



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 22, 2022

David J. French  
Djfrench45@gmail.com

**Exempt from Review – Replacement Equipment**

**Record #:** 3928  
**Date of Request:** June 10, 2022  
**Business Name:** Alliance Healthcare Services, Inc.  
**Business #:** 60  
**Project Description:** Temporarily replace mobile MRI scanner  
**Counties:** Cleveland, Mecklenburg, Scotland, and Union

Dear Mr. French:

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 GE SIGNA 407 (Serial #1SFA482641182704) to temporarily replace the GE SIGNA 457 (Serial #1S9FA482181183197). This determination is based on your representations that, after repairs to the GE SIGNA 457 (Serial #1S9FA482181183197), the temporary replacement unit will be removed from the state, sold, or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

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

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## ALLIANCE HEALTHCARE SERVICES

June 10, 2022

Mrs. Julie Faenza, CON Analyst  
Health Care Planning and Certificate of Need Section  
2704 Mail Service Center  
Raleigh, NC 27699-2704

RE: Alliance Healthcare Services - Written Notice for Exemption from CON Review for Temporary Replacement of Mobile MRI Scanner SIGNA 457 Serial # 1S9FA482181183197

Dear Mrs. Faenza,

Alliance Healthcare Services (Alliance) has an urgent need to temporarily replace mobile MRI scanner SIGNA 457 Serial # 1S9FA482181183197, in Mecklenburg County.

Please accept this notice of exemption to temporarily replace the above SIGNA 457 unit with SIGNA 407 that will be brought into service in North Carolina on a short-term basis. Once the SIGNA 457 mobile MRI unit is repaired SIGNA 407 will be removed from North Carolina as it will be replaced by its temporary unit and then its permanent replacement.

This letter provides justification and written notice regarding the replacement equipment in accordance with NCGS 131 E-184. Alliance Healthcare Services also provides documentation that the replacement equipment conforms to G.S. 131E-184 (a) (7) Exemptions from Review to provide replacement equipment and 10A NCAC 14C.0303 Replacement Equipment Administrative Rules.

### **Overview**

The existing mobile MRI scanner requires temporary replacement for several reasons:

- 1) The existing SIGNA 457 urgently requires repairs to the air conditioning system.
- 2) Service to the existing host site will be disrupted if a temporary replacement mobile MRI scanner is not provided
- 3) Patient diagnosis and treatment at the host sites will be disrupted without access to MRI.
- 4) Alliance has no available capacity on other MRI scanners in North Carolina to provide coverage for the unit that needs to be repaired.

Alliance recognizes the need to provide high quality, cost effective, and reliable mobile MRI scanner service. The host sites that will be served by the temporary replacement mobile MRI scanners are:

OrthoCarolina Spine Center, 2001 Randolph Rd. Charlotte Mecklenburg County  
OrthoCarolina University 9848 N. Tryon St., Charlotte NC 28262 Mecklenburg County  
OrthoCarolina 101 Delta Park, Shelby NC 28150 Cleveland County  
OrthoCarolina 1604 Medical Drive, Laurinburg NC 28352 Scotland County  
OrthoCarolina 703 Comfort Lane, Monroe NC 28112 Union County

### **Compliance Documentation**

Compliance with G.S. 131E-176 (22a) Replacement Equipment Definition is demonstrated because the temporary replacement MRI scanner has a current fair market value of \$450,000.

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

The temporary replacement MRI scanner is comparable to the equipment being replaced because the temporary replacement equipment will also obtain MRI images and data. No increases in costs or patient charges will result from the temporary replacement.

As a temporary replacement, SIGNA 407 will be removed from North Carolina once the SIGNA 457 is brought into service at the OrthoCarolina host sites.

### EQUIPMENT COMPARISON

	<b>EXISTING EQUIPMENT</b>	<b>TEMPORARY REPLACEMENT</b>
Type of Equipment (List Each Component)	<b>MRI</b>	<b>MRI</b>
Manufacturer of Equipment	<b>GE</b>	<b>GE</b>
Tesla Rating for MRIs	<b>1.5T</b>	<b>1.5T</b>
Model Number	<b>SIGNA HDx 8 Ch</b>	<b>SIGNA Excite 8 Channel</b>
Serial Number	<b>1S9FA482181183197</b>	<b>1SFA482641182704</b>
Provider's Method of Identifying Equipment	<b>SIGNA 457</b>	<b>SIGNA 407</b>
Specify if Mobile or Fixed	<b>Mobile</b>	<b>Mobile</b>
Mobile Trailer Serial Number/VIN #	<b>1S9FA482181183197</b>	<b>1SFA482641182704</b>
Mobile Tractor Serial Number/VIN #	<b>NA – No changes</b>	<b>No-changes</b>
Date of Acquisition of Each Component	<b>2008</b>	<b>2004</b>
Hold Title or Lease	<b>Alliance holds title</b>	<b>Alliance holds title</b>
Specify if Equipment Was/Is New or Used When Acquired	<b>New</b>	<b>Unit owned by Alliance Used</b>
Total Capital Cost of Project (no construction involved)	<b>NA</b>	<b>NA</b>
Total Cost of Equipment	<b>NA</b>	<b>NA</b>
Fair Market Value of Equipment	<b>NA</b>	<b>Temporary</b>
Net Purchase Price of Equipment	<b>NA</b>	
Locations Where Operated Currently	<b>Please see OC list</b>	<b>Please see OC list</b>
Number Days In Use/To be Used in N.C. Per Year	<b>Up to 365</b>	<b>Temporary</b>
Percent of Change in Patient Charges (by Procedure)	<b>NA</b>	<b>0%</b>
Percent of Change in Per Procedure Operating Expenses (by Procedure)	<b>NA</b>	<b>0%</b>
Type of Procedures Currently Performed on Existing Equipment	<b>MRI Procedures</b>	<b>MRI Procedures</b>
Type of Procedures New Equipment is Capable of Performing	<b>NA</b>	<b>MRI Procedures</b>

Thank you for your review and consideration of this information. Please call me 336 432-8308 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. French", written over a horizontal line.

David French  
Consultant to Alliance Healthcare Services  
P.O. Box 2154  
Reidsville, NC 27023  
djfrench45@gmail.com

Cc: Jennifer Freeman and Rodney Skelding  
Managers of Operations  
Alliance Healthcare Services