



## 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

August 31, 2020

Mr. Daniel Herlihy  
VCU Hospitals Administration  
1200 E. Marshall Street, Box 980010  
Richmond, Virginia 23298

**RE: COPN No. VA-04717**

**Virginia Commonwealth University Health System Authority  
Add one fixed MRI scanner and one fixed CT scanner at the VCU Medical Center  
Adult Outpatient Pavilion**

Dear Mr. Herlihy:

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 Virginia Commonwealth University Health System Authority to add one fixed MRI scanner and one fixed CT scanner at the VCU Medical Center Adult Outpatient Pavilion.

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 project is consistent with the applicable criteria and standards of the State Medical Facilities Plan, or is in harmony or general agreement with the SMFP, and the Eight Required Considerations of the Code of Virginia.
2. The project is highly unlikely to have an adverse effect on the utilization of existing providers.
3. The status quo is not a viable alternative to the project.
4. There is no opposition to the project.
5. The capital costs are reasonable and consistent with the projects of this type.

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This certificate is valid for the period August 31, 2020 through August 30, 2021.  
The total authorized capital cost of the project is \$6,808,481.

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 initials "MD" written separately at the end.

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  
Danny Avula, MD, MPH, District Director, Richmond City Health District

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

THIS CERTIFIES THAT Virginia Commonwealth University Health System Authority is authorized to initiate the proposal as described below.

NAME OF FACILITY: VCU Medical Center Adult Outpatient Pavilion

LOCATION: 1001 East Leigh Street Richmond, Virginia 23298

OWNERSHIP AND CONTROL: Virginia Commonwealth University Health System Authority

SCOPE OF PROJECT: Add one fixed MRI scanner and one fixed CT scanner at the VCU Medical Center Adult Outpatient Pavilion. The authorized capital costs associated with this project total \$6,808,481. The project is expected to be completed by November 15, 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-04717

Date of Issuance: August 31, 2020

Expiration Date: August 30, 2021

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

Virginia Commonwealth University Health System Authority will provide CT and MRI services to all persons in need of these services, 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 3.7% of Virginia Commonwealth University Health System Authority's total patient services revenue derived from CT and MRI services provided at the VCU Medical Center Adult Outpatient Pavilion 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. Virginia Commonwealth University Health System Authority 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.

Virginia Commonwealth University Health System Authority will provide MRI and CT care to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act (42 U.S.C. § 1396 et seq.), and 10 U.S.C. § 1071 et seq. Additionally Virginia Commonwealth University Health System Authority will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.