

**MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
AUGUST 22, 2025**

**CON REVIEW: FSF-A-0725-006
LOWERY A. WOODALL SURGERY FACILITY, LLC D/B/A
LOWERY A. WOODALL OUTPATIENT SURGERY CENTER
AMENDMENT TO CON # R – 1018 (FSF-NIS-0824-009)
OFFERING OF INVASIVE DIGITAL ANGIOGRAPHY SERVICES
IN A FREESTANDING FACILITY
ORIGINAL CAPITAL EXPENDITURE: \$0.00
ADDITIONAL CAPITAL EXPENDITURE: \$504,129.00
REVISED CAPITAL EXPENDITURE: \$504,129.00
LOCATION: HATTIESBURG, FORREST COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Lowery A. Woodall Surgery Facility, LLC d/b/a Lowery A. Woodall Outpatient Surgery Center ("LAW or Applicant") is a Mississippi Limited Liability Company (LLC), located at 1 Lincoln Parkway Suite 100, Hattiesburg, Mississippi, 39402, and authorized to do business in Mississippi. The Applicant asserts LAW, a licensed and certified multi-specialty facility is owned by Hattiesburg Clinic Professional Association ("Hattiesburg Clinic or HCPA"), a medical group with over 450 physicians and providers located in seventeen (17) counties in South Mississippi. Furthermore, the Applicant states in 2015, Hattiesburg Clinic received certificate of need ("CON") approval to offer invasive digital angiography ("DA") services at its primary clinic in Hattiesburg. Since that time, Hattiesburg Clinic's vascular surgeons and cardiologists have provided DA services to patients in the Clinic's office-based laboratories. The Applicant submits in May of 2024, LAW commenced operations in a newly renovated, state-of-the-art facility located at the Lincoln Center in Hattiesburg.

The Applicant provided a Certificate of Good Standing dated August 7, 2024, from the Secretary of State verifying the LLC was registered on July 21, 1998. The document indicates that the business is authorized to do business in the State of Mississippi.

B. Project Background

Lowery A. Woodall Surgery Facility, LLC was granted Certificate of Need (CON) No. R-1018 for the Offering of Digital Angiography (DA) Services in a Freestanding Facility, to patients in Hattiesburg, Forrest County, Mississippi. The application proposed the relocation of Hattiesburg Clinic's vascular DA service line to LAW's new facility in Hattiesburg. Existing equipment used for the provision of vascular DA services also would be relocated. LAW will become the provider of vascular DA

services, which will continue to be performed by Hattiesburg Clinic's vascular surgeons. Hattiesburg Clinic will continue to provide cardiology-related DA services at its primary clinic.

C. Project Description

The Applicant requests a cost overrun to CON No. R-1018 to increase the capital expenditure from \$0.00 to \$504,129.00. The Applicant states that following the issuance of the CON, both HCPA and LAW determined that it would be preferable to purchase new DA equipment for use at LAW.

1. Provide a photocopy of the original Certificate of Need.

The application includes a copy of the original Certificate of Need.

2. Describe all proposed changes, not approved, in the original CON application (e.g. changes in square footage, construction, or renovation; changes in range, facilities served, or types of services, bed changes; equipment changes; etc.)

a. Transfer of CON:

The Applicant indicates that this item is not applicable to the proposed project.

b. Change of Site:

The Applicant indicates that this item is not applicable to the proposed project.

3. If project is related in whole or in part to compliance with requirements of the Licensure and Certification Division of the MSDH, or any other certification or licensing authority, provide documentation.

The Applicant submits this item is not applicable to their proposed cost overrun request.

4. If the project is related to a construction/expansion project, enclose a copy of the revised cost estimate signed by a licensed architect or licensed Mississippi building contractor.

The Applicant indicates that this item is not applicable to the proposed project.

5. If actual construction has not begun, give the date it will begin

and the reasons for the delay.

The Applicant indicates that this item is not applicable to the proposed project.

- 6. Provide evidence that the Division of Radiological Health has approved the plans for the provision of radiation therapy services, if applicable.**

The Applicant states this item is not applicable to the proposed project.

- 7. If the project involves the purchase/lease/change in vendor or manufacturer of major medical equipment, not included in the originally approved certificate of need project, provide the following:**

- a. Type of equipment, capacity, and manufacturer**
- b. Purchase price of equipment**
- c. Purchase and installation date(s) of equipment; and**
- d. Explanation of cost variance from original quotes.**

The Applicant affirms the following equipment has been purchased for the provision of DA services at LAW:

• Ultrasound machine	\$ 37,984.04
• Injector	27,300.00
• C-Arm	265,044.00
• Procedure Table	37,714.04
• IV US	117,774.00
• Lead Shield	12,162.76
• IV Pump	<u>6,150.00</u>
TOTAL	\$ 504,128.84

- 8. Will the amendment require any change in facility staffing? If so, identify changes in terms of personnel skills and number of personnel and indicate your recruitment plan which will obtain the services of these personnel.**

The Applicant states the cost overrun will not require change in staffing.

- 9. List all transfer/referral/affiliation agreements between your facility and other providers of health care within your service area, which have changed since the original application was**

submitted or will change as a result of this amendment.

The Applicant states this item is not applicable to the proposed project.

10. Provide the estimated date this project will be implemented/completed if the amendment/cost overrun is granted.

The Applicant estimates the proposed project would be completed in July of 2025.

II. TYPE OF REVIEW REQUIRED

The original project was reviewed in accordance with Section 41-7-173, 41-7-191, 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.

The governing legislation and the Mississippi State Department of Health rules provide that any person directly affected by the proposal may request a public hearing during the course of review within ten (10) days from the date of this Staff Analysis, or by September 2, 2025.

III. FINANCIAL ANALYSIS

A. Capital Expenditure Summary

1. Complete the Capital Expenditure Summary.

	Original Approved Amount	Revised Amount	Increase or (Decrease)
New Construction	\$ 0.00	\$0.00	\$ 0.00
Const./Renovation	0.00	0.00	0.00
Land	0.00	0.00	0.00
Site Work	0.00	0.00	0.00
Fixed Equipment	0.00	0.00	0.00
Non-fixed Equip.	0.00	\$504,129.00	\$504,129.00
Contingency	0.00	0.00	0.00
Fees (Architectural, Consultant, etc.)	0.00	0.00	0.00
Capitalized Interest	0.00	0.00	0.00
Capital Improvement	0.00	0.00	0.00
Capital Expenditure	0.00	\$504,129.00	\$504,129.00

The above capital expenditure table represents a 100% increase over the original capital expenditure.

2. Provide line-item justification for each increase (or decrease) in capital expenditure.

a. Document capital expenditure made to date and the percentage of completion.

The Applicant affirms the increase in capital expenditure is attributable only to the purchase of new equipment for the provision of DA services at LAW. The Applicant further affirms that LAW has expended \$504,129.00 of the requested capital expenditure and the project is approximately ninety-five percent (95%) complete.

3. Enclose a revised projected operating statement for the first full year of operation after completion of the project (for the proposed project/service only); include increased or decreased cost per day/procedure and charges per day/procedure.

The Applicant's revised projected operating statement is included as Attachment 1 of this Staff Analysis.

4. Disclose source of all financing (if debt, attach creditor's letter).

a. Provide amount of loan/lease, interest rate, term of loan and payment/lease amount.

The Applicant states this item is not applicable to the proposed project.

b. Enclose a loan amortization schedule for all loans.

The Applicant submits this item is not applicable to the proposed project.

5. Provide audited or un-audited financial statements for the past year.

The Applicant states the financial statements of LAW are confidential and proprietary. However, the application contains a letter from the Chief Financial Officer which confirms funding for the project.

6. Enclose a revised depreciation schedule for all assets.

The Applicant's application included a revised depreciation schedule.

7. Show effect of project on Medicaid patients, Medicare patients and other payers.

The Applicant does not anticipate a material change in the financial projections as a result of the amendment. See Item D below.

B. Method of Financing

The Applicant indicates that the project does not require financing. The application contains a letter from the Chief Financial Officer which confirms funding for the project.

C. Effect on Operating Cost

The Applicant's projections of gross revenues for the first year of operation are shown in Attachment 1.

D. Cost to Medicaid/Medicare

The proposed project will affect Medicaid patients; Medicare patients and other payers as follows:

Payor Mix	Utilization Percentage (%)	First Year Revenue (\$)
Medicare	72.00%	\$ 23,956,560.00
Medicaid	9.00%	2,994,570.00
Commercial	16.00%	5,323,680.00
Self-Pay	1.00%	332,730.00
Charity Care	0.00%	0.00
Other	2.00%	665,460.00
Total	100.00%	\$ 33,273,000.00

Note: Staff's calculations based on the utilization percentages presented in the original application and revised outpatient revenue for the first year.

IV. COMPLIANCE WITH STATE HEALTH PLAN, POLICIES AND PROCEDURES

A. State Health Plan (SHP)

The FY 2022 Mississippi State Health Plan, Third Edition (the "FY 2022 MSHP") was in effect at the time the original CON application was submitted; the proposed project continues to comply with the criteria and standards for offering of invasive digital subtraction angiography ("DA") services as stated in the *FY 2022 MSHP*.

B. General Review (GR) Criteria

The Original project was in substantial compliance with General Considerations contained in the *Mississippi Certificate of Need Review Manual, Revised, November 11, 2023*; and the duly adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Amendment Application continues to comply with the CON Review Manual, revised November 11, 2023, and the duly adopted rules, procedures, and plans of the Mississippi State Department of Health.

V. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid ("DOM") was provided a copy of this application for review and comment; however, the DOM has not responded as of August 22, 2025.

VI. CONCLUSION AND RECOMMENDATION

The original project was found to be in substantial compliance with the criteria and standards for the provision of digital subtraction angiography services as *contained in the FY 2022 Mississippi State Health Plan, Third Edition, the Mississippi Certificate of Need Review Manual, Revised November 11, 2023*, and all adopted rules, procedures, and plans of the Mississippi State Department of Health. The Amendment Application continues to comply with all the 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 the Lowery A. Woodall Surgery Facility, LLC d/b/a Lowery A. Woodard Outpatient Surgery Center for an Amendment to CON No. R-1018, to increase the capital expenditure from \$0.00 to \$504,129.00, an increase of 100%.

Attachment 1
Lowery A. Woodall Surgery Facility, LLC d/b/a Lowery A. Woodall Outpatient Surgery Center
Amendment to CON No. R-1018
Offering of Invasive Digital Angiography Services in a Freestanding Facility
Revised One-Year Projected Operating Statement

Revenue and Expenses	Year I
Patient Revenue:	
Inpatient	
Outpatient	\$ 33,273,000.00
Gross Patient Care Revenue	\$ 33,273,000.00
Charity Care	
Deductions from Revenue	27,681,000.00
Net Patient Care Revenue	\$ 5,592,000.00
Other Operating Revenue	0.00
Total Operating Revenue	\$ 5,592,000.00
Expenses	
Operating Expenses:	
Salaries	\$ 479,688.00
Rentals	134,313.00
Repairs & Maintenance	1,578,000.00
Utilities	42,000.00
Other Contractual Services	213,000.00
Commodities	50,413.00
Insurance	28,987.00
Depreciation	5,000.00
Overhead Allocation	0.00
Total Expense	*\$ 2,531,401.00
Net Operating Income (Loss)	* \$ 3,060,599.00
Assumptions	
Inpatient days	
Outpatient days	253
Procedures	664
Charge/inpatient day	\$ 0.00
Charge per outpatient day	\$ 131,514.00
Charge per procedure	\$ 50,110.00
Cost per inpatient day	\$ 0.00
Cost per outpatient day	\$ 10,006.00
Cost per procedure	\$ 3,812.00

*Note: Staff's calculations differ from Applicant's by \$1.00.