



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

March 12, 2014

William R. Shenton & Pamela A. Scott
301 Fayetteville Street, Suite 1900
Raleigh, NC 27601

No Review

Business: Radiation Therapy Associates of Western North Carolina, PA, Gynecologic
Oncology Division
Project Description: Acquire diagnostic imaging equipment
County: Buncombe

Dear Mr. Shenton and Ms. Scott:

The Certificate of Need Section (CON Section) received your letter of February 14, 2014 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

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

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,

Julie Halatek
Project Analyst

Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Medical Facilities Planning Branch, 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

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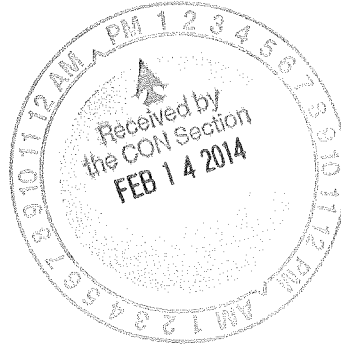


frisoni

February 14, 2014

William R. Shenton
Partner
D: 919.783.2947
F: 919.783.1075
wshenton@poynerspruill.com

Via Hand Delivery



Pamela A. Scott
Partner
D: 919.783.2954
F: 919.783.1075
pscott@poynerspruill.com

Martha Frisone
Interim Chief
N.C. Certificate of Need Section
809 Ruggles Drive
Raleigh, NC 27603

RE: Request for No Review Determination – Acquisition of Diagnostic Imaging Equipment by Radiation Therapy Associates of Western North Carolina at 20 Medical Park Drive, Asheville

Dear Ms. Frisone:

We are writing on behalf of our firm's client, Radiation Therapy Associates of Western North Carolina, PA ("RTAWNC") and its Gynecologic Oncology Division, which plans to acquire the diagnostic medical equipment described in this letter which will be used exclusively by a gynecologic oncology physician group at 20 Medical Park Drive in Asheville, North Carolina, in providing professional services to meet the needs of the group's patients.

Based upon the information presented in this letter, we respectfully request that the Certificate of Need Section ("CON Section") confirm in writing that the activities described in this letter do not constitute a new institutional health service, and that RTAWNC does not need a certificate of need ("CON") to proceed with its planned acquisition of the equipment described below.

Factual Background. RTAWNC is a North Carolina professional corporation which includes several distinct physician groups that provide services to patients at a medical office building located at 20 Medical Park Drive in Asheville, North Carolina. RTAWNC's multi-specialty physician practice includes a Gynecologic Oncology Group, a Radiation Oncology Group, and a Medical Oncology Group.

Each physician group operates independently at the 20 Medical Park medical office building and functions as a separate division of RTAWNC. Each physician group is an independent provider of professional medical services, as indicated by the following aspects of their respective practices:

- Each group has its own National Provider Identifier ("NPI").
- The billing and revenues for each group are managed separately, and only the physician members of a particular group share in that group's revenues.
- Each group's operating costs, including any expenses for the depreciation of equipment used by the group, are accounted for separately, and each group has its own financial statement.
- Each group operates as a separate practice, with its own physicians, clinical and support staff.

- Each group maintains distinct medical and billing records for the diagnostic and treatment activities of its own clinical practitioners.
- Each group operates within its own dedicated office space at 20 Medical Park Drive, with a separate reception desk and entryway to the group's patient care area.
- The Gynecologic Oncology Group has its own online presence and marketing:
 - The Gynecologic Oncology Group is operated and marketed distinctly as the New Horizons Women's Cancer Center, with a separate website at <http://www.nhwcc.com/index.htm>.

(Excerpts of Website Materials are found in **Appendix 1**).

Thus, while the three physician groups are all divisions within RTAWNC, they are separate and distinct health care providers. The physician groups occasionally refer patients to each other, but those patients are treated independently by each group.

The Gynecologic Oncology Group is a relatively recent addition to the physician groups affiliated with RTAWNC in the Asheville area. Dr. Nathan Williams originated the practice when he joined RTAWNC in June 2012. Dr. Williams has served gynecologic oncology patients in western North Carolina for approximately 30 years. Rather than lease new office space, the Gynecologic Oncology Group was located at the 20 Medical Park Building because there was medical office space already available there. Dr. Shawna Phelps joined the Group in July 2013.

As you know, coordinated health care through affiliations of separate physician groups is becoming increasingly common in today's health care market place. Health care providers are looking to coordinate care through groups of doctors, hospitals and other health care providers who voluntarily affiliate with each other to provide patients better quality care more efficiently. Teams of multi-specialty physician practices and other providers who are affiliated in this manner help ensure continuity of care for patients, especially the chronically ill, so that they get the right care at the right time, with minimal delay and duplication of services and lower costs. RTAWNC and its affiliated oncology physician groups are a prime example of this type of coordinated care. While the different physician groups associated with RTAWNC work in conjunction with each other as an extended care team, each group still maintains its distinct identity as a separate health care provider.

RTAWNC makes office space available to the physician groups for their respective practices through a lease from a management company, North Carolina Radiation Therapy Management Services, Inc. ("NCRTMS") which subleases the medical office building located at 20 Medical Park Drive from AOR Management Company of Virginia, LLC. The physician groups utilize all of the office space in the building located at 20 Medical Park Drive, which consists of physician and staff offices, patient examination rooms, and related support space. See 20 Medical Park Office Floor Plan (**Appendix 2**). The Medical Oncology Group provides services to patients under a professional services agreement with a local hospital, which subleases the medical oncology office space in the building from NCRTMS. However, neither the Gynecologic Oncology Group nor the Radiation Oncology Group has such a professional services agreement with that hospital. This is another example of how the three groups function separately in their practices.

NCRTMS provides management and administrative services to the physician groups pursuant to a management services agreement with RTAWNC. These services include billing and collections, payroll, accounts payable, information technology, managing computer networks and electronic records, and administrative staffing, and furnishing office equipment and supplies for each physician group to

serve its respective patients. But as discussed above, all the accounts for the three groups are maintained separately, with separate financial statements for each.

The Radiation Oncology Group operates a computed tomography scanner ("CT Scanner" or "CT") which is made available to the group pursuant to a management services agreement with NCRTMS. The CT was originally acquired for approximately \$488,547 and therefore, it fell below the dollar threshold for a diagnostic medical center or major medical equipment. No other diagnostic medical equipment which costs \$10,000 or more is owned or operated by NCRTMS, RTAWNC, any of the physician groups, or any corporate affiliate or subsidiary, at the 20 Medical Park building.

By way of background, in early 2012, NCRTMS and its parent company, Radiation Therapy Services (now 21st Century Oncology), acquired ownership interests in the corporate entities that owned and operated an oncology treatment center and associated medical equipment located at 20 Medical Park Drive. At that time, the oncology center included a linear accelerator used to provide radiation therapy and a CT used to provide radiation therapy treatment planning and diagnostic imaging services. By letter dated January 6, 2012 (**Appendix 3**), the CON Section confirmed that this transfer of ownership interests was not subject to CON review. Pursuant to the noticed transaction, the CT is now owned by Asheville CC LLC, a wholly owned subsidiary of NCRTMS.

The CT Scanner was acquired, and has been used to provide radiation therapy services, under an exemption from CON review that was recognized by the CON Section. The CON Section's determinations were challenged and following a lengthy appeal, the North Carolina Court of Appeals ultimately affirmed the Final Agency Decision, entered by the Acting Director of the Division of Facility Services, that the acquisition of the CT did not require a CON. See *Mission Hospitals, Inc. v. N.C. DHHS*, 205 N.C. App. 35, 696 S.E.2d 163 (2010).

Currently, the Radiation Oncology Group is the exclusive operator of the CT Scanner. The Medical Oncology Group and other physicians affiliated with RTAWNC refer patients to the CT for diagnostic imaging services, but those services are performed, managed and billed exclusively by the Radiation Oncology Group. The CT is listed as an asset on the Radiation Oncology Group's financial statements and all depreciation of the CT has been charged on its financial statements.

Diagnostic Equipment to Be Acquired by Gynecologic Oncology Group. The Gynecologic Oncology Group currently owns and operates ultrasound equipment. The Group plans to acquire additional diagnostic equipment to be used exclusively to serve its patients in its office space at the 20 Medical Park building. Because the diagnostic equipment which the Gynecologic Oncology Group proposes to acquire will be refurbished or second-hand equipment, it is valued at significantly less than the original list price for new equipment. The cost estimates included in the attached quotes are the prices the Group was able to find on the secondary market, and therefore reasonably present the fair market value of this equipment. The total capital costs of this new diagnostic equipment is estimated at \$410,986. See Diagnostic Equipment Capital Cost Table. (**Appendix 4**) This includes mammography equipment at \$129,108.00 (shipping included); stereotactic biopsy equipment – including a mammography unit with stereotactic biopsy upgrades at \$221,828.00 (shipping included); and bone density equipment at \$ 32,213.00. See Diagnostic Equipment Vendor Quotes. (**Appendices 5-7**) The cost of onsite training for this equipment will be included in the purchase prices.

The diagnostic equipment described above will enable the Gynecologic Oncology Group to significantly enhance the continuity of care and convenience for its patients by allowing the Group to provide the diagnostic services performed on this equipment within its own office space. Currently, the Group must refer patients to another provider at another location for such services.

The Gynecologic Oncology Group plans to locate this diagnostic equipment in a portion of the existing office space at 20 Medical Park comprised of four rooms that are already prepared to house this type of medical equipment in terms of electrical and other utility needs. This is the most effective location for the equipment in terms of cost because it will allow RTAWNC and the Gynecologic Oncology Group to avoid costly and unnecessary renovations that would essentially involve tearing down patient exam rooms located in the middle of the 20 Medical Park building (currently designated for and used by the Gynecologic Oncology Group as highlighted in orange in the floor plan) to rebuild that space for the gynecologic oncology diagnostic equipment, and simultaneously tearing down rooms ready to house medical equipment located in the left rear of the 20 Medical Park building (designated for and to be used by the Gynecologic Oncologic Group as highlighted in orange in the floor plan) to rebuild that space for replacement patient exam rooms.

In addition to this new diagnostic equipment, the Gynecologic Oncology Group currently owns and operates ultrasound equipment which it purchased for \$8,008.69 in June 2012. See Ultrasound Equipment Purchase Request and Quote (**Appendix 8**). This ultrasound equipment is used exclusively by the Gynecologic Oncology Group.

After the acquisition of the new equipment described above, the Gynecologic Oncology Group will be the sole operator of the equipment, and the full value of the equipment will be entered on its financial statements. This diagnostic equipment listed as an asset on the Gynecologic Oncology Group's financial statements and all depreciation of the equipment will be charged on its financials.

No upfitting construction or staff training will be needed in connection with the installation and operation of this diagnostic equipment. The electrical circuitry and all other requirements necessary to operate the equipment are already in place within the Gynecologic Oncology Group's office space. Therefore there will be no capital costs incurred other than the cost of acquiring, shipping and installing the equipment described above.

We also note that by letter dated February 11, 2014, we have provided written notice on behalf of NCRTMS regarding planned renovations of a small portion of the interior office space at the 20 Medical Park Drive building in order to reconfigure and update the Gynecologic Oncology Group's office space. The planned work for the 538 square feet which comprise the rooms in which the Group's diagnostic equipment will be located will be limited to cosmetic updates with new paint and flooring. The total costs of this planned cosmetic work for the equipment rooms is estimated not to exceed approximately \$25,000.00. Most of the renovation work and expense will involve reconfiguring space to create a new waiting area and entryway for the Gynecologic Oncology Group's patients, and improving patient privacy and flow for the Group. None of the planned office renovation will be necessary for the installation or operation of the Gynecologic Oncology Group's diagnostic equipment. As explained in our exemption notice letter, the planned renovation of this physician office building space is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(9).

The equipment described above which the Gynecologic Oncology Group plans to acquire will be used only by that Physician Group to serve its patients. It will be operated exclusively as part of the Gynecologic Oncology Group. This equipment will be located and operated within that Group's designated office space in the 20 Medical Park Drive building. See Gynecologic Oncology Group Office Floor Plan (**Appendix 2**).

Analysis of Issues Under the CON Law. Based on the information provided in, and attached to, this letter, it is clear that the plans to acquire the diagnostic medical equipment described in this letter do not constitute a “diagnostic medical center” or any other “New Institutional Health Service,” and therefore, no certificate of need is required. The information provided above comprehensively documents all of the costs associated with acquiring the equipment and making it operational.

No aspect of RTAWNC’s proposal can be interpreted as the establishment of a new “health service facility,” as defined in N.C. Gen. Stat. § 131E-176(9b). The total cost of the diagnostic medical equipment which costs \$10,000 or more which will be owned and operated by RTAWNC’s Gynecologic Oncology Group is below the \$500,000 level at which a diagnostic center would be deemed to be established pursuant to N.C. Gen. Stat. § 131E-176(7b):

“Diagnostic center” means a ***freestanding facility, program, or provider***, including but not limited to, physicians’ offices, clinical laboratories, radiology centers, and mobile diagnostic programs, in which the total cost of all the medical diagnostic equipment utilized by the facility which cost ten thousand dollars (\$10,000) or more exceeds five hundred thousand dollars (\$500,000). In determining whether the medical diagnostic equipment in a diagnostic center costs more than five hundred thousand dollars (\$500,000), the costs of the equipment, studies, surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making operational the equipment shall be included. The capital expenditure for the equipment shall be deemed to be the fair market value of the equipment or the cost of the equipment, whichever is greater. (Emphasis added)

It is clear from the plain language of the definition that this diagnostic center concept, the General Assembly intended to address a single provider, facility or program which operates as a unit and uses medical diagnostic equipment for which the total cost exceeds \$500,000.

In keeping with the statutory definition of diagnostic center, the CT owned by Asheville CC LLC and operated solely by the Radiation Oncology Group, should not be included in determining whether the proposal of RTAWNC and its Gynecologic Oncology Group to acquire the diagnostic equipment described above would constitute a diagnostic center. As discussed above, each of the physician groups with offices at the 20 Medical Park building exists and operates separately from one another. Each group serves its own patients independently. The groups do not share physicians and staff, medical office space, or revenues. The CT is operated exclusively as part of the radiation oncology group.

The separate identity of each physician group is reflected in its NPI number. As you may know, each health care provider’s NPI is used for most activities involved in the health care industry. Each provider uses its unique NPI to identify itself in health care transactions identified in the Health Information Portability and Accountability Act, and the NPI is utilized by health plans in their internal provider files to process transactions and communicate with health care providers and coordinate benefits with other health plans. NPI’s also are utilized in electronic patient record systems to identify treating health care providers in patient medical records.

The acquisition of the diagnostic medical equipment described above will not result in the establishment of a diagnostic center. The resulting total capital cost is well below the \$500,000 threshold that would constitute the establishment of a diagnostic center. Even if the ultrasound equipment which cost less than \$10,000.00, and the cosmetic renovations for the equipment rooms estimated to cost less than \$25,000.00, are included along with the new diagnostic equipment described above for purposes of determining the total capital costs of the diagnostic equipment that would be owned and operated by the

Ms. Martha Frisone
Interim Chief, CON Section
February 14, 2014
Page 6

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Gynecologic Oncology Group, the total capital costs would be well below the \$500,000.00 diagnostic center threshold. Thus, it is clear that neither a diagnostic center nor any of the other types of health service facilities identified in the CON Law are involved in the Group's proposal.

The Gynecologic Oncology Group also is not proposing the acquisition by purchase, donation, lease, transfer, or comparable arrangement of major medical equipment, as defined in N.C.G.S. § 131E-176(14o). The total price for all of the aforementioned diagnostic medical equipment is \$410,986 and therefore, no single unit or single system of components with related functions which is used to provide medical and other health services costs more than \$750,000.

Finally, none of the proposed services or equipment in this letter are separately regulated by the CON Law by N.C.G.S. § 131E-176(16)(f) or § 131E-176(16)(f1).

North Carolina courts have recognized that because the CON Law interferes with the normal right to do business, it must be narrowly construed. See *HCA Crossroads Residential Centers, Inc. v. N.C. Dep't of Human Resources*, 327 N.C. 573, 579, 398 S.E.2d 466, 470 (1990) ("When viewed in its entirety, Article 9 of Chapter 131E of the General Statutes, the Certificate of Need Law, reveals the legislature's intent that an applicant's fundamental right to engage in its otherwise lawful business be regulated but not be encumbered with unnecessary bureaucratic delay.") Failure to issue the requested no-review determination would delay and impede RTAWNC and its Gynecologic Oncology Group in proceeding with a lawful business transaction.

Based upon the information provided in this letter, RTAWNC respectfully requests your earliest possible attention to this request and looks forward to your written confirmation that the proposal described above does not require a certificate of need. RTAWNC and its Gynecologic Oncology Group wish to move forward with the acquisition and installation of the diagnostic equipment described above as soon as feasible, and accordingly, request a response from you on or before March 3, 2014, if possible.

Thank you for your attention to this matter, and please let us know if there is any additional information you may require.

With best regards, we are

Very truly yours,



William R. Shenton

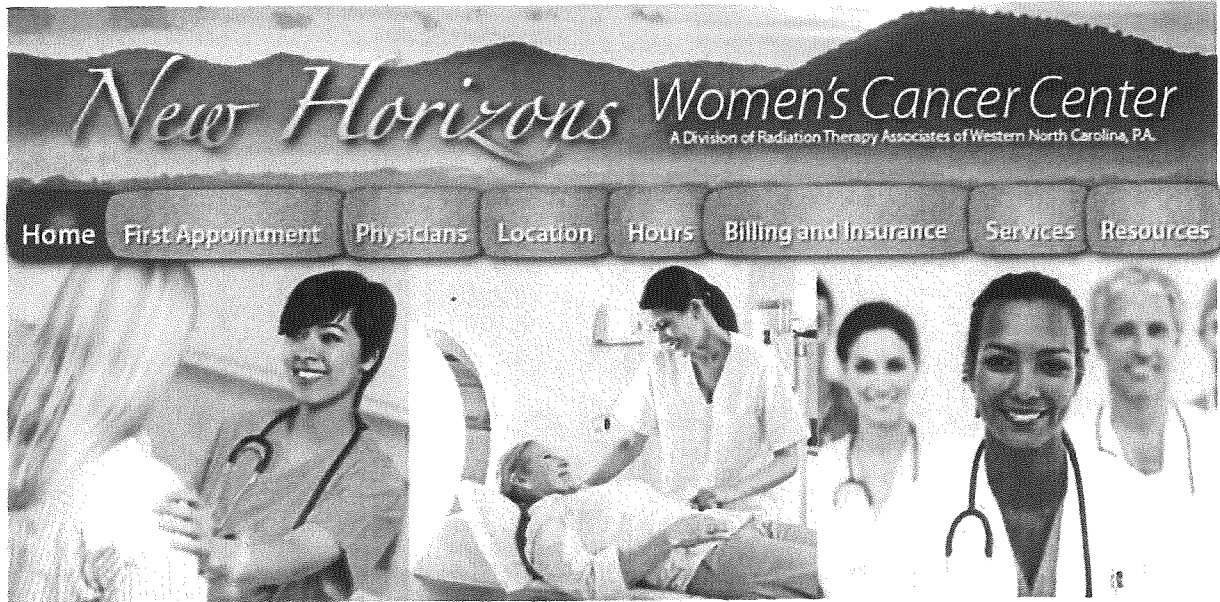


Pamela A. Scott

Enclosures

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2. 20 Medical Park Office Floor Plan
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4. Diagnostic Equipment Capital Cost Table
5. Bone Densitometer Quotation
6. Mammography Unit Quotation
7. Stereotactic Biopsy Unit Quotation
8. Ultrasound Equipment Purchase Request and Quote

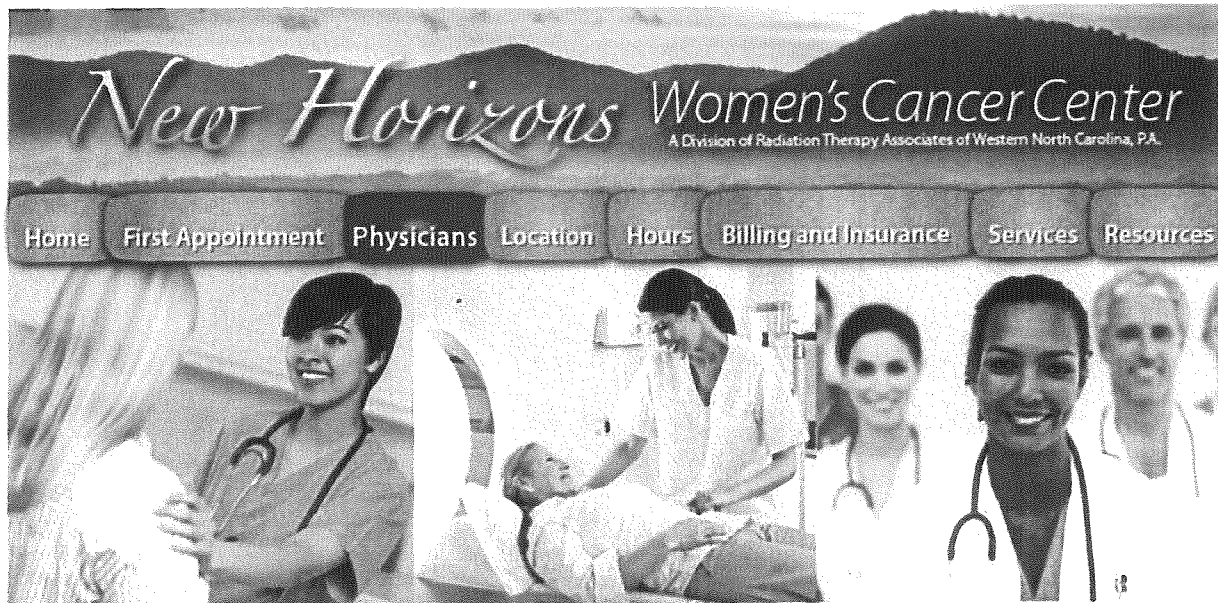


Welcome!

At New Horizons, we are committed to providing women with unsurpassed care in cancer treatment. Our mission is not only to diagnose and treat breast and gynecologic cancers, but to create a caring environment through our words, actions and services. Personalized care and integrated treatment plans are given in an environment where patients and loved ones can focus on healing.

Our team specializes in gynecologic and breast cancer treatment, offering state-of-the-art cancer care with a positive approach. Support and resources are an integral part of our practice as we assist patients with their physical, emotional, and spiritual needs.

[Click here to learn more about us and our parent company - 21st Century Oncology.](#)



Physicians and Health Team



Dr. Nathan E. Williams, MD

Dr. Williams attended medical school at Creighton University and completed residency at the University of Nebraska. He is board certified in Obstetrics and Gynecology with additional training in GYN-Oncology. He is a member of the American College of Obstetrics and Gynecology and the American College of Surgeons. Dr. Williams' areas of interest include oncoplastic, breast reconstruction, benign breast disease, GYN and breast malignancies, and chemotherapy and hormonal treatment.

Dr. Williams is married to Donna Williams, whose passion for beauty with interior design and landscaping has shaped the healing environment at New Horizons. They have six children

together. Dr. Williams enjoys the outdoors, exercising, spending time with his family, and seeking God's purpose for his life.



Dr. Shawna L. Bull Phelps, MD

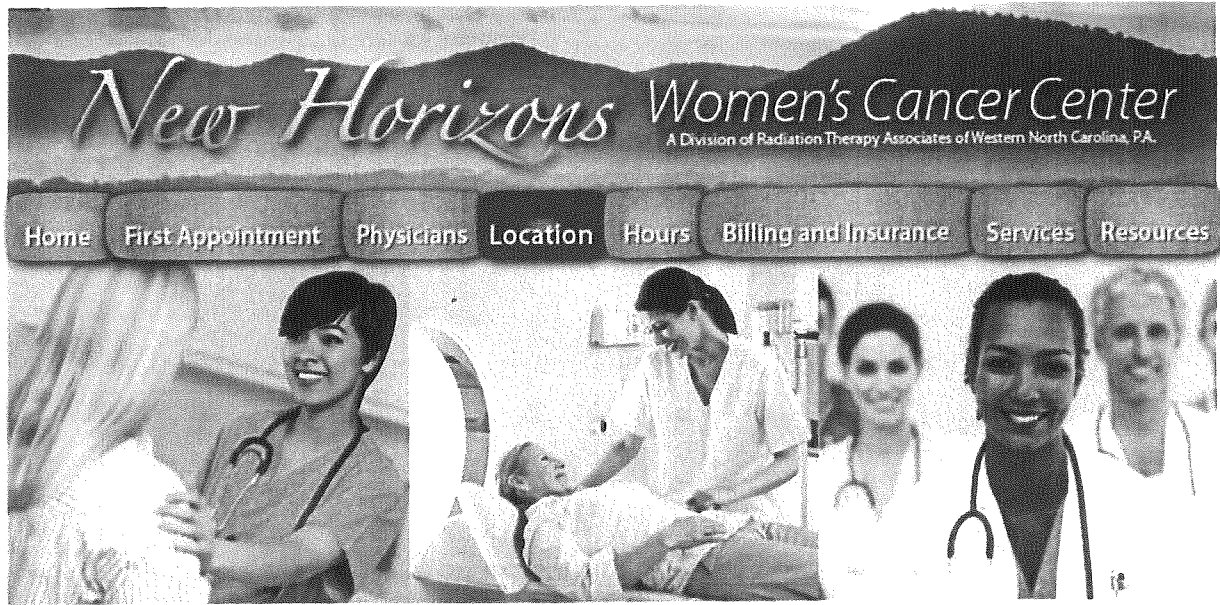
Dr. Phelps completed a BS in Biology from the University of South Florida. She attended medical school and completed residency at the University of Miami School of Medicine. Her Fellowship in Gynecologic Oncology was completed at the University of Texas Southwestern Medical Center, Parkland Memorial Hospital in Dallas, Texas. She is a member of the American Congress of Obstetricians and Gynecologists, Society of Gynecologic Oncologists and American Society of Clinical Oncology. Dr. Phelps brings to the practice experience with Robotic pelvic surgery, a passion for women's cancer care and an interest in fertility-sparing, genetics and the impact our lifestyle has on cancer.

Dr. Phelps moved from Manhattan, New York, with her husband and two young children where she was involved in research with Memorial Sloan Kettering Cancer Center. She and her husband feel blessed to be in the beautiful surroundings of Western North Carolina and love to spend time together as a family.



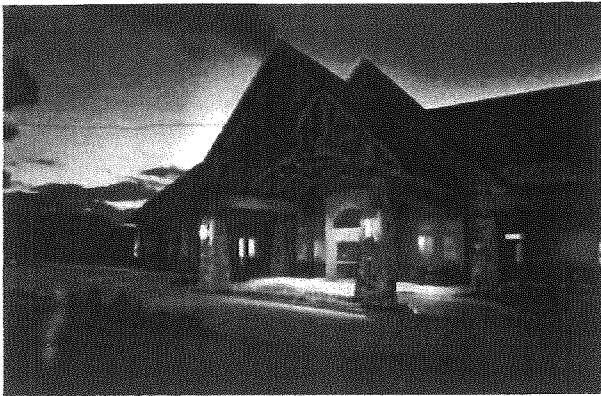
Nicole Crane, MSN, NP-C

Nicole is a native of Connecticut and attended New York University; College of Our Lady of the Elms in Chicopee, Massachusetts; and the University of North Carolina-Asheville for baccalaureate liberal arts degrees. She then completed additional nursing undergraduate as well as graduate degrees at Western Carolina University, earning her MSN-Family Nurse Practitioner in 2011. She is certified by the American Academy of Nurse Practitioners. Nicole joined Dr. Nathan Williams in 2012 with more than 20 years of health care experience. Her background includes women's/family health, neurosciences, sports medicine and emergency medical care. She enjoys assisting Dr. Williams in the operating room as well as in procedures and specialized oncologic patient care in the outpatient setting. Nicole's area of expertise is in women's health promotion. Nicole and her family have lived in Asheville for 17 years. She enjoys running, bicycling, skiing, open water swimming, long distance paddling, and hiking with her daughters and faithful dog, Daisy.

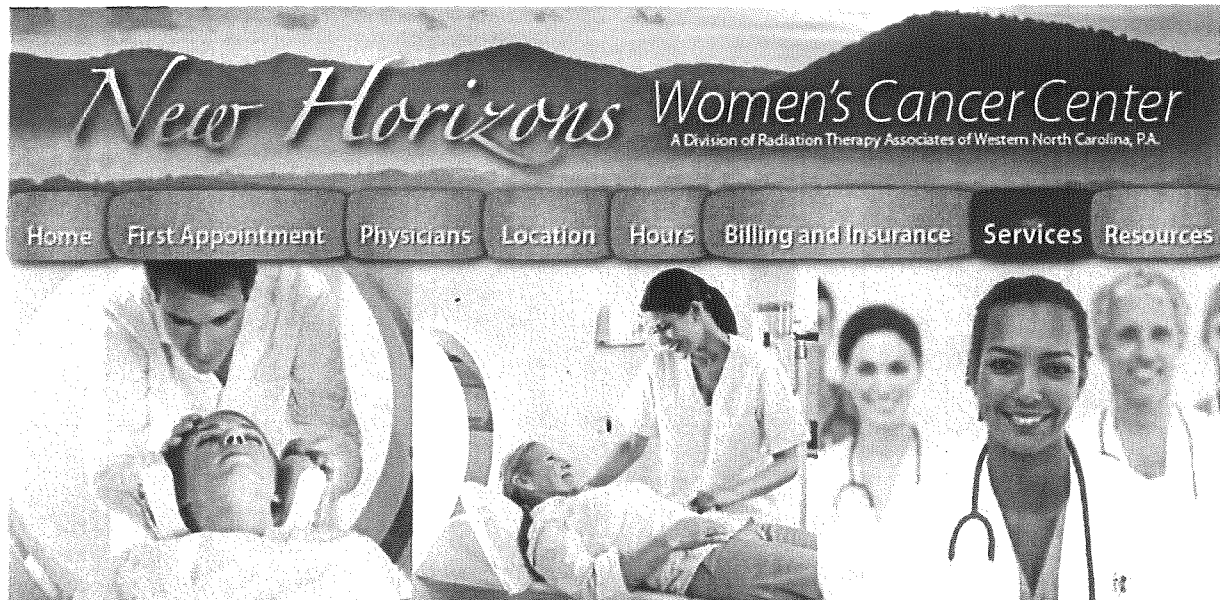


Location

New Horizons is located amid the Blue Ridge Mountains of Western North Carolina, conveniently offering care to women throughout the Southeast.



We are located at 20 Medical Park Drive Asheville, NC 28803.



Services

Choose desired service

Chemotherapy

Surgery

Consultations and Second Opinions

Chemotherapy

Chemotherapy is the treatment of cancer with medicines that cause damage to cancer cells, leading to cell death.

Today, many methods of chemotherapy delivery and chemotherapy medicines are used in cancer treatment. Specific chemotherapy regimens are set up individually. Cancer treatment regimens are based on cancer research and specialized training and experience of our physicians and staff.

A chemotherapy regimen includes one or more chemotherapy drugs, and specifies how often and how many treatments are given. For regimens that may cause nausea, a schedule of medicines to prevent nausea is included.

Most chemotherapy is given intravenously and may take an hour to several hours.

Chemotherapy is usually given in the office and hospitalization is not necessary. The

chemotherapy room nurses are experts at starting I.V.s, giving chemotherapy, and monitoring you throughout your treatment.

Before you start chemotherapy, you should be sure you understand what medicines you will be taking and what the side effects are. We provide education prior to beginning your chemotherapy treatment. These visits are designed to help you maximize your treatment course.

Methods of Chemotherapy Delivery

- **Implanted Venous Catheter (I.V.)** - Most chemotherapy is given intravenously, which means using a needle to access your vein. Access to a good vein in the arm is important for chemotherapy. In circumstances when veins in the arm are too weak or small for a regular I.V. to be used, a semi-permanent port (tube) may be placed in a larger vein elsewhere on your body. The port should be periodically flushed (rinsed out with a syringe) with a weak concentration of Heparin, a blood thinner used to keep blood from clogging the catheter.
- **Implanted Port** - The port has a catheter placed in a vein by ultrasound guidance and is attached to a small round device called the port. This is done in a short surgical procedure. The catheter and port are both under the skin on the upper chest. An I.V. is started by cleaning the skin and placing a needle through skin and into the port.

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Surgery

Gynecologic Surgery Procedures

Most often treatment for gynecologic cancers involves surgery. The type of surgery performed depends on the type of cancer and the stage of disease at the time of diagnosis. The choice of surgical procedure may also be based on a woman's age and general state of health.

- **Total Abdominal Hysterectomy:** This surgery involves removing the uterus and cervix. Lymph nodes in the pelvis and abdomen may also be removed to see if they contain cancer cells.

- **Bilateral Salpingo-Oophorectomy:** This surgery is usually performed with a hysterectomy and involves removing the ovaries and fallopian tubes.
- **Vaginal hysterectomy:** This surgery involves an incision in the vagina and removal of the uterus through the vagina.
- **Radical hysterectomy:** This surgery also removes the uterus along with the tissues next to the uterus and the upper part (about one inch) of the vagina next to the cervix. Lymph nodes may also be removed.
- **Tumor debulking:** This procedure involves removing as much of the cancer as possible if it has spread to other parts of the pelvis or abdomen. This can improve survival and reduce the amount of cancer to be treated later with chemotherapy or radiation therapy.
- **Vulvectomy:** This surgery involves removing all or part of the vulva. Lymph nodes near the vulva may also be removed.
- **Vaginectomy:** This surgery involves removing all or part of the vagina and surrounding tissues. Lymph nodes in the groin area or inside the pelvis near the vagina may also be removed.

Breast Surgery Procedures

- **Lumpectomy:** A removal of the breast tumor with approximately 1-2 centimeters of healthy tissue surrounding the tumor. Women who are interested in preserving their breast may be offered this option. One of the risks with this surgery is the possibility of needing further surgery (either a wider lumpectomy or a mastectomy if the cancer is not completely removed during the initial surgery). After you have a lumpectomy, you will need to have radiation to that side of your chest. Studies have shown that lumpectomies were equal to mastectomies in preventing cancer spread or recurrence. These studies compared lumpectomies that were followed by radiation with a mastectomy. After you have a lumpectomy, you will have an incision 2-4 inches long. (If you also have lymph nodes removed, you will have another incision in the underarm (axillary) area. You may have drains to help remove tissue fluid.

- **Mastectomy:** A removal of the entire breast, but none of the muscle tissue under the breast. The result is a flat chest with a long horizontal incision. Women who are interested in reducing their risk of needing further surgery often pick this surgery option. Radiation is often not needed after a mastectomy, which simplifies a patient's treatment plan.
- **Drains:** A drain is a tube that comes out from the body to drain lymph fluid from your surgery incision into a small bulb. Many breast patients will have a drain, which is held in place with stitches. Drains should be emptied at least twice daily and your hospital nurses should show you or a caregiver how to do this.

What to Expect Prior to Surgery

Surgery will be scheduled in our office. Depending on the procedure you are having you may be scheduled for an appointment to discuss the procedure with one of our providers. You may also be asked to schedule an appointment with the hospital to discuss anesthesia and other pre-operative tests. Major abdominal surgery will require special diet restrictions and bowel preparation. These instructions will be given to you prior to surgery.

Certain medicines and supplements must be stopped two weeks prior to surgery because they may cause bleeding during surgery and/or react with anesthesia. These include: aspirin, ibuprofen, naproxen, headache powders, anti-inflammatory drugs, all herbal products and supplements, and vitamin E (more than 200 IU per day).

After Surgery

After surgery, a patient will be observed in the recovery room for several hours before moving to a room. The length of stay in the hospital varies, depending on the type of surgery and the patient's condition after the procedure. The usual length of stay after an abdominal hysterectomy is 4-5 days, while that for a vaginal hysterectomy or vulvectomy may be 1-2 days. Lumpectomy patients often go home the same day and mastectomy patients may go home the same day or next day depending on the patient's desires.

In the first days after abdominal or vaginal surgery the patient can expect:

- The abdominal incision may be closed with stitches or staples and covered with a gauze dressing. Staples are usually removed one to two weeks after surgery by a nurse in our office.

- Patients may have pain in the lower abdomen after surgery. The surgeon will order medication to control pain and send you home with a prescription for pain medicine. The pain medicine can cause constipation, so it may be necessary to use a stool softener after surgery.
- Urination may be aided by a tube or catheter, which is put in the bladder during surgery. In most cases, it is removed a day or two after surgery. After certain surgeries, like a radical hysterectomy, the catheter may not be removed until two weeks after surgery. This allows for healing after surgery.
- Some women may have a drain in the lower abdomen or groin after surgery to help remove tissue fluid. This is most often removed before discharge. Certain surgeries, such as a vulvectomy with lymph node removal, may require that the drain be left in from one week to a month. The hospital nurses will give instructions on how to care for the drain at home. The drain will need to be emptied at least twice a day and a record kept of the drainage amount.
- After most abdominal surgeries, eating and drinking are prohibited until the doctor determines that the digestive system can safely process food and drink. The diet usually starts with light liquids, and then slowly progresses to soft food prior to discharge from the hospital.
- A patient's lungs need to be kept clear of excess fluid to prevent problems such as pneumonia. The hospital nurses will teach patients how to use a breathing apparatus called an incentive spirometer for this purpose.
- Walking soon after surgery helps with recovery. Walking lowers the risk of blood clots and breathing problems and helps the bowels recover from anesthesia.
- After a hysterectomy, women may experience gas pains and bloating. Walking is helpful as well as an over-the-counter medication for gas relief.

In the first days after a lumpectomy or mastectomy:

- After your tumor is removed, your surgeon will send it to the pathologist who will examine the tumor and perform some tests that will help your doctor determine what further treatment you may require.

- When you wake up from surgery, you will have a thick gauze dressing over the incision and likely an Ace bandage wrapped around your chest. The gauze will be removed before you go home. You can wear your bra home from the hospital, or you may want to wear the Ace bandage.
- You will be given a prescription for pain pills when you go home, although often pain with breast surgery is generally mild.
- Patients should keep arm and upper body movements to a minimum. You will be able to eat and write, but you should not lift anything heavier than a half-gallon of milk. Do not raise your arms on the surgery side above your shoulders for the first 5 to 7 days after surgery.
- DO NOT DRIVE FOR ONE WEEK.
- After a mastectomy, you may want to wear a breast prosthesis. Ask the nurse to show you some prosthesis samples when you come for your postoperative visit. You will be ready to be fitted for a prosthesis seven weeks from the date of your mastectomy. Your insurance usually will pay for a prosthesis and 2 mastectomy bras.
- During the 7-week post-operative period, patients often wear a Soft-Tee. This is a t-shirt that has pockets for fiberfill padding. Your insurance may help with the cost of a Soft-Tee. Please let our office know if you are interested (this has to be arranged at Park Ridge.)
- Mastectomy patients always have the option of having breast reconstruction. Enough skin is left in place after the surgery to make this possible. Our surgeons usually prefer that you wait at least six months after having a mastectomy, before making a decision about breast reconstructive surgery. A plastic surgeon would perform this surgery, and New Horizons is happy to make a referral.

Recovery Period

Recovery after surgery may take 2 to 8 weeks depending on the type of surgery. During that time, it is important to rest and increase activity gradually. We recommend not driving for two weeks after abdominal surgery. Avoid tasks or movements that can strain the incision, such as lifting or bending. To allow the body to heal, it is best to take showers instead of baths, to not

use tampons or douches, and to not have intercourse for the length of time your surgeon suggests, usually 6-8 weeks.

Usually one to two weeks after surgery, a patient will have a post-op appointment in the office to check the incision and remove any staples or drains if needed. At that time, the doctor will review the pathology report of the surgery with the patient. The pathology report is an important tool in helping to determine whether any further treatment is necessary.

When to Call Your Doctor

It is important to call the office, even after office hours, if a patient develops any of the following symptoms: fever or chills; heavy vaginal bleeding or a smelly discharge; redness, bleeding, or discharge at the incision site; pain or swelling in the legs; shortness of breath or chest pain; or severe abdominal pain or pelvic pain.

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Consultations and Second Opinions

Consultations

Many of our patients are first referred by family doctors or gynecologists who suspect or have diagnosed some form of cancer. Because we understand that recommendations and specialized care are important to your future treatment, we attempt to schedule a consultation for you with one of our doctors as soon as possible. Following this consultation, many of our patients are able to return to their doctors for continued care.

Some of the reasons you might be coming to see us include:

- Abnormal pap smears
- Abnormal mammograms
- Vulvar disease
- Endometrial hyperplasia
- Vaginal bleeding
- Breast Cysts or Lumps
- Ovarian cysts
- Uterine fibroids
- Breast changes

- Family history of cancer
- Breast cancer
- Ovarian cancer
- Endometrial cancer
- Cervical cancer
- Vaginal cancer
- Vulvar Cancer
- Gestational Trophoblastic Disease
- Chemotherapy

Second Opinions

Occasionally patients would like a second opinion regarding their diagnosis. Second opinions can convey new information or a new perspective. When considering having a second opinion, it is best to be open and truthful with your doctor so he or she can recommend the best possible specialist in regards to your condition. Your doctor shares your concerns and wants what is best for you.

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New Horizons

Division of the Department of Obstetrics and Gynecology, University of North Carolina

20 Medical Park Drive Asheville, NC 28803 | ph. (828) 274-7502 | fax. (828) 271-6599



North Carolina Department of Health and Human Services
 Division of Health Service Regulation
 Certificate of Need Section
 2704 Mail Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor
 Lanier M. Cansler, Secretary

www.ncdhhs.gov/dhsr

Craig R. Smith, Section Chief
 Phone: 919-855-3875
 Fax: 919-733-8139

January 6, 2012

William R. Shenton
 Poyner Spruill
 P.O. Box 1801
 Raleigh, NC 27602-1801

RE: No Review:

- Transfer by Cancer Centers of North Carolina – Asheville, P.C. (CCNC Asheville) of 100% of its ownership interests in the existing oncology treatment center located at 20 Medical Park Drive, Asheville (Oncology Center) to AHLIC, LLC, a wholly-owned subsidiary of CCNC Asheville
- Transfer by AOR Management Company of Virginia, LLC (AOR) of 100% of its ownership interests in the Oncology Center to Asheville CC, LLC, a wholly-owned subsidiary of AOR
- Acquisition of 100% of AHLIC, LLC by North Carolina Radiation Therapy Management Services, LLC (NCR TMS)
- Acquisition of 100% of Asheville CC, LLC by NCR TMS
 Buncombe County

Dear Mr. Shenton:

The Certificate of Need (CON) Section received your letter of September 26, 2011 and an email dated December 28, 2011 regarding the above referenced proposals. Based on the CON law in effect on the date of this response to your request, the proposals described in your correspondence are not governed by, and therefore, do not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposals would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposals when the new law becomes effective.

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

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D.# (FID) if the facility is licensed.

Sincerely,

Martha J. Frisone
 Martha J. Frisone
 Assistant Chief

Craig R. Smith
 Craig R. Smith, Chief
 Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR



September 28, 2011

Via Hand Delivery

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

RE: Request for No Review Determination – Acquisition of Ownership Interests in Corporate Entities that Own Cancer Centers of North Carolina's Asheville Oncology Treatment Center

Dear Mr. Smith:

We are submitting this letter on behalf of our client, Radiation Therapy Services, Inc. ("RTS"), as well as its wholly-owned subsidiary, North Carolina Radiation Therapy Management Services, LLC ("NCRRTMS"). RTS is a national provider of radiation oncology services which offers services at several locations in western North Carolina.

With this letter, NCRRTMS is requesting a no-review determination regarding its acquisition of the ownership interests in the corporate entities that own an existing oncology treatment center and the associated equipment located in Asheville, North Carolina. Consistent with the longstanding approach of the Agency in finding that purchases of corporate ownership interests are not events requiring a certificate of need, NCRRTMS now seeks confirmation that its acquisition of membership interests in the corporate entities owning the existing Asheville oncology treatment center, including a linear accelerator and computed tomography scanner, and its continued operation of that oncology treatment center and the same equipment, at the same site, may proceed without first obtaining a certificate of need.

FACTUAL BACKGROUND

The Parties

Since 2004, Cancer Centers of North Carolina – Asheville, P.C. ("CCNC-Asheville") and AOR Management Company of Virginia, LLC (*tr/w/a* AOR Management Company of Virginia, Inc.) ("AOR"), an indirect, wholly-owned subsidiary of US Oncology, Inc. ("USON"), together have owned and operated an oncology treatment center that is located at 20 Medical Park Drive, Asheville, North Carolina (the "Oncology Center").¹ This Oncology Center uses a Varian 2100C linear accelerator (the "Linac") and a computed tomography scanner (the "CT Scanner") to provide radiation therapy services to patients. As discussed further below, the Linac and CT Scanner were acquired, and have been used to provide radiation therapy services, under an exemption from certificate of need ("CON") review that was recognized by the Certificate of Need Section ("CON Section"). After an appeal of this determination, the CON Section's decision to grant an exemption was upheld.

¹ CCNC-Asheville was formerly known as Asheville Hematology and Oncology Associates, P.A. ("AHO"). The corporate name was changed in 2009. See Exhibit 1. AOR was formerly a corporation, but has converted to a limited liability company. See Exhibit 2.

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CCNC-Asheville is a professional corporation organized under the laws of the State of North Carolina with its principal place of business located at 20 Medical Park Drive, Asheville, North Carolina. It employs physicians licensed to practice medicine in the State of North Carolina, who provide oncology treatment services, including radiation oncology services through the use of the Linac and CT Scanner located at the Asheville Oncology Center on Medical Park Drive. CCNC-Asheville has served cancer patients in the Asheville area since 1982 when the practice (then AHO) was first formed and began providing medical oncology services. Its oncology treatment center is a "grandfathered" facility because it became operational before the CON Law was amended to apply to oncology treatment centers. See 2004 correspondence between AHO and CON Section (without exhibits) (Exhibit 3).

USON is a business corporation organized under the laws of the State of Delaware, with its principal place of business located at 10101 Woodloch Forest Drive, The Woodlands, Texas 77380. Through its subsidiaries, USON provides administrative support for oncology practices throughout the United States, and also furnishes medical equipment used by those practices. One of those subsidiaries is AOR, a Delaware limited liability company.

RTS (also known as 21st Century Oncology) operates several radiation therapy centers in western North Carolina, including one located in a medical office building in Asheville which was the site of a damaging fire that occurred on July 28, 2011, and which was reported to you in an earlier letter. Federal and State investigators have indicated they believe this fire may have been intentionally set; but because the investigation of the fire is still in process, RTS has not been able to access this center and assess the damage and determine when and how it might be re-opened. Once a damage assessment is completed, RTS will approach the CON Section about the status of the center, including any steps needed to repair or replace it. However, without a full assessment of the status of this site, RTS is uncertain at this point about the steps necessary to resume operations at that center.

Immediately following the fire, RTS successfully transitioned cancer patients who had been receiving treatment at its Asheville center to its other treatment centers in western North Carolina, where they are continuing to receive consultations and radiation therapy treatment. The transaction proposed in this letter would facilitate the resumption of RTS's provision of radiation therapy services to patients closer to Asheville, and accordingly RTS and NCRRTMS request that the Agency expedite its consideration of this no-review request.

NCRRTMS is a North Carolina limited liability company which is a wholly-owned subsidiary of RTS. NCRRTMS provides management and administrative support services for RTS's radiation therapy centers in North Carolina.

RTS, NCRRTMS, CCNC-Asheville and AOR (collectively, the "Parties") have discussed and reached agreement on a transaction that would involve the transfer of the membership interests in the corporate entities that own the Oncology Center and the equipment used to provide treatment for patients at the Oncology Center, including the Linac and CT Scanner (collectively, the "Equipment"). The transaction would be limited to a transfer of the underlying ownership interests in the corporate entities that own the Oncology Center and the Equipment (the "Proposed Transaction"). The Oncology Center and its Equipment will continue to serve patients at the same location, and there will be no change in the scope of services provided by the Oncology Center as part of the Proposed Transaction. The Proposed Transaction does not involve the offering or expansion of any new facility, service or equipment, and the State's inventory of linear accelerators will not change as a result of the transaction. Based upon prior

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declaratory rulings and "no review" determinations that have been issued by the Office of the Director of the Division of Health Services Regulation and by the CON Section, it is clear that the Proposed Transaction agreed upon by the Parties is not a "New Institutional Health Service," and should be permitted to proceed without first obtaining a certificate of need.

This letter describes the Proposed Transaction and identifies the grounds for a determination that the transaction is not subject to CON review.

Background on the Oncology Center and Equipment

In 2005, AHO (now CCNC-Asheville) relocated its Asheville offices to establish the current Oncology Center. AHO acquired the Linac and CT Scanner to provide radiation therapy services to patients. The Linac that has been operated at the Oncology Center is recognized in the Linac Inventory in the State Medical Facilities Plan. See Draft 2012 State Medical Facilities Plan, p. 147 (Exhibit 4). As you will recall, the present Oncology Center was developed under an exemption from CON review recognized by the CON Section. In February 2005, AHO sought "no review" determinations for a proposed relocation and expansion of its oncology treatment center and acquisition of medical equipment that would allow AHO to provide radiation therapy. See AHO No-Review Requests and Related Correspondence (without exhibits) (Exhibit 5). AHO presented four proposals: (1) acquisition of a linear accelerator, (2) acquisition of a CT scanner, (3) acquisition of treatment planning equipment, and (4) relocation of its oncology treatment center. On August 2, 2005, the CON Section issued four "no review" letters, confirming that none of the proposals required a certificate of need. See CON Section No-Review Determinations (Exhibit 6).

The CON Section's determinations were challenged and following a lengthy contested case and appeal, the North Carolina Court of Appeals ultimately affirmed the Final Agency Decision, entered by the Acting Director of the Division of Faculty Services (the "Division") that AHO's acquisition of the Linac and CT scanner and expansion of the oncology treatment center did not require a CON. See *Mission Hospitals, Inc. v. N.C. DHHS*, 696 S.E.2d 163 (N.C. Ct. App. 2010) (Exhibit 7).

At the heart of the appeal challenging the CON Section's no-review determinations were amendments to the CON Law which took effect in late August 2005. Before late August 2005, oncology treatment centers were among the services regulated by the CON Law, and a certificate of need was required to develop an oncology treatment center. But on August 26, 2005, the CON Law was amended by deleting the term "oncology treatment center" from the group of facilities defined as a "health service facility" under N.C. Gen. Stat. § 131E-176. Along with this change, the list of new institutional health services for which a certificate of need is required was amended to add any acquisition of a linear accelerator occurring on or after the effective date of the amendment. AHO's no-review requests and the CON Section's subsequent no-review determinations preceded the August 26, 2005 amendment that eliminated the concept of oncology treatment centers and established a requirement for a certificate of need to acquire a linear accelerator.

In its decision, the Court of Appeals recognized that AOR provided substantial administrative support for AHO's day-to-day operations under a Management Services Agreement which also authorized AOR to acquire equipment for AHO. The Court of Appeals concluded that: (1) AHO's February 2005 requests seeking CON determinations regarding its proposals were made in good faith reliance on the CON Law then in existence; (2) AHO had acquired vested rights to develop its proposed services under the prior version of the CON Law because of the building lease entered into by AHO's managing agent, and AHO's acquisition by comparable arrangement of the Linac through a purchase contract entered into by AOR; and (3) the CON Section had issued its no-review determinations prior to

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the effective date of the amendment to the CON Law. Accordingly, the Court of Appeals held that the CON Section and the Division in its Final Agency Decision properly applied the CON Law as it existed when AHO submitted its no-review requests. The Court of Appeals also affirmed the Final Agency Decision's determinations that AHO's acquisition of the CT Scanner did not require a CON because the total costs to buy the CT Scanner and make it operational were below the threshold dollar amount for a diagnostic center, and that the relocation and expansion of AHO's oncology treatment center did not require a CON because the costs related to such relocation and expansion did not exceed \$2,000,000. Thus, the Court of Appeals conclusively determined that the relocation and expansion of AHO's (now CCNC-Asheville's) oncology treatment center and AHO's acquisition of the Linac and CT Scanner did not require a certificate of need.

The Proposed Transaction

The Proposed Transaction to transfer the ownership interests in the corporate entities that own the Oncology Center and Equipment will proceed in two steps. First, CCNC-Asheville will transfer its interest in the Oncology Center and Equipment to a wholly-owned subsidiary ("CCNC Sub"), and AOR will transfer its interest in the Oncology Center and Equipment to a wholly-owned subsidiary (collectively with CCNC Sub, the "LLCs"). The transaction will be completed with NCRTMS purchasing all of the membership interests in those two LLCs as a second step.

After the Proposed Transaction is complete, the LLCs will continue to exist as legal business entities, and will continue to own the Oncology Center and Equipment, including the Linac and CT Scanner that the CON Section (and the Court of Appeals) determined were not subject to CON review. The Oncology Center and its Equipment will continue to serve patients at the same location at 20 Medical Park Drive in Asheville. There will be no purchase of additional equipment, nor will any new services be offered, as a result of the Proposed Transaction. The only change will be the membership composition of the corporate entities that own the Oncology Center and Equipment, with CCNC-Asheville and AOR initially transferring their ownership interests to the wholly-owned subsidiary LLCs, followed by a separate transaction in which NCRTMS will acquire all of the membership interests in the LLCs.

The LLCs will not offer any medical services. All medical services associated with oncology treatment at the center will be furnished by licensed physicians. The Parties anticipate that the radiation oncologists who have been practicing with CCNC-Asheville and have supervised the care of a significant majority of the patients receiving treatment at the Oncology Center in the past will continue to supervise and direct the treatment of patients under their care. Under an agreement that preserves the physicians' authority over all clinical and medical decisions, the LLCs will make the Linac and CT Scanner available for treatment of patients by the CCNC-Asheville radiation oncologists and other licensed physicians authorized to care for patients at the Oncology Center.

Based upon the long-standing approach that the Division and the CON Section have taken to the purchase of equity interests in existing North Carolina health care facilities when there is no change in the services offered or the equipment employed to offer the services, NCRTMS respectfully submits that none of these steps relating to the Proposed Transaction constitutes a New Institutional Health Service that requires a certificate of need.

ANALYSIS

The CON Law was enacted to prevent the development and operation of unneeded health services, equipment and facilities. This is made explicit in the very first section of the law, where the General Assembly finds: "That the proliferation of unnecessary health service facilities results in costly

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duplication and underuse of facilities, with the availability of excess capacity leading to unnecessary use of expensive resources and overutilization of health care services." N.C. Gen. Stat. § 131E-175(4). The CON Law essentially focuses on the development and offering of those "new institutional health services" that would create additional capacity, and which are catalogued in N.C. Gen. Stat. § 131E-176(16). Each of these new institutional health services entails in some way the acquisition or establishment of a new health service, *new* equipment, *new* facilities, or expansions and relocations of existing facilities or services (which also would have an impact on how health services are deployed and utilized). In keeping with its fundamental goals, the CON Law expressly recognizes that certain activities are not subject to review. Based upon the clear terms of the CON Law and prior declaratory rulings by the Department, the Proposed Transaction does not require a certificate of need.

The Proposed Transaction Will Not Result in a New Institutional Health Service

The CON Law provides that no person shall offer or develop a "new institutional health service" without first obtaining a CON. N.C. Gen. Stat. § 131E-178. However, none of the components of the "new institutional health service" definition address, directly or indirectly, the acquisition of membership interests in an organization that already is operating a health service. This type of transaction is among the activities that are "administrative and other activities that are not integral to clinical management," and which are specifically excluded from the definition of "health service" in the CON Law. N.C. Gen. Stat. § 131E-176(9a). Therefore, an acquisition of corporate ownership interests, such as the Proposed Transaction at issue in this request, does not involve a new institutional health service at all and should not be subject to CON Review.

The list of new institutional health services does include "the acquisition by purchase, donation, lease, transfer or comparable arrangement" of a linear accelerator "by or on behalf of any person," N.C. Gen. Stat. § 131E-176(16)(f1)5a, 9, and "the obligation by any person of a capital expenditure exceeding two million dollars (\$2,000,000) to develop or expand a health service or a health service facility, or which relates to the provision of a health service," N.C. Gen. Stat. § 131E-176(16)(b). However, neither of these definitions applies to the Proposed Transaction. In prior declaratory rulings and no review determinations, the Department and CON Section have consistently recognized that transactions which are limited to an acquisition of underlying corporate membership interests in an existing legal entity which owns and operates an existing oncology center and its associated equipment, such as the Proposed Transaction, fall within the above-referenced exclusion recognized in the definition of "health service" in the CON Law. Accordingly, the Department and CON Section have consistently determined that events such as the Proposed Transaction do not trigger certificate of need review under either the linear accelerator acquisition or the \$2,000,000 capital expenditure provision.

The Department's Prior Declaratory Rulings Confirm the Transaction Does Not Require a CON

This No-Review Request is consistent with the Department's prior declaratory rulings which have interpreted the applicability of the CON Law to the purchase of ownership interests in corporate entities that own existing health care facilities. Over the course of North Carolina's Certificate of Need program, there have been a number of declaratory rulings which confirmed that the acquisition of ownership interests in companies which own existing health care facilities that already are offering services does not constitute the offering of a new institutional health service because such transactions do not implicate the creation of additional capacity and health service facilities which might lead to the "unnecessary use and expense of resources and overutilization of healthcare services," detailed in the legislative findings. See N.C. Gen. Stat. § 131E-175(4). Several examples of declaratory rulings which have upheld this principle of no review for acquisitions of corporate ownership interests are discussed below.

In at least four rulings that were issued after the enactment of the August 2005 amendment to the CON Law, the Department has determined specifically that the transfer of ownership interests in organizations that own linear accelerators does not require a certificate of need.

- On August 18, 2011, the Department issued a declaratory ruling finding that Radiation Oncology Centers of the Carolinas, Inc.'s transfer of two CON-approved radiation oncology facilities to two wholly-owned subsidiaries did not constitute a new institutional health service or require a certificate of need. See *In re: Request for Declaratory Ruling by Radiation Oncology Centers of the Carolinas, Inc.* (Exhibit 8).
- On September 27, 2010, the Department issued a declaratory ruling confirming that the acquisition by Cancer Centers of North Carolina, P.C. of the majority of the membership interests in Wake Radiology Oncology Services and the continued operation of WROS's oncology treatment center did not require a certificate of need. See *In re: Request for Declaratory Ruling by Wake Radiology Oncology Services, PLLC, Cancer Centers of North Carolina, P.C., US Oncology, Inc. et al.* (Exhibit 9).
- On December 21, 2007, the Department issued a declaratory ruling finding that Rex Healthcare, Inc.'s acquisition of 100% of the membership interest of Smithfield Radiation Oncology, LLC, which owned and operated a linear accelerator, was not subject to CON review. See *In re: Request for Declaratory Ruling by Rex Healthcare, Inc. and Smithfield Radiation Oncology, LLC* (Exhibit 10).
- On September 14, 2007, the Department issued a declaratory ruling confirming that certificate of need review was not required for the sale to another entity of 100% of the issued and outstanding stock of a company that owned a linear accelerator. See *In re: Request for Declaratory Ruling by Radiation Therapy Services, Inc. and North Carolina Radiation Therapy Management Services, Inc.* (Exhibit 11).

At issue in the August 2011 declaratory ruling involving Radiation Oncology Centers of the Carolinas, Inc. ("ROCC"), was the proposed transfer of two existing oncology facilities owned by ROCC to two wholly-owned subsidiaries of ROCC. The two oncology facilities each operated a linear accelerator and CT simulator, the acquisition of which had previously been approved by the CON Section. The Department concluded that this transaction was not subject to CON review. As the Declaratory Ruling explained, "The entity that owns the linear accelerator and simulator will not change, and the same equipment will be used to provide the same radiation oncology services, in the same location. . . . The Proposed Transaction does not involve the offering or expansion of any new facility, service or equipment, and the state's inventory of linear accelerators and simulators will not change." The transaction at issue in the ROCC declaratory ruling is very similar to the first step of the Proposed Transaction at issue in this request, under which CCNC-Asheville and AOR will transfer their interests in the existing Oncology Center and its associated Equipment to two wholly-owned subsidiary LLCs.

In the September 2010 declaratory ruling involving Wake Radiology Oncology Services, the Department reviewed a proposed transaction under which WROS would be converted from a professional limited liability company to a limited liability company, followed immediately by the sale of the ownership interests in WROS to Cancer Centers of North Carolina, P.C. Subsequently, in a separate transaction, WakeMed proposed purchasing a minority membership interest in the renamed WROS entity. After the two transactions, the resulting LLC would continue to exist as a legal and business entity and would continue to own the oncology center and equipment that was authorized by a previously issued CON. The Department concluded that these proposed transactions did not require a certificate of need. In its

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Declaratory Ruling, the Department noted that the entity which owned the Linac and Simulator would not change and the same equipment would continue to be used to provide the same radiation oncology services at the same location. The Declaratory Ruling explained that although the proposed transaction involved expenditures by CCNC and WakeMed, "these will be purchases of ownership interests in an existing limited liability company that owns the oncology treatment center. There will be no capital expenditure to develop or expand a health service or health service facility because the same equipment will continue to be operated at the same location, and no expansion of services is proposed." The transactions involved in the WROS declaratory ruling are analogous to the second step of the Proposed Transaction at issue in this request, under which NCRTMS will acquire ownership interests in two existing LLCs which own the Oncology Center and its associated Equipment which will continue to provide the same services to patients at the same location following the transaction.

In its September 2007 declaratory ruling involving NCRTMS, the Department reviewed a request that involved the purchase of all of the stock of Carolina Radiation and Cancer Treatment Center, Inc. ("CRTC"). In its declaratory ruling request, CRTC stated that it was operating one linear accelerator and simulator that were in the Department's equipment inventory reports, as well as an additional linear accelerator that was not listed in the inventory. After reviewing the proposed transaction, the Department concluded, as to the one linear accelerator and simulator that were in the equipment inventory reports, that the proposed stock purchase could proceed without a CON. The Declaratory Ruling stated: "The transaction described by Petitioners does not constitute the acquisition of a linear accelerator or a simulator by any person because ownership of the one reported linear accelerator and one reported simulator here will not change. CRTC will continue to be the owner of these two pieces of equipment, and CRTC's legal status as a corporate entity will not change." The Department's ruling permitted all of the stock of CRTC, which owned the linear accelerator and simulator, to be purchased without a certificate of need.

The purchase of LLC interests proposed by the Parties in this Request is analogous to the stock purchase that was proposed by CRTC. The Proposed Transaction will entail acquisition by NCRTMS of all of the ownership interests in the LLCs. Ownership of the Oncology Center and its associated Equipment, including the Linac and CT Scanner, will remain with the LLCs following the second step of the Proposed Transaction.

In the December 2007 declaratory ruling involving Smithfield Radiation Oncology, the Department reached a similar conclusion. In that situation, Rex Healthcare already had a 25% ownership interest in Smithfield Radiation Oncology, LLC ("SRO"), and proposed to acquire the remaining 75% of the ownership interests from the physician owners. The Department concluded that "[t]he transaction described by Petitioners does not constitute the acquisition of a linear accelerator by any person because ownership of the linear accelerator here will not change." Thus, the Department concluded that these purchases of the ownership interests of companies which own an operating linear accelerator did not require a CON.

The Department also issued a similar ruling with regard to acquisition of the stock of a company that owned heart lung bypass equipment. See *In re: Request for Declaratory Ruling by New Hanover Perfusionists, Inc.*, January 24, 2008 (Exhibit 12). Heart-lung bypass machines are another type of medical equipment for which a certificate of need is required under N.C. Gen. Stat. § 131E-178 (18) (f1), the same portion of the definition of new institutional health services that applies to purchases of linear accelerators. The Department focused on the fundamental fact that the ownership of the equipment would not change, and that there was no purchase of equipment, in ruling that this stock acquisition did not require a Certificate of Need. The Department's determination in these rulings is firmly founded on the express terms of the CON Law.

Smith

The Proposed Transaction Is Not an Acquisition of a Linear Accelerator

The proposed acquisition of 100% of the membership interests in the LLCs by NCRTMS does not constitute the acquisition of a linear accelerator. As explained above, the transaction is limited to the acquisition of the underlying ownership interests in the corporate entities that own the existing Oncology Center and its associated Equipment. The Linac will continue to be used to provide the same radiation oncology services, in the same location, and the entity that owns the Linac will not change as a result of Step 2 of the Proposed Transaction. The LLCs will continue to own the Linac and the CT Scanner as well as all the Oncology Center assets that were found to be exempt from CON review and have been used to furnish oncology treatments to patients. The LLCs' membership composition will change to a single member, NCRTMS, but their legal status as existing business entities will not change.

Since the LLCs will remain the same legal entities, the same "person" will own the equipment and operate the Oncology Center and its Equipment following the Proposed Transaction's second step. See N.C. Gen. Stat. § 131E-176(19) and 178. There will be no change in the operation of the Oncology Center. Accordingly, and consistent with the rulings issued since the August, 2005 amendment, there is no basis to require CON review of the Proposed Transaction as an acquisition of a linear accelerator under the provisions of N.C. Gen. Stat. § 131E-176(16)(f)5a.

The Proposed Transaction Does Not Involve the Development or Expansion of a Health Service Facility

The Proposed Transaction will involve expenditures by NCRTMS, but these will simply be purchases of ownership interests in existing LLCs that own the Oncology Center. They will not entail a capital expenditure to develop or expand a health service or health service facility because the same equipment will continue to be operated at the same location, and no expansion of services is proposed.

Likewise, the Proposed Transaction will not entail "a capital expenditure . . . which relates to the provision of a health service" under N.C. Gen. Stat. § 131E-176(16)(b). The only change that will result from the Proposed Transaction will be in the membership composition of the LLCs, and that change in ownership is not a health service.

As the Department must have determined in the prior declaratory rulings discussed above, the purchase of ownership interests in an existing enterprise, which already is lawfully operating the equipment and offering the services, is not a capital expenditure that "relates to the provision of a health service" under N.C. Gen. Stat. § 131E-176(16)(b). The definition of "health service" in the CON Law specifically excludes "administrative and other activities that are not integral to clinical management." N.C. Gen. Stat. § 131E-176(9a). The membership composition of the LLCs is not integral to the clinical management of the Oncology Center, and the Center's operations will not change as a result of the Proposed Transaction. Therefore, the purchase of membership interests in the LLCs is not an activity that is "integral to clinical management," and accordingly is not "a capital expenditure . . . which relates to the provision of a health service" within the meaning of N.C. Gen. Stat. § 131E-176(16)(b).

Mr. Craig R. Smith
Chief, CON Section
September 26, 2011
Page 9

William Spruill

Issuance of the No-Review Determination Is Consistent with the Purposes of the CON Law

The CON Law is intended to regulate new institutional health services and is not intended to impede routine business transactions such as an acquisition of a limited liability company's ownership interests. The only point when the CON Law does limit changes in ownership is "before completion of the project or operation of the facility . . ." N.C. Gen. Stat. § 131E-189(c). CCNC-Asheville and AOR have operated the Oncology Center for more than a year², so this restriction in the CON Law clearly does not apply.

The Proposed Transaction does not involve the offering or expansion of any new facility, service or equipment, and the State's inventory of linear accelerators will not change. The Oncology Center and its Equipment have been established and operating for years. No new, or additional equipment will be acquired or placed in operation in the State. No new facility will be established nor new services offered. As a result, the Proposed Transaction does not implicate the fundamental objective of the CON Law – to control the development and expansion of health service facilities. Although not applicable to the Parties' Proposed Transaction, in keeping with this overarching objective, the CON Law actually contains a provision, in N.C. Gen. Stat. § 131E-184(a)(8), which recognizes that an outright purchase of all the assets of an entire health service facility is exempt from the requirement of obtaining a CON, even if the purchased facility contains equipment that would otherwise be subject to CON review.

The purposes for which the CON Law was enacted are not served by regulating the purchase and sale of the underlying membership interests in corporate entities that own existing health service facilities or equipment which the CON Section has already determined to be needed. If membership interests in companies that own an existing health service facility are purchased, without any accompanying addition, expansion, reduction, or relocation of the services offered, then none of the underlying policy concerns that are the basis for the CON Law come into play.

CONCLUSION

For all of the foregoing reasons, the regulation of events like the Proposed Transaction, involving existing and previously reviewed and approved facilities and their associated equipment which do not otherwise implicate the fundamental purposes of the CON Law stated in N.C. Gen. Stat. § 131E-175, is beyond the scope of the CON Law, and should not require a CON. As stated above, since the expansion of the Oncology Center pursuant to the exemption recognized by the CON Section, the Linac, CT Scanner, and related equipment have been operated as part of an ongoing health care facility and that will continue after completion of the Proposed Transaction.

The North Carolina courts have recognized that because the CON Law interferes with the normal right to do business, it must be narrowly construed. See *HCA Crossroads Residential Centers, Inc. v. N.C. Dep't of Human Resources*, 327 N.C. 573, 579, 398 S.E.2d 466, 470 (1990) ("When viewed in its entirety, Article 9 of Chapter 131E of the General Statutes, the Certificate of Need Law, reveals the

² As you may be aware, AHO (now CCNC-Asheville) operated the Oncology Center in 2008, but the operation of the Equipment was stayed after the initial Final Agency Decision on AHO's no review request reversed the CON Section's initial determination and the Recommend Decision. CCNC-Asheville was not able to fully reinstate operation of the Equipment until after the Court of Appeals' decision in 2010 affirming the second Final Agency Decision which upheld the CON Section's initial determination.

Mr. Craig R. Smith
Chief, CON Section
September 26, 2011
Page 10

W. C. Spruill

legislature's intent that an applicant's fundamental right to engage in its otherwise lawful business be regulated but not be encumbered with unnecessary bureaucratic delay.") Failure to issue the requested no-review determination would delay and impede the Parties that are requesting this determination in proceeding with a lawful business transaction.

We have enclosed a copy of the materials referenced in this letter (see attached Index). We request your earliest possible attention to this request and look forward to your confirmation that the Proposed Transaction is not a new institutional health service and may proceed without a certificate of need. Thank-you for your attention to this and if there is any additional information you may require, it will be expedited upon receipt of your request.

Sincerely,



William R. Shenton
Partner

Enclosures

cc: Martha Frisone, Assistant Chief, CON Section
Norton L. Travis, General Counsel for RTS
S. Todd Hemphill, Counsel for CCNC-Asheville and AOR
Jeremy C. Ouchley, Counsel for AOR

Scott, Pamela

From: S. Todd Hemphill [Hemphill@bcs-law.com]
Sent: December 28, 2011 9:57 AM
To: Smith, Craig R.; Frisone, Martha
Cc: Shenton, Bill; Ouchley, Jeremy C
Subject: Request for No Review Determination - Asheville Oncology Treatment Center
Attachments: North Carolina Qualification - Asheville CC.pdf; ART-ORG - AHLC.pdf; CERT ORG - Asheville CC.pdf

Dear Craig and Martha,

Following up on Bill Shenton's September 26, 2011 letter regarding the above matter, please find attached Articles of Organization for AHLC, LLC (the entity owned by the physicians), and the Certificate of Organization and Application for Certificate of Authority for Asheville CC, LLC (the entity owned by AOR Management). I believe this is all the information you need to complete your review of the request, but please feel free to contact me if I can be of further assistance.

Todd

S. Todd Hemphill
Attorney



Bode, Call & Stroupe, LLP

3105 Glenwood Ave, Suite 300
Raleigh, NC 27612

P: 919.881.0338 • F: 919.881.9548

www.bcs-law.com

919.881.0338 Ext. 238

hemphill@bcs-law.com

This e-mail and any attachments hereto, is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that the dissemination, distribution or copying of this e-mail, and any attachments hereto, is strictly prohibited by law. If you have received this e-mail in error, please notify the foregoing sender immediately via return email or by telephone (919.881.0338), and delete this message and all attachments from your computer system. Thank you.

Appendix 4

Diagnostic Equipment Capital Cost Table

Quote	Equipment	Selling Price	Shipping	Tax	Total
PR1-C12452 V2	Prodigy Primo Full -Size Bone Densitometer	\$ 32,213.00	\$ 950.00	\$ 2,321.41	\$ 35,484.41
PR8-C15673 V1	Senographe Essential with Stereo*	\$ 221,828.00	\$ -	\$ 15,527.96	\$ 237,355.96
Pr8-C15680 V1	Senographe Essential*	\$ 129,108.00	\$ -	\$ 9,037.56	\$ 138,145.56
				Total	\$ 410,985.93

* Shipping and Installation included in Selling Price quote



**Appendix 5 -
Bone Densitometer
QUOTATION**

GE Healthcare

Quotation Number: PR4-C17300 Version 1

Radiation Therapy Associates of Western
North Carolina PC
20 Medical Park Dr
Asheville NC 28803-2493

Attn: Michael Tompkins
20 Medical Park Dr
Asheville NC 28803

Date: 02-06-2014

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. GE Healthcare agrees to provide and Customer agrees to pay for the Products listed in this GE Healthcare Quotation ("Quotation"). "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranties; (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above for the Governing Agreement, if any, shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products, shall constitute an agreement by either party to any such terms.

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- | | |
|------------------------------|---------------------------------------|
| • Terms of Delivery: | FOB Shipping Point |
| • Quotation Expiration Date: | 03-30-2014 |
| • Billing Terms: | 100% billing at delivery |
| • Payment Terms: | 30 DAYS NET |
| • Governing Agreement: | None: Standard GEHC Quote Terms Apply |

RETURN TO: GE Healthcare LUNAR, 3030 Ohmeda Drive, Madison, WI 53718, Fax: 608-237-2537

Each party has caused this Agreement to be signed by an authorized representative on the date set forth below.
www.gehealthcare.com

GE HEALTHCARE

Jeffrey Keyes

02-06-2014
Product Sales Specialist

CUSTOMER

Authorized Customer Date

Print or Type Name

Title

INDICATE FORM OF PAYMENT:

(If there is potential to finance with a lease transaction, GE HFS or otherwise, select lease.)

___ Cash * ___ Lease ___ HFS Loan

If financing please provide name of finance company below*:

*Selecting Cash or not identifying GE HFS as the finance company declines option for GE HFS financing.



Quotation Number: PR4-C17300 Version 1

QTY	CATALOG	DESCRIPTION
		Prodigy Primo Full DXA System
1	H8611PP	Prodigy Primo Full-Size Bone Densitometer: A high performance, direct-digital, fan-beam densitometer that reliably delivers uncompromising quality and efficiency that allows physicians to effectively monitor osteoporosis in their patients (Full-size table).
1	H8604NT	PC, Prodigy-DPX, Windows7
1	H8625LW	Widescreen LCD Monitor (20")
1	H8661AM	Prodigy Primo Full-Size Package: This bone densitometer includes: enCORE Windows-based software platform with the following features: AP Spine, Femur, DualFemur, Forearm, Non-Seated Forearm, FRAX (Fracture Risk Tool), Total Body BMD, HL7, DICOM, Multi-User Database (1-3), TeleDensitometry, ScanCheck, Practice Management Tools, Composer, OneScan, OneVision, SQL, and DVA (Dual Vertebral Assessment).
1	H8650AH	Advanced Hip Assessment software allows the accurate measurement of the Hip Axis Length (HAL) in mm, the upper neck femoral BMD for better prediction of femoral neck fracture risk and Femur strength Index (FSI) using Cross Sectional Area (CSA), Cross Sectional Moment of Inertia (CSMI) for an improved Patient's fracture risk evaluation. Provided with HAL reference data.
1	H8600DK	US Destination Kit Includes: Printer, Mobile Computer Cart, External Hard Drive (USB) and enCORE Software (Latest Version)
1	H8650PS	Uninterruptable Power Supply (110v)
1	H8619PL	Power Cord for Prodigy-NT
1	H8680DA	Standard 1-day On-Site Applications Training: Initial 1 day of Training Consecutive to Installation: Comprehensive on-site education and training for up to 6 hours of Continuing Education Units (CEUs).

Quote Summary:

Total Quote Net Selling Price **\$32,213.00**

(Quoted prices do not reflect state and local taxes if applicable.)

If the Terms of Delivery as set forth on Page 1 of this Quotation are FOB Shipping Point, freight charges of \$950 will be added to the order for all Lunar DXA Bone Mineral Densitometer tables, \$150 will be added for Achilles Insight or Express Ultrasonometers, and \$200 will be added for InBody 230-720 products. If purchasing Lunar DXA table(s) in combination with Achilles Ultrasonometer or



Quotation Number: PR4-C17300 Version 1

InBody 230-720, freight charges apply to Lunar DXA table(s) only. GE Healthcare shall contract with and pay the freight carrier and shall arrange for or provide insurance on behalf of the Customer against property damage or loss until delivery to Customer's site, subject to payment of above-stated freight charges by Customer to GE Healthcare, if applicable. Title and risk of ownership passes to Customer at FOB point. Further, freight charges will not apply to orders under any pre-existing contracts stating different delivery/freight payment terms for Enterprise Accounts, Corporate Accounts, Buying Groups, or Government Customers.



Appendix 6 - Mammography Unit

Quotation Number: PR4-C17299 V 1

Radiation Therapy Associates of Western
North Carolina PC
20 Medical Park Dr
Asheville NC 28803-2493

Attn: Michael Tompkins
20 Medical Park Dr
Asheville NC 28803

Date: 02-06-2014

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. GE Healthcare agrees to provide and Customer agrees to pay for the Products listed in this GE Healthcare Quotation ("Quotation"). "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranties; (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above for the Governing Agreement, if any, shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products, shall constitute an agreement by either party to any such terms.

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- | | |
|------------------------------|---------------------------------|
| • Terms of Delivery: | FOB Destination |
| • Quotation Expiration Date: | 03-30-2014 |
| • Billing Terms: | 80% delivery / 20% Installation |
| • Payment Terms: | UPON RECEIPT |
| • Governing Agreement: | None |

Each party has caused this agreement to be signed by an authorized representative on the date set forth below. Please submit purchase orders to GE Healthcare

Please submit Purchase Orders to: General Electric Company, GE Healthcare, 3000 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188

GE HEALTHCARE

Jeffrey Keyes

02-06-2014
Product Sales Specialist

CUSTOMER

Authorized Customer Date

Print Name and Title

PO #

Desired Equipment First Use Date

GE Healthcare will use reasonable efforts to meet Customer's desired equipment first use date. The actual delivery date will be mutually agreed upon by the parties.

INDICATE FORM OF PAYMENT:

(If there is potential to finance with a lease transaction, GE HFS or otherwise, select lease.)

____ Cash * ____ Lease ____ HFS Loan

If financing please provide name of finance company below*:

*Selecting Cash or not identifying GE HFS as the finance company declines option for GE HFS financing.

Quotation Number: PR4-C17299 V 1

Qty	Catalog No.	Description	Ext Sell Price
1	L3034AM	<p>Goldseal Senographe Essential GoldSeal Senographe Essential</p> <p>The GE Senographe Essential FFDM units eliminate the need for film cassettes, and take advantage of digital technology advances including fast image acquisition, quick on-screen image display, networking flexibility, auto or manual filming, and efficient exam archiving. In addition, the Senographe Essential's streamlined ergonomics help allow technologists to focus on patients and the outstanding image quality helps provide healthcare professionals with greater diagnostic confidence. The Senographe Essential's digital workflow and connectivity helps enable speed and efficiency, along with reliability of accurate information and improved patient care.</p> <p>The system includes:</p> <p>The GE Senographe Detector Platform</p> <p>A Single Amorphous Silicon, Cesium Iodide-Based Detector with an independently optimized component matrix, CsI needle structure and an Active Area of 24 x 30.7 cm. A wide Dynamic range of 14 bits provides outstanding contrast resolution. The 100Hm pixel size provides an excellent balance of high spatial resolution, low image noise, processing speed, networking and storage efficiency.</p> <p>The GE Senographe Apollon X-ray Tube:</p> <p>This small, lightweight high performance tube contains a Molybdenum and Rhodium Bi-metal grounded anode, and is thus capable of producing excellent energy spectrum for imaging all breast types. The X-Ray Tube has 4 focal spots, with true 0.1 and 0.3 IEC on each target. The target Angle of 0 degree enables the tube to produce 40mA on a fine 0.1 focal spot.</p> <p>The GE Senographe Automatic Optimization of parameters (AOP) Exposure Control</p> <p>The fully automatic exposure system is capable of selecting each exposure parameter (kVp, mAs, anode and filter material), according to the radiological thickness of the breast tissue being examined. The AOP technique offers consistent repeatability and superior image quality of all breast tissue densities and all breast sizes, as the actual detector replaced an AEC cell The Three AOP modes (standard, contrast, or dose reduction mode) enable more flexibility in dose management</p> <p>Sharp image acquisition and image processing</p>	\$120,063.34

Quotation Number: PR4-C17299 V 1

Qty	Catalog No.	Description	Ext Sell Price
		<p>GE's image processing algorithms, Tissue Equalization and Premium View, are designed to improve both diagnostic image quality as well as reading speed. Both algorithms help reduce windowing manipulation, improve visualization of dense breast tissue, and maintain peripheral contrast at the skin line and pectoral muscle. And by reducing the needed number of image manipulations (WW/WL), these essential imaging capabilities can help increase reader productivity. Essential's standard Fine View feature further enhances image acquisition by optimizing local contrast in breast structures and sharpening visibility of lesions.</p> <p>The Senographe Essential Ergonomics</p> <p>The streamlined ergonomics of the gantry and the acquisition workstation operations enable faster, more efficient exams and help technologists focus on patient care rather than system operation. GE Essential platform enables either a standard 19x23cm field of view or a 24x31 cm Large Field of View. For this reason, flexible, off-centered ergonomic paddles are available as an option to allow excellent compression of smaller breasts and refined chest compression capabilities to improve both patient comfort and image accuracy. The systems are also designed with automatic collimation and paddle auto-detection. The system provides Parameters Display, including Tube arm support angulation, Compressed breast thickness (in mm), compression force (in daN), and provides information on system status. The operator console automates many of the typical technologist workflow steps. For example, once the laterality of the breast is indicated, the digital system identifies all other parameters and places a digital marker permanently on the image (AutoMark). This helps enable the technologist to focus on the patient rather than the system. The system has a patient friendly design, with secondary handles, forearm support, and rounded bucky edges. The system helps enable easy wheelchair access due to the extensive vertical travel range from 650 to 1500 mm. The system also comes with an Acquisition Workstation that will immediately display the acquired digital images in the room on a monitor. It provides a 'quick check' for technologists of image quality prior to image transmission to the Review Workstation.</p> <p>Networking and Archiving</p> <p>Senographe FFDM systems seamlessly integrate for digital workflow and connectivity. The Senographe Essential helps enable speed and efficiency, along with reliability of accurate information and improved patient care. Patient images can be sent automatically from Senographe FFDM systems to</p>	

Quotation Number: PR4-C17299 V 1

Qty	Catalog No.	Description	Ext Sell Price
		<p>any DICOM compliant device, for example: PACS, printer CAS and review workstations.</p> <p>Essential service and support. GE is a reliable partner there at all phases, from initial room design to ultimate online equipment monitoring and support. And it's all backed by the reliability and stability of GEs enduring commitment to healthcare.</p> <p>Senographe Essential Specifications</p> <p>DETECTOR: Optimized needle structure Csl scintillator Detector Size: 24 x 30.7 cm</p> <p>TUBE TECHNOLOGY: X Ray Tube Type: Apollon Anode Target Materials: Dual Track, Molybdenum enriched with Vanadium and Rhodium Focal spots: 4 focal spots, 0.1 and 0.3 IEC on each target</p> <p>GRID/BREAST SUPPORT</p> <p>New ergonomic breast support for exceptional patient comfort and clean ability. Low attenuation carbon fiber composite Motorized mechanism and removal for optimized grid alignment. Grid Ratio 5:1 Detector to Breast Support front edge to edge distance < 4 mm; Breast Support: low attenuation carbon fiber composite Optimized Grid Motion ensuring no grid structure in the images Removable Potter-Bucky device including breast support and grid</p> <p>AUTOMATIC EXPOSURE</p> <p>Automatic Optimization of Parameters (AOP) AOP is a fully automatic exposure system selecting all exposure parameters based on radiological density of the breast for superior and consistent image quality, ensuring a total reproducibility of the exposure</p> <p>Parameters optimized are: Track (Mo or Rh) Filter (Mo or Rh) KV mAs</p> <p>Three AOP modes are available for more flexibility: Contrast: priority to image quality with dose to patient comparable to screen/film mammography Dose: priority to dose reduction Standard: balances low image noise and dose reduction Manual mode: Manual selection of all parameters: track, filter, kVp and mAs</p> <p>COLLIMATOR</p> <p>Filter: molybdenum: 0.030 mm; rhodium: 0.025 mm Field of view (in detector plane): 24x31 cm² in contact mode or 19x23 cm² regular FOV (centered, off-centered left and right) based on the paddle inserted. Automatic selection based on bucky or magnification platform installed. Manual modification</p>	

Quotation Number: PR4-C17299 V 1

Qty	Catalog No.	Description	Ext Sell Price
		<p>possible using the switch on tube head. Light centering device: light automatically switched on when a preset position is reached or during compression. Can be turned on with a switch located on the tube head Improved Lamp Lifetime</p> <p>COMPRESSION</p> <p>Compression Modes: Motor driven compression up to 20 daN Manual Compression possible up to 27 daN Dual foot-pedals for column height and compression adjustments User defined compression force limit: 4-20 daN Min force for AOP: 3 daN Compression speed: 2 speed levels User can select automatic decompression after exposure to minimize patient time under compression User-defined maximum decompression height</p> <p>MAGNIFICATION</p> <p>1.5 and 1.8 magnification platforms, dedicated magnification paddles</p> <p>POSITIONER</p> <p>Isocentric arm with motorized rotation and vertical movement SID: 660 mm Distance floor to image receptor: from 650 to 1500 mm Rotation angle: -165/+185 degrees Ergonomic handles with additional handles at the detector level</p> <p>User Interface 4 sets of dual speed switches for rotation and lift movements 4 sets of preset positions buttons for quick and easy positioning in CC and MLO Automatic Stop at +/- 90 degrees for lateral positions Parameters Display Tube arm support angulation: Compressed breast thickness (in mm) Compression force (in daN) Ergonomic Control Console Controls exposure Provides information on system status Gives access to advanced parameters for System set up Patented automatic view names marking</p> <p>ACQUISITION WORKSTATION</p> <p>Small footprint</p> <p>Dose calculated and displayed on the image after every exposure (Entrance Skin Dose and Average Glandular Dose) Dual core Sun Ultra 20 M2 Image Presentation: Fine View provides sharp images based on detector physics. 2 options for primary image processing: Thickness Equalization which provides a "film-like" aspect with improved visibility of the skin line, and Premium View which optimizes the contrast locally and offers the possibility to reduce the reading time displaying all breast information at once. Automatic windowing (window level and window width) Other features: zoom, roaming, inversion, flip, rotation of images, window width and level setting, annotations and</p>	

Quotation Number: PR4-C.17299 V 1

Qty	Catalog No.	Description	Ext Sell Price
		<p>measurements.</p> <p>STANDARD CONFIGURATION</p> <p>Motorized Isocentric Gantry Apollon X-Ray Tube with Rotating Mo/Rh anode Flat Panel Detector Acquisition Workstation with UPS: Pair of dual foot-pedals High-frequency generator and conditioner Face shield 24x31 Bucky with Grid 19 x 23 Standard sliding paddle 24x31 Standard paddle Square spot sliding compression paddle Round spot sliding compression paddle 1.5 magnification stand with dedicated paddles 1.8 magnification stand with dedicated paddles InSite Modern Quality control toolkit - dependant on country Operating Manual in English Quality check manual in English</p> <p>AVAILABILITY</p> <p>Since Gold Seal Pre-owned Equipment may be Offered Simultaneously to Several Customers, Its Sale to You is Subject to Availability and Subject to Prior Sale at the Time You Offer to Purchase it. If the Equipment is no Longer Available, (1) We Will Attempt to Identify Other Gold Seal Pre-owned Equipment in Our Inventory That Meets Your Needs, and (2) If Substitute Equipment is Not Acceptable to You, We Will Cancel Your Order and Refund Any Deposit You Have Paid Us for the Canceled Order.</p>	
1	S30331CA	<p>Flexible and Ergonomic compression paddle 24 x 31cm for Senographe Essential</p> <p>The optional ergonomic 24x31 cm sliding paddle provides tilting and flexibility for better compression uniformity from chest wall to nipple.</p> <p>Positioning is made easier especially in MLO position for large pectoral muscle and in CC when chest wall and nipple side show large thickness variation.</p> <p>Patient comfort is improved by requiring less compression on pectoral muscle or chest wall to achieve proper compression on the whole breast.</p>	\$1,769.35
1	S30331CC	<p>Sliding Flexible and Ergonomic compression paddle 19 x 23 cm for Senographe Essential</p> <p>The optional ergonomic 19x23 cm sliding paddle provides tilting and flexibility for better compression uniformity from chest wall to nipple. It is used in combination with the 19x23 field of view.</p> <p>Positioning is made easier especially in MLO position for large pectoral muscle and in CC when chest wall and nipple side show large thickness variation.</p> <p>Patient comfort is improved by requiring less compression on pectoral muscle or chest wall to achieve proper compression on the whole breast.</p>	\$1,179.57

Quotation Number: PR4-C17299 V 1

Qty	Catalog No.	Description	Ext Sell Price
1	S30331B	2D Biopsy Optical Localizer Includes: <ul style="list-style-type: none">• 2D Cross-hair• 2D Large localization paddle• 2D Spot localization paddle	\$1,895.74
1	W0002MM	2 Days MM TIP Onsite Training Two Day MM Onsite Training provided from 8AM to 5PM, Monday through Friday. Includes T&L expenses. Days provided consecutively. This training program must be scheduled and completed within 12 months after the date of product delivery.	\$4,200.00

Quote Summary:

Total Quote Net Selling Price **\$129,108.00**

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price includes Trade In allowance, if applicable.)

Appendix 7 - Stereotactic Biopsy Unit

Quotation Number: PR3-C17278 V 2

Radiation Therapy Associates of Western
North Carolina PC
20 Medical Park Dr
Asheville NC 28803-2493

Attn: Michael Tompkins
20 Medical Park Dr
Asheville NC 28803

Date: 02-06-2014

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. GE Healthcare agrees to provide and Customer agrees to pay for the Products listed in this GE Healthcare Quotation ("Quotation"). "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (a) GE Healthcare Warranty; (b) GE Healthcare Additional Terms and Conditions; (c) GE Healthcare Product Terms and Conditions; and (d) GE Healthcare General Terms and Conditions.

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By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- | | |
|------------------------------|---------------------------------|
| • Terms of Delivery: | FOB Destination |
| • Quotation Expiration Date: | 03-30-2014 |
| • Billing Terms: | 80% delivery / 20% Installation |
| • Payment Terms: | UPON RECEIPT |
| • Governing Agreement: | None |

Each party has caused this agreement to be signed by an authorized representative on the date set forth below. Please submit purchase orders to GE Healthcare
Please submit Purchase Orders to: General Electric Company, GE Healthcare, 3000 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188

GE HEALTHCARE

Jeffrey Keyes

02-06-2014
Product Sales Specialist

CUSTOMER

Authorized Customer Date

Print Name and Title

PO #

Desired Equipment First Use Date

GE Healthcare will use reasonable efforts to meet Customer's desired equipment first use date. The actual delivery date will be mutually agreed upon by the parties.

INDICATE FORM OF PAYMENT:

(If there is potential to finance with a lease transaction, GE HFS or otherwise, select lease.)

____ Cash * ____ Lease ____ HFS Loan

If financing please provide name of finance company below*:

*Selecting Cash or not identifying GE HFS as the finance company declines option for GE HFS financing.

Quotation Number: PR3-C17278 V 2

Qty	Catalog No.	Description	Ext Sell Price
1	L3034AM	<p>Goldseal Essential with Stereotactic GoldSeal Senographe Essential</p> <p>The GE Senographe Essential FFDM units eliminate the need for film cassettes, and take advantage of digital technology advances including fast image acquisition, quick on-screen image display, networking flexibility, auto or manual filming, and efficient exam archiving. In addition, the Senographe Essential's streamlined ergonomics help allow technologists to focus on patients and the outstanding image quality helps provide healthcare professionals with greater diagnostic confidence. The Senographe Essential's digital workflow and connectivity helps enable speed and efficiency, along with reliability of accurate information and improved patient care.</p> <p>The system includes:</p> <p>The GE Senographe Detector Platform</p> <p>A Single Amorphous Silicon, Cesium Iodide-Based Detector with an independently optimized component matrix, CsI needle structure and an Active Area of 24 x 30.7 cm. A wide Dynamic range of 14 bits provides outstanding contrast resolution. The 100Hm pixel size provides an excellent balance of high spatial resolution, low image noise, processing speed, networking and storage efficiency.</p> <p>The GE Senographe Apollon X-ray Tube:</p> <p>This small, lightweight high performance tube contains a Molybdenum and Rhodium Bi-metal grounded anode, and is thus capable of producing excellent energy spectrum for imaging all breast types. The X-Ray Tube has 4 focal spots, with true 0.1 and 0.3 IEC on each target. The target Angle of 0 degree enables the tube to produce 40mA on a fine 0.1 focal spot.</p> <p>The GE Senographe Automatic Optimization of parameters (AOP) Exposure Control</p> <p>The fully automatic exposure system is capable of selecting each exposure parameter (kVp, mAs, anode and filter material), according to the radiological thickness of the breast tissue being examined. The AOP technique offers consistent repeatability and superior image quality of all breast tissue densities and all breast sizes, as the actual detector replaced an AEC cell The Three AOP modes (standard, contrast, or dose reduction mode) enable more flexibility in dose management</p> <p>Sharp image acquisition and image processing</p>	\$129,043.89

Qty	Catalog No.	Description	Ext Sell Price
		<p>GE's image processing algorithms, Tissue Equalization and Premium View, are designed to improve both diagnostic image quality as well as reading speed. Both algorithms help reduce windowing manipulation, improve visualization of dense breast tissue, and maintain peripheral contrast at the skin line and pectoral muscle. And by reducing the needed number of image manipulations (WW/WL), these essential imaging capabilities can help increase reader productivity. Essential's standard Fine View feature further enhances image acquisition by optimizing local contrast in breast structures and sharpening visibility of lesions.</p> <p>The Senographe Essential Ergonomics</p> <p>The streamlined ergonomics of the gantry and the acquisition workstation operations enable faster, more efficient exams and help technologists focus on patient care rather than system operation. GE Essential platform enables either a standard 19x23cm field of view or a 24x31 cm Large Field of View. For this reason, flexible, off-centered ergonomic paddles are available as an option to allow excellent compression of smaller breasts and refined chest compression capabilities to improve both patient comfort and image accuracy. The systems are also designed with automatic collimation and paddle auto-detection. The system provides Parameters Display, including Tube arm support angulation,</p> <p>Compressed breast thickness (in mm), compression force (in daN), and provides information on system status. The operator console automates many of the typical technologist workflow steps. For example, once the laterality of the breast is indicated, the digital system identifies all other parameters and places a digital marker permanently on the image (AutoMark). This helps enable the technologist to focus on the patient rather than the system. The system has a patient friendly design, with secondary handles, for forearm support, and rounded bucky edges. The system helps enable easy wheelchair access due to the extensive vertical travel range from 650 to 1500 mm. The system also comes with an Acquisition Workstation that will immediately display the acquired digital images in the room on a monitor. It provides a 'quick check' for technologists of image quality prior to image transmission to the Review Workstation.</p> <p>Networking and Archiving</p> <p>Senographe FFDM systems seamlessly integrate for digital workflow and connectivity. The Senographe Essential helps enable speed and efficiency, along with reliability of accurate information and improved patient care. Patient images can be sent automatically from Senographe FFDM systems to</p>	

Quotation Number: PR3-C17278 V 2

Qty	Catalog No.	Description	Ext Sell Price
		<p>any DICOM compliant device, for example: PACS, printer CAS and review workstations.</p> <p>Essential service and support. GE is a reliable partner there at all phases, from initial room design to ultimate online equipment monitoring and support. And it's all backed by the reliability and stability of GEs enduring commitment to healthcare.</p> <p>Senographe Essential Specifications</p> <p>DETECTOR: Optimized needle structure Csl scintillator Detector Size: 24 x 30.7 cm</p> <p>TUBE TECHNOLOGY: X Ray Tube Type: Apollon Anode Target Materials: Dual Track, Molybdenum enriched with Vanadium and Rhodium Focal spots: 4 focal spots, 0.1 and 0.3 IEC on each target</p> <p>GRID/BREAST SUPPORT</p> <p>New ergonomic breast support for exceptional patient comfort and clean ability. Low attenuation carbon fiber composite Motorized mechanism and removal for optimized grid alignment. Grid Ratio 5:1 Detector to Breast Support front edge to edge distance < 4 mm; Breast Support: low attenuation carbon fiber composite Optimized Grid Motion ensuring no grid structure in the images Removable Potter-Bucky device including breast support and grid</p> <p>AUTOMATIC EXPOSURE</p> <p>Automatic Optimization of Parameters (AOP) AOP is a fully automatic exposure system selecting all exposure parameters based on radiological density of the breast for superior and consistent image quality, ensuring a total reproducibility of the exposure</p> <p>Parameters optimized are: Track (Mo or Rh) Filter (Mo or Rh) KV mAs</p> <p>Three AOP modes are available for more flexibility: Contrast: priority to image quality with dose to patient comparable to screen/film mammography Dose: priority to dose reduction Standard: balances low image noise and dose reduction Manual mode: Manual selection of all parameters: track, filter, kVp and mAs</p> <p>COLLIMATOR</p> <p>Filter: molybdenum: 0.030 mm; rhodium: 0.025 mm Field of view (in detector plane): 24x31 cm² in contact mode or 19x23 cm² regular FOV (centered, off-centered left and right) based on the paddle inserted. Automatic selection based on bucky or magnification platform installed. Manual modification</p>	

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Qty	Catalog No.	Description	Ext Sell Price
		<p>possible using the switch on tube head. Light centering device: light automatically switched on when a preset position is reached or during compression. Can be turned on with a switch located on the tube head Improved Lamp Lifetime</p> <p>COMPRESSION</p> <p>Compression Modes: Motor driven compression up to 20 daN Manual Compression possible up to 27 daN Dual foot-pedals for column height and compression adjustments User defined compression force limit: 4-20 daN Min force for AOP: 3 daN Compression speed: 2 speed levels User can select automatic decompression after exposure to minimize patient time under compression User-defined maximum decompression height</p> <p>MAGNIFICATION</p> <p>1.5 and 1.8 magnification platforms, dedicated magnification paddles</p> <p>POSITIONER</p> <p>Isocentric arm with motorized rotation and vertical movement SID: 660 mm Distance floor to image receptor: from 650 to 1500 mm Rotation angle: -165/+185 degrees Ergonomic handles with additional handles at the detector level</p> <p>User Interface 4 sets of dual speed switches for rotation and lift movements 4 sets of preset positions buttons for quick and easy positioning in CC and MLO Automatic Stop at +/- 90 degrees for lateral positions Parameters Display Tube arm support angulation: Compressed breast thickness (in mm) Compression force (in daN) Ergonomic Control Console Controls exposure Provides information on system status Gives access to advanced parameters for System set up Patented automatic view names marking</p> <p>ACQUISITION WORKSTATION</p> <p>Small footprint</p> <p>Dose calculated and displayed on the image after every exposure (Entrance Skin Dose and Average Glandular Dose) Dual core Sun Ultra 20 M2 Image Presentation: Fine View provides sharp images based on detector physics. 2 options for primary image processing: Thickness Equalization which provides a "film-like" aspect with improved visibility of the skin line, and Premium View which optimizes the contrast locally and offers the possibility to reduce the reading time displaying all breast information at once. Automatic windowing (window level and window width) Other features: zoom, roaming, inversion, flip, rotation of images, window width and level setting, annotations and</p>	

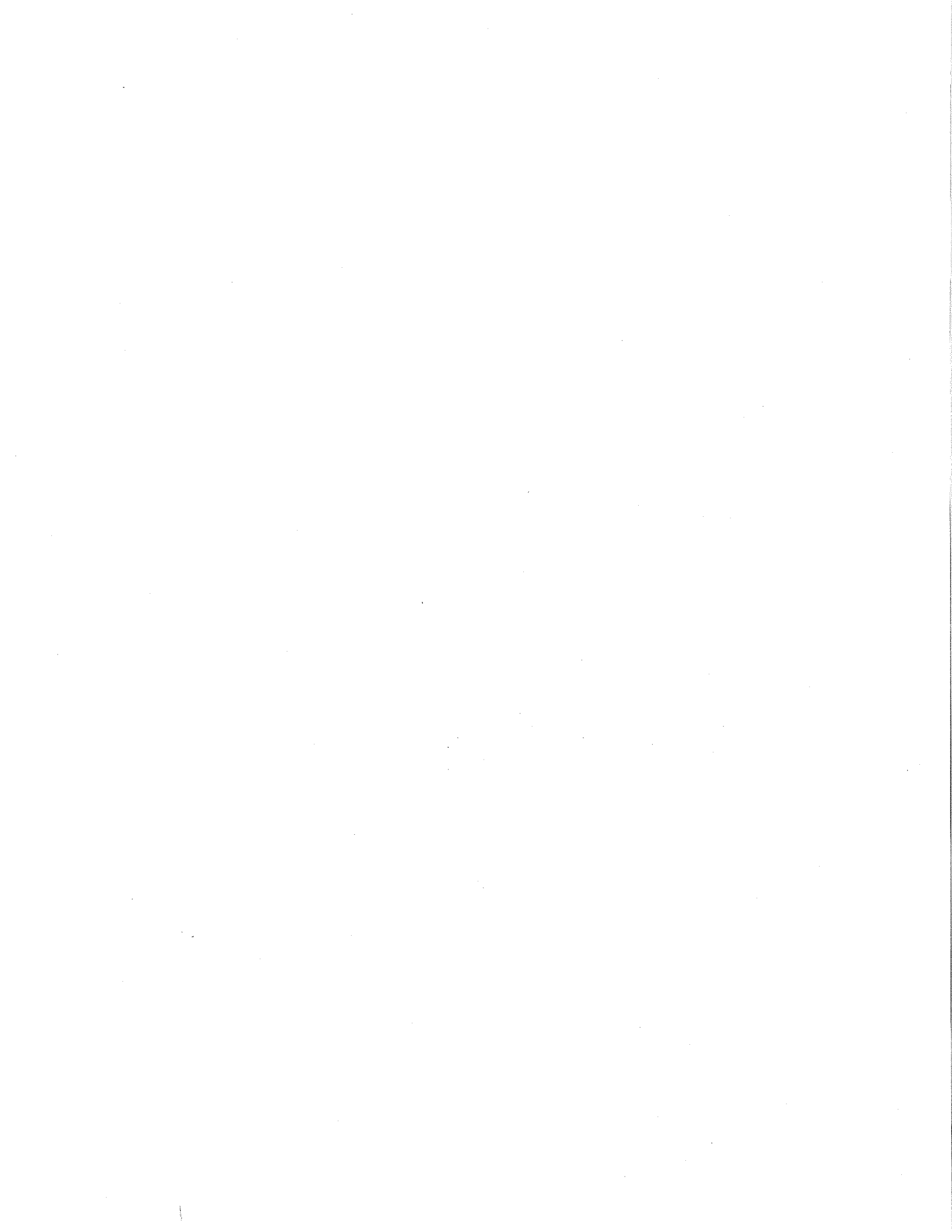
Qty	Catalog No.	Description	Ext Sell Price
		<p>measurements.</p> <p>STANDARD CONFIGURATION</p> <p>Motorized Isocentric Gantry Apollon X-Ray Tube with Rotating Mo/Rh anode Flat Panel Detector Acquisition Workstation with UPS: Pair of dual foot-pedals High-frequency generator and conditioner Face shield 24x31 Bucky with Grid 19 x 23 Standard sliding paddle 24x31 Standard paddle Square spot sliding compression paddle Round spot sliding compression paddle 1.5 magnification stand with dedicated paddles 1.8 magnification stand with dedicated paddles InSite Modem Quality control toolkit - dependant on country Operating Manual in English Quality check manual in English</p> <p>AVAILABILITY</p> <p>Since Gold Seal Pre-owned Equipment may be Offered Simultaneously to Several Customers, Its Sale to You is Subject to Availability and Subject to Prior Sale at the Time You Offer to Purchase it. If the Equipment is no Longer Available, (1) We Will Attempt to Identify Other Gold Seal Pre-owned Equipment in Our Inventory That Meets Your Needs, and (2) If Substitute Equipment is Not Acceptable to You, We Will Cancel Your Order and Refund Any Deposit You Have Paid Us for the Canceled Order.</p>	
1	S30331CA	<p>Flexible and Ergonomic compression paddle 24 x 31cm for Senographe Essential</p> <p>The optional ergonomic 24x31 cm sliding paddle provides tilting and flexibility for better compression uniformity from chest wall to nipple.</p> <p>Positioning is made easier especially in MLO position for large pectoral muscle and in CC when chest wall and nipple side show large thickness variation.</p> <p>Patient comfort is improved by requiring less compression on pectoral muscle or chest wall to achieve proper compression on the whole breast.</p>	\$1,901.70
1	S30331CC	<p>Sliding Flexible and Ergonomic compression paddle 19 x 23 cm for Senographe Essential</p> <p>The optional ergonomic 19x23 cm sliding paddle provides tilting and flexibility for better compression uniformity from chest wall to nipple. It is used in combination with the 19x23 field of view.</p> <p>Positioning is made easier especially in MLO position for large pectoral muscle and in CC when chest wall and nipple side show large thickness variation.</p> <p>Patient comfort is improved by requiring less compression on pectoral muscle or chest wall to achieve proper compression on the whole breast.</p>	\$1,267.80

Quotation Number: PR3-C17278 V 2

Qty	Catalog No.	Description	Ext Sell Price
1	S30331B	<p>2D Biopsy Optical Localizer Includes:</p> <ul style="list-style-type: none"> • 2D Cross-hair • 2D Large localization paddle • 2D Spot localization paddle 	\$2,037.54
1	S30331FW	<p>Senographe Essential Stereotaxy The stereotaxy add-on simply slides onto the Senographe Essential for fine needle aspiration, core biopsy and vacuum assisted biopsy or hook wire placement in upright or recumbent positions.</p> <p>It leverages GE Revolution TM detector for consistent image quality in screening, diagnostic and interventional applications.</p> <p>Advanced ergonomics combined with the Senographe Essential detector enables streamlined stereotaxy for better patient care.</p> <ul style="list-style-type: none"> • Versatile add-on to Senographe Essential full-field digital mammography system • Quick set-up • Large image field of view for easy positioning and large accessible biopsy volume • Vertical and lateral approach for easy access to breast lesions • Ergonomic carbon cover designed for easy cleaning • Dismountable paddles for easy cleaning • Large working space • Parking position for easy access • to the breast 	\$54,334.28
1	S30331RT	<p>Metal Bushings (5 pc. each) 8gauge, 11gauge, 14gauge with sterilization and operator manual.</p>	\$452.79
1	E6401DB	<p>The Ultra DBI Interventional Table offers a multitude of options for positioning your patients for biopsy procedures.</p> <p>Use it as a table. Or use it as a chair. With its flexibility, the Ultra DBI 3-in-1 Interventional Table lets you perform biopsies on patients either decubitus or sitting upright. So different clinicians can switch between positions in seconds to accommodate their preferences and patient needs.</p> <p>FEATURES AND BENEFITS</p> <ul style="list-style-type: none"> • Perform stereo exams in either sitting or recumbent position which allows 360 access to lesions in combination with the gantry's capabilities 	\$22,500.00

Quotation Number: PR3-C17278 V 2

Qty	Catalog No.	Description	Ext Sell Price
		<ul style="list-style-type: none"> • Dropping sections make positioning easier with closer access to the area to be biopsied • Neck support offers three possible positions for optimizing patient comfort during a procedure • Several positions are possible to accommodate the patient for injecting intravenous media for CESM exams • Back support, foot-rest, cushion and arm-rest features help position for stereo and improve patient comfort • The hand controller allows for automated movement including up/down and tilting (trendelenburg) • Optional IV pole accessory for CESM exams • Single pedal braking • In a hospital setting, the chair could be used for other procedures in the department where a stretcher or rolling supportive chair is needed 	
1	E10811SF	IV Pole for Ultra DBI 3-in-1 Mammo Table	\$240.00
1	W0001MM	1 Day MM TiP Onsite Training One Day MM Onsite Training provided from 8AM to 5PM, Monday through Friday. Includes T&L expenses. This training program must be scheduled and completed within 12 months after the date of product delivery.	\$2,750.00
1	W0003MM	3 Days MM TiP Onsite Training Three Days MM Onsite Training provided from 8AM to 5PM, Monday through Friday. Includes T&L expenses. Days provided consecutively. This training program must be scheduled and completed within 12 months after the date of product delivery.	\$7,300.00
Quote Summary:			
Total Quote Net Selling Price			\$221,828.00
(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)			



DATE		
Jun	11	2012



DEVICE/EQUIPMENT PURCHASE REQUEST

Item	Vendor	Description	Reference	State/Office/Code	New Device	Amount	Quote #
1	Mckesson	Surgical Equipment Not attached	attached	NC/Dr. Williams/NHN	yes	\$8,008.69	ST#430343B
Special Notes:							
2							
Special Notes:							
Requested by:				Dr. Nathan Williams / Charlene Thomas			

EQUIPMENT PURCHASE APPROVAL

by:	Regional Director	CFO	CEO*
	Rosa Maynor <small>Digitally signed by Rosa Maynor DN: cn=Rosa Maynor, o=US, ou=21st Century Oncology, surName=Rosa Maynor</small>		
Date:	<small>DATE: 2012.06.11 11:32:10 -0400</small>		
Comments:			
PO Date:		PO Number:	

(* For Purchases over \$100,000 and Purchases over \$2,000 without CTO's Signature
Note: Multispecialty requests under \$100,000 need the signatures of the SVP of Multispecialty and CFO

EQUIPMENT DELIVERY AND INSTALLATION ACCEPTANCE

DELIVERY ACCEPTANCE
I have accepted delivery of the equipment described above in the stated temporary or permanent location, as the case may be. The equipment appears free of defect and suitable for installation. To the extent that the terms of purchase include payment requirements upon delivery, these payments may be made to vendor.

Name _____ Signature _____ Date Accepted _____

INSTALLATION ACCEPTANCE
I have accepted installation of the equipment described above. The equipment is functioning as designed and suitable for utilization in the medical practice. To the extent that the terms of purchase include payment requirements upon installation, these payments may be made to vendor.

Name _____ Signature _____ Date Accepted _____

FINANCE REVIEWER'S APPROVAL - DELIVERY AND INSTALLATION ACCEPTANCE
Based on the acceptance statement made above and review of the purchase order terms and conditions, payment (if any) is hereby authorized to be made to vendor.

DELIVERY:

Name _____ Signature _____ Date Accepted _____

INSTALLATION:

Name _____ Signature _____ Date Accepted _____

McKESSON

Empowering Healthcare

Price Quote

McKesson Medical-Surgical
 Customer Svc Phone: (800) 811-8528
 Customer Svc Fax: (800) 311-3408

New Hope 239-931-7328
 A Division Of Radiation Therapy Assoc
 20 Medical Park
 Asheville, NC 28803
 Account Number: 389391
 Ship To Number: 4303438

Quote Total PO Num Header Comment
 \$8,008.69

Item Num	Qty	UOM	Vendor Abbr	Catalog Num	Full Item Desc	Price
331405	1	EA	Walach	906135	Colposcope, Colpostar 1h Sngl/M Mag D/s Walach	\$3,404.02
255628	1	EA	Walach	900001A-N20	Cryo Set, Promo 3tip Set Walach	\$1,889.02
174479	1	EA	Walach	901061	Cylinder, Co2 Unfilled 20# Walach	\$279.33
174468	1	EA	Walach	900214AA	Tip, Surgical Exocervical T-2507 Walach	\$273.65
174469	1	EA	Walach	900215AA	Tip, Surgical Exo-Endocervical T-2514 Walach	\$273.65
772012	1	EA	Walach	900160A CO2	Cryosystem, W/1100 Gyn Tips T-1905 T-2514 T-0500 Walach	\$1,889.02
						\$8,008.69