



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

November 7, 2024

Mr. Marcus C. Hewitt
MHewitt@foxrothschild.com

Exempt from Review – Replacement Equipment

Record #: 4635
Date of Request: October 16, 2024
Business Name: InSight Health Corp.
Business #: 2961
Project Description: Replace a mobile MRI scanner
County: Brunswick and New Hanover

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 General Electric Voyager G1417K mobile MRI scanner to replace the General Electric Signa G1251A mobile MRI scanner (serial number R1506). 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,

Tanya M. Saporito
Project Analyst

Micheala Mitchell
Chief

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

October 15, 2024

VIA EMAIL micheala.mitchell@dhhs.nc.gov

Micheala 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: Notice of Exempt Equipment Replacement – InSight Health Corp.
Grandfathered Mobile MRI Scanner
Replacement of Unit G1251A with Unit G1417K

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 MRI scanner currently in operation at the following EmergeOrtho locations:

- 5160 Ocean Hwy, West, Shallotte, NC 28470
- 509 Olde Waterford Way, Leland, NC 28451
- 8115 Market Street, Wilmington, NC 28411
- 3787 Shipyard Blvd., Wilmington, NC 28403

The predecessor to the existing MRI Scanner was in service in North Carolina prior to March 18, 1993. Thus, the existing MRI Scanner, designated by Rayus as Unit G1251A, is a “grandfathered” mobile MRI Scanner. The existing MRI scanner is a 1.5 General Electric Signa model and was used 312 times to provide a health service during the 12 months prior to this notice.

Rayus will replace the existing unit with a General Electric Voyager 1.5 MRI scanner, which will be used for the same diagnostic purposes. The replacement unit is designated by Rayus as Unit G1417K (“Replacement Equipment”). The Replacement Equipment is comparable medical equipment with respect to the existing MRI scanner. Both are 1.5 Tesla MRI scanners. They are thus functionally similar, employ



Micheala Mitchell, Chief
October 15, 2024
Page 2

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. The capital cost of the building and the necessary construction expense are both included in the proposed capital costs.

Once the existing MRI scanner, unit G1251A, is replaced, it 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 G1417K is exempt from CON review pursuant to N.C.G.S. § 131E-184(a)(7). 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

EXHIBIT A

EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment	MRI Scanner	MRI Scanner
Manufacturer of Equipment	General Electric	General Electric
Tesla Rating for MRIs	1.5	1.5
Model Number	Signa	Voyager
Serial Number	R1506	
Provider's Method of Identifying Equipment	G1251A	G1417K
Specify if Mobile or Fixed	Mobile	Mobile
Mobile Trailer Serial Number/VIN #	1S9FA482611182611182441	
Mobile Tractor Serial Number/VIN #	N/A	N/A
Date Acquired	9/2001	N/A
Does Provider Hold Title to Equipment or Have a Capital Lease?	Hold Title	Capital Lease
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	400,000	\$1,870,000
Total Cost of Equipment	0	\$1,870,000
Fair Market Value of Equipment	\$175-200K	\$1,870,000
Net Purchase Price of Equipment	N/A	\$1,870,000
Locations Where Operated	Emerge Ortho Wilmington, Leland and Sholotte	Emerge Ortho Wilmington, Leland and Sholotte
Number of Times Existing Equipment was Used to Provide a Health Service during the 12 months prior to the Date of the Written Notice	312	365 Emerge scans 7 days per week
Type of Procedures Currently Performed on Existing Equipment	Diagnostic MRI	Diagnostic MRI
[Percent of Change in Patient Charges (by Procedure)]		0%
[Percent of change in Per Procedure Operating Expenses (by Procedure)]		0%
Type of Procedures New Equipment is Capable of Performing	Diagnostic MRI	Diagnostic MRI

EXHIBIT B

Projected Capital Cost Form

Building Purchase Price	
Purchase Price of Land	
Closing Costs	
Site Preparation	
Construction/Renovation Contract(s)	
Landscaping	
Architect / Engineering Fees	
Medical Equipment	\$1,870,000
Non-Medical Equipment	
Furniture	
Consultant Fees (specify)	
Financing Costs	
Interest during Construction	
Other (specify)	
Total Capital Cost	

CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER

I certify that, to the best of my knowledge, the projected capital cost for the proposed project is complete and correct.

Signature of Licensed Architect or Engineer

Date Signed: _____

CERTIFICATION BY AN OFFICER OR AGENT FOR THE PROPONENT

I certify that, to the best of my knowledge, the projected total capital cost for the proposed project is complete and correct and that it is our intent to carry out the proposed project as described.

Don Salyer

Don Salyer
Vice President Interim Services, Hospital Services

Date Signed: 10-15-24

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Cc: [Pittman, Lisa](#)
Subject: FW: [External] Exemption Notices - Replacement Equipment - Insight Health Corp. d/b/a RAYUS Radiology
Date: Wednesday, October 16, 2024 9:48:08 AM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[Replacement Equipment Exemption Letter - CarolinaOrtho\(163460365.2\)-C.pdf](#)
[Replacement Equipment Exemption Letter - EmergeOrtho\(163460335.1\)-C.pdf](#)

Morning Tiffany!

I hope all is well.

Would you mind logging the Carolina Ortho as an exemption and assigning to Greg; the Carolina Ortho is also an exemption and can be assigned to Tanya.

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

From: Hewitt, Marcus C. <MHewitt@foxrothschild.com>
Sent: Tuesday, October 15, 2024 5:29 PM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Pittman, Lisa <lisa.pittman@dhhs.nc.gov>
Cc: Acree, Alexis <AAcree@foxrothschild.com>
Subject: [External] Exemption Notices - Replacement Equipment - Insight Health Corp. d/b/a RAYUS Radiology

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Ms. Mitchell and Ms. Pittman, please see the attached notices of exemption. Please let us know if you have questions or need further information.

We look forward to the Agency's response. Thanks.

-Marc Hewitt



Marcus C Hewitt

Partner

434 Fayetteville Street

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mhewitt@foxrothschild.com

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From: Buss, Annette K. <ABuss@foxrothschild.com>

Sent: Tuesday, October 15, 2024 2:52 PM

To: Acree, Alexis <AAcree@foxrothschild.com>

Cc: Hewitt, Marcus C. <MHewitt@foxrothschild.com>

Subject: RE: GE Voyager Replacement for Emerge Ortho Wilmington and Siemens Aera for Carolina Ortho

Annette Buss

Client Service Specialist

Fox Rothschild LLP

434 Fayetteville St.

Suite 2800

Raleigh, NC 27601-2943

(919) 755-8836 - direct

(919) 755-8800 - fax

ABuss@foxrothschild.com

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From: Acree, Alexis <AAcree@foxrothschild.com>

Sent: Tuesday, October 15, 2024 2:18 PM

To: Buss, Annette K. <ABuss@foxrothschild.com>

Cc: Hewitt, Marcus C. <MHewitt@foxrothschild.com>

Subject: RE: GE Voyager Replacement for Emerge Ortho Wilmington and Siemens Aera for Carolina Ortho

Hello Annette,

Please see the attached documents to be to combine into single .pdfs for Marc's signature. Please combine the following for EMergeOrtho and Carolina Orthopedic and Sports Medicine Center: (i) a Replacement Equipment Exemption Letter; (ii) a Replacement Equipment Exemption Capital Cost Form; and (iii) an Equipment Comparison Form.

[@Hewitt, Marcus C.](#), should the Capital Cost Form be labeled as Exhibit A and the Equipment Comparison Form labeled as Exhibit B? [@Buss, Annette K.](#) If so, please label each document.

Thank you,

Alexus



Alexus Acree

Associate

434 Fayetteville Street

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

aacree@foxrothschild.com

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From: Hewitt, Marcus C. <MHewitt@foxrothschild.com>

Sent: Tuesday, October 15, 2024 9:27 AM

To: Acree, Alexis <AAcree@foxrothschild.com>

Cc: Buss, Annette K. <ABuss@foxrothschild.com>

Subject: RE: GE Voyager Replacement for Emerge Ortho Wimington and Siemens Aera for Carolina Ortho

Alexus, thanks. These look much better. I made a few cleanup changes (eg, I fixed a remnant reference to a fixed MRI in the subject line of one of the letters). In general, make sure to use term search to find all instances of a change that needs to be made.

I sent the capital cost forms to the client to be executed by Don Salyer.

Please:

- a. Save the equipment comparison forms that we got from the client on 10/4 to iManage (make sure they're saved in the same folder with the draft exemption letters <https://dms.foxrothschild.com/work/link/d/ACTIVE!163460335.1>)
- b. When we get the capital cost forms back, please send the exemption letters with the corresponding equipment comparison forms and capital cost forms to Annette Buss to combine into single .pdfs for my signature.

Thanks for your help.

-Marc



Marcus C Hewitt

Partner

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mhewitt@foxrothschild.com

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From: Acree, Alexis <AAcree@foxrothschild.com>

Sent: Wednesday, October 9, 2024 1:03 PM

To: Hewitt, Marcus C. <MHewitt@foxrothschild.com>

Subject: RE: GE Voyager Replacement for Emerge Ortho Wilmington and Siemens Aera for Carolina Ortho

Hello Marc,

Please find the revised Exemption Letters attached. I noted the change below as well as the comments that were left in the document.

Best,

Alexus

Fox Logo



Alexus Acree

Associate

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From: Hewitt, Marcus C. <MHewitt@foxrothschild.com>

Sent: October 9, 2024 10:39 AM

To: Acree, Alexis <AAcree@foxrothschild.com>

Subject: FW: GE Voyager Replacement for Emerge Ortho Wimington and Siemens Aera for Carolina Ortho

Alexus, in the Carolina Ortho exemption notice, please add the following sentence after we identify the current site being served by the MRI:

In addition, Rayus will be serving a second location as soon as that location is opened, at the following address: [address in email below].



Marcus C Hewitt

Partner

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mhewitt@foxrothschild.com

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From: Pamela Robinette <Pamela.Robinette@rayusradiology.com>

Sent: Wednesday, October 9, 2024 10:17 AM

To: Hewitt, Marcus C. <MHewitt@foxrothschild.com>

Cc: Nick Eugster <Nick.Eugster@rayusradiology.com>; Acree, Alexis <AAcree@foxrothschild.com>; Don Salyer <Don.Salyer@rayusradiology.com>; Jenn Maquez <Jenn.Maquez@rayusradiology.com>

Subject: [EXT] RE: GE Voyager Replacement for Emerge Ortho Wilmington and Siemens Aera for Carolina Ortho

Good morning. Carolina Ortho will be opening a new facility and our plans are to service that location as well.

Our fleet department has already approved the pad and power and the address is below.

Obviously, same county, but would fulfill the two location requirement.

Thoughts?

Carolina Ortho
210 Beatty Drive
Mt. Holly, NC

Thank you,
Pam.



OFFICIAL MEDICAL PROVIDER



Pam Robinette, Regional Account Executive

Phone: 704-280-3930

Pamela.robinette@RAYUSRADIOLOGY.COM

www.RAYUSradiology.com



From: Hewitt, Marcus C. <MHewitt@foxrothschild.com>

Sent: Wednesday, October 09, 2024 10:07 AM

To: Pamela Robinette <Pamela.Robinette@rayusradiology.com>

Cc: Nick Eugster <Nick.Eugster@rayusradiology.com>; Acree, Alexus <AAcree@foxrothschild.com>

Subject: RE: GE Voyager Replacement for Emerge Ortho Wilmington and Siemens Aera for Carolina Ortho

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Pam and Nick, we're finishing up the exemption notices for G1223A and G1251A, and I wanted to give you a heads up about a potential issue.

Based on the inventories submitted for the past few years, G1223A has only served Carolina Ortho in Gastonia, NC for the past several years (M-F, I think). Mobile MRIs subject to CONs are supposed to serve at least two host sites and move weekly (see [10A NCAC 14C.2701](#) definition of "mobile MRI").

The Agency has had notice of this for a while because of the inventories, but as a practical matter I don't know that anybody at the Agency really looks at all the annual inventories. It's possible that the exemption request could draw the Agency's attention to this, so I'd prefer to include a statement that Rayus is looking for other host sites if we can say that accurately.

Please just let me know your thoughts.

-Marc

[Redacted]

[Redacted]

Marcus C Hewitt

Partner

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

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

[Redacted] mhewitt@foxrothschild.com

[Redacted]

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From: Pamela Robinette <Pamela.Robinette@rayusradiology.com>

Sent: Friday, October 4, 2024 9:37 AM

To: Hewitt, Marcus C. <MHewitt@foxrothschild.com>

Cc: Nick Eugster <Nick.Eugster@rayusradiology.com>

Subject: [EXT] GE Voyager Replacement for Emerge Ortho Wimington and Siemens Aera for Carolina Ortho

Good morning, I hope you and your family are safe from the aftermath of the storm. We are ok however, surrounding communities are facing such devastation. Some families have still not been reached due to bridges collapsing and roads being washed down stream.

Please see the attached forms needed for the MRI replacements of Emerge Ortho in Wilmington and Carolina Ortho in Gastonia. Don will sign when needed.

We are expecting both scanners to be ready mid-November so hopefully approval will not be an issue. Let me know if additional information is needed.

Thank you,
Pam

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Pam Robinette, Regional Account Executive

Phone: 704-280-3930

Pamela.robinette@RAYUSRADIOLOGY.COM

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