



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 #: 2985
Facility Name: Presbyterian Mobile Imaging, LLC
FID #: 041314
Business Name: Presbyterian Mobile Imaging, LLC
Business #: 1467
Project Description: Replace existing mobile MRI scanner MQ with existing mobile MRI scanner MQ27
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(a)(7). Therefore, you may proceed to acquire without a certificate of need the Siemens Espress 1.5T mobile MRI scanner (ID# 31381) to replace the GE 1.5T HDX mobile MRI scanner (ID# 235487). This determination is based on your representations that the existing unit will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

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

Sincerely,

Handwritten signature of Julie M. Faenza

Julie M. Faenza
Project Analyst

Handwritten signature of Martha J. Frisone

Martha J. Frisone
Chief

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

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Received by Healthcare  
Planning & CON Section  
JUL - 8 2019

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  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Re: Replacement Equipment Exemption Request for Mobile MRI Scanner

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 a mobile MRI scanner. Novant is MedQuest's ultimate parent entity. This letter supersedes and replaces an earlier version of this letter which was submitted to the Agency on June 17, 2019 (the "June 17 Letter"). I withdrew the June 17 Letter via email to Ms. Faenza on June 28, 2019.

By separate correspondence, Novant has informed the Agency of its intention to replace a grandfathered mobile MRI scanner, MQ 27, with a fixed MRI scanner at Novant Health Presbyterian Medical Center ("NHPMC"). Assuming that request is approved, in this letter, Novant proposes to bring MQ 27 back to North Carolina and replace another mobile, called Presbyterian Mobile Imaging, LLC ("PMI") with MQ 27. PMI's route currently consists of the following sites:

- Mooresville Diagnostic Imaging, 118 Gateway Blvd., Suite E, Mooresville, NC ("Mooresville")
- Novant Health Imaging University, 8401 Medical Plaza Drive, Charlotte, NC 28211 ("University")
- Novant Health Imaging Steele Creek, 13557 Steelcroft Pkwy, Suite 110, Charlotte, NC 28278 ("Steele Creek")
- Novant Health Imaging Monroe, 2000 Wellness Blvd., Monroe, NC 28110 ("Monroe")

Martha J. Frisone  
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Since Novant already owns MQ 27 and the trailer, there is no cost to acquire MQ 27 and the trailer. Novant presently estimates the fair market value of the MQ 27 scanner and trailer to be \$800,000; the original purchase price was \$1,144,341.00

This replacement is therefore 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.

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

(1) it has the same technology as PMI, 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 PMI 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 A**.

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 PMI with MQ 27 does not increase the inventory of MRI scanners in North Carolina owned by MedQuest or Novant. If this request is approved, PMI would be taken out of North Carolina and would not be brought back to North Carolina without CON approval.

Novant proposes the following route for MQ 27:

Monday:	Mooresville
Tuesday:	Steele Creek or Monroe
Wednesday:	Steele Creek or Mooresville
Thursday:	University
Friday:	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).

Martha J. Frisone  
July 8, 2019  
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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 black ink, appearing to read "Denise M. Gunter". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Denise M. Gunter

Enclosures

Exhibit A: Equipment comparison form

EQUIPMENT COMPARISON



	EXISTING EQUIPMENT (Presby)	REPLACEMENT EQUIPMENT (MQ27)
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	GE	Siemens
Model number	1.5T HDX	Espree 1.5T
Other method of identifying the equipment (e.g., Room #, Serial Number, VIN #)	235487	31381
Is the equipment mobile or fixed?	Mobile-F-7164-04	Mobile
Date of acquisition	2006	2013
Was the existing equipment new or used when acquired? / Is the replacement equipment new or used?	NEW	USED-Novant Owned
Total projected capital cost of the project <Attach a signed Projected Capital Cost form>	NA	NA
Total cost of the equipment	\$1,651,978.52 650K FMV	\$1,144,341 800K FMV
Location of the equipment <Attach a separate sheet for mobile equipment if necessary>	Iredell County, Mecklenburg County, & Union County	Iredell County, Mecklenburg County, & Union 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	MRI Scans
Type of procedures the replacement equipment will perform <Attach a separate sheet if necessary>	MRI Scans	MRI Scans

Date of last revision: 5/17/19