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-8563
Chesapeake Bay ENT, P.C.
Belle Haven, 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 project would be located in the town of Belle Haven, Virginia in Health Planning Region (HPR) V, Planning District (PD) 22.

Background

CBENT is an established otolaryngology practice servicing patients in the southeastern Virginia and northeastern North Carolina areas 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 testing 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 is currently one COPN authorized fixed CT scanner (**Table 1**) in PD 22.

Table 1. PD 22 COPN Authorized Fixed CT Units

Facility	Number of Scanners
Riverside Shore Memorial Hospital	1
Total	**1**

Source: DCOPN records

Proposed Projects

CBENT proposes to establish CT services at its Belle Haven location through the addition of one fixed cone beam CT scanner. The applicant states that the scanner can be installed in a single day, requires no special shielding, and operates well in less than 100 square feet. Moreover, the scanner is quicker, cheaper and offers 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 scanner will be limited to performing scans of the sinus cavity and temporal bone. The total capital and financing cost of the proposed project is $90,000 (**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	$10,000
Other Consultant Fees	$10,000
TOTAL Capital and Financing Costs	**$90,000**

Source: COPN Request No. VA-8563

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;**

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

The applicant proposes 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. The applicant states, and DCOPN agrees, that there is not currently a cone beam CT scanner available to the patients of PD 22. The cone beam CT scanner offers several benefits over a traditional CT scanner. 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].

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[4], 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 sufficiently 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. As discussed below, there is currently a need for CT services in PD 22, which the proposed project would alleviate in some

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

small part by assisting in the scheduling of CT scans for ENT patients. DCOPN notes that, while this is a benefit for the proposed project, it would not find this argument compelling in instances where sufficient CT services exist within the planning district as this argument boils down to the ability for a patient to schedule a CT scan during the necessary window. The remaining arguments made by the applicant boil down to the benefit of being able to scan a patient whenever the physician deems it necessary. While DCOPN acknowledges these benefits, it again notes that the broad applicability of these benefits to any request to place a CT scanner in a physician's office results in being unable to attribute it as a benefit to this specific project.

Geographically, the Belle Haven facility is centrally located in PD 22 just off of US-13. The applicant does not discuss the availability of parking or public transportation in relation to the Bell Haven location. While not discussed by the applicant, DCOPN notes that, unlike other planning districts, residents of PD 22 are unable to travel easily to adjacent planning districts to receive care. Moreover, travel between PD 22 and PD 20 is complicated by the cost of tolls on US-13. Finally, travel between PD 22 and PD 20 is complicated further by the sole bridge between the two planning districts being closed during high wind events.

DCOPN is not aware of any other geographic, socioeconomic, cultural, or transportation barriers to access to care.

2. The extent to which the proposed project will meet the needs of people in the area to be served, as demonstrated by each of the following:

(i) the level of community support for the proposed project demonstrated by people, businesses, and governmental leaders representing the area to be served;

DCOPN received no letters of support or opposition regarding the proposed project.

Public Hearing
DCOPN provided notice to the public regarding this project on September 10, 2020. The public comment period closed on June 24, 2021. Section 32.1-102.6 of the Virginia Code mandates that "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, [DCOPN shall] hold one hearing on each application in a location in the county or city in which the project is proposed or a contiguous county or city." The proposed project is not competing, and no public hearing was requested by the applicant, the Commissioner, an interested party, or member of the public. As such, 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;

The status quo is not a viable alternative to the proposed project. As discussed below, there is a calculated deficit of CT scanners in the planning district and the sole provider of CT services in PD 22 is operating well above the SMFP threshold. Moreover, the proposed

project is more advantageous than the alternative of the status quo. As discussed above, the proposed scanner would 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. Finally, as discussed above, the cone beam CT scanner would allow the applicant to perform CT scans on pediatric patients without the use of sedation.

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

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

As discussed above, the total capital and financing cost of the proposed project is $90,000 (**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 $1,955 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. The proposed project 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.

(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 3**). As the applicant has not previously been assigned 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 the proposed cone beam CT scanner. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project 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 3. 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, which is the same scanner proposed by the applicant.

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

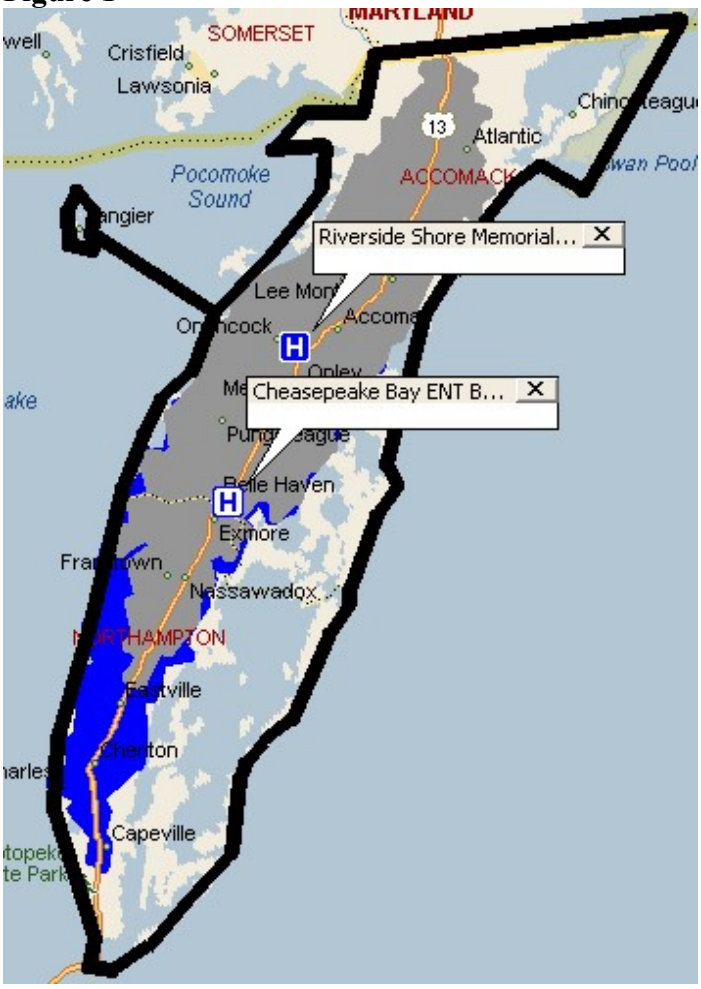
The SMFP contains criteria/standards for the establishment or expansion of CT services. They are as follows:

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, there is one COPN authorized CT scanner in PD 22. The heavy black line in Figure 1 is the boundary of PD 22. The blue H icon indicate the facility that currently offers fixed CT services. The white H icon indicates the location of the facilities where the proposed cone beam CT scanner would be located. The grey shading illustrates the area that is within a thirty-minute drive under normal driving conditions of the existing CT service provider in PD 22. The blue shading illustrates the area that is within a thirty-minute drive under normal driving conditions of the proposed location that is not currently within a thirty-minute drive under normal driving conditions of the existing CT service provider. Based on the information shown on the map below, DCOPN concludes that general CT services are not currently within a 30 minute drive under normal conditions of 95% of the residents of the planning district. Moreover, the limited scope of the utility of the cone beam CT scanner is such that DCOPN finds it unlikely that the proposed project would materially affect the access to general CT services within those areas not covered by Riverside Shore Memorial Hospital. To the extent that CT services are required by those residents for otolaryngologic indications, the proposed project will increase access to that niche population.

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 22
COPN authorized CT scanners = 1

Calculated Needed CT scanners =
9,188 scans in the PD / 7,400 scans / scanner = 1.2 (2) scanners needed

PD 22 Calculated Need = 2 CT scanners

PD 22 Calculated Deficit = 1 CT scanner

Table 4. PD 22 COPN Authorized Fixed CT Units: 2019

Facility	Number of Scanners	Number of Scans	Utilization Rate
Riverside Shore Memorial Hospital	1	9,188	124.2%
2019 Total and Average	**1**	**9,188**	**124.2%**

Source: VHI & DCOPN interpolations

As noted in **Table 4** above, the utilization of existing CT scanners in the planning district was 124.2% of the 7,400 procedures per scanner necessary to introduce CT scanning services to a new location under this section of the SMFP. Moreover, DCOPN calculates a deficit of one fixed CT scanner in PD 22. DCOPN notes that, while there is a calculated deficit within the planning district, the extremely limited nature of the proposed cone beam CT scanner is highly unlikely to alleviate the overutilization of the one existing CT scanner in PD 22. Moreover, the applicant calculates that the proposed CT scanner will only perform 200 scans per year. While the proposed project will not alleviate the overutilization of the existing general CT scanner, DCOPN nevertheless concludes that the applicant has met this standard.

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.

No CT scanners in the planning district are used solely for simulation prior to the initiation of radiation therapy.

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. The proposed project does not 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. The proposed project does not 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 this 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 project is likely to be de minimis because of the highly limited scope of the proposed cone beam CT scanner. As the proposed project would represent the sole outpatient CT scanner in PD 22, the proposed project will increase access to outpatient CT services.

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, while there is a calculated need for one additional CT scanner in PD 22, the combination of the specialized nature of the proposed cone beam CT, coupled with the extremely low expected utilization, makes the proposed project highly unlikely to affect materially the utilization of the existing CT provider in PD 22.

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

As discussed above, the total capital and financing cost of the proposed project is $90,000 (**Table 2**), which the applicant anticipates will be pay for with accumulated reserves. The costs for the project are reasonable and generally consistent with previously approved projects to add one fixed 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 project budget $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 $1,995 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 discussed above, the applicant anticipates that they will pay for the project with accumulated reserves. The applicant also 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. 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

The proposed project would introduce the first COPN-authorized cone beam CT scanner in PD 22. This new technology would expose patients to 15-18 times less radiation than conventional CT scanners. Moreover, because cone beam CT scanners are less expensive than conventional CT scanners, the proposed project would offer a lower cost alternative to conventional CT scanners. Finally, as the sole outpatient CT imaging location in PD 22, the proposed project would offer a lower cost alternative for ENT patients that require a CT scan.

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

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 at the applicant's Belle Haven location is consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia.

Moreover, DCOPN finds that the proposed project is more advantageous than the alternative of the status quo. The proposed scanner would expose patients to 15-18 times less radiation compared to a conventional CT scanner. Moreover, the proposed project would offer quality scanning at a reduced cost compared to conventional CT scanners. Finally, the cone beam CT

scanner would allow the applicant to perform CT scans on pediatric patients without the use of sedation.

Finally, DCOPN finds that the total capital costs of the proposed project are $90,000 (**Table 2**), which the applicant anticipates will be pay for with accumulated reserves. The costs for the project are reasonable and generally consistent with previously approved projects to add one fixed 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.

Staff Recommendation

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 project is consistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.

2. The cone beam CT scanner, which is limited to scans of the sinus cavity and temporal bon, is highly unlikely to have an adverse effect on the utilization of existing providers.

3. The proposed project is more advantageous than the alternative of the status quo.

4. The capital costs are reasonable and generally consistent with the 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 Belle Haven 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.