



Application for Certificate of Need

**Barnes-Jewish Hospital
Acquire Diagnostic Equipment for its
Siteman Cancer Center**

Project #6108 HS

**Submitted to
Missouri Health Facilities Review Committee**

May 2024



Certificate of Need Program
NEW OR ADDITIONAL EQUIPMENT APPLICATION
 Applicant's Completeness Checklist and Table of Contents

Project Name: _____ Project No: _____

Project Description: _____

Done Page N/A Description

Divider I. Application Summary:

1. Applicant Identification and Certification (Form MO 580-1861)
2. Representative Registration (From MO 580-1869)
3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.

Divider II. Proposal Description:

1. Provide a complete detailed project description and include equipment bid quotes.
2. Provide a timeline of events for the project, from CON issuance through project completion.
3. Provide a legible city or county map showing the exact location of the project.
4. Define the community to be served and provide the geographic service area for the equipment.
5. Provide other statistics to document the size and validity of any user-defined geographic service area.
6. Identify specific community problems or unmet needs the proposal would address.
7. Provide the historical utilization for each of the past three years and utilization projections through the first three (3) **FULL** years of operation of the new equipment.
8. Provide the methods and assumptions used to project utilization.
9. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.
10. Provide copies of any petitions, letters of support or opposition received.
11. Document that providers of similar health services in the proposed service area have been notified of the application by a public notice in the local newspaper.
12. Document that providers of all affected facilities in the proposed service area were addressed letters regarding the application.

Divider III. Service Specific Criteria and Standards:

1. For new units, address the minimum annual utilization standard for the proposed geographic service area.
2. For any new unit where specific utilization standards are not listed, provide documentation to justify the new unit.
3. For additional units, document compliance with the optimal utilization standard, and if not achieved, provide documentation to justify the additional unit.
4. For evolving technology address the following:
 - Medical effects as described and documented in published scientific literature;
 - The degree to which the objectives of the technology have been met in practice;
 - Any side effects, contraindications or environmental exposures;
 - The relationships, if any, to existing preventive, diagnostic, therapeutic or management technologies and the effects on the existing technologies;
 - Food and Drug Administration approval;
 - The need methodology used by this proposal in order to assess efficacy and cost impact of the proposal;
 - The degree of partnership, if any, with other institutions for joint use and financing.

Divider IV. Financial Feasibility Review Criteria and Standards:

1. Document that sufficient financing is available by providing a letter from a financial institution or an auditor's statement indicating that sufficient funds are available.
2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) **FULL** years beyond project completion.
3. Document how patient charges are derived.
4. Document responsiveness to the needs of the medically indigent.

Divider I. Application Summary:

1. Applicant Identification and Certification (Form MO 580-1861).

See attached.

2. Representative Registration (Form MO 580-1869).

See attached.

3. Proposed Project Budget (Form MO 580-1863) and detail sheet.

See attached.



Certificate of Need Program

APPLICANT IDENTIFICATION AND CERTIFICATION

The information provided must match the **Letter of Intent** for this project, without exception.

1. Project Location <i>(Attach additional pages as necessary to identify multiple project sites.)</i>	
Title of Proposed Project Barnes-Jewish Hospital—acquire equipment for Siteman Ca. Ctr.	Project Number 6018HS
Project Address <i>(Street/City/State/Zip Code)</i> 1 Barnes Jewish Hospital Plaza, St. Louis, MO 63110	County St. Louis City

2. Applicant Identification *(Information must agree with previously submitted Letter of Intent.)*

List All Owner(s): <i>(List corporate entity.)</i>	Address <i>(Street/City/State/Zip Code)</i>	Telephone Number
Barnes-Jewish Hospital	1 Barnes Jewish Hospital Plaza, St. Louis, MO 63110	314-323-1231

List All Operator(s): <i>(List entity to be licensed or certified.)</i>	Address <i>(Street/City/State/Zip Code)</i>	Telephone Number
Barnes-Jewish Hospital	1 Barnes Jewish Hospital Plaza, St. Louis, MO 63110	314-323-1231

3. Ownership *(Check applicable category.)*

Nonprofit Corporation
 Individual
 City
 District
 Partnership
 Corporation
 County
 Other _____

4. Certification

In submitting this project application, the applicant understands that:

- (A) The review will be made as to the community need for the proposed beds or equipment in this application;
- (B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar beds or equipment within the service area;
- (C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its Rules and CON statute;
- (D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months;
- (E) Notification will be provided to the CON Program staff if and when the project is abandoned; and
- (F) A CON, if issued, may not be transferred, relocated, or modified except with the consent of the Committee.

We certify the information and date in this application as accurate to the best of our knowledge and belief by our representative's signature below:

5. Authorized Contact Person *(Attach a Contact Person Correction Form if different from the Letter of Intent.)*

Name of Contact Person Greg Bratcher	Title Dir., Government Relations
Telephone Number 314-323-1231	Fax Number
Signature of Contact Person 	E-mail Address gbratcher@bjc.org
	Date of Signature 5/2/2024



Certificate of Need Program

REPRESENTATIVE REGISTRATION

<i>(A registration form must be completed for each project presented.)</i>	
Project Name Barnes-Jewish Hospital—acquire equipment for Siteman Ca. Ctr.	Number 6018HS
<i>(Please type or print legibly.)</i>	
Name of Representative Greg Bratcher	Title Dir., Gov. Relations
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) BJC HealthCare	Telephone Number 314-323-1231
Address (Street/City/State/Zip Code) 4901 Forest Park Ave, Suite 1220, MS 90-75-574, St. Louis, MO 63108	
Who's interests are being represented? <i>(If more than one, submit a separate Representative Registration Form for each.)</i>	
Name of Individual/Agency/Corporation/Organization being Represented BJC HealthCare	Telephone Number 314-323-1231
Address (Street/City/State/Zip Code) 4901 Forest Park Ave, Suite 1220, MS 90-75-574, St. Louis, MO 63108	
Check one. Do you: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose <input type="checkbox"/> Neutral Other Information: _____ _____	Relationship to Project: <input type="checkbox"/> None <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Legal Counsel <input type="checkbox"/> Consultant <input type="checkbox"/> Lobbyist <input type="checkbox"/> Other (explain): _____ _____
I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: <i>Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in § 105.478, RSMo.</i>	
Original Signature 	Date 5/2/2024



Certificate of Need Program

PROPOSED PROJECT BUDGET

Description

Dollars

COSTS:*

(Fill in every line, even if the amount is "\$0".)

1. New Construction Costs ***	_____
2. Renovation Costs ***	_____
3. Subtotal Construction Costs (#1 plus #2)	_____ \$0
4. Architectural/Engineering Fees	_____
5. Other Equipment (not in construction contract)	_____
6. Major Medical Equipment	_____ \$12,583,511
7. Land Acquisition Costs ***	_____
8. Consultants' Fees/Legal Fees ***	_____
9. Interest During Construction (net of interest earned) ***	_____
10. Other Costs ***	_____
11. Subtotal Non-Construction Costs (sum of #4 through #10)	_____ \$12,583,511
12. Total Project Development Costs (#3 plus #11)	_____ \$12,583,511 **

FINANCING:

13. Unrestricted Funds	_____ \$12,583,511
14. Bonds	_____
15. Loans	_____
16. Other Methods (specify)	_____
17. Total Project Financing (sum of #13 through #16)	_____ \$12,583,511 **

18. New Construction Total Square Footage	_____
19. New Construction Costs Per Square Foot *****	_____
20. Renovated Space Total Square Footage	_____
21. Renovated Space Costs Per Square Foot *****	_____

* Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

** These amounts should be the same.

*** Capitalizable items to be recognized as capital expenditures after project completion.

**** Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care, determined by original cost, fair market value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

***** Divide new construction costs by total new construction square footage.

***** Divide renovation costs by total renovation square footage.

Divider II. Proposal Description:

1. Provide a complete detailed project description.

Barnes-Jewish Hospital proposes to acquire three diagnostic machines as it expands its Siteman Cancer Center. Siteman is one of the best cancer programs in the country, caring for 75,000 people a year, including 12,000 newly diagnosed patients. Siteman is the only cancer center in Missouri to receive designation as a National Cancer Institute Comprehensive Cancer Center, one of only 57 such centers in the US. The NCI designation recognizes systems that meet rigorous criteria for world-class programs in all aspects of cancer care: ground-breaking research, community outreach, and multidisciplinary state-of-the-art cancer care.

As the Siteman program grows into new space on the hospital campus, it is an opportune time to address critical diagnostic needs. This project does that with the addition of a:

- Siemens Alpha photon-counting CT scanner
- Siemens Vida 3-tesla¹ MRI unit
- Siemens Quadra PET/CT scanner

These machines each represent the latest technology for each modality. Briefly, here is more about each machine:

Siemens Alpha photon-counting CT scanner

At its core, a CT scanner is an X-ray machine mounted on a large ring. By spinning the ring while the patient moves through its center on an automated table, “slices” of a patient’s anatomy are acquired and displayed for a doctor’s use in diagnoses and treatment.

Traditional CT scanners use a two-step process to convert X-rays into images. First, the X-rays are converted into visible light in a specially coated detector layer. Below that layer, an array like that in a phone’s camera converts the light into digitized images. This two-step process runs up against the limits of physics, with dead space between pixels. Advancements in semiconductor materials have led to a breakthrough. Using a detector made of cadmium telluride, the proposed CT scanner can convert X-rays directly into the electric signals used to create images.

This offers tremendous advantages. First, the images will have much finer resolution. As a bonus, these clearer images will be achieved using much less radiation dosage.

¹ tesla is a measure of the strength of a magnetic field, such as that generated by an MRI scanner. A typical refrigerator magnet has a field strength about 1,000 times less powerful than 1 tesla.

Siemens Vida 3-tesla MRI unit

MRI is an essential tool for diagnosing cancer and for later monitoring treatment progress. An MRI generates a strong magnetic field to align the hydrogen atoms in our bodies. Radio waves are rapidly pulsed to rhythmically disrupt this alignment. Between pulses, the hydrogen atoms emit their own radio signals, which are collected, amplified, and reconstructed with computers to create MRI images.

Today, the workhorse MRI is the 1.5-tesla machine. With advanced technology and software algorithms, they provide absolute clarity for physicians. However, a 3-tesla MRI is ideal for obtaining more detailed images of small structures. For a comprehensive cancer center like Siteman, it is essential to have both types of MRI scanners.

Siemens Quadra PET/CT scanner

Washington University School of Medicine, the clinical partner of Barnes-Jewish Hospital, was the home of PET’s invention. The first working prototype for a PET scanner was developed here in the 1970s. Until the late 1980s, only three clinical PET units existed in the United States, with one at Barnes-Jewish Hospital. We continue to help advance this field.

PET stands for positron emission tomography. It is an imaging technique that reveals not anatomy but rather metabolic activity at the molecular level. Cancerous cells, by definition, grow uncontrollably and thus exhibit heightened metabolic activity. This property allows physicians to use PET to diagnose cancer. And after starting treatment, PET also helps evaluate the effectiveness of a cancer treatment plan.

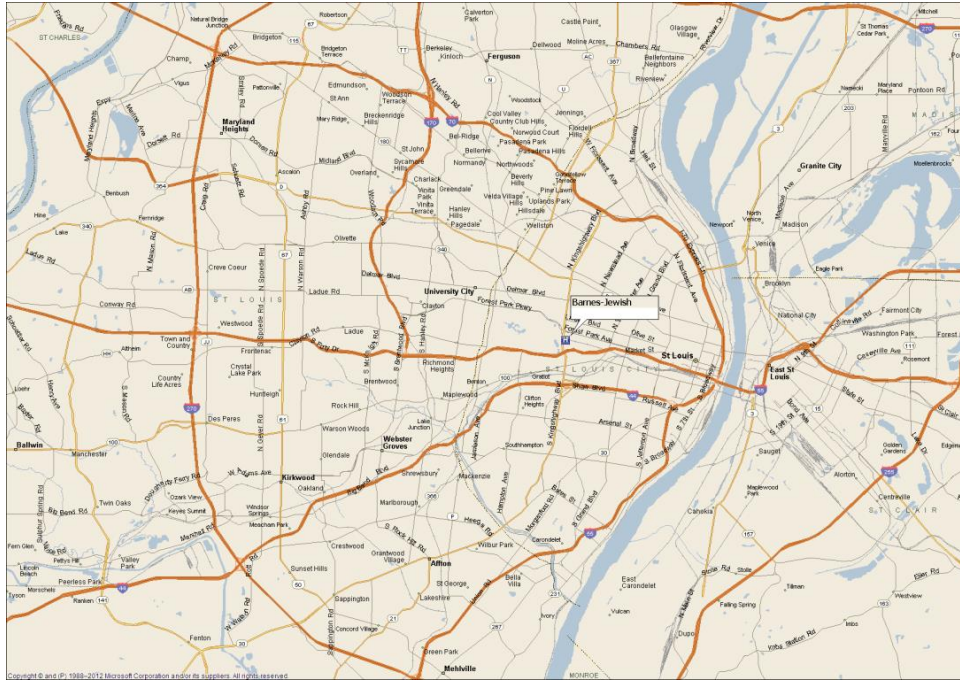
This PET/CT scanner will also support the medical school’s research in the promising field of theranostics. The word is a combination of therapeutics and diagnostics. With an increased understanding of the structure of cancer cells, it is possible to design paired radiative drugs: one that will find certain cancers and illuminate them on PET images, and a second drug that is targeted to the same cancer cells for treatment.

These three machines will play a pivotal role in keeping Siteman at the forefront of cancer care. The estimated combined cost of the three machines, plus requisite shielding and additional components, is \$12,583,511.

2. Provide a timeline of events for the project, from CON issuance through project competition.

Installation and testing	Summer 2024
First patient	Fall 2024

3. Provide a legible city or county map showing the exact location of the project.



4. Define the community to be served.

Barnes-Jewish Hospital is the largest hospital in Missouri and the largest private employer in the St. Louis region. A teaching hospital affiliated with the Washington University School of Medicine, Barnes-Jewish Hospital serves the complex health needs of patients across the Midwest, and the world.

5. Provide other statistics to document the size and validity of any user-defined geographic service area.

While Barnes-Jewish Hospital considers the Midwest to be its primary service area, the following table reflects an estimate of the local service area.

The state-generated estimated population for the Missouri portion of the service area in 2025 is 2.4 million, in the middle column of the following table. The 2020 US Census population data for the entire primary service area, including out-state counties, is 3.5 million and is also documented on the next page.

Service Area Population, Current and Projected

County & State	US Census,	Mo. Dep. Health	Mo. Dep. Health
	April 1,	Projections,	Projections, 65+,
	2020	2025	2025
Butler County, Missouri	42,130	42,251	8,997
Cape Girardeau County, Missouri	81,710	80,203	15,634
Crawford County, Missouri	23,056	22,797	5,154
Franklin County, Missouri	104,682	13,986	2,738
Gasconade County, Missouri	14,794	14,515	3,861
Jefferson County, Missouri	226,739	228,389	40,939
Lincoln County, Missouri	59,574	63,762	9,534
Montgomery County, Missouri	11,322	11,192	2,740
Phelps County, Missouri	44,638	44,320	8,234
St. Charles County, Missouri	405,262	432,828	78,620
St. Francois County, Missouri	66,922	68,252	12,902
St. Louis city, Missouri	301,578	277,256	45,114
St. Louis County, Missouri	1,004,125	990,180	202,698
Ste. Genevieve County, Missouri	18,479	17,783	3,989
Warren County, Missouri	35,532	37,428	7,764
Washington County, Missouri	23,514	24,709	4,735
Total	2,464,057	2,369,851	453,653
Adams County, Illinois	65,737		
Bond County, Illinois	16,725		
Calhoun County, Illinois	4,437		
Clinton County, Illinois	36,899		
Franklin County, Illinois	37,804		
Jackson County, Illinois	52,974		
Jefferson County, Illinois	37,113		
Jersey County, Illinois	21,512		
Macoupin County, Illinois	44,967		
Madison County, Illinois	265,859		
Marion County, Illinois	37,729		
Monroe County, Illinois	34,962		
Randolph County, Illinois	30,163		
St. Clair County, Illinois	257,400		
Williamson County, Illinois	67,153		
Total	1,011,434		
Grand Total	3,475,491		

Sources: US Census, 2020, and Mo. Dept. Of Health & Senior Services

Barnes-Jewish Hospital has an unusually large and wide-ranging service area.

For more than 25 years, Barnes-Jewish Hospital and Washington University School of Medicine have ranked among the nation's best hospitals and medical schools by *U.S. News & World Report*. Barnes-Jewish is the only hospital in St. Louis or the state of Missouri to be so recognized.

Barnes-Jewish Hospital and Washington University School of Medicine have achieved numerous acknowledgments for excellence; among these are:

- **Siteman Cancer Center.** Siteman is the only cancer center in Missouri to receive the designation as a National Cancer Institute Comprehensive Cancer Center and is one of only 57 Comprehensive Cancer Centers in the country. The NCI-designated cancer centers program recognizes centers around the country that meet rigorous criteria for world-class, state-of-the-art programs in multidisciplinary cancer care.
- **The Mallinckrodt Institute of Radiology.** Mallinckrodt is one of the oldest radiology services in the country, established just fifteen years after Röntgen's discovery of the X-ray. Today, it is recognized as one of the largest and most scientifically sophisticated radiology centers in the world—more than 50 chairs of academic radiology departments were trained or taught at Mallinckrodt.
- **The Center for Clinical Imaging Research** provides advanced imaging resources and multiple levels of support to clinical investigators. It is one of the most sophisticated centers for imaging research in the world. Equipped with the most advanced imaging equipment available, and staffed with experts in all fields, the center attracts this generation's most promising researchers. The mission of the center "is to establish a preeminent and innovative clinical imaging research environment that links basic science and discovery efforts to clinical practice."
- **Leader in Organ Transplants.** In 2017, Barnes Jewish Hospital performed its 5000th kidney transplant and set new records for lung and liver transplants.
- **The Washington University and Barnes-Jewish Hospital Stroke & Cerebrovascular Center** was the first recognized Comprehensive Stroke Center in Missouri. Certification as a Comprehensive Stroke Center means that Barnes-Jewish Hospital has the critical elements in place to provide rapid response to patients suspected of having a stroke and has the skill and resources to achieve long-term success for stroke patients. "What makes Comprehensive Stroke Centers truly comprehensive is the coordination of the entire spectrum of stroke care in a community, as well as the full spectrum of stroke treatment, from clot-dissolving medicine to complex interventions and surgery for brain aneurysms," says David Carpenter, MD, a Washington University vascular neurologist at Barnes-Jewish Hospital.

- **Barnes-Jewish Hospital is the only ACS-verified Level I trauma center in Missouri, Illinois, and Arkansas. It was the first hospital in Missouri and St. Louis to receive Level I verification from the American College of Surgeons for its trauma center.**
- **A Top Five Trauma Center.** The National Foundation for Trauma Care has identified Barnes-Jewish Hospital as one of the top five trauma centers in the United States based on its preparedness for disaster response.
- **Primary Stroke Center.** The Joint Commission certified Barnes-Jewish Hospital as a Primary Stroke Center—the first hospital in the St. Louis area to receive the distinction.
- **Epilepsy Center of Excellence.** The Barnes-Jewish Hospital epilepsy center is among the first three in the nation to receive certification from The Joint Commission for its efforts to care for patients with seizures.
- **The Charles F. and Joanne Knight Alzheimer's Disease Research Center.** The Knight Center is one of 29 centers funded or supported by the National Institute on Aging with the collective aim of facilitating advanced research on clinical, genetic, neuropathological, neuroanatomical, biomedical, psychosocial, and neuropsychological aspects of Alzheimer's disease and related brain disorders. The Center is at the forefront of a worldwide effort to uncover key causal factors in the development of Alzheimer's disease, with a goal of developing more effective treatments and an eventual cure.

6. Identify specific community problems or unmet needs the proposal would address.

The Siteman Cancer Center is one of the leading cancer programs in the country, treating 75,000 people a year, including 12,000 newly diagnosed patients. Siteman is the only cancer center in Missouri to receive designation as a National Cancer Institute Comprehensive Cancer Center, one of only 57 such centers in the US. The NCI designation recognizes systems that meet rigorous criteria for world-class programs in all three aspects of cancer care: ground-breaking research, community outreach, and multidisciplinary state-of-the-art cancer care.

Additionally, Siteman is part of a leading teaching hospital. As such, it must accommodate multiple demands placed on each piece of equipment. Every piece of medical equipment at Barnes-Jewish Hospital must serve three masters:

- Medical residents and fellows train here, so technology needs to reflect tomorrow's standard of care that these future doctors will use daily with their patients in communities across the country.
- Researchers enroll study participants here, so the hospital's equipment must be able to facilitate the advancement of medicine.

- Finally, but most importantly, patients come to the hospital expecting the highest level of care.

Many of the Siteman patients have exhausted other medical options and arrive with complex conditions—the hospital is their last best hope. Maintaining the highest level of diagnostic capabilities is essential to meeting these competing demands, and these machines help us do that.

7. Provide historical utilization for each of the past three years and utilization projections through the first three years of operation of the new equipment.

Historical and projected volume is as follows:

CT

	2021	2022	2023	2024	2025	2026	2027
# of UNITS (# of MRIs, CTs, etc.)	11	12	12	12	13	13	13
AMT OF UTILIZATION*	48,214	46,040	47,509	48,539	49,775	51,321	57,502
Avg. Utilization	4,383	3,837	3,959	4,045	3,829	3,948	4,423

MRI

	2021	2022	2023	2024	2025	2026	2027
# of UNITS (# of MRIs, CTs, etc.)	13	13	15	15	16	16	16
AMT OF UTILIZATION*	47,369	48,790	54,478	54,976	55,574	56,322	59,312
Avg. Utilization	3,644	3,753	3,632	3,665	3,473	3,520	3,707

PET/CT

	2021	2022	2023	2024	2025	2026	2027
# of UNITS (# of MRIs, CTs, etc.)	2	2	2	2	3	3	3
AMT OF UTILIZATION*	4,820	5,128	5,635	6,230	7,394	9,155	11,548
Avg. Utilization	2,410	2,564	2,818	3,115	2,465	3,052	3,849

8. Provide the methods and assumptions used to project utilization.

Barnes-Jewish Hospital and the Siteman Cancer Center have extensive experience treating cancer. Furthermore, Barnes-Jewish Hospital and its clinical partners at the Washington University School of Medicine and the Mallinckrodt Institute of Radiology, are world leaders in advancing imaging technology. The projections in this application are based on this collective expertise.

9. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.

Barnes-Jewish Hospital has a board comprised of community and business leaders. This group’s counsel has been solicited, and many of their ideas have been incorporated into components of the project. Furthermore, as is a standard process throughout BJC, departmental planning teams incorporate feedback from doctors and patient-care staff, who aggregate patients’ needs and preferences.

10. Provide copies of any petitions, letters of support or opposition received.

Letters will be provided as they become available.

11. Document that providers have been notified of the application by a public notice in the local newspaper.

A public notice seeking comment has been published in the *St. Louis Post-Dispatch* and was also posted to the paper's website.

12. Document that providers of all affected facilities were addressed letters regarding the application. Sent via separate email is a folder with an Excel file showing the list of recipients of this notice and a copy of the "sent" receipt for each recipient. The text of the notice is included in the receipts.

Customer Ad Proof

220-60000645 BJC HEALTH CARE-90-74-574 (LEGAL)

Order Nbr 130330

Publication	Post - Dispatch	
Contact	BJC HEALTH CARE-90-74-574 (LEGAL)	PO Number Gregory Bratcher
Address 1	4901 FOREST PARK AVE	Rate Legal
Address 2		Order Price 345.84
City St Zip	ST LOUIS MO 63108	Amount Paid 0.00
Phone	3142860629	Amount Due 345.84
Fax		
Section	Legals	Start/End Dates 05/03/2024 - 05/03/2024
SubSection		Insertions 1
Category	9000 Public Notices	Size 13
Ad Key	130330-1	Salesperson(s) Tanya Lemons I023
Keywords	The Siteman Cancer Center at B	Taken By Tanya Lemons
Notes		

Ad Proof

The Siteman Cancer Center at Barnes-Jewish Hospital is applying to the Missouri Health Facilities Review Committee for approval to add an additional MRI, CT, and PET/CT scanner, all of which would be located on the hospital's main campus. Please contact Greg Bratcher at gbratcher@bjc.org or at 314-323-1231 with questions or concerns.

Divider III. Community Need Criteria and Standards:

1. For new units address the need formula for the proposed geographic service area.

NA

2. For new units, address the minimum annual utilization standard for the proposed geographic service area.

NA

3. For any new unit where specific need and utilization standards are not listed provide the methodology for determining need.

NA

4. For additional units, document compliance with the optimal utilization standard, and if not achieved, provide documentation to justify the additional unit.

CT

	2021	2022	2023	2024	2025	2026	2027
# of UNITS (# of MRIs, CTs, etc.)	11	12	12	12	13	13	13
AMT OF UTILIZATION*	48,214	46,040	47,509	48,539	49,775	51,321	57,502
Avg. Utilization	4,383	3,837	3,959	4,045	3,829	3,948	4,423

For CT, the CON criterion for average utilization is 4,000 procedures per year; the project exceeds that measure this year and displays a clear trend indicating exceeding the criterion every third year.

MRI

	2021	2022	2023	2024	2025	2026	2027
# of UNITS (# of MRIs, CTs, etc.)	13	13	15	15	16	16	16
AMT OF UTILIZATION*	47,369	48,790	54,478	54,976	55,574	56,322	59,312
Avg. Utilization	3,644	3,753	3,632	3,665	3,473	3,520	3,707

For MRI, the CON criterion for average utilization is 3,000 procedures per year; the project exceeds that measure every year.

PET/CT

	2021	2022	2023	2024	2025	2026	2027
# of UNITS (# of MRIs, CTs, etc.)	2	2	2	2	3	3	3
AMT OF UTILIZATION*	4,820	5,128	5,635	6,230	7,394	9,155	11,548
Avg. Utilization	2,410	2,564	2,818	3,115	2,465	3,052	3,849

For Pet and PET/CT, the CON criterion for average utilization is 1,000 procedures per year; the project exceeds that measure every year.

5. For evolving technology address the following:

- Medical effects as described and documented in published scientific literature;

NA

- The degree to which the objectives of the technology have been met in practice;

NA

- Any side effects, contraindications or environmental exposures;

NA

- The relationships, if any, to existing preventive, diagnostic, therapeutic or management technologies and the effects on the existing technologies;

NA

- Food and Drug Administration approval;

NA

- The need methodology used by this proposal in order to assess efficacy and cost impact of the proposal; and

NA

- The degree of partnership, if any, with other institutions for joint use and financing.

NA

Divider IV. Financial Feasibility Review Criteria & Standards:

1. Document that sufficient financing is available by providing a letter from a financial institution or an auditor's statement indicating that sufficient funds are available.

New IRS 990 forms for BJC HealthCare were recently submitted in a previous CON application.

2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) years beyond project completion.

See attached financial forms.

3. Document how patient charges were derived.

Charges, in general, are arrived at by determining the reasonable and customary unit charge for delivering a given procedure through routine market checks of pricing at other facilities and comparing the expected unit cost using a cost accounting package tailored specifically for hospitals. Finally, annual inflation adjustments are made, usually averaging 2% to 3%.

4. Document responsiveness to the needs of the medically indigent.

BJC is one of the largest providers of charity care, unreimbursed care, and community benefits in the state of Missouri, offering the community over \$900 million in care and services. BJC hospitals have a long-standing policy of providing charity care and reduced-fee care to those in need, and this policy will continue.

The hospital offers financial counseling for all patients to ensure adequate coverage is obtained. For patients who are indigent, our financial counselors assist these families in obtaining Medicaid assistance. If financial assistance is not attainable, charity care may be extended as appropriate. The hospital financial assistance guidelines are based on family size and income relative to the US poverty level guidelines. Each case is reviewed on an individual basis.

Although community benefit is often measured by the value of current programs, BJC's contributions also sustain the future of health care by investing in the education of health professionals. In 2022, BJC invested nearly \$200 million in the education of nurses, doctors, therapists, pharmacists, and medical technologists.

BJC and its hospitals and health service organizations impact countless lives daily with programs that bring health and wellness resources into schools, neighborhoods, workplaces, houses of worship, and wherever neighbors gather. BJC organizations provide services to hundreds of thousands of children, adults, and seniors across eastern Missouri.



Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

MRI pg 1

Project Title:

Project #:

Historical Financial Data for Latest Three Full Years plus Projections Through Three Full Years Beyond Project Completion

Use an individual form for each affected service with a sufficient number of copies of this form to cover entire period, and fill in the years in the appropriate blanks.

	Year		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
Amount of Utilization:*	48,214	46,040	47,509
Revenue:			
Average Charge**	\$6,452	\$6,592	\$6,676
Gross Revenue	\$311,076,728	\$303,495,680	\$317,170,084
Revenue Deductions	263,781,028	257,653,937	268,635,240
Operating Revenue	47,295,700	45,841,743	48,534,844
Other Revenue	0	0	0
TOTAL REVENUE	\$47,295,700	\$45,841,743	\$48,534,844
Expenses:			
Direct Expenses			
Salaries	7,389,816	8,363,528	10,833,817
Fees	0	0	0
Supplies	2,542,884	2,418,125	2,836,283
Other	2,072,545	2,059,298	3,045,040
TOTAL DIRECT	\$12,005,245	\$12,840,951	\$16,715,140
Indirect Expenses			
Depreciation	5,500,458	6,072,397	6,462,318
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	16,682,185	17,819,453	18,438,635
TOTAL INDIRECT	\$22,182,643	\$23,891,850	\$24,900,953
TOTAL EXPENSES	\$34,187,888	\$36,732,801	\$41,616,093
NET INCOME (LOSS):	\$13,107,812	\$9,108,942	\$6,918,751

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Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

MRI pg 2

Project Title:

Project #:

Historical Financial Data for Latest Three Full Years plus Projections Through Three Full Years Beyond Project Completion

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	Year		
	<u>2024</u>	<u>2025</u>	<u>2026</u>
Amount of Utilization:*	48,539	49,775	51,321
Revenue:			
Average Charge**	\$6,484	\$6,679	\$6,879
Gross Revenue	\$314,726,876	\$332,447,225	\$353,037,159
Revenue Deductions	264,058,090	279,308,046	297,041,474
Operating Revenue	50,668,786	53,139,179	55,995,685
Other Revenue	0	0	0
TOTAL REVENUE	\$50,668,786	\$53,139,179	\$55,995,685
Expenses:			
Direct Expenses			
Salaries	11,276,982	11,913,223	12,651,555
Fees	0	0	0
Supplies	3,075,615	3,248,564	3,449,896
Other	2,523,950	2,665,877	2,831,097
TOTAL DIRECT	\$16,876,547	\$17,827,664	\$18,932,548
Indirect Expenses			
Depreciation	6,677,155	7,052,626	7,489,718
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	17,586,116	18,575,021	19,726,223
TOTAL INDIRECT	\$24,263,271	\$25,627,647	\$27,215,941
TOTAL EXPENSES	\$41,139,818	\$43,455,311	\$46,148,489
NET INCOME (LOSS):	\$9,528,968	\$9,683,868	\$9,847,196

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Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

MRI pg 3

Project Title:

Project #:

Historical Financial Data for Latest Three Full Years plus Projections Through Three Full Years Beyond Project Completion

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	2027	20??	20??
Amount of Utilization:*	57,502	0	0
Revenue:			
Average Charge**	\$7,085	\$0	\$0
Gross Revenue	\$407,401,670	\$0	\$0
Revenue Deductions	343,285,938	0	0
Operating Revenue	64,115,732	0	0
Other Revenue	0	0	0
TOTAL REVENUE	\$64,115,732	\$0	\$0
Expenses:			
Direct Expenses			
Salaries	14,600,554	0	0
Fees	0	0	0
Supplies	3,981,360	0	0
Other	3,267,233	0	0
TOTAL DIRECT	\$21,849,147	\$0	\$0
Indirect Expenses			
Depreciation	8,643,525	0	0
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	22,765,089	0	0
TOTAL INDIRECT	\$31,408,614	\$0	\$0
TOTAL EXPENSES	\$53,257,761	\$0	\$0
NET INCOME (LOSS):	\$10,857,971	\$0	\$0

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Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

CT pg 1

Project Title:

Project #:

Historical Financial Data for Latest Three Full Years plus Projections Through Three Full Years Beyond Project Completion

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	Year		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
Amount of Utilization:*	47,369	48,790	54,478
Revenue:			
Average Charge**	\$5,345	\$5,505	\$5,670
Gross Revenue	\$253,187,305	\$268,588,950	\$308,890,260
Revenue Deductions	196,229,848	208,633,247	240,461,900
Operating Revenue	56,957,457	59,955,703	68,428,360
Other Revenue	0	0	0
TOTAL REVENUE	\$56,957,457	\$59,955,703	\$68,428,360
Expenses:			
Direct Expenses			
Salaries	11,993,499	12,353,304	12,723,904
Fees	0	0	0
Supplies	4,310,305	4,439,615	4,572,803
Other	128,133	131,977	135,936
TOTAL DIRECT	\$16,431,937	\$16,924,896	\$17,432,643
Indirect Expenses			
Depreciation	5,088,574	5,241,231	5,398,468
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	8,373,819	8,325,034	8,883,785
TOTAL INDIRECT	\$13,462,393	\$13,566,265	\$14,282,253
TOTAL EXPENSES	\$29,894,330	\$30,491,161	\$31,714,896
NET INCOME (LOSS):	\$27,063,127	\$29,464,542	\$36,713,464

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Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

CT pg 2

Project Title:

Project #:

Historical Financial Data for Latest Three Full Years plus Projections Through Three Full Years Beyond Project Completion

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	Year		
	<u>2024</u>	<u>2025</u>	<u>2026</u>
Amount of Utilization:*	54,976	55,574	56,322
Revenue:			
Average Charge**	\$5,840	\$6,015	\$6,196
Gross Revenue	\$321,059,840	\$334,277,610	\$348,971,112
Revenue Deductions	250,474,799	261,346,560	273,378,772
Operating Revenue	70,585,041	72,931,050	75,592,340
Other Revenue	0	0	0
TOTAL REVENUE	\$70,585,041	\$72,931,050	\$75,592,340
Expenses:			
Direct Expenses			
Salaries	13,225,427	13,770,364	14,374,251
Fees	0	0	0
Supplies	4,753,044	4,948,887	5,165,916
Other	141,295	147,116	153,568
TOTAL DIRECT	\$18,119,766	\$18,866,367	\$19,693,735
Indirect Expenses			
Depreciation	5,611,253	584,458	6,098,674
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	9,233,947	9,614,420	10,036,052
TOTAL INDIRECT	\$14,845,200	\$10,198,878	\$16,134,726
TOTAL EXPENSES	\$32,964,966	\$29,065,245	\$35,828,461
NET INCOME (LOSS):	\$37,620,075	\$43,865,805	\$39,763,879

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Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

CT pg 3

Project Title:

Project #:

Historical Financial Data for Latest Three Full Years plus Projections Through Three Full Years Beyond Project Completion

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	2027	20??	20??
Amount of Utilization:*	59,312	0	0
Revenue:			
Average Charge**	\$6,382	\$0	\$0
Gross Revenue	\$378,529,184	\$0	\$0
Revenue Deductions	297,143,501	0	0
Operating Revenue	81,385,683	0	0
Other Revenue	0	0	0
TOTAL REVENUE	\$81,385,683	\$0	\$0
Expenses:			
Direct Expenses			
Salaries	15,591,472	0	0
Fees	0	0	0
Supplies	5,603,369	0	0
Other	166,572	0	0
TOTAL DIRECT	\$21,361,413	\$0	\$0
Indirect Expenses			
Depreciation	6,615,113	0	0
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	10,885,912	0	0
TOTAL INDIRECT	\$17,501,025	\$0	\$0
TOTAL EXPENSES	\$38,862,438	\$0	\$0
NET INCOME (LOSS):	\$42,523,245	\$0	\$0

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Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

PET/CT pg 1

Project Title:

Project #:

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	Year		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
Amount of Utilization:*	4,820	5,128	5,635
Revenue:			
Average Charge**	\$8,833	\$9,374	\$8,463
Gross Revenue	\$42,575,060	\$48,069,872	\$47,689,005
Revenue Deductions	31,164,634	32,687,975	31,377,794
Operating Revenue	11,410,426	15,381,897	16,311,211
Other Revenue	0	0	0
TOTAL REVENUE	\$11,410,426	\$15,381,897	\$16,311,211
Expenses:			
Direct Expenses			
Salaries	910,808	1,081,308	1,077,577
Fees	0	0	0
Supplies	3,029,702	4,764,527	4,053,187
Other	112,420	132,852	342,675
TOTAL DIRECT	\$4,052,930	\$5,978,687	\$5,473,439
Indirect Expenses			
Depreciation	511,598	589,938	696,175
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	2,303,102	2,657,819	2,500,826
TOTAL INDIRECT	\$2,814,700	\$3,247,757	\$3,197,001
TOTAL EXPENSES	\$6,867,630	\$9,226,444	\$8,670,440
NET INCOME (LOSS):	\$4,542,796	\$6,155,453	\$7,640,771

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Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

PET/CT pg 2

Project Title:

Project #:

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	Year		
	<u>2024</u>	<u>2025</u>	<u>2026</u>
Amount of Utilization:*	6,230	7,394	9,155
Revenue:			
Average Charge**	\$8,751	\$9,013	\$9,284
Gross Revenue	\$54,518,730	\$66,642,122	\$84,995,020
Revenue Deductions	37,565,067	46,070,215	58,995,467
Operating Revenue	16,953,663	20,571,907	25,999,553
Other Revenue	0	0	0
TOTAL REVENUE	\$16,953,663	\$20,571,907	\$25,999,553
Expenses:			
Direct Expenses			
Salaries	1,136,861	1,389,555	1,772,261
Fees	0	0	0
Supplies	5,885,494	7,193,682	9,174,940
Other	185,122	226,270	288,588
TOTAL DIRECT	\$7,207,477	\$8,809,507	\$11,235,789
Indirect Expenses			
Depreciation	1,177,094	1,438,730	1,834,980
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	2,630,631	3,215,349	4,100,909
TOTAL INDIRECT	\$3,807,725	\$4,654,079	\$5,935,889
TOTAL EXPENSES	\$11,015,202	\$13,463,586	\$17,171,678
NET INCOME (LOSS):	\$5,938,461	\$7,108,321	\$8,827,875

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Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

PET/CT pg 3

Project Title:

Project #:

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	2027	20??	20??
Amount of Utilization:*	11,548	0	0
Revenue:			
Average Charge**	\$9,562	\$0	\$0
Gross Revenue	\$110,421,976	\$0	\$0
Revenue Deductions	76,849,459	0	0
Operating Revenue	33,572,517	0	0
Other Revenue	0	0	0
TOTAL REVENUE	\$33,572,517	\$0	\$0
Expenses:			
Direct Expenses			
Salaries	2,302,546	0	0
Fees	0	0	0
Supplies	11,920,207	0	0
Other	374,380	0	0
TOTAL DIRECT	\$14,597,133	\$0	\$0
Indirect Expenses			
Depreciation	2,384,031	0	0
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	5,327,957	0	0
TOTAL INDIRECT	\$7,711,988	\$0	\$0
TOTAL EXPENSES	\$22,309,121	\$0	\$0
NET INCOME (LOSS):	\$11,263,396	\$0	\$0

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