

**Division of Health Planning and Resource Development
November 2004**

**CON Review MU-A-0904-043
Scott Medical Imaging, LLC
Amendment to CON # R-0616 (Offering of Mobile MRI Services)
Additional Health Care Facility Site to MRI Route
Approved Capital Expenditure: -0-
Location: Madison, Mississippi**

Staff Analysis

I. PROJECT SUMMARY

A. Facility Information

Scott Medical Imaging, LLC is a for-profit limited liability corporation, incorporated in the State of Mississippi. The main objective of the corporation is to provide highly sophisticated MRI diagnostic services to Mississippi's rural population through rural hospitals. Scott Medical Imaging, LLC is governed by a three-member board. The entity currently has CON #R-0616 to provide MRI equipment/service to 17 facilities in Mississippi.

B. Project Background/Description

As stated above, Scott Medical Imaging currently has CON #R-0616 to provide MRI services to various hospitals in Mississippi utilizing two mobile MRI scanners. The Mississippi State Department of Health issued a declaratory ruling on October 19, 1999, authorizing the applicant to control MRI equipment in the state. The applicant now seeks CON authority to amend its CON to provide MRI services by adding Winston Medical Center in Louisville, Mississippi, as one of its sites.

The applicant currently operates two MRI units: (a) Picker 1.0T Vista Polaris MRI System installed in a mobile unit, and (b) Phillips Intera 1.5 Tesla.

II. TYPE OF REVIEW REQUIRED

Projects which propose the provision of magnetic resonance imaging services are reviewed in accordance with Section 41-7-191, subparagraphs (1) (d)(xii) 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 1972 Annotated, as amended, any person may request a public hearing on this project within 20 days of publication of the staff analysis. The opportunity to request a hearing expires on December 6, 2004.

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

A. State Health Plan (SHP)

The *Mississippi State Health Plan* in effect at the time of the original application (FY 2003) addresses criteria and standards which an applicant is required to meet before receiving CON authority for offering of Mobile MRI Services. The original application was in substantial compliance with the applicable criteria and standards. This application for the amendment of CON #R-0616 continues to be in compliance with the *State Health Plan*.

B. General Considerations

Chapter 8 of the *Mississippi Certificate of Need Review Manual, 2000 Revisions*, addresses general criteria by which all CON applications are reviewed. This project was in substantial compliance with general review criteria at the time of original submission, and continues to be in substantial compliance with said criteria.

Scott Medical Imaging, LLC, (SMI) currently holds Certificate of need as a provider of MRI services in the State of Mississippi. SMI is requesting that Winston Medical Center in Louisville be included as an additional service location.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

No capital expenditure is projected for this project.

B. Method of Financing

The proposed project does not require any capital expenditure; therefore, no financing is required.

C. Effect on Operating Cost

The applicant projects to perform 7 to 10 MRI procedures per visit or 350 - 400 procedures per year, at Winston Medical Center. Initially, Scott Medical Imaging will bill third party payors as an MRI service provider. Should Winston Medical Center seek CON approval for MRI services, Scott Medical Imaging will bill the facility \$375 per scan for non contrast and \$450 per scan for contrast enhanced examinations.

D. Cost to Medicare/Medicaid

Medicaid does not reimburse freestanding MRI facilities, therefore, the cost to the Medicaid program will be negligible. The applicant projects that approximately three (3) percent of its patients will be medically indigent.

V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for review. The Division of Medicaid does not oppose its approval.

VI. CONCLUSION AND RECOMMENDATION

This project continues to be in substantial compliance with the criteria and standards for the offering of MRI services, as contained in the *FY 2003 State Health Plan* in effect at the time of the original approval; the *Mississippi Certificate of Need Review Manual*, 2000 revisions; and all adopted rules, procedures, and plans of the Mississippi State Department of Health. Therefore, the Division of Health Planning and Resource Development recommends approval of this application submitted by Scott Medical Imaging, LLC.