

**DIVISION OF HEALTH PLANNING
AND RESOURCE DEVELOPMENT
NOVEMBER 15, 2021**

**CON REVIEW HG-SB-0921-008
NATCHEZ HOSPITAL COMPANY, LLC
D/B/A MERIT HEALTH NATCHEZ
OFFERING OF SWING-BED SERVICES
LOCATION: NATCHEZ, ADAMS COUNTY, MISSISSIPPI
CAPITAL EXPENDITURE: \$5,000.00**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Natchez Hospital Company, LLC is a Mississippi Limited Liability Company consisting of four (4) officers. The Company owns and operates Merit Health Natchez, a one-hundred-seventy-nine (179) bed acute care hospital consisting of one-hundred fifty-nine (159) medical surgical beds, including geriatric psychiatric beds, and twenty (20) rehabilitation beds.

The application contains a Certificate of Good Standing from the Mississippi Secretary of State, dated September 27, 2021, as evidence of good standing.

B. Project Description

Natchez Hospital Company, LLC d/b/a Merit Health Natchez (the "Applicant" or "Hospital") requests certificate of need (CON) authority to provide swing-bed services pursuant to Chapter 5, Section 505.02 of the *2020 State Health Plan, effective July 30, 2020*.

The Applicant states the Hospital provides medical services to patients throughout the southwestern area of the State, primarily in five (5) Mississippi counties and two (2) Louisiana counties. In addition, the Applicant states the Hospital provides services in emergency medicine, surgery, cardiology, labor and delivery, radiology, outpatient diagnostic testing, and physical therapy.

Merit Health Natchez states prior to the Public Health Emergency (PHE) resulting from COVID-19, the Hospital considered providing swing bed services as it had situations where it could not discharge acute patients that needed skilled care. The Applicant states during the PHE, the Centers for Medicare and Medicaid Services ("CMS") granted flexibility in its regulations through its COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers ("Waiver"). The Hospital applied for and received CMS approval under the Waiver to bill for swing bed services, and was given temporary, emergency approval by the State Health Officer to offer swing bed services. During the PHE, the Hospital, per the requirements of the Waiver and State of Emergency, was able to benefit from

having the ability to move patients to swing bed status. The Applicant states they recognized how swing bed availability helped to improve the Hospital's flexibility in addressing operational needs, such as staffing, and allowed the Hospital to better serve its patients with a more appropriate level of care.

The Applicant states the Hospital desires to continue to offer swing bed services after the expiration of the Waiver and/or the State of Emergency.

Thus, the Applicant states the project seeks to provide swing bed services to the Hospital's patients that need skilled nursing care but are unable to obtain the care at a skilled nursing facility. They further state the flexibility afforded by the swing bed service will allow the Hospital to improve access for their patients by providing a link between inpatient acute care and home or community-based services.

Merit Health Natchez anticipates the project will be complete and implemented within thirty (30) days of final CON approval, with none to minimal capital expenditure. The Applicant has projected a capital expenditure of \$5,000.00.

The Applicant states the project will acquire 2.5 full-time equivalent (FTE) personnel the first year at an annual cost of \$118,080.00.

The application contains a letter dated September 29, 2021, indicating that the Mississippi Division of Health Facilities Licensure and Certification has approved the site for the swing bed services.

II. TYPE OF REVIEW REQUESTED

This Certificate of Need (CON) application to establish swing-bed services is reviewed under the applicable statutory requirements of Sections 41-7-173, 41-7-191, and 41-7-193, Mississippi Code of 1972 Annotated, as amended. MSDH will also review applications for CON according to the general criteria listed in the *Mississippi Certificate of Need Review Manual, September 1, 2019, Revision*; all adopted rules, procedures, and plans of the MSDH; and the specific criteria and standards listed below.

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 November 29, 2021, as November 25 – 26, 2021 are holidays.

III. CERTIFICATE OF NEED CRITERIA AND STANDARDS

A. State Health Plan (SHP)

The *FY 2020 Mississippi State Health Plan (MSHP)* contains criteria and standards which the applicant is required to meet before receiving CON authority for the establishment of swing-bed services.

SHP Need Criterion 1- Federal Requirements

The Applicant asserts Merit Health Natchez currently meets all federal regulations as outlined in 42 C.F.R. §482.58 regarding the swing-bed concept and will continue to meet all federal regulations regarding the swing-bed concept.

Federal law allows rural hospitals with fewer than one hundred (100) beds to utilize its beds as “swing beds” to provide post-acute extended care services. 42 C.F.R. §482.58. Hospitals must have a Medicare provider agreement and meet several eligibility and skilled nursing facility requirements to be granted CMS approval to provide post-hospital extended care services and be reimbursed as a swing-bed hospital.

Merit Health Natchez submits the following language from the C.F. R. section and the Hospital’s response thereto: (This SA will focus on subsection (a) 1-2)

A hospital that has a Medicare provider agreement must meet the following requirements in order to be granted an approval from CMS to provide post-hospital extended care services, as specified in §409.30 of this chapter, and be reimbursed as a swing-bed hospital, as specified in §413.114 of this chapter:

(a) Eligibility. A hospital must meet the following eligibility requirements:

- (1) The facility has fewer than one hundred (100) beds, excluding beds for newborns and beds in intensive care type inpatient units (for eligibility of hospitals with distinct parts electing the optional reimbursement method).*

The Applicant states the Hospital is licensed for 179 beds, but this total includes ICU type beds as well as telemetry and rehab beds; thus, excluding these beds from the Hospital’s bed total results in 140 beds. However, the Applicant states on average the Hospital only staffs forty-six (46) beds. In addition, the Applicant states per CMS State Operations Manual (“SOM”) regarding the Medicare certification process, Chapter 2, CMS allows the certification of a hospital for swing beds “if it utilizes and staffs for fewer than one hundred (100) beds...” and the State Agency “obtains written assurance from appropriate hospital officials that the hospital will not operate with a greater number of inpatient hospital beds than permitted by the category for which approval is requested.” Merit Health Natchez asserts the Hospital will qualify for “swing-bed” status for Medicare purposes in

compliance with this subsection and will not operate more than one hundred (100) beds.

- (2) *The hospital is located in a rural area. This includes all areas not delineated as “urbanized” areas by the Census Bureau, based on the most recent census.*

The Applicant submits the Hospital is located in Natchez-Mississippi-Louisiana area and is an urban cluster but is not an urbanized area per the Census Bureau classification. Therefore, the Applicant asserts as Natchez is not in an “urbanized” area as defined by the Census Bureau, the Hospital meets this subsection.

SHP Need Criterion 2 – Resolution Adopted for Proposed Participation

The application contains a resolution of the Board of Directors of Natchez Hospital Company, LLC, giving full support for proceeding with the CON Application requesting authority for the project.

SHP Need Criterion 3 – Hospitals Proposing Beds over the Maximum allowed by Federal Law

The Applicant states the Hospital does not propose to operate and staff more beds than the maximum number of beds specified by federal regulations for participation in the Swing Bed Program. However, in the event this changes, the Hospital asserts only private pay patients will receive swing bed services once the federal threshold is met.

SHP Need Criterion 4 – Medicare Recipients

The Applicant affirms that upon approval of this CON Application and complying with all federal requirements for participation in the swing bed program, they will provide swing-bed services to any patient eligible for Medicare who is certified by a physician to need such services.

SHP Need Criterion 5 – Limitation on Medicare/Medicaid Patients

The Applicant affirms that upon approval of this CON Application and complying with all federal requirements for participation in the swing bed program, it will not permit any patient who is eligible for both Medicaid and Medicare or eligible for Medicaid to stay in its swing beds for more than thirty (30) days per admission without prior approval for such patient from the Division of Medicaid. The Applicant anticipates its average length of stay to be ten (10) days.

SHP Need Criterion 6 – Hospitals with More Licensed Beds or a Higher Average Daily Census

The Applicant asserts the Hospital does not propose to operate more than the maximum number of beds specified in federal regulations. However, in the event this changes, the Applicant affirms it will develop a procedure to ensure that before a patient is allowed to stay in the swing-beds of the Hospital, there are no vacant nursing home beds available within a fifty (50) mile radius of the hospital. Further, the applicant certifies that if the Hospital has a patient staying in the swing-beds of the Hospital and the Hospital receives notice from a nursing home located within a fifty (50) mile radius that there is a vacant bed available for that patient, the Hospital shall transfer the patient to the nursing home within five (5) days, exclusive of holidays and weekends, unless the patient's physician certifies that the transfer is not medically appropriate.

SHP Need Criterion 7 – Transfer Agreements

The application contains the Hospital's Transfer Agreement with Nexion Health at Natchez, Inc. d/b/a Natchez Rehabilitation and Healthcare Center.

SHP Need Criterion 8 – Failure to Comply

The Applicant affirms its understanding that it must follow the requirements in Need Criterion 5, and that if not, the Hospital will be subject to suspension from participation in the swing-bed program for a reasonable period of time by MSDH, if after a hearing complying with due process, MSDH determines that the hospital has failed to comply with any of those requirements.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual, September 1, 2019, Revision*, addresses general criteria by which all CON applications are reviewed. This application is in substantial compliance with general review criteria.

GR Criterion 1 – State Health Plan

All projects are reviewed for consistency with the State Health Plan in effect at the time of submission. The application is in compliance with the criteria and standards contained in the *FY 2020 MS State Health Plan*, applicable to swing-bed services.

In addition, the Applicant submits this application complies with the Plan's four General CON Policies: 1) To improve the health of Mississippi residents; 2) To increase the accessibility, acceptability, continuity, and quality of health services; 3) To prevent unnecessary duplication of health resources; and 4) To provide some cost containment.

The Applicant submits swing bed services are currently offered at the Hospital and will continue during the PHE; however, upon termination of the State of Emergency and/or waiver, the Hospital will no longer be able to offer swing bed services without CON approval. The Applicant states approval of this application will allow swing bed services to continue past the PHE, thus enabling the Hospital to improve the comprehensiveness of services to its patients.

GR Criterion 2 - Long Range Plan

Merit Health Natchez submits the ability to provide swing-bed services will enable the Hospital to help reach its long-range plan of providing comprehensive care to its patients and improving accessibility of skilled care to patients. The Applicant states the project will also aid the Hospital in allocating resources by classifying patients in the most appropriate category.

GR Criterion 3- Availability of Alternatives

- a. **Advantages and disadvantages of alternatives:** The Applicant states the Hospital considered not offering swing-bed services after the State of Emergency or Waiver expires; however, if swing beds become unavailable at the Hospital, the Hospital will be unable to meet the needs of its patients and their families or caregivers. In addition, the Applicant states the establishment of swing-beds will enable the Hospital to classify and treat appropriate patients for post-acute extended services (instead of acute) when the patient has no payment source or needs IV medications and thus has difficulty being placed at a skilled nursing facility or when the patient and his or her caregivers and physician believe staying at the Hospital is best for the patient.
- b. **New construction projects:** The Applicant confirms that the proposed project does not require new construction.
- c. **How the option selected most effectively benefits the health care system:** The Applicant states the implementation of swing-beds will enable the Hospital to provide nursing care, rehabilitation, and social services to patients with a goal of returning to the patient's home. In addition, the Applicant states the extended period of care in swing-beds is a critical period of care for patients and as such, swing-beds promote accessibility and continuity of care while promoting cost containment.
- d. **Unnecessary duplication of services/more efficient solution to identified need:** Merit Health Natchez asserts the proposed project seeks to continue the swing-bed services currently offered at the Hospital thereby enhancing patients' continuity of care.
 - i. **Why the proposed project is not a duplication of service:** The Applicant asserts there is a need for appropriate placement of

patients for extended care, skilled services that at times is not met by existing facilities due to the patient's lack of a payment source, the need for IV medications or due to family and caregivers wishes regarding where the patient should receive extended care services.

- ii. Why the proposed project is a more efficient solution to the identified need:** The Applicant states the swing-bed services are needed to serve as a link between inpatient acute care and home or community-based services. In addition, the Applicant states the swing-bed services offer time for families to find placement for the elderly and those who need long-term care.
- e. Improvements or innovations in the financing or delivery of health services:** The Applicant states by allowing swing-bed services at the Hospital, the Hospital's patients and those residents near the Hospital will have increased access to extended special care. In addition, the Applicant states the Hospital can provide these swing-bed services with none to minimal capital expenditure, thus, promoting cost containment.
- f. Relevancy of the proposed project:** The Applicant states swing-bed services will allow the Hospital to meet the needs of its patients and their families and caregivers.

GR Criterion 4 - Economic Viability

- a. Proposed charges for and profitability of the proposed service:** The Applicant states it determined its charges after reviewing Medicare and Medicaid reimbursement levels for its existing swing-bed program under the Waiver and from affiliated hospitals.
- b. Reasonable consistency of projected levels of utilization:** The Applicant believes its projections are reasonable based on its existing swing-bed program under the Waiver; based on a review of referrals for skilled nursing services both prior to and during the PHE; and based on discussions among the leadership team and physicians regarding the historical need to move patients out of acute care status that are forced to remain at the Hospital as an acute patient due to the need for IV medications, payment sources or patient requests.
- c. Financial feasibility study:** Since the capital expenditure for this project is less than \$2,000,000.00, a financial feasibility study is not applicable.
- d. Deviation of financial forecasts from three-year historical period:** The Applicant submits this criterion is not applicable.
- e. In event the project fails:** The Applicant states in the event it fails to meet its projections, the Hospital and/or its parent company, Community Health

Systems, Inc. will support the services.

- f. **Impact of the proposed project on the cost of health care:** The Applicant submits extended care after inpatient acute treatment is a critical period of care for elderly patients and those with long-term care needs; therefore, increasing the availability of swing-bed services in rural areas in Mississippi is necessary to improve the link between inpatient acute care and home or community-based services. The Applicant further states the addition of swing-bed services at the Hospital will help meet this goal without a significant impact to the overall cost of healthcare. The Applicant does not anticipate any substantial impact on gross revenues or expenses or an impact on Medicaid.

GR Criterion 5 - Need for the Project

- a. **Need of the population to be served:** The Applicant submits the Hospital serves all patients seeking services at the Hospital including those traditionally underserved groups named in this criterion. The Applicant states the Hospital will continue to make swing-bed services available to all patients, including underserved groups, especially to those patients who already use the Hospital and its providers for their care.
- b. **Relocation:** The project does not propose the relocation or replacement of the allocated facility.
- c. **Current and projected utilization of like facilities:** The Applicant submits, per the Plan, there are no facilities in Adams County that offer swing-bed services. They state the area does have nursing homes but there are times when the local nursing homes cannot accept a patient due to lack of a payment source, lack of bed availability due to staffing shortages, or due to the acuity level of the patient needing IV medications. The Applicant states the Hospital seeks to maintain its existing swing-bed program to improve access to extended care to its patients in compliance with the Plan's requirements and goals.
- d. **Probable effect of proposed service on existing facilities:** The Applicant states it anticipates that many of the patients that will receive swing-bed services at the Hospital are already patients of the Hospital.
- e. **Community reaction to service:** The application contains eight (8) letters of support for the project.

GR Criterion 6 - Accessibility

- a. **Extent to which medically underserved populations are expected to use the proposed services:** The Applicant indicates all residents of the health planning service area, hospital service area or patient 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 and will continue to do so.

The percentage of gross patient revenue and actual dollar amount of healthcare provided to medically indigent and charity care patients for the last two years are presented below:

	Medically Indigent %	Medically Indigent \$	Charity Care %	Charity Care \$
Historical Year 2019	-	-	NA	
Historical Year 2020	-	-	NA	
Projected Year 1	*	*	3%	\$180,000.00
Projected Year 2	*	*	3%	\$247,500.00

*The Applicant includes medically indigent with charity care.

- b. **Existing obligations under federal regulation:** The Applicant indicates that it has no existing obligations under any federal regulation requiring provision of uncompensated care, community service, or access by minority handicapped persons.
- c. **Extent to which unmet needs of Medicare, Medicaid, and medically indigent patients are proposed to be served:** The Applicant asserts the Hospital treats all patients regardless of payor source.
- d. **Access to the proposed facility or service:** The Applicant states the availability of swing-bed services at the Hospital will enable patients to receive extended care services after inpatient acute care all in one setting, improving the continuity of care and decreasing disruption to the patient.
- e. **Access Issues:**
 - i. **Transportation and travel time to the facility.** The Applicant states the Hospital is conveniently located to residents of the service area at 54 Seargent S. Prentiss Drive in Natchez.
 - ii. **Restrictive admissions policies.** The application contains Merit Health Natchez's Admission Policy.
 - iii. **Access to Care by Medically indigent patient:** The Applicant states the availability of swing-bed services will enable all patients at the Hospital to receive extended care services, including medically indigent patients.

- iv. **Hours Per Week of Operation:** The applicant states swing-bed services will available twenty-four (24) hours a day/seven (7) days per week.

GR Criterion 7- Information Requirement

Merit Health Natchez affirms that it will record and maintain the information required by this criterion and shall make the data available to the Mississippi Department of Health within fifteen (15) business days of request.

GR Criterion 8 - Relationship to Existing Health Care System

- a. **Existing and comparable services within the proposed Service Area:** The Applicant submits the Hospital is currently operating swing-beds. The Applicant states allowing the Hospital's patients to remain at the Hospital for extended care service is important for patient-physician-family relationships and will improve continuity of care for the patients. In addition, the Applicant states it will allow families of elderly patients or those with long-term care needs additional time to find a more permanent skilled nursing facility if the patient is unable to return home.

The Applicant states while the General Hospital Service Area VII does contain swing-bed services, there are no hospitals currently providing swing-bed services in Adams County. The Applicant submits the Hospital seeks to make its swing-bed services permanent to improve the health of Mississippi residents, improve continuity of care, and provide cost containment.

- b. **How the proposed project will affect existing health services:**
 - i. **Complement existing services:** The Applicant states the project proposes to improve extended care services at the Hospital by creating a more continuous, comprehensive care program for its patients.
 - ii. **Provide alternative or unique service:** The Applicant asserts approval of the application will allow swing-bed services to be provided at an already existing hospital thereby improving patient care in a county where the service is not currently offered at a hospital.
 - iii. **Provide a service for a specific target population:** The Applicant states patients, including the elderly and those with long-term care needs, seeking short-term nursing and rehabilitative care following inpatient acute care treatment in the area will be able to stay at the Hospital for their care. The Applicant states this will improve

continuity of care and reduce unnecessary transfer of patients for short term nursing and rehabilitative services.

iv. Provide services for which there is an unmet need: The Applicant states currently, the Hospital's patients and those patients presenting at the Hospital in need of short-term nursing and rehabilitative care are able to receive these swing bed services due to the State of Emergency and Waiver; however, once one or both of these are lifted, the patients must be transferred to another provider. The Applicant states this will disrupt the continuity of care and lead to unnecessary delays in treatment for not only those current patients, but also the patients that will benefit from the swing bed service in the future.

c. Adverse impact due to failure to implement the proposed project: The Applicant states failure to implement this project will have a negative impact on the continuity of care for patients who desire to have their healthcare provided at the Hospital.

d. Transfer/referral/affiliation agreements: The application contains a transfer agreement between Natchez Hospital Company, LLC d/b/a Merit Health Natchez and Nexion Health at Natchez, Inc. d/b/a Natchez Rehabilitation and Healthcare Center.

GR Criterion 9 - Availability of Resources

a. Availability of new personnel: The Applicant asserts the Hospital's current staff is qualified to provide swing-bed services. The Applicant further states incremental FTEs have been anticipated given the shortage of staff as a result of the PHE. According to the Applicant, additional staff will be recruited and hired as needed if existing staff are unable to provide the services.

b. Clinically related contractual services: Merit Health Natchez confirms the Applicant is a full service general acute care hospital and will provide any necessary service for the proposed swing-bed service.

c. Satisfactory staffing history: The Applicant asserts the Hospital successfully and efficiently staffs its service lines and will continue to do so.

d. Alternative uses of resources: The Applicant submits the Hospital will provide additional training to its existing personnel regarding swing-bed services.

GR Criterion 10 - Relationship to Ancillary or Support Services

- a. **Ancillary services:** The Applicant submits as a full service general acute care hospital, all necessary support and ancillary services are available to the proposed service.
- b. **Changes in costs or charges:** The Applicant states no significant change in costs or charges is anticipated as a result of this proposed project.
- c. **Accommodation of change in costs or charges:** As previously stated, the Applicant does not anticipate a significant change in costs or charges as a result of the project.

GR Criterion 11- Health Professional Training Programs

The Applicant states the Hospital works with Alcorn State University, Colin Community College, Central LTCC Community College and UMMC to support health training programs in the area and to provide clinical and hospital experience for students.

GR Criterion 12 – Access by Health Professional Schools

The Applicant submits it works with local universities, community colleges and UMMC to support health training programs.

GR Criterion 13 – Access to Individuals Outside Service Area

The Applicant states due to its location, the Hospital treats patients from Louisiana. Therefore, the Applicant anticipates some of its swing-bed patients will be residents of Louisiana as some of the Hospital's general patient population originates from Louisiana.

GR Criterion 14 – Construction Projects

The Applicant submits this criterion is not applicable.

GR Criterion 15 – Competing Applications

There are no competing applications on file with the Mississippi State Department of Health for swing-bed services.

GR Criterion 16 - Quality of Care

- a. **Past quality of care:** The Applicant asserts the Hospital is currently, successfully providing swing-bed services and has demonstrated high quality of care.

- b. **Improvement in quality of care:** The Applicant submits the addition of swing bed services at the Hospital will improve patient care by enhancing patient's continuity of care and improving and increasing the services available at the Hospital as a more thorough short-term nursing and rehabilitative care program will be continued.
- c. **Accreditation and/or certifications held:** The Applicant submits the Hospital is accredited by the Joint Commission.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

The proposed capital expenditure for this project is \$5,000.00 for miscellaneous expenditures.

B. Cost to Medicaid/Medicare

The applicant's projections of gross patient revenue percentages and actual dollar amount to Medicaid and Medicare payor sources for the first year of operation is presented below (Project ONLY).

Payor Mix	Utilization Percentage (%)	First Year Revenue (\$)
Medicare	70.00%	\$4,200,000.00
Medicaid	10.00%	600,000.00
Commercial	10.00%	600,000.00
Self Pay	2.00%	120,000.00
Charity Care	3.00%	180,000.00
Other	5.00%	300,000.00
Total	100.00 %	\$6,000,000.00

C. Effect on Operating Cost

The applicant's projections of gross revenues for the first, second, and third years of operation; expenses and net income are shown in Attachment 1. Utilization, cost, and charges are also included in the Applicant's Three-Year Projected Operating Statement (see Attachment 1).

V. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for review and comment. In a letter dated October 21, 2021, the Division of Medicaid commented that effective

October 1, 2012, the Division changed the methodology by which it reimburses inpatient services so that the cost incurred subsequent to that date will only affect cost outlier payments. The Division estimated that increased cost outlier payments resulting from this project could not be determined at this time; therefore, the Division had no opinion on the project.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the offering of swing-bed services as contained in the *FY 2020 Mississippi State Health Plan*; Chapter 8 of the *Mississippi Certificate of Need Review Manual, September 1, 2019, Revision*; and all adopted rules, procedures, and plans of the Mississippi Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by Natchez Hospital Company, LLC d/b/a Merit Health Natchez for the Offering of Swing-Bed Services.

ATTACHMENT 1
Natchez Hospital Company, LLC d/b/a Merit Health Natchez
Offering of Swing-Bed Services
Three-Year Projected Operating Statement
(Project Only)

	Year 1	Year 2	Year 3
Revenue			
Patient Revenue:			
Inpatient	\$ 6,000,000.00	\$ 8,250,000.00	\$ 9,750,000.00
Outpatient	-	-	-
Gross Patient Revenue	\$ 6,000,000.00	\$ 8,250,000.00	\$ 9,750,000.00
Charity Care	180,000.00	247,500.00	292,500.00
Deductions from Revenue	<u>5,263,200.00</u>	<u>7,236,900.00</u>	<u>8,552,700.00</u>
Net Patient Revenue	\$ 556,800.00	\$ 765,600.00	\$ 904,800.00
Total Operating Revenue	\$ 556,800.00	\$ 765,600.00	\$ 904,800.00
Expenses			
Operating Expenses:			
Salaries	\$ 96,000.00	\$ 132,000.00	\$ 156,000.00
Benefits	22,080.00	30,360.00	35,880.00
Supplies	28,800.00	39,600.00	46,800.00
Services	71,232.00	97,944.00	115,752.00
Lease	-	-	-
Depreciation	-	-	-
Interest	-	-	-
Other	<u>10,000.00</u>	<u>10,200.00</u>	<u>10,404.00</u>
Total Expenses	\$ 228,112.00	\$ 310,104.00	\$ 364,836.00
Net Income (Loss)	\$ 328,688.00	\$ 455,496.00	\$ 539,964.00
Assumptions			
Inpatient days	960	1,320	1,560
Outpatient days	0	0	0
Procedures	0	0	0
Charge /outpatient day	\$ 0.00	\$ 0.00	\$ 0.00
Charge/ inpatient day	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00
Charge per procedure	N/A	N/A	N/A
Cost per inpatient day	\$ 238.00	\$ 235.00	\$ 234.00
Cost per outpatient day	N/A	N/A	N/A
Cost per procedure	N/A	N/A	N/A