

**ROY COOPER** • Governor **KODY H. KINSLEY • Secretary** MARK PAYNE • Director, Division of Health Service Regulation

#### VIA EMAIL ONLY

March 20, 2023

Tina Hare Hinshaw thinshaw@allianceradiology-us.com

**Exempt from Review – Replacement Equipment** 

Record #: 4158

Date of Request: March 2, 2023

Business Name: Alliance Healthcare Services, Inc.

Business #:

Project Description: Replace mobile MRI scanner

Wake County:

Dear Ms. 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 Siemens mobile MRI Aera 30 to replace the Siemens mobile MRI scanner Sym 71 (Legacy mobile asset). 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,

Terris S. Riley, JD Project Analyst

Micheala Mitchell

Chief

Acute and Home Care Licensure and Certification Section, DHSR cc:

### NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION **HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**



February 27, 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 Sym 71

Dear Ms. Mitchell and Mr. McKillip:

I am writing on behalf of Alliance Healthcare Services ("Alliance") regarding the need to replace mobile MRI scanner Sym 71 (Legacy mobile asset) 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 Sym 71 (Legacy mobile asset) will be removed from North Carolina and will be replaced by mobile MRI Aera 30. The replacement mobile MRI unit that will be brought into North Carolina as the permanent replacement.

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, Sym 71 (Legacy mobile asset) that needs to be replaced due to its age and condition, currently serves the following host site:

UNC Hospital Imaging & Spine Center 1350 Raleigh Rd Chapel Hill, NC 27517

#### **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 \$950k.

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 Sym 71 meets the definition of "currently in use" because this MRI scanner provided thousands or procedures at the above listed host site 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	Permanent Replacement
	Legacy Unit	Legacy Unit
Type of Equipment (List Each Component)	MRI	MRI
Manufacturer of Equipment	Siemens	Siemens
Tesla Rate for MRIs	1.5T	15T
Model Number	Symphony	Aera
Serial Number		
Provider's Method of Identifying		
Equipment	Sym 71	Aera 30
Specify if Mobile or Fixed	Mobile	Mobile
Mobile Trailer Serial Number/VIN#	1M9A3A8244W022381	1S9AC4823LS834708
Mobile Trailer Serial Number/VIN#	NA No changes	NA No changes
Date of Acquisition of Each Component	2015	2022
Hold Title or Lease	Hold Title	Hold Title
Specify if Equipment Was/Is New or Used		
When Acquired	Used	New
Total Capital Cost of Project (no		
consruction involved)	Already owned by Alliance	Already owned by Alliance
Total Cost of Equipment	NA	NA
Fair Market Value of Equipment	NA	\$950,000
Net Purchase Price of Equipment	NA	NA
Locations When Operated		
Number Days in Use/To be Used in NC 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 Equpment	MRI	MRI
Type of Procedures New Equipment is		
Capable of Performing	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



# **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: February 28, 2023

Prepared for: Alliance Healthcare Radiology

18201 Von Karman Avenue, Suite 600

Irvine, California 92612

Cathy Weinhold

## **Profile of Equipment-**

Unit Name: Aera 30

Siemens 1.5T Aera Magnetom 24ch

**Software Version: VE11E** 

Software Features: TGSE Package, Spectroscopy SV, 3D MIP, 3D SSD, 3D Volume of Interest, 3D Usage, Worklist, Argus Main, Argus VF Analysis, Chemical Shift Imaging, Interactive Realtime, Spectroskopy PostP, iPATplus, Advanced Function, MPPS, MR Composer Spine, Inline Diffusion, Inline Perfusion, Tim Application Suite, CISS/DESS, Syngo General License, Syngo security, 3D distortion correction, Inline Composing, Diff Tensor Calc, Diff Tensor Imaging, DTI evaluation, Tim Planing Suite, Inline 3D Distortion Corr, SWI, BLADE, Image Filter, Dynamic 3D, TimCT Fast View, PhoenixZIP, DTI Tractography, Native, Argus 4DVF, MR Inline VF, Auto Align Head LS, Optimized Protocols, AutoAlign Knee, Spectroscopy: 3D CSI, Extended Cardiac, Auto Bolus Detection, Brain WF, Abdomen WF, Knee WF, Cardiac WF, Angio Single/multi, Basic WF, MR Neuro Local AIF, XJ Gradients, 3D ASL, Motion Correction NR, Breast WF, Spine WF, Hip WF, Shoulder WF, AutoAlign Spine, AAL Spine L&N, AutoAlign Shoulder, AutoAlign Hip, RESOLVE, Morpho QC, Breast Dynamic, SEMAC, View Sharing, Radial, Red Motion Sens, Dixon Evalution, Liver Segmentation, HISTO, Cardiac Mapping, QISS Native Angio, q-Space, Turbo Suite Essential, Flow Quantification, Argus Flow Analysis



**Table weight limit:** 550 lbs

Bore size: 70 cm

Coils: Wrist Coil, Flex Coil (Large/Small), Ankle Coil, Shoulder Coil (Large/Small), Body Coil,

Head Neck Spine Coil, Knee Coil

Trailer: 2020 Advanced Mobility by Kentucky Trailer

Trailer VIN: 1S9AC4823LS834708

FMV: \$850,000-\$950,000

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:	February 28, 2023	

Block Imaging International, Inc. makes every effort to evaluate and produce the most current and accurate information possible, however, NO WARRANTIES, EXPRESS OR IMPLIED ARE PROVIDED FOR THE DATA HEREIN, ITS USE OR INTERPRETATION. Block Imaging International, Inc. is not a licensed appraiser and Buyer's acceptance of this Agreement shall act as an acknowledgment of that fact and that Block Imaging International, Inc. shall have no liability for the quality, completeness, accuracy, or adequacy of the data.

 From:
 Mitchell, Micheala L

 To:
 Stancil, Tiffany C

 Cc:
 Mckillip, Mike; Hale, Gloria

**Subject:** FW: [External] Exemption for Sym71 (Legacy) Replacement

**Date:** Thursday, March 2, 2023 4:21:49 PM

Attachments: AR NCCON Aera30 Permanent Replacement of Sym 71 02272023 FINAL.pdf (1).pdf

Tiffany would you mind logging this as an exemption and assigning it to Terris?

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

Don't wait to vaccinate. Find a COVID-19 vaccine location near you at MySpot.nc.gov. Twitter | Facebook | Instagram | YouTube | LinkedIn

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 priveleged, or otherwise confidential information, including confidential information relating to an ongoing State procurement effort is prohibited by law. If you have received this e-mail in error, please notify the sender immediately and delete all records of this email.

From: Tina Hinshaw <Tina.Hinshaw@akumin.com>

Sent: Thursday, March 2, 2023 2:22 PM

To: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>; Mitchell, Micheala L

<Micheala.Mitchell@dhhs.nc.gov>; Emanuel, Andrea N <andrea.emanuel@dhhs.nc.gov>

**Cc:** Rodney Skelding < rodney.skelding@akumin.com>; Tina Hinshaw < tina.hinshaw@akumin.com>

Subject: [External] Exemption for Sym71 (Legacy) Replacement

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to <u>Report Spam.</u>

Please see attached documentation to replace Sym 71 (Legacy MRI) with Aera 30. If you have any questions, please let me know.

Regards,

Tina

Tina Hair Hinshaw RVP Mobile Operations, Southeast 805.325.3078 (cell)

Tina.Hinshaw@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.