

**MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
SEPTEMBER 30, 2022**

**CON REVIEW NUMBER: POB-NIS-0822-013
GULF COAST VASCULAR CARE LLC
PROVISION OF INVASIVE DIGITAL ANGIOGRAPHY (DA) SERVICES IN A
PHYSICIAN OFFICE BUILDING, BILOXI, MISSISSIPPI
CAPITAL EXPENDITURE: \$0.00
LOCATION: BILOXI, HARRISION COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Gulf Coast Vascular Care LLC (“Gulf Coast” or the “Applicant”) is a Mississippi limited liability company located at 14219 Cook Road, Biloxi, Mississippi 39532. The Applicant asserts the Management/Operating Entity is American Vascular Associates located at 3001 Palm Harbor Blvd., Suite A, Palm Harbor, Florida 34683. The application indicates Gulf Coast’s managing members are AVA Biloxi Holdings, LLC, Memorial Properties, Inc., and Dr. Eric Hall.

The Applicant provided a Certificate of Good Standing dated July 22, 2022, from the Office of the Secretary of State, verifying the LLC was registered on July 23, 2020. The document indicates Gulf Coast is authorized to do business in the state of Mississippi.

B. Project Description

Gulf Coast Vascular Care LLC requests Certificate of Need (“CON”) authority to provide invasive digital angiography services to patients in Biloxi, Harrison County, Mississippi. Gulf Coast states their facility is currently providing non-digital angiography services with the use of fluoroscopy.

The Applicant states, to provide non-digital angiography services, a contrast material is injected into the patient which highlights the blood vessels through the artery or vein. According to the Applicant, Gulf Coast is currently unable to obtain the needed contrast material due to worldwide supply chain disruptions. The Applicant states, without the contrast material, blood vessels cannot be seen. Gulf Coast asserts, at present, the only alternative available to replace the unavailable contrast material is the use of CO₂. The Applicant states using CO₂ requires the use of invasive digital angiography to properly observe the blood vessels.

The Applicant states the increasing prevalence of chronic limb-threatening ischemia (“CLTI”) is also fueling the need for vascular imaging at the facility. The Applicant asserts invasive digital angiography (“DA”) is very helpful in caring for peripheral arterial disease in patients with CLTI. The Applicant submits Mississippi ranks near the top in the country for the number of amputations performed. The Applicant states invasive DA improves vessel resolution in the smaller tibial vessels that are typically revascularization targets in patients with non-healing wounds facing potential amputation.

The Applicant affirms the main treatment modality for DA is peripheral arterial disease (“PAD”) diagnosis and treatment. Gulf Coast states DA facilitates imaging of peripheral arteries and bypass grafts. The Applicant states complex oblique and sagittal angulations with DA optimize visualization of bifurcations and overlapping vascular structures. The Applicant asserts reprocessing techniques using integrated masks and contrast images allow for diagnostic delineation of fine vascular detail. The Applicant submits this is a practical, noninvasive, well tolerated method for both diagnostic screening and follow-up evaluation of patients with peripheral vascular disease. Additionally, the Applicant states DA imaging confirms a diagnosis of peripheral artery disease, assesses the severity and the extent of disease, and is also used to plan and guide revascularization.

The Applicant states, as a result of the worldwide shortage in contrast material and to continue to serve its patients, Gulf Coast requests the authority to provide invasive digital angiography services. The *FY 2022 MS State Health Plan* defines Invasive Digital Angiography (“DA”) as “a diagnostic and catheter based therapeutic intravascular intervention imaging procedure that combines a digital processing unit with equipment similar to that used for standard fluoroscopic procedures.” As defined, the Mississippi State Department of Health (“MSDH”) regulates invasive DA as a diagnostic and therapeutic practice.

The Applicant states there is no capital expenditure associated with this project. The Applicant anticipates the proposed services will be implemented immediately, following receipt of the final CON approval from MSDH.

II. TYPE OF REVIEW REQUIRED

This project is reviewed in accordance with Sections 41-7-173, 41-7-191, and 41-7-193 of the Mississippi Code of 1972 Annotated, as amended, and the 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 of 1972 Annotated, as amended, any affected person may request a public hearing on this project within ten (10) days of publication of the staff analysis. The opportunity to request a hearing expires on October 10, 2022.

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

A. State Health Plan (SHP)

The *FY 2022 MS State Health Plan* contains criteria and standards which the applicant is required to meet before receiving CON authority for the offering of diagnostic imaging services of an invasive nature, i.e., invasive digital angiography, if those services have not been provided on a regular basis by the proposed provider of such services within the period of twelve (12) months prior to the time such services would be offered. This application is in substantial compliance with the applicable criteria stated in the *Plan* as follows.

SHP Need Criterion 1 – Staffing Requirements

- a. **The applicant for invasive DA services shall demonstrate that proper protocols for screening and medical specialty backup are in place before services are rendered by personnel other than those with specialized training. The protocols shall include, but are not limited to, having prior arrangements for consultation/backup from a vascular surgeon, cardiologist, radiologist or nephrologist credentialed and accredited for interventional peripheral vascular procedures.**

The Applicant states Gulf Coast will not perform any procedures involving the heart or the brain. The Applicant further states the proposed DA services (interventional peripheral vascular procedures) will be performed by two (2) physicians, Drs. Eric Hall and Joseph O’Gorman. Gulf Coast Vascular Care LLC affirms both physicians have all the necessary specialized training to perform interventional peripheral vascular procedures in Mississippi.

- b. **Identify physicians in the group and state which physician(s) will perform intravascular interventions using invasive DA. Certify that:**
 - i. **Each physician will maintain medical staff privileges at a full-service hospital; or**
 - ii. **At least one member of the physician group has staff privileges at a full-service hospital and will be available at the facility or on call within a 30-minute travel time of the full-service hospital during the hours of operation of the facility.**

The application contained Curriculum Vitae for both Eric Hall, M.D., and Joseph D. O’Gorman, D.O. The Applicant affirms both physicians are the proposed physicians that will perform intravascular interventions using invasive digital angiography at Gulf Coast Vascular Care LLC. Dr. Hall and Dr. O’Gorman are both licensed by the Mississippi State Board of Medical Licensure. The Applicant states both physicians will maintain medical staff privileges at a full-service hospital, or at least one member of the group will have staff privileges at a full-service hospital and will be available at the facility or on call within a thirty (30) minute travel time of the full-service hospital during the hours of operation of the facility.

SHP Need Criterion 2 – Types of Procedures

- a. Procedures in a freestanding facility are generally non-emergent nor life threatening in nature and require a patient stay of less than 24 consecutive hours. The procedures shall not be of a type that:**
 - i. Generally, result in blood loss of more than ten percent of estimated blood volume in a patient with a normal hemoglobin.**
 - ii. Require major or prolonged intracranial, intrathoracic, abdominal, or major joint replacement procedures, except for laparoscopic procedures; or**
 - iii. Involve major blood vessels.**
 - 1. Major blood vessels are defined as the group of critical arteries and veins including the aorta, coronary arteries, pulmonary arteries, superior and inferior vena cava, pulmonary veins, carotid arteries, and any intracerebral artery or vein.**

The Applicant affirms the proposed invasive DA procedures are generally non-emergent, non-life threatening in nature, and require a patient stay of less than twenty-four (24) consecutive hours. The Applicant states the procedures will not be of a type that meets any of the criteria listed in Need Criterion 2.a.i-2.a.iii.

- b. Percutaneous endovascular interventions of the peripheral vessels not excluded in a.iii.1. above are permitted to be performed in a freestanding facility. These procedures are defined as procedures performed without open direct visualization of the target vessel, requiring only needle puncture of an artery or vein followed by insertion of catheters, wires, or similar devices which are then**

advanced through the blood vessels using imaging guidance. Once the catheter reaches the intended location, various maneuvers to address the diseased area may be performed which include, but are not limited to, injection of contrast for imaging, ultrasound of the vessel, treatment of vessels with angioplasty, atherectomy, covered or uncovered stenting, intentional occlusion of vessels or organs (embolization), and delivering of medications, radiation, or other energy such as laser, radiofrequency, or cryo.

The Applicant affirms its understanding and compliance with Need Criterion 2.b.

SHP Need Criterion 3 – Transfer Agreement

The applicant must certify that the proposed facility will have a formal transfer agreement with a full-service hospital to provide services which are required beyond the scope of the freestanding facility's programs.

Gulf Coast Vascular Care LLC certifies the facility will have a formal transfer agreement with a full-service hospital to provide services which are required beyond the scope of the freestanding facility's programs.

SHP Need Criterion 4 – CON Approval/Exemption

Before utilizing or providing the equipment or service, the applicant desiring to provide the digital angiography equipment or invasive DA services shall have CON approval or written evidence that the equipment or service is exempt from CON approval as determined by MSDH through a determination of reviewability.

The Applicant affirms its compliance and understanding with this criterion.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual* addresses general criteria by which all CON applications are reviewed. This application is in substantial compliance with the general review criteria contained in the *Manual*.

GR Criterion 1- State Health Plan

The project is in substantial compliance with all criteria, standards, and policies in the *FY 2022 Mississippi State Health Plan* applicable to the offering of invasive digital angiography services.

GR Criterion 2 – Long Range Plan

The Applicant states Gulf Coast's long-range plans are to improve health care quality and patient safety for residents of Harrison County and all of GHSA 9; to reduce health care costs while promoting high-value, effective care; to ensure the accurate diagnosis and provision of treatment to patients with CLTI; and to ensure access to quality, competent care for vulnerable populations in GHSA 9. The Applicant further states the proposed project is consistent with Gulf Coast's long-term plans as invasive DA procedures are minimally invasive, relatively low-risk and low-cost, and will be performed by specially trained, qualified physicians.

GR Criterion 3 – Availability of Alternatives

Gulf Coast states there are no less costly or more effective alternative methods of providing the proposed services. The Applicant asserts, to continue to serve its patients during the global supply shortage, the addition of invasive DA services is the only identified alternative. Furthermore, the Applicant states the project has no capital expenditure, so there is no other less costly alternative.

- a. Advantages and Disadvantages:** The Applicant asserts this project ensures continued quality and accessible health care for the Applicant's patients and for GHSA 9 as a whole. Gulf Coast states, in light of the global supply-chain disruption involving contrast material, the Applicant's proposed project utilizes the only present alternative to replacing the unavailable contrast material.

The Applicant states, if Gulf Coast is unable to provide the services proposed, there is no current alternative. The Applicant further states failure to grant the proposed service would result in adverse impact to the Applicant's patients.

- b. New Construction Projects:** The Applicant affirms the proposed project does not involve new construction.
- c. Beneficial Effects to the Health Care System:** The Applicant affirms the project will most effectively benefit the health care system by ensuring continued quality and accessible health care for Gulf Coast's patients and GHSA 9. The Applicant also indicates, without adopting this alternative method to provide services to its patients, Gulf Coast's patients would remain underserved during the global supply chain deficit and patients who suffer from CLTI will be without a necessary provider of services to treat their conditions.

d. Effective and Less Costly Alternatives:

- i. **Unnecessary Duplication of Services:** The Applicant states Gulf Coast is not aware of any provider in GHSA 9 that is currently replacing non-digital angiography services with invasive digital angiography services.

The Applicant states Gulf Coast's patient population will not have access to invasive DA procedures if the proposed project is not approved. The Applicant further states Gulf Coast is not aware of other physician practices performing invasive DA procedures for the diagnosis of CLTI. Therefore, the Applicant suggests the project does not duplicate services in the proposed service area as the service is expected to benefit Gulf Coast's current patient population.

- ii. **Efficient Solution:** The Applicant states this criterion is not applicable. However, the Applicant notes there is no other effective, less costly alternative than the project proposed.

- e. **Improvements and Innovations:** The Applicant states the proposed project fosters innovations in the delivery of health services in the face of a global supply chain deficit. The Applicant asserts the use of catheter-based endovascular techniques is minimally invasive and allows for fluoroscopic procedures to continue during the contrast materials shortage. Gulf Coast submits invasive DA is useful to care for peripheral arterial disease patients with CLTI. Gulf Coast further states the increasing prevalence of CLTI is fueling the need for vascular imaging to accurately diagnose and provide treatment.

The Applicant states the proposed project also promotes quality care and cost effectiveness. The Applicant notes office-based procedures offers physicians a greater degree of control over patient outcomes. Additionally, Gulf Coast states the proposed project gives patients more flexibility to schedule procedures and provides a familiar environment to have those procedures performed.

- f. **Relevancy:** The Applicant states, in light of the global supply-chain disruption involving contrast material, Gulf Coast is utilizing the only present alternative to replace the now unavailable contrast material. Gulf Coast also asserts this project will use invasive DA to ensure the accurate diagnosis and provision of treatment for the increasing number of CLTI patients. The Applicant further states Gulf Coast is on the forefront of changing medical delivery methods and ensuring community health care needs are met for the

foreseeable future.

GR Criterion 4 - Economic Viability

- a. Proposed Charge:** The Applicant submitted a confidential copy of its charge master. The Applicant states the proposed charges are similar to other DA services provided in the State by facilities comparable to the Applicant.
- b. Projected Levels of Utilization:** The Applicant affirms the projected levels of utilization are reasonably consistent with those experienced by similar facilities in GHSA 9 as well as with the need level of GHSA 9.
- c. Financial Feasibility Study:** Not applicable. The Applicant affirms the capital expenditure for the proposed project is less than \$2,000,000.00.
- d. Financial Forecasts:** The Applicant states the proposed project does not deviate significantly from the financial statements for the three-year historical period.
- e. Covered Expenses:** The Applicant states Gulf Coast is an office-based practice that does not have the high overhead costs associated with an acute care hospital where invasive DA procedures are normally performed. The Applicant states Gulf Coast has projected realistic revenues, based on current performance, for the proposed project. The Applicant indicates, while not anticipated, Gulf Coast could fall short of its revenue projections and still satisfy the economic viability requirement for the proposed project.
- f. Impact of Proposed Project on Health Care Cost:** The Applicant states Gulf Coast is confident the proposed project will reduce overall health care costs for all aspects of the health care system, including Mississippi Medicaid. The Applicant further states the proposed services will be performed from an office-based setting, which will be significantly less expensive for the Medicaid program than equivalent services performed in a hospital setting. Additionally, Gulf Coast states the services offered by the Applicant prevent the development of far more serious and life-threatening issues and complications in patients that are more expensive to treat. The Applicant affirms the cost to the system and to patients (both commercially insured and those relying on Medicare and Medicaid) are reduced by the provision of the services proposed in its application.

GR Criterion 5 - Need for the Project

a. Population Needs for Service:

The Applicant states there is currently a world supply-chain disruption involving contrast material. The Applicant asserts, without contrast material, a provider using fluoroscopy cannot observe blood vessels. The Applicant indicates, at present, the only alternative to replace the unavailable contrast material is the use of CO₂. The Applicant further states that using CO₂ requires the provider to use invasive digital angiography to properly see the vessels.

The Applicant asserts Mississippi unfortunately ranks near the top in terms of the number of amputations performed. Gulf Coast states invasive DA is helpful in the care of peripheral arterial disease patients with CLTI. Additionally, the Applicant states invasive DA improves vessel resolution in smaller tibial vessels that are typically the revascularization targets in patients with non-healing wounds facing potential amputation. Gulf Coast further states the increasing prevalence of CLTI is also fueling the need for vascular imaging to accurately diagnose and treat patients.

The Applicant states the main treatment modality for invasive DA is peripheral arterial disease diagnosis and treatment. The Applicant asserts DA facilitates imaging of peripheral arteries and bypass grafts. The Applicant submits complex oblique and sagittal angulations with invasive DA optimize visualization of bifurcations and overlapping vascular structures. The Applicant asserts reprocessing techniques using integrated masks and contrast images allow for diagnostic delineation of fine vascular detail. The Applicant additionally states this is a practical, noninvasive, well tolerated method for both diagnostic screening and follow-up evaluation of patients with peripheral artery disease. The Applicant concludes invasive DA imaging confirms a diagnosis of peripheral artery disease, assesses the severity and the extent of disease, and is also used to plan and guide revascularization.

The Applicant states the Mississippi Coast has a population comprised of elderly, ethnic and racial minorities, and the economically disadvantaged and medically underserved. The Applicant states the operation of a clinic-based invasive DA provider will meet a need in the service area and increase access to services to those in the State who need it most.

b. Relocation of Services

- i. Replacement Facility:** The Applicant states the proposed project is not a replacement facility.

ii. Relocation of Services: The Applicant states the proposed project does not involve the relocation of services.

c. Current and Projected Utilization of Comparable Facilities: The Applicant states Gulf Coast is not aware of any other provider in its service area replacing non-digital angiography services with invasive digital angiography services. The Applicant states the methodology Gulf Coast used for projecting utilization is based on Gulf Coast's previous utilization of non-digital angiography services and the conversion of non-digital angiography services to invasive DA services.

The Applicant states Gulf Coast's patient population will not have access to invasive DA procedures if the proposed project is not approved. The Applicant further states Gulf Coast is not aware of other physician practices performing invasive DA procedures for the diagnosis of CLTI.

d. Probable Effect: The Applicant states there will be no adverse impact to existing service providers. The Applicant further states the proposed services will only be used to treat Gulf Coast Vascular Care LLC patients.

e. Community Reaction to Service: Gulf Coast's application contained two (2) support letters for the proposed project.

GR Criterion 6 - Access to the Facility or Service

a. Access to Services for the Medically Underserved: According to the Applicant, all residents of the health planning service area including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons, and the elderly have access to the services of the existing facility.

The following table depicts the projected estimated gross patient revenues of health care provided to charity/medically indigent patients for Years 1 and 2 of the proposed project.

Gross Patient Revenue

	Medically Indigent (%)	Charity Care (%)	Medically Indigent (\$)	Charity Care (\$)
Projected Year 1	1%	N/A	\$18,863.00	N/A
Projected Year 2	1%	N/A	\$32,058.00	N/A

- b. **Existing Obligations:** The Applicant confirms Gulf Coast has no existing or remaining obligations under any federal regulation requiring provision of uncompensated care, community service, or access by minority and handicapped persons.
- c. **Unmet Needs of Medicare, Medicaid, and medically indigent patients:** Gulf Coast affirms the proposed services will be available to all patients, including Medicare, Medicaid, and medically indigent patients.
- d. **Access to the Proposed Facility:** The Applicant states Gulf Coast does not discriminate and will provide free access to the facility for the poor and physically handicapped and women, elderly, and ethnic and racial minorities.
- e. **Access Issues:**
 - i. **Transportation and Travel:** According to the Applicant, all residents of the planning area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons, and the elderly, have access to Gulf Coast's facility.
 - ii. **Restrictive Admission Policy:** The Applicants states Gulf Coast does not have an admissions policy as it is a physician's office.
 - iii. **Access to Care by Medically Indigent Patients:** The Applicant states Gulf Coast does not discriminate and will provide free access to the facility for the poor and physically handicapped and women, the elderly, and members of ethnic and racial minorities.
 - iv. **Operational Hours of Service:** The Applicant states services are offered Monday through Friday, from 8:00 am to 4:00 pm. The Applicant states Gulf Coast does not have an emergency department and does not offer emergency room services.

GR Criterion 7 - Information Requirement

The Applicant affirms Gulf Coast will record and maintain the information listed in GR Criterion 7 and make it available to the Department within fifteen (15) business days of request.

GR Criterion 8 - Relationship to Existing Health Care System

- a. **Comparable Services:** The Applicant affirms Gulf Coast is not aware of any other providers in its service area replacing non-digital angiography services with invasive digital angiography services. The Applicant states Gulf Coast's

patient population will not have access to the proposed procedures without the granting of the proposed CON. The Applicant further states Gulf Coast is unaware of any other physician practices performing invasive DA procedures for the diagnosis of CLTI.

b. Effects on Existing Health Services:

- i. Complement Existing Services:** As stated above, the Applicant states Gulf Coast is unaware of any other provider in its service area replacing non-digital angiography services with invasive digital angiography. The Applicant notes Gulf Coast is not aware of any other physician practice in its service area performing invasive DA procedures for the diagnosis of CLTI.
 - ii. Providing Alternative or Unique Services:** Gulf Coast states the proposed project is designed to continue to provide quality care to the Applicant's patient base by using the only alternative to contrast material currently available. The Applicant states there are no less costly or more effective alternative methods for providing the proposed services. The Applicant affirms, to continue to serve patients during the contrast material global supply shortage, this is the only identified alternative.
 - iii. Provide a Service for a Specific Target Population:** The Applicant states Gulf Coast proposes to provide invasive DA services to the residents of Harrison county and all GHSA 9. The Applicant asserts invasive digital angiography is very helpful in the care of peripheral arterial disease patients with CLTI. Gulf Coast affirms the proposed services will be available to all patients including Medicare, Medicaid, and medically indigent patients.
 - iv. Provide Services for Which There is an Unmet Need:** The Applicant states failure to utilize this alternative treatment, invasive digital angiography, will result in Gulf Coast being unable to care for its patient base.
- c. Adverse Impact:** The Applicant states contrast material is largely unavailable due to a global shortage. The Applicant asserts, if Gulf Coast is unable to provide the proposed service, there is no other treatment alternative available for its facility. The Applicant further states failure to grant the proposed CON would adversely impact the Applicant's patients.
- d. Transfer/Referral/Affiliation Agreements:** The Applicant affirms Gulf

Coast does not have transfer, referral or affiliation agreements at this time. The Applicant states Gulf Coast will obtain a transfer agreement prior to operations beginning if required by law.

GR Criterion 9 - Availability of Resources

- a. **New Personnel:** The Applicant asserts Gulf Coast will seek to add one (1) registered nurse and one (1) radiological tech for this project. The Applicant states new personnel will be recruited through public and private means to target qualified and appropriate staff.
- b. **Contractual Services:** The Applicant states there will be no related contractual services purchased.
- c. **Existing Facilities or Services:** The Applicant states Gulf Coast is currently providing the proposed service subject to emergency authorization. The Applicant confirms the individuals currently working at the facility will continue in their positions if the proposed project is approved.
- d. **Alternative Uses of Resources:** The Applicant states the implementation of the proposed service is the only known alternative to the use of contrast materials, which are presently unavailable due to supply chain issues.

GR Criterion 10 – Relationship to Ancillary or Support Services

- a. **Support and Ancillary Services:** The Applicant affirms there are no support or ancillary services needed for the proposed project.
- b. **Changes in Costs or Charges:** The Applicant states there should be no material change in costs or charges as a result of this project.
- c. **Accommodation of Proposed Costs or Charges:** The Applicant states there should be no material change in costs or charges as a result of this project.

GR Criterion 11– Health Professional Training Programs

The Applicant states Gulf Coast does not anticipate an impact on the clinical needs of health professional training programs.

GR Criterion 12– Access by Health Professional Schools

The Applicant states this criterion is not applicable to the proposed project.

GR Criterion 13 – Access to Individuals Outside Service Area

The Applicant affirms this proposed project focuses on the needs of those residing in Gulf Coast's service area.

GR Criterion 14 – Construction Projects

The Applicant states the proposed project does not involve construction or renovation.

GR Criterion 15 – Competing Applications

The Applicant states this criterion is not applicable.

GR Criterion 16- Quality of Care

- a. **Past Quality of Care:** The Applicant states Gulf Coast is committed to the provision of prompt, efficient, high-quality service to all patients who present for invasive digital angiography procedures. The Applicant asserts, since its inception, Gulf Coast has taken all needed actions to meet this commitment and the quality of its service has never been questioned.
- b. **Improvements of Quality of Care:** The Applicant asserts the proposed project will improve the quality of care delivered to the target population because Gulf Coast serves patients who are at high risk for limb amputations. The Applicant further states the provision of invasive digital angiography services should assist in determining whether amputation is necessary or could be avoided.
- c. **Accreditation and/or Certificates:** The application contained the certifications and CVs for Drs. Eric Hall and Joseph O’Gorman, who will be performing the invasive DA procedures.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

The Applicant affirms there is no capital expenditure associated with the proposed project.

B. Method of Financing

The Applicant affirms there is no capital expenditure or financing needed for the proposed project.

B. Effect on Operating Cost

The Applicant states, since the facility leases the equipment, a depreciation schedule is not applicable. The Applicant further states Gulf Coast opened for operations on August 16, 2021; therefore, no audited financial statements are available.

D. Cost to Medicaid/Medicare

The Applicant projects the cost to third party payors as follows:

Payor Mix	Utilization Percentage (%)	First Year Revenue (\$)
Medicare	61.00%	\$ 1,131,803.00
Medicaid	10.00%	\$ 188,634.00
Commercial	25.00%	\$ 471,584.00
Self-Pay	5.00%	\$ 94,317.00
Charity Care	-1.00%	\$ (18,863.00)
Other	0.00%	\$0.00
Total	100.00%	\$1,867,474.00

V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of the Applicant's application for review and comment. The Department did not receive a letter or comment from the Division of Medicaid.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the provision of invasive digital angiography services contained in the *FY 2022 Mississippi State Health Plan*; the *Mississippi Certificate of Need Review Manual, September 1, 2019, Revision*; and the duly adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by Gulf Coast Vascular Care LLC for the provision of invasive digital angiography services in a freestanding facility.

Attachment 1

Gulf Coast Vascular Care, LLC			
Three-Year Operating Statement (Project Only)			
	Year 1	Year 2	Year 3
Revenue			
Patient Revenue:			
Inpatient Care Revenue			
Outpatient Care Revenue	\$ 1,867,474	\$ 3,173,723	\$ 5,013,836
Gross Patient Revenue	\$ 1,867,474	\$ 3,173,723	\$ 5,013,836
Charity Care	\$ (12,827)	\$ (21,799)	\$ (34,438)
Deductions from Revenue	\$ 1,282,710	\$ 2,179,931	\$ 3,443,847
Net Patient Care Revenue	\$ 597,592	\$ 1,015,592	\$ 1,064,428
Other Operating Revenue	0	0	0
Total Operating Revenue	\$ 597,592	\$ 1,015,592	\$ 1,604,428
Operating Expenses:			
Salaries	\$ 120,500	\$ 134,000	\$ 146,000
Benefits	28,919	32,160	35,040
Supplies	179,200	315,000	577,500
Services	60,100	82,100	129,650
Lease			
Depreciation			
Interest			
Other	\$ 41,350	\$ 48,775	\$ 70,240
Total Operating Expenses	\$ 430,069	\$ 612,035	\$ 958,430
Net Operating Income (Loss)	\$ 167,523	\$ 403,557	\$ 645,998
Assumptions			
Inpatient days			
Outpatient visits			
Procedures	56	90	165
Charge per outpatient day	N/A	N/A	N/A
Charge per inpatient day	N/A	N/A	N/A
Charge per procedure	\$ 33,348	\$ 35,264	\$ 30,387
Cost per inpatient day	N/A	N/A	N/A
Cost per outpatient day	N/A	N/A	N/A
Cost per procedure	\$ 7,680	\$ 6,800	\$ 5,809