



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

June 28, 2013

Terrill Harris  
Smith Moore Leatherwood  
P.O. Box 21927  
Greensboro, NC 27420

**Exempt from Review – Acquisition of Facility**

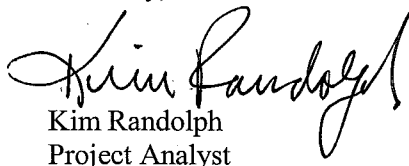
Facility: Greensboro Imaging at Kernersville  
Acquisition by: The Moses H. Cone Memorial Hospital Operating Corporation d/b/a Cone Health  
County: Forsyth  
FID #: 070218

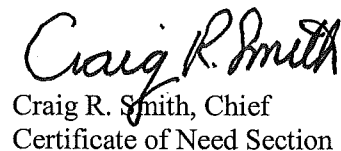
Dear Ms. Harris:

In response to your letter of June 26, 2013, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, The Moses H. Cone Memorial Hospital Operating Corporation d/b/a Cone Health may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to G.S. 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.”*

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,

  
Kim Randolph  
Project Analyst

  
Craig R. Smith, Chief  
Certificate of Need Section

cc: Acute and Home Care Licensure and Certification Section, DHSR



**Certificate of Need Section**  
www.ncdhhs.gov  
Telephone: 919-855-3873 • Fax: 919-733-8139  
Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603  
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704  
An Equal Opportunity/ Affirmative Action Employer





# SMITH MOORE LEATHERWOOD

June 26, 2013

*Via E-Mail and U.S. Mail*

Mr. Craig Smith, Chief  
Ms. Celia Inman, Project Analyst  
Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704

Re: Exemption Notice  
Acquisition of Greensboro Imaging at Kernersville

Dear Mr. Smith and Ms. Inman:

This letter constitutes prior written notice that The Moses H. Cone Memorial Hospital Operating Corporation (d/b/a Cone Health) will be acquiring an existing diagnostic center operated by Diagnostic Radiology Imaging, LLC ("DRI, LLC") in Kernersville and all equipment associated with the diagnostic center. This transaction is exempt from Certificate of Need ("CON") review pursuant to N.C. Gen. Stat. § 131E-184(a)(8).

On September 6, 2007, DRI, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation (lessor) received the attached CON authorizing them to develop a diagnostic center at 1635 North Carolina 66, Kernersville, Forsyth County, NC 27284. The facility is operated under the name of Greensboro Imaging at Kernersville and has been in continuous operation since June 2008. After Cone Health acquires the diagnostic center, it will operate the diagnostic center as an Independent Diagnostic Testing Facility ("IDTF").

The acquisition of "an existing health service facility, including equipment owned by the health service facility at the time of acquisition" is exempt from CON review. N.C. Gen. Stat. § 131E-184(a)(8). As you know, "health service facility" is defined to include a diagnostic center. N.C. Gen. Stat. § 131E-176(9b).

Based on the foregoing information, we hereby request the CON Section's confirmation that the transaction described herein is exempt from CON review under N.C. Gen. Stat. § 131E-

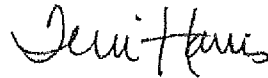
Mr. Craig Smith, Chief  
Ms. Celia Inman, Project Analyst  
June 26, 2013  
Page 2

184(a)(8). If you require additional information, please let us know. Thank you in advance for your prompt consideration.

With kindest regards, I am

Very truly yours,

SMITH MOORE LEATHERWOOD LLP



Terrill Johnson Harris

TJH/mp

Enclosure

cc: Melissa Shearer  
Robert Carter

# STATE OF NORTH CAROLINA

Department of Health and Human Services

Division of Health Service Regulation

## CERTIFICATE OF NEED

for

Project Identification Number #G-7823-07

FID# 070218

**ISSUED TO:** Diagnostic Radiology & Imaging, LLC  
The Moses H. Cone Memorial Hospital  
The Moses H. Cone Memorial Hospital Operating Corporation  
1371 N. Elm Street  
Greensboro, NC 27401

Pursuant to N.C. Gen. Stat. § 131B-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. § 131B-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131B-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. § 131B-189 for any of the reasons provided in that law.

**SCOPE:** Diagnostic Radiology & Imaging, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation collectively d/b/a. Moses Cone Health System (lessor) shall develop a new diagnostic center in Kernersville with one CT scanner, one x-ray unit, one ultrasound unit, one mammography unit and one bone density unit/Forsyth County

**CONDITIONS:** See Reverse Side

**PHYSICAL LOCATION:** Kernersville Diagnostic Center  
1635 Highway 66 South  
Kernersville, NC 27284

**MAXIMUM CAPITAL EXPENDITURE:** \$2,668,823

**TIMETABLE:** See Reverse Side

**FIRST PROGRESS REPORT DUE:** December 31, 2007

This certificate is effective as of the 6<sup>th</sup> day of September, 2007.

  
Chief, Certificate of Need Section  
Division of Health Service Regulation

**Project I.D. #G-7823-07  
Kernersville Imaging Center**

**Conditions**

1. Diagnostic Radiology & Imaging, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation collectively d/b/a Moses Cone Health System (lessor) shall materially comply with all representations made in the certificate of need application and the supplemental materials submitted to the Agency on August 21, 2007. In those instances in which any of these representations conflict, the applicants shall materially comply with the last-made representation.
2. Diagnostic Radiology & Imaging, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation collectively d/b/a Moses Cone Health System (lessor) shall acquire no more than one CT scanner, one x-ray unit, one ultrasound unit, one mammography unit and one bone density unit for Kernersville Imaging Center.
3. Diagnostic Radiology & Imaging, LLC (lessee) and The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation collectively d/b/a Moses Cone Health System (lessor) 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.

**Timetable**

Contract award .....	November 1, 2007
Ordering equipment .....	February 1, 2008
50% completion of construction .....	February 15, 2008
Occupancy/offering of services .....	June 1, 2008