MISSISSIPPI INSURANCE DEPARTMENT

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MARK HAIRE
Deputy Commissioner of Insurance

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April 16, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Mary Carol Pigott, President & CEO
Blue Cross & Blue Shield of Mississippi,
A Mutual Insurance Company
3545 Lakeland Drive
Flowood, MS 39232

RE: Targeted Market Conduct Examination

Dear Ms. Pigott:

In accordance with Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), an examination of your Company has been completed. Enclosed herewith is the Order adopting the report and a copy of the final report as adopted.

Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department will open the report for public inspection.

If you have any questions or comments, please feel free to contact me.

Sincerely,

MIKE CHANEY
COMMISSIONER OF INSURANCE

BY _____
Christina Kelsey
Senior Attorney

MC/CK/bs
Encls. Order w/exhibit

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF MISSISSIPPI

IN RE: EXAMINATION OF BLUE CROSS & BLUE SHIELD OF MISSISSIPPI, A MUTUAL INSURANCE COMPANY

CAUSE NO. 14-6738

ORDER

THIS CAUSE came on for consideration before the Commissioner of Insurance of the State of Mississippi ("Commissioner"), or his designated appointee, in the Offices of the Commissioner, 1001 Woolfolk Building, 501 North West Street, 10th Floor, Jackson, Hinds County, Mississippi, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011). The Commissioner, having fully considered and reviewed the Report of the Targeted Market Conduct Examination together with any submissions or rebuttals and any relevant portions of the examiner's work papers, makes the following findings of fact and conclusions of law, to-wit:

JURISDICTION

I.

That the Commissioner has jurisdiction over this matter pursuant to the provisions of Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011).

II.

That Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company, is a Mississippi-domiciled company licensed to write Accident and Health coverages.

FINDINGS OF FACT

III.

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), called for a Targeted Market Conduct Examination of Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company, regarding its compliance with network adequacy requirements under Miss. Code Ann. § 83-41-409(b) and appointed John B. Humphries, Examiner-In-Charge, to conduct said examination.

IV.

That on or about February 13, 2014, the Report concerning Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company was submitted to the Department by the Examiner-In-Charge, John B. Humphries.

V.

That on or about April 9, 2014, pursuant to Miss. Code Ann. § 83-5-209(2) (Rev. 2011), the Department forwarded to the Company a copy of the Report and allowed the Company a 15-day period to submit any rebuttal to the Report. On or about April 15, 2014, the Department received correspondence from the Company and, in response thereto, no revisions were made to the Report.

CONCLUSIONS OF LAW

VI.

The Commissioner, pursuant to Miss. Code Ann. § 83-5-209(3) (Rev. 2011), must consider and review the Report along with any submissions or rebuttals and all relevant portions of examiner work papers and enter an Order: (1) adopting the Targeted Market Conduct Examination as final or

with modifications or corrections; (2) rejecting the Targeted Market Conduct Examination with directions to reopen; or (3) calling for an investigatory hearing.

IT IS, THEREFORE, ORDERED, after reviewing the Report, the Company's response, and all relevant examiner work papers, that the Targeted Market Conduct Examination of Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company, attached hereto as Exhibit "A", should be and same is hereby adopted as final.

IT IS FURTHER ORDERED that a copy of the adopted Targeted Market Conduct Examination, accompanied with this Order, shall be served upon the Company by certified mail, postage pre-paid, return receipt requested.

IT IS FURTHER ORDERED that the Mississippi Department of Insurance shall continue to hold the content of this report as private and confidential for a period of ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011).

IT IS FURTHER ORDERED, pursuant to Miss. Code Ann. § 83-5-209(4) (Rev. 2011), that within thirty (30) days of the issuance of the adopted Report, Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company, shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

IT IS FURTHER ORDERED that Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company, take the necessary actions and implement the necessary procedures to ensure that all recommendations contained in the Targeted Market Conduct Examination are properly and promptly complied with.

SO ORDERED, this the 16th day of April 2014.

MIKE CHANEY
COMMISSIONER OF INSURANCE
STATE OF MISSISSIPPI

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing Order and a copy of the final Targeted Market Conduct Examination, as adopted by the Mississippi Department of Insurance, was sent by certified mail, postage pre-paid, return receipt requested, on this the 16th day of April 2014, to:

Ms. Mary Carol Pigott, President & CEO
Blue Cross & Blue Shield of Mississippi,
A Mutual Insurance Company
3545 Lakeland Drive
Flowood, MS 39232

Christina J. Kelsey
Senior Attorney

Christina J. Kelsey
Senior Attorney
Counsel for the Mississippi Department of Insurance
Post Office Box 79
Jackson, MS 39205-0079
(601) 359-3577
Miss. Bar No. 9853

MISSISSIPPI INSURANCE DEPARTMENT

Report of the
Targeted Market Conduct Examination

of

Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company

NAIC Company Code 60111

Table of Contents

EXAMINER'S AFFIDAVIT AS TO STANDARDS AND PROCEDURES USED IN AN EXAMINATION

State of Georgia

County of Fayette,

John B. Humphries, being duly sworn, states as follows:

1. I have authority to represent the Mississippi Insurance Department in the examination of Blue Cross and Blue Shield, A Mutual Insurance Company as of December 31, 2012.

2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.

3. I have reviewed the examination work papers and examination report, and the examination of Blue Cross and Blue Shield, A Mutual Insurance Company was performed in a manner consistent with the standards and procedures required by the National Association of Insurance Commissioners and the Mississippi Insurance Department.

The affiant says nothing further.

Examiner's Signature

Subscribed and sworn before me by John B. Humphries on this 9th day of April 2014.

(SEAL)

Melanie Brooks
Notary Public

My commission expires Oct. 30, 2017 [date].

MELANIE BROOKS
NOTARY PUBLIC
FAYETTE COUNTY
STATE OF GEORGIA
My Commission Expires October 30, 2017

FOREWORD

This report presents the results of a targeted market conduct examination to determine compliance with network adequacy requirements under Mississippi Code Ann. §83-41-409(b) and a discussion of the potential for any violation of unfair or deceptive trade practices or anti-trust laws as well as the Commissioner's authority to regulate these issues.

Items contained herein are included as deemed necessary to give a clear understanding of how the Company handled certain healthcare network matters associated with Healthcare Management Associates, Inc. within the state of Mississippi. This report is not intended for any purpose other than to communicate to the Commissioner of Insurance of the State of Mississippi the findings and results of test work and investigative activities performed during the course of this targeted examination. This report should not be used by the company examined or by any other entity or person(s) for any other purpose not specifically approved by the Commissioner of Insurance for the State of Mississippi.

Whenever used in this Report:

"BCBSMS" or "Company" refers to Blue Cross and Blue Shield of Mississippi, a Mutual Insurance Company;

"HMA" refers to Healthcare Management Associates, Inc.;

"MID" or "Department" refers to the Mississippi Department of Insurance, aka Mississippi Insurance Department;

"Affected HMA hospitals" refers to Natchez Community Hospital, Northwest Mississippi Regional Medical Center (Clarksdale), Biloxi Regional Medical Center, Madison River Oaks Medical Center (Canton), Gilmore Memorial Regional Medical Center (Amory), Tri-Lakes Medical Center (Batesville), Central Mississippi Medical Center (Jackson), Crossgates River Oaks Hospital (Brandon), River Oaks Hospital (Flowood) and Woman's Hospital (Flowood).

PURPOSE AND SCOPE

The Department had previously commenced an examination of the affairs and financial condition of the Company as of December 31, 2012. The examination covered the period January 1, 2009, through December 31, 2012. A full market conduct examination was not performed as part of the financial examination; however, limited procedures for specific areas of market conduct activities, including network adequacy, were performed. Subsequent to year-end 2012, contracts with ten hospitals owned by HMA were terminated and these facilities were removed from the BCBSMS network. A targeted examination was commenced pursuant to and under the authority of the provisions of Mississippi Code Annotated §§83-1-27 and 83-5-201 et seq., and in accordance with

the directives of the Insurance Commissioner for the State of Mississippi, to ensure network adequacy for members of BCBSMS is in compliance with Mississippi Code Ann. §83-41-409(b). The examination was performed by examiners and attorneys appointed by the Commissioner of Insurance and in accordance with his statutory authority as referenced above.

The scope of the examination was to investigate 1) whether unfair or deceptive acts or practices were committed, 2) whether HMA's exclusion from BCBSMS'network violated anti-trust laws and 3) whether BCBSMS complied with Mississippi Code Ann. §83-41-409(b) and provided its members "reasonable access to care with minimum inconvenience by plan enrollees."

BACKGROUND

On or about June 25, 2013, BCBSMS, a licensed Mississippi health insurance company that serves nearly one million Mississippians, announced that it was terminating its contracts with ten Mississippi hospitals owned and operated by HMA, thereby excluding the hospitals from the BCBSMS network of providers.

Once MID received the news in late June, 2013, that BCBSMS intended to terminate the HMA Hospitals from in-network status effective September 1, 2013, MID began researching the potential effect that termination would have on consumers in the BCBSMS network. Using the Mississippi Medicaid Program network access standards for distance and travel times for members, MID determined which alternative BCBSMS Network Hospitals were available to consumers in the affected areas of the state. Once MID made this determination, the Department requested that BCBSMS confirm MID's data on the alternative Network Hospitals. In mid-September, BCBSMS confirmed that the alternative Network Hospitals identified by MID were part of the BCBSMS Hospital Network. A review of this data showed that BCBSMS was adhering to the Medicaid Program access standards for the affected areas of the State.

On September 16, 2013, a Joint Legislative Hearing was held before the House and Senate Insurance Committees in which testimony was heard regarding the provider network agreements between HMA and BCBSMS, and the possible impact of the network terminations on BCBSMS members.

Termination of the Affected HMA hospitals took effect on September 1, 2013, after HMA filed a lawsuit against BCBSMS involving a dispute over payments under the parties' contracts.

While MID has no authority to mandate that BCBSMS include HMA in its network, or that HMA enter into a contract with BCBSMS, it does have authority under the Patient Protection Act (Miss. Code Ann. §83-41-409(b)) to require insurers to demonstrate that their provider networks have a sufficient number of providers in a service area to assure "reasonable access to care with minimum inconvenience" to health plan enrollees.

In early October, 2013, MID began a targeted examination to review the adequacy of the BCBSMS network in light of the elimination of the Affected HMA hospitals from the BCBSMS

network, and to consider possible issues associated with antitrust or unfair trade practices by BCBSMS.

On or about October 21, 2013, BCBSMS indicated it would resume paying in-network rates at four of the ten Affected HMA hospitals, including, Gilmore Memorial Regional Medical Center (Amory), Northwest Mississippi Regional Medical Center (Clarksdale), Tri-Lakes Medical Center (Batesville), and Woman's Hospital (Flowood). On October 22, 2013, Governor Phil Bryant issued an Executive Order seeking to return the Affected HMA hospitals to the BCBSMS network and instructed MID to investigate the issues. BCBSMS filed an action seeking a temporary restraining order (TRO) and preliminary injunctive relief against the Governor. A hearing was held and the TRO was granted and a subsequent hearing was set to address the question of permanent injunctive relief. That hearing was never held, however, because portions of the Order were rescinded and the need for the Hearing on the merits was moot thereafter.

On December 21, 2013, BCBSMS and HMA came to an agreement whereby HMA would drop its lawsuit, and BCBSMS would allow all ten of the Affected HMA hospitals back into the network effective January 1, 2014. As of January 1, 2014, all of the Affected HMA hospitals were back in the BCBSMS healthcare network.

EXECUTIVE SUMMARY

Network Adequacy:
While the adequacy of the BCBSMS network is enhanced with the inclusion of all HMA hospitals as in-network facilities, the examiners concluded that the BCBSMS network would meet the minimum network adequacy requirements imposed by State law for "reasonable access to care with minimum inconvenience" if all ten (10) of the Affected HMA hospitals were to remain excluded.

Anti-Trust:
The Commissioner does not have jurisdiction to administer this State's anti-trust laws. Nevertheless, the examination revealed no facts which, based on application of legal precedent, would necessitate further inquiry by MID.

Unfair Trade Practices:
The examination revealed no facts to indicate that BCBSMS engaged in any unfair trade practices with respect to HMA's network status. There is no reason to conduct a hearing on the removal of the Affected HMA hospitals from BCBSMS' network.

Subsequent Resolution:
On December 21, 2013, BCBSMS and HMA came to an agreement whereby HMA would drop its lawsuit and BCBSMS would allow all ten of the Affected HMA hospitals back into the network effective January 1, 2014. As of January 1, 2014, all of the Affected HMA hospitals were back in the BCBSMS healthcare network.

NETWORK ADEQUACY

Overview

As a result of the elimination of the Affected HMA hospitals from the BCBSMS network, MID called for a targeted market conduct examination of the BCBSMS network to ensure compliance with Mississippi law. Mississippi Code Ann. §83-41-409(b) states; "In order to be certified and recertified under this article, a managed care plan shall: Demonstrate that its provider network has providers of sufficient number throughout the service area to assure reasonable access to care with minimum inconvenience by plan enrollees."

To determine compliance with this standard, examiners and attorneys assigned to this examination have reviewed BCBSMS's network adequacy policies and practices, tested various network adequacy analyses as considered necessary and reviewed conclusions for appropriateness. Additionally, the examination team met twice with HMA's Vice President and CEO of the Southern Division, as well as senior management of other BCBSMS network hospitals in each of the geographic service areas impacted to assess the impact of the network change and to identify any resulting gaps in healthcare coverage to BCBSMS members. The examination team also performed an analytical review of Mississippi Department of Health data and surveyed BCBSMS network hospitals to quantify their ability to absorb the expected increase in healthcare demand.

Access Standards

The Mississippi Insurance Code does not define a precise access standard, but it does require "reasonable access to care with minimum inconvenience." As a point of reference, the State's Mississippi CAN (Medicaid) program (MSCAN) mandates that beneficiaries have access to at least one provider within 30 miles/30 minutes for urban/suburban service areas and 60 miles/60 minutes for rural service areas. BCBSMS, as a matter of policy, has defined a minimum access standard of at least 90% of members having at least one provider within 25 miles for urban/suburban service areas and 45 miles for rural service areas, which is a stronger distance standard than required by MSCAN.

To determine compliance with this standard, BCBSMS uses Optum Insight's GeoNetworks Version 2013 Release I, or "GeoAccess" software for measuring members' geographic access to hospital providers within the network. The GeoAccess software is considered the industry standard for healthcare network analysis. The application measures average distances and times between healthcare providers and plan members in a service area based on zip codes. Examiners reviewed the accuracy and completeness of the data files loaded into the GeoAccess software before placing reliance on the results.

Results - GeoAccess analysis was performed under three scenarios:

1. The BCBSMS network including all ten (10) HMA hospitals;
2. The BCBSMS network excluding all HMA hospitals; and
3. The BCBSMS network including the four (4) HMA hospitals that were brought back into

the network, but excluding the remaining six (6) HMA facilities.

Average Travel Distance

The following chart summarizes the results of the GeoAccess network adequacy analysis as of August 5, 2013. Based on the results for both urban/suburban and rural service areas, 100% of all BCBSMS members continued to have access to at least one network hospital within the 25 mile and 45 mile standard respectively for all three scenarios.

Service Area	BCBSMS Standard (Miles)	Compliance Rate	Average Miles to at Least 1 Hospital Provider		
			Including HMA	Excluding HMA	Including 4 HMA (a)
Urban/Suburban (41,284 members)	25.0	100%	2.8	3.3	3.3
Rural (345,904 members)	45.0	100%	8.3	9.0	8.7

(a) Includes the following HMA hospitals that were brought back into the BCBSMS network on October 21, 2013: Gilmore Memorial Regional Medical Center (Amory), Northwest Mississippi Regional Medical Center (Clarksdale), Tri-Lakes Medical Center (Batesville) and Woman's Hospital (Jackson).

While these results help quantify access on an aggregate level, additional work was performed to further identify isolated areas, if any, where healthcare access might be an issue. Examiners requested GeoAccess analysis using the same member and hospital data, but reporting the results by county ***and*** zip code. The results showed that for all counties and zip codes in each affected geographic service area, the average distance to at least one provider hospital remained less than the established 25/45 mile standards for urban/suburban and rural service areas, respectively. The following table illustrates which counties are affected the most if all ten HMA facilities are not in-network and when the four HMA hospitals brought back in the network on October 21, 2013 are included. Although all distances are well within the BCBSMS 25/45 mile standard, some counties experience a significant increase in distance to an in-network hospital if all HMA hospitals are out of network.

Counties with Greatest Average Mileage Increase to a Hospital All Ten HMA Hospitals Removed					
County	Members	With HMA	Without HMA	Increase	Percentage Increase
Coahoma	2,413	4.7	22.5	17.8	379%
Panola	3,763	8.5	16.2	7.7	91%
Monroe	4,302	7.4	14.1	6.7	91%
Itawamba	2,288	19.8	23.3	3.5	18%
Madison	20,241	6.2	9.1	2.9	47%
Jackson	11,835	8.7	11	2.3	26%
Hinds	19,181	10	11.2	1.2	12%
Adams	4,014	4.3	5.4	1.1	26%
Rankin	32,323	5.2	6.0	0.8	15%
Holmes	1,736	10.2	10.8	0.6	6%

If the four hospitals added on October 21, 2013 are included in the analysis, the distance to an in-network hospital is significantly reduced.

Counties with Greatest Average Mileage Increase to a Hospital Four HMA Hospitals Included					
County	Members	With HMA	With 4 HMA	Increase	Percentage Increase
Madison	20,241	6.2	9.1	2.9	47%
Jackson	11,835	8.7	11	2.3	26%
Hinds	19,181	10	11.2	1.2	12%
Adams	4,014	4.3	5.4	1.1	26%
Rankin	32,323	5.2	6	0.8	15%
Holmes	1,736	10.2	10.8	0.6	6%
Yazoo	3,443	13	13.4	0.4	3%
Harrison	16,913	6.7	7.1	0.4	6%
Leake	3,106	13.4	13.6	0.2	1%
Jefferson	828	9.1	9.2	0.1	1%

In order to gain a more detailed understanding of access, the analysis was also performed by zip code. Again, all distances remained within the BCBSMS 25/45 mile standard, but some zip codes experienced an increase in distance of over 22 miles to an in-network hospital if all HMA hospitals are out of network.

Zip Codes with Greatest Average Mileage Increase to a Hospital All Ten HMA Hospitals Removed						
Zip	Area (a)	Members	With HMA	Without HMA	Increase	Incr. %
38630	Farrell	3	0.2	22.4	22.2	11100%
38669	Clarksdale	3	0.2	22.4	22.2	11100%
38614	Baltzer	1,922	3.0	23.4	20.4	680%
38870	Smithville	297	5.5	24.1	18.6	338%
39163	Sharon	52	0.4	16.9	16.5	4125%
38720	Alligator	52	15.1	30.1	15.0	99%
38767	Rena Lara	23	16.6	30.9	14.3	86%
39046	Canton	4,086	6.0	19.1	13.1	218%
38739	Dublin	12	13.1	25.8	12.7	97%
38821	Amory	1,385	4.4	16.2	11.8	268%

(a) Area may contain more than one city.

If the four hospitals reinstated on October 21 are included, the increase in distance to an in-network hospital by zip code is reduced to a maximum of just over 16 miles.

Zip Codes with Greatest Average Mileage Increase to a Hospital Four HMA Hospitals Included						
Zip	Area (a)	Members	With HMA	With 4 HMA	Increase	Incr. %
39163	Sharon	52	0.4	16.9	16.5	4125%
39046	Canton	4,086	6.0	19.1	13.1	218%
39045	Camden	167	19.6	29.1	9.5	48%
39043	Brandon	283	1.4	6.3	4.9	350%
39566	Ocean Springs	210	3.6	8.1	4.5	125%
39179	Pickens	167	15.7	19.9	4.2	27%
39564	Fontainebleau	4,945	6.9	11.1	4.2	61%
39272	Byram	2,601	10.0	13.3	3.3	33%
39146	Pickens	289	15.7	18.8	3.1	20%
39154	Learned	1,860	15.5	18.4	2.9	19%

(a) Area may contain more than one city.

Average Travel Times

To consider accessibility as measured in average travel time, analyses were performed by county and by zip code with results measured in average travel time in minutes to at least one network hospital. The following tables illustrate which counties are affected the most if all ten HMA facilities are out of network and when the four HMA hospitals reinstated on October 21, 2013 are included. Although all times are well within the MSCAN time standards of 30 minutes for urban regions and 60 minutes for rural regions, some counties experienced a significant increase in time to an in-network hospital if all HMA hospitals are out of network.

Counties with Greatest Average Time Increase in Minutes to a Hospital All Ten HMA Hospitals Removed					
County	Members	With HMA	Without HMA	Increase	Incr. %
Coahoma	2,413	4.3	20.8	16.5	384%
Panola	3,763	7.8	15.0	7.2	92%
Monroe	4,302	6.8	13.0	6.2	91%
Itawamba	2,288	18.3	21.5	3.2	17%
Madison	20,241	5.7	8.4	2.7	47%
Jackson	11,835	8.0	10.1	2.1	26%
Hinds	19,181	9.2	10.3	1.1	12%
Adams	4,014	4.0	5.0	1.0	25%
Rankin	32,323	4.8	5.5	0.7	15%
Holmes	1,736	9.5	9.9	0.4	4%

With the four hospitals reinstated on October 21, 2013 included, the time increase to an in-network hospital is insignificant.

Counties with Greatest Average Time Increase to a Hospital Four HMA Hospitals Included					
County	Members	With HMA	With 4 HMA	Increase	Incr. %
Madison	20,241	5.7	8.4	2.7	47%
Jackson	11,835	8.0	10.1	2.1	26%
Hinds	19,181	9.2	10.3	1.1	12%
Adams	4,014	4.0	5.0	1.0	25%
Rankin	32,323	4.8	5.5	0.7	15%
Holmes	1,736	9.5	9.9	0.4	4%
Yazoo	3,443	12.0	12.4	0.4	3%
Harrison	16,913	6.2	6.6	0.4	6%
Leake	3,106	12.3	12.5	0.2	2%
Franklin	1,073	7.8	7.9	0.1	1%

In order to gain a more detailed understanding of access, the time analysis was also performed by zip code. Again, all times are within the MSCAN 30/60 minute standards, but some zip codes experience an increase in time of over 20 minutes to an in-network hospital if all HMA hospitals are out of network.

Zip Codes with Greatest Average Time Increase in Minutes to a Hospital All Ten HMA Hospitals Removed						
Zip	Area (a)	Members	With HMA	Without HMA	Increase	Incr. %
38630	Farrell	3	0.2	20.7	20.5	10250%
38669	Clarksdale	3	0.2	20.7	20.5	10250%
38614	Baltzer	1,922	2.7	21.6	18.9	700%
38870	Smithville	297	5.1	22.2	17.1	335%
39163	Sharon	52	0.4	15.6	15.2	3800%
38720	Alligator	52	13.9	27.7	13.8	99%
38767	RenaLara	23	15.3	28.5	13.2	86%
39046	Canton	4,086	5.5	17.6	12.1	220%
38739	Dublin	12	12.1	23.8	11.7	97%
38821	Amory	1,385	4.1	15.0	10.9	266%

(a) Area may contain more than one city.

If the four hospitals reinstated on October 21, 2013 are included in the analysis, the increase in distance to an in-network hospital by zip code is reduced to a maximum increase of just over 15 minutes.

Zip Codes with Greatest Average Time Increases in Minutes to a Hospital Four HMA Hospitals Included						
Zip	Area (a)	Members	With HMA	With 4 HMA	Increase	Incr.%
39163	Sharon	52	0.4	15.6	15.2	3800%
39046	Canton	4,086	5.5	17.6	12.1	220%
39045	Camden	167	18.1	26.9	8.8	49%
39043	Brandon	283	1.3	5.8	4.5	346%
39566	Ocean Springs	210	3.4	7.5	4.1	121%
39564	Fontainebleau	4,945	6.3	10.3	4.0	63%
39179	Pickens	167	14.5	18.4	3.9	27%
39272	Byram	2,601	9.2	12.3	3.1	34%
39146	Pickens	289	14.5	17.3	2.8	19%
39154	Learned	1,860	14.3	17.0	2.7	19%

(a) Area may contain more than one city.

Analysis of Mississippi Department of Health 2012 Hospital Report

Examiners used data from the Mississippi Department of Health (DOH) "2012 Hospital Report" to estimate the occupancy rate for five service areas by geographic proximity if all ten (10) HMA facilities were eliminated from the BCBS network. The DOH published its Report in June 2013, and included data for the twelve months ended September 30, 2012. The Report reflects that each of the areas operated in 2012 with excess capacity and had estimated occupancy rates ranging from 30% to 56%.

Average Daily	Jackson	Clarksdale /Batesville	Biloxi	Amory	Natchez
Licensed Beds *	2,251	662	1,107	649	260
Avg. Daily Census	1,097	225	491	365	78
Est. Occupancy Rate	49%	34%	44%	56%	30%
Alternative Hospital Beds Available	517	258	537	225	124
HMA ADC (Beds)	248	79	74	35	43
Excess Alt. Beds in Area	269	179	462	190	81

* Includes licensed beds & ADC for the HMA and alternative BCBSMS area hospitals identified.

The Amory service area had the highest occupancy rate (56%), but still had 225 available licensed beds to absorb that area's HMA facilities' 35 average daily census (ADC), leaving an excess of an average of 190 available beds. See Appendix ("*Exhibit A*") for details regarding each service area. Based on this analysis, each service area reviewed appears to have sufficient excess capacity to absorb the relevant HMA hospital's average utilization.

Specialty Facilities and Services

Meeting with HMA:
Examiners met with Mr. Bill Williams, Vice President and CEO of HMA's Southern Division. He expressed concern that many Mississippians current and future healthcare services will be adversely affected if BCBSMS continues to exclude HMA hospitals from its provider network. He described the service areas of the ten HMA hospitals and the strengths and services that he believes HMA hospitals can offer in each service area as summarized below:

Concerns Expressed by HMA	Evidence Discovered or Findings
Biloxi Regional Medical Center is the only hospital actually located in Biloxi.	GeoAccess analysis shows members have access options within network adequacy standards.
Northwest Mississippi Regional Medical Center is the only "stand alone" hospital in Clarksdale, MS.	GeoAccess analysis shows members have access options within network adequacy standards.
Natchez Community Hospital is in an area where the primary alternative hospital in the area has been in bankruptcy.	Natchez Regional Medical Center (NRMC) exited bankruptcy in late 2009 but recently announced plans to file for Chapter 9 bankruptcy.
Central Mississippi Medical Center (CMMC) is one of two hospitals in the state with a gamma knife.	Based on alternative hospital inquiries, an alternative is the cyber knife.
CMMC is the only Burn Unit hospital in the Jackson metro area.	BCBSMS affirmed that it pays all burn center treatments at CMMC as in-network where no other in-network service is available. Furthermore, based on alternative hospital inquiries, some hospitals already evacuate burn cases to burn centers out of state such as Doctor's Hospital in Augusta, GA.
River Oaks hospital is the only Level 2 NICU in the area and is at full capacity.	Based on inquiries, UMMC has the state's only Level 4 (Wiser Hospital for Women & Infants). In addition, St. Dominic Hospital has a Level 3, and Baptist a Level 3B NICU.

Meetings with Management

The examination team met with senior executives in other BCBSMS network "HMA alternate" hospitals identified by BCBSMS for each of the noted service areas. Meetings typically included the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) along with varying members of the facilities' senior management team and, in some instances, the facilities' legal counsel. Generally, all hospitals indicated that sufficient excess capacity is available for the provision of services and procedures that have historically been provided to BCBSMS members by HMA hospitals.

Walk-Throughs

As part of these meetings, Examiners were given a tour of the facility or otherwise allowed access to the facilities in order to observe the level of activity. The hospitals appeared to be operating in a normal, quiet mode with no indications of stressed capacity. Inquiry results were consistent with the occupancy rates estimated for each service area based on the DOH's "2012 Hospital Report" data.

Area /Hospital	Based on discussion, can the facility absorb HMA utilization?	Estimated Occupancy Rate for the Area
Jackson Area		
Baptist Health Systems	YES	49%
St. Dominic Hospital	YES	49%
University of MS Medical Center	YES	49%
Clarksdale & Batesville Area		
Bolivar Medical Center	YES	34%
North Sunflower Medical Center	YES	34%
Baptist Memorial Hospital North MS	YES	34%
Biloxi Area		
Memorial Hospital Gulfport	YES	44%
Garden Park Medical Center	YES	44%
Singing River Hospital	YES	44%
Ocean Springs Hospital	YES	44%
Amory Area		
North MS Medical Center	YES	56%
Natchez Area		
Natchez Regional Medical Center	YES	30%

Review of DRG/CPT Procedures

Using claims data provided by BCBSMS, examiners prepared schedules of estimated increased utilization (by Diagnostic Related Group (DRG) and Current Procedure Terminology (CPT) code) for each service area. The increases were based on a ratable absorption of each service area's historic HMA utilization by that area's alternate BCBSMS in-network hospital(s). These estimates of increased utilization were provided to each alternate hospital's management team for review and comment during our meetings to determine whether the hospital could absorb the possible increased utilization for each service/procedure specified, and to identify any additional specialty procedures available from HMA, but not performed by the alternate hospital. Generally, the alternate hospitals indicated that they could absorb the increased utilization for all procedures previously performed by HMA facilities. Additionally, most alternate hospitals already provide all services/procedures historically provided by HMA facilities, with only the following exceptions:

- Burn Center
  HMA's Central Mississippi Medical Center (CMMC), in the Jackson metro area, is the only hospital in the State with a burn center. The CMMC unit opened in 2009 as an extension of an outpatient center that opened in 2008. Prior to that time, Mississippi had not had an inpatient burn facility since the Mississippi Firefighters' Memorial Burn Center in Greenville closed in mid-2005 due to budget and staffing shortfalls. Based on discussions with the identified alternate hospitals, other facilities, including the University of Mississippi Medical Center (UMMC) most often evacuate burn patients to other burn centers outside the State (e.g. Doctor's Hospital in Augusta, Georgia, which is approximately 500 miles from Jackson, MS). BCBSMS explained that these services would also be addressed in the pre-certification process on a case-by-case basis, but made it clear that if burn care services were needed by a BCBSMS member and CMMC's burn center were the only reasonable option, services provided there would be paid as in-network, regardless of CMMC's status with BCBSMS.

- Gamma Knife
  CMMC is one of two hospitals in the State with a gamma knife for brain surgeries. The other is at UMMC, but the equipment is currently in storage and not operational. Based on alternate hospital inquiries, the cyber knife provides similar, and in some cases more efficient, functionality. This viewpoint was corroborated by BCBSMS. While there are differing views on the cyber knife, examiners concluded, based on information available during the examination, that the elimination of the CMMC gamma knife from the BCBSMS network does not create a network deficiency.

BCBSMS Member Utilization of HMA

Based on review of BCBSMS claims data from September 1, 2012, through August 31, 2013, it was noted that nearly half of BCBSMS members (45.6%) utilizing HMA hospitals received out-patient services only as opposed to in-patient or emergency room (ER) services. These services are typically scheduled, which suggests that they could be scheduled at an alternate facility nearby with little disruption to members' needs. The second highest member utilization group was for ER-only services (30.1%), which are always covered as BCBSMS in-network benefits regardless of the facility's status as in or out of network, thereby causing no disruption. Members who sought both ER and out-patient visits only represent 11.7%. Combined, these three categories represent 87.4% of the total BCBSMS member utilization of HMA hospitals for the designated time period. Only 12.6% of BCBSMS members utilized HMA hospitals for in-patient services.

Summary of Member Utilization of HMA Hospitals		
Out-Patient Only	17,953	45.6%
Emergency Room (ER) Services	11,854	30.1%
Out-Patient and ER Services	4,584	11.7%
In-Patient Services	4,955	12.6%
Total	39,346	100.0%

Summary

In order to be certified or recertified as a managed care plan in Mississippi, BCBSMS must "demonstrate that its provider network has providers of sufficient number throughout the service area to assure reasonable access to care with minimum inconvenience…." as required by Miss. Code Ann. §83-41-409(b). While the adequacy of the BCBSMS network is enhanced with the inclusion of all HMA hospitals as in-network facilities, the examiners concluded that the BCBSMS network would meet the minimum network adequacy requirements imposed by State law for "reasonable access to care with minimum inconvenience" if all ten (10) of the Affected HMA hospitals were to remain excluded. Four key HMA hospitals were reinstated to in-network provider status on October 21, 2013, and remain so to date, which only serves to further strengthen the adequacy of the network.

ANTI-TRUST

Issues raised by the Executive Order assert that the dispute over the inclusion of HMA within BCBSMS' network may have led to violations of the State's anti-trust laws.[1] A review of the facts obtained from BCBSMS, HMA and numerous other third parties and Mississippi law was conducted to determine whether the Commissioner has the authority to regulate such actions, and if so, whether any such violations occurred.

Mississippi law prohibits any "combination, contract, understanding or agreement, expressed or implied, between two or more persons, corporations or firms" that is "inimical to public welfare" that results in:

a) Restraining trade;

b) Limiting, increasing or reducing prices;

c) Limiting, increasing or reducing production or output;

d) Hindering competition in production, importation, manufacture, transportation or sale;

e) Engrossing or forestalling a commodity;

f) Issuing, owning or holding certificate of stock in a manner contrary to the spirit of the law;

g) Placing control of business, proceeds or earnings in the power of trustees, contrary to the spirit of the law;

h) Enabling another to dictate or control the management of business, contrary to the spirit of the law;

[1] Miss. Code Ann. §75-21-1, -3.

> i) Uniting interest in importation, manufacture, production, transportation or price, contrary to the spirit of the law.[2]

Furthermore, should a corporation or association intend "to accomplish the results herein prohibited or without such intent, [it] shall accomplish such results to a degree inimical to public welfare," by acting to:

> a) Restrain or attempt to restrain the freedom of trade or production;
>
> b) Or shall monopolize or attempt to monopolize the production, control or sale of any commodity, or the prosecution, management or control of any kind, class or description of business;
>
> c) Or shall engross forestall or attempt to engross or forestall any commodity;
>
> d) Or shall destroy or attempt to destroy competition in the manufacture or sale of a commodity, by selling or offering the same for sale at a lower price at one place in the state than another or buying or offering to buy a commodity at a higher price at one place in the state than another, differences of freight and other necessary expenses of sale and delivery considered;
>
> e) Or shall destroy or attempt to destroy competition by rendering any service or manipulating, handling or storing any commodity for a less price in one locality than in another, the differences in the necessary expenses of carrying on the business considered, shall be deemed and held a trust and combine within the meaning and purpose of this section, and shall be liable to the pains, penalties, fines, forfeitures, judgments, and recoveries denounced against trusts and combines and shall be proceeded against in manner and form herein provided, as in case of other trusts and combines.[3]

Private entities aggrieved by the effects of anti-competitive actions are entitled to bring actions against the party or parties involved through litigation in courts of competent jurisdiction.[4] With respect to government enforcement, however, Mississippi law vests discretion to determine whether specified activity is in violation of Mississippi's anti-trust laws with the Attorney General.[5] By statute, local district attorneys are under an obligation to enforce the criminal features of the anti-trust laws in the same manner as they enforce other criminal statutes. These suits must be brought in the name of the State of Mississippi "upon the relation of the Attorney General or an authorized district attorney."[6]

The Commissioner's authority to address anti-competitive actions or to enforce the anti-trust laws in this State is statutorily limited. While the parties to any such dispute are free to carry

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[2] Miss. Code Ann. §75-21-1.

[3] Miss. Code Ann. §75-21-3.

[4] Miss. Code Ann. §75-21-9.

[5] Miss. Code Ann. §75-21-37.

[6] *Id*.

their grievances directly to a court of competent jurisdiction – just as HMA did with respect to the contract dispute with BCBSMS – the Attorney General, not the Commissioner, has the jurisdiction over government enforcement of anti-trust violations.

Notwithstanding the limitations on the Commissioner's authority of enforcement, an analysis of the application of the State's anti-trust laws was performed as part of the investigation of the BCBSMS study.

While there is little direct authority on the issues in Mississippi, the State's Supreme Court has pointed to Federal precedent to guide interpretation of the statutes,[7] and has adopted the "rule of reason" as the appropriate interpretive guide.[8]

In applying Federal precedent, the District Court for the Southern District of Mississippi determined that an actual anti-competitive effect must be demonstrated in the relevant market for the complaining party to prevail.[9] The rule of reason condemns only those restraints that actually harm competition, as opposed to merely harming a single competitor within that market.[10] Under Federal principles, companies have a right to deal or refuse to deal with those they choose so long as such decisions are not implemented as an effort to thwart competition.[11]

As set forth in the examination of the BCBSMS network, there was insufficient evidence found to consider acts of the insurer to be anti-competitive in relation to the market. Furthermore, evidence obtained in the investigation demonstrated that there was sufficient capacity within the market to cover the capacity issues caused by the loss of HMA in most areas. No evidence was found in the examination that revealed any anti-competitive intent, especially in light of the capacity in the market. In the limited geographic areas where a question might have been raised as to capacity absent the HMA provider, BCBSMS had already restored the HMA facility to in-network status.

Summary

In summary, while the Commissioner does not have authority to regulate this State's anti-trust laws, the examination also revealed no facts which, through application of legal precedent, would necessitate further inquiry.

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[7] NAACP v. Claiborne Hardware Co., 393 So. 2d 1290 (Miss. 1980); Walker v. U-Haul of Mississippi, 734 F.2d 1068, 1070 (5th Cir. 1984).

[8] Brown v. Staple Cotton Co-Op. Ass'n, 96 So. 849, 855 (Miss. 1923); Sivley v. Cramer, 61 So. 653, 654 (Miss. 1913).

[9] Futurevision Cable Systems of Wiggins, Inc. v. Multivision Cable TV Corp., 789 F. Supp. 760 (S.D. Miss. 1992) (citing Continental T.V. Inc. v. GTE Sylvania, Inc., 433 U.S. 36, 58-59 (1977)). In Futurevision, the Court ruled that the mere existence of an exclusive dealing clause in a contract does not establish an anti-trust violation. Unless plaintiff can illustrate that no valid business reason exists for refusal to deal, the Sherman Act does not restrict the right to freely exercise independent discretion as to the parties with whom to deal.

[10] *Id*.

[11] *Id*. See also Walker v. U-Haul Co. of Mississippi, 734 F.2d 1068 (5th Cir. 1984).

UNFAIR TRADE PRACTICES

Insurers in Mississippi are prohibited from engaging in any practice determined to be an unfair method of competition or an unfair or deceptive act.[12] There are certain acts which are expressly prohibited:

1. Misrepresentations and false advertising of policy contracts;
2. False information and advertising generally;
3. Defamation;
4. Boycott, coercion and intimidation;
5. False financial statements;
6. Stock operations and insurance company advisory board contracts;
7. Unfair discrimination;
8. Designation of agent, solicitor or insurer.

In addition to the acts expressly listed in the statute, the Commissioner is authorized to address certain undefined practices.[13] If such an unfair competitive practice is found to have occurred, the Commissioner has the power to examine and investigate the affairs of every company or person engaged in such acts.[14]

Investigation and Hearing by Insurance Commissioner

Whenever the Commissioner has reason to believe that a person in the insurance business is engaging in an unfair method of competition or a deceptive trade practice, and that a proceeding by him would be in the public interest, he may issue and serve upon such person a statement of the charges and notice of a hearing to be held at a fixed time and place, no less than ten (10) days after the date of service.[15]

At the hearing, the insurer is entitled to an opportunity to be heard and to show for good cause why an order should not be made by the Commissioner requiring the insurer to cease and desist from the acts, methods, or practices complained of.[16] The Commissioner may administer oaths, examine and cross-examine witnesses, and receive oral and documentary evidence at the

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[12] Miss. Code Ann. §83-5-33.

[13] Miss. Code Ann. §83-5-45.

[14] Protective Serv. Life Ins. Co. v. Carter, 445 So. 2d 215 (Miss. 1983).

[15] Miss. Code Ann. §83-5-45(1).

[16] Miss. Code Ann. §83-5-39.

hearing.[17] In addition, the Commissioner may subpoena witnesses, compel their attendance, and require the production of books, papers, records, correspondence, or other relevant documents.[18]

After the hearing, the Commissioner must make a written report stating his factual findings and serve a copy upon the insurer.[19] If the report charges a violation of law, the Commissioner may, within thirty (30) days of service of the report, file a petition for a cease and desist order with the circuit court of the district in which the person resides or has his principal place of business, to enjoin or restrain such person from engaging in the unfair or deceptive act or practice.[20] In addition to, or in lieu of, filing a petition, the Commissioner may impose an administrative fine of up to five thousand dollars ($5,000.00) per violation.[21] Failure to comply with a cease and desist order or pay an administrative fine will result in more severe penalties to the insurer.

Analysis

As is set forth below, the examination of the BCBSMS dispute with HMA revealed no actions by BCBSMS that meet the definitions of any of the unfair practices identified in the statute. As a result, no hearing is needed and no enforcement action by the Commissioner is required.

Misrepresentations and false advertising of policy contracts

Misrepresentation and false advertising includes, among other things, the "making, issuing, circulating … any … statement misrepresenting the terms of any policy issued … … or the benefits or advantages promised thereby."[22] While the participating providers included within the BCBSMS network changed during policy periods, sometimes significantly in certain markets, there was no evidence or indication that BCBSMS ever misrepresented matters related to HMA's in-network or out-of-network status. To the contrary, information received from BCBSMS and HMA demonstrated that BCBSMS was diligent in keeping its subscribers aware of HMA's network status.

False information and advertising

Communicating a "statement containing any assertion, representation, or statement with respect to the business of insurance … which is untrue, deceptive, or misleading," constitutes false

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[17] *Id.*

[18] *Id.*

[19] Miss. Code Ann. §83-5-45(1).

[20] Miss. Code Ann. §83-5-45(2).

[21] Miss. Code Ann. §83-5-45(5).

[22] Miss. Code Ann. §83-5-35(a).

advertising.[23] The investigation uncovered no evidence that BCBSMS produced false information through advertising or otherwise as related to services provided through its network. Following the decision to remove the Affected HMA hospitals from its network, BCBSMS communicated the change in status to its members. That notification was appropriate and did not violate this section.

Defamation

Defamation is the creation or publishing of any statement "which is false and maliciously critical of or derogatory to the financial condition of an insurer, and which is calculated to injure any person engaged in the business of insurance."[24] There was no allegation by any insurer in the State that BCBSMS created or issued any statement that even arguably constitutes defamation of any other insurer or person engaged in the business of insurance.

Boycott, coercion and intimidation

The acts of boycotting, coercion, and intimidation may not be used to restrain or monopolize the business of insurance. Conspiring to act in such a manner is also prohibited.[25] There has been no allegation or indication that BCBSMS acted in a way which would inappropriately restrain or monopolize the business of insurance through boycott, coercion or intimidation. Nevertheless, BCBSMS terminated its contract with HMA pursuant to a clause allowing termination without cause; therefore, any such allegations of boycott, coercion, or intimidation would be unjustifiable.[26]

False financial statements

An insurer is prohibited from filing with MID, any other government entity or any person "any false statement of financial condition…with intent to deceive."[27] Also prohibited is the provision of false information to examiners properly appointed by the Commissioner to investigate the condition or acts of the insurer.[28] This act was neither alleged nor indicated from the examination.

Stock operations and insurance company advisory board contracts

Mississippi law prohibits insurers from providing stock or other equity interests in an insurance company or providing contracts promising profits in exchange for insurance.[29] There is no evidence or indication that BCBSMS made any offers prohibited by the statute.

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[23] Miss. Code Ann. §83-5-35(b).

[24] Miss. Code Ann. §83-5-35(c).

[25] Miss. Code Ann. §83-5-35(d).

[26] *See* discussion of the Anti-Kickback Statute.

[27] Miss. Code Ann. §83-5-35(e).

[28] *Id.*

[29] Miss. Code Ann. §83-5-35(f).

Unfair discrimination

Insurers are prohibited from differentiating between individuals of the same class and essentially the same hazard in the amount of premium, policy fees, or rates charged, benefits paid, or through the terms or conditions of insurance.[30] The following acts or practices, among others, constitute prohibited differentiation: refusing to insure or continue to insure, or limiting the amount, extent or kind of coverage available to an individual.[31] As related to the dispute with HMA, there is no indication that BCBSMS acted in any discriminatory manner with regard to similarly situated individuals, as prohibited by the statute.

Designation of agent, solicitor or insurer

It is an unfair trade practice to condition the loan of any money on the security of property on the provision of insurance covering such property by the borrower.[32] Removing HMA facilities from the BCBSMS network did not yield evidence or indication of a violation involving the use of insurance as a condition precedent to the lending of funds.

Undefined practices

If the Commissioner has reason to believe that a person or entity engaged in the business of insurance is involved in a method of unfair competition not expressly defined by law, he may decide to conduct a hearing.[33] After the hearing, if his findings indicate that an unfair act or practice has occurred in violation of law, he may request that the Attorney General file a petition in circuit court to enjoin and restrain the person or entity from engaging in the unfair practice.[34] In addition to, or in lieu of, filing a petition, the Commissioner may impose administrative fines on the party.[35] As related to the dispute with HMA, there is no evidence or indication of any undefined practice that calls for investigation. Specifically of importance was the undisputed fact that the contract documents between BCBSMS and the Affected HMA Hospitals expressly permitted BCBSMS to terminate in-network provider status without cause. In short, BCBSMS merely took actions that their contract documents permitted them to take. Furthermore, MID has since adopted a formal model network adequacy regulation that will make that termination provision a standard provision in all provider contracts in the State.

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30 Miss. Code Ann. §83-5-35(g).

31 19-1 Miss. Code R. §14.05.

32 Miss. Code Ann. §83-5-35(h).

33 Miss. Code Ann. §83-5-45(1).

34 Miss. Code Ann. §83-5-45(5).

35 *Id*.

Summary

The network adequacy examination revealed no facts to indicate that BCBSMS has engaged in any unfair trade practices. Therefore, there is no reason to conduct a hearing on the actions of BCBSMS in removing the HMA facilities from its network.

SUBSEQUENT RESOLUTION

On December 21, 2013, BCBSMS and HMA came to an agreement whereby HMA would drop its lawsuit and BCBSMS would allow all ten of the Affected HMA hospitals back into the network effective January 1, 2014. As of January 1, 2014, all of the Affected HMA hospitals were back in the BCBSMS healthcare network.

ACKNOWLEDGMENT

The examination team representing the Mississippi Insurance Department and participating in this investigation were:

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David W. Donnell	Adams and Reese LLP
Darren L. Smith	AGI Services
John B. Humphries	AGI Services

The courteous cooperation of the officers and staff of HMA, BCBSMS, as well as non-HMA facilities visited is hereby acknowledged and gratefully appreciated.

Respectfully submitted,

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Examiner-in-charge

APPENDIX

Exhibit A
Service Area Analysis
Mississippi Department of Health
2012 Hospital Report Data

Acute Care	Central MS Med Center - HMA	Madison River Oaks Med Cntr	Crossgates River Oaks Hospital	River Oaks Hospital	Woman's Hospital	Baptist Health Systems	St Dominic's Hosp.	University of MS Med Center
	Jackson Area							
Licensed Beds	400	67	149	160	109	285	417	664
ALOS	4.90	3.04	4.88	3.59	3.21	4.58	4.44	6.32
ADC	82.18	18.67	67.98	60.29	18.42	83.29	313.48	452.57
OCC Rate	20.54	27.86	45.62	37.68	16.90	29.23	75.18	68.16
Est. Alternative Beds	516.61	48.33	81.03	99.71	90.58	201.69	103.50	211.42
Beds To Absorb	247.54							
Excess Beds	**269.07**							
Area OCC Est.	48.73							

Acute Care	NW MS Reg. Med Cntr - HMA	Tri-Lakes Med. Cntr - HMA	Bolivar Med Cntr	North Sunflower Med Cntr	Baptist Memorial - North
	Clarksdale Batesville Area				
Licensed Beds	181	77	165	35	204
ALOS	3.36	4.10	3.99	5.59	4.66
ADC	57.48	21.42	39.74	13.58	93.16
OCC Rate	31.76	27.82	24.09	38.81	45.66
Est. Alternative Beds	257.52	55.58	125.25	21.42	110.85
Beds To Absorb	78.90				
Excess Beds	**178.62**				
Area OCC Est.	34.05				

Acute Care	Biloxi Reg. Med. Cntr HMA	Memorial Hosp Gulfport	Garden Park Med Cntr	Singing River Hosp.	Ocena Springs Hospital
	Biloxi Area				
Licensed Beds	153	303	130	385	136
ALOS	4.74	4.65	4.31	4.36	4.32
ADC	73.96	187.63	43.70	90.11	95.85
OCC Rate	48.34	61.93	33.61	23.41	70.48
Est. Excess Beds	536.68	115.35	86.31	294.87	40.15
Beds To Absorb	73.96				
Excess Beds	**462.72**				
Area OCC Est.	44.38				

Acute Care	Gilmore Mem. Reg. Med. Cntr HMA	North MS Med. Cntr			
	Amory Area				
Licensed Beds	95	554			
ALOS	3.87	5.24			
ADC	35.49	329.25			
OCC Rate	37.36	59.43			
Est. Excess Beds	224.76	224.76	-	-	-
Beds To Absorb	35.49				
Excess Beds	**189.27**				
Area OCC Est.	56.20				

Acute Care	Natchez Community Hosp. HMA	Natchez Reg. Med. Cntr		
	Natchez			
Licensed Beds	101	159		
ALOS	4.32	4.65		
ADC	43.41	34.81		
OCC Rate	42.98	21.89		
Est. Excess Beds	124.19	124.19	-	-
Beds To Absorb	43.41			
Excess Beds	**80.78**			
Area OCC Est.	30.08			