

**DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
JUNE 2008**

**CON REVIEW ESRD-RLS-0308-012
RENAL CARE GROUP TUPELO, LLC
D/B/A FRESENIUS MEDICAL CARE
RCG TUPELO RELOCATION AND EXPANSION OF EXISTING ESRD FACILITY
CAPITAL EXPENDITURE: \$2,732,511
LOCATION: TUPELO, LEE COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Renal Care Group (RCG) Tupelo, LLC d/b/a Fresenius Medical Care (FMC) Tupelo, is a Delaware limited liability company authorized to do business in the state of Mississippi. RCG Mississippi, Inc. is the majority owner of RCG Tupelo, LLC. RCG Mississippi, Inc is an affiliate of Fresenius Medical Care (FMC) North America. RCG Tupelo, LLC has a three (3) member Board.

Renal Care Group-Tupelo (RCG) currently operates a 28-station ESRD facility in Tupelo.

B. Project Description

RCG Tupelo, LLC d/b/a Fresenius Medical Care (FMC) Tupelo, along with its joint venture partner RCG Mississippi, Inc., proposes to relocate and expand their current 28-station dialysis facility and home therapy department from 1031 Madison Street, Tupelo, to a new, 50-station end stage renal disease (ESRD) facility 1.8 miles away on Mattox Street, Tupelo, Lee County, Mississippi. Currently, RCG Tupelo is approved for 34 stations, but is only operating 28 stations because it has no more space available to utilize these six (6) additional authorized stations at its current facility. The proposed transfer and relocation of the ESRD facility and home therapy department from its current location to a new 17,200 square foot leased shell building facility would allow the operation of not only the current 28 stations and the six previously authorized stations, but the applicant is also requesting an expansion of 16 additional dialysis stations for a total of 50 ESRD stations in the new facility.

The applicant currently has approximately 161 patients a month and is running four shifts, six days a week. The current facility is in need of major renovation and upgrades to handle patient demand and provide a normal two shift schedule. The current facility and parking lot is landlocked and unable to be expanded due to its location. The proposed relocation and expansion to a larger facility would provide an expanded treatment area, an upgraded water system for dialysis services, new dialysis equipment, and increased parking for patients.

RCG Tupelo proposes to lease an approximately 17,000 square foot shell building that is built to specification to house the 50-station ESRD facility. The applicant states that the landlord of the proposed site has shelled in space. RCG Tupelo, LLC will renovate the shelled in space in order to make accommodations to provide ESRD services. The proposed renovation includes finishing out 17,200 square feet of shell space for the fifty (50) station dialysis unit, equipment, home therapy department and related offices. The work will include: interior studs, drywall, floor, wall and ceiling finishes, interior doors with hardware, specialty items casework, and complete plumbing, HVAC and electrical systems. Such renovation will comply with all local ordinance and regulations. The total proposed capital expenditure of the project is \$2,732,511.

The applicant expects to obligate capital expenditure and start construction within 30 days after final approval by the State Health Officer and expects the project to be complete within one year of its commencement.

The Mississippi State Department of Health, Division of Health Facilities Licensure and Certification, found the site acceptable for the stated use.

II. TYPE OF REVIEW REQUIRED

This project for the relocation/replacement and expansion of an end stage renal disease facility is reviewed in accordance with Section 41-7-191, subparagraph (1)(b), of the Mississippi Code 1972, Annotated, as amended, and duly adopted rules, procedures, plans, criteria, and standards of the Mississippi State Department of Health.

In accordance with Section 41-7-197 (2) of the Mississippi Code of 1972 Annotated, as amended, any affected person may request a public hearing on this project within 20 days of the publication of the staff analysis. The opportunity to request a hearing expires on July 7, 2008.

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

A. State Health Plan (SHP)

The 2007 Mississippi State Health Plan contains policy statements and service specific criteria and standards which must be met before an applicant is granted CON authority to establish an ESRD facility, as set forth below. According to the Plan, offering ESRD services in an ESRD facility service area where an applicant currently provides services or the proposed transfer of existing ESRD units from a current location into a different ESRD facility service area constitutes the establishment of a new ESRD health care facility. As it states in the Plan, "The transfer of dialysis stations from an existing ESRD facility to any other location is a relocation of a health care facility or portion thereof and requires Certificate of Need review. Likewise, new dialysis stations placed into service at a site separate and distinct from an existing ESRD facility constitutes the establishment of a new health care facility and requires Certificate of Need review."

SHP Criterion 1 - Need

An applicant proposing the establishment of a limited care renal dialysis facility or the relocation of a portion of an existing ESRD facility's dialysis stations to another location shall demonstrate that each individual ESRD facility in the proposed ESRD Facility Service Area has (a) maintained a minimum annual utilization rate of 80 percent or (b) that the location of the proposed ESRD facility is in a county which does not currently have an existing ESRD facility but whose ESRD relative risk score using current ESRD Network 8 data is 1.5 or higher.

An ESRD Facility Service Area is defined as the area within 30 highway miles from an existing or proposed ESRD facility. Currently, the applicant is the only provider within the proposed expanded and relocated facility's service area. The closest ESRD facility is in

Aberdeen, more than 30 miles away and also operated by the Renal Care Group and thus not a competitor.

The applicant proposes to expand and relocate its facility in Tupelo, Lee County, Mississippi, from a 28 station (CON approved for 34) to a new facility comprised of fifty (50) ESRD stations and related offices. The applicant believes that these stations will facilitate patient needs, patient access, and the population growth of Lee County. Given the number of active dialysis patients reported by RCG Tupelo for the past three years and the average number of stations, staff estimates the utilization rate of the facility to be as follows:

Year	Average Number of Patients	Average Number of Stations	Average Number of Shifts/Days	Number of Treatments*	Utilization Percentage
2005	121	28	2 shifts/6 days	17,274	72%
2006	143	28	2 shifts/6 days	18,533	85%
2007	141	28	4 shifts/6 days	21,065	84%
2008 YTD - latest actual	141	28	4 shifts/6 days	21,172	84%

***Note:** Total treatments were calculated based on 3 treatments per patient per week, 156 treatments per year (3 x 52 weeks).

The applicant asserts that the increase in actual utilization at RCG Tupelo, the crowded conditions in the current facility, the need of dialysis patients for easy access, and the projected increase in utilization due to the population growth in Lee County support the need for this project. The average patient receives 12-13 ESRD treatments per month or a maximum of approximately 156 treatments per year. Based on the 2006 and 2007 utilization data stated in the application, the number of treatments performed at RCG-Tupelo increased by 1,259 from 2005 to 2006 and by 2,532 from 2006 to 2007. Accordingly, average number of shifts went from 2 shifts/6 days in 2005-06 to 4 shifts/6 days in 2007-08 to accommodate the demand. According to the *State Health Plan*, full utilization (100%) is defined as an average of 936 dialysis per station per year. Full utilization of 28 stations yields 26,208 possible ESRD treatments per year. Given the applicant's stated number of patients (141) served during 2007, the applicant performed between 20,304 (141x144) and 21,996 (141x156) treatments during 2007, yielding an average utilization of 78 - 84 percent.

In addition, Network 8, Inc. reported an incidence of 34 ESRD patients and a prevalence of 102 patients for Lee County for 2006. For the period January 1, 2007, to July 31, 2007, Network 8, Inc. reported an incidence of 13 ESRD patients and a prevalence of 103 patients for Lee County. Based on the number of patients reported by RCG Tupelo and the fact that it is the only facility in the area, it appears that all Lee county patients are being dialyzed at RCG Tupelo, in addition to drawing patients from the surrounding area. However, it also appears that there are not enough patients in the service area to justify an addition of 22 ESRD stations. Furthermore, criterion (a) requires 80 percent utilization for the past fiscal year; according to the applicant, Renal Care Group of Tupelo's utilization was 83.75 percent for FY 2007. Therefore, the applicant is in compliance with this criterion.

SHP Criterion 2 - Number of Stations

The FY 2007 State Health Plan establishes a minimum of four ESRD stations that may be approved for establishment of an ESRD facility. The applicant proposes to relocate and expand by 22 ESRD stations. RCG Tupelo, LLC is in compliance with this criterion.

SHP Criterion 3 - Minimum Utilization

The applicant projects to perform 27,720 treatments on 201 patients the first year of operation for an annual utilization of 59.23 percent, and 30,168 treatments the second year for an annual utilization of 64.46%. However, in Year 3 the applicant projects 32,328 treatments for an annual utilization rate of 69.08%, below the MSDH required 75% utilization in Year 3. Therefore, the applicant's request for expansion to fifty (50) stations is not in compliance with the Minimum Utilization criterion as set out in the State Health Plan. The table below gives a comparison of the applicant's projections with the MSDH requirements.

Projected Project Utilization							
Year	Patients	Treatments per Station	Stations	RCG Projections		MSDH Requirements	
				Treatments	Utilization Rate	Treatments	Utilization Rate
1	201	554	50	27,720	59.23%	23,400	50%
2	218	603	50	30,168	64.46%	30,420	65%
3	231	647	50	32,328	69.08%	35,100	75%

SHP Criterion 4 - Minimum Services

The applicant affirmed that it will provide, at a minimum, social, dietetic and rehabilitative services. Rehabilitative services will continue to be provided on a referral basis.

SHP Criterion 5 - Access to Needed Services

RCG Tupelo, LLC affirmed that it will provide reasonable access to equipment and facilities for such needs as vascular access and transfusions required by stable maintenance ESRD patients.

SHP Criterion 6 - Hours of Operation

Currently the applicant, in order to accommodate its patients, has facility hours of operation from 6 a.m. to 11:30 p.m., six days per week. These hours are a burden on the patients and staff of the applicant, and the relocated and expanded facility would provide an opportunity to operate on a more normal schedule. Alternate arrangements will be made for those patients needing after-hours treatments.

SHP Criterion 7 - Home Training Program

The applicant will continue to make home training available to those patients who are medically eligible and receptive to such a program, and will continue to counsel all patients on the availability of and eligibility requirements to enter the home/self dialysis program.

SHP Criterion 8 - Indigent/Charity Care

The applicant certified that the relocated center will not have any admission policies which will adversely affect access to care by indigents, and that it will continue to provide a reasonable amount of indigent/charity care. The applicant anticipates its percentage of indigent/charity care to be 2.8 percent based on historical utilization. All patients not otherwise covered by insurance qualify for Medicare/Medicaid after an initial 90 day waiting period. Therefore the indigent/charity care provided by the applicant is calculated by estimating the percentage of patients who will be subject to the 90 day qualification period. RCG Tupelo does not receive, nor does it anticipate receiving any reimbursement for those patients within this 90 day period.

SHP Criterion 9 - Facility Staffing

The applicant is in compliance with licensure staffing requirements for the current facility and has proposed increasing staff for the expansion as shown in the table below. The application includes documentation for qualifications and specific duties of the proposed facility's staff in the Exhibit F.

Staff/FTE	Current	Projected	Change
Registered Nurse	15.0	21.0	6.0
Licensed Practical Nurse	1.0	2.0	1.0
Aides	16.8	20.8	4.0
Technical	1.7	2.5	0.8
Social Service	1.0	1.8	0.8
Administrative	2.3	2.3	0.0
Registered Dietitian	1.0	1.8	0.8

SHP Criterion 10 - Staffing Qualifications

RCG Tupelo, LLC asserts that its staff will meet, at a minimum, all requirements and qualifications as stated in the Medicare Conditions for Coverage of Suppliers of ESRD Services, 42 CFR, Chapter IV, Subpart U.

SHP Criterion 11 - Staffing Time

RCG Tupelo, LLC affirmed that when the unit is in operation, at least one (1) RN will be on duty. There will be a minimum of two persons for each dialysis shift, one of which will be an RN.

The applicant affirmed it will continue to have a medical director or a designated physician on-site or on-call at all times when the unit is in operation.

The applicant further affirmed that when the unit is not in operation the medical director, or designated physician, and an RN will be on-call.

SHP Criterion 12 - Data Collection

RCG Tupelo, LLC affirmed that it will continue to record and maintain all utilization data and data regarding services provided to indigent patients and shall make such information available to the MSDH as required.

SHP Criterion 13 - Staff Training

The applicant affirmed that it will continue to provide an ongoing program of training for nurses and technicians in dialysis techniques.

SHP Criterion 14 - Scope of Privileges

The applicant affirmed that it shall continue to provide access to doctors of medicine or osteopathic medicine licensed by the State of Mississippi who possess qualifications established by the governing body.

SHP Criterion 15 - Affiliation with a Renal Transplant Center

The applicant affirmed that it has and will maintain affiliation agreements with at least one transplantation center upon CON approval in accordance with stated requirements. The applicant currently has affiliation agreements with the University of Mississippi Medical Center, Jackson, University of Alabama at Birmingham, and the Mid-South Transplant Foundation, Inc. The application contains copies of these agreements as Exhibit E. The applicant also affirmed its understanding and agreement that failure to comply with this criterion may, after due process, result in revocation of the CON.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual, revised February 23, 2008*, addresses general criteria by which all CON applications are reviewed. The applicable criteria are discussed below.

GR Criterion 1 – State Health Plan

This application is in compliance with the need criterion stated in the FY 2007 *State Health Plan*. It is a policy of the Mississippi State Department of Health that no CON shall be issued unless it substantially complies with the projection of need as reported in the *State Health Plan* which is in effect at the time the application is received by the Department. The applicant demonstrates a growing need in the Tupelo, Lee County, area.

GR Criterion 2 - Long Range Plan

The applicant indicates that the project will provide easy access and convenient dialysis services to its patients in the Tupelo and Lee County area. RCG Tupelo believes that relocating and expanding to a new location will ensure its current and future patients have expanded easy access to dialysis services.

GR Criterion 3 - Availability of Alternatives

RCG Tupelo, LLC submits that there is no less costly or more effective available alternative to the application. The current facility is landlocked to prevent expansion at the current site. In addition, the applicant argues that the relocation and expansion will allow upgrades to the water treatment system, dialysis equipment, offices, patient access and parking. No other alternatives were presented in the application.

GR Criterion 4 - Economic Viability

Based on the applicant's three-year projections, this project will realize a net income of \$3,387,462 the first year, \$3,416,395 the second year, and \$3,404,802 the third year of operation, respectively. The applicant demonstrates via profit and loss statements a consistent profit and income, showing a net income for 2007 of \$3,926,398. Staff contends that the project is viable without impacting the viability of the existing provider services being provided by the applicant.

- a. **Proposed Charge:** The applicant projects average charges of \$343.21 per dialysis treatment for the first three years of operation for the proposed project. The applicant projects cost of \$270.52 per dialysis treatment for the first three years of operation for the proposed project.
- b. **Projected Levels of Utilization:** RCG Tupelo, LLC makes the following projections of dialysis treatments to be performed during the first three years of operation: 44,172; 47,008 and 49,556 respectively.
- c. **Project's Financial Feasibility Study:** The capital expenditure for this project is \$2,732,511 thus a feasibility study is required, since the capital expenditure exceeds \$2,000,000. The applicant has submitted a signed affidavit from the financial officer stating that the facility has the ability to undertake the obligation and probable present and future operating costs of the expansion project. This document is attached as Exhibit H.

GR Criterion 5 - Need for the Project

- a. **Access by Population Served:** The applicant asserts that the population of Lee County is growing at an outstanding rate. With the increase in population necessarily comes the increase in the need for dialysis services. The applicant asserts that their existing facility of 28 stations is operating at near capacity, showing a current utilization rate of 96% based on a recent patient load of 161 patients.
- b. **Relocation of Services:** This application is for the relocation within the same service area of a 28 station ESRD facility in Lee County.
- c. **Probable Effect on Existing Facilities in the Area:** The applicant asserts this is not applicable because they are the only location in Lee County and the relocation and expansion will provide increased accessibility for Lee County's residents. The current facility, which is the only provider of ESRD services within 30 miles from the proposed relocation, had a historical utilization rate of 72 percent for the fiscal year 2005, 85 percent for fiscal year 2006 and 84 percent for fiscal year 2007, and 84

percent projected for 2008, as shown in the table below. Staff contends that the proposed relocation would not create an unnecessary duplication of a health service.

Year	Average Number of Patients	Average Number of Stations	Average Number of Shifts/Days	Number of Treatments*	Utilization Percentage
2005	121	28	2 shifts/6 days	17,274	72%
2006	143	28	2 shifts/6 days	18,533	85%
2007	141	28	4 shifts/6 days	21,065	84%
2008 YTD - latest	141	28	4 shifts/6 days	21,172	84%

- d. **Community Reaction:** The application contains five letters of support for the proposed project. The Department received no letters of opposition concerning the proposed project.

GR Criterion 6 - Access to the Facility or Service

According to the applicant, all patients of the ESRD service area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons and the elderly, will have access to the services of the facility.

Additionally, the new location proposed by the applicant is approximately 1.8 miles from the present facility. The applicant does not anticipate any significant travel time or transportation changes as a result and staff concurs.

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:

Projected Year	Total Dollar Amount of Gross Patient Revenue
FY 2007	\$236,390(2.8%)
1	\$427,190 (2.8%)
2	\$451,476 (2.8%)

GR Criterion 7 - Information Requirement

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

GR Criterion 8 - Relationship to Existing Health Care System

As previously mentioned, there are no existing comparable services within the service area. The applicant's current facility is the only provider of ESRD services in Lee County. Patients in the area currently utilize the applicant's existing facility and it is anticipated that patients will continue to do so after the proposed relocation and expansion.

The applicant contends that the proposed project will provide a significant upgrade in quality of dialysis services in a new 17,000 square foot facility to allow for an expanded treatment

area, upgraded water treatment and dialysis equipment, and expanded parking to ensure that appropriate patient treatment is provided in a timely fashion. The applicant asserts that the proposed relocation and expansion will provide additional ESRD service availability and that failure to implement the relocation and expansion may result in the applicant's inability to meet the current and future needs of dialysis patients in the service area. Applicant currently has a support agreement with North Mississippi Medical Center dated August 24, 2004.

GR Criterion 9 - Availability of Resources

The applicant states it has a current staff from all the disciplines necessary for the operation of its facility and has successfully recruited via newspaper advertising, job fairs, web site postings, and word of mouth for the operation of its current facility and will take the same approach for its expansion. The applicant states that it has not experienced any significant problems in hiring or retaining qualified staff.

The applicant projects to hire 13.4 full-time equivalent personnel at an estimated annual additional cost of \$807,047 the first year, \$1,076,751 the second year, and \$1,338,024 the third year.

GR Criterion 10 – Relationship to Ancillary or Support Services

RCG Tupelo, LLC submits that it currently has all necessary support and ancillary services for its facility and does not anticipate any problems with such at the proposed relocation facility. The applicant states that ancillary and support services will be increased where applicable and appropriate to accommodate the addition and increase in patient volume, with charges in line with existing services.

GR Criterion 11 – Health Professional Training Programs

According to the applicant, RCG Tupelo will cooperate with health professional training programs in the area.

GR Criterion 16 - Quality of Care

The applicant has successfully operated its Tupelo ESRD facility and submits that the quality of care offered to RCG Tupelo patients is the result of the combined experience of thousands of professionals within the FMC network and as demonstrated by the patient letters of support in Exhibit G, RCG has exceeded patient expectations in quality of care. The expanded location will offer an increase in services and availability to current patients and provide increased accessibility of Lee County's residents.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

Cost Item	Cost	% of Total
Construction Cost – New	1,870,000	68.4%
Renovation	0	0.0%
Capital Improvements	0	0.0%
Total Fixed Equip Cost	66,570	2.4%
Total Non-Fixed Equip Cost	334,191	12.2%
Land Cost	0	0.0%
Site Prep Cost	0	0.0%
Fees	121,550	4.4%
Contingency Reserve	0	0.0%
Capitalized Interest	0	0.0%
Other Cost	340,200	12.5%
Total Proposed Expenditures	\$2,732,511	100.00%

The above capital expenditure is for leasehold improvements to approximately 17,000 square feet of leased spaced to accommodate 50 ESRD stations, and associated equipment and fees. The cost is estimated to be \$117.00 per square foot. The *Means Construction Cost Data* does not compare leasehold improvement costs for ESRD facilities.

B. Method of Financing

The applicant proposes that the project will be financed from cash reserves. The building and other necessary equipment will be leased for a total lease expense of \$289,000 the first year, \$297,670 the second year and \$306,600 the third year.

C. Effect on Operating Cost

The applicant's projected expenses, utilization, and results from operation for the first three years following completion of this project are presented in Attachment 1.

D. Cost to Medicaid/Medicare

ESRD treatment is a Medicare entitlement. As such, the Medicare program will absorb a majority of the costs associated with this project. The cost to the Medicaid program will be negligible.

V. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of the proposed application for comment. The Division of Medicaid took no position on this project.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with overall objectives contained in the *FY 2007 State Health Plan*; the *Mississippi Certificate of Need Review Manual, revised February 23, 2008*; and all adopted rules, procedures, and plans of the Mississippi State Department of Health.

The relocation and expansion project is necessary as a result of the inability of the applicant to expand in its current, landlocked location. The applicant is the only provider in the service area and thus needs to expand to offer dialysis services as demonstrated by the applicant's current utilization rates of over 80%. However, the projected utilization with 50 stations does not comply with the 2007 State Health Plan Minimum Expected Utilization, policy note 10. The minimum expected utilization requires 50% utilization by the end of the first full year, 65% by the second, and 75% by the third. See the projected utilization table below.

Projected Project Utilization							
Year	Patients	Treatments per Station	Stations	RCG Projections		MSDH Requirements	
				Treatments	Utilization Rate	Treatments	Utilization Rate
1	201	554	50	27,720	59.23%	23,400	50%
2	218	603	50	30,168	64.46%	30,420	65%
3	231	647	50	32,328	69.08%	35,100	75%

The staff finds that the applicant has demonstrated need for expansion and relocation, but not to the 50 station level requested in the application. Using the MSDH requirements for minimum utilization and the projections provided by the applicant, staff contends that the correct level for the expanded facility should be 46 stations. These calculations can be seen in the following table and comply with the State Health Plan requirements for minimum utilization.

Projected Reduced Utilization							
Year	Patients	Treatments per Station	Stations	RCG Projections		MSDH Requirements	
				Treatments	Utilization Rate	Treatments	Utilization Rate
1	201	603	46	27,720	64.38%	21,528	50%
2	218	656	46	30,168	70.07%	27,986	65%
3	231	703	46	32,328	75.08%	32,292	75%

Section 41-7-195 (5) of the Mississippi Code of 1972 Annotated, as amended states that the State Department of Health, "may approve a certificate of need by a modification, by reduction only, of such proposal provided the proponent agrees to such modification." Therefore, the Division of Health Planning and Resource Development staff recommends approval by modification, by reduction from 50 stations to 46 stations of the application submitted by RCG Tupelo and RCG Mississippi for the relocation and expansion of its ESRD facility in Tupelo, Lee County.

Attachment 1

RCG Tupelo - Latest Actual and Three-year Projected Operating Statement
 50-Station ESRD Facility

RCG Tupelo Latest Actual and Three-Year Projected Operating Statement				
	Latest Actual	Year 1	Year 2	Year 3
Revenue				
Patient Revenue:				
Inpatient	\$11,215,858	\$13,334,782	\$14,159,962	\$14,903,621
Outpatient	\$1,909,340	\$1,921,500	\$1,964,200	\$2,006,900
Total Gross Patient Revenue	<u>\$13,125,198</u>	<u>\$15,256,282</u>	<u>\$16,124,162</u>	<u>\$16,910,521</u>
Charity Care	-0-	-0-	-0-	-0-
Deductions	-0-	-0-	-0-	-0-
Net Patient Revenue	\$13,125,198	\$15,256,282	\$16,124,162	\$16,910,521
Other Operating Revenue	-0-	-0-	-0-	-0-
Total Operating Revenue	<u>\$13,125,198</u>	<u>\$15,256,282</u>	<u>\$16,124,162</u>	<u>\$16,910,521</u>
Expenses				
Salaries	\$2,108,893	\$2,915,940	\$3,185,644	\$3,446,917
Benefits	704,708	961,640	1,050,585	1,136,749
Supplies	1,137,382	1,265,904	1,331,840	1,392,016
Services	4,158,055	5,243,369	5,608,436	5,944,121
Lease	114,362	289,000	297,670	306,600
Depreciation	187,889	291,775	291,775	291,775
Other	787,511	901,192	941,817	987,541
Total Expenses	<u>\$9,198,800</u>	<u>\$11,868,820</u>	<u>\$12,707,767</u>	<u>\$13,505,719</u>
Net Income (Loss)	<u>\$3,926,398</u>	<u>\$3,387,462</u>	<u>\$3,416,395</u>	<u>\$3,404,802</u>
Utilization Rate	83.9%	59.2%	64.5%	69.1%
Total treatments	36,973	44,172	47,008	49,556
Patients	141	201	218	231
Charge Per Treatments	\$355.00	\$345.00	\$343.00	\$341.00
Cost Per Treatment	\$249.00	\$269.00	\$270.00	\$273.00
Charge Per Outpatient Day	-0-	-0-	-0-	-0-
Charge Per Inpatient Day	-0-	-0-	-0-	-0-
Cost Per Outpatient Day	-0-	-0-	-0-	-0-
Cost Per Inpatient Day	-0-	-0-	-0-	-0-