

**MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT**

JANUARY 20, 2026

CON REVIEW: MC-NIS-MME-1225-015

SPECIALTY ORTHOPEDIC GROUP OF MISSISSIPPI, PLLC D/B/A

SPECIALTY ORTHOPEDIC GROUP

**ACQUISITION OF MAGNETIC RESONANCE IMAGING ("MRI") EQUIPMENT AND
OFFERING OF FIXED MAGNETIC RESONANCE IMAGING SERVICES AT SPECIALTY
ORTHOPAEDIC GROUP OF MISSISSIPPI IMAGING CENTER**

CAPITAL EXPENDITURE: \$8,934,188.00

LOCATION: TUPELO, LEE COUNTY, MISSISSIPPI

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Specialty Orthopedic Group of Mississippi, PLLC ("Applicant" and "SOGM"), is a limited liability company that operates an orthopaedic medicine clinic in Tupelo, Mississippi at 1211 S. Gloster Street, Suite A ("Tupelo Clinic"). A separate entity, SOG Surgery Center, LLC, operates an ASC single-specialty surgical facility in the same building but in a different suite, Suite B. This entity consists of twelve (12) Owners/ Board/ Admin. Staff, that includes three (3) members of Medical Executive Board, one (1) Medical Director, and three (3) Administrative Staff. On December 1, 2025, the Mississippi Office of the Secretary of State issued a Certificate of Good Standing for the entity, certifying that it has authority to operate in Mississippi.

The Applicant's application includes a confidential proposal by Vendor for purchase of MRI Systems and Financial Statements that were reviewed by the Department. In addition, the application included schematic drawings, a cost estimate for the proposed project, site approval letter, physician's affidavits, and letters of support.

B. Project Description

Specialty Orthopedic Group of Mississippi, PLLC d/b/a Specialty Orthopedic requests Certificate of Need (CON) authority to acquire two (2) magnetic resonance imaging ("MRI") units and to offer fixed MRI services at an imaging facility to be constructed on land owned by SOGM in Tupelo across the street from Specialty Orthopedic Group Urgent Ortho Care, located at 910 Mary Vance Drive. The Applicant affirms SOGM Physicians neither own nor operate any MRI units, at present. The Applicant proposes the construction cost of an SOGM imaging center building ("SOGM Imaging Center") to house two (2) MRI units (the "MRI Units") (collectively, the "Project") as follows:

• Two (2) MRI Units and associated equipment	\$2,350,400.00
• Construction of the imaging facility	\$6,153,073.00
• Capitalized interest	\$430,715.00
Total Cost	<u>\$8,934,188.00</u>

The Applicant states at the time of the submission of the application, the City of Tupelo had not assigned a street address for this property for the proposed project. The Applicant states the Orthopaedic clinic urgent care and ambulatory surgical services are provided exclusively at these Tupelo locations by the physicians of SOGM ("SOGM Physicians"). The Applicant states SOGM Physicians also operate seven (7) additional clinics in Mississippi, located in Batesville, Cleveland, Eupora, New Albany, Oxford, Senatobia, and Starkville. The Applicant states diagnostic imaging services provided at the Tupelo Clinic, ASC and Ortho Care Clinic are, at present, limited to x-ray technology. The Applicant further states patients requiring more detailed imaging, that can be obtained through an MRI scan, must go to other facilities in North Mississippi.

The Applicant states the physicians of SOGM believe that their orthopaedic patients would benefit greatly from the availability of MRI services at the proposed location and they plan for this equipment to be used only for their patients. The Applicant states they have experienced increasing demands for MRI scans for its patients in recent years. The Applicant further states, the SOGM Physicians based in Tupelo, ordered 3,892 MRI scans in 2023, 5,178 in 2024 and 5,572 (YTD) in 2025. The Applicant states this trend has been caused, in part, by insurers who increasingly require verification by MRI scan before orthopaedic surgery can be authorized.

The Applicant states at present, SOGM's patients routinely experience delays in obtaining appointments for MRI scans. The Applicant states if approved, this proposed project would allow the SOGM Physicians' patients in Tupelo, a significant percentage of whom are experiencing pain symptoms, the option and convenience of having these procedures performed by their orthopaedic physicians, without waiting for an appointment at another location. The Applicant states by enabling patients to receive imaging at the same campus and often on the same day as their orthopaedic evaluation or procedure, the proposed project will enhance patient convenience, improve continuity of care, and reduce the risk in delayed imaging that will postpone needed treatment.

The Applicant states the proposed project fully complies with all applicable policies, criteria and standards in the Fiscal Year 2022 Mississippi State Health Plan (3rd Edition) and the General Review Criteria in the Mississippi Certificate of Need Review Manual.

The Applicant affirms SOGM will obligate capital expenditure and begin construction within ninety (90) days of final approval of this application. The Applicant further states they anticipate the project will be completed within sixty (60) days after construction is complete and the MRI is delivered and installed.

The Applicant states they're seeking Certificate of Need authority to offer MRI services at a new imaging center that will allow patients of SOGM Physician suffering from orthopaedic related conditions to be treated in a timely and efficient manner.

The Applicant states if approved, the MRI equipment will be placed in a new 5,800 sf SOGM Imaging Center in Tupelo and approximately 625 square feet will be required for each MRI Unit.

The Applicant states SOGM will only begin construction of the imaging center after a building permit is obtained from the City of Tupelo, signifying that the proposed use is in conformity with state and local building codes and zoning ordinances. The Applicant further states SOGM represents that it will comply with state and local building codes, zoning ordinances, and/or other appropriate regulations before the building is constructed and the MRI equipment is placed in service.

SOGM further affirms they will comply with all applicable state statutes and regulations for the protection of the environment, including: 1) approved water supplies; 2) sewage and water disposal; 3) hazardous waste disposal; 4) water pollution control; 5) air pollution control; and 6) radiation control.

II. TYPE OF REVIEW REQUIRED

The Mississippi State Department of Health will review applications for a Certificate of Need (CON) to acquire or otherwise control magnetic resonance imaging ("MRI") equipment and offer MRI services under the requirements of Sections 41-7-173, 41-7-191, and 41-7-193, Mississippi Code of 1972 Annotated, as amended. MSDH will also review applications for CON according to the general criteria listed in the *Mississippi Certificate of Need Review Manual, November 11, 2023*; all adopted rules, procedures, plans, criteria and standards of the MSDH; and the specific criteria and standards listed below.

In accordance with Section 41-7-197 (2) of the Mississippi Code of 1972 Annotated, as amended, any 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 January 30, 2026.

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

General Certificate of Need Policies

- To Improve the Health of Mississippi Residents**

The Applicant states the proposed project will improve the health of Mississippi residents by increasing the accessibility of MRI services for the Applicant's patients suffering from breaks, dislocations, and other types of orthopaedic conditions that cause pain and suffering. The Applicant states at present, individuals presenting to the Applicant's Tupelo Clinic or ASC must go elsewhere for these services. The Applicant further states that having the MRI Units available and in close proximity, assisted by staff employed by the SOGM Physicians, will greatly increase the speed at which this state-of-the-art diagnostic imaging can be utilized to diagnose a patient's condition. The Applicant states that by allowing patients to obtain MRI scans in the same integrated orthopaedic system where they are evaluated and treated, the proposed project will support earlier diagnosis, more timely initiation of appropriate treatment plans, and improved overall outcomes for orthopaedic patients.

- To Increase the Accessibility, Acceptability Continuity, and Quality of Health Services**

The Applicant states that having the MRI Units in close proximity, utilizing the same treatment protocols and billing procedures as the patient's treating physician(s), will increase the accessibility, acceptability, continuity, and quality of the health services offered by the Applicant. The Applicant states that patients can be treated more quickly and efficiently in this manner. The Applicant states at present, Applicant's physicians must refer patients to another provider. The Applicant further states that giving SOGM patients the option of diagnostic imaging with the proposed MRI Units will also increase the quality of orthopaedic services that are provided by facilitating diagnostic imaging by technicians who are experienced in handling orthopaedic injuries. The Applicant submits the proposed MRI Units will also be available for the use of patients who are seen at other SOGM locations in North Mississippi. The Applicant asserts by adding these MRI Units with SOGM's existing orthopaedic clinic, urgent care, and ASC patients, they will be able to complete imaging, physician evaluation, and follow-ups within a single, familiar system,

thereby improving patient convenience, strengthening continuity of care, and supporting consistent application of evidence-based orthopaedic treatment protocols.

- **To Prevent Unnecessary Duplication of Health Resources**

The Applicant states MRI service providers in the Applicant's service area are experiencing significant volumes, well above the minimum criteria provided for in the State Health Plan. The Applicant states additional MRI units would allow faster treatment of patients suffering orthopaedic injuries by staff who are experienced in treating such conditions, without unnecessarily duplicating such diagnostic imaging procedures offered elsewhere. The Applicant further states the projected MRI volumes for the proposed units are based primarily on existing and reasonably anticipated referrals from SOGM's orthopaedic physicians, rather than on shifting patients from other providers, so the proposed project will relieve pressure on heavily utilized scanners while avoiding unnecessary proliferation of MRI capacity in GHSA-2.

- **To Provide Some Cost Containment**

The Applicant states the proposal is for two (2) MRI Units, at a cost that is well within those typical for units of this size and type. The Applicant states locating the MRI Units in an integrated system will permit efficient scheduling, staffing, and equipment utilization, which should reduce avoidable delays and duplicative testing and thereby contribute to cost-effective delivery of MRI services for patients, payors, and the health care system.

A. Mississippi State Health Plan (MSHP)

The *FY 2022 Mississippi State Health Plan (3rd Edition)* contains policy statements, criteria and standards, which an applicant is required to meet before receiving CON authority for the acquisition or otherwise control of MRI equipment and the offering of MRI services.

SHP Policy Statement 1 - CON Review Requirements

The Applicant states that they understand that it must satisfy the elements of the Policy Statement and Certificate of Need Criteria and Standards for the offering of MRI Services in Tupelo. The Applicant states with regard to part (a) of this policy statement, the capital expenditure for the MRI Units and related equipment does not exceed \$1,545,000 per unit.

The Applicant states SOGM has filed this application for a CON because it has not provided MRI services within the last twelve (12) months at this location. The Applicant states this application and supporting materials are offered as evidence of SOGM's compliance with these requirements.

SHP Policy Statement 2 - CON Approval Preference

The Applicant states this statement is not applicable, SOGM does not propose to enter into a joint venture utilizing mobile or shared equipment.

SHP Policy Statement 3 - Mobile MRI

The Applicant states this statement is not applicable, SOGM does not propose to utilize mobile or shared equipment.

SHP Policy Statement 4 - Conversion to Fixed

The Applicant states this statement is not applicable – SOGM does not propose the utilization of a mobile MRI service.

SHP Policy Statement 5 - Utilization of Existing Units

The Applicant affirms this application and supporting materials are offered as evidence of SOGM's compliance with this policy, including but not limited to the requirement that all existing MRI service providers in the defined service area performed an average of 1,700 MRI procedures per existing and approved MRI scanner during the most recent twelve (12) month reporting period. The Applicant states SOGM's compliance with this policy is discussed in Section 512.01.04, Need Criterion 1(c), below.

The Applicant states SOGM's proposed imaging center is to be located in General Hospital Service Area 2, as designated by the 2022 Mississippi State Health Plan 3rd Edition ("State Health Plan," "Plan" and "SHP"). The Applicant states according to the Plan, there are eight (8) MRI service providers located in this service area, representing 11.7 FTE units. The Applicant states during 2020, the most recent 12 month reporting period available, these units performed a total of 32,780 MRI scans, or an average of 2,801 MRI scans for each FTE MRI unit. The MSDH recently approved a new MRI unit for GHSA-2. The Applicant further states however even adding this new unit this criterion is satisfied: 32,780 MRI scans + 12.7 FTEs = 2,581.

The Applicant states the addition of the new MRI units at SOGM's proposed imaging center will not reduce the utilization of existing providers in the service area, to any appreciable degree. Factors supporting this contention include:

- The Applicant demand for MRI scans in GHSA-2 is very strong. For example, adding up to seven (7) additional fixed MRI units (at 1 FTE each) to this service area still results in an average of more than 1,700 scans per provider: 32,780 MRI scans + 18.7 FTEs = 1,752.94. In addition, the Applicant states the total number of MRI scans have increased over the years. According to the FY 2020 Mississippi State Health Plan, the total number of MRI procedures in GHSA-2 was 29,868 in FY 2015 and 31,182 in FY 2016. The Applicant states the total number of MRI procedures in GHSA-2 grew to 32,558 in FY 2019 and 32,780 in FY 2020. According to the most recent data from Application for Renewal of Hospital License and the American Hospital Association's Annual Survey of Hospitals for Non-Federal Hospitals for Calendar Year 2025 and the Fiscal Year 2024 Annual Hospital Report. Updated data was provided by the Application for Renewal of Hospital License and the American Hospital Association's Annual Survey of Hospitals for Non-Federal Hospitals for Calendar Year 2025 and the Fiscal Year 2024 Annual Hospital Report (See table below)

GHSA	FY 2022	FY 2023	FY 2024
Inpatient	5,323	5,910	6,767
Outpatient	19,065	20,809	22,649

- The Applicant states during the first and second years of operation, as demonstrated elsewhere in this application, the number of projected MRI scans in both the GHSA-2 and within the Applicant's Tupelo service area, is expected to be

more than sufficient to support SOGM's proposed MRI Units and allow for continued growth of existing MRI units.

- The Applicant states the population of GHSA-2 is more than sufficient to support the Applicant's proposed MRI Units and allow for continued growth of existing MRI units.

SHP Policy Statement 6 - Population-Based Formula

The Applicant acknowledges this application and supporting materials are offered as evidence of SOGM's compliance with this policy, including but not limited to the requirement that the Applicant shall project a reasonable population base to justify the provision of 2,700 procedures per MRI Unit (or 1,700 procedures for rural hospitals) by the second year of operation. The Applicant states they are compliant with this policy as discussed in Section 512.01.05, below.

SHP Policy Statement 7 - Mobile Service Volume Proration

The Applicant states this statement is not applicable. The Applicant is not proposing a mobile MRI service.

SHP Policy Statement 8 - Addition of a Health Care Facility

The Applicant states this statement is not applicable.

Certificate of Need Criteria and Standards for the Acquisition or Otherwise Control of Magnetic Resonance Imaging (MRI) Equipment and/or the Offering of MRI Services

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

The acquisition or otherwise control of MRI equipment is reviewable if the equipment cost is in excess of \$1,545,000.00; if the equipment and/or service is relocated; and if the proposed provider of MRI services has not provided such services on a regular basis within the period of twelve (12) months prior to the time such services would be offered, regardless of the capital expenditure.

The Applicant acknowledges this statement. The Applicant states this application seeks CON authority to offer MRI services at SOGM's proposed imaging center and, if required by MSDH, the acquisition and control of MRI equipment.

SHP Need Criterion 1: Minimum Procedures/Population

The *FY 2022 Mississippi State Health Plan, Third Edition* states: The entity desiring to acquire or otherwise control the MRI equipment shall demonstrate a minimum of 2,700 procedures per year by the end of the second year of operation. The applicant must show the methodology used for the projections.

a. Non-hospital-based MRI facilities

The Applicant has attached as Exhibit G affidavits from SOGM Physicians demonstrating that Applicant will perform a minimum of 2,700 procedures per MRI Unit (5,400 total) a year by the end of the second year of operation. The Applicant states SOGM projects performing 6,251 procedures during its first year of operation and 6,438 procedures by its second year of operation. The Applicant states these projections are based on the actual MRI scans currently being ordered by the SOGM Physicians at the Tupelo locations who have completed affidavits (Exhibit G), along with any collaborating Advanced Practice Providers:

Year	2023	2024	2025	Y12026	Y12027	Y12028
MRI Orders	3892	5178	5572	6251	6438	6631

Projections/Providers	Y12026	Y12027	Y12028	Collaborating NP/PA
Adams, Jeremy	379	390	402	Hannah Boren, Tedi Kennedy
Farrell, Sean	13	14	14	N/A
Lee, David	47	49	50	N/A
Lensing, Gabe	561	578	596	Jordan Ellis
Marks, Tyler	236	243	250	Matthew Murphy
Mathis Taylor	1642	1691	1742	Ashley Roberson, Courtney Pruitt
Miller, Matthew	243	250	258	Ashton Scarborough
Moore, Allen	42	43	45	Chase Crumpton
Rainey, Richard	1639	1688	1739	Sonya Pippins
Roberson, Rowland	385	397	409	Robin McDonald, Dylan Gunter
Sandifer, Phillip	53	54	56	N/A
Seely, William	565	582	600	Christianne Curbow, Jessica Shelton
Smithey, Jacob	51	53	54	Blake Kennedy
Sullivan, Billy	112	116	119	N/A
Williams, Jeb	281	290	298	Callan Rowley
Total	6251	6438	6831	

The Applicant states GHSA-2's population base and demonstrated demand for MRI scans by providers located in this service area all support Applicant's projections for MRI scans at the proposed SOGM Imaging Center. See the discussion in Section b., below, and Section 512.01.05.

b. Reasonable population base:

The Applicant states that there will be a reasonable population within Applicant's service area to justify a minimum of 2,700 procedures per MRI Unit (5,400 total) by the second year of operation. The Applicant states the projected demand among service area residents, based on the application of the Population Formula, will be sufficient to support the Applicant's projected volumes during its second year and will not result in a reduction of the average annual volume of existing providers below 1,700 procedures.

The Applicant asserts that based on facts demonstrated in the *FY 22 State Health Plan*, there is a reasonable population base to justify the Applicant's projection of 6,438 scans at its new SOGM Imaging Center by the second year of operation.

The Applicant states this is especially true when considering that: (1) a significant part of the Applicant's expected MRI volume will come from existing patients; and (2) GHSA-2 can support additional MRI units and still be above the 1,700 per existing unit minimum criterion.

c. Utilization of existing units:

The Applicant states SOGM's proposed imaging center is to be located in General Hospital Service Area 2, as designated by the *2022 Mississippi State Health Plan*. According to the Plan, there are eight (8) MRI service providers located in this service area. The Applicant states that during 2020, the most recent 12 month reporting period available, these units conducted a total of 32,780 MRI scans, or an average of 2,801 MRI scans for each MRI unit. See 2022 SHP at Table 5-6. The Applicant indicates MSDH recently approved a new MRI unit for GHSA-2, however, even adding this new unit this criterion is satisfied: $32,780 \text{ MRI scans} \div 12.7 \text{ FTEs} = 2,581$.

The Applicant states the proposed MRI units will only be used for patients treated by the SOGM Physicians.

SHP Need Criterion 2: Equipment Requirements

- a. FDA Approval** – The Applicant state the equipment is FDA approved.
- b. Qualified Personnel** – The Applicant states they certify that a full range of diagnostic imaging modalities for verification and complementary studies, including but not limited to, full body computed tomography, ultrasound, angiography, nuclear medicine, and conventional radiology, will be available either on-site at the proposed imaging center, at the Tupelo Clinic, ASC and other locations of SOGM Physicians, or available at a nearby hospital and health system, North Mississippi Medical Center. The Applicant states that the ready availability of these complementary modalities within the same coordinated system of care will facilitate comprehensive diagnostic work-ups, support continuity between imaging and treatment, and promote efficient, patient-centered use of MRI services.

The Applicant intends to hire two (2) MRI technologists. In addition to interpreting the imaging studies they have ordered, SOGM Physicians utilize radiologists employed by Premiere Radiology to review and interpret certain diagnostic studies. The Applicant states they will also hire a director to supervise their MRI units and other imaging systems. The Applicant further state they have no difficulty in obtaining the services of qualified persons to manage its existing x-ray systems.

- c. Fixed/minimum volume contracts** –
The Applicant state they have no plans to rent, lease or otherwise allow the use of the proposed MRI equipment by another provider without CON review. In any event, Applicant represents that no fixed/minimum volume contracts will be utilized for the proposed MRI equipment.

SHP Need Criterion 3 – Data Requirements

The Applicant affirms that, at a minimum, it will record and maintain the information required by this criterion and make it available to MSDH upon request within the time-period specified.

SHP Need Criterion 4: Business Registration

The application includes A Certificate of Good Standing for Applicant, supplied by the Mississippi Secretary of State dated December 1, 2025.

SHP Need Criterion 5: CON Approval/Exemption for MRI Equipment

The Applicant states SOGM Physicians seek authority to: (1) acquire and control two (2) new MRI Units, as specified in this application, and (2) to offer MRI services in the proposed imaging center with these new units. Applicant affirms that it will not utilize this fixed MRI equipment until obtaining CON authority to operate it or until it obtains written evidence from the MSDH that the equipment is exempt from CON approval.

Certificate of Need (CON) Criteria and Standards for the Offering of Fixed or Mobile MRI Services

CON Need Criterion 1: Minimum Procedures/Population

The entity desiring to offer MRI services must document that the equipment shall perform a minimum of 2,700 procedures (or 1,700 procedures for rural hospitals) by the end of the second year of operation. This criterion includes both fixed and mobile MRI equipment. The application must show the methodology used for the projections.

a. Non-hospital-based MRI facilities

The Applicant attached affidavits from SOGM Physicians demonstrating that Applicant will perform a minimum of 2,700 procedures per MRI Unit (5,400 total) a year by the end of the second year of operation. The Applicant states SOGM projects performing 6,251 procedures during its first year of operation and 6,438 procedures by its second year of operation. The Applicant states these projections are based on the actual MRI scans currently being ordered at SOGM's Tupelo facilities by the physicians completing the affidavits, along with any collaborating Advanced Practice Providers.

The Applicant states GHSA-2's population base and demonstrated demand for MRI scans by providers located in this service area all support the Applicant's projections for MRI scans at the proposed SOGM Imaging Center. The Applicant states because these projections are based largely on MRI scans already being ordered for SOGM's orthopaedic patients, together with reasonable growth in that volume, the proposed project will meet documented demand while avoiding unnecessary duplication of MRI services in GHSA-2.

b. Reasonable population base

The Applicant states there will be a reasonable population within Applicant's service area to justify a minimum of 2,700 procedures for each proposed MRI Unit (5,400 total) by the second year of operation. The Applicant states the projected demand among service area residents, based on the application of the Population Formula, will be sufficient to support the Applicant's projected volumes during its second year and will not result in a reduction of the average annual volume of existing providers below 1,700 procedures.

The Applicant states it is worth noting that even the Population Formula, which has been shown to underestimate actual MRI usage, yields an average of MRI scans per FTE for existing units, well above the 1,700 minimum criterion, in fact, the Population Formula predicts that GHSA-2 can support up to two (2) additional units, further confirmation that the population of GHSA-2 supports additional MRI units.

The Applicant states these facts demonstrate that there is a reasonable population base to justify the Applicant's projection of 6,438 scans at its new SOGM Imaging Center by the second year of operation. The Applicant states this is especially true when it is considered that: (1) a significant part of the Applicant's expected MRI volume will come from existing patients whose scans are presently being performed at other places; and (2) GHSA-2 can support additional MRI units and still be above the 1,700 per existing unit minimum criterion.

c. Utilization of existing units.

The Applicant states SOGM's proposed imaging center will be located in General Hospital Service Area 2, as designated by the 2022 SHP. According to the Plan, Table 5-6, there are eight (8) MRI service providers located in this service area, representing 11.7 FTE units. The Applicant indicates during 2020, the most recent 12 month reporting period available, these units conducted a total of 32,780 MRI scans, or an average of 2,801 MRI scans for each FTE MRI unit. See 2022 SHP at Table 5-6.

The Applicant indicates the MSDH recently approved a new MRI unit for GHSA-2. However, even adding this new unit this criterion is satisfied.

CON Need Criterion 2: Availability of Diagnostic Imaging Modalities

The Applicant certifies that a full range of diagnostic imaging modalities for verification and complementary studies, including but not limited to, full body computed tomography, ultrasound, angiography, nuclear medicine, and conventional radiology, will be available either on-site at the proposed imaging center, at the Tupelo Clinic, ASC and other locations of SOGM Physicians, or available at North Mississippi Medical Center. The Applicant states, the ready availability of these complementary modalities, within the same coordinated system of care, will facilitate comprehensive diagnostic work-ups, support continuity between imaging and treatment, and promote efficient patient-centered use, of MRI services.

CON Need Criterion 3: Non-Discrimination

The Applicant certifies that within the scope of its available services, neither the facility where the service is provided nor its participating medical personnel shall have policies nor procedures which would exclude patients because of race, color, age, sex, ethnicity, or ability to pay.

CON Need Criterion 4: Staffing Requirements

The Applicant affirms that SOGM Physicians will provide MRI services to their patients and plan to bill for the global MRI service provided (technical and professional components). The Applicant states that SOGM Physicians plan to continue to read and interpret the diagnostic imaging results they order, including the MRI scans produced by the proposed MRI units. The Applicant further states they will continue to employ radiologists employed by Premiere Radiology on a consulting basis to interpret radiological and MRI scans.

The Applicant states that before MRI services begin, it will enter into an employment agreement with a board eligible radiologist or nuclear medicine imaging physician, or other board eligible licensed physician whose primary responsibility during the prior three (3) years has been in the acquisition and interpretation of clinical images to serve as its director for diagnostic imaging. The Applicant states at the time of the filing of this application they were talking with an individual meeting these qualifications to serve as Director.

a. One Full-time MRI Technologist-Radiographer

The Applicant affirms they will employ at least one (1) individual to serve as an MRI technologist who will satisfy all the required criteria in Need Criteria 4 and will be on-site during all times the MRI units are in operation.

CON Need Criterion 5: Experimental Procedures

The Applicant states this criterion is not applicable to the proposed project. The Applicant states SOGM does not plan to use the proposed MRI units for experimental procedures.

CON Need Criterion 6: Data Requirement

The Applicant certifies that the data regarding its use of the MRI units proposed will be kept and made available to the Mississippi State Department of Health upon request.

CON Need Criterion 7: CON Approval/Exemption for MRI Equipment

The Applicant states this application was submitted to obtain CON review by the MSDH to offer MRI services and to acquire and control MRI equipment at its proposed imaging center. More specifically, the Applicant seeks authority to: (1) acquire and control two (2) new MRI units, as specified in this application (which does not constitute major medical equipment) and (2) to offer MRI services in the SOGM Imaging Center with these new units. The Applicant affirms that it will not utilize these fixed MRI units until obtaining CON authority to operate them or until it obtains written evidence from the MSDH that the equipment is exempt from CON approval.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual, Revised November 11, 2023*; 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 Applicant asserts the proposed project substantially complies with all applicable policies, standards and criteria governing the offering of MRI services and the acquisition and control of MRI equipment, as set forth in the *Fiscal Year 2022 Mississippi State Health Plan (Third Edition)*.

GR Criterion 2 - Long Range Plan:

The Applicant states SOGM Physicians developed this proposal to provide more convenient, timely, and cost- effective access to MRI services to patients seen at their Tupelo Clinic, ASC and other SOGM clinics, who are presently forced to travel to other service providers for MRI scans. The Applicant states the proposed MRI units will also help relieve scheduling pressure for other MRI facilities. The Applicant further states, the MRI units and Project are consistent with the SOGM Physicians' long-range plan to provide the highest quality orthopaedic care possible at each of their clinic locations. The Applicant asserts their staff considered a number of diagnostic imaging options, eventually settling on two (2) new MRI units in a new imaging center as the most convenient and cost-effective solution.

GR Criterion 3- Availability of Alternatives:

The Applicant state SOGM Physicians considered two (2) alternatives to the present proposal: (1) status quo; and (2) expansion of the Tupelo Clinic and/or ASC to accommodate the MRI units.

a. Advantages and Disadvantages of Alternatives:

The Applicant states the status quo is not an acceptable option because it would mean that SOGM patients who require detailed diagnostic imaging only, available through an MRI system, would continue to have to travel elsewhere for these services, which also routinely results in delayed imaging. The Applicant states the chosen option is more efficient for both physicians and all SOGM patients requiring MRI services.

The Applicant states the new SOGM Imaging Center is more expensive but will create a more efficient and comfortable setting for patients, staff members, and physicians.

b. New Construction Projects:

The Applicant states because space limitations in the building and at the site, renovation of either the Tupelo Clinic or ASC structures was not a viable option for placement of the MRI units. The Applicant further states the development of a new imaging center, only a short distance from the Clinic and ASC, will allow the SOGM

Physicians to perform diagnostic procedures in a more efficient and comfortable setting for patients, staff and physicians.

c. Beneficial Effects to the Health Care System:

The Applicant states the Project places the proposed MRI units closer to the patients and the physicians who will treat them. The Applicant states this approach increases the accessibility, acceptability, continuity, and quality of health services, without unnecessarily duplicating health resources.

d. Effective and Less Costly Alternatives:

i. Unnecessary Duplication of Services:

The Applicant asserts according to the current State Health Plan, GHSA-2 has a projected population of 298,421 in 2025. The Applicant states this population base generated 32,780 MRI procedures in the most recent year reported in the State Health Plan (FY 2020). The Applicant further states that the average utilization of existing MRI units in GHSA-2 is 2,801. The Applicant states if a recently approved MRI unit and the units proposed by SOGM are approved for GHSA-2, the average utilization among all existing providers would still be 2,392, without taking into account future population growth or growth in the Applicant's orthopaedic practice, therefore, the proposed units will not be an unnecessary duplication of services.

The Applicant further states the actual demand for MRI scans in GHSA-2 exceeds the demand that is predicted by the Population Formula. The Applicant points to a continuing need for more MRI providers in this service area, thus, there will be no unnecessary duplication of services if this CON is granted.

ii. Efficient Solution:

The Applicant asserts the proposed project places the proposed MRI units closer to many of the patients and the physicians who will treat them. The Applicant states it also gives SOGM patients another option for MRI scans. The Applicant states this approach increases the accessibility, acceptability, continuity, and quality of health services, without unnecessarily duplicating health resources, as discussed above. The Applicant further states this arrangement will enable patients to move smoothly between diagnostic imaging, physician consultation, and definitive treatment within the same system of care, thereby strengthening care coordination and follow-up for orthopaedic conditions while preserving appropriate utilization of existing MRI providers.

e. Improvements and Innovations:

The Applicant affirms that SOGM Physicians are in the best position to determine whether their orthopaedic patients require MRI diagnostic imaging. The Applicant states by supervising the operation of their own imaging center, the Physicians will also be in a better position to ensure the quality and cost effectiveness of the procedures and facility operations.

f. Relevancy:

The Applicant asserts Insurers and other payors require providers to deliver health care in the most cost and time- efficient manner possible. The Applicant states SOGM proposed MRI units and the related Project are entirely consistent with this continuing trend, allowing the SOGM Physicians to take on responsibility for the operations of their own MRI facility. The Applicant further states that the Physicians can help ensure that the imaging required is performed in a timely manner, in a setting that is as convenient as possible for the patients.

GR Criterion 4 - Economic Viability:

a. Proposed Charge:

The Applicant states the charge rates are based on current Medicare, Medicaid and commercial insurance allowable charges. The Applicant states the profitability of the proposed MRI units is contingent upon a number of factors, including volume, cost of construction and the prices of the required equipment.

b. Projected Levels of Utilization:

The Applicant states the MRI units that are being proposed will be used almost exclusively by SOGM Physicians and their patients. The Applicant states the present Tupelo Clinic opened in July of 2015 and patient volume has grown steadily since then. The Applicant further states the growing need for MRI scans at this clinic and the adjoining surgery center is consistent with this trend. In addition, the Applicant states, as discussed in more detail in a previous section, need levels for MRI scans in the service area are well above what is required under the applicable State Health Plan criteria.

c. Financial Feasibility Study:

The Applicant states this statement is not applicable. The Applicant states the price of each MRI unit is below this threshold and no expenditure will be made by or on behalf of a health care facility. The Applicant further states their COO, who also serves as the chief financial officer, has prepared and signed the required financial feasibility studies and projections.

d. Financial Forecasts:

The Applicants states that this statement is not applicable. The Applicant states the financial forecasts supplied by the COO are consistent with trends in the three-year historical period.

e. Covered Expenses:

The Applicant states they can cover any expenses for the MRI units through generated revenues or existing lines of credit.

f. Impact of Proposed Project on Health Care Cost:

The Applicant states the proposed MRI units will not adversely impact the cost of health care. The Applicant states their Medicaid and Medicare charges will continue to be similar to those of other providers in the area. The Applicant further states the proposed project will make access to MRI services more convenient and accessible for patients requiring those services within the service area.

GR Criterion 5 - Need for the Project

a. Access by Population Served:

The Applicant affirms that all persons in GHSA-2 and outside this service area, including low-income persons, racial and ethnic minorities, women, handicapped persons and other underserved groups and the elderly, will have access to the proposed MRI services. The Applicant states there is high demand for MRI services in this service area, and a new MRI provider will only increase access for this population.

b. Relocation of Services: The Applicant states this criterion is not applicable as the Applicant does not propose to relocate services.

i. Replacement Facility:

The Applicant states this statement is not applicable.

ii. Utilization of Existing Space Post Relocation of Services:

The Applicant states this statement is not applicable.

c. Current and Projected Utilization of Comparable Facilities:

The Applicant states that they propose to locate two (2) MRI units in a new facility in General Hospital Service Area 2, as designated by the 2022 State Health Plan. According to the current State Health Plan, GHSA-2 has a projected population of 298,421 in 2025. This population base generated 32,780 MRI procedures in the most recent year reported in the State Health Plan (FY 2020). As discussed elsewhere in this application, the average utilization of existing MRI units in GHSA-2 is 2,801. If a recently approved MRI unit and the units proposed by SOGM are approved for GHSA-2, the average utilization among all existing providers would still be 2,392, without considering future population growth or growth in the Applicant's orthopaedic practice.

d. Probable Effect on Existing Facilities in the Area:

The Applicant states there should be no adverse effect on existing facilities providing orthopaedic services because the proposed MRI units are for the use of existing patients of SOGM.

e. Community Reaction to Service:

The Applicant's application includes letters of support with the application, located in (Exhibit I).

GR Criterion 6- Access to the Facility or Service

a. Access

The Applicant states that GHSA-2 contains nine (9) counties (Benton, Tippah, Alcorn, Tishomingo, Union, Prentiss, Itawamba, Lee and Pontotoc), all of which have been designated by the Health Resources and Services Administration as Medically Underserved Areas (MUA) for some purposes. The Applicant states SOGM Physicians treat medically underserved populations from each of these areas and do not discriminate against them in any way. The Applicant states all persons, including the medically underserved, will have access to the proposed MRI units.

1. Access to Services:

The Applicant states SOGM Physicians will be accessible to all residents who are primarily in GHSA 2. The Applicant further states SOGM does not exclude patients because of race, age, sex, ethnicity, or ability to pay.

2. Access to the Proposed Services:

The Applicant states all residents of the proposed service area will have access to the services.

3. Gross Patient Revenues: The Applicant states SOGM provides care to all patients regardless of their insurance status or financial situation. The following chart records all such sums under the medically indigent classification and includes patients who did not have insurance and were not covered by Medicare or Medicaid. No bad debt amounts or projections were included.

	Medically Indigent (%)	Charity Care (%)	Medically Indigent (\$)	Charity Care (\$)
Historical Year FY 2023	1.6%	0	\$354,027.79	0
Historical Year FY 2024	1.5%	0	\$417,280.13	0
Historical Year FY2025 (projected)	1.5%	0	\$430,000	0
Projected Year 1	1.5%	0	\$442,900	0
Projected Year 2	1.5%	0	\$456,187	0

The Applicant states SOGM provides medical care to all patients, regardless of insurance coverage, financial situations, or ability to pay. The Applicant state SOGM does not deny medically necessary evaluation or treatment based solely on patient's finances.

The Applicant states SOGM is a private orthopedic and pain management practice and does not operate a formal charity care or hospital-based financial assistance program. The Applicant states aa non-hospital outpatient provider, SOGM does not classify any patient accounts as "charity care" or "medically indigent" as those terms are referenced above. However, SOGM provides care to all patients regardless of their insurance status or financial situation.

b. Existing Obligations:

The Applicant asserts the facility has no existing obligations under any federal regulation requiring provision of uncompensated care, community service, or access by minority/handicapped persons. The Applicant affirms this criterion is not applicable to the proposed project.

c. Unmet Needs of Medicare, Medicaid, and Medically Indigent Patients:

The Applicant states they will meet the needs of Medicare, Medicaid, and patients who do not qualify for these programs or who, otherwise, do not have insurance who come to SOGM Physicians for treatment. The Applicant states that all these patients will have access to the proposed MRI units and services offered by the Applicant.

d. Access to Proposed Facility:

The Applicant states they will provide MRI services to patients in need of such services, including Medicare, Medicaid and patients without insurance, as well as racial and ethnic minorities and the elderly. The Applicant states the new imaging facility will be open M-F during normal business hours (7:00 AM - 5:00 PM). The Applicant further states that patients requiring an emergency MRI on a date and time that the Applicant is unable to provide such services will be transferred to an appropriate provider with the capability and capacity to treat the patient.

e. Access Issues:

i. Transportation and Travel:

The Applicant states that they propose imaging center will be conveniently located on Mary Vance Drive, a short distance from Highway 6 (Gloster Street), a major thoroughfare, in the City of Tupelo. The Applicant state Its location on a major thoroughfare will facilitate access for patients throughout GHSA-2, including those traveling from outlying communities for orthopaedic care, and will enable them to obtain MRI scans at the same destination where they receive clinical evaluation and follow-up.

ii. Restrictive Admission Policy:

The Applicant states the proposed SOGM Imaging Center will not admit patients, since all patients will be seen on an outpatient basis. However, Applicant has operated its Tupelo Clinic for ten (10) years, and it has been the practice of SOGM Physicians to not discriminate against patients based on race, gender, or other personal characteristics protected by law.

iii. Access to Care by Medically Indigent Patients:

The Applicant states all patients, including medically indigent patients, will have access to the proposed MRI units and services offered by the Applicant.

iv. Operational Hours of Service:

1. Regular Operation:

The Applicant states SOGM Imaging Center will be open Monday through Friday, 7:00 a.m. to 5:00 p.m. for regular operation.

2. Emergency Operation:

The Applicant states that this statement is not applicable.

GR Criterion 7- Information Requirement

The Applicant states SOGM affirms that it will record and maintain, at a minimum, the information specified in Criterion 7 regarding charity care, care to the medically indigent, and Medicaid populations, and that it will make such information available to the MSDH within fifteen (15) business days of request.

GR Criterion 8 - Relationship to Existing Health Care System

a. Comparable Services:

The Applicant states all providers noted in Table 5-6 of the State Health Plan and in the foregoing sections of the application provide MRI services to the population served. The Applicant states this facility will be one (1) of the few orthopaedic practices in GHSA-2 that provides MRI services at or near its clinic facility.

b. Effect on Existing Health Services:

i. Complement existing services:

The Applicant states the Project will complement existing MRI services by providing another option for patients with orthopaedic conditions who require this form of diagnostic imaging.

ii. Provide Alternative or Unique Services:

The Applicant states the project will allow patients under the care and treatment of an orthopaedic physician to have access to MRI scans in a setting in close proximity to the Tupelo Clinic and single specialty ASC. The Applicant states SOGM is one (1) of the few such orthopaedic practices in this area that will offer this convenience if this application is approved.

iii. Provide Services for a Specific Target Population:

The Applicant states the proposed project will provide MRI services to patients undergoing treatment by an SOGM Physician.

iv. Provide Services for Which There is an Unmet Need:

The Applicant states at present, orthopaedic patients being treated at the Tupelo Clinic or ASC must have their MRI scans performed at the location of another provider. The Applicant further states the new MRI units will reduce scheduling pressure on existing MRI systems in the area.

c. Adverse Impact:

The Applicant states if the proposed project is not implemented, orthopaedic patients at the Tupelo Clinic and ASC and other SOGM locations will be forced to continue to have MRI scans performed elsewhere, increasing the time and expense required for treatment.

d. Transfer/Referral/Affiliation Agreements:

Pursuant to CMS regulations, including 42 C.F.R. § 416.41(b), the Applicant states that the ASC (SOG Surgery Center, LLC) has provided notice to North Mississippi Medical Center in Tupelo of its operations and patient population.

GR Criterion 9 - Availability of Resources

a. New Personnel:

The Applicant states if this application is approved, they intend to hire two (2) MRI technologists. The Applicant states in addition to interpreting the imaging studies they have ordered, SOGM Physicians utilize radiologists employed by Premiere Radiology to review and interpret certain diagnostic studies. The Applicant states they will also hire a director to supervise their MRI units and other imaging systems. The Applicant further states they have not had any difficulty in obtaining the services of qualified persons to manage its existing x-ray systems.

b. Contractual Services:

The Applicant states this statement is not applicable.

c. Existing Facilities or Services:

The Applicant affirms that it has had a satisfactory staffing history at both the Tupelo Clinic and its ASC.

d. Alternative Uses of Resources:

The Applicant states the proposed project is the best alternative for the provision of health services in response to the community needs. The Applicant further states they have not identified any alternate use of its resources, including personnel, contractual arrangements, or revenues, to provide any other health services as a substitute for the proposed MRI services.

GR Criterion 10 – Relationship to Ancillary or Support Services

a. Support and Ancillary Services:

The Applicant states, they have no issues obtaining the necessary support and ancillary services required to provide x-ray services at either its Tupelo Clinic or ASC.

b. Changes in Costs or Charges:

The Applicant states the MRI units, if approved, will add MRI procedure services with charges at the proposed imaging center that are reflected in the financial analysis. The Applicant states they do not anticipate any increase in charges as a result of the proposed project or acquisition of the MRI units.

c. Accommodation of Changes in Costs or Charges:

The Applicant states this statement is not applicable.

GR Criterion 11- Health Professional Training Programs

The Applicant states they will continue to work with nursing and other health-related professional training programs in the area, including those at Itawamba Community College.

GR Criterion 12 – Access by Health Professional Schools

The Applicant states Tupelo Clinic and ASC are used by University of Mississippi for placement of residents in orthopaedic treatment and surgery and Itawamba Community College for nurses and other health- related professionals. The Applicant further states MRI units at the proposed location will help enhance the clinical preparedness of those residents and other allied health professionals.

GR Criterion 13 – Access to Individuals Outside Service Area

The Applicant states they treat many patients at its Tupelo Clinic and ASC that reside outside the counties that make up GHSA-2 (Benton, Tippah, Alcorn, Tishomingo, Union, Prentiss, Itawamba, Lee and Pontotoc). The Applicant states this is because the specialized orthopaedic services offered by SOGM are limited in nearby counties. The Applicant further states this trend is expected to continue and this population will benefit from the addition of the proposed MRI units in Tupelo.

GR Criterion 14 – Construction Projects

The Applicant includes financial projections with the application.

GR Criterion 15 – Competing Applications

There no competing CON applications related to the proposed project on file with the Department.

GR Criterion 16 - Quality of Care

a. Past Quality of Care:

The Applicant states Orthopaedic clinical and ambulatory surgical services are provided exclusively at the Tupelo Clinic and ASC by the physicians of SOGM. The Applicant states SOGM also operates seven (7) additional clinics in Mississippi. The Applicant further states SOGM has an established record of providing quality care at all these clinic facilities and will continue to do so at the proposed SOGM Imaging Center.

b. Improvement of Quality of Care:

The Applicant states having the proposed MRI Units located on the same system will materially improve the quality of care delivered to the SOGM's patients. The Applicant states Orthopaedic patients will be able to obtain necessary MRI scans in close physical and operational proximity to their treating physicians, which will facilitate more timely diagnosis, reduce

fragmentation of care, and support implementation of evidence-based treatment plans.

The Applicant states quality of care will also be enhanced by the use of modern, FDA-approved MRI equipment operated by technologists experienced in orthopaedic imaging and supervised by physicians. The Applicant submits standardized imaging protocols, uniform reporting formats, and integration of MRI results into SOGM's existing clinical workflows and electronic medical records will promote consistency and accuracy in diagnosis. The Applicant asserts treating physicians will have quicker access to high-quality images and reports, enabling them to review studies with patients during follow-up visits, adjust treatment plans promptly, and avoid unnecessary repeat testing.

The Applicant further states, the proposed project will improve patient-centered aspects of quality for the target population. The Applicant states by reducing the travel time and need to coordinate appointments with unrelated providers, the proposed MRI units will make it easier for patients to comply with recommended imaging, thereby decreasing missed or delayed studies. The Applicant submits this improved convenience and adherence will, in turn, support continuity of care and better long-term functional outcomes.

c. Accreditation and/or Certificates:

The Applicant affirms they are accredited by AAAHC and is certified by the Centers for Medicare and Medicaid Services (CMS) to participate in the Medicare and Medicaid programs.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

Cost Item	Estimated Cost	Percentage (%) of Total
Site Preparation and / or improvement	\$590,000.00	7.0%
Construction Cost -New	\$4,787,185.00	53.0%
Construction Cost-Renovation	\$0.00	0.00%
Capital Improvements	\$0.00	0.00%
Fixed Equipment	\$0.00	0.00%
Non-fixed Equipment	\$2,350,400.00	26.00%
Fees (Architectural, Consultant, etc.)	\$425,289.00	5.00%
Contingency Reserve	\$236,657.00	3.00%
Capitalized Interest	\$430,715.00	5.00%

Legal and Accounting Fees	\$0.00	0.00%
Other	\$113,943.00	1.00%
TOTAL PROPOSED CAPITAL EXPENDITURE	\$8,934,189.00	100.00%

B. Method of Financing

The Applicant proposes to fund the capital expenditure with a loan with BankPlus a 7% interest rate for a period from January 1, 2026- December 31, 2041.

C. Effect on Operating Costs

See Attachment 1 for SOGM's three-year projected operating statement for the proposed project.

D. Cost to Medicaid/Medicare

The Applicant's projection of charges to third party payors is as follows (based on gross patient revenue):

Payor	First Year Revenue	Utilization Percentage
Medicare	\$4,375,700.00	35.00%
Medicaid	\$1,125,180.00	9.00%
Commercial	\$5,500,880.00	44.00%
Self-Pay	\$250,040.00	2.00%
Charity	0.00	0.00%
Other	\$1,250,200.00	10.00%
Total	\$12,502,000.00	100.00%

V. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid (Division) was provided with 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 January 20, 2026

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the acquisition or otherwise control of magnetic resonance imaging (MRI) equipment and offering MRI services contained in the *FY 2022 Mississippi State Plan (Third Edition)*; Chapter 8 of the *Mississippi Certificate of Need Review Manual, Revised - November 11, 2023*; and all adopted rules, procedures, and plans of the Mississippi State Department of Health.

Therefore, the Division of Health Planning and Resource Development recommends approval of the application submitted by Specialty Orthopedic Group of Mississippi, PLLC for the Acquisition of magnetic Resonance Imaging ("MRI") Equipment and Offering of Fixed MRI Services at Specialty Orthopaedic Group Imaging Center.

Attachment 1
Specialty Orthopedic Group of Mississippi, PLLC
d/b/a Specialty Orthopedic
Acquisition of Magnetic Resonance Imaging (“MRI”) Equipment and
Offering of Fixed MRI Services at Specialty Orthopaedic Group Imaging Center
Three-Year Operating Statement (Project Only)

	Year 1	Year 2	Year 3
Revenue			
Inpatient Care Revenue	\$0.00	\$ 0.00	\$0.00
Outpatient Revenue	\$12,502,000.00	\$12,877,060.00	\$13,263,372.00
Gross Patient Revenue	\$12,502,000.00	\$12,877,060.00	\$13,263,372.00
Charity	\$0.00	\$0.00	\$0.00
Deductions from Revenue	\$10,001,600.00	\$10,301,648.00	\$10,610,697.00
Net Patient Care Revenue	\$2,500,400.00	\$2,575,412.00	\$2,652,674.00
Other Operating Revenue	\$0.00	\$0.00	\$0.00
Total Operating Revenue	\$2,500,400.00	\$2,575,412.00	\$2,652,674.00
Operating Expenses			
Salaries	\$250,000.00	\$255,000.00	\$260,100.00
Benefits	\$70,000.00	\$71,400.00	\$72,828.00
Supplies	\$50,000.00	\$51,000.00	\$52,020.00
Services	\$562,590.00	\$573,842.00	\$585,319.00
Finance Cost	\$562,210.00	\$573,454.00	\$584,923.00
Depreciation	\$470,080.00	\$479,482.00	\$489,071.00
Interest	\$0.00	\$0.00	\$0.00
Other	\$25,000.00	\$25,500.00	\$26,010.00
Total Operating Expenses	\$1,989,880.00	\$2,029,678.00	\$2,070,271.00
Net Operating Income (Loss)	\$510,520.00	\$545,734.00	\$582,403.00
	Proposed Year	Proposed Year	Proposed Year
	1	2	3
Inpatient Days	0	0	0
Outpatient Visits	252	252	252
Procedures	6,251	6,376	6,504
Charge per Outpatient Day	\$49,611.00	\$51,099.00	\$52,632.00
Charge per Inpatient Day	0	0	0
Charge per Procedure	\$2,000.00	\$2,000.00	\$2,000.00
Cost per Inpatient Day	0	0	0
Cost per Outpatient Day	\$7,896.00	\$8,054.00	\$8,215.00
Cost per Procedure	\$318.00	\$318.00	\$318.00

Totals may differ due to rounding.