



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

October 26, 2020

Maureen Demarest Murray
MMurray@foxrothschild.com

No Review

Record #: 3373
Business Name: Blue Ridge Healthcare Medical Group, Inc.
Business #: 3282
Project Description: Acquisition of a CT scanner by Blue Ridge Healthcare Medical Group, Inc., a physician practice
County: McDowell

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence 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 that correspondence is not governed by, and therefore, does not currently require a certificate of need. 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.

You may need to contact the Agency's Construction and Radiation Protection Sections to determine if they have any requirements for development of the proposed project.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

[Handwritten signature of Ena Lightbourne]

Ena Lightbourne
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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MAUREEN DEMAREST MURRAY  
Direct No: 336.378.5258  
Email: MMurray@Foxrothschild.com

September 30, 2020

**VIA E-MAIL**

Martha J. Frisone, Chief  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
Martha.frisone@dhhs.nc.gov

Ena Lightbourne, Project Analyst  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
Ena.lightbourne@dhhs.nc.gov

**Re: Blue Ridge Health Care Group, Inc. Acquisition of CT Machine in Marion**

Dear Martha and Ena:

We represent Blue Ridge Health Care Group, Inc. (“Blue Ridge Group”), which is a physician practice group affiliated with Carolinas Healthcare System Blue Ridge. We are submitting this no review letter to seek confirmation that a certificate of need is not required for Blue Ridge Group to acquire a computed tomography (CT) machine at its physician office location in Marion. Blue Ridge Group provides imaging services at its office in McDowell County located at 2293 Sugar Hill Road, Marion, NC 28752. Blue Ridge Group’s office in Marion is operated as a physician office and not as a hospital outpatient department.

The capital costs associated with acquiring the computed tomography machine, including any upfit and installation needed, are estimated to total \$234,565. Architect and engineering, upfit,

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota  
Nevada New Jersey New York **North Carolina** Pennsylvania South Carolina Texas Washington

Martha J. Frisone, Chief  
Ena Lightbourne, Project Analyst  
September 30, 2020  
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installation, testing and permitting and contingency costs are included in the total capital costs outlined in the projected capital costs certified by a licensed architect. A copy of the certified cost estimate is attached as Exhibit A. The anticipated capital costs associated with acquiring the CT machine are well below the \$750,000 threshold for major medical equipment specified in N.C.G.S. 131E-176 (14o). Because this threshold is not met, acquisition of the CT scanner does not constitute acquisition of major medical equipment under N.C. Gen. Stat. § 131E-176 (16)(p) and a certificate of need is not required.

Blue Ridge Group also owns and operates at its office in Marion other items of diagnostic equipment. The items of diagnostic equipment and their associated fair market value are:

- X-ray \$150,255.29 (cost)
- Ultrasound \$5,000 (depreciated fair market value)

The total fair market value of this diagnostic equipment with the addition of the planned CT equipment is \$389,820.29. This total is well below the threshold of \$500,000 to be considered a diagnostic center as defined in N.C.G.S. 131E-176 (7a). Because this threshold is not met, acquisition of the CT scanner does not cause the Blue Ridge Group office in Marion to be considered establishment of a diagnostic center for which a certificate of need is required under N.C. Gen. Stat. § 131E-176 (9a) and (16)(a).

Blue Ridge Group's anticipated acquisition of a CT machine does not cause establishment of a new health service facility or acquisition of major medical equipment. The acquisition also does not trigger any other definition of a new institutional health service under N.C. Gen. Stat. § 131E-176 (16). Therefore, Blue Ridge Group's anticipated acquisition of a CT machine does not require a certificate of need under N.C. Gen. Stat. § 131E-178 (a).

We would appreciate your promptly confirming in writing that Blue Ridge Group's anticipated acquisition of a CT machine is not subject to and exempt from certificate of need review. We request expedited consideration to enable Blue Ridge Group to acquire the CT as early as possible.



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Martha J. Frisone, Chief  
Ena Lightbourne, Project Analyst  
September 30, 2020  
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If you have any questions or need additional information, please let us know.

With kind regards, I am

Very truly yours,

Maureen Demarest Murray

MDM/mpp  
Enclosure

**PROJECTED CAPITAL COSTS**

**Project Name: Marion CT**

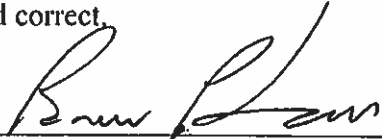
**Proponent: Carolinas HealthCare System Blue Ridge – Marion Medical Office Building**

**Projected Capital Cost Form**

Building Purchase Price	
Purchase Price of Land	
Closing Costs	
Site Preparation	
Construction/Renovation Contract(s)	\$61,200
Landscaping	
Architect / Engineering Fees	\$5,100
Medical Equipment	\$145,900
Non-Medical Equipment	
Furniture	
Consultant Fees (specify)	
Financing Costs	
Interest during Construction	
Other (specify) Contingency, Permitting, IT, Misc.	\$22,365
<b>Total Capital Cost</b>	<b>\$234,565</b>

**CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER**

I certify that, to the best of my knowledge, the projected capital cost for the proposed project is complete and correct.



Signature of Licensed Architect or Engineer

Date Signed: 09/01/20

**CERTIFICATION BY AN OFFICER OR AGENT FOR THE PROPONENT**

I certify that, to the best of my knowledge, the projected total capital cost for the proposed project is complete and correct and that it is our intent to carry out the proposed project as described.

  
\_\_\_\_\_  
Signature of Officer/Agent

Date Signed: 9-9-2020

Director of Capital Projects, Blue Ribbon  
\_\_\_\_\_  
Title of Officer/Agent

**From:** [Frisone, Martha](#)  
**To:** [Waller, Martha K](#)  
**Subject:** Fwd: [External] No Review Request by Blue Ridge Health Care Group, Inc. for CT in Marion  
**Date:** Wednesday, September 30, 2020 10:58:33 AM  
**Attachments:** [image001.png](#)  
[114728087\\_2\\_Blue Ridge Medical Group Marion No Review Letter Frisone re CT Acquisition September 30, 2020-C1.PDF](#)

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**From:** Murray, Maureen Demarest <MMurray@foxrothschild.com>  
**Sent:** Wednesday, September 30, 2020 10:55:28 AM  
**To:** Frisone, Martha <martha.frisone@dhhs.nc.gov>; Lightbourne, Ena <ena.lightbourne@dhhs.nc.gov>  
**Subject:** [External] No Review Request by Blue Ridge Health Care Group, Inc. for CT in Marion

**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](mailto:report.spam@nc.gov)

Good morning Martha and Ena,

We hope that all is well with you.

We represent Blue Ridge Health Care Group, Inc., a physician practice with an office in Marion. Attached is a no review letter concerning a proposed acquisition of a CT machine to be located at the practice's office in Marion.

Please let us know if you have any questions. We look forward to hearing back from you.

Kind regards, Maureen

**Maureen Demarest Murray**

Partner

**Fox Rothschild LLP**

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