



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

March 21, 2024

Marcus C. Hewitt

[MHewitt@Faxrothschild.com](mailto:MHewitt@Faxrothschild.com)

**Exempt from Review – Replacement Equipment**

**Record #:** 4384  
**Date of Request:** March 7, 2024  
**Facility Name:** Rayus Radiology  
**FID #:** 180563  
**Business Name:** InSight Health Corp.  
**Business #:** 2961  
**Project Description:** Replace a mobile PET/CT scanner  
**County:** Caldwell

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 United 550i 230068 mobile PET/CT scanner to replace the Siemens Horizon S1390S mobile PET/CT 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,

Cynthia Bradford  
Project Analyst

Micheala Mitchell  
Chief

cc: Radiation Protection 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  
<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

March 6, 2024

**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 # E-11630-18, Mobile PET/CT Scanner, Statewide  
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 a planned equipment replacement that is exempt from CON review pursuant to N.C.G.S. § 131E-184(a)(7) and 10A NCAC 14C.0303. Rayus proposes to replace its existing mobile PET/CT Scanner currently in operation in N.C.

InSight Health Corp. (now d/b/a Rayus) was awarded a CON in 2021 to acquire a mobile PET/CT scanner, assigned Project ID #E-11630-18 with a statewide service area. The mobile PET/CT scanner has been in operation in North Carolina since June 2022. It is “currently in use” as defined by 10A NCAC 14C.0303(b) because it has been used by Rayus at least ten times to provide PET/CT services within the past twelve months. The existing PET/CT scanner is a Siemens Horizon mobile PET/CT scanner, internally designated by Rayus as Unit S1390S.

Rayus will replace the existing unit with a United model 550i digital PET/CT scanner, which will be used for the same diagnostic purposes and will serve the same route and host sites in North Carolina. The replacement unit is designated by Rayus as U1409L (“Replacement Equipment”). The Replacement Equipment is comparable medical equipment with respect to the existing PET/CT scanner, and will be purchased for the sole purpose of replacing the existing PET/CT scanner, which will be sold or otherwise disposed of when replaced. Both are mobile PET/CT scanners. They are thus functionally similar, employ the same technology and are used for the same diagnostic purposes. The Replacement Equipment will not

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Michaela Mitchell, Chief  
March 6, 2024  
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be used to provide a new health service. A replacement equipment comparison form is attached as Exhibit A. The capital cost of the Replacement Equipment is below \$3,000,000 as shown on Exhibit A.

During the week that the Replacement Equipment is delivered and is being installed, Rayus plans to continue to scan patients on the PET/CT 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 PET/CT scanner, Unit S1390S, 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 U1409L is exempt from CON review pursuant to N.C.G.S. § 131E-184(a)(7). Rayus anticipates the delivery of the Replacement Equipment approximately May, 2024. Thank you for your consideration, and we look forward to hearing from you soon.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marcus C. Hewitt".

Marcus C. Hewitt

Enclosures

EQUIPMENT COMPARISON

|  | EXISTING EQUIPMENT    | REPLACEMENT EQUIPMENT |
|--|-----------------------|-----------------------|
| Type of Equipment (List Each Component)  | Mobile PET/CT Scanner | Mobile PET/CT Scanner |
| Manufacturer of Equipment  | Siemens               | United                |
| Model  | Horizon               | 550i                  |
| Serial Number  | 94784                 | 230068                |
| Provider's Method of Identifying Equipment                                       | S1390S                | U1409L                |
| Specify if Mobile or Fixed   | Mobile                | Mobile                |
| Date of Acquisition of Each Component  | NA                    | TBD                   |
| Does Provider Hold Title to Equipment or Have a Capital Lease?                   | Owned                 | To be owned           |
| Specify if Equipment Was/Is New or Used When Acquired                            | New                   | New                   |
| Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form> | NA                    | \$1,850,970           |
| Total Cost of Equipment  | \$1,410,000           | \$1,850,970           |
| Fair Market Value of Equipment   | NA                    | \$                    |
| Net Purchase Price of Equipment  | NA                    | \$                    |
| Locations Where Operated   | Route in NC           | Route in NC           |
| Number Days In Use/To be Used in N.C. Per Year                                   |                       |                       |
| Percent of Change in Patient Charges (by Procedure)                              | NA                    | 0%                    |
| Percent of Change in Per Procedure Operating Expenses (by Procedure)             | NA                    | 0%                    |
| Type of Procedures Currently Performed on Existing Equipment                     | PET/CT                | NA                    |
| Type of Procedures New Equipment is Capable of Performing                        | NA                    | PET/CT                |

**PROPOSED TOTAL CAPITAL COST OF PROJECT**

**Project Name:** Replacement of mobile PET/CT Unit S1390S with Unit U1409L

**Provider/Company:** Insight Health Corp. d/b/a Rayus Radiology

**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..... \$ \_\_\_\_\_
  - 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 \$ \_\_\_\_\_
  - Woods/Doors & Windows/Finishes \$ \_\_\_\_\_
  - Thermal & Moisture Protection \$ \_\_\_\_\_
  - Equipment/Specialty Items \$ \_\_\_\_\_
  - Mechanical/Electrical \$ \_\_\_\_\_
  - Other (Specify) \$ \_\_\_\_\_
- Sub-Total Cost of Materials..... \$ \_\_\_\_\_
- (9) Cost of Labor..... \$ \_\_\_\_\_
- (10) Other (Specify)..... \$ \_\_\_\_\_
- (11) **Sub-Total Construction Contract** \$ \_\_\_\_\_

**C. Miscellaneous Project Costs**

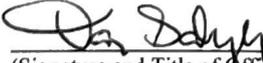
- (12) Building Purchase..... \$ \_\_\_\_\_
- (13) Fixed Equipment Purchase/Lease \$ \_\_\_\_\_
- (14) Movable Equipment Purchase/Lease \$1,850,970
- (15) Furniture \$ \_\_\_\_\_
- (16) Landscaping \$ \_\_\_\_\_
- (17) Consultant Fees
  - Architect and Engineering Fees \$ \_\_\_\_\_
  - Legal Fees..... \$ \_\_\_\_\_
  - Market Analysis..... \$ \_\_\_\_\_
  - Other (Specify)..... \$ \_\_\_\_\_
  - Other (Specify)..... \$ \_\_\_\_\_
- Sub-Total Consultant Fees..... \$ \_\_\_\_\_
- (18) Financing Costs (e.g. Bond, Loan, etc.). \$ \_\_\_\_\_
- (19) Interest During Construction. \$ \_\_\_\_\_
- (20) Other (Specify) \$ \_\_\_\_\_
- (21) **Sub-Total Miscellaneous..** **\$1,850,970**
- (22) **Total Capital Cost of Project (Sum A-C above)** **\$1,850,970**

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

Date Certified: \_\_\_\_\_

(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.

 VP Interim Services Date Signed: 3-6-24  
 (Signature and Title of Officer Authorized to Represent Provider/Company)

**From:** [Mitchell, Micheala L](#)  
**To:** [Stancil, Tiffany C](#)  
**Subject:** FW: [External] Exemption Notice (Replacement Equipment) - Mobile PET/CT PID #E-11630-18  
**Date:** Thursday, March 7, 2024 1:49:40 PM  
**Attachments:** [Exemption Notice - Replacement Equipment \(U1409L Replace S1390S\)\(156012779.1\)-C.pdf](#)

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Hi Tiffany,

Would you mind logging this and assigning it to Cindy?

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  
2704 Mail Service Center  
Raleigh, NC 27699-2704  
Office: 919 855 3879  
[Micheala.Mitchell@dhhs.nc.gov](mailto:Micheala.Mitchell@dhhs.nc.gov)

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**From:** Hewitt, Marcus C. <[MHewitt@foxrothschild.com](mailto:MHewitt@foxrothschild.com)>  
**Sent:** Wednesday, March 6, 2024 5:01 PM  
**To:** Mitchell, Micheala L <[Micheala.Mitchell@dhhs.nc.gov](mailto:Micheala.Mitchell@dhhs.nc.gov)>; Pittman, Lisa <[lisa.pittman@dhhs.nc.gov](mailto:lisa.pittman@dhhs.nc.gov)>  
**Cc:** Fradenburg, Susan M. <[SFradenburg@foxrothschild.com](mailto:SFradenburg@foxrothschild.com)>  
**Subject:** [External] Exemption Notice (Replacement Equipment) - Mobile PET/CT PID #E-11630-18

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Ms. Mitchell and Ms. Pittman,

We are writing on behalf of Insight Health Corp.

Please see the attached letter regarding replacement of the mobile PET/CT scanner, Project ID #E-11630-18, which is exempt from CON review pursuant to NC Gen. Stat. Section 131E-184.

Thanks for your consideration and we look forward to the Agency's response.

-Marc

[Redacted]

[Redacted]

**Marcus C Hewitt**

Partner

434 Fayetteville Street

Suite 2800

Raleigh, NC 27601

[Redacted] [\(919\) 755-8776](tel:(919)755-8776)

[Redacted] [\(919\) 280-9369](tel:(919)280-9369)

[Redacted] [\(919\) 755-8800](tel:(919)755-8800)

[Redacted] [mhewitt@foxrothschild.com](mailto:mhewitt@foxrothschild.com)

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