



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

September 27, 2022

Tina Hare Hinshaw

[thinshaw@allianceradiology-us.com](mailto:thinshaw@allianceradiology-us.com)

**Exempt from Review – Replacement Equipment**

**Record #:** 4040

**Date of Request:** September 15, 2022

**Business Name:** Alliance Healthcare Services, Inc.

**Business #:** 60

**Project Description:** Temporarily replace mobile MRI scanner

Dear Ms. Hinshaw:

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 ESP 51 mobile MRI scanner, VIN # 1M9A3A823AH022453 to temporarily replace the ESP 21 mobile MRI scanner while the ESP 21 undergoes repairs. This determination is based on your representations that the temporary replacement ESP 51 unit 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,

Tanya M. Saporito

Project Analyst

Micheala Mitchell

Chief

cc: Acute and Home Care Licensure and Certification Section, DHSR  
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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

September 15, 2022

Mr. Mike McKillip, 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 the Temporary Replacement of MRI Scanner ESP21

Dear Mrs. McKillip and Ms. Mitchell:

I am writing regarding the urgent need to temporarily replace MRI scanner ESP 21 such that maintenance and repairs can be completed. Please accept this notice of exemption to temporarily replace ESP21 with ESP51, VIN# 1M9A3A823AH022453 which is an existing mobile MRI scanner owned by Alliance and will be utilized as the interim temporary MRI for this scanner. When ESP51 is no longer needed to serve as a temporary replacement for ESP21, it will be removed from North Carolina.

The legacy Alliance MRI ESP21 (Serial#30717) is a scanner that has properly been reported in the 2023 NC MRI Equipment Inventory and serves:

- Raleigh Radiology at 3200 Blue Ridge Road, Raleigh NC 28612 (Wake)

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

#### Overview

This existing MRI scanner requires temporary replacement due to:

- Chiller parts failure
- Service to the existing host site is disrupted if temporary replacement MRI is not provided
- Alliance has no available capacity on other MRI scanners in North Carolina to provide coverage for the unit that needs to be repaired.

#### Compliance Documentation

Compliance with G.S. 131E-176 (22a) Replacement Equipment Definition is evident because the temporary replacement scanner has a fair market value of \$350,000 to \$400,000 which is far less than the \$2,000,000 threshold.

The replacement MRI equipment will be used for the same diagnostic purposes as the existing equipment. In addition, Alliance is providing 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 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) 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 ESP21 meets the definition of “currently in use” because the MRI scanner provides service during the previous 12 months prior to the date of this written notice.

(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 temporary 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, ESP21, will be temporarily replaced by ESP51, which will be removed from North Carolina once repairs to ESP21 are completed. The temporary use of replacement ESP 51 will be discontinued in approximately two days (in September 2022) when the repair of ESP21 has been completed and returned to service.

Thank you for your review and consideration of this information. Please call me at 805.325.3078 if you have any questions.

Sincerely,



Tina Hair Hinshaw, MBA  
RVP, Mobile Operations Southeast Region  
805.325.3078  
[thinshaw@allianceradiology-us.com](mailto:thinshaw@allianceradiology-us.com)

CC: Jennifer Freeman, Manager of Operations Alliance Healthcare Services/Alliance Radiology  
David French, Consultant, POBox 2154, Reidsville, NC 27023 [djfrench45@gmail.com](mailto:djfrench45@gmail.com)

**From:** [Tina Hinshaw](#)  
**To:** [Mckillip, Mike](#); [Waller, Martha K](#)  
**Cc:** [David French](#); [Jennifer Freeman](#); [Tina Hinshaw](#)  
**Subject:** [External] Alliance Temporary MRI Replacement ESP 21  
**Date:** Thursday, September 15, 2022 3:17:20 PM  
**Attachments:** [image001.png](#)  
[AR\\_NCCON\\_ESP51\\_Temp\\_Coverage\\_for\\_ESP21\\_09152022.pdf](#)

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Mike,

Please confirm that you have received the attached notice for the temporary replacement of one Alliance MRI scanner. It is a very short term replacement (2 days). Should you have any questions, please give me a call. 805.325.3078

**Tina Hinshaw, MBA**

RVP, Mobile Operations Southeast Region

Alliance HealthCare Radiology

Elon, NC

805.325.3078



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