



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

May 15, 2019

Greg Bass
2709 Water Ridge Pkwy
Suite 200
Charlotte, NC 28217

Exempt from Review – Replacement Equipment

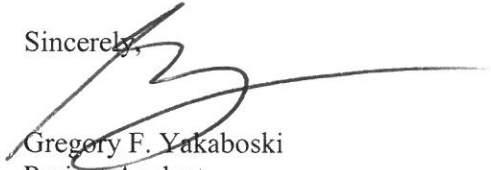
Record #: 2930
Facility Name: See attached
FID #: See attached
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Temporary Use of a Mobile MRI Scanner during Fixed MRI upgrades
County: See attached


Dear Mr. Bass:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 9, 2019 and emails of May 2, 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 temporarily use a Mobile MRI Scanner during the proposed Fixed MRI upgrades at the facilities identified in the attachment. This determination is based on your representations that the mobile MRI Scanner 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,


Gregory F. Yakaboski
Project Analyst


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

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

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

ATTACHMENT

Facility	FID #	County
CHS NorthEast	943049	Cabarrus
CMC Morehead Medical Plaza	943070	Mecklenburg
Atrium Health Lincoln	070759	Lincoln
CHS Stanly	953472	Stanly
CMC Mercy	923352	Mecklenburg

Yakaboski, Greg

From: Bass, Greg <Greg.Bass@atriumhealth.org>
Sent: Thursday, May 02, 2019 3:33 PM
To: Yakaboski, Greg
Subject: RE: [External] Additional information related to Atrium exemption request for temporary mobile MRI use

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Here you go.

2709 Water Ridge Pkwy
Suite 200
Charlotte, NC 28217

Greg Bass

Director
Strategic Services Group
O: 704-355-0314
F: 704-355-1625

Atrium Health

Carolinas HealthCare System is Atrium Health

From: Yakaboski, Greg <greg.yakaboski@dhhs.nc.gov>
Sent: Thursday, May 2, 2019 1:10 PM
To: Bass, Greg <Greg.Bass@atriumhealth.org>
Subject: RE: [External] Additional information related to Atrium exemption request for temporary mobile MRI use

WARNING: This email originated from outside of Atrium Health (greg.yakaboski@dhhs.nc.gov).

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Greg,

Would you mind sending over your mailing address?

Thanks,
Greg

Gregory F. Yakaboski
Project Analyst

Division Health Service Regulation, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services

919-855-3873 office
Greg.yakaboski@dhhs.nc.gov

809 Ruggles Drive
2704 Mail Service Center
Raleigh, NC 27699-2704



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From: Bass, Greg [<mailto:Greg.Bass@atriumhealth.org>]

Sent: Thursday, May 02, 2019 12:54 PM

To: Yakaboski, Greg <greg.yakaboski@dhhs.nc.gov>

Subject: [External] Additional information related to Atrium exemption request for temporary mobile MRI use

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Greg,

As we discussed on our phone call today, I am writing to clarify a statement in the second paragraph of the attached exemption letter we submitted on April 10, 2019.

At the conclusion of the MRI upgrades referenced in the letter the mobile MRI leased from Alliance will be removed from operation in North Carolina.

If you need any additional information related to this project please let me now.

Thank you for your assistance in this matter.

Greg Bass

Director
Strategic Services Group
O: 704-355-0314
F: 704-355-1625

Atrium Health

Carolinas HealthCare System is Atrium Health

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Atrium Health

April 9, 2019

Ms. Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
N. C. Department of Health & Human Services
809 Ruggles Dr.
Raleigh, NC 27603



RE: Exemption Request for Temporary Use an Out-of-State Mobile MRI Scanner During Fixed MRI Upgrades at Five Atrium Health Facilities

Dear Ms. Frisone:

The purpose of this letter is to request that Atrium Health (Atrium) be permitted to temporarily lease a mobile MRI Scanner (the “Temporary Mobile Scanner”) that is not currently approved to operate in North Carolina – through an operating lease with Alliance Imaging, Inc. (Alliance) – to provide a mobile MRI Scanner while upgrades are performed on the existing fixed MRI scanners at the following facilities: Carolinas HealthCare System NorthEast, Carolinas Medical Center, Atrium Health Lincoln, Carolinas HealthCare System Stanly and Carolinas Medical Center – Mercy. Given that this temporary use does not trigger any of the Certificate of Need (“CON”) Law’s new institutional health service definitions in N.C. Gen. Stat. § 131E-176(16), Atrium asks for your agreement that these projects are exempt CON review.

Atrium Health is planning to upgrade fixed MRI scanners at multiple facilities in a sequential manner. Each fixed MRI scanner will be taken out of service for approximately two weeks. In order to maintain MRI services, Atrium is planning to contract with Alliance for the provision of mobile MRI services at each facility during the upgrade. The mobile MRI scanner proposed to provide the service is not currently approved to operate in North Carolina. During the upgrades the Alliance mobile will be operating under the CON awarded to each facility for the fixed MRI scanners. As soon as the work is complete, the Temporary Mobile Scanner will no longer be used at the facilities. At no time will the Atrium facilities operate their fixed MRI scanner and the Temporary Mobile Scanner simultaneously.

The specific MRI scanners being upgraded and their locations and CON numbers are listed in the table below.

Facility	Location	Upgrade Cost	CON Number
CHS NorthEast	Concord	\$372,881	F-10128-13
CMC Morehead Medical Plaza	Charlotte	\$344,881	F-6493-01
Atrium Health Lincoln	Lincolnton	\$499,000	F-8081-08
CHS Stanly	Albemarle	\$528,000	F-7461-06
CMC Mercy	Charlotte	\$483,131	F-8771-12

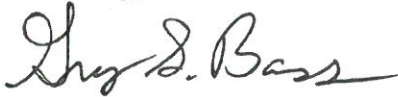
The cost to rent the mobile MRI for the four months required to complete the sequential upgrades will be approximately \$30,000 per facility.

This event triggers none of the new institutional health service definitions in N.C. Gen. Stat. § 131E-176(16). For example:

- Atrium will merely be paying operating lease payments for the Temporary Mobile Scanner. Thus, no capital costs will be expended as part of this temporary measure. See N.C. Gen. Stat. § 131E-176(16)(b).
- Through the very short-term operating lease, Atrium is not acquiring an MRI Scanner. See N.C. Gen. Stat. § 131E-176(16)(f1)(7) and (16)(s).
- Atrium is not acquiring major medical equipment through the MRI scanner upgrades or the short-term lease of the mobile MRI scanner. See N.C. Gen. Stat. § 131E-176(16)(p).
- No other new institutional health service definition is remotely implicated.

Based on the foregoing information, Atrium hereby requests that the Agency provide a written response confirming that Atrium may operate the Temporary Mobile Scanner while upgrading the existing fixed MRI scanners at the above-named facilities under the facts herein without undergoing CON review. If the Agency needs additional information to assist in its consideration of this request, please contact me at 704-355-0314.

Sincerely,



Greg S. Bass
Director, Strategic Services Group