



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 6, 2023

Marcus C. Hewitt
MHewitt@foxrothschild.com

Exempt from Review – Replacement Equipment

Record #: 4217
Date of Request: May 15, 2023
Facility Name: EmergeOrtho Blue Ridge Division
FID #: 210090
Business Name: Insight Health Corp.
Business #: 2961
Project Description: Replace an existing fixed MRI scanner and replace the mobile coach with a modular building
County: Buncombe

Dear Mr. Hewitt:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced project is exempt from certificate of need review in accordance with G.S. 131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the Siemens Altea 1.5T MRI scanner to replace the GE Signa R2959 1.5T MRI scanner. 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 Ena Lightbourne]

Ena Lightbourne
Project Analyst

[Handwritten signature of Micheala Mitchell]

Micheala Mitchell
Chief

cc. Acute and Home Care Licensure and Certification Section

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
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

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MARCUS C. HEWITT  
Direct No: 919.755.8776  
Email: MHewitt@Foxrothschild.com

May 14, 2023

**VIA EMAIL (micheala.mitchell@dhhs.nc.gov)**

Michaela Mitchell, Chief  
N.C. Department of Health and Human Services  
Division of Health Service Regulation  
Health Planning and Certificate of Need Section  
2704 Mail Service Center  
Raleigh, NC 27699-2704

**Re: Project ID # B-6643-02, Fixed MRI Scanner, Buncombe County  
Notice of Exempt Equipment Replacement**

Dear Ms. Mitchell:

We are writing on behalf of Insight Health Corp. d/b/a Rayus Radiology (“Rayus”) to notify the Agency of an equipment replacement that is exempt from CON review. Rayus proposes to replace the existing fixed MRI scanner currently in operation at EmergeOrtho, Blue Ridge Division, 2585 Hendersonville Rd, Arden, NC.

InSight Health Corp. (now d/b/a Rayus) was awarded a CON in 2003 to acquire a fixed MRI scanner and establish a diagnostic center in Asheville, Buncombe County, assigned Project ID #B-6643-02. The MRI has been operated at its current location since the Agency approved a relocation there by letter dated September 25, 2015. The existing MRI scanner, designated by Rayus as Unit G1212A is a 1.5T General Electric Signa, installed in a mobile coach. However, it is considered a fixed MRI for CON purposes; and accordingly, it remains at EmergeOrtho, Blue Ridge Division 7 days per week, 365 days per year.

Rayus will replace the existing unit with a Siemens Altea 1.5T MRI scanner, which will be used for the same diagnostic purposes. The replacement unit is designated by Rayus as Unit S2044M (“Replacement Equipment”). The Replacement Equipment is comparable medical equipment with respect to the existing MRI scanner. Both are 1.5T MRI scanners. They are thus functionally similar, employ the same technology, and are used for the same diagnostic purposes. The Replacement Equipment will not be used to provide a new health service. A replacement equipment comparison form is attached as Exhibit A, and the proposed capital cost of the project is shown on Exhibit B.

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Fox Rothschild <sup>LLP</sup>  
ATTORNEYS AT LAW

Michaela Mitchell, Chief  
May 14, 2023  
Page 2

Unlike the existing MRI scanner, the Replacement Equipment will be housed in a modular building, not a mobile coach. The capital cost of the building and the necessary construction expense are both included in the proposed capital costs.

During the week that the Replacement Equipment is delivered and is being installed, Rayus plans to continue scan patients on the MRI scanner. Simultaneously, applications training will need to be conducted for technologists on the Replacement Equipment, consisting of scanning a very limited volume of patients for approximately three to four days to build and adjust protocols. After that initial installation and training period, the existing MRI scanner, unit G121A, will be taken out of service and removed from the State.

We respectfully request that the Agency confirm receipt of this notice and confirm that the replacement of the existing equipment with Unit S2044M is exempt from CON review pursuant to N.C.G.S. § 131E-184(a)(7). Insight and EmergeOrtho are coordinating the delivery of the modular building in the next two weeks and the delivery of the Replacement Equipment approximately June 6, 2023. Thank you for your consideration, and we look forward to hearing from you soon.

Sincerely,

Marcus C. Hewitt

Enclosures

## EXHIBIT A

### EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	MRI	MRI
Manufacturer of Equipment	GENERAL ELECTRIC	SIEMENS
Tesla Rating for MRIs	1.5T	1.5T
Model Number	SIGNA	ALTEA
Serial Number	R2959	TBD Not completed yet
Provider's Method of Identifying Equipment	G1212A	S2044M
Specify if Mobile or Fixed	FIXED	FIXED
Mobile Trailer Serial Number/VIN #	1S9FA4826X1182254	N/A
Mobile Tractor Serial Number/VIN #	N/A	N/A
Date of Acquisition of Each Component	04/01/2003	06/2022
Does Provider Hold Title to Equipment or Have a Capital Lease?	HOLD TITLE	HOLD TITLE
Specify if Equipment Was/Is New or Used When Acquired	NEW WHEN ACQUIRED	NEW WHEN ACQUIRED
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	NA	\$1,560,000
Total Cost of Equipment		\$1,025,000
Fair Market Value of Equipment	NA	\$1,025,000
Net Purchase Price of Equipment	NA	\$1,025,000
Locations Where Operated	BUNCOMBE COUNTY	BUNCOMBE COUNTY
Number Days In Use/To be Used in N.C. Per Year	365	365
Percent of Change in Patient Charges (by Procedure)	NA	none
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	none
Type of Procedures Currently Performed on Existing Equipment	ALL MRI SCANS	All MRI SCANS
Type of Procedures New Equipment is Capable of Performing	NA	ALL MRI SCANS

**EXHIBIT B**

**PROPOSED TOTAL CAPITAL COST OF PROJECT**

Project Name: Emerge Ortho-Blue Ridge Bone and Joint Division

Provider/Company: Insight Imaging

**A. Site Costs**

(1) Full purchase price of land.....		\$ 0	
Acres _____ Price per Acre	\$ 0		
(2) Closing costs.....		\$ 0	
(3) Site Inspection and Survey.....		\$ 0	
(4) Legal fees and subsoil investigation		\$ 0	
(5) Site Preparation Costs			
Soil Borings.....	\$ 0		
Clearing-Earthwork...	\$		
Fine Grade For Slab...	\$ 0		
Roads-Paving.....	\$ 0		
Concrete Sidewalks....	\$ 0		
Water and Sewer.....	\$ 0		
Footing Excavation....	\$ 0		
Footing Backfill.....	\$ 0		
Termite Treatment...	\$ 0		
Other (Specify).....	\$ 0		
Sub-Total Site Preparation Costs		\$ 0	
(6) Other (Specify)		\$	
(7) <b>Sub-Total Site Costs</b>			\$ 0

**B. Construction Contract**

(8) Cost of Materials			
General Requirements	\$ 0		
Concrete/Masonry	\$ 0		
Woods/Doors & Windows/Finishes	\$ 0		
Thermal & Moisture Protection	\$ 0		
Equipment/Specialty Items	\$ 35,000		
Mechanical/Electrical	\$		
Other (Specify)	\$ 0		
Sub-Total Cost of Materials.....		\$ 0	
(9) Cost of Labor.....		\$ 0	
(10) Other (Specify).....		\$ 0	
(11) <b>Sub-Total Construction Contract</b>			\$ 35,000

**C. Miscellaneous Project Costs**

(12) Building Purchase.....		\$ 500,000	
(13) Fixed Equipment Purchase/Lease		\$ 1,025,000	
(14) Movable Equipment Purchase/Lease		\$ 0	
(15) Furniture		\$	
(16) Landscaping		\$ 0	
(17) Consultant Fees			
Architect and Engineering Fees	\$ 0		
Legal Fees.....	\$ 0		
Market Analysis.....	\$ 0		
Other (Specify).....	\$ 0		
Other (Specify).....	\$ 0		
Sub-Total Consultant Fees.....		\$ 0	
(18) Financing Costs (e.g. Bond, Loan, etc.).		\$ 0	
(19) Interest During Construction.		\$ 0	
(20) Other (Specify)		\$ 0	
(21) <b>Sub-Total Miscellaneous..</b>		\$ 1,525,000	
(22) <b>Total Capital Cost of Project (Sum A-C above)</b>			\$ 1,560,000

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

\_\_\_\_\_  
(Signature of Licensed Architect or Engineer) Date Certified: \_\_\_\_\_

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.

Jan Zolner Vice President Interim Services Date Signed: 5-12-23  
(Signature and Title of Officer Authorized to Represent Provider/Company)

**From:** [Mitchell, Micheala L](#)  
**To:** [Stancil, Tiffany C](#)  
**Cc:** [Pittman, Lisa](#)  
**Subject:** FW: [External] Project ID# B-6643-02 - Replacement Equipment Exemption  
**Date:** Monday, May 15, 2023 9:18:55 AM  
**Attachments:** [Exemption Notice for Replacement Equipment - Replace G1212A with S2044M \(5.14.23\)\(145756956.1\)-C.pdf](#)

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Morning and Happy Belated Mother's Day!

Would you mind logging this as an exemption and assigning to Ena?

Thanks,

Micheala Mitchell, JD  
[NC Department of Health and Human Services](#)  
[Division of Health Service Regulation](#)  
Section Chief, Healthcare Planning and CON Section  
809 Ruggles Drive, Edgerton Building  
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[Micheala.Mitchell@dhhs.nc.gov](mailto:Micheala.Mitchell@dhhs.nc.gov)

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**From:** Hewitt, Marcus C. <MHewitt@foxrothschild.com>  
**Sent:** Sunday, May 14, 2023 12:49 PM  
**To:** Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>  
**Cc:** Pittman, Lisa <lisa.pittman@dhhs.nc.gov>; Randolph, Kimberly <krandolph@ncdoj.gov>  
**Subject:** [External] Project ID# B-6643-02 - Replacement Equipment Exemption

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Ms. Mitchell, please see the attached correspondence regarding the replacement of a fixed MRI scanner that is exempt from CON review.

We appreciate the Agency's consideration.

Best regards,  
**Marcus Hewitt**

Partner

**Fox Rothschild LLP**

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