



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN • Governor
DEV DUTTA SANGVAI • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

December 22, 2025

Gary S. Qualls
Gary.qualls@klgates.com

No Review

Record #: 5048
Date of Request: November 20, 2025
Facility Name: Atrium Health Imaging Indian Trail
FID #: 031149
Business Name: Carolinas Imaging Services, LLC
Business #: 4019
Project Description: Change in ownership interest
County: Union

Dear Mr. Qualls:

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 representation in your request and 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. As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.

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

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

LOCATION: 1915 Health Services Way, Raleigh, NC 27607
MAILING ADDRESS: 1915 Health Services Way, 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhs.gov/dhsr • TEL: 919-855-3873

Sincerely,

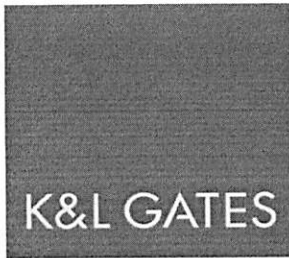
Gloria C. Hale

for
Ena Lightbourne
Project Analyst

Gloria C. Hale

for
Micheala Mitchell
Chief

cc: Acute and Home Care Licensure and Certification Section, DHSR



November 12, 2025

Gary S. Qualls
D 919.466.1182
F 919.516.2072
gary.qualls@klgates.com

VIA E-MAIL

Micheala Mitchell
Chief, Certificate of Need
NCDHHS, Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
1915 Health Services Way
Raleigh, North Carolina 27607

Re: No Review Request / Exemption Notice for Carolinas Imaging Services, LLC to Acquire Indian Trail Diagnostic Center

Dear Ms. Mitchell:

This letter is to inform you of a proposed transaction (the “Diagnostic Center Transaction”) where Carolinas Imaging Services, LLC (“CIS”) will acquire the MRI Scanner and certain other related assets that comprise the existing diagnostic center located at 6030 W. Highway 74 East, Indian Trail, 28079, Union County, NC (the “Indian Trail Diagnostic Center”) from Union Medical Services, LLC d/b/a Atrium Health Imaging, Indian Trail (“UMS”). In turn, The Charlotte-Mecklenburg Hospital Authority (“CMHA”) is the sole member in UMS. CMHA is already a member in CIS because CIS is a joint venture between CMHA and Charlotte Radiology, PA (“CR”). Thus, CMHA wholly owns UMS and partially owns CIS.

This letter also requests that your Agency¹ confirm that this Diagnostic Center Transaction is either non-reviewable as a related party transaction or is exempt from CON review pursuant to N.C. Gen. Stat § 131E-184(a)(8). The Diagnostic Center Transaction is proposed to be effective December 31, 2025, at 11:59 pm. For purposes of this Request, I represent all of the interested parties, CMHA, UMS, CR, and CIS.

¹ The North Carolina Department of Health and Human Services, Division of Health Service Regulation (the “Division”), Healthcare Planning and Certificate of Need Section (the “Agency”).

I. Description of the Diagnostic Center.

As referenced above, CMHA owns and operates the Indian Trail Diagnostic Center, which was established pursuant to a 2004 CON. *See* Exhibit 1 (CON for Indian Trail Diagnostic Center, Project I.D. No. F-6972-04, issued October 21, 2004). After the Diagnostic Center Transaction, CMHA's joint venture, CIS, will own the medical equipment assets and the CON rights to the Indian Trail Diagnostic Center.

II. Request.

We request that the Agency confirm that the Diagnostic Center Transaction is either:

1. not reviewable under the North Carolina Certificate of Need ("CON") law because the Diagnostic Center Transaction is intra-organizational such that the ultimate ownership of the Indian Trail Diagnostic Center will only partially change, or (in the alternative);
2. exempt from review under the CON law's exemption provisions in N.C. Gen. Stat. § 131E-184(a)(8).

III. No Review Request

The Diagnostic Center Transaction is not a CON reviewable event because such an event is not expressly addressed in any of the new institutional health service "CON triggers" in N.C. Gen. Stat. § 131E-176(16). The conversion of an existing health service facility's ownership from one related entity to another is not included in the list of activities that constitute the development of a new institutional health service, requiring a CON. Because CMHA is already the sole owner of the Indian Trail Diagnostic Center (via its 100% membership in UMS), the Diagnostic Center Transaction is intra-organizational. The Indian Trail Diagnostic Center will continue to be operated under partially the same ownership, control, and management.

Pursuant to the maxim of statutory construction *expressio unius est exclusio alterius*, those transactions not included in N.C. Gen. Stat. § 131E-176(16) – such as this Diagnostic Center Transaction – do not require a CON. *See e.g., In re Miller*, 357 N.C. 316, 325, 584 S.E.2d 772, 780 (2003) (stating that "[u]nder the doctrine of *expressio unius est exclusio alterius*, when a statute lists the situation to which it applies, it implies the exclusion of situations not contained in the list"); *see also Jackson v. A Woman's Choice, Inc.*, 130 N.C. App. 590, 594, 503 S.E.2d 422, 425 (1998) (internal citations omitted) ("[W]here a statute is explicit on its face, the courts have no authority to impose restrictions that the statute does not expressly contain.").

Therefore, we request your confirmation that the Diagnostic Center Transaction is not subject to CON review.

IV. Exemption Notice (If Transaction Deemed CON Reviewable)

However, if the Agency treats the Diagnostic Center Transaction as the acquisition of the Indian Trail Diagnostic Center (as a health service facility), this letter serves as an exemption notice of CIS's acquisition of the Indian Trail Diagnostic Center, pursuant to N.C. Gen. Stat. § 131E-184(a)(8). The General Assembly has chosen to exempt certain, otherwise reviewable, events from CON review, including the acquisition of an existing health service facility, including the equipment owned by the health service facility at the time of the acquisition. See N.C. Gen. Stat. § 184(a)(8). Under N.C. Gen. Stat. § 131E-176(9b), the Indian Trail Diagnostic Center constitutes a "health service facility."

Accordingly, given that the Diagnostic Center Transaction involves only the Indian Trail Diagnostic Center, which is an existing health service facility, even if the Agency deems the Diagnostic Center Transaction to trigger a new institutional health service definition, the Diagnostic Center Transaction is nevertheless exempt from CON review.

CONCLUSION

Based upon the foregoing information, we hereby request the Agency's confirmation that the Diagnostic Center Transaction:

1. is not CON reviewable because it does not trigger any of the new institutional health service definitions, or (alternatively);
2. is exempt from CON review under N.C. Gen. Stat § 131E-184(a)(8).

Thank you for your assistance with respect to this matter. Please feel free to contact me at the number above if you have any questions or need further information.

Sincerely,



Gary S. Qualls

Exhibits

1. CON for Indian Trail Diagnostic Center, Project I.D. No. F-6972-04, issued October 21, 2004

STATE OF NORTH CAROLINA
Department of Health and Human Services
Division of Facility Services



CERTIFICATE OF NEED
for
Project Identification Number F-6972-03
FID#031149

ISSUED TO: Union Medical Services, LLC
P.O. Box 5003
Monroe, NC 28111

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: Acquire a fixed magnetic resonance imaging (MRI) scanner and establish a diagnostic center in Indian Trail/Union County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Union Medical Services, LLC
5850 Highway 74 East
Indian Trail, NC 28079

MAXIMUM CAPITAL EXPENDITURE: \$2,800,920

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: March 1, 2005

This certificate is effective as of the 21st day of October, 2004.



Chief, Certificate of Need Section
Division of Facility Services

CONDITIONS

1. Union Medical Services, LLC shall materially comply with all representations made in its certificate of need application.
2. Union Medical Services, LLC shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

TIMETABLE

Contract award	February 15, 2005
Ordering equipment	April 1, 2005
25% completion of construction	March 15, 2005
Completion of construction	June 15, 2005
Occupancy/offering of service(s)	August 1, 2005

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] No Review / Exemption Request regarding the acquisition of an existing diagnostic center in Indian Trail, Union County
Date: Thursday, November 13, 2025 10:33:51 AM
Attachments: [11122025 K&L GATES.pdf](#)

Tiffany,

Would you mind logging this and assigning it to Greg? It will be an exemption.

Thanks,

Micheala

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: 919 855 3879
Micheala.Mitchell@dhhs.nc.gov

From: Qualls, Gary <Gary.Qualls@klgates.com>
Sent: Wednesday, November 12, 2025 2:56 PM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Subject: [External] No Review / Exemption Request regarding the acquisition of an existing diagnostic center in Indian Trail, Union County

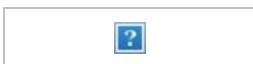
CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Micheala:

I have attached for filing a No Review / Exemption Request regarding the acquisition of an existing diagnostic center in Indian Trail, Union County. As always, don't hesitate to let me know if you have any questions. Please confirm receipt for my records.

Thanks

Gary



Gary S. Qualls

Partner
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