



COMMONWEALTH of VIRGINIA

Department of Health

PO BOX 2448
RICHMOND, VA 23218

M. Norman Oliver, MD, MA
State Health Commissioner

TTY 7-1-1 OR
1-800-828-1120

January 13, 2020

Ms. Emily W.G. Towey
Hancock, Daniel & Johnson P.C.
4701 Cox Road, Suite 400
Glen Allen, Virginia 23060

RE: COPN No. VA-04694

Pyramid Healthcare, Inc., Newport News, Virginia

Establish an intermediate care facility for the treatment and rehabilitation of individuals with substance abuse with 120 beds.

Dear Ms. Towey:

In accordance with Chapter 4, Article 1.1 of Title 32.1 of the Code of Virginia of 1950 (the Code), as amended, I reviewed the application and all supporting documents submitted by Pyramid Healthcare, Inc. to establish an intermediate care facility for the treatment and rehabilitation of individuals with substance abuse with 120 beds.

As required by Section 32.1-102.3B of the Code, I have considered all factors that must be taken into account in a determination of public need, and I have concluded that **conditional approval** of the request is warranted based on the following findings:

1. The proposed project is generally consistent with the applicable criteria and standards of the State Medical Facilities Plan and the eight Required Considerations of the Code of Virginia.
2. A reasonable, less costly, more efficient alternative to the proposed project does not exist.
3. The proposed project appears to be economically viable in the immediate and long-term.
4. There is no known opposition to the proposed project and the project enjoys broad support from local Community Service Boards and behavioral health organizations.
5. The project is not likely to have a significant negative impact upon the utilization, costs, or charges of existing area providers.

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6. The capital costs associated with the proposed project are reasonable.
7. The proposed project will improve access to substance abuse treatment for adult residents of PD 21 and surrounding areas.

This certificate is valid for the period January 13, 2020 through January 12, 2021. The total authorized capital cost of the project is \$4,733,040.

Please file two copies of the application for a certificate extension with the Department no later than 30 days before the expiration date of the certificate. Part VIII of the Virginia Medical Care Facilities Certificate of Public Need Rules and Regulations identifies the filing requirements and review procedure for certificate extension requests.

Sincerely,



M. Norman Oliver, MD, MA
State Health Commissioner

Enclosures

cc: Allyson Tysinger, Senior Assistant Attorney General, Commonwealth of Virginia
Erik Bodin, Director, Division of Certificate of Public Need
Deborah K. Waite, Operations Manager, Virginia Health Information
Thomas Franck, MD, District Director, Peninsula Health District

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HEALTH
MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED

THIS CERTIFIES THAT Pyramid Healthcare, Inc. is authorized to initiate the proposal as described below.

NAME OF FACILITY: Pyramid Healthcare, Inc. doing business as Pyramid Healthcare Newport News

LOCATION: 245 Chesapeake Avenue, Newport News, Virginia 23607

OWNERSHIP AND CONTROL: Clearview Pyramid Acquisition Company, LLC

SCOPE OF PROJECT: Establish a 120-bed intermediate care facility for the treatment and rehabilitation of individuals with substance abuse disorders. The authorized capital cost associated with this project is \$4,733,040. The project is expected to be completed by October 31, 2020. This certificate is issued with the condition that appears on its reverse.



Pursuant to Chapter 4, Article 1.1 of Title 32.1, Sections 32.1-102.1 through 32.1-102.12 of the Code of Virginia (1950), as amended and the policies and procedures promulgated thereunder, this Medical Care Facilities Certificate of Public Need is issued contingent upon substantial and continuing progress towards implementation of the proposal within twelve (12) months from the date of issuance. A progress report shall be submitted to the State Health Commissioner within twelve (12) months from the date of issuance along with adequate assurance of completion within a reasonable time period. The Commissioner reserves the right not to renew this Certificate in the event the applicant fails to fulfill these conditions. This Certificate is non-transferable and is limited to the location, ownership, control and scope of the project shown herein.

Certificate Number: VA-04694

Date of Issuance: January 13, 2020

Expiration Date: January 12, 2021



M. Norman Oliver, MD, MA, State Health Commissioner

Pyramid Healthcare, Inc. will provide intermediate care substance use disorder treatment services to all persons in need of this service, regardless of their ability to pay. Pyramid Healthcare Inc. will provide as charity care to all indigent persons free services or rate reductions in services and facilitate the development and operation of primary care services to medically underserved persons in an aggregate amount equal to at least 4.6% of total gross patient service revenues derived from Pyramid Healthcare Newport News' substance use disorder treatment services as valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement. Pyramid Healthcare, Inc. will accept a revised percentage based on the regional average after such time regional charity care data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. is available from Virginia Health Information. The value of charity care provided to individuals pursuant to this condition shall be based on the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.