VIRGINIA DEPARTMENT OF HEALTH
Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis Report

July 19, 2021

COPN Request No. VA-8561
Chesapeake Bay ENT, P.C.
Portsmouth, Virginia
Establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only

COPN Request No. VA-8562
Chesapeake Bay ENT, P.C.
Virginia Beach, Virginia
Establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only

COPN Request No. VA-8564
Chesapeake Bay ENT, P.C.
Virginia Beach, Virginia
Establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only

COPN Request No. VA-8566
Chesapeake Bay ENT, P.C.
Suffolk, Virginia
Establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only

Applicant

Chesapeake Bay ENT, P.C. ("CBENT") is a for-profit Virginia corporation formed on April 12, 2001. The 100% owner of CBENT is Dr. Scott Saffold. The proposed projects would be located in the cities of Portsmouth, Virginia Beach, and Suffolk, Virginia in Health Planning Region (HPR) V, Planning District (PD) 20.

Background

CBENT is an established otolaryngology practice servicing patients in the southeastern Virginia and northeastern North Carolina area for 20 years. CBENT has seven locations located across Hampton Roads and the Eastern Shore. The practice's services include ear surgery, sinus

disease, allergy, head and neck cancer, voice disorders, swallowing disorders, facial plastic surgery, and pediatric ENT. The practice additionally has a complete audiology department providing hearing testing and hearing aid fitting and services and an allergy department that performs allergy testing and immunotherapy services. Division of Certificate of Public Need ("DCOPN") records show that, excluding CT scanners used solely for simulation with radiation therapy treatment, there are currently 43 COPN authorized fixed CT scanners (**Table 1**) in PD 20.

Table 1. PD 20 COPN Authorized Fixed CT Units

Facility	Number of Scanners
Bon Secours DePaul Medical Center	2
Bon Secours Harbour View Hospital	1
Bon Secours Health Center at Harbour View	1
Bon Secours Maryview Medical Center	2
Bon Secours Southampton Memorial Hospital	1
Chesapeake Regional Imaging - Kempsville	1
Chesapeake Regional Medical Center	4
Children's Hospital of The King's Daughters	2
Children's Hospital of The King's Daughters Health and Surgery Center at Concert Drive	1
Children's Hospital of The King's Daughters Health Center at Fort Norfolk	1
First Meridian d/b/a MRI & CT Diagnostics - Virginia Beach	1
First Meridian d/b/a MRI & CT Diagnostics -Chesapeake	1
Lakeview Medical Center	1
Riverside Diagnostic Center - Smithfield	1
Sentara Advanced Imaging Center - Belleharbour	2
Sentara Advanced Imaging Center - Greenbrier Healthplex	1
Sentara Advanced Imaging Center - Leigh	1
Sentara Advanced Imaging Center - Princess Anne	1
Sentara Advanced Imaging Center at First Colonial	1
Sentara Advanced Imaging Center-Fort Norfolk	1
Sentara Independence	1
Sentara Leigh Hospital	2
Sentara Norfolk General Hospital	5
Sentara Obici Hospital	2
Sentara Princess Anne Hospital	2
Sentara Virginia Beach General Hospital	3
Vann-Virginia Center for Othopaedics, P.C. d/b/a Atlantic Orthopaedic Specialists	1
Total	**43**

Source: DCOPN records

Proposed Projects

Overview of CBENT's projects

The projects proposed by the applicant seek to establish CT services at four of its seven locations through the addition of one fixed cone beam CT scanner. The applicant states that this type of scanner can be installed in a single day, requires no special shielding, and operates well in less than 100 square feet. Moreover, these scanners are quicker, cheaper and offer a lower dose of

radiation than conventional CT scanners. A recent DCOPN staff report[1] states that the model that the applicant plans to purchase exposes the patient to 15-18 times less radiation compared to conventional CT scans. The applicant has proffered that the cone beam CT scanners will be limited to performing scans of the sinus cavity and temporal bone.

8561 – CBENT Churchland

CBENT proposes to establish CT services at its Churchland location in Portsmouth, VA through the addition of one fixed cone beam CT scanner. The total capital and financing cost of the proposed project is $92,000 (**Table 2**). The applicant states that they anticipate that they will pay for the project with accumulated reserves. The applicant asserts that, due to the low cost of the proposed scanner and minimal upkeep, it does not anticipate that the proposed project will result in any negative impact on the costs of its services.

Table 2. Capital and Financing Costs

Equipment Not Included in Construction Contract	$70,000
Site Acquisition Costs	$12,000
Other Consultant Fees	$10,000
TOTAL Capital and Financing Costs	**$92,000**

Source: COPN Request No. VA-8561

8562 – CBENT Corporate Landing

CBENT proposes to establish CT services at its Corporate Landing location in Virginia Beach, VA through the addition of one fixed cone beam CT scanner. The total capital and financing cost of the proposed project is $88,000 (**Table 3**). The applicant states that they anticipate that they will pay for the project with accumulated reserves. The applicant asserts that, due to the low cost of the proposed scanner and minimal upkeep, it does not anticipate that the proposed project will result in any negative impact on the costs of its services.

Table 3. Capital and Financing Costs

Equipment Not Included in Construction Contract	$70,000
Site Acquisition Costs	$8,000
Other Consultant Fees	$10,000
TOTAL Capital and Financing Costs	**$88,000**

Source: COPN Request No. VA-8562

8564 – CBENT Town Center

CBENT proposes to establish CT services at its Town Center location in Virginia Beach, VA through the addition of one fixed cone beam CT scanner. The total capital and financing cost of the proposed project is $103,000 (**Table 4**). The applicant states that they anticipate that they will pay for the project with accumulated reserves. The applicant asserts that, due to the low cost of the proposed scanner and minimal upkeep, it does not anticipate that the proposed project will result in any negative impact on the costs of its services.

[1] COPN Request No. VA-8533, 8534, 8535, 8538, & 8539

Table 4. Capital and Financing Costs

Equipment Not Included in Construction Contract	$70,000
Site Acquisition Costs	$23,000
Other Consultant Fees	$10,000
TOTAL Capital and Financing Costs	**$103,000**

Source: COPN Request No. VA-8564

8566 – CBENT Suffolk

CBENT proposes to establish CT services at its Suffolk location through the addition of one fixed cone beam CT scanner. The total capital and financing cost of the proposed project is $87,500 (**Table 5**). The applicant states that they anticipate that they will pay for the project with accumulated reserves. The applicant asserts that, due to the low cost of the proposed scanner and minimal upkeep, it does not anticipate that the proposed project will result in any negative impact on the costs of its services.

Table 5. Capital and Financing Costs

Equipment Not Included in Construction Contract	$70,000
Site Acquisition Costs	$7,500
Other Consultant Fees	$10,000
TOTAL Capital and Financing Costs	**$87,500**

Source: COPN Request No. VA-8566

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the "[e]stablishment of a medical care facility described in subsection A." A medical care facility includes "[a]ny specialized center or clinic or that portion of a physician's office developed for the provision of…computed tomographic (CT) scanning…"

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;**

Benefits Common to All Applications

As the applications for the proposed projects are largely identical with slight variations when addressing specific geographic issues, DCOPN finds it appropriate to address the benefits asserted by the applicant in all applications before addressing any specific benefits to each project.

First, the applicant addresses the benefit of cone beam CT scanners compared to conventional CT scanners. As stated above, the cone beam CT scanner exposes the patient to 15-18 times less

radiation compared to conventional CT scans. Moreover, the cost of cone beam CT scanners are significantly less than conventional CT scanners. Traditionally, this lessened cost has resulted in the corresponding cost to the patient to receive a CT scan with a cone beam CT scanner being less expensive than a conventional CT scanner. Virginia Health Information ("VHI") reports[2] that the average cost of a head/brain CT scan in HPR V is $975 for hospital outpatient and $287 for physician's office. The pro forma provided by the applicant shows an average cost of $250 per scan. Finally, while not raised by the applicant, it is an important feature of this type of CT scanner that it can perform CT scans on pediatric patients without the need for sedation[3]. This benefit, while important, is of lessened value in PD 20, which holds two recently approve cone beam CT scanners that were authorized solely for the use of pediatric patients[4].

The applicant additionally highlights the cost and clinical benefits of the proposed cone beam CT scanner. The applicant states that approval of the project would allow patients to receive CT scanning services the same day, which would eliminate an additional two co-pays by removing the co-pay required to receive a CT scan at another location, and then a second co-pay to return to CBENT to review the results and plan treatment. While this is a benefit, this argument is applicable to any applicant requesting to establish CT services in a physician's office. As such, DCOPN concludes that, while beneficial, the reduction in number of co-pays is too broadly attributable to the type of request to be considered a specific benefit of the proposed project. The argument by the applicant that the reduced number of provider visits would reduce the amount of time away from work and family also applicable to any request to establish CT services in a physician's office and is therefore too broadly attributable to the type of request to be considered a specific benefit of the proposed project. While DCOPN has previously held both to be benefits of similar projects to establish cone beam CT services, in that case[5], the applicant in that project established a geographic remoteness and degree of poverty in the area that made these factors particularly compelling. In this application, CBENT does not establish the specific needs necessary to consider these factors to be of particular benefit to the proposed projects.

Finally, the applicant discusses the clinical benefits of having a cone beam CT scanner at an otolaryngologist's office. In discussing these benefits, DCOPN is not accepting any argument that could be made that cone beam CT scanners to be considered the new standard of care for otolaryngologist's offices. DCOPN is merely addressing arguments made by CBENT in their application. For patients that suffer from chronic sinusitis, the applicant states that the timing of the patient receiving a CT scan is vital to diagnosis. If a patient receives a scan before the infection is totally cleared, they risk the CT not showing the sinus cavity with the appropriate clarity to make a definitive diagnosis. If the patient waits too long after the course of antibiotics is completed, the patient risks acquiring another infection before the CT can be completed. This issue is not resolved necessarily by the availability of a cone beam CT scanner at CBENT, but rather the availability of sufficient CT resources in the area. While DCOPN finds this issue to be compelling in cases where there is insufficient CT services within the planning district, there is currently a surplus of CT services within PD 20. As such, DCOPN does not find this argument compelling, as the patients requiring CT scanning services should be able to receive a CT scan

[2] https://www.vhi.org/healthcarepricing/default.asp
[3] COPN Request No. VA-8533, 8534, 8535, 8538, & 8539
[4] COPN Nos. VA-04736 & 04737
[5] COPN No. VA-04644

during this window with one of the 27 providers in PD 20 currently offering CT services without significant difficulty.

The geographic information of each of the projects is addressed below. DCOPN is not aware of any other geographic, socioeconomic, cultural, or transportation barriers to access to care.

8561 – CBENT Churchland
The applicant states that the Churchland facility is located just off US-17 with easy access to both I-664 and I-164. The applicant additionally states that the Churchland location is available via public transportation, but does not further elaborate. A review of the websites of relevant transit providers shows that a bus stop is available within a three-minute walk of the Churchland location.

8562 – CBENT Corporate Landing
The applicant states that the Corporate Landing facility is located just off Dam Neck Road with easy access to both I-664 and I-64. The applicant additionally states that the Corporate Landing location is available via public transport, but does not further elaborate. A review of the websites of relevant transit providers shows that the closest available bus stop to the Corporate Landing location is located approximately one mile away from the Corporate Landing location.

8564 – CBENT Town Center
The applicant states that the Town Center facility is located very near the intersection of I-264 and I-64. The applicant additionally states that ample free parking is available in and around the Virginia Beach Town Center area. The applicant finally states that the Town Center location is located within walking distance of public transportation, but does not further elaborate. A review of the websites of relevant transit providers shows that a bus stop is available within a five-minute walk of the Town Center location.

8566 – CBENT Suffolk
The applicant states that the Suffolk facility is located just outside of downtown Suffolk near the intersection of US-13 and US-58. The applicant does not address the facility's access to public transportation. A review of the websites of relevant transit providers shows that a bus stop is available approximately half a mile from the Suffolk location.

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;

Written Support for the CBENT Projects
DCOPN received no letters of support regarding the proposed projects.

Letter of Opposition
DCOPN received one letter of opposition submitted by Bon Secours Mercy Health. In opposing these projects, Bon Secours Mercy Health states the proliferation of limited-use

fixed CT scanners would dilute the ability of current and new providers to provide comprehensive CT services by creating a surplus of CT scanners and lowering the average utilization in the planning district. DCOPN concurs with Bon Secours Mercy Health that this issue is a concern, and discusses it in detail throughout this report.

DCOPN received a response from CBENT regarding Bon Secours Mercy Health's letter of opposition. In their response, CBENT first states that Bon Secours Mercy Health does not dispute the benefits asserted in CBENT's applications. The applicant next states that it is based on these benefits that cone beam CT scanners have been approved in several other locations throughout the state, often times despite the planning district being below the utilization threshold mandated by the SMFP to establish a new service. On both of these points, DCOPN concurs. However, the applicant then argues that, because the approval of a cone beam CT scanner has not traditionally been required to adhere to the SMFP threshold to establish a new service, that the approval of these services will not affect DCOPN approving the establishment of new providers of general purpose CT scanner services in the future. DCOPN disagrees with this point. While cone beam CT scanners may be approved, under a very limited and specific analysis, they are still treated as general purpose CT scanners under COPN, and their utilization is reported as such for the purposes of VHI's data collection. DCOPN therefore strongly disagrees with the applicant's assertion that the introduction of a large group of heavily underutilized CT scanners proposed in these applications would not be likely to create a bar against the entry of new general CT providers in PD 20.

Public Hearing

A public hearing was required due to there being four competing applications in the review (Va Code § 32.1-102.6). DCOPN conducted the required public hearing by telephone on June 14, 2021. A total of four individuals called in to the public hearing. Due to the similarities between the projects, all projects were presented as one by Dr. Saffold. No members of the public opted to provide additional comment in support or opposition of the proposed projects.

(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;

Approval of one or more of the proposed projects would offer several advantages over the alternative of the status quo. As discussed above, addition of the cone beam CT scanner proposed in each project would expose patients to significantly less radiation than a conventional CT scanner. Moreover, the proposed projects would offer quality scanning at a reduced cost compared to conventional CT scanners. Finally, as discussed above, the cone beam CT scanner proposed by the applicant would allow CBENT to perform CT scans on pediatric patients without the use of sedation.

Approval of some, but not all, of the proposed projects is a reasonable alternative to approval of all proposed projects. Following review of CBENT's applications, DCOPN reached out to the applicant to request clarification regarding the alternative of authorizing some, but not all, of the proposed cone beam CT scanners. The applicant responded that approval of some but

not all of the cone beam CT scanners would result in longer commutes to locations with cone beam CT scanners for patients at other locations. The outcome of this analysis can be reduced to a matter of any location not being approved would result in increased travel time for patients traveling to another location to receive a CT scan. As an example, the applicant analyzes the approval of the two bookend locations, Corporate Landing (COPN Request No. VA-8562) and Suffolk (COPN Request No. VA-8566). In examining this analysis, DCOPN notes that the Churchland location (COPN Request No. VA-8561) is located approximately 17 miles from the Suffolk location and the Town Center location (COPN Request No. VA-8564) is located approximately 10 miles from the Corporate Landing location. Moreover, the Churchland location (COPN Request No. VA-8561) is located approximately 3.5 miles from Bon Secours Maryview Medical Center and the Town Center location (COPN Request No. VA-8564) is located approximately 2.5 miles from MRI & CT Diagnostics' Clearfield location. Each existing provider has ample capacity to cover the projected utilization of the project location proximate to them. While travel time is a factor weighed by DCOPN, neither of these additional distances are unduly burdensome, particularly when weighed against the significant damage to planning district utilization, and its bar to the establishment of new CT providers within the planning district. As such, DCOPN concludes that approval of some, but not all of the proposed projects, is preferable to the alternative of approval of all of the proposed projects.

(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 20. Therefore, this consideration is not applicable to the review of the proposed project.

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

Benefits of the Proposed Projects

The proposed projects to add one cone beam CT scanner would offer several benefits. First, it would provide high quality scanning at a reduced rate compared of conventional CT scanners. Moreover, the cone beam CT exposes patients to 15-18 times less radiation than conventional CT scanners. Finally, the cone beam CT scanner can perform CT scans on pediatric patients without the need for sedation.

8561 – CBENT Churchland

As discussed above, the total capital and financing cost of the proposed project is $92,000 (**Table 2**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and generally consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. Some of the difference in cost between the proposed project and the Children's Hospital of the King's Daughters' project is

the result of a difference of $3,955 in lease expense through the entire term of the initial lease line. The remaining disparity is a result of the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project.

8562 – CBENT Corporate Landing

As discussed above, the total capital and financing cost of the proposed project is $88,000 (**Table 3**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. The sole difference in cost stems from the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project.

8564 – CBENT Town Center

As discussed above, the total capital and financing cost of the proposed project is $103,000 (**Table 4**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and somewhat consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. Some of the difference in cost between the proposed project and the Children's Hospital of the King's Daughters' project is the result of a difference of $14,955 in lease expense through the entire term of the initial lease line. The remaining disparity is a result of the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project.

8566 – CBENT Suffolk

As discussed above, the total capital and financing cost of the proposed project is $87,500 (**Table 5**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. The sole disparity is a result of the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project.

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

The applicant states that CBENT serves all patients regardless of their ability to pay. The applicant additionally states that CBENT serves a large number of Medicare patients. In

support of this assertion, the applicant states that Medicare made up 28% of the applicant's customer payor index in 2019. According to regional and statewide data regularly collected by VHI, for 2019, the average amount of charity care provided by the facilities in HPR V that reported such charity care for that year was 3.5% of all reported total gross patient revenues (**Table 6**). As the applicant has not previously been assigned a charity care condition by DCOPN, VHI does not have any data on the charity care provided by the applicant. However, the applicant projects in their application providing charity care of 5% of all reported total gross patient revenues related to each proposed cone beam CT scanner. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed projects receive approval, CBENT 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 6. HPR V 2018 Charity Care Contributions

Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	Percent of Gross Patient Revenue:
Riverside Doctors' Hospital Williamsburg	$154,484,401	$8,984,653	5.82%
Riverside Tappahannock Hospital	$178,917,096	$10,301,634	5.76%
Riverside Shore Memorial Hospital	$260,969,719	$14,708,470	5.64%
Sentara Careplex Hospital	$957,419,827	$49,854,327	5.21%
Bon Secours DePaul Medical Center	$646,905,565	$33,341,271	5.15%
Riverside Walter Reed Hospital	$256,987,962	$11,824,515	4.60%
Bon Secours Maryview Medical Center	$1,271,861,494	$53,695,556	4.22%
Sentara Obici Hospital	$921,265,904	$37,299,918	4.05%
Sentara Virginia Beach General Hospital	$1,263,503,075	$49,259,329	3.90%
Riverside Regional Medical Center	$2,076,281,863	$72,651,353	3.50%
Sentara Norfolk General Hospital	$3,715,953,612	$128,674,022	3.46%
Sentara Leigh Hospital	$1,318,114,262	$39,689,346	3.01%
Sentara Williamsburg Regional Medical Center	$705,249,390	$21,107,537	2.99%
Sentara Princess Anne Hospital	$1,092,371,655	$31,716,570	2.90%
Bon Secours Mary Immaculate Hospital	$656,379,835	$18,964,605	2.89%
Chesapeake Regional Medical Center	$963,632,536	$26,148,298	2.71%
Hampton Roads Specialty Hospital	$31,270,985	$613,073	1.96%
Bon Secours Southampton Memorial Hospital	$247,313,417	$3,200,565	1.29%
Bon Secours Rappahannock General Hospital	$82,964,493	$1,067,845	1.29%
Children's Hospital of the King's Daughters	$1,116,322,433	$7,869,958	0.70%
Lake Taylor Transitional Care Hospital	$43,115,803	$0	0.00%
Hospital For Extended Recovery	$26,389,988	$0	0.00%
Total $ & Mean %	**$17,987,675,315**	**$620,972,845**	**3.5%**

Source: VHI

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

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, DCOPN will consider the consistency of the proposed project with the predecessor of the SHSP, the State Medical Facilities Plan (SMFP).

Narrowly Tailored CT Scanners
The Commissioner, in approving COPN No. VA-04595, adopted the Adjudication Officer's recommendation that the SMFP threshold should not be an obstacle to narrowly tailored CT scanners that offer technological innovation and substantial benefit to patients with little potential of systemic effect. The Commissioner subsequently adopted this position again when approving COPN Nos. VA-04644, 04736, and 04737. In all cases, the CT scanner that was approved was a Morita 3D Accuitomo 170, a cone beam CT scanner. All four projects propose to add a Morita 3D Accuitomo 170 as well.

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

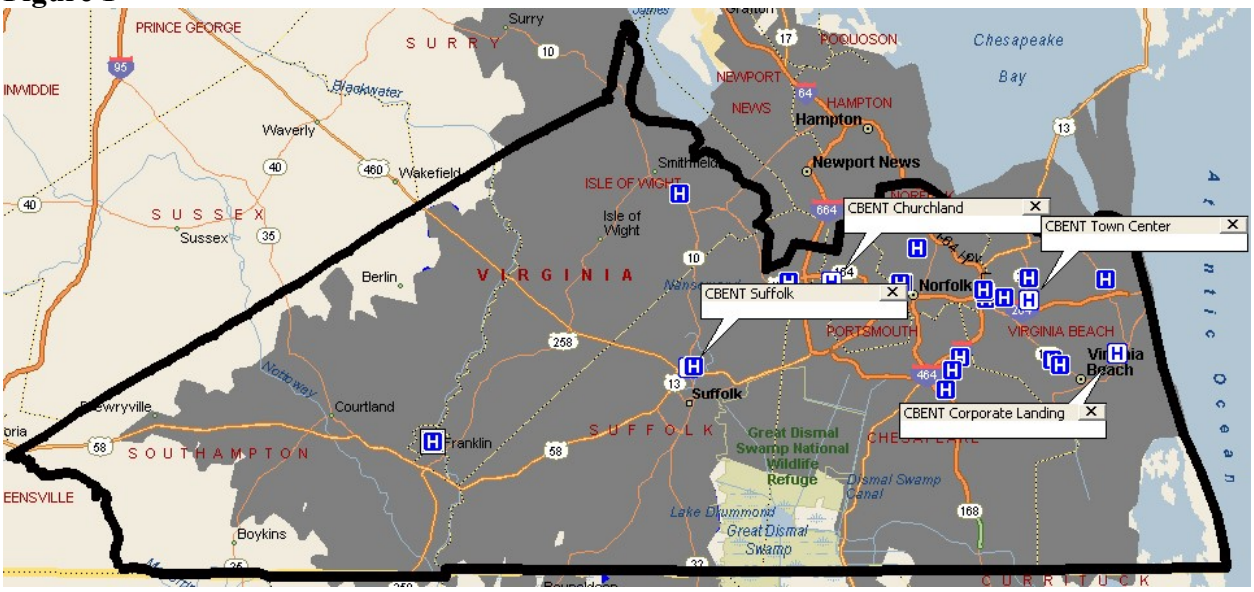
The SMFP contains criteria/standards for the establishment or expansion of CT services. They are as follows:

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.

Currently, excluding CT scanners used solely for simulation with radiation therapy treatment, there are 43 COPN authorized CT scanners in PD 20. The heavy black line in Figure 1 is the boundary of PD 20. The blue H icons indicate facilities that currently offer fixed CT services. The white H icons indicate the locations of the facilities proposed by COPN Request Nos. VA-8561, 8562, 8564, and 8566. The grey shading illustrates the area that is within a thirty-minute drive under normal driving conditions of all CT service providers in PD 20. Any shading associated with the new locations was covered by the shading associated with existing CT service providers. As such, DCOPN concludes that the proposed project would not increase access to patients not currently within a thirty-minute drive under normal driving conditions of CT services. However, as Figure 1 clearly illustrates, CT services are already well within a 30 minute drive under normal conditions of 95% of the residents of the planning district.

Figure 1



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.

Calculated Needed Fixed CT Scanners in PD 20
COPN authorized CT scanners = 43

Calculated Needed CT scanners =
301,731 scans in the PD / 7,400 scans / scanner = 40.8 (41) scanners needed

PD 20 Calculated Need = 41 CT scanners

PD 20 Calculated Surplus = 2 CT scanners

Table 7. PD 20 COPN Authorized Fixed CT Units: 2019

Facility	Number of Scanners	Number of Scans	Utilization Rate
Bon Secours DePaul Medical Center	2	13,377	90.4%
Bon Secours Maryview Medical Center	4	25,425	85.9%
Chesapeake Regional Imaging - Kempsville	1	1,666	22.5%
Chesapeake Regional Medical Center	4	32,035	108.2%
Children's Hospital of The King's Daughters	1	4,436	59.9%
First Meridian d/b/a MRI & CT Diagnostics - Virginia Beach	1	4,497	60.8%
First Meridian d/b/a MRI & CT Diagnostics -Chesapeake	1	3,529	47.7%
Riverside Diagnostic Center - Smithfield	1	582	7.9%
Sentara Advanced Imaging Center - Belleharbour	1	9,058	122.4%
Sentara Advanced Imaging Center - Greenbrier Healthplex	1	3,368	45.5%
Sentara Advanced Imaging Center - Leigh	1	5,041	68.1%
Sentara Advanced Imaging Center - Princess Anne	1	4,121	55.7%
Sentara Advanced Imaging Center at First Colonial	1	4,902	66.2%
Sentara Advanced Imaging Center-Fort Norfolk	1	1,756	23.7%
Sentara Independence	1	8,964	121.1%
Sentara Leigh Hospital	2	35,320	238.6%
Sentara Norfolk General Hospital	5	51,507	139.2%
Sentara Obici Hospital	2	24,813	167.7%
Sentara Princess Anne Hospital	2	30,599	206.8%
Sentara Virginia Beach General Hospital	3	31,912	143.7%
Southampton Memorial Hospital	1	4,823	65.2%
2019 Total and Average	**37**	**301,731**	**110.2%**

Source: VHI & DCOPN interpolations

Fixed CT Utilization in PD 20

As noted in **Table 7** above, the utilization of existing CT scanners in the planning district was 110.2% of the 7,400 procedures per scanner necessary to introduce CT scanning services to a new location under this section of the SMFP. Despite this high utilization, DCOPN calculates a surplus of 2 fixed CT scanners in PD 20.

Application of the Commissioner's Decisions Regarding Narrowly Tailored CT Scanners

As discussed above, in past decisions regarding cone beam CT scanners, the Commissioner has determined that the SMFP threshold should not be an obstacle to narrowly tailored CT scanners that offer technological innovation and substantial benefit to patients with little potential of systemic effect. The applicant relies heavily on these decisions in arguing that all four proposed projects should be approved. DCOPN does not dispute the applicant's claims that the proposed cone beam CTs offer technological innovation by introducing cone beam CT services to non-pediatric patients in PD 20 nor does it dispute that the proposed cone beam CT scanners are narrowly tailored. DCOPN does, however, dispute the applicant's assertions that approval of all projects would not have a substantial systemic effect.

In all past decisions cited in this report, the cone beam CT scanners authorized by the Commissioner would represent the first of their type to be approved within their planning district. This greatly differs from the current projects, which seek to increase the number of cone beam CT scanners in the planning district from two to six. As discussed above, DCOPN is sympathetic to the applicant's arguments by the applicant that the two previously approved cone

beam CT scanners differ from the previously approved cone beam CT scanners, whose use is limited to solely pediatric patients. However, when approval of all four projects would lead cone beam CT scanners to accounting for 12.8% of the total CT scanners in the planning district, it is undeniable that the cone beam CT technology no longer would fit into the narrowly tailored window identified by the Commissioner in past decisions.

As discussed above, while cone beam CT scanners may be approved, under a very limited and specific exception carved out by the Commissioner when several key circumstances are met, they are still treated as general purpose CT scanners under COPN law and their utilization is reported as such for the purposes of VHI's data collection. As such, each low utilization cone beam CT scanner effects the overall utilization of the planning district and significantly increases the difficulty for new providers of CT services to meet successfully the criteria required under this section of the SMFP. **Table 8** below lists the highest utilization of each of the proposed projects provided by CBENT in their applications. To better illustrate the effect that approval of all of the proposed projects would have on the utilization of the average of procedures per existing and approved CT scanner, DCOPN has provided a comparison in **Table 9** below by adding the projected maximum utilization of the proposed scanners to the 2019 utilization listed in **Table 7** above. This projection does not completely illustrate the effect of approval of all proposed projects as it potentially double counts any CT scans that would have been performed by existing providers. As shown below, using this projection, the proposed projects would reduce utilization in the planning district by 17.1%. This drastic decrease in the planning district's utilization is highly likely to act as a bar against any future applications from establishing CT services in the planning district for the foreseeable future. As such, DCOPN concludes that approval of all proposed projects has a significant potential of systemic effect and thus falls outside of the narrowly tailored window identified by the Commissioner.

Table 8. Projected Utilization

Facility	Number of Scanners	Number of Scans	Utilization Rate
CBENT Churchland	1	125	1.7%
CBENT Corporate Landing	1	500	6.8%
CBENT Town Center	1	300	4.1%
CBENT Suffolk	1	500	6.8%
Average Projected Utilization	**4**	**1,425**	**4.8%**

Source: COPN Request Nos. VA-8561, 8562, 8564, & 8566 & DCOPN interpolations

Table 10. PD 20 COPN Authorized Fixed CT Units with Applicant Projections: 2019

Facility	Number of Scanners	Number of Scans	Utilization Rate
Bon Secours DePaul Medical Center	2	13,377	90.4%
Bon Secours Maryview Medical Center	4	25,425	85.9%
CBENT Churchland	1	125	1.7%
CBENT Corporate Landing	1	500	6.8%
CBENT Town Center	1	300	4.1%
CBENT Suffolk	1	500	6.8%
Chesapeake Regional Imaging - Kempsville	1	1,666	22.5%
Chesapeake Regional Medical Center	4	32,035	108.2%
Children's Hospital of The King's Daughters	1	4,436	59.9%
First Meridian d/b/a MRI & CT Diagnostics - Virginia Beach	1	4,497	60.8%
First Meridian d/b/a MRI & CT Diagnostics -Chesapeake	1	3,529	47.7%
Riverside Diagnostic Center - Smithfield	1	582	7.9%
Sentara Advanced Imaging Center - Belleharbour	1	9,058	122.4%
Sentara Advanced Imaging Center - Greenbrier Healthplex	1	3,368	45.5%
Sentara Advanced Imaging Center - Leigh	1	5,041	68.1%
Sentara Advanced Imaging Center - Princess Anne	1	4,121	55.7%
Sentara Advanced Imaging Center at First Colonial	1	4,902	66.2%
Sentara Advanced Imaging Center-Fort Norfolk	1	1,756	23.7%
Sentara Independence	1	8,964	121.1%
Sentara Leigh Hospital	2	35,320	238.6%
Sentara Norfolk General Hospital	5	51,507	139.2%
Sentara Obici Hospital	2	24,813	167.7%
Sentara Princess Anne Hospital	2	30,599	206.8%
Sentara Virginia Beach General Hospital	3	31,912	143.7%
Southampton Memorial Hospital	1	4,823	65.2%
2019 Total and Average	**44**	**303,156**	**93.1%**

Source: VHI & DCOPN interpolations

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.

DCOPN has excluded existing CT scanners used solely for simulation prior to the initiation of radiation therapy from its inventory and average utilization of diagnostic CT scanners in PD 20 with respect to the proposed projects.

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.

Not applicable. None of the proposed projects seek to expand fixed site CT services.

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. None of the proposed projects seek 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 confirmed that cone beam CT services at each location would be under the direct 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;

While the introduction of a new provider into the area, by its nature, fosters some degree of institutional competition, the institutional competition fostered by the proposed projects would likely be de minimis because of the highly limited scope of the proposed cone beam CT scanners.

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;

As discussed above, the combination of the specialized nature of the proposed cone beam CT coupled and the low expected utilization makes the proposed projects, on their own, each highly unlikely to affect materially the utilization of the existing CT provider in PD 20. In tandem, DCOPN finds that the low utilization of each of the proposed projects would effectively act as a significant bar to the establishment of new providers of CT services.

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;

8561 – CBENT Churchland

As discussed above, the total capital and financing cost of the proposed project is $92,000 (**Table 2**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and generally consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. Some of the difference in cost between the proposed project and the Children's Hospital of the King's Daughters' project is the result of a difference of $3,955 in lease expense through the entire term of the initial lease line. The remaining disparity is a result of the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project. As such, DCOPN concludes that the proposed project is feasible with regard to financial costs.

With regard to staffing, the applicant asserts that the proposed project will not require any additional staffing resources and will not affect staffing at other facilities. DCOPN concludes that the proposed project is feasible with regards to staffing.

8562 – CBENT Corporate Landing

As discussed above, the total capital and financing cost of the proposed project is $88,000 (**Table 3**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. The sole difference in cost stems from the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project. As such, DCOPN concludes that the proposed project is feasible with regard to financial costs.

With regard to staffing, the applicant asserts that the proposed project will not require any additional staffing resources and will not affect staffing at other facilities. DCOPN concludes that the proposed project is feasible with regards to staffing.

8564 – CBENT Town Center

As discussed above, the total capital and financing cost of the proposed project is $103,000 (**Table 4**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and somewhat consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. Some of the difference in cost between the proposed project and the Children's Hospital of the King's Daughters' project is the result of a difference of $14,955 in lease expense through the entire term of the initial lease line. The remaining disparity is a result of the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project. As such, DCOPN concludes that the proposed project is feasible with regard to financial costs.

With regard to staffing, the applicant asserts that the proposed project will not require any additional staffing resources and will not affect staffing at other facilities. DCOPN concludes that the proposed project is feasible with regards to staffing.

8566 – CBENT Suffolk

As discussed above, the total capital and financing cost of the proposed project is $87,500 (**Table 5**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. The sole disparity is a result of the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project. As such, DCOPN concludes that the proposed project is feasible with regard to financial costs.

With regard to staffing, the applicant asserts that the proposed project will not require any additional staffing resources and will not affect staffing at other facilities. DCOPN concludes that the proposed project is feasible with regards to staffing.

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 above, DCOPN agrees with the applicant's assertion that approval of at least one of the proposed projects would introduce new technology that would offer a lower cost alternative to members of the planning district seeking ENT-based CT scanning services. While two cone beam CT scanners were previously authorized within the planning district, these cone beam CT scanners were limited to solely pediatric patients. As such, approve of at least one of the projects the proposed projects would introduce new technology to non-pediatric ENT patients of in PD 20 that would promote cost effectiveness in the delivery of CT services for ENT patients. Moreover, as the applicant is the proposed projects seek to establish new outpatient imaging locations, the proposed projects would offer improvements in the delivery of ENT CT scanning services on an outpatient basis.

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.

Not applicable. CBENT is not affiliated with 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

As discussed extensively throughout this report, the SMFP threshold should not be an obstacle to narrowly tailored CT scanners that offer technological innovation and substantial benefit to patients with little potential of systemic effect. Through careful analysis of the projections provided by the applicant, as well as the current state of CT imaging in PD 20, DCOPN determined that approval of all projects would have a significant systemic effect and, as such, would not be applicable to past decisions. However, DCOPN additionally determined that approval of one or some of the proposed projects would be consistent with the Commissioner's past decisions. Given the incredible similarity between the proposed projects, DCOPN determined that approval of the proposed projects must hinge on the differences between these projects. These factors are projected utilization, cost, and geographic location.

Regarding utilization, the applicant's predictions are detailed in **Table 8** above. Of these location, two, Corporate Landing (COPN Request No. VA-8562) and Suffolk (COPN Request No. VA-8566) predict a much higher utilization than the other two. Additionally, these two locations are the two lowest cost of the proposed locations and are consistent with the recently

approved COPN VA-04737. Finally, as noted by the applicant, these locations bookend the other two locations. While DCOPN is sympathetic to the argument that approval of only some of the proposed projects would result in additional travel by patients of the locations without a cone beam CT scanner, approval of additional CT scanners beyond these two would clearly exceed the Commissioner's prohibition that the cone beam CT scanners must have "…little potential of systemic effect." Moreover, while the applicant argues that the travel from the other locations, Churchland (COPN Request No. VA-8561) and Town Center (COPN Request No. VA-8564), would present an undue hardship to patients at those locations, DCOPN determined that these location are not unduly far from either the Corporate Landing or Suffolk locations. Finally, DCOPN determined that there were existing providers proximate to the proposed Churchland and Town Center locations offering conventional CT services with ample capacity to cover the projected utilization of the locations proximate to them.

As such, DCOPN concludes that, under the Commissioner's narrowly tailored decisions on limited use CT scanners, COPN Request Nos. VA-8562 & 8566 are generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia and that COPN Request Nos. VA-8561 & 8564 are not consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia.

8561 – CBENT Churchland

As discussed above, DCOPN finds that the proposed project to establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only at CBENT's Churchland location is not consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia.

Moreover, DCOPN finds that approval of other CBENT projects, and the denial of this project, is more advantageous than the approval of all CBENT projects. As discussed above, approval of all CBENT projects is highly likely to have a systemic effect on the overall utilization of CT scanners in PD 20 that would act as a bar against any future applications from establishing CT services. Moreover, other projects proposed by CBENT would effectuate the majority of the benefits of this project in a more efficient and cost effective manner without unduly dragging down the utilization of the planning district.

As discussed above, the total capital and financing cost of the proposed project is $92,000 (**Table 4**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and generally consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. However, as discussed above, other projects proposed by CBENT would effectuate the majority of the benefits of this project in a more efficient and cost effective manner.

8562 – CBENT Corporate Landing

As discussed above, DCOPN finds that the proposed project to establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only at CBENT's Corporate Landing location is consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia.

Moreover, the proposed project offers several advantages over the alternative of the status quo. Cone beam CT scanners expose patients to significantly less radiation than a conventional CT scanner. Moreover, the proposed project would offer quality scanning at a reduced cost compared to conventional CT scanners. Additionally, the cone beam CT scanner would allow CBENT to perform CT scans on pediatric patients without the use of sedation. Finally, approval of some, but not all, of the proposed projects would introduce cone beam CT scanners to non-pediatric patients in PD 20 while preventing the proliferation of low utilization cone beam CT scanners from becoming a permanent bar against any future applications from establishing CT services.

Finally, DCOPN finds that the total capital costs of the proposed project are $88,000 (**Table 3**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. The sole difference in cost stems from the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project.

8564 – CBENT Town Center

As discussed above, DCOPN finds that the proposed project to establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only at CBENT is not consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia.

Moreover, DCOPN finds that approval of other CBENT projects and the denial of this project is more advantageous than the approval of all CBENT projects. As discussed above, approval of all CBENT projects is highly likely to have a systemic effect on the overall utilization of CT scanners in PD 20 that would act as a bar against any future applications from establishing CT services. Moreover, other projects proposed by CBENT would effectuate the majority of the benefits of this project in a more efficient and cost effective manner without unduly dragging down the utilization of the planning district.

As discussed above, the total capital and financing cost of the proposed project is $103,000 (**Table 4**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and somewhat consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. However, as discussed above, other projects

proposed by CBENT would effectuate the majority of the benefits of this project in a more efficient and cost effective manner.

8566 – CBENT Suffolk
As discussed above, DCOPN finds that the proposed project to establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only at CBENT's Suffolk location is consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia.

Moreover, the proposed project offers several advantages over the alternative of the status quo. Cone beam CT scanners expose patients to significantly less radiation than a conventional CT scanner. Moreover, the proposed project would offer quality scanning at a reduced cost compared to conventional CT scanners. Additionally, the cone beam CT scanner would allow CBENT to perform CT scans on pediatric patients without the use of sedation. Finally, approval of some, but not all, of the proposed projects would introduce cone beam CT scanners to non-pediatric patients in PD 20 while preventing the proliferation of low utilization cone beam CT scanners from becoming a permanent bar against any future applications from establishing CT services.

Finally, DCOPN finds that the total capital costs of the proposed project are $87,500 (**Table 5**), which the applicant anticipates will be paid for with accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one cone beam CT scanner. For example, COPN VA-04737 issued to Children's Hospital of the King's Daughters, Inc. to introduce CT services through the addition of one cone beam CT scanner, which cost approximately $78,045. Both projects budgeted $70,000 towards the cone beam CT scanner. The sole disparity is a result of the inclusion of $10,000 in "consulting and legal fees through the public hearing," which relates to the submission of the project to DCOPN rather than the actual costs of the proposed project.

Staff Recommendation

8561 – CBENT Churchland
The Division of Certificate of Public Need recommends **denial** of the applicant's COPN request to establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only for the following reasons:

1. The proposed project, when analyzed in conjunction with the other projects proposed by the applicant in this cycle, 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. The project, in conjunction with Chesapeake Bay ENT's other proposed projects, is highly likely to have a long term adverse effect on the ability of new providers to establish general CT services.

3. Approval of other Chesapeake Bay ENT projects and the denial of this project is more advantageous than the approval of all Chesapeake Bay ENT projects.

4. While the capital costs are reasonable and generally consistent with the projects of this type, other Chesapeake Bay ENT can effectuate most of the benefits of the proposed project at a lesser cost.

8562 – CBENT Corporate Landing

The Division of Certificate of Public Need recommends **conditional approval** of the applicant's COPN request to establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only for the following reasons:

1. The proposed project, when analyzed in conjunction with the other projects proposed by the applicant in this cycle, 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. The proposed cone beam CT scanner, when analyzed in conjunction with the other projects proposed by the applicant in this cycle, is a narrowly tailored CT scanner that offers technological innovation and substantial benefit to patients with little potential of systemic effect.

3. Approval of this project and the denial of other Chesapeake Bay ENT projects is more advantageous than the alternative of the status quo.

4. The capital costs are reasonable and consistent with other projects of this type.

Recommended Condition

Chesapeake Bay ENT, P.C. will provide CT 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 3.5% of Chesapeake Bay ENT, P.C.'s total patient services revenue derived from CT services provided at their Corporate Landing facility 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. Chesapeake Bay ENT, P.C. 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.

Chesapeake Bay ENT, P.C. will provide 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 Chesapeake Bay ENT, P.C. will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.

8564 – CBENT Town Center

The Division of Certificate of Public Need recommends **denial** of the applicant's COPN request to establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only for the following reasons:

1. The proposed project, when analyzed in conjunction with the other projects proposed by the applicant in this cycle, 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. The project, in conjunction with Chesapeake Bay ENT's other proposed projects, is highly likely to have a long term adverse effect on the ability of new providers to establish general CT services.

3. Approval of other Chesapeake Bay ENT projects and the denial of this project is more advantageous than the approval of all Chesapeake Bay ENT projects.

5. While the capital costs are reasonable and somewhat consistent with the projects of this type, other Chesapeake Bay ENT can effectuate most of the benefits of the proposed project at a lesser cost.

8566 – CBENT Suffolk

The Division of Certificate of Public Need recommends **conditional approval** of the applicant's COPN request to establish a specialized center for CT imaging with one cone beam CT scanner limited to performing scans of the sinus cavity and temporal bone only for the following reasons:

1. The proposed project, when analyzed in conjunction with the other projects proposed by the applicant in this cycle, 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. The proposed cone beam CT scanner, when analyzed in conjunction with the other projects proposed by the applicant in this cycle, is a narrowly tailored CT scanner that offers technological innovation and substantial benefit to patients with little potential of systemic effect.

3. Approval of this project and the denial of other Chesapeake Bay ENT projects is more advantageous than the alternative of the status quo.

4. The capital costs are reasonable and consistent with other projects of this type.

Chesapeake Bay ENT, P.C. will provide CT 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 3.5% of Chesapeake Bay ENT, P.C.'s total patient services revenue derived from CT services provided at their Suffolk facility 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. Chesapeake Bay ENT, P.C. 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.

Chesapeake Bay ENT, P.C. will provide 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 Chesapeake Bay ENT, P.C. will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.