



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 17, 2022

Robert A. Leandro
robleandro@parkerpoe.com

No Review

Record #: 3927
Date of Request: June 9, 2022
Business Name: Diagnostic Radiology & Imaging, LLC
Business #: 609
Project Description: Acquire diagnostic medical equipment
County: Alamance

Dear Leandro:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law **in effect on the date of this response to your request**, the project as described 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.

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,

Gregory F. Yakaboski
Project Analyst

Micheala Mitchell
Chief

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
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



Robert A. Leandro

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Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
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Washington, DC

June 9, 2022

VIA ELECTRONIC MAIL

Micheala Mitchell, Chief
Health Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, North Carolina 27699-2704
micheala.mitchell@dhhs.nc.gov

Re: **Request for No Review Determination**

Dear Ms. Mitchell:

This letter is intended to provide notice to the Certificate of Need Section ("CON Section") that our client Diagnostic Radiology & Imaging, LLC ("DRI") is planning to acquire several pieces of diagnostic medical equipment valued individually at over \$10,000.00. The equipment that will be acquired includes (1) a CT Scanner that will cost \$350,000.00; (2) an X-Ray machine costing \$45,000.00; (3) a Fluoro Scope costing \$165,000.00; (4) an Ultrasound costing \$30,000.00 and a C-Arm costing \$100,000.00 (collectively the "Equipment"). It should be noted that no single piece of equipment or component part will cost in excess of \$2 million dollars. The Equipment will be installed at a new physician office space that DRI will lease in Alamance County. The total cost of this Equipment including taxes, shipping, and installation as well as the cost of upfitting the physician office space where the equipment will be utilized is \$964,088.00.

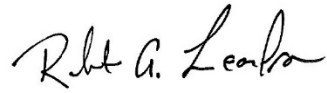
Under North Carolina law, the purchase of the Equipment could potentially require a certificate of need ("CON") if any single piece of the Equipment qualified as "Major Medical Equipment" under N.C. Gen. Stat. § 131E-176(14o) or if the total cost of the Equipment, counting only equipment costing \$10,000.00 or more qualified the location to be designated a "Diagnostic Center" as defined by N.C. Gen. Stat. § 131E-176(7a). However, given that no one piece of equipment or component part costs over \$2 million and the total acquisition cost of all of the Equipment, including the cost of upfitting the space, is less than \$1.5 million, the acquisition of the Equipment does not constitute the acquisition of "Major Medical Equipment" or qualify as a "Diagnostic Center" and should not require CON Review.

Based on the information provided in this letter, DRI respectfully requests a written determination from the CON Section that the acquisition and operation of the Equipment does not require DRI to obtain a CON to move forward with its project.

June 9, 2022
Page 2

We greatly appreciate the Agency's willingness to review this request. If you have any questions, please feel free to contact me directly at 919.835.4636.

Sincerely,

A handwritten signature in black ink that reads "Robert A. Leandro". The signature is written in a cursive, flowing style.

Robert A. Leandro

RAL:fsc