



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

May 2, 2022

David J. French  
[Dj french45@gmail.com](mailto:Dj french45@gmail.com)

**Exempt from Review – Replacement Equipment**

**Record #:** 3886  
**Date of Request:** April 25, 2022  
**Business Name:** Alliance Healthcare Services, Inc.  
**Business #:** 60  
**Project Description:** Temporarily replace mobile MRI scanner while the mobile MRI scanner is undergoing repairs  
**County:** Statewide

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 put into service without a certificate of need, the existing GE Signa HD to temporarily replace the Siemens ESPEE while it is undergoing repair. This determination is based on your representations that the existing unit will be 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,

Kim Meymandi  
Project Analyst

Micheala Mitchell  
Chief

cc: Construction Section, DHSR

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

April 24, 2022

Ms. Kim Meymandi, CON Analyst  
Ms. Micheala Mitchell, Chief  
Health 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 ESP 66 (Legacy Unit)

Dear Ms. Mitchell and Ms. Meymandi:

I am writing on behalf of my client, Alliance Healthcare Services, regarding the need to replace mobile MRI scanner ESP 66 (Legacy Unit) because this equipment requires repairs. Please accept this notice of exemption to temporarily replace ESP 66 with SIGNA 457 Serial 1S9FA482181183197, which is an existing mobile MRI scanner owned by Alliance. Once the repairs to ESP 66 is repairs, the temporary replacement (SIGNA 457) will be removed from North Carolina.

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 the Certificate of Need laws and Administrative rules: G.S. 131E-184 (a) (7) Exemptions from review to provide replacement equipment 10A NCAC 14C.0303 Replacement Equipment Administrative Rules

**Overview**

The existing mobile MRI scanner, SIGNA 270, requires repairs and needs to be removed from service to the following host sites:

UNC Burlington  
1225 Huffman Mill Rd.  
Burlington, NC 28715 (Alamance)

UNC Eastown Medical Center  
100 Eastown Dr.  
Chapel Hill, NC 27514 (Orange)

Chatham Hospital  
475 Progress Blvd.  
Siler City, NC 27344 (Chatham)

Charlotte Eyes, Ears, Nose and Throat Associates (CEENTA)  
6035 Fairview Rd.  
Charlotte, NC 28210 (Mecklenburg)

**Compliance Documentation**

Compliance with G.S. 131E-176 (22a) Replacement Equipment Definition is evident because the replacement MRI scanner was purchased new on 12/31/2021 and the purchase price was \$1,050,000.

The replacement MRI equipment will be used for the same diagnostic purposes as the existing equipment. In addition, 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.

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

Alliance Healthcare Services plans to use an existing mobile MRI as the replacement. No equipment will be purchased. The replacement equipment conforms to the rules as follows:

### **10A NCAC 14C .0303 REPLACEMENT EQUIPMENT**

(a) This Rule defines the terms used in the definition of “replacement equipment” set forth in G.S. 131E-176(22a).

Alliance Healthcare Services has reviewed this rule definition.

(b) “Currently in use” means that the equipment to be replaced has been used by the person requesting the exemption at least 10 times to provide a health service during the 12 months prior to the date the written notice required by G.S. 131E-184(a) is submitted to the CON Section.

Alliance Healthcare Services confirms that ESP 66 meets the definition of “currently in use” because the MRI scanner provided mobile MRI service at UNC Burlington, UNC Eastown, Chatham Hospital and CEENTA host sites for more than 10 days during the past year.

(c) Replacement equipment is not “comparable” if: (1) the replacement equipment to be acquired is capable of providing a health service that the equipment to be replaced cannot provide; or (2) the equipment to be replaced was acquired less than 12 months prior to the date the written notice required by G.S. 131E-184(a) is submitted to the CON Section and it was refurbished or reconditioned when it was acquired by the person requesting the exemption.

The replacement MRI scanner is comparable to the equipment being replaced because the replacement equipment will be used to acquire the same types of MRI images and data. Alliance Healthcare Services certifies that the replacement mobile MRI equipment will be used for the same diagnostic purposes as the existing MRI unit. The existing equipment to be replaced was acquired in 2016.

Please see the attached Equipment Comparison Form:

**EQUIPMENT COMPARISON**

	<b>EXISTING EQUIPMENT</b>	<b>Temporary REPLACEMENT</b>
Type of Equipment (List Each Component)	MRI	MRI
Manufacturer of Equipment	Siemens	GE
Tesla Rating for MRIs	1.5T	1.5T
Model Number	ESPEE	SIGNA HD
Serial Number	ESP 66	1S9FA482181183197
Provider's Method of Identifying Equipment	1M9A3A820YH022324	SIGNA 457
Specify if Mobile or Fixed	Mobile	Mobile
Mobile Trailer Serial Number/VIN #	1M9A3A820YH022324	1S9FA482181183197
Mobile Tractor Serial Number/VIN #	NA – No changes	NA – No changes
Date of Acquisition of Each Component	2016	2008
Hold Title or Lease	Holds Title	Holds Title
Specify if Equipment Was/Is New or Used When Acquired	New	Existing Own by Alliance
Total Capital Cost of Project (no construction involved)	NA	\$400,000 Already owned by Alliance
Total Cost of Equipment	NA	NA
Fair Market Value of Equipment	NA	NA
Net Purchase Price of Equipment	NA	NA
Locations Where Operated	UNC Burlington, UNC Eastown, Chatham Hospital and CEENTA	UNC Burlington, UNC Eastown, Chatham Hospital and CEENTA
Number Days In Use/To be Used in N.C. Per Year	Up to 365	Short Term Replacement
Percent of Change in Patient Charges (by Procedure)	NA	0%
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	0%
Type of Procedures Currently Performed on Existing Equipment	MRI Procedures	MRI Procedures
Type of Procedures New Equipment is Capable of Performing	NA	MRI Procedures

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

Sincerely,

A handwritten signature in cursive script, appearing to read "David J. French".

David J. French

Consultant to Alliance Healthcare Services

138 Lake Hunt Dr.  
Reidsville, NC 27023  
djfrench45@gmail.com

Cc: Rodney Skelding  
Manager of Operations  
Alliance Healthcare Services