



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

November 18, 2021

Kimberly Jacobs  
Kimberly.Jacobs@kingsmedical.com

**Exempt from Review – Replacement Equipment**

**Record #:** 3743  
**Date of Request:** November 18, 2021  
**Business Name:** Kings Medical Group  
**Business #:** 842  
**Project Description:** Temporarily replace grandfathered mobile MRI scanner due to fire damage  
**Counties:** Buncombe & Mecklenburg

Dear Ms. Jacobs:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced project is exempt from certificate of need review in accordance with G.S. 131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the Siemens 1.5T Espree (serial #30781) to temporarily replace the Siemens 1.5T Espree (serial #31421) damaged by fire. This determination is based on your representations that the existing mobile MRI scanner is a total loss and cannot be used again; the replacement mobile MRI scanner from the out-of-state vendor will be removed and will not be used again in the State without first obtaining a certificate of need if one is required once the permanent replacement mobile MRI scanner is obtained; and Kings Medical Group will submit an exemption request for the permanent replacement mobile MRI scanner once it is obtained.

It should be noted that the 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 office and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie M. Faenza  
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

**From:** [Faenza, Julie M](#)  
**To:** [Waller, Martha K](#)  
**Subject:** FW: [External] Temporary CON Replacement - Mobile Siemens MRI  
**Date:** Thursday, November 18, 2021 9:59:09 AM  
**Attachments:** [Outlook-5tdofhz.png](#)

---

Can we please log this as an exemption request? Thanks!

**Julie M. Faenza, Esq.**

Project Analyst, Certificate of Need

[Division of Health Service Regulation](#), [Healthcare Planning and Certificate of Need Section](#)  
[NC Department of Health and Human Services](#)

Office: 919-855-3873 (*I am working remotely most of the time; email is the best way to reach me.*)

[Julie.Faenza@dhhs.nc.gov](mailto:Julie.Faenza@dhhs.nc.gov)

Pronouns: She/her/hers

**Don't wait to vaccinate. Find a COVID-19 vaccine location near you at [MySpot.nc.gov](#).**

[Twitter](#) | [Facebook](#) | [Instagram](#) | [YouTube](#) | [LinkedIn](#)

---

**From:** Kimberly Jacobs <Kimberly.Jacobs@kingsmedical.com>

**Sent:** Thursday, November 18, 2021 9:54 AM

**To:** Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Pittman, Lisa <lisa.pittman@dhhs.nc.gov>; Lightbourne, Ena <ena.lightbourne@dhhs.nc.gov>; Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>

**Cc:** deshepard@medquestmail.com; Eric Evans <Eric.Evans@kingsmedical.com>; Jessica Spachner <Jessica.Spachner@kingsmedical.com>; David L. Sweitzer <david.sweitzer@kingsmedical.com>

**Subject:** [External] Temporary CON Replacement - Mobile Siemens MRI

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Good morning CON Team,

Kings Medical Group (KMG) operates grandfathered mobile MRI scanners in North Carolina. The trailer for one of our mobiles, a Siemens 1.5T Espree having a serial number of 31421, known as Kings 1, caught on fire on Monday, November 8, 2021 while travelling on NC Highway 16 North near Denver, NC. The unit is believed to be a total loss and we are currently working to source a permanent replacement.

In the meantime, KMG needs to maintain services to its customer, Foundation Health Mobile Imaging, LLC (FHMI), a subsidiary of Novant Health, Inc., at various host sites so that patients can be treated without further service interruption. Due to the fire damage, many patients have already had to be rescheduled. Acquiring a permanent replacement MRI scanner for Kings 1 is going to take several months, due to global supply chain issues. KMG has no other mobile MRI inventory it can deploy to these host sites in the interim.

As a temporary solution, KMG proposes to enter into a contract with an out of state vendor, Shared Imaging of Streamwood, IL., to temporarily replace the damaged MRI. The temporary replacement mobile MRI will be a Siemens 1.5T Espree having a serial number of 30781, just like the one involved in the fire. The temporary replacement mobile scanner will be made available to FHMI under a services agreement. The host sites that would be covered by this temporary arrangement are:

1. Open MRI & Imaging of Asheville (Buncombe County)
2. Novant Health Imaging Steele Creek (Mecklenburg County)
3. Novant Health Imaging University (Mecklenburg County)
4. Novant Health Mint Hill Medical Center (Mecklenburg County)

**We would like to implement the temporary replacement by November 19, 2021.** We are not certain right now how long we will need the temporary replacement, but expect it will last for several months. When the permanent replacement for Kings 1 is ready, the temporary arrangement with Shared Imaging will end, and the Shared Imaging scanner will be taken out of North Carolina. When we have the details of the permanent replacement for Kings 1, we will follow up with a replacement equipment exemption request.

Under the circumstances, and since time is of the essence so as not to create further disruption to patients, may we proceed with the temporary replacement of Kings 1?

Thank you for your time, and please feel free to contact with me any questions.

Kimberly

**Kimberly Jacobs** | Chief Executive Officer

**KMG** | *An Employee Owned Company*

Direct: 330.671.7113



---

Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized State official. Unauthorized disclosure of juvenile, health, legally privileged, or otherwise confidential information, including confidential information relating to an ongoing State procurement effort, is prohibited by law. If you have received this email in error, please notify the sender immediately and delete all records of this email.