

**MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
OCTOBER 26, 2026**

CON REVIEW: MC-NIS-0926-010

PRIME HEART AND VASCULAR CARE, LLC

**OFFERING OF FIXED CARDIAC-ONLY POSITRON EMISSION TOMOGRAPHY /
COMPUTED TOMOGRAPHY (PET / CT) SERVICES**

CAPITAL EXPENDITURE: \$182,900.00

LOCATION: CORNITH, ALCORN COUNTY, MISSISSIPPI

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

According to the application, Prime Heart and Vascular Care, LLC ("Prime Heart" or the "Applicant"), is requesting approval to establish fixed, cardiac-only positron emission tomography/computed tomography (PET/CT) services. Prime Heart and Vascular Care, LLC is a limited liability company located at 1009 Highway 72 East, Corinth, Alcorn County, Mississippi 38834. Prime Heart is physician- owned and managed by Mandar Jagtap, M.D.

The application includes a Certificate of Good Standing issued by the Mississippi Secretary of State, dated August 21, 2026; a site approval letter dated, October 14, 2026, a Commercial Lease Agreement, entered into on July 1, 2026, by and, between Prime Real Estate, LLC, as the "Landlord," and Prime Heart and Vascular Care, LLC, as the "Tenant", and an Equipment Lease, Isotope Sale , and Services Agreement, entered into May 3, 2026, by and between Prime Heart and Vascular Care, LLC (Lessee) and CDL Nuclear Technologies, LLC (Lessor). which have been reviewed by the Mississippi State Department of Health (the "Department").

B. Project Description

Prime Heart and Vascular Care, LLC ("Prime Heart") proposes to establish fixed, cardiac-only PET/CT services at its existing outpatient cardiology clinic in Corinth, Alcorn County, within General Hospital Service Area II. The Applicant states that

the service will use a Siemens Biograph Horizon 16- slice PET/CT system supplied under a seventy-two (72)-billable-month operating lease with CDL Nuclear Technologies. Associated equipment includes the processing workstation, PET storage, stress ECG, automatic blood-pressure equipment, and leaded waste container. Rubidium-82 will be furnished through the applicable on-site generator/infusion system. The Applicant also states that the project renovates and dedicates 1,048 square feet: an 880-square-foot lead-protected procedure room and a 168-square-foot preparation room. The Applicant submits work includes electrical service and switchgear, low-voltage work, concrete cutting, plumbing, shielding, and related finishes. The Applicant also submits that no licensed beds or inpatient services are proposed. Prime Heart states it will not receive radioactive material or begin clinical service until all required CON, site, construction, radiological, equipment, staffing, and accreditation prerequisites are satisfied.

The Applicant states that the anticipated date of obligation is January 15, 2027, and the anticipated date the project will be completed is March 15, 2027.

The Applicant states the project will be located within Prime Heart's existing outpatient physician office. The Applicant states that the existing site drawings and construction documents are included in the application. The Applicant affirms that Prime Heart will obtain any site approval or written determination required by the Division of Licensure and Certification before commencing the service.

The Applicant states the project will provide local, available, fixed cardiac PET/CT myocardial-perfusion imaging; improve diagnostic accuracy for patients whose body habitus, attenuation, comorbidities, or prior testing makes SPECT less effective; reduce out-of-area travel and fragmented referrals; accept clinically appropriate referrals from other providers; and integrate advanced imaging with Prime Heart's existing cardiology services while maintaining medical-necessity, access, safety, and quality controls.

The Applicant submits that Prime Heart is an outpatient physician office / cardiology clinic. The Applicant affirms that no hospital, ambulatory surgical facility, nursing facility, or licensed-bed category is proposed for this project.

The Applicant states the proposed fixed Siemens Biograph Horizon PET/CT system and associated equipment will be supplied under the CDL Nuclear Technologies operating lease and scanner specifications. The Applicant submits the anticipated installation and project-completion date is March 15, 2027, following CON approval and all required sites, radiological, construction, and equipment approvals.

The Applicant states the targeted patient population, available office hours, and referring physician practice will remain the same. The Applicant affirms this camera will be the first Cardiac PET/CT camera in the service area.

The Applicant states the \$182,900 project dedicates 1,048 square feet consisting of an 880-square-foot lead-protected procedure room and a 168-square-foot preparation room. The Applicant states the scope includes required shielding, electrical service and switchgear, low-voltage work, concrete cutting, plumbing, equipment connections, and finishes. The Applicant submits the space is currently within the existing clinic and will be used exclusively or principally for cardiac PET/CT preparation, imaging, quality control, and related patient care.

The Applicant submits that the application contains the architectural floor plan; the Siemens installation drawings; and the contractor estimate. The application also contains the final permits, and regulatory approvals will be obtained before construction or operation as applicable.

Prime Heart affirms that construction and operation will comply with applicable state and local building codes, zoning requirements, permitting requirements, accessibility standards, fire/life-safety requirements, and the requirements of each appropriate regulatory authority. The Applicant affirms final permits and approvals will be retained and provided upon request.

Prime Heart affirms that it will comply with all applicable state statutes and regulations governing approved water supplies, sewage and waste disposal, hazardous and radioactive waste, water and air pollution control, and radiation control. The Applicant asserts the pre-operational implementation commitments; final procedures will be approved by the appointed Radiation Safety Officer (RSO) and Medical Director before service begins.

The Applicant submits the renovation is not proposed to correct a cited licensure-code or accreditation deficiency, and no responsive deficiency report exists.

The Applicant states Prime Heart will obtain all required Division of Radiological Health approvals of the site, plans, shielding, radioactive-material authorization, PET/CT and CT-producing equipment, RSO, and Authorized Users before receiving radioactive material or commencing service. The Applicant states the application contains the written commitments and interim safety/quality/emergency plan. The Applicant affirms the issued approvals will be provided when available.

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. MSDH will also review applications for a CON according to the general criteria listed in the *Mississippi Certificate of Need Review Manual, August 11, 2026*; all adopted rules, procedures, plans, criteria, and standards of MSDH; and the specific criteria and standards listed below.

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 ten (10) days of publication of the staff analysis. The opportunity to request a hearing expires on November 5, 2026.

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

A. State Health Plan (SHP)

The *FY 2022 State Health Plan, Fourth Edition*, contains policy statements, criteria and standards that the applicant is required to meet before receiving CON authority for the acquisition or otherwise control of a Positron Emission Tomography (PET) Scanner and related equipment, including Cardiac only PET scanner and the offering of fixed or mobile PET services including Cardiac Only PET services. This application is in substantial compliance with the applicable policy, criteria and standards stated in the *Plan as follows*:

SHP Policy Statement 1 – CON Review Requirements

Prime Heart acknowledges each Policy Statement governing the acquisition or otherwise control of PET equipment and the offering of PET services and affirms that it will comply with each statement applicable to a fixed, cardiac-only PET/CT unit.

SHP Policy Statement 2 – Indigent/Charity Care

Prime Heart affirms that it will provide a reasonable amount of indigent and charity care. The Applicant states that the financial projection carries charity care as a separate line item at 2.0% of gross patient charges: \$132,413 in Year 1, \$139,095 in Year 2, and \$146,019 in Year 3. The Applicant submits that the bad debt is

stated separately and is not counted as charity care. The Applicant states that Prime Heart is an existing Medicare and Medicaid participating practice and will accept Medicare, Medicaid, commercially insured, self-pay, and charity- eligible patients on the same medical-necessity basis.

SHP Policy Statement 3 – Service Areas

The Applicant submits that the proposed service is located in Corinth, Alcorn County, within General Hospital Service Area 2, which is the planning area for cardiac-only PET services. The Applicant submits that Prime Heart's patient base is drawn principally from Alcorn County and the surrounding GHSA II counties, including Prentiss and Tishomingo Counties, as shown by the patient-origin analysis and by the support of referring physicians practicing in Booneville and luka.

SHP Policy Statement 4 – Equipment to Population Ratio

The Applicant states this criterion is not applicable to the proposed project. The Applicant states that the proposed unit is a cardiac-only PET/CT scanner. The Applicant states the proposed project is consistent with the State Health Plan and the Department's treatment of other cardiac-only PET applications, the equipment-to-population ratio does not apply to cardiac-only PET equipment.

SHP Policy Statement 5 – Access to Supplies

Prime Heart affirms that it will have direct, on-site access to the radiopharmaceutical required for the service. The Applicant states Rubidium-82 will be produced on site by a generator and infusion system furnished under the executed equipment and isotope agreement, at two (2) doses per examination. The Applicant submits that the generators are replaced on a fixed schedule independent of daily volume, so isotope availability does not depend on off-site delivery windows. The Applicant affirms no cyclotron is proposed.

SHP Policy Statement 6 – Services and Medical Specialties Required

The Applicant states to the extent applicable to a cardiac-only PET/CT unit, Prime Heart affirms that the required services and specialties are available. The Applicant states the service will be offered within an established cardiology practice that already provides SPECT myocardial perfusion imaging, coronary CT angiography, and related cardiovascular diagnostic services. The Applicant states the PET/CT unit includes an integrated CT component for attenuation correction. The Applicant states the interpreting physician will hold admitting privileges at an acute care

hospital, and medical emergencies will be managed under the written emergency plan, including EMS transfer to Magnolia Regional Health Center in Corinth or another facility selected by EMS.

SHP Policy Statement 7 – Hours of Operation

The Applicant states that the Regular PET service will be available Monday through Friday, from 7:00 a.m. to 3:00 p.m., with Saturday services from 8:00 a.m. to noon, scheduled as demand requires, for up to forty-four (44) operating hours per week. Prime Heart states the hours will be extended as necessary to accommodate appropriate referrals from other providers.

SHP Policy Statement 8 – CON Approval Preference

The Applicant states Prime Heart acknowledges this Policy Statement. The Applicant states the application does not propose a joint venture or shared-equipment arrangement. The Applicant submits Prime Heart is the sole Applicant, who will control the equipment and offer the service.

SHP Policy Statement 9 – CON Requirements

Prime Heart proposes a fixed PET/CT unit at a single site, 1009 Highway 72 East, Corinth. The Applicant affirms the unit will not be operated as mobile or shared equipment, and the executed agreement prohibits relocation of the equipment and any sublease or transfer to another person.

SHP Policy Statement 10 – CON Exemption

Prime Heart acknowledges this Policy Statement. The Applicant states this policy does not apply to the proposed project.

SHP Policy Statement 11 – Addition of a Health Care Facility

The Applicant states this criterion is not applicable. The Applicant affirms the project does not establish a new health care facility. The Applicant states the service will be offered within Prime Heart's outpatient cardiology practice. The Applicant submits that no licensed beds, inpatient services, or other licensed facility categories are proposed.

SHP Policy Statement 12 – Equipment Registration

Prime Heart affirms that it will provide the Department with the registration and serial number of the CON-approved Siemens Biograph Horizon PET/CT system before commencing service.

SHP Policy Statement 13 – Certification

Prime Heart acknowledges this Policy Statement and states this policy does not apply to the proposed project.

SHP Policy Statement 14 – Conversion from Mobile to Fixed Service

The Applicant states this policy statement does not apply to the proposed project. The Applicant states Prime Heart proposes to establish a new fixed cardiac-only PET/CT service at Prime Heart and Vascular Care's existing medical practice in Corinth, Mississippi. The Applicant affirms the proposed project does not involve conversion of an existing mobile PET service to a fixed service.

SHP Policy Statement 15 – Applicants with Accredited Cancer Center

The Applicant states this policy statement is inapplicable to the proposed project. Prime Heart and Vascular Care is an outpatient cardiology practice, not an accredited cancer center, and is not seeking an exemption applicable to accredited cancer centers.

SHP Policy Statement 16 – Review Threshold

Prime Heart and Vascular Care acknowledges that its proposal to establish a new fixed, cardiac-only PET/CT service is subject to Certificate of Need review. The Applicant states that although the PET/CT equipment will be leased rather than purchased, the proposed project establishes a new PET service. Accordingly, the Applicant has submitted its CON application under the applicable Mississippi State Health Plan requirements.

Criteria and Standards for Acquisition or Otherwise Control of a PET Scanner including Cardiac - only PET Scanner

SHP Need Criterion 1 – Minimum Procedures/Population

- a. The entity desiring to acquire or to otherwise control the PET scanner must project a minimum of 1,000 clinical procedures per year and must show the methodology used for the projection.**

The Applicant states the proposed service satisfies and exceeds the 1,000-procedure benchmark. Prime Heart projects 1,090 completed cardiac PET procedures in Year 1, 1,145, in Year 2, and 1,202 in Year 3.

The projection rests on a patient-level methodology rather than a population ratio. The Applicant states an A3i Health's, August 26, 2026, analysis draws on the practice's annual Master Billing Reports for 2024, 2025, and partial-year 2026, de-duplicated to the unique-patient level (4,731 unique patients in 2024, 6,266 in 2025, and 4,039 in the partial 2026 period). The Applicant states that from that base, A3i models a 2027 SPECT-eligible internal-demand projection with a planning midpoint of 1,165, bounded by sensitivity scenarios ranging from 299 to 2,030. The Applicant submits that applying an approximately 85% PET-appropriateness factor derived from an independent, case-level clinical audit to the internal base yields approximately 990 PET-appropriate procedures from existing patients alone, before any external referral volume. The applicant submits that the analysis uses the more conservative 2025 coronary-artery-disease count (1,917) in its overlap and projection calculation.

The Applicant states that approximately 990 procedures reflect existing-patient demand only and are developed on deliberately conservative assumptions at each step of the methodology. The Applicant states that the Applicant's volume demonstration does not rest on that internal figure alone: it is anchored by the projection's planning midpoint of 1,165, which itself exceeds the benchmark, and is further supported by a documented stream of external preoperative cardiac referrals. Prateek K. Gupta, M.D., FACS, a board-certified vascular surgeon, states by signed letter that his practice referred 100 to 150 patients to Prime Heart in the preceding year for preoperative cardiac evaluation, most requiring cardiac PET/CT stress testing because of body habitus. The Applicant states that the projection conservatively adopts only the low end of that documented range- 100 procedures -producing the 1,090 Year-1 figures. The applicant states Years 2 and 3 apply five – percent (5%) annual growth. The Applicant states that the referral stream is presented as incremental support and as evidence of economic viability; the Applicant's compliance with the volume criterion does not depend on it.

The Applicant states the population underlying the projection is Medicare-weighted (Medicare fee-for-service and Medicare Advantage together account for roughly six (6) in ten (10) patients -the core cardiac-PET population) and carries a heavy burden of coronary and cardiometabolic disease (hypertension 71-75%, hyperlipidemia 58-63%, diabetes 37-41%, and coronary artery disease 29-38% across the reporting years). The Applicant affirms the application is consistent with the State Health Plan's treatment of the 1,000-procedure figure as a minimum projection evaluated for substantial compliance, the Applicant relies on a disclosed, conservative methodology and multiple independent data anchors rather than an inflated day-one headcount.

- b. The applicant shall document a minimum population of 300,000 per PET scanner unit. The Division of Health Planning and Resource Development population projections shall be used. In the case of a Cardiac only PET scanner, this criterion will not apply.**

The Applicant states this criterion is not applicable. The Applicant states the population-base requirement does not apply to a cardiac- only PET scanner.

SHP Need Criterion 2 – Business Registration

The Applicant submits that Prime Heart and Vascular Care, LLC is a Mississippi limited liability company registered with the Secretary of State since June 5, 2020, and is in good standing to do business in Mississippi, as shown by Certificate of Good Standing No. CN26250471 dated August 21, 2026.

SHP Need Criterion 3 – Approval of Additional PET Equipment

The Applicant states the State Health Plan identifies one existing cardiac-only PET provider in GHSA II: Cardiology Associates of North Mississippi in Tupelo, Lee County, which the Plan reports performed 1,170 cardiac-only PET procedures in FY 2020. The Applicant states no cardiac-only PET service exists in Alcorn County or in Corinth, which is approximately fifty (50) miles from Tupelo. The existing unit is therefore utilized above the 1,000-procedure annual volume the Plan uses as its benchmark for a viable PET unit.

The Applicant states the proposed Corinth unit will not depend on provider's patients its projected volume is derived from Prime Heart's own established patient population and from documented preoperative referrals whose PET studies are currently performed outside the region. The Applicant states an approval adds capacity in the northeastern portion of GHSA II without reducing the existing unit's demonstrated utilization.

SHP Need Criterion 4 – Division of Radiological Health Approval

Prime Heart affirms that it will receive approval from the Division of Radiological Health for the proposed site, plans, shielding, and equipment, and the required radioactive materials authorization, before service begins. The Applicant states that no radioactive material will be received and no patient will be scanned until those approvals are issued.

SHP Need Criterion 5– Data Requirements

Prime Heart affirms that it will record and maintain the data the Plan requires for the PET equipment, including the total number of procedures performed, procedures by type, outpatient procedures, patient origin by county and zip code, payer source, charges, and charity and Medicaid utilization, and will make that data available to the Department upon request.

SHP Need Criterion 6 - Fixed/Minimum Volume Requirement

Prime Heart affirms they will not lease, rent, or otherwise make the equipment available to any other provider. The Applicant states the executed agreement under which Prime Heart obtains the equipment does not require Prime Heart to perform, order, or refer to any minimum number of procedures. The Applicant states the Equipment Fee is a fixed \$12,500 per month, that does not vary with volume. The Applicant states the only volume-referenced term is an isotope supply minimum: because rubidium-82 generators decay and must be replaced on a fixed schedule regardless of use. The Applicant states, Prime Heart pays for isotope corresponding to at least fifty (50) examinations per month. The Applicant states that the term is a supply-purchase floor that allocates the fixed cost of generator replacement; it does not obligate Prime Heart to perform any procedure.

SHP Need Criterion 7 – CON Approval/ Extension for PET Equipment

Prime Heart requests Certificate of Need approval for the control of the specified cardiac-only PET/CT equipment and for the offering of cardiac-only PET services in this single application. Prime Heart states upon approval, the specified equipment will hold CON approval for purposes of the equipment provision of § 509.4.3, and Prime Heart affirms they will comply with all conditions, progress-reporting, and completion requirements attached to the Certificate of Need.

SHP Need Criterion 8 – Applicants with an Accredited Cancer Center

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

The Applicant states the proposed unit is dedicated to cardiac PET imaging, and Prime Heart does not operate a cancer center.

Certificate of Need Criteria and Standards for Offering of Fixed or Mobile Positron Emission Tomography (PET) Services including Cardiac only PET Scanner

SHP Criterion 1 – Minimum Procedures

The Applicant states the proposed service satisfies and exceeds the 1,000-procedure benchmark. Prime Heart projects 1,090 completed cardiac PET procedures in Year 1, 1,145 in Year 2, and 1,202 in Year 3.

The Applicant's application includes affidavits from one (1) physician, as follows, projecting to refer to a total of 1,090 procedures per year:

Year 1	Year 2	Year 3
1,090	1,145	1,202

SHP Criterion 2 – PET Equipment Utilized by Multiple Providers

The Applicant submits the Siemens Biograph Horizon which will be used solely by Prime Heart at the Corinth site under the CDL operating lease; will not be shared with, rented to, or otherwise made available to other PET providers. The Applicant states Prime Heart will independently meet the required volume.

SHP Criterion 3 – Quality Control and Environmental Requirements

The Applicant affirms Prime Heart provides the required assurances. The Applicant states the cardiac PET/CT service will be offered in a physical environment conforming to applicable federal standards, the manufacturer's specifications for the Siemens Biograph Horizon PET/CT system and the rubidium-82 generator and infusion system, and the requirements of the applicable licensing agencies. The Applicant asserts that the Applicant's written radiation-safety and quality program addresses shielding, ALARA practices, personnel dosimetry, area and contamination surveys, radioactive-waste controls, equipment and generator quality control, and environmental and radiological reporting. The Applicant submits the shielding and site design are addressed in the project drawings and construction documentation.

SHP Criterion 4 – Division of Radiological Health Approval

Prime Heart affirms, the Applicant will obtain all required Division of Radiological Health approvals - of the site, plans, shielding, radioactive-material authorization, the PET/CT and CT-producing equipment, the Radiation Safety Officer, and the Authorized User(s)- before receiving radioactive material or commencing service. The application contains the written pre-operational commitments and the interim safety, quality, and emergency plan. The Applicant affirms issued approvals will be furnished to the Department when available.

SHP Criterion 5 – Provision of On-Site Medical Cyclotron

The Applicant affirms Prime Heart satisfies this criterion through the on-site rubidium-82 generator option. The Applicant states Prime Heart's executed equipment lease identifies rubidium-82 as the cardiac PET isotope, charged at two (2) doses per examination and administered through an on-site infusion cart. The Applicant states this on-site generator model supports the proposed cardiac perfusion service directly and does not rely on an off-site cyclotron or an off-site delivery window. The Applicant affirms Prime Heart does not propose an on-site cyclotron.

SHP Criterion 6 – Staffing Requirements

- a. The Applicant affirms Mandar Jagtap, M.D., will serve as Medical Director and prospective Authorized User. The Applicant affirms Dr. Jagtap has substantial SPECT and tomographic nuclear-cardiology experience and is scheduled for PET-specific training in October 2026.
- b. The Applicant states this criterion is not applicable to the proposed project. The Applicant states Prime Heart does not propose an on-site cyclotron.
- c. The Applicant states that Dr. Jagtap's existing SPECT authorized-user status does not automatically extend to rubidium-82 PET; he will not act as a PET Authorized User unless and until MSDH accepts his qualifications and lists him on the applicable radioactive-materials license.
- d. Prime Heart affirms a qualified third-party medical-physics and Radiation Safety Officer organization will be retained before clinical operation. The Applicant affirms all credentials, competencies, coverage, and PET training will be documented before service begins.

- e. Prime Heart affirms that the staffing budget includes 0.5 FTE certified nuclear-medicine technologist and 0.5 FTE stress-technologist coverage, to be increased as volume requires.
- f. Prime Heart affirms Prime Heart and Vascular Care, LLC confirms that other appropriate personnel will be available during PET service hours, as necessary for the scope of services provided and patient needs, consistent with SHP Chapter 5, Subsection 509.4.3, Need Criterion 6(f), including, but not limited to, a Certified Nuclear Medicine Technologist. The applicant submits they will be all certified personals as required by **American Society of Nuclear Cardiology (ASNC)**.

SHP Criterion 7 – Management of Medical Emergencies

The Applicant states Prime Heart will implement the written medical- and radiological emergency procedures set out in Exhibit 6. The Applicant states before each service period, staff will verify that emergency equipment is present, accessible, and within inspection dates; that communication systems function; and that responsible personnel are present. The Applicant states the emergency resources will include, as clinically appropriate and approved by the Medical Director, an AED or crash cart, oxygen, suction, ECG and blood-pressure monitoring, intravenous supplies, emergency medications, and pharmacologic-stress reversal medication. The Applicant submits that in an emergency, staff will stop the examination and any infusion that can be safely stopped, notify the supervising physician, assess the patient, activate 911 without delay when transport or higher-level care may be required, provide BLS or ACLS within training and scope until EMS assumes care, and provide EMS with the patient's condition and the radiopharmaceuticals and medications administered. The Applicant also submits the RSO will be notified as appropriate. The Applicant further submits an emergency-response orientation or drill, including a scenario involving a patient who has received a radiopharmaceutical, will be conducted and documented before the first clinical service day and periodically thereafter.

SHP Criterion 8 – Accommodating Referred Patients

Prime Heart affirms the service will accept appropriate referrals from other qualified local providers and will prioritize patients according to clinical need and appropriateness rather than referral source, accommodating referred patients to the extent possible, including by extending service hours as demand warrants. The proposed service also addresses a regional need for access. The Applicant states the current State Health Plan identifies a single existing fixed cardiac-only PET service in General Hospital Service Area II, operated by Cardiology Associates of

North Mississippi in Tupelo, Lee County, approximately fifty (50) miles from Corinth. The Applicant states that Prime Heart's patient base is regionally distributed- in 2025, 2,484 unique patients mapped to Alcorn County, with substantial populations also residing in Tippah, Prentiss, and Tishomingo Counties in Mississippi and McNairy County in adjacent to Tennessee. The Applicant affirms a Corinth service adds local access and regional capacity that a single, already-utilized provider is not positioned to absorb, without assuming wholesale diversion from the existing provider. The Applicant states physician support letters from Laurence L. Dennis, M.D. (internal medicine, Booneville), Bradley A. Murray, M.D. (family medicine), and Prateek K. Gupta, M.D., FACS (vascular surgery), together spanning primary care, internal medicine, and vascular surgery, document referral relationships and the access burden that patients face without a local option.

SHP Criterion 9 – Medical Necessity

Prime Heart affirms that A qualified ordering or supervising physician will determine and document medical necessity before each PET/CT examination. The Applicant states the review will consider the clinical indication, prior imaging, relevant comorbidities and contraindications, payer requirements, and whether another established modality would adequately answer the clinical question. The Applicant submits the financial arrangements, referral source, and patient status will not override clinical appropriateness. The Applicant states the proposed service is not premised on converting existing CTA or SPECT volume to PET; CTA, SPECT, echocardiography, laboratory evaluation, and external referral will continue when clinically sufficient, and PET volume will be limited to patients meeting clinical, payer, and medical-necessity criteria.

SHP Criterion 10 –Notification of Procedures Offered

Prime Heart affirms that it will maintain and make available to referring physicians a current listing of the cardiac PET procedures offered. The Applicant states it will keep, and make available to MSDH upon request, the total number of procedures performed, outpatient procedures by type (the service is outpatient and does not propose inpatient PET), and the utilization, demographic, patient-origin, payer, cost and charge, charity, medically indigent, and Medicaid data specified by the Department, subject to applicable privacy law.

SHP Criterion 11 – Data Requirements

Prime Heart affirms that the required data will be maintained and made available to the MSDH upon request.

SHP Criterion 12 – CON Approval/Exemption for PET Equipment

Prime Heart affirms that it will obtain a CON prior to offering Cardiac PET/CT services.

This application includes one (1) physician's affidavit from supporting cardiologist projecting the number of cardiac PET procedures to be performed.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual, Amended August 11, 2026*; 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- Applicability and Balancing

The Applicant states no element of the review weighs against approval. The application, as supplemented, demonstrates substantial compliance with applicable law, the Manual, and the State Health Plan.

GR Criterion 2 - Consistency with Applicable Law

The Applicant states that Prime Heart has identified no legal requirement with which the proposed project is inconsistent and no approval that cannot be obtained in the ordinary course.

GR Criterion 3- Consistency with State Health Plan

The Applicant states that Prime Heart addresses the applicable FY 2022 State Health Plan, Fourth Edition, PET policy statements and criteria *above*, with supporting documentation in Exhibits 1 through 7.

GR Criterion 4 – Long Range Plan

The Applicant states the proposed project is consistent with Prime Heart's long-range plan to provide an integrated continuum of outpatient cardiovascular diagnosis and treatment in Corinth. The Applicant states the Planning included review of historical patient diagnoses and imaging, an independent A3i analysis, a

SPECT/CCTA-to-PET appropriateness audit, evaluation of outside referral history, equipment/site planning, construction pricing; and financial modeling before filing.

GR Criterion 5 - Need for the Project

- a. Access by Population Served:** The Applicant states that Prime Heart's patient-level analysis demonstrates a substantial and growing population with CAD, chest pain/ischemia, obesity, diabetes, hypertension, and other conditions supporting PET-appropriate myocardial-perfusion imaging. The Applicant states the local fixed access is particularly relevant to elderly, disabled, low-income, and transportation-limited patients who otherwise must travel or navigate outside referrals. The Applicant states Prime Heart will accept Medicare, Medicaid, self-pay, and charity-eligible patients under its adopted access policy.
- b. Relocation of Services:** The Applicant states this criterion is not applicable. The applicant states no facility, or existing PET service is being relocated.
 - i. The Applicant states this criterion is not applicable. The Applicant states no facility is being replaced.
 - ii. The Applicant states this criterion is not applicable. The applicant states Prime Heart does not currently operate PET service space.
- c. Current and Projected Utilization of Like Facilities:** The Applicant states that Prime Heart projects 1,090, 1,145, and 1,202 completed cardiac PET procedures. The Applicant states that the State Health Plan identifies an existing cardiac PET provider in GHSA II. The Applicant states Prime Heart does not possess provider's current utilization records and requests that MSDH rely upon the utilization information reported to the Department in evaluating existing services.
- d. Probable Effect on Existing/Similar Facilities:** The Applicant states that the proposal is expected to serve primarily Prime Heart's own documented PET-appropriate population plus conservative incremental outside referrals. The Applicant states it is not projected by assuming wholesale transfer of another provider's established PET volume. The Applicant states the filing will address current comparable-provider utilization with verified MSDH data if required and will update the impact discussion accordingly
- e. Community Reaction to Service:** The application contains three (3) letters of support from Dr. Prateek Gupta, Dr. Bradley A. Murray, and Dr. Laurence

Dennis. The Applicant states no additional provider, facility, consumer, health-agency, or governmental comments are included.

GR Criterion 6 – Alternatives Considered

The Applicant states that Prime Heart considered continued reliance on SPECT and outside PET referrals, use of periodic mobile PET, and installation of a fixed cardiac - only PET/CT unit. The Applicant states the fixed unit was selected because the documented projected volume supports regular service, the existing clinic can be renovated, and fixed availability better supports scheduling, quality control, continuity, and referred patients.

The Applicant states that continued SPECT/outside referral requires no buildout but preserves travel, scheduling, fragmentation, and diagnostic limitations. The Applicant states Mobile PET lowers fixed-site commitment but offers limited scheduling continuity and less control over workflow. The Applicant states Fixed PET/CT requires construction, licensing, specialized staffing, and operating expense, but provides predictable access, integrated clinical oversight, and a better modality suited to many patients with obesity, attenuation, diabetes, and complex coronary disease.

The Applicant states Prime Heart selected renovation of its existing clinic rather than construction of a new facility. The Applicant states the 1,048-square-foot renovation uses existing space and infrastructure and is the lower-cost, less disruptive alternative.

The Applicant believes the selected option brings advanced cardiac imaging into an established cardiology practice; reduces avoidable travel and fragmented referrals; permits same-practice clinical follow-up; accepts outside referrals; and uses a service/lease model with defined equipment, isotope, training, and maintenance support.

The Applicant submits there is no less-costly alternative identified, that supplies regular fixed cardiac PET access in Corinth with equivalent integration and scheduling. The Applicant also submits that continued SPECT and referral remain clinically available when appropriate, but do not satisfy the identified need for local PET in patients for whom PET is the more appropriate modality.

The Applicant states the projection is based primarily on Prime Heart's own patient - level demand plus the low end of one (1) documented outside-referral source. The Applicant states the service will be cardiac-only and located in Corinth. The

Applicant states MSDH may consider utilization information reported to the Department for comparable services in applying any equipment - acquisition criterion.

The Applicant states that the patients can receive evaluation, stress testing, imaging, interpretation, and follow-up within a coordinated outpatient cardiology setting. The Applicant further states the fixed service avoids repeated scheduling and travel to distant providers and uses existing clinic space and staff infrastructure.

The Applicant submits that the project moves appropriate patients from SPECT or fragmented outside referral to higher-quality PET perfusion imaging; coordinates medical-necessity review and follow-up; and uses defined per-procedure isotope cost, scalable staffing, and an operating lease to align resources with actual service volume.

The Applicant states that the project responds to growth in coronary disease, obesity, diabetes, hypertension, and an aging patient population; to increasing clinical use of PET where SPECT is limited; and to the need for coordinated outpatient services that reduce travel and improve continuity.

GR Criterion 7 - Access to Care

- a. Access to Services:** The Applicant states that the proposed cardiac-only PET/CT service will be available to clinically appropriate patients without unlawful discrimination, including on the basis of race, color, national origin, ethnicity, sex, age, religion, disability, or payer source. The Applicant submits that the Medically necessary services will not be denied solely because of inability to pay. The Applicant states the access will be subject to physician order, documented medical necessity, safety, scheduling capacity, and uniformly applied financial-assistance procedures. The Applicant states that the approximately seventy-point seven (70.7) percent of Prime Heart's 2025 unique patients were age sixty (60) or older, including 949 patients age eighty (80) or older. The Applicant states patients came from 132 ZIP codes; approximately forty (40) percent resided in Alcorn County, with substantial additional representation from surrounding Mississippi counties and adjacent Tennessee.

B. The Applicant's Performance in Meeting Federal Regulations

The Applicant states that the reports no special federal uncompensated-care or community-service obligation, such as a Hill-Burton obligation. The Applicant states this does not limit its obligations under generally applicable federal civil-rights and access requirements. Prime Heart is committed to

compliance with applicable requirements of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Section 1557 of the Affordable Care Act, and the Americans with Disabilities Act. The Applicant states the proposed PET suite will be located within the existing clinic and will operate under the access and nondiscrimination commitments in Exhibit 7, including reasonable accommodation and appropriate assistance for patients with limited English proficiency. The Applicant will provide confirmation of its civil rights/access complaint history, including the disposition of any complaints, to complete the performance information requested by Rule 7.7(B).

C. The Extent of Meeting Unmet Needs of Medicare and Medicaid

Prime Heart participates in Medicare and Mississippi Medicaid. The Applicant states the proposed service will accept Medicare, Medicaid, commercially insured, self-pay, and charity-eligible patients using the same medical-necessity and clinical-appropriateness standards. The Applicant states the project addresses the need for local cardiac PET imaging among patients for whom PET is clinically indicated, including selected patients with coronary disease, obesity, diabetes, or prior equivocal testing. The Applicant states the projected payer distribution reflects the practice's older patient population; Medicare and Medicare Advantage comprise approximately sixty-four-point four (64.4) percent of projected gross revenue and Medicaid approximately one point nine (1.9) percent.

The Applicant states that for medically indigent patients, the Applicant commits to charity care of at least two (2.0) percent of gross patient charges: \$132,413 in Year 1, \$139,095 in Year 2, and \$146,019 in Year 3. Charity care is stated separately from bad debt, modeled at one point two (1.2) percent of gross charges within deductions from revenue. Exhibit 7 sets out the access and financial-assistance commitments; the detailed PET-specific eligibility thresholds, application procedures, documentation standards, and patient notices are being finalized for implementation before clinical service begins. The Applicant states that the qualifying charity and medically indigent care will be recorded separately and reported to the Department as required. The Applicant states the proposed local service and financial-assistance program address geographic and financial barriers together.

D. Range of Means of Access

The Applicant states that the patients may access the proposed service through Prime Heart's cardiologists or referral by a qualified outside provider. The Applicant states the acceptance will be based on clinical appropriateness and documented medical necessity rather than referral source or residence. The Applicant stated that the support letters from physicians in Booneville and luka and from a regional vascular surgeon document interest

in referring appropriate patients. The Applicant states the staff will provide scheduling, insurance verification, prior-authorization assistance, financial- assistance screening, and reasonable accommodation and language assistance. The Applicant states the service will be located at the existing clinic at 1009 Highway 72 East, Corinth.

GR Criterion 8 – Financial Feasibility/ Economic Viability

a. Comparison of Projections with Similar Facility/Services: The Applicant states that the financial model uses a gross charge of \$6,074 per completed procedure and a weighted net collection estimate of approximately \$2,827 per procedure. The Applicant states the net estimate is built from a \$2,885 Medicare benchmark for CPT 78431, CPT 93015, and two (2) A9555 units, adjusted for payer mix, two percent (2.0%) charity care, and one two tenths' percent (1.2%) bad debt. Year-1 cash operating expense is approximately \$1,045 per procedure and projected Year-1 net operating income is \$1,940,481. The Applicant states Prime Heart has not represented that another provider's proprietary charges are known.

b. Comparison of Projected Utilization:

The Applicant states that the filed forecast projects 1,090 completed cardiac PET procedures in Year 1, 1,145 in Year 2, and 1,202 in Year 3. The Applicant submits, Year 1 total combines approximately 990 internally projected PET- appropriate procedures with a 100-procedure outside-referral component. The Applicant asserts, Exhibit 4.1 develops the internal estimate from the practice's patient-level data and a modeled demand analysis, and states it is a forecast rather than a count of existing PET procedures.

c. Feasibility Study: The Applicant states this criterion is not applicable to the proposed project. The Applicant affirms the proposed capital expenditure is \$182,900.00, below \$3,000,000.00. The Applicant states the PET/CT equipment remains the property of CDL, and recurring lease and service fees are treated as operating expenses.

d. Financial Forecasts:

The Applicant states the historical statements reflect the existing cardiology practice and do not include the proposed PET service. The Applicant submits that the sales were \$2,351,910,00 \$2,989,731,00 and \$3,688,908,00 with net operating profit of \$698,421,00 \$1,523,740,00 and \$1,286,818.00 for 2023,

2024, and 2025, respectively. The Applicant also submits that the depreciation increased from \$96,742.00 in 2024 to \$773,649.00 in 2025 and was a substantial contributor to the reduction in reported profit despite increased sales. The Applicant states that other expense categories also changed. The Applicant does not attribute the entire profit change to a single asset or represent that the statements alone establish unchanged underlying operating performance.

- e. Effect of Proposed Project on Cost of Health Care:** The Applicant states that the proposed service will operate in an existing physician-office setting with no licensed beds, inpatient days, or new freestanding facility. The Applicant submits that the stated project capital expenditure is \$182,900.00 for renovation of 1,048 square feet and the gross charges are projected at \$6,074.00 per procedure in each year, with net patient revenue of approximately \$2,827.00 per procedure. The Applicant states the total modeled operating expense, including stated depreciation, is approximately \$1,047.00 per procedure in Year 1 and \$1,024.00 in Year 3. The Applicant states the reduction reflects allocation of fixed expenses over higher projected volume. The Applicant states that the expense and reimbursement qualifications discussed are under Criterion 8(D) also apply here.

GR Criterion 9 - Cost Containment and Efficiency

The Applicant states that the project uses existing clinic space, shared operational resources, contracted equipment, and isotope arrangement to limit upfront expenditure and support efficient delivery of clinically indicated cardiac PET services.

GR Criterion 10 – Utilization of Existing Services

The Applicant states that the State Health Plan inventory cited in the application identifies an existing fixed cardiac-only PET service operated by Cardiology Associates of North Mississippi in Tupelo, Lee County, approximately 50 miles from Corinth. The Applicant submits that the application identifies no existing cardiac-only PET service in Corinth or Alcorn County. The Applicant states that the inventory identifies service location, but does not alone establish current utilization, unused capacity, wait times, or the extent of referral-area overlap. The Applicant requests that the Department incorporate its latest available reported utilization for the existing service, including reporting year, procedure volume, trends, and available capacity indicators, into the Rule 7.10 analysis. The Applicant submits that the present record does not establish that the Tupelo service is at capacity.

The Applicant states the proposed service is principally intended for the Applicant's existing and projected cardiology population. The Applicant states that this supports an expectation that a substantial portion of volume will arise from clinically appropriate substitution for existing CTA/SPECT pathways and from patients who currently lack convenient PET access. The Applicant states that it does not establish that no patients will shift from another PET provider. The Applicant submits referral areas may overlap, and Prime Heart does not claim exclusive service to the counties or patients described in Exhibit 4. The Applicant states the extent of diversion should be assessed against actual patient referral history and the Department's utilization data.

The Applicant states that the PET substitution may reduce some SPECT or other diagnostic studies currently performed in the practice or at the local hospital. Prime Heart will retain CTA and SPECT capability for patients for whom those modalities remain appropriate. The Applicant states the hospital imaging will continue to serve inpatient, emergency, non-cardiac, and other clinically appropriate needs. The Applicant states these continuing uses do not establish that the proposed project will have no effect on outpatient hospital volume. The Applicant further states the magnitude of any reduction requires reconciliation of the projected PET population with current testing locations and modalities.

The Applicant states Prime Heart's position is that local access and modality-specific clinical benefits support the proposed project while existing services retain important roles. The Applicant states a definitive conclusion about efficient use of regional capacity should incorporate the existing-provider utilization information and the substitution analysis described above.

GR Criterion 11 – Construction Projects

The Applicant acknowledges this criterion and states the construction component is addressed under Project Description and Economic Viability. The Applicant submits the project uses 1,048 square feet of existing premises and a \$182,900.00 contractor estimate.

GR Criterion 12 - Medicaid Participation

The Applicant states that Prime Heart participates in Medicare and Mississippi Medicaid Programs and will make the cardiac PET/CT service available to Medicare and Medicaid beneficiaries. The Applicant affirms that Prime Heart will not refuse medically necessary services to a patient on the basis that the patient is a Medicare or Medicaid beneficiary.

GR Criterion 13 – Charity Care and Information Reporting Obligations

The Applicant states Prime Heart affirms that it will record and maintain the listed utilization, demographic, origin, payer, cost/charge, service, charity, medically indigent, and Medicaid information and make it available to MSDH within fifteen (15) business days of request, subject to applicable privacy law.

Gross Patient Revenue

	Medically Indigent (%)	Charity Care (%)	Medically Indigent (\$)	Charity Care (\$)
Historical Year 2025	0.0 %	0.0%	\$0	\$0
Historical Year 2026	0.0 %	0.00%	\$0	\$0
Projected Year 1 (2027)	0.0%	2.0%	\$0	\$132,413.00
Projected Year 2 (2028)	0.0%	2.0%	\$0	\$139,095.00

*Prime Heart and Vascular Care, LLC does not separately classify formal charity care or medically indigent care.

**Projected Year 1 and 2 Charity Care figures are for Cardiac PET/CT services only

GR Criterion 14 – Relationship to Existing Health Care System

The Applicant states Cardiac PET Services exist elsewhere in GHSA II, including the Tupelo area that's identified in the State Health Plan; no fixed Cardiac PET Services has been identified in Corinth. The Applicant state Prime Heart patients currently rely on SPECT, other modalities, and outside referrals.

GR Criterion 15 – Availability of Resources

a. Staffing: The Applicant submits that Dr. Jagtap will serve as Medical Director and prospective Authorized User, subject to October 2026 PET-specific training and MSDH approval. The Applicant submits a qualified CNMT will be present during every PET service period. the Applicant affirms the budget includes 0.5 FTE CNMT and 0.5 FTE stress-technologist coverage and will be increased as required. The Applicant indicates a qualified third-party medical physics/RSO organization will be retained before operation and credentials, competency, coverage, and training will be documented before service.

b. Physicians: The Applicant submits Dr. Mandar Jagtap, a Mississippi-licensed cardiologist and physician-owner of Prime Heart, is the identified Medical Director and prospective Authorized User for the proposed service. The Applicant states he has existing SPECT/tomographic nuclear cardiology experience and is scheduled for PET-specific board certification in October 2026. The Applicant states that he will act as an authorized user only after the Department's Division of Radiological Health accepts his qualifications and lists him on the applicable radioactive-materials license. The Applicant states physician supervision, interpretation qualifications, and service-hour coverage will be established before the first scan. The Applicant further states if required physician coverage or authorization is unavailable; PET scanning will not proceed.

The Applicant states the operating plan relies on Dr. Jagtap rather than recruitment of an additional physician; the Applicant states Prime Heart will confirm adequate time for the scheduled service and arrangements for absences before opening. The Applicant submits a qualified third-party Radiation Safety Officer, and medical physicist will be engaged before operation.

c. Satisfactory staffing history: The Applicant states that Prime Heart operates an established outpatient cardiology practice. The Applicant states that its historical statements and patient/service records support ongoing operations. The Applicant states Prime Heart has no material unresolved staffing sanctions, licensure findings, or service interruptions requiring disclosure.

d. Alternative uses of resources: The Applicant states Prime Heart considered continued investment in SPECT/CTA and outside referral, mobile PET service, or deferral of PET. The Applicant states the fixed service was selected because it best uses existing space and documented patient demand while preserving SPECT/CTA and referral, as alternatives, when clinically appropriate.

GR Criterion 16 - Quality of Care

The Applicant states Prime Heart is an established outpatient cardiology practice and has no known material adverse licensure, accreditation, payer, professional-discipline, or quality history requiring disclosure.

The Applicant states Cardiac PET/CT can improve image quality, attenuation correction, diagnostic confidence, quantification, and care planning for appropriate

patients; reduce travel and referral fragmentation; and provide integrated physician oversight, medical-necessity review, quality control, and follow-up within the existing cardiology practice.

The Applicant states that the proposed PET program is not yet operational or accredited. Before operation, the Applicant states Prime Heart will pursue the applicable PET or nuclear-cardiology accreditation pathway selected with CDL, the Medical Director, RSO, and physicist and will maintain all required licenses, registrations, certifications, and staff credentials. The Applicant states Dr. Jagtap will serve as the prospective authorized user and will act in that capacity only after completing PET-specific training and receiving MSDH acceptance.

GR Criterion 17 – Access by Health Professional Schools

The Applicant states that if requested and operationally appropriate, Prime Heart will consider reasonable access for health-professional education consistent with patient consent, privacy, radiation safety, accreditation, and staffing requirements. The Applicant affirms that no training affiliation is presently represented.

GR Criterion 18 – Community Support and Community Impact

The Application contains three (3) letters of support from Prateek K. Gupta, MD, FACS of Vascular & Vein of the South located in Memphis, Tennessee, Bradley A. Murray, M.D. of Iuka Family Clinic, and Laurence Dennis, MD from Baptist Medical Group in Booneville, Mississippi.

The Application also contains a Physician's Affidavit for Mandar Jagtap, MD.

GR Criterion 19 – Service Availability and Continuity

The Applicant states that the proposed cardiac PET/CT service will complement and expand the diagnostic capabilities of Prime Heart and Vascular Care's existing cardiology practice, which currently provides cardiovascular evaluation, diagnostic testing, and ongoing patient management, including SPECT myocardial perfusion imaging and coronary CT angiography.

The Applicant states that the addition of cardiac PET/CT will allow clinically appropriate patients to receive advanced myocardial perfusion imaging within their existing care setting, supporting continuity from initial evaluation through diagnostic testing, interpretation, follow-up, and treatment planning.

The Applicant submits they will continue coordinating care with referring physicians and other healthcare providers as clinically appropriate. The proposed service will improve local access to advanced cardiac imaging while maintaining the established relationships and continuity of care that patients currently receive.

GR Criterion 20 – Non- Discrimination

The Applicant affirms the services provided pursuant to the proposed project will be offered in accordance with all applicable federal and state non-discrimination requirements, including but not limited to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, the Age Discrimination Act of 1975, and Section 1557 of the Patient Protection and Affordable Care Act, together with their implementing regulations. The Applicant states that as set forth in the Applicant's response to Criterion 6 (Access), Prime Heart will not exclude any patient on the basis of race, color, national origin, sex, age, disability, payer category, or inability to pay, subject to clinical appropriateness, cardiac-only scope, medical necessity, available capacity, and lawful payment and charity procedures. The Applicant states that the proposed service will operate under Prime Heart's governing non-discrimination, access, and charity-care policy.

GR Criterion 21 – Competing Applications

The Applicants state that no competing application is on file with the Department, regarding the Offering of Fixed, Cardiac - Only PET/CT Services. The Applicant states Prime Heart will respond to any MSDH request if a competing application is identified.

GR Criterion 22 – Supplemental Service-Specific Criteria

The Applicant affirms the application has been evaluated against the applicable general review criteria and the applicable service-specific criteria. The Applicant states the general review criteria are addressed in the Applicant's responses to Criteria I through 16, including consistency with the Mississippi State Health Plan under Criterion I. The Applicant states that the service-specific criteria applicable to Positron Emission Tomography (PET) Scanner and Related Equipment (Mississippi State Health Plan, Chapter 5) -which the application identifies as applicable in the Service-Specific Criteria section -are addressed through the application's treatment of projected procedure volume and methodology, existing cardiac PET capacity within General Hospital Service Area II, radiopharmaceutical access, radiological

approvals, staffing, quality control, medical necessity, access, emergency response, and required reporting.

GR Criterion 23 – Historical Compliance

The Applicant acknowledges this criterion and understands that the Department may consider the Applicant's history of compliance with applicable law, licensure requirements, Certificate of Need requirements, conditions of approval, reporting requirements, and other regulatory obligations. The Applicant states Prime Heart is an existing, licensed cardiovascular practice in good standing and is not aware of any adverse compliance, licensure, or enforcement history relevant to the proposed project.

GR Criterion 24 – Special Circumstances

The Applicant acknowledges this criterion and understands that the Department may consider special circumstances relevant to the proposed project to the extent authorized by applicable law. The Applicant states it respectfully submits that the following circumstances warrant consideration under this criterion.

The Applicant states the proposed service is located in a rural area of northeast Mississippi. Corinth (Alcorn County) and the surrounding General Hospital Service Area II counties comprise a geographically dispersed, predominantly rural population with a high burden of cardiovascular disease and no fixed cardiac PET/CT option is closer than the single existing GHSA II provider in Tupelo - approximately fifty (50) miles from Corinth, and materially farther from the northern and eastern counties within the Applicant's service area. The Applicant submits that for elderly cardiac patients and those with functional limitations, that travel distance is itself an access barrier that delays or deters clinically appropriate advanced perfusion imaging.

The Applicant further submits that projecting first-in-market procedure volumes for an advanced imaging service in a rural setting is inherently subject to greater uncertainty than in a dense urban market, because latent demand has historically been suppressed by the very absence of local access that the project is intended to remedy. The Applicant indicates the Department's own framework that recognizes that rural settings can warrant differentiated treatment of volume expectations - for example, the State Health Plan applies a reduced procedure threshold for MRI services in rural locations. The Applicant states while the Prime Heart claims no specific rural exception for cardiac PET, it respectfully submits that the same access rationale supports applying the projected-volume criterion as a substantial-compliance standard, evaluated together with the Applicant's documented, conservative volume methodology and a Year 2 Year 3 ramp consistent with prior Department approvals of comparably structured services.

Finally, the Applicant states its existing SPECT program, established cardiovascular patient base, and documented preoperative-referral relationships provide a concrete operational and clinical foundation that reduces execution risk and supports the reasonableness of the projected utilization.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

The total estimated capital expenditure is allocated as follows:

	Item	Cost (\$)	Percent (%) of Total
a.	Construction Cost -- New	0	0%
b.	Construction Cost -- Renovation	\$182,900.00	100.00%
c.	Capital Improvements	0	0%
d.	Total Fixed Equipment Cost	0	0%
e.	Total Non-Fixed Equipment Cost	0	0%
f.	Land Cost	0	0%
g.	Site Preparation Cost	0	0%
h.	Fees (Architectural, Consultant, etc.)	0	0%
i.	Contingency Reserve	0	0%
j.	Capitalized Interest	0	0%
j.	Legal and accounting fees	0	0%
k.	Other	0	0%
	Total Proposed Capital Expenditure	\$182,900.00	100.00%

B. Method of Financing

The Applicant proposes to finance the proposed capital expenditure with cash reserves of \$32,900.00 and \$150,000.00 from a related financing company.

C. Effect on Operating Cost

The Hospital's three-year projected operating statement is presented in 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	64%	\$4,261,346.00
Medicaid	2%	\$125,918.00
Commercial	29%	\$1,941,795.00
Self-Pay	0%	\$0.00
Charity Care	2%	\$132,413.00
Other	2%	\$159,188.00
Total	100%	\$6,620,660.00

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 is in substantial compliance with the policy statements, criteria, and standards for acquisition or otherwise control of cardiac-only PET equipment and provision of cardiac-only PET services contained in the *FY 2022 Mississippi State Health Plan, 4th Edition, the Mississippi Certificate of Need Review Manual, August 11, 2026, 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 Prime Heart and Vascular Care, LLC, for the Offering of Fixed Cardiac-Only PET/ CT Services.

Attachment 1

Prime Heart and Vascular Care, LLC Three-Year Operating Statement (Project Only)			
	Year 1	Year 2	Year 3
Revenue			
Patient Revenue:			
Inpatient	\$0	\$0	\$0
Outpatient	<u>\$6,620,660.00</u>	<u>\$6,954,730.00</u>	<u>\$7,300,948.00</u>
Gross Patient Revenue	<u>\$6,620,660.00</u>	<u>\$6,954,730.00</u>	<u>\$7,300,948.00</u>
Charity Care	\$132,413.00	\$139,095.00	\$146,019.00
Deductions from Revenue	\$3,406,553.00	\$3,578,443.00	<u>\$3,756,584.00</u>
Net Patient Revenue	\$3,081,694.00	\$3,237,192.00	\$3,398,345.00
Other Operating Revenue	\$0	\$0	\$0
Total Operating Revenue	\$3,081,694.00	\$3,237,192.00	\$3,398,345.00
Expenses			
Operating Expenses:			
Salaries	\$80,000.00	\$80,000.00	\$80,000.00
Benefits	\$20,000.00	\$20,000.00	\$20,000.00
Supplies	\$869,820.00	\$913,710.00	\$959,196.00
Services	\$7,200.00	\$7,200.00	\$7,200.00
Lease	\$162,000.00	\$162,000.00	\$162,000.00
Depreciation	\$2,193.00	\$2,193.00	\$2,193.00
Interest	\$0	\$0	\$0
Other	\$0	\$0	\$0
Total Expenses	<u>\$1,141,213.00</u>	<u>\$1,185,103.00</u>	<u>\$1,230,589.00</u>
Net Income (Loss)	\$1,940,481.00	\$2,052,089.00	\$2,167,756.00
Assumptions			
Inpatient days*	0	0	0
Outpatient days*	1090	1,145	1,202
Procedures	1090	1,145	1,202
Charge/outpatient day	\$6,074.00	\$6,074.00	\$6,074.00
Charge per inpatient day	\$0	\$0	\$0
Charge per procedure	\$6,074.00	\$6,074.00	\$6,074.00
Cost per inpatient day	0	0	0
Cost per outpatient day	\$1,047.00	\$1,035.00	\$1,024.00
Cost per procedure	\$1,047.00	\$1,035.00	\$1,024.00

*Calculations may differ due to rounding.