



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

September 26, 2024

Tina Hair Hinshaw
tina.hinshaw@akumin.com

Exempt from Review – Replacement Equipment

Record #: 4585
Date of Request: September 24, 2024
Business Name: Alliance Healthcare Services, Inc.
Business #: 60
Project Description: Replace a mobile MRI scanner
County: Durham, Guilford and 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 (ESP 51) to replace the mobile MRI scanner (ESP 28). 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



September 23, 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 ESP 28 (Legacy CON) by ESP 51.

Dear Mr. McKillip and Ms. Mitchell:

I am writing regarding the urgent need to permanently replace MRI scanner ESP28 due to catastrophic maintenance needs. Please accept this notice of exemption to permanently replace ESP28 with ESP51 which is an existing mobile MRI scanner owned by Alliance and will be utilized as the permanent replacement MRI for this ESP 28. ESP 28 has been removed from use in NC.

The legacy Alliance MRI ESP 28 was a scanner that was properly reported in the 2024 NC MRI Equipment Inventory. ESP 51 (replacing ESP 28) will be serving the following host sites:

Raleigh Medical Park
23 Sunnybrook Road
Raleigh, NC 27610

Raleigh Neurology Imaging
4111 Ben Franklin Blvd
Durham, NC 27704

WakeMed Garner
400 US Hwy 70 East
Garner, NC 27529

Emerge Ortho Wake Forest
11550 Common Oaks
Raleigh, NC 27614

Medical Center High Point
2630 Willard Dairy Road
High Point, NC 27265

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, ESP 28, will be permanently replaced by ESP 51.

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
tina.hinshaw@akumin.com

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

From: [Mckillip, Mike](#)
To: [Stancil, Tiffany C](#)
Cc: [Mitchell, Micheala L](#)
Subject: FW: [External] NCCON-ESP51 Permanent Replacement of ESP28
Date: Tuesday, September 24, 2024 9:08:09 AM
Attachments: [AR_NCCON_ESP51_Permanent Replacement of ESP28_09232024.pdf](#)

Hi Tiffany,

For your records. Please assign this replacement equipment exemption request to Crystal. 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

NCDHHS provides essential services to improve the health, safety and well-being of all North Carolinians. Learn more about [NCDHHS initiatives and priorities](#).



Learn more at [Medicaid.nc.gov](#).

[Twitter](#) | [Facebook](#) | [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 privileged, 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: Monday, September 23, 2024 6:41 PM
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>
Subject: [External] NCCON-ESP51 Permanent Replacement of ESP28

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 documentation for permanent replacement of MRI unit #ESP28 due to maintenance issues with MRI unit #ESP51.

Please call or email with any questions or concerns.

Regards,

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.