



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

October 14, 2025

Denise Gunter

denise.gunter@nelsonmullins.com

Exempt from Review – Physician Office or Medical Office Building

Record #: 4966

Date of Request: September 8, 2025

Business Name: Columbus Regional Healthcare System

Business #: 519

Project Description: Develop a medical office building (MOB)

County: Columbus

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(9). Therefore, you may proceed to offer, develop or establish the above referenced project without a 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 the Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

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

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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

September 8, 2025

Via E-mail

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

RE: Medical Office Building with Imaging Suite for Columbus Regional Healthcare System
Health Service Area V
Brunswick County

Dear Ms. Mitchell:

On behalf of Columbus Regional Healthcare System (“CRHS”) in Whiteville, North Carolina, I am writing to provide the Agency with prior written notice of a proposed project consisting of: (1) the development of a medical office building (“MOB”); and (2) the development of an imaging suite in the MOB. For the sake of efficiency, we are combining the MOB exemption request pursuant to N.C. Gen. Stat. § 131E-184(a)(9) and the imaging suite into a single letter.

The MOB

The MOB will be located at Provision Parkway, Leland, North Carolina. The MOB will be owned by a third party developer, and CRHS will lease space in the MOB from the developer. To avoid writing two separate letters, this letter constitutes prior written notice of the development of an MOB pursuant to N.C. Gen. Stat. § 131E-184(a)(9). The MOB will consist of approximately 68,750 gross square feet on two floors. The MOB will allow CRHS to serve patients in Brunswick County. The MOB is expected to open in January 2027. No new institutional health services will be offered in the MOB without prior approval from the Agency. The lease between CRHS and the developer will be an operating lease, not a capital lease.

The Imaging Equipment

CRHS proposes to relocate some existing imaging equipment from one of its other locations to the MOB (hereafter, the “Imaging Suite”) as well as purchase new equipment. The existing equipment is a CT scanner and an ultrasound machine. The new equipment is an x-ray unit and a mammography unit. The existing equipment will be transported by truck from its current location to the MOB. The Imaging Suite will be located on the first floor of the MOB and will cover approximately 4,678 square feet. The Imaging Suite will consist of x-ray, CT, ultrasound and

mammography equipment. There will also be an MRI pad located outside the MOB for mobile MRI service.

In accordance with the Court of Appeals' decision in *Mission Hospitals, Inc. v. NCDHHS*, 205 N.C. App. 35, 54, 696 S.E.2d 163, 176-77 (2010), CRHS has used the FMV of the CT scanner and the ultrasound machine, and the acquisition cost for the x-ray and mammography units, to determine whether the current \$3,089,400 diagnostic center threshold is reached. See also *Susi v. Aubin*, 173 N.C. App. 608, 612, 620 S.E.2d 682, 684 (2005) (fair market value ". . . is generally defined as '[t]he price that a seller is willing to accept and a buyer is willing to pay on the open market and in an arm's-length transaction.'") (quoting *Black's Law Dictionary* 1587 (8th ed. 2004)).

The table below shows the capital costs associated with the project. In accordance with N.C. Gen. Stat. § 131E-176(7a), only the items with an FMV of \$10,000 or greater are included to determine whether the \$3,089,400 diagnostic center threshold is met. Items with an FMV of less than \$10,000 are excluded from the cost calculations below.

Table 1: Costs

Imaging Specific Cost for the Construction of the CT and CT Control Room	\$50,000
Construction of the mobile MRI pad and electrical	\$50,000
CT FMV	\$183,071
X-ray machine FMV (New)	\$108,085
Mammography Machine FMV (New)	\$446,790
Ultrasound Machine FMV	\$41,950
Cost of Moving/Installing Equipment	\$45,000
Physicist Visits	\$13,162
Total	\$938,058

See Capital Cost Sheet, attached as **Exhibit A**.

Analysis

N.C. Gen. Stat. § 131E-176(16)a. defines "new institutional health service" to mean, *inter alia*, "[t]he construction, development, or other establishment of a new health service facility." "Health service facility" is defined to include "diagnostic center." See N.C. Gen. Stat. § 131E-176(9b).

Micheala Mitchell
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"Diagnostic Center" means:

. . . a freestanding facility, program, or provider, including but not limited to, physicians' offices, clinical laboratories, radiology centers, and mobile diagnostic programs, in which the total cost of all the medical diagnostic equipment utilized by the facility which cost ten thousand dollars (\$10,000) or more exceeds three million dollars (\$3,000,000). In determining whether the medical diagnostic equipment in a diagnostic center costs more than three million dollars (\$3,000,000), the costs of the equipment, studies, surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making operational the equipment shall be included. The capital expenditure for the equipment shall be deemed to be the fair market value of the equipment or the cost of the equipment, whichever is greater.

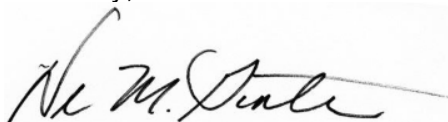
N.C. Gen. Stat. § 131E-176(7a).¹

As the foregoing demonstrates, the total cost of the Imaging Suite, \$938,058, is well below the \$3,089,400 threshold. None of the equipment CRHS proposes to use in the MOB independently requires a CON.

Accordingly, CRHS respectfully requests that the CON Section confirm in writing that: (1) the MOB is exempt from CON review pursuant to N.C. Gen. Stat. 131E-184(a)(9); and (2) the Imaging Suite in the MOB does not require a CON.

Thank you for your time and attention.

Sincerely,



Denise M. Gunter

Enclosure

¹ The capital cost threshold is adjusted annually. See N.C. Gen. Stat. § 131E-176(7a). The current threshold for diagnostic centers is \$3,089,400. See October 1, 2024 Memorandum from Micheala Mitchell to CON Interested Parties.

Projected Capital Cost Form

Building Purchase Price	\$ NA
Purchase Price of Land	\$NA
Closing Costs	\$NA
Site Preparation	\$NA
Construction/Renovation Contract(s)	\$158,162
Landscaping	\$NA
Architect / Engineering Fees	\$NA
Medical Equipment	\$779,896
Non-Medical Equipment	\$NA
Furniture	\$NA
Consultant Fees (specify)	\$NA
Financing Costs	\$NA
Interest during Construction	\$NA
Other (specify)	\$NA
Total Capital Cost	\$938,058

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.

Kurt Feger
Signature of Licensed Architect or Engineer

Date Signed: 9/3/2025

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.

Jefferson Bank, President & CEO
Signature of Officer/Agent

Date Signed: 9/3/2025

From: [Denise Gunter](#)
To: [Stancil, Tiffany C](#); [Mckillip, Mike](#)
Subject: [External] FW: Exemption and No Review Letter for Columbus Regional Health System (HSA V)
Date: Monday, October 13, 2025 12:35:36 PM
Attachments: [Letter to CON regarding CRHS MOB and Imaging Suite.pdf](#)
[Exhibit A.pdf](#)

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,

I hope you had a nice weekend. I don't believe I received a response to this letter so I just wanted to follow up.

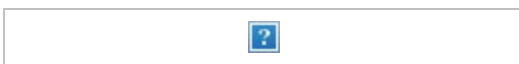
Thanks.

From: Denise Gunter
Sent: Monday, September 8, 2025 1:18 PM
To: Waller, Martha K <martha.waller@dhhs.nc.gov>; Mckillip, Mike <mike.mckillip@dhhs.nc.gov>
Subject: Exemption and No Review Letter for Columbus Regional Health System (HSA V)

Good afternoon,

I hope you had a nice weekend. Attached is a letter on behalf of Columbus Regional in Whiteville. Could you please let me know that you have received this?

Thanks.



DENISE M. GUNTER **PARTNER**
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