

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

JUNE 23, 2025

**CON REVIEW: MC-NIS-0525-004
MISSISSIPPI UROLOGY CLINIC, PLLC
CONTROL OF POSITRON EMISSION TOMOGRAPHY (PET) EQUIPMENT AND
OFFERING OF PET SERVICES
CAPITAL EXPENDITURE: \$100,000.00
LOCATION: FLOWOOD, RANKIN COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Mississippi Urology Clinic, PLLC ("MS Urology", the "Clinic", or the "Applicant"), is a Mississippi limited liability company managed by Urology Healthcare Group, Inc. d/b/a Cimplify, located at 501 Marshall Street, Suite 301, Jackson, Mississippi 39202. The Clinic has six (6) members including its president.

According to the Applicant, MS Urology has been a trusted provider of urological care fifty (50) years, serving the Jackson community since 1975. MS Urology has expanded to nine (9) locations across Central Mississippi, making patient-centered care accessible to all patients who need it.

The application includes a Certificate of Good Standing from the Office of the Secretary of State indicating that as of May 9, 2025, Mississippi Urology Clinic, PLLC is in good standing with the State of Mississippi.

B. Project Description

MS Urology requests Certificate of Need ("CON") authority for the control of positron emission tomography ("PET") equipment and the offering of PET services with a focus on prostate-specific membrane antigen ("PSMA") PET imaging in the diagnosing and treatment of prostate cancer. MS Urology proposes to lease space in an existing, stand-alone building located at 1029 River Oaks Drive in Flowood, Mississippi 39232 and provide both professional urology services and PET services on site. MS Urology proposes to control the PET equipment through an operating lease and provide the services.

The Applicant affirms the proposed project will not require new construction or renovation as the facility will be leased. A letter of Intent to Lease from the equipment vendor, Captive Radiology, LLC, is included in the application. The Applicant states, however, that certain electrical work, including an electrical power source for the operating of the PET system will be required. Additionally, the Applicant states the construction of a concrete pad may be required in conjunction with the placement of a trailer on-site to house the PET equipment as well as a sidewalk to the unit. MS Urology estimates the capital expenditure for both the electrical work and the concrete pad will not exceed \$100,000.00.

The Applicant notes that in Mississippi, prostate cancer is a significant health concern, with the state ranking third (3rd) in the nation in incidence rates and second (2nd) in prostate cancer mortality. MS Urology states PET plays a critical role in urology by providing a powerful imaging technique that assists in the detection, staging and monitoring of prostate cancer and other urological cancers.

MS Urology states its final objective for the proposed project is to make this critical technology more readily accessible to the patients of MS Urology and other residents of the service area in a convenient, cost-effective setting.

The Applicant states MS Urology currently operates a medical practice, dedicated to urology, in multiple clinic locations, and complies with all applicable state and local building codes and zoning ordinances. The Applicant affirms before commencing services, the location in Flowood will be properly zoned for the services to be provided by MS Urology, including PET services.

MS Urology affirms it 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 further affirms MS Urology will obtain approval for the Division of Radiological Health before offering PET services.

The Applicant expects to employ one (4.1) full-time equivalent (FTE) employees at a total personnel cost of \$220,688.00 during the first year of operation.

The application contains a schematic drawing of the PET Scanner Suite. In addition, the application included a letter dated June 20, 2025, from the Division of Fire Safety and Construction, Bureau of Health Facilities Licensure and Certification approving the site for the project.

The Applicant states the total proposed capital expenditure is \$100,000.00, which will be funded by cash reserves.

The Applicant expects to obligate the capital expenditure within thirty (30) days of CON approval and anticipates the project will be complete within ninety (90) days thereafter.

II. TYPE OF REVIEW REQUIRED

This project is reviewed in accordance with Section 41-7-173, 41-7-191 1(d)(xv), and 41-7-193 of the Mississippi Code of 1972, Annotated, as amended. MSDH will also review applications for a CON according to the general criteria listed in the *Mississippi Certificate of Need Review Manual, November 11, 2023*; all adopted rules, procedures, plans, criteria, and standards of MSDH; and the specific criteria and standards listed below.

In accordance with Section 41-7-197(2) of the Mississippi Code 1972, Annotated, as amended, any affected person may request a public hearing on this project within ten (10) days of publication of the staff analysis. The opportunity to request a hearing expires on July 3, 2025.

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

A. State Health Plan (SHP)

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

SHP Policy Statement 1 – CON Review Requirements

The Applicant affirmed MS Urology will enter into an operating lease for the PET equipment. The application includes a copy of a Letter of Intent to lease the equipment from Captive Radiology, LLC.

SHP Policy Statement 2 – Indigent/Charity Care

MS Urology affirms that it will provide a reasonable amount of indigent/charity care.

SHP Policy Statement 3 – Service Areas

The Applicant states the proposed project is located in Flowood, Rankin County, which is in General Hospital Service Area (“GHSA”) 5.

SHP Policy Statement 4 – Equipment to Population Ratio

The Applicant points to Map 5-1 in the FY 2022 State Health Plan, Third Edition, that shows GHSA 5 with a 2025 projected population of 796,224, which Applicant asserts is the highest population in any GHSA.

SHP Policy Statement 5 – Access to Supplies

The Applicant states MS Urology will have direct access to appropriate radiopharmaceuticals through contractual agreements.

SHP Policy Statement 6 – Services and Medical Specialties Required

MS Urology submits that the proposed project will function as a component of a comprehensive outpatient diagnostic service through a relationship with Mississippi Baptist Medical Center and/or Merit Health River Oaks, both of which have a variety of the required modalities available.

SHP Policy Statement 7 – Hours of Operation

The Applicant states MS Urology’s PET services will be offered at the Flowood location initially from 8 am until 5 pm on Tuesday and Thursday with additional days and operation hours added as volume increases.

SHP Policy Statement 8 – CON Approval Preference

The Applicant affirms this application does not propose a joint venture utilizing mobile or shared equipment.

SHP Policy Statement 9 – CON Requirements

MS Urology proposes a fixed PET scanner.

SHP Policy Statement 10 – CON Exemption

The Applicant states this policy does not apply to the proposed project.

SHP Policy Statement 11 – Addition of a Health Care Facility

The Applicant states this policy does not apply to the proposed project.

SHP Policy Statement 12 – Equipment Registration

The Applicant affirms it will provide the Department of Health with the registration/serial number of the CON-approved PET scanner prior to commencing operations.

SHP Policy Statement 13 – Certification

The Applicant states this proposal does not involve a mobile PET scanner; therefore, this policy does not apply to the proposed project.

SHP Policy Statement 14 – Conversion from Mobile to Fixed Service

The Applicant states this application does not involve conversion from mobile to fixed PET services. Therefore, this policy does not apply to the proposed project.

SHP Policy Statement 15 – Applicants with Accredited Cancer Center:

The Applicant states this policy does not apply to the proposed project; however, the PET equipment will be dedicated to the detection and treatment of prostate and other urological cancers.

Criteria and Standards for Acquisition or Otherwise Control of a PET Scanner

SHP Need Criterion 1 – Minimum Procedures/Population

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

The Applicant states the Advanced Prostate Cancer (“APC”) Clinical Guidelines are specific as to when PSMA PET imaging should be performed. The most significant factors include age and prostate-specific antigen (“PSA”) levels.

The Applicant states consistent with the recommended Clinical Guidelines; MS Urology projects will perform more than 1,000 clinical procedures annually.

Specifically, MS Urology projects the PSMA PET equipment will perform 1,080 procedures in Year 1, 1,104 procedures in Year 2 and 1,128 procedures in Year 3. The Applicant states the projects are based on methodologies that take into account the following factors:

1. The staff of MS Urology, in close consultation with the Clinic's physicians, conducted a detailed analysis which identified patients who would benefit from PET imaging technology. The application includes an Affidavit from Dr. Jason Blalock, the President of MS Urology, attesting to the validity of the significant volume of patients.
2. The Federal Food and Drug Administration ("FDA") approved Pluvicto for patients without prior chemotherapy. Pluvicto is a radioligand therapy used to treat prostate cancer that has spread to other parts of the body. Due to this development, the Applicant states more PSMA PET scans will be ordered in compliance with the APC Clinical Guidelines.
3. MS Urology plans to recruit and bring in one (1) to three (3) additional physicians as well as one (1) to three (3) additional nurse practitioners or physician assistants over the next two (2) years, that will result in much shorter wait times for patients as well as a significant increase in the number of patients referred for a PSMA PET scan.
4. If MS Urology is granted the CON for a PSMA PET scanner, the Clinic will receive a significant number of referrals from a variety of physicians and specialists in the Jackson Metropolitan Area, in order to decrease the wait time for their patients as well.
5. MS Urology examined the current referral patterns of its seven (7) physicians and five (5) advanced practice providers and determined that having PET services available in-house will enable these practitioners to schedule patients for procedures more efficiently.
6. The addition of PET services will allow MS Urology's physicians to expand PET service to many communities served by the Clinic. The Applicant states MS Urology currently operates clinics throughout Central Mississippi, including Jackson, Carthage, Flowood, Forest, Hazlehurst, Kosciusko, Magee, and Vicksburg. The Applicant believes that the large population base will support the volume of PET procedures that are projected.
7. The Applicant further states, most significantly, based on existing utilization of PET service providers in General Hospital Service Area (GHSA) 5, an additional PET unit is needed. The Applicant includes the following table from the ***FY 2022 State Health Plan, Third Edition***, that indicates hospitals in GHSA 5 performed a total of 9,374 procedures in FY 2020, the most recent reporting period.

Table 1
PET Procedures Performed in GHSA 5
FY 2020

Facility	County	Type of Equipment	Number of PET Procedures
Merit Health Central	Hinds	Fixed	112
MS Baptist Medical Center	Hinds	Fixed	3,208
St. Dominic	Hinds	Fixed	3,060
University of MS Medical Center	Hinds	Fixed	2,994

Source: FY 2022 Mississippi State Health Plan, Third Edition, Table 5-7.

Mississippi Urology Clinic, PLLC CON Review Application for Control of Positron Emission Tomography Equipment and Offering of PET Services.

The Applicant submits that by way of comparison, PET procedures performed by providers in other General Hospital service Areas range from 27 to in GHSA 1 to 2,745 in GHSA 9. GHSA 8 performed 4,655 procedures in FY 2020, according to the FY 2022 Plan. The Applicant asserts that the utilization of PET services in GHSA 5, which included the Metropolitan Area, far surpasses utilization of PET services in all other GHSA's.

The Applicant submits that during the reporting year, hospitals in GHSA 5 averaged 1,878 procedures per unit, including Merit Health Central that reported 112 procedures. The Applicant further states, when that outlier is excluded, the four (4) remaining hospitals averaged 2,316 PET procedures per unit. The State Health Plan provides that an additional PET unit will be approved when existing equipment is performing at an average of 1,500 clinical procedures per unit per year.

- b. The applicant shall document a minimum of 300,000 procedures per PET scanner unit. The Division of Health Planning and Resource Development population projections shall be used.**

The Applicant submits that Map 5-1 in the FY 2022 State Health Plan shows GHSA 5 has a 2025 projected population of 796,224, which is the highest population in any GHSA. The Applicant maintains that the population currently supports four (4) hospital-based PET service programs and can support an additional PET unit, based on the high utilization of existing PET providers.

SHP Need Criterion 2 – Business Registration

The Applicant states MS Urology is properly registered with the Mississippi Secretary of State and is in good standing, as evidenced by the Certificate of Good Standing contained in the application.

SHP Need Criterion 3 – Approval of Additional PET Equipment

The Applicant submits that for the most recent twelve (12) month reporting period, as set forth in the FY 2022 State Health Plan, the five (5) existing PET units in GHSA 5 averaged 1,875 Clinical procedures per unit, which exceeds the minimum of 1,500.

SHP Need Criterion 4 – Division of Radiological Health Approval

The Applicant affirms that MS Urology will receive approval from the Division of Radiological Health for the proposed site, plans and equipment before PET services begin.

SHP Need Criterion 5– Data Requirements

MS Urology affirms that the required data regarding the PET equipment will be maintained and made available to the Mississippi State Department of Health upon request.

SHP Need Criterion 6 - Fixed/Minimum Volume Requirement

The application contains the vendor's letter of intent to lease equipment. The Applicant certified that the lease agreement will not contain a fixed or minimum volume requirement.

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

The Applicant states, MS Urology is requesting CON approval of PSMA PET equipment and the offering of PSMA PET services.

SHP Need Criterion 8 – Applicants with an Accredited Cancer Center

The Applicant asserts this policy is not applicable to the proposed project; however, the proposed equipment will be dedicated to the detection and treatment of prostate and other urological cancer.

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

SHP Criterion 1 – Minimum Procedures

The Applicant states the physicians, providers and staff of MS Urology are dedicated to the detection and treatment of prostate and other urologic cancer. The Applicant further states the Advanced Prostate Cancer (“APC”) Clinical Guidelines are specific as to when PSMA PET imaging should be performed with the most significant factors being age and prostate-specific antigen (“PSA”) levels. The APC Clinical Guidelines recommend PSMA PET imaging specifically for:

- Primary staging of high-risk disease
- Biochemical recurrence (“BCR”) after definitive therapy
- Monitoring progression if PSA is rising or an initial metastatic diagnosis is made with a PSMA PET scan only
- Radiographic imaging at least once a year for any patient on androgen deprivation therapy (“ADT”), regardless of disease state

The Applicant states, consistent with the above guidelines, MS Urology projects that it will perform more than 1,000 clinical procedures annually. (See discussion on Need Criterion 1: Minimum Procedures/Population above).

SHP Criterion 2 – PET Equipment Utilized by Multiple Providers

This criterion is not applicable as the Applicant does not propose mobile PET services.

SHP Criterion 3 – Quality Control and Environmental Requirements

MS Urology affirms that the PET services will be offered in a physical environment that conforms to federal standards, manufacturer’s specifications and licensing agencies’ requirements, including the areas enumerated by this criterion.

SHP Criterion 4 – Division of Radiological Health Approval

The Applicant affirms that MS Urology will receive approval from the Division of Radiological Health for the proposed site, plans, and equipment before PET services begin.

SHP Criterion 5 – Provision of On-Site Medical Cyclotron

The Applicant certified that MS Urology will have access to a supply of cyclotron-produced radiopharmaceuticals within a two (2) hour air transport radius through an arrangement with radiopharmaceutical companies.

SHP Criterion 6 – Staffing Requirements

MS Urology affirms that it will have the necessary qualified staff available to operate the proposed PET scanner and that the staff will include all of the personnel described by this criterion with the required experience and qualifications.

SHP Criterion 7 – Management of Medical Emergencies

The Applicant states that MS Urology has established arrangements with Mississippi Baptist Medical Center and Merit Health River Oaks for the emergency transfer of patients.

SHP Criterion 8 – Accommodating Referred Patients

MS Urology affirms that it will accept appropriate referrals for PET procedures from other local providers and that these patients will be accommodated, to the extent possible, by extending hours of service and by prioritizing patients according to standards of need and appropriateness rather than source of referral.

SHP Criterion 9 – Medical Necessity

MS Urology affirms that protocols will be established to assure that all clinical PET procedures performed are medically necessary and cannot be performed as well by other less expensive established modalities.

SHP Criterion 10 –Notification of Procedures Offered

The Applicant affirms that MS Urology will maintain current listings of appropriate PET procedures for use by referring physicians.

SHP Criterion 11 – Data Requirements

The Applicant affirms that the required data regarding the PET service will be maintained and made available to the Mississippi State Department of Health upon request.

SHP Criterion 12 – CON Approval/Exemption for PET Equipment

The Applicant affirms MS Urology is requesting CON approval for the control of a fixed PET scanner, in addition to the offering of PET service.

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 application was reviewed in compliance with the ***FY 2022 State Health Plan, Third Edition***. See discussion above.

GR Criterion 2 – Long Range Plan

The Applicant states that MS Urology's long-range plan is to ensure that advanced, patient-centered urological care is available to all who need it, through a comprehensive range of treatments, combining state-of-the-art technology with a personal touch. The Applicant states, consistent with that plan, the physicians and management team at MS Urology conducted an extensive evaluation of the most effective and efficient way to address the problem of patient access to PET technology.

GR Criterion 3 – Availability of Alternatives

- a. **Advantages and Disadvantages of Alternatives:** The Applicant indicates that the proposed project only has two alternatives – 1) to acquire PET equipment and offer PET services and 2) for the physicians at MS Urology to continue to refer patients to area hospitals that offer PET services, which will result in continued scheduling delays. The Applicant states MS Urology determined that the proposed project is the most desirable alternative for addressing the problem of patient access to the clinical benefit of PET technology. The Applicant states the second alternative to the proposed Urology.
- b. **New Construction Projects:** The Applicant states the proposed project does not involve new building construction.
- c. **Beneficial Effects to the Health Care System:** The Applicant states this project will benefit the health care system by making PSMA PET services, dedicated to urological care, available in the Jackson Metropolitan Area, in a convenient and accessible setting.
- d. **Effective and Less Costly Alternatives:**
 - i. **Unnecessary Duplication of Services:**

The Applicant states the proposed project is not a duplication of services, because it is submitted in response to the clear need for additional PET service capacity in GHSA 5, as documented in the application. The Applicant asserts the project is unique in offering freestanding, non-hospital-based PET services, dedicated to urological care.
 - ii. **Efficient Solution:** The Applicant states MS Urology's Flowood location will be a highly efficient, convenient, and cost-effective outpatient setting for the provision of PET services.
- e. **Improvements and Innovations:** The Applicant states the offering of PET services in a physician clinic is cost-effective and also provides patients with convenient access to the service. The Applicant further states MS Urology's providers and professional staff will be directly involved in the provision of this service, thereby assuring quality of care.
- f. **Relevancy:** The Applicant states there is a clear trend favoring the provision of health services in accessible and cost-effective settings. The Applicant projects this on-site diagnostic service will be readily available to MS Urology's patients, resulting in greater convenience and reduced costs for the patients.

GR Criterion 4 - Economic Viability

- a. Proposed Charge:** The Applicant states that its proposed charges for PET services, as reflected in the financial tables that accompany the application, were calculated based on the basis of the research and experience of MS Urology's management team and are comparable to other area providers.
- b. Projected Levels of Utilization:** The Applicant asserts that hospitals that offer PET services in the Jackson Metropolitan Area continue to experience high utilization of PET service and additional capacity is clearly needed in order to meet the needs of the patient population.
- c. Financial Feasibility Study:** The Applicant affirms the capital expenditure for the proposed project does not exceed \$2,000,000.00 Therefore, this policy statement is not applicable.
- d. Financial Forecasts:** The Applicant states MS Urology does not anticipate that the forecasts set forth in the financial tables submitted with the application will deviate significantly from the prior historical three-year period.
- e. Covered Expenses:** The Applicant states MS Urology does not anticipate that the project will fail to meet projected revenues. However, the applicant affirms MS Urology would cover expenses, if necessary, through cash reserves.
- f. Impact of Proposed Project on Health Care Cost:** The Applicant states this project will reduce the cost of health care by offering the proposed diagnostic service to patients in an office-based setting.

GR Criterion 5 - Need for the Project

- a. Access by Population Served:** The Applicant reiterates that the approval of the proposed project will improve access to PET services by making those services available at an additional location in the Jackson Metropolitan Area. The Applicant confirms services will be accessible to low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly and other underserved groups.
- b. Relocation/Replacement of Services:** The Applicant states the proposed project is not for a replacement facility nor the relocation of services; therefore, this criterion is not applicable.

- c. **Current and Projected Utilization of Like Facilities:** The Applicant asserts the high utilization of existing providers of PET services in GHSA 5, including the Jackson Metropolitan Area, clearly justifies the approval of an additional PET unit to accommodate patient demand. The Applicant states the physicians and staff of MS Urology have observed, first-hand, the impact of high utilization based on the delays that they consistently experience in referring and scheduling patients for a PET procedure.
- d. **Probable Effect on Existing/Similar Facilities:** The Applicant states due to the high volume of PET procedures reported by area hospitals, MS Urology does not anticipate that the proposed project will have an adverse impact on any other provider. The Applicant further states, the approval of this proposed project will alleviate the backlog experienced by existing providers, while greatly improving patient access.
- e. **Community Reaction to Service:** The application contained a letter of joint support from MS Urology's physicians.

GR Criterion 6 - Access to the Facility or Service

a. Access to Services:

1. The Applicant affirms that all residents of the health planning service area, hospital service area or patient service area, including Medicaid recipients, charity/medically indigent patients, racial and minorities, women, handicapped persons, and the elderly have access to the services of the existing facility.
2. The Applicant affirms that the above-listed residents will continue to have access to the proposed services and/or facility as described in the application.
3. The Applicant asserts that as the proposed project is a new service, MS Urology does not have historical operating data, including charity care. MS Urology projects indigent/charity care of approximately two (2) percent of gross patient revenue.

- b. **Existing Obligations:** The Applicant affirms that MS Urology does not have any existing obligations under any federal regulation requiring provision of uncompensated care, community service, or access by minority or handicapped persons.

- c. Unmet Needs of Medicare, Medicaid, and Medically Indigent Patients:** The Applicant asserts the project will meet the needs of Medicare, Medicaid, and medically indigent patients by making superior clinical tools available to them in the diagnosis and treatment of urologically-related cancer.
- d. Access to Proposed Facility:** The Applicant asserts MS Urology is certified to participate in the Medicaid and Medicare programs and accepts a variety of commercial health plans.
- e. Access Issues:**
- i. Transportation and Travel:** The Applicant states MS Urology's proposed Flowood location is easily accessible via Highway 25 (Lakeland Dr.).
 - ii. Restrictive Admissions Policies:** The application contains a copy of MS Urology's Non-Discrimination Policy.
 - iii. Access to Care by Medically Indigent Patients:** The Applicant states MS Urology serves medically indigent patients and is Medicaid-certified.
 - iv. Operational Hours of Service:**
 - 1. Regular Operation.** The Applicant states the initial days and hours of operation of PET services will be Tuesday and Thursday from 8am to 5 pm. Additional days of service will be added as procedure volume increases.
 - 2. Emergency Operation.** The Applicant states MS Urology has established arrangements with Mississippi Baptist Medical Center and Merit Health River Oaks for the emergency transfer of patients.

GR Criterion 7 - Information Requirement

MS Urology affirms 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 states currently there are no freestanding providers of PET services in the Jackson Metropolitan Area. Additionally, the Applicant states the proposed project will be the first PET service provider in the area that is dedicated to urological care.

b. Effects on Existing Health Services:

- i. **Complement Existing Services:** The Applicant states MS Urology's PET services at the proposed Flowood clinic will complement existing health services in the Jackson Metropolitan Area by providing improved access at a new freestanding location.
 - ii. **Provide Alternative or Unique Services:** The Applicant states the proposed project will significantly and directly benefit Mississippi residents in the diagnosis and treatment of urologically-related cancer.
 - iii. **Provide Services for a Specific Target Population:** As stated in ii above, the Applicant states the proposed project will significantly and directly benefit Mississippi residents in the diagnosis and treatment of urologically-related cancer.
 - iv. **Provide services for Which There is an Unmet Need:** The Applicant asserts in Mississippi, prostate cancer is a significant public health concern, with the state ranking third (3rd) in the nation in incidence rates and second (2nd) in prostate cancer mortality. The Applicant proposes to establish additional clinical resources to assist in the detection and treatment of this disease.
- c. **Adverse Impact:** The Applicant states if this project is not implemented, the most direct adverse impact will be the MS Urology's patients, who will be denied improved and more timely access to life-saving PET technology.
- d. **Transfer/ Referral/ Affiliation Agreements:** The Applicant states MS Urology does not have a transfer agreement with other health providers; however, its physicians serve on the medical staffs of both Mississippi Baptist Medical Center in Jackson and Merit Health River Oaks in Flowood. Additionally, the Applicant states MS Urology has an on-call agreement with both hospitals.

GR Criterion 9 - Availability of Resources

- a. **New Personnel:** The Applicant asserts the urologists, nurse practitioners and other staff of MS Urology are highly trained and skilled in all aspects of urology services. MS Urology states it will retain additional staff for the operation of PET services, through its recruitment resources.

- b. Contractual Services:** The Applicant states MS Urology currently provides its patients with access to lithotripsy services through a contractual arrangement.
- c. Existing Facilities or Services:** The Applicant asserts the physicians of MS Urology are board-certified and licensed by the Mississippi State Board of Medical Licensure, and the newest physician is board-eligible and in the process of obtaining board certification. Additionally, the Clinic's advanced practice providers are licensed by the Mississippi Board of Nursing and fulfill a clinical role in the delivery of clinical services. The Clinic's physician assistant is licensed by Mississippi State Board of Medical Licensure.
- d. Alternative Uses of Resources:** The Applicant states MS Urology could continue to refer patients in need of a PET scan to area hospitals, but that alternative would not improve patient access to the service and would result in continuous delays in diagnosis and treatment.

GR Criterion 10 – Relationship to Ancillary or Support Services

- a. Support and Ancillary Services:** The Applicant states that MS Urology's team includes urologists, nurse practitioners, physician assistants and other clinical and administrative staff that will implement and operate the proposed project. MS Urology projects that it will hire additional staff of 4.1 FTE personnel specifically for PET services.
- b. Changes in Costs or Change:** The Applicant states that costs and charges for the proposed project are set forth in the accompanying financial tables.
- c. Accommodation of Changes in Costs or Charges:** The Applicant states the financial section of this application reflects projected costs and charges in implementing this service.

GR Criterion 11 – Health Training Programs

The Applicant states MS Urology participates in a Residency Rotation with University of Mississippi Medical Center, through which the Clinic serves as an elective rotation option for the trainees. The proposed project will make an additional clinical service available for purposes of training.

GR Criterion 12 - Access by Health Professional Schools

As stated above, MS Urology participates in a Residency Rotation with University of Mississippi Medical Center, through which the Clinic serves as an elective

rotation option for the trainees. The proposed project will make an additional clinical service available for purposes of training.

GR Criterion 13 Access to Individuals Outside Service Area

The Applicant states MS Urology serves patients throughout Central Mississippi and the proposed project will enable these patients to access PET services in a dedicated, freestanding and convenient setting.

GR Criterion 14 - Construction Projects

The Applicant affirms that the project does not involve construction.

GR Criterion 15 – Competing Applications

There are no competing applications on file with the Department for PET services.

GR Criterion 16 - Quality of Care

- a. Past Quality of Care:** The Applicant states that MS Urology has demonstrated high quality of care since it was established in 1975. The Applicant asserts that its board-certified urologists are among the most respected physicians in the State and region.
- b. Improvement of Quality of Care:** The Applicant states the proposed project will enable MS Urology's patients to access the clinical benefits of PET technology in a more timely and convenient manner.
- c. Accreditation and/or Certificates:** The Applicant states MS Urology is certified for participation in the Medicare and Mississippi Medicaid programs. The Applicant states the Clinic's physicians are licensed by the Mississippi Board of Medical Licensure and are board-certified in urology, with the newest physician in the process of obtaining board certification.

IV. FINANCIAL FEASIBILITY

A. Expenditure Summary

Item	Cost (\$)	Percent (%) of Total
Construction Cost -- New	\$0.00	0.00%
Construction Cost -- Renovation	0.00	0.00%
Capital Improvements	0.00	0.00%
Total Fixed Equipment Cost	0.00	0.00%
Total Non-Fixed Equipment Cost	0.00	0.00%
Land Cost	0.00	0.00%
Site Preparation Cost	100,000.00	100.00%
Fees (Architectural, Consultant, etc.)	0.00	0.00%
Contingency Reserve	0.00	0.00%
Capitalized Interest	0.00	0.00%
Legal and accounting fees	0.00	0.00%
Other	0.00	0.00%
Total Proposed Capital Expenditure	<u>\$100,000.00</u>	<u>100.00%</u>

B. Method of Financing

The Applicant proposes to finance the proposed capital expenditure with cash reserves.

C. Effect on Operating Cost

The Hospital's three-year projected operating statement is presented in Attachment 1.

D. Cost to Medicaid/Medicare

The applicant projects the cost to third-party payors as follows:

Payor Mix	Utilization Percentage (%)	First-Year Revenue (\$)
Medicare	62%	\$871,884.00
Medicaid	2%	\$24,624.00
Commercial	31%	\$432,000.00
Self Pay	2%	\$35,154.00
Charity Care	2%	\$29,295.00
Other	2%	\$23,436.00
Total	100%	\$1,416,393.00

V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES

Staff provided the Division of Medicaid with a copy of the application for review and comment; however, the Division of Medicaid has not provided a comment on the proposed project as of June 23, 2025.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the policy statements, criteria, and standards for acquisition or otherwise control of PET equipment and provision of PET services contained in the *FY 2022 Mississippi State Health Plan (Third Edition)*; Chapter 8 of 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 MS Urology Clinic, PLLC for the control of a PET scanner and the offering of PET Services.

Attachment 1			
MS Urology Clinic, PLLC			
Three-Year Operating Statement (Project Only)			
	Year 1	Year 2	Year 3
Revenue			
Patient Revenue:			
Inpatient			
Outpatient	\$1,416,393.00	\$1,447,868.00	\$1,479,344.00
Gross Patient Revenue	\$1,416,393.00	\$ 1,447,868.00	\$1,479,344.00
Charity Care	\$29,295.00	\$29,946.00	\$30,597.00
Deductions	0.00	0.00	0.00
Net Patient Revenue	\$1,387,098.00	\$ 1,417,922.00	\$ 1,448,747.00
Other Operating Revenue	\$1,203,682.00	\$ 1,230,430.00	\$1,257,179
Total Operating Revenue	\$2,590,780.00	\$ 2,648,352.00	\$ 2,705,926.00
Expenses			
Operating Expenses:			
Salaries	\$ 169,760.00	\$ 174,853.00	\$ 180,098.00
Benefits	50,928.00	52,456.00	54,030.00
Supplies	24,000.00	27,600.00	31,200.00
Services	129,539.00	132,418.00	135,296.00
Lease	521,100.00	521,100.00	521,100.00
Depreciation	23,000.00	23,000.00	23,000.00
Interest	0.00	0.00	0.00
Other	45,700.00	43,300.00	40,900.00
Total Expenses	\$ 964,027.00	\$ 974,726.00	\$ 985,624.00
Net Income (Loss)	\$ 1,626,753.00	\$ 1,673,626.00	\$ 1,720,302.00
Assumptions			
Inpatient days*	0	0	0
Outpatient days*	104	156	208
Procedures	1,080	1,104	1,128
Charge/outpatient day	\$ 13,619.00	\$ 9,281.00	\$ 7,112.00
Charge per inpatient day	N/A	N/A	N/A
Charge per procedure	\$ 1,311.00	\$ 1,311.00	\$ 1,311.00
Cost per inpatient day	NA	NA	NA
Cost per outpatient day	\$ 9,269.00	\$ 6,248.00	\$ 4,739.00
Cost per procedure	\$ 893.00	\$ 883.00	\$ 874.00

Note: Some totals differ from Applicant due to rounding.