

**MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
MARCH 13, 2020**

**CON REVIEW NUMBER: FSF-NIS-0120-001
VASCULAR AND VEIN INSTITUTE OF THE SOUTH, PLLC
OFFERING OF DIGITAL ANGIOGRAPHY (DA) SERVICES IN A
FREESTANDING FACILITY, SENATOBIA, MISSISSIPPI
CAPITAL EXPENDITURE: \$1,232,291.00
LOCATION: SENATOBIA, TATE COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Vascular and Vein Institute of the South, PLLC (“VVIS”) is a Mississippi Professional Limited Liability Company (PLLC), located at 403 Getwell Drive, Senatobia, Mississippi, 38668. The applicant indicates that Vascular and Vein Institute of the South, PLLC is governed by Dr. Prateek K. Gupta and Dr. Anton Dias Perera. Furthermore, the applicant confirms that Dr. Gupta and Dr. Perera are the designated officers and directors of Vascular and Vein Institute of the South, PLLC and there are no managing members.

The applicant provided a Certificate of Good Standing dated January 9, 2020 from the Secretary of State verifying the PLLC was registered on March 19, 2019. The document indicates that the business is authorized to do business in the State of Mississippi.

B. Project Description

Vascular and Vein Institute of the South, PLLC (“VVIS”) requests Certificate of Need (CON) authority to provide in-office invasive digital angiography services to patients in Senatobia, Tate County, Mississippi. The services VVIS desires to offer are outpatient angiography, digital subtraction angiography, endovascular interventions, state-of-the-art vascular laboratory services, and a full spectrum of varicose vein care from the proposed location in Senatobia, Mississippi. The applicant states these services will be focused on outpatient, office-based digital subtraction angiography, digital angiography, and wound care, with the primary objective being prevention of limb amputation. The proposed project will allow patients suffering from non-coronary vascular disease conditions, requiring DA services, a convenient treatment option.

The *FY 2018 MS State Health Plan*, defines Invasive Digital Angiography (“DA”) as “a diagnostic and catheter based therapeutic intravascular intervention imaging procedure that combines a digital processing unit with equipment similar to that used for standard fluoroscopic procedures.” As defined, the Mississippi State Department of Health (MSDH) now regulates DA as a diagnostic and therapeutic practice.

Senatobia, Mississippi is located in General Hospital Service Area (GHSA) 1. According to the applicant, there is a significant unmet need for DA services in GHSA 1. The applicant has submitted letters of support, from area providers asserting the need for Digital Angiography Services due to robust growth in Tate County and its surroundings communities.

General Hospital Service Area 1 is comprised of five (5) counties: DeSoto, Tunica, Marshall, Tate, and Panola. The applicant states, there was only one (1) provider of DA services in GHSA 1, a hospital-based provider, Baptist Memorial Hospital-DeSoto (“Baptist”). The applicant further states, in June 2019 the Mississippi State Department of Health (“MSDH”) granted Certificate of Need (CON) authority to a second provider, Modern Vascular of Southaven, LLC located in Southaven, DeSoto County, Mississippi, to provide in-office invasive digital angiography (DA) services to patients in and around Southaven, Mississippi. The applicant states the demand continues to be prevalent for DA services in the area, therefore, duplication of health resources would not be an issue for the proposed project. The *FY 2015 State Health Plan* indicated for FY 2013, there were only two (2) providers of Digital Substation Angiography (“DSA”) services registered in GHSA 1, Baptist Memorial Hospital-DeSoto and DeSoto Imaging Specialists, which are both located in Southaven, MS. According to the applicant, Desoto Imaging Specialists, which performed the large majority of reported DSA services in GHSA 1 (per the *FY 2015 State Health Plan*) no longer offers these services. The MS State Health Plans prior to the *FY 2018 SHP* did not define DA services, but instead defined DSA as a “diagnostic imaging procedure”.

The applicant states, the physicians of VVIS treat a significant number of patients who reside in northern Mississippi. The applicant states, currently, at their offices in Germantown, Tennessee, the physicians of VVIS are serving as the on-call vascular surgeons for Baptist and Methodist Olive Branch Hospitals, both located in GHSA 1. The applicant further states, a CON for DA services would allow VVIS to provide these services to Mississippi patients they are already traveling and provide a freestanding facility option located closer to the southern part of the service area. The applicant affirms VVIS has a proven track record of providing high quality digital angiography services at other locations in the Mid-South region and will employ the board certified and licensed expertise of its physicians at the proposed facility in Senatobia. The applicant states, currently, there are no board-certified vascular surgeons, licensed by the Mississippi State Board of Medical Licensure, providing

the proposed services in GHSA-1. Therefore, the applicant suggests that the proposed project will present patients in the area a convenient alternative for DA treatment services in Mississippi.

The applicant affirms, as noted in the *FY 2018 State Health Plan* (“SHP”), Mississippi ranks first in the nation for overall diabetes rates. Furthermore, diabetes carries the risk of serious vascular complications, including wound-healing complications and limb amputation. The applicant states allowing board-certified vascular surgeons to provide DA services in Mississippi, closer to the homes of their patients, will improve the health of Mississippi residents with diabetes and other peripheral vascular disease. The applicant states the highest rate of diabetes in the nation means that a significant number of Mississippi residents are at risk of developing vascular-related complications. The applicant states allowing DA services to address these conditions, at a more convenient location in Mississippi, will also facilitate cost containment.

According to the applicant, VVIS is in the process of using a contractor to perform an interior demolition and renovation of an existing office building in Senatobia to serve as a physician office for VVIS. According to the applicant, approximately 4,463 square feet of space is involved in the renovation for the proposed project. The applicant affirms the renovated space will be used for an office for VVIS’s physicians’ practice. The applicant affirms VVIS has obligated capital for renovation of the office space, however, the equipment required for DA services will be purchased after CON approval.

The applicant affirms the equipment to be utilized in the proposed project is a vascular MTS platform with 30 fps digital disk and 12”I.I (Goldseal OEC 9900 Elite™ Digital Mobile Motorized C-arm VasMTS), arterion injector pedestal system (Medrad Mark 7), 4K direct connect system, and a fluoroscopic procedure table. The applicant further states the equipment will be installed by GE Healthcare.

The applicant states, the proposed project requires a capital expenditure of \$1,265,114.96 for the demolition and renovation of 4,463 square feet of space. The applicant anticipates that VVIS will offer DA services at the proposed location within thirty (30) days of final CON approval.

The applicant states upon approval and issuance of the CON for the proposed project from MSDH, an approval, as deemed appropriate, from the Division of Radiological Health will be provided.

The MSDH Division of Health Facilities Licensure and Certification approved the proposed site on February 27, 2020.

II. TYPE OF REVIEW REQUIRED

This project is reviewed in accordance with Sections 41-7-173, 41-7-191 (1)(d)(vii), and 41-7-193 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 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 March 23, 2020.

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

A. State Health Plan (SHP)

The *FY 2018 State Health Plan* contains criteria and standards which the applicant is required to meet before receiving CON authority for the offering of diagnostic imaging services of an invasive nature, i.e. invasive digital angiography, if those services have not been provided on a regular basis by the proposed provider of such services within the period of twelve (12) months prior to the time such services would be offered. This application is in substantial compliance with the applicable criteria stated in the *Plan* as follows:

SHP Need Criterion 1 – Staffing Requirements

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

The applicant states Prateek K. Gupta, MD FACS and Anton Dias Perera, MD FACS, the principals of VVIS are board-certified in vascular surgery by the American Board of Surgery and highly experienced in treatment of all complex vascular diseases. The applicant further states both doctors are licensed by the Mississippi State Board of Medical Licensure and will be the providers for the DA services at the Senatobia clinic, therefore, no additional consultation or back-up for interventional peripheral vascular procedures will be required.

- b. **Identify physicians in the group and state which physician(s) will**

perform intravascular interventions using DA. Certify that:

- i. Each physician will maintain medical staff privileges at a full-service hospital; or**
- ii. At least one member of the physician group has staff privileges at a full-service hospital and will be available at the facility or on call within a 30-minute travel time of the full-service hospital during the hours of operation of the facility.**

The application contained Curricula Vitae for Prateek K. Gupta, MD FACS and Anton Dias Perera, MD FACS whom the applicant affirms are the proposed physicians that will be performing intravascular interventions using digital angiography at VVIS's Senatobia office. Dr. Gupta and Dr. Dias Perera are licensed by the Mississippi State Board of Medical Licensure and enjoy medical staff privileges at Baptist Memorial Hospital-DeSoto and Methodist Olive Branch Hospital. The applicant states, one (1) or both physicians will be available at the facility or on call within a thirty (30) minute travel time of Baptist or Methodist during the hours of operation of the facility.

The applicant states, other physicians who practice with VVIS includes Dr. Jacqueline Majors and Dr. Timothy Weatherall. Both of these physicians are also licensed by the Mississippi State Board of Medical Licensure and enjoy staff privileges at Baptist and Methodist. Furthermore, the applicant affirms Dr. Majors and Dr. Weatherall are extensively trained in both open and endovascular surgical techniques.

SHP Need Criterion 2- Types of Procedures

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

arteries and veins including the aorta, coronary arteries, pulmonary arteries, superior and inferior vena cava, pulmonary veins, carotid arteries, and any intracerebral artery or vein.

- b. Percutaneous endovascular interventions of the peripheral vessels not excluded in a.iii.1. above are permitted to be performed in a freestanding facility. These procedures are defined as procedures performed without open direct visualization of the target vessel, requiring only needle puncture of an artery or vein followed by insertion of catheters, wires, or similar devices which are then advanced through the blood vessels using imaging guidance. Once the catheter reaches the intended location, various maneuvers to address the diseased area may be performed which include, but are not limited to, injection of contrast for imaging, ultrasound of the vessel, treatment of vessels with angioplasty, artherectomy, covered or uncovered stenting, intentional occlusion of vessels or organs (embolization), and delivering of medications, radiation, or other energy such as laser, radiofrequency, or cryo.**

The applicant states that all DA procedures performed by physicians at VVIS shall meet SHP Need Criterion 2. The applicant further states that none of the DA procedures performed by or at VVIS shall generally result in blood loss of more than ten percent (10%) of estimated blood volume in a patient with a normal hemoglobin, require major or prolonged intracranial, intrathoracic, abdominal, or major joint replacement procedures, except for laparoscopic procedures, or involve major blood vessels as defined in this Criterion. Applicants states procedures maybe of a type provided for in Criterion 2.b.

SHP Need Criterion 3- Transfer Agreement

Vascular and Vein Institute of the South, PLLC understands, agrees, and certifies that, upon approval of the CON, it will obtain a formal transfer agreement with a full-service hospital to provide services which are required beyond the scope of VVIS's programs. VVIS certifies that it will not perform any DA services until it has such an agreement in place.

SHP Need Criterion 4 - CON Approval/Exemption

The applicant states upon completion, VVIS's Senatobia facility will be utilized as a physician office, however, the applicant acknowledges that CON approval is necessary before DA services may be provided. The applicant further affirms that VVIS will not perform DA services until CON approval is obtained.

B. General Review (GR) Criteria

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

GR Criterion 1- State Health Plan

The project is in substantial compliance with all criteria, standards, and policies of the *FY 2018 Mississippi State Health Plan* applicable to the offering of digital angiography services.

GR Criterion 2 – Long Range Plan

The applicant states VVIS developed this proposal in an effort to provide more convenient, timely, and cost-effective access to DA services to individuals who reside in North Mississippi and patients who currently must travel to VVIS Tennessee facilities for freestanding DA services. The applicant states the Senatobia facility will also help relieve scheduling pressure for VVIS patients who must travel to the Tennessee clinics. Therefore, this project is consistent with the VVIS physicians' long-range plan to provide the highest quality DA services possible at each of their office locations. The applicant further states Dr. Gupta and Dr. Dias Perera considered several options, eventually settling on this plan to purchase equipment to provide DA services in Senatobia as the most convenient and cost-effective solution.

GR Criterion 3 – Availability of Alternatives

The applicant states VVIS considered two alternatives: (1) maintain status quo; and (2) the development of the Senatobia physician office and the offering of DA services at this location.

- a. **Advantages and Disadvantages:** The applicant states that the status quo is not an acceptable option because many Mississippi patients who require DA services would be forced to travel to the Tennessee offices of VVIS or extended distances in North Mississippi. The applicant further states there are very few providers in the region that are board-certified vascular surgeons. Therefore, the applicant suggests that the option to open a new office in Senatobia will provide convenient access to VVIS.
- b. **New Construction Projects:** The applicant affirms the proposed project does not involve any new construction. The applicant states that the project will only involve renovations to an existing structure.

- c. **Beneficial Effects to the Health Care System:** The applicant affirms the proposed option to offer DA services places DA services closer to VVIS's Mississippi patients. In addition, the Senatobia office is approximately twenty-five (25) minutes away from Southaven, MS, providing a more convenient option for patients traveling to the south. The applicant states this approach increases the accessibility, acceptability, continuity, and quality of health services, without unnecessarily duplicating health resources.

- d. **Effective and Less Costly Alternatives:**
 - i. **Unnecessary Duplication of Services:** The applicant states it is anticipated that patients treated at the Senatobia office of VVIS will choose to return to this location for DA services, should these procedures become medically necessary. The applicant affirms patients would otherwise be forced to travel to one of the Tennessee offices of VVIS. The applicant states, currently, there is only one (1) provider of the proposed services in GHSA 1, Baptist Memorial Hospital-DeSoto. However, recently, a second provider (Modern Vascular of Southaven, LLC) received CON authority to offer DA services in Southaven, MS. The applicant affirms there is an ongoing demand in the area for DA services; therefore, there will be no unnecessary duplication of health resources. The applicant further states, presently, the physicians of VVIS treat a significant number of patients from northern Mississippi at their offices in Tennessee, and the physicians of VVIS serve as on-call vascular surgeons for Baptist and Methodist Olive Branch Hospital, both located in GHSA 1.

 - ii. **Efficient Solution:** The applicant affirms allowing VVIS to provide DA services closer to where their patients reside and closer to the physician's office in which they were initially seen, will increase the accessibility, acceptability, continuity, and quality of health services, without unnecessarily duplicating health resources. The applicant states the Senatobia office is approximately one hour driving time from the nearest VVIS office, where DA services are provided in Germantown, Tennessee. Furthermore, the applicant states, the office's proximity to a major interstate will ease travel for patients coming from south of Senatobia.

- e. **Improvements and Innovations:** The applicant states VVIS will be the only provider of outpatient DA services in GHSA 1, whose physicians are board-certified in vascular surgery. The applicant affirms, Prateek K. Gupta, MD FACS and Anton Dias Perera, MD FACS, the principals of VVIS are board-certified in vascular surgery by the American Board of Surgery and are

highly experienced in the treatment of all complex vascular diseases. The applicant further states both doctors are licensed by the Mississippi State Board of Medical Licensure and will provide services at the Senatobia clinic, a location that will be closer to home for many Mississippi patients. The applicant states, therefore, the proposed project fosters improvements in the delivery of health services, promotes health care quality assurance, and cost effectiveness.

- f. **Relevancy:** The applicant affirms providing DA services closer to the patient's home is the most cost efficient and effective solution for VVIS patients that require such services. The applicant states insurers and other payors require providers to deliver health care in the most cost and time-efficient manner possible. The applicant further states this project is entirely consistent with this continuing trend.

GR Criterion 4 - Economic Viability

- a. **Proposed Charge:** The applicant submits the rates are base on current Medicare, Medicaid and commercial insurance allowable charges. The applicant further states the profitability is contingent upon several factors, including volume and the cost of the renovation and equipment.
- b. **Projected Levels of Utilization:** The applicant states in GHSA 1, the projected level to provide DA services are 130 for the first year, 217 in the second year, and 279 the third year of operation. The applicant further states, the projected utilization levels are consistent with the need for such services in the area for several reasons, including:
 - The volume of Mississippi residents seen as patients by VVIS at their Southaven office and Tennessee offices continues to grow;
 - Currently, there is only one (1) provider of the proposed DA services in GHSA 1, Baptist Memorial Hospital-DeSoto. Although, Modern Vascular of Southaven, LLC recently received CON authority to offer DA services in a freestanding facility in Southaven, MS.
 - The physicians of VVIS serve as on-call vascular surgeons for Baptist and Methodist Olive Branch Hospital, both located in GHSA 1; therefore, a CON would allow VVIS to provide DA services to their current MS patients.
- c. **Financial Feasibility Study:** The applicant affirms that the proposed project requires a capital expenditure of \$1,265,114.96; therefore, a financial feasibility study is not required for the proposed project.
- d. **Financial Forecasts:** The applicant states that GR Criterion 4(d) is not

applicable to the proposed project.

- e. **Covered Expenses:** The applicant affirms expenses are covered for this project through generated revenues or existing lines of credit.
- f. **Impact of Proposed Project on Health Care Cost:** The applicant states the proposed project will not adversely impact the cost of health care. The applicant further states Medicaid and Medicare charges will continue to be similar to those of other providers in the area and the proposed project will make access to DA services more convenient and accessible for patients requiring those services in the service area.

GR Criterion 5 - Need for the Project

- a. **Population Needs for Service:** The applicant submits all persons in GHSA 1 and outside this service area, including low income persons, racial and ethnic minorities, women, handicapped persons and other underserved groups and the elderly, will have access to the proposed DA services. The applicant further states, as demonstrated previously, there is high demand for DA services in this service area and a new provider will only increase access for this population.
- b. **Relocation of Services:** The applicant affirms this project does not involve the relocation of a facility or service.
- c. **Current and Projected Utilization of Comparable Facilities:** The applicant states, currently, there is only one (1) provider of the proposed DA services in GHSA 1, Baptist Memorial Hospital-DeSoto. Although, Modern Vascular of Southaven, LLC (a second provider) recently received CON authority to offer DA services in a freestanding facility in Southaven. The applicant further states the physicians of VVIS serve as on-call vascular surgeons for Baptist and Methodist Olive Branch Hospital in GHSA 1. Therefore, the applicant states by any measure, there is a demonstrated need for additional DA service providers in GHSA 1.
- d. **Probable Effect:** The applicant acknowledges there will be no effect on existing facilities as the level of need for DA services in GHSA 1 is not being met. The applicant states there is a continued need for additional providers of DA services in the service area; therefore, there will be no probable adverse effect on existing facilities in the area because a significant number of patients who receive DA services are existing patients of VVIS, who are presently seen at other VVIS locations.
- e. **Community Reaction to Service:** The applicant submitted letters of

support.

GR Criterion 6 - Access to the Facility or Service

- a. **Access to Services for Medically Underserved:** According to the applicant, GHSA 1 has five counties, all of which have been designated by the Health Resources and Services Administration as Medically Underserved Areas (MUA). The applicant states, at present, they are operating a physician office in DeSoto County, and VVIS physicians treat medically underserved individuals in this office and do not discriminate in any way. The applicant further states all persons, 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 estimated gross patient revenues of health care provided to charity/medically indigent patients for years one and two for the proposed project:

Gross Patient Revenue				
	Medically Indigent (%)	Charity Care (%)	Medically Indigent (\$)	Charity Care (\$)
Historical Year 2018	N/A	N/A	N/A	N/A
Historical Year 2019	N/A	N/A	N/A	N/A
Projected Year 1	1%	4%	\$22,500.00	\$90,000.00
Projected Year 2	1%	4%	\$37,500.00	\$150,000.00

- b. **Existing Obligations:** The applicant confirms there are no existing or remaining obligations under any federal regulation requiring provision of uncompensated care, community service, or access by minority and handicapped persons.
- c. **Unmet Needs of Medicare, Medicaid, and medically indigent patients:** Vascular and Vein Institute of the South, PLLC affirms that all patients, including insured, self-pay, Medicare, Medicaid and medically indigent patients will have access to the DA services and equipment offered by applicant.
- d. **Access to the Proposed Facility:** The applicant states that they will offer DA services to patients in need of such services, including Medicare,

Medicaid and medically indigent patients, as well as racial and ethnic minorities and the elderly. The applicant further states, the facility will open Monday through Friday, during normal business hours (8 A.M.- 7 P.M.). The applicant submits patients requiring emergency DA services on a date and time services are unavailable will be transferred to an appropriate provider with the capability and capacity to treat the patient.

e. Access Issues:

- i. Transportation and Travel:** The applicant states the Senatobia office of VVIS is conveniently located on Getwell Drive, a major thoroughfare in the city of Senatobia, located in close proximity to Interstate 55, a major interstate highway.
- ii. Restrictive Admission Policy:** The applicant submits the Senatobia office of VVIS does not admit patients, since all patients are seen on an outpatient basis. The applicant further states VVIS does not discriminate against patients on the basis or race gender, or other personal characteristics protected by law.
- iii. Access to Care by Medically Indigent Patients:** The applicant states that VVIS will offer DA services to all patients, including insured, self-pay, Medicaid, Medicare, and medically indigent patients.
- iv. Operational Hours of Service:** The applicant states VVIS business hours are from 8:00 am to 7:00 pm, Monday through Friday. The applicant affirms that DA services will be offered during normal business hours throughout the week. The applicant further states VVIS does not have an emergency department and does not offer emergency room services.

GR Criterion 7 - Information Requirement

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

GR Criterion 8 - Relationship to Existing Health Care System

- a. Comparable Services:** The applicant affirms the *FY 2015 State Health Plan* showed for FY 2013, that there were only two (2) total providers of DSA services (*currently defined as DA services*) registered in GHSA 1, Baptist Memorial Hospital-DeSoto and DeSoto Imaging Specialists, both located in

Southaven, MS. DeSoto Imaging Specialists performed 3,562 procedures in 2011 to Baptist Memorial's 879. DeSoto Imaging Specialists has since ceased performing DA services for over twelve (12) months. The applicant states Modern Vascular of Southaven, LLC received CON authority to offer these services in a freestanding facility in Southaven. The applicant states, receiving a CON would allow VVIS to provide DA services to Mississippi patients currently being served by VVIS .

b. Effects on Existing Health Services:

- i. Complement Existing Services:** The applicant states VVIS proposed project will complement existing DA services by providing another option for patients with vascular conditions who require this form of diagnostic imaging and treatment. The applicant further states, this is also true for their patients who reside in north Mississippi, currently traveling to other locations of VVIS for services.
 - ii. Providing Alternative or Unique Services:** The applicant asserts the proposed project will allow patients under the care and treatment of a vascular surgeon to have access to DA services in a same-clinic setting. VVIS will be one (1) of only two (2) such vascular medical practices that offers this convenience in GHSA 1, assuming the recently CON approved outpatient clinic becomes operational. The applicant states VVIS will be the only provider of DA services whose principal physicians (and owners) are board-certified in vascular surgery.
 - iii. Provide a Service for a Specific Target Population:** The applicant states the proposed project will provide DA services to patients undergoing treatment by a vascular surgeon in a physician clinic setting.
 - iv. Provide Services for Which There is an Unmet Need:** The applicant confirms, currently, VVIS patients who are residents of Mississippi must have their DA services performed in Tennessee or in a hospital setting. The applicant states, because of the limited number of providers in the area, there is an unmet need for DA services in GHSA 1.
- c. Adverse Impact:** The applicant states failure to implement the proposed project would force vascular patients at the Senatobia and Southaven offices of VVIS to continue to have DA services performed elsewhere, increasing the time and expense required for treatment.

- d. **Transfer/Referral/Affiliation Agreements:** The applicant affirms, upon approval of the CON, they will obtain a formal transfer agreement with a full-service hospital to provide services which are required before providing the CON authorized services.

GR Criterion 9 - Availability of Resources

- a. **New Personnel:** The applicant asserts, currently, VVIS utilizes the services of Dr. Gupta and Dr. Dias Perera, board-certified vascular surgeons, Drs. Majors and Weatherall (board-eligible vascular surgeons), medical assistants, radiology technicians, registered nurses, and nurse practitioners to provide medical care. The applicant states upon approval of the application, it is anticipated that approximately one-fourth of the Senatobia staff will be new hires, with seventy-five percent (75%) being presently employed. The applicant further states, no issues have occurred in obtaining the service of qualified persons to assist their physicians in providing DA services at its other locations.
- b. **Contractual Services:** The applicant states this criterion is not applicable to the proposed project.
- c. **Existing Facilities or Services:** The applicant affirms that it has a satisfactory staffing history at its locations in Germantown, Memphis, West Memphis, and Southaven.
- d. **Alternative Uses of Resources:** The applicant states alternative uses for the proposed project is stated in Criterion 3, listing two (2) alternatives to the proposed project as the status quo and the development of the Senatobia physician's office and offering of DA services at this location.

GR Criterion 10 – Relationship to Ancillary or Support Services

- a. **Support and Ancillary Services:** The applicant affirms there were no issues obtaining the necessary support and ancillary services at its other locations in Germantown, Memphis, West Memphis and Southaven.
- b. **Changes in Costs or Charges:** The applicant submits, upon approval of the proposed project, DA services will be added with charges at the Senatobia offices of VVIS, which are reflected on the financial analysis sheet. The applicant states no increase in charges is anticipated as a result of this project.
- c. **Accommodation of Proposed Costs or Charges:** The applicant states this is not applicable to the proposed project.

GR Criterion 11– Health Professional Training Programs

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

GR Criterion 12– Access by Health Professional Schools

The applicant states services of Concorde Career College in Southaven have been utilized to help supply trained staff for its offices. The applicant further states VVIS anticipates that its expansion into Senatobia will provide additional opportunities for placement.

GR Criterion 13 – Access to Individuals Outside Service Area

The applicant affirms VVIS physicians see many patients at its Southaven office that reside outside GHSA 1, because the specialized vascular services offered by VVIS are limited in nearby counties. The applicant states this situation is expected to continue, but the proposed project would benefit the population in Senatobia. The applicant further states no special needs or circumstances are required to provide these services.

GR Criterion 14 – Construction Projects

The applicant states the project involves no new major construction to house the proposed equipment.

GR Criterion 15 – Competing Applications

The applicant states they are not aware of any competing applications.

GR Criterion 16- Quality of Care

- a. **Past Quality of Care:** The applicant states a record of providing quality vascular services has already been established at its other locations in Germantown, Memphis, West Memphis, and Southaven.
- b. **Improvements of Quality of Care:** The applicant asserts having another freestanding provider of DA service in GHSA 1 will increase the accessibility, acceptability, continuity, and quality of vascular medical care, and it will, also, provide a quicker and more efficient service for patients.
- c. **Accreditation and/or Certificates:** The application contained the certifications and CVs for Drs. Gupta and Dias Perera who will be performing the DA procedures.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

Cost Item	Projected Cost	Percentage (%) of Total
Land Costs	\$375,000.00	30.43%
Renovation	\$493,390.00	40.04%
Contingency Reserve	\$49,339.00	4.00%
Capitalized Interest	\$4,177.00	0.34%
Non-Fixed Equipment	\$310,385.00	25.19%
Total Project Costs	\$1,232,291.00	100.00%

*Percentage may not calculate due to rounding.

The applicant affirms that the capital expenditure associated with the proposed project is \$1,232,291.00. The applicant states that the cost is for interior demolition, renovation and equipment.

B. Method of Financing

The applicant affirms the proposed project will be financed by the following: \$786,250.00 by a Bank Loan with an interest rate of four percent (4%); \$135,656.00 by equity contribution and \$310,385.00 by other related company finances.

C. Effect on Operating Cost

VVIC's (3) three-year projected operating statement is presented at Attachment 1.

D. Cost to Medicaid/Medicare

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

Payor Mix	Utilization Percentage (%)	First Year Revenue (\$)
Medicare	35.00%	\$ 787,500.00
Medicaid	0.00%	0.00
Commercial	57.00%	1,282,500.00
Self Pay	3.00%	67,500.00
Charity Care	5.00%	112,500.00
Other	0.00%	0.00
Total	100%	\$2,250,000.00

V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for review and comment; however, the Department has not received a letter of comment on the proposed project.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the provision of digital angiography services contained in the *FY 2018 Mississippi State Health Plan*; the *Mississippi Certificate of Need Review Manual, (September 1, 2019 Revision)*; and duly adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by Vascular and Vein Institute of the South, PLLC for in-office digital angiography (DA) services.

Attachment 1

VASCULAR AND VEIN INSTITUTE OF THE SOUTH, PLLC			
Three-Year Operating Statement (Project Only)			
	Year 1	Year 2	Year 3
Revenue			
Patient Revenue:			
Inpatient			
Outpatient	\$2,250,000	\$3,750,000	\$5,250,000
Gross Patient Revenue	2,250,000	3,750,000	5,250,000
Charity Care	0	0	0
Deductions	0	0	0
Net Patient Revenue	\$2,250,000	\$3,750,000	\$5,250,000
Other Operating Revenue	\$ 0	\$ 0	\$ 0
Total Operating Revenue	\$2,250,000	\$3,750,000	\$5,250,000
Expenses			
Operating Expenses:			
Salaries	\$697,445	\$718,368	\$739,919
Benefits	34,872	35,918	36,996
Supplies	787,500	1,312,500	1,837,500
Services	30,000	35,000	40,000
Lease	0	0	0
Depreciation	310,385	0	0
Interest	24,950	32,376	31,247
Other	53,355	54,955	56,604
Total Expenses	\$1,938,507	\$2,189,118	\$2,742,266
Net Operating Income (Loss)	\$ 311,493	\$ 1,560,882	\$ 2,507,734
Assumptions			
Inpatient days	0	0	0
Outpatient visits	52	87	111
Procedures	130	217	279
Charge/outpatient day	\$43,269	\$43,268	\$47,115
Charge per inpatient day	N/A	N/A	N/A
Charge per procedure	\$17,308	\$17,307	\$18,846
Cost per inpatient day	N/A	N/A	N/A
Cost per outpatient day	\$37,279	\$25,259	\$24,610
Cost per procedure	\$14,912	\$10,103	\$9,844

HP&RD (03/20)

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PAGE 19