



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

August 16, 2024

Tina Hair Hinshaw

Tina.hinshaw@akumin.com

Exempt from Review – Replacement Equipment

Record #: 4539
Date of Request: July 30, 2024
Business Name: Alliance Healthcare Services, Inc.
Business #: 60
Project Description: Replace a mobile MRI scanner
County: Wake

Dear Tina 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 mobile MRI scanner (Signa 420) to replace the MRI scanner (SYM 43) currently providing services at Duke Raleigh Health-Cary. 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,

Crystal Kearney
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

July 30, 2024

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 Permanent Replacement of MRI Scanner Sym 43 (Legacy CON) by Signa 420

Dear Mrs. McKillip and Ms. Mitchell:

I am writing regarding the urgent need to permanently replace MRI scanner Sym 43 due to catastrophic maintenance needs. Please accept this notice of exemption to permanently replace Sym 43 with Signa 420 which is an existing mobile MRI scanner owned by Alliance and will be utilized as the permanent replacement MRI for this scanner. Sym 43 will be immediately removed from use in NC.

The legacy Alliance MRI Sym 43 is a scanner that has properly been reported in the 2024 NC MRI Equipment Inventory. The existing mobile MRI scanner, SYM 43 (Legacy CON) that needs to be replaced, currently serves the following host site:

Duke Raleigh Health - Cary
3700 NW Cary Parkway
Cary, NC 27513

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 permanent replacement due to:

- Maintenance issues
- Service to the existing host site is disrupted if replacement MRI is not provided

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 \$300,00 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 permanent 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 Sym43 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 permanent 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, Sym43, will be permanently replaced by Signa 420.

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

Sincerely,

A handwritten signature in blue ink that reads "Tina Hair Hinshaw".

Tina Hair Hinshaw, MBA
RVP, Mobile Operations Southeast Region
805.325.3078
tina.hinshaw@akumin.com

CC: Jennifer Freeman, Manager of Operations Alliance Healthcare Services/Alliance Radiology/Akumin

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] Permanent replacement MRI Sym43 with Signa 420
Date: Wednesday, July 31, 2024 10:43:36 AM
Attachments: [Signa420 replacement of Sym43.pdf](#)

Morning Tiffany,

I hope you are well.

This is an exemption request in Wake County for the correspondence log.

Thanks,

Micheala

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: 919 855 3879
Micheala.Mitchell@dhhs.nc.gov

From: Tina Hinshaw <tina.hinshaw@akumin.com>
Sent: Wednesday, July 31, 2024 10:37 AM
To: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>; Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Cc: Jenny Freeman <jennifer.freeman@akumin.com>; Tina Hinshaw <tina.hinshaw@akumin.com>; Kristin Edwards <Kristin.Edwards@akumin.com>
Subject: [External] Permanent replacement MRI Sym43 with Signa 420

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Please see attached letter regarding permanent replacement of MRI Sym 43 (Legacy) with Signa 420 due to maintenance issues.

Please call with any questions or concerns.

Tina

Tina Hinshaw
Vice President, Regional



-  [+1 805-325-3078](tel:+18053253078)
-  tina.hinshaw@akumin.com
-  akumin.com

This message contains information which may be confidential and privileged. Unless you are the intended addressee (or authorized to receive for the intended addressee), you may not use, copy or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply and delete the message. Thank you.

Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized State official. Unauthorized disclosure of juvenile, health, legally privileged, or otherwise confidential information, including confidential information relating to an ongoing State procurement effort, is prohibited by law. If you have received this email in error, please notify the sender immediately and delete all records of this email.