



Application for Certificate of Need

**Missouri Baptist Sullivan Hospital
Acquire DaVinci Robot System**

Project #6175 HS

**Submitted To
Missouri Health Facilities Review Committee**

March 2025



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 competition.
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 (Attach additional pages as necessary to identify multiple project sites.)

Title of Proposed Project Missouri Baptist Sullivan Hospital	Project Number 6175HS
Project Address (Street/City/State/Zip Code) 751 Sappington Bridge Rd, Sullivan, MO 63080	County Crawford

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

List All Owner(s): (List corporate entity.)	Address (Street/City/State/Zip Code)	Telephone Number
Missouri Baptist Sullivan Hospital	751 Sappington Bridge Rd, Sullivan, MO 63080	314-323-1231

List All Operator(s): (List entity to be licensed or certified.)	Address (Street/City/State/Zip Code)	Telephone Number
Missouri Baptist Sullivan Hospital	751 Sappington Bridge Rd, Sullivan, MO 63080	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 E-mail Address gbratcher@bjc.org
Signature of Contact Person 	Date of Signature 12/18/2024



Certificate of Need Program
REPRESENTATIVE REGISTRATION

(A registration form must be completed for each project presented.)

Form with fields for Project Name (Missouri Baptist Sullivan Hospital--add robot), Number (6175HS), Name of Representative (Greg Bratcher), Title (Dir., Gov. Relations), Firm/Corporation/Association (BJC HealthCare), Telephone Number (314-323-1231), Address (4901 Forest Park Ave, Suite 1220, MS 90-75-574, St. Louis, MO 63108), and checkboxes for Support, Oppose, Neutral, and Relationship to Project (Employee).



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	\$1,986,000
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)	\$1,986,000
12. Total Project Development Costs (#3 plus #11)	\$1,986,000 **

FINANCING:

13. Unrestricted Funds	\$1,986,000
14. Bonds	_____
15. Loans	_____
16. Other Methods (specify)	_____
17. Total Project Financing (sum of #13 through #16)	\$1,986,000 **

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.***

Missouri Baptist Sullivan Hospital seeks to acquire a DaVinci Xi robot. The proposed machine is the current standard of care in the rapidly evolving field of general robotic surgery. As part of BJC's commitment to deliver advanced care in community settings, this would be the first DaVinci robot in the region.



Robotic surgery provides a less invasive surgical treatment and offers great promise for treating conditions that previously had few effective treatment options. It has been shown that patients whose cases were performed with robotic assistance:

- Experience less blood loss
- Recover more quickly and experience shorter lengths of stay
- Have a lower incidence of serious side effects, especially incontinence and impotence
- Have smaller incisions for less scarring

The DaVinci Xi is equipped with the following features:

- Overhead orientation of the four robotic arms improves anatomical access. This arrangement gives surgeons the ability to perform surgical procedures with one incision that previously might have required two or more.
- A new digital architecture improves visual definition and clarity.
- An ability to attach the endoscopic camera to any arm provides flexibility for visualizing the surgical site.
- Smaller, thinner arms with newly designed joints that offer a greater range of motion. One of the key advantages of robotic surgery is that the tools are able to move in ways and into positions that are otherwise impossible.
- Longer instrument shafts designed to give surgeons greater operative reach.
- Integrated table motion technology that allows dynamic positioning of the operating table for optimal access to target anatomy.

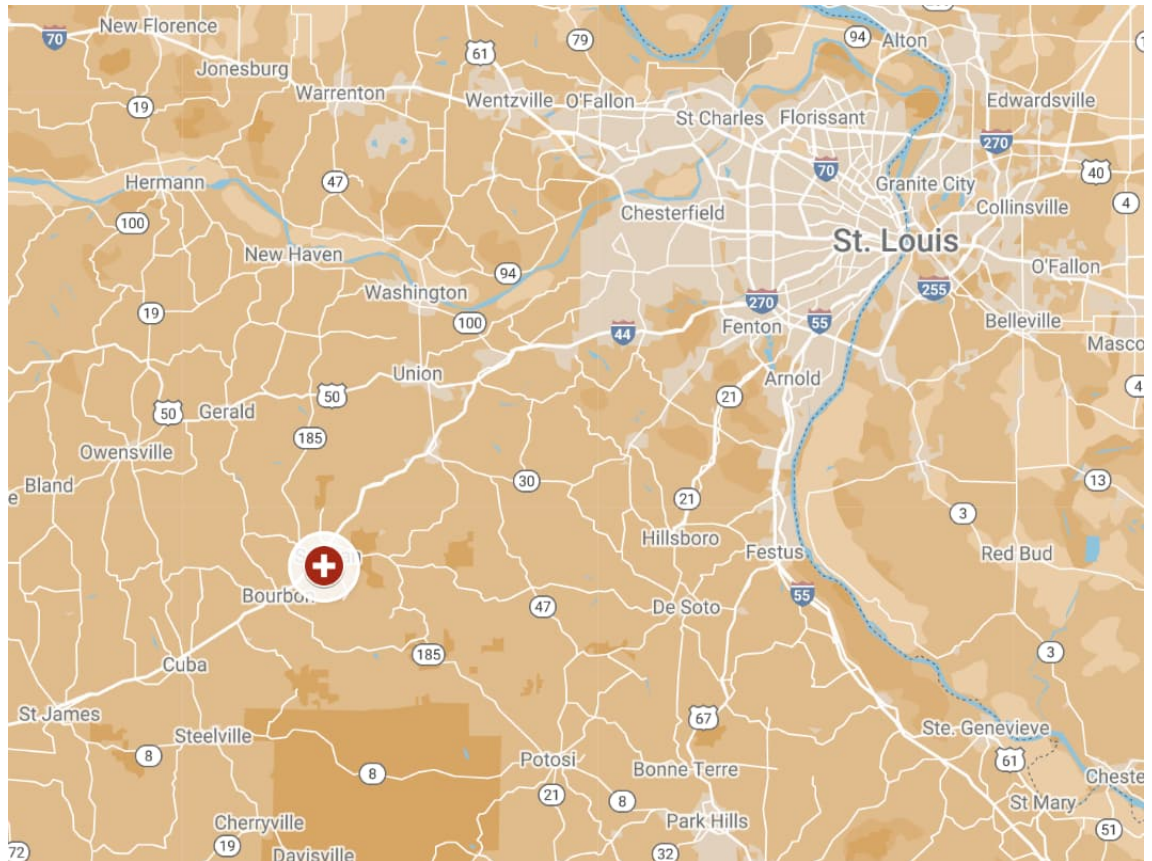
The Xi unit will be leased, as is now the standard method for acquiring these machines by BJC HealthCare. The retail value of the unit is \$1,986,000.

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

Provided a CON is issued, this estimated timeline should follow:

Order system	If approved, later in March, 2025
Delivery of system	March 2025
First patient	Late March or May, 2025

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.

Missouri Baptist Sullivan Hospital serves Crawford, Franklin, Gasconade and Washington counties and considers them its primary area for its general acute-care services. The following table reflects an estimate of the service area population from the State of Missouri, as required by CON rules:

County	2025 Total County Projection
Crawford	22,797
Franklin	106,645
Gasconade	14,515
Washington	24,709
Total	168,666

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

Missouri Baptist Sullivan Hospital has served its community since 1962. The hospital has an important emergency department near a state park, a modern childbirth center, a critical care unit, a multi-room surgical suite, expanded cardiac rehab services, and a cancer center. The campus also features a comprehensive Therapy and Wellness Center, an award-winning Wound Care Center. The hospital also operates four rural health clinics in underserved communities.

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

Robotic surgery has become an important part of modern healthcare. Currently, patients in the service area must travel to larger metro areas to receive care using the DaVinci robotic system. This project will mean patients and families will be able to get this level of care closer to home.

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.

The following is the projected utilization:

2025 (partial year)	2026	2027	2028
100	200	250	270

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

Combining the expertise from Missouri Baptist Sullivan Hospital, BJC leadership in robotics, and Intuitive Surgical, estimates were made using the hospital's current base cases.

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

Missouri Baptist Sullivan 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 are on the frontlines and aggregate the needs and preferences of patients.

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 on the *Sullivan Independent News* website.

12. Document that providers of all affected facilities were addressed letters regarding the application.

The following notice was sent via email to the addresses below the note.

Subject: CON notice for MoBap Sullivan Hosp

Missouri Baptist Sullivan Hospital is applying to the Missouri Health Facilities Review Committee to add a DaVinci surgical robot to its campus. Missouri Certificate of Need rules ask that we notify you of this filing.

If you have questions or concerns about the project, please contact Greg Bratcher at gbratcher@bjc.org, or at 314-323-1231.

Best Wishes

Greg Bratcher
BJC HealthCare

Hermann Area District Hospital
Mercy Hospital Washington
Washington County Memorial
Hospital

Mr. William Hellebusch
Mr. Eric Eoloff, MHA

bhellebusch@hadh.org
eric.eoloff@mercy.net

Ms. Michele C. Meyer, M.A., BSN, R.N. mmeyer@wcmhosp.org

Subject: RE: legal notice
Sent: 12/19/2024, 11:35:43 AM
From: Gregory Bratcher<Gregory.Bratcher@bjc.org>
To: Sullivan Advertising

Thanks for getting this out. Looks good; let's do two weeks. please

Greg Bratcher
BJC HealthCare
gbratcher@bjc.org
Cell & office: 314-323-1231

From: Sullivan Advertising <advertising@sullivannews.net>
Sent: Thursday, December 19, 2024 11:30 AM
To: Gregory Bratcher <Gregory.Bratcher@bjc.org>
Subject: Re: legal notice

[EXTERNAL]: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Proof attached! This would be \$9.50 per week. How many weeks did this need to run?

Thank you,

Sylvia Walka
Sullivan Independent News
573-468-6511

On Tue, Dec 17, 2024 at 12:37 PM Gregory Bratcher <Gregory.Bratcher@bjc.org> wrote:

We'd like the following published at the earliest convenience. Thanks for your help. Please send a proof and billing to this email.

Mo. Baptist Sullivan Hospital will apply to the Mo. Health Fac. Review Comm. to add a DaVinci surgical robot to its campus. Call Greg Bratcher with questions or concerns at 314-323-1231.

Greg Bratcher
BJC HealthCare
gbratcher@bjc.org
Cell & office: 314-323-1231

This message (including any attachments) is intended only for the use of the individual or entity to which it is addressed and may contain information that is non-public, proprietary, privileged, confidential, and exempt from disclosure under applicable law or may constitute as attorney work product. If you are not the intended recipient, you are hereby notified that any use, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, notify us immediately by telephone and (i) destroy this message if a facsimile or (ii) delete this message immediately if this is an electronic communication.

NOTICE OF APPLICATION

Mo. Baptist Sullivan Hospital will apply to the Mo. Health Fac. Review Comm. to add a DaVinci surgical robot to its campus. Call Greg Bratcher with questions or concerns at 314-323-1231.

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Divider III. Community Need Criteria and Standards:***1. For new units address the need formula for the proposed geographic service area.***

There are currently no DaVinci robots in the area; this would be new to the region. The proposed unit is projected to meet the CON criterion of 240 procedures per unit by the second full year of operation.

2025 (partial year)	2026	2027	2028
100	200	250	270

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.

NA

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 the 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.

Audited statements were recently submitted.

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**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>2025</u>	<u>2026</u>	<u>2027</u>
Amount of Utilization:*	100	200	250
Revenue:			
Average Charge**	\$37,739	\$39,626	\$41,607
Gross Revenue	\$3,773,900	\$7,925,200	\$10,401,750
Revenue Deductions	2,726,862	5,778,763	7,651,703
Operating Revenue	<u>1,047,038</u>	<u>2,146,437</u>	<u>2,750,047</u>
Other Revenue	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$1,047,038</u>	<u>\$2,146,437</u>	<u>\$2,750,047</u>
Expenses:			
Direct Expenses			
Salaries	224,825	465,387	602,095
Fees	0	0	0
Supplies	302,455	626,083	809,994
Other	<u>7,935</u>	<u>16,419</u>	<u>21,242</u>
TOTAL DIRECT	<u>\$535,215</u>	<u>\$1,107,889</u>	<u>\$1,433,331</u>
Indirect Expenses			
Depreciation	0	0	0
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	<u>491,202</u>	<u>1,002,051</u>	<u>1,277,615</u>
TOTAL INDIRECT	<u>\$491,202</u>	<u>\$1,002,051</u>	<u>\$1,277,615</u>
TOTAL EXPENSES	<u>\$1,026,417</u>	<u>\$2,109,940</u>	<u>\$2,710,946</u>
NET INCOME (LOSS):	<u>\$20,621</u>	<u>\$36,497</u>	<u>\$39,101</u>

*Utilization will be measured in "patient days" for licensed beds, "procedures" for equipment, or other appropriate units of measure specific to the service affected.

**Indicate how the average charge/procedure was calculated.

***Only on long term debt, not construction.

****Indicate how overhead was calculated.



Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

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>2028</u>	<u>20??</u>	<u>20??</u>
Amount of Utilization:*	270	0	0
Revenue:			
Average Charge**	\$43,688	\$0	\$0
Gross Revenue	\$11,795,760	\$0	\$0
Revenue Deductions	8,751,285	0	0
Operating Revenue	3,044,475	0	0
Other Revenue	0	0	0
TOTAL REVENUE	\$3,044,475	\$0	\$0
Expenses:			
Direct Expenses			
Salaries	673,022	0	0
Fees	0	0	0
Supplies	905,412	0	0
Other	23,744	0	0
TOTAL DIRECT	\$1,602,178	\$0	\$0
Indirect Expenses			
Depreciation	0	0	0
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	1,407,421	0	0
TOTAL INDIRECT	\$1,407,421	\$0	\$0
TOTAL EXPENSES	\$3,009,599	\$0	\$0
NET INCOME (LOSS):	\$34,876	\$0	\$0

*Utilization will be measured in "patient days" for licensed beds, "procedures" for equipment, or other appropriate units of measure specific to the service affected.

**Indicate how the average charge/procedure was calculated.

***Only on long term debt, not construction.

****Indicate how overhead was calculated.