



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

February 3, 2022

David French, Consultant to Alliance Health Services
Djfrench45@gmail.com

Exempt from Review – Replacement Equipment

Record #: 3805
Date of Request: January 26, 2022
Business Name: Alliance Healthcare Services, Inc.
Business #: 60
Project Description: 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 Espree 1.5T mobile MRI scanner (ESP 60) to replace the GE Signa 1.5T mobile MRI scanner (SIGNA 447). 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,

Michael J. McKillip
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

ALLIANCE HEALTHCARE SERVICES

January 26, 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
Permanent Replacement of Mobile MRI Scanner SIGNA 447

Dear Ms. Mitchell and Mr. Mckillip:

I am writing on behalf of my client, Alliance Healthcare Services, regarding the need to replace mobile MRI scanner SIGNA 447 (Legacy Unit) because this equipment does not have the design features that match the needs of the host sites. This MRI scanner is an existing Legacy unit that was properly reported in the 2021 Equipment Inventory Form.

Please accept this notice of exemption to permanently replace the above unit with ESP 60 Serial # 1M9A3A82XGH022846, which is an existing mobile MRI scanner owned by Alliance. With this replacement, SIGNA 447 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 447, needs to be replaced because it does not have the specific type of open bore that are needed to serve the following host sites:

Raleigh Radiology
1101 Great Falls Ct.
Knightdale, NC 27545 (Wake County)

Raleigh Radiology
11618 US 70 Business
Clayton, NC 27520 (Johnston County)

Raleigh Radiology
11640 NorthPark Dr.
Wake Forest, NC 27587 (Wake County)

Compliance Documentation

Compliance with G.S. 131E-176 (22a) Replacement Equipment Definition is evident because the replacement scanner has a fair market value of \$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 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 SIGNA 447 meets the definition of “currently in use” because the MRI scanner provided service at Southeastern Orthopedic Specialists in Greensboro 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 2004.

Please see the attached Equipment Comparison Form:

EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	Permanent REPLACEMENT
Type of Equipment (List Each Component)	MRI	MRI
Manufacturer of Equipment	GE	Siemens
Tesla Rating for MRIs	1.5T	1.5T
Model Number	SIGNA HDxt	ESPREE
Serial Number	1S9FA482171183120	# 1M9A3A82XGH022846
Provider's Method of Identifying Equipment	SIGNA 447	ESP 60
Specify if Mobile or Fixed	Mobile	Mobile
Mobile Trailer Serial Number/VIN #	1S9FA482171183120	# 1M9A3A82XGH022846
Mobile Tractor Serial Number/VIN #	NA – No changes	NA – No changes
Date of Acquisition of Each Component	2004	2012
Hold Title or Lease	Holds Title	Holds Title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (no construction involved)	NA	\$400,000 FMV 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 Currently	Southeastern Orthopedic Specialists in Guilford	Raleigh Radiology sites in Wake and Johnston Counties
Number Days In Use/To be Used in N.C. Per Year	Up to 365	Up to 365 days
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

P.O. Box 2154
Reidsville, NC 27023
djfrench45@gmail.com

Cc: Rodney Skelding
Manager of Operations
Alliance Healthcare Services

From: [David French](#)
To: [Mckillip, Mike](#); [Waller, Martha K](#)
Cc: [Rodney Skelding](#); [Jennifer Freeman](#); [Tina Hinshaw](#)
Subject: [External] Alliance MRI Replacement Exemption
Date: Wednesday, January 26, 2022 2:54:04 PM
Attachments: [ALLIANCE Replacement Exemption for SIGNA 447 w ESP 60.pdf](#)

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

Good afternoon,

Please confirm that you have received the attached exemption request.

Thank you,

David French
336 432-8308