

**MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
MAY 20, 2024**

**CON REVIEW NUMBER: FSF-NIS-0424-004
VASCULAR INSTITUTE MS SURGERY CENTER, LLC
ACQUISITION OR CONTROL OF DIGITAL ANGIOGRAPHY EQUIPMENT
AND THE OFFERING OF DIGITAL ANGIOGRAPHY (DA) SERVICES IN A
FREESTANDING FACILITY
CAPITAL EXPENDITURE: \$1,080,000.00
LOCATION: BATESVILLE, PANOLA COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Vascular Institute MS Surgery Center, LLC (“Vascular Institute or Applicant”) is a Tennessee Limited Liability Company (LLC), located at 1375 Brierbrook Road, Germantown Tennessee, 38138, and authorized to do business in Mississippi. The Applicant asserts Vascular and Vein Institute of the South, LLC (“VVIS”) is home to vascular surgeons and specialty nurse practitioners who are dedicated to providing comprehensive and individualized care to all patients in the mid-south region. The Applicant submits that Dr. Prateek K. Gupta and Dr. Anton Dias Perera of VVIS, are the sole members of Vascular Institute. The application affirms both Dr. Gupta and Dr. Perera are board-certified in vascular surgery by the American Board of Surgery and licensed by the Mississippi State Board of Medical Licensure. Furthermore, the Applicant confirms that the designated officers and directors of Vascular Institute MS Surgery Center, LLC are Dr. Prateek K. Gupta and Dr. Anton Dias Perera, and concludes there are no managing members.

The Applicant provided a Certificate of Good Standing dated March 25, 2024, from the Secretary of State verifying the LLC was registered on November 14, 2023. The document indicates that the business is authorized to do business in the State of Mississippi.

B. Project Description

Vascular Institute MS Surgery Center, LLC requests Certificate of Need (CON) authority for the Acquisition or Control of Digital Angiography Equipment and the Offering of Digital Angiography (DA) Services in a Freestanding Facility, to patients in Batesville, Panola County, Mississippi. The services Vascular Institute desires to offer are state-of-the-art vascular laboratory services, and a full spectrum of peripheral arterial disease and vascular access-related shunt maintenance care, for dialysis patients from the Applicant’s proposed location in Batesville, Mississippi.

The Applicant states these services will be outpatient, ambulatory surgery center (ASC) -based, and will focus on limb preservation and maintenance of life-saving vascular access shunts.

The *FY 2022 MS State Health Plan (3rd Edition)*, defines Invasive Digital Angiography (“DA”) as “a diagnostic and catheter based therapeutic intravascular intervention imaging procedure that combines a digital processing unit with equipment similar to that used for standard fluoroscopic procedures.” As defined, the Mississippi State Department of Health (MSDH) now regulates DA as a diagnostic and therapeutic practice.

Batesville, Mississippi is located in General Hospital Service Area (GHSA) 1. According to the Applicant, there is a significant unmet need for DA services in GHSA 1. The Applicant has submitted letters of support, from area providers asserting the need for Digital Angiography Services due to many patients in their community are forced to travel long distances to receive the care they need, leading to delays in treatment and the increased burdens on both patient and families.

The Applicant states the services for the proposed project involve using digital subtraction angiography to undertake percutaneous endovascular intervention of peripheral, non-coronary vessels and vascular access shunts (arterio-venous fistulas and arterio-venous grafts) for dialysis patients. The Applicant submits these procedures will be performed without open direct visualization of the target vessel and will require only needle puncture of a peripheral artery. The Applicant asserts intervention will be performed using specialized wires and catheters which will be advanced through the blood vessels using imaging guidance. In addition, the Applicant states diseased areas will be addressed through injection of contrast for imaging, ultrasound of vessels, and vessels will be treated with angioplasty, atherectomy, covered or uncovered stenting, intentional occlusion of vessels or organs (embolization), and delivering of medications, radiation, or other energy such as laser, radiofrequency, or cryotherapy. The Applicant further states the diagnostic and therapeutic intravascular interventional imaging services to be provided in the proposed facility is appropriate for outpatient procedures in a freestanding facility according to the State Health Plan’s definition of “Invasive Digital Angiography”.

The Applicant submits the equipment to be utilized by the Vascular Institute includes a OEC Elite™ CFD 31 cm Digital Mobile Super C-arm Vascular 15 MD (Vascular 15 Platform with up to 15 fps Cine) with OEC Touch, with fluoroscopic procedure table and mobile display systems with monitors. The Applicant further states the equipment is to be installed by the vendor GE Healthcare.

The Applicant states Vascular Institute is in the process of developing a 6,300 square foot single-specialty ambulatory surgery center at the proposed location in Batesville, Mississippi. The application included the Applicant’s Determination of

Reviewability approval letter, dated January 24, 2024, for the Establishment of a Single Specialty Ambulatory Surgery Center, from the Mississippi State Department of Health. The proposed location for Vascular Institute MS Surgery Center, LLC is to be assigned for a vacant lot in Panola County, MS, constituting approximately 2.44 acres, being the corner lot at the intersection of House Carlson Street and Street E. The application includes a Lease Agreement made and entered into on December 29, 2023, by and between VVIS Batesville Real Estate, LLC (“VBRE, LLC” or “Landlord”) and Vascular Institute MS Surgery Center, LLC (“Tenant”). The Lease Agreement indicates Vascular Institute will lease approximately 2.44 acres of a lot, currently vacant, in Panola County, Batesville, Mississippi, being the corner lot at the intersection of House Carlson and Street E, for the construction of a 6,200 square feet Single Specialty Ambulatory Surgery Center (“ASC”).

The Applicant states following completion and approval of the project, Vascular Institute will use the new facility as both an Ambulatory Surgery Center (ASC) and clinical space for the VVIS physicians’ practice, in addition, the Applicant affirms Vascular Institute will not provide DA services until the Certificate of Need (CON) authority is obtained. The Applicant further states Vascular Institute has obligated capital for the proposed project, however, Vascular Institute will not purchase the equipment required for the Digital Angiography (DA) services until the CON authority has been obtained. The Applicant state Vascular Institute anticipates offering DA services within sixty (60) days of completion of the ASC along with the CON authority.

The Applicant affirms Vascular Institute will comply with state and local building codes, zoning ordinances, and/or other appropriate regulations.

The Applicant affirms Vascular Institute 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.

The Applicant affirms Vascular Institute will obtain approval from the Division of Radiology Health, if required, before providing the proposed project’s DA services.

The Applicant’s application included the site approval letter from the MSDH Division of Health Facilities Licensure and Certification, dated December 20, 2023.

The Applicant affirms, as noted in the *FY 2022 State Health Plan* (“SHP”) (3rd Edition), Mississippi ranks first in the nation for overall diabetes rates. Furthermore, diabetes mellitus carries with it the risk of serious vascular complications, including wound-healing complications and limb amputation. The Applicant states allowing board-certified vascular surgeons to provide DA services in Mississippi, closer to the homes of their patients, will improve the health of Mississippi residents with diabetes

and other vascular diseases.

The Applicant states the physicians that will perform surgeries at Vascular Institute have a proven track record of providing high-quality digital angiography services at other locations in Mississippi (Senatobia) and the Mid-South region and will employ the board-certified and licensed expertise of its physicians at the proposed ASC facility in Batesville. The Applicant further states, the proposed facility will give these and other patients in the area a convenient alternative for treatment in Mississippi. The Applicant states there is a demand for DA services in Mississippi, including GHSA-1, and the proposed services will not duplicate an unnecessary duplication of health resources. The Applicant submits the physicians of VVIS, who have offices in Oxford, Grenada, and Senatobia, see a significant number of patients who reside in northern Mississippi. The Applicant asserts in 2023, VVIS physicians had 4,636 patients visit (new and established) at their offices in northern Mississippi. The Applicant further states VVIS vascular surgeons are also on staff at all major Memphis Metro hospitals, including Baptist DeSoto Hospital in Southaven, located in GHSA-1. In addition, the Applicant states a CON for DA services would allow Vascular Institute to provide these services to many of the current Mississippi patients of VVIS in a freestanding ASC facility, located closer to the southern part of the service area, and adjacent service areas. The Applicant affirms there is not another ASC providing dedicated vascular care in Northern Mississippi.

The Applicant states the highest rate of diabetes mellitus in the nation means that significant numbers of Mississippi residents are at risk of developing vascular-related complications. The Applicant further states, allowing the Applicant's physicians to provide DA services to address these conditions, at a more convenient location in this state, will also facilitate cost containment.

The Applicant states, the proposed project requires a capital expenditure total of \$1,080,000.00, that consist of \$125,000.00 for contingency reserve, \$930,000.00 for non-fixed equipment, and \$25,000.00 for legal and accounting fees.

II. TYPE OF REVIEW REQUIRED

This project is reviewed in accordance with Sections 41-7-173, 41-7-191, and 41-7-193 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 ten (10) days of publication of the staff analysis. The opportunity to request a hearing expires on May 30, 2024.

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

AND STANDARDS

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

The *FY 2022 State Health Plan (3rd Edition)* contains criteria and standards which the applicant is required to meet before receiving CON authority for the offering of diagnostic imaging services of an invasive nature, i.e. invasive digital angiography, if those services have not been provided on a regular basis by the proposed provider of such services within the period of twelve (12) months prior to the time such services would be offered. This application is in substantial compliance with the applicable criteria stated in the *Plan* as follows:

SHP Need Criterion 1 – Staffing Requirements

- a. **The applicant for invasive DA services shall demonstrate that proper protocols for screening and medical specialty backup are in place before services are rendered by personnel other than those with specialized training. The protocols shall include, but are not limited to, having prior arrangements for consultation/backup from a vascular surgeon, cardiologist, radiologist or nephrologist credentialed and accredited for interventional peripheral vascular procedures.**

The Applicant states Prateek K. Gupta, MD FACS and Anton Dias Perera, MD FACS, the principals of VVIS are board-certified in vascular surgery by the American Board of Surgery and highly experienced in treatment of all complex vascular diseases. The Applicant submits both Doctors have been in practice in the service area for over ten (10) years. The Applicant further states both doctors are licensed by the Mississippi State Board of Medical Licensure and will be the providers for the DA services at the Batesville ASC, therefore, no additional consultation or back-up for interventional peripheral vascular procedures will be required.

- b. **Identify physicians in the group and state which physician(s) will perform intravascular interventions using DA. Certify that:**
 - i. **Each physician will maintain medical staff privileges at a full-service hospital; or**
 - ii. **At least one member of the physician group has staff privileges at a full-service hospital and will be available at the facility or on call within a 30-minute travel time of the full-service hospital during the hours of operation of the facility.**

The Applicant states Drs. Gupta and Perera are the principals of VVIS,

which is the largest vascular surgery physician practice in the Mid-South region. The Applicant asserts both doctors propose to perform intravascular interventions using digital angiography at the Batesville ASC. The Applicant submits both doctors have medical staff privileges at Baptist Memorial Hospital-DeSoto Hospital, located in GHSA -1. The Applicant further states both physicians will be available at the facility or on call within a thirty (30) minute travel time of Baptist during the hours of operation of the facility.

SHP Need Criterion 2- Types of Procedures

- a. Procedures in a freestanding facility are generally non-emergent nor life threatening in nature and require a patient stay of less than twenty-four (24) consecutive hours. The procedures shall not be of a type that:**
 - i. Generally, result in blood loss of more than ten percent of estimated blood volume in a patient with a normal hemoglobin;**
 - ii. Require major or prolonged intracranial, intrathoracic, abdominal, or major joint replacement procedures, except for laparoscopic procedures; or**
 - iii. Involve major blood vessels.**
 - 1. Major blood vessels are defined as the group of critical arteries and veins including the aorta, coronary arteries, pulmonary arteries, superior and inferior vena cava, pulmonary veins, carotid arteries, and any intracerebral artery or vein.**
- b. Percutaneous endovascular interventions of the peripheral vessels not excluded in a.iii.1. above are permitted to be performed in a freestanding facility. These procedures are defined as procedures performed without open direct visualization of the target vessel, requiring only needle puncture of an artery or vein followed by insertion of catheters, wires, or similar devices which are then advanced through the blood vessels using imaging guidance. Once the catheter reaches the intended location, various maneuvers to address the diseased area may be performed which include, but are not limited to, injection of contrast for imaging, ultrasound of the vessel, treatment of vessels with angioplasty, arterectomy, covered or uncovered stenting, intentional occlusion of vessels or organs (embolization), and delivering of medications, radiation, or other**

energy such as laser, radiofrequency, or cryo.

The Applicant states that all DA procedures performed by physicians at VVIS shall meet SHP Need Criterion 2. The Applicant further states that none of the DA procedures performed by or at VVIS shall generally result in blood loss of more than ten percent (10%) of estimated blood volume, require major or prolonged procedures of the type listed, or involve major blood vessels, as defined in this Criterion. The Applicant further states procedures may be of a type provided in Criterion 2.b.

SHP Need Criterion 3- Transfer Agreement

The Applicant confirms the DA services to be performed in the Batesville ASC will have a formal transfer agreement with a full-service hospital to provide services which are required beyond the scope of the freestanding facility's programs before it provides the proposed DA services.

SHP Need Criterion 4 - CON Approval/Exemption

The Applicant confirms Vascular Institute will not utilize the DA equipment or provide DA services until a Certificate of Need is obtained, pursuant to the proposed application.

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 the general review criteria contained in the manual.

GR Criterion 1- State Health Plan

The project is in substantial compliance with all criteria, standards, and policies of the *FY 2022 Mississippi State Health Plan (3rd Edition)* applicable to the acquisition or control of digital angiography equipment and the offering of digital angiography services in a freestanding facility.

GR Criterion 2 – Long Range Plan

The Applicant states Vascular Institute developed this proposal in an effort to provide more convenient, timely, and cost-effective access to DA services to individuals who reside in North Mississippi who needs timely vascular surgery care for peripheral arterial disease and vascular access for dialysis shunt maintenance. The Applicant submits the Batesville facility will also help relieve scheduling

pressure for VVIS patients who must travel to the Tennessee clinics or the VVIS Senatobia facility. Therefore, the Applicant states this project is consistent with the Vascular Institute physicians' long-range plan to provide the highest quality DA services possible at each of their office locations.

The Applicant further states, Drs. Gupta and Dias Perera considered a number of options, eventually settling on the proposed plan to construct an ASC and purchase equipment to provide DA services in Batesville as the ~~lost~~ most convenient and cost-effective solution.

GR Criterion 3 – Availability of Alternatives

The Applicant states Vascular Institute considered two alternatives: (1) maintain status quo; and (2) the development of an ASC in Batesville to perform DA services at this location.

- a. **Advantages and Disadvantages:** The Applicant states that the status quo is not an acceptable option because many Mississippi patients who require DA services detailed in the application would be forced to travel to the Tennessee offices of VVIS or extended distances in northern Mississippi. The Applicant further state the option chosen, a new ASC in Batesville, will provide convenient access to this higher standard of care.
- b. **New Construction Projects:** The Applicant affirms Vascular Institute was unable to locate an existing facility that could be used, as effectively, for DA services in the subject area. The Applicant further states new construction offers the opportunity to perform these services in a state-of-the-art surgery center.
- c. **Beneficial Effects to the Health Care System:** The Applicant states the proposed option allows DA services to be provided in a state-of-the-art ambulatory surgery center (ASC), an option not currently offered in GHSA-1. The Applicant affirms there is no ASC in northern Mississippi providing DA services to treat peripheral arterial disease or vascular access shunt maintenance for dialysis patients. In addition, the Applicant states the Batesville ASC office is approximately forty-five (45) minutes away from Southaven, providing a more convenient option for patients traveling from areas to the south. The Applicant further 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 states the

demand for DA services is such in the area to be served that there will be no unnecessary duplication of health resources. In addition, the Applicant submits the physicians of VVIS treat a significant number of patients from northern Mississippi, at present, at their offices in Senatobia, Grenada, and Oxford, Mississippi. The Applicant further states the physicians of VVIS saw over 4000 patients in the year 2023. The Applicant asserts a CON would allow Vascular Institute to provide services to the Mississippi patients VVIS physicians are already treating in Mississippi, in a state-of-the-art ASC.

- ii. **Efficient Solution:** The Applicant states allowing Vascular Institute to provide DA services in an ASC setting, in close proximity to the physician's office in which patients were initially seen, will increase the accessibility, acceptability, continuity, and quality of health services, without unnecessarily duplicating health resources. In addition, the Applicant states the ASC's close proximity to a major interstate will facilitate easier travel by patients coming from south of Batesville.

- e. **Improvements and Innovations:** The Applicant affirms, Prateek K. Gupta, MD FACS and Anton Dias Perera, MD FACS, the principals of VVIS are board-certified in vascular surgery by the American Board of Surgery and are highly experienced in the treatment of all complex vascular diseases. The Applicant further states both doctors are licensed by the Mississippi State Board of Medical Licensure and will provide services at the Batesville ASC, a location that will be closer to home for many Mississippi patients. The Applicant further states, the proposed project fosters improvements in the delivery of health services, promotes health care quality assurance, and cost effectiveness.

- f. **Relevancy:** The Applicant affirms providing DA services in an ASC setting is consistent with the trend of offering more procedures in an outpatient setting. The Applicant asserts insurers and other payors require providers to deliver health care in the most cost and time-efficient manner possible. The Applicant submits this proposed project is entirely consistent with this continuing trend. The Applicant further states the service area has the highest burden of limb amputations and dialysis-dependent kidney failure patients in the country.

GR Criterion 4 - Economic Viability

- a. **Proposed Charge:** The Applicant submits the charge rates are based on current Medicare, Medicaid, and commercial insurance allowable charges.

The Applicant further states the profitability is contingent upon a number of factors, including volume and the cost of the renovation and equipment.

- b. **Projected Levels of Utilization:** The Applicant states Vascular Institute has projected that it will perform 600 DA services in the first year of operation, 700 in the second year, and 800 in the third year. The Applicant contends that these projected utilization levels are consistent with the need for such services in the area for a number of reasons, including the fact that the volume of Mississippi residents seen as patients by VVIS physicians at their Oxford, Senatobia, Grenada, Arkansas, and Tennessee offices continues to grow.
- c. **Financial Feasibility Study:** The Applicant affirms that the proposed project requires a capital expenditure of \$1,080,000.00; therefore, a financial feasibility study is not required for the proposed project.
- d. **Financial Forecasts:** The Applicant states that GR Criterion 4(d) is not applicable to the proposed project.
- e. **Covered Expenses:** The Applicant affirms expenses are covered for this project through generated revenues or existing lines of credit.
- f. **Impact of Proposed Project on Health Care Cost:** The Applicant states the proposed project will not adversely impact the cost of health care. The Applicant further states Medicaid and Medicare charges will continue to be similar to those of other providers in the area and the proposed project will make access to DA services more convenient and accessible for patients requiring those services in the service area.

GR Criterion 5 - Need for the Project

- a. **Population Needs for Service:** The Applicant submits all persons in GHSA 1 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 DA services. The Applicant further states, there is a high demand for DA services in this service area and a new provider will only increase access for this population.
- b. **Relocation of Services:** The Applicant affirms this project does not involve the relocation of a facility or service.
- c. **Current and Projected Utilization of Comparable Facilities:** The Applicant states, the projected DA services to be offered in the proposed ASC in Batesville, an area within the GHSA-1 (DeSoto, Marshall, Tunica,

Tate, and Panola counties) for the first year is 600, second year 700, and third year 800. The Applicant contends the projected utilization levels are consistent with the need for such services in the area for a number of reasons, including the fact that the volume of Mississippi residents seen as patients by VVIS physicians at their Oxford, Senatobia, Grenada, Arkansas, and Tennessee offices continues to grow.

- d. **Probable Effect:** The Applicant acknowledges there will be no effect on existing facilities as the level of need for DA services in GHSA 1 is not being met. The Applicant states there is a continued need for additional providers of DA services in the service area; therefore, there will be no probable adverse effect on existing facilities in the area because a significant number of patients who will receive DA services at the Batesville facility will be existing patients of VVIS, who are presently seen at other VVIS locations.
- e. **Community Reaction to Service:** The application included three (3) letters of support.

GR Criterion 6 - Access to the Facility or Service

- a. **Access to Services for Medically Underserved:** According to the Applicant, GHSA 1 includes five (5) counties, all of which have been designated by the Health Resources and Services Administration as Medically Underserved Areas (MUA). The Applicant states, at present, they are operating physicians' offices in Tate, Lafayette, and DeSoto Counties. The Applicant confirms VVIS physicians treat medically underserved individuals in these offices and do not discriminate in any way. The Applicant further states all persons, including the medically underserved will have access to the proposed DA services.

The following table shows the projected estimated gross patient revenues of health care provided to charity/medically indigent patients for years one and two for the proposed project:

Gross Patient Revenue

	Medically Indigent (%)	Charity Care (%)	Medically Indigent (\$)	Charity Care (\$)
*Historical Year 20	N/A	N/A	N/A	N/A
*Historical Year 20	N/A	N/A	N/A	N/A
Projected Year 1	1%	5%	\$44,961.00	\$340,485.00
Projected Year 2	1%	5%	\$44,457.00	\$374,534.00

*The Applicant affirms that the proposed services will take place in a new ASC facility, therefore, there are no historical years for this facility.

- b. **Existing Obligations:** The Applicant confirms there are no existing or remaining obligations under any federal regulation requiring provision of uncompensated care, community service, or access by minority and handicapped persons.
- c. **Unmet Needs of Medicare, Medicaid, and medically indigent patients:** The Applicant affirms Vascular Institute will meet the needs of Medicare, Medicaid and medically indigent patients who reside in its service area. The Applicant further affirms all patients, including insurance, self-pay, Medicaid/Medicare beneficiaries, and medically indigent patients, will have access to the proposed DA equipment and services offered by the Applicant.
- d. **Access to the Proposed Facility:** The Applicant states that they will offer DA services to patients in need of such services, including Medicare, Medicaid and medically indigent patients, as well as racial and ethnic minorities and the elderly. The Applicant further states the facility will open Monday through Friday, during normal business hours (7 A.M.- 5 P.M.). The Applicant submits patients requiring emergency DA services on a date and time services are unavailable 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 the proposed ASC will be conveniently located on a major thoroughfare in the city of Batesville, located in close proximity to Interstate 55, a major interstate highway.
 - ii. **Restrictive Admission Policy:** The Applicant submits the ASC will not admit patients; all patients will be seen on an outpatient basis. The applicant further states the Vascular Institute does not

discriminate against patients on the basis of race, gender, or other personal characteristics protected by law.

iii. Access to Care by Medically Indigent Patients: The Applicant states that Vascular Institute will offer DA services and equipment to all patients, including insured, self-pay, Medicaid, Medicare, and medically indigent patients.

iv. Operational Hours of Service: The Applicant states Batesville office of Vascular Institute business hours will be from 7:00 A.M. to 5:00 P.M., Monday through Friday. The Applicant further states Vascular Institute does not have an emergency department.

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 fifteen (15) business days of request.

GR Criterion 8 - Relationship to Existing Health Care System

a. Comparable Services: The Applicant affirms although there are other providers of DA services in GHSA-1, no one provides DA services in an ASC setting, instead, patients are served in other delivery settings, including hospital outpatient and physician offices.

b. Effects on Existing Health Services:

i. Complement Existing Services: The Applicant states this proposed project will complement existing DA services by providing another option for patients with vascular conditions who require this form of diagnostic imaging and treatment. The Applicant further states, this is also true for their patients who reside in north Mississippi, that currently must travel to other locations served by the physicians of VVIS.

ii. Providing Alternative or Unique Services: The Applicant asserts the proposed project will allow patients under the care and treatment of a vascular surgeon to have access to DA services in a modern state-of-the-art ASC. The Applicant states, at present, no other providers in this area provide DA services in this manner. In addition, the Applicant states the principal physicians (and owners) of Vascular Institute are board-certified in vascular surgery.

- iii. **Provide a Service for a Specific Target Population:** The Applicant states the proposed project will provide DA services to patients undergoing treatment by a vascular surgeon in an ambulatory surgery center setting.
- iv. **Provide Services for Which There is an Unmet Need:** The applicant states, because of the limited number of providers in the area (a medically underserved region) there is an unmet need for DA services in GHSA 1.
- c. **Adverse Impact:** The Applicant states, without the proposed project, there will be no provider of DA services in an ASC setting in GHSA-1, and failure to implement the proposed project would force vascular patients of VVIS to travel to the Tennessee offices of VVIS or extended distances in northern Mississippi, increasing the time and expense required for treatment.
- d. **Transfer/Referral/Affiliation Agreements:** The Applicant affirms, upon approval of the CON, they will obtain a formal transfer agreement with a full-service hospital to provide services which are required before providing the CON authorized services.

GR Criterion 9 - Availability of Resources

- a. **New Personnel:** The Applicant asserts, at present, Vascular Institute plans to utilize the services of Drs. Gupta and Dias Perera, board-certified vascular surgeons, along with medical assistants, radiology technicians, registered nurses, and nurse practitioners to provide medical care. The Applicant submits, upon approval of their proposed project, Vascular Institute anticipates that approximately twenty percent (20%) of the Batesville staff will be new hires, with eighty percent (80%) being presently employed. The Applicant further states Vascular Institute has had no difficulty in obtaining the services of qualified persons to assist these physicians in providing DA services at its other locations.
- b. **Contractual Services:** The applicant states this criterion is not applicable to the proposed project.
- c. **Existing Facilities or Services:** The Applicant affirms that it has a satisfactory staffing history at its other locations, including Senatobia, Oxford, Southaven, and Grenada.
- d. **Alternative Uses of Resources:** The Applicant states alternative uses for the proposed project is stated in Criterion 3, listing two (2) alternatives to the proposed project as the status quo and the acquisition or control of digital

angiography equipment and the offering of digital angiography services in a freestanding facility.

GR Criterion 10 – Relationship to Ancillary or Support Services

- a. Support and Ancillary Services:** The Applicant affirms there were no issues obtaining the necessary support and ancillary services at its other locations, including Senatobia, Oxford, and Grenada.
- b. Changes in Costs or Charges:** The Applicant submits, upon approval of the proposed project, DA services will be added with charges at the Batesville offices of Vascular Institute, which are reflected on the financial analysis sheet. The Applicant states no increase in charges is anticipated as a result of this project.
- c. Accommodation of Proposed Costs or Charges:** The Applicant states this is not applicable to the proposed project.

GR Criterion 11– Health Professional Training Programs

The Applicant affirms to make its ASC facility available to health professional training programs.

GR Criterion 12– Access by Health Professional Schools

The Applicant states the services of Concorde Career College in Southaven have been utilized to help supply trained staff for its offices. The Applicant further states Vascular Institute anticipates that the proposed location will provide additional opportunities for placement.

GR Criterion 13 – Access to Individuals Outside Service Area

The Applicant affirms Vascular Institute's physicians see many patients at its Southaven, Senatobia, Oxford, and Grenada offices that reside outside GHSA-1, because of the specialized vascular services offered by VVIS physicians, that are limited as to the availability in nearby counties. The Applicant states this situation is expected to continue, but with the proposed project, it would benefit the population with the addition of the DA services in Batesville. The Applicant further states no special needs or circumstances are required to provide these services.

GR Criterion 14 – Construction Projects

The Applicant acknowledges this criterion.

GR Criterion 15 – Competing Applications

The Applicant acknowledges this criterion. There are no competing applications for DA services on file with the Department.

GR Criterion 16- Quality of Care

- a. **Past Quality of Care:** The Applicant states this criterion is not applicable to the proposed project. The Applicant submits the proposed project involves a new ASC to provide freestanding DA services. However, the Applicant states the physicians of VVIS provide quality vascular services at other locations, including Southaven, Senatobia, Oxford, and Grenada, therefore, a record of providing quality vascular services has already been established.
- b. **Improvements of Quality of Care:** The Applicant asserts having another freestanding provider of DA service in GHSA-1 will increase the accessibility, acceptability, continuity, and quality of vascular medical care, and it will, also, provide a quicker and more efficient service for patients.
- c. **Accreditation and/or Certificates:** The application contains the certifications and CVs for Drs. Gupta and Dias Perera who will be performing the DA procedures. In addition, the Applicant confirms Drs. Gupta and Dias Perera are board certified in vascular surgery by the American Board of Surgery.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

Cost Item	Projected Cost	Percentage (%) of Total
Contingency Reserve	\$125,000.00	11.57%
Non-Fixed Equipment	930,000.00	86.11%
Legal and Accounting Fees	25,000.00	2.31%
Total Project Costs	\$1,080,000.00	99.99%

*Percentage may not calculate due to rounding.

The Applicant affirms that the capital expenditure associated with the proposed project is \$1,080,000.00. The Applicant states that the cost is for contingency reserve, non-fixed equipment, and legal accounting fees.

B. Method of Financing

The Applicant affirms the proposed project will be financed by the following: \$930,000.00 by a Bank Loan with an interest rate of eight percent (8%) for the estimated time period of January 1, 2025, through December 31, 2034, and \$150,000.00 by related company finances.

C. Effect on Operating Cost

Vascular Institute’s (3) three-year projected operating statement is presented at Attachment 1.

D. Cost to Medicaid/Medicare

The Applicant projects the cost to third party payors as follows:

Payor Mix	Utilization Percentage (%)	First Year Revenue (\$)
Medicare	67.00%	\$ 4,310,131.00
Medicaid	6.00%	389,986.00
Commercial	21.00%	1,326,540.00
Self Pay	1.00%	44,961.00
Charity Care	5.00%	340,485.00
Other	0.00%	0.00
Total	100%	\$6,412,103.00

V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for review and comment; however, the Department has not received a letter of comment on the proposed project as of May 20, 2024.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the provision of digital angiography services contained in the *FY 2022 Mississippi State Health Plan (3rd Edition)*; the *Mississippi Certificate of Need Review Manual, (November 11, 2023, Revision)*; and duly adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by Vascular Institute MS Surgery Center, LLC for the Acquisition or Control of Digital Angiography (DA) Equipment and the Offering of Digital Angiography Services in a Freestanding Facility.

Attachment 1

Vascular Institute MS Surgery Center, LLC
Three-Year Operating Statement (Project Only)

	Year 1	Year 2	Year 3
Revenue			
Patient Revenue:			
Inpatient			
Outpatient	\$6,412,103	\$7,053,313	\$7,758,645
Gross Patient Revenue	6,412,103	7,053,313	7,758,645
Charity Care	340,485	374,534	411,987
Deductions	0	0	0
Net Patient Revenue	\$6,071,618	\$6,678,779	\$7,346,658
Other Operating Revenue	0	0	0
Total Operating Revenue	\$6,071,618	*\$6,678,779	\$7,346,658
Expenses			
Operating Expenses:			
Salaries	\$890,000	\$916,700	\$944,201
Benefits	44,500	45,835	47,210
Supplies	1,923,631	2,115,994	2,327,593
Services	383,581	417,939	455,533
Lease	595,000	609,875	625,122
Depreciation	0	0	0
Interest	0	0	0
Other	68,085	70,128	72,231
Total Operating Expenses	\$3,904,797	\$4,176,471	*\$4,471,890
Net Operating Income (Loss)	\$2,166,821	*\$2,502,309	*\$2,874,768
Assumptions			
Inpatient days	0	0	0
Outpatient visits	52	60	68
Procedures	600	700	800
Charge/outpatient day	\$123,310	\$117,555	\$114,098
Charge per inpatient day	N/A	N/A	N/A
Charge per procedure	\$10,687	\$10,076	\$9,698
Cost per inpatient day	N/A	N/A	N/A
Cost per outpatient day	\$75,092	\$69,608	\$65,763
Cost per procedure	\$6,508	\$5,966	\$5,590

*Note: Staff's calculations differs from Applicant's calculations by \$1.00, probable due to rounding.