



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

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<http://www.ncdhhs.gov/dhsr/>

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December 6, 2012

Tiffany Brooks, Manager, Certificate of Need
MedQuest Associates
3480 Preston Ridge Road, Suite 600
Alpharetta GA 30005

Exempt from Review - Replacement Equipment

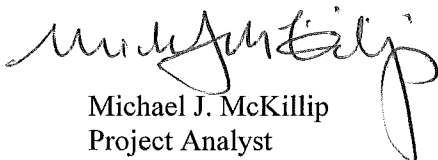
Facility: Mobile Imaging of North Carolina, LLC
Project Description: Temporarily replace a mobile MRI scanner for approximately 30 days in order to perform repairs and service updates to the existing unit
County: Bladen, Durham, Harnett and Vance
FID #: 020374

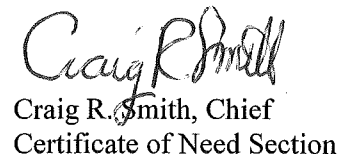
Dear Ms. Brooks:

In response to your letter of November 27, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(7). Therefore, you may proceed to replace, without a certificate of need, the GE 1.5T LX mobile MRI scanner [Serial # 1KKVA48213L211006] on a temporary basis, with a GE 1.5T GS Horizon mobile MRI scanner [Serial # 1S9FA482431182554]. This determination is based on your representations that the existing unit will be removed from service temporarily while the equipment is being repaired and updated.

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

Sincerely,


Michael J. McKillip
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section



File

November 27, 2012



VIA HAND DELIVERY

Craig R. Smith, Chief
Martha J. Frisone, Assistant Chief
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Notice of Temporary Replacement Equipment for Mobile Imaging of North Carolina, LLC

Dear Craig and Martha:

Mobile Imaging of North Carolina, LLC¹ (“MINC”) operates a GE 1.5T LX mobile MRI scanner (the MINC Mobile Unit”) that currently serves Durham Diagnostic Radiology-Southpoint, Durham Diagnostic Imaging – Henderson, Bladen Hospital and Carolina Regional Radiology. The MINC Mobile Unit is a GE 1.5T LX mobile MRI unit that was acquired in 2002 and now requires certain repair and service updates to the MRI scanner and trailer. MINC is requesting that the MedQuest MQ-20 mobile unit (the “MQ-20 Temporary Replacement Scanner”) be permitted to provide temporary mobile service for the MINC host sites while the MINC Mobile Unit is being taken off-line and serviced for approximately 30 days.

MINC is seeking to employ the MQ-20 Temporary Replacement Scanner during the time the MINC Mobile Unit is being serviced in an effort to avoid inconveniencing MINC’s host sites. MINC estimates that the repair, update and service process will take a total of approximately 30 days (the Replacement Period). To that end, during the Replacement Period, MINC will contract with MedQuest to have the MQ-20 Temporary Replacement Scanner provide mobile MRI service to MINC’s host sites. The MQ-20 Temporary Replacement Scanner is currently providing temporary mobile service at Piedmont Imaging while its new replacement MRI scanner is being installed². Therefore, once the replacement MRI scanner project is completed at Piedmont Imaging, the MQ-20 Temporary Replacement Scanner will be available to provide temporary mobile service for MINC’s host sites. As soon as the MINC Mobile Unit has completed

¹ Mobile Imaging of North Carolina, LLC is a joint venture between Carolina Regional Radiology and Triad Imaging, LLC. See Project ID No. M-6605-02.

² Piedmont Imaging is currently replacing its existing fixed MRI scanner and MQ-20 is providing temporary mobile MRI service pursuant to the Agency’s approval. See correspondence to the Agency dated September 14, 2012.

its repairs and service updates, the MQ-20 Temporary Replacement Scanner will leave the State of North Carolina and will not be brought back into North Carolina without CON approval. At no time during the Replacement Period will MINC be increasing the number of mobile MRI scanners in the MRI inventory. At no time during the Replacement Period will MINC be concurrently operating its mobile unit and the MQ-20 Temporary Replacement Scanner.

There are no construction costs involved in the utilizing the MQ-20 Temporary Replacement Scanner at MINC's host sites. The MQ-20 Temporary Replacement Scanner will be utilized at the following host sites:

Durham Diagnostic Imaging – Southpoint
5107 Southpark Drive, Suite 101
Durham, North Carolina 27713

Durham Diagnostic Imaging – Henderson
857 South Beckford Drive
Henderson, North Carolina 27536

Carolina Regional Radiology
169 Rawls Church Road
Angier, NC 27501

Bladen Hospital
501 South Poplar Street
Elizabethtown, North Carolina 28337

This proposal meets the definition of "replacement equipment" as set forth in N.C. Gen. Stat. § 131E-176(22a) because:

1. The cost of the equipment and the cost of all activities essential to acquiring and making operational the temporary replacement equipment are less than \$2 million;
2. The existing GE 1.5T LX (MINC Mobile Unit) is currently in use;
3. MQ 20 Temporary Replacement Scanner will be removed from North Carolina when the MINC Mobile Unit is operational and will not be brought back to North Carolina without CON approval.
4. The sole purpose of this proposal is to temporarily replace comparable medical equipment.

Further, this proposal meets the requirements of 10A NCAC 14C .0303(d) because:

- The MQ-20 Temporary Replacement Scanner has the same technology as the GE 1.5T LX (MINC Mobile Unit);
- The MQ-20 Temporary Replacement Scanner is functionally similar and is used for the same diagnostic or treatment purposes as the GE 1.5T LX (MINC mobile unit) and is not used to provide a new health service; and
- The temporary use of the MQ-20 Temporary Replacement Scanner will not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the MINC Mobile Unit is repaired.

None of the exclusions in 10A NCAC 14C .0303(e) apply here.

Based on the foregoing, MINC respectfully requests that the CON Section confirm, in writing that the above referenced proposal is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(7).

Thank you for your time and attention.

Sincerely,



Tiffany Brooks
Manager, Certificate of Need

Enclosures

1. Equipment Comparison Form

**Mobile Imaging of North Carolina
EQUIPMENT COMPARISON – MR (TEMPORARY REPLACEMENT)**

	EXISTING EQUIPMENT	TEMPORARY REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	MRI	MRI
Manufacturer of Equipment	GE	GE
Tesla Rating for MRIs	1.5T	1.5T
Model Number	LX INDIGO	GS Horizon LX
Serial Number	R2193	G1275
Provider's Method of Identifying Equipment	Serial #	MQ20
Specify if Mobile or Fixed	Mobile	Mobile
Mobile Trailer Serial Number/VIN #	1KKVA48213L211006	1S9FA482431182554
Mobile Tractor Serial Number/VIN #		NA
Date of Acquisition of Each Component	10/2002	07/2010
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	New	Used
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	NA	\$150,000
Total Cost of Equipment	\$1,488,013	\$150,000
Fair Market Value of Equipment	\$150,000	\$150,000
Net Purchase Price of Equipment		
Locations Where Operated	DDI-Southpoint DDI-Henderson Carolina Regional Radiology Bladen Hospital	South Carolina
Number Days In Use/To Be Used in N.C. Per Year	255	Approx. 4 weeks
Percent of Change in Patient Charges (by Procedure)	NA	NA
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	NA
Type of Procedures Currently Performed on Existing Equipment	General Outpatient MR Scans of the Body/ Extremities	General Outpatient MR Scans of the Body/ Extremities + MRA Carotid, Renal, Faster Acquisition Times
Type of Procedures New Equipment is Capable of Performing	General Outpatient MR Scans of the Body/ Extremities	General Outpatient MR Scans of the Body/ Extremities + MRA Carotid, Renal, Faster Acquisition Times