

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis Report

January 19, 2022

COPN Request No. VA-8559
Virginia Hospital Center
Arlington, Virginia
Establish a specialized center for CT services

COPN Request No. VA-8603
Northern Virginia Community Hospital, LLC
Dulles, Virginia
Add one CT scanner

COPN Request No. VA-8595
Inova Health Care Services
Alexandria, Virginia
Add one CT scanner at the Inova Oakville
Ambulatory Surgery Center

COPN Request No. VA-8596
Inova Health Care Services
Fairfax, Virginia
Add one CT scanner at the Inova Fairfax
Hospital campus

Applicant

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

Virginia Hospital Center (VHC) is a 501(c)(3) Virginia non-stock corporation. Virginia Hospital Center Arlington Health System, a 501(c)(3) non-profit corporation, is the sole owner of VHC. VHC is located in Arlington, Virginia, Planning District (PD) 8, Health Planning Region (HPR) II.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH) is a 501(c)(3) Virginia non-stock corporation. Inova Health System Foundation, a 501(c)(3) Virginia non-stock corporation, is the sole owner of IAH. IAH is located in Alexandria, Virginia, PD 8, HPR II.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH) is a 501(c)(3) Virginia non-stock corporation. Inova Health System Foundation, a 501(c)(3) Virginia non-stock corporation, is the sole owner of IFH. IFH is located in Fairfax, Virginia, PD 8, HPR II.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

Northern Virginia Community Hospital, LLC is a limited liability company formed in 2002. HCA, Inc., a proprietary, stock corporation headquartered in Nashville, Tennessee, is the ultimate corporate parent of Northern Virginia Community Hospital, LLC. StoneSprings Hospital Center (SSHC) is located in Dulles, Virginia, PD 8, HPR II.

Background

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

VHC is a 453-bed acute care hospital. VHC provides a variety of services, including surgical, obstetric, pediatric, diagnostic imaging, adult and neonatal intensive care, open heart surgical, psychiatric, and medical rehabilitation services. VHC currently operates four CT scanners (**Table 1**). In 2019, the last year for which the Division of Certificate of Public Need (“DCOPN”) has data available from Virginia Health Information (VHI), VHC’s three CT scanners operated at 175.7% of the State Medical Facilities Plan (SMFP) utilization threshold (**Table 7**).

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

IAH is a 286-bed acute care hospital. IAH provides a variety of services including surgical, obstetric, cardiology, oncology, and diagnostic imaging. IAH currently operates three CT scanners (**Table 1**). In 2019, the last year for which DCOPN has data available from VHI, IAH’s three CT scanners operated at 183% of the SMFP utilization threshold (**Table 7**).

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

IFH is a 928-bed hospital that provides a variety of services including surgical, cardiology, oncology, psychiatric, neurology, obstetric, diagnostic imaging, pediatric, adult and neonatal intensive care, and organ transplantation. The applicant states that IFH is northern Virginia’s only tertiary/quaternary hospital for adults and children with a Level I Trauma Center. IFH currently operates six CT scanners (**Table 1**). In 2019, the last year for which DCOPN has data available from VHI, IFH’s six CT scanners operated at 203.1% of the SMFP utilization threshold (**Table 7**).

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

SSHC is a 124-bed hospital that provides a variety of services including surgical, orthopedic, neurology, pediatric, outpatient psychiatric, orthopedic, and diagnostic imaging. SSHC currently operates one CT scanner (**Table 1**). In 2019, the last year for which DCOPN has data available from VHI, SSHC’s one CT scanner operated at 92.9% of the SMFP utilization threshold (**Table 7**).

PD 8 Background

DCOPN records show that there are currently 37 COPN authorized providers of CT services in PD 8 (**Table 1**). DCOPN records show that there are currently 61 COPN Authorized CT scanners in PD 8. The Health Systems Agency of Northern Virginia’s (HSANV) records shows 59 COPN Authorized CT scanners. This discrepancy is partially explained by the exclusion of the Metropolitan ENT & Facial Plastic Surgery CT scanner. HSANV reports that this scanner was taken out of service several years ago. As the certificate, at the time of this report, has not been surrendered or revoked, DCOPN has included it in its inventory. The other CT scanner accounting for this discrepancy is the PET/CT scanner located at Metro Region PET Center. While the diagnostic imaging machine located at Metro Region is a PET/CT scanner, its significant use as a CT scanner without PET functionality along with no prohibition against this

behavior, either in assertions made by the applicant during review of the project or by the Commissioner when issuing the scanner, necessitates its inclusion. DCOPN notes that its inclusion in the inventory should not be construed to authorize the addition of a CT scanner without PET functionality at this location.

Table 1. PD 8 COPN Authorized Fixed CT Units

Facility	Number of Scanners
Centreville-Clifton Imaging Center - Fairfax Radiology	1
Fair Oaks Imaging Center	1
Fairfax Diagnostic Imaging Center	1
Fairfax ENT & Plastic Surgery Center	1
Fairfax MRI and Imaging Center at Tysons	1
Fairfax Radiology Center at Prosperity	1
Fairfax Radiology Center at Woodburn	2
Inova Alexandria Hospital	3
Inova Ashburn Healthplex	1
Inova Emergency Room of Fairfax City	1
Inova Fair Oaks Hospital	3
Inova Fairfax Hospital	6
Inova Imaging Center-Mark Center	1
Inova Lorton HealthPlex	1
Inova Imaging Center - Leesburg	1
Inova Loudoun Hospital	2
Inova Mount Vernon Hospital	2
Inova HealthPlex - Franconia/Springfield	1
Insight Imaging - Arlington	1
Insight Imaging - Fairfax / Medical Imaging Center of Fairfax	1
Kaiser Permanente - Reston Medical Center	1
Kaiser Permanente - Tysons Corner Imaging Center	1
Kaiser Permanente - Woodbridge Imaging Center	1
Lakeside at Loudoun Tech Center	1
Metropolitan ENT & Facial Plastic Surgery	1
Metro Region PET Center	1
Novant Health Imaging Tysons Corner	1
Novant Health UVA Health System Imaging – Centreville	1
Orthopaedic Foot and Ankle Center	1
Prince William Hospital d/b/a UVA Haymarket Medical Center	2
Prince William Hospital d/b/a UVA Prince William Medical Center	2
Radiology Imaging Associates at Lansdowne	1
Radiology Imaging Associates at Sterling	1
Reston Hospital Center	3
Sentara Advanced Imaging Center - Alexandria	1
Sentara Lake Ridge Ambulatory Care Center	1
Sentara Northern Virginia Medical Center	2
Sentara Northern Virginia Medical Center - Century Medical Office Building	1
StoneSprings Hospital Center	1
Tysons Corner Emergency Center	1
Virginia Hospital Center	4
Total	61

Source: DCOPN records

Proposed Projects

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

The applicant proposes to introduce CT services at the to-be-constructed VHC Emergency & Imaging Center (VHCEIC). The applicant asserts that VHC has an institutional need to expand its CT services and that approval of the proposed project will address this issue. This project would represent VHC’s first off-campus diagnostic imaging service. The applicant states that the CT scanner will be operated 24 hours per day, seven days per week, for use by the emergency department located in VHCEIC and will be operated 12 hours per day, Monday through Friday and nine hours a day on Saturday and Sunday, for scheduled outpatient CT scans. VHCEIC is located approximately 5.1 miles from VHC. The total capital and financing cost of the proposed project is \$4,875,980 (**Table 2**). The applicant states that the proposed would be financed using VHC’s accumulated reserves.

Table 2. Capital and Financing Costs

Direct Construction Costs	\$1,560,000
Equipment Not Included in Construction Contract	\$1,726,200
Site Acquisition Cost	\$1,470,830
Architectural and Engineering Fees	\$118,950
TOTAL Capital and Financing Costs	\$4,875,980

Source: COPN Request No. VA-8559

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

The applicant proposes to introduce CT services at the to-be-constructed Inova Oakville Ambulatory Center in the City of Alexandria (IOAC). The applicant asserts that IAH has an institutional need to expand its CT services and that approval of the proposed project will address this issue. The CT scanner, in addition to providing scheduled outpatient scans, would support the emergency room at this location. IOAC’s ER, and the proposed CT scanner, would be available to patients 24 hours per day, seven days per week. Finally, the applicant asserts that IAOC will function as an outpatient department of IAH and will be clinically and administratively integrated with the main hospital. IAOC is located approximately 3.9 miles from IAH. The total capital and financing cost of the proposed project is \$1,166,266 (**Table 3**). The applicant states that the proposed would be financed using Inova Health System Foundation’s accumulated reserves. The applicant asserts that it does not anticipate that the proposed project’s capital costs will affect the cost of care.

Table 3. Capital and Financing Costs

Direct Construction Costs	\$287,445
Equipment Not Included in Construction Contract	\$751,805
Site Acquisition Costs	\$55,154
Architectural and Engineering Fees	\$71,862
TOTAL Capital and Financing Costs	\$1,166,266

Source: COPN Request No. VA-8595

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

The applicant proposes to expand its CT services through the addition of one fixed CT scanner located at the Inova Center for Personalized Health (ICPH) located on IFH’s campus. The applicant does not address the hours of operation for the CT scanner. Based on the hours of operation for ICPH, the most that the proposed scanner would be operated nine hours per day, Monday through Friday. The total capital and financing cost of the proposed project is \$1,412,403 (Table 4). The applicant states that the proposed would be financed using Inova Health System Foundation’s accumulated reserves. The applicant asserts that it does not anticipate that the proposed project’s capital costs will affect the cost of care.

Table 4. Capital and Financing Costs

Direct Construction Costs	\$442,391
Equipment Not Included in Construction Contract	\$860,690
Site Preparation Costs	\$7,967
Architectural and Engineering Fees	\$101,355
TOTAL Capital and Financing Costs	\$1,412,403

Source: COPN Request No. VA-8596

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

The applicant proposes to expand its CT services through the addition of one fixed CT scanner located at SSHC. The proposed CT scanner would be located next to the existing CT scanner and would share a control room. The applicant does not address the hours that CT services are currently available, but an internet search indicated that the CT scanning services are available 24 hours per day, seven days per week. The total capital and financing cost of the proposed project is \$1,006,864 (Table 5). The applicant states that the proposed project would be financed using HCA’s accumulated reserves.

Table 5. Capital and Financing Costs

Direct Construction Costs	\$237,130
Equipment Not Included in Construction Contract	\$694,734
Architectural and Engineering Fees	\$75,000
TOTAL Capital and Financing Costs	\$1,006,864

Source: COPN Request No. VA-8603

Project Definition

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as “[t]he addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of...computed tomographic (CT) scanning...” A medical care facility includes “[a]ny specialized center...developed for the provision of...computed tomographic (CT) scanning...”

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as “[t]he addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of...computed tomographic (CT) scanning...” A medical care facility includes “[a]ny specialized center...developed for the provision of...computed tomographic (CT) scanning...”

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as “[t]he addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of...computed tomographic (CT) scanning...” A medical care facility includes “[a]ny facility licensed as a hospital, as defined in § 32.1-123.”

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as “[t]he addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of...computed tomographic (CT) scanning...” A medical care facility includes “[a]ny facility licensed as a hospital, as defined in § 32.1-123.”

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

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

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

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

The applicant proposes to expand its CT services through the introduction of CT services at the to-be-constructed VHCEIC. The applicant states that VHC has an institutional need to expand its CT services at VHC. As shown in DCOPN’s analysis of section 12VAC5-230-110 of the SMFP below, DCOPN concurs with the applicant’s assertion that VHC has an institutional need to expand its CT services. Moreover, DCOPN’s analysis of section 12VAC5-230-100 of the SMFP found that there was a deficit of CT scanners in the planning district. This analysis additionally found that the applicant’s project met the criteria to establish a new service under this section as well. Based on these facts, approval of the proposed project would lessen the burden of the existing CT scanners located at VHC while addressing an established deficit of CT scanners within the planning district, without significantly reducing the utilization of existing providers in the health planning district. Moreover, the proposed project would represent the first outpatient location for VHC. Approval of the proposed project would allow VHC to offer imaging at outpatient rates for its patients and introduce beneficial competition into the planning district. Finally, as the proposed CT scanner would be located in the same building as a

freestanding emergency room, the proposed project would benefit emergency room patients by offering dedicated access to CT imaging.

Geographically, VHC is located approximately 0.4 miles from SR-120, less than one mile from US-29 and approximately one mile I-66. Additionally, the applicant asserts that there are two bus stops adjacent to the hospital campus, one located at the hospital's main entrance at North George Mason Drive and the other stop is at the hospital's entrance off 16th Street. The applicant does not address the availability or sufficiency of public parking at VHC. DCOPN has long acknowledged that PD 8 is one of the most highly-congested traffic areas in Virginia. As such, transportation and travel time may create a barrier to access to care.

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

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

The applicant proposes to expand its CT services through the introduction of CT services at the to-be-constructed Inova Oakville Ambulatory Center in the City of Alexandria (IOAC). The applicant states that it has an institutional need to expand its CT services at IAH. As shown in DCOPN's analysis of section 12VAC5-230-110 of the SMFP below, DCOPN concurs with the applicant's assertion that IAH has an institutional need to expand its CT services. Moreover, DCOPN's analysis of section 12VAC5-230-100 of the SMFP found that there was a deficit of CT scanners in the planning district. This analysis additionally found that the applicant's project met the criteria to establish a new service under this section as well. Based on these facts, approval of the proposed project would lessen the burden of the existing CT scanners located at IAH while addressing an established deficit of CT scanners within the planning district, without significantly reducing the utilization of existing providers in the health planning district. Additionally, DCOPN notes that the proposed project would be located in an area that is not currently well populated with imaging services. IOAC is located approximately a 12 minute drive from the closest imaging location. While this is not significant in some less populated areas, in a densely populated area with highly congested traffic, like the eastern part of PD 8, this represents a significant distance especially when compared with other portions of this area. As such, DCOPN concludes that approval of the project will increase access to outpatient CT scanning services to residents of the area to be served. Finally, as the proposed CT scanner would be located in the same building as a freestanding emergency room, the proposed project would benefit emergency room patients by offering dedicated access to CT imaging.

Geographically, IOAC is adjacent to US-1 and 2.7 miles from I-395 and 2.5 miles from I-495. The applicant states that public transportation is available via a bus stop located approximately a quarter mile from the site. Additionally, a metro stop, which would be located half a mile from the site is projected to be opened well before the completion of the proposed project. The applicant did not address any difficulties or benefits related to parking at IOAC. DCOPN has long acknowledged that PD 8 is one of the most highly congested traffic areas in Virginia. As such, transportation and travel time may create a barrier to access to care.

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

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

The applicant proposes to expand its CT services through the addition of one fixed CT scanner to ICPH located on the IFH campus. The applicant asserts that IFH has an institutional need to expand its CT services. As shown in DCOPN's analysis of section 12VAC5-230-110 of the SMFP below, DCOPN concurs with the applicant's assertion that IFH has an institutional need to expand its CT services. Moreover, approval of the proposed project will somewhat address the calculated deficit of CT scanners in the planning district found in DCOPN's analysis of section 12VAC5-230-100 of the SMFP below.

Geographically, IFH is located approximately .5 miles from I-495, .8 miles from US-50, and 3.4 miles from I-66. The applicant states that public transportation is available via a public bus stop located at the main entrance of the campus. Metro transport is available via the Dunn Loring metro stop located approximately 2 miles from the facility. The applicant did not address any difficulties or benefits related to parking at IFH. DCOPN has long acknowledged that PD 8 is one of the most highly congested traffic areas in Virginia. As such, transportation and travel time may create a barrier to access to care.

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

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

The applicant proposes to expand its CT services by adding a second CT scanner to SSHC. The applicant asserts that SSHC has an institutional need to expand its CT services. As shown in DCOPN's analysis of section 12VAC5-230-80 of the SMFP below, DCOPN concurs with the applicant's assertion that IAH has an institutional need to expand its CT services. Moreover, approval of the proposed project will somewhat address the calculated deficit of CT scanners in the planning district found in DCOPN's analysis of section 12VAC5-230-100 of the SMFP below.

Geographically, SSHC is located on adjacent to US-50. Public transportation is available via two bus stops. One is located by the entrance to the Emergency Department, and the other is located at the front of the hospital. DCOPN has long acknowledged that PD 8 is one of the most highly congested traffic areas in Virginia. A Park and Ride lot, which is utilized by residents of Loudon County who prefer transit services, is located across I-50 from the hospital.

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;

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

DCOPN received three letters of support from two physicians associated with VHC, and one individual who is the DHS deputy director and Executive Director of the Arlington County CSB. Collectively, these letters discussed the high utilization of existing CT services at VHC and the need for additional CT capacity. Collectively, these letters additionally articulated the benefits of collocating the CT scanner with a standalone emergency room.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

DCOPN received six letters of support from the Alexandria Fire Chief and physicians associated with IAH. Collectively, these letters discussed the high utilization of existing CT services at IAH and the need for additional CT capacity. These letters additionally articulated the benefits of collocating the CT scanner with a standalone emergency room.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

DCOPN received six letters of support from physicians associated with IFH. Collectively, these letters articulated the high utilization of the existing CT services at IFH and the need for additional CT capacity.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

DCOPN received five letters of support from the Executive Director of the Ryan Bartel Foundation, the Regional President of John Marshall Bank, and physicians associated with SSHC. Collectively, these letters articulated the growth of both SSHC and the surrounding area.

Public Hearing

DCOPN provided notice to the public regarding this project on November 10, 2021. The public comment period closed on December 27, 2021. On December 13, 2021, HSANV held a public hearing for the four projects. VHC's project was presented by four representatives. The COO of Reston Hospital Center (RHC) spoke in opposition to the VHC project. The COO stated that the potential VHC satellite primary service area overlaps those of the RHC service and the nearby Inova Fairfax Hospital service, and that the VHC project should not be approved until the RHC project is operational and its performance assessed. VHC responded that the VHC emergency and CT scanning caseloads are much higher than those of RHC, and that VHC site is much nearer the center of the hospital's primary service area than the site chosen by RHC. VHC additionally noted that the RHC approval was granted nearly five years ago and is yet to be completed. DCOPN notes that, while RHC spoke in opposition to the project at the hearing, they did not submit a letter of opposition to DCOPN. IAH's project was presented by three representatives. The IAH project did not have any

members of the public speak in support or opposition to the proposed project at the public hearing. IFH's project was presented by three representatives. The IFH project did not have any members of the public speak in support or opposition to the proposed project at the public hearing. SSHC's project was presented by two representatives. The SSHC project did not have any members of the public speak in support or opposition to the proposed project at the public hearing.

(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;

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

The status quo is not a viable alternative to the proposed project. As shown in **Table 7** below, VHC's three fixed CT scanners operated at 175.7% of the SMFP threshold in 2019, the last year for which DCOPN has data from VHI. Under the status quo, the overutilization of the existing fixed CT scanners at IAH would continue, which would likely lead to delays in scheduling of necessary diagnostic imaging and the corresponding treatment. Moreover, as discussed in 12VAC5-230-80 of the SMFP below, VHC does not have any other locations with CT scanners from which it could relocate an underutilized CT scanner. Finally, the proposed project offers several benefits over the alternative of placing the proposed CT scanner at VHC. As discussed above, the establishment of VHC's first outpatient location would allow VHC to offer imaging at outpatient rates for its patients and introduce beneficial competition into the planning district. Moreover, the placement of the CT scanner in the same building as the freestanding emergency room would provide 24-hour access to CT services for patients in the area in need of emergency services. For the reasons discussed above, DCOPN concludes that no alternatives exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

The status quo is not a viable alternative to the proposed project. As shown in **Table 7** below, IAH's three fixed CT scanners operated at 183% of the SMFP threshold in 2019, the last year for which DCOPN has data from VHI. Under the status quo, the overutilization of the existing fixed CT scanners at IAH would continue, which would likely lead to delays in scheduling of necessary diagnostic imaging and the corresponding treatment. Moreover, as discussed in 12VAC5-230-80 of the SMFP below, relocation of an underutilized CT scanner from within the health system is not a viable alternative to the proposed project. Finally, the proposed project offers several benefits over the alternative of placing the proposed CT scanner at IAH. As discussed above, the proposed project would increase access to CT services for a heavily populated area of PD 8 that is under represented with regards to CT imaging. Moreover, the placement of the CT scanner in the same building as the freestanding emergency room would provide 24-hour access to CT services for patients in the area in need of emergency services. For the reasons discussed above, DCOPN concludes that no alternatives exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

The status quo is not a viable alternative to the proposed project. As shown in **Table 7** below, IFH's six fixed CT scanners operated at 203.1% of the SMFP threshold in 2019, the last year for which DCOPN has data from VHI. Under the status quo, the overutilization of the existing fixed CT scanners at IFH would continue, which would likely lead to delays in scheduling of necessary diagnostic imaging and the corresponding treatment. Moreover, as discussed in 12VAC5-230-80 of the SMFP below, relocation of an underutilized CT scanner from within the health system is not a viable alternative to the proposed project. For the reasons discussed above, DCOPN concludes that no alternatives exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

The status quo is not a viable alternative to the proposed project. As discussed in section 12VAC5-230-80 of the SMFP below, DCOPN concluded that SSHC has an institutional need to expand its CT services. Under the status quo, the overutilization of SSHC's existing CT scanner continue and would likely increase in severity, which would likely lead to delays in scheduling of necessary diagnostic imaging and the corresponding treatment. Moreover, as discussed in 12VAC5-230-80 of the SMFP below, relocation of an underutilized CT scanner from within the health system is not a viable alternative to the proposed project. For the reasons discussed above, DCOPN concludes that no alternatives exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

(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;

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

HSANV considered this proposed project at its December 13, 2021 meeting. The Board voted six in favor and none opposed to recommend that the application be approved. HSANV stated that their recommendation was based on its review of the application, on the HSANV staff report on the proposal, on the testimony and other evidence presented at the December 13, 2021 public hearing, and on several findings and conclusions, including:

1. Virginia Hospital Center (VHC) proposes to establish a CT scanner service in Fairfax County, Virginia where the hospital is developing a freestanding satellite emergency service and ambulatory care complex.
2. Onsite CT scanning capability is necessary to ensure the satellite emergency department is capable of providing clinically appropriate emergency care. The scanner will be collocated with other necessary diagnostic and treatment equipment and capabilities.
3. There is a projected public need for additional CT scanners in Northern Virginia (PD 8) over the next three to five years.

4. The project is consistent with applicable criteria and planning standards specified in the Virginia State Medical Facilities Plan, including the institutional need provision of the plan, as they are commonly applied to proposals to establish and expand CT scanning services.
5. The projected capital cost of the project is reasonable for the facility and services described.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

HSANV considered this proposed project at its December 13, 2021 meeting. The Board voted six in favor and none opposed to recommend that the application be approved. HSANV stated that their recommendation was based on its review of the application, on the HSANV staff report on the proposal, on the testimony and other evidence presented at the December 13, 2021 public hearing, and on several findings and conclusions, including:

1. Inova Alexandria Hospital (IAH) proposes to establish a CT scanning service in Alexandria, Virginia where the hospital is developing a freestanding satellite emergency care service and ambulatory care complex which will be known as Inova Oakville Ambulatory Center.
2. Onsite CT scanning capability is necessary to ensure the satellite emergency department is capable of providing clinically appropriate emergency care. The scanner will be collocated with other necessary diagnostic and treatment capabilities.
3. There is a projected public need for additional CT scanners in Northern Virginia (PD 8) over the next three to five years.
4. The project is consistent with applicable criteria and planning standards specified in the Virginia State Medical Facilities Plan, including the institutional need provision of the plan, as they are commonly applied to proposals to establish and expand CT scanning services.
5. The projected capital cost of the project is reasonable for the facility and service described.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

HSANV considered this proposed project at its December 13, 2021 meeting. The Board voted six in favor and none opposed to recommend that the application be approved. HSANV stated that their recommendation was based on its review of the application, on the HSANV staff report on the proposal, on the testimony and other evidence presented at the December 13, 2021 public hearing, and on several findings and conclusions, including:

1. Inova Fairfax Hospital (IFH) is the busiest and most heavily used hospital in the planning region, with recent CT scanning service volumes nearly twice the Virginia State Medical Facilities Plan service volume standard.
2. There is a projected public need for additional CT scanners in Northern Virginia (PD 8) over the next three to five years.
3. The project is consistent with applicable criteria and planning standards specified in the Virginia State Medical Facilities Plan, including the institutional need provision of the plan, as they are commonly applied to proposals to establish and expand CT scanning services.
4. The projected capital cost of the project is reasonable for the facility and service described.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

HSANV considered this proposed project at its December 13, 2021 meeting. The Board voted six in favor and none opposed to recommend that the application be approved. HSANV stated that their recommendation was based on its review of the application, on the HSANV staff report on the proposal, on the testimony and other evidence presented at the December 13, 2021 public hearing, and on several findings and conclusions, including:

1. There is a projected public need for additional CT scanners in Northern Virginia (PD 8) over the next three to five years.
2. StoneSprings Hospital Center (SSHC) CT scanning service volume has reached and in recent months has exceeded the Virginia State Medical Facilities Plan (SMFP) service volume planning standard.
3. The project is consistent with applicable criteria and planning standards specified in the Virginia SMFP, including the institutional need provision of the plan, as they are commonly applied to proposals to establish and expand CT scanning services.
4. StoneSprings Hospital Center is an appropriate location to add needed CT capacity.
5. The projected capital cost of the project is reasonable for the facility and service described.

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

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

As discussed above, the total capital and financing cost of the proposed project is \$4,875,980 (**Table 2**). DCOPN's records indicated that the proposed project's cost is significantly higher than previously approved projects to establish a center for CT imaging. For example, COPN No. VA-04656 issued to Bon Secours St. Francis Medical Center to establish a

specialized center for CT imaging, which cost approximately \$2,568,106. Despite this disparity, HSANV ultimately concluded that “[t]he projected capital cost of the project is reasonable for the facility and services described.” As the regional health planning agency, DCOPN defers to HSANV’s regional knowledge regarding the costs of similar projects and concludes that the costs of the proposed project are reasonable. As discussed above, the proposed project would offer several benefits over the alternative of the status quo. Approval of the proposed project would reduce the overutilization of the existing CT scanners at VHC while helping to lessen a calculated deficit of CT scanners in the planning district. Additionally, the establishment of VHC’s fist outpatient location would allow VHC to offer imaging at outpatient rates for its patients and introduce beneficial competition into the planning district. Finally, the placement of the CT scanner in the same building as the freestanding emergency room would provide 24-hour access to CT services for patients in the area in need of emergency services.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

As discussed above, the total capital and financing cost of the proposed project is \$1,166,266 (**Table 3**). The proposed project’s cost is reasonable and consistent with other projects to add on CT scanner. For example, COPN No. VA-03592 issued to Fairfax Radiology Centers to add one CT scanner, which cost approximately \$1,150,000. Moreover, HSANV found that the proposed project’s costs were “reasonable, within the range seen for similar projects locally and statewide.” As discussed above, the proposed project would offer several benefits over the alternative of the status quo. Approval of the proposed project would reduce the overutilization of the existing CT scanners at IAH while helping to lessen a calculated deficit of CT scanners in the planning district. Additionally, the proposed project would increase access to CT services for a heavily populated area of PD 8 that is under represented with regards to CT imaging. Finally, the placement of the CT scanner in the same building as the freestanding emergency room would provide 24-hour access to CT services for patients in the area in need of emergency services.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

As discussed above, the total capital and financing cost of the proposed project is \$1,412,403 (**Table 4**). The proposed project’s cost is reasonable and consistent with other projects to add on CT scanner. For example, COPN No. VA-03830 issued to Virginia Cancer Institute, Inc. to add one CT scanner, which cost approximately \$1,400,524. Moreover, HSANV found that the proposed project’s costs were “reasonable, within the range seen for similar projects locally and statewide.” As discussed above, approval of the proposed project would reduce the overutilization of the existing CT scanners at IFH while helping to lessen a calculated deficit of CT scanners in the planning district.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

As discussed above, the total capital and financing cost of the proposed project is \$1,006,864 (**Table 5**). The proposed project’s cost is reasonable and consistent with other projects to add on CT scanner. For example, COPN No. VA-04562 issued to Stafford Hospital, LLC to add one CT scanner, which cost approximately \$1,043,400. Moreover, HSANV found that

the proposed project's costs were "reasonable, within the range seen for similar projects locally and statewide." As discussed above, approval of the proposed project would address an institutional need overutilization of the existing CT scanners at IFH while helping to lessen a calculated deficit of CT scanners in the planning district.

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

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

The applicant asserts that their mission is to provide high-quality care to all patients regardless of their ability to pay for services or the payment source. As **Table 6** below demonstrates, VHC provided 2.21% of its gross patient revenue in the form of charity care in 2019. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project be approved, VHC is expected to provide a level of charity care for total gross patient revenues derived from CT imaging services that is no less than the equivalent average for charity care contributions in HPR II.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

The applicant asserts that IOAC will accept all regardless of their ability to pay or the payment source. As **Table 6** below demonstrates, IAH provided 6.35% of its gross patient revenue in the form of charity care in 2019. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project be approved, IAH is expected to provide a level of charity care for total gross patient revenues derived from CT imaging services that is no less than the equivalent average for charity care contributions in HPR II.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

As **Table 6** below demonstrates, IFH provided 4.03% of its gross patient revenue in the form of charity care in 2019. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project be approved, IFH is expected to provide a level of charity care for total gross patient revenues derived from CT imaging services that is no less than the equivalent average for charity care contributions in HPR II.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

As **Table 6** below demonstrates, SSHC provided 0.58% of its gross patient revenue in the form of charity care in 2019. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project be approved, SSHC is expected to provide a level of charity care for total gross patient revenues derived from CT imaging services that is no less than the equivalent average for charity care contributions in HPR II.

Table 6: HPR II 2019 Charity Care Contributions

Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	Percent of Gross Patient Revenue:
Inova Mount Vernon Hospital	\$522,179,824	\$37,645,405	7.21%
Inova Alexandria Hospital	\$1,024,263,648	\$64,990,632	6.35%
Sentara Northern Virginia Medical Center	\$843,370,034	\$52,990,724	6.28%
Novant Health UVA Health System Prince William Medical Center	\$538,358,330	\$26,511,528	4.92%
Inova Loudoun Hospital	\$833,003,930	\$39,556,258	4.75%
Inova Fairfax Hospital	\$3,871,812,346	\$156,045,238	4.03%
Inova Fair Oaks Hospital	\$726,706,638	\$27,651,318	3.81%
Virginia Hospital Center	\$1,571,698,958	\$34,673,062	2.21%
Novant Health UVA Health System Haymarket Medical Center	\$289,627,681	\$5,624,171	1.94%
Reston Hospital Center	\$1,491,147,173	\$19,004,683	1.27%
StoneSprings Hospital Center	\$231,498,142	\$1,337,917	0.58%
Total \$ & Mean %	\$11,943,666,704	\$466,030,936	3.9%

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.

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

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

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

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

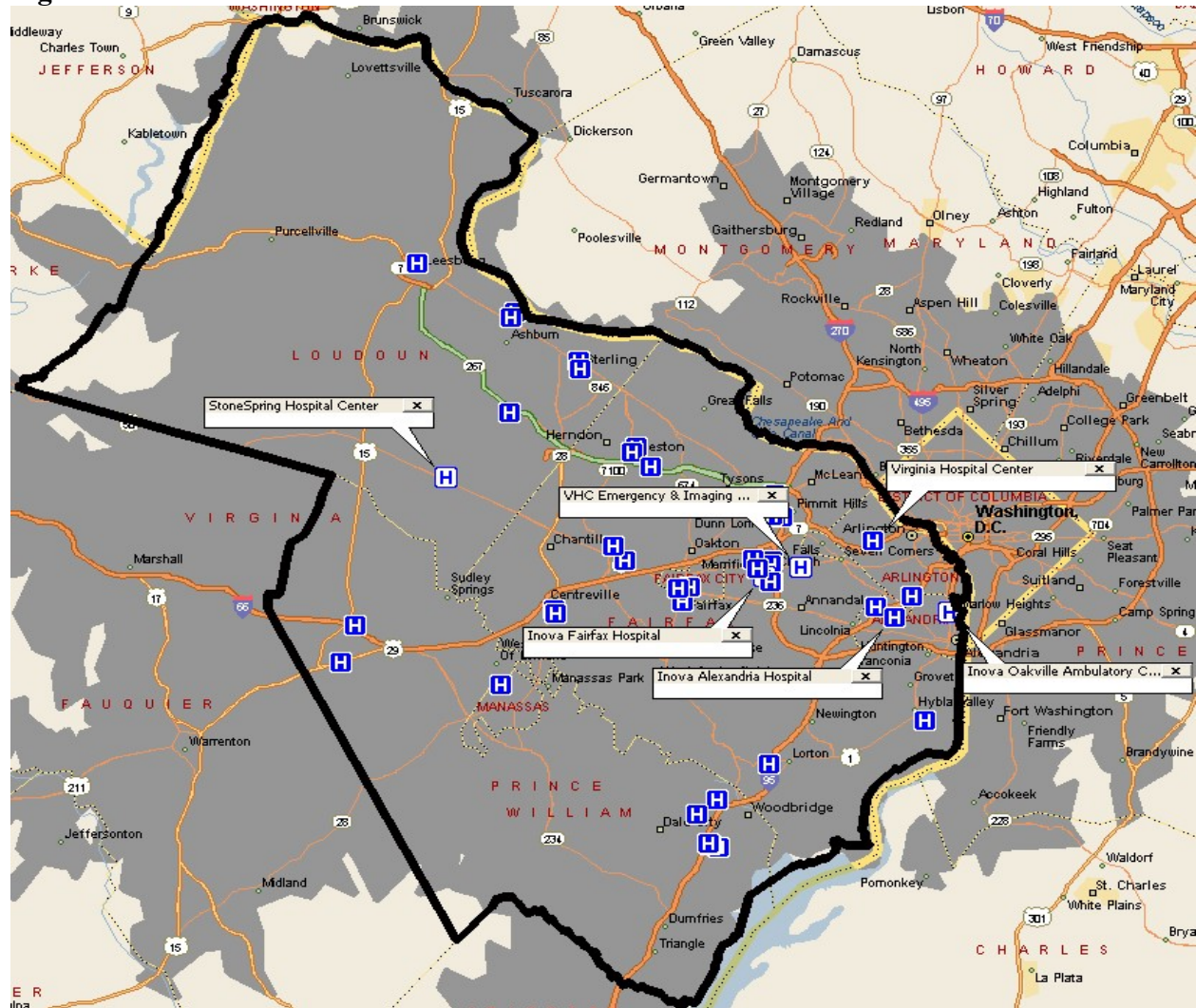
Part II
Diagnostic Imaging Services
Article 1
Criteria and Standards for Computed Tomography

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 are 37 COPN authorized CT scanners in PD 8. The heavy black line in **Figure 1** is the boundary of PD 8. The white H icons indicate the facilities that are the subject of the projects discussed in this report. The blue H icons indicate all other facilities that currently offer CT services. The grey shading illustrates the area that is within a thirty-minute driving time one way under normal driving conditions of all CT service providers in PD 8. As **Figure 1** clearly illustrates, CT services are highly likely to be within a thirty-minute driving time one way under normal driving conditions of 95% of the residents of the planning district. However, as the IFH and SSHC projects would merely expand CT services at a location accounted for in **Figure 1**, approval of these projects would not affect an increase in access to CT services for those individuals not within a thirty-minute drive one way under normal driving conditions.

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 8

COPN authorized CT scanners = 61

Calculated Needed CT scanners =

$484,346 \text{ scans in the PD} / 7,400 \text{ scans / scanner} = 65.5 \text{ (66) scanners needed}$

PD 8 Calculated Need = 66 CT scanners

PD 8 Calculated Deficit = 5 CT scanners

Table 7. PD 8 COPN Authorized Fixed CT Units: 2019

Facility	Number of Scanners	Number of Scans	Utilization Rate
Centreville / Clifton Imaging Center	1	6,290	85%
Fair Oaks Imaging Center	1	2,060	27.8%
Fairfax Diagnostic Imaging Center	1	4,497	60.8%
Fairfax MRI and Imaging Center at Tysons	1	2,559	34.6%
Inova Alexandria Hospital	3	40,634	183%
Inova Ashburn HealthPlex	1	5,673	76.7%
Inova Emergency Room of Fairfax City	1	3,147	42.5%
Inova Fair Oaks Hospital	3	33,010	148.7%
Inova Fairfax Hospital	6	90,161	203.1%
Inova Imaging Center - Leesburg	1	10,628	143.6%
Inova Imaging Center-Mark Center	1	4,299	58.1%
Inova Lorton HealthPlex	1	6,347	85.8%
Inova Loudoun Hospital	2	33,094	223.6%
Inova Mount Vernon Hospital	2	19,763	133.5%
Inova Springfield HealthPlex	1	14,444	195.2%
Insight Imaging - Fairfax / Medical Imaging Center of Fairfax	1	3,798	51.3%
Kaiser Permanente - Reston Medical Center	1	6,291	85%
Kaiser Permanente - Woodbridge Medical Center	1	8,651	116.9%
Kaiser Permanente Tyson's Corner	1	19,348	261.5%
Lakeside @ Loudoun Tech Center 1	1	2,298	31.1%
UVA Health System Haymarket Medical Center	1	13,285	179.5%
UVA Health System Prince William Medical Center	2	20,889	141.1%
Novant Imaging Centerville dba Vienna Diagnostic Imaging	1	1,204	16.3%
Orthopaedic Foot and Ankle Center of Washington	1	87	1.2%
Prosperity Imaging Center	1	6,983	94.4%
Radiology Imaging Associates at Lansdowne	1	4,223	57.1%
Radiology Imaging Associates at Sterling	1	2,745	37.1%
Reston Hospital Center	4	29,278	98.9%
Sentara Advanced Imaging Center - Lake Ridge	1	7,779	105.1%
Sentara Advanced Imaging Center - Lorton	1	0	0%
Sentara Advanced Imaging Center - Springfield	1	0	0%
Sentara Northern Virginia Medical Center	2	22,073	149.1%
Stone Springs Hospital Center	1	6,872	92.9%
Tysons Corner Diagnostic Imaging	1	1,214	16.4%
Virginia Hospital Center	3	38,997	175.7%
Woodburn Diagnostic Center	2	11,725	79.2%
2019 Total and Average	55	484,346	119%

Source: VHI & DCOPN interpolations

As noted in **Table 7** above, the utilization of existing CT scanners in the planning district was 119% 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 five fixed CT scanners in the planning district.

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

As the applicant is establishing a new CT service at VHCEIC, this section of analysis is pertinent to the review of VHC’s application. DCOPN’s calculations above clearly show that the utilization in the planning district is sufficient to support the approval of this project under this section of the SMFP. Moreover, including the additional CT scanner that is not accounted for in

the 2019 VHI data, VHC's 2019 utilization would still sit at 131.7% of the SMFP threshold. Finally, there is a calculated deficit of five CT scanners in the planning district.

Regarding the affect that the proposed location would have on other facilities in the area, DCOPN's analysis of the available data, both in the application and from VHI, shows no evidence that the proposed location would significantly reduce the utilization of existing providers in the area. As mentioned above, the COO of RHC spoke in opposition to the VHC project at the public hearing. Specifically, the COO stated that the potential VHC satellite primary service area overlaps those of the RHC service and the nearby IFH service and that the VHC project should not be approved until the RHC project is operational and its performance assessed. While DCOPN is sympathetic to these concerns, RHC did not raise this issue to DCOPN nor did RHC provide any data that would support this assertion. Moreover, the data available to DCOPN, the VHI utilization data for IFH and that service area data provided by VHC, do not support RHC's assertions. Absent documentation sufficiently detailed and compelling to contradict the available data, DCOPN must reject RHC's argument and finds that the proposed project would not significantly reduce the utilization of existing providers.

However, as discussed throughout this report, VHC is seeking to justify the addition of the proposed CT scanner based on the utilization of VHC under 12VAC5-230-110. DCOPN's analysis of the applicant's assertions are found in the relevant section below.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

As the applicant is establishing a new CT service at IOAC, this section of analysis is pertinent to the review of IAH's application. DCOPN's calculations above clearly show that the utilization in the planning district is sufficient to support the approval of this project under this section of the SMFP. Moreover, there is a calculated deficit of five CT scanners in the planning district.

Regarding the affect that the proposed location would have on other facilities in the area, DCOPN's analysis of the available data, both in the application and from VHI, shows no evidence that the proposed location would significantly reduce the utilization of existing providers in the area. Moreover, there is no opposition to the proposed project from existing providers. As such, DCOPN concludes that the proposed project would not significantly reduce the utilization of existing providers.

However, as discussed throughout this report, IAH is seeking to justify the addition of the proposed CT scanner based on the utilization of VHC under 12VAC5-230-110. DCOPN's analysis of the applicant's assertions are found in the relevant section below.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH) & COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

Not applicable. The applicant is an existing provider of CT services.

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 8 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.

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

As noted in **Table 7** above, the three CT scanners located at VHC operated at 175.7% of the 7,400 procedures per scanner necessary to expand fixed CT scanning services under this section of the SMFP in 2019, the latest year for which DCOPN has data available from VHI. Since that time, VHC has added one more CT scanner, for a total of four CT scanners at the facility. With the inclusion of this CT scanner, this would amount to 131.7% of the 7,400 procedures per scanner necessary to expand fixed CT scanning services under this section of the SMFP. Moreover, as discussed above in section 12VAC5-230-100, DCOPN finds that the proposed project is not likely to significantly reduce the utilization of existing providers in the health planning district. For the reasons discussed above, DCOPN concludes that the applicant has met this standard.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

As noted in **Table 7** above, the three CT scanners located at IAH operated at 183% of the 7,400 procedures per scanner necessary to expand fixed CT scanning services under this section of the SMFP in 2019, the latest year for which DCOPN has data available from VHI. Moreover, as discussed above in section 12VAC5-230-100, DCOPN finds that the proposed project is not likely to significantly reduce the utilization of existing providers in the health planning district. For the reasons discussed above, DCOPN concludes that the applicant has met this standard.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

As noted in **Table 7** above, the six CT scanners located at IFH operated at 203.1% of the 7,400 procedures per scanner necessary to expand fixed CT scanning services under this section of the SMFP in 2019, the latest year for which DCOPN has data available from VHI. As the proposed project would be located on the campus of IFH, the considerations given to the placement of the

scanner for other projects in this report are not applicable to the IFH project. As such, DCOPN concludes that the applicant has met this standard.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

As noted in **Table 7** above, the one CT scanner located at SSHC operated at 92.9% of the 7,400 procedures per scanner necessary to expand fixed CT scanning services under this section of the SMFP in 2019, the latest year for which DCOPN has data available from VHI. The applicant asserts that, in the twelve-month period ending on August 31, 2021, the applicant performed 7,582 CT scans, or 102.5% of the SMFP threshold.

DCOPN strongly disagrees with SSHC's assertion that the standard has been met. The applicant does not provide any data to support this assertion. Moreover, the asserted period of September 2020, through August 2021 is highly irregular and the applicant provides no compelling reason why it should be used. As such, DCOPN finds the applicant's assertions regarding their utilization period assertion highly unreliable and rejects the applicant's assertion that this standard has been met. Based on the available supporting data, DCOPN finds that the applicant does not meet this standard.

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 applicants do not propose 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.

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

The applicant confirmed that CT services would be under the direct supervision of one or more qualified physicians.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

The applicant asserts that CT services at the Inova ER and Imaging Center – OAC will be under the direction or supervision of board-certified radiologists. The applicant additionally states that

the Association of Alexandria Radiologists provides professional medical radiology services to IAH.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

The applicant stated that radiology services, including CT services, are under 24-hour supervision by board certified radiologists with Fairfax Radiology Consultants through a contract with IFH.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

The applicant states that CT services are under the direction of the qualified physicians at Reston Radiology Consultants.

12VAC5-230-80. When Institutional Expansion Needed.

- A. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.**

COPN Request No. VA-8559: Virginia Hospital Center (VHC), COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH), & COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

As these applicants have established an institutional need to expand under 12VAC5-230-110, DCOPN concludes that these applicants have sufficiently met this standard.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

The applicant asserts that they have an institutional need to expand. As shown in **Table 7** above, the VHI data for 2019, the last year for which DCOPN has data available from VHI, shows that the applicant only performed at 92.9% of the SMFP threshold necessary to establish institutional need. Additionally, as discussed above, DCOPN does not adopt the applicant's arguments regarding the use of September 2020 through August 2021 as a relevant period to determine this need. However, analyzing historical data for SSHC for the past four years for which data is available shows a strong consistent growth (**Table 8**). Looking at this growth, DCOPN concludes that it is highly likely that the applicant has the time at which the applicant will meet this threshold is imminent or has already passed. As such, DCOPN concludes that the historical data, coupled with the applicant's assertions, are sufficient to determine that the applicant has an institutional need to expand. As such, DCOPN concludes that the applicant has met this standard.

Table 8. SSHC Historic CT Utilization 2016-2019

	# of CT Scanners	Total Scans	Scans per CT Scanner	Utilization	Patient Days Change from Prior Year
2016	1	4,404	4,404	59.5%	N/A
2017	1	5,093	5,093	68.8%	15.6%
2018	1	5,839	5,839	78.9%	14.6%
2019	1	6,872	6,872	92.9%	17.7%

Source: VHI (2016-2019) and DCOPN interpolations

B. If a facility with an institutional need to expand is part of a health system, the underutilized services at other facilities within the health system should be reallocated, when appropriate, to the facility with the institutional need to expand before additional services are approved for the applicant. However, underutilized services located at a health system's geographically remote facility may be disregarded when determining institutional need for the proposed project.

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

As discussed above, the proposed location would represent the first VHC outpatient location. Given that the proposed project has established an institutional need base on the only other location, VHC, DCOPN finds that there are no underutilized services at other facilities within the health system should be reallocated.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH) & COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

The applicant asserts that in 2019, the last year for which data is available from VHI, the Inova Health System CT scanners operated at an average utilization of 157% of the SMFP standard. The applicant additionally asserts that each Inova facility operated above the SMFP standard or would operate at or above the SMFP if it were to surrender a CT machine in connection with the proposed CT unit. DCOPN disagrees with this assessment. The sole CT scanner at Inova Emergency Care Center of Fairfax, Inova Imaging Center - Mark Center, and Inova Lorton Healthplex all operate well below the SMFP threshold. DCOPN notes that the relocation of a CT scanner resulting in the removal of CT services from a location should not, absent additional criteria, bar relocation. Despite this, DCOPN does not recommend the relocation of the CT scanners from these three locations. While DCOPN does not take the stance that a CT scanner is a necessary feature of a freestanding emergency department, DCOPN recognizes the diagnostic benefit of the placement of the CT scanner Inova Emergency Care Center of Fairfax. Moreover, while DCOPN does not have recent data for this location prior to 2018, the 2019 data shows a significant increase in the CT utilization for this location. Regarding the two other locations, DCOPN notes that removal of either location would significantly reduce the availability of outpatient facilities in the Inova health system within those areas of its PSA. Removal of either location would reduce the availability of outpatient services for Inova patients and would result in a decrease of institutional competition within those areas. For these reasons, DCOPN does not consider the relocation of the sole CT scanner at these outpatient locations to be justifiable under this

section of the SFMP, particularly when a deficit of scanners exists in the planning district. As such, DCOPN concludes that there are no underutilized services at other facilities within the health system should be reallocated.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

SSHC is part of the HCA Health System. The sole HCA location in HPR II that offers CT services, aside from SSHC, is RHC. In 2019, the last year for which DCOPN has data available from VHI, RHC operated at 98.9% of the SMFP threshold (**Table 7**). As such, relocation of a CT scanner from this location would create an immediate need at RHC. For the reasons discussed above, DCOPN concludes that there is not an underutilized CT service at another facility within the health system should be reallocated.

C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.

The proposed projects do not involve nursing facilities.

D. Applicants shall not use this section to justify a need to establish new services.

COPN Request No. VA-8559: Virginia Hospital Center (VHC) & COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

As the applicants are seeking to establish a CT service at a new facility, DCOPN finds that the applicants do not meet this standard. However, as discussed above, the applicants have established a need for the proposed projects under 12VAC5-230-110.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH) & COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

As both facilities are existing providers of CT services, the proposed projects are not using this section to justify a need to establish a new service.

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;

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

As discussed above, the proposed project would represent the first outpatient imaging location for VHC. Approval of the proposed project would significantly increase access to outpatient imaging options for VHC patients and increase access to patients at the freestanding emergency department located in the facility. As such, DCOPN concludes that the proposed project would significantly foster 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.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

As the proposed project would establish a CT service at a new facility, the proposed project would foster some degree of institutional competition. However, given that the location of the proposed facility is not currently well populated with imaging services and is located well within IAH's PSA, the institutional competition fostered by the proposed project is likely to be de minimis.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH) & COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

As the applicant is an existing provider of CT services addressing an institutional need to expand, the proposed project is highly unlikely to foster materially institutional competition.

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

COPN Request No. VA-8559: Virginia Hospital Center (VHC) & COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

As discussed in section 12VAC5-230-100 of the SMFP above, DCOPN concluded that the proposed projects would not significantly reduce the utilization of existing providers in the area to be served. Moreover, DCOPN concludes that the proposed projects would not affect the efficacy of existing services in the area to be served.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)

As discussed above, IFH's six CT scanners operated at over double the SMFP threshold in 2019, the last year for which DCOPN has data available from VHI. Given the significant utilization of the CT scanners at IFH, the introduction of one fixed CT scanner at IFH is highly unlikely to affect the utilization and efficacy of existing providers in the area.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

As discussed above, SSHC has an institutional need to expand its CT service. Given the utilization of the CT scanners at SSHC and the sustained significant growth of their CT service, the introduction of one fixed CT scanner at SSHC is highly unlikely to affect the utilization and efficacy of existing providers in the area.

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;

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

The Pro Forma Income Statement (**Table 9**) provided by the applicant projects a net profit of \$496,555 by the end of the first year of operation and a net profit of \$790,863 by the end of year two for the proposed project. The total capital and financing cost of the proposed project is \$4,875,980 (**Table 2**). Approximately 32% of the total costs is attributed to direct construction

costs and 30% is attributed to the lease expense over the entire term. Approximately 35% of the total costs of the proposed project are attributed to the costs of equipment. The applicant states that the proposed project would be funded entirely using VHC’s accumulated reserves. Accordingly, there are no financing costs associated with the proposed project. Analysis of the financial documents provided with the application show that this method of funding the proposed project is viable. The applicant additionally asserts that does not anticipate that the proposed project’s capital costs will affect the cost of care. As such, DCOPN concludes that the proposed project is feasible with regard to financial costs in both the immediate and the long-term.

With regard to staffing, the applicant anticipates a need for 10 FTEs, consisting of four FTEs for Administration and six FTEs for Radiologic Technologists. The applicant asserts that the required staff would be recruited by the traditional channels, including the internet and print advertising, and the schools with which VHC is affiliated. The applicant further asserts that it does not anticipate any issues with recruiting the necessary staff given its close affiliation with the many training and educational facilities in Northern Virginia and the District of Columbia. The applicant finally states that, in addition to these affiliations, which include consistent clinical and senior/capstone placements for students, VHC participates in a number of initiatives with various partners that support VHC’s recruitment and training efforts, including Arlington County, VHC’s Friends Of Nursing Foundation, and the Foundation Poyant Fund. DCOPN identified only one vacancy for CT Technologists at VHC. Moreover, no existing providers in the area expressed any opposition to the project or concerns about the potential impact on their staffing, indicating that they do not project that such recruitment would adversely affect their staffing. While RHC spoke in opposition of this project, their objections, as conveyed by HSANV, were related solely to the overlap of service area. Based on the extremely low number of advertised vacancies for CT technologists at VHC, DCOPN finds that the proposed project is feasible with regards to staffing. Moreover, this finding coupled with the lack of opposition by existing providers, leads DCOPN to conclude that such recruitment would not adversely affect the staffing of existing providers.

Table 9. VHCEIC Pro Forma Income Statement

	Year 1	Year 2
Gross Revenue	\$10,155,001	\$12,327,601
Deductions from Revenue	\$8,184,931	\$9,985,357
Net Patient Services Revenue	\$1,970,070	\$2,342,244
Total Operating Expenses	\$1,473,515	\$1,551,381
Excess Revenue Over Expenses	\$496,555	\$790,863

Source: COPN Request No. VA-8559

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

The Pro Forma Income Statement (**Table 10**) provided by the applicant projects a net profit of \$1,506,285 by the end of the first year of operation and a net profit of \$1,690,644 by the end of year two for the proposed project. The total capital and financing cost of the proposed project is \$1,166,266 (**Table 3**). Approximately 64% of the total costs of the proposed project are attributed to the costs of equipment. While this percentage is high, this is reflective of the low costs of the proposed project rather than unreasonably high equipment costs. The proposed project would be funded entirely using Inova Health System Foundation’s accumulated reserves. Accordingly,

there are no financing costs associated with the proposed project. Analysis of the financial documents provided with the application show that this method of funding the proposed project is viable. The applicant additionally asserts that does not anticipate that the proposed project’s capital costs will affect the cost of care. As such, DCOPN concludes that the proposed project is feasible with regard to financial costs in both the immediate and the long-term.

With regard to staffing, the applicant anticipates a need for 4.2 FTEs for CT Technologists. With regards to recruitment methods, IAH’s plan for obtaining additional personnel includes recruiting initiatives targeted at labor pools that have historically been underutilized in the health care industry and in geographic areas well outside Northern Virginia, expanding the pool of available workers, without draining resources from other facilities. IAH further plans to institute initiatives to bolster the size and quality of the health services labor pool in Northern Virginia over the long-term by promoting health care career paths among area youth, benefitting all area health care providers with a vibrant and enthusiastic labor pool. DCOPN notes that the applicant is currently advertising for four job openings at in the Inova Health System for CT Technologists, none of which are located at IAH. Moreover, no existing providers in the area expressed any opposition to the project or concerns about the potential impact on their staffing, indicating that they do not project that such recruitment would adversely affect their staffing. Given the relatively low number of CT Technologist vacancies across the health system, and the lack of such vacancies at IAH, coupled with IAH’s ambitious and long-term plans regarding staffing, DCOPN concludes that proposed project is feasible with regards to staffing. Moreover, this finding coupled with the lack of opposition by existing providers, leads DCOPN to conclude that such recruitment would not adversely affect the staffing of existing providers.

Table 10. IOAC Pro Forma Income Statement

	Year 1	Year 2
Gross Revenue	\$7,429,778	\$8,498,538
Deductions from Revenue	\$5,351,683	\$6,178,653
Net Patient Services Revenue	\$2,078,095	\$2,319,885
Total Operating Expenses	\$571,810	\$629,241
Excess Revenue Over Expenses	\$1,506,285	\$1,690,644

Source: COPN Request No. VA-8595

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)
 The Pro Forma Income Statement (**Table 11**) provided by the applicant projects a net profit of \$550,772 by the end of the first year of operation and a net profit of \$1,023,465 by the end of year two for the proposed project. The total capital and financing cost of the proposed project is \$1,412,403 (**Table 4**). Approximately 61% of the total costs of the proposed project are attributed to the costs of equipment. While this percentage is high, this is reflective of the low costs of the proposed project rather than unreasonably high equipment costs. The applicant states that the proposed project would be financed using Inova Health System Foundation’s accumulated reserves. Accordingly, there are no financing costs associated with the proposed project. Analysis of the financial documents provided with the application show that this method of funding the proposed project is viable. The applicant additionally asserts that it does not anticipate that the proposed project’s capital costs will affect the cost of care. As such, DCOPN

concludes that the proposed project is feasible with regard to financial costs in both the immediate and the long-term.

With regard to staffing, the applicant anticipates a need for four FTEs for Radiologic Technologists. With regards to recruitment methods, IFH’s plan for obtaining additional personnel includes recruiting initiatives targeted at labor pools that have historically been underutilized in the health care industry and in geographic areas well outside Northern Virginia, expanding the pool of available workers, without draining resources from other facilities. IFH further plans to institute initiatives to bolster the size and quality of the health services labor pool in Northern Virginia over the long-term by promoting health care career paths among area youth, benefitting all area health care providers with a vibrant and enthusiastic labor pool. DCOPN notes that the applicant is currently advertising for four job openings at in the Inova Health System for CT Technologists. While no vacancies are located at IFH, one is located in Fairfax at Inova Fair Oaks Hospital. Moreover, no existing providers in the area expressed any opposition to the project or concerns about the potential impact on their staffing, indicating that they do not project that such recruitment would adversely affect their staffing. Given the relatively low number of CT Technologist vacancies across the health system, and the lack of such vacancies at IFH, coupled with IFH’s ambitious and long-term plans regarding staffing, DCOPN concludes that proposed project is feasible with regards to staffing. Moreover, this finding coupled with the lack of opposition by existing providers, leads DCOPN to conclude that such recruitment would not adversely affect the staffing of existing providers.

Table 11. IFH Pro Forma Income Statement

	Year 1	Year 2
Gross Revenue	\$5,050,228	\$6,935,650
Deductions from Revenue	\$3,464,456	\$4,806,405
Net Patient Services Revenue	\$1,585,771	\$2,129,244
Total Operating Expenses	\$1,035,000	\$1,105,779
Excess Revenue Over Expenses	\$550,772	\$1,023,465

Source: COPN Request No. VA-8596

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

The Pro Forma Income Statement (**Table 12**) provided by the applicant projects a net profit of \$2,417,458 by the end of the first year of operation and a net profit of \$2,744,098 by the end of year two for the proposed project. The total capital and financing cost of the proposed project is \$1,006,864 (**Table 5**). Approximately 69% of the total costs of the proposed project are attributed to the costs of equipment. While this percentage is high, this is reflective of the low costs of the proposed project rather than unreasonably high equipment costs. The proposed project would be funded entirely using HCA’s accumulated reserves. Accordingly, there are no financing costs associated with the proposed project. Analysis of the financial documents provided with the application show that this method of funding the proposed project is viable. The applicant additionally asserts that does not anticipate that the proposed project’s capital costs will affect the cost of care. As such, DCOPN concludes that the proposed project is feasible with regard to financial costs in both the immediate and the long-term.

With regard to staffing, the applicant anticipates a need for 2.5 FTEs for Radiologic Technologists. The applicant discusses many of the programs and benefits provided by HCA. While impressive, none of these programs specifically addresses vocational programs such as Radiologic Technologists. DCOPN notes that, while some vacancies exist at SSHC, none are currently for Radiologic Technologists. As such, between the moderate requirements of the project, the aforementioned many benefits offered by HCA as an employer, and the lack of Radiologic Technologists vacancies at SSHC, DCOPN concludes that the proposed project is feasible with regards to staffing. Additionally, no existing providers in the area expressed any opposition to the project or concerns about the potential impact on their staffing, indicating that they do not project that such recruitment would adversely affect their staffing. As such, the modest and feasible nature of the staffing requirements coupled with the lack of opposition by existing providers leads DCOPN to conclude that such recruitment would not adversely affect the staffing of existing providers.

Table 12. SSHC Pro Forma Income Statement

	Year 1	Year 2
Gross Revenue	\$45,007,036	\$48,583,917
Deductions from Revenue	\$38,284,389	\$41,326,995
Net Patient Services Revenue	\$6,722,647	\$7,256,922
Total Operating Expenses	\$4,305,189	\$4,512,824
Excess Revenue Over Expenses	\$2,417,458	\$2,744,098

Source: COPN Request No. VA-8603

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**

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

The applicants did not raise any benefits to the proposed project that would provide improvements or innovations in the financing and delivery of health care services, as demonstrated by the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services. As the proposed project would establish the first outpatient location for VHC, the proposed project would improve the delivery of CT services on an outpatient basis. The applicant did not raise any benefits to the proposed project that would provide improvements or innovations in the financing and delivery of health care services, as demonstrated any cooperative efforts to meet regional health care needs. DCOPN did not identify any other factors, not addressed elsewhere in the report that should be brought to the attention of the Commissioner.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

The applicants did not raise any benefits to the proposed project that would provide improvements or innovations in the financing and delivery of health care services, as

demonstrated by the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services. As the proposed project would establish an outpatient location in an area that is not currently well populated with outpatient CT services, the proposed project would improve the delivery of CT services on an outpatient basis. The applicant did not raise any benefits to the proposed project that would provide improvements or innovations in the financing and delivery of health care services, as demonstrated any cooperative efforts to meet regional health care needs. DCOPN did not identify any other factors, not addressed elsewhere in the report that should be brought to the attention of the Commissioner.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH) & COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

The applicants did not raise any benefits to the proposed project that would provide improvements or innovations in the financing and delivery of health care services, as demonstrated by the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services. Moreover, the applicants did not raise any benefits to the proposed project that would provide improvements or innovations in the financing and delivery of health care services, as demonstrated by the potential for provision of health care services on an outpatient basis or any cooperative efforts to meet regional health care needs. DCOPN did not identify any other factors, not addressed elsewhere in the report that should be brought to the attention of the Commissioner.

- 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.**

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

VHC is an academic medical center that began its affiliation with Georgetown University over 50 years ago. Since then, VHC has also partnered with many other training and educational facilities in Northern Virginia and the District of Columbia, including Marymount University, Northern Virginia Community College, George Mason University, Stratford University, and Chamberlain University. Under various programs, VHC regularly receives students and residents for hands-on training at the hospital and received the Leapfrog Top Teaching Hospital Award in 2019. The applicant does not address any criteria by which the proposed project would affect the unique research, training, and clinical mission of the teaching hospital or any contribution the teaching hospital may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations that is not addressed elsewhere in the report.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH), COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH), & COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

Not applicable. These facilities are 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

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

DCOPN finds that the proposed project to introduce CT services at VHC Emergency & Imaging Center through the addition of one fixed CT scanner is consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. The proposed project meets the necessary criteria for both 12VAC5-230-100 and 12VAC5-230-110 based on the overutilization of VHC's three existing CT scanners. Additionally, there is a calculated deficit of five CT scanners in PD 8.

Moreover, the status quo is not a viable alternative to the proposed project. Under the status quo, the overutilization of the existing fixed CT scanners at VHC would continue, which would likely lead to delays in scheduling of necessary diagnostic imaging and the corresponding treatment. Additionally, VHC does not have any other locations with CT scanners from which it could relocate an underutilized CT scanner. Furthermore, the proposed project offers several benefits over the alternative of placing the proposed CT scanner at VHC, such as introducing beneficial competition and 24-hour access to patients seeking emergency services at the freestanding emergency room at VHCEIC. As such, DCOPN concludes that no alternatives to the project exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

Additionally, the Board of the Health Systems Agency of Northern Virginia voted unanimously to recommend that the application be approved. Finally, DCOPN finds that the total capital costs of the proposed project are \$4,875,980 (**Table 2**), which would be financed using VHC's accumulated reserves. DCOPN's records indicated that the proposed project is significantly higher than previously approved projects to establish a center for CT imaging. For example, COPN No. VA-04656 issued to Bon Secours St. Francis Medical Center to establish a specialized center for CT imaging, which cost approximately \$2,568,106. Despite this disparity, HSANV ultimately concluded that "[t]he projected capital cost of the project is reasonable for the facility and services described." As the regional health planning agency, DCOPN defers to HSANV's regional knowledge regarding the costs of similar projects and concludes that the costs of the proposed project are reasonable.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

DCOPN finds that the proposed project to introduce CT services at Inova Oakville Ambulatory Center through the addition of one fixed CT scanner is consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. The proposed project meets the necessary criteria for both 12VAC5-230-100 and 12VAC5-230-110

based on the overutilization of IAH's three existing CT scanners. Additionally, there is a calculated deficit of five CT scanners in PD 8.

Moreover, the status quo is not a viable alternative to the proposed project. Under the status quo, the overutilization of the existing fixed CT scanners at IAH would continue, which would likely lead to delays in scheduling of necessary diagnostic imaging and the corresponding treatment. . Additionally, relocation of an underutilized CT scanner from within the health system is not a viable alternative to the proposed project. Furthermore, the proposed project offers several benefits over the alternative of placing the proposed CT scanner at IAH, such as increasing access to CT services for a heavily populated area of PD 8 that is under represented with regards to CT imaging and 24-hour access to patients seeking emergency services at the freestanding emergency room at IOAC. As such, DCOPN concludes that no alternatives to the project exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

Additionally, the Board of the Health Systems Agency of Northern Virginia voted unanimously to recommend that the application be approved. Finally, DCOPN finds that the total capital costs of the proposed project are \$1,166,266 (**Table 3**), which would be financed using Inova Health System Foundation's accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one CT scanner. For example, COPN No. VA-03592 issued to Fairfax Radiology Centers to add one CT scanner, which cost approximately \$1,150,000.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)
DCOPN finds that the proposed project to expand CT services at Inova Fairfax Hospital through the addition of one fixed CT scanner is consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. The applicant has met the necessary utilization threshold to expand CT services at IFH under 12VAC5-230-110. Additionally, there is a calculated deficit of five CT scanners in PD 8.

Moreover, the status quo is not a viable alternative to the proposed project. Under the status quo, the overutilization of the existing fixed CT scanners at IFH would continue, which would likely lead to delays in scheduling of necessary diagnostic imaging and the corresponding treatment. Additionally, relocation of an underutilized CT scanner from within the health system is not a viable alternative to the proposed project. As such, DCOPN concludes that no alternatives to the project exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

Additionally, the Board of the Health Systems Agency of Northern Virginia voted unanimously to recommend that the application be approved. Finally, DCOPN finds that the total capital costs of the proposed project are is \$1,412,403 (**Table 4**), which would be financed using Inova Health System Foundation's accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one CT scanner. For example, COPN No. VA-03830 issued to Virginia Cancer Institute, Inc. to add one CT scanner, which cost approximately \$1,400,524.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

DCOPN finds that the proposed project to expand CT services at StoneSprings Hospital Center through the addition of one fixed CT scanner is consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. The applicant has established an institutional need to expand its CT services at SSHC under 12VAC5-230-80. Additionally, there is a calculated deficit of five CT scanners in PD 8.

Moreover, the status quo is not a viable alternative to the proposed project. Under the status quo, the high utilization of SSHC's existing CT scanner continue and is expected to increase in severity, which would likely lead to delays in scheduling of necessary diagnostic imaging and the corresponding treatment. Additionally, relocation of an underutilized CT scanner from within the health system is not a viable alternative to the proposed project. As such, DCOPN concludes that no alternatives to the project exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

Additionally, the Board of the Health Systems Agency of Northern Virginia voted unanimously to recommend that the application be approved. Finally, DCOPN finds that the total capital costs of the proposed project are \$1,006,864 (**Table 5**), which would be financed using HCA's accumulated reserves. The costs for the project are reasonable and consistent with previously approved projects to add one CT scanner. For example, COPN No. VA-04562 issued to Stafford Hospital, LLC to add one CT scanner, which cost approximately \$1,043,400.

Staff Recommendation

COPN Request No. VA-8559: Virginia Hospital Center (VHC)

The Division of Certificate of Public Need recommends **conditional approval** of Virginia Hospital Center's COPN request to introduce CT services at VHC Emergency & Imaging Center through the addition of one fixed CT scanner 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 project would reduce the overutilization of the existing CT scanners at Virginia Hospital Center.
3. There is a calculated deficit of CT scanners in the planning district.
4. No alternatives to the project exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.
5. The Board of the Health Systems Agency of Northern Virginia voted unanimously to recommend that the application be approved.
6. The capital costs are reasonable for the projects of this type.

Recommended Condition

Virginia Hospital Center will provide CT services to all persons in need of this service, regardless of their ability to pay, and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 8 in an aggregate amount equal to at least 3% of Virginia Hospital Center's gross patient services revenue, consistent with the Virginia Hospital Center Arlington Health System system-wide charity care condition originally agreed to in 2014. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement. Virginia Hospital Center 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 individuals pursuant to this conditions shall be based on the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.

Virginia Hospital Center will provide CT services to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act 942 U.S.C. § 1396 et seq.), and 10 U.S.C § 1071 et seq. Additionally, Virginia Hospital Center will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.

COPN Request No. VA-8595: Inova Health Care Services d/b/a Inova Alexandria Hospital (IAH)

The Division of Certificate of Public Need recommends **conditional approval** of Inova Health Care Services' COPN request to introduce CT services at Inova Oakville Ambulatory Center through the addition of one fixed CT scanner 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 project would reduce the overutilization of the existing CT scanners at Inova Alexandria Hospital.
3. There is a calculated deficit of CT scanners in the planning district.
4. No alternatives to the project exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.
5. The Board of the Health Systems Agency of Northern Virginia voted unanimously to recommend that the application be approved.
6. The capital costs are reasonable and consistent with the projects of this type.

Recommended Condition

This project shall be subject to the 4.1% system-wide charity care condition applicable to Inova Health Care Services, as reflected in COPN No. VA-04381 (Inova Health Care Services system-wide condition). Provided, however, that charity care provided under the Inova Health Care Services system-wide condition shall be 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.

Inova Health Care Services 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. In addition to any right to petition the Commissioner contained in the Inova Health Care Services' system-wide condition, to the extent Inova Health Care Services expects its system-wide condition 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. or any revised percentage to materially alter the value of its charity care commitment thereunder, it may petition the Commissioner for a modification to the Inova Health Care Services system-wide condition to resolve the expected discrepancy.

COPN Request No. VA-8596: Inova Health Care Services d/b/a Inova Fairfax Hospital (IFH)
The Division of Certificate of Public Need recommends **conditional approval** of Inova Health Care Services' COPN request to expand its CT services with the addition of one fixed CT scanner at Inova Fairfax Hospital 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 project would address the overutilization of the existing CT scanner at Inova Fairfax Hospital.
3. There is a calculated deficit of CT scanners in the planning district.
4. No alternatives to the project exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.
5. The Board of the Health Systems Agency of Northern Virginia voted unanimously to recommend that the application be approved.
6. The capital costs are reasonable and consistent with the projects of this type.

Recommended Condition

This project shall be subject to the 4.1% system-wide charity care condition applicable to Inova Health Care Services, as reflected in COPN No. VA-04381 (Inova Health Care Services system-wide condition). Provided, however, that charity care provided under the Inova Health Care Services system-wide condition shall be 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.

Inova Health Care Services 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. In addition to any right to petition the Commissioner contained in the Inova Health Care Services' system-wide condition, to the extent Inova Health Care Services expects its system-wide condition 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. or any revised percentage to materially alter the value of its charity care commitment thereunder, it may petition the Commissioner for a modification to the Inova Health Care Services system-wide condition to resolve the expected discrepancy.

COPN Request No. VA-8603: Northern Virginia Community Hospital, LLC d/b/a StoneSprings Hospital Center (SSHC)

The Division of Certificate of Public Need recommends **conditional approval** of Northern Virginia Community Hospital, LLC's COPN request to expand CT services with the addition of one fixed CT scanner at StoneSprings Hospital Center 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 project would address an institutional need to expand CT services at StoneSprings Hospital Center.
3. There is a calculated deficit of CT scanners in the planning district.
4. No alternatives to the project exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.
5. The Board of the Health Systems Agency of Northern Virginia voted unanimously to recommend that the application be approved.
6. The capital costs are reasonable and consistent with the projects of this type.

Recommended Condition

Northern Virginia Community Hospital, LLC 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 3.9% of Northern Virginia Community Hospital, LLC's total patient services revenue derived from CT services as valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement. Northern Virginia Community Hospital, LLC 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.

Northern Virginia Community Hospital, LLC 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 Northern Virginia Community Hospital, LLC will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.