

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis Report

September 19, 2022

COPN Request No. VA-8643

Reston Hospital Center, LLC

Reston, Virginia

Add one CT scanner at Reston Hospital Center

Applicant

Reston Hospital Center, LLC (RHC) is a limited liability company formed in 1999 under the laws of the State of Delaware. The ultimate corporate parent of RHC is HCA Healthcare, Inc. (HCA). RHC is located in Reston, Virginia. RHC is located in Reston, Virginia in Planning District (PD) 8, Health Planning Region (HPR) II.

Background

Pursuant to COPN No. VA-04554, dated February 21, 2017, RHC relocated and replaced one of its Computed Tomography (CT) scanners to Tysons Corner Emergency Center. The applicant reports that when Tysons Corner Emergency Center opened in June 2022, RHC stopped using its seven year old, 64-slice GE VCT CT scanner.

DCOPN records show that there are currently 68 COPN Authorized CT scanners in PD 8 (**Table 1**).

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 of Reston-Herndon ¹	1
Fairfax Radiology Center at Woodburn	2

¹ COPN No. VA-04798, issued August 22, 2022, authorized IFRC dba Fairfax Radiology Center of Reston-Herndon to relocate and replace on CT scanner within PD 8.

Facility	Number of Scanners
Inova Alexandria Hospital ²	4
Inova Ashburn Healthplex	1
Inova Emergency Room of Fairfax City	1
Inova Fair Oaks Hospital	3
Inova Fairfax Hospital	7
Inova HealthPlex - Franconia/Springfield	1
Inova Imaging Center - Leesburg	1
Inova Imaging Center-Mark Center	1
Inova Lorton HealthPlex	1
Inova Loudoun Hospital	2
Inova Mount Vernon Hospital	2
Inova Oakville Ambulatory Center in the City of Alexandria	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
Loudoun Medical Group, P.C. ³	1
Metro Region PET Center ⁴	1
Metropolitan ENT & Facial Plastic Surgery	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 (HCA)	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 (HCA)	2
Tysons Corner Emergency Center (HCA)	1
VHC Emergency & Imaging Center	1
Virginia Hospital Center	4
Total	68

Source: DCOPN records

² COPN No. VA-04793, issued July 7, 2022, authorized the addition of one fixed CT scanner at the relocated Inova Alexandria Hospital (Landmark).

³ Pursuant to COPN No. VA-04799, issued August 22, 2022, Loudoun Medical Group, P.C. will add one fixed site CT scanner.

⁴ Pursuant to COPN No. VA-04797, issued August 22, 2022, Metro Region PET Center will add one fixed site CT scanner and discontinue use of the PET/CT unit for diagnostic CT scanning.

Proposed Project

RHC has expressed an institutional need to expand CT services by adding one fixed site CT scanner on the hospital campus located at 1850 Town Center Parkway, Reston, Virginia. If the State Health Commissioner (Commissioner) approves the proposed project, RHC will have a resulting inventory of four CT scanners. To operationalize the proposed project, RHC will reactive the CT scanner that was shut down for the relocation and replacement of the scanner moved to Tysons Corner Emergency Center. Therefore, no construction or new equipment is required and the applicant reports that there are no capital costs. Furthermore, the applicant anticipates an opening date immediately upon COPN approval.

Project Definition

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...”

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

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

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

Geographically, RHC is located at 1850 Town Center Parkway, Reston, Virginia. The hospital campus is located one mile from the Route 267 (Dulles Toll Road) and three miles from Route 7. Both of these roadways are major east-west arteries serving Loudoun and Fairfax Counties. Within Reston, the hospital is accessible from a connection to Town Center Parkway from the east and New Dominion Parkway from the south along Town Center Drive. The hospital also abuts Fairfax County Parkway – a major north/south connector road through Fairfax County. Reston Parkway, which becomes Algonkian Parkway, provides a direct link to eastern Loudoun County. RHC is also on the route of several bus services, including the Fairfax Connector and the Metrobus. RHC is also accessible by the Metro system, with a station approximately two miles away. A new station at Reston Town Center, which is approximately one mile from RHC, is expected to open in 2022.

According to regional and statewide data regularly collected by Virginia Health Information (VHI), for 2020, the most recent year for which such data is available, the average amount of charity care provided by HPR II facilities was 3.4% of all reported total gross patient revenues (**Table 2**). Pursuant to § 32.1–102.4 of the Code of Virginia, should the Commissioner approve the proposed project, RHC should be subject to a charity care condition no less than the 3.4% HPR II average, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia.

Table 2. HPR II Charity Care Contributions: 2020

2020 Charity Care Contributions at or below 200% of Federal Poverty Level			
Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	Percent of Gross Patient Revenue:
Inova Alexandria Hospital	\$949,158,182	\$57,879,875	6.10%
Inova Mount Vernon Hospital	\$499,398,426	\$29,342,493	5.88%
Inova Loudoun Hospital	\$817,869,692	\$35,123,877	4.29%
UVA Health System Prince William Medical Center	\$530,326,336	\$21,923,014	4.13%
Inova Fairfax Hospital	\$3,855,962,450	\$147,813,100	3.83%
Sentara Northern Virginia Medical Center	\$823,831,674	\$29,925,512	3.63%
Inova Fair Oaks Hospital	\$649,476,560	\$21,302,369	3.28%
Virginia Hospital Center	\$1,491,327,243	\$29,205,595	1.96%
UVA Health System Haymarket Medical Center	\$284,391,247	\$4,747,340	1.67%
Reston Hospital Center	\$1,535,959,085	\$19,925,030	1.30%
StoneSprings Hospital Center	\$247,806,370	\$1,302,439	0.53%
Total Facilities			11
Median			3.6%
Total \$ & Mean %	\$11,685,507,265	\$398,490,644	3.4%

Source: VHI (2020)

Table 3 shows projected population growth in PD 8 through 2030. Overall, the planning district was projected to add an estimated 356,377 people in the 10-year period ending in 2020. For the 10-year period ending in 2030, the planning district is projected to add an estimated 350,128 people. DCOPN notes that the population of PD 8 as a whole is expected to increase approximately 16% for the period ending in 2020 and approximately 14% for the period ending in 2030, rates nearly double that of the statewide average.

With regard to the 65 and older age cohort, Weldon-Cooper projects a much more rapid increase (**Table 3**). Specifically, Weldon-Cooper projects an increase of approximately 56% for the period ending in 2020 and approximately 38% for the period ending in 2030. This is significant, as this age group uses medical care resources, including diagnostic services, at a rate much higher than the rest of the population.

Table 3. Population Projections for PD 8, 2010-2030

Locality	2010	2020	% Change 2010-2020	Avg Ann % Change 2010-2020	2030	% Change 2020-2030	Avg Ann % Change 2020-2030
Arlington	139,966	166,261	18.79%	1.69%	182,067	9.51%	0.91%
Fairfax County	207,627	249,298	20.07%	1.80%	274,339	10.04%	0.96%
Loudoun	22,565	25,047	11.00%	1.02%	26,397	5.39%	0.53%
Prince William	1,081,726	1,162,504	7.47%	0.71%	1,244,025	7.01%	0.68%
Alexandria City	12,332	14,988	21.54%	1.92%	17,032	13.64%	1.29%
Fairfax City	312,311	430,584	37.87%	3.18%	554,808	28.85%	2.57%
Falls Church City	37,821	43,099	13.96%	1.28%	46,332	7.50%	0.73%
Manassas City	14,273	17,086	19.71%	1.77%	20,284	18.72%	1.73%

Locality	2010	2020	% Change 2010-2020	Avg Ann % Change 2010-2020	2030	% Change 2020-2030	Avg Ann % Change 2020-2030
Manassas Park City	402,002	478,134	18.94%	1.71%	571,844	19.60%	1.81%
Total PD 8	2,230,623	2,587,000	15.98%	1.46%	2,937,128	13.53%	1.28%
PD 8 65+	192,589	300,491	56.03%	4.44%	413,269	37.53%	3.24%
Virginia	8,001,024	8,655,021	8.17%	0.77%	9,331,666	7.82%	0.76%
Virginia 65+	976,937	1,352,448	38.44%	3.22%	1,723,382	27.43%	2.45%

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

DCOPN is not aware of any other distinct and unique geographic, socioeconomic, cultural, transportation, or other barriers to care that this project would address.

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

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

DCOPN received two letters of support for the proposed project, which addressed:

- RHC’s project will help to ensure that such services are accessible for patients by expanding CT imaging services at RHC.
- CT volumes at RHC have grown significantly in recent years, and the existing and future demand for CT imaging on the hospital campus cannot be met with its three CT scanners.
- CT imaging is a critical diagnostic tool for a wide variety of medical conditions, and timely access to CT imaging is essential to quality patient care.

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

Public Hearing

DCOPN provided notice to the public regarding these projects on July 11, 2022. The public comment period closed on August 25, 2022. On August 8, 2022, the Health Systems Agency of Northern Virginia (HSANV) held a public hearing for the project. RHC’s project was presented by its counsel. There was no public comment regarding the project, other than the letters of support filed with the application.

(ii) the availability of reasonable alternatives to the proposed project that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner;

Neither DCOPN nor the applicant identified a reasonable alternative to the proposed project. As will be discussed in greater detail in this staff analysis report, RHC has expressed and

demonstrated an institutional need to expand its CT services by adding one CT scanner on the hospital campus. As noted in **Table 5** below, for 2020, the most recent year for which VHI data is available, RHC's four CT scanners operated at a utilization rate of 92.38%. Additionally, the applicant reports, in 2021, the four CT scanners performed 32,315 CT procedures with a utilization rate of 109%. Furthermore, the applicant asserts that the depressed levels of CT diagnostic services in 2020 due to the COVID-19 pandemic do not present a reliable picture of the CT services need in PD 8. According to VHI, in 2019, RHC's four CT scanners performed 29,278 CT procedures with a utilization rate of 98.9%. Moreover, when observing the CT utilization for the remaining three CT units (after one unit was moved to the Tysons Corner Emergency Center), the hospital's CT units are over utilized. DCOPN notes that moving one of the hospital's CT scanners to Tysons Corner Emergency Center may have led to the current institutional need but the hospital's utilization demonstrates sufficient growth to support another CT scanner. Finally, as will be discussed in greater detail in this staff analysis report, the applicant's growth and utilization demonstrates an institutional need to expand; and as shown in **Table 5**, the HCA Health System does not operate any underutilized CT scanners in PD 8.

It is also notable that a need for expansion is reflected in the Weldon Cooper population data with regard to PD 8 residents aged 65+, who are anticipated to see an increase of approximately 56% from the years 2010-2020 and approximately 38% from the years 2020-2030. In comparison, throughout Virginia, this population is expected to increase by approximately 38% from 2010-2020 and 28% from 2020-2030. These trends are significant, as these individuals represent the segment of the population that are most in need of healthcare, including diagnostic imaging services.

As previously discussed, to operationalize the proposed project, RHC will reactive an existing CT scanner. Therefore, no construction or new equipment is required and there are no capital costs. Therefore, the proposed project represents the most cost-efficient way to add capacity on the hospital campus. In summary, for the reasons discussed above, the proposed project is preferable to the status quo.

(iii) any recommendation or report of the regional health planning agency regarding an application for a certificate that is required to be submitted to the Commissioner pursuant to subsection B of § 32.1-102.6;

HSANV considered this proposed project at its August 8, 2022 meeting. The Board voted eight 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 August 8, 2022 public hearing, and on several findings and conclusions, including:

1. Though there is no need for additional CT scanning services or capacity region wide, current and projected CT service volumes qualify Reston Hospital Center (RHC) for consideration to add capacity under the institutional need provision of the Virginia State Medical Facilities Plan.

2. Reactivation of the hospital's recently decommissioned scanner is the most practical and cost effective way to add capacity at RHC.
3. Opening of RHC's Tysons CT service is not likely to reduce demand for CT services at the hospital significantly.
4. The project does not require a near term capital expense or a significant increase in operating costs.
5. RHC has withdrawn its COPN proposal to expand its CT program by adding a satellite service in Prince William County, VA.

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

As previously discussed, to operationalize the proposed project, RHC will reactivate an existing CT scanner. Therefore, no construction or new equipment is required and the applicant reports that there are no capital costs.

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

- RHC has an institutional need for additional CT capacity.
- The project is highly efficient and entails no construction.
- The project will utilize existing space designed (and previously used) for CT imaging and will simply reactivate the CT scanner taken out of service in June 2022.

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

The Pro Forma Income Statement provided by the applicant anticipates the provision of charity care in the amount of 3.4% of RHC's gross revenues. DCOPN notes that, according to regional and statewide data regularly collected by VHI, for 2020, the most recent year for which such data is available, the average amount of charity care provided by HPR II facilities was 3.4% of all reported total gross patient revenues (**Table 2**). Pursuant to § 32.1-102.4 of the Code of Virginia, should the Commissioner approve the proposed project, RHC should be subject to a charity care condition no less than the 3.4% HPR II average, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia.

Table 4. RHC Pro Forma Income Statement

	Year 1	Year 2
Total Gross Revenue	\$116,214,172	\$132,950,235
Charity Care	(\$3,951,282)	(\$4,520,308)
Bad Debts	(\$5,345,852)	(\$6,115,711)
Other Revenue Deductions	(\$79,454,255)	(\$91,791,428)
Net Operating Revenue	\$27,462,783	\$30,522,788
Total Operating Expenses	\$16,374,886	\$18,242,643
Net Income	\$11,087,898	\$12,280,145

Source: COPN Request No. VA-8643

(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:

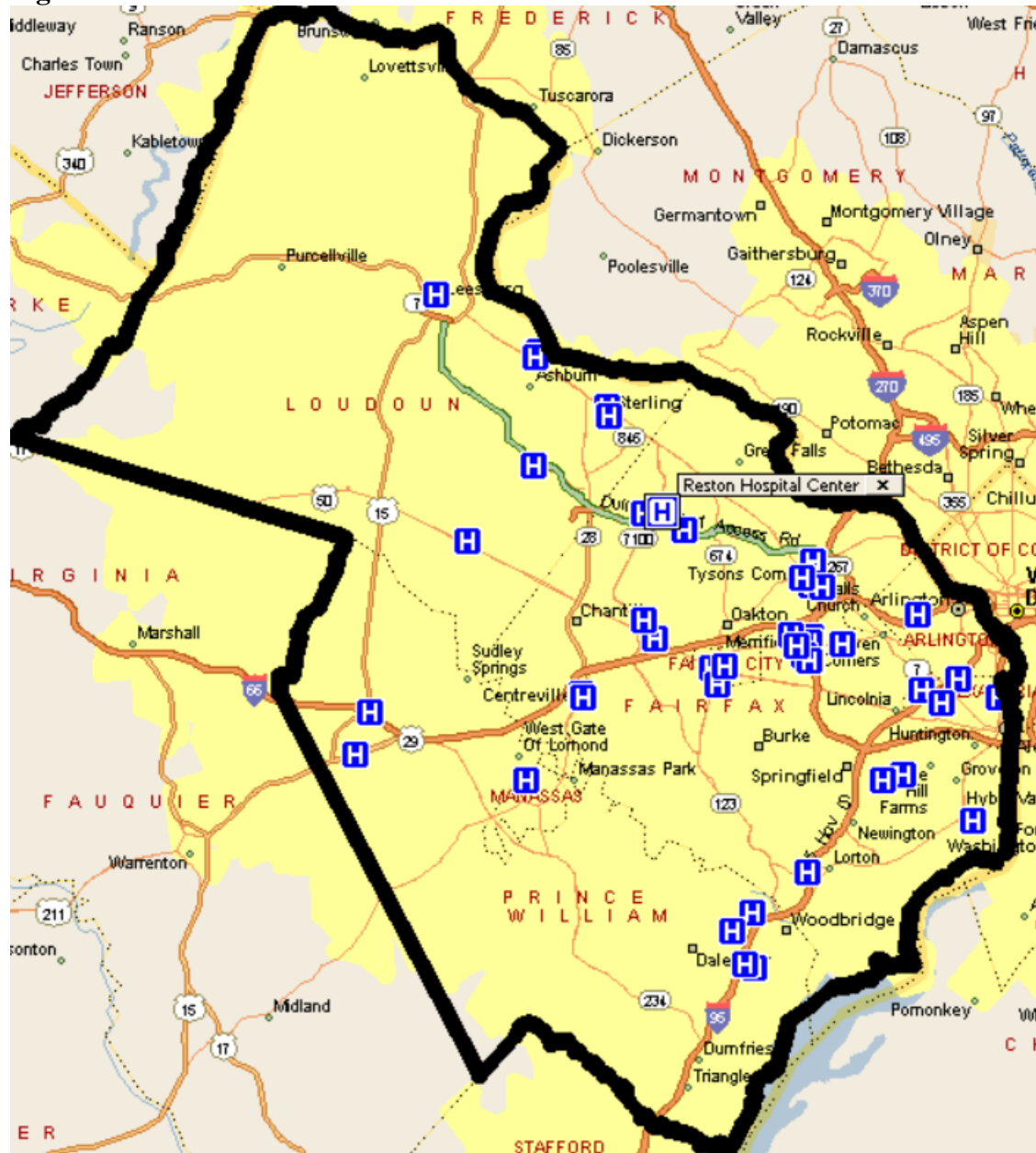
Part II
Diagnostic Imaging Services
Article 1
Criteria and Standards for Computed Tomography

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.

The heavy black line in **Figure 1** is the boundary of PD 8. The blue “H” symbols mark the locations of existing CT providers in PD 8. The white “H” symbol marks the location of the proposed project. The yellow shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing CT services in PD 8. **Figure 1** clearly illustrates that CT services are already well within a 30 minute drive under normal conditions of 95% of the residents of PD 8.

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.

RHC is not proposing to establish a new service, but rather, proposes to increase its current CT scanner complement by one CT scanner. Accordingly, DCOPN concludes that this provision is not applicable to the proposed project. Furthermore, DCOPN notes, as will be discussed later in this staff analysis report, that RHC has demonstrated an institutional need for expansion. DCOPN includes the information below to present a full picture of the needs of PD 8.

As noted in **Table 5** below, in 2020, the utilization of existing CT scanners in PD 8 was 114.21% 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 surplus of six fixed CT scanners in the planning district.

Calculated Needed Fixed CT Scanners in PD 8

COPN authorized CT scanners = 68

Calculated Needed CT scanners = 456,394 scans in the PD in 2020 / 7,400 scans = 61.7 (62) scanners needed

PD 8 Calculated Need = 62 CT scanners

2021 COPN authorized CT scanners = 68

PD 8 Calculated Surplus = 6 CT scanners

Table 5. PD 8 COPN Authorized Fixed CT Units and Utilization: 2020

Facility	Number of Scanners	Number of Scans	Procedures /Unit	Utilization Rate
Centreville / Clifton Imaging Center	1	5,662	5,662	76.51%
Fair Oaks Imaging Center	1	1,955	1,955	26.42%
Fairfax Diagnostic Imaging Center	1	3,914	3,914	52.89%
Fairfax MRI and Imaging Center at Tysons	1	2,845	2,845	38.45%
Fairfax Radiology Center of Sterling	1	2,549	2,549	34.45%
Inova Alexandria Hospital	3	34,809	11,603	156.80%
Inova Ashburn Healthplex	1	5,787	5,787	78.20%
Inova Fair Oaks Hospital	3	29,171	9,724	131.40%
Inova Fairfax Hospital	6	94,661	15,777	213.20%
Inova Imaging Center - Leesburg	1	9,741	9,741	131.64%
Inova Imaging Center-Mark Center	1	4,526	4,526	61.16%
Inova Lorton HealthPlex	1	6,165	6,165	83.31%
Inova Loudoun Hospital	2	30,536	15,268	206.32%
Inova Mount Vernon Hospital	2	17,186	8,593	116.12%
Inova Springfield HealthPlex	1	12,830	12,830	173.38%
Insight Imaging - Fairfax / Medical Imaging Center of Fairfax	1	4,134	4,134	55.86%
Kaiser Permanente - Reston Medical Center	1	4,890	4,890	66.08%
Kaiser Permanente - Woodbridge Medical Center	1	8,268	8,268	111.73%
Kaiser Permanente Tysons Corner Surgery Center	1	16,208	16,208	219.03%
Lakeside @ Loudoun Tech Center 1	1	2,299	2,299	31.07%
Metro Region PET Center	1	2,158	2,158	29.16%
UVA Health System Haymarket Medical Center	1	12,197	12,197	164.82%

Facility	Number of Scanners	Number of Scans	Procedures /Unit	Utilization Rate
UVA Health System Prince William Medical Center	2	19,334	9,667	130.64%
UVA Outpatient Imaging Centerville	1	1,359	1,359	18.36%
Orthopaedic Foot and Ankle Center of Washington	1	205	205	2.77%
Prosperity Imaging Center	1	5,263	5,263	71.12%
Radiology Imaging Associates at Lansdowne	1	3,537	3,537	47.80%
Reston Hospital Center (HCA)	4	27,344	6,836	92.38%
Sentara Advanced Imaging Center - Lake Ridge	1	7,576	7,576	102.38%
Sentara Advanced Imaging Center - Springfield	1	2	2	0.03%
Sentara Northern Virginia Medical Center	2	21,728	10,864	146.81%
Stone Springs Hospital Center (HCA)	1	6,548	6,548	88.49%
Tysons Corner Diagnostic Imaging	1	1,036	1,036	14.00%
Virginia Hospital Center	3	38,869	12,956	175.09%
Woodburn Diagnostic Center	2	11,102	5,551	75.01%
2020 Total/Average	54⁵	456,394	8,452	114.21%
2022 PD 8 Grand Total	68	N/A	N/A	N/A

Source: VHI (2020) and DCOPN records.

Additionally, in the application for COPN Request No. VA-8643, the applicant asserts that the depressed levels of CT diagnostic services in 2020 due to the COVID-19 pandemic do not present a reliable picture of the CT services need in PD 8:

Although 2020 VHI data has been released, 2020 PD 8 CT utilization was suppressed by the pandemic, and, consequently, does not provide as sound a basis for health planning as the 2019 VHI data. In its January 19, 2022 Staff Report on COPN Request Nos. VA-8559, 8595, and 8603, DCOPN found that the 2019 VHI data showed a need for 5 additional CT scanners in PD 8.

DCOPN notes, that even if it were to use the 2019 VHI data in place of the 2020 VHI data, the need for five CT scanners in PD 8 has been met, and exceeded, by the CT scanners added to the PD 8 inventory since the January 19, 2022 staff report:

- COPN No. VA-04775, issued February 7, 2022, authorized Virginia Hospital Center to establish a specialized center for CT services at VHC Emergency and Imaging Center with one CT scanner.
- COPN No. VA-04776, issued February 7, 2022, authorized Inova Health Care Services to establish CT services at Inova Oakville Ambulatory Center with one CT scanner.
- COPN No. VA-04777, issued February 7, 2022, authorized Inova Healthcare Services to add one CT scanner at Inova Fairfax Hospital.

⁵ VHI data for 2020 reported that Kaiser Permanente - Woodbridge Medical Center had five CT scanners and Kaiser Permanente Tysons Corner Surgery Center had 11 CT scanners. These inventory numbers are incorrect and have been corrected in **Table 5** to reflect the correct inventory of one CT scanner at each facility.

- COPN No. VA-04778, issued February 7, 2022, authorized Northern Virginia Community Hospital, LLC to add one CT scanner at StoneSprings Hospital Center.
- COPN No. VA-04793, issued July 7, 2022, authorized Inova Health Care Services to add one CT scanner at the relocated Inova Alexandria Hospital.
- COPN No. VA-04799, issued August 22, 2022, authorized Loudoun Medical Group to establish CT services with one CT scanner.

Moreover, the applicant is not proposing to add a new service, but instead seeks to expand its existing CT complement by one CT scanner.

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 project.

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

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

RHC has cited an institutional specific need to expand its current CT services. As noted in **Table 5** above, for 2020, the most recent year for which VHI data is available, RHC's four CT scanners performed 27,344 CT procedures with a utilization rate of 92.38%, below the SMFP expansion standard of 7,400 procedures per scanner per year. Additionally, the applicant reports, in 2021, the four CT scanners performed 32,315 CT procedures with a utilization rate of 109%. As previously discussed, the applicant asserts that the depressed levels of CT diagnostic services in 2020 due to the COVID-19 pandemic do not present a reliable picture of the CT services need in PD 8. According to VHI, in 2019, the utilization of existing CT scanners in PD 8 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. Additionally, RHC's four CT scanners performed 29,278 CT procedures with a utilization rate of 98.9% in 2019.

As previously discussed, pursuant to COPN No. VA-04554, dated February 21, 2017, RHC relocated and replaced one of its CT scanners to Tysons Corner Emergency Center. The applicant reports that when Tysons Corner Emergency Center opened in June 2022, RHC stopped using one

of its four CT scanners and has a resulting complement of three CT scanners on the hospital campus. When observing the hospital's utilization on the remaining three CT scanners, the applicant asserts:

If the Tysons Corner Emergency Center projected Year 1 CT volume is subtracted from the hospital's actual 2021 CT scan volume, Reston's remaining three CT scanners would have significantly exceeded the SMFP standard. Specifically, Reston projected the Tysons Corner Emergency Center will perform 1,865 CT scans in Year 1, which would have left 30,450 ($32,315 - 1,865 = 30,450$) CT scans to be performed at the hospital. As a result based on 2021 utilization data. Moreover, CT volumes at the hospital are growing significantly. The compound annual growth rate (CAGR) over the past five years has been 9.6%.

As shown in **Table 6** below, the applicant's projections are reasonable and based on historic growth at RHC.

Table 6. Reston Hospital Center CT Procedures and Growth: 2016-2021

Year	Procedures	Growth from Previous Year
2016	20,479	N/A
2017	23,539	14.94%
2018	25,159	6.88%
2019	29,278	16.37%
2020	27,344	-6.61%
2021	32,315	18.18%
Average Growth		9.95%
CAGR		9.55%

Source: VHI (2016-2020) and COPN Request No. VA-8643

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 applicant does 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.

The applicant asserts that CT services will be under the direction of one or more qualified physicians.

The SMFP also contains criteria/standards for when institutional expansion is needed. They are as follows:

**Part 1
Definitions and General Information**

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

- 1. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical 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.**
- 2. 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.**
- 3. This section is not applicable to nursing facilities pursuant to §32.1-102.3:2 of the Code of Virginia.**
- 4. Applicants shall not use this section to justify a need to establish new services.**

As previously discussed, RHC has expressed and demonstrated an institutional need to expand its CT services by adding one CT scanner on the RHC campus. As noted in **Table 5** above, for 2020, the most recent year for which VHI data is available, RHC's four CT scanners operated at a utilization rate of 92.38%. Additionally, the applicant reports, in 2021, the four CT scanners performed 32,315 CT procedures with a utilization rate of 109%. Furthermore, the applicant asserts that the depressed levels of CT diagnostic services in 2020 due to the COVID-19 pandemic do not present a reliable picture of the CT services need in PD 8. According to VHI, in 2019, RHC's four CT scanners performed 29,278 CT procedures with a utilization rate of 98.9%. As previously discussed, pursuant to COPN No. VA-04554, dated February 21, 2017, RHC relocated and replaced one of its CT scanners to Tysons Corner Emergency Center. The applicant reports that when Tysons Corner Emergency Center opened in June 2022, RHC stopped using one of its four CT scanners and has a resulting complement of three CT scanners on the hospital campus. DCOPN notes that moving one of the hospital's CT scanners to Tysons Corner Emergency Center may have led to the current institutional need. However, when observing the hospital's utilization on the remaining three CT scanners, RHC's utilization displays consistent growth and an institutional need to expand. Finally, as shown in **Table 5**, the HCA Health System does not operate any underutilized CT scanners. The applicant satisfies this standard.

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;**

The applicant has expressed an institutional need to expand. As such, the proposed project is not meant to, and will not foster institutional competition that will benefit the area to be served.

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

As already discussed, DCOPN maintains that the applicant has adequately demonstrated an institutional need for the additional CT scanner. Furthermore, as already discussed, DCOPN further concludes that transferring the requested CT scanner from another HCA Health System facility is not a reasonable alternative to the proposed project. Therefore, DCOPN contends that although the proposed project would add to the existing PD 8 surplus, the project warrants approval. Lastly, because the project hinges upon an institutional need, DCOPN contends that approval of the proposed project is not likely to have a significant negative impact on existing providers of CT services in PD 8.

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

As already discussed, the applicant reports that when Tysons Corner Emergency Center opened in June 2022, RHC stopped using its seven year old, 64-slice GE VCT CT scanner. To operationalize the proposed project, RHC will reactive this CT scanner. Therefore, no construction or new equipment is required and the applicant reports that there are no capital costs. Furthermore, the applicant anticipates an opening date immediately upon COPN approval. The Pro Forma Income Statement provided by the applicant projects a net profit of \$11,087,898 from in the first year of operation, and a net profit of \$12,280,145 in the second year of operation (**Table 4**), indicating that the proposed project is financially feasible both in the immediate and the long-term.

With regard to staffing, the applicant anticipates the need to hire one radiologic technologist to staff the proposed project. The applicant is an established provider of CT services and has a well-developed and effective recruitment and employee retention program. Taken together with the limited number of employees needed for this project, DCOPN concludes that the applicant will not have difficulty filling the required position or that doing so will have a negative impact on other area healthcare providers.

7. **The extent to which the proposed project provides improvements or innovations in the financing and delivery of health care services, as demonstrated by; (i) the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services; (ii) the potential for provision of health care services on an outpatient basis; (iii) any cooperative efforts to meet regional health care needs; and (iv) at the discretion of the Commissioner, any other factors as may be appropriate; and**

The proposed project would not introduce new technology that would promote quality or cost effectiveness in the delivery of inpatient acute care. Nor will the proposed project increase the potential for provision of services on an outpatient basis.

8. **In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served, (i) The unique research, training, and clinical mission of the teaching hospital or medical school. (ii) Any contribution the teaching hospital or medical school may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations.**

Not applicable. The applicant is not affiliated with a teaching hospital associated with a public institution of higher education or a medical school in the area to be served.

DCOPN Staff Findings and Conclusion

DCOPN finds that Reston Hospital Center's proposed project to expand CT services with one CT scanner on the RHC campus is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. As previously discussed, the applicant has adequately demonstrated an institutional need to expand. Additionally, DCOPN concludes that HCA Health System does not have any underutilized capacity that would be appropriate for reallocation, and that the applicant has demonstrated an institutional need to expand. Moreover, for the reasons discussed, the status quo is not a preferable alternative to the proposed project.

DCOPN finds that the project appears to be economically feasible both in the immediate and long-term. Finally, there is no known opposition to the proposed project.

Staff Recommendation

The Division of Certificate of Public Need recommends **conditional approval** of Reston Hospital Center, LLC's COPN request to add one fixed CT scanner on the RHC campus for the following reasons:

1. The proposed project is generally consistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. The applicant has demonstrated an institutional need to expand its CT services.
3. The proposed project appears economically viable in the long-term.

4. There is no known opposition to the proposed project.
5. The project is more favorable than maintaining the status quo.

Recommended Condition

Reston Hospital Center, 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 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 3.4% of Reston Hospital Center, LLC's gross patient revenue derived from CT 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. Reston 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 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.

Reston Hospital Center, 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. Reston Hospital Center, 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.