



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

\*VIA EMAIL ONLY\*

July 17, 2019

Denise M. Gunter
denise.gunter@nelsonmullins.com

Exempt from Review – Replacement Equipment

Record #: 2983
Facility Name: Novant Health Presbyterian Medical Center
FID #: 943501
Business Name: Foundation Health Mobile Imaging, LLC
Business #: 2301
Project Description: Replace a grandfathered mobile MRI scanner with a grandfathered fixed MRI scanner at Novant Health Presbyterian Medical Center
County: Mecklenburg

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of July 8, 2019, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(f). Therefore, you may proceed to acquire without a certificate of need the Siemens Sola 1.5T fixed MRI scanner to replace the Siemens Espress 1.5T mobile MRI scanner (ID# 31381). This determination is based on your representations that the existing unit will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

Moreover, you need to contact the Agency’s Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

It should be noted that the Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this office and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Handwritten signature of Julie M. Faenza

Julie M. Faenza
Project Analyst

Handwritten signature of Martha J. Frisone

Martha J. Frisone
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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NELSON MULLINS



NELSON MULLINS RILEY & SCARBOROUGH LLP  
ATTORNEYS AND COUNSELORS AT LAW

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July 8, 2019

**VIA EMAIL**

Martha J. Frisone, Chief  
Healthcare Planning and Certificate of Need Section  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Edgerton Building  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Re: Novant Health, Inc. and Novant Health Presbyterian Medical Center  
Mecklenburg County  
Health Service Area III  
Replacement MRI Scanner on the Main Campus of NHPMC

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. §§ 131E-184(a)(7) and (f), this letter provides prior written notice to the Agency that Novant Health, Inc. ("Novant") and Novant Health Presbyterian Medical Center ("NHPMC") intend to replace a grandfathered mobile MRI scanner with a fixed MRI scanner on the main campus of NHPMC. This letter supersedes and replaces a letter dated June 17, 2019 concerning this subject (the "June 17 Letter"). I withdrew the June 17 Letter via email to Julie Faenza on June 28, 2019.

**Background**

In 2010, Novant's subsidiary, Foundation Health Mobile Imaging, acquired certain assets from Insight Health Corporation. The assets included a grandfathered mobile MRI scanner. The grandfathered MRI scanner was known as MQ 21. In 2018, MQ 21 was replaced by another mobile unit, known as MQ 27. See **Exhibit A**, page 1, attached hereto. MQ 27 currently serves Novant Health Presbyterian Medical Center, Piedmont Imaging, Guilford Neurological Associates, and Novant Health Imaging University.

Martha J. Frisone  
July 8, 2019  
Page 2

NHPMC has two fixed MRI scanners that are very highly utilized. As shown on **Exhibit B**, NHPMC estimates that its 2019 weighted scan volume will be 15,044 scans, which is an increase of 1,482 weighted MRI scans from 2018. One of the NHPMC scanners is a 1.5T unit and the other scanner is a 3T unit. NHPMC has been successful in adding more subspecialists to its medical staff, and the addition of these subspecialists has contributed to a steady increase in scan volume. The MRI service at NHPMC is now open 24/7 to accommodate patients. Nevertheless, NHPMC still has a six-week backlog for MRI patients who require general sedation during their scans. Inpatients are only scanned between 12a-6a so that NHPMC can complete the scans for sedation cases and outpatients. Waking patients in the middle of the night for MRI scans is disruptive to their sleep and is clearly not ideal, but there is no other way for NHPMC to accommodate the inpatient scan volume. As shown on **Exhibit B**, in 2019, NHPMC estimates that its total inpatient scan volume will be 4,176 scans, an increase of 634 scans from 2018. Additionally, when one of the NHPMC scanners is down for preventative maintenance, the backlog for inpatient scans can extend up to one week.

Although it is linked to NHPMC by a covered walkway, the MRI scanner at Novant Health Charlotte Orthopaedic Hospital ("NHCOH") is not a realistic option to address NHPMC's scan volumes. The acuity of the NHPMC patients does not allow transportation to another hospital. Moreover, the NHCOH scanner is specifically a bariatric open MRI scanner and cannot be used for abdominal and neuro procedures. It is also not equipped to perform general sedation cases. Although MQ 27 does serve NHPMC at the present time<sup>1</sup>, mobile MRI service is not a realistic, long-term solution due to the acuity of the NHPMC patients and the fact that mobile service means the patients must be transported to the mobile trailer for their scans. NHPMC's 3T scanner is now ten years old and will need to be replaced within the next few years as well. MRI replacements usually take up to eight weeks. There is no feasible way that NHPMC can function with one scanner for that timeframe.

For these reasons, Novant and NHPMC have decided to replace an existing grandfathered mobile MRI with a third fixed MRI scanner to be installed on the main campus of NHPMC. The proposed capital cost for the project is \$2,950,753. See **Exhibit C**, attached hereto. Equipment quotes for the scanner and the contrast injector are attached hereto as **Exhibits D and E** respectively. An equipment comparison form is attached hereto as **Exhibit F**. The capital costs include all costs essential to acquiring and making the third fixed MRI scanner operational. If this request is approved, the grandfathered mobile MRI scanner will be removed from North Carolina and will not be returned to North Carolina without the Agency's approval. Other Novant Health imaging assets will be used to serve the host sites currently served by MQ 27.

The replacement will occur on the main campus of NHPMC. Attached as **Exhibit G** is a photo taken on July 5, 2019 showing MQ 27 serving NHPMC. Attached as **Exhibit**

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<sup>1</sup> MQ 27 began service at NHPMC on July 5, 2019. MQ 27 is scheduled to serve NHPMC on Fridays.

H is a map showing the location of the pad where MQ 27 is parked. The pad is located 253.64 feet from the main building at NHPMC. The replacement MRI scanner will take place on the first floor of NHPMC's D-Wing in the Radiology Department. Attached as Exhibits I and J are a campus map and a letter from an officer of NHPMC documenting that this location is the "main campus" of NHPMC as defined in N.C. Gen. Stat. § 131E-176(14n).

### Analysis

N.C. Gen. Stat. § 131E-184(a)(7) exempts the acquisition of "replacement equipment" upon prior written notice to the Agency. This exemption has a \$2 million capital cost limit. N.C. Gen. Stat. § 131E-184(f) applies to equipment replacements taking place on the "main campus" of a health service facility and does not have a capital cost limitation.

Replacement equipment is defined as:

. . . [E]quipment that costs less than two million (\$2,000,000) and is purchased for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced. In determining whether the replacement equipment costs less than two million dollars (\$2,000,000), the costs of equipment, studies, surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making operational the replacement equipment shall be included. The capital expenditure for the equipment shall be deemed to be the fair market value of the equipment or the cost of the equipment, whichever is greater.

N.C. Gen. Stat. § 131E-176(22a).

Pursuant to 10A NCAC 14C .0303(c), "comparable medical equipment" means "equipment which is functionally similar and which is used for the same diagnostic or treatment purposes." The rule further provides:

(d) Replacement equipment is comparable to the equipment being replaced if:

- (1) it has the same technology as the equipment currently in use, although it may possess expanded capabilities due to technological improvements; and

- (2) it is functionally similar and is used for the same diagnostic or treatment purposes as the equipment currently in use and is not used to provide a new health service; and
- (3) the acquisition of the equipment does not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.

10A NCAC 14C.0303(d)(1)-(3).

MQ 27, the existing equipment, is currently in use at several host sites in Forsyth, Guilford, and Mecklenburg Counties, including NHPMC. The proposed replacement equipment, a 1.5T Siemens Magnetom Sola, is functionally similar to MQ 27, which is a 1.5T Siemens Espree. The Siemens Magnetom Sola and the Espree are used for the same diagnostic and treatment purposes. The Siemens Magnetom Sola will not be used to provide a new health service. The acquisition of the Siemens Magnetom Sola will not result in more than 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired. None of the exclusions contained in 10A NCAC 14C .0303(e) applies here. See also **Exhibit F**, the equipment comparison form.

Pursuant to N.C. Gen. Stat. § 131E-184(f), the Department shall exempt from certificate of need review the purchase of any replacement equipment that exceeds the two million dollar (\$2,000,000) threshold in N.C. Gen. Stat. § 131E-176(22a) provided all of the following conditions are met:

- (1) The equipment being replaced is located on the main campus.
- (2) The Department has previously issued a certificate of need for the equipment being replaced. This subdivision does not apply if a certificate of need was not required at the time the equipment being replaced was initially purchased by the licensed health service facility.
- (3) The licensed health service facility proposing to purchase the replacement equipment shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.

N.C. Gen. Stat. § 131E-184(f).

N.C. Gen. Stat. § 131E-176(14n) defines "main campus" as:

Martha J. Frisone  
July 8, 2019  
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- (a) The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building.
- (b) Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.

N.C. Gen. Stat. § 131E-176(14n). The definition of "campus" includes "adjacent grounds and buildings, or grounds and buildings not separated by more than a public right-of-way, of a health service facility and related health care entities." N.C. Gen. Stat. § 131E-176(2c).

MQ 27 is located on the main campus of NHPMC. See **Exhibit G**. The pad is located across the street from NHPMC, less than 250 yards from the main building of NHPMC. See **Exhibit H**.<sup>2</sup> Further, the replacement MRI scanner will be installed on the main campus of NHPMC. The Siemens Magnetom Sola will be installed in the Radiology Department on the first floor of NHPMC, located at 200 Hawthorne Lane in Charlotte. This is the site of the main building from which NHPMC, a licensed health service facility, provides clinical patient services and exercises financial and administrative control over the entire facility. See **Exhibits I and J**, attached hereto. Thus, the requirements of N.C. Gen. Stat. § 131E-184(f)(1) are met.

The requirements of N.C. Gen. Stat. § 131E-184(f)(2) and (3) are also satisfied. MQ 27 is a replacement for a grandfathered MRI scanner, MQ 21, and therefore retains its grandfathered status. This letter constitutes the required prior written notice and required documentation pursuant to N.C. Gen. Stat. § 131E-184(f)(3).

### **Conclusion**

For the above-stated reasons, Novant and NHPMC respectfully request that they be allowed to replace MQ 27 with a fixed MRI scanner on the main campus of NHPMC.

Thank you for your time and consideration. If you have any questions or need additional information, please let me know.


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<sup>2</sup> Exhibit H shows that the main building and the mobile pad are 253.64 feet apart. This equals 84.546667 yards. <https://howmanyis.com/length/107-ft-in-yd/84341-253-feet-in-yards?chronofom=length&event=submit>.

Martha J. Frisone  
July 8, 2019  
Page 6

With best personal regards.

Sincerely,



Denise M. Gunter

Enclosures

Exhibits:

- Exhibit A: Correspondence related to replacement of MQ 21 by MQ 27
- Exhibit B: Scan volumes at NHPMC and NHCOH
- Exhibit C: Capital Cost Form
- Exhibit D: Equipment quote for MRI scanner
- Exhibit E: Equipment quote for contrast injector
- Exhibit F: Equipment Comparison Form
- Exhibit G: Photo taken on July 5, 2019 showing MQ 27 serving NHPMC
- Exhibit H: Campus map showing location of mobile pad
- Exhibit I: Campus map showing location of NHPMC Radiology Department
- Exhibit J: Letter from NHPMC officer





NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

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



July 23, 2018

Denise Gunter
380 Knollwood Street, Suite 530
Winston-Salem, NC 27103

Exempt from Review – Replacement Equipment

Record #: 2656
Business Name: MedQuest Associates, Inc.
Business #: 2692
Project Description: Replace mobile MRI unit MQ21 with mobile MRI Unit MQ 27
County: Forsyth (Guilford, Iredell, and Mecklenburg)

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of July 18, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. § 131E-184(a)(7). Therefore, you may proceed to replace without a certificate of need the mobile MRI unit MQ 21 with mobile MRI unit MQ 27 and replace "fixed" mobile MRI unit MQ 18 with mobile MRI unit MQ 21, to serve as fixed. As the mobile MRI unit MQ 21 was grandfathered, there is no material compliance issue with mobile MRI MQ 27 taking over existing host sites and adding two new host sites; therefore, you may also proceed to add Novant Health Imaging-Mooresville (Iredell County) and Novant Health Imaging-University (Mecklenburg County) as host sites to mobile MRI MQ 27. This determination is based on your representations that the existing mobile MRI unit MQ18 will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

It should be noted that the Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this office and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Celia C. Inman
Celia C. Inman
Project Analyst

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

cc: Melinda Boyette, Healthcare Planning, DHSR
Acute and Home Care Licensure and Certification Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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**NELSON MULLINS**

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July 18, 2018

**Hand Delivered**

Martha J. Frisone, Chief  
Healthcare Planning and Certificate of Need Section  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Re: Replacement Equipment Exemption Requests for Two Mobile MRI Scanners

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. § 131E-184(a)(7), I am writing on behalf of Novant Health, Inc. ("Novant") and MedQuest Associates ("MedQuest") (collectively, "Novant") concerning the replacement of two mobile MRI scanners, and the addition of host sites to the route of one of these scanners. Novant is MedQuest's ultimate parent entity. This letter is divided into two parts. Part 1 addresses the replacement of mobile MRI unit MQ 21 with mobile MRI Unit MQ 27 and the addition of host sites. Part 2 addresses the replacement of mobile MRI unit MQ 18 with mobile MRI unit MQ 21.

**Part 1: MQ 27 Replaces MQ 21, and Adds Host Sites to MQ 21's Former Route**

In 2010, Novant's subsidiary, Foundation Health Mobile Imaging, acquired certain assets from Insight Health Corporation. The assets included a grandfathered mobile MRI scanner. See **Exhibit A** (correspondence approving the acquisition). The grandfathered MRI scanner is known internally as MQ 21. MQ 21 currently serves three locations: 1) Neurology Associates Hickory (Catawba County); 2) Novant Health Imaging Piedmont in Winston-Salem (Forsyth County); and 3) Guilford Neurologic Associates in Greensboro ("GNA") (Guilford County).

Novant proposes to replace MQ 21 with MQ 27. MQ 27 formerly served as the "fixed" mobile at Novant Health Kernersville Medical Center ("NHKMC") See **Exhibit B**, a May 2013 declaratory ruling describing the background. Novant has since

Martha J. Frisone  
July 18, 2018  
Page 2

installed a fixed MRI scanner inside NHKMC, and the "fixed" mobile scanner, MQ 27, is now in storage. See *Exhibit C*, which is correspondence related to the MRI scanner which is now installed inside NHKMC. MQ 27 would take over MQ 21's host sites at Novant Health Imaging Piedmont in Winston-Salem (Forsyth County), GNA in Greensboro (Guilford County), and also add host sites at Novant Health Imaging Mooresville (Iredell County) and Novant Health Imaging University (Mecklenburg County).

This replacement is consistent with N.C. Gen. Stat. § 131E-176(22a) because MQ 27 costs less than \$2 million and it will be used for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced. Part 2 of this letter explains what will be done with MQ 21.

MQ 27 also meets the requirements of 10A NCAC 14C.0303(d) because:

- (1) it has the same technology as MQ 21, although it may possess expanded capabilities due to technological improvements; and
- (2) it is functionally similar and is used for the same diagnostic or treatment purposes as MQ 21 and is not used to provide a new health service; and
- (3) MQ 27 does not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.

None of the exclusions contained in 10A NCAC 14C.0303(e) applies here. An equipment comparison form is attached as Exhibit D.

Novant further represents that the service agreement used for MQ 27 will be similar to the service agreements used at other locations in North Carolina where Novant-owned mobile MRI scanners provide mobile MRI service. Replacing MQ 21 with MQ 27 does not increase the inventory of MRI scanners in North Carolina owned by MedQuest or Novant.

Since MQ 21 is grandfathered, and there is no CON for MQ 21, there is no material compliance issue with MQ 27, as the replacement for MQ 21, taking over MQ 21's host sites and adding the two host sites at Novant Health Imaging-Mooresville (Iredell County) and Novant Health Imaging-University (Mecklenburg County). However, for the sake of transparency, we wanted to inform the Agency of the addition of these sites, and provide the proposed schedule as it is currently planned (some days and locations are still under discussion):

Mondays:	Novant Health Imaging Mooresville or Novant Health Imaging University
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Martha J. Frisone  
July 18, 2018  
Page 3

Tuesdays:	GNA
Wednesdays:	GNA
Thursdays:	Piedmont Imaging Winston-Salem
Fridays:	Novant Health Imaging University

We would appreciate the Agency's written confirmation that the foregoing replacement equipment exemption request is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(7).

**Part 2: MQ 21 Replaces MQ 18**

MQ 21 will move to Coastal Diagnostic Imaging in Jacksonville, North Carolina, where it will replace another MRI scanner, MQ 18. MQ 18 currently serves as a "fixed" mobile MRI scanner at Coastal Diagnostic Imaging. MQ 21 will also serve as a "fixed" mobile MRI scanner at Coastal Diagnostic Imaging. A replacement equipment comparison form is attached as Exhibit E. MQ 18 will be taken out of state and will not be brought back into North Carolina without appropriate CON approval.

This replacement is consistent with N.C. Gen. Stat. § 131E-176(22a) because MQ 21 costs less than \$2 million and it will be used for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced.

MQ 21 also meets the requirements of 10A NCAC 14C.0303(d) because:

- (1) it has the same technology as MQ 18, although it may possess expanded capabilities due to technological improvements; and
- (2) it is functionally similar and is used for the same diagnostic or treatment purposes as MQ 18 and is not used to provide a new health service; and
- (3) MQ 21 will not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.

None of the exclusions contained in 10A NCAC 14C.0303(e) applies here.

Novant further represents that the service agreement used for MQ 21 will be similar to the service agreements used at other locations in North Carolina where Novant-owned mobile MRI scanners provide mobile MRI service. Replacing MQ 18 with MQ 21 does not increase the inventory of MRI scanners in North Carolina owned by MedQuest or Novant.

Martha J. Frisone  
July 18, 2018  
Page 4

We would appreciate the Agency's written confirmation that the foregoing replacement equipment exemption request is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(7).

Thank you for your time and consideration. Please let me know if you have any questions or need any other information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Denise M. Gunter".

Denise M. Gunter

Enclosures



North Carolina Department of Health and Human Services  
 Division of Health Service Regulation  
 Certificate of Need Section  
 2704 Mall Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Hayes Perdue, Governor  
 Lanier M. Cansler, Secretary

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Craig R. Smith, Section Chief  
 Phone: 919-855-3875  
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June 29, 2010

Denise Gunther, Esq.  
 Nelson, Mullins, Riley & Scarborough, LLP  
 380 Knollwood St., Ste 530  
 Winston-Salem, NC 27103

RE: Exempt from Review/ Acquisition of North Carolina Mobile Imaging VII LLC, a wholly-owned subsidiary of Insight Health Corp., by Foundation Health Mobile Imaging, LLC, a subsidiary of Novant Health, Inc.  
 Serial Number R838

Dear Ms. Gunther:

In response to your letters of May 18, 2010 and June 28, 2010, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131B-184(a)(8). Therefore, Foundation Health Mobile Imaging, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. Note that pursuant to N.C.G.S. §131B-181(b): "A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need."

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

*Helen E. Alexander*  
 Helen E. Alexander  
 Team Leader

*Craig R. Smith*  
 Craig R. Smith  
 Chief Certificate of Need Section

cc: Carol Potter, Medical Facilities Planning Section, DHSR



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May 18, 2010

Received by the  
CON Section

VIA HAND DELIVERY

19 MAY REC'D 11:20 J.

Craig R. Smith, Chief  
Certificate of Need Section  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
701 Barbour Drive  
Raleigh, North Carolina 27603

Re: Notice of Exempt Acquisition Pursuant to N.C. Gen. Stat. § 131B-184(a)(8) of  
North Carolina Mobile Imaging VII LLC

Dear Craig:

I am writing on behalf of Foundation Health Mobile Imaging, LLC, which is a subsidiary of Foundation Health Systems Corp. (collectively, "Foundation"). Foundation is a subsidiary of Novant Health, Inc. Pursuant to N.C. Gen. Stat. § 131B-184(a)(8), I am writing to provide the Agency with prior written notice of Foundation's planned acquisition of all of the assets of North Carolina Mobile Imaging VII LLC (the "Health Service Facility") which is a wholly-owned subsidiary of Insight Health Corp. The Health Service Facility is a mobile diagnostic program that currently provides mobile MRI services. As a mobile diagnostic program, the Health Service Facility is a diagnostic center and therefore a health service facility. See N.C. Gen. Stat. §§ 131B-176(7a) and (9b).

Foundation will acquire all of the assets of the Health Service Facility, including but not limited to:

- InSight's leasehold interest in the mobile MRI scanner (this is a GE 1.5 Tesla HD/x MRI Scanner, Serial Number -R838). This scanner is designated by InSight as ARC No. G1343A. Unit 1343 is a successor to InSight's mobile MRI scanner, ARC T1055E, which was owned and operated by InSight or a predecessor thereof in North Carolina prior to March 18, 1993 and is therefore a replacement of a grandfathered unit. Unit 1343 is therefore a grandfathered mobile MRI scanner.

*With twelve office locations in the District of Columbia, Florida, Georgia, Massachusetts, North Carolina, South Carolina, and West Virginia*

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Craig R. Smith  
May 18, 2010  
Page 2

- InSight's leasehold interest in the coach for the mobile MRI scanner (VIN 1S9FA482641182367);
- all tangible personal property located in or on the mobile MRI unit or the coach for the mobile MRI unit, including all coils, chillers, operating systems, maintenance logs, spare parts and other rights relating thereto and all improvements or alterations to the mobile MRI unit, and any other improvements or upgrades with respect to such tangible property, all inventory and supplies located inside the coach as of the Closing Date (including pharmaceuticals to the extent legally transferable), all fixed assets located in the coach, medical equipment, cameras, film processing equipment and other ancillary diagnostic equipment, cabinetry, furniture, fixtures in the coach, computers (including software thereon to the extent legally transferable), computer related equipment and office equipment;
- assigned contracts, which consist of an Equipment Schedule dated March 27, 2007 to Master Lease Agreement dated March 16, 2007 with GE Capital Corporation, and a services agreement with Duke University Health System d/b/a Raleigh Community Hospital;
- copies of all books and records, sales logs, regulatory filings and communications, accreditations (to the extent legally transferable), designs, drawings, specifications, engineering data, data, files, correspondence, reports, recorded knowledge, plans and records for the Health Service Facility; and
- the goodwill of the Health Service Facility.

The expected date of the acquisition is July 1, 2010.

The Health Service Facility being acquired by Foundation is an existing health service facility. Under the proposed acquisition, Foundation will not develop or establish any new health service facility, and Foundation intends to operate the existing Health Service Facility without making any changes which would trigger any of the "new institutional health service" definitions in N.C. Gen. Stat. § 131B-176(16).

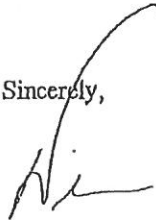
N.C. Gen. Stat. § 131E-184(a)(8) provides that the acquisition of an existing health service facility is exempt from certificate of need review, upon prior written notice. As the transaction is scheduled to close on July 1, 2010, please let me know as soon as possible if you have any questions. A draft letter confirming the exempt nature of this transaction is attached for your consideration.



Craig R. Smith  
May 18, 2010  
Page 3

With best personal regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise M. Gunter". The signature is fluid and cursive, with a large, sweeping initial "D" that extends upwards and to the right.

Denise M. Gunter

Enclosure

cc: Marc Hewitt, Esq. (counsel for InSight)(with enclosure)





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

IN RE: REQUEST FOR DECLARATORY )  
RULING BY FORSYTH MEMORIAL )  
HOSPITAL, INC. d/b/a FORSYTH MEDICAL ) DECLARATORY RULING  
CENTER )  
Project I.D. No. G-7919-07 )

I, Drexdal Pratt, 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.

Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center ("Forsyth") has requested a declaratory ruling that allows a change in location for a fixed MRI scanner, contending that the change would not constitute a change in scope for purposes of N.C. Gen. Stat. § 131E-181 and that the location change would not affect Forsyth's material compliance with representations made in the Certificate of Need ("CON") application or the conditions imposed upon the CON. The CON law would require a full review of Forsyth's proposal if it represented a material change in the physical location or scope of the project. N.C. Gen. Stat. § 131E-181(a). 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. Denise M. Gunter of Nelson Mullins Riley & Scarborough, LLP has requested this ruling on behalf of Forsyth and has provided the material facts upon which this ruling is based.

### STATEMENT OF THE FACTS

On November 28, 2007, the CON Section issued a CON to Forsyth for Project I.D. No. G-7919-07 to acquire a third fixed MRI scanner, to be installed at Forsyth Medical Center ("FMC"), 3333 Silas Creek Parkway, Winston-Salem, NC 27103. On December 29, 2011, the Department issued a declaratory ruling allowing Forsyth to relocate the approved, but unimplemented fixed MRI scanner from FMC to Kernersville Medical Center ("KMC"). Forsyth now proposes to relocate and install the approved, but unimplemented fixed MRI scanner from inside KMC to one of two mobile pads located outside the building.

The two mobile MRI pads at KMC have already been inspected and have been in use since KMC opened. The MRI scanner will be located and installed on the mobile pad 24 hours per day, 7 days per week and will not be moved without the Department's approval. The approved capital cost for Project I.D. No. G-7919-07 was \$2,413,230.70. The proposed change in location to the mobile pad outside of KMC will cost \$1,114,341, saving over \$1.4 million in capital cost from the 2007 CON. Additionally, FMC has indicated it will be able to avoid future payments of \$900,000 annually, currently paid to a mobile MRI for the mobile MRI scanner currently located on a pad at KMC six days per week. Forsyth represents that the mobile MRI scanner will find a new host site once the approved fixed MRI scanner is implemented at KMC.

### ANALYSIS

The CON law would require a full review of Forsyth's proposal if it represented a material change in the physical location or scope of the project. N.C. Gen. Stat. § 131E-181(a). The requested MRI relocation does not represent a material change in the scope of the project for the following reasons:

The change in location for the MRI scanner will not affect the scope of services offered or increase the costs and charges to Forsyth or to the public for the provision of MRI services. The newly proposed host site is a slight revision to the location at KMC where the scanner will be implemented. Furthermore, Forsyth agrees to satisfy all the requirements and representations made regarding the host site in its original CON application. Therefore, Forsyth's proposal does not constitute a material change in the scope of the project.

N.C. Gen. Stat. § 131E-183(b) allows the Agency to withdraw the CON if Forsyth 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. Forsyth will not be operating the project in a manner that is materially different from the representation made in the application, nor in a manner that is inconsistent with any of the conditions that were placed on the CON.

#### CONCLUSION

For the foregoing reasons, assuming the statements of fact in the request to be true, I conclude that the proposed change in location for the approved, but unimplemented fixed MRI scanner from inside Kernersville Medical Center to one of two mobile pads located outside the building does not constitute a change in the scope of the project, would not violate N.C. Gen. Stat. § 131E-181, and would not constitute a failure to satisfy a condition of the certificate of need in violation of N.C. Gen. Stat. § 131E-189(b).

This the \_\_\_\_\_ day of May, 2013.

---

Drexdal Pratt, 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 first-class, postage pre-paid envelope addressed as follows:

CERTIFIED MAIL

Denise M. Gunter  
Nelson Mullins Riley & Scarborough, LLP  
380 Knollwood Street, Suite 530  
Winston-Salem, North Carolina 27103

This the \_\_\_\_\_ day of May, 2013.

\_\_\_\_\_  
Cheryl Ouimet  
Chief Operating Officer



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

September 18, 2017

Lisa Griffin  
Novant Health, Inc.  
2085 Frontis Plaza Boulevard  
Winston-Salem, NC 27103

**Exempt from Review – Replacement Equipment**

**Record #:** 2385  
**Facility Name:** Forsyth Medical Center (Kernersville Campus)  
**FID #:** 060620  
**Business Name:** Novant Health, Inc.  
**Business #:** 1341  
**Project Description:** Replace existing MRI equipment  
**County:** Forsyth

Dear Ms. Griffin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of September 7, 2017 and the supplemental information provided on September 13<sup>th</sup> and 15<sup>th</sup>, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the Siemens Magnetom Aera fixed MRI equipment to replace the Siemens Espree fixed MRI equipment, Serial # 31381, acquired through Project ID #G-7919-07 and the Declaratory Ruling issued on December 29, 2011. This determination is based on your representation that the existing unit will be taken out of service and transferred to Novant Health's MedQuest Division to replace one of its existing mobile MRI scanners (to be determined at a future date), which will be sent out of state or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required. MedQuest will obtain all required regulatory approvals (such as replacement equipment exemption requests or declaratory rulings) to ensure compliance with applicable DHSR and CON regulations and at no time will MedQuest, pursuant to this transaction, exceed the number of MRI scanners which it is allowed to operate in NC or increase the inventory of MRI scanners in NC.

Moreover, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.


**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**  
WWW.NCDHHS.GOV  
TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603  
MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704  
AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER

It should be noted that the Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this office and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

  
Celia C. Inman  
Project Analyst

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

cc: Construction Section, DHSR  
Palge Bennett, Assistant Chief, Healthcare Planning, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR



**Inman, Cella C**

---

**From:** Griffin, Lisa L (CON) <lgriffin@novanthealth.org>  
**Sent:** Friday, September 15, 2017 11:09 AM  
**To:** Inman, Cella C  
**Subject:** Revised Capital Cost Worksheet for KMC MRI REER  
**Attachments:** KMC MRI REER Capital Cost WS Rev.09.15.2017.pdf

Cella,

Attached is an updated capital costs worksheet for the KMC MRI replacement that I emailed to you on September 7. The cost of the MRI scanner is \$916,215 and agrees with the latest quote included in the documents originally submitted. The amount on the original capital costs worksheet is a previous vendor estimate. To be conservative, the variance will be considered as an equipment contingency. The other discrepancy was a math error which can be accounted for in the project contingency. The total project costs remains at the originally filed amount of \$1,913,400.

Please let me know if you have any other questions or need more information.

Lisa Griffin  
Manager, Certificate-of-Need/Business Planning  
Novant Health  
(704) 384 - 3462

----- This message and any included attachments are from NOVANT HEALTH INC. and are intended only for the addressee(s). The information contained herein may include trade secrets or privileged or otherwise confidential information. Unauthorized review, forwarding, printing, copying, distributing, or using such information is strictly prohibited and may be unlawful. If you received this message in error, or have reason to believe you are not authorized to receive it, please promptly delete this message and notify the sender by email. If you believe that any information contained in this message is disparaging or harassing or if you find it objectionable please contact Novant Health, Inc. at 1-800-350-0094 or forward the email to [reports@novanthealth.org](mailto:reports@novanthealth.org). Thank you.

**PROPOSED CAPITAL COSTS**

Project Name: Replace MRI Scanner

September 15, 2017

Proponent: NH Kenersville Medical Center

**A. Site Costs**

(1)	Full purchase price of land		\$	-
	Acres _____ Price per Acre		\$	-
(2)	Closing Costs		\$	-
(3)	Site Inspection and Survey		\$	-
(4)	Legal fees and subsoil investigation		\$	-
(5)	Site Preparation Costs		\$	-
	Soil Borings	\$		-
	Clearing Earthwork	\$		-
	Fine Grade For Slab	\$		-
	Roads Paving	\$		-
	Concrete Sidewalks	\$		-
	Water and Sewer	\$		-
	Footing Excavation	\$		-
	Footing Backfill	\$		-
	Termitte Treatment	\$		-
	Sub-Total Site Preparation Costs		\$	-
(6)	Other (specify)		\$	-
(7)	Sub-Total Site Costs		\$	-

**B. Construction Contract**

(8)	Cost of Materials			
	General Requirements	\$	700,000.00	
	Concrete/Masonry	\$	-	
	Woods/Doors & Windows/Finishes	\$	-	
	Thermal & Moisture Protection	\$	-	
	Equipment/Specialty Items	\$	-	
	Mechanics/Electrical	\$	70,000.00	
	Other	\$	-	
	Sub-Total Cost of Materials		\$	770,000.00
(9)	Cost of Labor GC Labor		\$	-
(10)	Other - (Specify)		\$	-
(11)	Sub-Total Construction Contract		\$	770,000.00

**C. Miscellaneous Project Costs**

(12)	Building Purchase		\$	-
(13)	Fixed Equipment Purchase/Lease		\$	916,216.00
	Other (equipment contingency)		\$	186,266.00
(14)	Movable Equipment Purchase/Lease		\$	-
(14a)	Information Technology		\$	2,200.00
(15)	Furniture		\$	-
(16)	Signage		\$	600.00
(17)	Consult Fees		\$	-
	Architect and Engineering Fees	\$		-
	Market Analysis	\$		-
	Other - (Specify)	\$		-
	Sub-Total Consultant Fees		\$	-
(18)	Financing Costs (e.g. Bond Loan, etc)		\$	-
(19)	Interest During Construction		\$	-
(20)	Other (Project Contingency)		\$	28,129.00
	Other (SPECIFY)		\$	-
(21)	Sub-Total Miscellaneous		\$	1,143,400.00
(22)	Total Capital Cost of Project (Sum A-C above)		\$	1,913,400.00

**Inman, Celia C**

---

**From:** Denise Gunter <denise.gunter@nelsonmullins.com>  
**Sent:** Wednesday, September 13, 2017 2:24 PM  
**To:** Inman, Celia C  
**Subject:** NH Kernersville Medical Ctr - Replacement Equipment Exemption for an MRI Scanner  
**Attachments:** KMC MRI REER Ltr to Agency 09.07.2017.pdf

Hi, Celia.

I understand that some questions have been asked about this MRI replacement equipment exemption request for Novant Health Kernersville Medical Center (NHKMC), so I would like to clarify. The existing unit is a "fixed" mobile MRI Scanner ("Existing Unit"). When the replacement MRI scanner is ready to be installed at NHKMC, the Existing Unit will go to maintenance and be out of service for some period of time. Once the Existing Unit is finished with maintenance, MedQuest will most likely use the Existing Unit to replace one of its other existing mobile MRI scanners. This could be in NC or it might also be in another state where MedQuest operates. MedQuest has not made any decisions at this time regarding which of its other MRI units it will replace with the Existing Unit, or the timing of such a replacement, so MedQuest is not able to submit an additional replacement equipment request at this time. At no time, however, will MedQuest exceed the number of MRI scanners which it is allowed to operate in NC or increase the inventory of MRI scanners in NC. MedQuest will obtain all required regulatory approvals (such as replacement equipment exemption requests or declaratory rulings) to ensure compliance with applicable DHR and CON regulations. We wanted to take this process one step at a time so that MedQuest can assess its needs once the Existing Unit comes out of maintenance.

I understand Lisa Griffin is going to respond to the capital cost questions you raised.

Please let me know if you need anything else.

Thanks and best regards.

Denise

**Confidentiality Notice**

.. This message is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, privileged, confidential or otherwise legally exempt from disclosure.

.. If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately either by phone (800-237-2000) or reply to this e-mail and delete all copies of this message.

# STATE OF NORTH CAROLINA

Department of Health and Human Services  
Division of Health Service Regulation

## CERTIFICATE OF NEED

for

Project Identification Number #G-7919-07  
PID# 923174

ISSUED TO: Forsyth Memorial Hospital, Inc.  
d/b/a Forsyth Medical Center  
3333 Silas Creek Parkway  
Winston-Salem, NC 27103

Pursuant to N.C. Gen. Stat. § 131B-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. § 131B-176(16). The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131B-189(o). 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. § 131B-189 for any of the reasons provided in that law.

SCOPE: Acquire one fixed Magnetic Resonance Imaging (MRI) scanner, for a total of three MRI scanners/ Forsyth County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Forsyth Memorial Hospital d/b/a Forsyth Medical Center  
3333 Silas Creek Parkway  
Winston-Salem, NC 27103

MAXIMUM CAPITAL EXPENDITURE: \$2,568,122

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: October 1, 2008

This certificate is effective as of the 28<sup>th</sup> day of November, 2007.

  
\_\_\_\_\_  
Chief, Certificate of Need Section  
Division of Health Service Regulation

**CONDITIONS:**

1. Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center shall materially comply with all representations made in the certificate of need application.
2. Forsyth Memorial Hospital, Inc. d/b/a Forsyth 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.
3. Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

**TIMETABLE:**

50% Completion of Construction -----	October 1, 2008
Completion of Construction -----	March 1, 2009
Accreditation of facility -----	April 1, 2011



North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Office of the Director  
2701 Mall Service Center • Raleigh, North Carolina 27699-2701  
<http://www.ncdhhs.gov/dhsr>

Beverly Eaves Perdue, Governor  
Lanier M. Conner, Secretary

Drexdal Pratt, Director  
Phone: 919-855-3750  
Fax: 919-733-2757

December 29, 2011

**ELECTRONIC & CERTIFIED MAIL**

Denise M. Gunter, Esq.  
Nelson Mullins Riley & Scarborough LLP  
380 Knollwood Street, Suite 530  
Winston-Salem, NC 27103

RE: Declaratory Ruling for Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center,  
Project I.D. No. G-7919-07

Dear Ms. Gunter:

I am enclosing a Declaratory Ruling that you requested. If questions arise, do not hesitate to let me know.

Sincerely,

Drexdal Pratt

DP:JH:peb

Enclosure

cc: Jeff Horton, Chief Operating Officer, DHSR  
Craig Smith, Chief, Certificate of Need Section  
Steven Lewis, Chief, Construction Section  
Azzie Conley, Chief, Acute and Home Care Licensure and Certification Section  
DHSR Medical Facilities Planning Section  
Marc Lodge, Special Deputy Attorney General, DOJ



Location: 809 Ruggles Drive • Dorothea Dix Hospital Campus • Raleigh, N.C. 27603  
An Equal Opportunity / Affirmative Action Employer



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

IN RE: REQUEST FOR DECLARATORY )  
RULING BY FORSYTH MEMORIAL )  
HOSPITAL, INC. d/b/a FORSYTH ) DECLARATORY RULING  
MEDICAL CENTER )  
Project I.D. No. G-7919-07 )

I, Drexdal Pratt, 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.

Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center ("Forsyth") has requested a declaratory ruling that allows a change in location for a fixed MRI scanner, contending that the change would not constitute a change in scope for purposes of N.C. Gen. Stat. § 131E-181 and that the location change would not affect Forsyth's material compliance with representations made in the CON application or the conditions imposed upon the CON. The CON law would require a full review of Forsyth's proposal if it represented a material change in the physical location or scope of the project. N.C. Gen. Stat. § 131E-181(a). 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. Denise M. Gunter of Nelson Mullins Riley & Scarborough, LLP has requested this ruling on behalf of Forsyth and has provided the material facts upon which this ruling is based.

### STATEMENT OF THE FACTS

On November 28, 2007, the CON Section issued a CON to Forsyth to acquire a third fixed MRI scanner, to be installed at Forsyth Medical Center ("FMC"), 3333 Silas Creek Parkway, Winston-Salem, NC 27103.

Since that time, Forsyth has concluded that locating a third fixed MRI scanner inside FMC is not the most effective option for two reasons: (1) the existing fixed MRI scanners in FMC are able to accommodate existing volumes and are projected to be able to accommodate this volume for the foreseeable future; and (2) space constraints within the hospital make installing a third MRI scanner within FMC impractical.

Forsyth has determined that the best location for the MRI scanner is inside Kernersville Medical Center ("KMC"), which opened on March 16, 2011. The KMC CON application initially proposed to have mobile MRI services, and that is what it has been doing since the hospital opened in March 2011.

According to its request, there will be no capital expenditures, no obligations for capital expenditures, no commitment of funds, no addition of any health services, no planning, no construction, no purchases of any equipment, and no other activities related to this MRI relocation, including contracting with any contractors, until after March 16, 2012.

### ANALYSIS

The CON law would require a full review of Forsyth's proposal if it represented a material change in the physical location or scope of the project. N.C. Gen. Stat. § 131E-181(a). The requested MRI relocation does not represent a material change in the scope of the project for the following reasons:



KMC is located in Forsyth County and is approximately 14 miles from FMC. KMC is licensed as part of FMC, so the location change for this scanner will not involve a change of ownership. There will also be no change in the scope of services offered.

The capital costs to implement the MRI scanner will be lower than originally proposed to develop the scanner inside FMC.

Forsyth represents that there will be no increase in costs or charges to the public for MRI services as a result of this location change.

N.C. Gen. Stat. § 131B-176(16)e. states that a "new institutional health service" includes:

a change in a project that was subject to certificate of need review and for which a certificate of need was issued, if the change is proposed during the development of the project or within one year after the project was completed. For purposes of this subdivision, a change in a project is a change of more than fifteen percent (15%) of the approved capital expenditure amount or the addition of a health service that is to be located in the facility, or portion thereof, that was constructed or developed in the project.

This provision is not applicable because there will be no capital expenditures, no obligations for capital expenditures, no commitment of funds, no addition of any health services, no planning, no construction, no purchases of any equipment, and no other activities related to this MRI relocation, including contracting with any contractors, until after March 16, 2012. Forsyth also does not propose to increase the approved capital expenditure for the MRI project by more than 15%.


N.C. Gen. Stat. § 131B-183(b) allows the Agency to withdraw the CON if Forsyth 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. Forsyth will not be operating the project in a manner that is materially different from the representation made in the application, nor in a manner that is inconsistent with any of the conditions that were placed on the CON.



CONCLUSION

For the foregoing reasons, assuming the statements of fact in the request to be true, I conclude that the proposed change in location for the approved, but unimplemented fixed MRI scanner from Forsyth Medical Center to Kernersville Medical Center does not constitute a change in the scope of the project, would not violate N.C. Gen. Stat. § 131E-181, and would not constitute a failure to satisfy a condition of the certificate of need in violation of N.C. Gen. Stat. § 131E-189(b).

This the 29<sup>th</sup> day of December, 2011.



---

Drexdal Pratt, 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 electronic and 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

Denise M. Gunter  
Nelson Mullins Riley & Scarborough LLP  
380 Knollwood Street, Suite 530  
Winston-Salem, NC 27103

This the 29<sup>th</sup> day of December, 2011.

  
\_\_\_\_\_  
Jeff Holton  
Chief Operating Officer

September 7, 2017

Via Email

Celia Inman, Project Analyst, Certificate of Need  
N.C. Department of Health Service Regulation  
809 Ruggles Drive  
Raleigh, North Carolina 27603

**NOVANT  
HEALTH**



Re: Novant Health, Inc. – Novant Health  
Kernersville Medical Center  
Replacement of Existing MRI Scanner  
Kernersville, NC (Forsyth County)

Dear Ms. Inman:

Novant Health, Inc. and Novant Health Kernersville Medical Center (“NHKMC”) intend to replace an existing MRI scanner currently located at the main campus of NHKMC in Kernersville, North Carolina<sup>1</sup>. The existing MRI scanner is located as a “fixed” mobile scanner at NHKMC and, as a result of this replacement, the new scanner will be relocated within the hospital’s imaging department. NHKMC will acquire a new Siemens Aera 1.5T MRI scanner. See Attachment A for the Equipment Quote. As part of the equipment cost, the vendor will provide onsite clinical training for the equipment. The total capital cost for the proposed replacement equipment project is estimated to be \$1,913,400<sup>2</sup>. See Attachment B – Project Capital Cost.

The proposed project meets the definition of “replacement equipment” found in G.S. 131E-176(22a) and 10A N.C.A.C 14C.0303 for the following reasons:

- (1) NHKMC will replace the existing MRI unit with the proposed MRI unit that is functionally similar and will be used for the same diagnostic purposes, although it possesses expanded capabilities due to technological improvements.
- (2) The proposed MRI unit will not be used to provide a new health service.
- (3) The acquisition of the proposed MRI unit will not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.
- (4) NHKMC seeks to replace comparable medical equipment currently in use at project cost less than \$2 million.
- (5) The existing equipment was not purchased second-hand nor was the existing equipment leased.
- (6) The existing equipment will be removed from North Carolina.

In support of our request, please find attached:

**Attachment A – Vendor Equipment Quote**  
**Attachment B – Project Capital Cost**  
**Attachment C – NC CON Equipment Comparison chart**

<sup>1</sup> The MRI scanner located at NHKMC is licensed under NHFMC as a result of Project ID# G-1917-07, a declaratory ruling was issued in December 2011 to relocate the MRI scanner from NHFMC to NHKMC.

<sup>2</sup> The project cost does not include sales, property or excise taxes as NHKMC is not subject to these taxes as a non-profit, tax-exempt organization.

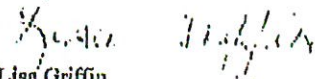
The existing MRI scanner will be transferred to Novant Health's MedQuest Division to replace one of its mobile MRI scanners which will be sent out of state in order to maintain the current MRI inventory. The exemption documentation for this project will be sent to the Agency under separate cover by MedQuest.

NHKMC's acquisition of the replacement MRI unit does not require a certificate of need because none of the definitions of "new institutional health services" set forth in N.C.G.S. Section 131E-176(16) apply to the proposed project. As outlined above, the total cost for the project is \$1,913,400. The proposed capital cost includes equipment, as well as studies, surveys, designs, plans, working drawings, specifications, construction installation and other activities essential to making the equipment operational.

Based on the information provided, please confirm that NHKMC's replacement equipment request does not constitute a new institutional health service and is exempt from certificate of need review.

If you need additional information, please do not hesitate to contact me.

Sincerely,

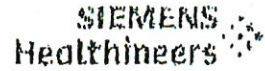
  
Lisa Griffin  
Manager, Certificate of Need  
Novant Health, Inc.

Enclosures

Co: Barbara Freedy, Director, CON, Novant Health

ATTACHMENT A –  
Equipment Quote

Siemens Medical Solutions USA, Inc.  
 40 Liberty Boulevard, Malvern, PA 19356  
 Fax: (866) 309-6867



SIEMENS REPRESENTATIVE  
 Karen Dixon - (866) 360-8644

**PRELIMINARY PROPOSAL**

Customer Number: 0000187513

Date: 7/26/2017

KERNERSVILLE MEDICAL CENTER  
 664 WISHBONE FARM RD  
 KERNERSVILLE, NC 27284

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Quote Nr: 1-L5IFIB Rev. 0

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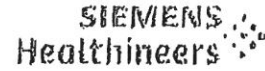
**MAGNETOM Aera**

All items listed below are included for this system:

Qty	Part No.	Item Description	Extended Price
1	14466140	<p><b>MAGNETOM Aera - System</b></p> <p>MAGNETOM Aera is designed to provide you the versatility you need to meet the increasing demands in healthcare. Maximize 1.6T with its core technologies Tim(t) 4G and Dot(t), along with its comprehensive application portfolio and experience unique functionalities to increase patient comfort.</p> <p>Every case. Every day.</p> <p><b>System Design</b></p> <ul style="list-style-type: none"> <li>- Short and open appearance (146 cm system length and 70 cm Open Bore Design) to reduce patient anxiety and claustrophobia</li> <li>- Whole-body superconductive Zero Helium Boil-Off 1.6T magnet</li> <li>- Actively shielded water-cooled Siemens gradient system for maximum performance</li> <li>- TrueForm Magnet and Gradient Design</li> </ul> <p><b>Tim 4G (Total Imaging matrix in the 4th generation) for excellent image quality and speed</b></p> <ul style="list-style-type: none"> <li>- Siemens unique DirectRF(m) technology enabling the all digital-in/ digital-out design</li> <li>- Dual-Density Signal Transfer Technology</li> <li>- Tim Coil Interface</li> </ul> <p><b>Dot (Day optimizing throughput) for higher consistency, flexibility and efficiency</b></p> <ul style="list-style-type: none"> <li>- Dot Display</li> <li>- Dot Control Centers</li> <li>- Brain Dot Engine</li> </ul> <p><b>Tim Application Suite allowing excellent head-to-toe imaging</b></p> <ul style="list-style-type: none"> <li>- Neuro Suite</li> <li>- Angio Suite</li> <li>- Cardio Suite</li> <li>- Body Suite</li> </ul>	\$607,600



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Qty	Part No.	Item Description	Extended Price
		<ul style="list-style-type: none"> <li>- Onco Suite</li> <li>- Breast Suite</li> <li>- Ortho Suite</li> <li>- Pediatric Suite</li> <li>- Scientific Suite</li> </ul> <p>Further Included</p> <ul style="list-style-type: none"> <li>- High performance host computer</li> <li>- Patient communication: standard headphones and MagnaColl(tm) In-Ear headset</li> <li>- Siemens unique TimCT FastView localizer and CAIPIRINHA</li> <li>- syngo MR software including</li> <li>- 1D/2D PAGE</li> <li>- BLADE</li> <li>- IPAT*</li> <li>- Phoenix</li> <li>- Inline Diffusion</li> <li>- WARP</li> <li>- MDDW (Multiple Direction Diffusion Weighting)</li> <li>- CISS</li> <li>- DESS</li> <li>- TGSE</li> </ul> <p>The system (magnet, electronics and control room) can be installed in 30sqm space. For system cooling either the Eco Chiller option or the Separator is required.</p>	
1	14466141	<p><b>Tim [204x24] XJ Gradients #Ae</b></p> <p>Tim [204x24] XJ-gradient performance level</p> <p>Tim 4G with it's newly designed RF system and innovative coil architecture enables high resolution imaging and increased throughput.          Up to 204 simultaneously connected coil elements can be combined with the 24 independent RF channels for the most flexible parallel imaging and support demanding applications.          Maximum SNR is ensured through the new Tim 4G matrix coil technology.</p> <p>XJ - gradients          The XJ- gradients are designed combining high performance and linearity to support clinical whole body imaging at 1.5T. The force compensated gradient system minimizes vibration levels and acoustic noise. The XJ gradients combine 33 mT/m peak amplitude with a slew rate of 120 T/m/s.</p>	\$0
1	14456138	<p>High-performance measurement and reconstruction system</p> <p><b>Standard Coil Package 24-ch #Ae</b></p> <p>This package includes:</p> <ul style="list-style-type: none"> <li>- Head/Neck 16 DirectConnect</li> <li>- Spine 24 DirectConnect</li> <li>- Body 6</li> <li>- Flex Large 4</li> <li>- Flex Small 4</li> <li>- Flex Coil Interface</li> </ul>	\$22,500

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**PRELIMINARY PROPOSAL**

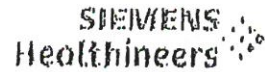
Qty	Part No.	Item Description	Extended Price
1	14416906	<b>Tim Dockable Table #Ae</b> The Tim Dockable Table is designed for maximum patient comfort and smooth patient preparation. Tim Dockable Table can support up to 260 kg (550 lbs) patients without restricting the vertical or horizontal movement.  The one step docking mechanism and the innovative multi-directional navigation wheels ensure easy maneuvering and handling. Critically ill or immobile patients can now be prepared outside the examination room for maximum patient care, flexibility and speed.	\$33,760
1	14416914	<b>Pure White Design #T+D</b> The MAGNETOM Aera / MAGNETOM Skyra design is available in different light and appealing variants which perfectly integrates into the different environments. The color of the main face plate cover of the Pure White Design Variant with the integrated Dot Control Centers and the unique Dot Display is brilliant white surrounded by a brilliant silver trim. The asymmetrical deco area on the left side is colored white matte and also with a brilliant surrounding silver trim. The table cover is presented also in the same color and material selection.	\$0
1	08464872	<b>PC Keyboard US english #Tim</b> Standard PC keyboard with 101 keys.	\$0
1	14448650	<b>SW syngo MR E11C</b> syngo MR E11C software with new features and applications. GOBrain protocols (for Aera and Skyra with 48 or more rf-channels).	\$0
1	14441686	<b>DotGO Routine Package #T+D</b> The DotGO Routine Package includes both: - Spine Dot Engine and - Large Joint Dot Engine.  As a package they offer a comprehensive set of workflows with guidance and automation, for standardized image quality in Spine and MSK MR imaging. The Spine Dot Engine provides the functionality of Inline Composing and Tim Planning Suite for streamlining workflows in all spine imaging. Tools, such as auto-positioning and vertebral recognition with AutoAlign Spine, AutoCoverage and Spine Labelling support and optimize reproducibility for your cervical, thoracic and lumbar spine imaging for all clinical indications. The Large Joint Dot Engine enhances standardization of the knee, hip and shoulder workflows and optimizes reproducible image quality by incorporating automation tools, such as anatomically based auto-positioning (AutoAlign). Dedicated imaging techniques, such as Advanced WARP, are included and can help to expand the access of diagnostic MRI to a broader range of patient types.	\$27,500
1	14406224	<b>Composing syngo #Tim</b> This application provides dedicated evaluation software for creation of full-format images from overlapping MR volume data sets and MIPs (starting from syngo MR B13) acquired at multiple stages.	\$6,760
1	14441740	<b>Quiet Suite #T+D</b> Quiet Suite enables complete, quiet examinations for neurology and orthopedics with at least 70% reduction in sound pressure levels.	\$0
1	14441607	<b>Body 6 #Ae</b> Flexible, universal 6-channel receive coil with 6 integrated preamplifiers. Elements are arranged in 2 rows of 3 elements each.  <b>Main features:</b>	\$19,360

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**PRELIMINARY PROPOSAL**

Qty	Part No.	Item Description	Extended Price
		<ul style="list-style-type: none"> <li>- Integrated operation with the Spine 24.</li> <li>- IPAT-compatible.</li> <li>- Dual-Density Signal Transfer.</li> <li>- SlideConnect(tm) technology for easy coil set up.</li> </ul>	
1	14416980	<b>Shoulder 16 Coil Kit #Ae</b> The new Tim 4G coil technology with Dual Density Signal Transfer and SlideConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility. The Shoulder 16 Coil Kit for examinations of the left or right shoulder consists of a base plate and two different sized IPAT compatible 16 channel coils (Shoulder Large 16 and Shoulder Small 16). These will be attached and can be relocated on the base plate. The 16-element coils with 16 integrated pre-amplifiers ensure maximum signal-to-noise ratio. Shoulder Large 16 and Shoulder Small 16 will be connected via a SlideConnect plug for fast and easy coil set-up and patient preparation.	\$27,000
1	14456317	<b>Tx/Rx Knee 16 Flair 1.5T #Ae</b> New 16-channel transmitter/receiver coil for joint examinations in the area of the lower extremities.  <b>Main features:</b> <ul style="list-style-type: none"> <li>- 16-element design (3x5 coil elements) with 16 integrated preamplifiers.</li> <li>- IPAT-compatible</li> <li>- SlideConnect Technology</li> </ul>	\$32,400
1	14416952	<b>Foot/Ankle 16 #Ae</b> The new Tim 4G coil technology with Dual Density Signal Transfer and DirectConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility. Foot/Ankle 16 for examinations of the left or right foot and ankle region consists of a base plate and an IPAT compatible 16-channel coil and allows high resolution imaging of the foot and ankle within one examination. Foot/Ankle 16 is a cable-less coil and will be connected via DirectConnect for fast and easy patient preparation.	\$33,760
1	14407261	<b>MR Workplace Container, 600m</b> 60 cm wide extra case for the syngo host computer with sliding front door to allow change of storage media (CD/DVD/USB).	\$900
1	14466315	<b>UPS system (Libert)</b> UPS system Libert GXT4 3000RT230E for MAGNETOM Aera, Skyra, Prisma, Essenza, Amira, Spectra, CI for safeguarding computers. Including Power Cable of 8 m for connecting the UPS. Power output: 3.0 kVA / 2.7 kW Bridge time: 3 min full load / 12 min half load Input voltage: 230 VAC	\$2,700
1	14456318	<b>UPS Battery module (Libert GXT4 BATT)</b> UPS battery module Libert GXT4 72VBATTE for MAGNETOM Aera, Skyra, Prisma, ESSENZA, Amira, Spectra, CI for safeguarding computers. Extension for: Libert GXT4 3000RT230E (14466315) Battery type: Closed, maintenance-free Extension of the bridge time to: 21 minutes full load / 48 min half load with one module Dimensions (H x D x W): Battery module: 430 x 602 x 86 mm  Weight: approx. 46 kg	\$1,000

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**PRELIMINARY PROPOSAL**

Qty	Part No.	Item Description	Extended Price
1	MR_STD_RIG_INST	<b>MR Standard Rigging and Installation</b> MR Standard Rigging and Installation  This quotation includes standard rigging and installation of your new MAGNETOM system  Standard rigging into a room on ground floor level of the building during standard working hours (Mon. - Fri./ 8 a.m. to 6 p.m.) It remains the responsibility of the Customer to prepare the room in accordance with the SIEMENS planning documents Any rigging requiring a crane over 80 tons and/or special site requirements (e.g. removal of existing systems, etc.) is an incremental cost and the responsibility of the Customer. All other "out of scope" charges (not covered by the standard rigging and installation) will be identified during the site assessment and remain the responsibility of the Customer.	\$0
1	MR_BYL_INST ALL	<b>MR Standard Rigging &amp; Install</b>	\$16,000
1	MR_PREINST_DOCK	<b>T+D Preinstall kit for dockable table</b>	\$650
1	MR_CRYO	<b>Standard Cryogens</b>	\$8,000
1	MR_PM	<b>MR Project Management</b> A Siemens Project Manager (PM) will be the single point of contact for the implementation of your Siemens equipment. The assigned PM will work with the customer's facilities management, architect or building contractor to assist you in ensuring that your site is ready for installation. Your PM will provide initial and final drawings and will coordinate the scheduling of the equipment, installation, and rigging, as well as the initiation of on-site clinical education.	\$0
1	MR_BYDOT_W KSP	<b>MR syngo Dot Onsite Workshop</b> This 2 day onsite MR syngo(r) Dot Workshop introduces the MR technologist to the user interface and operating software implemented on the MAGNETOM(r) system. Through the use of demonstrations, lecture, and hands-on labs using Siemens stimulation consoles, participants will learn the basic principles and workflow of patient examinations. Attendees will receive workbooks. This onsite workshop is scheduled consecutively (Monday - Friday) during standard business hours and accommodates up to (10) imaging professionals. This educational offering must be completed (12) months from purchase or install end date. If training is not completed within the applicable time period, Siemens' obligation to provide the training will expire without refund.	\$12,000
1	MR_INITIAL_32	<b>Initial onsite training 32 hrs</b> MR_INITIAL_32 Up to (32) hours of on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens' obligation to provide the training will expire without refund.	\$7,800
1	MR_FOLLOWU P_32	<b>Follow-up training 32 hrs</b> Up to (32) hours of follow-up on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens' obligation to provide the training will expire without refund.	\$7,800

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**PRELIMINARY PROPOSAL**

Qty	Part No.	Item Description	Extended Price
1	MR_FOLLOWUP_24	<b>Follow-up training 24 hrs</b> Up to (24) hours of follow-up on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) Imaging professionals. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install and date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.	\$6,300
1	MR_ELEARN	<b>e.learning CEU subscription (12 mths)</b> This (12) month multi-modality e.learning subscription will provide access for (10) Imaging professionals at the customer site to utilize up to (60) OEU's. This educational offering must be completed (12) months from install and date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.	\$650
1	KKTECOMR_60	<b>KKT ECOCHILLER 133L</b> The KKT ECO 133 -L chiller is a dedicated 20°C cooling system for MAGNETOM Aera and MAGNETOM Skyra which automatically adapts to the different cooling requirements (e.g. system in operation, standby, ...) to reduce the energy consumption for cooling. The cooling system must be used in combination with the IFP (Interface Panel), if there is no on-site chilled water supply at all. The IFP is included in the scope of supply.	\$28,516
1	KRAUS_CHILINST	<b>Kraus Start-up and Warranty</b>	\$4,500
1	MR_GOBRAIN	<b>GOBrain</b> GOBrain delivers reliable quality at exceptional speed. It enables clinically validated, push-button brain exams, with multiple orientations and all relevant contrasts. This fast exam is more tolerable for patients, and helps reduce motion-related artifacts and the need for rescans and sedation. As a result, GOBrain potentially doubles throughput and reduces costs per scan. Supported by our Tim 4G technology and DotGO, it delivers consistently high quality and maximizes the productivity of your MRI scanner - while improving patient care.	\$0
1	SY_PR_TEAMPLAY	<b>teamply Welcome &amp; Registration Package</b> teamply is a cloud-based network that brings together your imaging modality users, the systems' dose and utilization data, and the users' expertise to help you improve the delivery of care to your patients. Basic features are provided free of charge. Premium features (benchmarking, non-Siemens devices) are provided on a trial basis for three months at no charge, and may be used thereafter on a subscription fee basis. To register: <a href="http://teamply.siemens.com/#/institutionRegistration/1">http://teamply.siemens.com/#/institutionRegistration/1</a>	\$0
1	MR_BUDG_ADDL_RIG	<b>Budgetary Add'l/Out of Scope Rigging</b>	\$10,000
<b>System Total:</b>			<b>\$916,216</b>

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### PRELIMINARY PROPOSAL

**FINANCING:** The equipment listed above may be financed through Siemens. Ask us about our full range of financial products that can be tailored to meet your business and cash flow requirements. For further information, please contact your local Sales Representative.

Siemens Healthcare is pleased to submit this Preliminary Pricing Proposal. A Preliminary Pricing Proposal is provided for planning purposes only; it is not contractually binding. To receive a contractually binding proposal for the Products listed above, inclusive of Terms, Conditions, and Warranty coverage, please contact your Siemens Healthcare Sales Representative.

Siemens Healthcare

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**ATTACHMENT B –  
Project Capital Cost Form**

**PROJECT CAPITAL COST  
NHKMC- MRI Replacement**

<b>A. Site Costs</b>		
	(1) Full purchase price of land	
	(2) Closing Costs	
	(3) Site Inspection & Survey	
	(4) Legal Fees & subsoil investigation	
	(5) Site Preparation Costs	
	(6) Other:	
	<b>(7) Sub-Total Site Costs</b>	N/A
<b>B. Construction Contract</b>		
	(8) Cost of Materials*	\$700,000
	(9) Cost of Labor	
	(10) Other: <i>Construction Contingency</i>	\$70,000
	<b>(11) Sub-Total Construction Contract</b>	<b>\$770,000</b>
<b>C. Miscellaneous Project Costs</b>		
	(12) Building Purchase	
	(13) & (14) Fixed Equipment Purchase/Lease + Movable Equipment Purchase/Lease*	\$1,112,471
	(14a) Information Technology	\$2,200
	(15) Furniture	
	(16) Landscaping	
	(17) Consultant Fees (CON Consultant)	
	Other: Signage	\$600
	<b>Sub-Total Consultant Fees</b>	
	(18) Financing Costs (Bond, Loan, etc.)/Imputed Interest	
	(19) Interest During Construction	
	(20) Other (Specify): <i>Project Contingency</i>	\$28,423
	<b>(21) Sub-Total Miscellaneous</b>	<b>\$1,143,400</b>
<b>D. Total Capital Cost of Project</b>	<b>(22) Total Capital Cost of Project -Sum above Subtotals for Rows (11) &amp; (21)</b>	<b>\$1,913,400</b>

\*Construction contract includes labor and materials.



**ATTACHMENT C -  
NC Equipment Comparison Form**

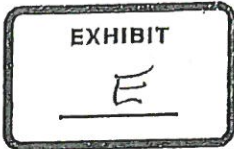




**Equipment Comparison Form  
Mobile MRI Replacement**

	Existing Equipment MQ 21 (Grandfathered)	Replacement Equipment MQ 27
Type of Equipment (List Each Component)	MRI Equipment	MRI Equipment
Manufacturer of Equipment	GE	Siemens
Tesla Rating for MRIs	1.5T	1.5T
Model Number	HDXT	Espreo
Serial Number	G1343	31381
Provider's Method of Identifying Equipment	Internal Asset Numbering System	Internal Asset Numbering System
Specify if Mobile or Fixed	Mobile	Mobile
Mobile Trailer Serial Number /VIN#	1S9FA4826Y1182367	1M9A3A825DH022815
Mobile Tractor Serial Number /VIN#	N/A	N/A
Date of Acquisition of Each Component	2010	2013
Does Provider Hold Title to Equipment or Have a Capital Lease?	Owned; Novant has title	Owned; Novant has title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project	\$0 (Novant already owns it)	\$0 (Novant already owns it; the total project cost in 2013 was \$1,144,341)
Total Cost of Equipment	Acquired as part of acquisition of certain assets of Insight Corp.	\$1,120,000 (when originally acquired)
Fair Market Value of Equipment	\$650,000	\$450,000
Net Purchase Price of Equipment	Acquired as part of acquisition of certain assets of Insight Corp.	N/A; Novant already owns the unit, but the net purchase price in 2013 was \$1,120,000)
Locations Where Operated	Neurology Associates - Hickory, Piedmont Imaging WS, Gullford Neurological Associates	Proposed Locations: Piedmont Imaging WS, Gullford Neurological Associates, NHI-Mooresville, NHI University
Number of Days In Use/To be Used In NC per Year	365	365
Percent of Change In Patient Charges by Procedure	N/A	No Increase

	Existing Equipment MQ 21 (Grandfathered)	Replacement Equipment MQ 27
Percent of Change In Per Procedure Operating Expenses by Procedure	N/A	No Increase
Type of Procedures Currently Performed on Existing Equipment	MRI Procedures	MRI Procedures
Type of Procedures New Equipment is Capable of Performing	N/A	N/A



**Equipment Comparison Form  
Coastal Diagnostic Imaging - MRI Replacement**

	Existing Equipment MQ 18	Replacement Equipment MQ 21 (grandfathered)
Type of Equipment (List Each Component)	MRI Equipment	MRI Equipment
Manufacturer of Equipment	GE	GE
Tesla Rating for MRIs	1.5T	1.5T
Model Number	HDI	HDXT
Serial Number	R3783	G1343
Provider's Method of Identifying Equipment	Internal Asset Numbering System	Internal Asset Numbering System
Specify If Mobile or Fixed	Fixed Mobile	Fixed Mobile
Mobile Trailer Serial Number /VIN#	N/A	N/A
Mobile Tractor Serial Number /VIN#	N/A	N/A
Date of Acquisition of Each Component	2009	2010
Does Provider Hold Title to Equipment or Have a Capital Lease?	Owned; Novant holds title	Owned; Novant holds title
Specify If Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project	\$0 (Novant already owns it)	\$0 (Novant already owns it)
Total Cost of Equipment	\$1.15 million	Acquired as part of an acquisition of certain assets from Insight Corp.
Fair Market Value of Equipment	\$650,000	\$650,000
Net Purchase Price of Equipment	\$1.15 million	Acquired as part of an acquisition of certain assets from Insight Corp.
Locations Where Operated	Coastal Diagnostic Imaging Jacksonville, NC	Proposed: Coastal Diagnostic Imaging Jacksonville, NC
Number of Days In Use/To be Used in NC per Year	365	365
Percent of Change in Patient Charges by Procedure	N/A	No Increase
Percent of Change in Per Procedure Operating Expenses by Procedure	N/A	No Increase

Type of Procedures Currently Performed on Existing Equipment	MRI Procedures	N/A
Type of Procedures New Equipment Is Capable of Performing	N/A	MRI Procedures

NH Kernersville MRI Scanner Replacement	Existing Equipment	Replacement Equipment
Type of Equipment (List Each Component)	MRI Equipment	MRI Equipment
Manufacturer of Equipment	Siemens	Siemens
Tesla Rating for MRIs	1.5T	1.5T
Model Number	Espreo	Aera
Serial Number	81981	TBD
Provider's Method of Identifying Equipment	Internal Asset Numbering System	Internal Asset Numbering System
Specify If Mobile or Fixed	Fixed Mobile	Fixed
Mobile Trailer Serial Number /VIN#	N/A	N/A
Mobile Tractor Serial Number /VIN#	N/A	N/A
Date of Acquisition of Each Component	Sept. 2013	TBD
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify If Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project	\$1,144,341	\$1,913,400
Total Cost of Equipment	\$1,120,000	\$916,215
Fair Market Value of Equipment	\$450,000	\$916,215
Net Purchase Price of Equipment	\$1,120,000	\$916,215
Locations Where Operated	NHKMC	NHKMC
Number of Days In Use/To be Used In NC per Year	365	365
Percent of Change In Patient Charges by Procedure	N/A	No Increase
Percent of Change In Per Procedure Operating Expenses by Procedure	N/A	No Increase
Type of Procedures Currently Performed on Existing Equipment	MRI Procedures	N/A
Type of Procedures New Equipment Is Capable of Performing	N/A	MRI Procedures



PMC  
MRI Volumes

	PMC		Total PMC		COH		Total COH	
	2017	2018	2018	Est 2019	2017	2018	Est 2019	2019
IP w/ Contrast	1,200	1,313	1,518	4,031	7	12	15	34
IP w/o Contrast	1,887	2,229	2,658	6,774	8	15	27	50
<b>Total IP</b>	<b>3,087</b>	<b>3,542</b>	<b>4,176</b>	<b>10,805</b>	<b>15</b>	<b>27</b>	<b>42</b>	<b>84</b>
OP w/Contrast	3,407	3,574	3,537	10,518	898	991	1,002	2,891
OP w/o Contrast	3,052	3,074	3,639	9,765	1,960	2,061	2,064	6,085
<b>Total OP</b>	<b>6,459</b>	<b>6,648</b>	<b>7,176</b>	<b>20,283</b>	<b>2,858</b>	<b>3,052</b>	<b>3,066</b>	<b>8,976</b>
<b>TOTAL ALL</b>	<b>9,546</b>	<b>10,190</b>	<b>11,352</b>	<b>31,088</b>	<b>2,873</b>	<b>3,079</b>	<b>3,108</b>	<b>9,060</b>
IP Volumes x .4	1,235	1,417	1,670	4,322	6	11	17	34
+ With Contrast x .4	1,843	1,955	2,022	5,820	362	401	407	1,170
+ Unweighted Vols	9,546	10,190	11,352	31,088	2,873	3,079	3,108	9,060
<b>Weighted MRI Vols</b>	<b>12,624</b>	<b>13,562</b>	<b>15,044</b>	<b>41,230</b>	<b>3,241</b>	<b>3,491</b>	<b>3,532</b>	<b>10,264</b>





**Projected Capital Cost Form**

Building Purchase Price	N/A
Purchase Price of Land	N/A
Closing Costs	N/A
Site Preparation	N/A
Construction/Renovation Contract(s) (Construction & RF Shield)	\$918,952
Landscaping	N/A
Architect / Engineering Fees	\$97,000
Medical Equipment (MRI & Injector)	\$1,849,801
Non-Medical Equipment	
Furniture	\$5,000
Consultant Fees (specify)	N/A
Financing Costs	N/A
Interest during Construction	N/A
Other (Construction Contingency)	\$80,000
<b>Total Capital Cost</b>	<b>\$2,950,753</b>



**CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER**

I certify that, to the best of my knowledge, the projected capital cost for the proposed project is complete and correct.

D. A. Kinken  
Signature of Licensed Architect or Engineer

Date Signed: 6-5-19

**CERTIFICATION BY AN OFFICER OR AGENT FOR THE PROPONENT**

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

[Signature]  
Signature of Officer/Agent

Date Signed: 6/6/19

President  
Title of Officer/Agent



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**PRELIMINARY PROPOSAL**

Customer Number: 0000009163

Date: 3/3/2019

**PRESBYTERIAN HOSPITAL**  
 200 HAWTHORNE LN  
 CHARLOTTE, NC 28204

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Quote Nr: **1-OPPEDL Rev. 6**

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**MAGNETOM Sola**

All items listed below are included for this system: *(See Detailed Technical Specifications at end of Proposal.)*

Qty	Part No.	Item Description	Extended Price
1	14460300	<p><b>MAGNETOM Sola - System</b></p> <p>MAGNETOM Sola - the first 1.5T BioMatrix system - leverages the intelligent combination of Tim 4G and the Siemens unique BioMatrix technology to be ready to embrace the unique set of challenges that each and every patient brings to the MRI exam.</p> <p>System Design</p> <ul style="list-style-type: none"> <li>- Short and open appearance (157 cm total system length cover-to-cover and 70 cm Open Bore Design) to reduce patient anxiety and claustrophobia</li> <li>- Whole-body superconductive Zero Helium Boil-Off 1.5T magnet</li> <li>- Weight-optimized magnet technology based on high performance 3T and 7T magnet design</li> <li>- Actively Shielded water-cooled Siemens gradient system for maximum performance</li> </ul> <p>Evolving from Total Imaging matrix, MAGNETOM Sola comprises a new technology that addresses the intrinsic biovariability in humans - BioMatrix Technology.</p> <p>BioMatrix Technology is designed to address different aspects of patient variability and is built on three key technological clusters:</p> <p>BioMatrix Sensors: anticipate challenges before they happen with respiratory sensors integrated in the spine coil to measure the patient's respiratory signal as soon as the patient is on the table in either head-first or feet-first position.</p> <p>BioMatrix Tuners: adapt and correct the field inhomogeneities induced by patient's individual anatomies with CollShim and SliceAdjust technologies for robust and repeatable IQ.</p> <p>BioMatrix Interfaces: easily manage any type of patient with intelligent interfaces such as Select&amp;GO panels to accelerate workflow without compromising quality.</p> <p>Tim 4G (Total Imaging matrix In the 4th generation) for excellent image quality and speed</p> <ul style="list-style-type: none"> <li>- Siemens unique DirectRX technology enabling all digital-in/digital-out design</li> <li>- Dual-Density Signal Transfer Technology</li> </ul>	\$731,000

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**PRELIMINARY PROPOSAL**

Qty	Part No.	Item Description	Extended Price
		Push-button exams with GO technologies Select&GO DotGO Recon&GO MR View&GO Tim Application Suite allowing excellent head-to-toe imaging - Neuro Suite - Angio Suite - Cardiac Suite - Body Suite - Onco Suite - Breast Suite - Ortho Suite - Pediatric Suite - Scientific Suite	
1	14456328	<b>BioMatrix Technology #Vi</b> The new and unique BioMatrix technology addresses the different aspects of patient bio-variability. It is based on three technological clusters: - BioMatrix Sensors address patient physiology, in order to anticipate challenges - BioMatrix Tuners address patient anatomy, in order to adapt to all patients, especially critical ones. - BioMatrix Interfaces address user interaction with the patient, to accelerate the workflow in the face of patient variability.	\$1
1	14460161	<b>MR General Engine #Vi</b> syngo.MR General Engine extends Numaris/X by adding dedicated workflows and tools for routine and advanced reading of MR examinations. A generic MR Basic workflow is provided, as well as specific MR Neurology, MR Prostate Reading, MR Breast Reading, and MR Cardio-Vascular workflows.	\$1
1	14456321	<b>Brain Dot Engine #Se</b> The Brain Dot Engine provides guided and automated workflows customizable to the site specific standards of care for general brain examinations. The Brain Dot Engine supports the user in achieving reproducible image quality with increased ease of use and time efficient exams. The brain workflow can be personalized to the individual patient condition and clinical need. Several predefined strategies are included, which can be easily selected with one click. They can be changed at any time during the brain workflow.	\$0
1	14461775	<b>DotGO Routine Package #BM</b> The DotGO Routine Package includes both: - Spine Dot Engine and - Large Joint Dot Engine.  As a package they offer a comprehensive set of workflows with guidance and automation, for standardized image quality in Spine and MSK MR imaging. The Spine Dot Engine provides the functionality of Inline Composing and Tim Planning Suite for streamlining workflows in all spine imaging. Tools, such as auto-positioning and vertebral recognition with AutoAlign Spine, AutoCoverage and Spine Labelling support and optimize reproducibility for your cervical, thoracic and lumbar spine imaging for all clinical indications. The Large Joint Dot Engine enhances standardization of the knee, hip and shoulder workflows and optimizes reproducible image quality by incorporating automation tools, such as	\$1

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		anatomically based auto-positioning (AutoAlign). Dedicated imaging techniques, such as Advanced WARP, are included and can help to expand the access of diagnostic MRI to a broader range of patient types.	
1	14441748	<b>Quiet Suite #T+D</b> Quiet Suite enables complete, quiet examinations for neurology and orthopedics with at least 70% reduction in sound pressure levels.	\$0
1	14460162	<b>Tim Whole Body Suite #Vi</b> Tim Whole Body Suite puts it all together. This suite enables table movement for imaging of up to 205 cm (6' 9") FoV without compromise. In combination with Tim's newly designed ultra-high density array higher spatial and temporal resolution can be achieved along with unmatched flexibility of any coverage up to Whole Body. For faster exams and greater diagnostic confidence.	\$1
1	14460227	<b>Tim Planning Suite #Vi</b> With the Tim Planning Suite, multiple regions in the entire body can be examined in a minimum of time through measurement planning on a single FoV of any desired size.	\$1
1	14456329	<b>syngo TimCT FastView #Vi</b> TimCT FastView is the "one go" localizer for the whole body or large body regions such as the whole spine or the whole abdomen. It acquires the complete extended Field of View in one volume with isotropic resolution. Transverse, coronal and sagittal reformats of the volume are calculated Inline and displayed for planning subsequent exams. - Inline reconstruction of the localizer images during the scan. - Localizing images in three planes over the maximum Field of View available for subsequent planning in all orientations. - TimCT FastView runs without laser light positioning to further streamline the workflow for several indications.	\$1
1	14460160	<b>Advanced Diffusion #Vi</b> QuietX DWI and RESOLVE together make up the Advanced Diffusion package.  QuietX DWI enables quieter diffusion-weighted imaging of the brain with up to 70% reduction in sound pressure relative to conventional diffusion-weighted imaging. RESOLVE (Readout Segmentation Of Long Variable Echo-trains) is a multi-shot, readout segmented EPI sequence for high-resolution, low-distortion diffusion-weighted imaging (DWI). This technique is largely insensitive to susceptibility effects, providing anatomically accurate diffusion imaging for the brain, spine, breast and prostate. In combination with syngo.MR Tractography, RESOLVE enables excellent white-matter tract imaging even in regions of high susceptibility, such as the spine.	\$1
1	14456327	<b>WARP &amp; Advanced WARP #Vi</b> WARP and Advanced WARP (SEMAC) Integrates different techniques tailored to reduce susceptibility artifacts caused by orthopedic MR-conditional metal implants.	\$1
1	14456237	<b>Advanced Cardiac Incl. PSIR #Vi</b> This package contains special sequences and protocols for advanced cardiac imaging including 3D and 4D BEAT functionalities. It supports advanced techniques for ventricular function imaging, dynamic imaging, tissue characterization, coronary imaging, and more.	\$1
1	14456323	<b>Inline Composing syngo #Se</b> Automatic anatomical or angiographic composing of multiple adjacent coronal or sagittal images for presentation and further evaluation. Composed images can be automatically loaded into Graphical Slice Positioning for scan planning purposes.	\$0
1	14456281	<b>syngo Expert-I</b> This software application enables remote access to the system (connected via local area network) for planning and processing.	\$1

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Qty	Part No.	Item Description	Extended Price
1	14460303	<p><b>Tim [204x48] XQ Gradient #So</b>            Tim [204x48] XQ-gradients performance level            Tim 4G's RF system and innovative coil architecture enables high-resolution imaging and increased throughput.            The system provides a maximum number of 204 channels (coil elements) that can be connected simultaneously. Flexible parallel imaging is achieved by the standard 48 independent RF channels that can be used simultaneously in one single scan and in one single FOV, each generating an independent partial image.            This option includes also Advanced High Order Shim.</p> <p>XQ - gradients            The XQ 45/200 gradients are designed for high performance and linearity to support clinical whole body imaging at 1.5T. The XQ gradients combine 45 mT/m peak amplitude with a slew rate of 200 T/m/s.            The force compensated gradient system minimizes vibration levels and acoustic noise.</p> <p>High-performance measurement and reconstruction system.</p>	\$193,500
1	14460306	<p><b>Standard Coil Package, 48-ch #So</b>            This package includes:            - BioMatrix Head/Neck 20 tiltable with CoilShim            - BioMatrix Spine 32 with Respiratory Sensors            - Body 18            - Flex Large 4            - Flex Small 4            - Flex Coil Interface</p>	\$64,500
1	14460415	<p><b>BioMatrix Dock. Table w/ eDrive #So</b>            The BioMatrix Dockable Table with eDrive is designed for maximum patient comfort and smooth patient preparation. The BioMatrix Dockable Table with eDrive can support up to 250 kg (550 lbs) without restricting the vertical or horizontal movement. The BioMatrix eDrive provides motorized assistance for easy maneuverability of the table.</p>	\$47,300
1	14460410	<p><b>Silver &amp; White Design #So</b>            MAGNETOM Sola is available in two different light and appealing design variants which perfectly integrate into different environments. The Silver &amp;White Design Variant comprises a brilliant white front design ring with integrated unique Select&amp;GO panels. The smoothly embracing deco area on the left side and the outer rings in the front and the back of the system is colored in brilliant silver.            The table cover is presented also in the same color and material selection.</p>	\$1
1	14456270	<p><b>PC Keyboard US English #Vi</b>            Standard PC keyboard with 105 keys.</p>	\$1
1	14460419	<p><b>High-End Computing [204x48] #So</b>            Tim 4G power computing upgrade for MAGNETOM Sola Tim [204x48]. This upgrade brings a high-end image reconstruction computer to the Tim [204x48] configuration.</p>	\$34,400
1	14456239	<p><b>Additional PERU Sensor Kit #Vi</b>            Additional PERU and charging station</p>	\$5,590
1	14456238	<p><b>Peripheral Pulse Unit #Vi</b>            Peripheral Pulse Unit for Pulse Triggering</p>	\$3,225

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1	14402527	<b>SWI #Tim</b> Susceptibility Weighted Imaging is a high-resolution 3D imaging technique for the brain with ultra-high sensitivity for microscopic magnetic field inhomogeneities caused by deoxygenated blood, products of blood decomposition and microscopic iron deposits. Among other things, the method allows for the highly sensitive proof of cerebral hemorrhages and the high-resolution display of venous cerebral blood vessels.	\$10,750
1	14416923	<b>Abdomen Dot Engine #T+D</b> The Abdomen Dot Engine: Personalized Exam Strategies - Guidance - Automatic sequence scaling - Auto Navigator - Auto-FoV - Timeline setup and monitoring - Automatic Voice Commands - Auto Bolus Detection - Inline radial range calculation for MRCP - Inline Subtraction - Inline Registration	\$25,800
1	14441761	<b>LiverLab #T+D</b> LiverLab is a system guided workflow to examine the hepatic fat and iron status, as part of the Abdomen Dot Engine.	\$19,350
1	14456267	<b>CS GRASP-VIBE #Vi</b> Compressed Sensing GRASP-VIBE (Golden-Angle Radial Sparse Parallel) makes it possible to conduct dynamic contrast-enhanced abdominal exams in free breathing. Acquisition is performed in one continuous run, using a golden-angle stack-of-stars radial scheme that confers robustness towards motion and the flexibility to choose the temporal resolution at reconstruction time. The temporal resolution may even vary over the duration of the scan. Reconstruction is performed using a Compressed Sensing accelerated iterative algorithm with per-voxel through-time regularization. The combination of features enables for free-breathing abdominal exams with both robust diagnostic image quality and the high temporal resolution required to capture the dynamic phases of contrast enhancement. Additional features: - Auto Bolus Detection at reconstruction time - Configuration of exam phases in terms of start time relative to the auto-detected bolus arrival, duration, temporal resolution, and pre-selection for export to PACS - Self-gating for further reduction of residual motion blur - Includes FREEZEit+ #Vi	\$27,950
1	14409198	<b>Native syngo #Tim</b> Integrated software package with sequences and protocols for non-contrast enhanced 3D MRA with high spatial resolution. syngo NATIVE particularly enables imaging of abdominal and peripheral vessels and is an alternative to MR angiography techniques with contrast medium, especially for patients with severe renal insufficiency.	\$21,500
1	14418746	<b>Cardiac Dot Engine, USA #T+D</b> Cardiac examinations: Dot Cardiac - Customized workflows that are easier to repeat. Using anatomical landmarks, standard views of the heart (such as dedicated long axis and short-axis views), are easily generated and can easily be reproduced using different scanning techniques. Scan parameters are adjusted to the patient's heart rate and automatic voice commands are given.	\$38,700
1	14456227	<b>CS Cardiac Cine #Vi</b> This option enables the BEAT sequence to perform highly accelerated 2D Cardiac Cine examinations based on a Compressed Sensing technique. It allows higher temporal resolution imaging in real time or in segmented mode, without compromising on spatial resolution. Protocols are provided for full coverage of the heart within a single breath-hold for quantitative functional assessment. In real-time mode, it is robust against arrhythmia and breathing artifacts.	\$17,200
1	14441747	<b>MyoMaps #T+D</b> This package contains special sequences and protocols for inline T1, T2 and T2* calculation at the heart. The generation of T1 and T2 parametric maps is enhanced by the use of motion	\$17,200



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Qty	Part No.	Item Description	Extended Price
		correction. T1,T2 and T2* parametric maps could be used to support assessment of cardiovascular disease.	
1	08464740	<b>Flow Quantification #Tim</b> Special sequences for quantitative assessment of flow.	\$8,600
1	14456247	<b>syngo.MR Cardiac Flow #1</b> syngo.MR Cardiac Flow processes velocity-encoded MR images to evaluate blood flow dynamics e.g. in the heart and the great vessels. The application generates quantitative results for physicians in the diagnostic process. The MR cardiac interactive reporting template is included.	\$7,740
1	14456252	<b>syngo.MR Cardiac 4D Ventr. Funct.#1</b> syngo.MR Cardiac 4D Ventricular Function processes MR cine images of the heart and generates quantitative results for physicians in the diagnostic process. MR cardiac interactive reporting template included.	\$15,050
1	14461619	<b>Turbo Suite Essential #BM</b> Turbo Suite Essential comprises established acceleration techniques to maximize productivity for all contrasts, orientations and all routine imaging applications from head-to-toe.	\$0
1	14469017	<b>Turbo Suite Excelerate #BM</b> Turbo Suite Excelerate comprises continuous access to cutting edge acceleration techniques such as Simultaneous Multi-Slice and Compressed Sensing for static 2D and static 3D imaging applications in Neuro, MSK and Body MRI.	\$13,545
1	14469020	<b>Turbo Suite Excelerate Support</b> Turbo Suite Excelerate Support provides Future Security for Turbo Suite Excelerate: - In consideration of Customer's purchase of the MAGNETOM MR scanner and simultaneous purchase of a 4 year point of sale Service Agreement with Evolve, and should such Evolve Upgrade installed during the term of the Service Agreement enable operation of static Compressed Sensing options and/or Simultaneous Multi-Slice options, then Customer may choose to receive up to four options from the suite of static Compressed Sensing and Simultaneous Multi-Slice application options at no additional cost.	\$25,155
1	14441809	<b>Body 30 #1.5T</b> The Tim 4G coil technology with Dual Density Signal Transfer and SlideConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility: - 30 channels or up to 46 (in combination with the Spine 32) - Dual Density Signal Transfer - Ultra light-weight - Highly flexible viscoelastic material - SlideConnect Technology  The Body 30 features: - 30-element design with 30 integrated preamplifiers (5 clusters of 6 elements each) - Can be combined with further coils for larger coverage - Can be positioned in different orientations (0°, 90°, 180°, 270°) for patient specific adaptations - No coil tuning - iPAT compatible in all directions  The highly flexible design allows the usage for: - Thorax (incl. heart) - Abdomen	\$43,000

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		<ul style="list-style-type: none"> <li>- Pelvis (incl. prostate)</li> <li>- Hip</li> <li>- Angiography</li> </ul> <p>Dedicated protocols are provided for abdominal imaging.</p> <p>Typically combined with:</p> <ul style="list-style-type: none"> <li>- Spine 32</li> <li>- Body 18</li> <li>- Body 18 long (optional)</li> <li>- Peripheral Anglo 36 (optional)</li> <li>- Body 30 (optional)</li> </ul>	
1	14460315	<p><b>Shoulder Shape 16 #So</b></p> <p>The Shoulder Shape 16 combines the known benefits of Tim 4G coil technology with new highly flexible materials, resulting in unmatched image quality, high patient comfort and easy handling. The Shoulder Shape 16 for examinations of the left or right shoulder consists of an iPAT-compatible 16-channel shoulder coil in a flexible shoulder cup that can be shaped around small and large shoulders. An L-shaped cushion for easy positioning of the patient is included. The 16-element coil with 16 integrated pre-amplifiers ensures maximum signal-to-noise ratio. Shoulder Shape 16 will be connected via a SlideConnect plug for fast and easy coil set-up and patient preparation.</p>	\$25,800
1	14460423	<p><b>Tx/Rx Knee 18 #So</b></p> <p>New 18-channel transmit/receive coil optimized for knee imaging. The spacious design with a flared opening towards the thigh allows scanning even of large and swollen knees with exceptional image quality and signal to noise ratio.</p> <p>Main features :</p> <ul style="list-style-type: none"> <li>- 18-element design (3x6 coil elements) with 18 integrated preamplifiers</li> <li>- iPAT-compatible</li> <li>- SlideConnect Technology</li> </ul>	\$34,400
1	14416962	<p><b>Foot/Ankle 16 #Ae</b></p> <p>The new Tim 4G coil technology with Dual Density Signal Transfer and DirectConnect Technolgy combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility.</p> <p>Foot/Ankle 16 for examinations of the left or right foot and ankle region consists of a base plate and an iPAT compatible 16-channel coil and allows high-resolution imaging of the foot and ankle within one examination. Foot/Ankle 16 is a cable-less coil and will be connected via DirectConnect for fast and easy patient preparation.</p>	\$32,250
1	14426332	<p><b>Tx/Rx CP Head Coil #Ae</b></p> <p>Circularly polarized no-tune transmit/receive coil with an open patient-friendly design. The integrated transmit mode allows volume selective excitation. Integrated, extremely low-noise pre-amplifiers permit very high signal-to-noise ratio. Furthermore, the coil is outfit with SlideConnect Technology, allowing for easier patient preparation and less table time for the patient.</p>	\$34,400
1	14407259	<p><b>MR Workplace Table, height adjust.</b></p> <p>The table is suitable for the syngo Acquisition Workplace and the syngo MR Workplace based on syngo hardware.</p> <p>This 110V version has motorized table height adjustment.</p>	\$1,075
1	14407261	<p><b>MR Workplace Container, 50cm</b></p> <p>50 cm wide extra case for the syngo host computer with sliding front door to allow change of storage media (CD/DVD/USB).</p>	\$860



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Qty	Part No.	Item Description	Extended Price
1	14456241	<p><b>Separator 60kW/75kW #Vi</b></p> <p>The SEP (Separation cabinet) has to be used if a central hospital chilled water supply is available or if a chiller of any brand/type is already available.            The SEP is the interface between the on-site water chiller (of any brand or type) or the interface to the central hospital cooling water supply.            For the above-mentioned cases the SEP is mandatory!</p> <p>In these cases, the primary water specifications must fulfill the requirements (i.e. 60 kW (for XK/XQ gradient) / 75kW (for XT gradient) heat dissipation; 100+-10l/min flow; 6 to 14°C (for XQ gradient)/6 to 12°C (for XT gradient) water temperature; pH value 6 to 8, max. working pressure 6 bar).</p> <p>Dimensions: 1950mm x 650mm x 650mm (height x width x depth)            Weight: approx. 350kg</p>	\$20,000
1	14460249	<p><b>UPS system #Vi</b></p> <p>UPS system Liebert GXT4 3000RT230E for MAGNETOM Vida for safeguarding computers. Including Power Cable of 9 m for connecting the UPS.            Power output: 3.0 kVA / 2.7 kW            Bridge time: 3 min full load / 12 min half load            Input voltage: 230 VAC</p>	\$3,000
1	14456316	<p><b>UPS Battery module (Libert GXT4 BATT)</b></p> <p>UPS battery module Liebert GXT4 72VBATTE for MAGNETOM Aera, Skyra, Prisma, ESSENZA, Amira, Spectra, CI for safeguarding computers.            Extension for: Liebert GXT4 3000RT230E (14456315)            Battery type: Closed, maintenance-free            Extension of the bridge time to: 21 minutes full load / 48 min half load with one module            Dimensions (H x D x W): Battery module: 430 x 602 x 85 mm</p> <p>Weight: approx. 46 kg</p>	\$1,000
1	14456228	<p><b>System Start Timer #Vi</b></p> <p>Timer clock that can be installed together with the MAGNETOM MR system to start the system automatically at user-definable times, eliminating waiting times during system boot up.</p>	\$1
1	MR_STD_RIG_INST	<p><b>MR Standard Rigging and Installation</b></p> <p>MR Standard Rigging and Installation</p> <p>This quotation includes standard rigging and installation of your new MAGNETOM system</p> <p>Standard rigging into a room on ground floor level of the building during standard working hours (Mon. - Fri./ 8 a.m. to 5 p.m.)            It remains the responsibility of the Customer to prepare the room in accordance with the SIEMENS planning documents            Any rigging requiring a crane over 80 tons and/or special site requirements (e.g. removal of existing systems, etc.) is an incremental cost and the responsibility of the Customer.            All other "out of scope" charges (not covered by the standard rigging and installation) will be identified during the site assessment and remain the responsibility of the Customer.</p>	\$0
1	MR_BTL_INST ALL	<b>MR Standard Rigging &amp; Install</b>	\$27,000
1	MR_PREINST_DOCK	<b>T+D Preinstall kit for dockable table</b>	\$550
1	MR_CRYO	<b>Standard Cryogenes</b>	\$8,000



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Qty	Part No.	Item Description	Extended Price
1	MR_PM	<p><b>MR Project Management</b></p> <p>A Siemens Project Manager (PM) will be the single point of contact for the implementation of your Siemen's equipment. The assigned PM will work with the customer's facilities management, architect or building contractor to assist you in ensuring that your site is ready for installation. Your PM will provide initial and final drawings and will coordinate the scheduling of the equipment, installation, and rigging, as well as the initiation of on-site clinical education.</p>	\$0
1	MRISMNS0001	<p><b>MRI Patient Audio System</b></p> <p>The MRI Patient Audio System is to be installed in the technologist room and is connected to the Siemens intercom system. The package provides the following benefits:</p> <ul style="list-style-type: none"> <li>• Create custom, commercial-free radio stations based on artist, song or genre preferences</li> <li>• Avoid any AM/FM tuning issues that may occur in RF-shielded rooms</li> <li>• Compatible with all popular audio apps (e.g. tunein, Spotify, iTunes, Audible, iHeartRadio, Pandora, etc.)</li> </ul> <p>Includes amplifier; all cables and adapters; Bose Companion 2 technologist speakers; 3.5 mm to RCA cable; and customized IPAD Mini with all original accessories and TuneIn Radio Pro App (pre-paid and installed).</p> <p>The MR Stereo can play regular radio, internet radio (depending on quality of and access to Radio wave signals and Wi-Fi signals) and device (iPAD) stored audio content. Optimal performance requires access to radio wave signals for regular radio and Wi-Fi signals for internet radio through the facility's wireless network.</p> <p>Installation is not included unless purchased with the Siemens system.</p> <p>Includes 3 year limited liability warranty on all system components through MRIaudio.</p>	\$2,600
1	MR_SYDOT_W KSP	<p><b>MR syngo Dot Onsite Workshop</b></p> <p>This 2-day onsite workshop for MR imaging professionals focuses on the MR syngo(r) Dot user interface and operating software implemented on our MAGNETOM(r) MRI systems. Through the use of demonstrations, lecture, and hands-on labs using Siemens' simulation consoles, participants will learn the basic principles and workflow of patient examinations. Prior to implementing this workshop, Siemens's will initiate a pre-workshop call with the identified facility contact to determine specific needs for the training. Depending on the MAGNETOM system type that is the focus of the workshop, the maximum number of attendees may vary from 8 to 12 - this will be determined during the pre-workshop call. Attendees will receive workbooks. This onsite workshop is scheduled consecutively (Monday - Friday) during standard business hours. This educational offering must be completed (12) months from purchase or install end date. If training is not completed within the applicable time period, Siemens' obligation to provide the training will expire without refund.</p>	\$12,000
1	MR_INITIAL_32	<p><b>Initial onsite training 32 hrs</b></p> <p>MR_INITIAL_32 Up to (32) hours of on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.</p>	\$7,800
1	MR_FOLLOWU P_32	<p><b>Follow-up training 32 hrs</b></p> <p>Up to (32) hours of follow-up on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Uptime Clinical Education phone support is provided during the warranty period</p>	\$7,800



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1	MR_FOLLOWU P_24	<p>for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.</p> <p><b>Follow-up training 24 hrs</b></p> <p>Up to (24) hours of follow-up on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.</p>	\$6,300
1	MR_ELEARN	<p><b>e.learning CEU subscription (12 mths)</b></p> <p>This (12) month multi-modality e.learning subscription will provide access for (10) imaging professionals at the customer site to utilize up to (50 CEUs).</p> <p>This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.</p>	\$650
1	MR_P_CONVR SNPRG	<p><b>Conversion Training Assurance Program</b></p> <p>This conversion assurance program is designed to help customers successfully transition to Siemens imaging systems. The program consists of (1) on-site consultation of up to 12 hours conducted by a Siemens Clinical Education Specialist and a specialized bundle of 5 web based e-learning modules up to support and optimize turnover training for up to 8 users. Up to 50 CE's may be available for users via the WBT e-learning modules. The consultation session will focus on the evaluation of your current procedures, clinical workflows and protocols and will also provide an overview of how your new Siemens system's features will benefit your overall workflow. Your Siemens specialist will also review the schedule and focus of other affiliated training that may have been acquired with your system purchase. This educational offering must be completed by the later of (12) months from install end date or purchase date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund</p>	\$5,000
1	MR_ADD_32	<p><b>Additional onsite training 32 hours</b></p> <p>Up to (32) hours of on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist if applicable. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.</p>	\$7,800
1	DTSWO2250M R60	<p><b>Dimplex chiller - 60 kW</b></p> <p>The Dimplex Thermal Solutions outdoor, air-cooled, water/glycol chiller has been specially designed for medical applications to provide stable, fully dedicated cooling.</p> <p>60 kW water/glycol air-cooled heat exchanger/chiller package for outside installation. Features dual tandem refrigerator circuits and dual redundant pumps. Unit also includes fluid reservoir and controls as well as remote control display to monitor the heat exchanger package operation from indoors at the operator's work station. This design also includes the features to meet the specification of OSHPD requirements. For use with Siemens SEP cabinet.</p> <p>Features:</p> <ul style="list-style-type: none"> <li>Dual 10 hp compressor, dual refrigerant circuits to smoothly transition through the 25 to 100% heat load capacity cycles of patient scanning and idling</li> <li>Energy savings and quiet operation when minimal cooling is required between patient use, and overnight for facilities located amongst residential areas</li> <li>Full capacity cooling enabling optimized utilization</li> <li>Dual, redundant fluid pumps, with automatic switch-over ensures no loss of flow</li> </ul> <p>Pricing also includes:            Filter &amp; flow meter kit</p>	\$54,373

Siemens Medical Solutions USA, Inc.  
 40 Liberty Boulevard, Malvern, PA 19355  
 Fax: (866) 309-6967



SIEMENS REPRESENTATIVE  
 Karen Dixon - (865) 360-8644

**PRELIMINARY PROPOSAL**

Qty	Part No.	Item Description	Extended Price
		Service package including two start-up visits (one upon cold head start-up, one at commissioning), one PM visit during 12 month P&L warranty period. One year warranty through Dimplex Thermal Solutions.	
		Customer is responsible for rigging and installation. Customer is responsible for providing glycol as specified by the manufacturer.	
		Coastal, low ambient temperature and split chillers are available.	
1	XPAS_DTS_ST ARTUP	<b>Start-up of DTS chiller</b>	\$0
1	MR_GOKNEE3 D	<b>GOKnee3D</b> GOKnee3D is a 10-minute, push-button examination for diagnostic imaging of the knee developed and clinically validated by the US board certified MSK radiologists at John Hopkins University Hospital. GOKnee3D exam consists of AutoAlign localizer in the knee, PD weighted contrast and T2 weighted contrast with fat suppression. The AutoAlign technology provides a push-button functionality and ensures consistency in imaging. The 3D protocols are high resolution and isotropic, enabled by SPACE sequence with CAIPIRINHA technique. SW syngo MR E11C AP04 is required for GOKnee3D. Examination time for 3T system is 10 minutes, for a 1.5T system is up to 11 minutes. All given examination times are examination only, adjustments have been excluded. Applies to measurements only with 15channel knee coil.	\$0
1	MRLOC_CARD DOT	<b>Local Offset - Cardiac Dot Engine, USA</b>	- \$38,700
1	MR_PR_DOTE NG2	<b>Dot Engine 2 pricing offset</b> To be eligible for this promotion, a binding purchase order of the application(s) must be received by Siemens Medical on or before September 30, 2019.	\$25,000
1	SY_PR_TEAM PLAY	<b>teamplay Welcome &amp; Registration Package</b> teamplay is a cloud-based network that brings together your imaging modality users, the systems' dose and utilization data, and the users' expertise to help you improve the delivery of care to your patients. Basic features are provided free of charge. Premium features (benchmarking, non-Siemens devices) are provided on a trial basis for three months at no charge, and may be used thereafter on a subscription fee basis. To register: <a href="http://teamplay.siemens.com/#!/institutionRegistration/1">http://teamplay.siemens.com/#!/institutionRegistration/1</a>	\$0
1	MR_BUDG_AD DL_RIG	<b>Budgetary Add'l/Out of Scope Rigging</b>	\$10,000
2	MR_FSA_FUN D	<b>Funding for MR Flexible Spending Account</b>	\$50,000
<b>System Total:</b>			<b>\$1,810,026</b>

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SIEMENS REPRESENTATIVE  
Karen Dixon - (865) 360-8644

### PRELIMINARY PROPOSAL

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OPTIONS on Quote Nr: 1-OPPEDL Rev. 6

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#### OPTIONS for MAGNETOM Sola

All items listed below are OPTIONS:

Qty	Part No.	Item Description	Extended Price
1	14460312	<b>Kinetic Sensor #So</b> The BioMatrix Kinetic Sensor enables the operator to monitor head movement visually during head examinations. It is a wing-shaped camera solution with a slim profile, which is mounted to the bore ceiling inside the MR scanner close to the isocenter. Its maximum thickness is 25mm from the top of the bore.  The Kinetic Sensor consists of four greyscale CCD cameras that are focused on the patient's head. The acquired images can be viewed on an LCD monitor located in the operator room close to the MR console.  This option includes: - Kinetic Sensor - Color 640 x 480 pixel LCD monitor	+ \$86,000

**FINANCING:** The equipment listed above may be financed through Siemens. Ask us about our full range of financial products that can be tailored to meet your business and cash flow requirements. For further information, please contact your local Sales Representative.

Siemens Healthcare is pleased to submit this Preliminary Pricing Proposal. A Preliminary Pricing Proposal is provided for planning purposes only; it is not contractually binding. To receive a contractually binding proposal for the Products listed above, inclusive of Terms, Conditions, and Warranty coverage, please contact your Siemens Healthcare Sales Representative.

Siemens Healthcare

Karen Dixon  
(865) 360-8644  
karen.dixon@siemens-healthineers.com

# Quotation

Quote No. Q-00025357

Sales Support  
tel (800) 633-7231  
fax (412) 406-0952  
[radiologysolutions.bayer.com](http://radiologysolutions.bayer.com)



Bayer HealthCare LLC  
1 Bayer Drive  
Indianola, PA 15051



**This quotation has been prepared for: Presbyterian Hospital**

Issued on 2/7/2019

Valid until 4/8/2019

Trade-In required No

## Your Bayer Sales Team:

Harold Karn, Senior Professional Sales Consultant, [trey.karn@bayer.com](mailto:trey.karn@bayer.com)

## Quotation Overview

Pricing Applied

Bayer's diagnostic imaging products, software, and equipment service help healthcare teams in radiology address their critical performance, quality, uptime, and scheduling requirements.

**Please note:** If pricing and terms of this [order/quote] are based upon your current Group Purchasing Organization (GPO) affiliation, any change to your current affiliation may require a new quote or updated terms and pricing.

>See [Products and Services Details](#) in this quote for an itemized breakdown of quoted products.

### Imaging Products and Services

Product Name	Total List Price	YOUR PRICE
MRXperion - Medrad® MRXperion™ MR Injection System(s) and Related Products/Services	\$59,850.00	\$39,775.00
<b>TOTAL</b> (Local taxes, shipping and/or handling to be invoiced when applicable)	<b>\$59,850.00</b>	<b>\$39,775.00</b>

# Quotation continued



Quotation prepared for: Presbyterian Hospital

Issued on 2/7/2019

Valid until 4/8/2019

## Products and Services Details

### MRXperion - Medrad® MRXperion™ MR Injection System(s) and Related Products/Services

#### MRXperion™ Injector System

Item(s)	Catalog No.	Qty	Unit List Price	Contracted Price	YOUR PRICE
Medrad® MRXperion® MR Injection System	MRXP 200	1	\$54,950.00	\$35,750.00	\$35,750.00
Installation - Medrad® MRXperion MR Injection System	INS MRXP	1	\$2,400.00	\$0.00	\$2,400.00
Penetration panel kit - Medrad® MRXperion MR Injection System	84680761	1	\$2,500.00	\$1,625.00	\$1,625.00

Subtotal \$39,775.00

**TOTAL** **\$39,775.00**

**GRAND TOTAL** (Local taxes, shipping and/or handling to be invoiced when applicable) **\$39,775.00**



# Quotation

Sales Support  
tel (800) 633-7231  
fax (412) 406-0952  
radiologysolutions.bayer.com

Bayer HealthCare LLC  
1 Bayer Drive  
Indianola, PA 15051



Quote No. Q-00025357

**This quotation has been prepared for: Presbyterian Hospital**

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Trade-in required No

## Your Bayer Sales Team:

Harold Karn, Senior Professional Sales Consultant, [trey.karn@bayer.com](mailto:trey.karn@bayer.com)

If you are using this quote as a purchase order, please complete the Acceptance and Billing information below:

## Acceptance and Billing

Your signature below indicates your acceptance of this Agreement, including the terms and conditions included as part of this document. Please complete the information below, along with your Purchase Order referencing Quote # Q-00025357, and email this form to Sales Support at [nisalessupport@bayer.com](mailto:nisalessupport@bayer.com) AND your SC, Harold Karn, at [trey.karn@bayer.com](mailto:trey.karn@bayer.com).

If pricing and terms of this order are based on your current Group Purchasing Organization (GPO) affiliation, any change to your current affiliation may require a new quote or updated terms and pricing. If your organization is tax exempt, please notify Sales Support at 1-800-633-7231.

### Payment terms

30 days due net

### Terms of Delivery

KANNAPOLIS

### Customer contact

### Address

1578 Roger Dale Carter Dr  
Kannapolis, NC 28081

### Billing Information

1578 Roger Dale Carter Dr  
Kannapolis, NC 28081

### Customer Number

130392

### Phone

### Additional Customer Comments

### PO#

Write PO number

### PO Amount

Write PO amount

### Customer Approver

Write customer name

### Customer Approver Title

Write customer title

### Billing Email Address (if applicable)

Write email address

### Customer Approver Signature

X

### Date

MM/DD/YYYY

Please print and sign

BAYER, the Bayer Cross, Certegra, P3T, Medrad, Stellant, XDS, Veris, Spectris Solaris, Spectris, DirectCARE, PartnerCARE, VirtualCare, SelectCARE, Mark 7 Arterion, and Mark V ProVis are registered trademarks of the Bayer group of companies. Radimetrics, MRXperion, Avanta, Twist & Go, and VFlow are trademarks of the Bayer group of companies.  
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## Bayer Product Terms and Conditions

### GROUP PURCHASING AGREEMENT

If Customer is a member of a group purchasing organization ("GPO") who has a contract with Bayer, the terms of that GPO Agreement will supersede the terms herein.

### SERVICE AGREEMENT SERVICE RATES AND POLICIES

**BACKGROUND** Bayer Healthcare LLC is referred to herein as "Bayer" and agrees to provide services to Buyer under the terms set forth in this Agreement.

**MODIFICATIONS** The prices and terms on this Agreement are not subject to verbal changes or other agreements unless approved in writing by Bayer's Corporate Office. Bayer is not responsible for typographical errors.

The following terms and conditions will not apply to the license of Bayer's Radiation Dose Management software (sometimes referred to as "RDM") and Contrast Dose Management software (sometimes referred to as "CDM"). A separate license agreement will be provided and will govern the license of RDM and CDM.

### ACCEPTANCE

Bayer's products and services are sold only under the terms and conditions stated on this quotation. Acceptance of any Purchase Order is expressly and exclusively made conditional on your assent to these terms and conditions. Any different or additional terms and conditions that may appear in your Purchase Order or any other document sent by you, shall have no effect. Bayer expressly objects to and rejects all inconsistent or additional terms, conditions and limitations contained on any of your forms or other writings. If you do not communicate your objection to these terms and conditions in writing and within a reasonable time, or if you accept the goods covered by this Quote, you will be deemed to have accepted these terms and conditions and they will control in all instances. If the Products include embedded software or if you are purchasing software, BY HAVING THE SOFTWARE INSTALLED AND USING THE SOFTWARE PURCHASED HEREUNDER, YOU AGREE TO BE BOUND BY THE TERMS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO THE TERMS OF THIS QUOTE, DO NOT INSTALL OR USE THE SOFTWARE AND NOTIFY BAYER IMMEDIATELY.

### PRICING

Prices are based on costs and conditions existing on the date of this Quote and may be changed by Bayer before final acceptance. The pricing for products and services provided pursuant to this Quote may reflect or be subject to discounts, rebates, or other price reduction programs. Please be advised that you are obligated to: a) fully and accurately disclose the amount of any such discounts, rebates, or other price reductions in your cost reports or claims for reimbursement to Medicare, Medicaid, or health care programs requiring such disclosure and b) provide

such documentation to representatives of the Secretary of the Department of Health and Human Services and state agencies upon request. Unless noted otherwise, the value of any product listed as \$0.00 on this Quote may constitute a discount that you should evaluate when filing such reports. You may request additional information from Bayer in order to meet your reporting or disclosure obligations, by writing to the address set forth in this Quote.

All payments are due net thirty (30) days on the total invoiced amount. For all new customers Bayer requires a thirty percent (30%) pre-payment for all capital equipment orders, unless otherwise agreed to by Bayer. Bayer must approve any payment terms other than net thirty (30) days.

### SHIPPING

All shipping dates are tentative. Bayer will make every reasonable effort to meet shipping dates referenced in this Quote. However, Bayer will not be liable for its failure to meet any such date.

### INSTALLATION

The cost of installation is not included in the product price and is your responsibility unless otherwise stated. For details on equipment installation, you should consult with your Bayer Sales Representative or refer to your Products Manual, which is included with your equipment.

If this Quote includes installation of an overhead counterpoise system (OCS) it is your responsibility to ensure a suitable mounting location for the system. The counterpoise ceiling plate is required to be installed prior to Bayer installation of the counterpoise system and installed in accordance with the specifications listed in the installation manual. The OCS ceiling plate should always be installed by a qualified Structural Engineer and/or Architect. In addition, if applicable building codes require the use of a conduit, you are responsible for ensuring that a conduit is available prior to Bayer's installation.

If this Quote includes a Spectris Solaris with an Integrated Continuous Battery Charging System (iCBC), installation will require a standard power outlet in the scan room, or authorization to install a filter through the penetration panel.

### LICENSE

If the Products include embedded software, or if you are purchasing software, Bayer grants to you a non-exclusive license to use such software provided by Bayer, solely in connection with, or to operate, the Products. Use of the software for any other purpose is strictly prohibited. This license is effective on the date you begin using the Products and software and will continue in effect unless you return the Products or software or if the license is terminated because you breach any provision of these Terms. Upon termination you shall immediately cease use of all software and shall return the Products and software to Bayer. The software

## Quotation continued



Quotation prepared for: Presbyterian Hospital

Issued on 2/7/2019

Valid until 4/8/2019

copyright is owned by Bayer and is protected by United States copyright laws and international treaty provisions. Bayer does not transfer title to the software to you, but retains the rights to make and license the use of all copies. You shall not copy, translate, disassemble, or decompile nor create or attempt to create, by reverse engineering or otherwise, the source code from the object code of the software. You are not permitted to modify or make derivative works of the software and ownership of any unauthorized modification or derivative work shall vest in Bayer.

### PRODUCT WARRANTY

**NEW PRODUCTS:** Bayer warrants that all new Bayer products are free from defects in workmanship or material under proper, normal use and service for a period of one year (12 months) from shipment, unless a longer period is provided on the warranty with the products, or as otherwise provided herein.

**REFURBISHED:** Bayer warrants that all refurbished Bayer products shall perform in accordance with the documentation provided, under proper, normal use and service for a period of the shorter of a) 90 days from installation or b) six months from shipment, unless a longer period is provided on the warranty with the products, or as otherwise provided herein.

**DISPOSABLE PRODUCTS:** If this Quote includes disposable products, Bayer's warranty shall be limited to repair or replacement of any defective disposable product upon receipt of the defective product and a Bayer Return Goods Authorization. You acknowledge that the disposables and the equipment are a system and your actions regarding your equipment may invalidate your warranty on the disposables.

During the warranty period, there shall be no charge for any action deemed necessary by Bayer, including parts, travel, or labor to fulfill the terms of the warranty, during local business hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, except Bayer holidays.

### SERVICES WARRANTY

If this Quote includes a service agreement that covers Corrective Maintenance, there will be no charge, for the period stated on the agreement, for any action (parts, labor, travel) deemed necessary by Bayer to service the equipment, excluding those items listed under "Exceptions". Bayer will perform on-site Corrective Maintenance during the hours specified on the maintenance program purchased. Buyer shall pay, as an additional charge for on-site Corrective Maintenance, all field labor and travel time, outside normal hours at Bayer's current service rates, including any appropriate premiums.

**WARRANTY ON REPAIRS:** All materials, labor and service provided hereunder are warranted to be free of defects in material

or workmanship for the longer of the term of this agreement or ninety (90) days from the date provided.

**PREDICTIVE MAINTENANCE SCHEDULE:** If this Quote includes a service agreement, Bayer shall perform Predictive Maintenance on the Product(s) during the hours specified in the maintenance program purchased. For Injector Products, Bayer will perform Predictive Maintenance within the first sixty (60) days of the effective date of the agreement or within twelve (12) months from the last PM provided by Bayer, unless otherwise agreed. Predictive Maintenance performed outside of PM Hours will be charged an additional one half (1/2) of Bayer's current hourly service rate, including any applicable premiums.

**UPTIME GUARANTEE:** If this Quote includes a service agreement that includes an uptime guarantee the following language applies: THIS PROVISION IS NOT APPLICABLE FOR PRODUCT PURCHASES—CUSTOMERS ARE ONLY ENTITLED TO UPTIME GUARANTEES IF THEY PURCHASE SELECTED SERVICE AGREEMENTS. For any calendar quarter during the term of this service agreement, and as per the terms of the service agreement, Bayer guarantees that the Product(s), will maintain a level of uptime equal to or greater than 97%.

Uptime is defined as the state when the Product(s) is working and/or available for use to your satisfaction. Downtime is defined as the state when the system is not operable due to breakdown, performance of repairs, or failure to perform according to specifications. The period of downtime shall be from notification of the manufacturer's service call center (1-800-633-7237) until the Product(s) is returned/presented to the designated representative properly functioning and ready for use. Scheduled routine preventive maintenance, scheduled upgrades of Product(s) or software, operator error in use of the Product(s), failures designated under "Exceptions" of the terms of the service agreement, and external failures (i.e., power loss) shall not be considered downtime. The effectiveness level is computed as follows:

Uptime will be calculated using the following formula:  
Uptime = (T-TNF) x 100

Where "T" is the total number of hours (24 hours/day x 7 days/week x 13 weeks) and "TNF" is the number of covered hours (less any time a loaner or consigned spare part is made available) the Product(s), or any component of the Product(s) is not functional during the quarter. "TNF" will be measured beginning with the time of initial notification to Bayer that the Product(s) is inoperable for clinical use and the time the Product(s) is available again for clinical use. If any portion of the total functionality of the Product(s) is unavailable for operational use, the Product(s) will be considered down.

Downtime will not be calculated for (i) hours that are outside of contracted coverage terms, (ii) any malfunction or damage described under "Exceptions" in the manufacturers extended warranty or extended service agreement terms, (iii) scheduled preventive maintenance, or any other scheduled event, including



those for the convenience of You, (iv) malfunctions caused by operator error, or (v) abuse of the Product(s), dead batteries, use of the Product(s) beyond its intended use or failure resulting from changes to the operator environment (i.e., scanner software, upgrades, changes, new magnet, room construction, etc.).

You will calculate uptime after each calendar quarter and will notify Bayer of any incident of non-conformance within 15 days of any such non-conformance. If uptime is less than 97%, then Bayer, upon verification, will extend the term of the service agreement without charge by one week for every full day that the Product(s) or any component of the Product(s) thereof is not operational beyond the allowable 3% level.

### EXCEPTIONS TO PRODUCT WARRANTY AND SERVICE AGREEMENT COVERAGE

Your actions may invalidate this warranty. If Bayer determines that an equipment or disposable problem is due to any of the following, you agree to pay Bayer for all labor, travel, material handling and shipping at Bayer's, or Bayer's agents, standard rates:

#### Malfunctions and Damage

- a) Malfunction or damage due to abuse, misuse or spillage of any type of fluid in or on the unit.
- b) Malfunction due to operator error, including failing to follow specified provisions of the Operations Manual.
- c) Malfunction or damage due to unauthorized modification or repair. Unauthorized actions may jeopardize functionality, reliability, or operator and patient safety. Therefore any claim caused by unauthorized modification or repair shall not be covered by this warranty and Bayer is relieved from any further obligation. Bayer must review and authorize all modifications and repairs. This service may be obtained by contacting the Bayer Service Department.
- d) Malfunction or damage due to the use of non-Bayer or non-approved accessories. The use of accessories in connection with the equipment may jeopardize functionality, reliability or operator and patient safety. Therefore any claim caused by the use of non-Bayer or non-approved accessories (such as non-Bayer disposables or in the case of any PET/CT product, the use of vials or vial shields that are not approved by Bayer) shall not be covered by this warranty and Bayer is relieved from any further obligation.
- e) Damage by fire, floods, or other disaster commonly known as "Acts of God".
- f) If the Products include any Counterpoise system, any system malfunction, damage or failures due to improper installation or not meeting Bayer's specific requirements for level and plumb and/or loading as specified in the Bayer manuals.
- g) If the Products include any Counterpoise system, any ceiling or wall support structure used to mount or support an Injector.
- h) Overhead Counterpoise System is excluded from Bayer's warranty. Bayer does not in any way warrant such structure.
- i) Failures caused by network outages or improper network configuration.
- j) Specific services plans may include additional exceptions so please review the details of your service plan.

### WARRANTY EXCLUSIONS

EXCEPT AS PROVIDED IN THE ABOVE WARRANTY SECTION, BAYER EXPRESSLY DISCLAIMS ALL WARRANTIES OR CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, NON INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE (WHETHER OR NOT IS AWARE OF YOUR INTENDED USE OF THE PRODUCT), AND ALL SUCH WARRANTIES ARE EXPRESSLY EXCLUDED. IN NO EVENT SHALL BAYER BE LIABLE FOR ANY LOST PROFITS OR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE OR OPERATION OF BAYER'S PRODUCT OR SERVICE. BAYER WILL NOT BE RESPONSIBLE FOR DAMAGES THAT EXCEED THE PAYMENT, IF ANY, RECEIVED BY BAYER FOR THE PRODUCT OR SERVICES FURNISHED, OR TO BE FURNISHED, UNDER THIS AGREEMENT. Some states do not allow the exclusions on limitation of incidental or consequential damages, so the above limitations may not apply.

This Limited Warranty gives you specific legal rights and you may also have other rights.

### SOFTWARE WARRANTY

If the Products include embedded software or if you are purchasing software, Bayer warrants that the software will substantially conform to the functional specifications contained in the Operations Manual for one year following delivery. This warranty shall not apply if you use the software in a manner that is not authorized or not in accordance with the user instructions or if you modify the Products or the software or if a party other than Bayer provides service to the Products or software. Bayer does not warrant that the software will operate uninterrupted or that it will be free from minor defects or errors that do not materially affect its performance. Your sole and exclusive remedy for any damages or loss in any way connected with the software whether due to Bayer's negligence or breach of any other duty shall be, at Bayer's option: i) to bring the performance of the software into substantial compliance with the functional specifications or ii) return of an appropriate portion of any payment by you with respect to the portion of the software that is not functioning.

### INDEMNIFICATION

Bayer agrees to indemnify, defend and hold you harmless from any liability, loss, expense, cost, claim or judgment (including attorneys fees), arising out of any claim by a third party for property damage, or personal injury or death where the product or

## Quotation continued



Quotation prepared for: Presbyterian Hospital

Issued on 2/7/2019

Valid until 4/8/2019

services were alleged to have caused or contributed to the damage, injury or death, provided that this indemnification does not extend to injuries, damages or death to the extent caused by the negligence, reckless disregard or intentional acts of you or any third party.

### FORCE MAJEURE

Bayer will not be responsible for delays or non-performance directly or indirectly caused by any acts of God, fire, explosion, flood, war, accident, action by governmental authority, inability to procure supplies and raw materials, delays in transportation, work stoppage, court order, and other causes beyond Bayer's reasonable control.

### COMPLIANCE WITH LAWS/EXPORT

In addition to any rights and remedies specifically identified here in this Quote, Bayer shall have all rights and remedies conferred by law. Bayer shall not be required to perform its obligations under this Quote if you have defaulted (e.g., failed to pay) under this Quote or any other contract involving Bayer. This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, United States of America. You warrant that you are and will remain in compliance with all export and re-export requirements, laws and regulations of the United States of America and any other applicable export and re-export laws and regulations.

### HIPAA

Bayer represents that it is not a Business Associate as defined in the Health Insurance Portability and Accountability Act ("HIPAA"). The functions Bayer is required to perform hereunder do not require the use or disclosure of Protected Health Information ("PHI"). To the extent any disclosure of PHI does occur, it is incidental and covered under the incidental disclosure rule found in 45 CFR 164.502(a)(1). In addition, to the extent any such incidental disclosure does occur, Bayer agrees to keep all such information confidential.

### SERVICE AGREEMENT CANCELLATION

Bayer may terminate any Service Agreement by giving written notice to you if you have not made payment by the due date or if you do not give Bayer access to the equipment at the scheduled time for service. You may cancel this Agreement at any time by giving sixty (60) days prior written notice to the Bayer Service Department. If the Agreement is terminated for any reason Bayer shall refund to you an amount equal to the amount you prepaid for the service that year less the assessed value of any Engineered Predictive Maintenance ("EPM") performed and the assessed value of any remaining agreement covered. If the EPM was performed and at least one onsite emergency service event was performed during the agreement period, the agreement shall be considered fulfilled and no refund for that service year will be due to you.

VirtualCare<sup>®</sup> REMOTE SERVICE. Bayer may provide remote diagnostic and monitoring services on the products under this Agreement using Bayer's proprietary hardware and software (the "Maintenance Materials"). Bayer provides the Maintenance Materials to you for use with the VirtualCare service. You have no right to use the Maintenance Materials except for the VirtualCare service and title to the Maintenance Materials remains with Bayer at all times. You may not sell, assign or transfer the Maintenance Materials to any third party. If you terminate VirtualCare service for any reason, you must contact Bayer to facilitate the return of the hardware to Bayer. If you fail to return the hardware to Bayer or breach the use provisions set forth herein, Bayer may remove the hardware from your site. The Maintenance Materials are and will remain Bayer's sole and exclusive property and Bayer does not grant you any licensed rights in the Maintenance Materials. In the event this Agreement is terminated or is not renewed, within sixty (60) days of contract termination or expiration Bayer will disable the VirtualCare system so that all auto alerts originating with the VirtualCare system will be muted and Bayer will no longer receive such notices. If the VirtualCare system is disabled by Bayer or taken offline by you, Bayer will no longer continue its current practice of automatic remote monitoring and error code detection, or proactive event assessment and diagnostics. You understand that the VirtualCare connection may still exist but that no information will be relayed to Bayer from your systems.



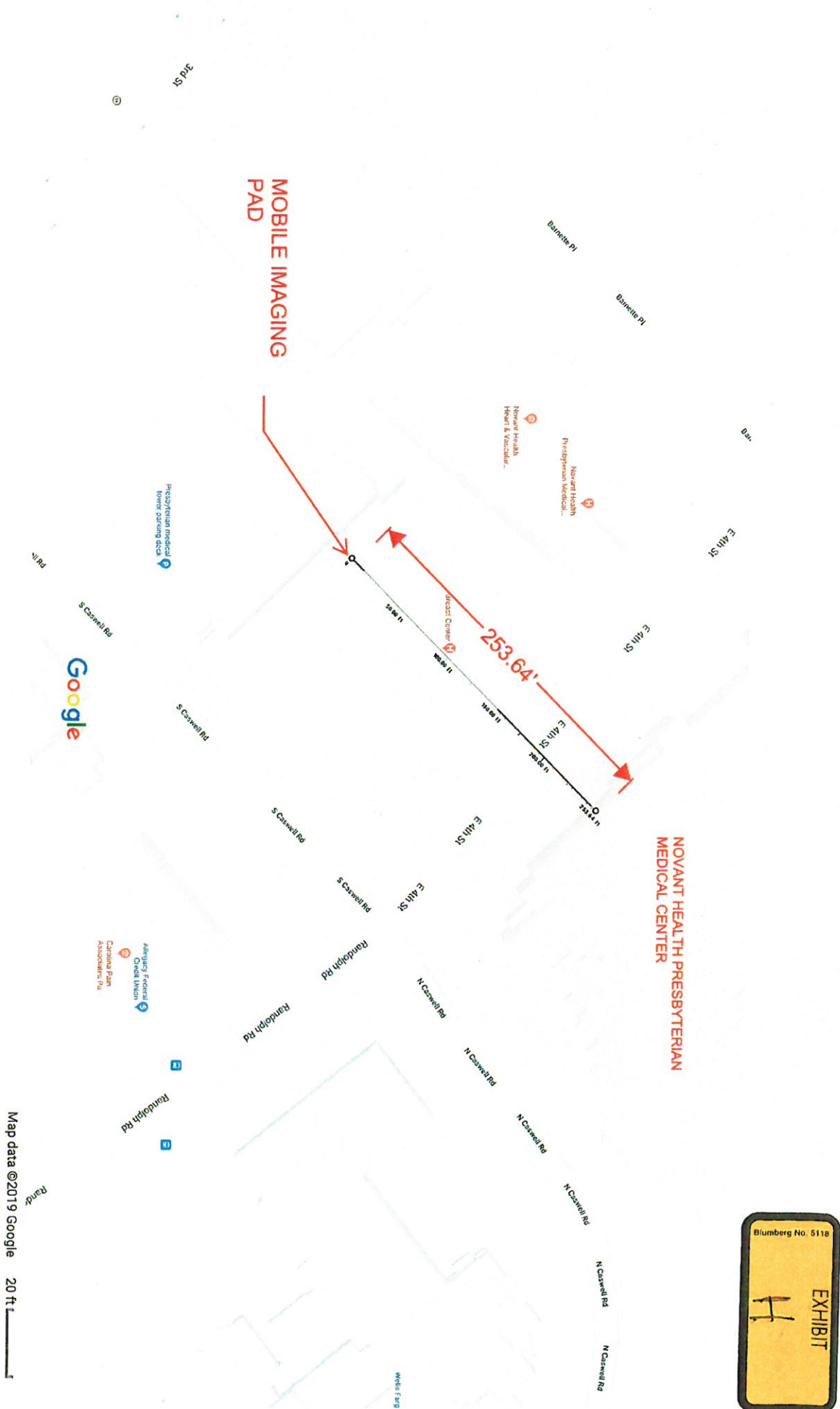
**EQUIPMENT COMPARISON**

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type (e.g., Cardiac Catheterization, Gamma Knife®, Heart-lung bypass machine, Linear Accelerator, Lithotripter, MRI, PET, Simulator, CT Scanner, Other Major Medical Equipment)	MRI	MRI
Manufacturer	Siemens	Siemens
Model number	Espree 1.5T	Sola 1.5T
Other method of identifying the equipment (e.g., Room #, Serial Number, VIN #)	31381	n/a-NEW
Is the equipment mobile or fixed?	Mobile-Grandfathered	FIXED
Date of acquisition	2013	2019
Was the existing equipment new or used when acquired? / Is the replacement equipment new or used?	Used	NEW
Total projected capital cost of the project <Attach a signed Projected Capital Cost form>	NA	
Total cost of the equipment	\$1,144,341 MRI/Trailer	1.9M
Location of the equipment <Attach a separate sheet for mobile equipment if necessary>	Forsyth County, Mecklenburg County, & Guilford County	Mecklenburg County
Document that the existing equipment is currently in use	SMFP 2019	NA
Will the replacement equipment result in any increase in the average charge per procedure?	NA	No
If so, provide the increase as a percent of the current average charge per procedure	NA	NA
Will the replacement equipment result in any increase in the average operating expense per procedure?	NA	No
If so, provide the increase as a percent of the current average operating expense per procedure	NA	NA
Type of procedures performed on the existing equipment <Attach a separate sheet if necessary>	MRI Scans	NA
Type of procedures the replacement equipment will perform <Attach a separate sheet if necessary>	NA	MRI Scans

Date of last revision: 5/17/19

Blumberg No. 5118  
EXHIBIT  
G





Map data ©2019 Google 20 ft

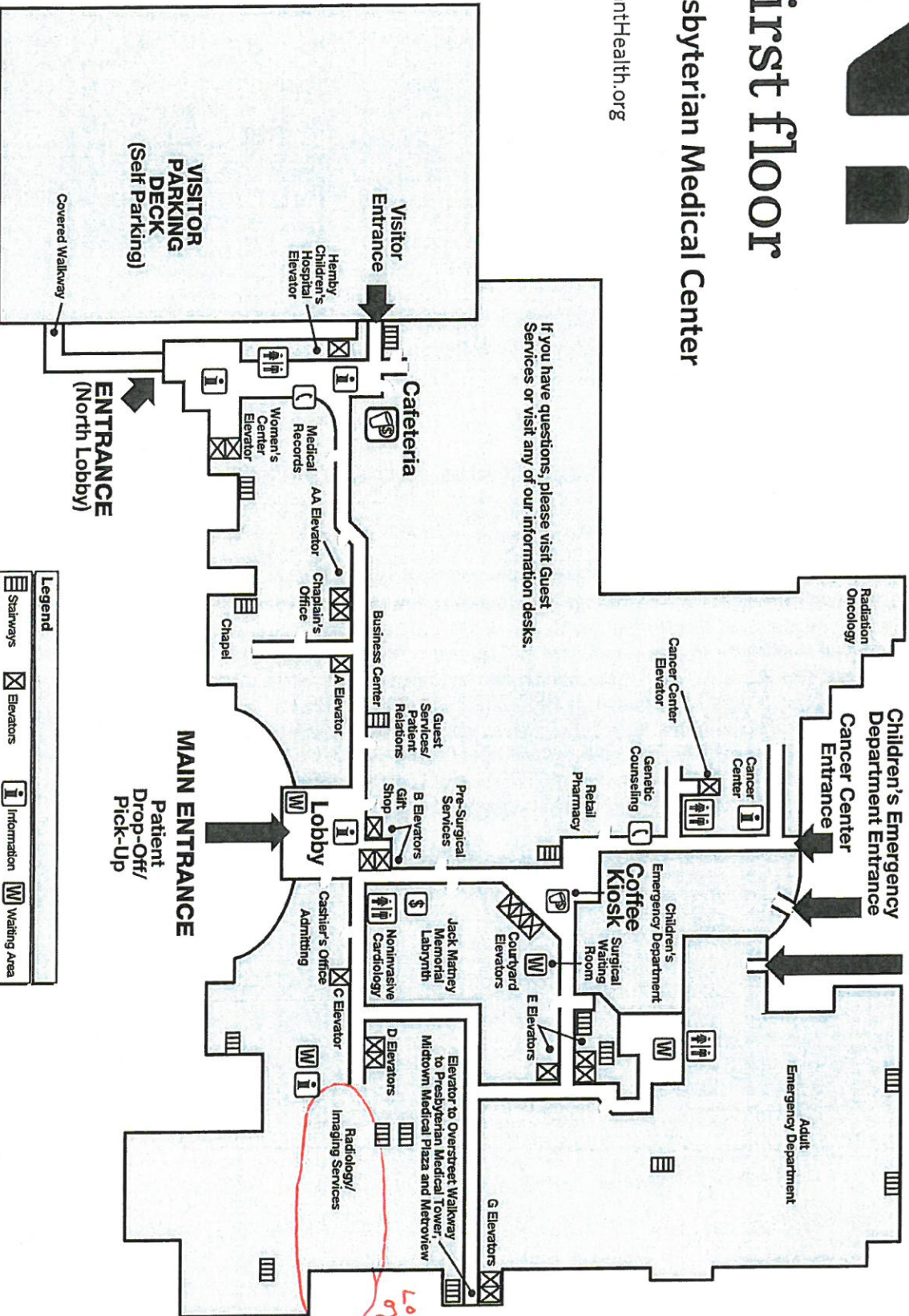
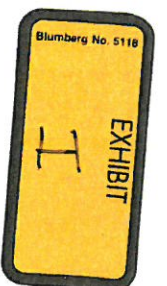




# First floor

## Presbyterian Medical Center

NovantHealth.org



If you have questions, please visit Guest Services or visit any of our information desks.

Legend	
	Stairways
	Elevators
	Information
	Waiting Area
	Restrooms
	Food Services
	Telephones
	ATM

*Location of MRI or Scanner*





Presbyterian Medical Center  
200 Hawthorne Lane  
Charlotte, NC 28204

Martha J. Frisone, Chief  
Healthcare Planning and Certificate of Need Section  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Re: Third fixed MRI Scanner at Novant Health Presbyterian Medical Center

Dear Ms. Frisone:

I am the Senior Vice President of Hospital Operations at Novant Health, Inc. In this role, I have direct, first-hand knowledge of the buildings and grounds at Novant Health Presbyterian Medical Center ("NHPMC"). I understand that Novant Health, Inc. and NHPMC are seeking an exemption to replace a grandfathered mobile MRI scanner with a fixed MRI scanner at NHPMC. If approved, this would be the third fixed MRI scanner at NHPMC. The location where we proposed to install the third fixed MRI scanner is on the first floor, D Wing in the Radiology Department of NHPMC, located at 200 Hawthorne Lane in Charlotte. This is the site of the main building from which NHPMC, a licensed health service facility, provides clinical patient services and exercises financial and administrative control over the entire facility. A campus map and a map of the first floor of NHPMC are attached to this letter. As such, 200 Hawthorne Lane is the main campus of NHPMC pursuant to N.C. Gen. Stat. § 131E-176(14n).

Please let me know if you have any questions. Thank you for your time and attention.

Sincerely,

Harry L. Smith  
SVP, Hospital Operations