



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

January 4, 2019

Kenneth L. Burgess
130 South Franklin Street
Rocky Mount, NC 27804

Exempt from Review – Replacement Equipment

Record #: 2825
Facility Name: Transylvania Regional Hospital
FID #: 040272
Business Name: Transylvania Community Hospital, Inc.
Business #: 1871
Project Description: Replace and relocate MRI scanner
County: Transylvania

Dear Mr. Burgess:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of December 27, 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 acquire without a certificate of need the GE MR 450W MRI scanner to replace the GE 1.5 T LX MRI scanner and relocate it from the Brevard Imaging building to the main hospital building of Transylvania Regional Hospital. 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,

Gloria C. Hale
Team Leader

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

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

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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



Poyner Spruill^{LLP}

December 27, 2018

Kenneth L. Burgess
Partner
D: 919.783.2917
F: 252.972.7045
kburgess@poynerspruill.com

VIA EMAIL

Martha Frisone, Chief
Ena Lightbourne, Project Analyst
Healthcare Planning and Certificate of Need Section
N.C. Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: **Transylvania Community Hospital, Inc. Notice of Exemption for Replacement and Relocation of MRI on Main Campus; FDID # 040272**

Dear Martha and Ena:

Our law firm represents Transylvania Community Hospital, Inc., d/b/a Transylvania Regional Hospital ("TRH"), which owns and operates an MRI scanner located at Brevard Imaging, 301 Hospital Drive on the TRH main campus in Transylvania County. TRH now desires to replace the existing MRI scanner and to relocate it from the Brevard Imaging building to the main hospital, both located on the TRH main campus. See Exhibit 1 (hospital schematic showing the current and proposed future location of the MRI). I writing to request that the N.C. Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section ("the CON Section") confirm that the replacement and relocation of the MRI scanner on the TRH main campus is exempt from certificate of need ("CON") review within the meaning of N.C. Gen. Stat. §131E-184(a)7).

TRH's existing MRI Scanner is a GE 1.5 T LX MRI Scanner. TRH proposes to replace the existing scanner with a GE MR 450W Scanner system. See Exhibit 2 (Letter from John Donovan, Client Executive, GE Healthcare) and Exhibit 3 (GE Healthcare quotation excerpt with system description).

For the reasons set forth below, we believe that TRH's replacement of the existing MRI Scanner is exempt from CON review pursuant to N.C. Gen. Stat. §131E-184(f).

Analysis

The CON Law precludes any person from offering or developing a "new institutional health service" without first obtaining a CON. N.C. Gen. Stat. § 131E-178(a). The definition of "new institutional health service" includes, *inter alia*, the following:

- The acquisition by purchase, donation, lease, transfer or comparable arrangement of "major medical equipment," which is defined as a single unit or single system of components used to provide medical and health services which costs more than \$750,000.00, including the costs of the equipment and all studies, drawings, installation and any other activities essential to acquiring and making the equipment operational.

N.C. Gen. Stat. §§ 131E-176(16)(b), (16)(p) and (14o). However, the CON Law contains a specific exemption applicable to "replacement equipment" that costs less than \$2,000,000.00.

Statutory Exemption For Replacement Equipment Which Costs Less Than \$2,000,000.00

N.C. Gen. Stat. §131E-184(a)(7) provides an express exemption from CON review for the acquisition and installation of "replacement equipment" costing less than \$2,000,000.00, provided that the CON Section receives prior written notice from the party proposing to acquire the equipment which explains why the proposed acquisition and installation qualifies under this exemption. The statute and accompanying regulations further define "replacement equipment" as follows:

Equipment that costs less than two million dollars (\$2,000,000.00) 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 calculating the total cost of the replacement equipment, the costs of the 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 or the cost of the equipment, whichever is greater.

N.C. Gen. Stat. §131E-176(22a). 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 N.C. Admin. Code 14C .0303(d)(1)-(3).¹

Replacement Of Transylvania Regional Hospital's MRI Is Exempt From CON Review Under These Authorities

The replacement of Transylvania's MRI falls within the parameters of this exemption because:

1. The equipment being replaced is currently located at Brevard Imaging at Transylvania Regional Hospital, at 260 Hospital Drive, on the hospital's main campus. The replacement MRI will be located in the main hospital building at TRH, which has an address of 301 Hospital Drive and is approximately seventy (70) feet away from the site of the existing MRI scanner. The site of the existing MRI scanner and the main hospital building are separated only by a road (Hospital Drive), which is a public right-of-way located on the TRH campus. See Exhibit 4 (Letter from Kelly McFarland, Regional Director, Imaging Services for Mission Health System, Inc.); see Exhibit 1 (diagram of hospital campus showing current and future location of the MRI).

¹ Pursuant to 10A NCAC 14C .0303, equipment does not qualify as "replacement equipment" where equipment which was second-hand or reconditioned is being replaced with new equipment within three (3) years of the acquisition of the equipment being replaced, or leased equipment is being replaced with purchased equipment. The existing MRI scanner which is being upgraded was purchased new in 2006. As such, 10A NCAC 14C .0303 does not apply to this Project.

2. The equipment being replaced is currently in use at TRH. See Exhibit 4 (K. McFarland letter).
3. The total estimated cost of the project is \$1,822,404.00,² placing the project within the terms of the statutory exception set forth at N.C. Gen. Stat. §131E-184(a)(7). See Exhibits 5 (Certified Total Capital Cost Worksheet) and 3 (price quotation excerpt from GE Healthcare).
4. The CON Section previously issued a CON for the equipment which is now in use and is being replaced. See Exhibit 6. See also, Exhibits 7 (2018 State Medical Facilities Plan ("SMFP")) Table 9P showing one (1) fixed MRI at TRH) and 8 (Draft 2019 SMFP Table 9P showing one (1) fixed MRI at TRH).
5. The MRI which will be replaced will be sold or disposed of upon acquisition and installation of the replacement scanner. The existing MRI will be removed by and returned to GE Healthcare. See Exhibit 2 (letter from John Donovan, Client Executive, GE Healthcare).
6. The MRI being replaced was new when purchased by Mission and is more than three years old, having been purchased and installed in 2006. See Exhibits 4 (K. McFarland letter) and 6 (CON for existing MRI Scanner showing CON approval in 2005 with scheduled equipment operation date of 2006).
7. The new MRI will have the same capabilities as the scanner being replaced, although it may have additional capabilities due to the advancement of MRI technology, is functionally similar to the existing CT Scanner and will be used for the same diagnostic or treatment purposes as the equipment being replaced. See Exhibit 4 (K. McFarland letter).
8. The project will not increase patient charges or per procedure operating expenses more than 10% within 12 months of the replacement equipment being acquired. See Exhibit 4 (K. McFarland letter).

Conclusion

For the reasons set forth above, we believe that the proposed replacement of TRH's existing MRI Scanner is exempt from CON review and that no CON is required for the project. We respectfully request that you review the attached documentation and confirm that this is the case.

² In calculating construction costs, our clients relied upon prior Agency determinations that the construction costs "essential to acquiring and making operational the replacement equipment" should include only those costs directly related to removing the old equipment, installing the new equipment and making sure that equipment operates properly. In the case of a CT scanner, for example, such cost should include upfit of the CT room related solely to the operation of the CT scanner (e.g., shielding, extra electrical connections), but need not include other construction costs associated with that room. Similarly, the Agency has previously determined that costs associated with the installation of equipment in the control room for the CT scanner should be included only to the extent that those costs would be different from construction related to general office space. Mission Hospitals, Inc. v. NC DHHS, ___ N.C.App. ___, 696 S.E.2d 163 (2010).

Martha Frisone
December 27, 2018
Page 4

Please feel free to let me know if you have questions or need additional information regarding this project.

Very truly yours,


Kenneth L. Burgess
Partner

cc: Garrett Schreffler
Sonya Greck

Attachments

EXHIBIT 1

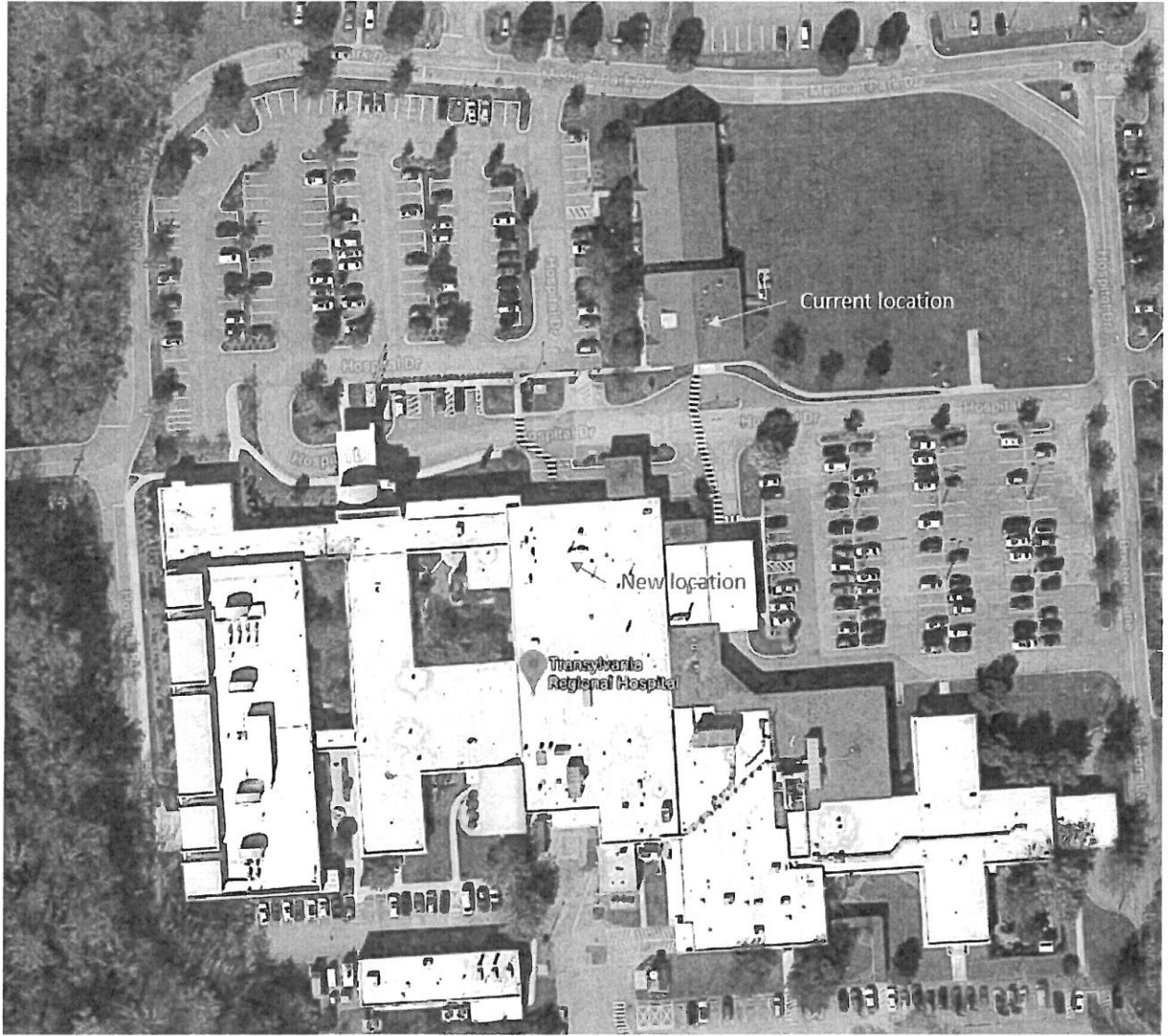


EXHIBIT 2

g

October 22, 2018

Mrs. Rita Edwards
Chief Ancillary Officer
Mission Health System, Inc
509 Biltmore Avenue
Asheville, NC 28801

Dear Mrs. Edwards:

This letter is to inform you that GE Healthcare will be removing the 1.5T LX MRI Scanner from Transylvania Hospital on trade as part of the purchase of the GE MR 450W. The LX MRI will be returned to GE Healthcare and will not be reinstalled in the State of NC without the proper CON.

Please let me know if you have any questions or concerns. I can be reached at 864-415-3886.

Sincerely,

John L. Donovan

John Donovan
Client Executive
GE Healthcare
864-415-3886

EXHIBIT 3



GE Healthcare

Date: 06-19-2018
Quote #: PR14-C37640
Version #: 6
Q-Exp-Date: 06-29-2018

Issued By:
GE Healthcare
FEIN: 14-0689340

Customer Address:
Transylvania Regional Hospital
260 Hospital Dr
Brevard NC 28712-3378

Attention:
Ms. Kelly Mcfarland
430 Rankin Dr Marion
NC 28752

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions. In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties.

Governing Agreement:	Mission Master Relationship Agreement
Customer Number:	1-231A20
Terms of Delivery:	FOB Destination
Billing Terms:	80% delivery / 20% installation
Payment Terms:	NET 30
Total Quote Net Selling Price:	\$986,536.60
Sales And Use Tax Status:	No Exemption Certificate on File

** The following ship to states do not impose a sales/use tax (AK, DE, MT, NH, OR). No exemption certificate required.

INDICATE FORM OF PAYMENT:

If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

Cash/Third Party Loan/Check GE HEF Loan

GE HEF Lease Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it (i) has received a complete copy of this Quotation, including the GE Healthcare terms, conditions and warranties, and (ii) has not made any handwritten or electronic modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Kevin Morris 06-19-2018

Signature Date

Imaging Account Manager

Email: Kevin.Morris@ge.com
Office: +1 803 608 2460
Mobile: 803-608-2460



GE Healthcare

Date: 06-19-2018
 Quote #: PR14-C37640
 Version #: 6
 Q-Exp-Date: 06-29-2018

Total Quote Selling Price	\$1,040,536.60
Trade-In and Other Credits	\$54,000.00

Total Quote Net Selling Price	\$986,536.60

To Accept this Quotation
 Please sign and return this Quotation together with your Purchase Order To:
Anthony Morris
 Office: +1 803 608 2460
 Mobile: 803-608-2460
 Email: Kevin.Morris@ge.com

Payment Instructions
 Please Remit Payment for invoices associated with this quotation to:
GE Healthcare
P.O. Box 96483
Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate, your form of payment.
- If you include the purchase order, please make sure it references the following information
 - The correct Quote number and version number above
 - The correct Remit To information as indicated in "Payment Instructions" above
 - The correct SHIP TO site name and address
 - The correct BILL TO site name and address
 - The correct Total Quote Net Selling Price as indicated above

"Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms.
 Signature page on quote filled out with signature and P.O. number.

*****OR*****
 Verbiage on the purchase order must state one of the following: (i) Per the terms of Quotation #_____; (ii) Per the terms of GPO#_____; (iii) Per the terms of MPA #_____; or (iv) Per the terms of SAA #_____. Include the applicable quote/agreement number with the reference on the purchase order.
 In addition, source of funds (choice of: Cash/Third Party Loan or GE HEF Lease or GE HEF Loan or Third Party Lease through _____), must be indicated, which may be done on the quote signature page (for signed quotes), on the purchase order (where quotes are not signed) or via a separate written source of funds statement (if provided by GE Healthcare)."



GE Healthcare

Date: 06-19-2018
Quote #: PR14-C37640
Version #: 6
Q-Exp-Date: 06-29-2018

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
	1		GoldSeal Optima MR450w 1.5T GEM			
1	1	S5000WB	<p>GoldSeal Optima 450W GEM 25</p> <p>The GoldSeal Optima MR450w GEM 1.5T MR system from GE Healthcare is designed to deliver a comfortable patient-friendly environment while also delivering uncompromised clinical performance and streamlined workflow.</p> <p>The Essential platform package delivers the system electronics, operating software, imaging software, post-processing software and RF coil suite for the Optima MR450w GEM system:</p> <ul style="list-style-type: none"> • eXtreme Gradient Technology • Acoustic Reduction Technology • OpTix RF Receive Technology • Volume Reconstruction Engine • Computing Platform and DICOM • GEM Express Patient Table with IntelliTouch • GEM Suite - Essential Coil Package • Express Workflow and In-Room Operator Console • ScanTools and Essential Tools • Cable Concealment Kit <p>eXtreme Gradient Technology:</p> <p>The Optima MR450w GEM system utilizes the 34/150 gradient driver Technology to deliver premium clinical performance. The eXtreme gradients are non-resonant and actively shielded to minimize eddy currents. The gradients deliver high fidelity reproducibility through a</p>	\$1,000,000.00	57.83%	\$421,657.52



GE Healthcare

Date: 06-19-2018
 Quote #: PR14-C37640
 Version #: 6
 Q-Exp-Date: 06-29-2018

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
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digital control architecture that features a dedicated active feedback loop that regulates current errors, and a feed-forward model that matches amplifier output to gradient coil. The gradient coil and the RF body coil are integrated into a single module that is both water and air cooled.

- Peak amplitude per axis: 34 mT/m
- Peak slew rate per axis: 150 T/m/s
- Peak current: 660 Amps
- Peak voltage: 1650 Volts
- Maximum FOV: 50cm
- Duty Cycle: 100%

Acoustic Noise Reduction Technology:

The Optima MR450w GEM system features five levels of acoustic reduction technology to deliver an enhanced patient environment. Magnet interaction with the building is addressed through the vibro acoustic dampening pad. Resonance module interaction with support structures within the magnet is addressed through design that clearly separates the components. Mass-dampened acoustic barriers further reduce noise for the patient, a ScanTools provide a user selectable gradient waveform optimization.

- Gradient coil isolation
- RF coil isolation
- Acoustic dampening material
- Vibro-acoustic isolation



GE Healthcare

Date: 06-19-2018
 Quote #: PR14-C37640
 Version #: 6
 Q-Exp-Date: 06-29-2018

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
			<ul style="list-style-type: none"> • Gradient waveform optimization <p>OpTix RF Receive Technology: The Optima MR450w GEM system utilizes the OpTix RF receive chain to enable high bandwidth, high channel count reception with improved SNR over conventional MR receiver designs. The MR signal is digitized within the scan room and then optically transmitted to the reconstruction engine in the electronics room increasing SNR for all volume acquisitions, independent of which surface coil is being used.</p> <ul style="list-style-type: none"> • Coil input ports: 138 • Simultaneous channel/receivers: 32 • Receiver sampling per channel: 80 MHz • Receiver dynamic range at 1 Hz BW: >165 dB • Receiver resolution: up to 32 bits • Digital quadrature demodulation <p>Volume Reconstruction Engine: The Optima MR450w GEM system features a powerful volume reconstruction engine with onboard memory and local raw data storage to support and maintain simultaneous data acquisition and reconstruction under the most demanding applications. VRE uses 64-bit computing, delivering high acquisition memory and fast performance. Parallel processing and high-speed interconnects provide scalable memory and throughput. The acquisition to disk feature</p>			



GE Healthcare

Date: 06-19-2018
 Quote #: PR14-C37640
 Version #: 6
 Q-Exp-Date: 06-29-2018

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
			<p>automatically expands the memory per the demands of the application.</p> <ul style="list-style-type: none"> • 13,000 2D FFTs/second 256x256 full FOV • 72GB ECC DDR3 1333 memory • 4 x 146GB hard disk storage <p>Computing Platform and DICOM: The Optima MR450w GEM system computing platform is designed for efficiency and built upon a parallel, multiprocessor design that delivers the simultaneity and speed needed for advanced clinical operation. Productivity, efficiency and streamlined data management are assured through simultaneous scanning, reconstruction, filming, archiving, networking and post-processing. The scan control keyboard features intercom speaker, microphone, volume controls, start scan, pause scan, stop scan and table advance to iso-center controls. Please refer to the Optima MR450w GEM product data sheet for greater detail.</p> <ul style="list-style-type: none"> • Single tower configuration • 24" flat panel LCD widescreen • 1920 x 1200 resolution • 8GB DDR3 memory • 146GB SAS disk subsystem • DVD interchange <p>The Optima MR450w GEM system generates MR Image, Secondary Capture, Structured Report, and Gray Scale Softcopy Presentation State DICOM objects. The DICOM</p>			



GE Healthcare

Date: 06-19-2018
Quote #: PR14-C37640
Version #: 6
Q-Exp-Date: 06-29-2018

Item Qty No.	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
		<p>networking supports both send and query retrieve as well as send with storage commit to integrate with PACS archive. Additionally, the Optima MR450w GEM system supports the CT and PET image objects for display allowing the user to refer to previous exams. Please refer to the DICOM Compliance Statement for Optima MR450w GEM for further details.</p> <p>GEM Express Patient Table with IntelliTouch:</p> <p>The Optima MR450w GEM system features the GEM Express table which is a mobile patient transport device with an embedded high-density, GEM Posterior RF Array and touch sensitive IntelliTouch land-marking. The fully detachable GEM Express table is easily docked and undocked by a single operator and Simple to move in and out of the exam room for patient transport & preparation. These features can be vital in instances where multiple patient transfers can negatively impact patient care or when emergency extraction is required.</p> <p>The GEM Express table and embedded GEM PA coil are designed to accommodate head-first or feet-first imaging for all supported exams. The table features three high-density coil connection ports: one at each end and one embedded for the GEM PA. Two additional coil connection ports are included in the docking mechanism.</p>			

EXHIBIT 4

October 23, 2018

Re: Information/Items needed for the MRI Scanner replacement Exemption Letter to CON Section

To whom it may concern:

Transylvania Regional Hospital will be replacing the MRI Scanner that is physically located at 301 Hospital Drive Brevard, NC. The MRI scanner to be replaced is currently in use.

The construction project includes moving the MRI Scanner to within the walls of Transylvania Regional Hospital at 260 Hospital Drive Brevard, NC. The replacement of this MRI Scanner will not result in more than 10% increase in patient charges or per procedure operating expenses within the first twelve months after replacement. The MRI Scanner being replaced was purchased new when acquired and the replacement MRI Scanner will be a new unit. The replacement MRI Scanner is functionally similar to the MRI Scanner being replaced although it may have expanded capabilities due to the advancement of technology. It will be used in the same diagnostic manner as the current MRI Scanner. It will not be used for providing new health services not currently being offered at Transylvania Regional Hospital.

Best regards,



Kelly McFarland, MBA, RT(R)(CT)

Regional Director, Imaging Services
260 Hospital Drive
Brevard, NC 28712
828-883-5431
kelly.mcfarland@msj.org

EXHIBIT 5

PROJECTED CAPITAL COST

Project Name: Transylvania Regional Hospital MRI Replacement Project

Proponent: Mission Health System

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	\$ _____	
	Footling Excavation	\$ _____	
	Footling Backfill	\$ _____	
	Termite Treatment	\$ _____	
	Other (Specify)	\$ _____	
	Sub-Total Site Preparation Costs		\$ _____
(6)	Other (Specify)		\$ _____
(7)	Sub-Total Site Costs		\$ _____
B. Construction Contract			
(8)	Cost of Materials		
	General Requirements	\$ _____	
	Concrete/Masonry	\$ _____	
	Doors & Windows/Finishes	\$ _____	
	Thermal & Moisture Protection	\$ _____	
	Equipment/Specialty Items	\$ _____	
	Mechanical/Electrical	\$ _____	
	Other (Specify)	\$ _____	
	Sub-Total Cost of Materials		\$ 398,260
(9)	Cost of Labor		\$ 265,506
(10)	Other (Specify)		\$ 27,523
(11)	Sub-Total Construction Contract		\$ 691,289
C. Miscellaneous Project Costs			
(12)	Building Purchase		\$ _____
(13)	Fixed Equipment Purchase/Lease		\$ 986,536
(14)	Movable Equipment Purchase/Lease		\$ _____
(15)	Furniture		\$ _____
(16)	Landscaping		\$ _____
(17)	Consultant Fees		
	Architect and Engineering Fees	\$ 82,286	
	Legal Fees	\$ _____	
	Market Analysis	\$ _____	
	Other (Specify)	\$ 10,595	
	Sub-Total Consultant Fees		\$ 102,882
(18)	Financing Costs (e.g. Bond, Loan, etc.)		\$ _____
(19)	Interest During Construction		\$ _____
(20)	Other (contingency)		\$ 41,698
(21)	Sub-Total Miscellaneous		\$ 1,131,115
D.	Total Capital Cost of Project		\$ 1,822,404

I certify that, to the best of my knowledge, the costs of the proposed project named above are complete and correct.

R. M. [Signature] Date Certified: 12/17/18
 (Signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

[Signature] **DIRECTOR, FACILITY PLANNING,
DESIGN & CONSTRUCTION** Date Signed: 12.19.2018
 (Proponent - Signature of Officer) (Title of Officer)

EXHIBIT 6

STATE OF NORTH CAROLINA

Department of Health and Human Services

Division of Facility Services

CERTIFICATE OF NEED

for

Project Identification Number B-7019-04

FID# 040272

ISSUED TO: Brevard MRI at Transylvania Community Hospital, LLC
Transylvania Community Hospital
PO Box 1116
Brevard, NC 28712

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

SCOPE: Acquire a 1.5 Tesla fixed MRI scanner and construct space for the equipment that will be adjacent to Transylvania Hospital, resulting in the establishment of a new diagnostic center/Transylvania County

CONDITIONS: See Reverse Side

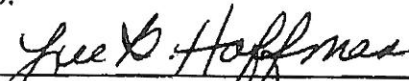
PHYSICAL LOCATION: Brevard MRI at Transylvania Community Hospital, LLC
Hospital Drive, Brevard, NC 28712

MAXIMUM CAPITAL EXPENDITURE: \$2,085,079

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: September 15, 2005

This certificate is effective as of the 14th day of March, 2005.



Chief, Certificate of Need Section
Division of Facility Services

EXHIBIT 7

CONDITIONS:

1. Brevard MRI at Transylvania Community Hospital, LLC shall materially comply with all representations made in its certificate of need application.
2. Brevard MRI at Transylvania Community Hospital,, LLC shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.
3. Brevard MRI at Transylvania Community Hospital, LLC shall acknowledge acceptance and agree to comply with all conditions states herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Certificate of Need Section on September 7, 2004.

TIMETABLE:

Obtaining Funds _____	05/01/05
Contract Award _____	08/01/05
Completion of Construction _____	08/01/06
Operation of Equipment _____	09/15/06

2018

STATE HEALTH COORDINATING COUNCIL

STATE
MEDICAL
FACILITIES
PLAN



Health Service Regulation
HEALTH AND HUMAN SERVICES

North Carolina Department of Health and Human Services
Division of Health Service Regulation

Table 9P: MRI Fixed and Mobile Procedures by MRI Service Area with Tiered Thresholds and Fixed Equivalents

Service Area	Service Type	CON #	Service Site (Provider/Owner)	Fixed Magnet	Fixed Equiv	Total MRI Scans	Outpt No Contrast	Outpt Contrast	Inpt No Contrast	Inpt Contrast	Adjusted Total	Area Avg Procs	Threshold	MRI Need
Scotland	Hospital Fixed	N-007805-07	Scotland Memorial Hospital	1	1.00	2,882	2,057	501	280	44	3,230			
Scotland	Mobile	Grandfathered	OrthoCarolina (Alliance Healthcare Services)	0	0.37	1,396	1,396	0	0	0	1,396			
Scotland				1	1.37	4,278					4,626	3,376	3,775	0
Stanly	Hospital Fixed	F-007461-06	Carolina HealthCare System Stanly	1	1.00	2,624	1,532	685	324	83	3,094			
Stanly				1	1.00	2,624					3,094	3,094	3,775	0
			No Service Site											
Stokes													1,716	0
Surry	Hospital Fixed	G-006792-03	Hugh Chatbam Memorial Hospital	1	1.00	3,423	2,455	573	295	100	3,850			
Surry	Hospital Fixed	G-006569-02; G-008115-08	Nonhern Hospital of Surry County	1	1.00	2,889	2,010	479	328	72	3,269			
Surry				2	2.00	6,312					7,120	3,560	4,118	0
Swain	Mobile	Grandfathered	Duke LifePoint-Swain (Alliance Healthcare Services)	0	0.06	96	84	10	2	0	101			
Swain	Mobile		Swain County Hospital	0	0.05	91	80	11	0	0	95			
Swain				0	0.11	187					196	196	1,716	0
Transylvania	Hospital Fixed	B-007019-04	Transylvania Regional Hospital	1	1.00	2,098	1,463	528	70	37	2,367			
Transylvania				1	1.00	2,098					2,367	2,367	3,775	0
Union	Hospital Fixed	F-005920-98	Carolinas HealthCare System Union	1	1.00	5,451	2,527	950	1,582	393	6,779			
Union	Freestanding Fixed	F-006972-03	Carolinas Healthcare Imaging Services- Indian Trail (Union Medical Services, LLC)	1	1.00	1,474	1,166	308	0	0	1,597			
Union	Mobile	Grandfathered	Novant Health Imaging-Monroe (Kings Medical Group)	0	0.04	148	127	21	0	0	156			
Union	Mobile	Grandfathered	OrthoCarolina (Alliance Healthcare Services)	0	0.15	625	625	0	0	0	625			
Union	Mobile	Grandfathered	OrthoCarolina, P.A. (Alliance Healthcare Services)	0	0.31	1,296	1,296	0	0	0	1,296			
Union	Mobile	F-008237-08	PIC - Monroe (Mecklenburg Diagnostic Imaging, Inc.)	0	0.12	487	395	92	0	0	524			
Union	Mobile	F-006626-02	PIC-Monroe (Jacksonville Diagnostic Imaging, Inc.)	0	0.08	337	260	77	0	0	368			
Union				2	2.70	9,818					11,345	4,202	4,118	1
Vance	Hospital Fixed	K-006527-01; K-007839-07	Maria Parham Medical Center	2	2.00	2,958	1,478	673	543	264	3,656			
Vance/Warren				2	2.00	2,958					3,656	1,828	4,118	0
Wake	Hospital Fixed	Grandfathered; J-008529-10	Duke Raleigh Hospital	2	2.00	9,375	4,382	3,763	505	725	11,662			
Wake	Hospital Fixed	J-006932-03	Rex Hospital	3	3.00	8,272	2,924	3,077	1,334	937	10,786			
Wake	Hospital Fixed	J-006368-01	WakeMed	2	2.00	9,476	4,320	1,923	1,962	1,271	12,047			
Wake	Hospital Fixed		WakeMed Cary Hospital	1	1.00	3,845	2,068	888	509	380	4,708			

EXHIBIT 8

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Service Area	Service Type	CON #	Service Site (Provider/Owner)	Fixed Magnet	Fixed Equiv	Total MRI Scans	Outpt No Contrast	Outpt Contrast	Inpt No Contrast	Inpt Contrast	Adjusted Total	Area Avg Procs	Threshold	MRI Need
Stanly	Hospital Fixed	F-007461-06	Carolina HealthCare System Stanly	1	1.00	2,840	1,703	661	377	99	3,334			
Stanly				1	1.00	2,840					3,334	3,334	3,775	0
No Service Site														
Stokes														
Surry	Hospital Fixed	G-006792-03	Hugh Chatham Memorial Hospital	1	1.00	3,295	2,332	589	269	105	3,722			
Surry	Hospital Fixed	G-006569-02; G-008115-08	Northern Hospital of Surry County	1	1.00	2,799	1,899	435	347	118	3,206			
Surry				2	2.00	6,094					6,928	3,464	4,118	0
Swain	Mobile	Grandfathered	Duke LifePoint-Swain (Alliance Healthcare Services)	0	0.04	66	56	10	0	0	70			
Swain	Mobile		Swain County Hospital	0	0.04	70	57	10	1	2	76			
Swain				0	0.08	136					146	146	1,716	0
Transylvania	Hospital Fixed	B-007019-04	Transylvania Regional Hospital	1	1.00	1,937	1,315	514	64	44	2,203			
Transylvania				1	1.00	1,937					2,203	2,203	3,775	0
Union	Hospital Fixed	F-005920-98	Carolinas HealthCare System Union	1	1.00	5,697	2,591	1,146	1,636	324	7,069			
Union	Freestanding Fixed		2018 SMFP Need Determination	1	1.00	0	0	0	0	0	0			
Union	Freestanding Fixed	F-006972-05	Carolinas Healthcare Imaging Services- Indian Trail (Union Medical Services, LLC)	1	1.00	1,774	1,393	381	0	0	1,926			
Union	Mobile	Grandfathered	OrthoCarolina (Alliance Healthcare Services)	0	0.22	1,001	1,001	0	0	0	1,001			
Union	Mobile	F-008237-08	PIC - Monroe (Mecklenburg Diagnostic Imaging, Inc.)	0	0.17	751	565	186	0	0	825			
Union	Mobile	F-006626-02	PIC-Monroe (Jacksonville Diagnostic Imaging, Inc.)	0	0.06	280	213	67	0	0	307			
Union				3	3.45	9,503					11,129	3,226	4,462	0
Vance	Hospital Fixed	K-006527-01; K-007839-07	Maria Parham Medical Center	2	2.00	2,889	1,386	704	514	285	3,604			
Vance	Mobile	O-006665-02	Henderson (Cape Fear Mobile Imaging, LLC)	0	0.12	496	496	0	0	0	496			
Vance/Warren				2	2.12	3,385					4,100	1,934	4,118	0
Wake	Hospital Fixed	Grandfathered; J-008529-10	Duke Raleigh Hospital	2	2.00	10,135	4,289	4,210	757	879	12,825			
Wake	Hospital Fixed	J-006932-03	Rex Hospital	3	3.00	9,217	3,202	3,510	1,389	1,116	12,069			
Wake	Hospital Fixed	J-006368-01	WakeMed	2	2.00	9,682	3,597	1,569	2,809	1,707	12,799			
Wake	Hospital Fixed		WakeMed Cary Hospital	1	1.00	4,005	1,821	738	886	560	5,103			
Wake	Freestanding Fixed		Raleigh Neurology Associates, P.A. (Raleigh Neurology Associates)	1	1.00	4,775	2,734	2,041	0	0	5,591			
Wake	Freestanding Fixed	Grandfathered	Raleigh Neurology Imaging (Alliance Healthcare Services)	1	1.00	5,143	2,944	2,199	0	0	6,023			

