

**DIVISION OF HEALTH PLANNING  
AND RESOURCE DEVELOPMENT  
FEBRUARY 2005**

**CON REVIEW HG-MME-0904-029**

**MISSISSIPPI BAPTIST HEALTH SYSTEMS, INC. AND MISSISSIPPI  
BAPTIST MEDICAL CENTER DBA BAPTIST RANKIN  
RADIATION THERAPY CENTER (CENTER)**

**CONSTRUCTION AND EXPANSION OF THERAPEUTIC RADIATION SERVICES AND ACQUISITION OF  
LINEAR ACCELERATOR AND RELATED EQUIPMENT**

**CAPITAL EXPENDITURE: \$9,660,000**

**LOCATION: JACKSON, HINDS COUNTY, MISSISSIPPI**

**STAFF ANALYSIS**

**I. PROJECT SUMMARY**

**A. Applicant Information**

Mississippi Baptist Health Systems, Inc.(MBHS) is a Mississippi not-for-profit corporation. The entity has five corporate officers and a 14-member Board of Directors. Mississippi Baptist Health Systems, Inc. owns Mississippi Baptist Medical Center, Inc. (MBMC), a Mississippi not-for-profit corporation, composed of four corporate officers. MBMC is a 649-bed short-term, acute care, not-for-profit hospital and is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

MBMC is currently licensed to operate 529 general medical/surgical beds, 12 geriatric psychiatric, 88 adult chemical dependency and 20 adolescent chemical dependency beds.

**Note:** On July 29, 2004, the Mississippi State Department of Health authorized the lease of 10 adolescent dependency beds by Tri Lakes Medical Center, and the relocation of said beds to Batesville.

The occupancy rates, average lengths of stay (ALOS) and the Medicaid utilization rates for the three most recent fiscal years at MBMC are as follows (medical/surgical beds only):

**Mississippi Baptist Medical Center  
Utilization Data**

<b>Fiscal Year</b>	<b>Occupancy Rate (%)</b>	<b>ALOS (Days)</b>	<b>Medicaid Utilization Rate (%)</b>
2001	51.00	5.54	8.85
2002	51.12	5.28	9.08
2003	54.86	5.50	10.25

**Source:** Division of Health Facilities Licensure and Certification, MSDH.

B. Project Description

Mississippi Baptist Health Systems and Mississippi Baptist Medical Center request Certificate of Need (CON) authority for construction and expansion of the existing therapeutic radiation therapy services and acquisition of a linear accelerator and related equipment. The proposed radiation therapy services will be located in a freestanding center, which will be constructed on land owned by MBHS located northeast of Highway 25 and Flowood Drive in Flowood, Rankin County, Mississippi. The applicant will acquire an additional Varian 18 MV linear accelerator unit. MBMC will operate the center and will be the provider of services at the new facility, which will be an extension of the existing cancer services provided by Mississippi Baptist Medical Center presently at the Hederman Cancer Center on the hospital campus on North State Street in Jackson. The proposed project will increase the hospital's existing linear accelerator units from three (3) to four (4) units. The proposed project will encompass a total of approximately 17,200 square feet of new construction to house radiation and infusion therapy and medical offices. The center will provide a full range of outpatient therapeutic radiation therapy services for cancer patients. The applicant asserts that medical oncology services will also be provided in the center by Jackson Oncology Associates, PLLC as a result of its lease of clinic space in the proposed center.

According to the applicant, there will be no changes in licensed bed capacity as a result of this project.

The total proposed capital expenditure is \$9,660,000, which is composed of the following: new construction - 44 percent, non-fixed equipment - 49 percent, fees (architectural, consultant, etc) - 3 percent, and contingency reserve - 4 percent. The applicant proposes to finance the project from the hospital's accumulated cash reserves.

The applicant asserts that the capital expenditure will be obligated upon CON approval and after full MBMC and MBHS board approvals are obtained. The proposed project is expected to be completed within 36 months after CON approval.

The application contains a letter from the MSDH's Division of Radiological Health which states that the layout of the proposed project appears to be adequate. It further states that a detailed review and approval of the shielding recommendations of the accelerator room will be conducted when submitted to the Division of Radiological Health.

The application includes a copy of a letter from the Division of Health Facilities Licensure and Certification, MSDH, approving the site for the proposed project.

**II. TYPE OF REVIEW REQUIRED**

Projects involving the acquisition or otherwise control of therapeutic radiation services/equipment are reviewed in accordance with Section 41-7-191, subparagraphs (1) (f), and (j) of the Mississippi Code of 1972, Annotated, as amended, and duly adopted rules, procedures, plans, criteria and standards of the Mississippi State Department of Health.

In accordance with Section 41-7-197 (2) of the Mississippi Code, 1972 Annotated, any affected person may request a public hearing on this project within 20 days of publication of the staff analysis. The opportunity to request a hearing expires on March 7, 2005.

**III. CONFORMANCE WITH THE STATE HEALTH PLAN AND OTHER ADOPTED CRITERIA AND STANDARDS**

**A. State Health Plan (SHP)**

The **Fiscal Year 2005 State Health Plan** contains policy statements, criteria and standards which an applicant is required to meet before receiving CON authority for the acquisition or otherwise control of therapeutic radiation equipment and/or the offering of therapeutic radiation services.

**SHP Policy Statement 4 - Expansion of Existing Services**

This policy states that the MSDH may consider a CON application for the acquisition or otherwise control of an additional therapeutic radiation unit by an existing provider of such services when the applicant's existing equipment has exceeded the expected level of patient service, i.e., 320 patients per year or 8,000 treatments per year for the two most recent consecutive years as reported on the facility's "Renewal of Hospital Licenses and Annual Hospital Report".

Mississippi Baptist Medical Center is a current provider of therapeutic radiation therapy services. The hospital has three (3) existing linear accelerator units. The proposed project will increase MBMC's existing units from three (3) to four (4) units.

The following table shows the number of therapeutic radiation therapy procedures performed for fiscal years 2002 and 2003 at Mississippi Baptist Medical Center:

**Number of Therapeutic Radiation Therapy Procedures**

Type of Equipment	Total No. of Proc. 2002	Total No. of Proc. 2003	Average Procedures Per Unit 2002	Average Procedures Per Unit 2003
3-Linear Accelerators (18MV, 18MV, & 6MV*)	26,496	26,861	8,832	8,954

**Source:** Applications for Renewal of Hospital License for Calendar Years 2003 and 2004, and Annual Hospital Reports for Fiscal Years 2002 and 2003.

\*MBMC asserts that the 6MV linear accelerator referenced above and in the FY 2005 State Health Plan is a dedicated portion of the Peacock Intensity Modulated Radiation Therapy system that was discontinued in January 2003. The MSDH issued a declaratory ruling on June 10, 2004, authorizing the replacement of said equipment with an Accuray Cyberknife image guided robotics system capable of full body stereotactic radiosurgery. The applicant indicates that the 6MV unit has been out of service for approximately two years.

**SHP Criterion 1 - Need**

To show a need for additional therapeutic radiation equipment/service in a given service area, the applicant shall comply with **any one** of the following need methodologies:

- a. The need methodology as presented in the **Plan**;
- b. Demonstrate that all existing machines in the service area have averaged 8,000 procedures per year or all machines have treated an average of 320 patients per year for the two most recent consecutive years; or
- c. Demonstrate that the applicant's existing therapeutic equipment has exceeded the expected level of patient service, i.e., 320 patients per year/unit, or 8,000 treatments per year/unit for the most recent 24-month period; or
- d. Demonstrate to the satisfaction of the MSDH staff, that the applicant (i) is a hospital having a minimum of 175 licensed acute care beds as of January 1, 2001; (ii) is located more than a forty (40) mile radius from an existing provider of therapeutic radiation services; and (iii) has the patient base needed to sustain a viable therapeutic radiation program, as defined by the Therapeutic Radiation Need Methodology. Policy Criterion #3 does not apply to this Need Criterion #1(d).

The applicant is a current provider of therapeutic radiation services/equipment within General Hospital Service Area 3 (GHSA 3). The application requests Certificate of Need approval for expansion of its existing therapeutic radiation services and acquisition of linear accelerator and equipment. The proposed project will increase MBMC's existing therapeutic radiation services/equipment from three (3) linear accelerator units to four (4).

There are five current providers of therapeutic radiation services in the service area utilizing ten machines. These ten machines (linear accelerators) performed a total of 68,349 procedures in 2002 and 59,864 procedures in 2003, for an average of 6,834.90 procedures per unit in 2002 and 5,986.40 procedures per unit in 2003.

Utilization of the five existing providers of therapeutic radiation services/units in GHSA 3 is shown in the following table:

**Utilization of Existing Therapeutic Radiation  
 Equipment/Services  
 General Hospital Service Area 3**

<b>Facility</b>	<b>Total # and Type of Unit</b>	<b>Total # of Treatments (Visits) 2002</b>	<b>Total # of Treatments (Visits) 2003</b>
Cancer Center of Vicksburg (freestanding)	1-Lin Acc (6MV)	5,078	5,833
Central Mississippi Medical Center, Jackson	2-Lin Acc (6MV & 18MV)	15,561	6,552
Mississippi Baptist Medical Center, Jackson	3-Lin Acc (18MV, 18MV, & 6MV)	26,496	26,861
St. Dominic/Jackson Memorial Hospital, Jackson	2-Lin Acc (18MV & 18MV)	10,955	10,379
University Medical Center, Jackson	2-Lin Acc (10MV & 4MV)	10,259	10,239
<b>Total</b>		<b>68,349</b>	<b>59,864</b>

**Source:** Applications for Renewal of Hospital License for Calendar Years 2003 and 2004, and Annual Hospital Reports for Fiscal Years 2002 and 2003

According to the applicant, the number of oncology patients at MBMC who received radiation therapy grew from 867 in fiscal year 2002, to 991 in fiscal year 2003, and finally to 1,097 in fiscal year 2004. Based on information contained in the **FY 2005 State Health Plan** and the applicant's application for Renewal of Hospital License for calendar year 2003 and 2004, the three (3) existing machines (linear accelerators) at MBMC performed an average of 8,832 procedures per unit in fiscal year 2002 and 8,954 procedures per unit in 2003. The applicant complies with criterion (1c).

The applicant submits that only two units were in operation during FY 2003 and FY 2004, yielding an average of 13,431 treatments per unit in FY 2003 and 14,809 treatments per unit in FY 2004.

Therefore, staff concludes that the proposed project does comply with the referenced policy statements as presented in the **Plan**.

The hospital is located within forty (40) miles of the existing providers of therapeutic radiation services in GHSA 3.

As previously mentioned on page one of this staff analysis, Mississippi Baptist Medical Center is currently licensed to operate 529 general medical/surgical beds, according to the Division of Health Facilities Licensure and Certification, MSDH.

**SHP Criterion 2 - Access to Diagnostic Services**

MBMC currently offers diagnostic x-ray, CT scanning, MRI, PET and ultrasound services within 15 minutes normal driving time of the proposed location of the additional therapeutic radiation unit at MBMC's North State Street campus as well as other hospitals within the area. According to the applicant, CT scanning is expected to be available on site at the proposed center as well.

**SHP Criterion 3 - Staffing of Services**

According to the applicant, the proposed center will maintain at least the staffing required of this criterion.

**SHP Criterion 4 - Access to Brachytherapy Staff, Treatment Aides, Social Workers, Dietitians, and Physical Therapists**

According to the applicant, the hospital will have access to the supplementary staff from Mississippi Baptist Medical Center's North State Street campus, which is required of this criterion.

**SHP Criterion 5 - Medical Staff's Residence within 60 Minutes of the Facility**

The applicant affirms that all of the physicians responsible for therapeutic radiation services at the center, including the radiation oncologist-in-chief, reside within 60 minutes normal driving time of the center. Radiation therapy services will be provided to the center by the physicians of Radiation Oncology of Mississippi, PA, who presently provide such services for MBMC, St. Dominic Memorial Hospital and the Cancer Center of Vicksburg. All of the physicians reside in the Jackson metropolitan area within 60 minutes of the proposed center. The applicant believes that the proposed center will be more closely located to the homes of several of the physicians than any of the other facilities they now serve.

**SHP Criterion 6 - Access to a Capable Simulator**

The applicant affirms that a new varian simulator which is capable of precisely producing the geometric relationships of the treatment equipment to a patient is to be purchased as part of the ancillary equipment to the proposed center. The simulator does use fluoroscopy.

**SHP Criterion 7 - Access to a Computerized Treatment Planning System**

The applicant affirms that the proposed center will have access to a computerized treatment planning system with the capability of simulation of multiple external beams, display isodose distributions in more than one plane, and perform dose calculations for brachytherapy implants.

**SHP Criterion 8 - Staffing of a Board Certified/Board Eligible Radiation Oncologist**

The applicant affirms that all treatments will be under the control of a board-certified radiation oncologist.

**SHP Criterion 9 - Site, Plan and Equipment Approval by the Division of Radiological Health**

The applicant affirms that the project's proposed site plan and equipment will receive approval from the MSDH's Division of Radiological Health before service begins. As previously mentioned, the application contains a letter from the MSDH's Division of Radiological Health regarding the proposed project.

**SHP Criterion 10 - Quality Assurance Programs**

The applicant affirms that the therapeutic radiation program shall meet the physical aspects of quality assurance guidelines established by the American College of Radiology within 12 months of initiation of the service, and the service shall establish a quality assurance program which meets the standards established by the American College of Radiology.

**SHP Criterion 11 - Compliance with Criterion 10a and b**

MBMC affirmed its understanding that failure to comply with criterion 10a and b will result in revocation of the CON.

B. General Review (GR) Criteria

Chapter 8 of the **Mississippi Certificate of Need Review Manual**, 2000 revisions, addresses general criteria by which all applications for Certificate of Need are reviewed. This application is in substantial compliance with applicable criteria.

**GR Criterion 1 - Consistency with State Health Plan**

According to the applicant, the proposed project is consistent with the priority health needs of the state as contained in the **Plan**. The proposed project is in compliance with all criteria and standards of the **FY 2005 State Health Plan**.

**GR Criterion 2 - Long Range Plan**

According to the applicant, the proposed project is consistent with long range strategic plans developed by its management staff and approved by MBMC's Board of Directors and MBHS' Board of Trustees for the provision of state-of-the-art, accessible, cost effective, efficient outpatient therapeutic radiation services to the communities and areas served by Baptist's and MBHS' other operating hospitals. The applicant believes that the establishment of an outpatient therapeutic radiation facility in the rapidly-growing eastern portion of Baptist's primary and secondary service areas will bring together Baptist's and MBHS' goals to facilitate the provision of quality, efficient healthcare to all residents of central Mississippi and the Jackson metropolitan area.

**GR Criterion 3 - Availability of Less Costly/More Effective Alternatives**

According to the applicant, the area where the proposed center will be located is within the primary service area of MBMC, and Mississippi Baptist Health System considers it their responsibility to facilitate the provision of the best quality care in the most efficient and effective manner possible.

MBMC asserts that the recent and anticipated growth and need for outpatient therapeutic radiation services in the eastern portion of Baptist's primary and secondary service areas

necessitate growth and expansion in that area of central Mississippi. According to the applicant, other than Rankin County, the eastern portion of Baptist's primary and secondary service areas has very little development of outpatient health care, and no therapeutic radiation service. As the population of the eastern portion of Baptist's primary and secondary service areas grows, so does the need to promote and establish health care services therein.

According to the applicant, an expansion of the main campus at Baptist would be required to meet the anticipated demand for additional out-patient therapeutic radiation facilities. MBMC submits that such an expansion would be an expensive, impractical project either requiring the acquisition of more land in the Baptist campus neighborhood and/or the construction of a major vertical parking structure. It would require major relocation of multiple existing services to enable the creation of space to construct a new vault for an additional linear accelerator since there is no more room in and around the Hederman Cancer Center in which to locate another vault. The applicant believes that access for patients in the eastern portion of Baptist's primary and secondary service areas will be compromised and would not meet the need for convenient access and further development of health care services therein.

According to the applicant, there is no less costly or more effective alternative method of providing the services the proposed project contemplates. The Lakeland Drive site selected for the center is already owned by Mississippi Baptist Health Systems. Therefore, there will be a favorable cost impact for the proposed project.

#### **GR Criterion 4 - Economic Viability**

The applicant projects excess revenues over expenses of \$33,612 the first year, a net loss of \$6,320 for the second year, and a net income of \$80,326 for the third year following completion of this project.

The application contains a feasibility study which documents the applicant's financial ability to undertake the project.

#### **GR Criterion 5 - Need for Project**

The applicant indicates that MBMC serves all patients regardless of their ability to pay, including low income persons, racial and ethnic minorities, women, handicapped persons, the elderly and other under-served groups. These groups currently have and will continue to have access to all of the services of MBMC, including but not limited to, therapeutic radiation services.

According to the applicant, the proposed project has been formulated to address the needs of Mississippi Baptist Medical Center patients residing in the eastern portions of the hospital's service area for radiation therapy and related cancer services. The applicant indicates that at present, no therapeutic radiation services are locally available in the eastern portion of GHS 3. Baptist Medical Center's cancer services, in general, and its radiation therapy services, in particular, have experienced a significant growth in use in recent years with no increase in facilities to serve such growing demand for services. Rankin County and the other eastern counties served by Baptist's existing radiation therapy services have grown significantly in population in that same period.

The applicant indicates that the eastern portions of Mississippi Baptist Medical Center's primary and secondary service areas have a 2005 projected population of 222,290. The elderly patients will benefit from the implementation of the proposed project because the



older population segments have a higher cancer incidence and utilize therapeutic radiation and other health care services at greater rates than the population as a whole. Increased access to therapeutic radiation services and the location of the proposed center will improve the health care system in the eastern portions of MBMC's primary and secondary service areas and potentially spur more growth in health care services for those groups needing improved access.

According to the applicant, the hospital has served the following percentage of therapeutic radiation cases over the past three fiscal years for patients residing in the eastern portion of Mississippi Baptist Medical Center's primary and secondary service areas (Rankin, Scott, Attala, Winston, Leake, Holmes, Smith, and Simpson Counties):

**Utilization of Radiation Therapy Equipment  
for the Eastern Portion of MBMC's Service Area**

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	FY 2001	FY 2002	FY 2003	FY 2004
Inpatient	26.9%	34.7%	33.8%	24.6%
Outpatient	32.9%	31.4%	33.3%	32.1%

According to the applicant, the need for convenient, accessible therapeutic radiation services in the eastern portion of Baptist's primary and secondary service areas was determined by examination of the increase in population in that area (projected to increase by 6.6 percent from 2005 to 2010) and by the increase in utilization of Baptist's radiation therapy services by the citizens of the area over the past few years (31.6 percent increase from FY 2001 to projected FY 2004 utilization).

MBMC asserts that locating an additional linear accelerator unit at Hederman Cancer Center on its North State Street campus is not practical. The existing vaults at the Hederman Cancer Center at Baptist are occupied and there is no room to construct more vaults to locate an additional linear accelerator unit at the Hederman Cancer Center.

The applicant believes that local access to this superior therapeutic modality will benefit the citizens of the eastern counties and provide them with treatment closer to home during a very stressful and debilitating period in their lives.

Mississippi Baptist Medical Center and Mississippi Baptist Health Systems believe that approval of the proposed project will enhance the existing health care system for patients in the eastern regions of GHSA 3 and the eastern portion of Baptist's primary and secondary service areas by providing them with local access to outpatient therapeutic radiation services.

MBMC states that failure to implement the proposed project will potentially result in a shortage of health care services in the eastern portions of the hospital's primary and secondary service areas and will deny residents more convenient access to therapeutic radiation services near their homes.

The application contains six ( 6) letters of comment/support from area physicians for the proposed project.

The application received a letter of comment from St. Dominic-Jackson Memorial Hospital concerning the proposed project.

Staff reviewed the patient origin data for July 2003 to April 2004 for Mississippi Baptist Medical Center. The data reveals that 2.53 percent or more of the facility's patients came from seven (7) counties in GHSA 3. The majority of MBMC's patients came from Copiah, Hinds, Madison, Rankin, Simpson, Scott and Yazoo Counties for the stated period. The population of the seven (7) counties is 589,118\*. See Attachment I for a breakdown of MBMC's patient origin data for the counties in GHSA 3.

**\*Source:** **Mississippi Population Projection for 2005, 2010, and 2015**, Center for Policy Research and Planning, Mississippi Institutions of Higher Learning, March 2002.

#### **GR Criterion 6 - Accessibility**

Mississippi Baptist Medical Center indicates that the hospital serves all of the population, including low income, racial and ethnic minorities, women, handicapped and elderly persons. The hospital provides health care services to any individual who comes to the facility in need of such services, regardless of age, creed, sex, race, religion or ability to pay. The proposed additional radiation therapy unit is expected to enhance access and delivery of a full range of therapeutic radiation services and may attract additional patients of all demographic groups.

The applicant provided the following dollar amount and percentage of care to Medicaid and medically indigent patients for the last three years:

<b>Fiscal Year</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Medicaid Utilization	7.5%	7.28%	8%
Indigent Care	1.9%	2.5%	2.5%
Dollar Amount	\$7,113,000	\$10,829,000	\$13,085,000

The applicant projects 2 percent for medically indigent, and 2 percent for bad debt patients of the total gross patient revenue after the implementation of the proposed project.

#### **Criterion 7 - Information Requirement**

The applicant affirms in its application that it will record and maintain the required information and will make it available to the Mississippi State Department of Health within 15 business days of request.

#### **GR Criterion 8 - Relationship to Existing Health Care System**

According to the current **State Health Plan**, there are 10 existing radiation therapy units serving the radiation therapy needs in General Hospital Service Area 3. These units are located at Cancer Center of Vicksburg; Central Mississippi Medical Center, Jackson; St. Dominic/Jackson Memorial Hospital, Jackson; University Medical Center, Jackson; and Mississippi Baptist Medical Center, Jackson.

The applicant believes that the proposed project will serve as a complement to the existing health care system of the area. Because of the growth the area is experiencing and the increasing need for therapeutic radiation services, the offering of outpatient diagnostic imaging services in Rankin County will be an asset to the patients Baptist currently serves, as well as others in the community.

**GR Criterion 9 - Availability of Resources**

According to the applicant, the proposed project involves an addition of six full-time equivalent personnel at an estimated annual cost of \$378,000.

The applicant indicates that the hospital will recruit staff as it customarily does from within the community and from new graduates of qualified educational and training programs and other professionals newly immigrating into the community.

**GR Criterion 10 - Relationship to Ancillary or Support Services**

According to Mississippi Baptist Medical Center, the hospital anticipates an increase in the use of ancillary or support services to support the center, but no material change in overall costs or charges at MBMC is expected as a result of the proposed project. The applicant states that the cost and charges of the center will be in line with the cost and charges of other radiation therapy facilities in the Jackson Metropolitan Area and are anticipated to be substantially the same as recently experienced by Baptist in its cancer services, since the facility is an expansion and extension of that service.

**GR Criterion 16 - Quality of Care**

Mississippi Baptist Medical Center is in compliance with the **Minimum Standards of Operation for Mississippi Hospitals**, according to the Division of Health Facilities Licensure and Certification. The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations.

**IV. FINANCIAL FEASIBILITY**

**A. Capital Expenditure Summary**

New Construction Cost	\$ 4,218,868
Non-Fixed Equipment Cost	\$ 4,725,000
Fees (Architectural, Consultant, etc.)	\$ 288,132
Contingency Reserve	\$ 428,000
<b>Total Proposed Capital Expenditure</b>	<b>\$ 9,660,000</b>

The above capital expenditure is for construction of 17,200 square feet of new space and acquisition of non-fixed equipment for the proposed project.

The cost per square foot for new construction is \$286.92. **Means Building Construction Cost Data 2004** shows the high range per square foot cost of new construction to be \$248.

**B. Method of Financing**

The proposed project will be funded from the hospital's accumulated cash reserves. No debt is involved.

The audited financial statements contained in the application indicate that the hospital has sufficient funds for the project.

**C. Effect on Operating Cost**

The applicant projects the following expenses, utilization, and results from operation for the first three years following completion of this proposed project:

Item	First Year	Second Year	Third Year
Salaries & Benefits	\$ 378,000	\$ 393,120	\$ 408,845
Supplies	\$ 68,210	\$ 75,690	\$ 82,059
Fees	\$ 655,186	\$ 740,558	\$ 778,024
Contract Maintenance	\$ -0-	\$ 70,000	\$ 70,000
Facility Operations Cost	\$ 200,000	\$ 200,000	\$ 200,000
Depreciation	\$ 929,131	\$ 929,131	\$ 929,131
Bad Debt	\$ 56,603	\$ 60,054	\$ 63,710
<b>Total Expenses</b>	<b>\$2,287,130</b>	<b>\$2,468,553</b>	<b>\$ 2,531,769</b>

**Revenues, Utilization, Cost and Charges**

# of Procedures	11,242	11,580	11,927
Cost/Pt.*	\$ 203.45	\$ 213.17	\$ 212.27
Charge/Pt.	\$ 530.00	\$ 556.50	\$ 584.32

Gross Rev.	\$ 5,958,260	\$ 6,444,270	\$ 6,969,244
Deductions	\$ (3,637,518)	\$ (3,982,037)	\$(4,357,149)
Net Pt. Rev.	\$ 2,320,742	\$ 2,462,233	\$ 2,612,095
<b>Net Income (Loss)</b>	<b>\$ 33,612</b>	<b>\$ (6,320)</b>	<b>\$ 80,326</b>

\*The projected cost per procedures was calculated by staff for the proposed project.

**D. Cost to Medicaid/Medicare**

<b>Payor Mix</b>	<b>Utilization Percentage</b>	<b>First Year Cost</b>
Medicare	55	\$ 1,257,922
Medicaid	6	137,227
Other Payors*	39	891,981
<b>Total</b>	<b>100</b>	<b>\$2,287,130</b>

\* The applicant projects 2 percent care for bad debt and 2 percent for medically indigent patients.

**V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES**

The Division of Medicaid was provided a copy of this application for review. According to the Division of Medicaid, outpatient services are paid as outlined in the **Plan**.

**VI. CONCLUSION AND RECOMMENDATION**

This project is in substantial compliance with the criteria and standards for the acquisition or otherwise control of therapeutic radiation equipment/services as contained in the **FY 2005 State Health Plan**; the **Mississippi Certificate of Need Review Manual**, revised 2000; and all adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Division of Health Planning and Resource Development recommends approval of this application submitted by Mississippi Baptist Health Systems, Inc. and Mississippi Baptist Medical Center, Inc.

Attachment I  
GHS 3

Patient Origin Data for Mississippi Baptist Medical Center  
For July 2003 - April 2004

County	# of Patients	Percent of Total Patients*
Attala	56	1.84
Claiborne	10	0.33
Copiah	102	3.35
Hinds	1,162	38.17
Issaquena	0	0
Jefferson Davis	10	0.33
Lawrence	26	0.85
Leake	47	1.54
Lincoln	57	1.87
Madison	334	10.97
Rankin	474	15.57
Simpson	77	2.53
Scott	94	3.09
Sharkey	6	0.20
Smith	28	0.92
Warren	41	1.35
Yazoo	78	2.56

\*Percentages calculated using MBMC's 2003 patient origin data total of 3,044 patients.

Source: 2003 Hospital Patient Origin Studies, MSDH.