

**MISSISSIPPI STATE DEPARTMENT OF HEALTH  
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT  
OCTOBER 2010**

**CON REVIEW: FSF-NIS-0910-037  
CARDIOLOGY ASSOCIATES OF NORTH MISSISSIPPI, P.A.  
ACQUISITION OF CARDIAC PET EQUIPMENT/OFFERING  
OF CARDIAC PET SERVICES  
CAPITAL EXPENDITURE: \$1,100,000  
LOCATION: TUPELO (LEE COUNTY), MISSISSIPPI**

**STAFF ANALYSIS**

**I. PROJECT SUMMARY**

**A. Applicant Information**

Cardiology Associates of North Mississippi, P. A. ("CANM-Tupelo") is a professional corporation located at 499 Gloster Greek Village, Suite A-2, Tupelo, Lee County, Mississippi. CANM is a physician-owned medical clinic organization which operates four cardiology clinics (Tupelo, Oxford, Columbus, and Starkville). CANM is listed in good standing with the Office of the Secretary of State.

**B. Project Description**

Cardiology Associates of North Mississippi, P.A. requests Certificate of Need (CON) authority for the acquisition of a Cardiac Positron Emission Tomography (PET) Scanner and Offering of Cardiac PET Services. CANM-Tupelo intends to commence offering Cardiac only PET services at its Tupelo, Mississippi clinic full-time on an out-patient basis.

The applicant proposes to acquire control of a Positron Corporation Attrius PET scanner or a GE Discovery DST4 Classic PET/4 slice CT scanner through purchase from either Positron Corporation or General Electric Medical Corporation, for the provision of cardiac only PET perfusion diagnostic imaging services to its cardiac patients at CANM-Tupelo five days a week.

The applicant projects the following number of procedures:

**Cardiology Associates of North Mississippi, P.A. Tupelo  
Projected Cardiac PET Procedures**

Year 1	Year 2	Year 3
1,764	2,016	2,016

According to the applicant, the capital expenditure for the proposed project is \$1,100,000 and will be funded through a three year loan at a 4.5% interest rate with Bancorp South.

According to the MSDH Division of Health Facilities Licensure and Certification, the proposed project's site is not hospital affiliated and considered Business Occupancy; therefore, is not under the Fire Safety and Construction Division jurisdiction. A site approval is not required.

On March 22, 2010, B.J. Smith, Director of the Division of Radiological Health, indicated that its division has been informed of the proposed project and will inspect and provide licenses for the PET if all requirements are met once the CON has been issued.

## II. TYPE OF REVIEW REQUIRED

Projects which propose the provision of Positron Emission Tomography (PET) services are reviewed in accordance with Section 41-7-191, subparagraphs (1) (d) (xv) Mississippi Code of 1972, Annotated, as amended, and duly adopted rules, procedures, plans, criteria, and standards of the Mississippi State Department of Health.

In accordance with Section 41-7-197(2) of the Mississippi Code 1972, Annotated, as amended, any affected person may request a public hearing on this project within 20 days of publication of the staff analysis. The opportunity to request a hearing expires on November 17, 2010.

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

### A. State Health Plan (SHP)

The *FY2011 State Health Plan* addresses policy statements and service specific criteria and standards which an applicant is required to meet before receiving CON authority to acquire or otherwise control PET equipment and provide PET services, including Cardiac only. This application is in substantial compliance with applicable criteria and standards for the acquisition or otherwise control of a cardiac PET scanner.

#### SHP Policy Statement (PS) Regarding PET

**PS-2 Indigent/Charity Care:** The applicant states that it will provide a reasonable amount of indigent/charity care.

**PS-5 Access to Supplies:** According to the applicant it will have access to appropriate radio-pharmaceuticals through a contractual agreement with Bracco.

**PS-6 Services and Medical Specialties Required:** The applicant states that the proposed project will function as a component of a comprehensive outpatient diagnostic imaging service through referral relationships with North Mississippi Medical Center and The Imaging Center at Gloster Creek Village which have all of the required diagnostic imaging modalities and capabilities available in close proximity to CANM-Tupelo. In addition, CANM-Tupelo has nuclear medicine and extensive cardiology capabilities at its facility.

CANM-Tupelo further states that they have transfer agreements with North Mississippi Medical Center enabling them access to emergency services.

**PS-7 Hours of Operation:** The applicant contends that it will have adequate scheduled hours to avoid an excessive backlog of cases and flexibility to add additional periods of operation if scan volumes increase. The applicant proposes the projected hours of operation to be Monday through Friday from 8:00 a.m. to 5:00 p.m.

**PS-12 Equipment Registration:** The applicant states that the Positron cardiac only Attrius PET scanner, model number PET 150A.6001, anticipated to serve CANM-Tupelo is identified as PET unit PET 007 (currently in Positron's inventory). The alternative, GE unit under consideration is a GE Discovery DST 4 Classic PET/4 slice CT scanner; thus, no unit designation for this proposed unit yet.

**Certificate of Need Criteria and Standards for the Acquisition or Otherwise Control of a Positron Emission Tomography (PET) Scanner and Related Equipment**

**SHP Criterion 1a - Need**

According to the Certificate of Need criteria and standards, an entity desiring to acquire or otherwise control the PET scanner must project a minimum of 1,000 clinical procedures per year and must show the methodology used for the projection.

According to the applicant, CANM Tupelo conservatively projects 1,764 procedures to be performed the first year of operation and 2,016 procedures the second and third year.

The application contains an affidavit from a physician at CANM attesting to the number of projected procedures to be referred by CANM for the PET myocardial perfusion imaging procedure.

The applicant states that CANM historically has performed more than 6,000 SPECT nuclear cardiac perfusion scans per year since 2004. The applicant further states that the number of PET scans CANM-Tupelo projects it will perform in its first year of PET service will come at the expense of a comparable number of SPECT studies, resulting in a reduced financial impact on the healthcare system than if this were a new service simply adding more procedures not in substitution of traditional procedures. The applicant conservatively projects that it can comfortably perform 8 PET myocardial perfusion imaging studies a day. This translates to approximately 1,800-2,020 studies per year. In order to project the initial volume of this service, CANM-Tupelo projects it will perform at least 7 scans per day or 1,764 cardiac PET imaging perfusion studies in its first year of operation.

**SHP Criterion 2 – Registered Entity**

Cardiology Associates of North Mississippi is a registered entity authorized to do business in the state of Mississippi.

**SHP Criterion 3 – Impact on Existing Providers**

The Plan states that the department will approve additional PET units in a service area with existing equipment only when the existing PET scanners in that service area is performing an average of 1,500 procedures per PET unit per year. For the purposes of this Criterion, PET and Cardiac only PET are to be evaluated separately.

The applicant complies with this criterion since there are no existing Cardiac only PET units presently operating in GHSA 2.

#### **SHP Criterion 4 – Approval from Radiological Health**

The applicant affirms that it currently has a Division of Radiological Health permit for handling nuclear and radio-pharmaceutical materials and shall apply for and receive approval from the Division of Radiological Health for the proposed site, plans, and equipment in advance of commencement of PET services at CANM Tupelo.

#### **SHP Criterion 7 – CON Approval**

The applicant is requesting CON approval to purchase a cardiac only PET scanner and offer cardiac only PET service. However, the applicant contends that the equipment is exempt from CON since it has a purchase price less than \$1,500,000.

#### **Certificate of Need Criteria and Standards for the Offering of Fixed or Mobile Positron Emission Tomography (PET) Services**

##### **SHP Criterion 1 - Need**

CANM-Tupelo projects 1,764 procedures to be performed the first year of operation, 2,016 procedures the second year, and more than 2,016 procedures the third year.

The applicant states that the population currently served by CANM-Tupelo will be the population anticipated to be served by the proposed project. The applicant further states that CANM-Tupelo provides services exclusively to cardiac patients.

The applicant submits that the assessment of the presence or absence of myocardial ischemia (impaired blood flow to the heart muscle) has been shown to add incremental prognostic information to the assessment of the patient with suspected or known coronary artery disease. The applicant contends that this information is additive to the anatomic information obtained from a cardiac catheterization or cardiac CT angiogram. Thus, the measurement of myocardial blood flow or myocardial perfusion plays a vital role in determining the most appropriate treatment modality (medication, coronary stenting, or surgery (coronary artery bypass grafting)) for a given patient. The applicant lists as an example, the current American College of Cardiology guidelines which recommended that coronary stenting be performed in an obstructed coronary artery only in the presence of an abnormal myocardial perfusion imaging study. Thus, a myocardial perfusion imaging study is the gatekeeper to additional interventional procedures and these studies play a vital role in the treatment of patients with known or suspected coronary heart disease.

According to the applicant, there are two modalities of performing myocardial perfusion imaging available: SPECT nuclear and PET perfusion studies.

The applicant states that historically, myocardial perfusion studies have been performed virtually exclusively with a SPECT nuclear gamma camera. This technology has a solid clinical track record and is well established in the field of noninvasive cardiac imaging. CANM contends that in its clinics they perform more than 6,200 of these studies per year. All

of the studies are performed utilizing a technetium based nuclear agent such as sestamibi or tetrafosmin. The applicant further states while the technology and application of cardiac SPECT is well established, there are several limitations. Some of the limitations include:

- ✓ The availability of the technetium based agents has been problematic this past year and this is expected to dramatically worsen in the next few years. Shortages occurred on an intermittent basis in 2009 and forced CANM to cancel studies and have an inefficient backlog. CANM was also supplied lower doses of the nuclear agent during those times, which resulted in suboptimal studies, with reduced accuracy. Alternative testing with another agent; thallium, was recommended but thallium has lower energy and results in decreased accuracy, especially in females and obese patients. Additionally, thallium studies expose the patient to a much higher dose of radiation.
- ✓ There is considerable soft tissue attenuation (shadows on the cardiac images) in obese and female patients. This results in less accurate studies.
- ✓ The technetium based agents accumulate in the liver and gut in addition to the heart and can confound the image reconstruction.
- ✓ There is fairly low sensitivity (ability to detect significant coronary artery disease) of 82% of patients and specificity (an abnormality truly represents significant coronary artery disease) of 82% of patients with SPECT imaging. The former results in missed diagnoses while the latter results in more cardiac catheterizations, with resultant increased risk to the patient and adverse economic impact to the healthcare system.
- ✓ The imaging protocols are inefficient requiring 3-4 hours per study, which reduces laboratory throughput and requires purchase of additional cameras and staff to accommodate the demand.
- ✓ The radiation dose to the patient is fairly high -15 mSv with a technetium based agent and 25-30 mSv with thallium. This compares to 5 mSv for a cardiac catheterization. The concern here is the increased risk of development of cancer after exposure to radiation.
- ✓ The declining reimbursement for SPECT studies precludes purchasing the newest technology in SPECT cameras. The newest generation SPECT cameras cost 2-3 times that of the current generation SPECT cameras and are in the price range of current non-hybrid cardiac only PET scanners.

CANM states the more recently, myocardial perfusion studies utilizing PET technology have been shown to have several advantages over SPECT nuclear perfusion imaging. The applicant further states that recent advancements in PET technology as well as nuclear agents have led to more clinical studies and more widespread acceptance of this technique. The applicant submits that there are several advantages of PET myocardial perfusion imaging over SPECT myocardial imaging. They are as follows:

- ✓ The higher energy of the PET nuclear agents provides for improved image quality and thus improved diagnostic accuracy over the SPECT nuclear agents. This results in fewer missed diagnoses and also fewer false positive studies, which results in fewer downstream studies, i.e., cardiac catheterizations.
- ✓ The higher energy of the PET nuclear agents results in less attenuation of the photons by soft tissue and thus results in improved and more accurate image in both obese patients and women (breast tissue). Imaging of the obese patient is a major challenge in CANM's patient population and is a major problem in SPECT imaging in

CANMs' practice. Mississippi is the most obese state in the nation and CANM foresees imaging problems in this realm to only worsen. For this reason the applicant feels PET is required not only in its practice, but in major cardiology programs throughout Mississippi.

- ✓ The short half-life of Rb-82 (75 seconds) results in much less radiation exposure to the patient (about 1/5 – 1/3) as much as a technetium based cardiac scan), thus reducing the patient's long term cancer risk.
- ✓ The very short life (75 seconds) results in PET imaging protocols in the 45 minute range, resulting in more efficient utilization of the equipment and improved patient satisfaction.
- ✓ Rb-82 is readily available from a Sr-82 generator and is not affected by the factors which are affecting the shortage of the technetium based agents.

According to the applicant, as a result of the foregoing, CANM is essentially compelled to acquire the capability to provide cardiac PET perfusion imaging to its patients and the community of GHSA 2.

### **SHP Criterion 3 – Assurance**

The applicant asserts that its proposed cardiac only PET service will be offered in a physical environment that conforms to the federal standards, manufacturer's specifications and licensing agencies' requirements as stated. The applicant states that all of the considerations have been examined and planned for by CANM in the plan for the positioning and installation of the cardiac only PET scanner and the associated instrumentation, including the appropriate safe storage of radio-pharmaceutical agents. The applicant further states that in the installation environment and in the cardiac only PET system itself, radiation protection and shielding and control of radioactive emissions into the environment have been designed in to the suite intended to house the cardiac only PET scanner.

In addition, the applicant states that the radio-pharmaceutical providers contractually assure quality control of their products and timely supply of required radio-pharmaceuticals.

### **SHP Criterion 5 – Availability of Equipment**

The applicant states that Alliance Imaging will contract with Bracco of Memphis, Tennessee to provide CANM Tupelo with on-site rubidium generators monthly.

### **SHP Criterion 6 – Staffing Availability**

The applicant documented that qualified staff will be available to accommodate the staffing requirements for the proposed project.

### **SHP Criterion 7 – Medical Emergencies**

The applicant submits that in the event that a medical emergency arise, emergency services will be called and the patient will be stabilized and transported by EMS personnel to the North Mississippi Medical Center emergency room pursuant to an existing transfer/referral agreement.

### **SHP Criterion 8 – Referral System**

The applicant affirms that CANM will accept appropriate referrals for cardiac only PET procedures from other local providers and that the patient will be accommodated to the extent possible by extending hours of service, as appropriate, and by prioritizing patients according to standards of need and appropriateness rather than source of referral.

### **SHP Criterion 9 – Established Protocols**

The applicant affirms that protocols will be established to assure that all clinical cardiac only PET procedures performed are medically necessary and not more appropriately performed by other, less expensive, established modalities.

### **SHP Criterion 10 – Maintenance of PET Procedures**

The applicant affirms that they will maintain a current listing of appropriate PET procedures for use by referring physicians.

### **SHP Criterion 11 – Maintenance of Required Data**

The applicant affirms that CANM shall maintain the data required by this criterion and shall make the same available to the Mississippi State Department of Health upon request.

### **SHP Criterion 12 – CON Exemption/Approval**

Cardiology Associates of North Mississippi is requesting CON authority through the Mississippi State Department of Health to offer cardiac only PET services utilizing a cardiac PET scanner at its facility on a full-time basis. CANM will purchase either a Positron or GE scanner to perform the cardiac PET services at its facility.

## **B. General Review (GR) Criteria**

Chapter 8 of the *Mississippi Certificate of Need Review Manual*; revised May, 2010; addresses general criteria by which all CON applications are reviewed. This application is in substantial compliance with general review criteria.

### **GR Criterion 2 - Long Range Plan**

According to the applicant, CANM's long range plans include ultimately delivering a full line of cardiac treatment services and modalities, together with necessary ancillary diagnostic imaging and monitoring services, to enable its patients to receive all of their cardiology treatment and follow-up short of surgery at CANM.

### **GR Criterion 3 - Availability of Alternatives**

The applicant considered the following two alternatives:

1. Take no action – This alternative was rejected because it was determined to be detrimental to CANM's patients in light of the technetium shortage and other factors.
2. Contracting for mobile cardiac PET equipment to serve CANM-Tupelo – However,

the 2011 State Health Plan, was amended with criteria and standards to address cardiac only PET scanners; therefore, this alternative was rejected because the proposed volumes supports a fixed unit.

As a result, the applicant decided on the proposed project for the reasons stated herein:

1. Both its physicians and patients will be more secure inside the Clinic building rather than in a trailer on the Clinic's parking lot;
2. The volumes contemplated make purchase of a PET unit more economical and more economically viable than leasing the equipment; and
3. Utilization of a fixed unit presents the prospect of more efficient utilization of the unit due to increased flexibility in scheduling the time and volume of cardiac only PET services to match its patients' PET requirements.

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

According to the applicant's three-year projections, the proposed project will sustain a net gain of \$55,606 the first year of operation and \$88,732 for the second and third years of operation, respectively.

- a. **Proposed Charge:** The applicant projects charges of \$446 for the first year of operation and \$416 per PET procedure for the second and third years of operation for the proposed project. The applicant projects costs of \$487 for the first year and \$476 for the second and third years of operation.
- b. **Projected Levels of Utilization:** CANM anticipates the following number of PET procedures will be performed during the first, second, and third years of operation: 1,764; 2,016; 2,016 scans, respectively. The application contains an affidavit from the director of Non-Invasive Cardiac Imaging of CANM attesting to the number of SPECT procedures performed in 2008 and 2009 that had limitations. The director also projected the number of procedures that would be referred by CANM physicians for PET scans.
- c. **Project's Financial Feasibility Study:** The application contains a statement from CANM's Chief Financial Officer asserting that the clinic is capable of undertaking the financial obligation of the proposed project.

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

- a. **Access by Population Served:** The applicant states that CANM-Tupelo is accessible to all residents of the service area, including low income persons, racial and ethnic minorities, women, handicapped persons and other underserved groups, and the elderly. The applicant further contends that the population currently served by CANM will have access to the proposed PET services.
- b. **Relocation of Services:** This application seeks to establish positron emission tomography services. The proposed cardiac only PET services will be implemented by the purchase of a Positron or GE scanner to perform cardiac only PET services at its facility.



- c. **Probable Effect on Existing Facilities in the Area:** The applicant states that there will be no adverse impact to the existing health care system in General Hospital Service Area 2 as a result of the proposed project.

The applicant further states that CANM will be providing cardiac only PET services to its existing patient population and neither of the other facilities in GHSA 2 currently provides cardiac PET services.

- d. **Community Reaction:** The application contains two (2) letters of support for the proposed project.

**GR Criterion 6 - Access to the Facility or Service**

According to the applicant, all residents of GHSA 2, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons, and the elderly, will have access to the services of the facility.

The following table shows the projected gross patient revenue percentage and actual dollar amount of health care provided to medically indigent patients for the first two years upon completion of the proposed project:

Projected Year	Gross Patient Revenue (%)	Gross Patient Revenue (\$)
1	2.16%	\$1,560,421
2	2.16%	\$1,569,921

**GR Criterion 7 - Information Requirement**

The applicant affirms that it will record and maintain the requested information required by this criterion and make it available to the Mississippi State Department of Health within 15 days of request.

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

Cardiology Associates of North Mississippi is located in General Hospital Service Area 2. According to the *FY 2011 State Health Plan*, in FY 2009, GHSA 2 had two mobile PET providers and one fixed who performed a total of 2,745 PET procedures.

The applicant states that the active PET providers of GHSA 2 are North Mississippi Medical Center in Tupelo, Mississippi which is 1 mile away from the CANM Tupelo and Magnolia Medical Center in Corinth, Mississippi which is approximately 49 miles from CANM Tupelo. The applicant further states that neither North Mississippi Medical Center nor Magnolia Medical Center, or any other facility in Mississippi currently provides cardiac only PET services.

The applicant believes that the proposed PET service at CANM is aimed at a particular population which is comprised of CANM's patients who need cardiac PET services and cannot currently obtain the cardiac PET evaluation necessary in Mississippi. As a result,

CANM do not believe there will be an adverse impact on other providers of PET services in Mississippi.

Staff contends that this project should not have an adverse affect on existing providers in GHSA 2.

**GR Criterion 9 - Availability of Resources**

The applicant states that no new PET technicians will be required to staff the proposed PET service, but one additional nurse will be hired to assist the PET technician operating the PET unit. However, other required personnel such as: nursing, housekeeping, nuclear medicine technicians, physicists, billing, accounting, and managerial are already employed by CANM.

**GR Criterion 16 - Quality of Care**

The applicant contends that CANM has a substantial history of quality cardiovascular care and is committed to continuing that same level of care to its patients. The applicant further contends that the entire reason for this proposed new cardiac only PET service at CANM is to improve the quality of care being delivered to the existing patient base of CANM by enabling CANM's patients to receive convenient, careful and considerate care in the provision of the cardiac only PET scans.

**IV. FINANCIAL FEASIBILITY**

**A. Capital Expenditure Summary**

The total estimated capital expenditure is allocated as follows:

<b>Cost Item</b>	<b>Projected Cost</b>	<b>% of Total</b>
Construction Cost - New		0.00%
Construction Cost - Renovation	\$60,000	5.45%
Capital Improvements		0.00%
Total Fixed Equipment Cost		0.00%
Total Non-Fixed Equipment Cost	802,500	72.95%
Land Cost		0.00%
Site Prep Cost		0.00%
Fees - architectural, engineering, etc.	8,250	0.75%
Fees - legal and accounting	9,000	1.00%
Contingency Reserve	92,550	8.41%
Capitalized Interest	<u>127,700</u>	<u>11.61%</u>
<b>Total Proposed Capital Expenditures</b>	<b><u>\$1,100,000</u></b>	<b><u>100%</u></b>

The above capital expenditure is proposed for the construction/renovation cost of a suite in the CANM-Tupelo Clinic to accommodate the PET scanner. The proposed project involves approximately 567 square feet of space at an estimated cost of \$105.82 per square foot. The applicant submits that the total capitalized interest is 83.3% attributable to the equipment, therefore; only \$21,316.47 is related to the renovation cost. According to the applicant, the renovation cost per square foot, including the interest figure is \$321.19 per square foot, however; the cost per square foot for the \$60,000 renovation cost is \$105.82 per square foot. The Means Construction Cost Data, 2009, does not compare costs of

renovation projects.

**B. Method of Financing**

The applicant proposes to finance the project through a loan with Bancorp South for \$1,100,000 at 4.5% interest for three years.

**C. Effect on Operating Cost**

Cardiology Associates of North Mississippi projects the following expenses, revenues, and utilization for the first three years of operation for the cardiac only PET service:

Three-Year Projected Operating Statement (Project Only)

	Year 1	Year 2	Year 3
<b>Revenue</b>			
Patient Revenue:			
Inpatient			
Outpatient	786,912	839,328	839,328
<b>Total Gross Patient Revenue</b>	<b>\$ 786,912</b>	<b>\$ 839,328</b>	<b>\$ 839,328</b>
Charity Care			
Deductions			
<b>Net Contractual Adjustments</b>	<b>\$127,361</b>	<b>\$208,071</b>	<b>\$208,071</b>
Net Patient Revenue	<b>\$914,273</b>	<b>\$1,047,399</b>	<b>\$1,047,399</b>
Other Operating Revenue			
<b>Total Operating Revenue</b>	<b>\$914,273</b>	<b>\$1,047,399</b>	<b>\$1,047,399</b>
<b>Expenses</b>			
Salaries***	\$60,000	\$60,000	\$60,000
Benefits	12,000	12,000	12,000
Supplies	420,000	420,000	420,000
Services			
Lease			
Depreciation	324,101	324,101	324,101
Interest	42,566	42,566	42,566
Other			
<b>Total Expenses</b>	<b>\$858,667</b>	<b>\$958,667</b>	<b>\$958,667</b>
<b>Net Income (Loss)</b>	<b>\$55,606</b>	<b>\$88,732</b>	<b>\$88,732</b>
<b>Utilization</b>			
Inpatient Day			
Outpatient Day			
Procedures	1,764	2,016	2,016
Charge Per Procedure	\$446	\$416	\$416
Cost Per Procedure	\$487	\$476	\$476

\*\*\*The applicant states that this line item does not take into account professional association year end shareholder net profit distributions.

**D. Cost to Medicaid/Medicare**

Patient Mix by Type Payer	Utilization Percentage	First Year Expenses Revenue
Medicaid		
Medicare	392%	\$3,087,000
Commercial	154%	\$1,213,800
Other	(447%)	(\$3,513,888)
<b>Total</b>	<b><u>100%</u></b>	<b><u>\$786,912</u></b>

**V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES**

The Division of Medicaid was provided a copy of this application for review and comment. The Division of Medicaid states that Mississippi Medicaid covers PET scans for certain cardiac indications as described in the Provider Policy Manual Section 46.03 and this PET scanner will not be part of an Independent Diagnostic Testing Facility (IDTF). Therefore, the Division of Medicaid does not oppose this CON request.

**VI. CONCLUSION AND RECOMMENDATION**

The project is in substantial compliance with the criteria and standards for the acquisition of cardiac only Positron Emission Tomography and offering of Cardiac only Positron Emission Tomography services as contained in the FY 2011 *Mississippi State Health Plan*; the Mississippi Certificate of Need Review Manual, revised May 1, 2010; and all adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by Cardiology Associates of North Mississippi, Tupelo for the acquisition of cardiac only PET scanner and the offering of cardiac only PET services.