

**DIVISION OF HEALTH PLANNING
AND RESOURCE DEVELOPMENT
NOVEMBER 20, 2018**

**CON REVIEW: HG-NIS-1018-013
MEMORIAL HOSPITAL AT GULFPORT
ACQUISITION OF MOBILE MRI UNIT & OFFERING OF MOBILE MRI SERVICES
CAPITAL EXPENDITURE: \$595,000
LOCATION: GULFPORT, HARRISON COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Memorial Hospital at Gulfport (“Memorial”, “MHG”), located in Gulfport, Mississippi, is a 445-bed public community hospital owned jointly by the City of Gulfport and by Harrison County and operated by an eight (8) member Board of Trustees. Memorial Hospital at Gulfport’s bed complement consists of 303 acute care beds, 89 psychiatric beds, 33 rehabilitation beds, and 20 adolescent chemical dependency beds.

According to the most recent Hospital Report data the occupancy rates, average lengths of stay (ALOS), and the Medicaid utilization rates for MHG’s acute care beds are as follows:

**Memorial Hospital at Gulfport
Utilization Data**

Fiscal Year	Occupancy Rate (%)	ALOS (Days)	Medicaid Utilization Rate (%)
2013	49.21	4.50	N/A
2014	62.46	4.96	N/A
2015	60.93	4.78	N/A

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

B. Project Description

Memorial Hospital at Gulfport requests Certificate of Need (CON) authority to acquire a mobile Magnetic Resonance Imaging (MRI) unit and to offer mobile MRI services at its two locations. The applicant is a current provider of MRI services and states that it currently operates two (2) fixed MRI units at its main hospital campus located at 4500 13th Street in Gulfport (“Main Hospital”) and one (1) older unit across the street from its Main Hospital campus. According to the applicant, the unit across the street can only perform a minimal number of scans per week due to its age and make; therefore, the Main Hospital consistently experiences a backlog of MRI scans and needs additional scanning capacity.

According to the applicant, MHG acquired New Gulf Coast Surgery Center, LLC in late 2017 and began offering outpatient surgery services in Ocean Springs, Mississippi at 3882 Bienville Boulevard as a department of the hospital (the “Outpatient Department”). The applicant proposes to provide mobile MRI services, using a Phillips Achieva 1.5T MRI unit, one (1) day a week at the Outpatient Department and six (6) days a week at the

Main Hospital. According to MHG, both the Main Hospital and the Outpatient Department locations have existing MRI pads and electrical pads. The applicant states it will lease a trailer to move the mobile between the Main Hospital and the Outpatient Department. Therefore, the applicant states that there will be no construction or renovation associated with the project.

The applicant affirms that the proposed \$595,000 capital expenditure is for fixed equipment. The applicant proposes to purchase the equipment with cash reserves.

The applicant asserts that 3.5 additional full-time equivalent (FTE) personnel will be required as a result of the proposed project at an estimated annual cost of \$164,623.68. On August 31, 2018, the MSDH, Division of Health Facilities Licensure and Certification approved the sites for the proposed project at the Main Hospital and the Outpatient Department.

The applicant states that the MHG currently complies with all state and local building codes, zoning ordinances, and appropriate regulatory authority and will continue to do so. MHG further affirms that it will comply with all applicable state statutes and regulations for protection of the environment, including: 1) approved water supplies; 2) sewage and water disposal; 3) hazardous waste disposal; 4) water pollution control; 5) air pollution control; and 6) radiation control.

MHG proposes to obligate the capital expenditure within three (3) months of CON approval, and anticipates that the proposed project will be complete within six (6) months of CON approval.

II. TYPE OF REVIEW REQUIRED

Projects, which propose the establishment of MRI services are reviewed in accordance with Section 41-7-191, subparagraph (1)(d)(xii) of the Mississippi Code of 1972 Annotated, as amended, and duly adopted rules, procedures, plans, criteria and standards of the Mississippi State Department of Health.

In accordance with Section 41-7-197 (2) of the Mississippi code 1972 Annotated, as amended, any person may request a public hearing on this project within 10 days of publication of the staff analysis. The opportunity to request a hearing expires on November 30, 2018.

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

A. Mississippi State Health Plan (MSHP)

The *FY 2018 Mississippi State Health Plan* contains policy statements, criteria and standards, which an applicant is required to meet before receiving Certificate of Need ("CON") authority for the acquisition or otherwise control of a magnetic resonance imaging ("MRI") equipment and the offering of MRI services. This application is in substantial compliance with applicable policy statements, criteria and standards.

Criteria and Standards for the Acquisition or Otherwise Control of MRI Equipment

SHP Need Criterion 1- Minimum Procedures/Population

The *FY 2018 Mississippi State Health Plan* states that an entity desiring to acquire or otherwise control the MRI equipment shall demonstrate a minimum of 2,700 procedures per year by the end of the second year of operation; provided, however, that MRI equipment exclusively servicing rural hospitals (those located outside U.S. Census Bureau Metropolitan Statistical Areas with 75 or less beds) shall be required to demonstrate a minimum of 1,700 procedures per year by the end of the second year of operation. This criterion includes both fixed and mobile MRI equipment. The applicant must show the methodology used for the projections.

The applicant indicates that the proposed mobile MRI unit at the projected locations is expected to perform over 2,700 scans by the end of the second year of operation. The applicant states that its projections are based on affidavits, the Plan’s population based formula’s MRI use rate, scans at the Outpatient Department, MHG’s ability to provide more MRI services due to the backlog decrease, and the availability of MHG clinics and locations along the Coast.

In addition, the applicant states that the number of scans performed at the Main Hospital location have been increasing per recent utilization information. The applicant submitted the following table as documentation of these increases:

FY 2014 MRIs	FY 2015 MRIs	FY 2016 MRIs	FY 2017 MRIs	FY 2018 as of 9/15/18	FY 2018* Annualized
7,471	7,994	8,908	10,570	9,224	11,069

*Annualized based on an average of the past 12 months utilization and Hospital historical knowledge.

- a. **Non-hospital based MR facilities.** The application contains affidavits from referring physicians in compliance with this criterion.
- b. **Reasonable population base.** The applicant submits that the state’s MRI use rate which is based upon the total number of scans in the state divided by the state population supports the application.

The *FY 2018 State Health Plan* reported a total of 256,199 scans and a population of 3,138,145 which yields a use rate of 81.64 per 1,000 population (or 82).

The applicant submits that per the Plan, GHSA 9, wherein the project is located, has a population of 512,690 which when compared to the use rate, results in 41,856 scans projected to be generated from GHSA 9. However, the 2018 MSHP indicates that 31,290 MRI scans were reported in 2016, which results in 10,566 less scans than could be reasonably anticipated by the Plan’s designated formula for the need in the Service Area. Thus, the applicant submits that there is a sufficient population base in GHSA 9 to support this project.

The applicant projects the following MRI procedures for the first three years of operation:

Projected MRI Procedures		
Year 1	Year 2	Year 3
2,040	2,550	3,060

- c. **Utilization of Existing Units.** The *FY 2018 Mississippi State Health Plan* reports that a total of 31,290 MRI procedures were performed in 2016 for GHSA 9 (the most current data) utilizing approximately 13.6 equivalent units (see table below). The applicant submits that if Bienville Orthopedic's unit is added to this equivalent count, so that there are 14.6 equivalent units, the average would still exceed the required 1,700, as the average would be 2,143.

The applicant proposes to make the mobile MRI unit available at two (2) locations.

Attachment 2 demonstrates the number of MRI procedures performed in 2015 and 2016 in GHSA 9, according to the *FY 2018 SHP*.

SHP Need Criterion 2 – Equipment Requirements

The applicant acknowledges the requirements of this criterion and states that it will so comply.

SHP Need Criterion 3 – Data Requirements

The applicant affirms that, at a minimum, it will record and maintain the requirements listed in this criterion and information will be kept and made available to the Mississippi State Department of Health within 15 business days of request.

SHP Need Criterion 4 – Business Registration

The applicant submits that MHG is a community hospital owned jointly by the City of Gulfport and by Harrison County and operated by the Board of Trustees. The applicant further asserts that the hospital has done business in Mississippi since 1940.

SHP Need Criterion 5 – CON Approval/Exemption for MRI Equipment

The applicant recognizes this requirement and affirms that it will not utilize the MRI equipment until obtaining a CON or written evidence from the Department that the equipment is exempt from CON approval.

Criteria and Standards for the Offering of Fixed or Mobile MRI Services

SHP Need Criterion 1 – Minimum Procedures/Population

As indicated above, the applicant anticipates that it will provide over 2,700 scans by the end of the second year of operation. The applicant proposes to perform 2,040 scans the first year, 2,550 the second and 3,060 the third year of operation. The applicant states that these projections are based on the affidavits attached to the application, the Plan's population based formula's MRI use rate, and the demand for and delay of MRI services at the Main Hospital.

Population-Based Formula for Projection of MRI Service Volume

$$X * Y \div 1,000 = V$$

Where, **X = Applicant's Defined Service area population**

Y = Mississippi MRI Use Rate

V = Expected Volume

The state's MRI use rate is based upon the total number of scans in the state divided by the state population. The *FY 2018 MSHP* reports a total of 256,199 scans and a population of 3,138,145. This yields a use rate of 81.64 per 1,000 population.

256,193 (Scans)/3,138,145 (MS Population Projection) = 0.08164 (MS MRI Use Rate)

0.08164 (MS MRI Use Rate) x 1,000 per Population = 81.64 Scans per 1,000 Population

The applicant submits that the *Plan* indicates that GHSA 9 has a population of 512,690 which when compared to the use rate, results in 41,856 scans projected to be generated from GHSA 9.

$$512,690 \text{ (GHSA 9 Population Projections)} / 1,000 = 512.69$$

$$512.69 \times 81.64 \text{ (MS MRI Use Rate)} = 41,856 \text{ Scans}$$

However, the *2018 MSHP* indicates that the number of scans reported for GHSA 9 is 31,920, which results in 10,566 less scans than could be reasonably anticipated the Plan's designated formula for the need in the Service Area. Thus, the applicant submits that there is sufficient population base in GHSA 9, the applicant's service area, to support this project.

According to the *FY 2018 MSHP*, there were approximately 13.6 equivalent units operating in GHSA 9 in FY 2016. These units performed a total of 31,290 scans for an average of 2,300 per unit (see table above). The applicant submits that if the Department should use an approved unit not listed in the Plan, so that there are 14.6 equivalent units, the average would still exceed the required 1,700, as the average would be 2,143.

The applicant proposes to utilize the proposed MRI unit at two locations and states that these locations will jointly meet the 2,700 procedures annually by the end of the second year of operation.

SHP Need Criterion 2 – Availability of Diagnostic Imaging Modalities

The applicant affirms that Memorial Hospital at Gulfport currently provides the services required by this criterion.

SHP Need Criterion 3 – Non-Discrimination

The applicant submits that neither it, nor its medical personnel, will have policies that exclude patients because of race, color, age, sex, ethnicity, or ability to pay.

SHP Need Criterion 4 – Staffing Requirements

The applicant affirms that it will have a full time, board eligible radiologist who has knowledge of MRI through training, experience, or documented post-graduate education. The applicant also affirms that their MRI technologist-radiographer will meet the required qualifications.

SHP Need Criterion 5 – Experimental Procedures

The applicant affirms that the proposed MRI unit will not be used for experimental procedures.

SHP Need Criterion 6 – Data Requirement

The applicant affirms that the data requirements listed for this criterion shall be kept and made available to the Department of Health upon request. The applicant states that it also recognizes that to the extent it is within the scope of its recording system, it will maintain source of payment and total amounts charged for the fiscal year.

SHP Need Criterion 7 – CON Approval/Exemption for MRI Equipment

The applicant affirms that it will not utilize the proposed MRI equipment until obtaining a CON or written evidence from the Department that the equipment is exempt from CON approval.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual, April 9, 2017 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

The application was reviewed for compliance with the *FY 2018 Mississippi State Health Plan* as discussed above.

GR Criterion 2 - Long Range Plan

The applicant states that MHG seeks to improve the healthcare of patients and residents within its PSA and Service Area and to provide timely MRI scans for its patients without unnecessary delay caused by patient backlog.

GR Criterion 3- Availability of Alternatives

The applicant states that it considered simply adding another fixed unit at its Main Hospital location, but recognized this would not help its patients at their Outpatient Department which would add more patients from the Outpatient Department to the Main Hospital load. Second, the applicant considered obtaining a fixed unit at the Hospital and contracting with a mobile provider for the Outpatient Department. However, the applicant suggests that this would result in another vendor involved in Memorial's provision of MRI services. The applicant states that as Memorial was going to be forced to acquire another unit for the Main Hospital and expend funds on MRI equipment due to the backlog of scans, and establish mobile services as a resource at the Outpatient

Department, the project proposed serves both those purposes – improving accessibility at both the Main Hospital and Outpatient Department.

The applicant asserts that there is no less costly alternative to meet the goals of the project. Also, the project is not an unnecessary duplication of services since Memorial is a current provider of MRI services within GHSA 9. The applicant states that the project will only create a new service point, and the area's population, the MRI use rate, the proposed scans based on affidavits, and the projected number scans, support the need for the project.

GR Criterion 4 - Economic Viability

Memorial does not anticipate a change in MRI charges with the addition of the mobile MRI services. It states that these charges are based on current Medicare, Medicaid and commercial insurance allowable charges.

The applicant's three-year projected operating statement contained in the application indicates net income for the first year through third year of operation (see Attachment 1). Based on the projections, the cost per scan will range from \$218 to \$320.

The applicant states that in the event Memorial cannot cover its expenses, the financial statements of the current operations show available funds to cover losses.

GR Criterion 5 - Need for the Project

Memorial states that it currently treats many of the traditionally underserved groups listed in this criterion and will continue to provide service to these groups at both locations.

The applicant submits that according to the *FY 2018 MSHP*, the MRI scans provided in GHSA 9 increased by over 2,000 scans. In addition, MHG states that each provider on an equivalent basis is providing over 2,000 scans. Thus, the utilization rates experienced at facilities in GHSA 9 currently should remain unaffected by the proposed project.

The application contains numerous letters of support from the County Board of Supervisors, the Mayor of Gulfport, representatives, MRI providers, physicians, primary care providers and residents.

However, the application also received three (3) letters of opposition, indicating unnecessary duplication of services in Jackson County and adverse impact on an existing provider.

GR Criterion 6- Access to the Facility

The applicant states that Memorial currently serves traditionally underserved populations and will continue to do so at the Main Hospital and Outpatient Department.

The following table shows the historical and projected estimated gross patient revenues of health care provided to charity care patients for years one and two for the proposed project:

Gross Patient Revenue

	Charity Care (%)	Charity Care (\$)
Historical Year FY 2016	2.84%	\$13,016,874
Historical Year FY 2017	1.88%	\$10,094,138
Projected Year 1	1.89%	\$11,302,537
Projected Year 2	1.95%	\$12,069,495

The applicant submits that the Main Hospital provides MRI services 24/7 by fixed units. The proposed mobile MRI unit will operate from 8:00 a.m.-5:00 p.m. four (4) days a week. The Outpatient Department hours are proposed to be one (1) day a week from 8:00 a.m. to 5:00 p.m. The applicant will provide MRI services to patients during these times and will work to schedule services at times desirable to the patient.

GR Criterion 7- Information Requirement

The applicant affirms that it will record and maintain, at a minimum, the information stated in this criterion regarding charity care, care to the medically indigent, and Medicaid populations, 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

The applicant states that MHG currently offers MRI services and seeks to improve accessibility for its patients. According to the applicant, Memorial has averaged 10,484 scans per year over the past 3+ years. The applicant believes that the availability of MRI services for Memorial's patients complement Memorial's full range of acute care services. In addition, Memorial states that it is a Level II Trauma Center and MRI availability is a necessity.

The applicant submits that the addition of a mobile unit owned and operated by Memorial will improve access, improve efficiency and provide quality control. Services will be available to all patients requiring MRI services. If disapproved, the applicant states that Memorial will continue to provide MRI services at the Main Hospital; however, its Outpatient Department patients will have to continue to travel for services and its Main Hospital patients will continue to experience delays in testing.

Mississippi State Senate, Chairman Medicaid and Vice-Chairman Public Health oppose this project. In addition, the Department received a letter of opposition to the project from the Mississippi House of Representatives, Appropriations Committee. The letters state that the existing machines have plenty of excess capacity and a new machine will result in an unnecessary duplication of services. They also express concerns that the project will do nothing to increase access to care, and significantly impair Singing River Health System's ability to provide care to indigent and Medicaid patients.

Memorial's Chief Executive Officer (CEO) responded that Memorial will continue to provide services to all patients, including Medicaid beneficiaries. In addition, the CEO noted that as Memorial's services extend across the Coast, to both Hancock and Jackson counties, the project does not result in unnecessary duplication of services. The applicant states that with 32% commercial patients, the project projects only 131 patients in year 1, 164 patients in year 2, and 196 patients in year 3 at the Outpatient Department in Jackson County.

In addition, through its attorney, Singing River Hospital System submitted a letter in opposition to the project. The letter points out that should the CON be granted, the Department will have no regulatory control over a change in the number of days of service offered by Memorial in Jackson County. The letter further asserts that approving the application will “unquestionably” cause harm to Singing River’s existing service – especially if the number of days of service is increased.

Staff acknowledges that Policy Statement 8 of the *FY 2018 State Health Plan* as it relates to MRI services, provides that an equipment vendor may make changes to an existing route, by notifying the MSDH through the filing of a Determination of Non-Reviewability, i.e. additional health care facilities, route deviations, etc. from those presented in the CON application. However, the proposed equipment will serve only the Main Hospital, in Harrison County, six (6) days a week and the Outpatient Department, in Jackson County) one (1) day a week. Both locations are owned by the applicant.

In addition, Policy Statement 3 in the Plan defines Mobile MRI as an MRI unit operating at two or more host sites and that has a central service coordinator. The mobile MRI unit shall operate under a contractual agreement for the provision of MRI services at each host site on a regularly scheduled basis. Since Memorial Hospital at Gulfport proposes to purchase a mobile MRI unit to serve two of its own locations, Memorial is considered the host, and the unit does not propose to operate under a contractual agreement for the provision of MRI services. Therefore, staff contends that this application does not meet the test as a true Mobile MRI.

GR Criterion 9 - Availability of Resources

Memorial states that no additional personnel will be needed as a result of this project. However, if necessary, staff recruitment is done through traditional methods such as advertising and word-of-mouth and is from within the organization. Furthermore, the applicant state that Memorial’s staffing levels have historically been satisfactory and are anticipated to continue at the same level.

GR Criterion 10 – Relationship to Ancillary or Support Services

The applicant asserts that Memorial will contract with DelMed Inc. for a trailer/truck rig to move the MRI. The applicant states it will provide or acquire any necessary ancillary services for the project.

GR Criterion 11- Health Professional Training Programs

The applicant states that Memorial works with professional training programs in the area and will continue to do so; including William Carey, University of Southern Mississippi, University of Southern Alabama, Mississippi Gulf Coast Community College and Pearl River Community College.

GR Criterion 12 – Access by Health Professional Schools

The applicant states that Memorial works with professional training programs in the area and will continue to do so; including William Carey, University of Southern Mississippi, University of Southern Alabama, Mississippi Gulf Coast Community College and Pearl River Community College.

GR Criterion 13 – Access to Individuals Outside Service Area

According to the applicant, this criterion is not applicable for this project.

GR Criterion 14 – Construction Projects

The proposed project is not for construction of a facility.

GR Criterion 15 – Competing Applications

There are no competing applications on file with the Department for MRI equipment and services.

GR Criterion 16 - Quality of Care

Memorial submits that although the Outpatient Department location will be considered new for purposes of the MSHP, the applicant is a current provider of quality MRI services, and it anticipates quality care will be the case at the Outpatient Department as well as the Main Hospital.

The applicant believes that the proposed project will provide patients with improved access to MRI services and hopes that the increase in availability of desirable service times will translate into better patient outcomes and continuity of care.

Memorial Hospital at Gulfport is accredited by The Joint Commission, the Commission on Cancer, the College of American Pathologists and the American College of Radiology.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

Cost Item	Estimated Cost	% of the Total
Construction Cost -New	\$ 0	0.00%
Construction Cost-Renovation	0	0.00%
Capital Improvements	0	0.00%
Total Fixed Equipment Cost	595,000	100.00%
Total Non-Fixed Equipment Cost	0	0.00%
Land Cost	0	0.00%
Site Preparation Cost	0	0.00%
Fees (Architectural and Consultant Fees)	0	0.00%
Fees (Legal and Accounting)	0	0.00%
Contingency Reserve	0	0.00%
Capitalized Interest	0	0.00%
Other Cost (filing fee)	0	0.00%
TOTAL PROPOSED CAPITAL EXPENDITURE	\$595,000	100.00%

B. Method of Financing

Memorial Hospital at Gulfport proposes to fund the project from cash reserves. Financial statements contained in the application indicate that sufficient funds are available for the project.

C. Effect on Operating Costs

Memorial's three-year projected operating statement is provided in Attachment 1 for the proposed project.

D. Cost to Medicaid/Medicare

The applicant's projection to third party payors is as follows (based on gross patient revenue):

Payor	First Year Revenue	Utilization Percentage
Medicare	\$ 8,439,701	48%
Medicaid	1,308,894	7%
Commercial	5,675,965	32%
Self Pay	187,383	1%
Charity	-	0%
Other	1,908,037	11%
Total	\$17,519,979	<u>100%</u>

V. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for review and comment. As of date of this staff analysis, the Division has not provided any comments on the proposed project.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the acquisition or otherwise control of magnetic resonance imaging (MRI) equipment and offering of mobile MRI services as contained in the *FY 2018 Mississippi State Health Plan*, Chapter 8 of the *Mississippi Certificate of Need Review Manual, April 9, 2017 Revision*; and all adopted rules, procedures, and plans of the Mississippi State Department of Health.

However, the Department received letters of opposition from the Mississippi State Senate, Mississippi House of Representatives and Singing River Health Systems claiming adverse impact and unnecessary duplication of services. In addition, reference was made to the Department not having regulatory control over a change in the number of days of service offered by Memorial after CON is approved.

Staff acknowledges that Policy Statement 8 of the *FY 2018 State Health Plan* as it relates to MRI services, provides that an equipment vendor may make changes to an existing route, by notifying MSDH through the filing of a Determination of Non-Reviewability, i.e. additional health care

facilities, route deviations, etc. from those presented in the CON application. However, the applicant requests, by this application, to purchase mobile equipment and serve only two locations currently owned by Memorial Hospital at Gulfport - the Main Hospital, located in Harrison County (six (6) days a week), and the Outpatient Department, located in Jackson County (one (1) day per week).

Consequently, the Division of Health Planning and Resource Development recommends approval of the application submitted by Memorial Hospital at Gulfport for the Acquisition of Mobile MRI equipment and Offering of Mobile MRI Services, as a mobile provider **ONLY at the Main Hospital six (6) days a week and the Outpatient Department one (1) day a week**, with use of mobile equipment owned by Memorial Hospital at Gulfport. Should the applicant propose to serve other mobile providers with the proposed equipment or add additional mobile sites, it will be necessary to apply for an amendment and/or CON.

**Attachment 1
 Memorial Hospital at Gulfport
 Three-Year Operating Statement (Project Only)**

	Year 1	Year 2	Year 3
Revenue			
Inpatient Care Revenue	0	0	0
Outpatient Revenue	\$		\$
Gross Patient Revenue	\$ 17,519,979	\$ 21,899,974	\$ 26,279,969
Charity	-	-	-
Deductions from Revenue	\$ 16,410,295	\$ 20,512,868	\$ 24,615,442
Net Patient Care Revenue	\$ 1,109,685	\$ 1,387,106	\$ 1,664,527
Other Operating Revenue	0	0	0
Total Operating Revenue	\$ 1,109,685	\$ 1,387,106	\$ 1,664,527
Operating Expenses			
Salaries	\$ 165,457	\$ 169,593	\$ 173,833
Benefits	41,364	42,398	43,458
Supplies	3,031	3,610	4,020
Services	263,512	264,390	265,040
Lease Expenses	-	-	-
Depreciation	171,429	171,429	171,429
Interest	0	0	0
Other	8,853	9,120	9,450
Total Operating Expenses	\$ 653,647	\$ 660,541	\$ 667,231
Net Operating Income	\$ 456,038	\$ 726,565	\$ 997,296
	Proposed Year 1	Proposed Year 2	Proposed Year 3
Inpatient Days	0	0	0
Outpatient Visits	0	0	0
Procedures	2,040	2,550	3,060
Charge per Outpatient Day	0	0	0
Charge per Inpatient Day	0	0	0
Charge per Procedure	\$ 8,5885	\$ 8,588	\$ 8,588
Cost per Inpatient Day	0	0	0
Cost per Outpatient Day	0	0	0
Cost per Procedure	\$ 320	\$ 259	\$ 218

Attachment 2
General Hospital Service Area 9
Location and Number of MRI Procedures
FY 2015 and FY 2016

Facility	Type of Provider	County	Type/No. of Equipment	Number of MRI Procedures Performed 2015	Number of MRI Procedures Performed 2016	Days/Hours of Operation
Cedar Lake MRI-Open MRI LLC	FS	Harrison	F	4,565	5,170	Mon.-Sat. 78Hrs.
Compass Imaging	FS	Harrison	M	534	633	Mon – Fri 16 HRs
Garden Park Med. Ctr.	H	Harrison	F	1,225	1,815	Mon – Fri 40 Hrs.
George Medical Ctr.	H	George	F	773	779	Mon – Fri 40 Hrs.
Hancock Medical Ctr.	H	Hancock	F	913	1,075	Mon – Fri 40 Hrs.
Highland Community Hosp.	H	Pearl River	M	1,513	1,657	Mon – Fri 45 Hrs.
Memorial Hosp. at Gulfport	H	Harrison	F(2)	7,994	8,908	Mon – Sun 154 Hrs.
Merit Health Biloxi	H	Harrison	FM	1,937	1,876	Mon – Fri 40 Hrs.
Ocean Springs Hosp.	H	Jackson	F(2)	4,296	4,135	Mon – Fri 115+ Hrs.
OMRI, Inc. d/b/a Open MRI	MP	Jackson	M(3)	N/A	N/A	M, Thr 120 & F 160 Hrs.
Singing River Hospital	H	Jackson	F(2)M	5,136	5,016	Mon – Fri 155+ Hrs.
SMI-Stone Co. Hospital	H	Stone	M	256	256	Tues. 4 Hrs.
Total MRI Procedures				29,142	31,290	

Source: FY 2018 MS State Health Plan
 FS – Freestanding
 H – Hospital Based
 MP – Mobile Provider
 F – Fixed MRI Unit
 M - Mobile MRI Unit