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

February 21, 2022

Elizabeth V. Kirkman
Elizabeth.Kirkman@atriumhealth.org

Exempt from Review – Replacement Equipment

Record #:	**3818**
Date of Request:	February 15, 2022
Facility Name:	Atrium Health Pineville
FID #:	110878
Business Name:	The Charlotte-Mecklenburg Hospital Authority
Business #:	1770
Project Description:	Relocate and replace existing CT scanner
County:	Mecklenburg

Dear Ms. Kirkman:

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(f). Therefore, you may proceed to acquire without a certificate of need the Siemens Somatom Edge Plus CT scanner to replace the GE Lightspeed 4 CT (#281754CN2) scanner and relocate it from a building on the Atrium Health Pineville campus to the ground floor of the main hospital building. You may also keep the existing GE Lightspeed 4 CT scanner in its current location. This determination is based on your representations that the existing unit has a fair market value of $150,000, which is below the statutory threshold for major medical equipment, and which would not require a certificate of need or other administrative determination to acquire.

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,

Julie M. Faenza

Julie M. Faenza, Project Analyst

Micheala Mitchell

Micheala Mitchell, Chief

cc: Radiation Protection Section, DHSR
Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR

February 15, 2022

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

RE: Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health Pineville ("AH Pineville") to Replace and Relocate a CT Scanner

Dear Ms. Mitchell:

The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health Pineville ("AH Pineville") seeks to acquire a Siemens Somatom Edge Plus CT scanner ("Replacement Equipment"). Please see Attachment A for a copy of AH Pineville's current hospital license. The Replacement Equipment will replace a GE Lightspeed 4 CT scanner ("Existing Equipment") which was purchased in 2002 and is beyond its useful service life. The Existing Equipment is currently housed in room 173 on the first floor of the building located on the main campus of AH Pineville that houses both a long-term acute care hospital ("LTACH"), Carolinas ContinueCARE Hospital at Pineville, as well as an inpatient rehabilitation hospital, Atrium Health Pineville Rehabilitation Hospital (see Attachment B – building labeled "AH Pineville Inpatient Rehabilitation" on the site plan). The address of this building is 10648 Park Road, Charlotte, NC 28210. The Replacement Equipment will be relocated to renovated space in the radiology suite on the first floor of AH Pineville's main hospital building located at 10628 Park Road, Charlotte, NC 28203 (see Attachment B).

Pursuant to CON Project ID #F-8640-11, Mercy Hospital, Inc. and Mercy Restorative Care Hospital, Inc. d/b/a Carolinas Specialty Hospital were approved to relocate a 40-bed LTACH from Atrium Health Mercy to a new building on the campus of Atrium Health Pineville (see Attachment C). The application for Project ID #F-8640-11 identified that as part of the project, Mercy Hospital, Inc. would relocate an existing CT scanner to the new location of the LTACH on the campus of AH Pineville and that the relocated CT scanner would remain under the ownership and control of Mercy Hospital, Inc. (see Attachment D). The CT scanner that was relocated to the LTACH pursuant to CON Project ID #F-8640-11 is the GE Lightspeed 4 CT scanner – the Existing Equipment identified in this exemption request. Additionally, pursuant to an exemption request that was approved by the Agency on October 5, 2018, Mercy Hospital, Inc. merged into its parent, The Charlotte-Mecklenburg Hospital Authority ("CMHA"), effective January 1, 2019 (see

Attachment E). As a result of the merger, the ownership and control of the CT scanner located at the LTACH on the campus of AH Pineville – the Existing Equipment – transferred to CMHA.

The purpose of this letter is to provide the Agency with notice and to request a determination that AH Pineville's purchase and relocation of the Replacement Equipment is exempt from Certificate of Need ("CON") review under the replacement equipment exemption provisions contained in Session Law 2013-360, Section 12G.3(b) and Session Law 2013-363, Section 4.6 (which are codified at N.C. Gen. Stat. 131E-184(f)(1)-(3)).

The General Assembly has chosen to exempt certain, otherwise reviewable events from CON review. Among those exemptions is the acquisition of "replacement equipment," defined as follows in the CON law:

> "Replacement equipment" means equipment that costs less than two million dollars ($2,000,000) and is purchased for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced.

See N.C. Gen. Stat. 131E-176(22a). Under the new provisions found at N.C. Gen. Stat. 131E-184(f)(1)-(3), the CON law provides:

> (f) The Department shall exempt from certificate of need review the purchase of any replacement equipment that exceeds the two million dollar ($2,000,000) threshold set forth in G.S. 131E-176(22) if all of the following conditions are met:
>
> (1) The equipment being replaced is located on the main campus.
> (2) The Department has previously issued a certificate of need for the equipment being replaced. This subdivision does not apply if a certificate of need was not required at the time the equipment being replaced was initially purchased by the licensed health service facility.
> (3) The licensed health service facility proposing to purchase the replacement equipment shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.

See Session Law 2013-360, Section 12G.3(b) and Session Law 2013-363, Section 4.6. The term "main campus" was defined in Session Law 2013-360, Section 13G.3(a) (codified N.C. Gen. Stat. 131E-176(14n)) as follows:

> (14n) "Main campus" means all of the following for the purposes of G.S. 131E-184(f) and (g) only:
>
> a. The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building.

b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.

The Existing Equipment is currently located in room 173 on the first floor of the building on AH Pineville's main campus that houses both the LTACH and AH Pineville Rehabilitation Hospital. The Replacement Equipment will be relocated to renovated space in the radiology suite on the first floor of AH Pineville's main hospital building (see Attachment B). The main hospital building, located at 10628 Park Road in Charlotte, is the site from which AH Pineville exercises financial and administrative control over the entire facility. AH Pineville's Facility Executive's office is located on the ground floor of the main hospital building. Please see a copy of AH Pineville's license in Attachment A.

In addition to the foregoing, AH Pineville's proposal qualifies for this exemption based on the following information:

A. Cost of the Replacement Equipment

The purchase price of the Replacement CT Scanner is $842,985 ($786,000 CT Scanner and freight + $56,985 tax). The purchase price of the injector is $112,302 ($104,250 injector + $460 freight + $7,592 tax). The projected total cost of this project is $2,973,830 and includes the cost to acquire, install and make operational the Replacement Equipment. Attachment F provides the quote for the Replacement Equipment. The total capital cost worksheet is provided in Attachment G.

B. Equipment Being Replaced is Located on the Main Campus

The Existing Equipment is currently located in room 173 on the first floor of the building on AH Pineville's main campus that houses both the LTACH and AH Pineville Rehabilitation Hospital. The Replacement Equipment will be relocated to renovated space in the radiology suite on the first floor of AH Pineville's main hospital building (see Attachment B).

C. Certificate of Need Issued for Equipment Being Replaced

This proposal also fits within the exemption criterion in Section 131E-184(f)(2) because the Department issued a Certificate of Need for the Existing Equipment. Pursuant to CON Project ID #F-8640-11, Mercy Hospital, Inc. and Mercy Restorative Care Hospital, Inc. d/b/a Carolinas Specialty Hospital were approved to relocate a 40-bed LTACH from Atrium Health Mercy to a new building on the campus of Atrium Health Pineville (see Attachment C). The application for Project ID #F-8640-11 identified that as part of the project, Mercy Hospital, Inc. would relocate an existing CT scanner to the new location of the LTACH on the campus of AH Pineville and that the relocated CT scanner would remain under the ownership and control of Mercy Hospital, Inc. (see Attachment D). The CT scanner that was relocated to the LTACH pursuant to CON Project ID #F-8640-11 is the GE Lightspeed 4 CT scanner – the

Existing Equipment identified in this exemption request -- which was purchased in 2002.

Pursuant to an exemption request that was approved by the Agency on October 5, 2018, Mercy Hospital, Inc. merged into its parent, The Charlotte-Mecklenburg Hospital Authority ("CMHA"), effective January 1, 2019 (see Attachment E). As a result of the merger, the ownership and control of the CT scanner located at the LTACH on the campus of AH Pineville – the Existing Equipment – transferred to CMHA.

D. <u>Comparable Equipment</u>

The CON rule codified as 10A N.C.A.C. 14C.0303 (the "Regulation") defines "comparable medical equipment" in subsection (c) as follows:

> "Comparable medical equipment" means equipment which is functionally similar and which is used for the same diagnostic or treatment purposes.

AH Pineville intends to use the Replacement Equipment for substantially the same CT procedures for which it currently uses the Existing Equipment. The Existing Equipment is a GE Lightspeed 4 CT Scanner that was purchased in 2002. The Existing Equipment has been used for CT procedures since it was acquired.

The Replacement Equipment will perform all procedures currently performed on the Existing Equipment. Although it possesses some expanded capabilities due to technological improvements, the Replacement Equipment will perform the same CT procedures (see Attachment H for the Equipment Brochure). The Replacement Equipment is therefore "comparable medical equipment" as defined in Subsection (c).

Furthermore, AH Pineville does not intend to increase patient charges or per procedure operating expenses within the first 12 months after equipment acquisition. For further equipment comparison, please refer to Attachment I, the Equipment Comparison Chart.

Subsection (d) of the regulation further provides:

(1) it has the same technology as the equipment currently in use, although it may possess expanded capabilities due to technological improvements; and
(2) it is functionally similar and is used for the same diagnostic or treatment purposes as the equipment currently in use and is not used to provide a new health service; and
(3) the acquisition of the equipment does not result in more than a 10.0 percent increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.

The Replacement Equipment will meet all three of tests set out in Subsection (d). The Replacement Equipment satisfies the technology and functionality tests in Subsection (1) and (2) as discussed above and identified in the Comparison Chart (Attachment I).

Moreover, AH Pineville represents the use of the Replacement Equipment will not result in the types of expense or charge increases described in Subsection (d)(3).

Documentation provided in Attachment J indicates that 267 scans were performed from January 2021 to December 2021 on the Existing Equipment.

E. Existing Equipment

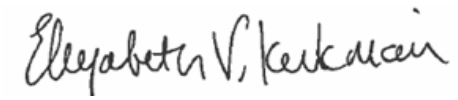
The Existing Equipment, which is located in room 173 on the first floor of the building on AH Pineville's main campus that houses both the LTACH and AH Pineville Rehabilitation Hospital, has a maximum fair market value (FMV) of $150,000 (see Attachment K for FMV analysis). AH Pineville proposes to retain the Existing Equipment since the FMV of this equipment is less than $2,000,000 and does not trigger the CON reviewability threshold for "major medical equipment" under N.C.G.S 131E-176(14o). The Existing Equipment will remain in its current location on the first floor of the building on AH Pineville's main campus that houses both the LTACH and AH Pineville Rehabilitation Hospital and will continue to be used for all primary CT applications.

CONCLUSION:

Based on the foregoing information, AH Pineville hereby requests that the Agency provide a written response confirming that the acquisition and relocation of the Replacement Equipment and the retention of the Existing Equipment described herein is exempt from CON review. If the Agency needs additional information to assist in its consideration of this request, please let us know.

Thank you for your consideration of this notice.

Sincerely,



Elizabeth V. Kirkman
Assistant Vice President
Atrium Health Enterprise Strategy Partners

Attachments

Attachment A

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 01, 2022, this license is issued to

The Charlotte Mecklenburg Hospital Authority

to operate a hospital known as

Atrium Health Pineville

located in Charlotte, North Carolina, Mecklenburg County.

This license is issued subject to the statutes of the State of North Carolina, is not transferable and shall remain in effect until amended by the issuing agency.

Facility ID: 110878

License Number: H0042

Bed Capacity: *307*

General Acute 278, Rehabilitation 29 ,

Dedicated Inpatient Surgical Operating Rooms: 3
Dedicated Ambulatory Surgical Operating Rooms: 0
Shared Surgical Operating Rooms: 10
Dedicated Endoscopy Rooms: 2

Authorized by:

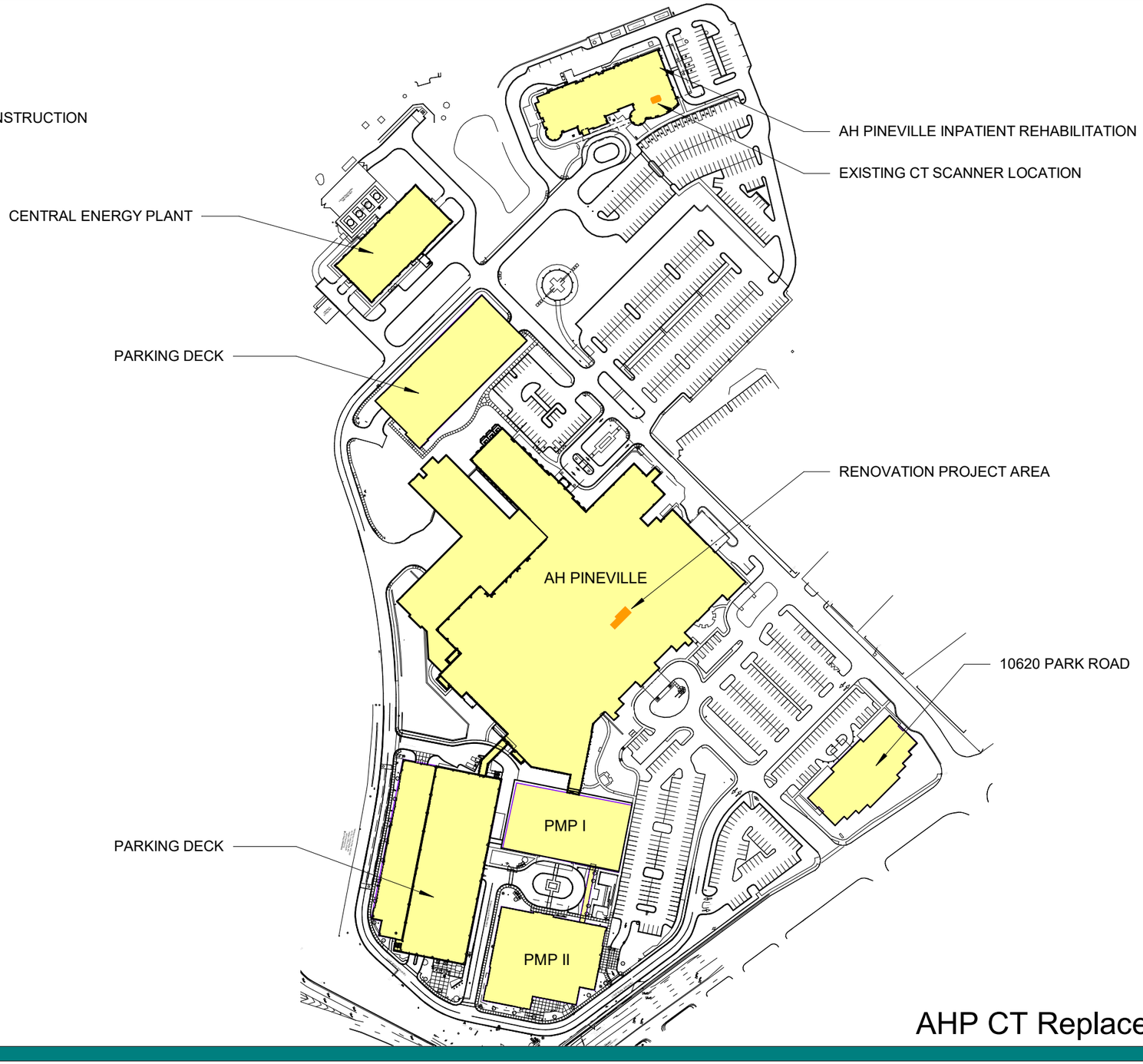
Secretary, N.C. Department of Health and Human Services

Director, Division of Health Service Regulation

Attachment B

SITE PLAN COLOR KEY

- EXISTING BUILDING
- PROJECT UNDER CONSTRUCTION
- RENOVATION



Site Plan

AHP CT Replacement and Relocation

Atrium Health

11/12/2021

Atrium Health Pineville

Color Key

EXISTING BUILDING

RENOVATION

Overall Existing Level 01 Floor Plan

AHP CT Replacement and Relocation

Atrium Health

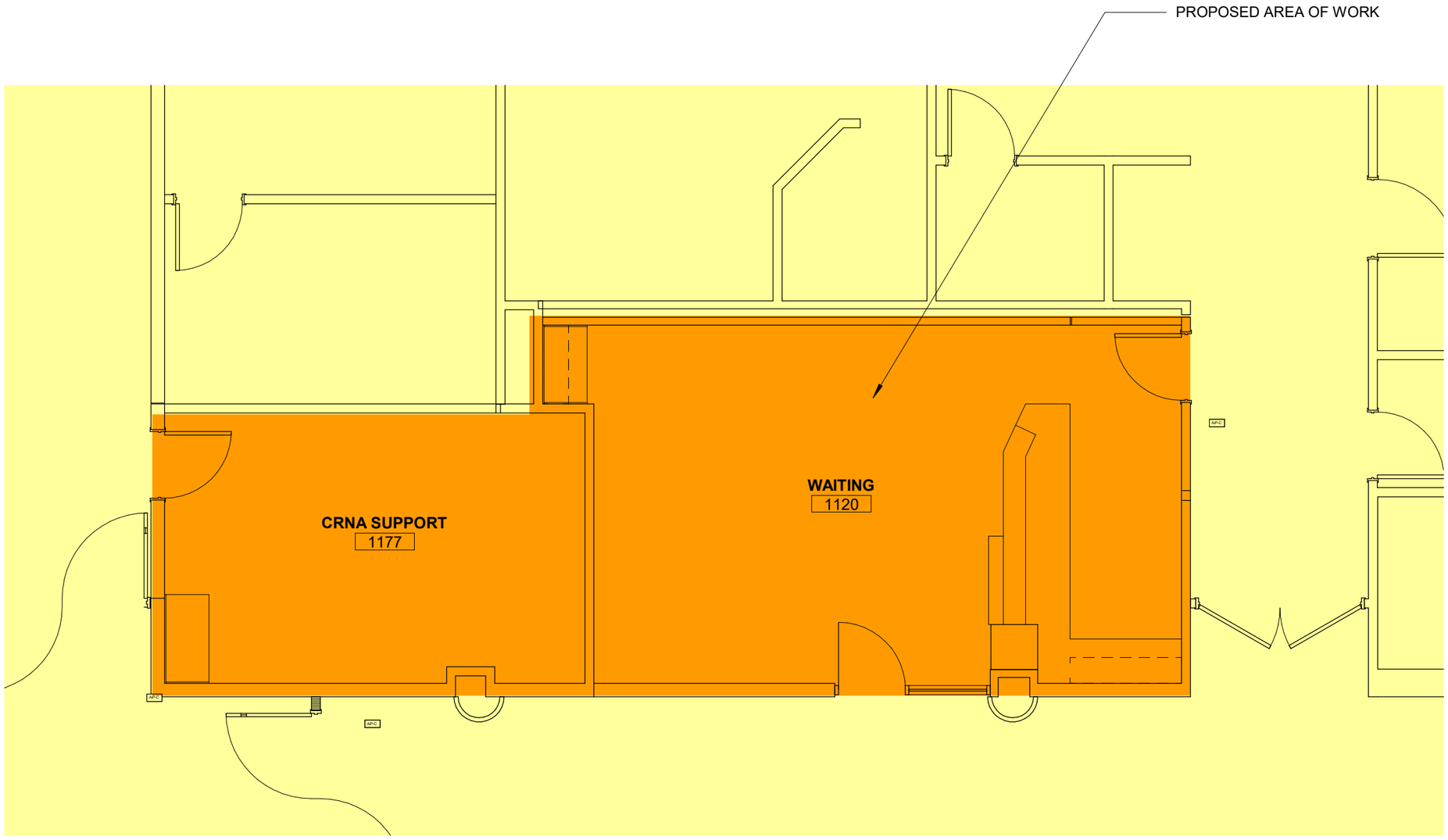
11/12/2021

Atrium Health Pineville

Color Key

EXISTING BUILDING

RENOVATION



Enlarged Existing Level 01 Floor Plan

AHP CT Replacement and Relocation

Atrium Health

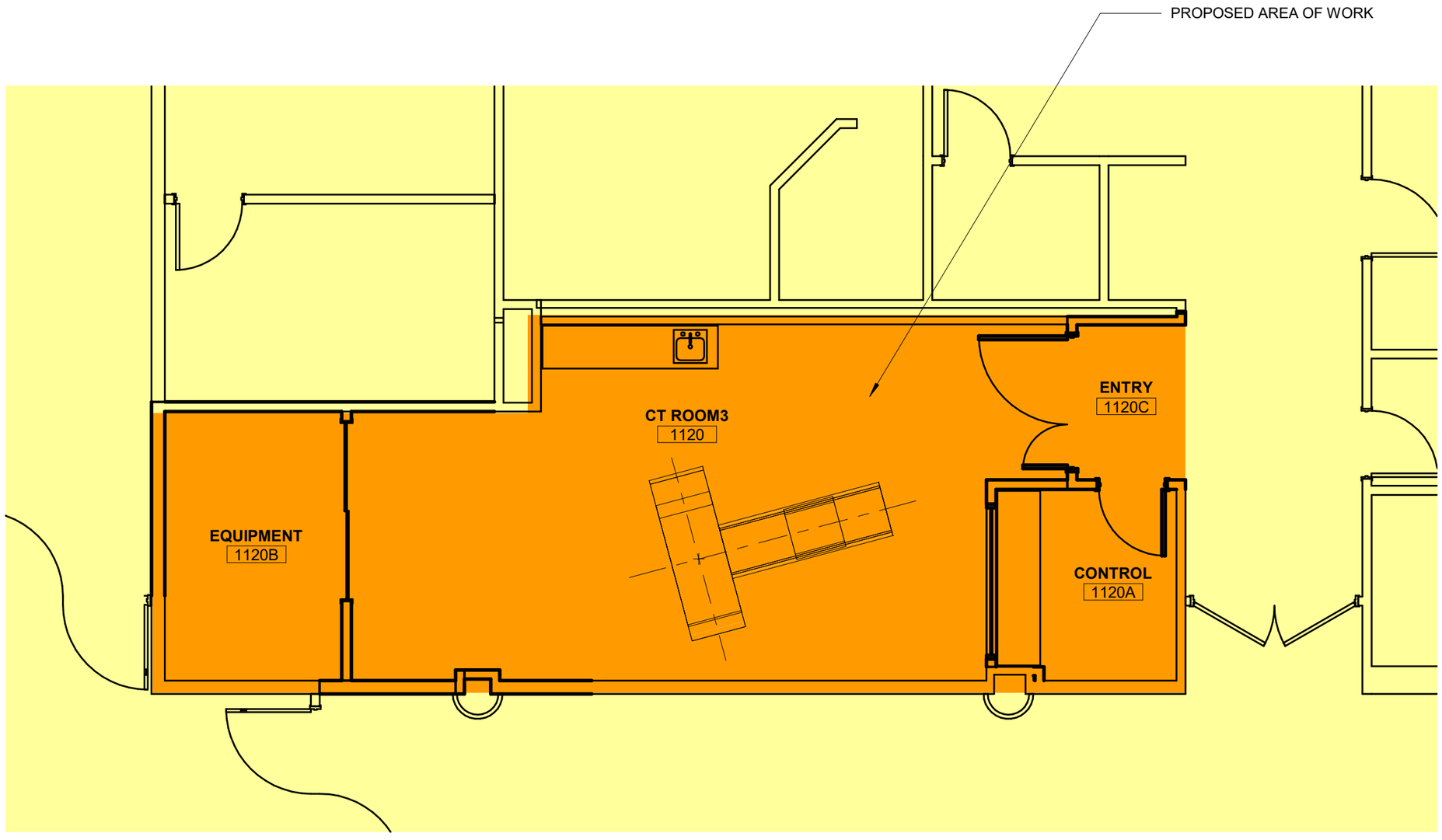
11/12/2021

Atrium Health Pineville

Color Key

EXISTING BUILDING

RENOVATION



Enlarged Proposed Level 01 Floor Plan

AHP CT Replacement and Relocation

Atrium Health

11/12/2021

Atrium Health Pineville

Attachment C

STATE OF NORTH CAROLINA

Department of Health and Human Services
Division of Health Service Regulation

CERTIFICATE OF NEED

for

Project Identification Number #F-8640-11

FID #110195

ISSUED TO: **Mercy Hospital, Inc. and**
Mercy Restorative Care Hospital, Inc.
d/b/a Carolinas Specialty Hospital
2001 Vail Avenue, Seventh Floor South
Charlotte, NC 28207

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16e). The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: **Mercy Hospital, Inc. and Mercy Restorative Care Hospital, Inc. d/b/a Carolinas Specialty Hospital shall relocate the 40-bed long term care hospital from the 7th floor of Carolinas Medical Center – Mercy to a new building on the campus of Carolinas Medical Center – Pineville/ Mecklenburg County**

CONDITIONS: **See Reverse Side**

PHYSICAL LOCATION: **Carolinas Specialty Hospital**
Campus of Carolinas Medical Center – Pineville
10628 Park Road
Charlotte, NC 28210

MAXIMUM CAPITAL EXPENDITURE: $22,251,124

TIMETABLE: **See Reverse Side**

FIRST PROGRESS REPORT DUE: **March 31, 2012**

This certificate is effective as of the 24th day of August, 2011

Craig R. Smith

Chief, Certificate of Need Section
Division of Health Service Regulation

CONDITIONS:

1. Mercy Restorative Care Hospital, Inc. d/b/a Carolinas Specialty Hospital and Mercy Hospital, Inc. shall materially comply with all representations made in the certificate of need application.

2. Carolinas Specialty Hospital shall be licensed for no more than 40 acute care beds which shall be certified and utilized only as long term care hospital beds.

3. Mercy Restorative Care Hospital, Inc. d/b/a Carolinas Specialty Hospital and Mercy Hospital, Inc. shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

4. Mercy Restorative Care Hospital, Inc. d/b/a Carolinas Specialty Hospital and Mercy Hospital, Inc. shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicants' representation in the written statement as described in paragraph one of Policy GEN-4.

5. Mercy Restorative Care Hospital, Inc. d/b/a Carolinas Specialty Hospital and Mercy Hospital, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Certificate of Need Section on August 8, 2011.

TIMETABLE:

Contract Award (Notice to Proceed)	March 1, 2012
25% Completion of Construction	June 1, 2012
50% Completion of Construction	September 11, 2012
75% Completion of Construction	December 1, 2012
Completion of Construction	March 1, 2013
Occupancy/Offering of service(s)	March 15, 2013
Licensure of Facility	March 15, 2013

Attachment D

II. SCOPE OF SERVICES/QUALITY OF CARE

1. (a) Describe each service component included in the proposed project (e.g., acute care beds, Emergency Department, Radiology, Laboratory, MRI scanner, CT scanner, operating rooms, etc.).

Response: This project proposes the relocation of Carolinas Specialty Hospital (CSH), a 40-bed Long Term Care Hospital (LTCH), from its current location with 15,620 square feet of space on the 7th floor of Carolinas Medical Center – Mercy (CMC-M) in downtown Charlotte to a new 4-story building with 56,916 square feet of space on the campus of Carolinas Medical Center – Pineville (CMC-P). Both locations are in Mecklenburg County. The proposed location is approximately nine miles southwest of the current location. CSH will serve the same patient base. The proposal includes the facility relocation only, and does not request any additional beds.

The purpose of this project is to continue to provide a quality and effective continuum of care to the residents of Mecklenburg County, located in Health Service Area (HSA) III, and the contiguous counties. As will be documented later, it is no longer practical to provide LTCH services with a mix of semi-private and private rooms averaging only 391 square feet per bed.

The lessor, Mercy Hospital, Inc., now provides ancillary services to CSH at the CMC-M location and will continue to do so at the proposed CMC-P location.[1] However, Mercy Hospital, Inc. will relocate one of its existing computed tomography (CT) scanners to the new CSH location in order to reduce ambulance transfers from CSH to CMC-P. This CT scanner will remain under the ownership and control of Mercy Hospital, Inc.

CSH proposes to provide its own routine radiography/fluoroscopy equipment ($300,000) and portable x-ray ($250,000). Total equipment costs are estimated at $1,995,100.[2]

Other services not available on-site at CSH, such as surgery, will be provided at CMC-P according to the purchased services agreement referenced previously. As the proposed CSH building will be located on the CMC-P campus, travel times between facilities are negligible.

CSH provides inpatient LTCH services to high acuity, medically complex patients requiring specialized hospitalization for an extended period of time. Currently, the average length of stay of Medicare patients admitted to such beds exceeds 25 days. CSH expects similar

[1] Exhibit 6 contains a patient transfer agreement with CMC-P, and Exhibit 5 contains purchased services agreements between the two hospitals.

[2] Equipment lists are provided in Exhibit 21.

Attachment E

NC DEPARTMENT OF
HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

October 5, 2018

Gary S. Qualls
430 Davis Drive, Suite 400
Morrisville, NC 27560

Exempt from Review – Acquisition of Facility

Record #:	**2730**
Facility Name:	Carolinas HealthCare System Pineville
Type of Facility:	Hospital
FID #:	110878
Acquisition by:	The Charlotte-Mecklenburg Hospital Authority
Business #:	1770
County:	Mecklenburg

Dear Mr. Qualls:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your representations, the above referenced proposal is exempt from certificate of need (CON) review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the health service facility identified above without first obtaining a CON. The Agency's determination is limited to the question of whether or not the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. Note that pursuant to N.C. Gen. Stat. §131E-181(b): "*A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.*"

In the event that the business listed above does acquire the facility, you should contact the Agency's Acute and Home Care Licensure and Certification Section to obtain instructions for changing ownership of the existing facility.

It should be noted that this 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 Agency and a separate determination regarding whether or not a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie M. Faenza
Project Analyst

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

cc: Acute and Home Care Licensure and Certification Section, DHSR
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

K&L GATES

Gary S. Qualls
D 919.466.1182
F 919.516.2072
gary.qualls@klgates.com

October 2, 2018

Via Hand Delivery
Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
N.C. Department of Health and Human Services
809 Ruggles Drive
Raleigh, NC 27603

Re: Merger of Mercy Hospital, Inc. Into Its Parent, The Charlotte-Mecklenburg Hospital Authority

No Review Letter, Alternative Exemption Notice, and Good Cause Transfer Request

Dear Ms. Frisone:

The purpose of this letter is to inform you of a proposed intra-organizational transaction (the "Mercy Merger") involving a merger of Mercy Hospital, Inc. ("Mercy") into its ultimate parent, The Charlotte-Mecklenburg Hospital Authority ("CMHA").[1] Effective on or about January 1, 2019, Mercy will merge into CMHA, and Mercy will cease to exist.

1. Mercy-Related Facilities

Mercy is the licensed operator and owner of the acute care hospital known as Carolinas HealthCare System ("CHS") Pineville in Charlotte, Mecklenburg County -- License No. H0042 ("CHS Pineville").

Mercy also owns the building housing the CMC-Mercy Campus of Carolinas Medical Center in Charlotte ("CMC") -- License No. H0071. Mercy leases that CMC-Mercy Campus Building to CMHA. CMHA operates the CMC-Mercy Campus as part of CMC.

2. Impact of Mercy Merger

The Mercy Merger will result in Mercy's ultimate parent, CMHA stepping into the shoes of Mercy in every respect. At the same time, CHS Pineville's name will change to Atrium Health Pineville.

[1] Mercy Hospital, Inc. is wholly owned by Mercy Health Services, Inc., which is wholly owned by CMHA. Effective January 1, 2019, Mercy Health Services, Inc. will also merge into CMHA.

a. Impact on CHS Pineville

Thus, effective January 1, 2019, CMHA will:

1. Directly own Mercy's current assets pertaining to CHS Pineville;
2. Directly operate Mercy's current assets pertaining to CHS Pineville;
3. Become CHS Pineville's Medicare and Medicaid provider; and
4. Become CHS Pineville's licensee.

b. Impact on CMC-Mercy Campus Building

Also, as to the CMC-Mercy Campus Building:

1. Effective January 1, 2019, CMHA will directly own the building housing the CMC-Mercy Campus of CMC;
2. CMHA already operates the CMC-Mercy Campus as part of CMC;
3. CMHA is already CMC's Medicare and Medicaid provider; and
4. CMHA is already CMC's licensee.

3. Request to Agency

We request that the Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency"):

1. confirm that the Mercy Merger is not reviewable as a new institutional health service under the CON law because it is simply a related entity merger; or

2. in the alternative, confirm that the Mercy Merger is exempt from review under the CON law's exemption provisions in N.C. Gen. Stat. § 131E-184(a)(8).

Additionally, to the extent the Agency deems any or all of the Mercy Merger to be an exempt transfer – under Section 131E-184(a)(8) – of Mercy's approved, but not fully developed CHS Pineville or CMC-Mercy Campus Building CON Projects (collectively described in Part III as the "Pending Projects"), we request approval of a good cause transfer of those Pending Projects.

I. No Review Request for the Mercy Merger.

CMHA becoming the sole, direct owner of CHS Pineville is not a CON reviewable event because such an event is not expressly addressed in any of the new institutional health service "CON triggers" in N.C. Gen. Stat. § 131E-176(16). This type of related-entity transfer – where an indirect parent owner becomes the sole, direct owner of a hospital – is not included in the list of activities that constitute the development of a new institutional health service, requiring a CON.

Moreover, the mere intra-organizational transfer of the building housing the CMC-Mercy Campus of CMC is not a CON triggering event, particularly when CMHA is already the operator and licensee of CMC, the licensed hospital operated in the building space. In other words, with respect to CMC, the health service facility's ownership is not changing – even intra-organizationally – because the operator of the regulated facility is already the provider, CMHA.

Pursuant to the maxim of statutory construction *expressio unius est exclusio alterius*, those transactions not included in N.C. Gen. Stat. § 131E-176(16) -- such as this Mercy Merger – do not require a CON. See e.g., In re Miller, 357 N.C. 316, 325, 584 S.E.2d 772, 780 (2003) (stating that "[u]nder the doctrine of *expressio unius est exclusio alterius*, when a statute lists the situation to which it applies, it implies the exclusion of situations not contained in the list"); see also Jackson v. A Woman's Choice, Inc., 130 N.C. App. 590, 594, 503 S.E.2d 422, 425 (1998) (internal citations omitted) ("[W]here a statute is explicit on its face, the courts have no authority to impose restrictions that the statute does not expressly contain.").

Based on the foregoing, we request your confirmation that the Mercy Merger is not even subject to CON review. Thus, an exemption is not necessary.

II. Exemption Notice for Mercy Merger (If the Merger is Deemed CON Reviewable).

However, if the Agency treats the Mercy Merger as the acquisition of CHS Pineville (as a health service facility), and thus CON reviewable, this letter serves as an exemption notice for CHS Pineville's acquisition, pursuant to N.C. Gen. Stat. § 131E-184(a)(8).[2]

The General Assembly has chosen to exempt certain, otherwise reviewable, events from CON review, including the acquisition of an existing health service facility, including the equipment owned by the health service facility at the time of the acquisition. See N.C. Gen. Stat. § 184(a)(8). Under N.C. Gen. Stat. § 131E-176(9b), CHS Pineville constitutes a "health service facility."

[2] The same request would apply in the unlikely event that the Agency treats the intra-organizational transfer of the building housing the CMC-Mercy Campus of CMC as a CON triggering event.

Furthermore, the proposed Mercy Merger does not entail the acquisition of any major medical equipment or any *per se* reviewable equipment as defined in N.C. Gen. Stat. § 131E-176(14)(o) and (16)(f1), except in conjunction with the acquisition of the existing health service facility, CHS Pineville. Likewise, the transaction does not include the offering of any *per se* reviewable services except those already offered by CHS Pineville. See N.C. Gen. Stat. § 131E-176(16)(f).

Accordingly, given that the transaction involves CHS Pineville, which is an existing health service facility, even if the Agency deems the Mercy Merger to constitute a new institutional health service, the Mercy Merger is nevertheless exempt from CON review.

III. Good Cause Transfer for the Pending Projects (If the Merger is Deemed CON Reviewable Yet Exempt.

Certain CHS Pineville and Mercy Campus Projects – listed in the chart below – are currently under development (the "Pending Projects").

CHS Pineville and Mercy Campus of CMC - CONs Under Development				
Con Project ID	Facility	Project Description	Status	CON Issue Date
F-11361-17	CHS Pineville	Develop no more than 15 additional acute care beds for a total of no more than 221 acute care beds / Mecklenburg County	CON Issued; Under Development	Jun-18
F-8740-11 F-7709-06	CMC-Providence (licensed as part of CHS Pineville)	Develop a satellite emergency department near the intersection of Providence Rd and I-485 and change site for the imaging equipment approved in Project ID F-7709-06 (CMC Mint Hill Imaging Center)	CON Issued; Under Development	Mar-12
F-11425-17	CHS Pineville	Acquire no more than one new fixed MRI scanner pursuant to the Need Determination in the 2017 SMFP for a total of no more than two fixed MRI scanners	CON Issued; Under Development	May-18
F-11268-16	CMC-Mercy	Renovate existing space on the Mercy campus of CMC related to surgical services and relocate one existing operating room to the CMC campus	CON Issued; Under Development	April-17

Thus, if the Mercy Merger is considered to be a transfer of the Pending Projects, we request approval for a "good cause" transfer of those Pending Projects under N.C. Gen. Stat. § 131E-189 and 10A N.C.A.C. 14C.0502. We believe that good cause exists for such transfers.

Good cause exists for transfer of the Pending Projects because the larger purposes of the Mercy Merger are wholly unrelated to the Pending Projects. Rather, the Pending Projects are merely byproducts of the larger Mercy Merger, where CMHA becomes the direct owner of Mercy's assets. The larger purpose of the Mercy Merger centers around administrative efficiencies associated with operating a large hospital system under a single, streamlined organizational structure.

Moreover, nothing about this Mercy Merger will affect the ability of CMHA to materially comply with any representations in the Pending Projects or the CON conditions placed on such Projects. The operations and development of the Pending Projects will be materially the same as represented in the Pending Projects' CON applications and in compliance with the issued CONs.

CONCLUSION

Based upon the foregoing information, we request that the Agency:

1. confirm that the Mercy Merger is not reviewable as a new institutional health service under the CON law because it is simply a related entity merger; or

2. in the alternative, confirm that the Mercy Merger is exempt from review under the CON law's exemption provisions in N.C. Gen. Stat. § 131E-184(a)(8); and

3. approve a good cause transfer for the Pending Projects **if** the Agency determines that any part of the Mercy Merger constitutes an exempt transfer under N.C. Gen. Stat. § 131E-184(a)(8).

Thank you for your assistance in regard to this matter. Please feel free to contact me at the number above if you have any questions or need further information.

Sincerely,

Gary S. Qualls

Gary S. Qualls

Attachment F

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355

SIEMENS REPRESENTATIVE
Edwin Winicki - +1 (336) 688-0978
edwin.winicki@siemens-healthineers.com

Customer Number: 0000035965

Date: 01/31/2022

ATRIUM HEALTH
1000 BLYTHE BLVD
CHARLOTTE, NC 28203

Siemens Medical Solutions USA, Inc. is pleased to submit the following quotation for the products and services described herein at the stated prices and terms, subject to your acceptance of the terms and conditions on the face and back hereof, and on any attachment hereto.

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Contract Total: $ 786,000
(total does not include any Optional or Alternate components which may be selected)

Proposal valid until 02/28/2022

Estimated Delivery Date: 09/2022

Delivery dates and other contractual obligations of Seller may change due to the effects of the Covid-19 epidemic or other epidemic, including delays and disruptions in the supply chain, manufacturing, or execution as well orders by authorities and prioritization of (new and existing) orders of customers which are essential for the public healthcare. The magnitude of such changes cannot be predicted and might be substantial because it depends on the development of the Covid-19 epidemic or other epidemic.

This Quotation is specific to Atrium Health, and contains information which is confidential and proprietary to Siemens, including but not limited to discounts and pricing. The Customer may not distribute or disclose this quotation or any portion hereof to, or discuss any of the information (including pricing) contained herein with, any other customer or consultant, buying group, or other third party.

The parties hereby expressly agree that the Premier Healthcare Alliance, L.P. Group Purchasing Agreement—Imaging Products and Services effective October 1, 2015 (Contract Number(s) PP-IM273) and Siemens Terms and Conditions of Sale and Software License Schedule attached hereto shall govern the purchase of Products pursuant to this Quotation.

This offer is only valid if firm, non-contingent orders for Quote #125228 and Quote #323417 are simultaneously placed with Siemens.

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355

SIEMENS REPRESENTATIVE
Edwin Winicki - +1 (336) 688-0978
edwin.winicki@siemens-healthineers.com

Accepted and Agreed to by:

Siemens Medical Solutions USA Inc.		**ATRIUM HEALTH**	
By (sign):	_____	By (sign):	_____
Name:	Edwin Winicki	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

By signing below, signor certifies that no modifications or additions have been made to the Quotation. Any such modifications or additions will be void.

By (Sign): _____

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355

SIEMENS REPRESENTATIVE
Edwin Winicki - +1 (336) 688-0978
edwin.winicki@siemens-healthineers.com

Quote Nr:	**CPQ-125228 Rev. 1**
Terms of Payment:	**00% Down, 80% Delivery, 20% Installation** **Free On Board: Destination**
Purchasing Agreement:	PREMIER PURCHASING PARTNERS LP PREMIER PURCHASING PARTNERS LP terms and conditions apply to Quote Nr CPQ-125228 Customer certifies, and Siemens relies upon such certification, that : (a) PREMIER PP-IM-273 CT is the sole GPO for the purchases described in this Quotation, and (b) the person signing this Quotation is fully authorized under the Customer's policies to choose and indicate for Customer such appropriate GPO.

SOMATOM Edge Plus

All items listed below are included for this system:

Qty	Part No.	Item Description
1	14449715	**SOMATOM Edge Plus** The SOMATOM Edge Plus is based on a Straton MX Sigma tube and Sigma generator to boost the power and enable an industry standard of low kV imaging. Straton MX Sigma also enables to use 10kV steps from 70-140kV. The system contains unique Split Filter Technology, which enables routine ready TwinBeam Dual Energy imaging by simultaneous acquisition of a tin filtered and gold filtered spectrum as well as low dose non-contrast imaging using the Tin Filter part only. This in conjunction with the StellarInfinity Detector & Integrated IR (Iterative Reconstruction), including key technologies, TrueSignal and Edge Technology, the SOMATOM Edge Plus routinely generates ultra-thin 0.5 mm slices e.g. for most accurate stenosis, plaque and stent analysis. The system is also available with 142 ms temp. resolution, long dynamic range imaging and routine Dual Energy scans. The SOMATOM Edge Plus offers world's first 3D camera integrated workflow (optional). The FAST 3D camera captures the patient's shape, position, and height in three dimensions. These technologies are enabling new applications to automate positioning and safeguard correct and consistent imaging: FAST Isocentering, at the push of a button, provides the correct isocenter position, enabling the right dose modulation and consistent images. FAST Range supports scanning the correct body region in the topogram with no cut-off – by automatically aligning the identified anatomical position with the protocol. FAST Direction helps safeguard the right scan direction of the topogram, which is crucial when moving the table with infused patients. With all this SOMATOM Edge Plus - provides the capabilities to "Changing views in CT".
1	14468104	**syngo CT VB20**

The new Software syngo CT VB20 enables new, but separately licensed features like DirectBreathhold as well as enhancing several already existing features, e.g. FAST DE Results, DirectDensity, increased image storing capacity, as well as FAST 3D Camera and Touch Panel workflow.

1	14449877	**100 kW Power** Increase the X-ray generator power to a full potential of 100kW.
1	14449878	**High-speed 0.28 s rotation** Fast rotation time of 0.28 seconds for unprecedented image quality and highest scan speed. Fast gantry rotation times are the prerequisite for highest temporal resolution and are therefore essential for brilliant, motion artifact free cardiovascular imaging.
1	14449718	**Imaging Package** We combine our market leading technologies and applications to make this the most personalized scanner for our customers. Including SureView, High Pitch Spiral 1.7, Adaptive Dose Shield, CARE Dose 4D, CARE kV, CARE Child, CARE Profile, CARE Dashboard, CARE Bolus, Dose MAP, FAST Adjust and ADMIRE.
1	14460571	**Sigma High Power** Sigma High Power enables the Straton MX Sigma tube to provide the full scope of the tube power. Includes 10 kV steps with voltage options of 70, 80, 90, 100, 110, 120, 130 and 140kV, with High Power 70, High Power 80, High Power 90 and High Power 100 where the tube is tuned for low kV scanning. Sigma High Power also enables Tin Filter scanning.
1	14449767	**iMAR #AWP** The iMAR metal artifact reduction algorithm combines three successful iterative approaches to reduce metal artifacts (beam hardening correction, normalized sinogram inpainting, and frequency split). Siemens algorithm allows for artifact reduction based on the unique composition of metal implants such as coils, metal screws and plates, dental fillings or implants. iMAR is compatible with extended FoV and all Siemens dose reduction features.
1	14449764	**Reading Package** We combine our market leading applications to make reading and reporting consistent, fast and simple for our customers. Includes VRT, Workstream 4D and Extended FoV.
1	14449773	**Function - Dynamic Package** Adaptive 4D Spiral - a unique 4D Spiral scan mode that enables the SOMATOM Edge Plus to extend beyond restraints experienced when utilizing a static detector and allows for up to 48 cm (18.89“) dynamic CT coverage. This enables use not only for perfusion but also for advanced 4D CT DSA evaluations. Tiltable head holder for optimal positioning of stroke patients.
1	14460573	**Function - DE Package** This package includes the Dual Spiral Dual Energy scan mode as well as FAST DE Results for a straight forward Dual Energy workflow. syngo DE Scan for Single Source # AWP offers the possibility to acquire two spiral data sets in sequence at different energies. The results are two data sets with diverse information. All features to reduce patient radiation like dose modulation or iterative reconstruction can be applied. With FAST DE Results you can select Dual Energy applications at the AWP and the results will be sent directly to the PACS without any interaction needed. FAST DE Results is as easy as selecting a recon job and will enhance you daily workflow significantly.
1	14449779	**Advanced Applications** We combine our market leading applications to make positioning simple for our customers. FAST Topo - enables faster scan speeds in topograms, which prevents breath-hold artifacts. It also has the potential to decrease the topogram dose.

		FAST Planning - assists the scan and reconstruction planning, based on a topogram, to provide an easier, faster and standardized workflow in CT scanning. FAST Planning features the selection of the anatomical region of interest from a list prospectively defined scan and reconstruction ranges, automatic detection of the scan region(s) of interest and proposal of corresponding scan range(s) in the topogram (in a narrow or wide lateral FoV), optimized FoV and automatic iso-center adaptation for Head scans. FAST 3D Align - automatically corrects misalignment of anatomic structures, organs of the patient. It aligns those to fit it to the selected reconstruction plane for a highly automated reconstruction workflow. Additionally it minimizes the black area in the image through automatically adjusts recon field of view selection. FAST 3D Align works in combination with Workstream 4D.
1	14449760	**UHR** UHR mode delivers Ultra High resolution in plane of up to 24lp/cm for high defined imaging of small structures such as inner ear, joints or fractures of the bone.
1	14449759	**FAST IRS** Reconstruction computer for the preprocessing and reconstruction of the CT raw data. The reconstruction computer contains of a cluster of high-performance GPU boards performing the preprocessing and reconstruction of the CT data. The peak reconstruction performance is up to 80 frames/sec.
1	14449784	**Patient Table 2000 mm** Patient table to support up to 200cm scan range. Motor-driven table height adjustment from min. 48 cm to max. 92 cm, longitudinal movement of the tabletop 200 cm in increments of 0.5 mm, positioning accuracy +/- 0.25 mm from any direction. Horizontal scan range 200 cm. Table height can be controlled alternatively by means of foot switch (2 each on both sides of the patient table). In the case of emergency stop or power failure, the tabletop can also be moved manually in horizontal direction. Max. table load: 227 kg/500 lbs, Table feed speed: 1-200 mm/s, Distance between gantry front and table base 40 cm. Positioning aids: Mattress protector, head-arm support (inclusive cushion), and non-tiltable head holders with positioning cushion set, patient restraining system for head fixation, restraining-strap set with body fixation strap that can be directly connected to the patient table top, headrest, table extension, knee-leg support.
1	14449787	**Mattress for Patient Table** For the comfortable positioning of the patient on the CT table.
1	14449778	**Rear cover incl. Touch Panels** Standard CT rear gantry cover, including two Touch Panels, for additional access to the positioning of the patient from both sides of the gantry.
1	14449801	**Patient Restraint 400 mm** 400 mm wide restraint strap for the fixation and safe positioning of the patient’s body directly on the movable part of the patient table.
1	14449720	**Cooling System Air** SOMATOM Edge Plus air cooling for the dissipation of heat generated in the gantry.
1	SURE_VIEW	**SureView** Provides exceptional image quality at any pitch setting, enabling you to scan faster because you can scan at any pitch without degrading image quality
1	CT_TILTED_SPIRAL	**Gantry tilt incl. tilted spiral** Allows for sequential scanning with a tilted gantry between +/- 30°, depending on the vertical position of the table. Using the gantry tilt sensitive organs (like eye lenses) can be moved out of the scan range or it eases access during interventional procedures. The tilted spiral allows to utilize the gantry tilt for spiral scan modes.
1	ACCESS_PROTECT	**Access Protection** Scan Protocols are password protected allowing only authorized staff members to access and permanently change protocols
1	NEMA_XR-29	**NEMA_XR-29 Standard** This system is in compliance with NEMA XR-29 Standard Attributes on CT

		Equipment Related to Dose Optimization and Management, also known as Smart Dose.
1	CT_UPS_EDGE_PLUS	**Standard UPS for Edge Plus** The standard partial system uninterruptible power supply (UPS) is built directly into the power distribution cabinet (PDC) and supports the critical circuits for table and gantry electronics, console computer, image reconstruction system, and the internal Ethernet switch (to ensure connectivity). This enables safe removal of patient if outage occurs during scanning.
1	4SPAS014	**Low Contrast CT Phantom & Holder**
1	PSPD250480Y3K	**Surge Protective Device (SPD)**
1	CTSDEF01	**CT Slicker** Thermoseal seams and flaps deflect fluids, reducing contaminant penetration into the cushion and table. Contaminants are retained on the tabletop or shunted to the floor. Cleanup is faster, more thorough, and contaminant build-up is reduced. Built using heavy, clear, micro matte vinyl, and top grade hook and loop fastening strips (Velcro) to better fit the specified table. Custom vinyl resists tears and minimizes radiologic interference. Latex free. Set includes CT Skirts. Shipped with main cover, a catheter bag holder, and 3 restraining belts unless otherwise noted. Includes warranty from RADSCAN Medical.
1	CT_PM	**CT Project Management** A Siemens Project Manager (PM) will be the single point of contact for the implementation of your Siemen's equipment. The assigned PM will work with the customer's facilities management, architect or building contractor to assist you in ensuring that your site is ready for installation. Your PM will provide initial and final drawings and will coordinate the scheduling of the equipment, installation, and rigging, as well as the initiation of on-site clinical education.
1	CT_BTL_INSTALL	**CT Standard Rigging and Installation**
1	CT_ADDL_RIGGING	**Additional Rigging CT @ $9,000**
1	CT_INITIAL_32	**Initial onsite training 32 hrs** Up to (32) hours of on-site clinical education training, scheduled consecutively (Monday – Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.
1	CT_FOLLOWUP_16	**Follow-up training 16 hrs** Up to (16) hours of follow-up on-site clinical education training, scheduled consecutively (Monday – Friday) during standard business hours for a maximum of (4) imaging professionals. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.

System Total **$ 786,000**

Siemens Medical Solutions USA, Inc.
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FINANCING: The equipment listed above may be financed through Siemens. Ask us about our full range of financial products that can be tailored to meet your business and cash flow requirements. For further information, please contact your local Sales Representative.

ACCESSORIES: Don't forget to ask us about our line of OEM imaging accessories to complete your purchase. All accessories can be purchased or financed as part of this order. To purchase accessories directly or to receive our accessories catalog, please call us directly at 1-888-222-9944 or contact your local Sales Representative.

COMPLIANCE: Compliance with legal and internal regulations is an integral part of all business processes at Siemens. Possible infringements can be reported to our communication channel “Let Us Know”.

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Siemens Medical Solutions USA, Inc. General Terms and Conditions

1. GENERAL

1.1 Contract Terms and Acceptance. These terms and conditions constitute an integral part of any contract between Seller and Purchaser identified on the first page hereof and shall govern the sale of the products identified in such contract ("Products"). Purchaser acknowledges that this is a commercial and not a consumer transaction. Purchaser shall be deemed to have assented to, and to have waived any objection to, this Agreement upon the earliest to occur of any of the following: Purchaser's completion or execution of this Agreement; Purchaser's acceptance of all or any part of the Products; Purchaser's issuance of a purchase order for any Products identified on Seller's quotation or proposal; or delivery of the Products to the common carrier for shipment pursuant hereto.**1.2 Refurbished/Used Products.** For Products identified on this Agreement as used or refurbished Products, these Products have been previously owned and used. When delivered to Purchaser, such Products will perform in accordance with the manufacturer's specifications. Since pre-owned Products may be offered simultaneously to several customers, the availability of such Products to Purchaser cannot be guaranteed. If the Products are no longer available, Seller will use its best efforts to identify other suitable products in its inventory. If substitute products are not acceptable to Purchaser, then Seller will cancel the order and refund to Purchaser any deposits previously paid. The warranty period for any used or refurbished Products will be separately stated on the quotation. **1.3 Third Party Products.** If this Agreement includes the sale of third party products not manufactured by Seller, then Purchaser agrees and acknowledges that (a) Purchaser has made the selection of these products on its own, (b) the products are being acquired by Seller solely at the request of and for the benefit and convenience of Purchaser, (c) no representation, warranty or guarantee has been made by Seller with respect to the products, (d) the obligation of Purchaser to pay Seller for the products is absolute and unconditional, (e) use of the products may be subject to Purchaser's agreement to comply with any software licensing terms imposed by the manufacturer; and (f) unless otherwise indicated by Seller in writing, Seller is not responsible for any required installation, validation, product recall, warranty service, maintenance, complaint handling, or any other applicable FDA regulatory requirements, and the Purchaser will look solely to the manufacturer regarding these services and will assert no claim against Seller with respect to these products.

2. PRICES

2.1 Quotations. Unless otherwise agreed to in writing or set forth in the quotation, all prices quoted by Seller and amounts payable by Purchaser are in U.S. dollars, and include Seller's standard packaging. The prices quoted to Seller assume that the Seller is located in, and will use the Products in, the U.S. If not, such quotation will be void. Unless otherwise stated, the quotation shall only be valid for forty-five (45) days from the date of the quotation.**2.2 Delay in Acceptance of Delivery.** Should the agreed delivery date be postponed by Purchaser, Seller shall have the right to deliver the Products to storage at Purchaser"s risk and expense, and payments due upon delivery shall become due when Seller is ready to deliver.

3. TAXES

3.1 Any sales, use or manufacturer"s tax which may be imposed upon the sale or use of Products, or any property tax levied after readiness to ship, or any excise tax, license or similar fee (excluding the Medical Device Excise Tax as set forth in Section 4191 of the Internal Revenue Code of 1986, as amended) required under this transaction, shall be in addition to the quoted prices and shall be paid by Purchaser. Notwithstanding the foregoing, Seller agrees to honor any valid exemption certificate provided by Purchaser.

4. TERMS OF PAYMENT; DEFAULT

4.1 Payments; Due Date. Unless otherwise set forth in the quotation, Purchaser shall pay Seller as follows: an initial deposit of 10% of the purchase price for each Product is due upon submission of the purchase order, an additional 80% of the purchase price is due upon delivery of each Product, and the final 10% of the purchase price is due upon completion of installation or when the Products are available for first patient use, whichever occurs first. Unless otherwise agreed, all payments other than the initial deposit are due net thirty (30) days from the date of invoice. Seller shall have no

obligation to complete installation until the payment due upon delivery is received. Partial shipments shall be billed as made, and payments for such shipments will be made in accordance with the foregoing payment terms.**4.2 Late Payment.** A service charge of 1½% per month, not to exceed the maximum rate allowed by law, shall be made on any portion of Purchaser"s outstanding balance which is not paid when due. Payment of such service charge shall not excuse or cure Purchaser's breach or default for late payment.**4.3 Payment of Lesser Amount.** If Purchaser pays, or Seller otherwise receives, a lesser amount than the full amount provided for under this Agreement, such payment shall not constitute or be construed other than as on account of the earliest amount due Seller. No endorsement or statement on any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction. **4.4 Where Payment Due Upon Installation or Completion.** Should any terms of payment provide for either full or partial payment upon completion of installation or thereafter, and completion of installation is delayed for any reason for which Seller is not responsible beyond the installation date set forth in the Notice to Manufacture Letter issued by Seller, as applicable, then the balance of payments shall be due on the day following such installation date.**4.5 Default; Termination.** Each of the following shall constitute an event of default under this Agreement: (i) a failure by Purchaser to make any payment when due; (ii) a failure by Purchaser to perform any other obligation under this Agreement within thirty (30) days of receipt of written notice from Seller; or (iii) the commencement of any insolvency, bankruptcy or similar proceedings by or against Purchaser. Upon the occurrence of any event of default, at Seller's election: (a) the entire amount of any indebtedness and obligation due Seller under this Agreement and interest thereon shall become immediately due and payable; (b) Seller may suspend the performance of any of Seller's obligations hereunder, including, but not limited to, obligations relating to delivery, installation and warranty services; (c) Purchaser shall put Seller in possession of the Products upon demand; (d) Seller may sell or otherwise dispose of all or any part of the Products and apply the proceeds thereof against any indebtedness or obligation of Purchaser under this Agreement; (e) if this Agreement or any indebtedness or obligation of Purchaser under this Agreement is referred to an attorney for collection or realization, Purchaser shall pay to Seller all costs of collection and realization (including, without limitation, a reasonable sum for attorneys' fees); and Purchaser shall pay any deficiency remaining after collection of or realization by Seller on the Products. In addition, Seller may terminate this Agreement upon written notice to Purchaser in the event that Purchaser is not approved for credit or upon the occurrence of any material adverse change in the financial condition or business operations of Purchaser.**4.6 Financing.** Notwithstanding any arrangement that Purchaser may make for the financing of the purchase price of the Products, the parties agree that any such financing arrangement shall have no effect on the Purchaser's payment obligations under this Agreement, including but not limited to Sections 4.1 and 4.2 above.

5. EXPORT TERMS

5.1 Unless other arrangements have been made, payment on export orders shall be made by irrevocable confirmed letter of credit, payable in U.S. dollars against Seller's invoice and standard shipping documents. Such letter of credit shall be in an amount equal to the full purchase price of the Products and shall be established in a U.S. bank acceptable to Seller. Purchaser shall have sole responsibility to procure all necessary permits and licenses for shipment and compliance with any governmental regulations concerning control of final destination of Products.**5.2** Purchaser agrees that Products shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with applicable export Control and US Sanction laws and regulations. If Purchaser purchases a Product at the domestic price and exports such Product, or transfers such Product to a third party for export, outside of the U.S., Purchaser shall pay to Seller the difference between the domestic price and the international retail price of such Product. Purchaser shall deliver to Seller, upon Seller's request, written assurance regarding compliance with this Section in form and content acceptable to Seller.

6. DELIVERY, RISK OF LOSS

6.1 Delivery Date. Delivery and installation dates will be established by mutual agreement of the parties as set forth in the Notice to Manufacture Letter issued by the Seller, as applicable. Seller shall make reasonable efforts to meet such delivery date(s).**6.2 Risk of Loss; Title Transfer.** Unless otherwise agreed to in writing, the following shall apply: (a) For Products that do not require installation by Seller, and for options and add-

on products purchased subsequent to delivery and installation of Products purchased under this Agreement, delivery shall be complete upon transfer of possession to common carrier, F.O.B. Shipping Point, whereupon title to and all risk of loss, damage to or destruction of the Products shall pass to Purchaser. (b) For Products that require installation by Seller, delivery shall be complete upon delivery of the Products to Purchaser's designated site, F.O.B. Destination; whereupon title to and all risk of loss, damage to or destruction of such Products shall pass to Purchaser upon completion of delivery. (c) All freight charges and other transportation, packing and insurance costs, license fees, custom duties and other similar charges shall be the sole responsibility of Purchaser unless included in the purchase price or otherwise agreed to in writing by Seller. In the event of any loss or damage to any of the Products during shipment, Seller and Purchaser shall cooperate in making any insurance claim.

7. SECURITY INTEREST/FILING

7.1 Purchaser grants to Seller a security interest in the Products until payment in full by Purchaser. Purchaser shall sign any financing statements or other documents necessary to perfect Seller's security interests in the Products. Purchaser further represents and covenants that (a) it will keep the Products in good order and repair until the purchase price has been paid in full, (b) it will promptly pay all taxes and assessments upon the Products or the use thereof, (c) it will not attempt to transfer any interest in the Products until the purchase price has been paid in full, and (d) it is solvent and financially capable of paying the full purchase price for the Products.

8. CHANGES, CANCELLATION, AND RETURN

8.1 Orders accepted by Seller are not subject to change except upon Seller's written agreement.**8.2** Orders accepted by Seller are non-cancellable by Purchaser except upon Seller's written consent and payment by Purchaser of a cancellation charge equal to 10% of the price of the affected Products, plus any shipping, insurance, inspection and refurbishment charges; the cost of providing any training, education, site evaluation or other services completed by Seller; and any return, cancellation or restocking fees with respect to any Third Party Products ordered by Seller on behalf of Purchaser. Seller may retain any payments received from Purchaser up to the amount of the cancellation charge. In no event can an order be cancelled by Purchaser or Products be returned to Seller after shipment.**8.3** Seller reserves the right to change the manufacture and/or design of its Products if, in the judgment of Seller, such change does not alter the general function of the Products.

9. FORCE MAJEURE

9.1 Seller shall not be liable for any loss or damage for delay in delivery, inability to install or any other failure to perform due to causes beyond its reasonable control including, but not limited to, acts of God or the public, war, civil commotion, blockades, embargoes, calamities, floods, fires, earthquakes, explosions, storms, strikes, lockouts, labor disputes, or unavailability of labor, raw materials, power or supplies. Should such a delay occur, Seller may reasonably extend delivery or production schedules or, at its option, cancel the order in whole or part without liability other than to return any unearned deposit or prepayment.

10. WARRANTY

10.1 Seller warrants that the Products manufactured by Seller and sold hereunder shall be free from defects in material or workmanship under normal use and service for the warranty period. The final assembled Products shall be new although they may include certain used, reworked or refurbished parts and components (e.g., circuit boards) that comply with performance and reliability specifications and controls. Seller's obligation under this warranty is limited, at Seller's option, to the repair or replacement of the Product or any part thereof. Unless otherwise set forth in the Product Warranty attached hereto and incorporated herein by reference ("Product Warranty"), the warranty period shall commence upon the earlier of the date that the Products have been installed in accordance with Section 12.5 hereof (which date shall be confirmed in writing by Seller) or first patient use, and shall continue for twelve (12) consecutive months. Seller makes no warranty for any Products made by persons other than Seller or its affiliates, and Purchaser's sole warranty therefor, if any, is the original manufacturer"s warranty, which Seller agrees to pass on to Purchaser, as applicable. The warranty provided by Seller under this Section 10 extends only to the original Purchaser, unless the Purchaser obtains the Seller's prior written consent with respect to any sale or other transfer of the Products during the term of the warranty.**10.2** No warranty extended by Seller shall apply to any Products which have been damaged by fire, accident, misuse,

abuse, negligence, improper application or alteration or by a force majeure occurrence as described in Section 9 hereof or by the Purchaser's failure to operate the Products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Purchaser or any third party or due to the attachment and/or use of non-Seller supplied parts, equipment or software without Seller's prior written approval; which failed due to causes from within non-Seller supplied equipment, parts or software including, but not limited to, problems with the Purchaser's network; or which have been damaged from the use of operating supplies or consumable parts not approved by Seller. In addition, there is no warranty coverage for any transducer or probe failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over the cable, delamination from cleaning with inappropriate solutions, or TEE bite marks. Seller may effectuate any repairs at Purchaser's facility, and Purchaser shall furnish Seller safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements shall not interrupt, extend or prolong the term of the warranty. Purchaser shall, upon Seller's request, return the non-complying Product or part to Seller with all transportation charges prepaid, but shall not return any Product or part to Seller without Seller's prior written authorization. Purchaser shall pay Seller its normal charges for service and parts for any inspection, repair or replacement that falls outside of Seller's warranty. Seller's warranty does not apply to consumable materials, disposables, supplies, accessories and collateral equipment, except as specifically stated in writing or as otherwise set forth in the Product Warranty.**10.3** This warranty is made on condition that immediate written notice of any noncompliance be given to Seller and Seller's inspection reveals that Purchaser"s claim is covered under the terms of the warranty (i.e., that the noncompliance is due to traceable defects in original materials and/or workmanship).**10.4** Purchaser shall provide Seller with both on-site and remote access to the Products. The remote access shall be provided through the Purchaser's network as is reasonably necessary for Seller to provide warranty services under this Agreement. Remote access will be established through a broadband internet-based connection to either a Purchaser owned or Seller provided secure end-point. The method of connection will be a Peer-to-Peer VPN IPsec tunnel (non-client based) with specific inbound and outbound port requirements.**10.5** Warranty service will be provided without charge during Seller"s regular working hours (8:30-5:00), Monday through Friday, except Seller's recognized holidays. If Purchaser requires that service be performed outside these hours, such service can be made available at an additional charge, at Seller's then current rates. The obligations of Seller described in this Section are Seller's only obligations and Purchaser's sole and exclusive remedy for a breach of product warranty.**10.6 SELLER MAKES NO WARRANTY OTHER THAN THE ONE SET FORTH HEREIN AND IN THE PRODUCT WARRANTY. SUCH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES, AND SUCH CONSTITUTES THE SOLE AND EXCLUSIVE WARRANTY MADE WITH RESPECT TO THE PRODUCTS, SERVICE OR OTHER ITEM FURNISHED UNDER THIS AGREEMENT.10.7** In the event of any inconsistencies between the terms of this Section 10 and the terms of the Product Warranty, the terms of the Product Warranty shall prevail.

11. LIMITATION OF LIABILITY

11.1 In no event shall Seller's liability hereunder exceed the actual loss or damage sustained by Purchaser, up to the purchase price of the Products. The foregoing limitation of liability shall not apply to claims for bodily injury or damages to real property or tangible personal property to the extent arising from Seller's negligence or a product defect.**11.2 SELLER SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS; COST OF SUBSTITUTE PRODUCTS OR SERVICES; LOSS OF STORED, TRANSMITTED OR RECORDED DATA; OR FOR ANY INDIRECT, INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY OR FORM OF ACTION, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY THEREOF, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON**

THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

12. INSTALLATION - ADDITIONAL CHARGES

12.1 General. Unless otherwise expressly stipulated in writing, the Products shall be installed by and at the expense of Seller except that Seller shall not provide rigging or site preparation services unless otherwise agreed to in writing by Seller for an additional charge. Seller will not install accessory items such as cabinets, illuminators, darkroom equipment or processors for X-Ray and CT equipment, unless otherwise agreed to in writing by Seller.**12.2 Installation by Seller.** If Seller specifies it will install the Products, the following applies: subject to fulfillment of the obligations set forth in Section 12.3 below, Seller shall install the Products and connect them to the requisite safety switches and power lines to be installed by Purchaser. Except as otherwise specified below, if such installation and connection are performed by Seller‘s technical personnel, prices shown include the cost thereof, provided that the installation and connection can be performed within the Continental United States or Puerto Rico and during normal business hours. Any overtime charges or other special expenses shall be additional charges to the prices shown.**12.3 Purchaser"s Obligations.** Purchaser shall, at its expense, provide all proper and necessary labor and materials for plumbing service, carpentry work, conduit wiring, and other preparations required for such installation and connection. All such labor and materials shall be completed and available at the time of delivery of the Products by Seller. Additionally, Purchaser shall provide free access to the installation site and, if necessary, safe and secure space for storage of Products and equipment prior to installation by Seller. Purchaser shall be responsible, at its sole cost and expense, for obtaining all permits, licenses and approvals required by any federal, state or local authorities in connection with the installation and operation of the Products, including but not limited to any certificate of need and zoning variances. Purchaser shall provide a suitable environment for the Products and shall ensure that its premises are free of hazardous conditions and any concealed or dangerous conditions and that all site requirements are met. Seller shall delay its work until Purchaser has completed the removal of any hazardous materials or has taken any other precautions and completed any other work required by applicable regulations. Purchaser shall reimburse Seller for any increased costs and expenses incurred by Seller that are the result of or are caused by any such delay. In the event that Seller is requested to supervise the installation of the Products, it remains the Purchaser"s responsibility to comply with local regulations. Seller is not an architect and all drawings furnished by Seller are not construction drawings. If local labor conditions, including a requirement to use union labor, require the use of non-Seller employees to participate in the installation of the Product or otherwise causes delays or any additional expenses, then any such additional costs shall be at Purchaser’s expense. **12.4 Regulatory Reporting.** In the event that any regulatory activity is performed by anyone other than Seller’s authorized personnel, then Purchaser shall be responsible for fulfilling any and all reporting requirements.**12.5 Completion of Installation.** Installation shall be complete upon the conclusion of final calibration and checkout under Seller’s standard procedures to verify that the Products meet applicable written performance specifications. Notwithstanding the foregoing, first use of the Products by Purchaser, its agents or employees for any purpose after delivery shall constitute completion of installation.

13. PATENT, COPYRIGHT AND OTHER INFRINGEMENT CLAIMS

13.1 Infringement by Seller. Seller warrants that the Products manufactured by Seller and sold hereunder do not infringe any U.S. patent or copyright. If Purchaser receives a claim that any such Products, or parts thereof, infringe upon the rights of others under any U.S. patent or copyright, Purchaser shall notify Seller immediately in writing. Provided that Purchaser gives Seller information, assistance and exclusive authority to evaluate, defend and settle such claims, Seller shall at its own expense and option: indemnify and defend Purchaser against such claims; settle such claims; procure for Purchaser the right to use the Products; or remove or modify them to avoid infringement. If none of these alternatives is available on terms reasonable to Seller, then Purchaser shall return the Products to Seller and Seller shall refund to Purchaser the purchase price paid by Purchaser less reasonable depreciation for Purchaser’s use of the Products. The foregoing states Seller’s entire obligation and liability, and Purchaser’s sole remedy, for claims of infringement.**13.2 Infringement by Purchaser.** If some or all of the Products sold hereunder are made by Seller pursuant to drawings or specifications furnished by Purchaser, or if Purchaser modifies or combines, operates or uses the Products other than as specified

by Seller or with any product, data, software, apparatus or program not provided or approved by Seller, then the indemnity obligation of Seller under Section 13.1 shall be null and void.

14. DESIGNS AND TRADE SECRETS; LICENSE; CONFIDENTIALITY

14.1 Any drawings, data, designs, software programs or other technical information supplied by Seller to Purchaser in connection with the sale of the Products shall remain Seller's property and shall at all times be held in confidence by Purchaser.**14.2** For all Products which utilize software for their operation, such "Applications Software" shall be licensed to Purchaser under the terms of Seller's Software License Schedule attached hereto.**14.3** Seller and Purchaser shall maintain the confidentiality of any information provided or disclosed to the other party relating to the business, customers and/or patients of the disclosing party, as well as this Agreement and its terms (including the pricing and other financial terms under which the Purchaser will be purchasing the Products). Each party shall use reasonable care to protect the confidentiality of the information disclosed, but no less than the degree of care it would use to protect its own confidential information, and shall only disclose the other party's confidential information to its employees and agents having a need to know this information. The obligations of confidentiality set forth herein shall not apply to any information in the public domain at the time of disclosure or that is required to be disclosed by court order or by law.

15. ASSIGNMENT

15.1 Neither party may assign any rights or obligations under this Agreement without the prior written consent of the other, which shall not be unreasonably withheld. Any attempt to do so shall be void, except that Seller may assign this Agreement without consent to any subsidiary or affiliated company, and may delegate to authorized subcontractors or service suppliers any work to be performed under this Agreement so long as Seller remains liable for the performance of its obligations under this Agreement. This Agreement shall inure to and be binding upon the parties and their respective successors, permitted assigns and legal representatives.

16. COSTS AND FEES

16.1 In the event that any dispute or difference is brought arising from or relating to this Agreement or the breach, termination or validity thereof, the prevailing party shall be entitled to recover from the other party all reasonable attorneys' fees incurred, together with such other expenses, costs and disbursements as may be allowed by law.

17. MODIFICATION

17.1 This Agreement may not be changed, modified or amended except in writing signed by duly authorized representatives of the parties.

18. GOVERNING LAW; WAIVER OF JURY TRIAL

18.1 This Agreement shall be governed by the laws of the state where the Product(s) will be installed, without regard to that state's choice of law principles.**18.2 EACH OF THE PARTIES EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE UNDER THIS AGREEMENT.**

19. COST REPORTING

19.1 Purchaser agrees that it must fully and accurately report prices paid under this Agreement, net of all discounts, as required by applicable law and contract, including without limitation 42 CFR §1001.952(h),in all applicable Medicare, Medicaid and state agency cost reports. Purchaser shall retain a copy of this Agreement and all other communications regarding this Agreement, together with the invoices for purchase and permit agents of the U.S. Department of Health and Human Services or any state agency access to such records upon request.

20. INTEGRATION

20.1 These terms and conditions, including any attachments or other documents incorporated by reference herein, constitute the entire, complete and exclusive statement of agreement with respect to the subject matter hereof, and supersede any and all prior agreements, understandings and communications between the parties with respect to the Products. Purchaser's additional or different terms and conditions stated in a purchase order, bid documents or any other document issued by Purchaser are specifically rejected and shall not apply to the transactions contemplated under this Agreement.

21. SEVERABILITY; HEADINGS

21.1 No provision of this Agreement which may be deemed unenforceable will in any way invalidate any other portion or provision of this Agreement. Section headings are for convenience only and have no substantive effect.

22. WAIVER
22.1 No failure and no delay in exercising, on the part of any party, any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right preclude the further exercise of any other right.

23. NOTICES
23.1 Any notice or other communication under this Agreement shall be deemed properly given if in writing and delivered in person or mailed, properly addressed and stamped with the required postage, to the intended recipient at its address specified on the face hereof.

24. RIGHTS CUMULATIVE
24.1 The rights and remedies afforded to Seller under this Agreement are in addition to, and do not in any way limit, any other rights or remedies afforded to Seller by any other agreement, by law or otherwise.

25. END USER CERTIFICATION
25.1 Purchaser represents, warrants and covenants that it is acquiring the Products for its own end use and not for reselling, leasing or transferring to a third party (except for lease-back financings).

26. ACCESS TO BOOKS AND RECORDS
26.1 To the extent required by Section 1861(v)(1)(I) of the Social Security Act and the regulations promulgated thereunder, until the expiration of four (4) years after the furnishing of any Product or service pursuant to this Agreement, Seller shall make available, upon written request by the Secretary of Health and Human Services (the "Secretary"), or upon request by the Comptroller General (the "Comptroller"), or any of their duly authorized representatives, copies of this Agreement and any books, documents, records or other data of Seller that are necessary to certify the nature and extent of any costs incurred by Purchaser for such Products and services. If Seller carries out any of its duties under this Agreement through a subcontract with a related organization involving a value or cost of ten thousand dollars ($10,000) or more over a twelve (12) month period, Seller will cause such subcontract to contain a clause to the effect that, until the expiration of four (4) years after the furnishing of any Product or service pursuant to said contract, the related organization will make available upon the written request of the Secretary or the Comptroller, or any of their duly authorized representatives, copies of records of said related organization that are necessary to certify the nature and extent of cost incurred by Purchaser for such Product or service.

27. DISPOSITION OF PRODUCTS
27.1 Purchaser expressly agrees that should Purchaser sell, transfer or otherwise dispose of the Products, Purchaser shall notify Seller in writing and give Seller the opportunity to purchase such Products. With Purchaser's notice, Purchaser shall provide Seller with a copy of the third party's binding offer to purchase the Products and Seller shall have seven (7) days to notify the Purchaser of an offer to purchase the Products.
05/15 Rev.

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355

SIEMENS REPRESENTATIVE
Edwin Winicki - +1 (336) 688-0978
edwin.winicki@siemens-healthineers.com

Software License Schedule
to the Siemens Medical Solutions USA, Inc. General Terms and Conditions

1. DEFINITIONS: The following definitions apply to this Schedule:
"**Agreement**" shall mean the attached (i) Quotation for Products and/or Services including the Terms and Conditions of Sale and applicable schedules; and/or (ii) Software License Agreement describing the software licensed herein and the specific system for which the license is issued.
"**Licensor**" shall mean Siemens Medical Solutions USA, Inc.
"**Licensee**" shall mean the end-user to whom Licensor provides Software or Documentation for its internal use under the Agreement.
"**Software**" shall mean the software described in the attached Agreement, including the following as contained therein: (i) software programs consisting of a series of statements or instructions to be used directly or indirectly in a programmable controller or computer to bring about a certain result and (ii) databases consisting of systemized collections of data to be used or referenced directly or indirectly by a programmed controller or computer. Notwithstanding the foregoing, "Software" does not include "firmware" as such term is conventionally understood. Diagnostic/Maintenance Software also is not included within the scope of the Software licensed under this Schedule, and is available only as a special option under a separate Diagnostic Materials License Agreement and may be subject to a separate licensing fee.
"**Documentation**" shall mean the documents and other supporting materials which are intended to support the use of an associated product, including (but not limited to) instructions, descriptions, flow charts, logic diagrams and listings of the Software, in text or graphic form, on machine readable or printed media.
"**Designated Unit**" shall mean a single control unit or computer identified on the first page of the Agreement, on which Software licensed hereunder may be used by Licensee.
2. SCOPE: The following terms and conditions shall apply to all Software and Documentation provided by Licensor to Licensee under the Agreement (whether included with other products listed in the Agreement or listed separately in the Agreement), together with any updates or revisions thereto which Licensor may provide to Licensee, and all copies thereof, except any Software and/or Documentation licensed directly by Licensor's supplier under a separate end-user license agreement accompanying the Software or the Documentation, in which case Licensee agrees to be bound by that license agreement as a condition to using the Software and/or Documentation. Except as expressly provided herein, and provided that in no event shall the warranties or other obligations of Licensor with respect to such Software or Documentation exceed those set forth in this Schedule, this Schedule shall be subject to the liability limitations and exclusions and other terms and conditions set forth in the Agreement. **ANY USE OF THE SOFTWARE, INCLUDING BUT NOT LIMITED TO USE ON THE DESIGNATED UNIT, WILL CONSTITUTE LICENSEE'S AGREEMENT TO THIS SOFTWARE LICENSE SCHEDULE (OR RATIFICATION OF ANY PREVIOUS CONSENT).**
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previously purchased capability or a new capability for which the Licensee will be charged. In addition, some updates may require Applications Training performed by Licensor's personnel that will be offered at Licensor's prevailing rates. Licensor retains the sole right to determine whether an update requires such training.

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(c) The Software may contain support for programs written in Java. Java technology is not fault tolerant and is not designed, manufactured, or intended for use or resale as online control equipment in hazardous environments requiring fail-safe performance, such as in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life support machines, or weapons systems, in which the failure of Java technology could lead directly to death, personal injury, or severe physical or environmental damage. Sun Microsystems, Inc. has contractually obligated Licensor's supplier to make this disclaimer.

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Revised 03/15/05

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355

SIEMENS REPRESENTATIVE
Edwin Winicki - +1 (336) 688-0978
edwin.winicki@siemens-healthineers.com

TRADE-IN EQUIPMENT REQUIREMENTS

THE FOLLOWING APPLIES ONLY TO THE EXTENT THAT THE QUOTATION INCLUDES AN EQUIPMENT TRADE IN OR IF A TRADE-IN IS LATER ADDED TO THS QUOTATION VIA A CHANGE ORDER. THESE REQUIREMENTS ARE IN ADDITION TO ANY OTHER REFERENCED TERMS AND CONDITIONS OF THE QUOTATION AND SHALL REMAIN IN EFFECT REGARDLESS OF ANY CONTRARY LANGUAGE IN THE QUOTATION.

This Quotation includes the trade-in equipment described herein and referenced by either the Project Number identified in the Quotation hereof (non-Ultrasound) or the Trade In Part Number (Ultrasound) as further described in the associated Trade Sheet which is incorporated herein by reference. Purchaser certifies that the description of the trade-in equipment as set forth on the Trade Sheet is a true and accurate representation of the equipment, and that the equipment is in good working condition unless otherwise noted on the Trade Sheet.

The trade-in equipment must be made available for removal no later than turnover of the new equipment. Purchaser must vacate the room of all items not listed on the Trade Sheet, or otherwise clearly identify all items listed on the Trade Sheet, prior to the start of the de-installation. If this is not done, Seller will have no liability for items which are subsequently removed or scrapped. If the de-installation or return of the trade-in equipment is delayed by Purchaser for reasons other than a force majeure event, or if upon inspection by Seller it is determined that the equipment does not meet the manufacturer's operating specifications, or if any items listed as included on the Trade Sheet are not made available at the time of de-installation, then trade-in value will be re-evaluated and any loss in value or additional costs incurred by Seller shall be deducted from the established trade-in value and the pricing set forth on this Quotation will be adjusted by change order. In the event that access to the non-ultrasound trade-in equipment is denied past 14 days from turnover, or access to ultrasound trade-in equipment is denied past 30 days from turnover, then Purchaser shall pay to Seller a rental fee in the amount 3.5% of the total trade-in value plus any additional value provided by an Elevate/Promotional program included in this quotation (no less than $1000) for each month, or part thereof, that access is denied. In addition, if the purchase and installation of the new equipment covered by this Quotation is not completed, then Seller shall invoice Purchaser for all costs and expenses incurred by Seller in connection with the de-installation and removal of the trade-in equipment, including but not limited to labor, materials, rigging out, and transportation, which costs shall be paid by Purchaser within thirty (30) days of the invoice date.

Purchaser further acknowledges and agrees that (i) the trade-in equipment will be free and clear of all liens and encumbrances including, but not limited to, unpaid leases and loans, and that upon request, it will execute a bill of sale or other documents reasonably satisfactory to Siemens to transfer title and ownership of the equipment to Seller, (ii) it is Purchaser's sole responsibility to delete all protected health information and any other confidential information from the equipment prior to de-installation, without damaging or cannibalizing the equipment or otherwise affecting the operation of the equipment in accordance with its specifications, (iii) the equipment, including all updates, upgrades, modifications, enhancements, revisions, software, S/W disks and manuals, shall be returned to Siemens in good operating condition, reasonable wear and tear excepted, and (iv) to the extent not prohibited by applicable law, Purchaser shall indemnify and hold Seller harmless from and against any and all claims, demands, causes of action, damages, liability, costs and expenses (including reasonable attorney's fees) resulting or arising from Purchaser's failure to comply with item (i) above.

FOR MR SYSTEMS: cryogen levels must be least 65% upon time of de-installation. FOR MOBILE SYSTEMS: system must be road worthy and a state issued title transferring ownership to Seller (or Designee) must be received prior to the removal of the mobile system. FOR MODALITY TRADE SYSTEMS (non-ultrasound): The trade-in equipment must be available for inspection within two weeks of the scheduled de-installation date. In addition, Purchaser must provide a clear path for the removal of the trade-in equipment and on the date of de-installation after final inspection and test by the Seller (or Designee) has occurred, the Purchaser must supply licensed tradespeople to disconnect the power and plumbing (including draining and removing and disposing of any hazardous materials including, but not limited to glycol from the chiller and oil from the transformer, as examples.) Any additional costs due to the need to use a larger rig (other than a standard 80 ton rig), as well as any construction activities, street closings, permits, etc., required to de-install/remove the equipment are out-of-scope costs and will be the responsibility of Purchaser. FOR ULTRASOUND SYSTEMS – Purchaser may provide transducers with the ultrasound unit being traded in, but will not receive additional credit for such transducers.

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CT Warranty Information

Product (New Systems and "ECO" Refurbished Systems Only)	**Period of Warranty**[1]	**Coverage**	
SOMATOM.go			SOMATOM.go requires Smart Remote Services (SRS) Connection prior to system installation or requires purchase of "No SRS" option.
CT System (not including consumables)	12 months	Full Warranty (parts & labor, including ALL tubes) Principal Coverage Period 8am-5pm Monday through Friday [2]	

The parts warranty below only applies to purchased parts, not to replacement parts provided pursuant to a warranty. Repairs or replacements shall not interrupt, extend or prolong the term of the warranty.			
Vectron	Prorated to a maximum of 160,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (160,000 – scan-seconds used)/160,000*100
Straton	Prorated to a maximum of 160,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (160,000 – scan-seconds used)/160,000*100
Dura 181, 202, 302, 352	Prorated to a maximum of 40,000 scan-seconds or 6 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (40,000 – scan-seconds used) / 40,000*100
Dura Akron B tubes	Prorated to a maximum of 40,000 scan-seconds or 6 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (40,000 – scan-seconds used) / 40,000*100
Dura Akron Q tubes	Prorated to a maximum of 30,000 scan-seconds or 6 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (30,000 – scan-seconds used) / 30,000*100
Dura Akron 422 tubes	Prorated to a maximum of 100,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (100,000 – scan-seconds used) / 100,000*100
Dura Akron 688 tubes	Prorated to a maximum of 100,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (100,000 – scan-seconds used) / 100,000*100
Chronon tubes	Prorated to a maximum of 100,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (100,000 – scan-seconds used) / 100,000*100

Athlon tubes	Prorated to a maximum of 100,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (100,000 – scan-seconds used) / 100,000*100
Consumables	Not covered		

Post-Warranty (after expiration of system warranty) – Replacement parts only!			
Items above	As described above, but parts only	As described above, but parts only	As described above, but parts only
Spare Parts	6 months	Parts only	

Note: Optional extended warranty coverage can be obtained by purchase of a service agreement.

[1] Period of warranty commences from the date of first use or completion of installation, whichever occurs first. In the event the completion of installation is delayed for reasons beyond Siemens' control, the stated warranty period shall commence 60 days after delivery of equipment.

[2] Standard deliverable independent of subsequent service contract commitment

Attachment G

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project name: Atrium Health Pineville CT Replacement & Relocation

Provider/Company: Atrium Health

(1)	Purchase price of land	0
(2)	Closing costs	0
(3)	Site Preparation	0
(4)	Construction/Renovation Contract	$1,255,200
(5)	Landscaping	0
(6)	Architect/Engineering Fees	$283,000
(7)	Medical Equipment	$1,007,839
(8)	Non Medical Equipment	$10,000
(9)	Furniture	$37,600
(10)	Consultant Fees (CON Fees, Legal Fees)	0
(11)	Financing Costs	0
(12)	Interest During Construction	0
(13)	Other (IS, Security, Internal Allocation)	$380,191
(14)	**Total Capital Cost**	$2,973,830

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

2/2/22

(Signature of Licensed Architect or Engineer) *DATE*

JOHN MATTHEW BEYER
REGISTERED ARCHITECT
4844
NORTH CAROLINA
CHARLOTTE, N.C.

Sales taxes have been included in these equipment costs. However, because Atrium Health is entitled to a sales tax refund under N.C. Gen. Stat. § 105-164.14(b) and 105-467, the sales tax that Atrium Health initially incurs for this medical equipment purchase will be refunded to Atrium Health, and thus will reduce the capital costs that Atrium Health actually incurs for the equipment by $68,129.

Attachment H

SOMATOM Edge Plus

Changing views in CT

The SOMATOM® Edge Plus provides diagnostic imaging at the appropriate dose and with reproducible accuracy. The game-changing workflow automation simplifies scan preparation and helps achieve new levels of precision.

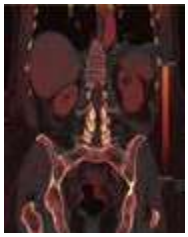
Emergency Department Imaging

- Ultra-fast acquisitions up to 230 mm/sec for trauma imaging covering Chest, Abdomen, and Pelvis in ~3 sec
- Chest scans for suspected PE in 1.5 sec reduce risk for motion artifact and reduce patient breath holds
- Automatically aligned preparation of spine recons with a single click
- 676-lb (optional) table, coupled with mA reserves of 800 mA optimized for bariatric imaging

Whole-body CTA in 3 s
Image courtesy of Erasmus, Rotterdam, The Netherlands

TwinBeam Dual Energy

- Dose-neutral dual energy, with single acquisition
- Makes diagnosis fast, easy, and more reliable
- Allows for precise visualization of iodine uptake in tumors
- Save dose by potentially replacing non-contrast studies with virtual ones



Dual Energy Virtual Non-contrast and Iodine map
Image courtesy of University Hospital of Basel, Basel, Switzerland

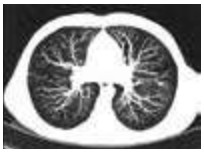
NEW FAST Integrated Workflow

The Automated FAST Integrated workflow with the new FAST 3D Camera enables precise and individually optimized positioning of all patients. Accurate patient positioning leading to increase in precision and consistency of image quality. Specialized applications support accurate and reproducible positioning:

- FAST Iso-centering provides correct isocenter position at the push of a button
- FAST Range
- FAST Direction safeguards the right scan direction
- FAST Topo speeds up topogram to prevent breath-hold artifacts

Pediatric Imaging

- Minimize radiation exposure and maintain image quality with every scan
- Single-second imaging using 230 mm/sec High Pitch Spiral
- May reduce breath holds and sedation
- Adapt scans to the smallest patients with the industries only 70 KV mode
- X-CARE organ-based dose reduction



10 yo patient, low dose lung Eff. dose: 0.18 mSv
Image courtesy of Erasmus, Rotterdam, The Netherlands

Bariatric Imaging

- Combination of 78-cm gantry bore, powerful 100 kW X-ray generator, and table capacity of up to 676-lbs provides physical scan environment to accommodate nearly all patients
- With the efficiency of the Stellar^{Infinity} detector and Adaptive Signal Boost, streak artifacts and image noise may be reduced. This is especially important in low signal bariatric imaging.
- Automated kV and mA selection enable optimal clinical outcomes
- High Power 70, 80, 90, and 100 and High Power Reserves

Whole-body evaluation of patient with BMI 51 scanned at 100 kV
Image courtesy of Erasmus, Rotterdam, The Netherlands

Dynamic Neuro Perfusion

- Adaptive 4D Spiral with up to 48 cm of dynamic CTA coverage – Visualization of endo leaks in real-time using 4D CTA
- Adaptive 4D Spiral up to 15 cm for neuro perfusion coverage
- 70 kV low dose perfusion acquisitions with variable sampling rates
- Direct creation of CTA from perfusion data

3D Intervention Suite

- Near-real-time reconstruction of MPR images in room
- Wireless control of system and software with i-Control console
- Auto-needle detection and needle tracking
- Quickly switch between i-sequence, i-spiral, and i-fluoro
- HandCARE to reduce dose to physician

SIEMENS Healthineers

Stellar^{Infinity} Detector & Straton MX Sigma Tube

- Featuring the most modern Integrated chip design and TrueSignal technology reduces electronic noise, significantly improving SNR for optimal dose efficiency and image quality
- 0.28 s rotation speed with 142 ms temporal resolution
- 0.30-mm isotropic resolution in all routine imaging
- 100 kW X-ray generator
  - 10 kV selections: 70, 80, 90, 100, 110, 120, 130, 140
  - 800 available mA
- z-Sharp technology for best-in-class spatial resolution
- High-pitch spiral acquisitions of up to 230 mm/sec

Stellar^{Infinity} Detector

Straton MX Sigma Tube

Table/Gantry

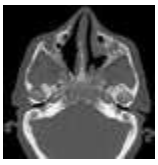
- 78-cm bore
- Extended field-of-view to visualize entire 78-cm
- 2,000-mm scan range with up to 230 mm/sec travel speed
- 500-lb table capacity standard – optional 676-lb table capacity with spiral accuracy at all weights
- Air- or water-cooled gantry
- Front and rear gantry mounted Touch Panels to set scan parameters while staying in touch with the patient
- FAST ECG Check rules out patient variability with ECG and electrode contact for the most accurate ECG signal for each patient
- Tilted spiral acquisitions

FAST CARE Technologies

- Automated scan range selection with FAST Planning
- FAST 3D Align automatically aligns MPR reconstructions and sets FOV to patient anatomy
- Single-click spine reconstructions with FAST Spine
- FAST Adjust for single-click adjustment of scan parameters
- FAST DE Results enables direct processing of DE on console
- Study Split pre OR post acquisition
- Bolus tracking automatically enables optimal contrast enhancement

Low Dose Innovation

- NEW Tin Filter scanning technology brings non-contrast CT to dose levels similar to conventional X-ray
- ADMIRE* (optional) for efficient Iterative Reconstruction
- CARE kV for automated selection of optimal kV setting
- Real-time 4D mA modulation with CARE Dose4D
- X-CARE organ-based dose modulation
- CARE Child – 70 kV pediatric protocols
- CARE Dashboard for easy visualization of all dose reduction features active for the exam
- Adaptive Dose Shield to eliminate pre- and post-spiral radiation dose
- NEMA XR-29 compliant



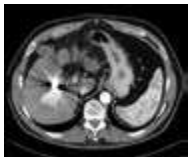
Tin filter sinus study
Eff. dose: 0.1 mSv

Cinematic rendered sinus study

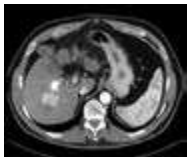
Image courtesy of Erasmus, Rotterdam, The Netherlands

Metal Artifact Reduction

- Single-click MAR with iMAR iterative metal artifact reduction
- Implant-specific reconstructions e.g., hip implants, spine screws, dental implants, etc.
- No adjustment to acquisition technique required
- Compatible with all dose reduction technologies



Without iMAR



With iMAR

Image courtesy of Erasmus, Rotterdam, The Netherlands

syngo® User Interface

- Cross-modality user interface
- Easy importing and exporting of protocols
- Password protocol protection
- Exportable dose tracking via dose alerts and notifications
- Track your tasks easily
- Integration of *syngo*®. via Rapid Results Technology
  - Streamlined, consistent, PACS ready imaging
- teamplay; connect, compare, collaborate
- No adjustment to acquisition technique required
- Compatible with all dose reduction technologies

syngo® (SOMARIS 7 – VB10) Cyber Security Features

- Windows® 10
- Whitelisting (Microsoft® device guard)
- Fast and regular delivery of security fixes

*In clinical practice, the use of ADMIRE may reduce CT patient dose depending on the clinical task, patient size, anatomical location, and clinical practice. A consultation with a radiologist and a physicist should be made to determine the appropriate dose to obtain diagnostic image quality for the particular clinical task.

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Attachment I

EQUIPMENT COMPARISON – AH Pineville CT Scanner Replacement & Relocation

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type (e.g., Cardiac Catheterization, Gamma Knife®, Heart-lung bypass machine, Linear Accelerator, Lithotriptor, MRI, PET, Simulator, CT Scanner, etc.)	CT Scanner	CT Scanner
Manufacturer	GE	Siemens
Model name/number	Lightspeed 4	Somatom Edge Plus
Other method of identifying the equipment (e.g., Serial Number, VIN #)	281754CN2	Not Available Until Installed
Is the equipment mobile or fixed?	Fixed	Fixed
Date of acquisition	2002	2022
Was the existing equipment new or used when acquired? / Is the replacement equipment new or used?	New	New
Total projected capital cost of the project	NA	$2,973,830
Total cost of the equipment	N/A; Not available due to system transition	$842,985
Location of the equipment	10648 Park Road, Charlotte, NC (LTACH / IP Rehab building)	10628 Park Road, Charlotte, NC (main hospital building)
Document that the existing equipment is currently in use	267 scans were performed on this CT scanner during CY2021	NA
Will the replacement equipment result in any increase in the **average charge per procedure**?	NA	No
If so, provide the increase as a percent of the current average charge per procedure	NA	NA
Will the replacement equipment result in any increase in the **average operating expense per procedure**?	NA	No
If so, provide the increase as a percent of the current average operating expense per procedure	NA	NA
Type of procedures performed on the existing equipment	All primary CT applications	NA
Type of procedures the replacement equipment will perform	NA	All primary CT applications

Attachment J

AH Pineville GE Lightspeed 4 CT Scanner Volume by Month	
Month	**Volume**
Jan-21	12
Feb-21	26
Mar-21	28
Apr-21	20
May-21	24
Jun-21	17
Jul-21	20
Aug-21	24
Sep-21	21
Oct-21	30
Nov-21	25
Dec-21	20
Total	**267**

Attachment K

Charlotte Mecklenburg Hospital Authority dba Atrium Health

Charlotte, NC

Vendor:	**GE HEALTHCARE**
Requested By:	Courtney Dobbelaer
Distributed To:	Rodney Smith
Quote Number:	FMV Calculator
Quote Date:	10/27/2021
Tracking ID:	1846963
Analysis Date:	10/29/2021

Analyst Commentary Insight Review

Thank you for submitting your information. You have requested fair market value for your GE LightSpeed 4 CT system. The information for the device needed:

Model Number: GE LightSpeed 4

Manufacturer: GE Healthcare

Purchase Date: 03/23/2002

Purchase Price: Unknown

Based on data dating back as far as 2000, the average purchase price for a brand new GE LightSpeed 4 system, which is now obsolete, was between $1 mil to $1.5 mil between 2000 to 2004. I have not seen this system included as a Trade-In in the last 12 months; therefore I would be unable to provide you with any recent trade-in values. Without knowing the exact purchase price for your system I have used the figures previously mentioned and calculated an approximate value between $100k to $150k as high end. Considering the age of your equipment, I would say your system has a value in the lower price range. As a reference, a completely refurbished GE MRI can be be purchased for approximately $450k.

symplr does not provide formal Fair Market Value (FMV) equipment assessments. However, we have a fairly standardized calculator that will project rough FMV numbers based on straight-line depreciation over the useful life as defined by the American Hospital Association (AHA) guideline (last tab on the calculator). Note: the most recent publication of the AHA guidelines is 2018 as equipment life cycle estimates do not typically change over time.

Below are the key pieces of information you need to use the calculator effectively:
• Original Purchase Price (Internal PO)
• Age / year put into service (Internal PO)
• Typical Life Expectancy (tab on calculator showing AHA guidelines)
• Annual depreciation (we use 10% per year, you may want to confer with your CFO on your internal rate of depreciation)

Once those values are entered along with your starting price, the calculator automatically generates the declining FMV from point of purchase on an annual basis until the final year of the life expectancy. This progression is shown in the Values Tab. You can make note of the FMV based on your starting year and counting down to the current year. If the current year is further out than the life expectancy, then your item effectively has a salvage value of around 10% of the original purchase price. Once you have determined the FMV of that item, you can simply clear out the calculator values and use it over and over.

With the above information, you can estimate the FMV on virtually anything. We often get involved on high-tech medical equipment because technological advancements and other market forces may impact the true FMV beyond the typical parameters, but all other technology can be fairly reasonably estimated with this calculator.

Keep in mind, this is only a very rough estimate and cannot take into account condition, utilization, or service history.

Questions?

Contact: Eduardo Rodriguez, BS, R.T.(R) (MR), Clinical Advisor
Eduardo.Rodriguez@mdbuyline.com
800-375-5463 ext. 4363

For International customers, please contact MD Buyline using the e-mail address indicated above.

From:	Faenza, Julie M
To:	Waller, Martha K
Subject:	FW: [External] Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health Pineville
Date:	Wednesday, February 16, 2022 9:35:44 AM
Attachments:	2022 CMHA dba AH Pineville CT Replacement & Relocation Exemption Request_signed.pdf

For logging – thanks!

Julie M. Faenza, Esq.
Project Analyst, Certificate of Need
Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section
NC Department of Health and Human Services
Office: 919-855-3873 *(I am working remotely most of the time; email is the best way to reach me.)*
Julie.Faenza@dhhs.nc.gov
Pronouns: She/her/hers

Don't wait to vaccinate. Find a COVID-19 vaccine location near you at MySpot.nc.gov.

Twitter | Facebook | Instagram | YouTube | LinkedIn

From: Huber, Brighid K <Brighid.Huber@atriumhealth.org>
Sent: Tuesday, February 15, 2022 6:28 PM
To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>; Hunt, Tiffany C <Tiffany.C.Hunt@dhhs.nc.gov>
Subject: [External] Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health Pineville

Good evening,

I hope this email finds you well! Please find attached an exemption request submitted by The Charlotte-Mecklenburg Hospital Authority ("CMHA") d/b/a Atrium Health Pineville to replace and relocate an existing CT scanner.

Thank you very much, and please let me know if you have any questions.

Best,

Brighid

Brighid Knoll Huber, MHA, ATC
Strategic Services Group
Mobile: 724-986-6214

Atrium Health

Carolinas HealthCare System is Atrium Health

2709 Water Ridge Parkway, Suite 200, Charlotte, NC 28217
