



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

RESPONSE REQUIRED

April 19, 2017

Dee Jay Zerman
211 Friday Center Drive, Suite G015
Chapel Hill, NC 27517

Conditional Approval

Project ID #: J-11291-17
Facility: Browning Mobile MRI
Project Description: Develop a new freestanding diagnostic center through contribution of an existing provider-based mobile MRI unit
County: Wake
FID #: 170021

Dear Ms. Zerman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, N.C. Gen. Stat. §131E-175 et. seq. and regulations promulgated there under, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to N.C. Gen. Stat. §131E-187(a). The conditions are as follows:

1. Browning Equipment SPE, LLC and Rex Hospital, Inc. shall materially comply with all representations made in the certificate of need application.
2. Browning Mobile MRI shall provide mobile MRI services one day per week at Browning Diagnostic Imaging of Knightdale, as one host site, and one day per week at Browning Diagnostic Imaging of Holly Springs, as the second host site. Browning Mobile MRI shall

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION
WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

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

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

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provide mobile MRI service the remaining operating days per week at Browning Diagnostic Imaging of Wakefield, as the third host site.

3. The mobile MRI scanner shall be moved each week to provide MRI services to at least two host sites and shall not, at any time, serve less than two host sites each week.
4. For a period of three years from the date on which Browning Mobile MRI commences to provide the services authorized by this certificate of need, Browning Mobile MRI shall make quarterly reports for the first year and annual reports for the second and third years of operation, due within 15 days after the end of the period, to the Healthcare Planning and Certificate of Need Section, containing the following information: The identity of each host site served weekly and the number of procedures performed at each host site each week.
5. Browning Mobile MRI shall not change or add host sites unless it first obtains a material compliance determination authorizing the change in location of the equipment.
6. The mobile MRI scanner shall not, at any time, be converted to a fixed MRI scanner without first obtaining a new certificate of need for a fixed MRI scanner.
7. Browning Equipment SPE, LLC and Rex 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 Q of the application and that would otherwise require a certificate of need.
8. Browning Equipment SPE, LLC and Rex Hospital, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Healthcare Planning and Certificate of Need Section in writing prior to issuance of the certificate of need.

Response to the above conditions should be submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency making a determination not to issue a certificate of need for the project referenced above.

The conditional approval is valid only for a capital expenditure of **\$47,000**. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by N.C. Gen. Stat. §131E-176(16)(e).

The applicant should be aware that according to the Certificate of Need law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with N.C. Gen. Stat. §150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

N.C. Gen. Stat. §150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Lisa G. Corbett
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of this 30 day period ending **May 19, 2017**. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the Agency because the review period was extended. The timetable for this project is as follows:

Services Offered _____ January 1, 2018

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the Certificate of Need is issued. Please contact this office if any clarification of this decision is required.

Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

Michael J. McKillip
Project Analyst

Lisa Pittman
Team Leader

Martha J. Frisone
Assistant Chief, Certificate of Need

Attachment

cc: Acute & Home Care Licensure & Certification Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of **conditional approval** on the following person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Dee Jay Zerman
211 Friday Center Drive, Suite G015
Chapel Hill, NC 27517
Project ID #: J-11291-17
FID #: 170021

This the 19th day of April, 2017.

Michael J. McKillip
Project Analyst, Certificate of Need