



COMMONWEALTH of VIRGINIA

Department of Health

Office of Licensure and Certification

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July 20, 2020

Mr. George P. Phillips
Consultant
608 Tyson Road
Virginia Beach, Virginia 23462

RE: COPN Request No. VA-8497
Riverside Hospital, Inc. d/b/a Riverside Regional Medical Center
Replace one mobile MRI scanner with a fixed site MRI scanner at Riverside Diagnostic Center – Hampton

Dear Mr. Phillips:

For your consideration, I enclose the Division of Certificate of Public Need (DCOPN) report and recommendation on the above referenced project. DCOPN is recommending **denial** of this application for the reasons listed in the attached staff report.

For this reason, before the State Health Commissioner makes his final decision on this project, DCOPN will convene an informal-fact-finding-conference (IFFC) pursuant to Section 2.2 of the Code of Virginia, which is scheduled for Thursday, July 30, 2020 beginning at 10:00 a.m. in Training Room 2 of the Perimeter Center located at 9960 Mayland Drive in Henrico, Virginia.

Persons wishing to participate in an IFFC have four days from the date of this letter to submit written notification to the State Health Commissioner and the applicant stating a factual basis for good cause standing. Should you have questions or need further clarification of this report and/or its recommendations, please feel free to call me at (804) 367-1889 or email me at Erik.Bodin@VDH.Virginia.Gov.

Sincerely,

Erik Bodin, Director
Division of Certificate of Public Need

Enclosures

cc: Douglas R. Harris, J.D., Office of Adjudication, Virginia Department of Health

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VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis Report

July 20, 2020

COPN Request No. VA-8497

Riverside Hospital, Inc. d/b/a Riverside Regional Medical Center

Hampton, Virginia

Replace one mobile MRI scanner with a fixed site MRI scanner at Riverside Diagnostic Center – Hampton

Applicant

Riverside Hospital, Inc. d/b/a Riverside Regional Medical Center (Riverside) is a Virginia nonstock 501(c)(3) corporation organized in 1982. Riverside is located in Newport News, Virginia, which is located in Planning District (PD) 21, Health Planning Region (HPR) V.

Background

Riverside Diagnostic Center – Hampton (Riverside Hampton) is an outpatient imaging center located in Hampton, Virginia. Riverside Hampton provides conventional radiology, computerized tomography, and mobile magnetic resonance imaging (MRI). On August 15, 2006, the Virginia State Health Commissioner (Commissioner) issued Certificate of Public Need (COPN) No. VA-04025 to establish a mobile MRI site at Riverside Hampton. Riverside Hampton's mobile MRI site was operating 15 days a month during 2018, the last time period for which DCOPN has data. The applicant states that this number has been increased to 18 days as of June 2019 and may, between 2021 and 2022, increase to 22 days. There are currently 16 COPN authorized fixed MRI units and two COPN authorized mobile MRI sites in PD 21 (Table 1).

Table 1. PD 21 COPN Authorized MRI Units

Facility	Number of Fixed MRI Scanners	Number of Mobile MRI Scanners	Total Number of MRI Scanners
Bon Secours Mary Immaculate Hospital	1	0	1
Hampton Roads Proton Beam Therapy Institute at Hampton University, L.L.C. ¹	1	0	1
Hampton Roads Orthopaedics and Sports Medicine (Newport News)	1	0	1
Orthopaedic Surgery and Sports Medicine Specialists (Newport News)	1	0	1
Riverside Diagnostic & Breast Imaging Center (Riverside Diagnostic Center - Oyster Point)	1	0	1
Riverside Diagnostic Center - Hampton	0	1	1
Riverside Diagnostic Center - Williamsburg	1	0	1
Riverside Regional Medical Center	2	0	2
Sentara Careplex Hospital	2	0	2
Sentara Geddy Outpatient Center	1	0	1
Sentara Port Warwick II	1	0	1
Sentara Williamsburg Regional Medical Center	1	0	1
Tidewater Orthopaedic Associates	1	0	1
TPMG Imaging Center - Newport News	0	1	1
TPMG Imaging Center - Williamsburg ²	2	0	1
PD 21 Total	16	2	18

Source: VHI and DCOPN Records

Proposed Project

The applicant proposes to convert their mobile MRI site at Riverside Hampton into a fixed 1.5 Tesla MRI scanner. The applicant asserts that the mobile MRI unit is ten years old and has received no hardware or software updates since it was acquired. The applicant asserts that this unit is nearing the end of its life cycle and patients have needed to be shifted to Riverside to receive scans with better and sharper images. The total capital and financing cost of the proposed project is \$3,213,510 (Table 2). The project will be paid for by the use of Riverside’s accumulated reserves.

Table 2. Capital and Financing Costs

Direct Construction Costs	\$1,713,072
Equipment Not Included in Construction Contract	\$1,351,000
Site Preparation Costs	\$6,000
Off-site Costs	\$3,438
Architectural and Engineering Fees	\$140,000
TOTAL Capital and Financing Costs	\$3,213,510

Source: COPN Request No. VA-8497

¹ The Commissioner issued COPN No. VA- 04664 to Hampton Roads Proton Beam Therapy Institute at Hampton University, L.L.C. on September 3, 2019, which authorized the addition of one fixed MRI unit. The project is expected to become operational on March 1, 2020.

² The Commissioner issued COPN No. VA-04665 to Tidewater Physicians Multispecialty Group on September 3, 2019, which authorized the conversion of the mobile MRI unit at their Williamsburg location to a fixed MRI unit. The applicant asserted that the project would become operational on December 31, 2019, but the Division of Certificate of Public Need (DCOPN) has not received an indefinite extension from the applicant.

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as, “The addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of... magnetic resonance imaging (MRI)...” A medical care facility includes “[a]ny specialized center or clinic or that portion of a physician's office developed for the provision of... magnetic resonance imaging (MRI)...”

Required Considerations -- § 32.1-102.3 of the Code of Virginia

In determining whether a public need exists for a proposed project, the following factors shall be taken into account when applicable:

- 1. The extent to which the proposed project will provide or increase access to health care services for people in the area to be served and the effects that the proposed project will have on access to health care services in areas having distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to care;**

The applicant proposes to convert their mobile MRI site into a fixed MRI unit. The applicant asserts that the mobile MRI unit is 10 years old and has received no hardware or software updates since it was acquired. The applicant asserts that this unit is nearing the end of its life cycle and patients have needed to be shifted to Riverside to receive scans with better and sharper images. DCOPN notes that hardware and software upgrades, as well as replacement of the old mobile MRI with a newer model mobile MRI, can be effectuated without a new certificate of public need. As such, replacement of the existing mobile MRI would provide higher quality MRI services at the Riverside Hampton. However, as discussed below, this benefit could be realized by the applicant without approval of the proposed project.

Geographically, Riverside Hampton is located on Enterprise Parkway, approximately two miles from I-64. Public transportation to the facility is available via Hampton Roads Transit. DCOPN is not aware of any geographic, socioeconomic, cultural, or transportation barriers to access to care.

- 2. The extent to which the proposed project will meet the needs of people in the area to be served, as demonstrated by each of the following:**
 - (i) the level of community support for the proposed project demonstrated by people, businesses, and governmental leaders representing the area to be served;**

DCOPN received two letters of support from physicians affiliated with Riverside. Collectively, these letters asserted that the unit is more than ten years old with no technology upgrades since purchase. The letters additionally asserted that, in its earlier days, the mobile MRI was moved weekly, which caused considerable stress on the equipment. Finally, the letters collectively articulated that volumes are anticipated to increase as a result of medical practices located in the medical office building. DCOPN received no letters of opposition for the proposed project.

Public Hearing

DCOPN conducted the required public hearing on July 6, 2020. A total of four individuals called in to the public hearing. The project was presented by a representative from Riverside. No members of the public spoke in support or opposition to the proposed project.

(ii) the availability of reasonable alternatives to the proposed project that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner;

The status quo with replacement of the mobile unit is a viable alternative to the proposed project. While DCOPN acknowledges that the mobile MRI unit that services the site is old, and that modern MRI scanners may provide sharper images, there is nothing in the application that alleges that MRI scanners that produce images of this quality are not currently available in a newer mobile MRI unit that the applicant could acquire without a new COPN. Moreover, as discussed below, the level of utilization of the mobile MRI scanner fails to meet the threshold necessary for the conversion of a mobile MRI site into a fixed MRI unit by a significant margin and will not, according to the applicant's own projections, meet this threshold by 2022. As such, DCOPN concludes that the status quo is a viable alternative to the proposed project.

(iii) any recommendation or report of the regional health planning agency regarding an application for a certificate that is required to be submitted to the Commissioner pursuant to subsection B of § 32.1-102.6;

Currently there is no organization in HPR V designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 21. Therefore, this consideration is not applicable to the review of the proposed project.

(iv) any costs and benefits of the proposed project;

As discussed above, the total capital costs of the proposed project are \$3,213,510 (Table 2), which will be paid for by the use of Riverside's accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to replace a mobile MRI site with a fixed MRI unit. For example, COPN VA- 04578 issued to Centra Health, Inc. to replace the mobile MRI site at Centra Gretna Medical Center with a fixed MRI unit, which cost approximately \$3,598,883. The applicant asserts that, by replacing an old MRI unit that is nearing the end of its life cycle with a new MRI unit, the quality of the scans will improve. However, as discussed above, the same benefit could be effectuated by replacing the old mobile MRI unit with a new mobile MRI unit. As such, DCOPN concludes that the applicant has not presented, and DCOPN has not identified, any substantive benefit that could not be effectuated without the issuance of a new COPN.

(v) the financial accessibility of the proposed project to the people in the area to be served, including indigent people; and

According to regional and statewide data regularly collected by VHI, for 2018, the average amount of charity care provided by the facilities in HPR V that reported such charity care for that year was 5.1% of all reported total gross patient revenues. DCOPN is unable to confirm the level of charity care provided by Riverside Hampton because, in the most recent data available to DCOPN, Riverside Hampton's charity care contributions were reported to VHI as part of Riverside's charity care. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, Riverside Hampton is expected to provide a level of charity care for total gross patient revenues that is no less than the equivalent average for charity care contributions in HPR V.

Table 3. HPR V 2018 Charity Care Contributions

Health Planning Region V			
2018 Charity Care Contributions at or below 200% of Federal Poverty Level			
Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	Percent of Gross Patient Revenue:
Bon Secours DePaul Medical Center	\$698,996,618	\$53,230,518	7.62%
Sentara Careplex Hospital	\$889,460,665	\$64,660,889	7.27%
Riverside Tappahannock Hospital	\$162,491,011	\$11,307,825	6.96%
Riverside Regional Medical Center	\$1,861,151,990	\$126,769,911	6.81%
Bon Secours Maryview Medical Center	\$1,273,955,832	\$85,038,667	6.68%
Sentara Obici Hospital	\$825,126,790	\$54,851,619	6.65%
Riverside Walter Reed Hospital	\$252,673,741	\$16,571,599	6.56%
Sentara Virginia Beach General Hospital	\$1,210,282,480	\$67,107,518	5.54%
Riverside Doctors' Hospital Williamsburg	\$124,258,743	\$6,791,596	5.47%
Sentara Norfolk General Hospital	\$3,313,578,465	\$168,093,514	5.07%
Riverside Shore Memorial Hospital	\$235,708,877	\$11,934,270	5.06%
Sentara Leigh Hospital	\$1,182,257,169	\$55,810,160	4.72%
Bon Secours Mary Immaculate Hospital	\$675,071,989	\$29,896,497	4.43%
Sentara Princess Anne Hospital	\$967,617,447	\$38,069,270	3.93%
Sentara Williamsburg Regional Medical Center	\$659,049,590	\$24,789,255	3.76%
Chesapeake Regional Medical Center	\$900,598,911	\$15,330,992	1.70%
Hampton Roads Specialty Hospital	\$25,627,019	\$433,771	1.69%
Southampton Memorial Hospital	\$209,949,572	\$3,282,979	1.56%
Bon Secours Rappahannock General Hospital	\$71,220,177	\$1,107,592	1.56%
Children's Hospital of the King's Daughters	\$1,009,437,096	\$6,094,726	0.60%
Lake Taylor Transitional Care Hospital	\$46,761,019	\$0	0.00%
Hospital For Extended Recovery	\$25,515,975	-\$252,369	-0.99%
Total \$ & Mean %	\$16,620,791,176	\$840,920,799	5.1%

Source: 2018 VHI Data

(vi) at the discretion of the Commissioner, any other factors as may be relevant to the determination of public need for a proposed project.

Section 32.1-102.2:1 of the Code of Virginia calls for the State Health Services Plan Task Force to develop, by November 1, 2022, recommendations for a comprehensive State Health Services Plan (SHSP). In the interim, DCOPN will consider the consistency of the proposed project with the predecessor of the SHSP, the State Medical Facilities Plan (SMFP).

DCOPN did not identify any other discretionary factors, not discussed elsewhere in this staff analysis report, to bring to the attention of the Commissioner as may be relevant to determining a public need for the proposed project.

3. The extent to which the proposed project is consistent with the State Health Services Plan;

The SMFP contains criteria/standards for the establishment or expansion of MRI services. They are as follows:

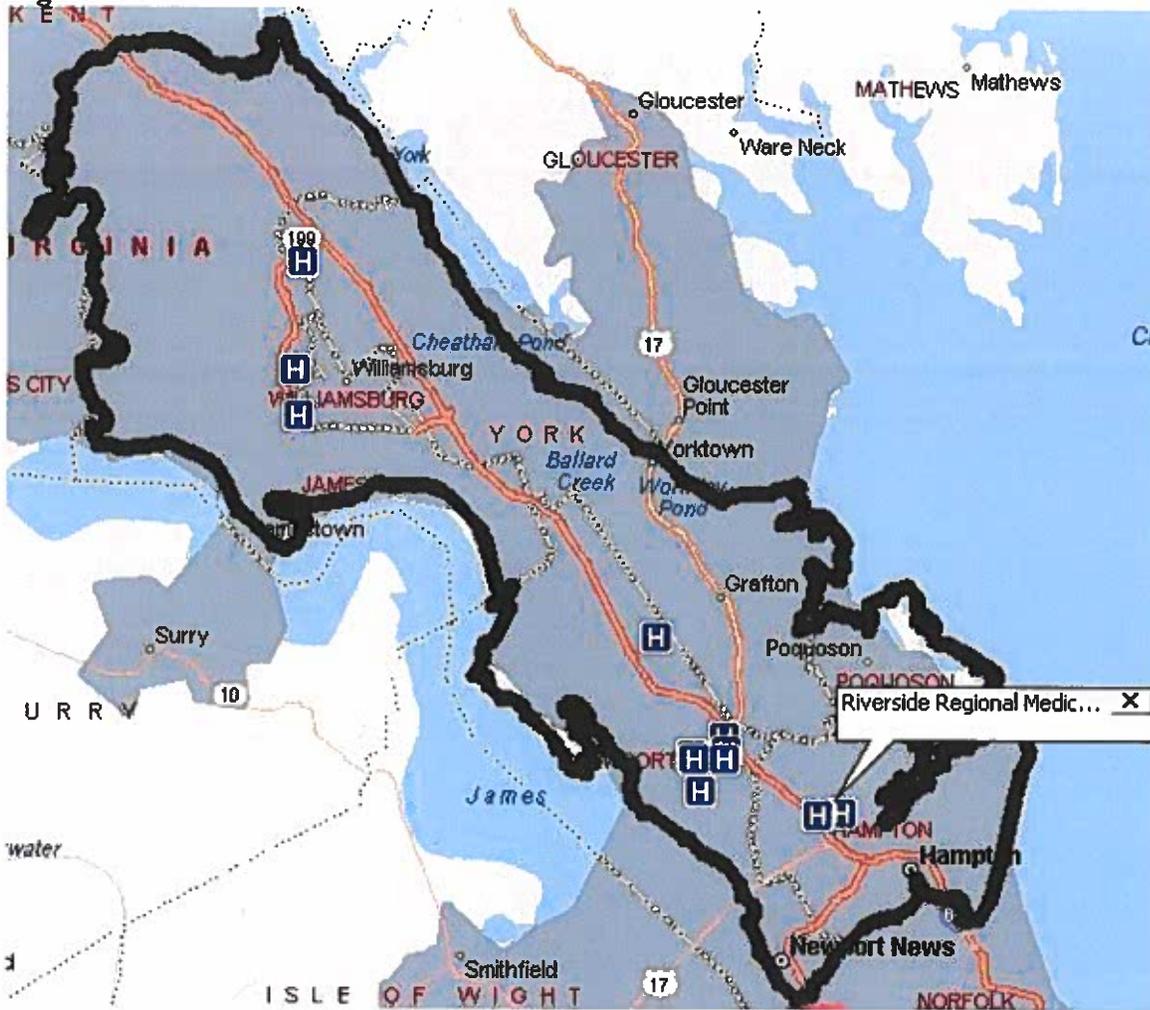
Part II
Diagnostic Imaging Services
Article 2
Criteria and Standards for Magnetic Resonance Imaging

12VAC5-230-140. Travel time.

MRI services should be within 30 minutes driving time one way under normal conditions of 95% of the population of the health planning district using mapping software as determined by the commissioner.

The heavy dark line in Figure 1 identifies the boundaries of PD 21. The grey shading illustrates the area that is within a thirty-minute drive under normal driving conditions of all MRI service providers in PD 21. Based on the shaded area in Figure 1, it is reasonable to conclude that 95% of the population of PD 21 is within 30 minutes driving-time one-way under normal traffic conditions of MRI services.

Figure 1



12VAC5-230-150. Need for new fixed site service.

No new fixed site MRI service should be approved unless fixed site MRI services in the health planning district performed an average of 5,000 procedures per existing and approved fixed site MRI scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site MRI providers in the health planning district. The utilization of existing scanners operated by a hospital and serving an area distinct from the proposed new service may be disregarded in computing average utilization of MRI scanners in such planning district.

As noted in Table 4 below, the utilization of existing MRI services in the planning district was only 61.6% of the 5,000 procedures per scanner necessary to introduce a full body MRI scanner under this section of the SMFP. DCOPN notes that the proposed project does not seek to establish a new MRI service where none previously existed, but rather to replace a mobile MRI site with a fixed MRI. As such, the data here is presented merely to provide an overview of the number of MRI scanners currently required by the planning district.

COPN authorized scanners = 18

Calculated Need Fixed MRI scanners = 43,152 / 5,000 = 8.6 (9)

Calculated Need for Mobile MRI scanners = 4,520 / 2,400 = 1.8

Calculated Need = 10.8 (11) MRI scanners

Calculated Surplus = 7 MRI scanners

Table 4. PD 21 COPN Authorized Fixed MRI Units: 2018

Facility	Number of Scanners	Number of Scans	Utilization Rate
Bon Secours Mary Immaculate Hospital	1	2,610	52.2%
Hampton Roads Orthopaedics and Sports Medicine (Newport News)	1	4,350	87%
Orthopaedic Surgery and Sports Medicine Specialists (Newport News)	1	5,326	106.5%
Riverside Diagnostic & Breast Imaging Center (Riverside Diagnostic Center - Oyster Point)	1	2,055	41.1%
Riverside Diagnostic Center - Williamsburg	1	2,370	47.4%
Riverside Regional Medical Center	2	8,043	80.4%
Sentara Careplex Hospital	2	6,021	60.2%
Sentara Geddy Outpatient Center	1	1,496	29.9%
Sentara Port Warwick II	1	2,342	46.8%
Sentara Williamsburg Regional Medical Center	1	5,772	115.4%
Tidewater Orthopaedic Associates	1	1,254	25.1%
Tidewater Physicians Multispecialty Group	1	1,513	30.3%
2018 TOTAL and Average	14	43,152	61.6%

Source: VHI and DCOPN Records

Table 5. PD 21 COPN Authorized Mobile MRI Units: 2018

Facility	Number of Scanners	Number of Scans	Utilization Rate
Riverside Diagnostic Center - Hampton	1	1,927	64.2%
TPMG Imaging Center - Newport News	1	666	22.2%
TPMG Imaging Center - Williamsburg ³	1	1,927	64.2%
2018 TOTAL and Average	3	4,520	30.1%

Source: VHI

12VAC5-230-160. Expansion of fixed site service.

Proposals to expand an existing medical care facility’s MRI services through the addition of an MRI scanner may be approved when the existing service performed an average of 5,000 MRI procedures per scanner during the relevant reporting period. The commissioner may authorize placement of the new unit at the applicant’s existing medical care facility, or at a separate location within the applicant’s primary service area for MRI

³ The Commissioner issued COPN No. VA-04665 to Tidewater Physicians Multispecialty Group on September 3, 2019, which authorized the conversion of the mobile MRI unit at their Williamsburg location to a fixed MRI unit. The applicant asserted that the project would become operational on December 31, 2019, but DCOPN has not received an indefinite extension from the applicant.

services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health-planning district.

Not applicable. The applicant is not proposing to expand the number of MRI scanners at their facility.

12VAC5-230-170. Adding or expanding mobile MRI services

A. Proposals for mobile MRI scanners shall demonstrate that, for the relevant reporting period, at least 2,400 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing MRI providers in the health-planning district.

Not applicable. The applicant is not proposing the addition or expansion of a mobile MRI service.

B. Proposals to convert authorized mobile MRI scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, 3,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing MRI providers in the health-planning district.

There are currently three mobile MRI sites in PD 21. As demonstrated in **Table 5** above, the mobile site for Riverside Hampton performed 1,927 scans, or 64.2% of the SMFP threshold for converting a mobile unit to a fixed unit, in 2018, the last year for which VHI has data available. Riverside Hampton argues that they would meet this threshold if the numbers were converted from the 15-days that the mobile MRI is currently available to a 5-days a week model. However, this conversion is not directed by the SMFP, nor does it make sense in the context of the SMFP requirements in this section. This section of the SMFP already accounts for the lower frequency of utilization of a mobile MRI site by reducing the required from 5,000 procedures to 3,000 procedures. As such, DCOPN concludes that the applicant does not meet the threshold required by this section.

The applicant additionally argues that a recent decision in PD 21, COPN Request No. VA-8443 from TPMG, is analogous, and that approval of that project necessitates approval of the proposed project. DCOPN acknowledges there are similarities between these applications. Firstly, DCOPN acknowledges the applicant's assertion that the number of scans reported by VHI for TPMG, the applicant in COPN Request No. VA-8443, and Riverside Hampton are roughly equivalent. Moreover, no opposition was expressed with regard to both projects, either in writing or at the public hearing. Finally, based on the logic presented in the staff report for COPN Request No. VA-8443, approval of the proposed project would not adversely affect utilization of existing MRI providers in PD 21.

This however, ignores the several important differences between COPN Request No. VA-8443 and the proposed project. First, while the projected numbers two years out are similar, the applicant in COPN Request No. VA-8443 stated that these numbers did not include two new physicians, one specializing in hand surgery and one specializing in spinal surgery that would be joining the practice. As both of these occupations would make extensive use of an

MRI, this would likely increase the utilization of the machine significantly. Moreover, in COPN Request No. VA-8443, the applicant stated that, on average, a mobile MRI schedule ran at least 3 weeks out. Riverside Hampton, does not claim that any delays in patients receiving scans exists. Finally, the mobile MRI site in COPN Request No. VA-8443 operated 20-days a month, whereas the mobile MRI site at Riverside Hampton was only operating at 15 days a month during 2018, the last time period for which DCOPN has data. The applicant states that this number has been increased to 18 days as of June 2019 and may, between 2021 and 2022, increase to 22 days. The applicant additionally states that they are expecting additional demand from physicians within their medical office building. These changes may well lead to the applicant meeting the requisite threshold in the future, but absent additional information, DCOPN finds that they are too speculative to rely upon, particularly when the applicant’s projections for the next two years that were provided as part of the application do not meet the necessary 3,000 procedure threshold (**Table 6**).

Based on the factors discussed above, DCOPN concludes that the applicant has not met this threshold.

Table 6. Projected Riverside Hampton MRI Volumes

	Number of Scans	Utilization Rate
2020	2,385	79.5%
2021	2,480	82.7%
2022	2,579	86%

Source: COPN Request No. VA-8497 & DCOPN interpolations

12VAC5-230-180. Staffing.

MRI services should be under the direct supervision of one or more qualified physicians.

The applicant stated that MRI services are, and will remain, under the direct supervision of board certified radiologists.

Required Considerations Continued

- 4. The extent to which the proposed project fosters institutional competition that benefits the area to be served while improving access to essential health care services for all people in the area to be served;**

Riverside is an existing provider of MRI scanning services. Moreover, DCOPN finds that there is no indication, either in the data or in Riverside Hampton’s application, that approval of the project would create beneficial competition in the planning district. Additionally, DCOPN notes that the proposed project would introduce a new fixed MRI scanner into a planning district that already has a large surplus. However, as the current utilization and the projected utilization provided by the applicant are both relatively low, DCOPN concludes it is highly unlikely that the proposed project would foster institutional competition that benefits the area to be served.

- 5. The relationship of the proposed project to the existing health care system of the area to be served, including the utilization and efficiency of existing services or facilities;**

The applicant states that Riverside instituted a concierge type service for scheduling patients in July 2019. The applicant reports that this service within the Riverside Health System has resulted in a 22% growth in MRI services at Riverside and its associated diagnostic centers collectively. Given that patients are being directed to Riverside for scans, replacement of the current mobile MRI with a newer more powerful MRI scanner would allow for a greater degree of scheduling flexibility within Riverside's new scheduling system. However, as noted above, the applicant does not provide a reason why the same benefits could not be achieved by replacing the existing mobile MRI scanner with a newer more powerful mobile MRI scanner, which would not require a COPN. As such, DCOPN concludes that the proposed project does not offer any benefits to the utilization or efficiency of existing services or facilities that could not be gained without a new COPN.

6. The feasibility of the proposed project, including the financial benefits of the proposed project to the applicant, the cost of construction, the availability of financial and human resources, and the cost of capital;

As discussed above, the total capital costs of the proposed project are \$3,213,510 (Table 2), which will be paid for by the use of Riverside's accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to replace a mobile MRI site with a fixed MRI unit. For example, COPN VA- 04578 issued to Centra Health, Inc. to replace the mobile MRI site at Centra Gretna Medical Center with a fixed MRI unit, which cost approximately \$3,598,883. With regards to staffing, the proposed project would require 2 FTEs for radiologic technologists to run the machine. The applicant presents no plan here for attaining these positions nor do they address the effect it may have on existing providers. However, in another application in the current cycle, Riverside stated that its accredited Riverside College of Health Careers currently has 43 students enrolled in their radiological technologist program⁴. As such, while DCOPN cannot conclude with the same certainty that the radiologic technologists will be pulled from Riverside's existing pool of recruits without the same assurances provided in their other application, DCOPN can conclude that it is at least likely that this is the case.

7. The extent to which the proposed project provides improvements or innovations in the financing and delivery of health care services, as demonstrated by; (i) the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services; (ii) the potential for provision of health care services on an outpatient basis; (iii) any cooperative efforts to meet regional health care needs; and (iv) at the discretion of the Commissioner, any other factors as may be appropriate; and

As discussed extensively throughout the report, the proposed project would improve the delivery of health services on an outpatient basis by allowing Riverside Hampton to provide sharper, better-quality scans at their facility and prevent the need to continue to shift patients to Riverside. However, this could also be effectuated without COPN approval by replacing the existing mobile MRI with a 1.5T mobile MRI.

⁴ COPN Request No. VA-8499.

8. **In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served,**
- (i) The unique research, training, and clinical mission of the teaching hospital or medical school.**
 - (ii) Any contribution the teaching hospital or medical school may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations.**

Although Riverside provides a wide variety of training programs for health professionals through its accredited School of Health and Medical Services, the applicant does not make any assertions about the proposed project the proposed project affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served.

DCOPN Staff Findings and Conclusion

DCOPN finds that the proposed project to replace a mobile MRI site with a fixed MRI scanner at Riverside Diagnostic Center – Hampton is not consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. Riverside Hampton has failed to establish the requisite utilization under 12VAC5-230-170.B. While Riverside Hampton alleges that a recent decision by the Commissioner is analogous to the proposed project, Riverside Hampton’s project differs from the Commissioner’s decision in several key aspects.

Moreover, DCOPN finds that the status quo is a viable alternative to the proposed project. The applicant has not met the necessary utilization thresholds mandated in the SMFP nor have they established the extenuating circumstances displayed in other projects that were approved despite the lower mobile MRI site utilization. Additionally, the applicant has not shown that any problems raised in the application could not be solved with the same efficacy through the replacement of the existing mobile MRI. Furthermore, approval of the project would add another fixed MRI to a planning district that has a large surplus.

Finally, DCOPN finds that the total capital costs of the proposed project are \$3,213,510 (Table 2), which will be paid for by the use of Riverside’s accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to replace a mobile MRI site with a fixed MRI unit. For example, COPN VA- 04578 issued to Centra Health, Inc. to replace the mobile MRI site at Centra Gretna Medical Center with a fixed MRI unit, which cost approximately \$3,598,883.

Staff Recommendation

The Division of Certificate of Public Need recommends **denial** of the applicant’s COPN request to replace one mobile MRI scanner with a fixed site MRI scanner at Riverside Diagnostic Center – Hampton for the following reasons:

1. The project is inconsistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. There is a large surplus of MRI scanners in PD 21.
3. The status quo with replacement of the mobile unit is a viable alternative to the proposed project.