



COMMONWEALTH of VIRGINIA

M. Norman Oliver, MD, MA
State Health Commissioner

Department of Health
P O BOX 2448
RICHMOND, VA 23218

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

July 24, 2020

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

RE: **COPN No. VA-04710**
Pyramid Healthcare, Inc., Newport News, Virginia
Establish a psychiatric hospital with 40 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. in Certificate of Public Need Request number VA-8489 to establish a 40-bed psychiatric hospital at Pyramid Healthcare Newport News.

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 consistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. The proposed project will lessen the burden on highly utilized state hospitals.
3. The proposed project is more advantageous than the status quo.
4. The capital costs of the proposed project are reasonable.
5. DCOPN did not receive any opposition to the proposed project.
6. The applicant has committed to accepting all patients presenting under temporary detention orders.

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7. The proposed project is supported by local community service boards.

This certificate is valid for the period July 24, 2020 through July 23, 2021. The total authorized capital cost of the project is \$2,567,251.

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,

A handwritten signature in blue ink that reads "M. Norman Oliver MD". The signature is fluid and cursive, with the "MD" part being more distinct and bold.

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, Acting 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. d/b/a Pyramid Healthcare Newport News

LOCATION: 245 Chesapeake Avenue Newport News, Virginia 23607

OWNERSHIP AND CONTROL: Pyramid Healthcare, Inc.

SCOPE OF PROJECT: Establish a 40-bed psychiatric hospital at Pyramid Healthcare Newport News. The authorized capital costs associated with this project total \$2,567,251. The project is expected to be completed by July 1, 2021. 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-04710

Date of Issuance: July 24, 2020

Expiration Date: July 23, 2021


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

Pyramid Healthcare, Inc. will provide psychiatric services to all persons in need of this service, regardless of their ability to pay, and 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 5.1% of Pyramid Healthcare, Inc.'s total patient services revenue derived from psychiatric services provided at Pyramid Healthcare, Inc. d/b/a Pyramid Healthcare Newport News 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.