

**DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
OCTOBER 27, 2025**

CON Review Number: HG-SB-0925-008

King's Daughters Medical Center

Offering of Swing Bed Services

Capital Expenditure: \$25,000.00

Location: Brookhaven, Lincoln County, Mississippi

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

King's Daughter Medical Center ("KDMC", the "Hospital" or the (" Applicant") is a not-for-profit corporation located at 427 Hwy 51 North, Brookhaven, Mississippi. The Hospital is governed by five (5) officers and directors.

KDMC includes a Certificate of Good Standing from the Office of the Secretary of State indicating that as of August 20, 2025, King's Daughter Medical Center is in good standing with the State of Mississippi.

B. Project Description

King's Daughter Medical Center requests Certificate of Need (CON) authority to establish swing-bed services to its patients that no longer need acute hospital care but still are in need of skilled services. The Applicant states the Hospital currently has ninety-nine (99) short-term acute care beds and propose to use ten (10) of the beds for swing bed services. The Applicant affirms the overall bed complement will not change as a result of this proposed project. The Applicant further states the proposed swing beds would provide a link between inpatient acute care and home or community-based services.

The Applicant states KDMC is a rural hospital that is in compliance with the State Health Plan, Chapter 5, Section 505.02, and is allowed to operate a swing bed program per 42 C.F.R. §482.58. The Applicant further states KDMC has a Medicare provider agreement and will meet several eligibility and skilled nursing facility service requirements which will allow it to be granted CMS approval to provide post-hospital extended care services and to the reimbursed as a swing - bed hospital.

The Applicant states in addition to meeting acute care standards, KDMC, as a swing-bed hospital, will also comply with the eight (8) skilled nursing facility services standard listed in 42 C.F.R. §482.58(b). The Applicant states these standards include resident rights, admission, transfer, and discharge rights, freedom from abuse, neglect, and exploitation, dental services, specialized rehabilitative services, social services, patient activities, and discharge planning.

The Hospital affirms that the proposed project will comply with all such eligibility requirements and skilled nursing facility services standard as listed in 42 C.F.R. §482.58(b) in order to receive reimbursement for swing-bed services.

The Applicant states there will be no construction or renovation associated with this proposed project. The Applicant submits the anticipated date for obligation of capital expenditure is upon CON approval and the anticipated date the proposed project will be completed is within sixty (60) days of approval from the Mississippi State Department of Health ("MSDH").

The application contains schematic drawings, a site approval letter, dated October 1, 2025, from Mississippi State Department of Health, Division of Fire Safety and Construction, Bureau of Health Facilities Licensure.

The Applicant states the final objective for the proposed project is to provide skilled services for patients needing post-acute care but not acute level care for continuum of care at the Hospital.

The Applicant affirms the Hospital has and will continue to comply with state and local building codes, zoning ordinances, and /or appropriate regulatory authority.

The Applicant affirms that it has and will continue to comply with all applicable State statutes and regulations for the 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.

II. TYPE OF REVIEW REQUESTED

This Certificate of Need (CON) application to establish swing-bed services is reviewed under the applicable statutory requirements of Sections 41-7-173, 41-7-191, and 41-7-193, Mississippi Code of 1972 Annotated, as amended. The MSDH will also review applications for a CON according to the general criteria stated in the *Mississippi Certificate of Need Review Manual, November 11, 2023*; all adopted rules, procedures, and plans of the MSDH; and the specific criteria and standards listed below.

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 November 6, 2025.

III. CERTIFICATE OF NEED CRITERIA AND STANDARDS

A. State Health Plan (SHP)

The *FY 2022 Mississippi State Health Plan, Third Edition ("MSHP")* contains criteria and standards that the Applicant is required to meet before receiving CON authority to establish swing-bed services. The Applicant substantially complies with the criteria and standards as addressed below.

General Criteria

The Plan's General CON Policies include the following;

- **To improve the health of Mississippi residents;**
The Applicant states Mississippi residents (specifically residents in and around Brookhaven) would greatly benefit from the Applicant's offering of swing bed services by allowing patients who no longer need acute level hospital care to receive skilled nursing services at the Hospital. The Applicant further states swing-bed patients would receive access to the care that's needed, to be able to return home without disruption caused by relocating the patient to another facility.
- **To increase accessibility, acceptability, continuity, and quality of health services:**
The Applicant states the proposed swing-bed services would allow patients to transition from acute care to skilled care without leaving the Hospital. The Applicant states patients would be able to stay in one (1) place and receive the continuum of care that they need instead of moving between hospitals, nursing facilities, and home. The Applicant further states this is contemplated in the State Health Plan which states that swing- beds "provide a link between inpatient acute care and home or community-based services in a continuum for the elderly and others with long-term needs."
- **To prevent unnecessary duplication of health resources; and**
The Applicant states the proposed project is not an unnecessary duplication of health resources, as there is a need for appropriate placement of patients for skilled extended care services that at times is not being met due to a patient's lack of payment source, the need for IV medications, and/or due to the patient's family's or caregiver's wishes, regarding where the patient should receive extended care services.
- **To provide some cost containment.**
The Applicant state by allowing swing-bed services at the Hospital, the Hospital's patients along with residents in and around Brookhaven will have increased access to extended care services. The Applicant further states the Hospital can provide these swing-bed services with no

capital expenditure related to renovation or construction, thus promoting cost containment.

Service Specific Criteria

The Plan's Service Specific Criteria and Standards for swing bed services can be found in Chapter 5 of the Plan and includes the following:

505.02 Certificate of Need Criteria and Standards for Swing-Bed Services

MSDH will review applications for a CON to establish swing-bed services under the applicable statutory requirements of Sections 41-7-173, 41-7-191, and 41-7-193, Mississippi Code 1972, as amended. MSDH will also review applications for CON according to the general criteria listed in the *Mississippi Certificate of Need Review Manual*; all adopted rules, procedures, and plans of the MSDH; and the specific criteria and standards listed below.

The Applicant states that they acknowledge that MSDH will review applications for a CON to establish swing-bed services under applicable statutory requirements of Sections 41-7-173, 41-7-191, and 41-7-193, Mississippi Code 1972, as amended. The Applicant states they also acknowledge that MSDH will also review applications for CON according to the general criteria listed in the *Mississippi Certificate of Need Review Manual*; all adopted rules, procedures, and plans of the MSDH; and the specific criteria and standards listed below.

SHP Need Criterion 1- Federal Requirements

The Applicant state they will meet all federal regulations regarding the swing-bed concept. The Applicant states they acknowledge that a hospital may have more licensed beds or a higher average daily census (ADC) than the maximum number specified in federal regulations for participation in the swing-bed program. The Applicant affirms that in order to provide swing-bed services, it will comply with the following eligibility requirements under 42 C.F.R 482.58(a):

A hospital that has a Medicare provider agreement must meet the following requirements in order to be granted an approval from CMS to provide post-hospital extended care services, as specified in § 409.30 of this chapter, and be reimbursed as a swing-bed hospital, as specified in § 413.114 of this chapter.

(a) *Eligibility.* A hospital must meet the following eligibility requirements: (I) The facility has fewer than 100 hospital beds, excluding beds for newborns and beds in intensive care type inpatient units (for eligibility of hospitals with distinct parts electing the optional reimbursement method, see § 413.24(d)(5) of this chapter).

(2) The hospital is located in a rural area. This includes all areas not delineated as "urbanized" areas by the Census Bureau, based on the most recent census. (3) The hospital does not have in effect a 24-hour nursing waiver granted under § 488.54(c) of this chapter. (4) The hospital has not had a swing-bed approval terminated within the two (2) years previous to application.

The Applicant affirms that at ninety-nine (99 beds), the Applicant is licensed for less than 100 bed limit and asserts that it will qualify for "swing-bed" status for Medicare purposes in compliance with this subsection. The Applicant states it is located in the Jackson-Vicksburg-Brookhaven area and is an urban cluster but is not an urbanized area per the Census Bureau classification. The Applicant further states as the Hospital is not in an "urbanized area" as defined by the Census Bureau, the Hospital meets this subsection. The Hospital affirms that it does not have in effect a 24-hour nursing waiver granted under § 488.54(c) of this chapter. The Hospital affirms it has not had a swing-bed approval terminated within the two (2) years previous to this application.

SHP Need Criterion 2 – Resolution Adopted for Proposed Participation

The application includes a copy of the Resolution adopted by the facility's governing board approving the proposed participation.

SHP Need Criterion 3 – Hospitals Proposing Beds over the Maximum Allowed by Federal Law

The Applicant states the Hospital does not propose to operate and staff more than the maximum number of beds specified in federal regulations for participation in the swing-bed program. The Applicant states in the event this changes, the Applicant affirms that if it proposed to operate and staff more than the maximum number of beds specified in federal regulations for participation in the swing-bed program, only private pay patients will receive swing-bed services once the federal threshold is met.

SHP Need Criterion 4 – Medicare Recipients

The Applicant affirms upon receiving CON approval and meeting all federal requirements for participation in the swing-bed program, the Applicant shall render services provided under the swing-bed concept to any patient eligible for Medicare (Title XVIII of the Social Security Act) who is certified by a physician to need such services.

SHP Need Criterion 5 – Limitation on Medicare/Medicaid Patients

The Applicant affirms that upon receiving CON approval and meeting all federal requirements for participation in the swing-bed program, the Applicant shall not permit any patient who is eligible for both Medicaid and Medicare or is eligible only for Medicaid to stay in the swing-beds of a hospital for more than thirty (30) days

per admission unless the Hospital receives prior approval for such patient from the Division of Medicaid.

SHP Need Criterion 6 – Hospitals with More Licensed Beds or a Higher Average Daily Census

The Applicant states the Hospital does not propose to operate more than the maximum number of beds specified in federal regulations. The Applicant states in the event this changes, the Applicant affirms that if the Hospital has more licensed beds or a higher average daily census than the maximum number specified in federal regulations for participation in the swing-bed program, the Applicant will develop a procedure to ensure that, before a patient is allowed to stay in the swing-beds of the Hospital, there are no vacant nursing home beds available within a fifty (50) mile radius (geographic area) of the Hospital. The Applicant also affirms that if the Hospital has a patient staying in a swing-bed of the Hospital and the Hospital receives notice from a nursing home located within a fifty (50) mile radius that there is a vacant bed available for that patient, the Hospital shall transfer the swing-bed patient to the nursing home within five (5) days, exclusive of holidays and weekends, unless the patient's physician certifies that the transfer is not medically appropriate.

SHP Need Criterion 7 – Transfer Agreements

The application includes a transfer agreement by and between Diversicare of Brookhaven, LLC and King's Daughters Medical Center.

SHP Need Criterion 8 – Failure to Comply

The Applicant affirms to comply with this criterion. The Applicant acknowledges that it will be subject to suspension from participation in the swing-bed program for a reasonable period of time by MSDH, after a hearing complying with due process, if MSDH determines that the Hospital has failed to comply with any of those requirements listed in Need Criterion #5.

B. Certificate of Need (CON) Manual

Chapter 8 of the *Mississippi Certificate of Need Review Manual, November 11, 2023, Revision*, addresses the general criteria by which all CON applications are reviewed. This application substantially complies with the general review criteria.

GR Criterion 1 – State Health Plan

The Applicant acknowledges that all projects will be reviewed for consistency with the State Health Plan in effect at the time of submission. The Applicant states the above responses to the Plan criteria and standards (pages 8-11 of the Application) demonstrate consistency with the Plan, in effect at the time of submission, is in compliance with General Review Criteria I.

GR Criterion 2 - Long Range Plan

The Applicant states their ability to provide swing-bed services will help the Hospital reach its long-range plan of providing comprehensive care to its patients and improving accessibility of skilled care to patients. The Applicant states the establishment of swing-bed services at the Hospital is consistent with the Hospital's long-range plan of offering health services in response to community needs and residents in the service area will benefit from the continuum of care provided through the Hospital's swing-bed program. The Hospital states the proposed project also meets the Plan's description of providing a link between acute care and home/community-based services, While providing continuum of care for Lincoln County residents.

GR Criterion 3 – Availability of Alternatives

a. Advantages and disadvantages of alternatives:

The Applicant states the Hospital considered not offering swing-bed services; however, in doing so, the Hospital would not be able to meet the needs of its patients and their families or caregivers. The Applicant states the establishment of swing-beds services will enable the Hospital to classify and treat appropriate patients for post-acute extended services (instead of acute) when the patient has no payment source, or needs IV medications, has difficulty being placed at a skilled nursing facility, or in the event that the patient and/or his or her caregivers and physician believe staying at the hospital for a short time is best for the patient.

b. New construction projects: The Applicant affirms that the proposed project does not require new construction.

c. How the option selected most effectively benefits the health care system: The Applicant states the implementation of swing beds will enable the Hospital to provide extended skilled nursing care to patients with a goal of returning the patient home. In addition, the Applicant states, swing beds promote accessibility and continuity of care, with less patient disruption, that is caused when moving between facilities.

d. More effective and less costly alternative:

i. Unnecessary duplication of services: The Applicant state there is a need for appropriate placement of patients for skilled extended care services, that is at times not being met due to a patient's lack of payment source, the need for IV medications, or due to the patient's family's or caregiver's wishes, regarding when the patient should receive extended care services in the same location.

- ii. **More efficient solution:** The Applicant states the swing-bed services serve as a link between inpatient acute care and home or community-based services. The Applicant further states these services offer time for families and caregivers to find the right placement for the elderly and those who need long-term care if they are ultimately unable to return home.
- e. **Improvements or innovations:** The Applicant states by allowing swing-bed services at the Hospital, the Hospital's patients along with residents in and around Brookhaven will have increased access to extended care services. The Applicant states the Hospital can provide these swing-bed services with no capital expenditure related to renovation or construction, thus, promoting cost containment. The Applicant further states the proposed project will also promote the Plan's statement that swing-beds provide a link between inpatient acute care and home or community-based services in a continuum for the elderly and others with long-term needs."
- f. **Relevancy:** The Applicant states extended care after inpatient acute treatment is a critical period of care for elderly patients and those with long-term care needs. The Applicant states, currently, the Hospital does not provide swing-bed services, and its patients must transfer to other providers for post-acute services. The Applicant states many times, this can be a difficult move for patients who may have difficulty being placed at a skilled nursing facility, might not have a payment source, may need IV medications, or may desire staying at the Hospital for treatment. The Applicant states the proposed project for swing-bed services at the Hospital will improve the gap between inpatient acute care and home or community-based services by allowing patients who desire to have their post-acute extended services at the Hospital to receive such treatment without having to relocate to another facility.

GR Criterion 4 - Economic Viability

- a. **Proposed charges for and profitability of the proposed service:** The Applicant states they are the only Hospital in Lincoln County and does not have access to other Hospital's financial projections. The Applicant states, however, the Hospital reviewed Medicare/Medicaid rates which would be applicable to all hospitals offering swing-bed services. The Applicant states its projections were calculated from those Medicare/Medicaid reimbursement rates for swing-bed programs.
- b. **Reasonably consistency of projected levels of utilization:** The Applicant states they believe its projections are reasonable based on the number of patients it has treated over the past years that needed extended care services, but for which it could not provide the patients needed level of care. The Applicant further states they took into account discussions among its leadership team and physicians regarding the historical need to move patients out of acute care

status that are forced to remain at the Hospital as an acute patient due to the need for IV medications, payment sources, or patient/caregiver requests to stay at the Hospital.

- c. **Financial feasibility study:** The Applicant states this criterion is not applicable to the proposed project. The Applicant further states there is no capital expenditure related to renovation or construction of the proposed project.
- d. **Deviation of financial forecasts from a three-year historical period:** The Applicant states this criterion is not applicable to the proposed project. The Applicant further states there are no significant deviations from the financial statements of the three-year historical period.
- e. **In event the project fails:** The Applicant states that there is no capital expenditure related to renovation or construction for the proposed project. The Applicant further states the Hospital will support the services in the event the proposed project fails to meet its projections.
- f. **Impact of the proposed project on the cost of health care:** The Applicant states the extended care after inpatient acute treatment is a critical period of care for elderly patients and those with long-term care needs. The Applicant states increasing the availability of swing-bed service in rural areas in Mississippi is necessary to improve the gap between inpatient acute care and home or community-based service. The Applicant further states the addition of swing-bed services at the Hospital will help with this need for extended care services without a significant impact to the overall cost of healthcare. The Applicant states the Hospital does not anticipate any substantial impact on gross revenues, expenses or an impact on Medicaid.

GR Criterion 5 - Need for the Project

- a. **Need of the population to be served:** The Applicant states the Hospital currently treats underserved groups. The Applicant states the Hospital will offer swing-bed services to all patients seeking such services at the Hospital including the traditionally underserved groups, in particular, low-income persons, racial and ethnic minorities, women, handicapped persons and other underserved groups, and the elderly.
- b. **Relocation:** The Applicant states this criterion is not applicable to the proposed project. The Applicant states the proposed project does not propose the relocation or replacement of the facility.
 - i. The Applicant states this criterion is not applicable to the proposed project. The Applicant further states the project does not propose the replacement of the facility.

- ii. The Applicant states this criterion is not applicable to the proposed project. The Applicant further states the proposed project does not propose the relocation of services.

c. Current and projected utilization of like facilities:

The Applicant state that KDMC is located in General Hospital Area ("GHSA") 7. According to the State Health Plan, in FY 2020, there were 76 licensed swing beds in GHSA 7 with 511 discharges, a 21.12 average length of stay and a 25.46 average daily census. The Applicant states that while swing-bed services are currently being provided within GHSA 7, there are no swing bed services being provided at a hospital in Lincoln County where the Applicant is located. The Applicant further states based on the Hospital's review of past utilization in the State Health Plan compared to the Hospital's review of needed services in its area and its patient population, the Hospital projected a need for ten (10) beds providing swing-bed services with an average length of stay of fourteen (14) days. The Applicant states the additional swing-bed services at the Applicant's facility will improve access to extended care for its patients in compliance with the Plan's requirements and goals.

- d. **Probable effect of proposed service on existing facilities:** The Applicant states they anticipate that many of the patients that will receive swing-bed services at the Hospital are already patients of KDMC. The Applicant states the Hospital does not anticipate a negative impact on existing services in the area.
- e. **Community reaction to service:** The application includes four (4) letters of support for the proposed project.

GR Criterion 6 -Accessibility

- a. **Extent to which medically underserved populations are expected to use the proposed services:** The Applicant asserts that all medically underserved population including, Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons and the elderly, have access to the Applicant's services at its existing Hospital and will continue to do so.

- 1. The Applicant affirms that all residents of the health planning service area, hospital service area or patient service area, including Medicaid recipients, charity/medically indigent patients, racial and minorities, women, handicapped persons, and the elderly have access to the services of the existing facility.
- 2. The Applicant affirms that the above-listed residents will have

access to the proposed services and/or facility as described in the application.

3.

Gross Patient Revenue

	Medically Indigent	Charity Care	Medically Indigent (\$)	Charity Care (\$)
Historical Year 2023	0.04%	0.9%	\$133,967.00	\$2,702,457.00
Historical Year 2024	0.03%	3.9%	\$104,507.00	\$12,934,053.00
Projected Year 1	0.03%	4.5%	\$107,693.00	\$15,087,644.00
Projected Year 2	0.03%	4.4%	\$110,421.00	\$15,490,680.00

- b. Existing obligations under federal regulation:** The Applicant affirms that it has no existing obligations under any federal regulation requiring the provision of uncompensated care, community service, or access by minority handicapped persons.
 - i.** The Applicant states this statement is not applicable to the proposed project.
- c. Extent to which unmet needs of Medicare, Medicaid, and medically indigent patients are proposed to be served:** The Applicant states the Hospital treats all patients regardless of payor source. The Applicant further states all medically underserved population including, Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons, and the elderly, have access to the Applicant's services at its existing Hospital and will continue to do so.
- d. Access to the proposed facility or service:** The Applicant states the availability of swing-bed services at the Hospital will enable patients to receive extended care services after inpatient acute care all in one (1) setting, improving the continuity of care and decreasing disruption to the patient and their caregivers.
- e. Access Issues:**
 - i. Transportation and travel time to the facility:** The Applicant states the Hospital is conveniently located off Highway 51 North, in Brookhaven.

- ii. **Restrictive admissions policies:** The application includes the admissions policy for KDMC.
- iii. **Access to Care by Medically indigent patient:**
The Applicant states the availability of swing-bed services will enable all patients, including medically indigent patients, at the Hospital to receive extended care services. The Applicant further states all medically underserved population including Medicaid recipient, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons and the elderly, have access to the Applicant's service at its existing Hospital and will continue to do so.
- iv. **Hours Per Week of Operation:** The Applicant affirms regular and emergency operation hours are 24 hours a day / 7 days a week.

GR Criterion 7- Information Requirement

The Applicant affirms that it will record and maintain at a minimum, the following information regarding charity care, care to the medically indigent, and Medicaid populations and make it available to the Department within fifteen (15) business days of request: utilization data e.g., number of indigent, Medicaid, and charity admissions, and patient days of care: age, race, sex, zip code, and county of origin of patient; cost/charges per patient day and/or cost/charges per procedure if applicable; and any other data pertaining directly or indirectly to the utilization of services by medically indigent, Medicaid, or charity patients\ which may be requested, i.e., discharge diagnosis, service provided, etc.

GR Criterion 8 - Relationship to Existing Health Care System

- a. **Existing and comparable services within the proposed Service Area:**
The Applicant affirms its location is in General Hospital Service Area 7. The Applicant states in GHSA 7, Field Health System in Centreville (65 miles from the Applicant), Franklin County Memorial Hospital in Meadville (36 miles from the Applicant), Lawrence County Hospital in Monticello (76 miles from the Applicant) and Walthall County General Hospital in Tylertown (50 miles from the Applicant) provides swing-bed services, but while GHSA 7 does contain swing-bed services, there are no hospitals currently providing swing-bed services in Lincoln County where the Applicant is located.

The Applicant states allowing the proposed swing bed services at the Applicant's facility will allow families of elderly patients or those with long-term care needs additional time to find a more permanent skilled nursing facility if the patient is unable to return home and will lessen disruptions in care.

- b. **How the proposed project will affect existing health services:**
- i. **Complement existing services:** The Applicant states this project proposes to improve extended care services at the Hospital by creating a more continuous comprehensive care program for its patients that provides the appropriate level of care that changes with the patient.
 - ii. **Provide alternative or unique service:** The Applicant states the approval of this application for swing-bed services will improve patient care in Lincoln County where the service is not currently being offered at the Hospital. The Applicant states, currently, all patients in need of extended care service must leave the Hospital.
 - iii. **Provide a service for a specific target population:** The Applicant states the patients, including the elderly and those with long-term care needs, seeking short-term nursing and rehabilitative care, following inpatient acute care treatment at the Hospital will be able to stay at the Hospital and receive those extended care services. The Applicant further states this will improve the continuity of care for patients at the Hospital and reduce unnecessary transfer of patients for short-term nursing and rehabilitative service.
 - iv. **Provide services for which there is an unmet need:** The Applicant states post-acute care patients in need of short-term nursing and rehabilitative care, currently must transfer to another provider to receive such extended care services. The Applicant states the proposed swing-bed services at the Hospital would provide continuity of care for patients and their caregivers.
- c. **Adverse impact due to failure to implement the proposed project:** The Applicant states failure to implement the proposed project would have a negative impact on the continuity of care for patients who desire to have their healthcare provided at the Hospital with less disruption related to short-term relocations to receive extended care services.
- d. **Transfer/referral/affiliation agreements:** The Applicant's application includes a copy of their Facility Transfer Agreement between Diversicare of Brookhaven, LLC and Kings Daughters Medical Center..

GR Criterion 9 - Availability of Resources

- a. **Availability of new personnel:** The Applicant states the Hospital's current staff is qualified to provide swing-bed services. The Applicant further states in the event there is a shortage of staff at the facility, additional staff will be recruited and hired as needed.

- b. **Clinically related contractual services:** The Applicant indicates this statement is not applicable to the proposed project.
- c. **Satisfactory staffing history:** The Applicant states KDMC has been providing quality healthcare since 1922. The Applicant states the Hospital's staff is committed to providing its patients and the community with the best possible care and hiring compassionate individuals dedicated to this goal. The Applicant further states KDMC has been recognized by Maden Healthcare's Best Places to Work. The Applicant states the Hospital will continue to successfully and efficiently staff its service lines.
- d. **Alternative uses of resources:** The Applicant states the Hospital anticipates hiring two (2) additional aides, two (2) LPNs, and 1.4 FTEs for technical and paramedical positions. The Applicant further states for other staffing needs, the Hospital will provide additional training to its existing personnel regarding swing-bed services. The Applicant states this will help by not hiring a full roster of new employees from a limited pool of available personnel.

GR Criterion 10 - Relationship to Ancillary or Support Services

- a. **Ancillary services:** The Applicant states a full service general acute care hospital, all necessary support, and ancillary services are available to the proposed service.
- b. **Changes in costs or charges:** The Applicant states there are no significant changes in costs or charges anticipated as a result of the proposed project.
- c. **Accommodation of change in costs or charges:** The Applicant states the Hospital does not anticipate any significant changes in costs or charges as a result of the proposed project.

GR Criterion 11- Health Professional Training Programs

The Applicant states the Hospital works with local universities and community colleges to support health training programs in the area and provide clinical and hospital experience for students. The Applicant further states this relationship aids Mississippi by providing potential healthcare personnel with training, so that they can join the healthcare workforce.

GR Criterion 12 – Access by Health Professional Schools

The Applicant states the Hospital works with local universities and community colleges to support health training programs by providing onsite experience.

GR Criterion 13 – Access to Individuals Outside Service Area

This Applicant states this application concerns the offering of swing bed services. The Applicant states these services will be offered to the Hospital's acute patients that need extended care but no longer need acute care services. The Applicant further states since KDMC primarily serves those in the service area in its hospital, it anticipates that those discharges needing extended care services in a swing-bed will also be from their service area. The Applicant states KDMC did not contemplate those outside their service area in determining the need for the Applicant to be offered swing-bed services. However, the Applicant will not refuse care to those outside the service area. The Applicant states KDMC provides care to patients presented to the Hospital regardless of their geographical home.

GR Criterion 14 – Construction Projects

This Applicant states this criterion is not applicable to the proposed project.

GR Criterion 15 – Competing Applications

There are no competing applications on file with the Mississippi State Department of Health for the Offering of Swing Bed Services.

GR Criterion 16 - Quality of Care

- a. **Past quality of care:** The Applicant states in addition to its accreditation by the Joint Commission, Licensure by the Mississippi State Department of Health, and certification, for the participation in the Medicare and Medicaid programs, the Applicant has been fulfilling its mission to provide quality healthcare since its founding over 100 years ago in 1922. The Applicant state since its creation, the Hospital has been committed to providing its patients and community with the best possible care. The Applicant states that they offer a comprehensive range of medical services including over twenty-five (25) specialty practices and state-of-the-art diagnostic capabilities. The Applicant further states they strive to make quality healthcare accessible close to home and the Applicant's experienced primary care physicians and specialists are dedicated to building long-term relationships with patients and improving their health.
- b. **Improvement in quality of care:**
The Applicant states the addition of swing-bed services at the Hospital will improve patient care by enhancing patient's continuity of care. The Applicant states, currently, patients in need of extended care services must leave the Hospital. The Applicant further states the establishment of swing-beds at the Hospital will enable the Hospital to classify and treat appropriate patients for post-acute extended services (instead of acute) when the patient has no payment source, or needs IV medications, has difficulty being placed at a skilled nursing facility, or in the event that the patient and/or his or her caregivers and physician believe staying at the Hospital for a short time is best for the patient.

- c. **Accreditation and/or certifications held:** The Applicant states the Hospital is accredited by the Joint Commission.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

	Cost (\$)	Percent (%) of Total
New Construction	\$0.00	0.00%
Other Const. Costs	\$0.00	0.00%
Const./Renovation	\$0.00	0.00%
Land	\$0.00	0.00%
Site Work	\$0.00	0.00%
Fixed Equipment	\$0.00	0.00%
Non-fixed Equip.	\$0.00	0.00%
Contingency	\$0.00	0.00%
Fees (Architectural, Consultant, etc.)	\$0.00	0.00%
Legal and Accounting Fees	\$25,000.00	100%
Capitalized Interest	0.00	0.00%
Capital Improvement	\$0.00	0.00%
Total Capital Expenditure	\$25,000.00	\$25,000.00

B. Cost to Medicaid/Medicare

The applicant's projections of gross patient revenue percentages and actual dollar amount to Medicaid and Medicare payor sources for the first year of operation are presented below (Project ONLY).

Payor Mix	Utilization Percentage (%)	First Year Revenue (\$)
Medicare	60.00%	\$1,314,000.00
Medicaid	20.00%	438,000.00
Commercial	14.00%	307,000.00
Self-Pay	0.00%	0.00
Charity Care	6.00%	131,000.00
Other	0.00%	0.00
Total	100.00 %	\$2,190,000.00

C. Effect on Operating Cost

The Hospital's three-year projected operating statement is presented in Attachment 1.

V. UTILIZATION

1. The Applicant states in order to project the anticipated utilization at the Hospital of the proposed swing-bed service, KDMC considered its historical patient utilization that resulted in discharges for post-acute care and the length of time from the determination of the patient no longer needed acute care to the successful placement of the patient in another care setting. The Applicant states it also considered physician's comments regarding patients that would prefer to stay at one (1) location for extended care and those which the physicians believed would be better served remaining in one (1) location to receive extended care prior to making a more permanent long term care decision. The Applicant further states that the Hospital reviewed the State Health Plan data, regarding other facilities' swing-bed utilization. The Applicant states based on the Hospital's experience, it determined its patients' average length of stay would most likely be less than that of other swing-beds in the area based on its patient population and location, anticipating a 14-day length of stay. The Applicant states to present a conservative project for this new service line, the Hospital also anticipated a ramp up period for utilization with 130 wing bed patient admissions in Year 1, 156 swing- bed patient admissions in Year 2, and 182 swing bed patient admissions in Year 3. The Applicant projects the occupancy rate to increase from fifty percent (50%) (Year 1), sixty percent (60%) (Year 2), and seventy percent (70%) (Year 3).
2. The Applicant states KDMC's utilization projections are based on historical patient utilization for those discharging to post-acute extended care and patient and physician requests for remaining at the Hospital for a short, extended care in a swing-bed setting.

VI. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for review and comment. In a letter dated October 3, 2025, the Division of Medicaid indicated the Division has no opinion on the CON application.

VII. CONCLUSION AND RECOMMENDATION

This project substantially complies with the criteria and standards for the offering of swing-bed services contained in the *FY 2022 Mississippi State Health Plan, Third Edition*; Chapter 8 of the *Mississippi Certificate of Need Review Manual, November 11, 2023*; and all adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by King's Daughters Medical Center for the Offering of Swing-Bed Services.

ATTACHMENT 1
King's Daughters Medical Center
Offering of Swing-Bed Services
Three-Year Projected Operating Statement
(Project Only)

	Year 1	Year 2	Year 3
Revenue			
Patient Revenue:			
Inpatient			
Outpatient	\$2,190,000.00	\$2,638,000.00	\$3,084,000.00
Gross Patient Revenue	<u>\$2,190,000.00</u>	<u>\$2,638,000.00</u>	<u>\$3,084,000.00</u>
Charity Care	\$131,000.00	\$141,000.00	\$149,000.00
Deductions from Rev.	<u>\$1,113,250.00</u>	<u>\$1,332,250.00</u>	<u>\$1,551,250.00</u>
Net Patient Care Revenue	\$945,750.00	\$1,164,750.00	\$1,383,750.00
Total Operating Revenue	\$945,750.00	\$1,164,750.00	\$1,383,750.00
Expenses			
Operating Expenses:			
Salaries	\$ 340,000.00	\$353,600.00	\$ 367,744.00
Benefits	\$51,000.00	\$53,550.00	\$65,224.00
Supplies	\$118,171.00	\$174,713.00	\$240,773.00
Services	\$167,964.00	\$234,488.00	\$310,112.00
Lease	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00
Interest	0.00	0.00	0.00
Other	\$43,860.00	\$52,653.00	\$61,077.00
Total Operating Expenses	<u>\$ 720,995.00</u>	<u>\$ 869,004.00</u>	<u>\$ 1,044,930.00</u>
Net Operating Income (Loss)	\$224,755.00	\$295,746.00	\$338,820.00
Assumptions			
Inpatient days	0	0	0
Outpatient days	1,825	2,190	2,555
Procedures	0	0	0
Charge per outpatient day	\$ 1,200.00	\$ 1,205.00	\$ 1,207.00
Charge per inpatient day	0.00	0.00	0.00
Charge per procedure	0.00	0.00	0.00
Cost per inpatient day	0.00	0.00	0.00
Cost per outpatient day	\$395.00	\$397.00	\$409.00
Cost per procedure	0.00	0.00	0.00