



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

September 26, 2014

Tiffany Brooks
MedQuest Associates
3480 Preston Ridge Road, Suite 600
Alpharetta, GA 30005

Exempt from Review - Replacement Equipment

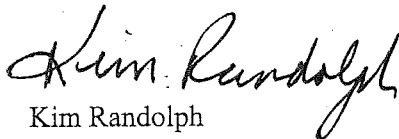
Facility: Piedmont Imaging
Project Description: Temporarily replace a fixed MRI scanner with a mobile MRI scanner
County: Forsyth
FID #: 955506


Dear Ms. Brooks:

In response to your letter of September 15, 2014, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(7). Therefore, you may proceed to utilize, without a certificate of need, the GE 1.5T Signa, serial number R928, MQ-12 temporary replacement mobile MRI scanner, to replace the existing GE 1.5T Signa, serial number R3744, fixed MRI scanner, until the new GE Optima 1.5T, MR450W fixed MRI scanner is installed and operational. This determination is based on your representations that the temporary replacement mobile MRI scanner, MQ-12, and the existing unit, R3744, will be removed from North Carolina and will not be used again in the State without first obtaining a certificate of need.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,


Kim Randolph
Project Analyst


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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September 15, 2014



VIA HAND DELIVERY

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

Re: Notice of Temporary Replacement Equipment for Piedmont Imaging

Dear Martha:

The purpose of this letter is to inform the Agency that Piedmont Imaging has determined that it will need to utilize a temporary mobile MRI scanner while Piedmont Imaging is replacing one of its existing fixed MRI scanners, the GE 1.5T Signa unit as described in the Replacement Equipment request filed on August 4, 2014 and approved by the Certificate of Need Section on August 26, 2014.

In an effort to avoid inconveniencing patients and referring physicians, Piedmont Imaging is seeking to employ a temporary mobile MRI scanner in order to provide sufficient MRI coverage while the GE Signa is shut down and construction is underway to accommodate the Permanent Replacement. Piedmont Imaging estimates that the construction and installation process for the Permanent Replacement will take 12-16 weeks (the Replacement Period). Therefore, during the Replacement Period, Piedmont Imaging will contract with MedQuest to have the MedQuest MQ-12 mobile MRI scanner (the "Temporary Replacement Scanner"). As soon as the Permanent Replacement is operational, the Temporary Replacement Scanner will leave the State of North Carolina and will not be brought back into North Carolina without CON approval. At no time during the Replacement Period will Piedmont Imaging be increasing the number of MRI scanners in the Forsyth County MRI inventory. At no time during the Replacement Period will Piedmont Imaging be concurrently operating the GE Signa 1.5T unit and the Temporary Replacement Scanner.

There are no construction costs involved in the utilizing the Temporary Replacement Scanner at Piedmont Imaging. The Temporary Replacement Scanner will be parked at Piedmont Imaging, 185 Kimel Park Drive, Winston-Salem, North Carolina. Piedmont Imaging has a mobile pad available for use during the Replacement Period.

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

1. The cost of the equipment and the cost of all activities essential to acquiring and making operational the replacement equipment are less than \$2 million;
2. The existing GE Signa is currently in use;
3. The existing GE Signa will be removed from North Carolina when MQ 12 arrives in Winston-Salem and will not be brought back to North Carolina without CON approval. Likewise, MQ 12 will be removed from North Carolina when the Permanent Replacement is installed and will not be brought back to North Carolina without CON approval.
4. The sole purpose of this proposal is to temporarily replace comparable medical equipment.

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

- The Temporary Replacement Scanner has the same technology as the GE Signa;
- The Temporary Replacement Scanner is functionally similar and is used for the same diagnostic or treatment purposes as the GE Signa and is not used to provide a new health service; and
- The temporary use of the Temporary Replacement Scanner will not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.

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

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

Thank you for your time and attention.

Sincerely,



Tiffany Brooks
Manager, Certificate of Need

Enclosures

1. August 26, 2014 – Correspondence from CON Section
2. Equipment Comparison Form



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Division Director

August 26, 2014

Denise Gunter
Nelson Mullins Riley & Scarborough LLP
380 Knollwood Street, Suite 530
Winston-Salem, NC 27103

Exempt from Review - Replacement Equipment

Facility: Piedmont Imaging, LLC
Project Description: Replace MRI Scanner
County: Forsyth
FID #: 955506

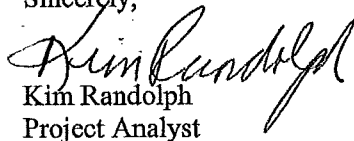
Dear Ms. Gunter:


In response to your letter of August 4, 2014, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(7). Therefore, you may proceed to acquire, without a certificate of need, the GE Optima 1.5T, MR450W to replace the existing GE MRI 1.5T, Signa R3744. This determination is based on your representations that the existing unit will be removed from North Carolina and will not be used again in the State without first obtaining a certificate of need. Further please be advised that as soon as the replacement equipment is acquired, you must provide the CON Section and the Medical Facilities Planning Branch with the serial number of the new equipment to update the inventory, if not already provided.

Moreover, you need to contact the Construction Section to determine if they have any requirements for development of the proposed project.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,


Kim Randolph
Project Analyst


Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHSR
Construction Section, DHSR



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**EQUIPMENT COMPARISON – MR REPLACEMENT
PIEDMONT IMAGING – TEMPORARY MOBILE REPLACEMENT**

	EXISTING EQUIPMENT (G-6893-03)	TEMPORARY REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	MRI Scanner	MRI Scanner
Manufacturer of Equipment	General Electric	General Electric
Tesla Rating for MRIs	1.5T	1.5T
Model Number	Signa	Signa
Serial Number	R3744	R928
Provider's Method of Identifying Equipment	Serial Number	MQ 12
Specify if Mobile or Fixed	Fixed	Mobile
Mobile Trailer Serial Number/VIN #	N/A	1JJV482WXYL679061
Mobile Tractor Serial Number/VIN #	N/A	
Date of Acquisition of Each Component	2005	2012
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	\$1,779,650	\$493,000
Total Cost of Equipment	\$1,455,279	\$493,000
Fair Market Value of Equipment	\$0	\$408,000
Net Purchase Price of Equipment	\$	Same
Locations Where Operated	185 Kimel Park Dr. Winston-Salem, NC	South Carolina
Number Days In Use/To Be Used in N.C. Per Year	255	60-90
Percent of Change in Patient Charges (by Procedure)	NA	NA
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	NA
Type of Procedures Currently Performed on Existing Equipment	General Outpatient MR Scans of the Body/ Extremities	General Outpatient MR Scans of the Body/ Extremities + MRA Carotid, Renal, Faster Acquisition Times
Type of Procedures New Equipment is Capable of Performing	General Outpatient MR Scans of the Body/ Extremities	General Outpatient MR Scans of the Body/ Extremities + MRA Carotid, Renal, Faster Acquisition Times