



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

October 25, 2017

Elizabeth V. Kirkman
CHS Management Company
2709 Water Ridge Parkway, Suite 200
Charlotte, North Carolina 28217

Exempt from Review

Record #: 2423
Facility Name: Carolinas HealthCare System (CHS) Pineville
FID #: 110878
Business Name: Mercy Hospital, Inc.
Business #: 2571
Project Description: Temporarily replace existing fixed MRI scanner with a mobile MRI scanner during field upgrade to existing fixed MRI scanner
County: Mecklenburg

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of October 18, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(f). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, 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 this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

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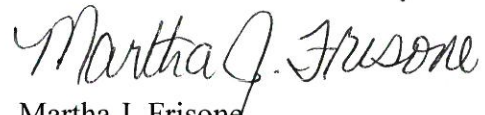


If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Gloria C. Hale
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
Sharetta Blackwell, Program Assistant, Healthcare Planning, DHSR



Carolinus HealthCare System



October 18, 2017

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: No Review Request for Mercy Hospital, Inc. d/b/a Carolinus HealthCare System Pineville to Temporarily Use an Out-of-State Mobile MRI Scanner During Fixed MRI Field Upgrade in Pineville, North Carolina (Mecklenburg County)

Dear Ms. Frisone:

The purpose of this letter is to request that Mercy Hospital, Inc. d/b/a Carolinus HealthCare System Pineville (CHS Pineville) be permitted to temporarily lease a mobile MRI Scanner (the “Temporary Mobile Scanner”) that is not currently operating in North Carolina – through an operating lease with Alliance Imaging, Inc. – to provide a mobile MRI Scanner for approximately three weeks while a field upgrade is performed on the CHS Pineville existing fixed MRI Scanner. 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), CHS Pineville asks to do this without undergoing CON review.

CHS Pineville’s fixed MRI Scanner will undergo a field upgrade. As soon as the work is complete, the Temporary Mobile Scanner will no longer be used at CHS Pineville. At no time will CHS Pineville’s fixed MRI Scanner and the Temporary Mobile Scanner be operated simultaneously.

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

- CHS Pineville 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, CHS Pineville is not acquiring an MRI Scanner. See N.C. Gen. Stat. § 131E-176(16)(f1)(7) and (16)(s).

- Through the very short-term operating lease, CHS Pineville is not otherwise acquiring major medical equipment. See N.C. Gen. Stat. § 131E-176(16)(p).
- No other new institutional health service definition is remotely implicated.

Based on the foregoing information, CHS Pineville hereby requests that the Agency provide a written response confirming that CHS Pineville may operate the Temporary Mobile Scanner 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 704-446-8475.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth V. Kirkman". The signature is written in a cursive, flowing style.

Elizabeth V. Kirkman
Assistant Vice President
CHS Management Company

Hale, Gloria

From: Kirkman, Elizabeth <Elizabeth.Kirkman@carolinashealthcare.org>
Sent: Monday, October 23, 2017 4:08 PM
To: Hale, Gloria
Subject: [External] RE: Seeking clarification re. request for temporary mobile MRI at CHS Pineville

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you verify that the attachment and content are safe. Send all suspicious email as an attachment to report.spam@nc.gov.

Gloria,

CHS Pineville has one fixed MRI scanner. You are correct that it had a catastrophic failure and was replaced earlier this year. When it was replaced, we paid the vendor for the most recent model which wasn't completely available at that time. What we are requesting now is a field upgrade to that new unit. While the vendor is doing the field upgrade to the recently replaced scanner, CHS Pineville will need to utilize an out of state mobile. Please let me know if you have further questions.

Thanks,
EK

Elizabeth V. Kirkman, MBA, MHA
Assistant Vice President

Strategic Services Group
Carolinas HealthCare System
704-446-8475 Office
Elizabeth.kirkman@carolinashealthcare.org

From: Hale, Gloria [mailto:gloria.hale@dhhs.nc.gov]
Sent: Monday, October 23, 2017 3:55 PM
To: Kirkman, Elizabeth <Elizabeth.Kirkman@carolinashealthcare.org>
Subject: Seeking clarification re. request for temporary mobile MRI at CHS Pineville

Elizabeth, the Agency approved an exemption to replace the fixed MRI scanner at CHS Pineville in Feb. 2017. The MRI scanner had a failure and was being temporarily replaced by a mobile MRI scanner. So, is the replacement MRI scanner for the failed one getting a field upgrade? Or, is the failed one being repaired/upgraded? CHS Pineville has only one fixed MRI scanner, correct? Please feel free to call me if you prefer. Thanks.

Gloria C. Hale, MPH
Project Analyst, Certificate of Need
Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services

919-855-3873 office
Gloria.Hale@dhhs.nc.gov

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