 12-month full coverage. Solarix 350 on BSL replacement tubes have a 500 exam full warranty and a 12-month or 6000 patient exam prorated warranty per the table above.
(f) All Performix tubes included with new systems have 12-month full coverage. Performix replacement tubes carry a 12-month/specified usage warranty (varies by tube per above chart), whichever occurs first.

GE Healthcare

"You" or "your" means the individual or entity that has purchased the applicable software support services. "GE," "GE Healthcare," "we" and "our" refers the General Electric Company, by and through its GE Healthcare division.

Software Support Services. GE will provide to you the software support services as described in the applicable GE Healthcare service policy for the GE software product and the support period as specified in the applicable quotation for which you have paid the applicable fees. Software that is identified on the GE Healthcare quotation and either (i) is delivered to you in a third-party developer/supplier's packaging and with its labeling or (ii) for which GE Healthcare expressly indicates (either in the quotation or in the product documentation) that the software is provided with the third-party developer/supplier's software support services in lieu of GE Healthcare software support services is not covered under this Statement of Service Deliverables unless specifically stated otherwise in the applicable quotation.

Software Support Services Price Adjustments. GE Healthcare support services will automatically renew for another annual term upon payment of the applicable renewal support fees, unless either party provides sixty (60) days prior written notice of non-renewal. GE Healthcare may increase its charges for support and maintenance fees for each successive annual software renewal support term by providing no less than sixty (60) days advanced notice of such increase before the beginning of the support term for which the increase is to be in effect. In connection with any annual renewal of support services, GE Healthcare may increase its annual charges for maintenance and support by no more than CPI plus two percent (2%). CPI shall mean the U.S. City Average (December to December percent) for ALL Urban Consumers (CPI-U).

GE Healthcare

Additional Terms and Conditions For GE Healthcare Software Professional Services

"You" and "your" means the individual or entity that has purchased the applicable software licenses. "We," "our" and "GE Healthcare" refers to the General Electric Company, by and through its GE Healthcare division. These Additional Terms and Conditions contain the provisions that will apply to your purchase of GE Healthcare professional services which will be described on one or more statements of work. The term "deliverables" means those specific items to be delivered by GE Healthcare to you pursuant to a statement of work. A "statement of work" or "SOW" means the project work plan, program guide, quotation or other standard GE Healthcare document that describes the professional services, scope, schedule, dependencies, deliverables and any applicable special terms. The term "intellectual property" means, collectively and individually, as the context requires, all worldwide copyrights, patents, patent applications, trade secrets or other intellectual property rights associated with any ideas, know-how, concepts, techniques, inventions, processes, works in progress, work product or works of authorship.

Statement of Work.
GE Healthcare shall exercise commercially reasonable efforts to perform the professional services and to provide any deliverables which are described in the SOWs mutually agreed upon and signed by both parties and to do so according to any delivery schedule set forth in the SOW. GE Healthcare shall be responsible for the assignment of personnel to perform all services and may make any change in staffing it deems necessary provided that such change does not compromise the level of expertise required to complete the applicable SOW. Each SOW may include descriptions of the following: (i) professional services to be performed; (ii) deliverables; (iii) your additional responsibilities; (iv) project work scope, (v) estimated performance schedule and applicable milestones; (vi) your site and any site preparation requirements; (vii) network, hardware or other environmental or infrastructure requirements; and (viii) key assumptions. The terms and conditions of these Additional Terms and Conditions shall prevail over those of the SOW. Each SOW shall constitute a separate, distinct and independent work engagement and contractual obligation. If you purchase services to implement GE Healthcare software, GE Healthcare, with your reasonable assistance, will exercise commercially reasonable efforts to complete a project work plan within a period of time as mutually agreed upon by the parties. A SOW may only be modified by a written document signed by authorized representatives of both of us and must be made pursuant to mutually agreed change control procedures. Changes to a SOW may require a change in fees reflecting the change in scope and/or change in schedule of delivery of the professional services or deliverables and/or change in your responsibilities. Dates scheduled for services may be changed or cancelled only in accordance with the GE Healthcare Service Cancellation Policy. Cancellation or rescheduling fees as described in the policy will apply.

Ownership Rights.
GE Healthcare shall retain ownership of all deliverables (including any intellectual property embodied in the deliverables or related to them) and any intellectual property developed under a SOW or during the course of performing the services whether or not the services are performed by GE Healthcare alone or jointly with you or others. In addition, GE Healthcare shall own all improvements, enhancements and derivative works of any GE Healthcare intellectual property. You hereby assign, and will cause your employees and independent contractors to assign, to GE Healthcare all of your rights in and to such deliverables and intellectual property. GE Healthcare grants to you a nonexclusive, nontransferable, non-sublicensable license to use the deliverables solely for your internal business purposes and subject to the limitations described in these Additional Terms and Conditions and the relevant SOW. You agree to provide reasonable assistance to GE Healthcare in obtaining and enforcing GE Healthcare's rights to such deliverables and intellectual property. GE Healthcare will acquire no rights to any of your confidential information which may be included in any deliverable unless expressly agreed otherwise.

Project Managers.
Each of us shall designate a project manager, who will be responsible for day-to-day communications regarding the subject matter of the applicable SOW. The project managers will be responsible for monitoring the schedules and progress of work pursuant to the Agreement and/or SOW and will have the authority to act for the respective parties in all aspects of the engagement. The project managers for the parties will meet in person or via conference call as necessary. The responsibilities of the project managers include: (i) serve as the single point of contact for all departments in their organization participating in this project; (ii) administer the change control procedure; (iii) participate in project status meetings; (iv) obtain and provide information, data, decisions and approvals, within seven working days of the other party's request unless we mutually agree to an extended response time; (v) resolve deviations from project plans that may be caused by our respective organizations; (vi) help resolve project issues and escalate issues within our respective organizations, as necessary; (vii) monitor and report project status on a regular basis to respective organizations as appropriate; and (viii) provide and coordinate technical and specialist resources as necessary.

Post-Engagement Maintenance.
Post-engagement maintenance for any deliverables developed or modified under a SOW, to the extent made available by GE Healthcare, will be provided solely as described in the applicable SOW. You understand that post-engagement maintenance for deliverables may differ from the support GE Healthcare offers for its standard products. Unless expressly provided for in a SOW, no support or maintenance will be provided for deliverables.

Payment Terms.
Unless otherwise provided in the applicable quotation, professional services will be provided on a fixed fee basis at the rates as set forth in the applicable quotation. These fees shall be invoiced in blocks of hours upon the payment milestones as set forth below. Fixed fee means that the fees for the implementation services described in that part number within the scope defined in the applicable SOW shall be fixed in amount and shall not exceed the corresponding amount as set forth in the part number description in the applicable quotation, so long as the

applicable services do not exceed the scope defined in the SOW. In the event the services do exceed the scope defined in the applicable SOW, additional professional services shall be invoiced on a time and materials basis at GE Healthcare's then current time and materials rates and these fees shall be invoiced on a monthly basis as incurred. Unless otherwise provided in the applicable quotation, professional fees provided on a fixed fee basis shall be payable as follows: 20% on signing of the applicable quotation, 20% on installation of the applicable software, 20% on training start date for the applicable software, 20% on go live (first clinical use of the applicable software) and 20% on acceptance of the applicable software (as defined in the GE Healthcare Standard Terms and Conditions). Actual, reasonable travel, living and incidental project related expenses incurred in the performance of any services, including, but not limited to, travel, meals, lodging, car rental, telecommunications and other out-of-pocket expenses are in addition to the prices and fees quoted and shall be invoiced separately as incurred.

GE Healthcare

Additional Terms and Conditions For GE Healthcare Software License

"You" and "your" means the individual or entity that has purchased the applicable software licenses. "We," "our" and "GE Healthcare" refers to the General Electric Company, by and through its GE Healthcare division. These Additional Terms and Conditions describe the provisions that will apply to your license of GE Healthcare software products. The term "software" means the GE Healthcare proprietary software and third party software and associated documentation provided by GE Healthcare to you pursuant to this agreement as identified in the applicable GE Healthcare quotation. The term "documentation" means GE Healthcare's user manuals, on-line help functions and user instructions, regarding the operation, installation and use of the software as made available by GE Healthcare to you. All references to "specifications" or "performance specifications" in the Standard Terms and Conditions, Sales and Service shall mean documentation when such terms are used in reference to GE Healthcare software products.

Scope of License Grant.
Entities over which you have control may use the software only by agreeing to be bound by this agreement and by paying any applicable license fees. Independent contractors that supply products comparable to the software shall be provided access to the software only if we have provided our prior written consent and subject to any applicable conditions required by us, including any conditions that we deem appropriate to protect confidential and proprietary information relating to our products. You shall reproduce on any such copy the copyright notice and any other proprietary legends that were on the original copy. To the extent permitted by applicable law, licensors of third party software shall be third party beneficiaries of this agreement with respect to products licensed to GE Healthcare by such licensors and sublicensed to you. In addition to the restrictions stated in the GE Healthcare Standard Terms and Conditions – Sales and Service, you agree not to (1) display, transmit, sell, or otherwise transfer or make available the software to any other person or entity, unless expressly provided otherwise under this agreement; (2) electronically transfer the software outside your intranet or network dedicated for the software, unless otherwise authorized in writing by GE Healthcare; (3) reduce the software to a human-perceivable form; or (4) release the results of any testing or benchmarking of the software without the prior written consent of GE Healthcare.

Delivery.
"Delivery" means (a) with respect to any item of GE Healthcare software or documentation, the first to occur of: (i) communication to Customer through electronic means, that allows Customer to take possession of the first copy or product master, or (ii) delivery by GE Healthcare of the first copy or product master in person to Customer or to any common carrier or delivery service for transport to Customer, (b) with respect to any item of hardware or third party software, the delivery of the hardware or third party software by GE Healthcare or the supplier of the hardware or third party software to a common carrier for transport to the Customer or to any location specified in writing by or on behalf of the Customer, and (c) with respect to any services, the performance of such services by GE Healthcare.

Medical Diagnosis and Treatment.

You hereby acknowledge and agree that:

- the software does not make clinical, or other decisions and is not a substitute for competent, properly trained and knowledgeable staff who bring professional judgment and analysis to the information presented by the software.
- You are responsible for verifying the accuracy of all patient information and determining the data necessary for you and your users to make medical and diagnostic decisions, as well as for complying with all laws, regulations and licensing requirements applicable to your delivery of healthcare services.
- You are responsible for establishing and maintaining reasonable quality control procedures to ensure the accuracy of input to the software.
- You and your staff will consider all relevant information including information presented to you and them by the software and may give whatever weight you and your staff deem appropriate to the information produced by the software in the performance of your and their functions.
- any and all financial and management information produced by the software must be tested for reasonableness and accuracy before any actions are taken or reliance placed on it.
- you have reviewed and will communicate to users who use and access the software any software information, which may be provided to you by GE Healthcare from time to time.

Audit Rights.
Upon 45 days notice we may audit your use of the software. You agree to cooperate with our audit and to provide reasonable assistance and access to information. If the audit uncovers underpaid or unpaid fees owed to us, you agree to pay those fees and our costs incurred in conducting the audit within 30 days of written notification of the amounts owed. If you do not pay the amounts owed, we may terminate your license to use the applicable software. You agree to permit us to obtain certain reasonable information regarding the users and other use information regarding the software. All of such information shall be treated as confidential information and shall be used solely for the purposes of technical support and auditing the use of the software and shall not be disclosed to any third party (other than third party vendors of software licensed to you under this agreement), without your consent.

Relief for Breach.
You agree that a violation of our license, confidentiality or intellectual property rights will cause irreparable harm to us for which the award of money damages are inadequate. You agree that in the event of any breach of this provision, we shall be entitled to seek injunctive relief in addition to immediately terminating the license granted herein and requiring that you cease use of and return the software, including all

copies in any media, in addition to seeking any other legal or equitable remedies available to us. This paragraph shall survive the termination of this agreement.

License Metrics.

If referenced in your quotation, please see the following definitions of license metrics listed below or on your quotation in connection with your quotation to understand the scope of your license: "Active Devices" means the number of devices that are transmitting data to the applicable software. "Annual ED Visits" means the maximum number of patient visits to the emergency room(s) of the Site for which the applicable software is used for clinical documentation during each twelve month period of the license. "Beds" means the total number of beds that you are authorized by the applicable government authority to provide at the Site. "Bedside Device Interfaces" means the maximum number of bedside device interfaces for which the applicable software is permitted to be used at the Site. "Clients" means the maximum number of workstations permitted to use the applicable software. "Concurrent Database Users" means the maximum number of database users permitted to simultaneously access the applicable software at a given point in time. "Concurrent Users" means the maximum number of users permitted to simultaneously access the applicable software at a given point in time. "Critical Care Beds" means the maximum number of beds in a high acuity setting which the applicable software can be used for clinical documentation at the point of care at the Site. "Designated Individual" is defined as a particular individual who has been identified by name and user authorization ID, regardless of whether the individual is actively using the software at any given time; Designated Individual licenses are purchased for every individual authorized to use the software. "Dispensaries" means the maximum number of physical locations at which the outpatient prescriptions are dispensed permitted to use the applicable software. "Enterprise" means you and any entities controlled by you. "Named Users" means specified users identified by name or other identifier. "ORs" means the maximum number of Operating Rooms in which the software is used for clinical documentation at the Site. "Other Provider" means the maximum number of other providers (individuals other than Physicians designated by the software as a billable provider of health care services including nurse practitioners, physical therapists and other non-physician billable providers of healthcare services) authorized to use the software. "PACU beds" means the maximum number of beds in a high acuity setting for which the applicable software is used for post operative anesthesia documentation at the point of care at the Site. "Physician" means the maximum number of physicians (doctor of medicine, doctor of osteopathy, doctor of dental science and doctor of psychiatric medicine) authorized to use the applicable software. "Prep Rooms" means the maximum number of prep rooms in which the applicable software is used for clinical documentation at the Site. "Prescriptions" means the number of prescriptions dispensed by Customer Dispensaries during the applicable calendar year. "Requests per Day" means the number of laboratory orders requested per day. Requests per Day licenses are purchased for the maximum number of requests to be processed by the software each day. "Site" means the maximum number of your facility(ies) of the Size specified in the quotation at which you are authorized to use the software and which may be added to or changed only in accordance with these terms and conditions and upon the written consent of GE Healthcare. You shall be permitted to use the applicable software only for the Size of Site as indicated in the applicable quotation.

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Office of the Director
2701 Mail Service Center • Raleigh, North Carolina 27699-2701

Michael F. Easley, Governor
Dempsey Benton, Secretary

Robert J. Fitzgerald, Director
Phone: 919-855-3750

NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION
INTER-OFFICE MEMORANDUM

DATE: January 4, 2008

FACILITY NAME: Carolinas Imaging Services, LLC

TO: Lee Hoffman

FROM: Jeff Horton

SUBJECT: Request for Declaratory Ruling

Please review the attached request for Declaratory Ruling and submit comments to me by January 19, 2008.

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Office of the Director
2701 Mail Service Center • Raleigh, North Carolina 27699-2701

Michael F. Easley, Governor
Dempsey Benton, Secretary

Robert J. Fitzgerald, Director
Phone: 919-855-3750

NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION
INTER-OFFICE MEMORANDUM

DATE: January 4, 2008

FACILITY NAME: Carolinas Imaging Services, LLC

TO: Marc Lodge

FROM: Jeff Horton

SUBJECT: Request for Declaratory Ruling

Please review the attached request for Declaratory Ruling and submit comments to me by January 25, 2008.

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Office of the Director
2701 Mail Service Center • Raleigh, North Carolina 27699-2701

Michael F. Easley, Governor
Dempsey Benton, Secretary

Robert J. Fitzgerald, Director
Phone: 919-855-3750
Fax: 919-733-2757

COPY

March 3, 2008

CERTIFIED MAIL

Robert V. Bode, Esquire
Bode, Call & Stroupe, LLP
3105 Glenwood Avenue, Suite 300
Raleigh, NC 27612

Re: Declaratory Ruling for Carolinas Imaging Services, LLC
Project I.D. Nos. F-7040-04 and F-7167-04

Dear Mr. Bode:

Enclosed you will find the Declaratory Ruling which I am issuing in response to your written request received in my office on January 4, 2008.

If you believe you are aggrieved and choose to seek judicial review of this ruling, you must file a petition for judicial review in the Superior Court of Wake County or in the Superior Court of the county in which your client resides. Your petition must be filed within 30 days of the date on which you were served your copy of this letter. Within 10 days after you file your petition with the court, you must serve copies of the petition by personal service or by certified mail upon the Department of Health and Human Services. You can only serve the petition on the Department of Health and Human Services by serving it on Emery E. Milliken, General Counsel, at the following address: Department of Health and Human Services, Office of Legal Affairs, 2001 Mail Service Center, Raleigh, North Carolina 27699-2001.

Sincerely,

Robert J. Fitzgerald

RJF:JH:peb

Enclosure

cc: Jeff Horton, Chief Operating Officer, DHSR
Lee Hoffman, Chief, Certificate of Need Section, DHSR
Azzie Conley, Chief, Acute and Home Care Licensure and Certification Section, DHSR
Marc Lodge, Special Deputy Attorney General, DOJ

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION
RALEIGH, NORTH CAROLINA

IN RE: REQUEST FOR DECLARATORY RULING BY CAROLINAS IMAGING SERVICES, LLC Project I.D. Nos. F-7040-04 and F-7167-04	)))	**DECLARATORY RULING**

I, Robert J. Fitzgerald, as Director of the Division of Health Service Regulation, North Carolina Department of Health and Human Services ("Department" or "Agency"), do hereby issue this Declaratory Ruling pursuant to North Carolina General Statute § 150B-4 and 10A NCAC 14A .0103 under the authority granted me by the Secretary of the Department of Health and Human Services.

Carolinas Imaging Services, LLC ("CIS") has requested a declaratory ruling allowing for a change in host sites for Project I.D. No. F-7040-04, and a relocation of its fixed MRI scanner for Project No. F-7167-04 on the grounds that these changes do not constitute a material change in physical location or a failure to materially comply with the representations made by CIS in its Certificate of Need ("CON") applications for its projects. N.C.G.S. §§ 131E-181(a) and (b). This ruling will be binding upon the Department and the entity requesting it, as long as the material facts stated herein are accurate. This ruling pertains only to the matters referenced herein. Except as provided by N.C.G.S. § 150B-4, the Department expressly reserves the right to make a prospective change in the interpretation of the statutes and regulations at issue in this Declaratory Ruling. Robert V. Bode, of Bode, Call & Stroupe, L.L.P., has requested this ruling on behalf of CIS and has provided the material facts upon which this ruling is based. Some of the facts are based on information from the files of the Department.

STATEMENT OF THE FACTS

CIS seeks a declaratory ruling related to two separate MRI scanners authorized pursuant to two separate CONs. One of these scanners is a mobile MRI scanner to be acquired for Project ID No. F-7040-04 (the "Mobile Unit"); the other is a fixed MRI scanner acquired for Project I.D. No. F-7167-04 (the "Fixed Unit").

The Mobile Unit was approved in 2004 to provide mobile MRI services to three locations: Ashe Memorial Hospital in Jefferson, Carolinas Medical Center-University in Charlotte and Cleveland Regional Medical Center in Shelby. Subsequently, in connection with a contested case arising from another Project, CIS advised the Department that Ashe Memorial Hospital had committed by contract to another mobile provider for the foreseeable future and that Cleveland Regional Medical Center had determined it no longer required CIS's mobile services because of internal solutions to the MRI need in addition to the impending commencement of fixed MRI services in nearby Kings Mountain. In a Global Settlement Agreement executed for that litigation in August, 2005, the Department approved CIS to provide mobile MRI services (with either the Mobile Unit or another CIS mobile MRI scanner) at all of the following locations: NorthCross Imaging Center, Carolinas Medical Center ("CMC"), CMC-Pineville, CMC-University and CMC-Mercy. CIS now proposes to serve NorthCross Imaging Center with the Mobile Unit.

On December 4, 2007, the CON Section gave CIS notice of its consideration of withdrawal of the CON for the Mobile Unit. As part of its response to that notice, CIS advised the Section of its intention to apply for this declaratory ruling.

The Fixed Unit is located at NorthCross Imaging Center ("NorthCross"), 16455 Statesville Road, Huntersville, Mecklenburg County. CIS represents that NorthCross is owned

and operated by CIS. The CON for the Fixed Unit, which is Project No. F-7167-04, was issued to CIS effective 25 January 2006. CIS now seeks to relocate the Fixed Unit to an existing diagnostic imaging center at its Ballantyne site. CIS was issued a CON effective December 1, 2005, for Project I.D. No. F-7315-05 to develop the diagnostic imaging center at the Ballantyne site, which is located at 15110 John J. Delaney Drive, Suite 130, Charlotte, Mecklenburg County. CIS states that the purpose of this relocation is to meet growth in demand at the Ballantyne site. CIS states that the cost of relocation is approximately $186,185. It represents that it intends to meet the remaining need at the NorthCross site with the Mobile Unit.

ANALYSIS

The Mobile Unit

In the Global Agreement, the Department specifically approved the NorthCross site as a site for the Mobile Unit. CIS does not, therefore, require the requested declaratory ruling for the Mobile Unit, and it is not aggrieved by the absence of such a ruling. *See* N.C.G.S. § 150B-4(a). I will therefore decline to issue a ruling with respect to the Mobile Unit.

The Fixed Unit

The CON law would require a full review of CIS's proposed change of site for the Fixed Unit if that change were to represent a material change in the physical location or scope of the project. N.C.G.S. § 131E-181(a). The proposed change of the site for the Fixed Unit to Ballantyne does not constitute a material change in the physical location of the proposed project because the Fixed Unit will still be located in Mecklenburg County. It will not constitute a material change in the scope of the project so long as CIS continues to materially comply with all conditions in its CON application. In addition, there is no proposed change in the person named in the application that would result in a violation of N.C.G.S. § 131E-181(a).

N.C.G.S. § 131E-189(b) allows the Agency to withdraw CIS's CON if CIS fails to develop the service in a manner consistent with the representations made in the application or with any conditions that were placed on the CON. CIS will not be developing its project in a manner that is materially different from the representations made in its application, nor will it be developing its project in a manner that is inconsistent with any of the conditions that were placed on its CON.

CONCLUSION

For the foregoing reasons, assuming the statements of fact in the request to be true, I decline to issue a declaratory ruling with respect to the Mobile Unit. I also specifically make no ruling with respect to the CON Section's consideration of withdrawal of the CON for Project I.D. No. F-7040-04.

I conclude that the relocation of the Fixed Unit from the NorthCross site to the Ballantyne site will not constitute a material change in the physical location or scope of the project, will not violate N.C.G.S. § 131E-181, and will not constitute a failure to satisfy a condition of the CON in violation of N.C.G.S. § 131E-189(b) so long as CIS continues to materially comply with all conditions of the original CON for Project I.D. No. F-7167-04.

This ruling is not intended, and should not be interpreted, to authorize any increases in the approved capital expenditure for this project, a change in the approved timetable, a change in the conditions placed on the certificate of need, or any other change in the approved project.

This the 5th day of March, 2008.

Robert J. Fitzgerald, Director
Division of Health Service Regulation
N.C. Department of Health and Human Services

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Declaratory Ruling has been served upon the nonagency party by certified mail, return receipt requested, by depositing the copy in an official depository of the United States Postal Service in a first-class, postage pre-paid envelope addressed as follows:

CERTIFIED MAIL

Robert V. Bode
Bode, Call & Stroupe, LLP
3105 Glenwood Avenue, Suite 300
Raleigh, NC 27612

This the 3rd day of March, 2008.

Patricia Bryant for
Jeff Horton
Chief Operating Officer

ATTACHMENT B

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION
RALEIGH, NORTH CAROLINA

IN RE: REQUEST FOR DECLARATORY RULING BY CAROLINAS IMAGING SERVICES, LLC Project I.D. Nos. F-7040-04 and F-7167-04	)))	**DECLARATORY RULING**

I, Robert J. Fitzgerald, as Director of the Division of Health Service Regulation, North Carolina Department of Health and Human Services ("Department" or "Agency"), do hereby issue this Declaratory Ruling pursuant to North Carolina General Statute § 150B-4 and 10A NCAC 14A .0103 under the authority granted me by the Secretary of the Department of Health and Human Services.

Carolinas Imaging Services, LLC ("CIS") has requested a declaratory ruling allowing for a change in host sites for Project I.D. No. F-7040-04, and a relocation of its fixed MRI scanner for Project No. F-7167-04 on the grounds that these changes do not constitute a material change in physical location or a failure to materially comply with the representations made by CIS in its Certificate of Need ("CON") applications for its projects. N.C.G.S. §§ 131E-181(a) and (b). This ruling will be binding upon the Department and the entity requesting it, as long as the material facts stated herein are accurate. This ruling pertains only to the matters referenced herein. Except as provided by N.C.G.S. § 150B-4, the Department expressly reserves the right to make a prospective change in the interpretation of the statutes and regulations at issue in this Declaratory Ruling. Robert V. Bode, of Bode, Call & Stroupe, L.L.P., has requested this ruling on behalf of CIS and has provided the material facts upon which this ruling is based. Some of the facts are based on information from the files of the Department.

STATEMENT OF THE FACTS

CIS seeks a declaratory ruling related to two separate MRI scanners authorized pursuant to two separate CONs. One of these scanners is a mobile MRI scanner to be acquired for Project ID No. F-7040-04 (the "Mobile Unit"); the other is a fixed MRI scanner acquired for Project I.D. No. F-7167-04 (the "Fixed Unit").

The Mobile Unit was approved in 2004 to provide mobile MRI services to three locations: Ashe Memorial Hospital in Jefferson, Carolinas Medical Center-University in Charlotte and Cleveland Regional Medical Center in Shelby. Subsequently, in connection with a contested case arising from another Project, CIS advised the Department that Ashe Memorial Hospital had committed by contract to another mobile provider for the foreseeable future and that Cleveland Regional Medical Center had determined it no longer required CIS's mobile services because of internal solutions to the MRI need in addition to the impending commencement of fixed MRI services in nearby Kings Mountain. In a Global Settlement Agreement executed for that litigation in August, 2005, the Department approved CIS to provide mobile MRI services (with either the Mobile Unit or another CIS mobile MRI scanner) at all of the following locations: NorthCross Imaging Center, Carolinas Medical Center ("CMC"), CMC-Pineville, CMC-University and CMC-Mercy. CIS now proposes to serve NorthCross Imaging Center with the Mobile Unit.

On December 4, 2007, the CON Section gave CIS notice of its consideration of withdrawal of the CON for the Mobile Unit. As part of its response to that notice, CIS advised the Section of its intention to apply for this declaratory ruling.

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and operated by CIS. The CON for the Fixed Unit, which is Project No. F-7167-04, was issued to CIS effective 25 January 2006. CIS now seeks to relocate the Fixed Unit to an existing diagnostic imaging center at its Ballantyne site. CIS was issued a CON effective December 1, 2005, for Project I.D. No. F-7315-05 to develop the diagnostic imaging center at the Ballantyne site, which is located at 15110 John J. Delaney Drive, Suite 130, Charlotte, Mecklenburg County. CIS states that the purpose of this relocation is to meet growth in demand at the Ballantyne site. CIS states that the cost of relocation is approximately $186,185. It represents that it intends to meet the remaining need at the NorthCross site with the Mobile Unit.

ANALYSIS

The Mobile Unit

In the Global Agreement, the Department specifically approved the NorthCross site as a site for the Mobile Unit. CIS does not, therefore, require the requested declaratory ruling for the Mobile Unit, and it is not aggrieved by the absence of such a ruling. *See* N.C.G.S. § 150B-4(a). I will therefore decline to issue a ruling with respect to the Mobile Unit.

The Fixed Unit

The CON law would require a full review of CIS's proposed change of site for the Fixed Unit if that change were to represent a material change in the physical location or scope of the project. N.C.G.S. § 131E-181(a). The proposed change of the site for the Fixed Unit to Ballantyne does not constitute a material change in the physical location of the proposed project because the Fixed Unit will still be located in Mecklenburg County. It will not constitute a material change in the scope of the project so long as CIS continues to materially comply with all conditions in its CON application. In addition, there is no proposed change in the person named in the application that would result in a violation of N.C.G.S. § 131E-181(a).

N.C.G.S. § 131E-189(b) allows the Agency to withdraw CIS's CON if CIS fails to develop the service in a manner consistent with the representations made in the application or with any conditions that were placed on the CON. CIS will not be developing its project in a manner that is materially different from the representations made in its application, nor will it be developing its project in a manner that is inconsistent with any of the conditions that were placed on its CON.

CONCLUSION

For the foregoing reasons, assuming the statements of fact in the request to be true, I decline to issue a declaratory ruling with respect to the Mobile Unit. I also specifically make no ruling with respect to the CON Section's consideration of withdrawal of the CON for Project I.D. No. F-7040-04.

I conclude that the relocation of the Fixed Unit from the NorthCross site to the Ballantyne site will not constitute a material change in the physical location or scope of the project, will not violate N.C.G.S. § 131E-181, and will not constitute a failure to satisfy a condition of the CON in violation of N.C.G.S. § 131E-189(b) so long as CIS continues to materially comply with all conditions of the original CON for Project I.D. No. F-7167-04.

This ruling is not intended, and should not be interpreted, to authorize any increases in the approved capital expenditure for this project, a change in the approved timetable, a change in the conditions placed on the certificate of need, or any other change in the approved project.

This the 3rd day of March, 2008.

Robert J. Fitzgerald, Director
Division of Health Service Regulation
N.C. Department of Health and Human Services

CERTIFICATE OF SERVICE

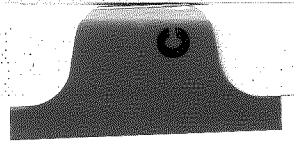
I certify that a copy of the foregoing Declaratory Ruling has been served upon the nonagency party by certified mail, return receipt requested, by depositing the copy in an official depository of the United States Postal Service in a first-class, postage pre-paid envelope addressed as follows:

CERTIFIED MAIL

Robert V. Bode
Bode, Call & Stroupe, LLP
3105 Glenwood Avenue, Suite 300
Raleigh, NC 27612

This the 3rd day of March, 2008.

Patricia Bryant for
Jeff Horton
Chief Operating Officer

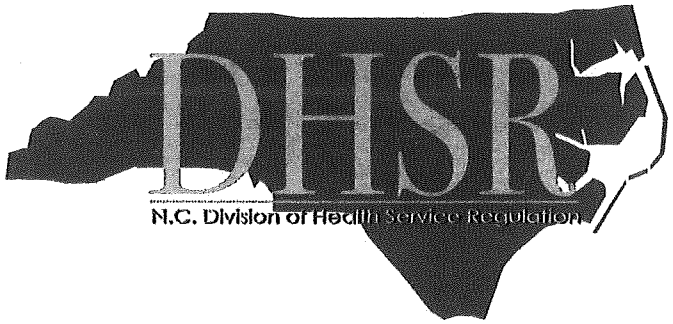


ATTACHMENT C

2010

STATE HEALTH COORDINATING COUNCIL

STATE MEDICAL FACILITIES PLAN



North Carolina Department of Health and Human Services

Table 9K: MRI by MRI Service Areas - All Fixed and Mobile Procedures - TOTALS with Tiered and % Mobile Equivalents

Service Area	Service Type	CON #	Service Site (Provider/Owner)	Fixed Magnet	Fixed Equiv	Total MRI Scans	Outpt No Contrast	Outpt Contrast	Inpt No Contrast	Inpt Contrast	Adjusted Total	Area Avg Procs	Threshold	MRI Need
Lincoln	Mobile	F-006868-03	CMC-Lincoln (Carolinas Imaging Services)	0	0.24	1,033	512	255	72	61	1,080			
Lincoln				**1**	**1.71**	**2,252**					**3,080**	**1,801**	**3,775**	**0**
Macon	Hospital Fixed	A-006828-03	Angel Medical Center, Inc	1	1.00	1,601	519	1,013	27	42	2,051			
Macon	Hospital Fixed	A-007197-05	Highlands-Cashiers Hospital, Inc.	1	1.00	409	284	116	9	0	459			
Macon	Mobile	Grandfathered	WestCare Health System-Franklin (Alliance Imaging Inc.)	0	0.04	149	93	56	0	0	171			
Macon	Mobile	G-006271-00	WestCare Health System-Franklin (Alliance Imaging Inc.)	0	0.01	30	30	0	0	0	30			
Macon				**2**	**2.05**	**2,189**					**2,711**	**1,322**	**4,118**	**0**
Martin	Mobile	Grandfathered	Martin General Hospital (Alliance Imaging Inc.)	0	0.32	544	503	41	0	0	560			
Martin				**0**	**0.32**	**544**					**560**	**560**	**1,716**	**0**
McDowell	Hospital Fixed	C-007304-05	The McDowell Hospital, Inc.	1	1.00	1,763	1,348	337	56	22	1,938			
McDowell				**1**	**1.00**	**1,763**					**1,938**	**1,938**	**3,775**	**0**
Mecklenburg	Hospital Fixed	F-005918-98; F-006493-01	Carolinas Medical Center	3	3.00	11,734	2,688	4,232	2,186	2,628	16,404			
Mecklenburg	Hospital Fixed	F-006830-03	Carolinas Medical Center Mercy/Pineville	2	2.00	10,901	5,479	3,448	931	1,043	13,487			
Mecklenburg	Hospital Fixed	F-005919-98	Carolinas Medical Center-University	1	1.00	5,121	2,577	1,710	332	502	6,339			
Mecklenburg	Hospital Fixed	F-005580-97	Presbyterian Hospital Huntersville [moved from Randolph Radiology 11/2007]	1	1.00	4,509	2,692	1,242	422	153	5,297			
Mecklenburg	Hospital Fixed	F-006379-01	Presbyterian Hospital Matthews	1	1.00	6,684	2,972	2,360	886	466	8,355			
Mecklenburg	Hospital Fixed	F-005575-97	Presbyterian Orthopaedic Hospital, LLC	1	1.00	3,398	2,219	1,111	39	29	3,881			
Mecklenburg	Hospital Fixed	F-006499-01	The Presbyterian Hospital	2	2.00	8,650	1,971	2,552	2,434	1,693	11,999			
Mecklenburg	Freestanding Fixed	F-005918-98	Carolinas Imaging Services [moved from Charlotte Radiology 7/2008 per 1/2008 dec. ruling]	1	1.00	603	384	221	0	0	693			
Mecklenburg	Freestanding Fixed	F-007167-04	Carolinas Imaging Services [moved to CIS Ballantyne 7/2008]	0	0.00	664	479	185	0	0	738			
Mecklenburg	Freestanding Fixed	F-007167-04	Carolinas Imaging Services [moved from CIS Huntersville 7/2008]	1	1.00	469	351	118	0	0	516			

ATTACHMENT D

(index.cfm)

Carolinas Imaging Services - Huntersville

Located at 16455 Statesville Road, Suite 110-A in the CMC Huntersville medical building off of Exit 25 in Huntersville, NC. Carolinas Imaging Services is a joint venture between Charlotte Radiology and Carolinas HealthCare System and provides patients with a freestanding, outpatient imaging option.

Procedures Offered

Calcium Scoring (procedure-details.cfm?proc_id=7)

CT Colonography (procedure-details.cfm?proc_id=9)

Computed Tomography (CT) (procedure-details.cfm?proc_id=15)

MRI (procedure-details.cfm?proc_id=16)

X-ray (procedure-details.cfm?proc_id=17)

Ultrasound (procedure-details.cfm?proc_id=19)

CT Lung Cancer Screening (procedure-details.cfm?proc_id=21)

Contact Information

Phone: 704-895-3445

Fax: 704-895-4846

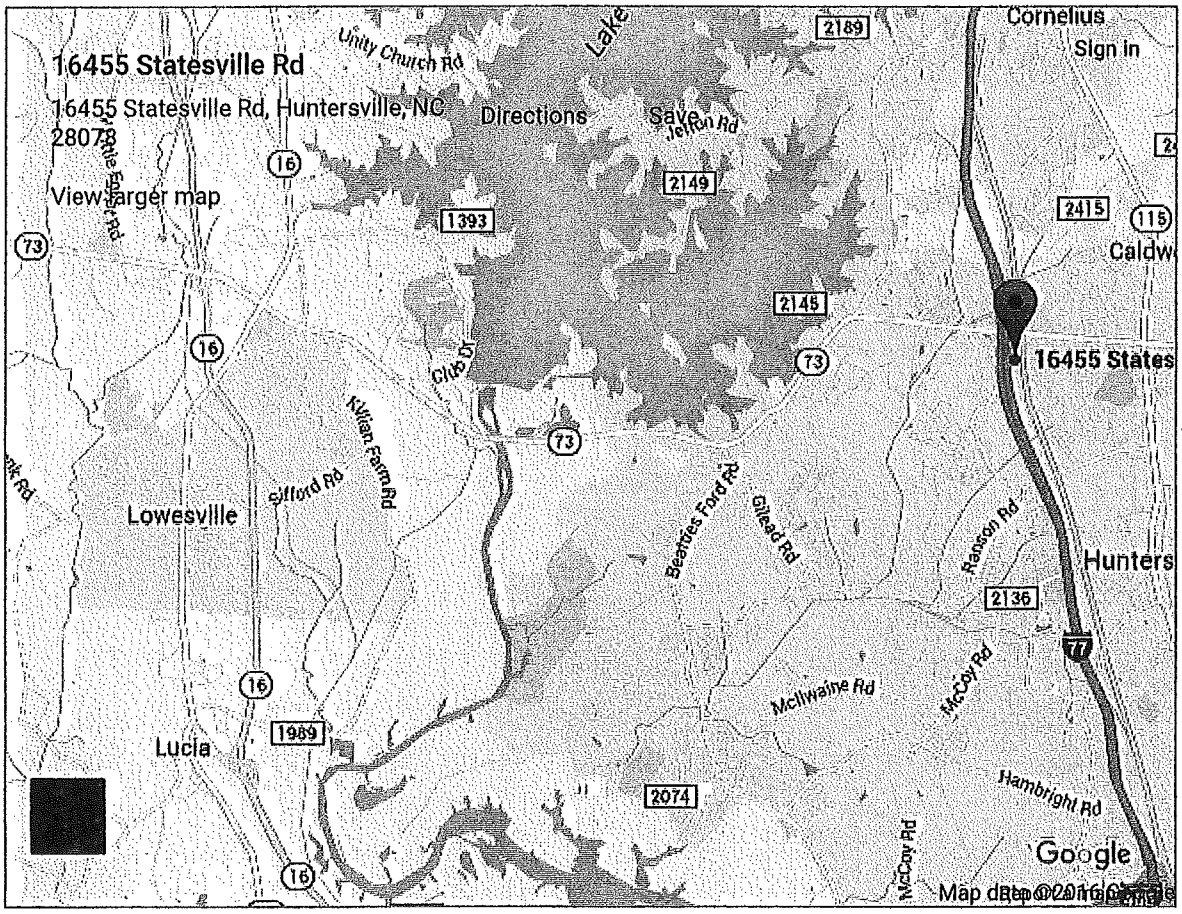
Appts: 704-442-4390

Hours of Operation

Mon - Fri	7 am - 7 pm
Sat	7 am - 5 pm
Sun	Closed

Get Directions

Address: 16455 Statesville Road, Suite 110-A, Huntersville, NC 28078



Our Physicians & PAs

Meet our 95+ radiologists and their team of PAs and technologists.

Make an appointment.

» Screening Mammogram (mamm-appointments.cfm)
» Vein & Vascular Consultation (https://www.charlotteradiology.com/crveins/schedule-consult.cfm)
» Carolinas Imaging Services (appointment-request-cis.cfm#info)

Pricing & Billing

» Request a price estimate (price-estimate.cfm)
» Pay your bill online (https://www.epayitonline.com/payitonline/IFrameLogin.aspx?merchantId=295379339886&storeId=monus30110)

About Us

- Contact Us (contact-us.cfm)
- Company Overview (about-us.cfm)
- Community Report (http://alookinside.charlotteradiology.com)
- Career Opportunities (career-opportunities.cfm)
- In The News (news.cfm)
- Inclement Weather Policies (inclement-weather.cfm)
- Dr. Parsons Fund (dr-parsons-fund.cfm)
- What is a Radiologist? (behind-the-doctor.cfm)

From Our Blog ...

- Survivor Story: Joyce Isom (http://blog.screeningsavesblog.com/survivor-story-joyce-isom/)

We can go on and on about the importance of mammograms until we're blue in the face. But sometimes it takes hearing about a person's real life experience to really drive our message home.

- I found a breast lump. Does that mean I have breast cancer? (http://blog.screeningsavesblog.com/i-found-a-breast-lump-does-that-mean-i-have-breast-cancer/)

Finding a breast lump can be alarming, but it does not necessarily mean you have breast cancer. A breast lump can result from many benign conditions including fibrocystic changes, a cyst or fibroadenoma.

- Should breast pain cause me to be concerned about breast cancer? (http://blog.screeningsavesblog.com/should-breast-pain-cause-me-to-be-concerned-about-breast-cancer/)

Breast pain is the most common breast related complaint among women. Nearly 70% of women experience it at some point in their lives and approximately 15% of women require treatment.

Latest Photos

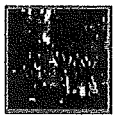

(assets/frontend/pages/img/photos/lung-cancer-5k-1.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-2.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-3.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-4.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-5.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-6.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-7.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-9.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-10.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-11.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-13.jpg)


(assets/frontend/pages/img/photos/lung-cancer-5k-15.jpg)

(http://www.acr.org/) (http://www.imagegently.org/) (http://www.strategicradiology.com/) (http://www

ATTACHMENT E

STATE OF NORTH CAROLINA

Department of Health and Human Services

Division of Facility Services

CERTIFICATE OF NEED

for

Project Identification Number F-6868-03
FID# 030697

ISSUED TO: **Carolinas Imaging Services, LLC**
1000 Blythe Blvd.
Charlotte, NC 28203

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: **Carolinas Imaging Services, LLC/Acquire a mobile MRI scanner to serve sites in Anson, Polk, Burke, and Lincoln Counties**

CONDITIONS: **See Reverse Side**

PHYSICAL LOCATION: **Anson Community Hospital, 500 Morven Rd., Wadesboro**
Lincoln Medical Center, 200 Gamble Dr., Lincolnton
Valdese General Hospital, 720 Malcolm Blvd., Valdese
St. Luke's Hospital, 101 Hospital Dr., Columbus

MAXIMUM CAPITAL EXPENDITURE: **$2,521, 244**

TIMETABLE: **See Reverse Side**

FIRST PROGRESS REPORT DUE: May 15, 2005

This certificate is effective as of the 5th day of October, 2004.

Lee B. Hoffman

Chief, Certificate of Need Section
Division of Facility Services

CONDITIONS:

1. Carolinas Imaging Services, LLC shall materially comply with all representations made in its certificate of need application.

2. Carolinas Imaging Services, LLC shall acquire one mobile MRI scanner with transporting equipment that will result in establishment of a mobile diagnostic program. The mobile MRI scanner shall be moved each week to provide MRI services to at least two host sites.

3. The mobile MRI shall not, at any time, be converted to a fixed MRI scanner and such equipment shall not, at any time, serve less than two host sites each week. The acquisition of the mobile MRI scanner shall not result in the creation of a diagnostic center located at any of the host sites or any other facility owned, operated or otherwise affiliated with Carolinas Imaging Services, LLC.

4. Carolinas Imaging Services, LLC shall not change or add host sites unless it first obtains a declaratory ruling authorizing the change in location of the equipment pursuant to North Carolina Statute 150B-4 and the rules of the Department of Health and Human Services, Division of Facility Services.

5. Carolina Imaging Services, LLC shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

TIMETABLE:

Order Equipment _____ November 15, 2004
Operation of Equipment _____ May 15, 2005

NC Division of Health Service Regulation

Declaratory Rulings

These declaratory rulings issued by the Division of Health Service Regulation interpret either statutes or rules as applied to a specified set of facts. Declaratory rulings issued since 2013 are available on this Web page. Earlier rulings dating back to 2005 are available on an archive page.

2016

- 6/23/2016 Novant Health, Inc. and Cape Fear Mobile Imaging, LLC (PDF, 68 KB)
- 5/24/2016 WakeMed (PDF, 62 KB)
- 3/30/2016 Novant Health and Cape Fear Diagnostic Imaging, Inc. (PDF, 64 KB)

2015

- 9/10/2015 Nelson Mullins Riley & Scarborough, LLP (PDF, 64 KB)
- 8/14/2015 Presbyterian Hospital Mint Hill, LLC, Presbyterian Medical Corporation d/b/a Presbyterian Hospital Matthews and Novant Health (PDF, 69 KB)
- 8/6/2015 Liberty Healthcare Properties of Kernersville, LLC, Liberty Commons of Kernersville, LLC, Liberty Healthcare Properties of Springwood, LLC, and Liberty Commons Nursing and Rehabilitation Center of Springwood, LLC (PDF, 69 KB)
- 7/17/2015 Alliance Healthcare Services (PDF, 134 KB)
- 6/1/2015 Triangle Orthopaedic Associates (PDF, 88 KB)
- 5/27/2015 Foundation Health Mobile Imaging, LLC and Novant Health, Inc. (PDF, 88 KB)
- 5/5/2015 Cape Fear Mobile Imaging, LLC (PDF, 95 KB)
- 5/5/2015 Foundation Health Mobile Imaging, LLC and Novant Health, Inc. (PDF, 92 KB)
- 4/24/2015 Alliance Healthcare Services, Inc. and University Health Systems of Eastern Carolina, Inc. (PDF, 93 KB)
- 3/12/2015 University of North Carolina Health Care System, The University of North Carolina at Chapel Hill d/b/a UNC Hospitals and Caldwell Memorial Hospital (PDF, 175 KB)
- 2/25/2015 Foundation Health Mobile Imaging, LLC and Novant Health, Inc. (PDF, 91 KB)
- 2/18/2015 Total Renal Care of North Carolina, LLC d/b/a Hendersonville Dialysis Center (PDF, 96 KB)

2014

- 12/22/2014 Triad Imaging d/b/a Southern Pines Diagnostic Imaging (PDF, 94 KB)

- 12/16/2014 Jacksonville Diagnostic Imaging, LLC (PDF, 95 KB)
- 12//11/2014 Columbus Regional Diagnostics (PDF, 93 KB)
- 12/8/2014 Bio-Medical Applications of North Carolina, Inc. d/b/a FMC Southwest Charlotte (PDF, 91 KB)
- 11/12/2014 Assisted Living Group of Bostic, LLC, Bostic Health Holdings, LLC and Rutherfordco, LLC (PDF, 96 KB)
- 10/23/2014 Alamance Regional Medical Center (PDF, 96 KB)
- 10/23/2014 Rose Glen Manor Assisted Living, LLC d/b/a Rose Glen Manor (PDF, 91 KB)
- 10/8/2014 United Hospice, Inc., d/b/a PruittHealth Hospice-Fayetteville (PDF, 65 KB)
- 8/18/2014 Veritas Collaborative, LLC (PDF, 88 KB)
- 8/5/2014 Novant Health, Inc. and Novant Health Forsyth Medical Center (PDF, 88 KB)
- 7/17/2014 Cherokee Valley, LLC and Peachtree Manor, Inc. (PDF, 62 KB)
- 6/19/2014 Foundation Health Mobile Imaging, LLC and Novant Health, Inc. (PDF, 62 KB)
- 6/19/2014 University of North Carolina at Chapel Hill d/b/a UNC Hospitals Inpatient Hospice Facility Chatham County (PDF, 62 KB)
- 6/16/2014 Total Renal Care of North Carolina, LLC (PDF, 87 KB)
- 4/25/2014 E.N.W., LLC and Bellarose Nursing and Rehab Center (PDF, 88 KB)
- 4/21/2014 Bio-Medical Applications of North Carolina Inc. d/b/a FMC Bladen Home Dialysis (PDF, 88 KB)
- 3/19/2014 Dialysis Clinic, Inc. (PDF, 15 KB)
- 2/7/2014 Novant Health Presbyterian Medical Center (PDF, 24 KB)
- 1/23/2014 Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Healthcare System and Carolinas-Anson Healthcare, Inc. d/b/a Anson Community Hospital (PDF, 16 KB)

2013

- 12/13/2013 Novant Health, Inc. and Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center (PDF, 18 KB)
- 11/21/2013 WakeMed (PDF, 15 KB)
- 11/14/2013 Surgical Care Affiliates, LLC (PDF, 21 KB)
- 10/21/2013 Hospice House Foundation of WNC, Inc. and Hospice of Henderson County, Inc. d/b/a Four Seasons Compassion for Life (PDF, 15 KB)
- 10/10/2013 Bio-Medical Applications of North Carolina, Inc. d/b/a FMC Sea Spray (PDF, 15 KB)
- 10/10/2013 WakeMed (PDF, 15 KB)
- 8/15/2013 Blue Ridge Healthcare Hospitals, Inc. (PDF, 16 KB)
- 7/15/2013 Hedgehog Land Investment, LLC and Alamance Manor Assisted Living, LLC (PDF, 19 KB)
- 6/21/2013 Same Day Surgery Center New Hanover, LLC and New Hanover Regional Medical Center (PDF, 18 KB)
- 6/19/2013 Alliance Healthcare Services, Inc. (PDF, 16 KB)
- 5/29/2013 Forsyth Memorial Hospital, Inc. (PDF, 16 KB)
- 5/24/2013 DVA Healthcare Renal Care, Inc. (PDF, 16 KB)

- 5/23/2013 Total Renal Care of North Carolina, LLC (PDF, 17 KB)
- 5/13/2013 DVA Healthcare Renal Care, Inc. (PDF, 16 KB)
- 4/12/2013 Bio-Medical Applications of North Carolina, Inc. d/b/a FMC Hickory Home Program (PDF, 16 KB)
- 4/8/2013 Carteret County General Hospital Corporation d/b/a Carteret General Hospital (PDF, 16 KB)
- 3/20/2013 Arbor Ridge at Chatham, LLC and FCSB Real Estate Holdings (PDF, 15 KB)
- 3/12/2013 Alliance Healthcare Services, Inc. (PDF, 19 KB)
- 3/6/2013 Britthaven, Inc. (PDF, 16 KB)
- 2/25/2013 Triangle Orthopedics Surgery Center, LLC (PDF, 19 KB)
- 2/18/2013 High Point Endoscopy Center (PDF, 15 KB)
- 1/30/2013 Hedgehog Land Investment, LLC and Alamance Manor Assisted Living, LLC (PDF, 16 KB)
- 1/11/2013 University Surgery Center, LLC (PDF, 17 KB)

This page was last modified on June 24, 2016.

Division of Health Service Regulation

Registration and Inventory of Medical Equipment
Mobile Magnetic Resonance Imaging Scanners
January 2016

Instructions
This is the legally required "Registration and Inventory of Medical Equipment" (G.S. 131E-177) for mobile magnetic resonance imaging (MRI) scanners. Please complete all sections of this form and return to Healthcare Planning by **Friday, January 29, 2016**.

1. Complete and sign the form
2. Return the form by one of two methods:
   a. Email a scanned copy to DHSR.SMFP.Registration-Inventory@dhhs.nc.gov
   b. Mail the form to Kelli Fisk, Healthcare Planning, 2704 Mail Service Center, Raleigh, NC 27699-2704.

If you have questions, call Kelli Fisk in Healthcare Planning at (919) 855-3865 or email DHSR.SMFP.Registration-Inventory@dhhs.nc.gov.

Section 1: Contact Information

1. Full legal name of corporation, partnership, individual, or other legal entity that acquired the equipment by purchase, donation, lease, transfer, or comparable arrangement:

   CAROLINAS IMAGING SERVICES, LLC.
   (Legal Name)

2. Address of the corporation, partnership, individual, or other legal entity that acquired the equipment:

   1701 EAST BLVD.
   (Street and Number)

   CHARLOTTE, NC 28203 (704) 334-7800
   (City) (State) (Zip) (Phone Number)

3. Chief Executive Officer or approved designee who is certifying the information in this registration form:

   MARK FARMER DIRECTOR OF OUTPATIENT OPERATIONS
   (Name) (Title)

   1701 EAST BLVD CHARLOTTE NC 28203
   (Street and Number) (City) (State) (Zip)

   (704) 334-7800 mark.farmer@charlotteradiology.com
   (Phone Number) (Email)

4. Information Compiled or Prepared by: J. Michael Vachino
   (Name)

   (704) 367-7885 michael.vachino@charlotteradiology.com
   (Phone Number) (Email)

Section 2: Equipment and Procedures Information

Time Period for Report: X 10/01/2014 – 9/30/2015 ☐ Other time period: _____

(Please make additional copies of pages of this form as needed.)

	Mobile Scanner Number 1 (One scanner per page)	
Manufacturer/Tesla	GE 1.5T	
Model Number	AKSV-AM 295 BX	
Open or Closed Scanner	Closed	
Serial or I.D. Number	R-4106	
Date of acquisition	3/2004	
Purchase price (if purchased)	$1.8M	
Certificate of Need Project ID	F-6868-03	
Certificate Holder, as listed on Certificate of Need	Carolinas Imaging Services, LLC	
If Leased or Rented, Name Owner of Equipment		
	Service Site Number _1__	Service Site Number _2__
Service Site Information: Please include **all** of the information requested for each location.	Service Site: CAROLINA HEALTHCARE SYSTEM- ANSON Address : 2301 U.S. Highway 74 W, City, State, Zip: Wadesboro, NC 28170 County : ANSON	Service Site: CAROLINA NEUROLOGICAL CLINIC Address : 3541 RANDOLPH ROAD, SUITE 101 City, State, Zip: CHARLOTTE, NC 28211 County: MECKLENBURG
Inpatient Procedures*: - with Contrast or Sedation - without Contrast or Sedation Outpatient Procedures*: - with Contrast or Sedation - without Contrast or Sedation **Total Number of Procedures**	Inpatient: with: _____ w/out: ___4_____ Total: ___4_____ Outpatient: with: ___13____ w/out: ___40____ Total: ___53____ **Total: 57**	Inpatient: with: _____ w/out: _____ Total: _____ Outpatient: with: 344 w/out: 670 Total: 1014 **Total: 1014**
Put a check by the days per week, and write in the number of hours per day, the scanner is in-operation.	___ Sun: ____ hours ___ Mon: ____ hours ___ Tue: ____ hours ___ Wed: ____ hours ___ Thu: ____ hours _X_ Fri: _6_ hours ___ Sat: ____ hours	___ Sun: ____ hours ___ Mon: ____ hours _X_ Tue: _12_ hours ___ Wed: ____ hours _X_ Thu: _12_ hours ___ Fri: ____ hours ___ Sat: ____ hours
Total number of hours in operation for report period	132	1190

*An **MRI procedure** is defined as a single discrete MRI study of one patient (single CPT coded procedure). An MRI study means one or more scans relative to a single diagnosis or symptom. **The total number of procedures should be equal to or more than the total number of patients reported on the MRI Patient Origin Table on page 5 of this form.**

Name of entity that acquired the equipment (from page 1) **CAROLINAS IMAGING SERVICES, LLC.**

Section 3: MRI Procedures by CPT Code by Service Site

Please write the number of procedures provided by CPT Code during the time period of this report. Report separately for each service site. Make additional copies of pages 3 and 4 as needed. The total number of procedures should equal the total number of procedures reported on page 2 of this form.

Service Site Name: Carolina Healthcare System- Anson

CPT Code	CPT Description	Inpatient Procedures	Outpatient Procedures	Total Number of Procedures
70336	MRI Temporomandibular Joint(s)			
70540	MRI Orbit/Face/Neck w/o			
70542	MRI Orbit/Face/Neck with contrast			
70543	MRI Orbit/Face/Neck w/o & with		2	2
70544	MRA Head w/o	1		1
70545	MRA Head with contrast			
70546	MRA Head w/o & with			
70547	MRA Neck w/o	1		1
70548	MRA Neck with contrast			
70549	MRA Neck w/o & with			
70551	MRI Brain w/o	1	5	6
70552	MRI Brain with contrast			
70553	MRI Brain w/o & with		7	7
70554	MR functional imaging, w/o physician admin			
70555	MR functional imaging, with physician admin			
71550	MRI Chest w/o			
71551	MRI Chest with contrast			
71552	MRI Chest w/o & with			
71555	MRA Chest with OR without contrast			
72141	MRI Cervical Spine w/o		4	4
72142	MRI Cervical Spine with contrast			
72156	MRI Cervical Spine w/o & with			
72146	MRI Thoracic Spine w/o			
72147	MRI Thoracic Spine with contrast		1	1
72157	MRI Thoracic Spine w/o & with			
72148	MRI Lumbar Spine w/o		16	16
72149	MRI Lumbar Spine with contrast			
72158	MRI Lumbar Spine w/o & with			
72159	MRA Spinal Canal w/o OR with contrast			
72195	MRI Pelvis w/o			
72196	MRI Pelvis with contrast			
72197	MRI Pelvis w/o & with		2	2
72198	MRA Pelvis w/o OR with contrast			
73218	MRI Upper Ext, other than joint w/o	1	1	2
73219	MRI Upper Ext, other than joint with contrast			
	Subtotals for this page	**4**	**38**	**42**

Name of entity that acquired the equipment (from page 1) **CAROLINAS IMAGING SERVICES, LLC.**

10a. MRI Procedures by CPT Codes *continued. . . . .*

CPT Code	CPT Description	Inpatient Procedures	Outpatient Procedures	Total Number of Procedures
73220	MRI Upper Ext, other than joint w/o & with			
73221	MRI Upper Ext, any joint w/o		2	2
73222	MRI Upper Ext, any joint with contrast			
73223	MRI Upper Ext, any joint w/o & with			
73225	MRA Upper Ext, w/o OR with contrast			
73718	MRI Lower Ext other than joint w/o		2	2
73719	MRI Lower Ext other than joint with contrast			
73720	MRI Lower Ext other than joint w/o & with			
73721	MRI Lower Ext any joint w/o		10	10
73722	MRI Lower Ext any joint with contrast			
73723	MRI Lower Ext any joint w/o & with			
73725	MRA Lower Ext w/o OR with contrast			
74181	MRI Abdomen w/o			
74182	MRI Abdomen with contrast			
74183	MRI Abdomen w/o & with		1	1
74185	MRA Abdomen w/o OR with contrast			
75557	MRI Cardiac Morphology w/o			
75561	MRI Cardiac Morphology with contrast			
75565	MRI Cardiac Velocity Flow Mapping			
76125	Cineradiography to complement exam			
76390	MRI Spectroscopy			
77021	MRI Guidance for needle placement			
77022	MRI Guidance for tissue ablation			
77058	MRI Breast, unilateral w/o and/or with contrast			
77059	MRI Breast, bilateral w/o and/or with contrast			
77084	MRI Bone Marrow blood supply			
N/A	Clinical Research Scans			
	Subtotal for this page		15	15
	Total Number of Procedures for all pages*	**4**	**53**	**57**

Total Number of Procedures for All Service Sites: 1071

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

Section 3: MRI Procedures by CPT Code by Service Site

Please write the number of procedures provided by CPT Code during the time period of this report. Report separately for each service site. Make additional copies of pages 3 and 4 as needed. The total number of procedures should equal the total number of procedures reported on page 2 of this form.

Service Site Name: Carolina Neurological Clinic

CPT Code	CPT Description	Inpatient Procedures	Outpatient Procedures	Total Number of Procedures
70336	MRI Temporomandibular Joint(s)			
70540	MRI Orbit/Face/Neck w/o		3	3
70542	MRI Orbit/Face/Neck with contrast		1	1
70543	MRI Orbit/Face/Neck w/o & with		8	8
70544	MRA Head w/o		59	59
70545	MRA Head with contrast		4	4
70546	MRA Head w/o & with		2	2
70547	MRA Neck w/o		31	31
70548	MRA Neck with contrast			
70549	MRA Neck w/o & with			
70551	MRI Brain w/o		386	386
70552	MRI Brain with contrast		7	7
70553	MRI Brain w/o & with		207	207
70554	MR functional imaging, w/o physician admin			
70555	MR functional imaging, with physician admin			
71550	MRI Chest w/o			
71551	MRI Chest with contrast			
71552	MRI Chest w/o & with			
71555	MRA Chest with OR without contrast			
72141	MRI Cervical Spine w/o		123	123
72142	MRI Cervical Spine with contrast		39	39
72156	MRI Cervical Spine w/o & with		34	34
72146	MRI Thoracic Spine w/o		34	34
72147	MRI Thoracic Spine with contrast		23	23
72157	MRI Thoracic Spine w/o & with		11	11
72148	MRI Lumbar Spine w/o		27	27
72149	MRI Lumbar Spine with contrast		1	1
72158	MRI Lumbar Spine w/o & with		5	5
72159	MRA Spinal Canal w/o OR with contrast			
72195	MRI Pelvis w/o			
72196	MRI Pelvis with contrast			
72197	MRI Pelvis w/o & with		1	1
72198	MRA Pelvis w/o OR with contrast			
73218	MRI Upper Ext, other than joint w/o		1	1
73219	MRI Upper Ext, other than joint with contrast			
	Subtotals for this page	**0**	**1007**	**1007**

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

10a. MRI Procedures by CPT Codes *continued. . . . .*

CPT Code	CPT Description	Inpatient Procedures	Outpatient Procedures	Total Number of Procedures
73220	MRI Upper Ext, other than joint w/o & with		1	1
73221	MRI Upper Ext, any joint w/o		3	3
73222	MRI Upper Ext, any joint with contrast			
73223	MRI Upper Ext, any joint w/o & with			
73225	MRA Upper Ext, w/o OR with contrast			
73718	MRI Lower Ext other than joint w/o		1	1
73719	MRI Lower Ext other than joint with contrast			
73720	MRI Lower Ext other than joint w/o & with			
73721	MRI Lower Ext any joint w/o		2	2
73722	MRI Lower Ext any joint with contrast			
73723	MRI Lower Ext any joint w/o & with			
73725	MRA Lower Ext w/o OR with contrast			
74181	MRI Abdomen w/o			
74182	MRI Abdomen with contrast			
74183	MRI Abdomen w/o & with			
74185	MRA Abdomen w/o OR with contrast			
75557	MRI Cardiac Morphology w/o			
75561	MRI Cardiac Morphology with contrast			
75565	MRI Cardiac Velocity Flow Mapping			
76125	Cineradiography to complement exam			
76390	MRI Spectroscopy			
77021	MRI Guidance for needle placement			
77022	MRI Guidance for tissue ablation			
77058	MRI Breast, unilateral w/o and/or with contrast			
77059	MRI Breast, bilateral w/o and/or with contrast			
77084	MRI Bone Marrow blood supply			
N/A	Clinical Research Scans			
	Subtotal for this page		7	7
	Total Number of Procedures for all pages*		1014	1014

Total Number of Procedures for All Service Sites: 1071

Section 4: Patient Origin Data by Service Site

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

Please provide the county of residence for each patient who received MRI services during the time period of this report. Provide patient origin data separately for each service site. Make additional copies of this page as needed. The total number of patients receiving services should be equal to or less than the total number of procedures reported on page two of this form.

Service Site Name: Carolina Healthcare System- Anson

County in which service was provided: Anson

Patient County	Number of Patients	Patient County	Number of Patients	Patient County	Number of Patients
1. Alamance		37. Gates		73. Person	
2. Alexander		38. Graham		74. Pitt	
3. Alleghany		39. Granville		75. Polk	
4. Anson	45	40. Greene		76. Randolph	
5. Ashe		41. Guilford		77. Richmond	
6. Avery		42. Halifax		78. Robeson	
7. Beaufort		43. Harnett		79. Rockingham	
8. Bertie		44. Haywood		80. Rowan	
9. Bladen		45. Henderson		81. Rutherford	
10. Brunswick		46. Hertford		82. Sampson	
11. Buncombe		47. Hoke		83. Scotland	
12. Burke		48. Hyde		84. Stanly	
13. Cabarrus		49. Iredell		85. Stokes	
14. Caldwell		50. Jackson		86. Surry	
15. Camden		51. Johnston		87. Swain	
16. Carteret		52. Jones		88. Transylvania	
17. Caswell		53. Lee		89. Tyrrell	
18. Catawba		54. Lenoir		90. Union	1
19. Chatham		55. Lincoln		91. Vance	
20. Cherokee		56. Macon		92. Wake	
21. Chowan		57. Madison		93. Warren	
22. Clay		58. Martin		94. Washington	
23. Cleveland		59. McDowell		95. Watauga	
24. Columbus		60. Mecklenburg		96. Wayne	
25. Craven		61. Mitchell		97. Wilkes	
26. Cumberland		62. Montgomery	1	98. Wilson	
27. Currituck		63. Moore		99. Yadkin	
28. Dare		64. Nash		100. Yancey	
29. Davidson		65. New Hanover			
30. Davie		66. Northampton		101. Georgia	
31. Duplin		67. Onslow		102. South Carolina	
32. Durham		68. Orange		103. Tennessee	
33. Edgecombe		69. Pamlico		104. Virginia	
34. Forsyth		70. Pasquotank		105. Other (specify)	
35. Franklin		71. Pender			
36. Gaston		72. Perquimans		**Total Number of Patients**	47

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

Please provide the county of residence for each patient who received MRI services during the time period of this report. Provide patient origin data separately for each service site. Make additional copies of this page as needed. The total number of patients receiving services should be equal to or less than the total number of procedures reported on page two of this form.

Service Site Name: Carolina Neurological Clinic

County in which service was provided: Mecklenburg

Patient County	Number of Patients	Patient County	Number of Patients	Patient County	Number of Patients
1. Alamance	1	37. Gates		73. Person	
2. Alexander	1	38. Graham		74. Pitt	
3. Alleghany	1	39. Granville		75. Polk	
4. Anson	3	40. Greene		76. Randolph	
5. Ashe		41. Guilford	1	77. Richmond	
6. Avery		42. Halifax		78. Robeson	
7. Beaufort		43. Harnett		79. Rockingham	
8. Bertie		44. Haywood		80. Rowan	2
9. Bladen		45. Henderson	1	81. Rutherford	2
10. Brunswick		46. Hertford		82. Sampson	
11. Buncombe	1	47. Hoke		83. Scotland	1
12. Burke	2	48. Hyde		84. Stanly	5
13. Cabarrus	12	49. Iredell	2	85. Stokes	
14. Caldwell		50. Jackson		86. Surry	
15. Camden		51. Johnston		87. Swain	
16. Carteret		52. Jones		88. Transylvania	
17. Caswell		53. Lee		89. Tyrrell	
18. Catawba	4	54. Lenoir		90. Union	75
19. Chatham		55. Lincoln	3	91. Vance	
20. Cherokee		56. Macon		92. Wake	1
21. Chowan		57. Madison		93. Warren	
22. Clay		58. Martin		94. Washington	
23. Cleveland	12	59. McDowell	1	95. Watauga	
24. Columbus		60. Mecklenburg	431	96. Wayne	
25. Craven		61. Mitchell		97. Wilkes	
26. Cumberland		62. Montgomery		98. Wilson	
27. Currituck		63. Moore		99. Yadkin	1
28. Dare		64. Nash		100. Yancey	
29. Davidson		65. New Hanover	1		
30. Davie		66. Northampton		101. Georgia	2
31. Duplin		67. Onslow		102. South Carolina	78
32. Durham		68. Orange		103. Tennessee	
33. Edgecombe		69. Pamlico		104. Virginia	
34. Forsyth		70. Pasquotank		105. Other (specify)	4
35. Franklin		71. Pender			
36. Gaston	47	72. Perquimans		**Total Number of Patients**	**695**

Name of entity that acquired the equipment (from page 1) **CAROLINAS IMAGING SERVICES, LLC.**

Section 5: Certification and Signature

The undersigned Chief Executive Officer or approved designee certifies the accuracy of the information contained on all pages of this form.

Signature Mark Farmer

Print Name MARK FARMER

Date signed 1/20/16

Please complete all sections of this form and return to Healthcare Planning by **Friday, January 29, 2016**.

1. Complete and sign the form
2. Return the form by one of two methods:
   a. Email a scanned copy to DHSR.SMFP.Registration-Inventory@dhhs.nc.gov
   b. Mail the form to Kelli Fisk in Healthcare Planning, 2704 Mail Service Center, Raleigh, NC 27699-2704.

If you have questions, call Kelli Fisk in Healthcare Planning at (919) 855-3865 or email DHSR.SMFP.Registration-Inventory@dhhs.nc.gov.

Registration and Inventory of Medical Equipment
Mobile Magnetic Resonance Imaging Scanners
January 2016

Instructions
This is the legally required "Registration and Inventory of Medical Equipment" (G.S. 131E-177) for mobile magnetic resonance imaging (MRI) scanners. Please complete all sections of this form and return to Healthcare Planning by **Friday, January 29, 2016.**

1. Complete and sign the form
2. Return the form by one of two methods:
   a. Email a scanned copy to DHSR.SMFP.Registration-Inventory@dhhs.nc.gov
   b. Mail the form to Kelli Fisk, Healthcare Planning, 2704 Mail Service Center, Raleigh, NC 27699-2704.

If you have questions, call Kelli Fisk in Healthcare Planning at (919) 855-3865 or email DHSR.SMFP.Registration-Inventory@dhhs.nc.gov.

Section 1: Contact Information

1. Full legal name of corporation, partnership, individual, or other legal entity that acquired the equipment by purchase, donation, lease, transfer, or comparable arrangement:

   CAROLINAS IMAGING SERVICES, LLC.
   (Legal Name)

2. Address of the corporation, partnership, individual, or other legal entity that acquired the equipment:

   1701 EAST BLVD.
   (Street and Number)

   CHARLOTTE, NC 28203 (_704_) 334-7800
   (City) (State) (Zip) (Phone Number)

3. Chief Executive Officer or approved designee who is certifying the information in this registration form:

   MARK FARMER DIRECTOR OF OUTPATIENT OPERATIONS
   (Name) (Title)

   1701 EAST BLVD CHARLOTTE NC 28203
   (Street and Number) (City) (State) (Zip)

   (704) 334-7800 mark.farmer@charlotteradiology.com
   (Phone Number) (Email)

4. Information Compiled or Prepared by: J. Michael Vachino
   (Name)

   (704) 367-7885 michael.vachino@charlotteradiology.com
   (Phone Number) (Email)

Section 2: Equipment and Procedures Information

Time Period for Report: X 10/01/2014 – 9/30/2015 ☐ Other time period: _____

(Please make additional copies of pages of this form as needed.)

	Mobile Scanner Number 2 (One scanner per page)	
Manufacturer/Tesla	GE 1.5T	
Model Number	TL 4884 ELLIS AND WATTS	
Open or Closed Scanner	CLOSED	
Serial or I.D. Number	R-6099	
Date of acquisition	4/2008	
Purchase price (if purchased)	$1.1M	
Certificate of Need Project ID	F-7040-04	
Certificate Holder, as listed on Certificate of Need	CAROLINAS IMAGING SERVICES, LLC	
If Leased or Rented, Name Owner of Equipment		
	Service Site Number _1_	Service Site Number _2_
Service Site Information: Please include **all** of the information requested for each location.	Service Site: CAROLINAS IMAGING SERVICES- HUNTERSVILLE Address: 16455 STATESVILLE ROAD, SUITE 110-A City, State, Zip: HUNTERSVILLE, NC 28078 County: MECKLENBURG	Service Site: ST. LUKE'S HOSPITAL Address: 101 HOSPITAL DRIVE City, State, Zip: COLUMBUS, NC 28722 County: POLK
Inpatient Procedures*: - with Contrast or Sedation - without Contrast or Sedation Outpatient Procedures*: - with Contrast or Sedation - without Contrast or Sedation **Total Number of Procedures**	Inpatient: with: _____ w/out: _____ Total: _____ Outpatient: with: 682 w/out: 1666 Total: 2348 **Total: 2348**	Inpatient: with: 8 w/out: 55 Total: 63 Outpatient: with: 154 w/out: 739 Total: 893 **Total: 956**
Put a check by the days per week, and write in the number of hours per day, the scanner is in operation.	___ Sun: ___ hours _X_ Mon: 8 hours _X_ Tue: 8 hours ___ Wed: ___ hours _X_ Thu: 8 hours _X_ Fri: 12 hours ___ Sat: 8 hours	___ Sun: ___ hours ___ Mon: ___ hours ___ Tue: ___ hours _X_ Wed: 12 hours ___ Thu: ___ hours ___ Fri: ___ hours ___ Sat: ___ hours
Total number of hours in operation for report period	2158	624

*An **MRI procedure** is defined as a single discrete MRI study of one patient (single CPT coded procedure). An MRI study means one or more scans relative to a single diagnosis or symptom. **The total number of procedures should be equal to or more than the total number of patients reported on the MRI Patient Origin Table on page 5 of this form.**

Name of entity that acquired the equipment (from page 1) **CAROLINAS IMAGING SERVICES, LLC.**

Section 3: MRI Procedures by CPT Code by Service Site

Please write the number of procedures provided by CPT Code during the time period of this report. Report separately for each service site. Make additional copies of pages 3 and 4 as needed. The total number of procedures should equal the total number of procedures reported on page 2 of this form.

Service Site Name: Carolinas Imaging Services- Huntersville

CPT Code	CPT Description	Inpatient Procedures	Outpatient Procedures	Total Number of Procedures
70336	MRI Temporomandibular Joint(s)			
70540	MRI Orbit/Face/Neck w/o		2	
70542	MRI Orbit/Face/Neck with contrast		1	
70543	MRI Orbit/Face/Neck w/o & with		18	
70544	MRA Head w/o		66	
70545	MRA Head with contrast		1	
70546	MRA Head w/o & with		5	
70547	MRA Neck w/o		22	
70548	MRA Neck with contrast			
70549	MRA Neck w/o & with		7	
70551	MRI Brain w/o		201	
70552	MRI Brain with contrast		1	
70553	MRI Brain w/o & with		351	
70554	MR functional imaging, w/o physician admin			
70555	MR functional imaging, with physician admin			
71550	MRI Chest w/o		2	
71551	MRI Chest with contrast			
71552	MRI Chest w/o & with		1	
71555	MRA Chest with OR without contrast			
72141	MRI Cervical Spine w/o		230	
72142	MRI Cervical Spine with contrast		7	
72156	MRI Cervical Spine w/o & with		31	
72146	MRI Thoracic Spine w/o		59	
72147	MRI Thoracic Spine with contrast		6	
72157	MRI Thoracic Spine w/o & with		12	
72148	MRI Lumbar Spine w/o		466	
72149	MRI Lumbar Spine with contrast		1	
72158	MRI Lumbar Spine w/o & with		80	
72159	MRA Spinal Canal w/o OR with contrast			
72195	MRI Pelvis w/o		35	
72196	MRI Pelvis with contrast		2	
72197	MRI Pelvis w/o & with		26	
72198	MRA Pelvis w/o OR with contrast		1	
73218	MRI Upper Ext, other than joint w/o		14	
73219	MRI Upper Ext, other than joint with contrast			
	Subtotals for this page		**1648**	**1648**

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

10a. MRI Procedures by CPT Codes *continued. . . . .*

CPT Code	CPT Description	Inpatient Procedures	Outpatient Procedures	Total Number of Procedures
73220	MRI Upper Ext, other than joint w/o & with		5	
73221	MRI Upper Ext, any joint w/o		199	
73222	MRI Upper Ext, any joint with contrast			
73223	MRI Upper Ext, any joint w/o & with		2	
73225	MRA Upper Ext, w/o OR with contrast			
73718	MRI Lower Ext other than joint w/o		37	
73719	MRI Lower Ext other than joint with contrast			
73720	MRI Lower Ext other than joint w/o & with		22	
73721	MRI Lower Ext any joint w/o		329	
73722	MRI Lower Ext any joint with contrast			
73723	MRI Lower Ext any joint w/o & with		8	
73725	MRA Lower Ext w/o OR with contrast			
74181	MRI Abdomen w/o		4	
74182	MRI Abdomen with contrast			
74183	MRI Abdomen w/o & with		88	
74185	MRA Abdomen w/o OR with contrast		6	
75557	MRI Cardiac Morphology w/o			
75561	MRI Cardiac Morphology with contrast			
75565	MRI Cardiac Velocity Flow Mapping			
76125	Cineradiography to complement exam			
76390	MRI Spectroscopy			
77021	MRI Guidance for needle placement			
77022	MRI Guidance for tissue ablation			
77058	MRI Breast, unilateral w/o and/or with contrast			
77059	MRI Breast, bilateral w/o and/or with contrast			
77084	MRI Bone Marrow blood supply			
N/A	Clinical Research Scans			
	Subtotal for this page		700	700
	Total Number of Procedures for all pages*		**2348**	**2348**

Total Number of Procedures for All Service Sites: 3304

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

Section 3: MRI Procedures by CPT Code by Service Site

Please write the number of procedures provided by CPT Code during the time period of this report. Report separately for each service site. Make additional copies of pages 3 and 4 as needed. The total number of procedures should equal the total number of procedures reported on page 2 of this form.

Service Site Name: St. Luke's Hospital

CPT Code	CPT Description	Inpatient Procedures	Outpatient Procedures	Total Number of Procedures
70336	MRI Temporomandibular Joint(s)			
70540	MRI Orbit/Face/Neck w/o			
70542	MRI Orbit/Face/Neck with contrast			
70543	MRI Orbit/Face/Neck w/o & with		3	3
70544	MRA Head w/o	4	7	11
70545	MRA Head with contrast			
70546	MRA Head w/o & with	1	1	1
70547	MRA Neck w/o			
70548	MRA Neck with contrast			
70549	MRA Neck w/o & with		2	2
70551	MRI Brain w/o	33	35	68
70552	MRI Brain with contrast	3	3	6
70553	MRI Brain w/o & with	4	68	72
70554	MR functional imaging, w/o physician admin			
70555	MR functional imaging, with physician admin			
71550	MRI Chest w/o			
71551	MRI Chest with contrast			
71552	MRI Chest w/o & with			
71555	MRA Chest with OR without contrast			
72141	MRI Cervical Spine w/o	2	60	62
72142	MRI Cervical Spine with contrast			
72156	MRI Cervical Spine w/o & with		3	3
72146	MRI Thoracic Spine w/o		19	19
72147	MRI Thoracic Spine with contrast			
72157	MRI Thoracic Spine w/o & with		3	3
72148	MRI Lumbar Spine w/o	2	178	180
72149	MRI Lumbar Spine with contrast			
72158	MRI Lumbar Spine w/o & with		32	32
72159	MRA Spinal Canal w/o OR with contrast		7	7
72195	MRI Pelvis w/o			
72196	MRI Pelvis with contrast			
72197	MRI Pelvis w/o & with			
72198	MRA Pelvis w/o OR with contrast			
73218	MRI Upper Ext, other than joint w/o		2	2
73219	MRI Upper Ext, other than joint with contrast			
	Subtotals for this page	**49**	**423**	**472**

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

10a. MRI Procedures by CPT Codes *continued. . . .*

CPT Code	CPT Description	Inpatient Procedures	Outpatient Procedures	Total Number of Procedures
73220	MRI Upper Ext, other than joint w/o & with		2	2
73221	MRI Upper Ext, any joint w/o	5	86	91
73222	MRI Upper Ext, any joint with contrast		7	7
73223	MRI Upper Ext, any joint w/o & with		5	5
73225	MRA Upper Ext, w/o OR with contrast			
73718	MRI Lower Ext other than joint w/o	5	21	26
73719	MRI Lower Ext other than joint with contrast			
73720	MRI Lower Ext other than joint w/o & with		1	1
73721	MRI Lower Ext any joint w/o	4	330	334
73722	MRI Lower Ext any joint with contrast		9	9
73723	MRI Lower Ext any joint w/o & with		4	4
73725	MRA Lower Ext w/o OR with contrast		1	1
74181	MRI Abdomen w/o		1	1
74182	MRI Abdomen with contrast			
74183	MRI Abdomen w/o & with		3	3
74185	MRA Abdomen w/o OR with contrast			
75557	MRI Cardiac Morphology w/o			
75561	MRI Cardiac Morphology with contrast			
75565	MRI Cardiac Velocity Flow Mapping			
76125	Cineradiography to complement exam			
76390	MRI Spectroscopy			
77021	MRI Guidance for needle placement			
77022	MRI Guidance for tissue ablation			
77058	MRI Breast, unilateral w/o and/or with contrast			
77059	MRI Breast, bilateral w/o and/or with contrast			
77084	MRI Bone Marrow blood supply			
N/A	Clinical Research Scans			
	Subtotal for this page	14	470	484
	Total Number of Procedures for all pages*	63	893	956

Total Number of Procedures for All Service Sites: 3304

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

Section 4: Patient Origin Data by Service Site

Please provide the county of residence for each patient who received MRI services during the time period of this report. Provide patient origin data separately for each service site. Make additional copies of this page as needed. The total number of patients receiving services should be equal to or less than the total number of procedures reported on page two of this form.

Service Site Name: Carolinas Imaging Services- Huntersville

County in which service was provided: Mecklenburg

Patient County	Number of Patients	Patient County	Number of Patients	Patient County	Number of Patients
1. Alamance		37. Gates		73. Person	
2. Alexander	10	38. Graham		74. Pitt	1
3. Alleghany	2	39. Granville		75. Polk	1
4. Anson	1	40. Greene		76. Randolph	
5. Ashe		41. Guilford	2	77. Richmond	
6. Avery	1	42. Halifax		78. Robeson	
7. Beaufort		43. Harnett		79. Rockingham	
8. Bertie		44. Haywood	2	80. Rowan	37
9. Bladen		45. Henderson		81. Rutherford	1
10. Brunswick	1	46. Hertford		82. Sampson	
11. Buncombe		47. Hoke		83. Scotland	
12. Burke	1	48. Hyde		84. Stanly	5
13. Cabarrus	91	49. Iredell	311	85. Stokes	
14. Caldwell	1	50. Jackson		86. Surry	
15. Camden		51. Johnston		87. Swain	
16. Carteret		52. Jones		88. Transylvania	
17. Caswell		53. Lee		89. Tyrrell	
18. Catawba	47	54. Lenoir		90. Union	3
19. Chatham		55. Lincoln	137	91. Vance	
20. Cherokee		56. Macon		92. Wake	2
21. Chowan		57. Madison		93. Warren	
22. Clay		58. Martin		94. Washington	
23. Cleveland	3	59. McDowell	1	95. Watauga	1
24. Columbus		60. Mecklenburg	1173	96. Wayne	
25. Craven	1	61. Mitchell		97. Wilkes	5
26. Cumberland	1	62. Montgomery		98. Wilson	
27. Currituck		63. Moore		99. Yadkin	
28. Dare		64. Nash		100. Yancey	
29. Davidson		65. New Hanover			
30. Davie	1	66. Northampton		101. Georgia	2
31. Duplin		67. Onslow		102. South Carolina	21
32. Durham		68. Orange		103. Tennessee	
33. Edgecombe		69. Pamlico		104. Virginia	1
34. Forsyth		70. Pasquotank		105. Other (specify)	27
35. Franklin		71. Pender			
36. Gaston	103	72. Perquimans		**Total Number of Patients**	**1997**

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

Section 4: Patient Origin Data by Service Site

Please provide the county of residence for each patient who received MRI services during the time period of this report. Provide patient origin data separately for each service site. Make additional copies of this page as needed. The total number of patients receiving services should be equal to or less than the total number of procedures reported on page two of this form.

Service Site Name: St. Luke's Hospital

County in which service was provided: Polk

Patient County	Number of Patients	Patient County	Number of Patients	Patient County	Number of Patients
1. Alamance		37. Gates		73. Person	
2. Alexander		38. Graham		74. Pitt	
3. Alleghany		39. Granville		75. Polk	478
4. Anson		40. Greene		76. Randolph	
5. Ashe		41. Guilford		77. Richmond	
6. Avery		42. Halifax		78. Robeson	
7. Beaufort		43. Harnett		79. Rockingham	
8. Bertie		44. Haywood		80. Rowan	
9. Bladen		45. Henderson	11	81. Rutherford	167
10. Brunswick		46. Hertford		82. Sampson	
11. Buncombe		47. Hoke		83. Scotland	
12. Burke		48. Hyde		84. Stanly	
13. Cabarrus		49. Iredell	1	85. Stokes	
14. Caldwell		50. Jackson		86. Surry	
15. Camden		51. Johnston		87. Swain	
16. Carteret		52. Jones		88. Transylvania	
17. Caswell		53. Lee	1	89. Tyrrell	
18. Catawba		54. Lenoir		90. Union	
19. Chatham		55. Lincoln		91. Vance	
20. Cherokee	2	56. Macon		92. Wake	
21. Chowan		57. Madison	2	93. Warren	
22. Clay		58. Martin		94. Washington	
23. Cleveland	38	59. McDowell	7	95. Watauga	
24. Columbus		60. Mecklenburg		96. Wayne	
25. Craven		61. Mitchell		97. Wilkes	
26. Cumberland		62. Montgomery		98. Wilson	
27. Currituck		63. Moore		99. Yadkin	
28. Dare		64. Nash		100. Yancey	
29. Davidson		65. New Hanover			
30. Davie		66. Northampton		101. Georgia	
31. Duplin		67. Onslow		102. South Carolina	130
32. Durham		68. Orange		103. Tennessee	
33. Edgecombe		69. Pamlico		104. Virginia	
34. Forsyth		70. Pasquotank		105. Other (specify)	117
35. Franklin		71. Pender			
36. Gaston	2	72. Perquimans		**Total Number of Patients**	**956**

Name of entity that acquired the equipment (from page 1) CAROLINAS IMAGING SERVICES, LLC.

Section 5: Certification and Signature

The undersigned Chief Executive Officer or approved designee certifies the accuracy of the information contained on all pages of this form.

Signature Mark Farmer

Print Name MARK FARMER

Date signed 1/20/16

Please complete all sections of this form and return to Healthcare Planning by **Friday, January 29, 2016**.

1. Complete and sign the form
2. Return the form by one of two methods:
   a. Email a scanned copy to DHSR.SMFP.Registration-Inventory@dhhs.nc.gov
   b. Mail the form to Kelli Fisk in Healthcare Planning, 2704 Mail Service Center, Raleigh, NC 27699-2704.

If you have questions, call Kelli Fisk in Healthcare Planning at (919) 855-3865 or email DHSR.SMFP.Registration-Inventory@dhhs.nc.gov.

ATTACHMENT F

(index.cfm)

Carolinas Imaging Services - Ballantyne

Located at 15110 John J. Delaney Drive, Ste 130-A in the Carolinas Healthcare System building, in the Harris Teeter shopping center across the street from McAllister's Deli. When traveling down Johnston Rd from I-485, cross Ballantyne Commons Pkwy before turning left onto John J. Delaney Dr. Carolinas Imaging Services is a joint venture between Charlotte Radiology and Carolinas HealthCare System and provides patients with a freestanding, outpatient imaging option.

Procedures Offered

Calcium Scoring (procedure-details.cfm?proc_id=7)

CT Colonography (procedure-details.cfm?proc_id=9)

Computed Tomography (CT) (procedure-details.cfm?proc_id=15)

MRI (procedure-details.cfm?proc_id=16)

X-ray (procedure-details.cfm?proc_id=17)

Ultrasound (procedure-details.cfm?proc_id=19)

CT Lung Cancer Screening (procedure-details.cfm?proc_id=21)

Coronary CT Angiography (CCTA) (procedure-details.cfm?proc_id=22)

Contact Information

Phone: 704-697-5000

Fax: 704-697-5001

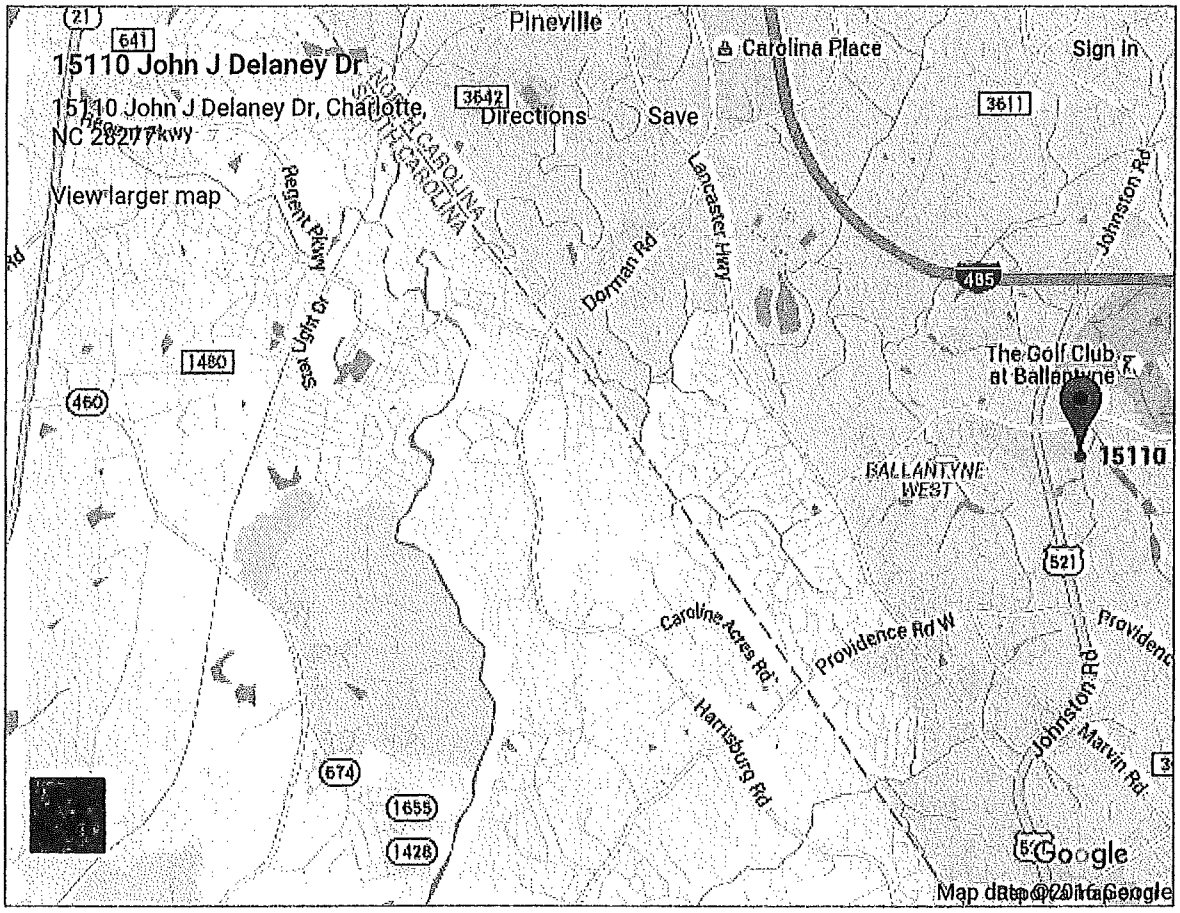
Appts: 704-442-4390

Hours of Operation

Mon - Fri	7 am - 7 pm
Sat	8 am - 4 pm
Sun	Closed

Get Directions

Address: 15110 John J. Delaney Drive, Suite 130-A, Charlotte, NC 28277



Our Physicians & PAs

Meet our 95+ radiologists and their team of PAs and technologists.

Make an appointment.

» Screening Mammogram (mamm-appointments.cfm)
» Vein & Vascular Consultation (https://www.charlotteradiology.com/crveins/schedule-consult.cfm)
» Carolinas Imaging Services (appointment-request-cis.cfm#info)

Pricing & Billing

» Request a price estimate (price-estimate.cfm)
» Pay your bill online (https://www.epayitonline.com/payitonline/iFrameLogin.aspx?merchantId=295379339886&storeId=monus30110)

About Us

- Contact Us (contact-us.cfm)
- Company Overview (about-us.cfm)
- Community Report (http://alookinside.charlotteradiology.com)
- Career Opportunities (career-opportunities.cfm)
- In The News (news.cfm)
- Inclement Weather Policies (inclement-weather.cfm)
- Dr. Parsons Fund (dr-parsons-fund.cfm)
- What is a Radiologist? (behind-the-doctor.cfm)

From Our Blog ...

- Survivor Story: Joyce Isom (http://blog.screeningsavesblog.com/survivor-story-joyce-isom/)

We can go on and on about the importance of mammograms until we're blue in the face. But sometimes it takes hearing about a person's real life experience to really drive our message home.

- I found a breast lump. Does that mean I have breast cancer? (http://blog.screeningsavesblog.com/i-found-a-breast-lump-does-that-mean-i-have-breast-cancer/)

Finding a breast lump can be alarming, but it does not necessarily mean you have breast cancer. A breast lump can result from many benign conditions including fibrocystic changes, a cyst or fibroadenoma.

- Should breast pain cause me to be concerned about breast cancer? (http://blog.screeningsavesblog.com/should-breast-pain-cause-me-to-be-concerned-about-breast-cancer/)

Breast pain is the most common breast related complaint among women. Nearly 70% of women experience it at some point in their lives and approximately 15% of women require treatment.

Latest Photos

 (assets/frontend/pages/img/photos/lung-cancer-5k-1.jpg)

 (assets/frontend/pages/img/photos/lung-cancer-5k-2.jpg)

 (assets/frontend/pages/img/photos/lung-cancer-5k-3.jpg)

 (assets/frontend/pages/img/photos/lung-cancer-5k-4.jpg)

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 (assets/frontend/pages/img/photos/lung-cancer-5k-10.jpg)

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 (assets/frontend/pages/img/photos/lung-cancer-5k-13.jpg)

 (assets/frontend/pages/img/photos/lung-cancer-5k-15.jpg)

(http://www.acr.org/) (http://www.imagegently.org/) (http://www.strategicradiology.com/) (http://www

ATTACHMENT G

(index.cfm)

Carolinas Imaging Services - South Park

Located at 4525 Cameron Valley Parkway, Suite 1000-B, in the CMC - Morrocroft Medical Building off of Fairview Road and across from Phillips Place in the SouthPark area of Charlotte. Carolinas Imaging Services is a joint venture between Charlotte Radiology and Carolinas HealthCare System and provides patients with a freestanding, outpatient imaging option.

Procedures Offered

Calcium Scoring (procedure-details.cfm?proc_id=7)

Computed Tomography (CT) (procedure-details.cfm?proc_id=15)

MRI (procedure-details.cfm?proc_id=16)

X-ray (procedure-details.cfm?proc_id=17)

Ultrasound (procedure-details.cfm?proc_id=19)

CT Lung Cancer Screening (procedure-details.cfm?proc_id=21)

Arthrography (procedure-details.cfm?proc_id=26)

Nerve Root Block (procedure-details.cfm?proc_id=27)

Facet Injection (procedure-details.cfm?proc_id=28)

Contact Information

Phone: 704-333-3794

Fax: 704-333-9420

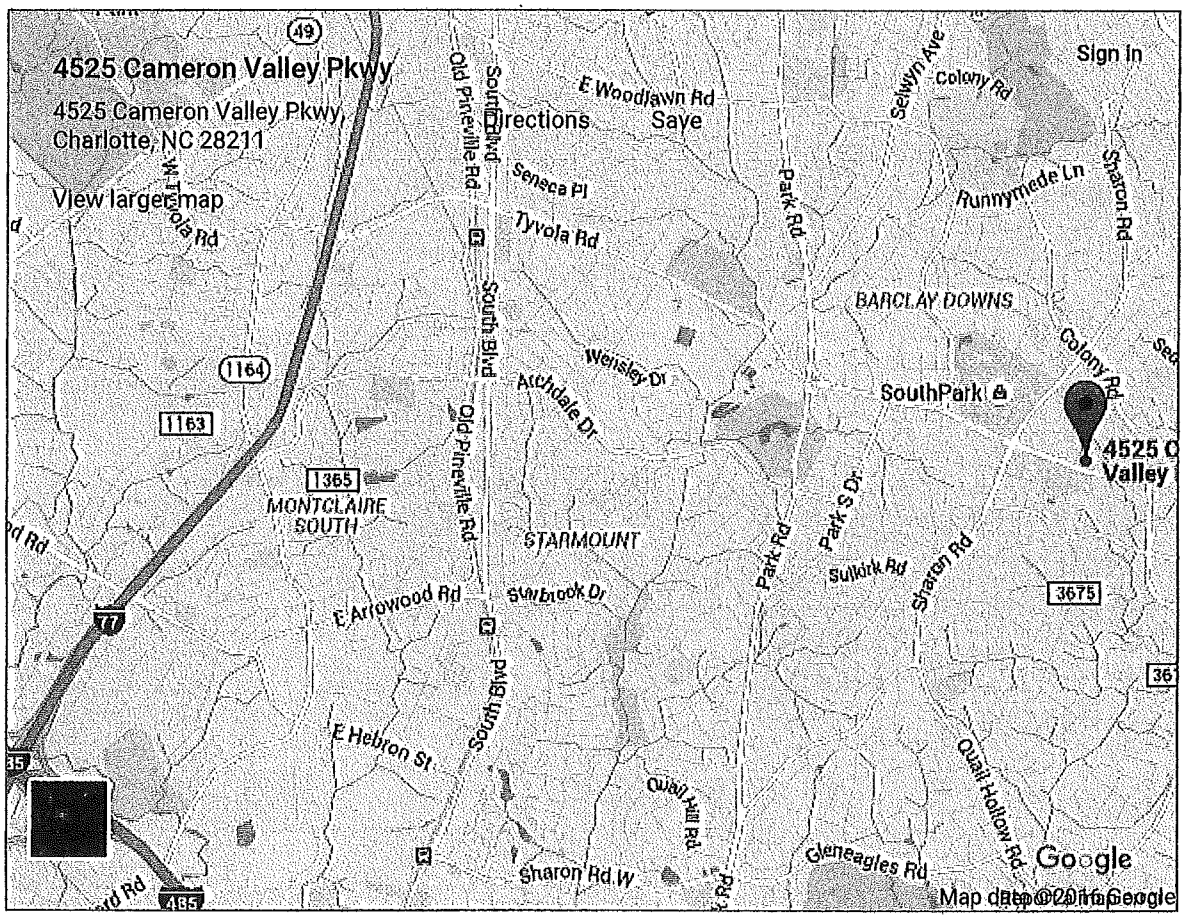
Appts: 704-442-4390

Hours of Operation

Mon - Fri	7 am - 9 pm
Sat	Closed
Sun	Closed

Get Directions

Address: 4525 Cameron Valley Parkway, Suite 1000-B, Charlotte, NC 28211



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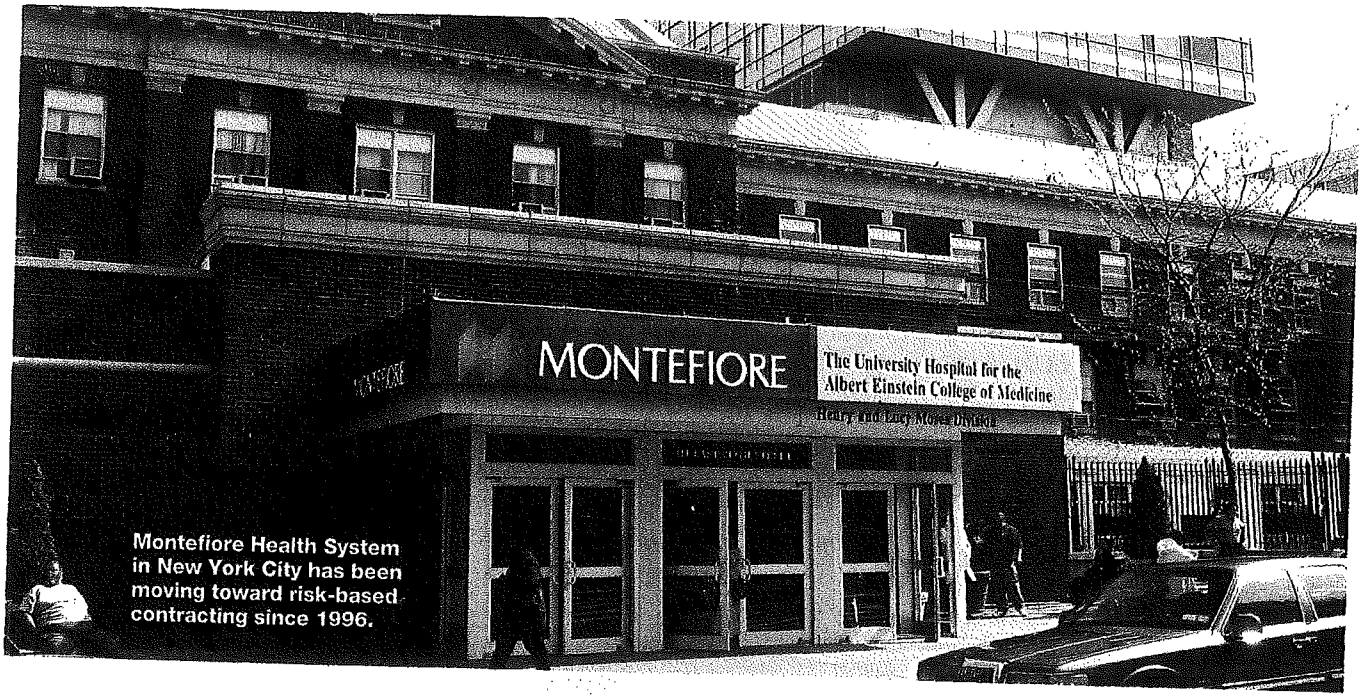
(http://www.acr.org/) (http://www.imagegently.org/) (http://www.strategicradiology.com/) (http://www

ATTACHMENT H

HOSPITAL SYSTEMS



Montefiore Health System in New York City has been moving toward risk-based contracting since 1996.

Under construction: Risk-based reimbursement

By Dave Barkholz

The CMS says it's well on its way to dragging hospital systems into the brave new world of risk-based contracting. The systems say, not really.

Though the CMS contends nearly 30% of its reimbursement to hospitals is tied to some level of performance, providers themselves say they are deriving a minuscule amount of their net patient revenue from risk-based contracts rather than fee-for-service medicine.

The response to this year's Modern Healthcare Hospital Systems Survey is illustrative. Only 13 hospital systems out of 80 respondents said they derived 10% or more of their net patient revenue in 2015 from risk-based contracts. Two-thirds of the respondents estimated that risk-based contracts generated 1% or zero of their net patient revenue.

See a list of the largest not-for-profit healthcare systems, p. 34

Hospitals are either not eager to bear downside risk because they are afraid, or they cannot find health plans willing to share the data

MH TAKEAWAYS

Modern Healthcare's Hospital Systems Survey reveals most provider organizations are only in the beginning stages of taking on financial risk for managing patient care.

Largest for-profit healthcare systems

Ranked by 2015 operating revenue, based on filings with the U.S. Securities and Exchange Commission

SYSTEM	TOTAL OPERATING REVENUE ($ IN MILLIONS) 2015	2014
HCA	$39,678.0	$36,918.0
Community Health Systems	19,437.0	18,639.0
Tenet Healthcare Corp.	18,634.0	16,603.0
Universal Health Services	9,043.5	8,205.1
Kindred Healthcare	7,054.9	5,027.6
LifePoint Health	5,214.3	4,483.1
Select Medical Holdings Corp.	3,683.4	3,020.4
HealthSouth Corp.	3,115.7	2,374.3
Iasis Healthcare	2,769.3	2,502.5
Acadia Healthcare Co.	1,794.5	1,004.6
SunLink Health Systems	91.8	105.4

Sources: Securities and Exchange Commission, Modern Healthcare's Healthcare Systems Financials Database

10 largest healthcare systems, by revenue

Ranked by net patient revenue, 2015 ($ in millions)

SYSTEM	2015	2014
HCA	$39,678.0	$36,918.0
Community Health Systems	19,437.0	18,639.0
Ascension Health	18,756.6	17,678.5
Tenet Healthcare Corp.	18,634.0	16,603.0
Catholic Health Initiatives	13,345.6	12,407.2
Trinity Health[1]	12,484.5	11,600.9
Providence Health & Services	11,783.5	10,101.6
Dignity Health	11,390.1	9,458.5
Sutter Health	9,558.0	8,836.0
University of California Health System	9,956.6	8,231.1

Includes all systems in Modern Healthcare's Healthcare Systems Financials Database
[1]2015 does not include $1.4 billion attributable to Trinity Health's calendar year 2015 acquisitions of Ty Cobb Healthcare System, St. Joseph's Hospital and Health Center or St. Francis Care.
Note: Comparable data were not available for Kaiser Foundation hospitals.
Source: Modern Healthcare's Healthcare Systems Financials Database

10 largest healthcare systems, by hospital count

Ranked by total acute-care hospitals, 2015

SYSTEM	2015	2014
HCA	164	162
Ascension Health	112	100
Catholic Health Initiatives	103	103
LifePoint Health	63	63
Trinity Health	63	60
Sanford Health	41	41
Baylor Scott & White Health	37	37
Adventist Health System	35	37
Providence Health & Services	34	34
Mercy	30	29

Includes only survey respondents
Source: Modern Healthcare's 2016 Hospital Systems Survey

needed to negotiate contracts perceived as fair to both parties, said Len Nichols, director of the Center for Health Policy Research and Ethics at George Mason University in Fairfax, Va. "Both phenomena are operational across America today," Nichols said.

Moreover, hospitals appear to have good reason to be skittish about taking on risk-based contracts, according to a recent survey of 142 providers by accounting and consulting giant KPMG. The firm found that 52% expected their value-based contracts to lead to a drop in operating profit or surplus. That contrasted with 47% two years ago.

Of those expecting some decline in operating profit, 27% expected that drop to be 10% or more, according to the survey. Only 10% of the 142 respondents felt that value-based contracts would produce an improvement in operating profit of more than 10%.

Nichols said hospitals are approaching risk-based contracting very cautiously. First, they are just getting back on their feet from the Great Recession of 2007-09. They saw their volumes sink and red ink rise as out-of-work people or those scared of losing jobs put off discretionary procedures, he said.

Then, hospitals had to bear the financial brunt of the first few years of the Affordable Care Act as the CMS cut rates as hospitals waited for volumes to slowly rise and for some states to expand Medicaid coverage, he said.

Now that they are finally seeing surpluses—average hospital margins reached a 30-year high of 7.3% in 2014—they aren't thrilled about venturing into the uncertainty of risk-based contracting, Nichols said.

Risk-based contracts come in a variety of shapes and sizes. The highest form is full capitation, in which hospitals or physician groups receive a monthly payment to provide all care for an enrollee. Lesser-risk contracts include bundled payments for conditions such as joint replacements, Medicare shared-savings contracts and those with provider bonuses or penalties for quality, readmissions and patient satisfaction.

New York City-based Montefiore Health System has been moving toward risk-based contracting since 1996, said Stephen Rosenthal, senior vice president of population health management at the system.

Montefiore ranks seventh among respondents to the Modern Healthcare hospital survey in percentage of net patient revenue derived from risk-based contracts. Rosenthal said 25% of total revenue comes from those contracts,

10 largest Catholic healthcare systems

Ranked by net patient revenue, 2015

SYSTEM	NET PATIENT REVENUE ($ IN MILLIONS)		ACUTE-CARE HOSPITALS	STAFFED ACUTE-CARE BEDS
	2015	2014	2015	2015
Ascension Health	$18,756.6	$17,678.5	112	22,416
Catholic Health Initiatives	13,345.6	12,407.2	103	10,550
Trinity Health[1]	12,484.5	11,600.9	63	14,117
Providence Health & Services	11,783.5	10,101.6	34	9,377
Mercy (Chesterfield, Mo.)	4,264.1	3,928.4	30	3,558
Mercy Health (Cincinnati)	4,087.1	3,838.2	21	4,755
SSM Health	3,802.1	3,361.1	16	3,628
Bon Secours Health System	3,358.3	3,328.5	12	2,002
SCL Health	2,436.6	2,880.8	12	1,883
Catholic Health Services	2,132.6	2,020.7	6	1,928

[1]2015 does not include $1.4 billion attributable to Trinity Health's calendar year 2015 acquisitions of TY Cobb Healthcare System, St. Joseph's Hospital and Health Center or St. Francis Care.

Sources: Modern Healthcare's 2016 Hospital Systems Survey; Modern Healthcare's Healthcare Systems Financials Database

10 largest non-Catholic religious healthcare systems

Ranked by net patient revenue, 2015

SYSTEM	NET PATIENT REVENUE ($ IN MILLIONS)		ACUTE-CARE HOSPITALS	STAFFED ACUTE-CARE BEDS
	2015	2014	2015	2015
Adventist Health System	$8,788.1	$8,042.2	35	7,846
Indiana University Health	5,502.0	5,258.4	15	2,732
Advocate Health Care	4,664.4	4,496.6	11	3,242
Adventist Health	3,295.8	2,982.8	19	2,907
OhioHealth	3,180.1	2,678.0	10	2,027
Baptist Health	1,922.5	1,813.0	7	1,637
Baptist Memorial Health Care	1,901.6	1,806.3	11	2,384
Wake Forest Baptist Health	1,841.6	1,541.3	3	888
Methodist Le Bonheur Healthcare	1,719.2	1,565.9	2	1,448
Methodist Health System	1,282.0	1,169.2	6	1,191

Note: Includes only survey respondents; hospital count represents the total number of facilities with a unique Medicare provider number.

Sources: Modern Healthcare's 2016 Hospital Systems Survey; Modern Healthcare's Healthcare Systems Financials Database

which encompass 400,000 covered lives, including 220,000 who receive care under full capitation.

"Our goal is to get our portfolio on the highest percentage of capitation possible," he said.

Montefiore embraced risk-based contracting in 1996 when national managed-care companies such as Aetna and UnitedHealthcare entered the New York market to compete with the Blues, often by selecting out the healthiest populations to cover, Rosenthal said.

Over the next five years, Montefiore boosted the number of covered lives it contracted on a capitated basis from 50,000 to 150,000 as New York Medicaid moved to managed care and Medicare expanded.

So when Montefiore began developing a Pioneer accountable care organization four years ago, the system was already well along in managing chronic diseases and stressing the collection of patient quality and satisfaction data that the government sought, Rosenthal said.

One of the big advantages that Montefiore has over some other systems is that it does its own claims processing, so it does not have to rely heavily on insurers for the cost and volume data to price its contracts, though insurers have been very cooperative in providing that, he said.

Rosenthal said Montefiore breaks even on its risk contracts when money for management and technology investment are considered. With fee-for-service, the system has a total margin of 1% to 2%, he said.

Montefiore, he said, is spending tens of millions of dollars switching its hospitals and doctors to an electronic health record system from Epic Systems Corp., an investment that is expected to help make the entire system more productive.

Providence Health & Services, a 34-hospital system based in Renton, Wash., derived 27% of its $14.2 billion in 2015 revenue from risk-based contracts, the company reported to Modern Healthcare.

Three of Providence's newest risk-based contracts are directly with employers: Boeing Co., Intel Corp., and Sound Health and Wellness Trust.

Craig Enge, vice president of accountable care services at Provi-

dence, said the contracts that began in January 2015 are modified fee-for-service with payments reconciled for meeting quality and other measures.

Employees who opt in at the start of each year have access to the ACO that Providence operates in Seattle called the Providence-Swedish Health Alliance.

Providence Health Plan has operated for 30 years and has 650,000 enrollees, so the system has managed risk for a long time, said Dr. Rhonda Medows, executive vice president of population health at Providence.

That said, some risk-based contracts generate a surplus and some a loss, Enge said.

What can't be denied, Medows said, is that more risk is coming to providers. Beginning in 2019, the reforms in the Medicare Access and CHIP Reauthorization Act of 2015 will put physicians at risk for meeting quality and safety metrics the same way the ACA put hospitals at risk, she said. "That's the way we are all moving," Medows said.

A year ago, Providence created a population health division, headed by Medows, to develop the protocols, tools and data analytics to continue the journey of sharing risk with payers, including employers.

St. Louis-based Ascension Health, the nation's largest not-for-profit health system, has a similar subsidiary in Nashville that was likewise created about a year ago, said Paul Posey, president of Ascension Risk Services.

The unit has assembled 300 employees to help shape Ascension's continuing transition to value-based care—one that really began generations ago as its hospitals sought to manage populations to meet their mission of providing access to the most vulnerable, he said.

Nurse navigators are stationed in Nashville, where Ascension has a big presence around its St. Thomas flagship hospital, to help patients get care in the right setting, Posey said. Doctors and Ph.D.s look from a macro level at whether Ascension operations across the country have the right delivery networks and physician incentives

Others crunch data from Ascension's seven health plans, 14 Medicare shared-savings arrangements and numerous hospital partnerships and ACOs to ensure that the 2.6 million lives that Ascension has under value-based arrangements are getting efficient care, Posey said.

In its Modern Healthcare survey response, Ascension said 35% of its $20.3 billion in total revenue last year was derived from risk-based contracts.

Hospitals will get more comfortable with risk-based contracting when they finally figure out what their real costs of care are per patient episode rather than service delivered, said Dion Sheidy, KPMG's advisory leader for healthcare.

That means closely managing care preparation, diagnostics, treatment, post-treatment and pharmaceutical costs to understand the payment they can afford to accept, Sheidy said.

That's still a work in progress at most health systems, though. "I think we'll see real traction on risk-based payments within three to five years," Sheidy said. ●

Largest public healthcare systems

Ranked by staffed beds

SYSTEM	ACUTE-CARE HOSPITALS 2015	STAFFED ACUTE-CARE BEDS 2015
Carolinas HealthCare System	13	2,768
Texas Department of State Health Services - State Hospitals	10	2,309
Huntsville Hospital Health System	7	1,539
Memorial Healthcare System	4	1,439
Broward Health	4	1,343
Parkland Health & Hospital System	1	752
West Tennessee Healthcare	4	709
DCH Health System	2	672
EvergreenHealth	2	305

Note: Includes only survey respondents; hospital count represents the total number of facilities with a unique Medicare provider number.

Source: Modern Healthcare's 2016 Hospital Systems Survey

10 largest secular not-for-profit healthcare systems

Ranked by net patient revenue, 2015

SYSTEM	NET PATIENT REVENUE ($ IN MILLIONS) 2015	NET PATIENT REVENUE ($ IN MILLIONS) 2014	ACUTE-CARE HOSPITALS 2015	STAFFED ACUTE-CARE BEDS 2015
Sutter Health	$9,558.0	$8,836.0	26	4,226
Mayo Clinic	8,620.0	8,165.0	22	2,613
Baylor Scott & White Health	6,394.1	4,325.1	37	4,038
Banner Health	5,679.2	4,746.0	28	4,987
UPMC	5,651.1	5,776.9	14	3,759
Texas Health Resources	4,033.2	3,861.4	16	3,141
Intermountain Healthcare	3,599.2	3,468.3	21	2,577
Allina Health	3,522.4	3,372.2	13	1,789
Yale New Haven Health System	3,492.7	3,287.7	3	2,104
Montefiore Health System	3,429.4	3,257.2	5	2,196

Note: Includes only survey respondents; hospital count represents the total number of facilities with a unique Medicare provider number.

Source: Modern Healthcare's 2016 Hospital Systems Survey; Modern Healthcare's Healthcare Systems Financials Database