



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

November 25, 2025

Joy Heath

[jheath@williamsmullen.com](mailto:jheath@williamsmullen.com)

**Exempt from Review – Acquisition of Facility**

**Record #:** 5005  
**Date of Request:** November 19, 2025  
**Facility Name:** Raleigh Radiology Chapel Hill  
**Type of Facility:** Diagnostic Center  
**FID #:** 210264  
**Acquisition by:** WR Imaging, LLC  
**Business #:** 3169  
**County:** Orange

Dear Ms. Heath:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that the project described above is exempt from certificate of need (CON) review in accordance with G.S. 131E-184(a)(8). Therefore, the above referenced business may proceed to acquire 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 G.S. 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.*"

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,

Cynthia Bradford  
Project Analyst

Micheala Mitchell  
Chief

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  
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# WILLIAMS MULLEN

Direct Dial: 919.981.4001  
jheath@williamsmullen.com

November 19, 2025

*Via Email Only:*

Michaela Mitchell, Chief  
micheala.mitchell@dhhs.nc.gov  
Cynthia Bradford, Project Analyst  
cynthia.bradford@dhhs.nc.gov  
Healthcare Planning & Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health & Human Services  
Raleigh, North Carolina

Dear Ms. Mitchell and Ms. Bradford:

Our law firm represents WR Imaging, LLC (“Purchaser”) and, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), we write to provide prior written notice of our client’s plans, as described below.

As you know, in 2021, RR WM Imaging Chapel Hill, LLC (“Raleigh Radiology”) received CON approval to develop a new diagnostic center, Raleigh Radiology Chapel Hill (“RRCH”) (Project ID # J-12062-21). In 2023, Raleigh Radiology received a subsequent CON approval allowing it to acquire and add a fixed MRI to the RRCH diagnostic center (Project ID # J-12141-21). *See Exhibit A.* As indicated in Raleigh Radiology’s June 2025 Progress Report, this facility is fully complete, has received its Medicare and Medicaid certification, and is offering services. *See Exhibit B.*

Later this year, Purchaser intends to enter into a transaction to acquire this existing health service facility, including the MRI and all equipment owned by the health service facility at the time of acquisition.

In connection with these plans, we note that the CON Law provides that acquisition of “an existing health service facility, including equipment owned by the health service facility at the time of acquisition” is exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). A “health service facility” is defined by N.C. Gen. Stat. § 131E-176(9b) to include a diagnostic center. Based on this prior written notice, it is our understanding that the plans described above are exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(a)(8).

November 19, 2025

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We respectfully request confirmation that, based on the CON Law currently in effect, the proposal described above is not governed by, and, therefore, does not currently require a certificate of need. Please let us know of any questions or additional information that may be required. Thank you for your attention and response to this request.

Sincerely,

A handwritten signature in blue ink that reads "Joy Heath". The signature is written in a cursive style with a large, stylized "J" and "H".

Joy Heath

cc: Martha Waller, Administrative Specialist I  
martha.waller@dhhs.nc.gov

# EXHIBIT A

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

## Certificate of Need

for

Project ID #: J-12141-21

FID #: 210264

**ISSUED TO:** RR WM Imaging Chapel Hill, LLC

Pursuant to G.S. 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the certificate holder) to develop the project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by G.S. 131E-189(a). The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by G.S. 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in G.S. 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 G.S. 131E-189 for any of the reasons provided in that section.

**SCOPE:** Acquire and add a fixed MRI scanner to the approved, under development, Raleigh Radiology Chapel Hill diagnostic center (Project ID # J-12062-21), which is a change of scope, by acquiring one fixed MRI scanner pursuant to the need determination in the 2021 SMFP / Orange County

**CONDITIONS:** See Reverse Side

**PHYSICAL LOCATION:** Raleigh Radiology Chapel Hill  
120 Banks Drive  
Chapel Hill, NC 27515

**CAPITAL EXPENDITURE:** \$3,739,903

**TIMETABLE:** See Reverse Side

**FIRST PROGRESS REPORT DUE:** April 1, 2023

This certificate is effective as of February 10, 2023



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Micheala Mitchell, Chief

**CONDITIONS:**

1. RR WM Imaging Chapel Hill, LLC (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.
2. The certificate holder shall add a fixed MRI scanner to the approved, under development, Raleigh Radiology Chapel Hill diagnostic center (Project ID#J-12062-21), which is change of scope, by acquiring one fixed MRI scanner pursuant to the need determination in the 2021 SMFP.
3. Upon completion of this project, the certificate holder shall be approved for no more than one fixed MRI scanner.
4. Progress Reports:
  - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.
  - b. The certificate holder shall complete all sections of the Progress Report form.
  - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.
  - d. The first progress report shall be due on April 1, 2023.
5. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.
6. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, the certificate holder shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:
  - a. Payor mix for the services authorized in this certificate of need.
  - b. Utilization of the services authorized in this certificate of need.
  - c. Revenues and operating costs for the services authorized in this certificate of need.
  - d. Average gross revenue per unit of service.
  - e. Average net revenue per unit of service.
  - f. Average operating cost per unit of service.
7. The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

(J-12141-21 Con't)

Timetable

<b>Milestone</b>		<b>Date</b> <i>mm/dd/yyyy</i>
<b>1</b>	<b>Financing Obtained</b>	<b>1/13/2023</b>
<b>2</b>	<b>Drawings Completed</b>	<b>4/13/2023</b>
<b>4</b>	<b>Construction / Renovation Contract(s) Executed</b>	<b>7/12/2023</b>
<b>5</b>	<b>25% of Construction / Renovation Completed (25% of the cost is in place)</b>	<b>8/26/2023</b>
<b>6</b>	<b>50% of Construction / Renovation Completed</b>	<b>10/10/2023</b>
<b>7</b>	<b>75% of Construction / Renovation Completed</b>	<b>11/24/2023</b>
<b>8</b>	<b>Construction / Renovation Completed</b>	<b>1/8/2024</b>
<b>9</b>	<b>Equipment Ordered</b>	<b>8/26/2023</b>
<b>10</b>	<b>Equipment Installed</b>	<b>11/29/2023</b>
<b>11</b>	<b>Equipment Operational</b>	<b>12/23/2023</b>
<b>12</b>	<b>Building / Space Occupied</b>	<b>1/15/2024</b>
<b>14</b>	<b>Services Offered</b>	<b>3/3/2024</b>
<b>15</b>	<b>Medicare and / or Medicaid Certification Obtained</b>	<b>3/3/2024</b>
<b>16</b>	<b>Facility or Service Accredited</b>	<b>3/3/2024</b>
<b>17</b>	<b>First Annual Report Due* (only for non-ESRD decisions)</b>	<b>4/1/2026</b>

## **EXHIBIT B**

## Certificate of Need Progress Report Form

<b>County:</b>	<u>Orange</u>	<b>Date of Progress Report:</b>	<u>02.17.2025</u>
<b>Facility:</b>	<u>Raleigh Radiology Chapel Hill</u>	<b>Facility I.D. #:</b>	<u>210264</u>
<b>Project I.D. #:</b>	<u>J-12062-21 and J-12141-21</u>	<b>Effective Date of Certificate:</b>	<u>10.29.2021</u>
<b>Project Description:</b>	<u>Develop a new diagnostic center to include mammography, bone density, x-ray, and ultrasound services. Acquire and add a fixed MRI scanner to the approved, under development, Raleigh Radiology Chapel Hill diagnostic center (Project ID # J-12062-21), which is a change of scope, by acquiring one fixed MRI scanner pursuant to the need determination in the 2021 SMFP / Orange County</u>		

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### A. STATUS OF THE PROJECT

1. Describe in detail the steps taken to complete the project since the CON was issued or since the last progress report was submitted. Inadequate responses to this question will result in the certificate holder being asked to redo the progress report.

On October 29, 2021, the Agency issued a certificate of need ("CON") to RR WM Imaging Chapel Hill, LLC to develop a new diagnostic center called Raleigh Radiology Chapel Hill ("RRCH") to include mammography, bone density, x-ray, and ultrasound services in Chapel Hill, Orange County. On February 10, 2023, the Agency issued a certificate of need ("CON") to RR WM Imaging Chapel Hill, LLC to acquire and add a fixed MRI scanner to a previously approved diagnostic center, which is still under development in Chapel Hill, Orange County.

Per Cynthia Bradford, Project Analyst, we are now reporting these two projects on one progress report.

RRCH has fully completed the project. All applicable invoices were included with a prior report.

2. Identify all changes to this project approved after the issuance of the certificate, including:
  - a. Cost Overruns and/or Changes of Scope (Include the Project I.D. numbers);
  - b. Material Compliance determinations; and
  - c. Declaratory Rulings

N/A

3. If the project is not going to be developed exactly as approved, (including the previously approved changes identified in #2 above), describe all differences between the project as approved and the project as currently proposed. Such changes include, but are not limited to, changes in the:
  - a. Site;
  - b. Design of the facility;
  - c. Number or type of beds to be developed;
  - d. Medical equipment to be acquired;
  - e. Proposed charges; and
  - f. Capital cost of the project.

N/A

4. Pursuant to N.C. Gen. Stat. § 131E-181(d), the Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) cannot determine that a project is complete until *"the health service or the health service facility for which the certificate of need was issued is licensed and certified and is in material compliance with the representations made in the certificate of need application."* To document that new or replacement facilities, new or additional beds or dialysis stations, new or replacement equipment or new services have been licensed and certified, provide copies of correspondence from the appropriate sections within the Agency and the Centers for Medicare and Medicaid Services (CMS).

RRCH received Medicare approval on July 16, 2024, which was backdated to January 1, 2024. Supporting documentation can be provided upon request.

**B. TIMETABLE**

1. Complete the following table. The first column must include the timetable dates found on the certificate of need. If the Agency has previously authorized an extension of the timetable in writing, you may substitute the dates from that letter in the first column.

2. Are you requesting a timetable extension?

\_\_\_\_\_ Yes        X   No

If the answer is yes, enter your proposed completion dates in the third column of the table below. Proposed completion dates are contingent upon Agency approval.

3. Explain the reason(s) for the delay in development:

PROJECT MILESTONES	Projected completion date from certificate	Previously Approved Completion Date <sup>^</sup>	Actual completion date	Proposed completion date*
	Month/day/year	Month/day/year	Month/day/year	Month/day/year
Financing for Project Obtained	12/1/2021	02/01/2024	4/24/2024	
Drawings Completed	1/1/2022	1/1/2024	12/21/2023	
Land Acquired	Have	Have	Have	
Construction / Renovation Contract(s) Executed	1/31/2022	1/31/2024	1/22/2024	
25% of Construction / Renovation Completed (25% of the cost is in place)	3/2/2022	3/2/2024	3/25/2024	
50% of Construction / Renovation Completed	4/1/2022	4/1/2024	4/25/2024	
75% of Construction / Renovation Completed	5/1/2022	5/1/2024	6/25/2024	
Construction / Renovation Completed	5/31/2022	5/31/2024	7/12/2024	
Equipment Ordered	1/31/2022	1/31/2024	Various	
Equipment Installed	6/7/2022	6/7/2024	6/7-7/11/24	
Equipment Operational	6/14/2022	6/7/2024	7/11/24	
Building / Space Occupied	6/1/2022	6/1/2024	7/5/2024	
Licensure Obtained	N/A	N/A	N/A	
Services Offered (Required)	<b>7/1/2022</b>	<b>7/1/2024</b>	<b>7/22/2024</b>	
Medicare and / or Medicaid Certification Obtained	8/1/2022	7/1/2025	7/16/2024	
Facility or Service Accredited	7/1/2023	7/1/2025	2/14/2025	
First Annual Report Due	7/1/2025	7/1/2027		

\*Proposed completion dates are contingent upon CON approval

**C. MEDICAL EQUIPMENT PROJECTS**

If the project involves the acquisition of any of the following equipment: 1) major medical equipment as defined in NCGS §131E-176(14o); 2) the specific equipment listed in NCGS §131-176(16); or 3) equipment that creates a diagnostic center as defined in NCGS §131E-176(7a), provide the following information for each piece or unit of equipment: 1) manufacturer; 2) model; 3) serial number; and 4) date acquired.

Service	Manufacturer	Model	Serial Number	Date Acquired
XR	Radon Medical, LLC.	Del Medical OTC18M System	2374200	6/21/2023
US	Excel Imaging Solutions	Samsung V8 Ultrasound System	S35NM3HX200012Z	7/11/2024
Mammo	Hologic, Inc.	Selenia Dimensions 3D Performance System	SDM132700328	6/7/2024
MRI	Siemens Medical Solutions USA, Inc.	Magnetom Sola - KMAT	184292	6/14/2024

**D. CAPITAL EXPENDITURE**

1. What is the total approved capital cost of the project indicated on the certificate of need?

The approved capital cost of the project indicated on the certificate of need is \$4,853,519.

2. Complete the following table page and provide supporting documentation which may include:
  - a. Copies of executed contracts and purchase orders. If you previously provided them, you do not need to provide another copy.
  - b. If applicable, copies of the Contractors Application for Payment [AIA G702] with Schedule of Values [AIA G703].

	Capital Expense Since Last Report	Total Cumulative Capital Expenditure
Purchase Price of Land		
Closing Costs		
Site Preparation		
Construction / Renovation Contract		1,863,631
Landscaping		-
Architect / Engineering Fees		37,345
Medical Equipment		2,547,077
Non-Medical Equipment		77,324
Furniture		47,403
Consultant Fees (CON)		57,100
Financing Costs		-
Interest during Construction		-
Other (contingency 10%)		5,728
<b>TOTAL CAPITAL COST</b>	<b>N/A</b>	<b>4,635,607</b>

3. What is the projected remaining capital expenditure required to complete the project?

The project is complete and all money has been spent.

4. Will the total actual capital cost of the project exceed 115% of the approved capital expenditure on the certificate of need? If yes, explain the reasons for the difference.

N/A

### E. CERTIFICATION

The undersigned hereby certifies that the responses to the questions in this progress report and the attached documents are correct to the best of his or her knowledge and belief. In addition, I acknowledge that incomplete progress report forms will not be accepted and must be resubmitted upon notification from the Agency Project Analyst.

Signature:   
Frank Manole (Jun 17, 2025 12:43 EDT)

Name and Title: Frank Manole, Chief Operating Officer, Raleigh Radiology

Telephone Number: 201.638.8965

Email Address: [frank.manole@raleighrad.com](mailto:frank.manole@raleighrad.com)


# Chapel Hill Final Progress Report

Final Audit Report

2025-06-17

Created:	2025-06-17
By:	Jonathan Campbell (jcampbell@pda-inc.net)
Status:	Signed
Transaction ID:	CBJCHBCAABA4v2VbTJ_nSblBUDO1VIOXseSsVMYy6s

## "Chapel Hill Final Progress Report" History

-  Document created by Jonathan Campbell (jcampbell@pda-inc.net)  
2025-06-17 - 2:24:19 PM GMT
-  Document emailed to Frank Manole (frank.manole@raleighrad.com) for signature  
2025-06-17 - 2:24:24 PM GMT
-  Email viewed by Frank Manole (frank.manole@raleighrad.com)  
2025-06-17 - 4:43:22 PM GMT
-  Document e-signed by Frank Manole (frank.manole@raleighrad.com)  
Signature Date: 2025-06-17 - 4:43:55 PM GMT - Time Source: server
-  Agreement completed.  
2025-06-17 - 4:43:55 PM GMT



**Adobe Acrobat Sign**

**From:** [Mitchell, Micheala L](#)  
**To:** [Stancil, Tiffany C](#)  
**Cc:** [Waller, Martha K](#); [Kearney, Crystal](#)  
**Subject:** FW: [External] Written Notice of Transaction from WR Imaging, LLC  
**Date:** Wednesday, November 19, 2025 4:21:45 PM  
**Attachments:** [20251119113528.pdf](#)

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Tiffany- would you mind logging and assigning this exemption to Cindy? I've copied Crystal so she knows its not going to her.

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](mailto:Micheala.Mitchell@dhhs.nc.gov)

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**From:** Ball, Jeremy <jball@williamsmullen.com>  
**Sent:** Wednesday, November 19, 2025 3:50 PM  
**To:** Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Kearney, Crystal <crystal.kearney@dhhs.nc.gov>; Waller, Martha K <martha.waller@dhhs.nc.gov>  
**Cc:** Heath, Joy <jheath@williamsmullen.com>  
**Subject:** [External] Written Notice of Transaction from WR Imaging, LLC

**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.

Good afternoon, please see the attached correspondence and thank you in advance for your attention to this matter. We would appreciate receiving an acknowledgement of your receipt.

Sincerely,

Jeremy



**Jeremy A. Ball**

*Attorney*

T 804.420.6406 | C 804.615.9583

[email](#) | [v-card](#) | [website](#) | [LinkedIn](#)

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