

**DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT  
FEBRUARY 2016**

**CON REVIEW LTAC-RLS-1115-024  
PROMISE HOSPITAL OF VICKSBURG, INC.  
D/B/A PROMISE HOSPITAL OF VICKSBURG  
RELOCATION OF PROMISE HOSPITAL OF VICKSBURG  
(LONG-TERM ACUTE CARE HOSPITAL-LTAC) TO  
MERIT HEALTH VICKSBURG F/K/A RIVER REGION MEDICAL CENTER  
CAPITAL EXPENDITURE: \$397,000  
LOCATION: VICKSBURG, WARREN COUNTY, MISSISSIPPI**

**STAFF ANALYSIS**

**I. PROJECT SUMMARY**

**A. Applicant Information**

Promise Hospital of Vicksburg, Inc. d/b/a Promise Hospital of Vicksburg (Promise Hospital). Promise Hospital of Vicksburg is a 35-bed long-term acute care, public, for-profit hospital. It is licensed to operate 35 long-term acute care beds (LTAC). Promise Hospital of Vicksburg Inc. is the governing authority and has the responsibility for establishing policy concerning the overall operation and management of Promise Hospital of Vicksburg. The applicant included a Certificate of Good Standing from the Mississippi Secretary of State's Office dated January 13, 2013 indicating that Promise Hospital of Vicksburg Inc. is a Louisiana corporation authorized to do business the State of Mississippi. The applicant provided information to verify that four (4) officers govern the facility.

A long-term acute care (LTAC) hospital operates as a freestanding, Medicare-certified acute care hospital with an average length of inpatient stay greater than 25 days. The facility is primarily engaged in providing chronic long-term medical care to patients who do not require more than three hours of rehabilitation or comprehensive rehabilitation care per day. As of April 2014, ten LTACs were operational in the State of Mississippi.

The hospital reported the following occupancy rate, average length of stay (ALOS), and \*Medicaid utilization rates for the LTAC for the three most recent fiscal years:

<b>Utilization Data Promise Hospital of Vicksburg</b>			
<b>Fiscal Year</b>	<b>Occupancy Rate (%)</b>	<b>ALOS (Days)</b>	<b>Medicaid* Utilization Rate (%)</b>
2015	81.89	23.69	0
2014	74.50	24.84	0
2013	71.52	25.56	0

Source: Division of Health Facilities Licensure and Certification, MSDH

\* LTACs are Medicare certified

**B. Project Description**

Promise Hospital of Vicksburg, Inc. d/b/a Promise Hospital of Vicksburg (Promise Hospital) requests Certificate of Need (CON) authority to relocate Promise Hospital of Vicksburg (long-term acute care hospital-LTAC) to Merit Health Vicksburg f/k/a River Region Medical Center (MHV). Promise Hospital is currently located on the second floor of a building adjacent to Interstate 20, in Vicksburg, Mississippi. The physical address is 1111 North Frontage Road, Vicksburg, Mississippi. The applicant states that this building formerly housed River Region Medical Center, now currently houses only some post-acute care services and physician offices.

Promise Hospital currently leases its existing 35 bed LTAC facility space from Merit Health Vicksburg f/k/a River Region Medical Center. The application contains a copy of the current lease agreement between River Region Medical Center and Promise Hospital Vicksburg regarding the current location at 1111 North Frontage Road, Vicksburg, Mississippi. The applicant states that it has maintained the current building lease agreement with Merit Health Vicksburg for approximately eleven (11) years. Promise Hospital of Vicksburg and Merit Health Vicksburg have agreed that there will be no changes in the total rent payable for the new space and do not anticipate any material changes in the lease agreement except with respect to the premises being leased. The applicant asserts that the new lease agreement for the proposed project is contingent upon CON approval. In addition, the applicant provided a copy of a memorandum of understanding, which indicates that the proposed projected cost will be amortized over the life of the future lease agreement and all construction costs and lease terms are in compliance with fair market practice of local and surrounding communities.

The proposed project involves Promise Hospital moving its existing 35-bed long-term acute care hospital from the 2<sup>nd</sup> floor of Merit Health Vicksburg f/k/a River Region Medical Center west campus to the 6<sup>th</sup> floor of Merit Health Vicksburg main campus, located at 2100 US 61, Vicksburg, Mississippi. The applicant asserts that under this proposed arrangement Promise Hospital will lease space from Merit Health Vicksburg. This space on the 6<sup>th</sup> floor is currently not used by Merit Health Vicksburg. The six floor space is “built-out” as a full functioning and equipped modern medical/surgical floor complete with the capacity for all services necessary for the operation of an LTAC facility. There will be no new services created, addition of beds or equipment purchased as a result of this project.

The proposed relocation project will require minimal renovations to accommodate some of the ancillary and office needs of Promise Hospital. The project's construction required for the relocation of Promise Hospital operations will be mostly cosmetic in nature and will allow the facility to meet the appropriate life safety, fire, and functional code requirements as a separate hospital within a hospital. Under the terms of the arrangement, Merit Health Vicksburg will be responsible for any costs associated with renovating the 6h floor.

The applicant submits that the total space on the 6<sup>th</sup> floor that Promise Hospital intends to lease is 18,000 square feet; however, only 3,000 square feet of space will need to be renovated. The renovations consist of converting an existing medication room to a working pharmacy and removing a wall to create a working therapy gym.

Promise Hospital intends to “set up and staff” 28 LTAC beds after its relocation to the six floor of Merit Health Vicksburg. However, the leased space has the capacity to accommodate 32 beds. Promise Hospital states that the proposed project’s architectural plans shows four (4) potential patient rooms as office space or doctor dictation rooms. These rooms are currently “built out” as patient rooms and could be utilized as patient rooms with no additional renovations. However, in the future, Promise Hospital may add four (4) LTAC beds from the rooms listed above to the 28 beds that will be set up and staffed up, if needed (32 LTAC).

Currently, Promise Hospital intends to remain licensed for the 32 LTAC beds, which the six floor has the capacity to house and place its remaining three (3) beds of 35 beds in abeyance. The table below shows the square footage breakdown of the 6<sup>th</sup> floor; where 28 “set up and staffed” beds of the 35 LTAC beds will be housed:

Space	Square Footage
Patient Rooms	252 sq. ea./7,056 total
Administrative Offices	1,449 combined
Therapy Gym	504 (renovated)
Pharmacy	546 (renovated)
Medical Records	242
Dayroom	588 (renovated)
Family Waiting	506
Materials Management	504 (renovated)
Equipment/Storage/Other	504 (renovated)

The total proposed capital expenditure is \$397,000; most of which (\$355,000 or 69.42 percent) has been allocated toward renovation. The remaining expenditures are allocated toward the following: fixed equipment cost (\$10,000 or 2.52 percent), fees (\$5,000 or 1.26 percent), contingency reserve (\$15,000 or 2.78 percent) and other legal and accounting fees (\$12,000 or 3.02 percent) for the proposed project. The applicant states that Merit Health Vicksburg f/k/a River Region Medical Center will fund the proposed project through a “lease-term, pay back”. The application contains signed letter from Merit Health Vicksburg’s, CEO attesting to funding the project under a lease agreement.

The applicant submits that the obligation of capital expenditure will occur upon CON approval and the applicant expects that the proposed project will be completed approximately two months after CON approval.

The applicant received site approval for the proposed project from the Mississippi State Department of Health, Division of Health Facilities Licensure and Certification.

## II. TYPE OF REVIEW REQUIRED

The Mississippi State Department of Health reviews applications for the relocation of health care facilities or portion thereof, major medical equipment, and services under the applicable statutory requirements of Section 41-7-191, subparagraph (1)(b), (c), and (e) of the Mississippi Code of 1972, Annotated, as amended, and duly adopted rules, procedures, plans, criteria, and standards of the Mississippi State Department of Health.

In accordance with Section 41-7-197(2) of the Mississippi Code of 1972 Annotated, as amended, any affected person may request a public hearing on this project within 20 days of publication of the staff analysis. The opportunity to request a hearing expires February 22, 2016.

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

### A. Mississippi State Health Plan (SHP)

The *FY2015 Mississippi State Health Plan* contains criteria and standards which an applicant is required to meet before receiving CON authority for the establishing of a long-term acute care hospital and addition of long-term acute care hospital beds, or, in this case, the relocation of, long-term acute care bed/services. This application is in substantial compliance with applicable criteria and standards.

#### **SHP Criterion 1 - Need**

Promise Hospital of Vicksburg is a current provider of long-term acute care services. The applicant is not seeking to establish a new facility or add beds to an existing facility. Promise Hospital is proposing to relocate its 35 bed LTAC facility from its current location in Vicksburg, Mississippi to the 6<sup>th</sup> floor of the Merit Health Vicksburg campus f/k/a River Region Medical Center, which is six (6) miles away.

Promise Hospital of Vicksburg states that the project is needed because its existing site lacks many of the ancillary services (MRI/CT/ICU). The applicant asserts that these services will be required in the near future to effectively and efficiently care for the patient population served in Promise Hospital's LTAC beds. Currently, Promise Hospital must transport its patients to and from different facilities to receive many of the ancillary services provided under contract. Promise Hospital and Merit Health Vicksburg believes that by having short-term acute care and long-term acute care available in the same building will promote efficiencies and is beneficial for overall patient care.

According to the applicant, under this arrangement, Promise proposes to lease space on the 6<sup>th</sup> floor, which encompasses a total of approximately 18,000 square feet. Only 3,000 square feet of this space will need to be renovated. The applicant believes that the existing 6<sup>th</sup> floor at Merit Health Vicksburg f/k/a River Region Medical Center campus is much better suited to treat the current population by allowing easier access to physician groups, diagnostic and surgical support services for its LTAC patients.

### **SHP Criterion 3 – Transfer/Relocation of Beds**

The applicant affirms that the proposed relocation of the existing 35-bed facility to the new location will meet all regulation/licensure requirements for a long-term care hospital. Promise Hospital of Vicksburg asserts that it has obtained preclearance from the Center for Medicare and Medicaid Services' (CMS) Regional Office. The application contains a copy of a letter from CMS Regional Office regarding the proposed project. The applicant asserts that Promise Hospital of Vicksburg affirms that it will make any and all necessary filings with CMS and/or the Mississippi State Department of Health's Division of Licensure and Certification as required.

### **SHP Criterion 4 - Indigent/Charity Care**

The applicant is not proposing a new LTAC facility or services. Promise Hospital of Vicksburg asserts that it will continue to serving the unmet needs of Medicare and Medicaid patients at its proposed new location in the same manner in which it serves the unmet needs of such patients at its current location. The applicant asserts the proposed project will have no effect on access to care for the indigent and charity care patients.

### **SHP Criterion 5 - Reasonable Cost**

The proposed project involves the relocation of an existing 35-bed LTAC facility and does not involve new construction, modernization or alteration of the physical plant of Merit Health Vicksburg.

Promise Hospital of Vicksburg proposes to lease approximately 18,000 square feet of space on the 6<sup>th</sup> floor of Merit Health Vicksburg to house the relocation of the existing 35 bed LTAC facility. The applicant asserts that only 3,000 square feet of this space will need to be renovated. The applicant submits that the project will cost \$125 per square for renovation. *RSMMeans Construction Cost Data, 2015 Edition*, does not compare costs for renovation projects.

### **SHP Criterion 6 - Floor Area and Space Requirement**

The applicant submits that Promise Hospital's proposal to relocate has no significant change to the square footage of Merit Health Vicksburg. The amount of space to be

utilized for the LTAC beds at Merit Health Vicksburg is substantially similar to the space being utilized at Promise Hospital's current LTAC location. The only notable difference is the location of the LTAC beds.

According to Promise Hospital, the total square footage of the project is 18,000 square feet (6<sup>th</sup> floor lease space) of which only 3,000 square feet will be renovated at Merit Health Vicksburg.

The applicant asserts that the architectural design of the existing facility (Merit Health Vicksburg) does not place any particular restraints on the proposed relocation project.

### **SHP Criterion 7 - Transfer Agreements**

Promise Hospital of Vicksburg presently has a transfer agreement with Promise Hospital of Baton Rouge, Louisiana an acute care medical center and offers comprehensive medical rehabilitation services. The application contains a copy of the transfer agreement between Promise Hospital of Baton Rouge, Louisiana and Promise Hospital of Vicksburg regarding the proposed project.

## **B. General Review (GR) Criterion**

Chapter 8 of the *Mississippi Certificate of Need Review Manual, 2011 Revision*, addresses general criteria by which all CON applications are reviewed. This project is in substantial compliance with the general review criteria.

### **GR Criterion 2 – Long Range Plan**

According to the applicant, the proposed relocation of Promise Hospital's LTAC 35 beds to Merit Health Vicksburg building will allow the LTAC services access to the diagnostic and support services and the additional ancillary services required to meet the new LTAC CMS regulations and to remain viable as an LTAC facility for the community it serves.

### **GR Criterion 3 - Availability of Alternatives**

The applicant states the only other alternative available to Promise Hospital of Vicksburg is to remain at its current location, which is the old River Region Hospital building. This is not a preferred or ideal option due to the age of the physical plant in the former River Region Medical Center building. Promise Hospital's relocation to Merit Health Vicksburg f/k/a River Region Medical Center will allow Merit Health Vicksburg to lease space not currently being utilized by the hospital. Physicians treating Promise Hospital's patients will be more geographically proximate to their patients resulting in more responsive patient care. The applicant asserts that it will no longer have to transport its patients to off-site locations to receive the necessary

ancillary services. All of these benefits will result in more cost effective, efficient, quality patient care.

#### **GR Criterion 4 - Economic Viability**

The applicant affirms charges will not change with the proposed relocation of existing services. Existing charges are in line with other similar providers in the region. Historically, the net operating margin in this hospital is 3%-5% annually. Promise Hospital of Vicksburg anticipates a slight improvement to the operating margin, given the ability to treat higher acuity patients without the cost of transportation for required ancillary services.

The application contained a letter of commitment from the Chief Executive Officer of Merit Health River Region stating that it supports and will finance the required renovation through a lease term pay back of the proposed project.

Based on the income statement (project only), as provided in the application, the applicant projects net incomes of \$282,902, \$288,560, and \$294,332 during the first, second, and third years of operation, respectively. The project appears to be financially feasible.

#### **GR Criterion 5 – Need for the Project**

- a. **Access by Population Served:** The applicant currently provides access to long-term acute care hospital services to all residents of its service area, including low income persons, racial and ethnic minorities, women, handicapped persons and other underserved groups and the elderly and will continue to do so after CON approval of the proposed project.
- b. **Relocation of Services:** The applicant asserts that Promise Hospital of Vicksburg proposed to relocate its facility approximately 6.1 miles from its current location to Merit Hospital Vicksburg. Promise Hospital of Vicksburg anticipates there will be no change in the patient population served by the facility. The current needs of its existing patient population will continue to be adequately met. The applicant believes that its existing patient population will be enhanced by the proposed relocation to River Region Medical Center.
- c. **Current and Projected Utilization of Like Facilities in the Area:** The applicant is not proposing any new services, only to relocate an existing facility and services. Promise Hospital of Vicksburg is the only LTAC hospital in Vicksburg, Mississippi.

The *FY 2015 Mississippi State Health Plan* contains data regarding the utilization of long-term acute care services for existing providers in Promise Hospital of Vicksburg's service area (GHS 5) as outlined below:

Hospital	Bed Capacity	Occupancy Rate (%)	ALOS	Discharges
MS Hospital Restorative Care-Jackson	25	83.15	32.91	221
Promise Hospital-Vicksburg	35	74.50	24.84	377
Select Specialty Hospital-Jackson	53	85.03	26.32	625
Regency Hospital of Jackson	36	74.64	26.65	368

**Source:** Division of Health Facilities Licensure and Certification, Application for Renewal of Hospital License for Calendar Year 2014 and FY 2013 Annual Hospital Report.

The applicant asserts that Promise Hospital of Vicksburg is not seeking to establish a new facility or add beds to an existing facility. The applicant proposes to relocate from its current location in Vicksburg, Mississippi to the new Merit Health Vicksburg f/k/a River Region Medical Center campus; six miles away.

The “Application for Renewal of Hospital License for Calendar Year 2015 and FY 2014 Annual Hospital Report” indicates that Promise Hospital of Vicksburg admitted 379 patients and provided 9,864 inpatient days of long-term acute care services. The applicant projects to deliver 10,311, 10,517, and 10,728 inpatient days of care during the first, second, and third years of operation, respectively. See Attachment 1 regarding the proposed project.

- d. **Probable Effect on Existing Facilities in the Area:** The applicant states that there is no existing LTAC service provider within 50 miles of Promise’s Hospital of Vicksburg’s service area. The proposed project will not affect any other entity doing business as a LTAC provider in Mississippi or adjacent states. The applicant asserts that it does not anticipate that the proposed relocation of the existing LTAC facility will have any effect on existing facilities offering similar services. In addition, no new beds or expansion of services is proposed.
- e. **Community Reaction:** The application contains two (2) letters of support for the proposed project.

The Department received no letters of opposition concerning the proposed project.

**GR Criterion 6 - Accessibility**

The applicant states Promise Hospital of Vicksburg’s patient population, including low income persons, racial and ethnic minorities, women, handicapped persons and

other underserved groups, and the elderly, will continue to have the same or greater access to the services at the proposed new location as its current location. The project site is approximately six (6) miles from the existing site, and Promise Hospital will continue to serve the exact same patient population and demographics as currently served.

The applicant asserts that it will continue to provide services to the unmet needs of Medicare and Medicaid patients at its proposed new location in the same manner in which it serves the unmet needs of such patients at its current location. Promise Hospital of Vicksburg asserts that it will continue to support the Mississippi acute care bed tax levy and maintain Mississippi Medicaid participation. The applicant states that the proposed project will have no effect on access to care for medically indigent patients.

#### **GR Criterion 7 - Information Requirement**

Promise Hospital of Vicksburg affirms that information will be recorded, maintained, and provided to the Mississippi State Department of Health within 15 days of the request.

#### **GR Criterion 8 - Relationship to Existing Health Care System**

The applicant submits that Promise Hospital of Vicksburg is the only long-term acute care LTAC hospital services in the Vicksburg, Mississippi area. The LTAC services will complement the short-term acute care hospital services available at Merit Health Vicksburg. The applicant asserts that it is currently meeting the need for LTAC services in the Vicksburg, Mississippi area and believes that the proposed project can improve on its services at the proposed new location.

Staff contends that the proposed project should pose no adverse effect on other LTACs in General Hospital Service Area 5.

#### **GR Criterion 9 – Availability of Resources**

According to the applicant, the project will require (4) additional full time equivalents (FTE) personnel at an estimated cost of \$180,000 for the propose project.

As mentioned above, Promise Hospital of Vicksburg asserts that the acuity of patients could increase and two (2) additional RN's and two (2) LPN's will be needed if the patients treated in the new location are much sicker.

#### **GR Criterion 10 – Relationship to Ancillary or Support Services**

The applicant states that, all clinical services required to provide optimum care will continue to be available with a lateral transfer to Merit Health Vicksburg f/k/a River

Region Medical Center’s main campus. Promise Hospital of Vicksburg does not anticipate any changes in costs or charges as a result of the proposed project.

**GR Criterion 11 – Health Professional Training Programs**

The applicant asserts that Promise Hospital of Vicksburg does not anticipate that the proposed relocation of the existing 35 beds will have an effect on the clinical needs of health professional training programs in the services area.

**GR Criterion 16 – Quality of Care**

Promise Hospital of Vicksburg is licensed by the *Mississippi State Department of Health’s Division of Licensure and Certification* to operate as a LTAC hospital. The facility is certified for participation in the Medicare program.

**IV. FINANCIAL FEASIBILITY**

**A. Capital Expenditure Summary**

	<b>Item</b>	<b>Cost (\$)</b>	<b>Percent (%) of Total</b>
a.	Construction Cost – New	0	0
b.	Construction Cost -- Renovation	\$355,000	89.42
c.	Capital Improvements	0	0
d.	Total Fixed Equipment Cost	10,000	2.52
e.	Total Non-Fixed Equipment Cost	0	0
f.	Land Cost	0	0
g.	Site Preparation Cost	0	0
h.	Fees (Architectural, Consultant, etc.)	5,000	1.26
i.	Contingency Reserve	15,000	3.78
j.	Capitalized Interest	0	0
k.	Other (Legal and Accounting fees)	\$ 12,000	3.02
l.	Other Costs	<u>0</u>	<u>0</u>
	<b>Total Proposed Capital Expenditure</b>	<b><u>\$397,000</u></b>	<b><u>100.00</u></b>

The above capital expenditure is proposed for the relocation of Promise Hospital of Vicksburg’s LTAC beds to Merit Health Vicksburg f/k/a River Region Medical Center.

Merit Health Vicksburg has 18,000 total square feet of space on the 6<sup>th</sup> floor of the hospital to house Promise Hospital's proposed project, relocation of an existing 35 bed LTAC facility. The applicant submits that only 3,000 square feet of this space will need to be renovated. The project will cost \$125 per square foot for renovation. *RSMMeans Construction Cost Data, 2015 Edition*, does not compare costs for renovation projects.

**B. Method of Financing**

The applicant asserts that Merit Health Vicksburg f/k/a River Region Medical Center will fund the proposed project. The application contains a letter from the CEO of MHV affirming that MHV supports and will finance the required renovation through a lease term pay back for the proposed project.

**C. Effect on Operating Cost**

The applicant's Three-Year Projected Operating Statement is Attachment 1 of this staff analysis.

**D. Cost to Medicare/Medicaid**

The applicant projects the cost of the project to third party payors as follows (Project Only):

<b>Promise Hospital of Vicksburg</b>		
<b>Payor</b>	<b>Utilization Percentage</b>	<b>First Year Revenue</b>
<b>Medicaid</b>	0%	\$ 0
<b>Medicare</b>	95%	\$ 41,570,100
<b>Self Pay</b>	5%	\$ 2,187,900
<b>Commercial</b>	0%	\$ 0
<b>Charity Care</b>	0%	\$ 0
<b>Other</b>	0%	\$ 58,461*
<b>Total</b>	<b>100.00%*</b>	<b>\$43,816,461</b>

\*The applicant asserts that \$57,315 originates from the cost report/DSH settlement figure reported on the August 31, 2015 income statement. Promise Hospital of Vicksburg's assumption is that this figure would continue each year. The above \$58,461 is derived by assuming a 2% rate of inflation for this figure (\$57,315x1.02) for the proposed project.

## **V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES**

The Division of Medicaid was provided a copy of the application and the Department received written comments for the agency. The Division states that effective September 1, 2012, it changed the methodology by which it reimburses outpatient services so that the cost incurred, subsequent to the date, will no longer affect outpatient payments.

In addition, effective October 1, 2012, the Division changed the methodology by which it reimburses inpatient services so that the cost incurred, subsequent to that date, will only affect cost outlier payments. Based on the Division of Medicaid's analysis, the estimated increase in cost outlier payments resulting from this project cannot be determined at this time. The Division of Medicaid opposes this project

## **VI. CONCLUSION AND RECOMMENDATION**

The project is in substantial compliance with the criteria and standards for the establishing of a long-term acute care hospital and addition of long-term acute care hospital beds, or, in this case, the relocation of, long-term acute care bed/services contained in the *FY 2015 Mississippi State Health Plan*; the *Mississippi Certificate of Need Review Manual, 2011 Revision*; 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 CON application submitted Promise Hospital of Vicksburg, Inc. d/b/a Promise Hospital of Vicksburg for the relocation of Promise Hospital of Vicksburg (long term acute care hospital-LTAC) to Merit Health Vicksburg f/k/a River Region Medical Center.

## ATTACHMENT 1

**Promise Hospital of Vicksburg, Inc. d/b/a Promise Hospital of Vicksburg  
Relocation of Promise Hospital of Vicksburg  
(Long-Term Acute Care Hospital-LTAC) to Merit Health Vicksburg  
Three-Year Projected Operating Statement (Project Only)**

	Year 1	Year 2	Year 3
<b>Revenue</b>			
Inpatient Care	\$43,816,461	\$44,692,791	\$45,586,646
Outpatient Care	<u>0</u>	<u>0</u>	<u>0</u>
<b>Gross Patient Care Rev.</b>	<b>\$43,816,461</b>	<b>\$44,692,791</b>	<b>\$45,586,646</b>
Charity Care	0	0	0
Deductions for Revenue	<u>32,037,107</u>	<u>32,677,849</u>	<u>33,331,406</u>
Net Patient Care Revenue	<u>\$ 11,779,355</u>	<u>\$12,014,942</u>	<u>\$ 12,255,241</u>
<b>Total Operating Revenue</b>	<b><u>\$11,779,355</u></b>	<b><u>\$ 12,014,942</u></b>	<b><u>\$ 12,255,241</u></b>
<b>Operating Expenses</b>			
Salaries	\$5,314,577	\$ 5,420,869	\$ 5,529,286
Benefits	1,025,022	1,044,502	1,065,392
Supplies	1,317,367	1,343,714	1,370,588
Services	2,531,422	2,582,051	2,633,692
Lease	1,012,345	1,032,591	1,053,243
Depreciation	40,800	41,616	42,448
Interest	0	0	0
Other	<u>255,920</u>	<u>261,038</u>	<u>266,259</u>
<b>Total Operating Expenses</b>	<b><u>\$ 11,496,452</u></b>	<b><u>\$ 11,726,381</u></b>	<b><u>\$ 11,960,909</u></b>
<b>Net Operating Income (Loss)</b>	<b><u>\$ 282,902</u></b>	<b><u>\$ 288,560</u></b>	<b><u>\$ 294,332</u></b>
Licensed Beds	35	35	35
Inpatient Days	10,311	10,517	10,728
Occupancy Rates	100%	100%	100%
Charge per inpatient day	\$ 4,249	\$4,249	\$ 4,249