

**Division of Health Planning and
Resource Development
April 2006**

**CON Review: HG-RLS-0306-009
Delta Regional Medical Center
Relocation of Services Between the Main and West Campuses
Capital Expenditure: \$200,000
Location: Greenville, Washington County, Mississippi**

Staff Analysis

I. PROJECT SUMMARY

A. Applicant Information

Delta Regional Medical Center (DRMC) operates as a county owned, not-for-profit, community hospital under the provisions of Mississippi Code Annotated §14-13-1 et. seq. and receives policy and overall governance from a seven-member community-representative board appointed by the Washington County Board of Supervisors.

The Division of Health Facilities Licensure and Certification licenses DRMC to operate up to 398 beds at its main and west campuses, which are approximately three miles apart. The location of these beds by type is as follows:

Delta Regional Medical Center Bed Allocation (as of 3/06)						
	Main Campus		West Campus		Total	
Bed Type	Licensed Bed Capacity	Set Up/ Staffed	Licensed Bed Capacity	Set Up/Staffed	LBC	Set up Staffed
Medical Surgery	221	130	137	45	358	175
Adult Psychiatric	9	9	0	0	9	9
Adult CDU	7	7	0	0	7	7
Rehabilitation	<u>24</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>24</u>	<u>24</u>
Total	261	170	137	45	398	215

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

Delta Regional Medical Center Utilization Data				
	Main Campus		West Campus	
Fiscal Year	Occupancy Rate (%)	ALOS (Days)	Occupancy Rate (%)	ALOS (Days)
2002	36.30	4.43	24.62	3.69
2003	40.05	4.50	19.81	3.65
2004	43.49	4.10	26.67	4.42

Source: The Division of Health Facility Licensure and Certification, MDH

Delta Regional Medical Center holds certification to participate in both the Medicare and Medicaid programs and is accredited by the Joint Commission on Accreditation of Healthcare Organizations.

In April of 2005, Delta Regional Medical Center and King's Daughters Hospital-Greenville finalized a merger agreement. Beginning October 1, 2005, all acute care and emergency services from both facilities were consolidated at the Delta Regional Medical Center Main Campus facility. The West Campus (formerly King's Daughters Hospital) is located approximately three miles from DRMC's Main Campus. According to the applicant, the consolidation, while increasing operational efficiency and decreasing the operating cost for these services, is not easily accomplished without specific changes in the Main Campus facility to accommodate the volume. Additionally, the consolidation of the two hospitals provides DRMC an opportunity to focus on upgrading key service lines, major medical equipment, and information systems, according to the applicant.

B. Project Description

Delta Regional Medical Center originally proposed to move all of its non-medical/surgical operations, which include inpatient rehabilitation unit, chemical dependency unit (CDU), and the Wound Healing Center, to the West Campus and to use all beds at the Main Campus for general acute care medical/surgical purposes. To accomplish this, the applicant proposes to relocate the 24-bed inpatient rehab unit and the 16-bed (7 CDU and 9 adult psychiatric beds) unit, or a total of 40 beds, from the Main Campus to the West Campus. Concurrent with these changes, DRMC would move the 40 acute care beds at the West Campus to the Main Campus.

- **Note: On April 13, 2006, the applicant amended its CON request to include only the relocation of 24-inpatient rehabilitation beds, 9 adult psychiatric beds, 7 chemical dependency beds and the Wound Healing Center from the Main Campus to the West Campus. Section 41-7-195 subparagraph 5 provides that the State Department of Health may approve or disapprove a proposal for a Certificate of Need as originally presented in final form, or it may approve a certificate of need by modification, by reduction only, of such proposal provided the proponent agrees to such modification.**

The applicant seeks Certificate of Need (CON) authority to relocate beds and services from the DRMC Main Campus to the West Campus as outlined below:

- The relocation of 7 CDU and 9 adult psychiatric beds, currently located on the fourth floor of the Main Campus, to the second floor of the West Campus. (See Current versus Proposed Bed Location Table below).
- The relocation of 24 acute inpatient rehabilitation beds currently located on the third floor of the Main Campus to the fourth floor of the West Campus.

- The relocation of the Wound Healing Center located in the modular building on the DRMC Main Campus to the area formerly used as the Treatment Room on the West Campus.

Delta Regional Medical Center Current versus Proposed Bed Allocation											
Bed Type	Main Campus				West Campus				Total		
	Licensed Bed Capacity		Set Up/ Staffed		Licensed Bed Capacity		Set Up/Staffed		LBC Before &	Set up Staffed	
	Before	After	Before	After	Before	After	Before	After	After	Before	After
Medical Surgery	221	221	130	170	137	137	45	45	358	175	215
Adult Psychiatric	9	0	9	0	0	9	0	9	9	9	9
Adult CDU	7	0	7	0	0	7	0	7	7	7	7
Rehabilitation	<u>24</u>	<u>0</u>	<u>24</u>	<u>0</u>	0	<u>24</u>	0	24	<u>24</u>	<u>24</u>	<u>24</u>
Total	<u>261</u>	<u>221</u>	<u>170</u>	<u>170</u>	<u>137</u>	<u>177</u>	<u>45</u>	<u>85</u>	<u>398</u>	<u>215</u>	<u>255</u>

The end result of the proposed reclassifications would be that DRMC would maintain its current total bed count, with only the types of beds making up those totals being changed at the two campuses. Delta Regional Medical Center-Main Campus would cease operating adult psychiatric, CDU and rehabilitation unit beds while transferring those beds and services to the West Campus. The West (KDH) Campus would continue to have 137 acute care beds, but will acquire the 7 CDU beds, 9 adult psychiatric beds, and 24 acute inpatient rehabilitation beds (located in private and semi-private rooms) relocated from the Main Campus, for a total of 177 beds. Delta Regional Medical Center-Main Campus would in turn set up and staff an additional 40 acute care beds. No change in the hospital's total licensed bed capacity or scope of services will result from this project. In addition, the project does not require any additional staff.

The Division of Health Facilities Licensure and Certification has approved the site of this project.

The applicant expects to obligate the capital expenditure proposed in this project within 90 days of issuance of the CON, with completion expected approximately 3 months thereafter.

II. TYPE OF REVIEW REQUIRED

The Mississippi Department of Health reviews applications for the relocation of health facilities, or a portion thereof, and the relocation of health services from one physical facility or site to another physical facility or site in accordance with Section 41-7-191, subparagraphs (1)(b) and (e), Mississippi Code of 1972, as amended, and duly adopted rules, procedures, plans, criteria, and standards of the Mississippi Department of Health.

In accordance with Section 41-7-197 (2) of the Mississippi Code of 1972 Annotated, as amended, any 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 May 11, 2006.

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

A. State Health Plan (SHP)

The FY 2006 *State Health Plan* contains criteria and standards for renovation and expansion that an applicant must meet prior to receiving CON approval. In addition, the Plan contains criteria and standards for the establishment of psychiatric, chemical dependency, and rehabilitation services that the applicant must meet. The applicant has documented compliance with these criteria as follows:

SHP Criterion 1 - Need

Projects which involve the addition of acute care beds: The applicant originally proposed to relocate 40 beds (9 adult psychiatric, 7 adult CDU, and 24 rehabilitation beds) from the Main Campus to the West Campus while simultaneously relocating 40 acute care beds from the West Campus to the Main Campus to create efficiencies between the two sites. The overall bed complement will not increase at either Campus; however, DRMC's Main Campus will increase by 40 acute care beds, while the West Campus will add 7 adult CDU, 9 adult psychiatric, and 24 rehabilitation beds, for a total of 40 beds.

In accordance with the Mississippi Supreme Court Ruling No. 2004-SA-02468-SCT (*Biloxi Regional Medical Center vs Singing River Hospital System, March 30, 2006*), the relocation of unused beds from one facility to another constitutes the addition of beds and must meet the standard in the *State Health Plan* for the addition of beds. This standard requires that the facility demonstrate an occupancy rate of 70% for the most recent two (2) years. Delta Regional Medical Center had an occupancy rate of only 43% for 2004 and an occupancy rate of 40% for 2003. Therefore, the applicant is not in compliance with this criterion.

- **Note: Section 41-7-195 subparagraph 5 provides that the State Department of Health may approve or disapprove a proposal for a Certificate of Need as originally presented in final form, or it may approve a certificate of need by modification, by reduction only, of such proposal provided the proponent agrees to such modification. On April 13, 2006, the applicant amended its CON request to include only the relocation of 24-inpatient rehabilitation beds, 9 adult psychiatric beds, 7 chemical dependency beds and the Wound Healing Center from the Main Campus to the West Campus.**

SHP Criterion 2 – Bed Service Transfer/Reallocation/Relocation

The applicant affirmed that the relocation of the CDU, inpatient rehabilitation unit, and Wound Healing Center will meet all regulatory/licensure requirements. The net effect of the project will result in DRMC Main Campus being licensed for 221

general acute care beds and DRMC West Campus being licensed for 177 beds, consisting of 137 general acute care beds (123 medical/surgical beds and 14 geriatric psychiatric beds), 24 inpatient rehabilitation beds, 9 adult psychiatric beds, and 7 chemical dependency beds.

SHP Criterion 3 – Uncompensated Care

The applicant affirmed that it will continue to provide a reasonable amount of indigent/charity care as described in Chapter I of the *FY 2006 Mississippi State Health Plan*.

SHP Criterion 4 – Reasonable Cost

The applicant submits that the cost for the proposed renovations will be reasonable and consistent with similar projects recently undertaken in the region. However, the applicant requests consideration that the cost of material, labor, and equipment has recently increased due to the impact of the 2004-2005 hurricane seasons. According to the applicant, this may affect the cost of this proposal.

- a. **Cost per Square Foot:** The project's cost does not exceed the median construction costs as determined by the MDH.
- b. **Equipment Cost:** The project does not include any equipment costs.

SHP Criterion 5 – Floor Area Specifics

- a. **Gross Square Footage:** The areas to be renovated comply with all state and national norms for similar projects and comply with all licensing standards contained in the most recent version of the *Guides for the Design and Construction of Hospital and Health Care Facilities*, according to the applicant.
- b. **Architectural Restraints:** The architectural design of the main Campus of DRMC will not place any restraints on the proposed project.

SHP Criterion 7 – Documentation of Need for a Specific Service

Comprehensive Medical Rehabilitation Beds/Services

- 1(a). **New/Existing Medical Rehabilitation Beds/Services:** The need for Level I comprehensive medical rehabilitation beds is determined using the methodology of .08 beds per 1,000. Delta Regional Medical Center submits that it currently has CON approval for 32 Level I comprehensive medical rehabilitation beds, with 24 beds set up and staffed on the third floor of the Main Campus. The applicant proposes to relocate these beds to its West Campus. The West Campus currently does not offer Level I rehabilitation services; however, the Division of Licensure and Certification has approved the West Campus site for this use. The applicant states that DRMC's Main Campus is currently experiencing a high census and overcrowding due to a lack of necessary acute medical/surgical beds. To promote efficiencies and to staff needed acute

medical/surgical beds at the DRMC Main Campus, the applicant proposes to relocate their 24 Level I comprehensive medical rehabilitation beds located on the third floor of the Main Campus to the fourth floor of the West Campus. No new beds will be added as a result of this project; rather DRMC will relocate existing beds from its Main Campus to its West campus and will cease operation of the beds at its Main Campus.

2. **Level I Comprehensive Medical Rehabilitation Services.** The applicant submits that DRMC's inpatient rehabilitation unit follows all Tri-span and CMS guidelines and regulations with regard to treating certain patients with certain diagnosis. Delta Regional Medical Center affirmed that it has and will record and maintain the required information and will make it available to the Mississippi Department of Health.
3. **Staffing and Services:** The applicant submits that DRMC's inpatient rehabilitation unit has a Medical Director of Rehabilitation who is licensed in Mississippi as a Neurosurgeon and has completed all training and requirements that allow him to manage inpatients that require rehabilitation. The unit also employs full time physical, occupational, and speech therapists and also social services personnel along with rehabilitation nursing and physician care that form an interdisciplinary team that assists patients to achieve a successful return to their normal activities of daily living.

Adult Psychiatric and Chemical Dependency Services

1. **Need:** The need for adult acute psychiatric beds is based on a ratio of 0.21 beds per 1,000 population aged 18 and older for 2005 in the state as a whole. Currently, DRMC has CON approval for nine inpatient adult psychiatric beds and seven chemical dependency beds. The applicant proposes to relocate the 16-bed unit from the fourth floor of the Main Campus to the second floor of the West Campus. The project will not result in an increase in psychiatric and chemical dependency beds, and the applicant will cease operation of the unit at the Main Campus.
2. **Facility/Unit Size:** DRMC submits that the proposed project includes the relocation of 16 chemical dependency and adult psychiatric beds from the Main Campus to the West Campus.
Staffing: According to the applicant, the unit consists of a multidisciplinary team that is well qualified to address diagnosis of both chemical dependency and mental health. The multidisciplinary team consists of a board certified psychiatrist, psychologist, licensed professional counselor, certified alcohol/drug counselor, activities coordinator, after-care coordinator, masters licensed social worker, masters level psychiatric nurse director, and behavioral health technologies.
3. **Aftercare or Follow-up Services:** The applicant submits that the program consists of an extensive discharge plan that includes intensive outpatient therapy, follow-up appointments with physicians, and/or residential treatment programs.

4. **Clientele:** DRMC states that the program will provide acute psychiatric care for adults, age 18-65, that are exhibiting any suicidal or homicidal tendencies, thoughts of depression, acts of psychosis, and/or any diagnosis categorized in the Axis I of the DSMIV TR that warrants acute treatment. The program will also treat those patients that are in need of detoxification of alcohol and substance abuse, and treatment for those that are dually diagnosed for all of the above problems.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual*, May 13, 2000, (as amended) addresses general criteria by which all CON applications are reviewed. The applicable criteria are as follows:

SHP Criterion 1 – State Health Plan

The application, as amended, is in compliance with the criteria and standards for adult psychiatric, adult chemical dependency and rehabilitation services as contained in the *FY 2006 State Health Plan*. The project is not in compliance with the *Plan's* criterion for the addition of acute care beds; however, the applicant has withdrawn this portion of the application.

GR Criterion – Long Range Plan

The applicant states that the proposed relocation project is consistent with the long-range plans of DRMC. These plans include the development of a modern and comprehensive system of care provided through the establishment of centers of excellence at DRMC.

GR Criterion 3 – Availability of Alternatives

The applicant states that there are no more effective or less costly alternatives to this proposal. The consolidation of DRMC's West Campus with the Main Campus, according to the applicant, requires that the relocation of services be undertaken to ensure that an adequate number of beds is available for the patients at the Main Campus. No other alternatives were considered.

GR Criterion 4 -- Economic Viability

- a. **Proposed Charges:** The applicant states that DRMC's proposed charges will be comparable to those charges established by other facilities for similar services within the state.
- b. **Projected Utilization Level:** The applicant expects no increase in the utilization of the Main and the West Campuses as a result of this project.
- c. **Financial Feasibility Study:** A financial feasibility study is not required for this project since the capital expenditure does not exceed \$2,000,000.

GR Criteria 5 – Need for the Project

- a. **Access by the Population Served:** The applicant states that all residents of the area, particularly low income persons, racial and ethnic minorities, women, handicapped persons, other underserved groups, and all the elderly have access to the services offered by Delta Regional Medical Center at both its Main and West Campuses.
- b. **Relocation of Services:** Delta Regional Medical Center desires to relocate a 16 bed unit consisting of 9 adult psychiatric and 7-chemical dependency beds, a 24-bed inpatient rehabilitation unit, and the Wound Healing Center from the Main Campus to its West Campus in order to improve efficiencies of services at the two facilities and to achieve its long term goals. Because both campuses are located in Greenville, Washington County, there should be no adverse effect on the ability of the above groups to obtain needed health care.
- c. **Current and Projected Utilization of Like Facilities in the Area:** The applicant submits that DRMC is the only facility located in Washington County; therefore, there should be no effect on other facilities.
- d. **Probable Effect on Existing Facilities in the Area:** As previously stated, DRMC is the only facility located in Washington County. This proposal involves the relocation of psychiatric, CDU and rehabilitation services from the DRMC Main Campus to the West Campus, which is approximately three miles away. Therefore, no adverse impact will occur for existing facilities.
- e. **Community Reaction:** The application contains 17 letters of support. No letters of opposition have been received.

GR Criteria 6 – Access to Facility or Service

- a. **Medically Underserved Population:** The applicant submitted the following comparison of underserved persons in the service area with the current and projected distribution within the hospital.

Delta Regional Medical Center Underserved Population Distribution				
Underserved Population	Service Area Distribution	DRMC Actual 2004	Estimate 2005	Projected 2006
Medicaid	39.5%	32.5	33.0%	33.0%
African-American	67.0%	68.8	67.0%	62.0%
<150% of FPG	48.0%	43.4	48.0%	44.0%
Elderly	11.0%	37.5	38.0%	38.0%

Source: Project Application

- b. **Performance in Meeting Federal Obligations:** According to the application, Delta Regional Medical Center is under no federal obligations to provide uncompensated care.

- c. **Unmet Needs to be Served by Applicant:** The following table provides an estimate of the distribution of Medicare and Medicaid patients at Delta Regional Medical Center.

Delta Regional Medical Center Medicare and Medicaid Distribution			
	2004	2005	2006
Medicare	37.5%	46.5%	46.0%
Medicaid	32.5%	21.0%	21.0%

Source: Project Application

- d. **Range of Access:** The applicant submits that DRMC is the facility of choice for a majority of the residents of Washington County. Accessibility is promoted through cost containment and reducing charges when possible and encouraging facility use regardless of economic status, ethnicity, gender, or age, according to the applicant. Delta Regional Medical Center further submits that through its aggressive program of seminars, screenings, and the participation in community health fairs, it helps to make health care more accessible and establish its hospital as the central resource for health information and services in the Delta.

GR Criteria 7 – Information Requirement

The applicant states that it will record and maintain the requested information stated in the above criterion and make it available to the Mississippi Department of Health within 15 working days of request.

GR Criteria 8 – Relationship to Existing Health Care System

The relocation of services from DRMC’s Main to the West Campus is not expected to have any adverse effect on any existing health care facility within the service area. No increase in bed complement is occurring and no other facilities are located in Washington County. The applicant expects that the project will increase the efficiencies of existing services provided by DRMC.

GR Criteria 9 – Availability of Resources

No additional personnel are projected for this project. The applicant states that DRMC has the finances and human resources to implement this project without increasing charges at its facility or detrimentally affecting other health care facilities in the area. Furthermore, the applicant states that due to the nature of the proposal and its relationship to DRMC’s ability to continue its mission into the 21st Century, there are no more appropriate uses for these resources.

GR Criteria 10 – Relationship to Ancillary or Support Services

Delta Regional Medical Center submits that, to the extent that additional ancillary and support personnel are required to accommodate the relocated services at

the Main and West Campuses, it will recruit and employ from its existing employment registry.

GR Criteria 16 – Quality of Care

Delta Regional 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 applicant asserts that it is accredited by the Joint Commission on Accreditation of Healthcare Organizations and provides quality care to all of its patients.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

The total estimated capital expenditure of \$200,000 is allocated as follows:

			Percent
a.	Construction Cost -- New		
b.	Construction Cost -- Renovation	153,491	77
c.	Capital Improvements	0	0
d.	Total Fixed Equipment Cost	0	0
e.	Total Non-Fixed Equipment Cost	0	0
f.	Land Cost	0	0
g.	Site Preparation Cost	0	0
h.	Fees (Architectural, Consultant, etc.)	0	0
i.	Contingency Reserve	46,509	23
j.	Capitalized Interest	0	0
k.	Other Cost	0	0
l.	Total Proposed Capital Expenditure	<u>\$200,000</u>	<u>100.00</u>

The project will require renovation of approximately 2,984 square feet at DRMC's West Campus. This computes to a cost of approximately \$67 per square foot. The *RS Means Building Construction Cost Data* does not compare cost of renovation projects.

B. Method of Financing

The applicant proposes to finance the project from cash reserves.

C. Effects on Operating Cost

Delta Regional Medical Center's three-year projected operating statement is contained in Attachment I of this staff analysis. The applicant projects a net income of \$4,394,406, \$5,683,483, and \$6,651,086 for year one, year two, and year three, respectively, for the entire facility (including the Main and West Campuses). The applicant states that the project will create no appreciable increase in operating expense at DRMC; in fact, the relocation and consolidation of services should make the facility much more operationally cost efficient. The applicant projects depreciation of \$13,333 for the relocation project.

D. Cost to Medicaid

Based on the depreciation cost projected by the application, the cost to third party payors is projected as follows:

Delta Regional Medical Center Cost to Payors During First Year of Operation		
Payor	Utilization Percentage	First Year Cost
Medicaid	16.6	\$ 2,213
Medicare	61.2	\$ 8,160
Other	<u>22.2</u>	<u>\$ 2,960</u>
Total	100.0	\$ 13,333

V. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid takes no position on this application.

VI. CONCLUSION AND RECOMMENDATION

This project, as amended, is in substantial compliance with the criteria and standards for renovation, and expansion projects, establishment of adult psychiatric and chemical dependency services, and the establishment of Level I comprehensive medical rehabilitation services as contained in the FY 2006 Mississippi State Health Plan; Chapter 8 of the *Mississippi Certificate of Need Review Manual*, Revised 2000; and all adopted rules, procedures, and plans of the Mississippi Department of Health. However, the application is not in substantial compliance with criteria and standards for the addition of acute care beds as originally proposed.

Section 41-7-195 subparagraph 5 provides that the State Department of Health may approve or disapprove a proposal for a Certificate of Need as originally presented in final form, or it may approve a certificate of need by modification, by reduction only, of such proposal provided the proponent agrees to such modification. On April 13, 2006, the applicant modified its CON request to include only the relocation of 24-inpatient rehabilitation beds, 9 adult psychiatric beds, 7 chemical dependency beds and the Wound Healing Center from the Main Campus to the West Campus.

Therefore, the Division of Health Planning and Resource Development recommends approval of this application (as modified) submitted on behalf of Delta Regional Medical Center for the following:

- Renovation of 2,984 square feet of space at the West Campus;
- Relocation of nine adult psychiatric beds and seven CDU beds from the Main Campus, and establishment of these beds and services at the West Campus;
- Relocation of 24 Level I rehabilitation beds from the Main Campus and establishment of these beds and services at the West Campus; and
- Relocation of the Wound Healing Center from DRMC Main Campus to the West Campus.

Attachment I

Delta Regional Medical Center (Main and West Campuses)			
Three-Year Operating Statement			
Revenue	Year 1	Year 2	Year 3
Patient Revenue:			
Inpatient	\$174,866,909	\$183,610,254	\$192,790,767
Outpatient	<u>143,118,568</u>	<u>150,274,496</u>	<u>157,788,221</u>
Total Patient Revenue	\$317,985,477	\$333,884,750	\$350,578,988
Deduction From Revenue			
Contractual Agreement	\$159,753,064	\$167,740,717	\$176,127,753
Bad Debt	<u>28,634,083</u>	<u>30,065,787</u>	<u>31,569,077</u>
Total Deductions From Revenue	\$188,387,147	\$197,806,504	\$207,696,830
Net Patient Revenue	129,598,330	136,078,247	142,882,159
Other Revenue	<u>1,595,000</u>	<u>1,634,875</u>	<u>1,675,747</u>
Net Revenue	131,193,330	137,713,122	144,557,906
Expenses			
Operating Expenses:			
Salaries and Wages	59,860,253	61,656,061	64,720,565
Benefits	8,040,213	8,281,419	8,693,033
Contract Labor	1,618,273	1,618,273	1,618,273
Supplies	21,277,390	22,722,665	24,213,449
Medical Specialist Fees	253,200	260,796	268,620
Purchased Services	11,907,661	12,503,044	13,128,196
Utilities	1,760,580	1,813,397	1,867,799
Repairs and Maintenance	4,513,108	4,648,501	4,787,956
Insurance	3,002,363	3,092,434	3,185,207
Other Operating Expenses	<u>8,145,883</u>	<u>8,390,259</u>	<u>8,641,967</u>
Total Operating Expense	\$120,378,924	\$124,986,849	\$131,125,065
Operating Margin	\$ 10,814,406	\$ 12,726,273	\$ 13,432,841
Non-Operating Expenses:			
Depreciation	\$ 5,150,000	\$ 5,175,464	\$ 5,001,380
Interest	<u>1,270,000</u>	<u>1,867,324</u>	<u>1,780,374</u>
Total Non-Operating Expenses	\$ 6,420,000	\$ 7,042,788	\$ 6,781,754
Net Income	<u>\$ 4,394,406</u>	<u>\$ 5,683,485</u>	<u>\$ 6,651,087</u>
Total Patient Days	53,290	54,356	55,443
Average Daily Census	146	149	152
Occupancy Rate (Percentage)	36.5	37.2	38.0
Cost/Patient Day	\$2,258.90	\$2,299.41	\$2,365.04
Charge/Patient Day	\$5,967.08	\$6,142.56	\$6,323.23