

**DIVISION OF HEALTH PLANNING  
AND RESOURCE DEVELOPMENT  
JULY 2011**

**CON REVIEW: HG-MME-0411-006  
KING'S DAUGHTERS MEDICAL CENTER  
ACQUISITION OR OTHERWISE CONTROL OF  
MAGNETIC RESONANCE IMAGING (MRI) EQUIPMENT AND  
CONVERSION OF MOBILE MRI SERVICES TO FIXED SERVICES  
LOCATION: BROOKHAVEN (LINCOLN COUNTY) MISSISSIPPI  
CAPITAL EXPENDITURE: \$1,493,868**

**STAFF ANALYSIS**

**I. PROJECT SUMMARY**

**A. Applicant Information**

King's Daughters Medical Center ("King's Daughters" or the "Hospital") located at 427 Highway 51 North in Brookhaven, Lincoln County, Mississippi is a 122-bed, short-term, general acute care non-profit hospital. On May 18, 2005, King's Daughters received a Certification of Existence from the Secretary of State's Office indicating the facility is in good standing with the State of Mississippi. The 122-bed facility contains four beds dedicated to pediatrics and eight to a Labor-Delivery-Recovery-Postpartum (LDRP) unit. The Hospital also includes an out-patient surgery unit, a Level 4 Trauma unit, ICU and an imaging department. In 2003 the Hospital added to its complement of services a Fitness & Therapy Center.

King's Daughters Medical Center is presently governed by an 11-member Board of Trustees. The facility is licensed for 122 acute care beds, of which 91 beds are setup and staffed.

The occupancy rates, average lengths of stay (ALOS), and the Medicaid utilization rates for King's Daughters are as follows for the years 2008 through 2010:

Fiscal Year	Occupancy Rate (%)	ALOS (Days)	Medicaid Utilization Rate (%)
<b>2008</b>	30.46	3.49	31.21
<b>2009</b>	29.14	3.50	N/A
<b>2010</b>	27.94	3.41	37.47

**Source:** Division of Health Facilities Licensure and Certification, MSDH.

**B. Project Description**

King's Daughters Medical Center requests Certificate of Need (CON) for the acquisition or otherwise control of magnetic resonance imaging (MRI) equipment and conversion of mobile MRI services to Fixed MRI services.

Currently King's Daughters is authorized to provide mobile MRI services. The applicant submits that they are utilizing a refurbished, outdated GE MRI unit to provide those services.

The proposed project involves the acquisition of a new Toshiba Titan 1.5T MRI unit installed in a modular building attached to the back of the Hospital's imaging department. The applicant states that the building will consist of 720 square feet of space and the purchase price for the modular building is \$175,000 which includes all installation costs that includes a hallway connecting the modular building to the imaging department. According to the applicant, the installation will be accomplished by Toshiba America Medical Systems, Inc. ("Toshiba America") or its designee. The applicant further states that the hallway consists of approximately 216 square feet of space, resulting in a total of 936 square feet.

The applicant contends that the new Toshiba Titan 1.5T MRI unit will provide King's Daughters with a state-of-the-art MRI unit that allows feet-first entry in 90% of the procedures performed on the unit, provides the best non-contrast MRA technology available, and is the quietest MRI unit on the market. The applicant further contends that the location of the unit will be situated in an area that provides ample space for the unit, the staff, and the control room, as well as to allow staff a direct view of the patient during the procedure.

The applicant further justifies its decision for the Toshiba Titan because it comes with an 18-month warranty, offers a 50 cm field of view in z-axis (provides for faster scans), a bore diameter of 71 cm, and a weight limit of 440 pounds, resulting in an increase of 140 pounds over the GE unit.

The applicant submits that the cost of the MRI unit is \$1,278,868, which cost includes the Toshiba Titan 1.5T MRI at \$1,249,079, the Medrad Spectris Solaris EP MR Injector at \$29,790, and the cost of the modular building and connecting hallway, fully installed and constructed directly behind the imaging department, is \$175,000.

The capital expenditure for the proposed project is \$1,493,868 which includes the purchase price of the equipment, preconstruction of the modular building, hallway, and contingency reserve fee. The project is expected to result in an additional 13.5 FTE (Full-time equivalent

employees) at an annual additional cost of \$831,449. The applicant intends to finance \$1,453,868 of the project for 60 months with an expected interest rate of 4.05% interest and finance the balance through accumulated cash reserves. The applicant included a projected operating statement for the first, second, and third years of operation (See Attachment 1).

On February 11, 2011 the Division of Health Facilities Fire Safety and Construction inspected the site at 427 Highway 51, Brookhaven, Mississippi and found the site acceptable, as a result, granted site approval.

The applicant asserts that the proposed project is expected to be complete six months after acquisition of the CON.

## **II. TYPE OF REVIEW REQUIRED**

Projects which propose the establishment of MRI services are reviewed in accordance with Section 41-7-191, subparagraphs (1)(d)(xii), and (f) of the Mississippi Code of 1972 Annotated, as amended, and duly adopted rules, procedures, plans, criteria, and standards of the Mississippi State Department of Health.

In accordance with Section 41-7-197 (2) of the Mississippi Code 1972 Annotated, as amended, any 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 on August 1, 2011.

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

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

The *FY 2011 State Health Plan* contains criteria and standards which an applicant is required to meet before receiving Certificate of Need authority for acquisition or otherwise control of MRI equipment and/or offering of MRI services and conversion of MRI services to fixed services. This application is in substantial compliance with applicable criteria and standards.

The *FY 2011 State Health Plan* provides that the conversion from mobile MRI service to fixed MRI service is considered the establishment of a new MRI service and requires CON review.

As stated previously, King's Daughters is authorized to provide mobile MRI services. The Hospital is utilizing a refurbished, GE MRI unit to provide the services.

**SHP Policy Statement (PS) Regarding (MRI)**

**PS - 4 Conversion from Mobile MRI to Fixed MRI:** The proposed project involves the conversion of the Hospital's mobile MRI service to fixed MRI service. This CON application is seeking authority for such conversion.

**PS - 5 Utilization of Existing Units:** King's Daughters is located in General Hospital Service Area (GHSA) 7 and the Hospital identifies its primary service area as Lincoln County. The applicant submits that King's Daughters is the only provider of MRI services in Lincoln County.

According to the *2011 State Health Plan*, there were 7,804 MRI procedures performed in GHSA 7 during Fiscal Year (FY) 2009 and 4.20 full time equivalent (FTE) MRI units. Therefore, the average number of MRI procedures performed in FY 2009 in GHSA 7 was 1,858.

The applicant submits that this project is for the conversion of mobile MRI services to a fixed service, therefore; there is no actual impact on the existing providers and if any they will be minimal.

**PS – 6 Population-Based Formula:** According to the applicant King's Daughters is the only acute care hospital and the only provider of MRI services in Lincoln County. The applicant states that its primary service area is Lincoln County where over sixty percent (60%) of its patients reside. In addition, the applicant recognizes Copiah County, Lawrence County, Pike County, and Franklin County as its secondary service area.

The *2011 State Health Plan*, utilizing the Mississippi Population Projections for 2010, 2015, and 2020, August 2005 indicates a population of 34,904 for Lincoln County, 30,466 for Copiah County, 13,936 for Lawrence County, 40,619 for Pike County, and 8,460 for Franklin County (total population projected 128,385). However, the Hospital is located in GHSA 7, which has a total population projection of 176,215.

### **Population-Based Formula for Projection of MRI Service Volume**

**X\*Y ÷1,000=V**

**Where, X = Applicant's Defined Service area population**

**Y = Mississippi MRI Use Rate**

**V = Expected Volume**

$$\frac{\text{34,904 (Lincoln County's population projections)}}{1,000} = \text{34.904}$$

$$\text{34.904 *87.17 (MS MRI use rate)} = \text{3,043}$$

$$\frac{\text{176,215 (GHSA 7 population projections)}}{1,000} = \text{176.215}$$

$$\text{176.215*87.17 (MS MRI Use Rate)} = \text{15,360}$$

The applicant notes that when applying the Mississippi MRI use rate to the population projection of GHSA 7 it statistically generates 15,360 MRI procedures, which is almost two times the number of procedures actually performed in GHSA 7 in 2009. According to the applicant, the residents of GHSA 7 and Lincoln County are being underserved or are being forced to travel outside GHSA 7 to receive the appropriate MRI service.

#### **SHP Criterion 1 – Need**

An entity desiring to offer MRI services must document that the equipment shall perform a minimum of 2,700 procedures by the end of the second year of operation, according to the *FY 2011 State Health Plan*.

The applicant indicates that the proposed project is to seek approval for the conversion of a mobile MRI unit to a Fixed MRI unit.

According to the *2011 State Health Plan*, King's Daughter performed a total of 1,179 procedures in 2008 and 1,436 in 2009.

The applicant makes the following projections of MRI procedures to be performed during the first and second years of operation:

Year 1	Year 2
1,892	2,867

As previously stated, King's Daughter is the only acute care hospital and the only provider of MRI services in Lincoln County. The Hospital's primary service area is Lincoln County where over sixty percent (60%) of

its patients reside. The applicant indicates its secondary service area as Copiah County, Lawrence County, Pike County, and Franklin County.

The *2011 State Health Plan* indicates a population projection of 34,904 for Lincoln County and 176,215 for GHSA 7 in 2010 with a Mississippi MRI use rate of 87.17. Applying the Mississippi MRI use rate to the population projection in GHSA 7 revealed the number of MRI procedures that statistically are generated by the resident of GHSA 7 to be 15,630. Additionally, when calculating the population projections for Lincoln County with the Mississippi MRI use rate it equates to 3,043.

Therefore, the applicant believes the application of the Mississippi's MRI use rate to the population projections of King's Daughter primary service area clearly supports the Hospital's compliance with this criterion.

In addition, the applicant must demonstrate that all existing units within its defined service area have performed an average of 1,700 procedures for the most recent 12-month period. According to the FY 2011 Sate Health Plan, there were 4.20 FTE units operating in General Hospital Service Area 7 during 2009, for an average of 1,858 procedures per unit (See the following table).

**General Hospital Service Area 7**  
**Location and Number of MRI Procedures**  
*FY 2011 State Health Plan*

Facility Name	Location/Type of Equipment	Day(s)	# of Hours	2008 No. of Procedures Performed	2009 No. of Procedures Performed	FTE Unit 2009
King's Daughters Medical Center	Brookhaven/M	Mon – Fri	40 hrs	1,179	1,436	1.00
Open Air of Miss Lou-Natchez Reg. M.C.	Natchez/F(2)	Mon - Fri	80 hrs	2,968	2,997	2.00
SMI-Lawrence County Hospital	Monticello/M	Wed	PM	117	136	.10
SMI-Walthall County Hospital	Tylertown/M	Wed	4 hrs	240	177	.10
Southwest MS Regional Medical Center	McComb/F	Mon – Fri	75 hrs	3,033	3,058	1.00
<b>Total</b>				<b>7,537</b>	<b>7,804</b>	<b>4.20</b>
<b>Average Procedures/ MRI FTE</b>				<b>1,794</b>	<b>1,858</b>	

F – Fixed      M – Mobile  
 FTE – Full-time equivalent

### **SHP Criterion 2 – Quality Assurances**

The applicant certifies that King's Daughters will purchase the Toshiba Titan from Toshiba America and the Spectris Solaris EP MR Injector from Medrad. The applicant affirms that the equipment is FDA approved, will be operated by qualified personnel, and that there are no fixed/minimum volume requirement for the equipment.

### **SHP Criterion 3 – Information Recording/Maintenance**

The applicant affirms that data listed in this criterion will be kept and made available to the Mississippi State Department of Health within 15 business days of request.

### **SHP Criterion 4 – Registration**

The application contains documentation of formation and listing of good standing in the State of Mississippi for King's Daughter Medical Center.

### **SHP Criterion 5 – CON Approval**

The applicant submits this application for the conversion of the Hospital's mobile MRI service to fixed MRI service and equipment.

### **Criteria and Standards for the Offering of Fixed or Mobile MRI Services**

#### **SHP Criterion 1 – Need**

The applicant projects to perform 1,892, 2,867, and 3,281 procedures the first, second, and third year of operation, respectively. These projections meet and exceed the minimum requirement of 2,700 procedures required by the end of the second year of operation.

#### **SHP Criterion 2 - Documentation of Diagnostic Imaging Modalities**

The applicant states that the Hospital is currently a provider of MRI services and maintains and will continue to maintain a full range of diagnostic imaging modalities for verification and complementary studies. The applicant further states that these modalities include, but are not limited to, computed tomography (full body), ultrasound, angiography, nuclear medicine, and conventional radiology.

### **SHP Criterion 3 – Accessibility**

The applicant affirms that King's Daughters does not have policies or procedures that would exclude patients because of race, color, age, sex, ethnicity, or ability to pay.

### **SHP Criterion 4 - Staffing**

According to the applicant, King's Daughters is currently a provider of MRI services and has available the staff that is required by this criterion.

### **SHP Criterion 5 – Research Staffing**

The applicant indicates that King's Daughters does not anticipate using the Toshiba Titan for experimental procedures. The applicant further indicates that however, if the Hospital were to do so it would only do so with formal/approved protocols in place and a full-time medical physicist or MRI scientist with at least one year of experience in diagnostic imaging available in the facility.

### **SHP Criterion 6 – Data Requirement**

The applicant assures that: the data requirements listed for this criterion will be met; it will record and maintain, at a minimum, the information required in this criterion regarding charity care, care to the medically indigent, and Medicaid populations; and will make the required information available to the Mississippi State Department of Health within 15 days of the request.

### **SHP Criterion 7 – CON Approval**

As stated previously, the applicant submits this application for the conversion of the Hospital's mobile MRI service to fixed MRI service and equipment.

### **Certificate of Need Criteria and Standards for Construction, Renovation, Expansion, Capital Improvements, Replacement of Health Care Facilities, and Addition of Hospital Beds**

### **SHP Criterion 5 – Charity/Indigent Care**

The applicant submits that King's Daughters currently provides and will continue to provide a "reasonable amount" of indigent/charity care.

### **SHP Criterion 6 – Reasonable Construction and Equipment Cost**

According to the applicant the square footage cost for the addition of the modular building and the connecting hallway consisting of 936 square feet of space, including a \$40,000 contingency amount is \$229.70. The *Means Building Construction Cost Data, 2011 Edition* lists the cost for new hospital construction range from \$184 to \$315 per square foot. Therefore, the applicant submits that the cost is reasonable when compared to other similar projects in the state and that the equipment costs for the project do not exceed the median costs for equipment of similar quality by more than fifteen percent (15%).

### **SHP Criterion 7 – Floor Area and Space Requirements**

King's Daughters submits that the gross square footage of the modular building and the connecting hallway is 936 square feet of space and is efficient for the operation of the Toshiba Titan.

No restraints on the proposed project are expected due to architectural design.

No special considerations due to local conditions are requested by the applicant.

### **SHP Criterion 8 – Construction vs Replacement**

The applicant states that the cost (\$175,000) of the proposed construction of a modular building, as installed and with the connecting hallway, does not exceed eighty-five percent (85%) of the cost to replace the hospital.

### **SHP Criterion 9 – Service Specific Criteria**

The application does not propose any new services. King's Daughters is a current provider of MRI services.

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

Chapter 8 of the *Mississippi Certificate of Need Review Manual, revised May 1, 2010*, 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 – State Health Plan**

The application was reviewed for compliance with the *FY 2011 State Health Plan* as previously discussed.

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

The applicant states that the proposed project to convert the Hospital's MRI service to a fixed MRI service and to acquire state-of-the-art MRI equipment comports with the Hospital's goal to provide quality, efficient health care to all residents of the Lincoln County community and the Hospital's secondary service area and is compatible with its long-range plans.

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

The applicant contends that several options were considered. They are as follows:

**Status Quo:** The applicant submits that the Hospital could continue providing MRI services in a cramped mobile trailer with outdated MRI equipment. However, this alternative was rejected because such decision would not be in the best interest of the Hospital's patients or the Lincoln County community. The applicant states that currently, King's Daughters must refer many of its patients to other providers who are able to accommodate those patients by providing MRI procedures that the current GE equipment is incapable of providing. Additionally, some of those patients may not be in a position to travel and may have to rely on less sophisticated diagnostic testing.

**Utilize Different Mobile MRI Equipment:** The applicant submits that the Hospital discussed this alternative with members of its medical staff. It was determined that, given the fact that it must refer many of its patients to other MRI providers to perform more sophisticated MRI procedures and given the fact that it provided 826 MRI procedures during the six-month period of August 2010 through January 2011, that it would best serve the healthcare needs of its patients and the residents in its service area by offering fixed MRI service utilizing state-of-the-art MRI equipment.

**Convert to Fixed MRI Service and Renovate the Existing physical Plant to Accommodate the Equipment:** The applicant states that after selecting the appropriate MRI unit they had to determine the best place to locate the new unit. The Hospital considered renovating the imaging department to accommodate the new MRI unit. However, when they compared this alternative to the selected proposed option, they found that there were significant cost savings by having Toshiba America install a modular building with a veneer compatible with the physical plat.

**Convert to Fixed MRI Service and Add Modular Building onto Imaging Department:** The applicant contends that this alternative selected by the Hospital, to acquire the Toshiba Titan and to add a modular building to the imaging department, was the best alternative.

According to the applicant, the building will be large enough to allow efficient access to the patient through the entire MRI procedure, will allow the provision of the state-of-the-art MRI procedures, and will allow direct view of the patient throughout the entire MRI procedure. Additionally, the addition of the modular building will be less costly than the renovation to the physical plant and will still provide the necessary space for provision of the MRI procedures in an aesthetic addition to the Hospital.

#### **GR Criterion 4 – Economic Viability**

The applicant submits that in order to determine the feasibility of its offering fixed MRI services and acquiring the Toshiba Titan 1.5T MRI unit, King's Daughters requested its director of radiology to analyze what effect the project is expected to have on utilization. According to his analysis, the Hospital will provide 3,012 MRI procedures during the first year of operation. The applicant further submits that the director of radiology's analysis is based on historical data, estimates of physicians on staff at the Hospital, and expected increases based on new types of procedures. However, the Hospital's chief financial officer conservatively lowered those projections to 1,868 MRI procedures during the first year of operation to allow for the possibility that there will be some "start-up" time for the fixed service and 2,867 MRI procedures by the second year of operation.

The applicant contends that the implementation of this project will not result in an increase or decrease in the current charges for MRI procedures. However, the Hospital periodically increases its charges for procedures based on inflationary costs and reimbursement issues. The Hospital further contends that such increases are reasonable and compare favorably to other similar services in GHSA 7 and the State. Furthermore, the Hospital believes the increases reflected in the charges for MRI procedures reflect the fact that the Hospital will be able to provide more complex MRI procedures on the new equipment.

Staff concluded that the proposed project will be economically viable by the third year of operation.

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

The applicant submits that no changes will be made to the population served nor do they expect any changes in utilization at either its facility or other providers as a result of this project as they currently provide the service.

The application contains fifteen (15) letters of support for the proposed project.

The Department did not receive any letters of opposition concerning the proposed project.

#### **GR Criterion 6 – Access to the Facility or Service**

The applicant affirms that all residents of the health planning service area, hospital service area, and patient service area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons, and the elderly currently has access to the services.

#### **GR Criterion 7 – Information Requirement**

The applicant affirms that it will record and maintain the information required by this criterion and make it available to the Mississippi State Department of Health within 15 business days of proper request.

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

The applicant submits that the proposed project is for the conversion of mobile MRI service to a fixed MRI service and the acquisition of MRI equipment. They do not contemplate the addition of a new MRI provider in Lincoln County, the Hospital's primary service area, GHSA 7, or the State. The applicant further submits that the new state-of-the-art Toshiba Titan will permit the provision of the following MRI procedures that cannot be provided on the current GE unit: MR of the biliary tree (MRCP), MR angiography of the extremities, abdominal MR, non-contrast MR, cardiac MR, and procedures on persons weighing in excess of 300 pounds.

According to the *2011 State Health Plan* there are four (4) MRI providers, five (5) facilities in the service area with only one (1) being in Lincoln County. However, the applicant believes this project will not have any impact on existing providers since King's Daughters is currently providing MRI services.

The Department has not received any letters of opposition for the proposed project.

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

The applicant documents that this service is currently operating and only one new personnel, certified MRI technician, will be required, at a cost of \$45,490 for the first year.

### **GR Criterion 16– Quality of Care**

The applicant states that King's Daughters have a history of providing quality medical care to the resident of its service area. The applicant further states that it has in place a quality improvement program for the purpose of ensuring the delivery of the highest quality care to its patients in the most efficient and effective manner with the resources available.

King's Daughters is certified to participate in the Medicare and Medicaid programs and is accredited by The Joint Commission.

## **IV. FINANCIAL ANALYSIS**

### **A. Capital Expenditure Summary**

The total estimated capital expenditure is allocated as follows:

	Item	Cost	Percent of Total
a.	Construction Cost -- New	\$175,000	11.71%
b.	Construction Cost -- Renovation		
c.	Capital Improvements		
d.	Total Fixed Equipment Cost		
e.	Total Non-Fixed Equipment Cost	1,278,868	85.61%
f.	Land Cost		
g.	Site Preparation Cost		
h.	Fees (Architectural, Consultant, etc.)		
i.	Contingency Reserve	40,000	2.68%
j.	Capitalized Interest		
k.	Other		
	<b>Total Proposed Capital Expenditure</b>	<b><u>\$1,493,868</u></b>	<b><u>100%</u></b>

**B. Method of Financing**

As previously stated, the applicant intends to finance \$1,453,868 of the project for 60 months with an expected interest rate of 4.05% interest and finance the balance through accumulated cash reserves. The applicant included a projected operating statement for the first, second, and third years of operation (See Attachment 1).

**C. Effect on Operating Costs**

With regard to this project, the applicant's projected Operating Statement for King's Daughters for the first three years of operation is listed as Attachment 1.

The applicant projects 1,892 MRI procedures will be performed the first year, 2,867 the second year, and 3,281 MRI procedures the third year of operation. The cost for the first year is \$441, the second year \$297, and \$281 the third year, and the charge per scan will be \$2,079 for the first, \$2,258 for the second year, and \$2,388 the third year.

**D. Cost to Medicaid/Medicare**

The cost of the project to third party payors is as follows (based on gross patient revenue):

Patient Mix by Payor	Utilization Percentage	First Year Cost
Medicare	37%	\$1,455,913
Medicaid	17%	668,933
Commercial	4%	157,396
Self Pay	11%	432,839
Charity Care	1%	39,349
Other	<u>30%</u>	<u>1,180,470</u>
<b>Total</b>	<b>100%</b>	<b>3,934,900</b>

**V. RECOMMENDATION OF OTHER AFFECTED AGENCIES**

The Division of Medicaid was provided a copy of this application for comment; however, no comments were received prior to posting of the staff analysis.

## VI. CONCLUSION AND RECOMMENDATION

This project is in compliance with the criteria and standards for the offering of fixed or mobile MRI services as contained in the *FY 2011 Mississippi State Health Plan*; Chapter 8 of the *Mississippi Certificate of Need Review Manual, 2010 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 application submitted by King's Daughters Medical Center for the acquisition or otherwise control of MRI equipment and conversion of MRI services from mobile to fixed.

**ATTACHMENT 1**  
**KING'S DAUGHTERS MEDICAL CENTER**  
**PROJECTED OPERATING STATEMENT (Project Only)**

	Year 1	Year 2	Year 3
<b>Revenue</b>			
Gross Patient Care Revenue	\$3,934,900	\$6,476,311	\$7,837,337
<b>Deduction From Revenue</b>			
Charity/Indigent Care	(\$39,960)	(\$65,480)	(\$82,070)
Contractual Allowances	(\$2,022,410)	(\$3,466,346)	(\$4,312,909)
<b>Total Deductions</b>	<b><u>(\$2,062,370)</u></b>	<b><u>(\$3,531,826)</u></b>	<b><u>(\$4,394,979)</u></b>
<b>Net Patient Care Revenue</b>	<b>\$1,872,530</b>	<b>\$2,944,485</b>	<b>\$3,442,358</b>
<b>Total Operating Revenue</b>	<b><u>\$1,872,530</u></b>	<b><u>\$2,944,485</u></b>	<b><u>\$3,442,358</u></b>
<b>Operating Expenses</b>			
Salaries	\$202,931	\$209,394	\$216,064
Benefits	43,631	45,020	46,453
Supplies	28,380	43,856	51,795
Services	27,369	158,305	164,637
Lease	220,425	-	-
Depreciation	145,387	145,837	145,837
Interest	30,923	30,923	30,923
Other	136,224	220,178	268,436
<b>Total Operating Expense</b>	<b><u>835,270</u></b>	<b><u>853,513</u></b>	<b><u>924,147</u></b>
<b>Net Operating Income</b>	<b><u>\$1,037,260</u></b>	<b><u>\$2,090,972</u></b>	<b><u>\$2,518,211</u></b>
<b>Assumptions</b>			
Number of Scans	1,892	2,867	3,281
Charge per Scan	\$2,079	\$2,258	\$2,388
Cost per Scan	\$441	\$297	\$281