



North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704  
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor  
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief  
Phone: (919) 855-3873  
Fax: (919) 733-8139

February 15, 2012

David French  
Consultant to Alliance Imaging, Inc.  
P.O. Box 2154  
Reidsville, NC 27323

RE: Exempt from Review – Temporary Replacement Equipment / Alliance Imaging, Inc. / Temporary replacement of mobile PET/CT equipment to serve eastern North Carolina / HSAs IV, V, VI

Dear Mr. French:

In response to your letter of February 2, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(7). Therefore, you may proceed to acquire, without a certificate of need, the Siemens Biograph PT CT 110, Serial Number 1M9A6A82XWO22233 to temporarily replace the existing Siemens Biograph PET CT 44, Serial Number 1M9A6A8256HO22243. This determination is based on your representations that the existing unit will be removed from service until necessary repairs are made to the floor of the unit, and will not be used again in the State until the repairs are made. This determination is further based on your representations that the temporary replacement unit will be removed from North Carolina when repairs have been made to the original unit and the original unit is returned to service.

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. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Tanya S. Rupp, Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

cc: Construction Section, DHSR  
Medical Facilities Planning Section, DHSR

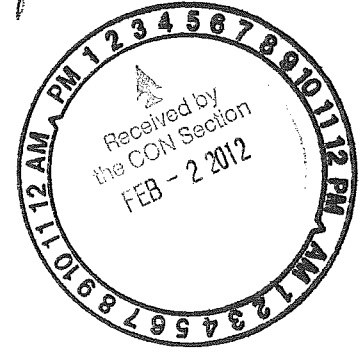


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**ALLIANCE HEALTHCARE SERVICES**

February 2, 2012

Mr. Craig Smith  
Chief, Certificate of Need Section  
2704 Mail Service Center  
Raleigh, NC 27699-2704



RE: Alliance Imaging Inc. - Written Notice for Exemption from CON Review for **Emergency Temporary Replacement PET/ CT Equipment for the Eastern Mobile PET/ CT Scanner**

Dear Mr. Smith:

I am writing on behalf of my client Alliance Imaging Inc. regarding the urgent need to temporarily replace the mobile PET/ CT scanner that is utilized in eastern North Carolina, Health Service Areas IV, V and VI.

In 2003, Alliance Imaging Inc. obtained approval for project application # H-6702-02 to acquire and implement a mobile PET scanner to serve Health Service Areas IV, V and VI. In 2006, Alliance obtained an equipment replacement exemption to replace the PET scanner equipment with a PET/CT. The unit that is currently in use is PET/ CT 44 Serial Number 1M9A6A8256H022243. This unit needs to be temporarily removed from service because the floor of the unit is worn with holes and tears in the laminate. The condition of the floor is a possible safety hazard and sanitation concern.

Please accept this notice of exemption to temporarily replace the above unit with PET/ CT unit 110, serial number 1M9A6A82XWO22233. This unit is owned by Alliance Imaging and is readily available to serve as the temporary replacement for the eastern PET/ CT.

A separate equipment replacement notice has been submitted for the western mobile PET/ CT 45. Alliance plans to first use PET/ CT unit 110 as the replacement for the western PET/ CT 45 and following its return to service, PET/ CT unit 110 would serve as the replacement for the eastern PET/ CT 44.

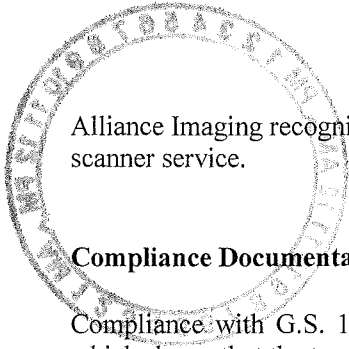
This letter provides justification and written notice regarding the replacement equipment in accordance with NCGS 131 E-184. Alliance Imaging Inc. also provides documentation that the replacement equipment conforms to the Certificate of Need laws and Administrative rules:

G.S. 131E-176 (22a) Replacement equipment definition  
G.S. 131E-184 (a) (7) Exemptions from review to provide replacement equipment  
10A NCAC 14C.0303 Replacement Equipment Administrative Rules

**Overview**

The existing PET/CT requires temporary replacement for several reasons:

- 1) The floor of the PET/ CT requires replacement that will take between 3 to 4 days to complete.
- 2) Service to the existing host sites will be disrupted if a temporary replacement mobile PET/ CT unit cannot be provided.
- 3) Patient diagnosis and treatment at the host sites will be seriously disrupted without access to PET/ CT.
- 4) Alliance does not have available capacity on other PET/ CT units in North Carolina to provide coverage for the unit that needs to be repaired.



Alliance Imaging recognizes the need to provide high quality, cost effective, and reliable mobile PET/ CT scanner service.

### **Compliance Documentation**

Compliance with G.S. 131E-176 (22a) Replacement Equipment Definition is demonstrated in Attachment 1 which shows that the temporary replacement scanner has an actual cost of less than \$2,000,000.

No additional shipping or installation costs are expected. The fair market value for the PET/ CT scanner will be the same as the purchase price of the equipment as reflected in the attached quotes.

The replacement PET/ CT equipment will be used for the same diagnostic purposes as the existing equipment.

In addition, Alliance Imaging is providing prior written notice to the Department in accordance with G.S. 131E-184 (a) (7) Exemption from Review to provide replacement equipment.

### **Applicability and Conformance with Administrative Rule 10A NCAC 14C.0303 Replacement Equipment**

Alliance Imaging Inc. plans to use an existing mobile PET/ CT as a temporary replacement. No equipment will be purchased. The temporary replacement equipment conforms to the rules as follows:

#### *10A NCAC 14C.0303 Replacement Equipment*

(a) *The purpose of this Rule is to define the terms used in the definition of "replacement equipment" set forth in G.S. 131E-176(22a).*

Alliance Imaging Inc. has reviewed this rule definition.

(b) *"Activities essential to acquiring and making operational the replacement equipment" means those activities which are indispensable and requisite, absent which the replacement equipment could not be acquired or made operational.*

Alliance Imaging Inc. has reviewed this rule definition.

(c) *"Comparable medical equipment" means equipment which is functionally similar and which is used for the same diagnostic or treatment purposes.*

Alliance Imaging Inc. has reviewed this rule definition.

(d) *Replacement equipment is comparable to the equipment being replaced if:*

(1) *it has the same technology as the equipment currently in use, although it may possess expanded capabilities due to technological improvements; and*

The replacement PET/ CT scanner is comparable to the equipment being replaced because the temporary replacement equipment will also obtain PET/ CT images and data. The proposed replacement mobile PET/ CT scanner is used to acquire the same type of PET/ CT images and data.

(2) *it is functionally similar and is used for the same diagnostic or treatment purposes as the equipment in use and is not used to provide a new health service; and*

Alliance Imaging Inc. certifies that the replacement mobile PET/ CT equipment will be used for the same diagnostic purposes as the existing unit.

(3) *The acquisition of the equipment does not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.*

The host sites will utilize the temporary replacement PET/ CT scanner and shall be notified by Alliance Imaging that no increases in costs or patient charges will result from the temporary replacement.

(e) *Replacement equipment is not comparable to the equipment being replaced if:*

(1) *the replacement equipment is new or reconditioned, the existing equipment was purchased second hand and the replacement equipment is purchased less than three years after the acquisition of the existing equipment.*

Not applicable. This notice involves a temporary replacement. The existing equipment will be brought back into service and the temporary replacement unit will be removed from North Carolina.

(2) *The replacement equipment is new, the existing equipment was reconditioned when purchased, and the replacement equipment is purchased less than three years after the acquisition of the existing equipment; or*

Not applicable. See the explanation above.

(3) *The replacement equipment is capable of performing procedures that could result in the provision of a new health service or type of procedure that has not been provided with the existing equipment; or*

Not applicable. The replacement equipment is functionally similar to the existing equipment and will be used for the same diagnostic procedures as the existing equipment. The existing equipment will be brought back into service and the temporary replacement unit will be removed from North Carolina.

(4) *The replacement equipment is purchased and the existing equipment is leased, unless the lease is a capital lease;*

Not applicable. The existing equipment is not leased.

(5) *The replacement equipment is a dedicated PET scanner and the existing equipment is:*

(A) *a gamma camera with coincidence capability; or*

(B) *nuclear medicine equipment that was designed, built, modified to detect only the single photon emitted from nuclear events other than positron annihilation.*

Not applicable. The existing equipment is not a gamma camera or nuclear medicine equipment.

**EQUIPMENT COMPARISON**

	EXISTING EQUIPMENT (To be temporarily removed from NC for repairs.)	TEMPORARY REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	PET CT	PET CT
Manufacturer of Equipment	Siemens	Siemens
Tesla Rating for MRIs	NA	NA
Model Number	Siemens Biograph	Siemens Biograph
Serial Number	1M9A6A8256H0222243	1M9A6A82XWO22233
Provider's Method of Identifying Equipment Specify if Mobile or Fixed	PET CT 44 Mobile	PET CT 110 Mobile
Mobile Trailer Serial Number/VIN #		
Mobile Tractor Serial Number/VIN #	NA - No changes	NA - No changes
Date of Acquisition of Each Component	2006	2008
Does Provider Hold Title to Equipment or Have a Capital Lease?	Holds Title	Holds Title
Specify if Equipment Was/Is New or Used When Acquired	New when acquired	New when acquired
Total Capital Cost of Project (no construction involved)	NA	Existing equipment
Total Cost of Equipment	NA	Purchased in 2008 at a cost of
Fair Market Value of Equipment	NA	\$1,047,321
Net Purchase Price of Equipment	NA	same
Locations Where Operated	See attached 2012 PET CT 44 inventory form	Same sites as 2012 PET CT 44 inventory form
Number Days In Use/To be Used in N.C. Per Year	365	Specified days for temporary replacement
Percent of Change in Patient Charges (by Procedure)	NA	No increase will result
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	No increase will result
Type of Procedures Currently Performed on Existing Equipment	PET CT Procedures	PET CT Procedures
Type of Procedures New Equipment is Capable of Performing	NA	PET CT procedures

The temporary replacement PET/ CT unit 110 will be removed from North Carolina when the replacement of the floors of the PET /CT 44 has been completed and returned to service.

Thank you for your review and consideration of this information. Please call me at the office at 336 349-6250 or 336 432-8308 (cell phone) if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "David French", is written over a horizontal line.

David French  
Consultant to Alliance Imaging Inc.  
P.O. Box 2154  
Reidsville, NC 27323  
djfrench45@bellsouth.net

Cc: Angie Caporiccio  
336 306-9328  
acaporiccio@allianceimaging.com



**Registration and Inventory of Medical Equipment**  
**Mobile Positron Emission Tomography Scanners**  
**January 2011**

**Instructions** This is the legally required "Registration and Inventory of Medical Equipment" (G.S. § 131E-177) for Mobile Positron Emission Tomography (PET) scanners. Please complete all sections of this Registration and Inventory Form and return by **5:00 p.m. on Monday, February 14, 2011**. We encourage you to email the completed and signed form in a Portable Document Format (pdf) file to [DHSR.SMFP.Registration-Inventory@dhhs.nc.gov](mailto:DHSR.SMFP.Registration-Inventory@dhhs.nc.gov). If it is not possible to email the completed form, you can mail it to Kelli Fisk, Medical Facilities Planning Section, 2714 Mail Service Center, Raleigh, NC 27699-2714. If you have questions, you can send an email to [DHSR.SMFP.Registration-Inventory@dhhs.nc.gov](mailto:DHSR.SMFP.Registration-Inventory@dhhs.nc.gov) or call the Medical Facilities Planning Section at (919) 855-3865. Thank you!

**Section One** **Contact Information**

1. Full legal name of corporation, partnership, individual, or other legal entity that acquired the equipment by purchase, donation, lease, transfer, or comparable arrangement:

Alliance HealthCare Services

(Legal Name)

2. Address of the corporation, partnership, individual, or other legal entity that acquired the equipment:

100 Bayview Circle, Suite 400

(Street and Number)

Newport Beach,  
(City)

CA  
(State)

92660  
(Zip)

800.544.3215  
(Phone Number)

3. Chief Executive Officer who is certifying the information in this registration form:

Angie Caporiccio  
(Name)

Director of Operations  
(Title)

1009 Slater Road, Suite 380

(Street and Number)

Durham  
(City)

NC  
(State)

27703  
(Zip)

(919) 306-9328

(Area Code and Phone Number)

4. Information Compiled or Prepared by: (Name) David J. French

Phone Number

(336) 349-6250 office (336) 432-8308 cell



**Section Two**    **Equipment Information**

Time Period for Report:  10/01/2009 – 9/30/2010     Other time period: \_\_\_\_\_

*(Please make additional copies of pages of this form as needed.)*

Mobile Scanner Information (one scanner per page)			
Manufacturer	Siemens		
Model #	PET/CT		
Serial or I.D. #	1M9A6A8256H022243		
Date of purchase	2006 (Replacement Exemption Obtained)		
Purchase price	\$1,902,817		
Certificate of Need Project ID	F-6605-02		
Certificate Holder, as listed on Certificate of Need	Alliance Imaging Inc.		
	Site #1	Site #2	Site #3
Name of entity, street address, and county where service is provided	Albermarle Hospital 1144 North Road Street Elizabeth City, NC 27909	Duke Raleigh Hospital 3400 Wake Forest Road Raleigh, NC 27609	Johnston Memorial Hospital Auth 509 N. Bright Leaf Blvd. Smithfield, NC 27577
Procedures* – Inpatient	1	15	17
Procedures* – Outpatient	242	522	125
Total # of procedures for report period	243	537	142
Put a check by the days per week, and write in the hours per day, the scanner is in operation.	243 hrs Oct 09 to Sept 10	537 hrs Oct 09 to Sept 10	142 hrs Oct 09 to Sept 10
Total # of hours in operation by site for report period.	243 hours	537 hours	142 hours

\* PET **procedure** means a single discrete study of one patient involving one or more PET scans. PET **scan** means an image-scanning sequence derived from a single administration of a PET radiopharmaceutical, equated with a single injection of the tracer. One or more PET scans comprise a PET procedure.

Name of entity that acquired the equipment (from page one) Alliance HealthCare Services





**Section Two**    **Equipment Information**

Time Period for Report:  10/01/2009 – 9/30/2010     Other time period: \_\_\_\_\_

*(Please make additional copies of pages of this form as needed.)*

Mobile Scanner Information (one scanner per page)			
Manufacturer	General Electric		
Model #	PET/CT		
Serial or I.D. #	1M9A6A8256H022243		
Date of purchase	2006 (Replacement Exemption Obtained)		
Purchase price	\$1,902,817		
Certificate of Need Project ID	F-6605-02		
Certificate Holder, as listed on Certificate of Need	Alliance Imaging Inc.		
	Site #4	Site #5	Site #6
Name of entity, street address, and county where service is provided	Lenior Memorial Hospital 100 Airport Road Kinston, NC 28501	Outer Banks Hospital 4800 S. Croatan Highway Nags Head, NC 27959	Scotland Memorial Hospital, Inc 500 Lauchwood Drive Laurinburg, NC 28352
<u>Procedures* – Inpatient</u>	0	1	1
<u>Procedures* – Outpatient</u>	150	119	147
Total # of procedures for report period	150	120	148
Put a check by the days per week, and write in the hours per day, the scanner is in operation.	150 hrs Oct 09 to Sept 10	120 hrs Oct 09 to Sept 10	148 hrs Oct 09 to Sept 10
Total # of hours in operation by site for report period.	150 hours	120 hours	148 hours

\* PET **procedure** means a single discrete study of one patient involving one or more PET scans. PET **scan** means an image-scanning sequence derived from a single administration of a PET radiopharmaceutical, equated with a single injection of the tracer. One or more PET scans comprise a PET procedure.

Name of entity that acquired the equipment (from page one) Alliance HealthCare Services



**Section Two** **Equipment Information**

Time Period for Report:  10/01/2009 – 9/30/2010     Other time period: \_\_\_\_\_

*(Please make additional copies of pages of this form as needed.)*

Mobile Scanner Information (one scanner per page)			
Manufacturer	General Electric		
Model #	PET/CT		
Serial or I.D. #	1M9A6A8256H022243		
Date of purchase	2006 (Replacement Exemption Obtained)		
Purchase price	\$1,902,817		
Certificate of Need Project ID	F-6605-02		
Certificate Holder, as listed on Certificate of Need	Alliance Imaging Inc.		
	Site #7	Site #8	Site #9
Name of entity, street address, and county where service is provided	Southeastern Regional Medical 300 West 27th St. Lumberton, NC 28358	Wayne Memorial Hospital 2700 Wayne Memorial Dr. Goldsboro, NC 27534	Wilson Medical Center 1705 South Tarboro St. Wilson, NC 27893
Procedures* – Inpatient	0	3	47
Procedures* – Outpatient	296	391	371
Total # of procedures for report period	296	394	418
Put a check by the days per week, and write in the hours per day, the scanner is in operation.	296 hrs Oct 09 to Sept 10	394 hrs Oct 09 to Sept 10	418 hrs Oct 09 to Sept 10
Total # of hours in operation by site for report period.	296 hours	394 hours	418 hours

\* PET **procedure** means a single discrete study of one patient involving one or more PET scans. PET **scan** means an image-scanning sequence derived from a single administration of a PET radiopharmaceutical, equated with a single injection of the tracer. One or more PET scans comprise a PET procedure.

Name of entity that acquired the equipment (from page one) Alliance HealthCare Services



**Section Two**   **Equipment Information**

Time Period for Report:  10/01/2009 – 9/30/2010    Other time period: \_\_\_\_\_

*(Please make additional copies of pages of this form as needed.)*

Mobile Scanner Information (one scanner per page)			
Manufacturer	General Electric		
Model #	PET/CT		
Serial or I.D. #	1M9A6A8256H022243		
Date of purchase	2006 (Replacement Exemption Obtained)		
Purchase price	\$1,902,817		
Certificate of Need Project ID	F-6605-02		
Certificate Holder, as listed on Certificate of Need	Alliance Imaging Inc.		
	Site #10	Site #11	Site #12
Name of entity, street address, and county where service is provided	Carteret General Hospital 3402 Arendell St. Moorehead City, NC 28557		
Procedures* – Inpatient	0	_____	_____
Procedures* – Outpatient	102	_____	_____
Total # of procedures for report period	102	_____	_____
Put a check by the days per week, and write in the hours per day, the scanner is in operation.	120 hrs Oct 09 to Sept 10		
Total # of hours in operation by site for report period.	120 hours		

\* PET **procedure** means a single discrete study of one patient involving one or more PET scans. PET **scan** means an image-scanning sequence derived from a single administration of a PET radiopharmaceutical, equated with a single injection of the tracer. One or more PET scans comprise a PET procedure.

Name of entity that acquired the equipment (from page one) Alliance HealthCare Services



**Section Three Patient Origin Data by Service Site**

Please provide the county of residence for each patient who received PET scanner services during the time period of this report. Provide patient origin data separately for each service site, making additional copies of this page as needed. The total number of patients receiving services should be the same as the total number of procedures reported on page two of this report.

Service Site Name: **Not applicable. Data not available to Alliance.**

County in which Service was provided: \_\_\_\_\_

County	Number of Patients	County	Number Of Patients	County	Number of Patients
1. Alamance		41. Guilford		81. Rutherford	
2. Alexander		42. Halifax		82. Sampson	
3. Alleghany		43. Harnett		83. Scotland	
4. Anson		44. Haywood		84. Stanly	
5. Ashe		45. Henderson		85. Stokes	
6. Avery		46. Hertford		86. Surry	
7. Beaufort		47. Hoke		87. Swain	
8. Bertie		48. Hyde		88. Transylvania	
9. Bladen		49. Iredell		89. Tyrrell	
10. Brunswick		50. Jackson		90. Union	
11. Buncombe		51. Johnston		91. Vance	
12. Burke		52. Jones		92. Wake	
13. Cabarrus		53. Lee		93. Warren	
14. Caldwell		54. Lenoir		94. Washington	
15. Camden		55. Lincoln		95. Watauga	
16. Carteret		56. Macon		96. Wayne	
17. Caswell		57. Madison		97. Wilkes	
18. Catawba		58. Martin		98. Wilson	
19. Chatham		59. McDowell		99. Yadkin	
20. Cherokee		60. Mecklenburg		100. Yancey	
21. Chowan		61. Mitchell			
22. Clay		62. Montgomery		101. Georgia	
23. Cleveland		63. Moore		102. South Carolina	
24. Columbus		64. Nash		103. Tennessee	
25. Craven		65. New Hanover		104. Virginia	
26. Cumberland		66. Northampton		105. Other States	
27. Currituck		67. Onslow		106. Other (specify)	
28. Dare		68. Orange		<b>Total Number of Patients Served by Your PET Scanners</b>	
29. Davidson		69. Pamlico			
30. Davie		70. Pasquotank			
31. Duplin		71. Pender			
32. Durham		72. Perquimans			
33. Edgecombe		73. Person			
34. Forsyth		74. Pitt			
35. Franklin		75. Polk			
36. Gaston		76. Randolph			
37. Gates		77. Richmond			
38. Graham		78. Robeson			
39. Granville		79. Rockingham			
40. Greene		80. Rowan			

Name of entity that acquired the equipment (from page one) **Alliance HealthCare Services**



**Section Four** Certification and Signature

*The undersigned Chief Executive Officer or other approved signatory certifies the accuracy of the information contained on all pages of this form.*

*Signature*

Handwritten signature of Angie Caporiccio in cursive script, written over a horizontal line.

*Print Name* **Angie Caporiccio, Director of Operations**

*Name of corporation, partnership, individual, or other legal entity (from page one)*

**Alliance HealthCare Services**

*Date signed* **1-25-2011**

**Please return the completed form by 5:00 p.m. Monday, February 14, 2011 by email to [DHSR.SMFP.Registration-Inventory@dhhs.nc.gov](mailto:DHSR.SMFP.Registration-Inventory@dhhs.nc.gov) (pdf file), or mail to Kelli Fisk, Medical Facilities Planning Section, 2714 Mail Service Center, Raleigh, NC 27699-2714. If you have questions, send an email to [DHSR.SMFP.Registration-Inventory@dhhs.nc.gov](mailto:DHSR.SMFP.Registration-Inventory@dhhs.nc.gov) or call (919) 855-3865.**

**Thank you!**

Name of entity that acquired the equipment (from page one) **Alliance HealthCare Services**



Name of entity that acquired the equipment (from page one) Alliance HealthCare Services