



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 16, 2023

Tina Hair Hinshaw,
tina.hinshaw@akumin.com

Exempt from Review – Replacement Equipment

Record #: 4122
Date of Request: January 5, 2023
Business Name: Alliance Healthcare Services, Inc.
Business #: 60
Project Description: Temporarily replace a mobile MRI scanner until a permanent replacement is operational
County: Multiple

Dear Ms. Hinshaw:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation, 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 mobile MRI scanner (SIGNA 461) to temporarily replace the existing mobile MRI scanner (SIGNA 425) until the permanent replacement mobile MRI scanner (SIGNA 273) becomes operational. 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,

Donna Donihi
Monitoring 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

January 5, 2023

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 425 with the Reassignment of SIGNA 461

Dear Ms. Mitchell and Mr. McKillip:

I am writing on behalf of Alliance Healthcare Services (“Alliance”) regarding the need to replace mobile MRI scanner SIGNA 425 (CON# G-6271-00) because this equipment 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.

To optimize routes and host site needs, Mobile MRI SIGNA 425 (CON# G-6271-00) will be removed from North Carolina and will be replaced by mobile MRI SIGNA 461 which is a Legacy mobile MRI that is currently included in the North Carolina Alliance MRI inventory. The replacement mobile MRI unit that will be brought into North Carolina as the permanent replacement will be SIGNA 273, a mobile MRI unit that is currently owned by Alliance and thus will become a Legacy. Thus SIGNA 461 will be assigned to the CON# G-6271-00.

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

OrthoCarolina
214 18th Street SE
Hickory, NC 28602

OrthoCarolina, P.A. [15401]
9848 North Tryon
Charlotte, NC 28262

OrthoCarolina P.A. [21927]
1604 Medical Drive
Laurinburg, NC 28352

Randolph Spine Center [13024]
2001 Randolph Road
Charlotte, NC 28207

OrthoCarolina, P.A. [15352]
703 Comfort Lane
Monroe, NC 28112

To serve these host sites, an existing Legacy MRI unit SIGNA 461, that is present in North Carolina inventory will then be assigned to the CON # G-6271-00 as the replacement for SIGNA 425. Alliance confirms that SIGNA 425 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 461) is SIGNA 273. This replacement unit will become a Legacy unit to serve the following existing host sites:

OrthoCarolina, P.A. [22230]
354 Copperfield Blvd, NE
Concord, NC 28025

OrthoCarolina-Mooresville [15165]
124 Welton Way
Mooresville, NC 28117

OrthoCarolina, P.A. [15400]
870 Summit Crossing Place
Gastonia, NC 28040

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 \$375,000.

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 425 and SIGNA 461 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:

NC CON Equipment Comparison			
	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 Rate for MRIs	1.5T	15T	15T
Model Number	Signa	Signa	Signa
Serial Number	1S9FA482X61182854	1S9FA482081183305	1S9FA482X31182591
Provider's Method of Identifying Equipment	Signa 425	Signa 461	Signa 273
Specify if Mobile or Fixed	Mobile	Mobile	Mobile
Mobile Trailer Serial Number/VIN#	1S9FA482X61182854	1S9FA482081183305	1S9FA482X31182591
Mobile Trailer Serial Number/VIN#	NA No changes	NA No changes	NA No changes
Date of Acquisition of Each Component	2005	2008	2003/upgrade 2014
Hold Title or Lease	Hold Title	Hold Title	Hold Title
Specify if Equipment Was/Is New or Used When Acquired	New	New	New
Total Capital Cost of Project (no construction involved)	Already owned by Alliance	Already owned by Alliance	Already owned by Alliance
Total Cost of Equipment	NA	NA	NA
Fair Market Value of Equipment	NA	NA	\$375,000
Net Purchase Price of Equipment	NA	NA	NA
Locations When Operated			
Number Days in Use/To be Used in NC Per Year	up to 365	up to 365	up to 365
Percent of Change in Patient Charges (by procedure)	NA	NA	0%
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	NA	0%
Type of Procedures Currently Performed on Existing Equipment	MRI	MRI	MRI
Type of Procedures New Equipment is Capable of Performing	MRI	MRI	MRI

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
tina.hinshaw@akumin.com

CC: Rodney Skelding, Manager of Operations Alliance Healthcare Services/Alliance Radiology/Akumin

January 6, 2023

RE: Signa 273 FMV

Fair Market valuation on this Mobile MRI will be \$275,000-**\$375,000** depending on trailer condition.

Sincerely,

Becky Wotring

PRODUCT SUPPORT TEAM LEAD

Office : (517) 999-7064 becky.wotring@blockimaging.com



Unit Signa 273

1.5T Signa HDxT MRI 16 CH

Bore Size: 60 CM

Software 23.0

Software Features

16 Channel System, ARC, Asset, Blood Flow and Volume Measurement, Bloodsupp, BRAVO, TRICKS, IP Protection, Cine, COSMIC, 3D Dual Echo, DW EPI, E3DTOF, Enhanced DWI, Echo Planar Imaging, Fastcine, Fast Gradient Echo, Fiesta 2D, Fiesta 3D, 3D Fat Sat FIESTA, FIESTA-c, FLAIR EPI, 3DFRFSE, Fast Spin Echo and FLAIR, FSE_XL, Fluoro-triggered MRA, Time of Flight, Modality Worklist, iDrive, iDRIVE Pro, Inhance DeltaFlow, Inhance 2D Inflow, Inhance 3D Velocity, Inhance 3D Inflow IR, Lava, Performed Procedure Step, Probe 2000 Upgrade, ProbePRESS, PROPELLER, DW PROPELLER, T1 Flair PROPELLER, T2 PROPELLER, T2 Flair PROPELLER, Probe 3D Prostate, QuickSTEP, iDrive Pro Plus, Smart Prep, SPECIAL, SSFSE, SSFSE MRCP, Three Plane Localizer

Coils

4 CH Shoulder Array (Large and Small), Torso, 8 CH Foot/Ankle, 8 CH Shoulder, 8 CH Knee, 8 CH Wrist, Head, Extremity, 8 CH Brain, Circular, Flex

(Communicated through email to Dean Huffer, Alliance Radiology/Akumin Senior Director, Equipment Services Management dean.huffer@akumin.com)

From: [Mckillip, Mike](#)
To: [Stancil, Tiffany C](#)
Cc: [Mitchell, Micheala L](#)
Subject: FW: [External] Permanent replacement Signa 425 and Reassignment of Signa 461
Date: Monday, January 9, 2023 2:34:11 PM
Attachments: [AR_NCCON_Signa273_Permanent Replacement of Signa425_01052023.pdf](#)
[FMV_Signa_273_Jan2023.pdf](#)

Hi Tiffany,

Attached is an equipment replace exemption request from Alliance Healthcare. Based on the host site, I think Donna is appropriate Project Analyst to prepare the letter. Thanks.

Mike

Michael McKillip

Team Leader, Certificate of Need
Division of Health Service Regulation, Healthcare Planning and Certificate of Need
[NC Department of Health and Human Services](#)

Office: 919-855-3877 (I am in the office on Wednesday and Friday, and can best be reached by email on Monday, Tuesday and Thursday.)
mike.mckillip@dhhs.nc.gov

809 Ruggles Drive, Edgerton
2704 Mail Service Center
Raleigh, NC 27699

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From: Tina Hinshaw <Tina.Hinshaw@akumin.com>
Sent: Monday, January 9, 2023 1:32 PM
To: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>; Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Cc: Rodney Skelding <rodney.skelding@akumin.com>; Tina Hinshaw <tina.hinshaw@akumin.com>; David French <djfrench45@gmail.com>
Subject: [External] Permanent replacement Signa 425 and Reassignment of Signa 461

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Ms. Mitchell and Mr. McKillip,
Happy 2023. I have attached the written notice for replacement of Signa 425 and reassignment of Signa 461. Please let me know if you have any questions/concerns and confirm that you have received the attached correspondence.

Regards,
Tina

Tina Hair Hinshaw
RVP Mobile Operations, Southeast
805.325.3078 (cell)
Tina.Hinshaw@Akumin.com

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