

# VIRGINIA DEPARTMENT OF HEALTH

## Office of Licensure and Certification

### Division of Certificate of Public Need

#### Staff Analysis

July 19, 2021

#### **COPN Request No. VA-8553**

Clinch Valley Medical Center, Inc.

Richlands, Virginia

Add one CT scanner used for simulation with radiation therapy treatment.

#### Applicant

Clinch Valley Medical Center, Inc. (CVMC), a for-profit, Virginia corporation, is an acute care general hospital located in Richlands, Virginia. Since 2006, CVMC has been owned and operated by LifePoint Health, Inc., which is headquartered in Brentwood, Tennessee. CVMC is located in Planning District (PD) 2 within Health Planning Region (HPR) III.

#### Background

CVMC is a 175-bed tertiary care hospital located in Tazewell County. CVMC is an acute care hospital offering inpatient and outpatient services including surgical, obstetric, pediatric and long-term care services. CVMC's cancer treatment center is the only provider of radiation therapy in PD 2.

According to Division of Certificate of Public Need (DCOPN) records, the computed tomography (CT) scanner inventory of PD 2 consists of seven fixed site CT scanners (**Table 1**). DCOPN notes that the proposed project includes a CT simulator used solely for the purposes of radiation therapy, and that there are currently no CT simulators in PD 2's inventory.

**Table 1. COPN Authorized Computed Tomography Scanners in PD 2**

<b>Facility</b>	<b>Fixed CT Scanners</b>	<b>Mobile CT Scanners</b>	<b>Total</b>
Buchanan General Hospital	1	0	1
Carilion Tazewell Community Hospital	1	0	1
Clinch Valley Medical Center	2	0	2
Community Radiology Of Virginia, Inc.	1	0	1
Green Oak Behavioral Health at Dickenson County Hospital	1	0	1
Russell County Hospital	1	0	1
<b>Total</b>	<b>7</b>	<b>0</b>	<b>7</b>

Source: DCOPN records

**Proposed Project**

CVMC proposes to add one GE Discovery CT simulator on the hospital campus located at 6801 Governor G.C. Peery Highway, Richlands, Virginia. The applicant has provided assurances that the CT simulator will be used solely for simulation with radiation therapy treatment. The CT simulator’s software is used to create a 3D image of the patient that accounts for different densities of tissue, organs, and bones within the body. This allows for more accurate visualization of body parts for radiosurgery planning. For this reason, CT simulation has become the standard of practice for planning radiation therapy treatment. To accomplish the addition, the applicant explains:

As a part of the larger project, the existing and aged linear accelerator will be replaced and housed in a newly-constructed vault. Under this proposal, the new CT simulator will be installed in the existing linear accelerator vault that will be vacated when the new equipment is installed. The use of existing space and the existing vault will require limited construction resources to install the new equipment, thereby reducing overall costs.

The projected capital costs of the proposed project are \$1,000,307 approximately 16% of which are attributed to direct construction costs (**Table 2**). Capital costs will be funded through the accumulated reserves of the applicant. Accordingly, there are no financing costs associated with this project. Construction for the proposed project is anticipated to commence in October 2021 and to be completed in April 2022. The applicant anticipates a target date of opening of June 2022.

**Table 2. Clinch Valley Medical Center’s Projected Capital Costs**

Direct Construction Costs	\$161,150
Equipment Not Included in Construction Contract	\$784,217
Off-Site Costs	\$1,465
Architectural and Engineering Fees	\$36,975
Other Consultant Fees	\$16,500
<b>Total Capital Costs</b>	<b>\$1,000,307</b>

Source: COPN Request No. VA-8553

**Project Definitions**

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 cardiac catheterization, computed tomographic (CT) scanning....” A medical care facility includes “[a]ny facility licensed as a hospital, as defined in Section 32.1 – 123.”

**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 health care;**

Geographically, CVMC is located at 6801 Governor G.C. Peery Highway, Richlands, Virginia. The CVMC campus is located on US-460, the main thoroughfare connecting the communities in Tazewell County and southwest Virginia. Additionally, the campus is served by public transportation through Four County Transit, which offers services and connections between Buchanan, Dickenson, Russell and Tazewell counties.

**Table 3** shows projected population growth in PD 2 through 2030. As depicted in **Table 3**, at an average annual growth rate of -0.93%, PD 2’s population growth rate from 2010-2020 is below the state’s average annual growth rate of 0.77%. Overall, the planning district lost an estimated 10,423 people in the 10-year period ending in 2020—an approximate 9% decrease with an average decrease of 1,042 people annually. In the 10-year period ending in 2030, the planning district is projected to lose an estimated 8,560 people – an approximate 8% decrease with an average decrease of 856 people annually.

Regarding the 65+ age group for PD 2, Weldon-Cooper projects an increase in population growth (an approximate 22% increase from 2010 to 2020 and approximately 5% from 2020 to 2030). Weldon-Cooper further projects that statewide, the 65+ age cohort population will increase at a rate of approximately 38% from 2010 to 2030 and approximately 27% from 2020 to 2030. This is significant, as this age group typically uses health care services at a rate much higher than those under the age 65.

**Table 3. Population Projections for PD 2, 2010-2030**

Locality	2010	2020	% Change 2010-2020	Avg Ann % Change 2010-2020	2030	% Change 2020-2030	Avg Ann % Change 2020-2030
Buchanan	24,098	21,120	-12.36%	-1.28%	17,883	-15.33%	-1.65%
Dickenson	15,903	14,267	-10.29%	-1.05%	13,052	-8.52%	-0.89%
Russell	28,897	26,738	-7.47%	-0.75%	24,607	-7.97%	-0.83%
Tazewell	45,078	41,428	-8.10%	-0.82%	39,450	-4.77%	-0.49%
<b>Total PD 2</b>	<b>113,976</b>	<b>103,553</b>	<b>-9.14%</b>	<b>-0.93%</b>	<b>94,993</b>	<b>-8.27%</b>	<b>-0.86%</b>
<b>PD 2 65+</b>	<b>19,028</b>	<b>23,126</b>	<b>21.54%</b>	<b>1.92%</b>	<b>24,197</b>	<b>4.63%</b>	<b>0.45%</b>
Virginia	8,001,024	8,655,021	8.17%	0.77%	9,331,666	7.82%	0.76%
Virginia 65+	976,937	1,352,448	38.44%	3.22%	1,723,382	27.43%	2.45%

Source: U.S. Census, Weldon Cooper Center Projections (June 2019) and DCOPN (interpolations)

Regarding socioeconomic barriers to access to the applicant’s services, according to regional and statewide data regularly collected by VHI, for 2019, the most recent year for which such data is available, the average amount of charity care provided by HPR III facilities was 1.6% of all reported total gross patient revenues (**Table 4**). Pursuant to Section 32.1 – 102.4 of the Code of Virginia, should the State Health Commissioner (Commissioner) approve the proposed project, DCOPN recommends a charity care condition no less than the 1.6% HPR III average.

**Table 4. HPR III Charity Care Contributions: 2019**

<b>2019 Charity Care Contributions at or below 200% of Federal Poverty Level</b>			
<b>Hospital</b>	<b>Gross Patient Revenues</b>	<b>Adjusted Charity Care Contribution</b>	<b>Percent of Gross Patient Revenue:</b>
Carilion Franklin Memorial Hospital	\$151,201,325	\$6,677,672	4.42%
Dickenson Community Hospital	\$25,351,508	\$928,420	3.66%
Wellmont Lonesome Pine Mt. View Hospital	\$390,073,389	\$13,498,881	3.46%
Carilion Tazewell Community Hospital	\$62,008,894	\$2,071,457	3.34%
Carilion New River Valley Medical Center	\$738,306,843	\$20,469,127	2.77%
Carilion Medical Center	\$4,068,259,340	\$105,984,180	2.61%
Carilion Giles Memorial Hospital	\$102,107,168	\$2,603,534	2.55%
Russell County Medical Center	\$124,033,055	\$2,964,704	2.39%
Norton Community Hospital	\$319,225,076	\$6,779,613	2.12%
Smyth County Community Hospital	\$213,627,381	\$4,308,217	2.02%
Johnston Memorial Hospital	\$889,740,579	\$17,870,544	2.01%
Bedford Memorial Hospital	\$129,289,507	\$2,513,096	1.94%
Centra Health	\$2,600,865,348	\$41,780,244	1.61%
Lewis-Gale Medical Center	\$2,121,321,310	\$21,145,842	1.00%
LewisGale Hospital -- Montgomery	\$658,786,131	\$5,276,155	0.80%
LewisGale Hospital -- Pulaski	\$339,877,654	\$2,029,419	0.60%
Clinch Valley Medical Center	\$547,087,883	\$3,000,603	0.55%
LewisGale Hospital -- Alleghany	\$212,218,793	\$1,046,051	0.49%
Twin County Regional Hospital	\$257,431,228	\$1,068,667	0.42%
Buchanan General Hospital	\$101,667,920	\$403,430	0.40%
Wythe County Community Hospital	\$257,623,709	\$406,156	0.16%
Memorial Hospital of Martinsville & Henry County	\$736,050,736	\$1,113,236	0.15%
Danville Regional Medical Center	\$965,570,236	-\$15,516,656	-1.61%
Total Facilities Reporting			23
Median			1.9%
<b>Total \$ &amp; Mean %</b>	<b>\$16,011,725,013</b>	<b>\$248,422,592</b>	<b>1.6%</b>

Source: VHI (2019)

**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;**

The applicant provided four letters of support for the proposed project from members of the CVMC medical community. Collectively, these letters articulate numerous benefits of the project, such as:

- Patients in PD 2 have limited options when seeking a full complement of oncology services, and the new scanner is a vital upgrade to CVMC's radiation oncology program.
- The existing CT scanner is small bore, which limits patient positioning.
- The proposed large bore CT scanner will enhance the level of treatment available to patients.
- The addition of the new CT scanner will eliminate the transport of patient between departments (radiology and oncology).

DCOPN did not receive any letters in opposition to the proposed project.

Public Hearing

Section 32.1-102.6 B of the Code of Virginia directs DCOPN to hold one public hearing on each application in a location in the county or city in which the project is proposed or a contiguous county or city in the case of competing applications; or in response to a written request by an elected local government representative, a member of the General Assembly, the Commissioner, the applicant, or a member of the public. COPN Request No. VA-8553 is not competing with another project in this batch cycle and DCOPN did not receive a request to conduct a public hearing for the proposed project. Thus, no public hearing was held.

**(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;**

Neither DCOPN nor the applicant identified a reasonable alternative to the proposed project that would meet the needs of the population in a less costly, more efficient, or more effective manner. Currently, patients receiving radiation therapy receive CT scans on CVMC's two existing CT scanners. The applicant asserts that this arrangement presents obstacles in the delivery of oncology care, including: (1) patients must be transferred to the radiology department for treatment planning; (2) the existing CT scanners provide services for patients throughout CVMC, which results in scheduling difficulties and delays; (3) radiation therapy treatment planning procedures can be lengthy, which has a significant impact on CVMC's CT equipment availability.

Approval of the proposed project will allow CVMC to co-locate the CT simulator in the same suite as the planned replacement linear accelerator and will give patients immediate access to radiation therapy planning. Furthermore, the requested CT simulator will be exclusively dedicated to radiation therapy planning, and thus, the lengthy radiation therapy planning

procedures required will have no impact on the hospital's existing CT scanners. Furthermore, because CT simulators are the standard of practice in planning radiation therapy treatments, adding a CT simulator at CVMC will provide a better quality of care to patients than what is currently offered. Finally, the applicant explains that the existing equipment limits the amount of information available to providers, and is not designed to accommodate larger patients. In contrast, the state-of-the-art large-bore CT simulator will provide precision imaging across a wide, 80 cm field-of-view, with a compliant flat tabletop to deliver accurate patient positioning. Additionally, the large-bore will ensure that accurate treatment planning can be provided with ease to all patients, including larger patients or claustrophobic patients. For these reasons, DCOPN concludes that the proposed project is more advantageous than the status quo.

**(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 III designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 2. Therefore, this consideration is not applicable to the review of the proposed project.

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

As demonstrated by **Table 2**, the projected capital costs of the proposed project are \$1,000,307, approximately 16% of which are attributed to direct construction costs. Capital costs will be funded through the accumulated reserves of the applicant. Accordingly, there are no financing costs associated with this project. DCOPN concludes that when compared to similar radiation therapy projects, these costs are reasonable. For example, COPN No. VA-04643 issued to Chesapeake Regional, Riverside and University of Virginia Radiosurgery Center, LLC to add one CT simulator is anticipated to cost approximately \$1,536,740.

The applicant identified numerous benefits of the proposed project, including:

- Approval of this project will ensure that Clinch Valley Medical Center has the necessary and appropriate equipment and technology in place to deliver state-of-the-art care, consistent with its mission, vision, and values.
- The use of existing space and the existing vault will require limited construction resources to install the new equipment, thereby reducing overall costs.
- By locating the proposed equipment in the same suite as the linear accelerator, patients will have immediate access to therapy planning services.
- Radiation therapy treatment planning procedures can be lengthy, which has a significant impact on the availability of the Hospital's existing CT equipment. The proposed CT scanner will be dedicated exclusively to radiation therapy simulation.

- In coordination with the replacement linear accelerator, the CT simulator will expand the oncology service line to include SRS, SBRT, and respiratory gating.

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

The Pro Forma Income Statement provided by the applicant includes the provision of charity care of approximately 2% (**Table 5**). DCOPN notes that, according to VHI data from 2019, the most recent year for which such data is available, the average amount of charity care provided by HPR III facilities was 1.6% of all reported total gross patient revenues (**Table 4**). Pursuant to Section 32.1 – 102.4 of the Code of Virginia, should the Commissioner approve the proposed project, DCOPN recommends a charity care condition of no less than the 1.6% HPR III average.

**Table 5. Clinch Valley Medical Center’s Pro Forma Income Statement**

	<b>Year 1</b>	<b>Year 2</b>
Gross Patient Revenue	\$1,665,656	\$1,800,991
Contractual Adjustments	(\$1,399,151)	(\$1,512,832)
Charity Care	(\$33,313)	(\$36,020)
<b>Net Revenue</b>	\$233,192	\$252,139
<b>Total Expenses</b>	(\$102,228)	(\$157,644)
<b>Income</b>	<b>\$130,228</b>	<b>\$94,495</b>

Source: COPN Request No. VA-8553

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

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 projects.

**3. The extent to which the application is consistent with the State Health Services Plan;**

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, these regulations provide the best available criteria and DCOPN will consider the consistency of the proposed project with the predecessor of the SHSP, the State Medical Facilities Plan (SMFP).

The SMFP contains criteria/standards for computed tomography (CT) imaging services. They are as follows:

**Part II**  
**Diagnostic Imaging Services**  
**Article 1**  
**Criteria and Standards for Computed Tomography**

**12VAC5-230-90. Travel time.**

**CT services should be available 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 project does not include a diagnostic CT and will not improve access to diagnostic CT scanning services. At present, there are zero authorized CT simulators in PD 2.

**12VAC5-230-100. Need for new fixed site or mobile service.**

- A. No new fixed site or mobile CT service should be approved unless fixed site CT services in the health planning district performed an average of 7,400 procedures per existing and approved CT scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing 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 site may be disregarded in computing the average utilization of CT scanners in such health planning district.**
- B. Existing CT scanners used solely for simulation with radiation therapy treatment shall be exempt from the utilization criteria of this article when applying for a COPN. In addition, existing CT scanners used solely for simulation with radiation therapy treatment may be disregarded in computing the average utilization of CT scanners in such health planning district.**

The applicant is not seeking to establish new fixed site or mobile site for diagnostic CT services. As the CT simulator being requested will be used solely for simulation with radiation therapy treatment, this exemption from the utilization criteria is applicable to this project.

**12VAC5-230-110. Expansion of fixed site service.**

**Proposals to expand an existing medical care facility's CT service through the addition of a CT scanner should be approved when the existing services performed an average of 7,400 procedures per scanner for the relevant reporting period. The commissioner may authorize placement of a new unit at the applicant's existing medical care facility or at a separate location within the applicant's primary service area for CT services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.**

CVMC's two CT scanners had an average utilization rate of 80.97% in 2019. However, the applicant is not seeking to expand its fixed site diagnostic CT services; rather it is seeking the



addition of a fixed CT simulator to be used solely for simulation with radiation therapy treatment.

**12VAC5-230-120. Adding or expanding mobile CT services.**

- A. Proposals for mobile CT scanners shall demonstrate that, for the relevant reporting period, at least 4,800 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing CT providers in the health planning district.**
- B. Proposals to convert authorized mobile CT scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, at least 6,000 procedures were performed by the mobile CT scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.**

Not applicable to the proposed project. The applicant is not proposing to add or expand mobile CT services or to convert authorized mobile CT scanners to fixed site scanners.

**12VAC5-230-130. Staffing.**

**CT services should be under the direction or supervision of one or more qualified physicians.**

The applicant has provided assurances that its CT simulation services will be under the direction or supervision of one or more qualified physicians.

**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;**

This CT simulator will be used solely for radiation therapy treatment planning. As the CT simulator will not be used for services outside of radiation therapy treatment planning, and CVMC is the only provider of radiation therapy in PD 2, this project will not impact competition.

- 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 currently utilizes CVMC's two CT scanners for radiation therapy planning. CVMC's two CT scanners had an average utilization rate of 80.97% in 2019. As previously discussed, this arrangement presents obstacles in the delivery of oncology care, including (1) patients must be transferred to the radiology department for treatment planning; (2) the existing CT scanners provide services for patients throughout CVMC, which results in scheduling difficulties and delays; (3) radiation therapy treatment planning procedures can be lengthy, which has a significant impact on CVMC's CT equipment. Accessibility to CT scanning services within the 30-minute timeframe would not change within PD 2 as a result of the proposed

project. However, access to CT simulation services would be improved for patients at CVMC and the burden placed on the two existing scanners CT scanners located at CVMC due to lengthy radiation therapy treatment planning procedures will be reduced.

**Table 6. PD 2 CT Scanners and Utilization: 2019**

Facility	Fixed CT Scanners	Number of Procedures	Utilization Rate
Buchanan General Hospital	1	5,060	68.38%
Carilion Tazewell Community Hospital	1	3,768	50.92%
Clinch Valley Medical Center	2	11,984	80.97%
Community Radiology Of Virginia, Inc.	1	1,086	14.68%
Green Oak Behavioral Health at Dickenson County Hospital	1	1,574	21.27%
Russell County Hospital	1	3,865	52.23%
<b>Total and Average</b>	<b>7</b>	<b>27,337</b>	<b>52.77%</b>

Source: VHI (2019)

**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 already discussed, DCOPN contends that the projected costs for the proposed project are reasonable when compared to previously authorized projects similar in scope. Furthermore, the Pro Forma Income Statement provided by the applicant projects a net profit of \$130,228 in the first year of operation and of \$94,495 in the second year of operation (**Table 5**). The applicant will fund the proposed project through its accumulated reserves. Accordingly, there are no financing costs associated with this project.

The applicant does not anticipate needing to hire personnel to staff the proposed project. The applicant asserts that existing staff will provide CT simulation services and will be appropriately trained in the safety and use of the new equipment.

**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**

The proposal would introduce no new technology that would promote quality in the delivery of radiation therapy services. However, CT simulation has become the standard of practice for planning radiation therapy treatment. No cooperative efforts to meet regional health care needs were addressed by the applicant. DCOPN did not identify any other relevant factors to bring to the Commissioner’s attention.

As previously discussed, in its application submitted March 31, 2021, the applicant explained that its existing linear accelerator will be replaced and that it will submit a Registration to DCOPN for such replacement. DCOPN notes Section 32.1 – 102.1:1 of the Code of Virginia directs, that a person is required to register medical equipment purchased for the provision of radiation therapy:

Within thirty calendar days of becoming contractually obligated to acquire any medical equipment for the provision of cardiac catheterization, computed tomographic (CT) scanning, stereotactic radiosurgery, lithotripsy, magnetic resonance imaging (MRI), magnetic source imaging (MSI), open heart surgery, positron emission tomographic (PET) scanning, radiation therapy, stereotactic radiotherapy, proton beam therapy, or other specialized service designated by the Board by regulation, any person shall register such purchase with the Commissioner and the appropriate regional health planning agency.

Furthermore, Section 32.1 – 102.2 of the Code of Virginia allows the Commissioner to require the registrant to

- Provide a level of care in services or funds that matches the average percentage of indigent care provided in the appropriate health planning region and to participate in Medicaid at a reduced rate to indigents;
  - Obtain accreditation from a nationally recognized accrediting organization approved by the Board for the purpose of quality assurance, and
  - Report utilization and other data required by the Board to monitor and evaluate effects on health planning and availability of health care services in the Commonwealth.
- 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, and (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.**

CVMC provides a training location for area nursing, imaging, physical therapy, occupational therapy, pharmacy and medical students. CVMC's cancer treatment center provides these students and healthcare professionals with exposure and training opportunities in radiation therapy services. As the sole provider of these services in a 60-mile radius, the CVMC cancer treatment center provides a unique training opportunity.

#### **DCOPN Findings and Conclusions**

DCOPN finds that the proposed project to add one CT scanner to be used solely for simulation with radiation therapy treatment is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. DCOPN finds that the proposed project is more beneficial than the status quo because it will provide immediate access to radiation therapy planning, better quality of care for CVMC's patients, and large bore

access. Moreover, the addition of a CT simulator at the cancer treatment center would lessen the burden on the CT scanners in the main hospital.

Furthermore, there is no known opposition to the proposed project from other providers, health care professionals or community representatives in PD 2. Finally, DCOPN finds that the total capital and financing costs for the project of \$1,000,307 (**Table 2**) are reasonable when compared to projects that are similar in scope.

### **DCOPN Staff Recommendations**

The Division of Certificate of Public Need recommends **conditional approval** of Clinch Valley Medical Center, Inc.'s request to add one CT scanner used for simulation with radiation therapy treatment for the following reasons:

1. The proposed project is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. The proposed project is more advantageous than the status quo.
3. There is no known opposition to the project.
4. The capital costs are reasonable for the type of project.

DCOPN's recommendation is contingent upon Clinch Valley Medical Center, Inc.'s agreement to the following charity care condition:

Clinch Valley Medical Center will provide CT simulation 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 CT simulation services to medically underserved persons in an aggregate amount equal to at least 1.6% of Clinch Valley Medical Center's total patient services revenue derived from CT simulation 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. Clinch Valley Medical Center, 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.

Clinch Valley Medical Center will provide CT simulation services 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, Clinch Valley Medical Center, Inc. will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.