



COMMONWEALTH of VIRGINIA

Colin M. Greene, MD, MPH
State Health Commissioner

Department of Health
P O BOX 2448
RICHMOND, VA 23218

TTY 7-1-1 OR
1-800-828-1120

January 9, 2023

Mr. Peter Mellette
Mellette PC
428 McLaws Circle, Suite 200
Williamsburg, Virginia 23185

RE: COPN No. VA-04821
Chesapeake Hospital Authority d/b/a Chesapeake Regional Medical Center
Chesapeake, Virginia
Establish open heart surgery services and convert one general purpose operating room to open heart surgery

Dear Mr. Mellette:

In accordance with Chapter 4, Article 1.1 of Title 32.1 of the Code of Virginia of 1950 (the Code), as amended, I reviewed the application and all supporting documents submitted by Chesapeake Hospital Authority d/b/a Chesapeake Regional Medical Center to establish open heart surgery services and convert one general purpose operating room to open heart surgery.

As required by Section 32.1-102.3B of the Code, I have considered all factors that must be taken into account in a determination of public need, and I have concluded that **conditional approval** of the request is warranted based on the following findings:

1. The proposed project is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the eight Required Considerations of the Code of Virginia.
2. The proposed project will improve access for a large, growing and aging segment of PD 20.
3. It will inject beneficial competition in a highly-concentrated open-heart surgery market, improving patient choice and reducing health care costs without significantly reducing the volumes of smaller programs in the planning district.
4. Capital costs are reasonable and the project is financially feasible.
5. There appears to be no reasonable alternative to the proposed project.

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This certificate is valid for the period January 9, 2023 through January 8, 2024.
The total authorized capital cost of the project is \$5,353,768.

Please file two copies of the application for a certificate extension with the Department no later than 30 days before the expiration date of the certificate. Part VIII of the Virginia Medical Care Facilities Certificate of Public Need Rules and Regulations identifies the filing requirements and review procedure for certificate extension requests.

Sincerely,



Colin M. Greene, MD, MPH
State Health Commissioner

Enclosure

cc: Allyson Tysinger, Senior Assistant Attorney General, Commonwealth of Virginia
Erik Bodin, Director, Division of Certificate of Public Need
Deborah K. Waite, Chief Operating Officer, Virginia Health Information
Nancy Welch, MD, MHA, MBA, District Director, Chesapeake Health District

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

THIS CERTIFIES THAT Chesapeake Hospital Authority is authorized to initiate the proposal as described below.

NAME OF FACILITY: Chesapeake Regional Medical Center

LOCATION: 736 Battlefield Boulevard, Chesapeake, Virginia 23320

OWNERSHIP AND CONTROL: Chesapeake Hospital Authority

SCOPE OF PROJECT: Establish open-heart surgery services and convert one general purpose operating room to open-heart surgery. Capital costs associated with this project total \$5,353,768. The project is expected to be completed by July 31, 2024.

This certificate is issued with the condition that appears on its reverse.



Pursuant to Chapter 4, Article 1.1 of Title 32.1, Sections 32.1-102.1 through 32.1-102.12 of the Code of Virginia (1950), as amended and the policies and procedures promulgated thereunder, this Medical Care Facilities Certificate of Public Need is issued contingent upon substantial and continuing progress towards implementation of the proposal within twelve (12) months from the date of issuance. A progress report shall be submitted to the State Health Commissioner within twelve (12) months from the date of issuance along with adequate assurance of completion within a reasonable time period. The Commissioner reserves the right not to renew this Certificate in the event the applicant fails to fulfill these conditions. This Certificate is non-transferable and is limited to the location, ownership, control and scope of the project shown herein.

Certificate Number: VA-04821

Date of Issuance: January 9, 2023

Expiration Date: January 8, 2024

Colin M. Greene
Colin M. Greene, MD, MPH, State Health Commissioner

Chesapeake Regional Medical Center will provide open and closed heart surgical 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 20 in an aggregate amount equal to at least 2.5% of Chesapeake Regional Medical Center's gross patient revenue derived from open and closed heart surgical services. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement. Chesapeake Regional Medical 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 condition shall be based on the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.

Chesapeake Regional Medical Center will provide open and closed heart surgical care to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act (42 U.S.C. § 1396 et seq.), and 10 U.S.C. § 1071 et seq. Additionally, Chesapeake Regional Medical 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.