



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

June 2, 2021

Ms. Denise M. Gunter
denise.gunter@nelsonmullins.com

Exempt from Review – Replacement Equipment

Record #: 3588
Date of Request: May 20, 2021
Facility Name: Novant Health Imaging Mooresville
FID #: 120522
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Replace existing CT scanner
County: Iredell

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced project is exempt from certificate of need review in accordance with G.S. 131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the GE Maxima CT scanner to replace the GE GS BrightSpeed 16 slice CT scanner. This determination is based on your representations that the existing unit will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

It should be noted that the 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 office and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

[Handwritten signature of Misty L. Piekaar-McWilliams]

Misty L. Piekaar-McWilliams
Project Analyst

[Handwritten signature of Lisa Pittman] for

Lisa Pittman
Acting Chief, Certificate of Need

cc: Radiation Protection Section, DHSR
Construction 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

From: [Denise Gunter](#)
To: [Piekaar, Misty L](#)
Subject: [External] RE: Exemption for Mooresville Diagnostic Imaging, LLC dba Novant Health Imaging
Date: Tuesday, June 1, 2021 4:49:24 PM

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Hi, Misty,
Apologies for the delay in responding. I can confirm they are the same entity.
Please let me know if you need anything else.
Thanks.



DENISE M. GUNTER PARTNER
denise.gunter@nelsonmullins.com
She/Her/Hers
THE KNOLLWOOD | SUITE 530
380 KNOLLWOOD STREET | WINSTON-SALEM, NC 27103
T 336.774.3322 F 336.774.3372
NELSONMULLINS.COM [VCARD](#) [VIEW BIO](#)

From: Piekaar, Misty L <Misty.Piekaar@dhhs.nc.gov>
Sent: Thursday, May 27, 2021 9:28 AM
To: Denise Gunter <denise.gunter@nelsonmullins.com>
Cc: Piekaar, Misty L <Misty.Piekaar@dhhs.nc.gov>
Subject: RE: Exemption for Mooresville Diagnostic Imaging, LLC dba Novant Health Imaging
◀External Email▶ - From: misty.piekaar@dhhs.nc.gov

Good morning, Denise!

I wanted to follow up to see if your client may be able to confirm what I suspect. Thanks!

Misty L. Piekaar-McWilliams, JD

Certificate of Need Project Analyst

[Division of Health Service Regulation](#), [Healthcare Planning and Certificate of Need](#)
[NC Department of Health and Human Services](#)

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Office: 919-855-3883

Misty.Piekaar@dhhs.nc.gov

809 Ruggles Drive, Edgerton Building

2704 Mail Service Center

Raleigh, NC 27699-2704

[Twitter](#) | [Facebook](#) | [YouTube](#) | [LinkedIn](#)

From: Piekaar, Misty L

Sent: Monday, May 24, 2021 2:32 PM

To: 'denise.gunter@nelsonmullins.com' <denise.gunter@nelsonmullins.com>

Cc: Piekaar, Misty L <Misty.Piekaar@dhhs.nc.gov>

Subject: Exemption for Mooresville Diagnostic Imaging, LLC dba Novant Health Imaging
Denise-

I am the analyst who has been assigned to review the exemption you submitted for Mooresville Diagnostic Imaging. I was able to locate a facility with the address you provided in the exemption request by the name of Presbyterian Imaging Center-Mooresville in our database. I was not successful with locating in our database the facility with the names you supplied in your exemption request. The facility I located has a FID number of 120522. Can you confirm that Mooresville Diagnostic Imaging, LLC was formerly known as (fka) Presbyterian Imaging Center-Mooresville?
Thanks!

Misty

Misty L. Piekaar-McWilliams, JD

Certificate of Need Project Analyst

[Division of Health Service Regulation](#), [Healthcare Planning and Certificate of Need](#)
[NC Department of Health and Human Services](#)

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May 20, 2021

Via Electronic Mail

Lisa Pittman, Interim Chief
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Mooresville Diagnostic Imaging, LLC d/b/a Novant Health Imaging
Mooresville
Iredell County
Health Service Area III
Acquisition of Replacement CT Scanner

Dear Ms. Pittman:

On behalf of Novant Health, Inc. (“Novant”), I am writing to provide the CON Section with prior written notice of Novant’s intention to replace an existing CT scanner at Mooresville Diagnostic Imaging, LLC d/b/a Novant Health Imaging Mooresville (“NHI-Mooresville”).

A. Background

NHI-Mooresville is an outpatient imaging center located at 118 Gateway Blvd., Ste. E, Mooresville, NC 28117. NHI-Mooresville is served by a CT scanner, mobile MRI scanner, and a portable ultrasound unit. NHI-Mooresville does not own the mobile MRI scanner or the portable ultrasound unit. In 2016, NHI-Mooresville acquired a GE GS Brightspeed 16 slice CT scanner (the “Existing Unit”) at a cost of \$239,376. Construction related to the CT scanner was \$35,000, for a total cost of \$274,376. As such, NHI-Mooresville does not meet the threshold for a diagnostic center as defined in N.C. Gen. Stat. § 131E-176(7a).

Lisa Pittman, Interim Chief
May 20, 2021
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As set forth in this letter, NHI-Mooresville now proposes to acquire a replacement CT scanner, a GE Maxima (the "Replacement Unit"). The cost for the Replacement Unit is \$420,458.33, and construction is estimated at \$62,987.93, for a total cost of \$483,446.26. No other costs are required to make the Replacement Unit operational. The Existing Unit is currently in use and will be removed from North Carolina when the Replacement Unit is installed. A completed capital cost form is attached as **Exhibit A**. Thus, NHI-Mooresville does not meet the \$500,000 threshold for a diagnostic center.

Attached as **Exhibit B** is an equipment comparison form, so that the CON Section can see that the Replacement Unit is comparable to the Existing Unit. 10A NCAC 14C.0303 defines the terms used in the definition of "replacement equipment" set forth in N.C. Gen. Stat. § 131E-176(22a). See 10A NCAC 14C.0303(a). While "comparable medical equipment" is not explicitly defined by the rule, the rule explains that replacement equipment is *not* comparable if:

- (1) the replacement equipment to be acquired is capable of providing a health service that the equipment to be replaced cannot provide; or
- (2) the equipment to be replaced was acquired less than 12 months prior to the date the written notice required by G.S. 131E-184(a) is submitted to the CON Section and it was refurbished or reconditioned when it was acquired by the person requesting the exemption.

10A NCAC 14C.0303(c)(1)-(2).

Here, the Replacement Unit is not capable of providing a health service that the Existing Unit cannot. Further, the Existing Unit was acquired in 2016 and was not refurbished or reconditioned at the time of acquisition. Thus, the Replacement Unit is comparable to the Existing Unit. See **Exhibit B** (equipment comparison form). Additionally, the Existing Unit is "currently in use" under the meaning of N.C. Gen. Stat. § 131E-176(22a), as it has been used at least ten times to provide a health service during the 12 months prior to the date of this written notice. See 10A NCAC 14C.0303(b). When the Replacement Unit is ready to be used at NHI-Mooresville, the Existing Unit will be taken out of state or otherwise disposed of, and will not be brought back into North Carolina without appropriate CON approval.

B. Conclusion

Since NHI-Mooresville does not meet the definition of diagnostic center under the CON Law, we respectfully ask that the CON Section determine that the acquisition of the Replacement Unit does not require a CON.

Lisa Pittman, Interim Chief
May 20, 2021
Page 3

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

Sincerely,

A handwritten signature in black ink, appearing to read "Denise M. Gunter", is centered on the page. The signature is written in a cursive style with a long horizontal flourish extending to the right.

Denise M. Gunter

Enclosures

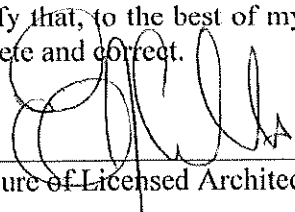


Projected Capital Cost Form

Building Purchase Price	
Purchase Price of Land	
Closing Costs	
Site Preparation	
Construction/Renovation Contract(s)	62,987.93
Landscaping	
Architect / Engineering Fees	
Medical Equipment	420,458.33
Non-Medical Equipment	
Furniture	
Consultant Fees (specify)	
Financing Costs	
Interest during Construction	
Other (specify)	
Total Capital Cost	483,446.26

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: 4/14/21

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.

Bruce Elder

Signature of Officer/Agent

Date Signed: 05/11/2021

EQUIPMENT COMPARISON

Mooreville CT Replacement	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type (e.g., Cardiac Catheterization, Gamma Knife®, Heart-lung bypass machine, Linear Accelerator, Lithotriptor, MRI, PET, Simulator, CT Scanner, Other Major Medical Equipment)	CT	CT
Manufacturer	GE	GE
Model number	BrightSpeed Elite	Maxima
Other method of identifying the equipment (e.g., Room #, Serial Number, VIN #)		
Is the equipment mobile or fixed?	Fixed	Fixed
Date of acquisition	2016	2021
Was the existing equipment new or used when acquired? / Is the replacement equipment new or used?	new	new
Total projected capital cost of the project <Attach a signed Projected Capital Cost form>	NA	\$483,446.26
Total cost of the equipment	\$239,376	\$420,458.33
Location of the equipment <Attach a separate sheet for mobile equipment if necessary>		
Document that the existing equipment is currently in use	yes	NA
Will the replacement equipment result in any increase in the average charge per procedure ?	NA	No
If so, provide the increase as a percent of the current average charge per procedure	NA	N/A
Will the replacement equipment result in any increase in the average operating expense per procedure ?	NA	No
If so, provide the increase as a percent of the current average operating expense per procedure	NA	N/A
Type of procedures performed on the existing equipment <Attach a separate sheet if necessary>	CT	NA
Type of procedures the replacement equipment will perform <Attach a separate sheet if necessary>	NA	CT

Date of last revision: 5/17/19