



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

August 23, 2021

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

Exempt from Review – Replacement Equipment

Record #: 3649
Date of Request: August 16, 2021
Business Name: Alliance Healthcare Services, Inc.
Business #: 60
Project Description: Replace a grandfathered MRI scanner located at the EmergOrtho physician office located at 3100 Duraleigh Road in Raleigh
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 Altea 1.5T MRI scanner (Serial # 189900) to replace the GE Signa 1.5T MRI scanner (Serial # 1S9FA482X31182591). 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,

[Handwritten signature of Michael McKillip]

Michael McKillip
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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

ALLIANCE HEALTHCARE SERVICES

August 16, 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 the Permanent Replacement of Mobile MRI Scanner SIGNA 273 Serial # 1S9FA482181183197

Dear Mr. McKillip

Alliance Healthcare Services (Alliance) intends to permanently replace the Legacy (grandfathered) MRI scanner SIGNA 273 that is authorized for use in North Carolina. 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.

The replacement scanner is a Siemens Altea 1.5 Tesla unit serial # 189900. Pursuant to a services agreement, Alliance will install the replacement MRI scanner at the host site:

EmergeOrtho Duraleigh
3100 Duraleigh Rd #100
Raleigh, NC 27612

On May 21, 2020, EmergeOrtho obtained written verification from CON Chief Martha Frisone via email that Alliance can install its Legacy (grandfathered) MRI scanners in any location including a physician office location.

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.

Compliance Documentation

Compliance with G.S. 131E-176 (22a) Replacement Equipment is demonstrated because the replacement MRI scanner has a purchase cost of \$960,000 that will be incurred by Alliance. The cost for EmergeOrtho to set up and install the replacement MRI scanner is \$ 478,765. Therefore, the total capital cost of the replacement MRI scanner is \$1,438,765. Please see the attached documentation.

The replacement MRI equipment will be used for the same diagnostic purposes as the existing MRI equipment. The replacement MRI scanner, designated as Altea 01, 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 Alliance MRI SIGNA 273 will be removed from North Carolina.

EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	TEMPORARY 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	Altea
Serial Number	1S9FA482X31182591	189900
Provider's Method of Identifying Equipment	SIGNA 273	Altea 01
Specify if Mobile or Fixed	Legacy Mobile	Legacy Installed
Mobile Trailer Serial Number/VIN #	1S9FA482181183197	189900
Mobile Tractor Serial Number/VIN #	NA – No changes	NA – No changes
Date of Acquisition of Each Component	2014	2021
Hold Title or Lease	Alliance Holds Title	Alliance Holds Title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project	NA	\$1,438,765
Total Cost of Equipment	NA	\$960,000
Fair Market Value of Equipment	NA	NA
Net Purchase Price of Equipment	NA	\$960,000
Locations Where Operated Currently	Wake County sites	EmergeOrtho-Duraleigh
Number Days In Use/To be Used in N.C. Per Year	Up to 365	Up to 365
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 336 432-8308 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. French", written over a horizontal line.

David French
Consultant to Alliance Healthcare Services
P.O. Box 2154
Reidsville, NC 27023
djfrench45@gmail.com

Cc: Tina Hinshaw, RVP Operations Southeast Region
Kevin Smith, Territory Director
Jennifer Freeman, Managers of Operations
Rodney Skelding, Manager of Operations
Alliance Healthcare Services

EmergeOrtho MRI Installation Costs

Don Brelsford

to Kevin, Jennifer, me ▾

Good morning,

Received the following detail this morning. Let me know if you need anything else.

Thanks,
Don

Don, Here is a schedule of values for only the MRI work at 3100 Duraleigh Road. Let me know if you need this presented differently. Thanks

TRADE	VALUE
GENERAL CONDITIONS	\$ 33,360.00
SITE	\$ 20,000.00
CONCRETE	\$ 29,500.00
MASONRY	\$ 5,000.00
STEEL	\$ 6,000.00
WOOD	\$ 15,700.00
THERM/MOISTURE	\$ 6,500.00
DOOR/WINDOW	\$ 8,000.00
FINISHES	\$ 70,000.00
SPEC.	\$ 14,000.00
EQUIPMENT	\$ 59,000.00
FURNITURE	\$ -
PLUMBING	\$ -
MECHANICAL	\$ 100,000.00
ELECTRICAL & FA	\$ 50,000.00
SUBTOTAL	\$ 417,060.00
OVERHEAD & PROFIT	\$ 37,265.00
CO 1 - Revision 3 Drawings	
CO 2 - Revision 1 Drawings	\$ 5,359.50
CO 3 - Flooring Changes	
CO 4 - Drywall Above Ceiling	\$ -
CO 5 - Chiller Crane	\$ 5,600.00
CO 6 - PLAM Window Sills	
CO 7 - MRI Overhead Plumbing Relocations	\$ 12,490.00
CO 8 - MRI Overhead Electrical Relocations	\$ 990.00
GRAND TOTALS	\$ 478,764.50



Daniel Pullen

M: (919) 247-2663

daniel@rpullen.com

Alliance Purchase Order for Siemens Altea01



Purchase Order

Bill To:
Alliance Healthcare Services
P.O. Box 19532
Irvine, CA 92623
apinvoices@alliancehealthcareservices-us.com

PO Number:	ALTEA01CORP <input type="text"/>	PO Date:	11/3/2020
AR Number:	<input type="text"/>	PO Type:	Capital
Asset ID:	ALTEA 01	Quote Number:	<input type="text"/>

Special Instructions: Please confirm PO receipt and coordinate system delivery with Cathy Weinhold. cweinhold@allianceradiology-us.com

Vendor:	Ship To:
Siemens Medical Solutions 100-SIECAP 40 Liberty Boulevard Malvern PA 19335 Maurice Barton 732-331-2766 maurice.barton@siemens-healthineers.com	EmergeOrtho 3100 Duraleigh Road Raleigh, NC 27612 Kevin Smith 704-905-5131 ksmith@allianceradiology-us.com Cathy Weinhold 717-471-3053 cweinhold@allianceradiology-us.com

Vendor Catalog #	Item Description	UOM	Qty Ordered	Unit Cost	Extended Cost
	MAGNETOM Altea System	EACH	1	\$960,000.00	\$960,000.00

Total PO Cost
\$960,000.00

PO Currency in US Dollars
This purchase order is subjected to Alliance Healthcare Service's standard Terms and Conditions. The standard Terms and Conditions is attached. By providing products and/or services you agree to accept Alliance Healthcare standard Terms and Conditions.

From: [David French](#)
To: [Mckillip, Mike](#)
Cc: [Waller, Martha K](#); [Rodney Skelding](#); [Jennifer Freeman](#); [Kevin Smith](#)
Subject: [External] Alliance MRI Replacement Exemption EmergeOrtho (Wake County)
Date: Monday, August 16, 2021 11:40:19 AM
Attachments: [Alliance MRI Replacement EmergeOrtho Duraleigh in Wake County.pdf](#)

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

Hi,

Please confirm that you have received the attached Alliance equipment replacement exemption.

Let me know if you have any questions.

Thanks

David French
336 432-8308