



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 15, 2022

Kimberly Jacobs
Kimberly.Jacobs@kingsmedical.com

Exempt from Review – Replacement Equipment

Record #: 3816
Date of Request: February 10, 2022
Business Name: Kings Medical Group
Business #: 842
Project Description: Temporarily replace grandfathered mobile MRI scanner due to fire damage
County: Buncombe & Mecklenburg

Dear Ms. Jacobs:

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 1.5T Espree (serial #30075) to temporarily replace the Siemens 1.5T Espree (serial #31421) damaged by fire. This determination is based on your representations that the existing mobile MRI scanner is a total loss and cannot be used again; the replacement mobile MRI scanner from the out-of-state vendor will be removed and will not be used again in the State without first obtaining a certificate of need if one is required once the permanent replacement mobile MRI scanner is obtained; and Kings Medical Group will submit an exemption request for the permanent replacement mobile MRI scanner once it is obtained.

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,

Julie M. Faenza
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

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4125 Highlander Parkway
Suite 150
Richfield, OH 44286
330.528.1765
kingsmedical.com

An Employee Owned Company

February 7, 2022

VIA EMAIL ONLY TO: DHSR.CON.Public.Info.Request@dhhs.nc.gov

Micheala Mitchell, Chief
Certificate of Need and Health Planning Section
North Carolina Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

Dear Ms. Mitchell:

As you may recall, on November 18, 2021, Kings Medical Group ("KMG") notified you about a fire that damaged the trailer and grandfathered MRI scanner, a Siemens 1.5 Espree known as Kings 1, serial number 31421 ("31421 Scanner"). By letter dated November 18, 2021, the Agency permitted KMG to temporarily replace the 31421 Scanner with a Siemens 1.5T Espree owned by Shared Imaging of Streamwood, IL, serial number 30781 (the "30781 Scanner"). A copy of the prior correspondence on this topic is attached for reference. KMG's agreement with Shared Imaging is ending February 18, 2022, so the 30781 Scanner will leave North Carolina and will not be used by KMG again in North Carolina absent further CON approval. In the meantime, so that we may continue to provide services to our customer, MedQuest/Novant, we have now been able to secure an out of state KMG-owned mobile scanner with the serial number 30075 ("30075 Scanner") to temporarily replace the 31421 Scanner. The 30075 Scanner is also a Siemens 1.5T unit. The associated trailer Vin# is 1M9A3A8272H022361.

The 30075 Scanner will be made available to Novant/MedQuest under a services agreement. The host sites that would be covered by this new temporary arrangement are:

1. Open MRI & Imaging of Asheville (Buncombe County)
2. Novant Health Imaging Steele Creek (Mecklenburg County)
3. Novant Health Imaging University (Mecklenburg County)
4. Novant Health Mint Hill Medical Center (Mecklenburg County)

We would like to implement the 30075 Scanner by February 19, 2022. We are not certain right now how long we will need this new temporary replacement but expect it will last for several months while a permanent replacement for the 31421 Scanner is sourced. When we have the details of the permanent

replacement for the 31421 Scanner, we will follow up with a replacement equipment exemption request.

Under the circumstances, and since time is of the essence so as not to create disruption to patients, we would appreciate your prompt written confirmation that we may proceed with the temporary replacement of the 31421 Scanner.

Thank you for your time, and please feel free to contact with me any questions.

Sincerely,

Kimberly Jacobs

Kings Medical Group

From: [Mitchell, Micheala L](#)
To: [Waller, Martha K](#)
Subject: FW: [External] Replacement Request for Mobile MRI Unit
Date: Thursday, February 10, 2022 3:47:09 PM
Attachments: [Outlook-41ccyg5n.png](#)
[3743 Multi Kings Medical Group Exemption.pdf](#)
[Medquest Trailer Fire replacement interim mobile 2.10.2022.pdf](#)

Exemptions for logging.

Thanks,

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

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From: Kimberly Jacobs <Kimberly.Jacobs@kingsmedical.com>
Sent: Thursday, February 10, 2022 3:44 PM
To: DHSR.CON.Request <DHSR.CON.Request@dhhs.nc.gov>; Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Cc: Eric Evans <Eric.Evans@kingsmedical.com>; Jessica Spachner <Jessica.Spachner@kingsmedical.com>
Subject: [External] Replacement Request for Mobile MRI Unit

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Micheala Mitchell, Chief
Certificate of Need and Health Planning Section
North Carolina Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive

Raleigh, North Carolina 27603

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Under the circumstances, and since time is of the essence so as not to create disruption to patients, we would appreciate your prompt written confirmation that we may proceed with the temporary replacement of the 31421 Scanner.

Thank you for your time, and please feel free to contact with me any questions.

Sincerely,
Kimberly

Kimberly Jacobs | Chief Executive Officer

KMG | *An Employee Owned Company*

Direct: 330.671.7113





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

November 18, 2021

Kimberly Jacobs
Kimberly.Jacobs@kingsmedical.com

Exempt from Review – Replacement Equipment

Record #: 3743
Date of Request: November 18, 2021
Business Name: Kings Medical Group
Business #: 842
Project Description: Temporarily replace grandfathered mobile MRI scanner due to fire damage
Counties: Buncombe & Mecklenburg

Dear Ms. Jacobs:

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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,

Julie M. Faenza
Project Analyst

Micheala Mitchell
Chief

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

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From: [Faenza, Julie M](#)
To: [Waller, Martha K](#)
Subject: FW: [External] Temporary CON Replacement - Mobile Siemens MRI
Date: Thursday, November 18, 2021 9:59:09 AM
Attachments: [Outlook-5tdofhz.png](#)

Can we please log this as an exemption request? Thanks!

Julie M. Faenza, Esq.

Project Analyst, Certificate of Need

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

Office: 919-855-3873 (*I am working remotely most of the time; email is the best way to reach me.*)

Julie.Faenza@dhhs.nc.gov

Pronouns: She/her/hers

Don't wait to vaccinate. Find a COVID-19 vaccine location near you at [MySpot.nc.gov](#).

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From: Kimberly Jacobs <Kimberly.Jacobs@kingsmedical.com>

Sent: Thursday, November 18, 2021 9:54 AM

To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Pittman, Lisa <lisa.pittman@dhhs.nc.gov>; Lightbourne, Ena <ena.lightbourne@dhhs.nc.gov>; Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>

Cc: deshepard@medquestmail.com; Eric Evans <Eric.Evans@kingsmedical.com>; Jessica Spachner <Jessica.Spachner@kingsmedical.com>; David L. Sweitzer <david.sweitzer@kingsmedical.com>

Subject: [External] Temporary CON Replacement - Mobile Siemens MRI

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Good morning CON Team,

Kings Medical Group (KMG) operates grandfathered mobile MRI scanners in North Carolina. The trailer for one of our mobiles, a Siemens 1.5T Espree having a serial number of 31421, known as Kings 1, caught on fire on Monday, November 8, 2021 while travelling on NC Highway 16 North near Denver, NC. The unit is believed to be a total loss and we are currently working to source a permanent replacement.

In the meantime, KMG needs to maintain services to its customer, Foundation Health Mobile Imaging, LLC (FHMI), a subsidiary of Novant Health, Inc., at various host sites so that patients can be treated without further service interruption. Due to the fire damage, many patients have already had to be rescheduled. Acquiring a permanent replacement MRI scanner for Kings 1 is going to take several months, due to global supply chain issues. KMG has no other mobile MRI inventory it can deploy to these host sites in the interim.

As a temporary solution, KMG proposes to enter into a contract with an out of state vendor, Shared Imaging of Streamwood, IL., to temporarily replace the damaged MRI. The temporary replacement mobile MRI will be a Siemens 1.5T Espree having a serial number of 30781, just like the one involved in the fire. The temporary replacement mobile scanner will be made available to FHMI under a services agreement. The host sites that would be covered by this temporary arrangement are:

1. Open MRI & Imaging of Asheville (Buncombe County)
2. Novant Health Imaging Steele Creek (Mecklenburg County)
3. Novant Health Imaging University (Mecklenburg County)
4. Novant Health Mint Hill Medical Center (Mecklenburg County)

We would like to implement the temporary replacement by November 19, 2021. We are not certain right now how long we will need the temporary replacement, but expect it will last for several months. When the permanent replacement for Kings 1 is ready, the temporary arrangement with Shared Imaging will end, and the Shared Imaging scanner will be taken out of North Carolina. When we have the details of the permanent replacement for Kings 1, we will follow up with a replacement equipment exemption request.

Under the circumstances, and since time is of the essence so as not to create further disruption to patients, may we proceed with the temporary replacement of Kings 1?

Thank you for your time, and please feel free to contact with me any questions.

Kimberly

Kimberly Jacobs | Chief Executive Officer

KMG | *An Employee Owned Company*

Direct: 330.671.7113



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