



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

November 17, 2020

Denise M. Gunter
Denise.gunter@nelsonmullins.com

Exempt from Review – Acquisition of Facility

Record #: 3418
Facility Name: Southern Pines Diagnostic Imaging, LLC
Type of Facility: Diagnostic Center
FID #: 090444
Acquisition by: FirstHealth of the Carolinas, Inc.
Business #: 2724
County: Moore

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your representations, the above referenced proposal is exempt from certificate of need (CON) review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the remaining 50% interest in the health service facility identified above without first obtaining a CON. The Agency’s determination is limited to the question of whether the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. Note that pursuant to N.C. Gen. Stat. §131E-181(b): “A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.”

If the business listed above does acquire the facility, you should contact the Agency’s Radiation Protection Section to obtain instructions for changing ownership of the existing facility.

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 regarding whether a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

[Handwritten signature of Tanya M. Saporito]

Tanya M. Saporito
Project Analyst

[Handwritten signature of Martha J. Frisone]

Martha J. Frisone
Chief

cc: Radiation Protection Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873



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November 13, 2020

Via Electronic Mail

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

Re: Notice of Exempt Acquisition Pursuant to N.C. Gen. Stat. § 131E-184(a)(8) of Triad Imaging, LLC's Membership Interest in Southern Pines Diagnostic Imaging, LLC
Moore County
HSA V

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), I am writing on behalf of FirstHealth of the Carolinas, Inc. ("FirstHealth") to provide prior written notice of FirstHealth's intention to acquire the remaining membership interest of Triad Imaging, LLC¹ ("Triad") in the Southern Pines Diagnostic Imaging, LLC ("SPDI") diagnostic imaging facility located at 355 South Bennett Street, Southern Pines, North Carolina (the "SPDI Facility"). The SPDI Facility is an existing diagnostic imaging facility that offers MRI and CT services. The MRI was authorized pursuant to the CON for Project I.D. No. H-8365-09. As diagnostic center, the SPDI Facility is therefore a health service facility. See N.C. Gen. Stat. §§ 131E-176(7a) and (9b).

FirstHealth presently owns 50% of the membership interests in the SPDI facility. Upon completion of this transaction, FirstHealth will acquire one hundred percent (100%) of Triad's membership interest in the SPDI Facility (*i.e.*, the remaining 50% membership interest in the SPDI Facility), following which FirstHealth will be the sole

¹ Triad Imaging, LLC is a subsidiary of Foundation Health Systems Corp. ("Foundation"), and Foundation is a subsidiary of Novant Health, Inc.

Martha J. Frisone
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owner of SPDI. In addition, FirstHealth will assume certain of the contracts associated with the SPDI Facility.

The expected date of the acquisition is December 31, 2020.

The SPDI Facility is an existing health service facility. Under the proposed acquisition, FirstHealth will not develop or establish any new health service facility, and FirstHealth intends to operate the SPDI Facility without making any changes which would trigger any of the "new institutional health service" definitions in N.C. Gen. Stat. § 131E-176(16).

N.C. Gen. Stat. § 131E-184(a)(8) provides that the acquisition of an existing health service facility, including the equipment owned by the facility at the time of the acquisition, is exempt from certificate of need review, upon prior written notice. Accordingly, FirstHealth respectfully requests that the Department find that the proposed transaction is exempt from Certificate of Need review.

Please let me know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise M. Gunter". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Denise M. Gunter

From: [Denise Gunter](#)
To: [Waller, Martha K](#)
Subject: [External] Notice of Exempt Acquisition for FirstHealth of the Carolinas, Inc. (HSA V)
Date: Friday, November 13, 2020 11:22:31 AM
Attachments: [20201113112020734.pdf](#)

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Good morning,

Attached for filing is a Notice of Exempt Acquisition. Could you please send this to the project analyst, and confirm that you have received this?

Thanks.

Nelson Mullins is continuing to monitor developments related to COVID-19, including guidance from the Centers for Disease Control and various health officials; and federal, state, and local government authorities. The firm has implemented precautionary measures and plans to ensure the continuation of all firm services to clients from both in office and remote work arrangements across our 25 geographically disperse offices. [Click here to visit the Nelson Mullins Coronavirus Resources page.](#) Information described therein is subject to change.

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