



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

July 14, 2021

David French, Consultant to Alliance Healthcare Services  
[djfrench45@gmail.com](mailto:djfrench45@gmail.com)

**Exempt from Review – Replacement Equipment**

**Record #:** 3609  
**Date of Request:** July 8, 2021  
**Business Name:** Alliance Healthcare Services, Inc.  
**Business #:** 60  
**Project Description:** Temporarily replace a mobile MRI scanner  
**County:** Wake

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 Siemens 1.5T Symphony mobile MRI scanner (SYM 67) to temporarily replace the GE 1.5T mobile MRI scanner (Signa 457). This determination is based on your representations that when the temporary unit (SYM 67) is no longer needed to serve as a temporary replacement for SIGNA 457, it will be removed from North Carolina.

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,

Michael J. McKillip  
Project Analyst

Micheala Mitchell  
Section Chief, Healthcare Planning and Certificate of Need

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  
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## ALLIANCE HEALTHCARE SERVICES

July 8, 2021

Mr. Mike McKillip, 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 (CON J-7757-06), in Wake County

Dear Mr. McKillip

Raleigh Orthopaedic Clinic (ROC) has an urgent need to temporarily replace mobile MRI scanner SIGNA 457 Serial # 1S9FA482181183197 (CON J-7757-06), in Wake County. This MRI scanner is leased to Raleigh Orthopaedic Clinic by Alliance Healthcare Services and has been properly reported to DHSR Healthcare Planning.

Please accept this notice of exemption to temporarily replace the above SIGNA 457 unit with the Alliance SYM 76, that will be brought into North Carolina on a short-term basis. When the temporary unit, SYM 76, is no longer needed to serve as a temporary replacement for SIGNA 457 it 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 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) Raleigh Orthopaedic Clinic and Alliance have 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 replacement mobile MRI scanner are:

Raleigh Orthopaedic Clinic  
3001 Edwards Mill Rd  
Raleigh, NC 27612

Raleigh Orthopaedic Clinic  
115 Kildaire Park Dr  
Cary, NC 27518

Raleigh Orthopaedic Clinic  
10880 Durant Road  
Raleigh, NC 27614

Raleigh Orthopaedic Clinic  
1305 Timber Drive  
Garner, NC 27529

### **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.

The replacement MRI equipment will be used for the same diagnostic purposes as the existing equipment. In addition, Raleigh Orthopaedic Clinic and Alliance are providing prior written notice to the Department in accordance with G.S. 131E-184 (a) (7) Exemption from Review to provide replacement equipment.

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

ROC and Alliance plan to use an existing mobile MRI as a temporary replacement. The replacement MRI scanner is comparable to the equipment being replaced because the temporary replacement equipment will also obtain MRI images and data. The proposed replacement mobile MRI scanner will be used to acquire the same types of MRI images and data. No increases in costs or patient charges will result from the temporary replacement. The existing equipment SIGNA 457 will be brought back into service and the temporary replacement unit will be removed from North Carolina.

## 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>Siemens</b>
Tesla Rating for MRIs	<b>1.5T</b>	<b>1.5T</b>
Model Number	<b>SIGNA</b>	<b>Symphony</b>
Serial Number	<b>1S9FA482181183197</b>	<b>1C9FA4826N1182218</b>
Provider's Method of Identifying Equipment	<b>SIGNA 457</b>	<b>SYM 67</b>
Specify if Mobile or Fixed	<b>Mobile</b>	<b>Mobile</b>
Mobile Trailer Serial Number/VIN #	<b>1S9FA482181183197</b>	<b>1C9FA4826N1182218</b>
Mobile Tractor Serial Number/VIN #	<b>NA – No changes</b>	<b>NA – No changes</b>
Date of Acquisition of Each Component	<b>2008</b>	<b>2010</b>
Hold Title or Lease	<b>ROC leases from Alliance</b>	<b>Alliance Holds Title</b>
Specify if Equipment Was/Is New or Used When Acquired	<b>New</b>	<b>New</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>Rental Temporary</b>
Net Purchase Price of Equipment	<b>NA</b>	<b>NA</b>
Locations Where Operated Currently	<b>Please see list</b>	<b>Please see 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>

The temporary use of replacement unit to serve the host sites will be discontinued when the repair of SIGNA 457 has been completed and the scanner has been returned to service.

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 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