



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

CORRECTED

May 31, 2022

David French
Dj french45@gmail.com

Exempt from Review – Replacement Equipment

Record #: 3908
Date of Request: May 5, 2022
Facility Name: Alliance Healthcare Services, Inc.
FID #: 001325
Business Name: Alliance Healthcare Services, Inc.
Business #: 60
Project Description: Replace mobile MRI scanner
County: Guilford

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 mobile MRI scanner Signa 425, an existing Alliance Legacy Unit, to replace the mobile MRI scanner Signa 407 assigned to Project ID #G-6271-00, and to acquire mobile MRI scanner Signa 457 to replace Signa 425 as an Alliance Legacy Unit. This determination is based on your representations that the existing unit, mobile MRI scanner Signa 407, 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,

[Handwritten signature of Gregory F. Yakaboski]

Gregory F. Yakaboski
Project Analyst

[Handwritten signature of Micheala Mitchell]

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

ALLIANCE HEALTHCARE SERVICES

May 5, 2022

Ms. Ena Lightbourne, 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 407 with the Reassignment and Replacement of SIGNA 425

Dear Ms. Mitchell and Ms. Lightbourne:

I am writing on behalf of my client, Alliance Healthcare Services (“Alliance”), regarding the need to replace mobile MRI scanner SIGNA 407 (CON Project # G-6271-00) because this equipment is outdated and does not match the needs of the host sites. This MRI scanner is an existing CON approved unit that was properly reported in the 2022 Equipment Inventory Form.

Mobile MRI SIGNA 407 (CON Project # G-6271-00) will be removed from North Carolina and will be replaced by mobile MRI Signa 425 which is a Legacy mobile MRI that is currently included in the North Carolina Alliance MRI inventory. Thus SIGNA 425 will then be assigned to the CON # G-6271-00. The replacement mobile MRI unit that will be brought into North Carolina as the permanent replacement for SIGNA 425 will be SIGNA 457, a mobile MRI unit that is currently owned by Alliance.

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 407 (CON Project # G-6271-00) that needs to be replaced due to its age and condition, currently serves the following host sites:

OrthoCarolina – Hickory
214 18th Street SE
Hickory, NC 28602

OrthoCarolina – Monroe
703 Comfort Lane
Monroe, NC 28112

To serve these host sites, an existing Legacy MRI unit SIGNA 425, that is present in North Carolina inventory will then be assigned to the CON # G-6271-00 as the replacement for SIGNA 407. Alliance confirms that SIGNA 407 will be removed from North Carolina.

The replacement unit that will be brought into North Carolina to maintain the Alliance inventory (with the reassignment of SIGNA 425) is SIGNA 457. This replacement unit will become a Legacy unit to serve the following existing host sites:

OrthoCarolina Spine Center
2001 Randolph Road
Charlotte, NC 28207

OrthoCarolina – Shelby
101 Delta Park Drive
Shelby, NC 28150

OrthoCarolina Monroe
703 Comfort Lane
Monroe, NC 28112

OrthoCarolina University
9848 North Tryon
Charlotte, NC 28262

OrthoCarolina Scotland
1604 Medical Drive
Laurinburg, NC 2835

Compliance Documentation

Compliance with G.S. 131E-176 (22a) Replacement Equipment Definition is evident because the Fair Market Value of the replacement MRI scanner is \$400,000.

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.

Alliance Healthcare Services confirms that SIGNA 407 and SIGNA 425 meet the definition of “currently in use” because these MRI scanners provided thousands of procedures at the above listed host sites throughout the previous year. 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.

Please see the attached Equipment Comparison Form:

	EXISTING EQUIPMENT CON G-6271-00	Permanent REPLACEMENT Existing LEGACY (to be assigned CON G-6271-00)	Permanent REPLACEMENT LEGACY Unit
Type of Equipment (List Each Component)	MRI	MRI	MRI
Manufacturer of Equipment	GE	GE	GE
Tesla Rating for MRIs	1.5T	1.5T	1.5T
Model Number	SIGNA Excite	SIGNA Excite HD	
Serial Number	1S9FA482641182704	1S9FA482X61182854	1S9FA482181183197
Provider's Method of Identifying Equipment	SIGNA 407	SIGNA 425	SIGNA 457
Specify if Mobile or Fixed	Mobile	Mobile	Mobile
Mobile Trailer Serial Number/VIN #	1S9FA482641182704	1S9FA482X61182854	1S9FA482181183197
Mobile Tractor Serial Number/VIN #	NA – No changes	NA – No changes	NA- no changes
Date of Acquisition of Each Component	2004	2005	2008
Hold Title or Lease	Holds Title	Holds Title	Holds Title
Specify if Equipment Was/Is New or Used When Acquired	New	New	New
Total Capital Cost of Project (no construction involved)	NA	Already owned by Alliance	Already owned by Alliance
Total Cost of Equipment	NA	NA	NA
Fair Market Value of Equipment	NA	NA	\$400,000 FMV (see attached)
Net Purchase Price of Equipment	NA	NA	
Locations Where Operated	Ortho Carolina Hickory and OrthoCarolina Monroe	Ortho Carolina Hickory and OrthoCarolina Monroe	OrthoCarolina Spine Center, OrthoCarolina – Shelby, OrthoCarolina Monroe, OrthoCarolina University and OrthoCarolina Scotland
Number Days In Use/To be Used in N.C. Per Year	Up to 365	Up to 365 days	Up to 365 days
Percent of Change in Patient Charges (by Procedure)	NA	0%	0%
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	0%	0%
Type of Procedures Currently Performed on Existing Equipment	MRI Procedures	MRI Procedures	MRI Procedures
Type of Procedures New Equipment is Capable of Performing	NA	MRI Procedures	MRI Procedures
Alliance Inventory Changes in North Carolina	To be removed	To be reassigned as above	To be added

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 Drive
Reidsville NC 27320

Cc: Rodney Skelding
Manager of Operations
Alliance Healthcare Services

MARKET VALUATION FOR ALLIANCE HEALTHCARE RADIOLOGY

Block Imaging International, Inc. a Michigan corporation having its office at 1845 Cedar St., Holt, MI 48842 has prepared this Market Valuation for Alliance Healthcare Radiology.

Date: April 14, 2022

*Prepared for: Alliance Healthcare Radiology
18201 Von Karman Avenue, Suite 600
Irvine, California 92612
Cathy Weinhold*

Profile of Equipment-

Unit Name: Signa 457
GE 1.5T HDx MRI 8ch

Software Version: 16.0

Software Features: Echo Planar Imaging, Fast gradient Echo, Cine, Fast Spin Echo & Flair, Time of Flight, Phase Contrast Vascular Imaging, SGD_Echospeed, DWI EPI, Flair EPI, SPECIAL, Smart Prep, SSFSE, Three Plane Localizer, Modality Worklist, E3DTOF, FSE_XL, Bloodsupp, Fastcine, Sgdperf, iDrive Pro, iDrive, SmartPrep 2000 Upgrade, Functool 2, Voxtool, Interactive Vascular Imaging, Clairview, Performed Procedure Step, iDrive Pro Plus, Ultrashort TR, T2 Breathhold, SSFSE MRCP, T1 Breathhold, ACGD PLUS, Fluor-triggered MRA, MRCP3, Dynamic R1, Fiesta 2D, Fiesta 3D, Asset, ProbePRESS, 3DFRSE, Asset Plus, Fiesta-c, 3D Fat Sat Fiesta, 2D Fat Sat Fiesta, 8 channel, Lava, Multi-Phase, Blood Flow and Volume Measure, 2D Merge, BRAVO, HDx key, 3D Dual Echo, ARC

Table weight limit: 350 LBS.
Bore size: 60 cm

Coils: Wrist Array, Shoulder Array, GP Flex Small, Quad Extremity, HD Knee Array, Split Head, Body Array, HD CTL, Anterior Bridge

Trailer Manufacturer: Oshkosh Specialty Vehicles
Trailer VIN: 1S9FA482181183197



PHONE 517-668-8800
TOLL-FREE 888-694-6478
FAX 517-668-8899

FMV: \$350,000- \$400,000

The Fair Market Value represented is what Block Imaging considers the median range for an “in-place” asset provided the information presented. Other factors must be considered in valuing what the unit is worth to Alliance Healthcare Radiology or via orderly liquidation. The replacement value of this unit would include the following items not accounted for in this FMV – site preparation, delivery, installation and service agreements.

Prepared By:

Becky Wotring

Title:

Product Support Team Lead

Date:

April 14, 2022

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