

**MISSISSIPPI STATE DEPARTMENT OF HEALTH  
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT  
DECEMBER 28, 2017**

**CON REVIEW: C-A-1117-015  
CARDIOVASCULAR INSTITUTE OF THE SOUTH, PROFESSIONAL MEDICAL  
CORPORATION  
D/B/A CARDIOVASCULAR INSTITUTE OF THE SOUTH  
AMENDMENT TO CON R-0926  
(CON REVIEW C-NIS-0317-004)  
ESTABLISHMENT OF CARDIAC ONLY POSITRON EMISSION TOMOGRAPHY (PET)  
SERVICES AND ACQUISITION OF RELATED EQUIPMENT  
ORIGINAL CAPITAL EXPENDITURE: \$12,750.00  
ADDITIONAL CAPITAL EXPENDITURE: \$0.00  
REVISED CAPITAL EXPENDITURE: N/A  
LOCATION: MERIDIAN, LAUDERDALE COUNTY, MISSISSIPPI**

**STAFF ANALYSIS**

**I. PROJECT SUMMARY**

**A. Applicant Information**

Cardiovascular Institute of the South, Professional Medical Corporation d/b/a Cardiovascular Institute of the South (Cardiovascular Institute of the South ) is a business corporation located at 4909 Great River Drive; Meridian, MS 39301. The entity has two officers/directors. A Certificate of Good Standing dated May 6, 2016 and signed by the Secretary of State on December 30, 2016 indicates that Cardiovascular Institute of the South is licensed to do business in the State of Mississippi.

**B. Project Background**

Cardiovascular Institute of the South requested Certificate of Need (CON) authority for the establishment of Cardiac only Positron Emission Tomography (PET) services and acquisition of related equipment. The applicant originally proposed to enter into an operating lease with Cardio Health Solutions, LLC for a Siemens Accel ECAT with Scintron MIE software at \$15,000.00 per month and for a Bracco CardioGen-82 (Rubidium Rb df82 Generator) at \$300.00 per dose/\$600 per patient.

The applicant previously stated that the proposed project would involve renovation of approximately 750 square feet to the existing building to accommodate the cardiac PET equipment and the provision of cardiac only PET services. The applicant stated that the cardiac-only PET services would be performed in the Cardiovascular Institute of the South's existing office. The applicant affirms that Cardiovascular Institute of the South currently leases their medical office space from Anderson Regional Medical Center-South (an acute care hospital).

The capital expenditure for the original project was \$12,750.00. The applicant proposes to finance the proposed capital expenditure with a Meridian LOC loan.

**B. Project Description**

Cardiovascular Institute of the South requests CON authority for an Amendment to CON No. R-0926. Therefore, the Amendment application filed with the Department requests CON authority to amend Cardiovascular Institute of the South CON authority for the establishment of Cardiac Only Positron Emission Tomography (PET) services and acquisition of related equipment.

The applicant confirms that the only change from the previously approved CON No. R-0926 is a relocation of approximately 3.3 miles from the original approved location. The applicant states that the CON amendment does not change the scope of the proposed project.

The applicant affirms that Cardiovascular Institute of the South will enter into an equipment lease agreement with Cardio Health Solutions. The application contained a proposed Equipment Lease Agreement between Cardiovascular Institute of the South and Cardio Health Solutions, LLC. Upon approval of the proposed Amendment the applicant states that a substantially similar agreement will be modified specifically for the Meridian location.

The applicant will employ two (2) full-time equivalent employees at a total personnel cost of \$171,000.00 during the first year of operation.

The applicant states that there will be no change in capital expenditure. The capital expenditure for the Amendment to CON No. R-0926 project will remain \$12,750.00. The applicant further states that the Meridian Line of Credit remains in place as notated in the original CON application.

The applicant asserts that because of the anticipated relocation, the renovation projected in the original application has not yet been undertaken. The applicant states that the proposed project should be completed within six (6) months pending the final CON approval by the Department.

**II. TYPE OF REVIEW REQUIRED**

This project is reviewed in accordance with Section 41-7-173, 41-7-191 (1)(d)(xv), 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 1972, Annotated, as amended, any affected 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 January 7, 2018. However, since January 7, 2018 is a Sunday, requests for a hearing will be accepted until January 8, 2018.

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

**A. State Health Plan (SHP)**

The *FY 2015 Mississippi State Health Plan (MSHP)* was in effect at the time the original application was submitted to the Department, and the original application was found to be in substantial compliance with the *FY 2015 MSHP*. The amendment was submitted under the *FY 2015 Mississippi State Health Plan*. The amendment is found to be in substantial compliance with the *FY 2015 MSHP*.

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

The *Mississippi Certificate of Need Review Manual, Revised September 1, 2011* was in effect at the time the original application was submitted to the Department. The original project was in substantial compliance with the *Mississippi Certificate of Need Review Manual, Revised September 1, 2011*. The CON amendment application is in compliance with applicable General Review Criteria and Standards contained in the *Mississippi CON Review Manual, April 9, 2017 Revision*.

**IV. FINANCIAL FEASIBILITY**

**Capital Expenditure Summary**

**A. Capital Expenditure Summary**

|  | <b>Original<br/>Approved<br/>Amount</b> | <b>Revised<br/>Amount</b> | <b>Increase/<br/>(Decrease)</b> |
|--|---|---------------------------|---------------------------------|
| 1. New Construction Cost                     | 0                                       | 0                         | 0                               |
| 2. Construction/Renovation                   | \$12,750                                | \$12,750                  | 0                               |
| 3. Land                                      | 0                                       | 0                         | 0                               |
| 4. Site Work                                 | 0                                       | 0                         | 0                               |
| 5. Fixed Equipment                           | 0                                       | 0                         | 0                               |
| 6. Non-Fixed Equipment                       | 0                                       | 0                         | 0                               |
| 7. Contingency                               | 0                                       | 0                         | 0                               |
| 8. Fees (Architectural,<br>Consultant, etc.) | 0                                       | 0                         | 0                               |
| 9. Capitalized Interest                      | 0                                       | 0                         | 0                               |
| 10. Other                                    | 0                                       | 0                         | 0                               |
| <b>Total Capital Expenditure</b>             | <b>\$12,750</b>                         | <b>\$12,750</b>           | <b>0</b>                        |

\*The above table represents approximately a 0% increase in the capital expenditure by Cardiovascular Institute of the South, Professional Medical Corporation, d/b/a Cardiovascular Institute of the South. No additional capital expenditure was requested for completion of the proposed project.

**B. Method of Financing**

The applicant proposes to finance the proposed capital expenditure with a Meridian LOC loan.

**C. Effect on Operating Cost**

The applicant's One-Year Projected Operating Statement are shown in Attachment 1.

**D. Cost to Medicaid/Medicare**

The applicant does not anticipate any change in the effect of the project on Medicaid patients, Medicare patients or other payers as a result of this Amendment as the only change in the project is the relocation of the approved service/equipment approximately 3.3 miles away.

**V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES**

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

**VI. CONCLUSION AND RECOMMENDATION**

This project continues to be in substantial compliance with the overall objectives of the *FY 2015 Mississippi State Health Plan; Mississippi Certificate of Need Review Manual, April 9, 2017 Revision;* and all adopted rules, procedures, and plans of the Mississippi State Department of Health in effect at the time of approval.

Therefore, the Division of Health Planning and Resource Development recommends approval of the application submitted by Cardiovascular Institute of the South, Professional Medical Corporation d/b/a Cardiovascular Institute of the South for an amendment to CON No. R-0926. The amendment will allow Cardiovascular Institute of the South, to relocate approximately 3.3 miles from the currently approved location.

**Attachment 1**  
**Cardiovascular Institute of the South**  
**Establishment of Cardiac Only PET Services and Acquisition of Related Equipment**  
**Projected Operating Statement (First Year of Operation)**

|                                    | <b>Year I</b>         |
|------------------------------------|-----------------------|
|                                    |                       |
|                                    |                       |
|                                    |                       |
|                                    |                       |
| Procedure                          | 1,270                 |
|                                    |                       |
| Charge per treatment               | \$2,261.00            |
| Cost per treatment                 | \$1,123.00            |
|                                    |                       |
| <b>Net Revenues</b>                | <b>\$2,764,333.00</b> |
|                                    |                       |
| <b>Operating Expenses</b>          |                       |
| Personnel (Salaries and benefits)  | \$171,000.00          |
| Medical Supplies                   | \$1,075,284.00        |
| Lease for Equipment                | \$180,000.00          |
| <b>Total Operating Expenses</b>    | <b>\$1,426,284.00</b> |
|                                    |                       |
| <b>Net Operating Income (Loss)</b> | <b>\$1,338,049.00</b> |