

**MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
MARCH 16, 2026**

**CON REVIEW NUMBER: IC-MME-0126-003
SHARED IMAGING, LLC
ACQUISITION OF CARDIAC-ONLY POSITRON EMISSION TOMOGRAPHY/COMPUTED
TOMOGRAPHY (PET/CT) EQUIPMENT
CAPITAL EXPENDITURE: \$1,850,000.00
LOCATION: OXFORD, LAFAYETTE COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Shared Imaging, LLC ("Shared") is a limited liability company of Illinois, that is qualified to do business in Mississippi. Shared has included their Certificate of Good Standing, dated January 27, 2026, to do business in Mississippi. Shared Imaging is a vendor of imaging equipment, located at 3041 Woodcreek Drive, Suite #200, Downers Grove, DuPage County, Illinois 60515. Shared is governed by seven (7) Officers. The Applicant indicates Atria Health Opco, Inc. is the Management/Operating Entity.

B. Project Description

The Applicant requests certificate of need ("CON") authority to purchase a General Electric OMNI Legend PET/CT 21 cm FOV unit (known as SHIPET03759, "PET/CT Unit") and an Advanced Mobility 48-foot coach unit (together with the PET/CT Unit, the "Equipment") to serve the Oxford clinic of The Stern Cardiovascular Center, P.A. ("Stern"). The Applicant states that Shared Imaging ("Shared") provides imaging equipment to hospitals, health systems, and physician groups. The Applicant further states that Shared will provide the Equipment as a parked full-time (fixed) unit through an operating lease. The Applicant states that Stern will provide the construction of a pad at their clinic located at 2209 Jefferson Davis Dr., Oxford, MS 38655, on which to locate the Equipment and the installation of power connections to the pad location.

The Applicant states that this project does not propose the establishment of new institutional health services nor the establishment or construction of any healthcare facilities.

The Applicant states that Stern is a private practice group of more than forty (40) cardiologists, nine (9) of whom operate in Oxford, Mississippi. The Applicant states Stern performed four (4) to five (5) nuclear cardiac scans per day (1,205 per year) at its Oxford clinic, located at 2209 Jefferson David Dr., Oxford, MS 38655 during the 12-month period, ending August 2025. The Applicant states those nuclear scans

require a molybdenum-based isotope to provide an image. The Applicant further states there is a worldwide shortage of molybdenum making nuclear cardiac scans increasingly difficult to support. The Applicant submits that cardiac PET utilizes a non-molybdenum isotope and, in many cases, provides a vastly superior image. The Applicant states converting a clinically appropriate portion of those nuclear scans, approx. eighty-five percent (85%) to cardiac PET imaging will both improve overall imaging quality and minimize the effect of the critical molybdenum shortage. The Applicant states specifically, in Stern's CON application related to the service to be provided with this Equipment, Stern reviewed historical utilization of three (3) cardiologists to conservatively project 1,024 cardiac PET/CT scans in the first year of operation. The Applicant further states due to this shortage; expedited review of this proposed project is necessary to avoid interruption of cardiac imaging services in the service area. The Applicant states that there are no other cardiac PET/CT units operating in Oxford's General Hospital Service Area, making this proposed project one (1) of the particularly acute needed.

The Applicant states that Shared is purchasing the Equipment from General Electric and Advanced Mobility for a total capital expenditure of \$1,850,000, including \$20,750.00 for contingency reserved, \$20,000.00 for legal and accounting fees, \$1,800,000.00 for non-fixed equipment, and \$9,250.00 for other (filing fees). The Applicant affirms the anticipated date for obligation of the capital expenditure was December 1, 2025, and the anticipated date for the completion of the project is April 13, 2026.

The application contained a site approval for the proposed project from the MSDH Division of Health Facilities Licensure and Certification, dated February 23, 2026, a the Proposal and Facility Level Agreement between Shared LLC, and Atria Health, and the confidential and proprietary financial information.

The Applicant states although the Omni Legend PET/CT equipment will be housed in a medical coach which will occupy approximately 400 sq. ft. of the parking lot, Stern has affirmed that: (i) it will be operated as a fixed-site unit and will not be relocated and (ii) Stern will not use the equipment to provide services at other locations for the duration of the lease term. The Applicant affirms there will be no significant groundwork, drainage, parking, fencing, or mechanical work required. The Applicant further states a 480W-150A three (3) phase grounded electrical service will be added (using an existing electrical panel). The Applicant also affirms detailed specifications are set forth in the Site Planning Guide attached to Stern's CON filing, related to this proposed project.

To the extent applicable the Applicant states that Shared will comply with all state and local building codes, zoning ordinances, and/or appropriate regulatory authorities. The Applicant states that Shared is not a healthcare provider but a vendor of imaging equipment.

To the extent applicable the Applicant states that Shared 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 Shared is not a healthcare provider. (Please refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for additional information responsive to this inquiry.)

The Applicant affirms Shared is not a healthcare provider. (Please refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for additional information responsive to this inquiry.) Specifically, Stern has affirmed therein that it will obtain approval from the Division of Radiology Health prior to commencing cardiac PET/CT services.

II. TYPE OF REVIEW REQUIRED

This project is reviewed in accordance with Sections 41-7-173, 41-7-1911(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, Revision*; all adopted rules, procedures, plans, criteria, and standards of the MSDH.

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 March 26, 2026.

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

A. State Health Plan (SHP)

The *FY 2022 Mississippi State Health Plan, Third Edition*, contains policy statements, criteria and standards which the applicant is required to meet before receiving CON authority for the acquisition and implementation of fixed PET equipment and services. This application is in substantial compliance with the applicable policy, criteria and standards stated in the *Plan* for the acquisition of fixed PET equipment and the offering of PET services.

Policy Statements Regarding Certificate of Need Applications for the Acquisition or Otherwise Control of a Positron Emission Tomography (PET) Scanner and Related Equipment including Cardiac only PET Scanner

Policy Statement 1 – CON Review Requirements: The Applicant acknowledges this requirement. The Applicant states the capital expenditure for the scanner and related equipment (including fees and contingency) is \$1,850,000.00.

Policy Statement 2 – Indigent/Charity Care: The Applicant states this statement is not applicable. The Applicant states that Shared is a vendor of imaging equipment. The Applicant further states that Shared is not a healthcare provider. The Applicant refers to see the Stern’s CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

Policy Statement 3 – Service Areas: The Applicant acknowledges this statement.

Policy Statement 4 – Equipment to Population Ratio: The Applicant states that this statement is not Applicable. The Applicant states this proposed project only involves cardiac-only PET/CT services.

Policy Statement 5 – Access to Supplies: The Applicant states that this statement is not applicable. The Applicant states Shared is a vendor of imaging equipment. The Applicant further states Shared is not a healthcare provider. The Applicant refers to Stern’s CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

Policy Statement 6 – Services and Medical Specialties Required: The proposed PET units must function as a component of a comprehensive outpatient diagnostic service and will have the following modalities and (capabilities) on-site or through contractual arrangements:

- Computed Tomography (whole body)
- Magnetic Resonance Imaging (brain and whole body)
- Nuclear Medicine (cardiac, SPECT)
- Conventional Radiography
- The following medical specialties during operations hours:
 - Cardiology
 - Neurology
 - Neurosurgery
 - Oncology
 - Psychiatry
 - Radiology

The Applicant states this statement is not applicable. The Applicant states Shared is a vendor of imaging equipment. Shared is not a healthcare provider. The Applicant refers to Stern’s CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information, as is called for in response to this inquiry.

Policy Statement 7 – Hours of Operation: The Applicant states this statement is not applicable. The Applicant states Shared is a vendor of imaging equipment. The Applicant further states Shared is not a healthcare provider. Applicants refer to Stern’s CON application, the healthcare provider utilizing the equipment to provide cardiac PET/CT services, for such information as is called for in response to this

inquiry. Specifically, the Applicant states Stern has affirmed that the scheduled hours for the PET/CT services will be offered from 8 a.m. - 5 p.m., Monday - Friday, provided that if those operating hours prove insufficient, Stern will offer evening and weekend hours to avoid inappropriately long waiting times.

Policy Statement 8 – CON Approval Preference: The Applicant state this statement is not applicable. The Applicant states the equipment will be operated as a fixed site unit.

Policy Statement 9 – CON Requirements: The Applicant acknowledges this policy statement.

Policy Statement 10 – CON Exemption: _ The Applicant states this statement is not applicable to the proposed project.

Policy Statement 11 – Addition to a Health Care Facility: The Applicant states this statement is not applicable. This proposed project does not involve mobile equipment.

Policy Statement 12 – Equipment Registration: The Applicant submits the registration/serial number of the cardiac PET/CT scanner is 246293BC5.

Policy Statement 13 – Certification: The Applicant states this statement is not applicable. This proposed project does not involve mobile equipment.

Policy Statement 14 – Conversion from Mobile to Fixed Service: The Applicant states this statement is not applicable. The Applicant states this proposed project does not involve the conversion of a mobile unit to a fixed unit.

Policy Statement 15 – Applicants with an Accredited Cancer Center: The Applicant states this statement is not applicable to the proposed project.

Certificate of Need Criteria and Standards for the Acquisition or Otherwise Control of a Positron Emission Tomography (PET) Scanner and Related Equipment including Cardiac only PET Scanner

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 Shared projects to exceed 1,000 clinical procedures per year based on conservative assumptions. The Applicant states to project utilization for the proposed cardiac PET/CT scanner, Shared reviewed

historical utilization provided by Stern for three (3) of Stern's cardiologists who currently refer patients for SPECT scans at the Oxford Clinic. The Applicant states SPECT, or single- photon emission CT, is a nuclear imaging test that uses a gamma camera to capture 3D images of blood flow to the heart to diagnose possible cardiac conditions, known as myocardial perfusion imaging ("MPI"). The Applicant states that while SPECT is currently used in Stern's offices for MPI studies, Stern plans to begin offering cardiac PET/CT services at the Oxford Clinic because of the advantages of PET/CT over SPECT. The Applicant specifically states, compared to SPECT, cardiac PET/CT provides superior diagnostic accuracy, image quality, lower dose radiation, and potential cost savings, the latter particularly through its high diagnostic accuracy, which reduces unnecessary downstream invasive and therapeutic procedures. In addition, the Applicant states cardiac PET/CT helps minimize the effect of the molybdenum shortage, which is used in SPECT scans. The Applicant states that while cardiac PET/CT studies are preferred over SPECT for virtually all patients, when available, Stern has confirmed to Shared that it conservatively projects that eighty-five percent (85%) of its historical SPECT referrals from these three (3) cardiologists will convert to cardiac PET/CT procedures in the future. The Applicant states this assumption is consistent with the physician affidavits submitted by Stern in its CON application associated with this proposed project (see Exhibit H to Stern's CON application). The Applicant states the table below shows these calculations (in each case, rounded to the nearest whole number):

Physician	Campbell	Laney	Strong	Total
SPECT Referrals	255	402	548	1,205
Conversion Rate	85%	85%	85%	85%
PET/CT Procedures	217	342	466	1,024

The Applicant states, as noted in the physician affidavits, the historical data shown in the table above is for one (1) year ending, August 2025. The Applicant states to project PET/CT procedures, following development of the proposed project, Shared in consultation with Stern, conservatively projects that the first year will equal the PET/CT procedures shown in the Applicant's table above and then conservatively grow two percent (2%) per year, thereafter, based on population growth, population aging, and other factors, as shown in the following table (in each case, rounded to the nearest whole number)

Year 1	Year 2	Year 3
1,024	1,045	1,066

The Applicant states that these projections were also used to develop financial projections, which are therefore also conservative and based on actual historical data from the referring physicians.

- b. The Applicant states Need Criterion 1(b) is not applicable. The Applicant states this proposed project involves cardiac-only PET/CT services.

Need Criterion 2: Business Registration

The Applicant affirms Shared Imaging, LLC is an Illinois limited liability company that is authorized to do business in Mississippi and is in good standing. See (Exhibit B).

Need Criterion 3: Approval of Additional PET Equipment

The Applicant states upon information that there are currently no other approved providers of cardiac only PET/CT services in General Hospital Services Area ("GHSA") 4. Section 513.02.01(3) of the FY 2022 Mississippi State Health Plan (3rd Edition) ("MSHP") provides that "in the case of Cardiac only PET Scanner, the service area will be the General Hospital Service Areas." The Oxford Clinic is located in GHSA 4.

The Applicant further states that the MSHP does not identify any other providers of cardiac only PET services in GHSA 4. The Applicant states the only provider of cardiac PET services identified in the MSHP is Cardiology Associates of North Mississippi, located in Tupelo, Lee County, Mississippi (GHSA 2), which performed 1,170 procedures in FY 2020.

Shared submits that this criterion is not applicable.

Need Criterion 4: Division of Radiological Health Approval

The Applicant affirms that either it, as applicable, or Stern shall apply for and receive approval from the Division of Radiological Health for the proposed site, plans and equipment before the commencement of PET services.

Need Criterion 5: Data Requirements

The Applicant affirms that Shared shall maintain or cause to be maintained the above-recited data and shall make or cause to be made the same to be available to the MSDH within a reasonable amount of time after request therefore.

Need Criterion 6: Fixed/Minimum Value Contracts

The Applicant states that this statement is not applicable to the proposed project. The Applicant states Shared will lease the Equipment to Atria Health Opco, Inc. ("Atria") to be used at the Oxford Clinic. The Applicant further states that neither Shared, as owner/lessor of the Equipment, nor Atria, as lessee, proposes to rent, lease, or otherwise allow other providers to use the equipment on a contractual basis. The Applicant states the Lease does not contain any fixed/minimum volume provisions (Exhibit C).

Need Criterion 7: CON Approval/Exemption for PET Equipment

The Applicant states that Shared acknowledges this requirement and, by this application, is obtaining CON approval prior to providing the Equipment to be utilized by Stern.

Need Criterion 8: Applicants with an Accredited Cancer Center

The Applicant states this statement is not applicable to the proposed project.

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

Need Criterion 1: Minimum Procedures

The Applicant states as set forth in response to Section 513.02.02, Need Criterion 1, above, Stern, the entity desiring to offer cardiac PET services project to perform more than 1,000 procedures per year.

Need Criterion 2: PET Equipment Utilized by Multiple Providers

The Applicant affirms this statement is not applicable to this proposed project. The Applicant states Shared will lease the Equipment only to Atria for use by Stern at the Oxford Clinic. The Applicant affirms no other providers will utilize the Equipment.

Need Criterion 3: Quality Control and Environmental Requirements

Shared affirms that, to the extent applicable, the Cardiac PET/CT services will be offered in a physical environment that conforms to federal standards, manufacturer's specifications, and licensing agencies' requirements, including without limitation, the areas described above. The Applicant refers to Stern's CON application that is related to this proposed project regarding Stern's affirmation to offer the cardiac PET/CT services consistent with this criterion.

Need Criterion 4: Division of Radiological Health Approval

The Applicant, Shared, affirms that either it, as applicable, or Stern shall apply for and receive approval from the Division of Radiological Health for the proposed site, plans, and equipment before the commencement of the cardiac PET/CT services.

Need Criterion 5: Provision of On-Site Medical Cyclotron

Shared affirms that Stern will utilize an on-site rubidium82 generator. The Applicant states Stern will not utilize an on-site medical cyclotron.

Need Criterion 6: Staffing Requirements

a. The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

b. The Applicant states this statement is not applicable. The Applicant affirms Stern will not be operating a cyclotron at this location.

c. The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

d. The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

e. The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

f. The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

Need Criterion 7: Management of Medical Emergencies

The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry. Shared affirms that Stern will maintain its current practices for addressing medical emergencies for patients receiving nuclear diagnostic services. The Applicant further states namely, Stern will rely upon 9-1-1 or similar emergency transport services to send appropriate patients to the Emergency Room at a neighboring hospital (within 1 mile).

Need Criterion 8: Accommodating Referred Patients

The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

Need Criterion 9: Medical Necessity

The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

Need Criterion 10: Notification of Procedures Offered

The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

Need Criterion 11: Data Requirements

The Applicant states Shared shall maintain or cause to be maintained the data required by this criterion and shall make or cause to be made the same available to the MSDH within a reasonable amount of time after request therefore.

Need Criterion 12: CON Approval/Exemption for PET Equipment

The Applicant states that this CON application is an application for CON approval of the Equipment to be acquired relative to this proposed project. The Applicant further states upon issuance of this CON, this criterion will be wholly satisfied thereby.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual, November 11, 2023, Revision* 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 Applicant asserts this proposed project is in compliance with the relevant State Health Plan's specific service criteria, addressed in Section III. A above.

GR Criterion 2 – Long Range Plan

The Applicant states the statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

GR Criterion 3 – Availability of Alternatives

The Applicant states the only alternative to this proposed project of which Shared is aware, would be to continue to utilize a traditional SPECT camera rather than utilizing more modern cardiac PET/CT imaging technology. The Applicant further states Cardiac PET/CT is a more thorough and accurate methodology than SPECT. The Applicant states continuing to use the SPECT camera would increase the risk for misdiagnosis.

- a. **Advantages and Disadvantages of Alternatives:** The Applicant states the traditional nuclear medicine stress test can result in either false positive or false negative results. The Applicant states the Cardiac PET/CT offers enhanced diagnostic accuracy over the traditional SPECT camera. The Applicant submits Cardiac PET/CT also allows additional modalities (e.g., calcium scoring and Coronary Flow Reserve) which are not available in SPECT cameras. Additionally, the Applicant states, cardiac PET/CT mitigates issues with molybdenum shortages.
- b. **New Construction Projects:** The Applicant states this statement is not applicable. This proposed project does not involve new construction.
- c. **Beneficial Effects to the Health Care System:** The Applicant states Cardiac PET/CT technology provides high-precision cardiac imaging to help cardiologists more accurately and efficiently diagnose cardiac disease. The Applicant states performing these imaging procedures in a physician's office also results in cost-savings to the healthcare system versus performing them in a hospital's setting. The Applicant further states Cardiac PET/CT

also results in fewer inconclusive diagnostic studies than SPECT imaging, which will reduce the number of unnecessary diagnostic cardiac catheterization procedures in the hospital setting.

- d. **Effective and Less Costly Alternatives:** The Applicant states this statement is not applicable to the proposed project. The Applicant states there are no other providers of Cardiac-only PET/CT imaging in GHSA 4. The Applicant states Shared is not aware of any equally effective and less costly alternatives to the proposed project.
 - I. **Unnecessary Duplication of Services:** The Applicant states this statement is not applicable to the proposed project. The Applicant states as stated above, there are no other providers of Cardiac only PET/CT imaging in GHSA 4, so there will be no duplication of these services in the service area.
 - II. **Efficient Solution:** The Applicant states this statement is not applicable to the proposed project. There are no other effective and less costly alternatives to the proposed project available in the area.
- e. **Improvements and Innovations:** The Applicant states Cardiac PET/CT scanning services are a state-of-the-art diagnostic tool that offers superior accuracy in detecting cardiac conditions compared to traditional imaging methods. The Applicant states such superior accuracy will lead to improved patient outcomes over time.
- f. **Relevancy:** The Applicant states Cardiac PET/CT is a superior option to traditional imaging techniques (e.g., SPECT) for patient outcomes and will continue to be increasingly adopted in the future. The Applicant states this proposed project will make this superior technology available to patients in the community, served by Stern, at the Oxford Clinic.

GR Criterion 4 - Economic Viability

- a. **Proposed Charge:** The Applicant states the amount that Shared will charge pursuant to the Lease, is generally comparable to the amounts charged to other healthcare facilities by other vendors of imaging equipment in the area. The Applicant state the profitability for Shared is a function of the lease rates charged for the Equipment against the acquisition and servicing costs related to the Equipment. The Applicant states Shared's profitability is reasonably projected to be consistent with other such arrangements, as the cost of the Equipment and charges are generally comparable to other similar arrangements in Shared's portfolio.

The Applicant state as provided in Stern's CON application, charges for the Cardiac PET/CT services by Stern to its patients are set by either (i) the Medicare and Medicaid fee schedules, which are publicly available, or (ii) commercial payor fee schedules, which are established through negotiations with each such commercial payor.

The Applicant states the profitability comparisons with other cardiac PET/CT services within the area are not possible as there are no other cardiac PET/CT services available in the area.

The Applicant states the profitability comparisons with other Cardiac PET/CT programs within the state are difficult to perform accurately, as there is only one (1) other provider of Cardiac-only PET/CT services in the state and no profitability information is publicly available. The Applicant states that as submitted by Stern in its CON for this project, it is anticipated that profitability of this proposed project would be comparable to the other cardiac-only PET/CT program in the state, as the fee schedules and expenses would be fairly comparable.

- b. Projected Levels of Utilization:** The Applicant states the only provider of cardiac-only PET/CT services listed in the current MSHP is Cardiology Associates of North Mississippi, located in Lee County, Mississippi, which performed 1,170 procedures in FY 2020. The Applicant asserts in its CON for this proposed project, Stern conservatively projects over 1,000 procedures in the first year of operation of the cardiac-only PET/CT service, which is consistent with the need level of the service anticipated by Stern and reported in the MSHP.
- c. Financial Feasibility Study:** The Applicant states this statement is not applicable to the proposed project.
- d. Financial Forecasts:** The Applicant states this statement is not applicable to the proposed project. The Applicant asserts that Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states to refer to Stern's application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.
- e. Covered Expenses:** The Applicant states this statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment. The Applicant further states Shared is not a healthcare provider, and the Lease does not vary based on volume or revenue generated from the proposed project. The Applicant refers to Stern's application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

- f. **Impact of Proposed Project on Health Care Cost:** The Applicant states Shared does not project any negative impact on the cost of health care arising from this proposed project. The Applicant states as set forth in the CON application of Stern, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, Stern submits that this project will lead to more efficient and effective targeted care for the treatment of cardiovascular disease and improved patient outcomes. The Applicant further states this is largely due to allowing Stern and its providers to avoid unnecessary diagnostic catheterization procedures.

GR Criterion 5 - Need for the Project

- a. **Access by Population Served:** The Applicant states this statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry. The Applicant states, according to Stern's application, Stern has submitted that (i) its existing nuclear imaging program (SPECT) serves all patient demographics, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and (ii) it will continue those practices as it upgrades its nuclear program by offering the more capable Cardiac PET/CT technology.
- b. **Relocation of Services:** The Applicant states that this statement is not applicable to the proposed project. The Applicant states the cardiac-only PET/CT program will be installed in an existing care center and will not require relocation of a facility/leave any unused existing space.
- c. **Current and Projected Utilization of Comparable Facilities:** The Applicant states this statement is not applicable to the proposed project. The Applicant states there are currently no Cardiac PET/CT services provided in the service area.
- d. **Probable Effect on Existing Facilities in the Area:** The Applicant states that this statement is not applicable to the proposed project. The Applicant further states that there are currently no Cardiac PET/CT services provided in the service area.
- e. **Community Reaction:** The Applicant states that this statement is not applicable to the proposed project. The Applicant states that Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry. Specifically, the Applicant states a letter of support is attached to Stern's CON related to this proposed project.

GR Criterion 6 - Access to the Facility or Service

A. Access to Services.

1. The Applicant submits Shared is accessible to the populations in its service area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons and the elderly.
2. The Applicant submits Shared's residents will have access to the proposed services and or facility.
3. The Applicant states the statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's CON application, the healthcare provider, utilizing the Equipment to provide cardiac PET/CT services, for such information as is called for in response to this inquiry.

B. Existing Obligations: The Applicant submits that Shared does not have existing obligations under any federal regulation requiring provision of uncompensated care, community service, or access by minority / handicapped persons.

- i. The Applicant states this statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider.

C. Unmet Needs of Medicare/Medicaid and Medically Indigent Patients: The Applicant states these patient populations do not currently have access to Cardiac PET/CT services within the service area. The Applicant states this project will result in increased access to Cardiac PET/CT services for these populations.

D. Access to Proposed Facility: The Applicant states patients can access the care center by car or by medical transit service.

E. Access Issues:

- i. **Transportation and Travel:** The Applicant states the proposed location for the Cardiac PET/CT services will be at Stern Cardiology's clinic located at 2209 Jefferson Davis Drive, Oxford, Mississippi, which is conveniently accessible via Mississippi Highway

278 and in close proximity to Baptist Memorial Hospital - North Mississippi. The Applicant further states the vast majority of the patient population will be able to reach the Stern Cardiology Cardiac PET/CT program within thirty (30) minutes by car or medical transport. The Applicant affirms Cardiac PET/CT services are otherwise not available within the service area.

- ii. **Restrictive Admissions Policy:** The Applicant states the Oxford Clinic is a clinic location for Stern's physician practice, and as such, does not have an admissions policy of which Shared is aware.

- iii. **Access to Care by Medically Indigent Patients:** The Applicant states that the statement is not applicable to the proposed application. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry. The Applicant further states in Stern's CON application, Stern has submitted that (i) its existing nuclear imaging program (SPECT) serves all patient demographics, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and (ii) it will continue those practices as it upgrades its nuclear program by offering the more capable Cardiac PET/CT technology.

- iv. **Operational Hours of Service:** The Applicant states that the Stern Cardiology cardiac PET/CT program will operate during normal office hours at the Oxford Clinic (8 a.m. -5 p.m., Monday- Friday) and will provide evening and weekend operating hours on an emergency basis when required.

GR Criterion 7 - Information Requirement

The Applicant affirms that Shared affirms that it will provide, or cause to be provided, this information upon request.

GR Criterion 8 - Relationship to Existing Health Care System

- a. **Comparable Services:** The Applicant state there are currently no cardiac PET/CT services provided within the service area. The Applicant states the target patient population for the Stern cardiac PET/CT service, per Stern's CON filing, related to this proposed project, will be the same as its current SPECT program (i.e., patients with undiagnosed cardiac conditions).

- b. **Effect on Existing Health Services**

- i. **Complement Existing Services: The** Applicant states this proposed project will complement existing cardiovascular services in the area by reducing both false positive and false negative results, resulting in improved diagnostic accuracy and fewer unnecessary diagnostic catheterization procedures.
 - ii. **Provide Alternative or Unique Service:** The Applicant states that Stern Cardiology's cardiac PET/CT program will be a more accurate alternative to Stern Cardiology's SPECT program. The Applicant states that Stern has affirmed that it will continue to offer SPECT services at the Oxford Clinic for patients who would prefer, or for whom it is medically necessary, to receive SPECT services.
 - iii. **Provide a service for a specified target population:** The Applicant states this statement is not applicable to the proposed project. The Applicant states this proposed project does not target a specific population.
 - iv. **Provide services for which there is an unmet need:** The Applicant states that Stern Cardiology's cardiac PET/CT program will be the first within the service area. The Applicant further states patients and physicians who desire Cardiac PET/CT services do not currently have an available option in the service area.
- c. **Adverse Impact.** The Applicant submits Cardiac PET/CT services offers a more accurate alternative to other available nuclear imaging options. The Applicant states failure to implement the proposed project would result in no change to the existing health care system in the service area, in which other nuclear imaging is available.
- d. **Transfer/Referral/Affiliation Agreements.** The Applicant states this statement is not applicable to the proposed project. The Applicant states that Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry. The Applicant states according to Stern's CON application, Stern has submitted that it will not enter into any transfer/referral/affiliation agreements related to the proposed project, but that its physicians, maintain admitting privileges, at Baptist Memorial Hospital - North Mississippi, and can ensure continuity of care for any patient needs, which cannot be provided for by Stern, at the Oxford Clinic.

GR Criterion 9 - Availability of Resources

- a. New Personnel.** The Applicant states that this statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's CON application, the healthcare provider, utilizing the Equipment to provide cardiac PET/CT services, for such information as is called for in response to this inquiry.
- b. Contractual Services.** The Applicant states that this statement is not applicable to the proposed project. The Applicant further states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.
- c. Existing Facilities or Services.** The Applicant states that this statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.
- d. Alternative Uses of Resources.** The Application states that this statement is not applicable to the proposed project. The Applicant further states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant states that Shared submits that there are no other Cardiac PET/CT services in the service area. The Applicant states given Stern's projection of improved patient outcomes and the avoidance of unnecessary diagnostic procedures in the future, Shared submits this is an efficient use of capital available for both Shared and Stern.

GR Criterion 10 – Relationship to Ancillary or Support Services

- a. Support and Ancillary Services.** The Applicant states this statement is not applicable to the proposed project. The Applicant further states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.
- b. Changes in Costs or Charges.** The Applicant states this statement is not applicable. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's the CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to

this inquiry.

- c. **Accommodation of Changes in Cost or Charges.** The Applicant states this statement is applicable to the proposed project. The Applicant further states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's the CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

GR Criterion 11 – Health Professional Training Programs

The Applicant states this statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's the CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

GR Criterion 12 – Access by Health Professional Schools

The Applicant state this statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's the CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

GR Criterion 13 – Access by Individuals Outside Service Area

The Applicant states this statement is not applicable to the proposed project. Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's the CON application, the healthcare provider, utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

GR Criterion 14 - Construction Projects

The Applicant affirms this proposed project does not require construction.

GR Criterion 15 – Competing Applications

The Applicant states if competing applications are received by the Department Shared will provide any additional required information.

GR Criterion 16 - Quality of Care

- a. **Past Quality of Care:** The Applicant states that this statement is not applicable to the proposed project. The Applicant states the Cardiac PET/CT program will be the first to the area and the first for Stern Cardiology in Oxford, MS.

b. Improvement of Quality of Care: The Applicant states the Cardiac PET/CT is the latest technology available for nuclear imaging and a significant improvement over SPECT technology. The Applicant states the diagnostic tests will be more accurate, resulting in fewer false positives and false negatives. The Applicant further states that patients will also find the Cardiac PET/CT program more convenient than the SPECT program as the time commitment is shorter.

c. Accreditations and/or Certifications. The Applicant states this statement is not applicable to the proposed project. The Applicant states Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern’s CON application of Stern, the healthcare provider, utilizing the Equipment to provide cardiac PET/CT services, for such information as is called for in response to this inquiry, which includes IAC accreditation for Cardiac PET/CT (Exhibit J).

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

The total estimated capital expenditure is allocated as follows.

	Item	Cost (\$)	Percent (%) Of Total
a.	Land Cost	\$ 0	0%
b.	Site Preparation	0	0%
c.	Other (filing fees)	9,250	0.5%
d.	New Construction	0	0%
e.	Renovation	0	0%
f.	Capital Improvements	0	0%
g.	Fees (architectural, consultant, etc.)	0	0%
h.	Contingency Reserve	20,750	1.12%
i.	Capitalized Interest	0	0%
j.	Other	0	0%
k.	Fixed Equipment	0	0%
l.	Non-Fixed Equipment	1,800,000	97.30%
m.	Legal and accounting fees	20,000	1.08%
	Total Proposed Capital Expenditure	\$1,850,000	100.00%

Totals may differ due to rounding.

B. Method of Financing

The Applicant states the proposed project will be financed with cash reserves, by Shared Imaging, LLC

C. Effect on Operating Cost

The Applicant states CON Application Financial Analysis, Tables 4A, 4B, 4C, 5A, 5B, 5C, 5D, 6A and 7 of the Financial Analysis are generally not applicable to this CON application due to Shared is an imaging equipment provider that has contracted with Stern/Atria to provide PET/CT equipment to be used by Stern in its Oxford clinic. The Applicant states Shared is not operating the Equipment, nor the cardiac-only PET/CT service. The Applicant states as a consequence, Shared has no information and will not and cannot project utilization or patient mix for these schedules since it has no patient relationships. The Applicant states on Table 3 of the Financial Analysis, Shared is compensated on a flat monthly equipment rental basis with no end of term purchase rights by Stern or Atria. The Applicant states that the total payment for the twelve (12) months of the lease is \$924,000.00 (\$77,000.00 per month). The Applicant asserts as it relates to Table 3, Shared has acquired the Equipment in cash, and as such, the only applicable lease to this project is the operating lease that is attached as Exhibit C to the CON application. The Applicant further states the anticipated length of the lease is twelve (12) months with no option to purchase, and as such, Shared submits that the depreciation and useful life of the Equipment is not responsive to Table 3. The Applicant states, nevertheless, to the extent responsive, Shared anticipates a useful life of the Equipment of seven (7) years, and based on straight-line depreciation, the fair market value at the end of the lease term would be approximately \$1,542,857. The Applicant states Shared has no operating overhead related to this proposed project since it is simply an equipment vendor. The Applicant states Stern is responsible for the payment of maintenance and utilities, staffing expenses, supplies, etc., all as described in its CON application. Because Shared has no information and cannot project utilization, patient mix, staffing, etc. related to this proposed project, the attached Financial Analysis lists a value of "0" in each responsive cell in Tables 4A, 4B, 4C, 5A, 5B, 5C, 5D, 6A and 7.

D. Cost to Medicaid/Medicare

The Applicant state this statement is not applicable. Shared is a vendor of imaging equipment and is not a healthcare provider. The Applicant refers to Stern's the CON application, the healthcare provider utilizing the Equipment to provide the cardiac PET/CT services, for such information as is called for in response to this inquiry.

V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for review and comment. However, the Division of Medicaid has not provided a comment on the proposed project as of the date of this staff analysis.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the acquisition of fixed PET equipment and the implementation of PET services contained in the *FY 2022 Mississippi State Health Plan, Third Edition* and the *Mississippi Certificate of Need Review Manual, November 11, 2023, Revision*; and the 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 Shared Imaging, LLC – Acquisition of Cardiac-Only PET/CT.