

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

March 21, 2023

RE: COPN Request No. VA-8678

Urology of Virginia, PLLC

Virginia Beach, Virginia

Establish a Mobile Site for PET/CT with Independent CT Use

RE: COPN Request No. VA-8685

Town Center Imaging, LLC & Maryview Hospital, LLC d/b/a

Bon Secours Maryview Medical Center

Virginia Beach, Virginia

Establish a Specialized Center with 2 CT Scanners, 1 MRI Scanner, and a Mobile PET/CT Site

Applicants

A. COPN Request No. VA-8678 (UOV)

Urology of Virginia, PLLC (“UOV”) is a Professional Limited Liability Company located at 225 Clearfield Avenue, Virginia Beach, Virginia 23462. UOV is neither a partial or wholly owned subsidiary of another nor does UOV have any partial or wholly owned subsidiaries of its own. UOV is situated in Planning District (“PD”) 20, located within Health Planning Region (“HPR”) V.

B. COPN Request No. VA-8685(TCI & Maryview)

Town Center Imaging, LLC (“TCI”) and Maryview Hospital, LLC (“MH”) d/b/a Bon Secours Maryview Medical Center (“Maryview”) are the Legal Applicants for COPN Request No. VA-8685 concerning the project proposal located at Bon Secours Imaging at Town Center (“BSI-TC”). BSI-TC will be located at 4677 Columbus Street, First Floor, Virginia Beach, Virginia 23462, and will be situated in Planning District (“PD”) 20, further located within Health Planning Region (“HPR”) V.

Maryview is the sole corporate member of TCI and Bon Secours Hampton Roads Health System LLC (“BSHR”) is the sole corporate member of Maryview. BSHR and Maryview are both not-for-profit Virginia limited liability companies. It is anticipated that membership interests in TCI will be offered to area physicians; Bon Secours would maintain a majority ownership in TCI. TCI is a limited liability company and is the sole member of Maryview Hospital LLC. TCI would own and operate the proposed BSI - Town Center. Maryview, which joins as a co-applicant for the sole purpose of contributing certain COPN-regulated assets (CT and MRI scanners), is a not-for-profit

Virginia limited liability company; BSHR is its sole corporate member. For the remainder of this staff report, this applicant will be referred to as “Bon Secours”.

Background

General Information Regarding CT, PET(/CT), and MRI Services

A computed tomography scanner (CT) is a diagnostic imaging tool that uses x-ray technology to produce images of the inside of the body. CTs can show detailed images of any part of the body including bones, muscles, organs, and blood vessels. CT scans can also be used for fluid or tissue biopsies or as part of preparation for surgery or treatment.¹ CT scanners are often used in urology to evaluate the urinary tract, including kidneys, bladder, and ureters; the images produced may be helpful in diagnosing urinary tract conditions such as kidney stones, bladder stones, complicated infections, tumors or cysts, cancer, and structural problems.²

A positron emission tomography scanner (PET) is an imaging tool that produces images of your organs and tissues at work using an injectable radioactive chemical (radiotracer) with the PET. The scanner detects diseased cells that absorb large amounts of the radiotracer, indicating potential health problems; the PET is able to illustrate metabolism, blood flow, and oxygen use of the tissues being scanned.³ PET/CT scanners are capable of producing a 3D image by combining the PET and CT capabilities, allowing for a more accurate diagnosis.⁴ PET/CT imaging has an established role in the diagnosis of some urological malignancies as well as in some clinical situations because of its enormous potential to alter patient management.⁵ “Molecular images identify early changes that conventional anatomical studies cannot, and for this reason, the images performed on PET/CT are becoming increasingly indispensable in specific clinical situations and with precise indications according to the type of urological malignancy.”⁶

An MRI produces high-resolution images of the inside of the body that can help diagnose a variety of conditions and injuries, including but not limited to brain aneurysms, stroke, tumors, joint abnormalities caused by trauma or repetitive injuries, disk abnormalities in the spine, or bone infections. An MRI uses magnets and radio waves to produce images of the body.

PD 20 General Background Information

Between 2020-2030, there is a projected increase in the population of PD 20 by 3.24%, but a projected increase in the age 65+ years cohort of 16.98% (**Table 1**). For the same time frame, HPR V is projected to have a stable population, with an increase of 0.37%; however, in the 65+ cohort, an increased population rate of 21.65% is projected. Comparatively, during the same time period, the statewide average projections are much higher for both the population increase and 65+ cohort increase at 5.58% and 27.43%, respectively.

¹ <https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/computed-tomography-ct-scan>

² <https://www.mayoclinic.org/tests-procedures/ct-urogram/about/pac-20393602>

³ <https://my.clevelandclinic.org/health/diagnostics/10123-pet-scan>

⁴ *ibid*

⁵ Lima, M., Camacho, M., Carnevalheira, J.B.C. et al. The current role of PET/CT in urological malignancies. *Clin Transl Imaging* 8, 313–347 (2020). <https://doi.org/10.1007/s40336-020-00378-w>

⁶ *ibid*

Table 1. PD 20 Population Data and Projections Contrasted with HPR V and Virginia Totals

Geographic Name	2010 Census	2020 Census	% Change 2010-2020	2030 Census	% Change 2020-2030	2020 65+ Census	2030 65+ Census	% Change 65+ 2020-2030
Chesapeake City	222,209	249,589	12.32	272,670	9.25	2,142	2,433	13.58
Franklin City	8,582	8,157	(4.95)	7,667	(6.01)	12,026	13,248	10.16
Isle of Wight County	35,270	38,674	9.65	41,341	6.90	3,210	3,616	12.65
Norfolk City	242,803	238,024	(1.97)	229,864	(3.43)	14,342	27,680	59.61
Poquoson City	12,150	12,471	2.64	12,587	0.93	17,359	22,175	27.74
Portsmouth City	95,535	97,909	2.48	98,857	0.97	3,561	3,577	0.44
Southampton County	18,570	17,973	(3.21)	17,172	(4.46)	1,426	2,258	58.36
Suffolk City	84,585	94,685	11.94	102,571	8.33	671	716	6.71
Virginia Beach City	437,994	459,182	4.84	474,052	3.24	1,411	1,498	6.18
PD 20 Totals	914,895	978,640	4.46	1,026,917	2.39	41,805	49,519	16.98
HPR V Totals	1,809,202	1,892,876	2.59	1,946,956	0.37	166,820	214,204	21.65
Virginia	8,001,024	8,646,905	8.07	9,129,002	5.58	1,352,448	1,723,382	27.43

Source: Created by DCOPN using Weldon-Cooper Data

Norfolk City is the locality with the highest rate of poverty, at 19.70% of its population being in poverty (**Table 2**). Virginia Beach is second to only Poquoson City (4.50% poverty rate) with the lowest poverty rate of 7.60% (**Table 2**). Norfolk’s poverty rate is 2.59 times that of Virginia Beach (**Table 2**). Additionally, Norfolk’s percentage of minority racial demographics far exceeds that of Virginia Beach’s (**Table 2**). This information is imperative to public health planning as historically, socioeconomic status and racial demographics have strongly correlated with access to healthcare, timeliness and appropriate diagnoses and treatments, and treatment outcomes with minority groups and those with less financial resources available receiving disproportionately less quality healthcare; socioeconomic status also correlates with health literacy, affecting the ability to not only describe problems to provide, but understand and execute a treatment plan.⁷ Health literacy can also be affected by increased age. Norfolk’s projected 2030 65+ cohort is projected to increase by 59.61% from its 2020 population. Virginia Beach’s 65+ cohort is projected to increase by 6.18% (**Table 1**).

⁷ Khanijahani, A., Iezadi, S., Gholipour, K. et al. A systematic review of racial/ethnic and socioeconomic disparities in COVID-19. *Int J Equity Health* 20, 248 (2021). <https://doi.org/10.1186/s12939-021-01582-4>

Table 2. Racial Demographics and Poverty Rate of PD 20 Compared to Virginia 2021

Geographic Name	Native American	Asian	Black	Pacific Islander	2 or More Races	White	Poverty Rate
Chesapeake City	1.4%	5.5%	32.7%	3.0%	4.0%	64.5%	9.00%
Franklin City	1.2%	1.3%	57.9%	1.0%	2.6%	42.1%	15.30%
Isle of Wight County	1.3%	2.0%	24.3%	3.0%	2.8%	75.0%	9.20%
Norfolk City	1.8%	5.4%	44.0%	0.5%	4.0%	53.0%	19.70%
Poquoson City	1.2%	3.4%	2.7%	0.2%	2.4%	95.1%	4.50%
Portsmouth City	1.5%	2.4%	57.3%	0.3%	3.4%	42.2%	17.20%
Southampton County	1.2%	1.0%	35.3%	0.2%	1.9%	64.3%	14.70%
Suffolk City	1.1%	3.2%	44.8%	0.2%	3.1%	54.0%	10.80%
Virginia Beach City	1.4%	9.7%	22.9%	0.4%	4.6%	70.8%	7.60%
PD 20 Average	1.2%	3.4%	32.2%	0.9%	2.9%	56.1%	12.0%
Virginia	1.3%	8.6%	21.7%	0.3%	3.4%	71.8%	10.70%

Source: Weldon-Cooper 2021 Population by Race; IndexMundi Poverty Rates

PD 20 CT, PET/CT, and MRI Services Availability and Utilization

Computed Tomography (CT)

The following information was calculated using the SMFP’s threshold of 7,400 procedures per scanner to assess the need for an addition of more units within the PD. Including only those scanners that have data for 2021 and were operational for that time (42 units) and the 333,219 scans reported for 2021, the utilization rate for PD 20 CT scanners on average is 107.21% utilization per unit (**Table 3**). However, individual use varies widely, from as low as 1.39% utilization to as high as 260.66% utilization (**Table 3**).

The two scanners at Bon Secours Medical Center were taken out of service when DePaul closed on April 1, 2021. Currently, those scanners are not included in the inventory as the COPNs for them have expired due to non-use within 12 months per § 32.1-102.1:3. Bon Secours has stated that the services have continued via mobile services, but no specific dates for the start of the services, or the volume of service treatments were given until the applicant responded to a letter of opposition. There is not enough evidence at the time DCOPN is writing this staff report to confirm the scanners remained operational. COPNs VA-04723 became operational April 8, 2022, VA-04737 became operational March 1, 2021, VA-04761 is projected to become operational November 2023, VA-04785 is projected to become operational September 15, 2025, and VA-04645 became operational June 19, 2019. Adjusting for these current and projected changes, there are 46 CT scanners in PD 20. The average utilization per scanner is 97.89%. Excluding the not-yet-operational scanners, the average utilization per scanner is 104.72%. The SMFP calculation yields a need for 46 CT scanners in PD20, using 2021 VHI data regarding procedural volume. With the population, specifically the senior/65+ cohort, rising, it is reasonable to conclude that additional CT scanning capacity will be needed in PD 20.

Table 3. PD 20 COPN Authorized CT Units and VHI 2021 Utilization Rate

Facility	# of Fixed Units	# of Mobile Units	# of Procedures	Utilization Rate ¹
Bon Secours DePaul Medical Center	2 ²		2,138	14.45%
Bon Secours Harbour View Hospital	1 ³		--	--
Bon Secours Health Center at Harbour View	1		--	--
Bon Secours Maryview Medical Center	4		28,588	96.58%
Bon Secours Southampton Memorial Hospital	1		4,245	57.36%
Chesapeake Bay ENT P.C. - Corporate Landing	1 ⁴		--	--
Chesapeake Bay ENT P.C. - Suffolk	1 ⁵		--	--
Chesapeake Regional Medical Center	4		36,745	124.14%
Children's Hospital of The King's Daughters	2		4,728	31.94%
Children's Hospital of The King's Daughters Health and Surgery Center at Concert Drive	1 ⁶		--	--
Children's Hospital of The King's Daughters Health Center at Fort Norfolk	1 ⁷		--	--
First Meridian d/b/a MRI & CT Diagnostics - Virginia Beach	1		4,565	61.69%
First Meridian d/b/a MRI & CT Diagnostics - Chesapeake	1		3,301	44.61%
Hanbury Imaging Center	1 ⁸		--	--
Lakeview Medical Center	1		--	--
Riverside Diagnostic Center- Isle of Wight	1		--	--
Riverside Diagnostic Center - Smithfield	1 ⁹		922	12.46%
Sentara Advanced Imaging Center - Belleharbour	2		11,718	79.18%
Sentara Advanced Imaging Center - Greenbrier Healthplex	1		4,841	65.42%
Sentara Brock Cancer Center	1		7,675	103.72%
Sentara Advanced Imaging Center - Leigh	1		--	--
Sentara Advanced Imaging Center - Princess Anne	1		4,882	65.97%
Sentara Advanced Imaging-St. Luke's	0	1	102	1.39%
Sentara Advanced Imaging Center at First Colonial	1		5,809	78.50%
Sentara Advanced Imaging Center - Fort Norfolk	1		2,424	32.76%
Sentara Independence	1		10,429	140.93%
Sentara Leigh Hospital	2		38,577	260.66%
Sentara Norfolk General Hospital	6		62,882	141.63%
Sentara Obici Hospital	2		27,134	183.33%
Sentara Princess Anne Hospital	2		33,154	224.01%
Sentara Virginia Beach General Hospital	3		36,305	163.54%
Virginia Oncology Associates at Sentara Cancer Center	1		--	--
Vann-Virginia Center for Orthoepedic, P.C. d/b/a Atlantic Orthoepedic Specialists	1 ¹⁰		580	7.84%
Fixed and Mobile Total	45	1	333,219	97.89%

Source: DCOPN records and VHI 2021 Data

¹Utilization Rates are based on SMFP 7,400 procedures being 100% utilization.

²DePaul closed in April 2021. The 2 CT units were placed in storage as of October 7, 2021, per the applicant in an email to DCOPN. The CT units have been out of operation for more than 12 months and are no longer in the inventory.

³COPN VA-04631 authorized the addition of one CT scanner through intra-campus relocation. The applicant requested a significant change with an estimated completion date for the entire project to be November 30, 2025, which may have an increased utilization effect on the CT scanner.

⁴This CT is head only and will be excluded from the Total Count.

⁵This CT is head only and will be excluded from the Total Count.

⁶COPN VA-04737 CT unit became operational April 8, 2022.

⁷COPN VA-04723 CT unit became operational March 1, 2021.

⁸COPN VA-04761 CT unit is projected to become operational in November 2023.

⁹COPN VA-04785 CT unit is expected to be operational September 2025. The CT unit is from the surrendered COPN VA-04781, surrendered on January 9, 2023.

¹⁰COPN VA-04645 CT unit became operational on June 19, 2019.

Positron Emission Tomography/Computed Tomography (PET/CT)

Table 4 displays the COPN authorized PET/CT units in PD 20. At this time, all COPN authorized units are PET/CT capable. The average number of scans per unit are 1,290 for both fixed and mobile units. The mobile unit procedure volume for Bon Secours DePaul Medical Center is not accurate for the entire year as DePaul Medical Center was closed April 1, 2021.

The SMFP’s PET and PET/CT thresholds vary based upon the type of facility and whether or not the application is proposing fixed, mobile, or conversion of mobile to fixed services, therefore, utilization was not calculated for this Staff Report.

Table 4. COPN Authorized PET Mobile Sites and Fixed PET Units in PD 20

Facility	Fixed PET/CT Units	Mobile PET/CT Sites	Procedures
Bon Secours DePaul Medical Center*	0	1	44
Bon Secours Maryview Medical Center	0	1	579
Children’s Hospital of the Kings Daughters**	1	N/A	N/A
Chesapeake Regional Medical Center	1	0	96
Sentara Cancer Center	1	0	3,077
Sentara Norfolk General Hospital	0	1	2,653
TOTAL and Average	2***	3	6,449 Total 1,290 Average

Source: VHI (2021) and DCOPN records

*DePaul was closed in April 2021, but mobile PET services continued under the name Hampton Roads Radiation Oncology Center

**COPN VA-0417 was issued August 20, 2020. An indefinite extension was requested in December 2022 as the project was completed and operational as of November 2022.

***Children’s Hospital of the King’s Daughters PET/CT unit was not included in the calculated average.

Magnetic Resonance Imaging (MRI)

The average MRI utilization in PD 20 in 2021 was 76.58%, however, the utilization varies widely depending on the location and provider. Bon Secours has stated that the MRI services for DePaul have continued via mobile services, but no specific dates for the start of the services, the volume of service treatments were given until the applicant responded to a letter of opposition. There is not enough evidence at the time DCOPN is writing this staff report to confirm the scanner remained operational.

Table 5. MRI Scanner Utilization for PD 20 in 2021

Facility Name	Total Stationary Units	Total Mobile Units	Total MRI Inpatient Procedures	Total MRI Outpatient Procedures	Total MRI Procedures	% Utilization
Bon Secours DePaul Medical Center ¹	1	0	14	588	602	12.04%
Bon Secours Maryview Medical Center	4	0	1,188	9,006	10,194	50.97%
Bon Secours Southampton Memorial Hospital	1	0	122	842	964	19.28%
Chesapeake Regional Imaging – Kempsville ⁴	1	0	N/A	2,779	2,779	55.58%
Chesapeake Regional Imaging – Kingsborough ⁵	2	0	N/A	8,683	8,683	86.83%
Chesapeake Regional Medical Center	3	0	2,391	4,712	7,103	47.35%
Children's Hospital of The King's Daughters	2	1	831	5,337	6,168	53.63%
First Meridian d/b/a MRI & CT Diagnostics - Virginia Beach	2	0	N/A	5,601	5,601	56.02%
First Meridian d/b/a MRI & CT Diagnostics - Chesapeake	2	0	N/A	11,622	11,622	116.22%
Riverside Diagnostic Center – Smithfield ⁶	0	1	N/A	251	251	5.02%
Sentara Advanced Imaging Center - Belleharbour	1	0	N/A	4,005	4,005	80.10%
Sentara Advanced Imaging Center - Greenbrier Healthplex	0	1	N/A	2,800	2,800	56.00%
Sentara Advanced Imaging Center - Princess Anne	1	0	N/A	4,165	4,165	83.30%
Sentara Advanced Imaging Center - St. Luke's	0	1	N/A	94	94	1.88%
Sentara Advanced Imaging Center at First Colonial	1	0	N/A	4,440	4,440	88.80%
Sentara Advanced Imaging Solutions at North Leigh Campus	1	0	N/A	1,362	1,362	27.24%
Sentara Brock Cancer Center	1	0	N/A	3,684	3,684	73.68%
Sentara Independence	1	0	N/A	4,229	4,229	84.58%
Sentara Leigh Hospital	1	0	2,895	4,333	7,228	144.56%
Sentara Norfolk General Hospital ²	3	0	4,180	11,066	15,246	101.64%
Sentara Obici Hospital ³	1	0	2,482	5,003	7,485	149.70%
Sentara Princess Anne Hospital	1	0	2,123	5,497	7,620	152.40%
Sentara Virginia Beach General Hospital	1	0	2,575	4,786	7,361	147.22%
Totals	31	4	18,801	104,885	123,686	76.58%

Source: 2021 VHI Data

1 Bon Secours DePaul is now closed.

2 Sentara Norfolk General also has an intraoperative MRI, not counted here

3 Sentara Obici Hospital expects to add a 2nd MRI 10/31/23 per COPN No. VA-04787

4 Kempsville to transfer MRI to New Hanbury site 11/15/23 per COPN No. VA-04761

5 Kingsborough will transfer one MRI to First Meridian Chesapeake 11/30/12 per COPN No. VA-04788

6 Riverside Diagnostic Center -Smithfield has surrendered COPN No. VA-04781 authorizing a mobile MRI to place it a new Riverside Smithfield Hospital 9/15/2025 instead, per COPN No. VA-04785.

COPN Request No. VA-8678 (UOV) Specific Background

UOV has twenty-nine board certified physicians and thirty-seven advanced practice providers; UOV is the largest urological provider in southeastern Virginia and one of the largest urology practices in the state, treating more than 20,000 unique patients per year.

Of UOV’s patient origin pool, 79.4% reside in PD 20. The three largest locality patient pools within the PD 20 portion are: Chesapeake at 17.5% (of total patients), Norfolk at 11.9% (of total patients), and Virginia Beach at 31.9% (of total patients). Chesapeake and Virginia Beach’s poverty rates are below both the PD and statewide average; however, Norfolk’s poverty rate is 164.1% of the PD average and 184.1% of the statewide average. Furthermore, the proportion of these three localities’

racial demographics have a higher proportion of groups that statistically experience health care and health outcome disparities.⁸

Prostate cancer and kidney stones are two major health concerns UOV treats. Prostate cancer, the most commonly diagnosed cancer for men in both the nation and within Virginia, accounts for approximately 25% of all cancers between 2015 and 2019.⁹ In 2020, a new imaging approach using a “PSMA” tracer in PET/CT scanning was studied and found to be 27% more accurate than the standard approach for detecting metastases (92% compared to the prior 65% accuracy).¹⁰ It is well documented that cancers diagnosed earlier lead to better outcomes, with prostate cancer this has been shown to especially true¹¹.

COPN Request No. VA-8685 (Bon Secours) Specific Background

Maryview offers advanced diagnostic imaging services on three campuses:

- 2 CT scanners and 1 MRI scanner at its main Bon Secours Maryview Medical Center Campus in Portsmouth, Virginia
- 2 CT scanners and 2 MRI scanners at its Bon Secours Harbour View campus in Suffolk, Virginia (currently the campus is ambulatory services only while the Bon Secours Harbour View Hospital is under construction and will serve inpatient imaging as well upon completion of the hospital)
- 2 CT scanners and 1 MRI scanner at the former DePaul campus in Norfolk, Virginia (currently reported as ambulatory services following the Bon Secours DePaul Medical Center closure in April 2021); these scanners include*:
 - A General Electric (GE) 16-slice Lightspeed Pro 16 CT scanner
 - A GE 64-slice Lightspeed VCT XTe scanner
 - A GE Discovery MR750w 3.0T GEM 25.1 MRI scanner**These scanners are in storage at the former DePaul location. The applicant asserts they are providing mobile services in an ambulatory setting on the former DePaul campus.*

TCI will be sub-leasing space from Maryview. TCI’s goal is to provide area physicians with accessible, high quality imaging services in a cost competitive environment, complying with trends to move away from hospital-based services.

Bon Secours provided the following map as the projected primary service area, which the applicant expects to be identical to the DePaul primary service area (**Figure 1**).

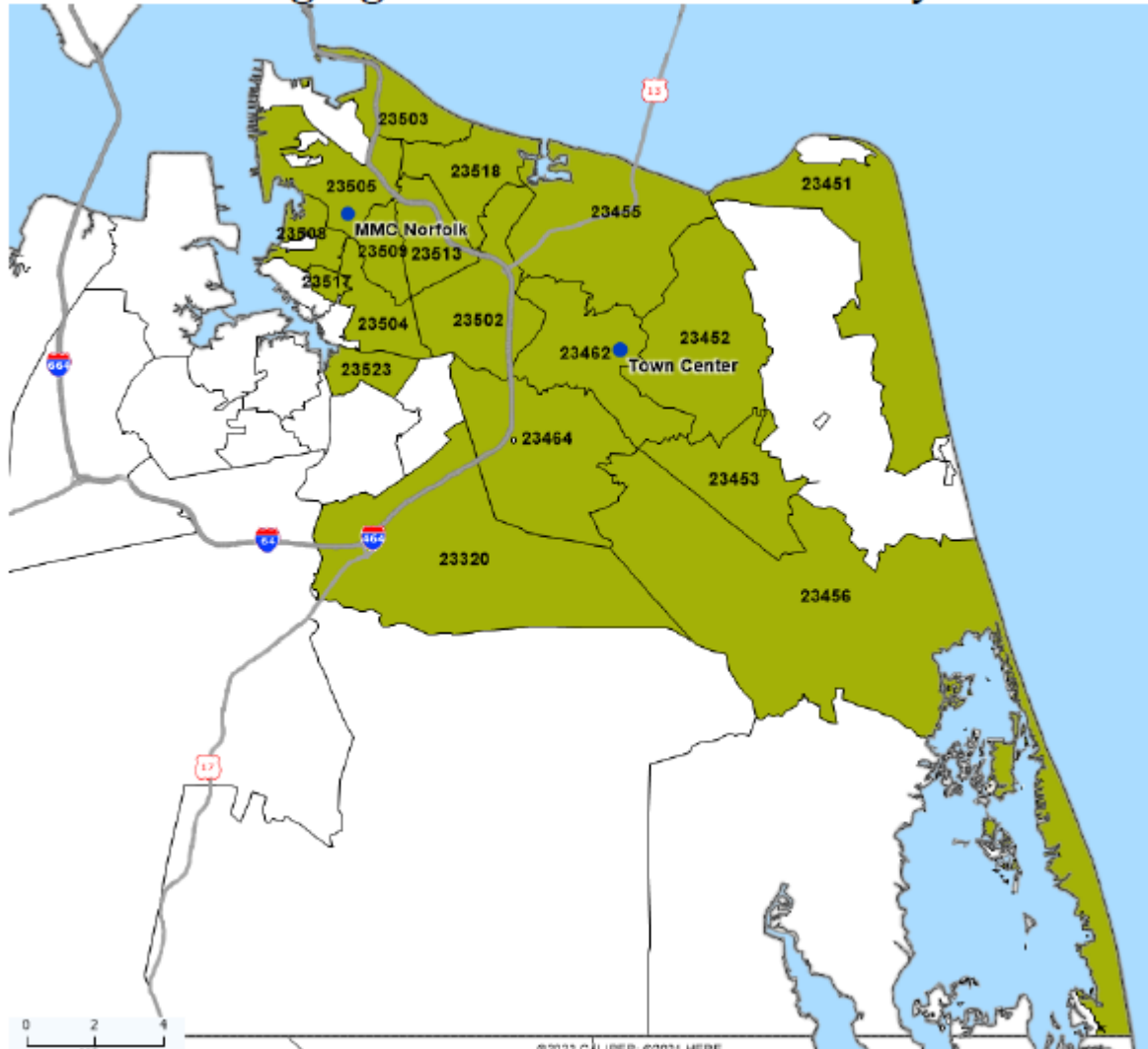
⁸ Saeed, S.A., Masters, R.M. **Disparities in Health Care and the Digital Divide** . *Curr Psychiatry Rep* 23, 61 (2021). <https://doi.org/10.1007/s11920-021-01274-4>

⁹ <https://statecancerprofiles.cancer.gov/quick-profiles/index.php?statename=virginia>

¹⁰ <https://www.cancer.gov/news-events/cancer-currents-blog/2020/prostate-cancer-psma-pet-ct-metastasis>

¹¹ [https://strathprints.strath.ac.uk/15071/4/tyrol_bjuint_2007_11_22\(1\).pdf](https://strathprints.strath.ac.uk/15071/4/tyrol_bjuint_2007_11_22(1).pdf)

Figure 1. Projected Bon Secours Imaging at Town Center Primary Service Area (PSA)



Source: COPN Request VA-8685

The applicant provided the percentage of the total CT scans for 2019 at DePaul that were non-emergency, outpatient scans. The applicant-provided information collectively shows that in 2019, 30.8% of the total scans were for Norfolk patients, 5.5% were for Virginia Beach patients, 0.9% were for Chesapeake patients, and 19.0% were for various other localities.

The applicant provided the comparable information for non-emergency, outpatient MRI services for 2019 which states collectively that 65.5% were for Norfolk patients, 11.8% were for Virginia Beach patients, 3.3% were for Chesapeake patients, and 19.8% were from various other localities. The 2019 DePaul outpatient, non-emergency MRI and CT procedures were overwhelmingly performed on patients residing in Norfolk.

The applicant provided the population projections from 2023-2028 by primary service area zip code. The information collectively states that the Norfolk PSA zip codes are projected to decline all together by an average of -1.08% in total, the VA Beach PSA zip codes are projected to increase by

2.1% on average per zip code (this does not include either 23452 that accounted for 0.8% of the CT and 1.6% of the MRI procedures for 2019 or 26453, projected to grow at 1.2%, as this zip code was not associated with the outpatient scan PSA zip codes provided previously), and the Chesapeake PSA zip code is expected to grow by 5.3% (although this does not include the zip code, 23322, where 1.7% of the outpatient MRI procedures originated in 2019).

Considering the information in **Table 1**, projected growth between 2020 and 2030 for the 3 PSA localities are:

- Norfolk is projected to decline 3.43%, with an increase of 59.61% of the 65+ cohort;
- Virginia Beach is projected to increase 3.24% with an increase of 6.18% in the 65+ cohort; and
- Chesapeake is projected to increase 9.5% and is projected to increase 13.58% in the 65+ cohort.

These figures DCOPN used for calculation regarding population are derived from the Weldon-Cooper Center for Public Service and encompass the entirety of the localities named rather than specific zip codes.

Proposed Projects

A. COPN Request No. VA-8678 (UOV)

UOV proposes to establish a site for mobile PET/CT imaging with independent use of CT imaging on its Virginia Beach campus. The mobile PET/CT unit will utilize a 451-square-foot support pad constructed on UOV's medical campus, next to the main building. The support pad will be surrounded by a service pad, resulting in a total 1,313 square-foot mobile pad. A canopy will be constructed to shield patients from the weather. There is adequate capacity for parking and future expansion. Public utilities are already available for use and are paid appropriately. The site also has necessary zoning to provide medical care services. UOV asserts to have historically used durable finishing materials and state-of-the-art building materials to reduce maintenance and life cycle costs and plans to continue this behavior through this project. No renovations are necessary to the building as there is an interior corridor and door already available to lead to the mobile pad site. Their target date of opening is five months after COPN approval.

The anticipated total capital costs are estimated to be \$2,032,960, with \$613,200 paid for using accumulated reserves for the construction of the mobile pad and the remaining \$1,419,760 to be paid for using ongoing revenue streams. UOV proposes to contract with Captive Radiology, LLC for a five-year agreement for mobile PET/CT equipment and personnel. The contracted monthly amount is \$23,646 per month and includes Captive Radiology providing the PET/CT coach and unit, technologist personnel, coordination of the delivery of radiopharmaceuticals, and providing for equipment maintenance and repair.

B. COPN Request No. VA-8685 (Bon Secours)

The applicant proposes to remodel and outfit leased space to establish a specialized center for the provision of imaging services, including CT and MRI services. The equipment, including two (2) CT units and one (1) MRI unit, will be relocated (and, with respect to one CT scanner, replaced) from Maryview's Norfolk campus (formerly the Bon Secours DePaul Medical Center campus) on Kingsley Lane to a Virginia Beach location. The Virginia Beach center will occupy approximately 6,420 gross square-feet of leased space on the first floor of an existing two-story medical office

building. Bon Secours In Motion currently occupies the second floor. Bon Secours In Motion is described by the applicant as an “existing comprehensive outpatient rehabilitation and sports medicine center.” The site is currently served by adequate utilities and are paid for appropriately. The project proposes to renovate existing space rather than completely new construction. The target date of opening is 24 months following the issuance of a COPN.

Upon completion of the project, mobile CT and MRI services will no longer be provided at the Norfolk location. CT and MRI services are currently available on the Norfolk campus through contractual services with a mobile vendor. The scanner to be relocated (or replaced) are located in a storage area within the former DePaul hospital. The leased space Maryview is currently providing mobile imaging services from will be returned to the landlord.

Bon Secours In Motion has been in operation at the site for more than five years. Contrary to the letter of intent, Bon Secours is not seeking to establish mobile PET/CT services any longer. The total capital costs for the project are estimated to be \$3,534,581. The applicant asserts the project “will not result in the addition of COPN-authorized CT or MRI scanners to the planning district.” The applicant further asserts that the project “will also be site neutral – Maryview currently offers CT and MRI services on its Norfolk campus and, upon approval of the project, would cease offering CT and MRI services on the Norfolk campus.”

Project Definitions

A. COPN Request No. VA-8678 (UOV)

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the “[e]stablishment” of a medical care facility described in subsection A of any... computed tomographic (CT) scanning... positron emission tomographic (PET) scanning” where subsection A denotes a medical care facility as “[a]ny specialized center or clinic or that portion of a physician's office developed for the provision of outpatient or ambulatory... computed tomographic (CT) scanning, ... positron emission tomographic (PET) scanning.”

B. COPN Request No. VA-8685 (Bon Secours)

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the “[e]stablishment of a medical care facility described in subsection A [including]...[a]ny specialized center... developed for the provision of... computed tomographic (CT) scanning [or] magnetic resonance imaging (MRI).”

As the project definition proclaims, the project proposed by Bon Secours is the establishment of a new facility, at a new site, that neither currently offer services with the proposed inventory nor has the inventory been utilized in the last 12 months. The project is neither site neutral nor inventory neutral. It appears the applicant is stating that the services have the ability to still exist if DePaul was not closed, therefore, they should still be in the inventory; however, Section 32.1-102.1:3, subsection B.4, of the Code of Virginia states that a project would include the “[i]ntroduction into an existing medical care facility described in subsection A of any... computed tomographic (CT) scanning,

magnetic resonance imaging (MRI)... when such medical care facility has not provided such service in the previous 12 months.”

There is reference to mobile services for CT and MRI being currently offered by a mobile vendor at the Norfolk location. There is no evidence presented regarding current procedure volume for those units or the contracted company’s information. In a January 26, 2021 letter from Bon Secours to the Office of Licensure and Certification, the notice of the merger and DePaul closure states services that will be available in an ambulatory setting, which did not include the provision of diagnostic imaging with its two CT scanners and one MRI scanner. In a letter dated March 17, 2021, addressed to CMS, Philadelphia Regional Office, proclaims that on March 31, 2021, Bon Secours would “[c]lose the Emergency Department and all remaining hospital-based services.” DCOPN has not received communication for either the Bon Secours – Women’s Imaging Center or the Bon Secours - Radiation Oncology Center facilitating services utilizing the authorizations associated with the COPNs for the two CT scanners or one MRI scanner. On October 7, 2021, DCOPN was advised that two CT scanners and one MRI scanner was not currently in use on the DePaul Campus.

While Bon Secours may have continued providing mobile services through those authorizations, there is no communication prior to the current application and very limited information regarding the mobile services within the application. At the time of the writing of this staff report, there is not evidence of the two CT and one MRI COPNs being current and still authorized. If the applicant hypothetically wanted to reintroduce services at DePaul, they would need new COPNs based upon the information presented.

The application will be analyzed through the lens of the appropriate definition, defined above.

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 service or facility will provide or increase access to needed services for residents of the area to be served, and the effects that the proposed service or facility will have on access to needed services in areas having distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to care.**

A. COPN Request No. VA-8678 (UOV)

UOV is less than a ten-minute drive from I-64 and is approximately a five-minute drive from both the Newtown Road and Witchduck Road access ramps for I-264. Commercial medical transportation companies’ services are provided throughout the region and nursing homes and assisted living facilities offer ride services for their residents to and from healthcare facilities. Hampton Roads Transit (HRT) provides bus services to locations near Clearfield Avenue. A light rail service (and HRT bus station) is also located 2.3 miles from Clearfield Avenue. Uber (and similar providers) and several taxicab companies offer private transportation. Their Virginia Beach campus is within one hour’s driving time by all

residents of Southside Hampton Roads, Western Tidewater, the Peninsula, and portions of the Eastern Shore and Northeastern North Carolina. DCOPN acknowledges the Commissioner is under no obligation to consider the costs and benefits of the project with regard to the North Carolina residents, but they will be considered in this Staff Report in the event the Commissioner would like to have information on the potential impacts beyond Virginia's borders.

UOV treats more than 20,000 unique patients per year. Of their service area, approximately 8.4% of their patients reside in North Carolina. While the DCOPN is tasked with analyzing the impact of the proposed project on the Virginia population, DCOPN would be remiss without consideration of what the impact may be beyond the scope of only Virginia residents.

B. COPN Request No. VA-8685 (Bon Secours)

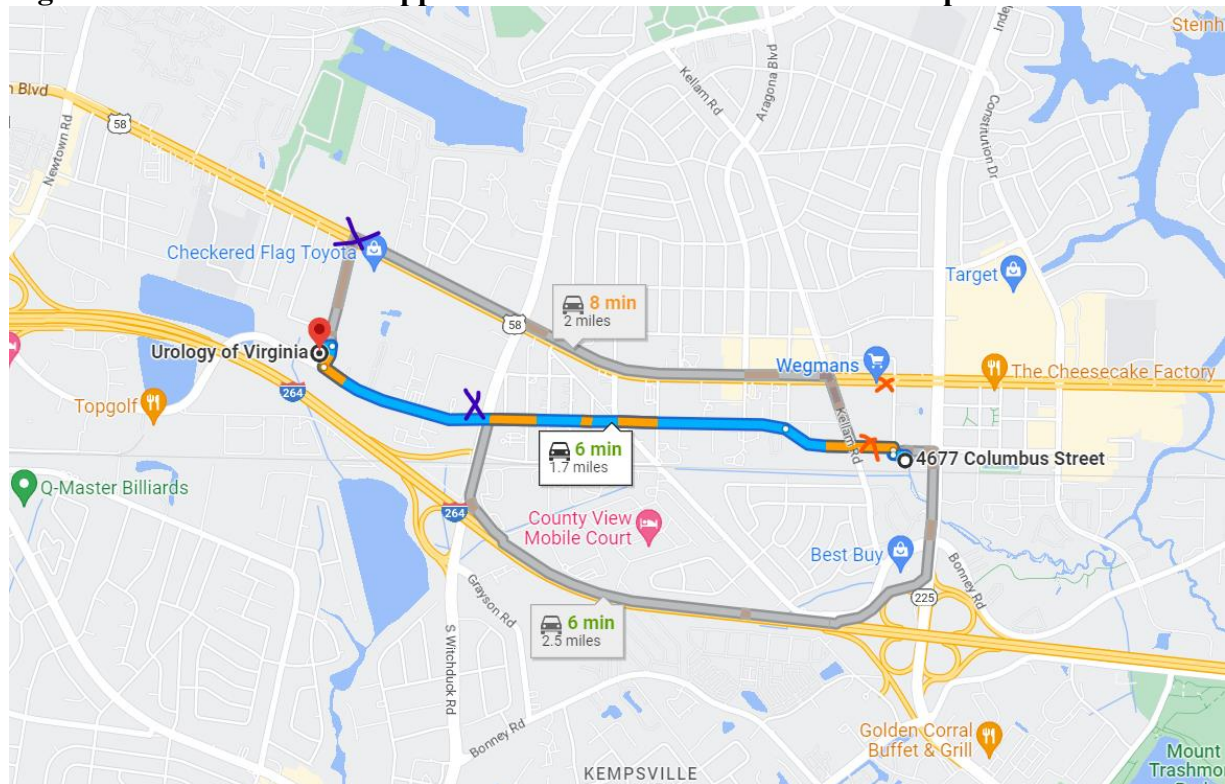
BSI-TC will be located on Columbus Street in Virginia Beach, near the intersection of Columbus Street and South Independence Boulevard. The Virginia Beach Expressway, I-264, is easily accessible from Independence Boulevard. HRT provides bus transportation with a stop at the intersection of Columbus Street and Independence Boulevard, a three-minute walk from the proposed imaging center. Furthermore, HRT offers services transporting residents from Norfolk to the proposed Virginia Beach location for those who live closer to the former DePaul Medical Center.

DCOPN utilized the HRT trip planning tool to assess the approximate time for those who face significant health inequity and are in closer proximity to the former DePaul campus. DCOPN assessed the travel times using seniors, who have higher likelihood of needing imaging, as well as the family housing, where children may have a higher incidence of needing scans following injuries. Using a senior housing provided through the Norfolk Redevelopment Housing Authority ("NRHA") location of Roberta Partrea Apartments at 701 Easy Street, Norfolk to 4677 Columbus Street, Virginia Beach, it would be approximately 90 minutes of travel in one direction, with at least one bus line change to navigate in order to arrive at the newly proposed location. From Young Terrace, a 746-unit family community, also provided through the NHRA) at 816 Whitaker Lane, Norfolk, the travel time ranges from approximately 59-102 minutes.

In contrast, the bus transportation time from Roberta Partrea to Bon Secours Norfolk campus (entered as 150 Kingsley Lane, Norfolk) is approximately 57-63 minutes with one bus line change. The bus transportation travel time from Young Terrace to Bon Secours Norfolk campus (entered as 150 Kingsley Lane, Norfolk) is 24-29 minutes taking one bus line.

As illustrated below in **Figure 2**, both applicants are within a relatively short distance from HRT bus stops. The purple "X"s denotes bus stops closest to UOV, while the Orange "X" s are indicative of bus stops closest to BSI-TC.

Figure 2. Location of Both Applicants' Facilities and Closest Bus Stops



Source: DCOPN Generated via Google Maps

UOV's Virginia Beach location currently accommodates an established urological medical practice, an ambulatory surgery center, and lithotripsy services. The intended patients to utilize the proposed PET/CT and independent CT use would be limited to urological needs and kidney stone detection, respectively. As such, their location would not likely lead to any change in geographic access for patients they currently service, aside from the access to the proposed services themselves.

Conversely, Bon Secours describes its application as "site neutral." The proposed project is approximately 12.5 miles, 20 minutes' driving time (according to Google Maps), from the location where Bon Secours formerly provided imaging services and is possibly providing mobile services in Norfolk and where the fixed units to be relocated are in storage. The project is not site neutral as described in the application. The change in location, as illustrated previously, will alter patients' access to care and will exacerbate the barriers to healthcare faced by the significant population of those who are: low-income, geriatric, of a racial demographic historically facing healthcare inequity, or a combination of these attributes in Norfolk.

2. **The extent to which the project will meet the needs of the residents of the area to be served, as demonstrated by each of the following:**
 - (i) **The level of community support for the project demonstrated by citizens, businesses, and governmental leaders representing the area to be served.**

A. COPN Request No. VA-8678 (UOV)

UOV received 52 letters of support from physicians within the UOV system, one letter of support from a professor of urology, and one letter from a banking executive vice president, and received no letters of opposition. Collectively, the letters of support relayed the following:

- The approved service will be dedicated to adult urological patients.
- The project will address the growing needs of UOV patients residing in southeastern Virginia and northeastern North Carolina.
- UOV is an active and exceptional member of TowneBank and is a premier medical specialty practice in the community.
- While UOV is still determining costs of the project at the time of the letter's writing, UOV has access to advance up to \$4 million for working capital or capital investments as needed. UOV's financial performance of the practice is stable and solvent.
- There is nearly a two-month waiting period for ordering a PSMA PET/CT for patients with biochemically recurrent prostate cancer, castrate resistant prostate cancer, and hormone sensitive metastatic prostate cancer. The delay is preventing patients from being diagnosed appropriately and delaying treatment with NCCN level one guidance therapeutics.
- Approval of the project will lower the cost of imaging from current HOPD (Hospital Outpatient Department) rates.
- UOV also received petitions of support from patients.

B. COPN Request No. VA-8685 (Bon Secours)

Bon Secours' application contains 57 letters of support from providers and staff within the Bon Secours system, 28 letters of support from patients, 1 letter from an orthopedic provider, 2 letters of response from MRI & CT Diagnostics, LLC, and 2 letters of direct opposition from Chesapeake Regional Healthcare and Sentara Healthcare. Collectively, the letters of support asserted:

- Bon Secours' commitment to improve the care of the community through its continual efforts to provide technologically advanced services and maintain continuity of care for patients through comprehensive network of services to improve health and outcome for patients is admirable.
- CT and MRI scans are a quick and safe way to assess injuries or abnormalities within the body with more clarity than other imagining tools.
- MRI scans are the gold standard for many soft tissue injuries which can only be diagnosed with this modality.
- Providers often use the results from CT and MRI scans to determine the best course of action for their patients.
- The project is inventory neutral and will relocate currently COPN-approved CTs and MRI scanners from the former DePaul campus.
- Scheduling timely and affordable imaging for patients can be challenging in this market. Often, scans must be performed urgently and patients either have to wait or bear unnecessary cost to get a scan done at a local hospital.

- Patients often ask if there is a way to get the needed imaging services at a lower copay rate than what they currently experience. Patients have shared they would prefer a Bon Secours affiliated center where they could pay less for their scans.
- The proposed location is easily accessible by both Norfolk and Virginia Beach residents.
- Patients reported receiving wonderful care from the team at Bon Secours InMotion.
- Patients report that the proposed location would be easy to get to without having to “worry about going to a big, congested campus, and figuring out which entrance to use” for their imaging.

MRI & CT Diagnostics, LLC responded to the proposed project, stating the following:

- MRI & CT Diagnostics can address the need for low cost, easily accessible imaging for patients *today*. They have the ability to accommodate and accept referrals from Bon Secours and other providers.
- They are located only 1.7 miles from the proposed location for BSI-TC and offer MRI & CT diagnostics, as well as X-rays.
- They have operated freestanding imaging centers in Hampton Roads for more than three decades.
- Their freestanding status ensures patients receive the lowest cost-sharing, while their global billing practice guarantees that they receive only one bill for the imaging service and the radiologist report.
- Additionally, the diagnostic imaging equipment at their Clearwater Avenue imaging center is comparable to or more advanced than the equipment proposed by Bon Secours in its COPN application.

Chesapeake Regional Healthcare’s (CRH) letter of opposition including the following main assertions:

- Bon Secours is unable to meet their projections without diverting patients from other providers.
 - Bon Secours is projecting 2026 CT volumes that are more than double DePaul’s 2021 outpatient CT volumes and 2026 MRI volumes that are more than five times DePaul’s 2021 outpatient MRI volumes.
 - Because DePaul closed on March 31, 2021, CRH expects Bon Secours’ 2022 CT and MRI volumes to be essentially zero, which indicates that virtually 100% of the projected 2026 volume would have to come from other providers.
 - The significant jump in utilization Bon Secours is estimating for 2026 will likely come from existing providers, such as MRI & CT Diagnostics, located 1.7 miles from the proposed location. Other providers with available capacity near the proposed site include Sentara Independence (2.1 miles away), and Sentara Advanced Imaging Solutions at North Leigh Campus (3.4 miles away).
 - All of the aforementioned providers are operating at utilization levels below the SMFP threshold, ranging from 27% to 85% utilization.
- Bon Secours’ proposed project would promote harmful institutional competition.

- CRH offers comprehensive care and emergency services at one of the busiest emergency departments in Hampton Roads. In order to support these ongoing operations, CRH must have a mix of services including profitable services to subsidize unprofitable ones. This balance allows CRH to continue providing optimal care without funding difficulty. Outpatient imaging is one of CRH's highest revenue generating services. CRH has been historically a low cost provider of CT & MRI services, but can only do so by controlling costs, having a high volume of scans, and offering exceptional patient experience. Approval of Bon Secours' project would create harmful institutional competition by diverting patients away from CRH. Any significant loss of outpatient imaging would erode CRH's financial footing and stymie CRH's ability to continue serving its patients and community.
- Bon Secours' proposed project would exacerbate health disparities in the City of Norfolk and further reduce access to care.
 - Norfolk residents' access to healthcare has been negatively affected by the closure of the DePaul campus. The project is proposing to move diagnostic imaging services from a Norfolk zip code with a comparatively high health equity index to a Virginia Beach zip code with a comparatively lower health equity index according to Conduent Healthy Communities Institute's index.
 - Bon Secours asserts that the relocated imaging services would be convenient for Norfolk residents due to the bus transit between Norfolk and Virginia Beach. Using the transit "plan your trip" tool, bus transit from the DePaul campus to the new location is more than one hour, each way.

In response to Chesapeake's letter, Bon Secours provided the following information via phone call and written correspondence on March 14, 2023, and March 13, 2023, respectively:

- The project in question is a "remarkably simple project" and proposes to relocate existing CT and MRI equipment within PD 20 and within a geographic portion of the former DePaul service area.
- Bon Secours continued to provide mobile CT and MRI services on the former DePaul campus and continues to.
- Last summer, the Commissioner approved the relocation of CT and MRI services from Carol Lane imaging to another facility in PD 16 to a new location within that PD. More recently, in October of 2022, the Commissioner approved the relocation of CT services by HCA from its closed West Creek Emergency Center to a new location in Scotts Addition in PD 15.
- The reliance on existing COPN-approved capacity means they are not subject to the quantitative analysis under the SMFP that would apply to a project proposing the introduction of new imaging capacity to a given planning district.
- Chesapeake's concerns about "harmful competition" is unwarranted as their cost reporting period ending June 2022 as reported by the American Hospital Directory indicates their total patient revenue of well over \$1 billion. Bon Secours forecasts their total patient revenue from the imaging center to be approximately \$1.5 million.
- Bon Secours cannot simply "retain CT and MRI service at the DePaul campus."
- The applicant has considered mobile services at both of the In Motion locations in Norfolk, but neither is leased by Bon Secours to where they can make drastic changes

to accommodate imaging, nor are the locations situated to where a covered area could be built to accommodate patients.

- The relocated women's mammography imaging at the Ghent Station location was barely able to fit within the facility.

Chesapeake responded to this with the following via written correspondence on March 15, 2023:

- Chesapeake is not disputing the possible patient volume at this time, but rather that the patient volume DePaul served four years ago in 2019 has long since evaporated. Consequently, the applicant's project is not similar to other projects of relocation where applicants can reasonably meet utilization projections at a new site without adversely impacting other providers.
- Bon Secours does not only have the choices of stopping all imaging with regards to the CT and MRI units at DePaul or moving to the Virginia Beach location. Bon Secours could retain services at or near DePaul or move to a different site in PD 20 that would not adversely impact the utilization of existing providers.
- Bon Secours' reference to Chesapeake Regional Memorial's total patient revenue is not a meaningful measure regarding which service-lines underpin a system's health mission. Diagnostic imaging is Chesapeake Regional's most important revenue generating service. Bon Secours Mercy Health is a 48-hospital system with about \$11 billion in operating revenue.

Sentara Healthcare's (Sentara) letter of opposition including the following main assertions:

- The to-be-relocated scanners are no longer COPN-Authorized. Bon Secours' characterization of the project as an inventory-neutral relocation of existing equipment is inaccurate. One of the CT scanners would be replaced.
- All scanners have been inactive for more than a year, meaning their COPN authorization has expired and a request to place those previously authorized units at a new facility proposes not inventory neutral relocation, but rather the introduction of new capacity.
- The DePaul campus closed in March 2021 and stopped providing services at that time; it appears the units were idle for likely more than 12 months and no CT or MRI services are provided on the DePaul campus.
- COPN Analyst Valerie Cheatham asked Bon Secours to confirm the services that would no longer be operational in October 2021. On October 7, 2021, Bon Secours confirmed that DePaul's two CT scanners and one MRI, along with other services, were "not currently in operation on the DePaul campus."
- The application indicates that CT and MRI services currently are available through a mobile vendor. The application neglects to address when these services began after October 7, 2021, how frequently they are being offered at the DePaul campus, the utilization of the mobile services, or when the mobile services were terminated again.
- There is no public need for the project considered either as a relocation or new inventory. There is a surplus of CT and MRI units in PD 20. Furthermore, the patients who used DePaul's services in 2019 have since utilized other providers due to the closing. Bon Secours' use of 2019 data is no longer applicable.

- Considering only outpatient, non-emergency CT volume originating from the DePaul service area, CT scans at Sentara facilities increased by 7,051 scans, or 17.4% since 2019; MRI scans increased by 7,302, or 28.1% since 2019.
- To accommodate the growth, Sentara redistributed and invested in additional internal resources, such as: 2 COPN approvals for incremental addition of 2 CT units at the hospitals closest to DePaul. Facilities in the area have invested significant funds, staffing, and resources to meet the patients' needs who were no longer able to utilize the DePaul campus. Resurrection of inventory that has not been used in nearly two years is not appropriate. Moreover, the resurrection would negatively impact the providers who have put effort forth to fill the need created by Bon Secours' DePaul closure.
- There are 7 imaging sites within about 10 minutes of the proposed Virginia Beach site, almost all of which have unused capacity.
- The relocation would move services from an already underserved area to a more affluent area, which is contrary to Bon Secours' supposed commitment to the Norfolk community.
- Bon Secours mentions the new location would be close to some of their "largest practices," but neglects to identify those practices. Bon Secours' primary care practice that was once located at Virginia Beach Town Center closed in December 2019.
- Many of the support letters for the proposed project are from providers not within the geographic area of the proposed location, namely in Portsmouth and Suffolk, as well as in Newport News, which is in PD 21 and is separated from PD 20 by a significant tunnel and traffic congestion.

(ii) The availability of reasonable alternatives to the proposed service or facility that would meet the needs of the population in a less costly, more efficient, or more effective manner.

A. COPN Request No. VA-8678 (UOV)

DCOPN finds no reasonable alternatives to the proposed project that would meet the needs of the population in a less costly, more efficient, or more effective manner. UOV is requesting to add a mobile PET/CT for limited PET/CT and CT use dedicated exclusively for urological imaging needs. As detailed above, the use of PET/CT in urological setting is vital to accurate and timely diagnostics and treatment implementation. As the current wait for the "PSMA" tracer PET/CT imaging is reported to be approximately two months for scheduling, the proposed project is the best option. Furthermore, the project involves mobile scanning rather than a fixed unit that would be much more costly to install. UOV is also a provider for northeastern North Carolina, who is reported to also have limited imaging availability.

The independent use of the CT portion of the unit will be exclusively for kidney stone detection. During the past three years, the number of kidney stone patients appropriate for CT imaging has exceeded 7,000 per year, with 2022 on track to see more than 8,500. UOV physicians have been performing about forty stone surgeries and/or lithotripsies per week. Patients have been contacting a hospital or imaging center for the scans to be scheduled, but patients report they may not receive a call back immediately to schedule their scans. Additionally, the scans are usually scheduled several days after the appointment is made,

leaving patients in extreme discomfort. DCOPN finds UOV having the ability to conduct these kidney stone specific CT scans for their patients and the PET/CT scans would be optimal and more advantageous than maintaining the status quo.

B. COPN Request No. VA-8685 (Bon Secours)

DCOPN finds the following alternatives to the proposed project that would meet the needs of the population in a less costly, more efficient, and more effective manner.

- Continuation of the status quo. There is no indication within the application as to why the mobile services reportedly being used are not sufficient and unable to be maintained on a portion of the former DePaul campus. While the hospital is being sold, there has been no indication on why a portion of the campus not contained within the main hospital could not be retained for imaging.
- Bon Secours could cease the possible mobile services and utilize imaging services from other providers who have both the capacity and the willingness to accommodate Bon Secours' low-cost imaging needs.
- If Bon Secours is operating mobile services in Norfolk at the DePaul campus, they could consider relocating the mobile services to another location within Norfolk, or coordinating with another provider to provide mobile imaging services at that location.

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

Currently there is no organization in HPR V designated by the Virginia Department of Health to serve as the Health Planning Agency for the Southeastern Virginia region. Therefore, this consideration is not applicable to the review of either proposed project. However, a Public Hearing was held at the Kempsville Area Library in Kempsville, Virginia on March 7, 2023, at 1:00PM. The following occurred during the Public Hearing:

VA-8678-UOV

The following points were made by UOV and one public commenter who was a prior provider with UOV for 45 years and has been diagnosed with prostate cancer:

- Between the additional travel time for patients, the 5-9 week wait to get into 1 of the 4 busy hospital PET/CT scanners in PD 20, it is very difficult to get the scans needed timely. If approved, patients will be able to have a scan completed as soon as the insurance company sends authorization, usually within 2 weeks.
- The PSMA tracer for prostate cancer detection is not only the most technologically advanced method for prostate cancer detection, but it is also able to pick up metastatic cancer cells throughout the body, even within bones.
- The retired UOV provider stated he needed the PSMA-tracer scan for his prostate cancer, and this was determined in mid-January. He is finally able to have his scan done on March 8, 2023, which is the earliest appointment available.

- The independent use of the CT portion of the PET/CT will be for kidney stones only. PD 20 is located within the Kidney Stone Belt of the United States, which has much higher than average rates of kidney stone formation.
- The project is financially feasible in both the short and long term and will not require additional staffing.

VA-8685-Bon Secours

The following points were made by Bon Secours presenters (no one from the public spoke at the hearing):

- Keeping the DePaul campus open was “not tenable” and was closed at the end of March 2021. During the time since the closing, they have provided mobile services for CT and MRI at the Norfolk campus, but this is not sustainable.
- They will respond to Chesapeake’s opposition in writing, but it appears their main concern is the abandonment of Norfolk patients. This claim is “absurd”. While the diagnostic imaging portion will be relocated to another portion of their primary service area, they still have many other services open throughout Norfolk.
- They will also not be acquiring patients from outside of their historic patient population pool. Their projections are based off of other Bon Secours imaging needs and will be referrals from within their system, and approximately 20% of the projections are expected to come from their secondary service area.
- A cardiologist presented and stated it takes 3 months to schedule an MRI, which cardiology requires imaging in order for medical decision making to occur. He stressed the importance of imaging being available quickly in cardiology.
- A PCP spoke and stated that her office was one of a few offices in PD 20 to be chosen by CMS (Medicaid and Medicare) for a trial project in the VA Beach area; the majority of their patients are geriatric and/or lower income. Their office does more than Primary Care because it is so difficult to get patients in to see a specialist. Her office tries to schedule and have imaging completed in order to facilitate an easier transition when a specialist has an opening. Many of her geriatric patients would prefer an imaging center closer to them because they do not want to drive to Norfolk due to traffic and more difficult-to-navigate roadways. Furthermore, Bon Secours also uses EPIC for their charting system and other providers do not. With other providers, she must take the extra step to call for the results, rather than having them sent electronically.

(iv) Any costs and benefits of the project.

A. COPN Request No. VA-8678 (UOV)

Benefits of this project include:

- Patients will be able to have both PET/CT and CT scans needed for a variety of urological needs, including cancer and kidney stones, much more expeditiously than they are able to have their patients scanned now.
- The PET/CT is useful for a variety of urological diagnostic needs, with particular emphasis placed on the diagnostic needs of prostate cancer. The PSMA tracer is able to be used with this imaging modality to also locate metastatic prostate cancer cells.

- The project will be staffed by the mobile vendor and will not impact staffing in the community.
- The project will help patients in Virginia, as well as patients in Northeastern North Carolina, which the applicant reports has very limited access to imaging modalities they need.

Costs of this project include:

- While the independent use of the CT for kidney stones will relieve some of the utilization of CTs overall in the PD, it is not likely to have a significant impact in reducing the average CT utilization in the PD due to the limited scope of the CT's use and the projected scanning procedures not being new to the PD (the current kidney stone patients are being seen by other providers, but the wait times are longer than kidney stone pain allows for reasonably).

B. COPN Request No. VA-8685 (Bon Secours)

Benefits of this project include:

- The ability for Bon Secours to utilize equipment it has in storage that has already been purchased, reducing overall financial costs of the project.
- The elderly of Virginia Beach will not have to drive as far for imaging services.
- The reimbursement rate will change from the higher outpatient hospital-based rates to a lower, free-standing imaging center rate, making the services more affordable.
- The imaging center will be located in the same building as an established Bon Secours Physical Therapy office.
- The location is accessible by public transportation.
- There is a need for imaging units in PD 20, and this project would increase access to those services in a timelier manner.

Costs of this project include:

- The patient population who historically utilized DePaul imaging prior to its closing in March 2021 would have either continued seeking their needs through the possible Bon Secours mobile services or would have taken their needs to another provider location. It is unlikely that the entirety of the historic patient population from DePaul will relocate to the new site once opened. The project would cost the other providers in PD 20 who have absorbed the patients from the former DePaul.
- The new location is much further for the patients of Norfolk, who have a higher rate of poverty and are more likely to use public transportation or rely on others for transportation. While the new location is still accessible by public transportation from Norfolk, receiving their imaging needs would be much more convenient from other providers in Norfolk than to travel to the proposed location.
- The location change will likely change both the Primary and Secondary Service Areas from the historic figures prior to DePaul's closing. This change will likely negatively impact other providers in the VA Beach area, creating harmful institutional competition.

(v) The financial accessibility of the project to the residents of the area to be served, including indigent residents.

Both applicants made it clear in their applications that charity care is a consideration for all services being proposed and that services will be accessible to all patients, regardless of financial considerations. In 2020, the most recent data available, UOV is not listed in the 2020 hospital charity care report; however, UOV has included a 2.5% charity care contribution within its Pro Forma Statement. Recent changes to §32.16-102.4B of the Code of Virginia now require DCOPN to place a charity care condition on all applicants seeking a COPN. For this reason, DCOPN recommends that the proposed project, if approved, be subject to a 2.5% charity care condition, to be derived from total PET/CT gross patient services revenues, consistent with the HPR V average.

Although Bon Secours at BSI-TC or a directly comparable location is not listed during this timeframe, the DePaul Medical Center (where the machines are coming from) and Maryview Medical Center (gifting the machinery and land lease), contributed 3.51% and 1.92%, respectively (Table 6). Bon Secours also included charity care contributions within its Pro Forma statement. Recent changes to §32.16-102.4B of the Code of Virginia now require DCOPN to place a charity care condition on all applicants seeking a COPN. For this reason, DCOPN recommends that the proposed project, if approved, be subject to a 2.5% charity care condition, to be derived from total CT and MRI gross patient services revenues, consistent with the HPR V average.

Additionally, the charity condition recommendations include a provision allowing for the reassessment of the charity care rate at such time as more reliable data becomes available regarding the full impact of Medicaid expansion in the Commonwealth.

Table 6. 2020 Charity Care Contributions for HPR V

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:
Riverside Tappahannock Hospital	\$165,747,566	\$8,843,478	5.34%
Riverside Shore Memorial Hospital	\$247,007,286	\$10,695,992	4.33%
Riverside Doctors' Hospital Williamsburg	\$149,491,510	\$6,064,567	4.06%
Riverside Walter Reed Hospital	\$252,482,633	\$9,401,927	3.72%
Bon Secours DePaul Medical Center	\$363,165,760	\$12,756,832	3.51%
Sentara Careplex Hospital	\$909,090,883	\$31,651,344	3.48%
Sentara Obici Hospital	\$914,294,131	\$26,301,718	2.88%
Sentara Virginia Beach General Hospital	\$1,265,310,067	\$36,146,887	2.86%
Sentara Norfolk General Hospital	\$3,753,299,758	\$106,756,170	2.84%
Sentara Leigh Hospital	\$1,330,835,003	\$34,335,012	2.58%
Riverside Regional Medical Center	\$2,191,107,102	\$53,859,556	2.46%
Chesapeake Regional Medical Center	\$986,713,280	\$21,292,946	2.16%
Hampton Roads Specialty Hospital	\$46,913,449	\$1,010,073	2.15%
Sentara Princess Anne Hospital	\$1,032,703,976	\$21,443,232	2.08%
Bon Secours Maryview Medical Center	\$1,148,940,309	\$22,068,850	1.92%
Bon Secours Mary Immaculate Hospital	\$620,268,395	\$11,887,663	1.92%
Sentara Williamsburg Regional Medical Center	\$655,360,428	\$11,516,832	1.76%
Bon Secours Rappahannock General Hospital	\$70,546,600	\$1,148,522	1.63%
Children's Hospital of the King's Daughters	\$1,120,616,182	\$4,135,241	0.37%
Bon Secours Southampton Memorial Hospital	\$211,414,625	\$460,731	0.22%
Lake Taylor Transitional Care Hospital	\$44,295,918	\$0	0.00%
Hospital For Extended Recovery	\$30,370,572	\$0	0.00%
Total Facilities Reporting			22
Median			2.35%

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:
Total \$ & Mean %	\$17,509,975,433	\$431,777,573	2.5%

Source: VHI 2020 Charity Care Data, the most recent data available for analysis use at the writing of this report

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

A. COPN Request No. VA-8678 (UOV) and B. COPN Request No. VA-8685 (Bon Secours)

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 in determining a public need for either proposed project.

3. The extent to which the application is consistent with the State Medical Facilities Plan.

A. COPN Request No. VA-8678 (UOV)

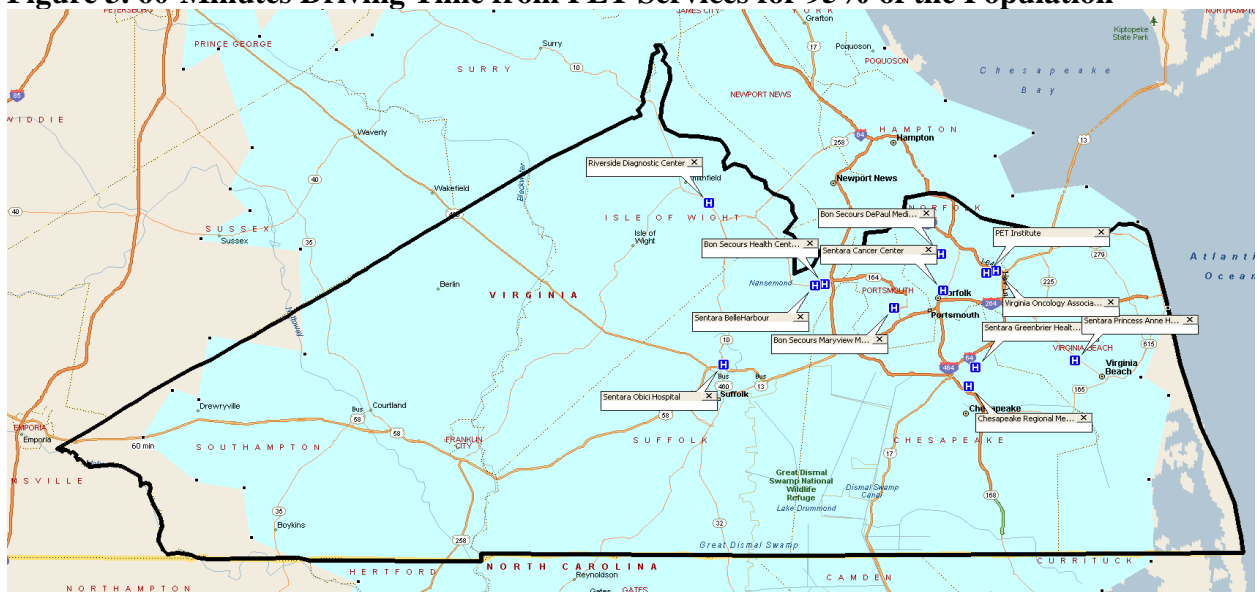
Article 4. Positron Emission Tomography

12VAC5-230-200. Travel time.

PET services should be within 60 minutes driving time one way under normal conditions of 95% of the health planning district using a mapping software as determined by the commissioner.

Depicted below by the blue shaded area in **Figure 3**, it can be reasonably assumed that 95% of the population is within 60-minutes driving time from PET services. The blue shaded area is representative of a 60-minutes driving radius from the most western provider in the PD, Sentara Obici Hospital.

Figure 3. 60-Minutes Driving Time from PET Services for 95% of the Population



Source: DCOPN generated using Microsoft Streets & Trips

12VAC5-230-210. Need for new fixed site service.

A. If the applicant is a hospital, whether free-standing or within a hospital system, 850 new PET appropriate cases shall have been diagnosed and the hospital shall have provided radiation therapy services with specific ancillary services suitable for the equipment before a new fixed site PET service should be approved for the health planning district.

B. No new fixed site PET services should be approved unless an average of 6,000 procedures per existing and approved fixed site PET scanner were performed in the health planning district during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site PET 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 PET units in such health planning district.

Note: For the purposes of tracking volume utilization, an image taken with a PET/CT scanner that takes concurrent PET/CT images shall be counted as one PET procedure. Images made with PET/CT scanners that can take PET or CT images independently shall be counted as individual PET procedures and CT procedures respectively, unless those images are made concurrently.

Not applicable as applicant is not seeking new fixed site services.

12VAC5-230-220. Expansion of fixed site services.

Proposals to increase the number of PET scanners in an existing PET service should be approved only when the existing scanners performed an average of 6,000 procedures for the relevant reporting period and the proposed expansion would not significantly reduce the utilization of existing fixed site providers in the health planning district.

Not applicable as applicant is not seeking to expand fixed site services.

12VAC5-230-230. Adding or expanding mobile PET or PET/CT services.

A. Proposals for mobile PET or PET/CT scanners should demonstrate that, for the relevant reporting period, at least 230 PET or PET/CT appropriate patients were seen and that the proposed mobile unit will not significantly reduce the utilization of existing providers in the health planning district.

UOV provided the following data concerning their PET-Appropriate patients between 2019-2022 (**Table 7**). In 2019, UOV had enough patients needing PET imaging to be at 77.0% of the SMFP standard; in 2020, at 68.0%; and in 2021, they had 88.4% of the SMFP threshold for adding mobile PET/CT services. Even with the Covid pandemic still affecting medical utilizations for 2020 and 2021, UOV still experienced an increase in PET/CT appropriate patients in 2021. In 2022, for the third quarter, UOV had 182.8% of the threshold, and the annualized 2022 total is estimated to be 243.6% of the SMFP threshold. The applicant reports the PET/CT appropriate patient volume is expected to increase because of the introduction of the PSMA PET/CT and the addition to new radiotracers being developed intending to target additional types of urological cancers.

Table 7. PET/CT Appropriate Patients

	2019	2020	2021	2022	
				3Q	Annualized
PET/CT Scans for Prostate					
Axumin™ Fluciclovine F-18 Scans	108	142	160	43	57
PSMA Scans	-	-	42	399	532
Total PET/CT Scans for Prostate Cancer	108	142	202	442	589
All Other PET/CT Scans	82	28	19	15	20
TOTAL PET/CT Scans	190	170	221	457	609

Source: COPN Req. No. VA-8678

B. Proposals to convert authorized mobile PET or PET/CT scanners to fixed site scanners should demonstrate that, for the relevant reporting period, at least 1,400 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing providers in the health planning district.

Not applicable as applicant is not seeking to convert a mobile site to a fixed site.

12VAC5-230-240. Staffing.

PET services should be under the direction or supervision of one or more qualified physicians. Such physicians shall be designated or authorized by the Nuclear Regulatory Commission or licensed by the Division of Radiologic Health of the Virginia Department of Health, as applicable.

The applicant provided assurances that PET/CT services will be under the direction of one or more physicians who shall be authorized by the Nuclear Regulatory Commission or licensed by the Division of Radiologic Health of the Virginia Department of Health.

B. COPN Request No. VA-8685 (Bon Secours)

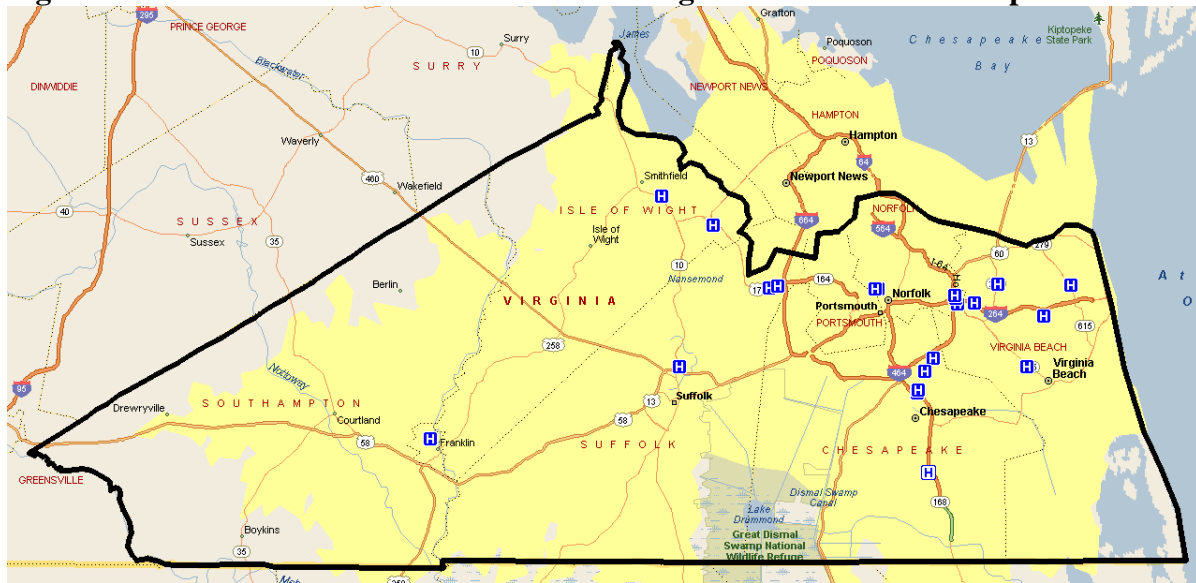
Article 2. Criteria and Standards for Magnetic Resonance Imaging

12VAC5-230-140. Travel time.

MRI services should be within 30 minutes driving time one way under normal conditions of 95% of the population of the health planning district using a mapping software as determined by the commissioner.

As illustrated below by the shaded yellow area (indicative of 30-minutes driving radius from all PD 20 MRI providers), MRI services are reasonably available to approximately 95% of the population of PD 20 under normal driving conditions (**Figure 4**).

Figure 4. MRI Services within 30-Minutes Driving Time of 95% of the Population



Source: DCOPN generated using Microsoft Streets & Trips

12VAC5-230-150. Need for new fixed site service.

No new fixed site MRI services should be approved unless fixed site MRI services in the health planning district performed an average of 5,000 procedures per existing and approved fixed site MRI scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site MRI 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 MRI scanners in such health planning district.

As discussed above, the MRI portion of the application is not “inventory-neutral” as the MRI unit in question has not been used in over 12 months. While the applicant states they have provided mobile services, as of March 15, 2023, the applicant has not provided information regarding the volume or when the services started or any information showing use of the MRI between the closure of DePaul on April 1, 2021 and March 15, 2023 demonstrating continued operation of the MRI scanner within the application, this provision of the SMFP is appropriate for analyzing the public need regarding the proposed MRI. The applicant, following a letter of opposition, reported Bon Secours resumed CT and MRI services via mobile units in February 2022, approximately 11 months following the closure of DePaul and elimination of full-time fixed CT and MRI services. The applicant, following a letter of opposition, reported “more than 300 CT scans” (303 scans for 2022), and “more than 200 MRI scans” (211 scans) for 2022. This information being excluded from the application, the services not being available for 11 months (technically under the “12 month rule” timeframe), and the subsequent utilization being only a fraction of the utilization of the fixed services before the DePaul closure makes considering the fixed scanners in storage being introduced back into the planning district to align more closely with an introduction of services rather than a relocation of services.

The project proposes to utilize an MRI unit in storage at the former DePaul Medical Center to establish a new fixed site. VHI 2021 data is the most recent data available. According to the data available (**Table 5**), the average procedures per fixed-site unit was 3,830 procedures per unit, or 76.58% SMFP utilization per unit (with the DePaul data skewing the utilization as the services were only available for a quarter of the year). Bon Secours Maryview Medical Center's four COPN authorized fixed site scanners were only at 50.9% utilization in 2021. As the proposed MRI unit in storage is Maryview's, there is no need for an additional fixed unit within that hospital (if Bon Secours wanted to add new medical equipment for the provision of MRI services per § 32.1-102.1:3).

COPN VA-04787 was issued on August 25, 2022, for Sentara Obici Hospital to introduce an additional MRI unit as their institutional utilization far exceeds the threshold, demonstrating a specific need.

Below are some of the hospitals closest to the former DePaul Medical Center. As showcased below in **Table 8**, the selected facilities in 2020 experienced a significant decrease likely attributable to the Covid-19 pandemic impacts, while 2018, 2019, and 2021 showed relatively stable use throughout the area for this selection of providers. The DePaul Center closed April 1, 2021; assuming 602 MRI scans as one-quarter of the year (as services were stopped April 2021 and according to the applicant were not partially resumed until February 2022) and assuming consistent patient utilization throughout the year (annualized to approximately 2,408 patients), the utilization for the area would have been an average of 75.58%, and the DePaul utilization at 48.16%. This also does not consider that the DePaul patients would have had to come from other providers in the hypothetical calculation.

The anticipated average population growth in PD 20 between 2020 and 2030 is 2.39% (or an average of 0.239%/year). For the areas around the former DePaul Medical Center and the proposed new site whose MRI data was captured below, the average for the same time period is 2.28% (or 0.228%/year).

The applicant provided the following rate of MRI growth from the S2G tool (a patient flow tool used by the applicant to project trends); the tool projects an overall 10.7% (or 1.53% per year) growth in the PSA between 2022 and 2029, and an average growth of 11.6% in PD 20, or 1.65% per year for MRIs. Using the 52,350 totals for the area surrounding the former DePaul site, adding a year of PD20 yearly projection of 1.65% for a total of 13.25% estimated growth, there is a projection of 6937 more scans, or 59,287 scans in total. This projection would lead to a calculated need of 12 MRI scanners in that specific area. At present, there are enough MRI scanners in that area.

Table 8. MRI Utilization Metrics 2018-2021

Facility	MRI Units Mobile & Fixed	2018	2018%	2019	2019%	2020	2020%	2021	2021%
Bon Secours DePaul Medical Center*	1 Fixed	3,715	74.30%	3,438	68.76%	2,692	53.84%	602	12.04%
Bon Secours Maryview Medical Center**	4 Fixed	10,743	71.62%	9,932	66.21%	7,968	52.12%	10,194	50.97%
Sentara Obici Hospital	1 Fixed (pending 2nd)	5,525	110.50%	6,978	139.56%	6,357	127.14%	7,485	149.7%
Children's Hospital of the King's Daughters	2 Fixed, 1 Mobile*****	6,077	52.16%	5,971	51.25%	2,961	25.41%	6,168	52.94%
Sentara Advanced Imaging-BelleHarbour	1 Fixed	3,394	67.88%	3,729	74.58%	3,415	68.30%	4,005	80.1%
Sentara Norfolk General Hospital***	3 Fixed	10,842	72.28%	11,707	78.04%	3,016	15.08%	15,246	101.64%
Sentara Advanced Imaging-Leigh****	1 Fixed	3,476	34.76%	3,337	33.37%	510	5.10%	1,362	27.24%
Sentara Leigh Hospital*****	1 Fixed	6,380	127.60%	7,002	140.04%	3,803	38.08%	7,288	145.76%
MRI Unit Totals and % Utilization per Unit		13.33	75.24%	14.33	72.70%	16.33	37.64%	14.33	73.06%

Source: VHI 2021 Data and DCOPN Records

*BSDMC had 1 fixed unit until April 1, 2021

**BSMMC had 3 fixed units for 2018, 2019, and 2020 data

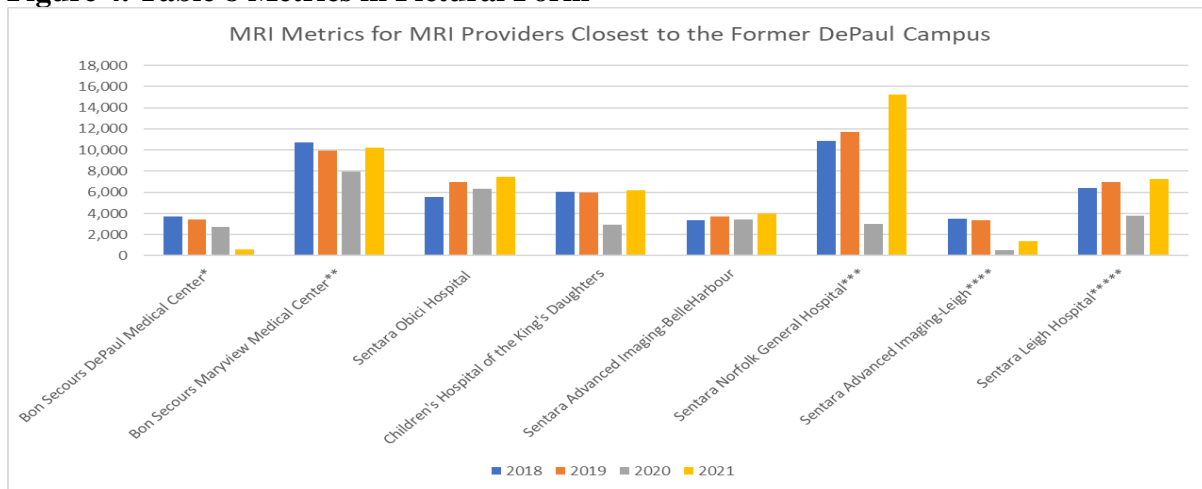
***SNGH had 4 fixed units for 2020 data

****SAI-L had 2 fixed units for 2018, 2019, and 2020 data

*****SLH had 2 fixed units for 2020 data

*****For the calculations, the mobile unit will not be counted as 0.33 of a unit as the unit conducted approximately this many scans in relation to the 2 fixed units at the CHotKD

Figure 4. Table 8 Metrics in Pictorial Form



Source: VHI 2021 Data and DCOPN Records

*BSDMC had 1 fixed unit until April 1, 2021

**BSMMC had 3 fixed units for 2018, 2019, and 2020 data

***SNGH had 4 fixed units for 2020 data

****SAI-L had 2 fixed units for 2018, 2019, and 2020 data

*****SLH had 2 fixed units for 2020 data

*****For the calculations, the mobile unit will not be counted as 0.33 of a unit as the unit conducted approximately this many scans in relation to the 2 fixed units at the CHotKD.

Figure 4 details the metrics outlined in **Table 8**. The 2020 procedures (grey bars) illustrated a decline in procedures for most locations; it is further evident that the quantity of procedures for 2021 (yellow bars) for one location, Sentara Norfolk General Hospital, had a sharper increase in 2021 than the other locations following the 2020 decline. It is possible, and likely, that many of the patients who would have gone to the former DePaul center for their imaging needs from April 2021- December 2021 would have gone to Sentara Norfolk General Hospital. Sentara Norfolk General Hospital is only 12 minutes, or 3.7 miles, from the former DePaul Center. As the DePaul fixed site scanner was not operational in 2021, it is likely that reintroducing the former DePaul scanner into PD 20, assuming the applicant's projection of the identical PSA with the new location, would redirect some of the patients Sentara Norfolk General Hospital has been serving in the absence of the DePaul Center.

Adding the DePaul fixed MRI back into the PD 20 inventory in Virginia Beach and ceasing possible mobile services in Norfolk neither aligns with the intent of the SMFP guidelines for adding a fixed site, nor would it likely have an isolated benefit for the proposed location.

12VAC5-230-160. Expansion of fixed site service.

Proposals to expand an existing medical care facility's MRI services through the addition of an MRI scanner may be approved when the existing service performed an average of 5,000 MRI procedures per scanner during the relevant reporting period. The commissioner may authorize placement of the new unit at the applicant's existing medical care facility, or at a separate location within the applicant's primary service area for MRI services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

Not applicable, the applicant is not proposing to expand fixed site services.

12VAC5-230-170. Adding or expanding mobile MRI services.

A. Proposals for mobile MRI scanners shall demonstrate that, for the relevant reporting period, at least 2,400 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing MRI providers in the health planning district.

B. Proposals to convert authorized mobile MRI scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, 3,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing MRI providers in the health planning district.

Not applicable. The applicant is not proposing to add or expand mobile MRI services.

12VAC5-230-180. Staffing.

MRI services should be under the direct supervision of one or more qualified physicians.

The applicant provide assurances MRI services would be under the direct supervision of one or more qualified physicians.

C. Both COPN Requests (VA-8678 & VA 8685)

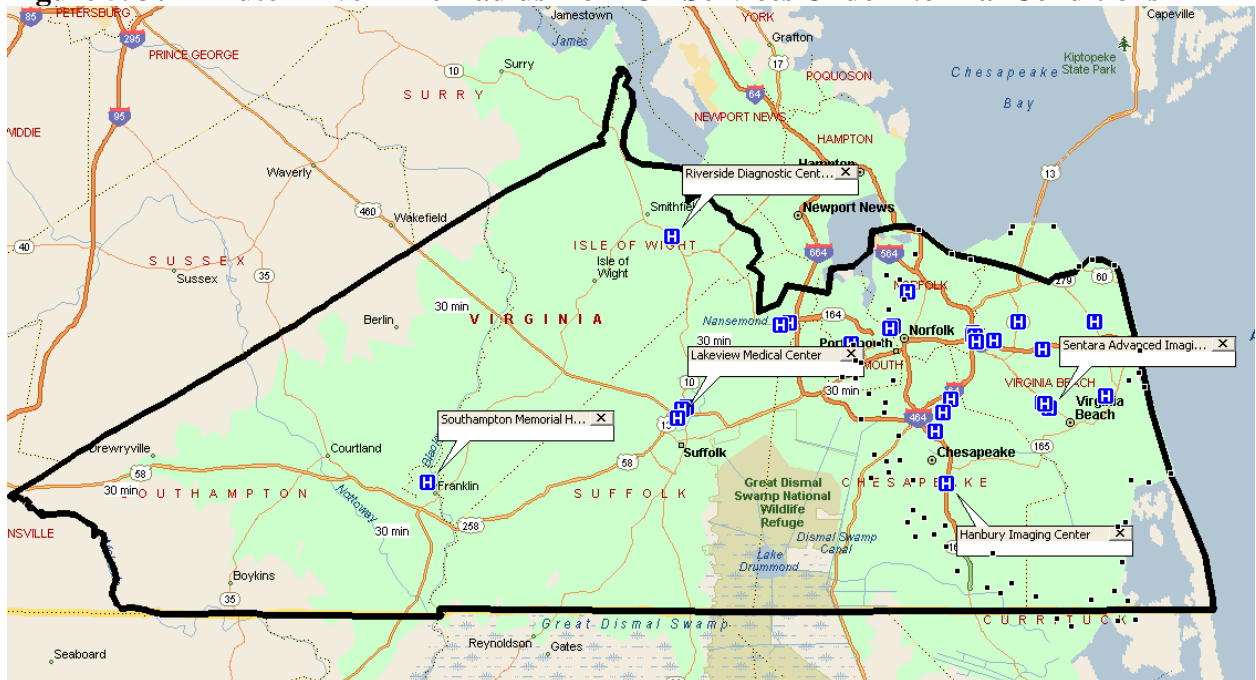
Article 1. Criteria and Standards for Computed Tomography

12VAC5-230-90. *Travel time.*

CT services should be within 30 minutes driving time one way under normal conditions of 95% of the population of the health planning district using a mapping software as determined by the commissioner.

As depicted in **Figure 5**, the light green shaded area represents all areas within 30-minutes driving distance from one or more of the labeled providers. Due to the volume of CT providers, DCOPN chose providers in various areas to determine whether approximately 95% of the population is within 30-minutes of CT services.

Figure 5. 30-Minute Drive Time Radius from CT Services Under Normal Conditions



Source: DCOPN generated using Microsoft Streets & Trips

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.

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.

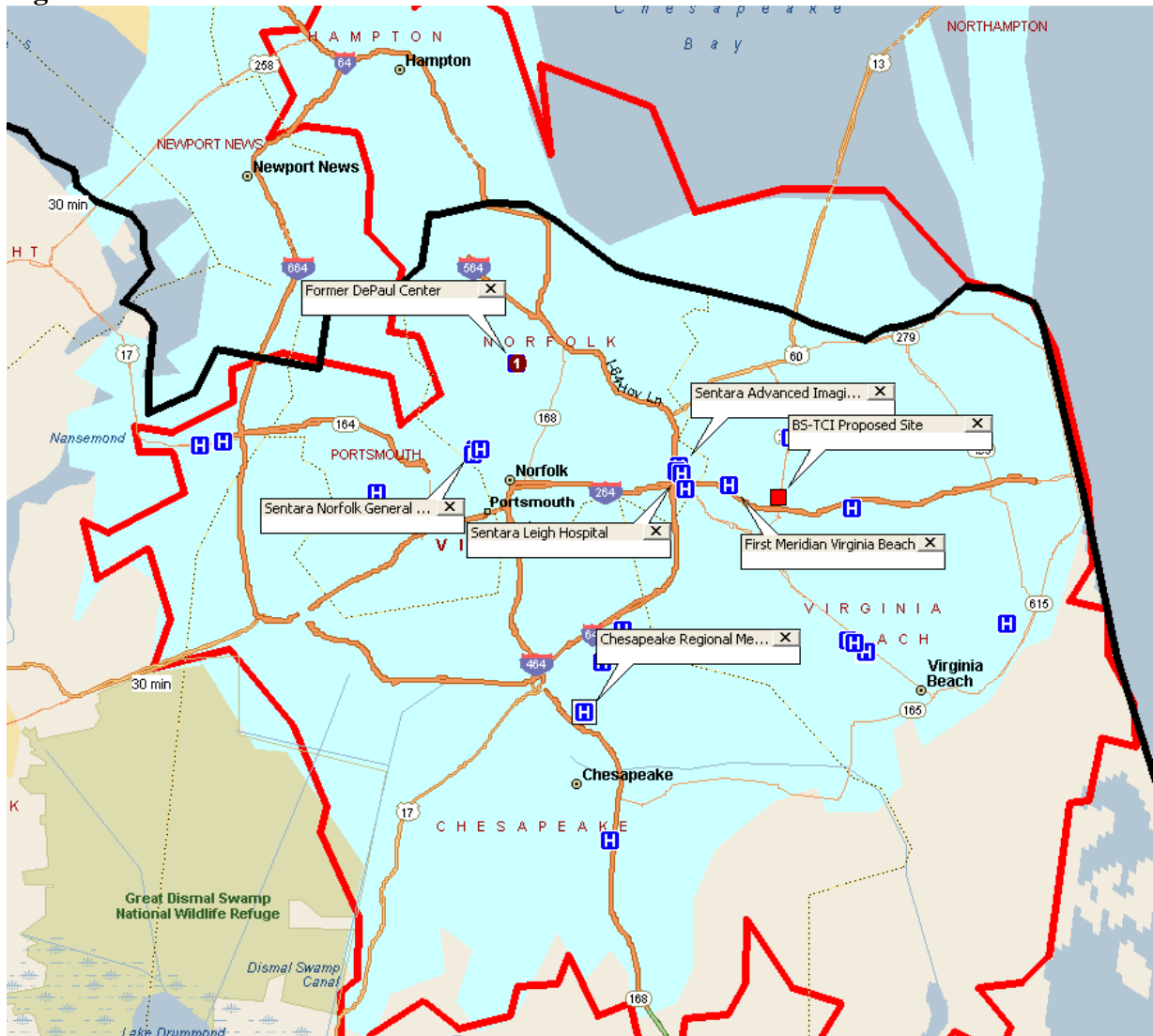
The average utilization for all CT units in PD 20 in 2021 was 97.89%. The overall expected population increase projected for PD 20 between 2020 and 2030 is 2.39% (**Table 1**). The expected increase in the 65+ cohort for the same time frame in PD 20 is projected to be 16.98%. Using Bon Secours' application's estimation of 11.6% increase in CT scan procedures between 2022-2029, the addition of CT units within the PD is not unreasonable based upon averages for the units.

UOV's proposed independent CT use is limited exclusively to kidney stone detection. The location of the site is stationary to where the applicant has been providing other urological services. Due to the limited use of the CT scanner portion of the PET/CT proposed by UOV, it is unlikely that the independent CT use will have a significantly detrimental effect on other CT scanners in the area. Furthermore, kidney stones cause excruciating pain for patients, which can increase patients going to the emergency room for pain management while waiting for a CT scan at another location; the increased accessibility of using the CT portion of the PET/CT solely for kidney stones will likely reduce health costs by reducing this need through the timelier diagnoses and treatment of the kidney stones. The UOV project is consistent with this provision of the SMFP.

The CT scanners Bon Secours has proposed to relocate (and replace one of the two) will be relocated from Norfolk to Virginia Beach, and in the process, will cease all Bon Secours mobile CT scanning reported at the former DePaul area's Bon Secours Norfolk campus. As with the MRI service, Bon Secours states they provided mobile CT services in lieu of the DePaul fixed services; however, Bon Secours neglected to include any information as to the volume or time frame of service delivery for the mobile services. As of March 15, 2023, four business days prior to the staff report completion deadline, there has been no formal information regarding for procedural volume or timeframe for CT services.

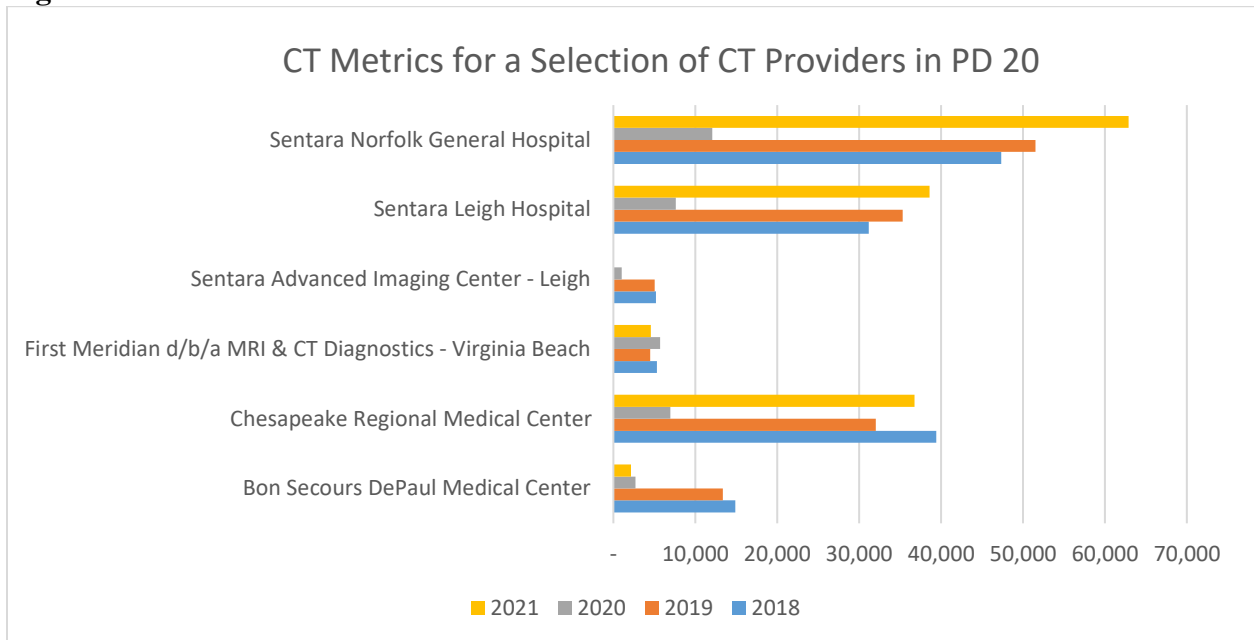
Figure 6 illustrates the former DePaul campus location, where mobile CT services are possibly being provided by Bon Secours. The red square indicates where the proposed Bon Secours site is to be located. A selection of other service providers, two of which provided letters of opposition and another of which stated they have capacity to serve Bon Secours' needs, are shown, too. The light blue shaded area is a 30-minute driving radius from the former DePaul location/current mobile services location, and the red outline is the 30-minute radius from the proposed location. While the coverage areas are similar, the former DePaul center and current reported mobile services location's 2021 reported PSA was heavily composed of Norfolk patients, who are likely to have more transportation difficulties and have a much higher geriatric population than the proposed Virginia Beach location.

Figure 6. A Selection of CT Services in PD 20



Source: DCOPN Records, Google Maps, and Microsoft Streets and Trips Software

Figure 7. CT Metrics for a Selection of CT Services Providers in PD 20 2018-2021



Source: 2018, 2019, 2020, and 2021 VHI Data

Figure 7 illustrates the quantity in procedure changes from 2018-2021. Most of the selected locations saw a decrease in CT procedures during 2020, likely a result of the Covid-19 pandemic impacts on healthcare. From 2018 and 2019 to 2021, where DePaul was no longer providing fixed CT services after the end of March, there is a significant increase in scans performed by Sentara Norfolk General Hospital (which, as previously discussed, is very close to where the former DePaul Center was located). Sentara Norfolk General Hospital and Sentara Obici Hospitals are well above the utilization according to the SMFP threshold using 2021 VHI data. However, Sentara was authorized an additional CT scanner to be placed at Sentara Norfolk General Hospital by COPN VA-04080 issued on October 24, 2022; the target opening date is December 31, 2023. The Staff Report associated with COPN VA-04080’s application includes:

The applicant contends that its service area demographics have an above-average utilization for hospital services due to social determinants of health, existing health inequities and a fast-growing population over age 65. In addition, the applicant states that patients of the Sentara Ambulatory Care Clinic (ACC), located across SNGH’s campus, which was developed to serve low-income, uninsured and under insured patients, are in particular need of CT imaging services. DCOPN infers that the proposed project will help provide access to SNGH’s patient populations that face socioeconomic barriers to health care.

Sentara has made an effort to address their increasing CT procedural volumes in the wake of DePaul’s closing, meaning they have already absorbed those patients. COPN-04808, issued as a result of the July 2022 batch cycle, authorizes Sentara an additional CT scanner at Sentara Norfolk General Hospital; the need for additional capacity followed after the closing of DePaul.

The applicant provided the following rate of CT growth from the S2G tool to project trends; the tool showed that for the PSA described in Background, show an average increase of 12.4% in CT procedures between 2022-2029 in the PSA, or 1.77% per year, and a slightly higher 13.2% in PD 20, averaging 1.88% per year. The applicant found that there would be a projected 12.4% increase of CT scans needed in 2029 in their PSA, and an increased 13.2% of scans for the PD as a whole.

Adding two fixed CT scanners into the general service area, but much farther from the demographic area experiencing the most difficulty in accessing and receiving care would likely neither benefit the population where the Bon Secours' mobile services are located, nor would it reasonably allow for the exact PSA to exist with a move to Virginia Beach. The proposed Bon Secours project, as it stands, does not align with this provision of the SMFP guidelines.

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

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

Not applicable as the applicants are not seeking to expand fixed site services.

12VAC5-230-120. Adding or expanding mobile CT services.

A. Proposals for mobile CT scanners shall demonstrate that, for the relevant reporting period, at least 4,800 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing CT providers in the health planning district.

B. Proposals to convert authorized mobile CT scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, at least 6,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.

Not applicable as the applicants are not seeking to expand fixed-site service.

12VAC5-230-130. Staffing.

CT services should be under the direction or supervision of one or more qualified physicians.

The applicants provide assurances that CT services will be under the direction or supervision of one or more qualified physicians.

- 4. The extent to which the proposed service or facility fosters institutional competition that benefits the area to be served while improving access to essential health care services for all persons in the area to be served.**

A. COPN Request No. VA-8678 (UOV)

The introduction of PET/CT services for urological conditions with independent use of the CT for kidney stone detection will provide new technology, such as the PSMA-tracer PET scanning, to the planning district in an accessible way without significant harm to other PET/CT providers in the area. While the PSMA tracer is available in the PD, the timeframe for accessibility is limited. UOV is the largest urological services provider in the Hampton Roads/Virginia Beach area, with two Virginia Beach locations, a Hampton location, and a Suffolk location. All of these will be able to benefit from the timely access to scanning for patients who need the scans prior to the 5-9 weeks it can take to be seen by other locations (at higher costs).

Having the PET/CT for urological needs specifically will allow for access to new radiotracers to be used as the medical field continues to progress in that area. While there are a small number of single-physician urological practices located in Virginia Beach (two according to Google Maps), they could coordinate scanning needs with UOV, too. While this doesn't increase competition, having a dedicated PET/CT scanner for urological needs in the planning district will improve access for all urological patients in the area.

B. COPN Request No. VA-8685 (Bon Secours)

The project would not bring beneficial institutional competition to the area in which it intends to establish services. In Civil Docket No. CL18-6997, Chesapeake Hospital Authority d/b/a Chesapeake General Hospital v. State Health Commissioner, et al., the court upheld that institutional competition can, when increased, be detrimental to quality of care. With the Bon Secours project, it is proposed to be located:

- Approximately 4.0 miles, 10 minutes driving time, from Chesapeake Regional Imaging- Kempsville, whose MRI service was at 55.58% utilization for 2021, and whose CT service was at 19.08% for 2021; and
- Is approximately 2.0 miles, 7 minutes driving time, from MRI & CT Diagnostics-Virginia Beach, whose MRI service was at 56.02% utilization for 2021, and whose CT service was at 61.69% utilization for 2021.

Both of these locations, even considering growing population and scanning needs, are able to take additional patients. Chesapeake Regional and MRI & CT Diagnostics both opposed the project as the competition would be harmful to them. While the applicant asserts the patients would remain the same historic patient pool they had prior to DePaul's closing, analysis finds it to be implausible that the patient pool would remain the same. With the utilization levels of both outpatient diagnostic centers and their proximity to the proposed project location, there would be no increase in access to essential healthcare services for the area to be serviced with the new project. Furthermore, ceasing the possible current mobile services located at the former DePaul campus would place further hardship on the area currently being serviced in Norfolk.

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

A. COPN Request No. VA-8678 (UOV)

The project is not likely to negatively impact other PET/CT or CT providers in the area due to the isolated uses for the scanner, namely urological problems for the PET/CT and kidney stone detection for the independently used CT portion of the unit.

B. COPN Request No. VA-8685 (Bon Secours)

The project is likely to negatively impact, among other locations detailed in the letters of opposition, both Chesapeake Regional Imaging-Kempsville and MRI & CT Imaging-Virginia Beach, as they are both within close proximity and their utilization is much less than 100%. The applicant asserts the PSA will be the same as the DePaul location, but as previously discussed, this is highly unlikely. Furthermore, Sentara has obtained a COPN for an additional CT scanning capacity to meet the needs of patients in the Norfolk area following the closure of the DePaul center in the spring of 2021 and is in the process of trying to obtain a second COPN due to increased procedural volume of MRIs.

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

A. COPN Request No. VA-8678 (UOV)

The estimated total capital expenditure for UOV is estimated to be \$2,032,960 (Table 9); UOV’s accumulated reserves will be used to fund approximately \$613,200 of the project while ongoing revenue is expected to fund approximately \$1,419,760 of the project cost. There is no debt service expected. UOV proposes to contract with Captive Radiology, LLC for a 5-year agreement for mobile PET/CT equipment and personnel. The contracted monthly amount is \$23,646.00 per month and includes Captive Radiology providing the PET/CT coach and unit, technologist personnel, coordination of the delivery of radiopharmaceuticals, and providing for equipment maintenance and repair.

Table 9. Total Capital Cost Summary

Direct Construction Cost	\$ 366,000
Equipment Not Included in Construction Contract	\$ 1,418,760
eSite Preparation Costs	\$ 150,000
Architectural and Engineering Fees	\$ 97,200
Taxes During Construction	\$ 1,000
A-HUD-232 Financing	\$-
Total Capital Cost	\$ 2,032,960

Source: COPN Req. No. VA-8678 Application

UOV anticipates no need for additional staffing as they will be contracting with Captive Radiology, LLC (CR); CR employs its own staff who are trained and familiar with the equipment. Additionally, UOV will contract with ProScan Reading Services, LLC for services to read the scans. Scheduling and administrative tasks will be handled by existing UOV employees.

Comparing to the following two projects for cardiac-specific PET/CT service establishment, DCOPN find the total capital cost for the project to be reasonable:

- James River Cardiology, P.C. was issued COPN VA-04827 on February 9, 2023, to establish PET/CT imaging with one fixed PET/CT scanner for cardiac imaging exclusively with a capital cost association of \$1,001,700.
- The Cardiovascular Group, P.C. was issued COPN VA-04806 on August 22, 2022, to establish PET/CT services with one fixed PET/CT scanner limited to cardiovascular use with a capital cost association of \$2,491,716.

Table 10. UOV Pro Forma Budget

	Year 1	Year 2
Net Patient Revenue	\$5,552,433	\$7,000,660
Charity Deductions	\$(138,811)	\$(175,017)
Bad Debt	\$(72,182)	\$(91,009)
Adjusted Net Patient Revenue	\$5,341,441	\$6,734,635
Total Expenses	\$(5,301,000)	\$(6,463,085)
Revenue in Excess of Expenses	\$40,440	\$271,550

Source: COPN Req. No. VA-8678 Application

DCOPN finds the project financially feasible in both the short and long term as for both Years 1 and 2, an excess of revenue after expenses is expected (**Table 10**).

B. COPN Request No. VA-8685 (Bon Secours)

Bon Secours anticipates a total capital cost of \$3,534,581 which is expected to be funded fully from accumulated reserves (**Table 11**). Approximately \$2,953,476 of the total capital cost accounts for the cost of modernization and renovation.

Table 11. Total Capital Cost Summary

Part I-Direct Construction Cost	\$1,759,821
Part II-Equipment Not Included in Construction Contract	\$887,373
Part III-Site Acquisition Costs	\$477,794
Part V-Off-Site Costs	\$240,900
Part VI-Architectural and Engineering Fees	\$114,797
Part VII-Other Consultant Fees	\$53,896
Total Capital Cost	\$3,534,581

Source: COPN Req. No. VA-8685 Application

The applicant anticipates hiring three full-time employees and stated they will first offer CT and MRI technologists currently employed at other Bon Secours facilities the opportunity to relocate to BSI – Town Center. The applicant states they “...utilize comprehensive recruitment methods including advertisements in area newspapers, employment fairs at local health education schools and colleges, professional publications, and journals, and recruiting

firms, among others. Recruitment efforts take place locally, regionally, statewide, and nationally as necessary. Recruitment is also available through...” their job posting website.

DCOPN finds the Bon Secours project to be financially reasonable through comparison to the following similar projects:

- Short Pump Imaging, LLC was issued COPN VA-04823 on January 9, 2023, to establish a specialized center for CT and MRI scanning through the relocation and replacement of one CT scanner and one MRI scanner with an associated cost of \$16,855,536.
- Riverside Hospital Inc. was issued COPN VA-04781 on February 7, 2022, to establish a diagnostic imaging center through the relocation of one fixed CT unit and one mobile MRI unit with an associated cost of \$7,952,662.
- Chesapeake Diagnostic Imaging Centers, LLC was issued COPN VA-04761 on October 8, 2021, to establish a specialized center for CT and MRI services through the relocation of one CT and one MRI unit with an associated cost of \$5,613,818.

While these projects are not identical to the Bon Secours project, they are similar in terms of replacing/relocating equipment for diagnostic imaging center establishment with both CT and MRI services. Bon Secours’ project is much more cost effective than the projects outlined above.

Table 12. TCI/MH Pro Forma

	Year 1 (2025)	Year 2 (2026)
Total Patient Revenue	\$6,081,880	\$6,191,063
Charity Deductions	(182,456)	\$(185,732)
Other Deductions	\$(4,501,199)	\$(4,582,006)
Net Operating Revenue	\$1,398,224	\$1,423,325
Total Operating Expenses after Depreciation and Amortization & Home Office Assessment		
	\$(1,018,519)	\$(1,130,464)
Recurring Operating Income	\$379,705	\$292,861

Source: COPN Req. No. VA-8685 Application

DCOPN finds the project to be financially feasible in both the short and long term when considering the applicant’s projections for utilization (**Table 12**). DCOPN is unsure how accurate their procedure volume estimations are with consideration to the location change and shift in patients having to choose alternative providers during the time since DePaul has closed.

- 7. The extent to which the project provides improvements or innovations in the financing and delivery of health 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 services on an outpatient basis;**
 - (iii) Any cooperative efforts to meet regional health care needs;**
 - (iv) At the discretion of the Commissioner, any other factors as may be appropriate.**

A. COPN Request No. VA-8678 (UOV)

UOV's project will not only increase timely access for scanning for patients, but it also is expected to reduce ER visits for uncontrolled pain due to kidney stones, will allow for newer radiologic tracers to be used in finding and diagnosing cancer, finding metastases, and will ultimately increase the overall quality of urological care in the planning district, as well as into North Carolina. While the Commissioner is under no obligation to consider healthcare impacts for the public outside of Virginia's borders, it is worthy of mention as 8.7% of their patients derive from Northeastern North Carolina. The services will be provided on an outpatient basis, reducing costs in comparison to the hospital-based outpatient PET/CT scans the patients are undergoing currently. Moreover, by utilizing the CT portion of the PET/CT to support urological services rather than having two separate machines (PET and CT), the applicant is able to reduce costs, ultimately saving costs for patients.

B. COPN Request No. VA-8685 (Bon Secours)

Bon Secours' project would not introduce new technology or promote quality in the delivery of healthcare services; however, the project itself is much lower in cost comparatively to other projects of a similar nature. Furthermore, the project would add low-cost imaging in an outpatient setting rather than being billed as hospital-based outpatient setting. While there is not a need for additional MRI capacity in the planning district, additional CT capacity is not unwarranted, but would be best utilized in another area of the district, namely where the applicant is currently providing mobile MRI and CT services. The specific location where the applicant proposes to place the CT service would likely be harmful to other outpatient diagnostic imaging providers in the area. Moreover, Sentara Norfolk General Hospital has obtained a COPN for the addition of a CT scanner to alleviate the increase in utilization they have experienced following the closure of DePaul.

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.

A. COPN Request No. VA-8678 (UOV)

For more than 56 years, UOV physicians have served as faculty at the Eastern Virginia Medical School where two residency programs for new physicians are offered. One residency program is through the American Urological Association and the other is through the US Navy. UOV finds research and participation in clinical trials to be a "vital component of the practice's mission." The applicant report that UOV as "been on the leading edge of many prostate cancer treatments, ...the field of sexual health, ... [and a variety] of other urological conditions." Furthermore, UOV surgeons participated in FDA trials for robotic surgery technology, including minimally invasive surgeries for the prostate, bladder, and kidney.

B. COPN Request No. VA-8685 (Bon Secours)

Bon Secours operates schools of nursing health professions in Richmond and Colonial Heights, Virginia, and partners with colleges and universities. No other education association was made in the application. DCOPN observed open radiology student positions listed on the Bon Secours Career website. Bon Secours operates a School of Health Sciences in Colonial Heights, Virginia, including radiology and diagnostic technician, with a 91% job placement rate. The school's website promotes donations to the Bon Secours Richmond Health Care Foundation, which uses its funding to "make an impact on the communities we serve through our seven acute care hospitals in Central and Southern Virginia..." The foundation's main causes are caring for those in need, children and youth, guest house, and hospice services.

DCOPN Findings

A. COPN Request No. VA-8678 (UOV)

UOV proposes to establish a site for mobile PET/CT imaging with independent use of CT imaging on its Virginia Beach campus. The PET/CT will be used exclusively for urological imaging and the independent use of the CT functionality will be exclusively for kidney stone detection. Prostate cancer and kidney stones are two of the most frequently treated conditions by UOV, both of which would be positively impacted by access to faster imaging or patients. At present, patients have to wait 5-9 weeks for the specific PSMA PET/CT scan needed to fully understand the status of one's prostate cancer and its progression or remission; with project approval, the scanning could be completed within two weeks. At present, CT scanning for kidney stone detection (needed for providers to know whether the stone needs treatment and which type of treatment) can be completed in less time than the PET/CT scans; however, patient have difficulty scheduling the appointments and they can be days away, leading many patients to go to the emergency room while waiting for the CT imaging due to uncontrolled pain. Having independent use of the CT functionality exclusively for kidney stone detection will allow for lower healthcare costs, faster diagnostics for providers, and timelier access to treatment for patients.

The project is to be located at the same location UOV-Virginia Beach has been providing services. The project will not likely negatively impact surrounding providers as the use of both the PET/CT and CT will be limited to urological conditions and kidney stones, respectively. The office treats patients from a large service area, to include Northeastern North Carolina. This project would bring timelier imaging to a vast quantity of urological patients as UOV is the largest urological provider in the area.

There was no opposition for the project by other providers in the area. Patients showed overwhelming support for the project. DCOPN finds no reasonable alternatives to the project that would meet the needs of the population in a less costly, more efficient, or more effective manner. There was no opposition voiced at the public hearing held on March 7, 2023. The benefits of the project appear to outweigh the costs of the project.

The project will not require additional staffing as the applicant will be contracting with a mobile company who is providing all of the staffing needs and equipment. The cost of the project is reasonable and the project appears financially viable in both the short and long term. The

applicant provides assurances that patients will not be denied access to services based upon ability to pay and has included charity care contributions within its Pro Forma budget.

The project is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan. In 2021, UOV had 221 PET/CT appropriate patients; in 2022, just by the end of the third quarter, UOV had 457 PET/CT appropriate patients, with an annualized 2022 quantity of 609 PET/CT appropriate patients. In 2022, UOV was well above the SMFP threshold of least 230 PET/CT appropriate patients. Furthermore, due to the limited use of the unit being proposed, it is not likely that the project will have a detrimental effect on surrounding providers. The average utilization of CT scanners in the PD are at almost 100% based upon 2021 VHI Data. Additional CT scanning capacity is reasonable and justified within the PD. The limited use of the independent CT functionality for kidney stones will not likely impact the utilization of other CT units in the PD but will be greatly advantageous to patients.

While this project is not directly tied to a teaching hospital or unique training opportunity, UOV has historically participated in new technologies and trials to ensure their patients receive the most advanced diagnostic and treatment modalities urology can offer. Furthermore, many of the UOV physicians have served as faculty at the Eastern Virginia Medical School.

B. COPN Request No. VA-8685 (Bon Secours)

Bon Secours proposes to remodel and outfit leased space to establish a specialized center for the provision of imaging services, including CT and MRI services (among other services not subject to COPN program requirements). The equipment, two CT units and one MRI unit, would be relocated from the former DePaul Center storage, with one CT unit being replaced.

The applicant is proposing to move the units and services from the former DePaul Medical Center, located in Norfolk, Virginia and moving them approximately 12.5 miles, or 20 minutes driving time, to the proposed location in Virginia Beach, Virginia. The new location is within three minutes' walking distance from a public transportation stop. The Norfolk population is significantly more impoverished, has a higher proportion of racial demographics who face disproportionately high levels of inequity in healthcare, as well as a higher proportion of those experiencing the specific conditions creating the disparity in healthcare (e.g., access to education, transportation, income levels, advanced age, etc.) than the population of Virginia Beach. Moreover, the Norfolk population, while less than the Virginia Beach population in quantity (Norfolk had slightly less than half the population volume total compared to Virginia Beach), has over 10 times the quantity of individuals aged 65+ in 2020, and Norfolk is expected to grow within the 65+ age cohort at a rate of 59.61%, compared to Virginia Beach's 6.18%, between 2020-2030. While there is public transit from the prior Norfolk area to the proposed location, there would be a significant increase in transit time (for two NHRA communities, the move would increase travel time by approximately 30 minutes for one community example, and by 70 minutes for another community example provided above. Therefore, as easily discernible by considering the distance between the locations, the change in population with easy access, and the remarkably increased time regarding public transit transportation time between the locations, the project is not site neutral.

The applicant also asserts the project is inventory neutral; however, DCOPN does not find evidence that the units proposed to be relocated and/or replaced are still current regarding authorized COPNs. The applicant makes brief mention in the application that they are providing mobile CT and MRI services on the former DePaul campus, but provides no information on when the services started, the procedure volume of the services, or how many mobile units are being utilized. The applicant also asserts in the response to Chesapeake's opposition letter, as well as verbally to DCOPN, that mobile services were, and continue to be, provided at the former DePaul campus, but no procedural volume or evidence regarding these services has yet been provided. Furthermore, when the DePaul Center closed, DCOPN was provided communication by Bon Secours regarding services that would no longer be operational and ones that would continue; diagnostic CT and MRI services were not listed. In October 2021, DCOPN received communication from Bon Secours that the CT and MRI services were specifically no longer in use but reminded DCOPN they had 12 months from the closing to resume services. DCOPN received no further communication regarding resumption of CT or MRI services, either fixed or mobile. Therefore, DCOPN finds that the project is not inventory neutral and is an introduction of new units into the PD.

Other providers have experienced an increase in procedure volume for both MRI and CT services in the wake of the DePaul closure; they have also taken steps, including obtaining COPNs for increased imaging capacity, to address the former DePaul Center's patients' needs. The increase in procedural volume was also seen more significantly in Norfolk, indicating that the likelihood of the exact PSA of patients would migrate to the proposed Virginia Beach location. The applicant asserts the PSA would remain the same for imaging services in the new location as it was for the previous location in Norfolk. The change in transportation and the surrounding Norfolk providers already investing in caring for and absorbing the patients who would have gone to the former DePaul Center exemplify why DCOPN finds the likelihood of the PSA remaining the same as the 2019 DePaul Center's to be quite low.

The addition of MRI capacity is not needed within the PD. The addition of CT capacity does align with the State Facilities Medical Plan; however, the location of the ended 2 units would be detrimental to other providers within a few miles of the proposed location who have significantly less than the SMFP's threshold for MRI and CT procedural volumes. Moreover, the closest provider to be affected responded to the application proposal expressing their willingness and capacity to accommodate Bon Secours' patients who are in need of low-cost, outpatient MRI and CT imaging. DCOPN finds the addition of MRI capacity is not generally consistent with the SMFP guidelines; while the addition of CT imaging is consistent with the numerical aspect of the SMFP guidelines, the introduction of CT imaging at the proposed location would not likely reduce or evenly distribute overall utilization but would rather further reduce the low utilization of the providers in close proximity of the proposed location.

The project received support from providers within the Bon Secours system, a limited number from providers outside of the Bon Secours community, and from Bon Secours patients. The project received strong opposition from both Sentara and Chesapeake Regional facilities. The oppositions' main concerns included the introduction of new imaging capacity after they have been absorbing and allotting resources for the patients who would have gone to the former DePaul Center, and whom the applicant anticipates to migrate to the new location. They also

reported concerns regarding the need for relatively high scanning procedural volumes to balance the costs of providing indigent and emergency care without regard to ability to pay. Reducing procedural volumes in the proposed area would create hardship on hospitals trying to provide care for the community without regard to their ability to pay. The applicant responded by asserting they have provided mobile services and there was no 12-month lapse of services provision. The applicant also stated their imaging would not impact the revenue of Chesapeake Regional Memorial Hospital as their hospital received over \$1 billion in patient revenue as of June 2022, while their imaging site is only expected to see \$1.5 million in patient revenue. This comparison is fallacious via false equivalency; the argument compares the patient revenue of an outpatient imaging clinic to the patient revenue of a hospital, without considering the expenses and differences in financials between two medical care facilities of significantly different sizes and service provisions. Furthermore, the applicant presents their project under a false dichotomy, indicating they have the choice of ceasing all diagnostic imaging as continuation at DePaul is not an option, or providing services at the proposed Virginia Beach location; there are a multitude of other options that could be considered, such as mobile services at another location in Norfolk, providing mobile imaging services in conjunction with area providers in Norfolk (such as cardiologists or geriatric PCPs), or establishing an imaging center in another location that would not be harmful to the providers within a few miles of the proposed location that are currently well under the SMFP utilization threshold.

At the public hearing held on March 7, 2023, at the Kempsville area library in Virginia Beach, two people came in opposition to the project, but neither spoke. A cardiologist and a PCP both spoke on behalf of the applicant in support of the project. Both physicians expressed needing timelier access to imaging for their patients and that for the PCP, a large hurdle was the quantity of patients she has and the providers nearby who have imaging availability do not utilize the EPIC clinical information system, adding another step in obtaining results. Neither physician discussed whether mobile services at their locations had been considered nor whether the imaging providers not utilizing EPIC were aware of this hurdle or whether they were simply not open to purchasing access to the information system.

If the applicant is providing mobile services at the DePaul campus, there is no indication as to why these must cease, maintaining the status quo; if the applicant is not providing mobile services, the patients have evidently migrated to other imaging providers in the area for their imaging needs, as indicated by the increased capacity needs of area providers. As CT unit capacity could be beneficial, depending upon placement, within the PD, there was no discussion in the application whether mobile or fixed services at another location within Norfolk was considered. Verbally, DCOPN was informed by the applicant that the In Motion location in Norfolk were not owned by Bon Secours, so they are unable to make the needed adjustments or construction to facilitate additional imaging services at either of those locations.

A portion of the project would utilize equipment that has already been purchased, reducing costs. The project involves remodeling a leased space rather than new construction, also cutting costs. Compared to similar projects, the applicant has a lower cost project. The project is financially viable in both the short and long term, and the project costs are reasonable. The projected staffing needs will not likely negatively impact other providers in the area. The applicant provides assurances they will not deny services based on ability to pay and also included charity care

contributions within its Pro Forma statement. The outpatient setting for imaging will also be at a lower reimbursement rate, saving patients and insurance companies money. While the project is not directly tied to teaching or unique training opportunities, Bon Secours has historically been involved in training allied health professionals and partners with many colleges and universities to train new healthcare professionals in a variety of disciplines.

DCOPN Staff Recommendations

COPN Request No. VA-8678 – Urology of Virginia, PLLC

The Division of Certificate of Public Need recommends the **conditional approval** of Urology of Virginia, PLLC's COPN Request number VA-8678 to establish a medical care facility for PET/CT imaging, allowing for independent use of the CT for the following reasons:

1. The proposal is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia.
2. There does not appear to be any reasonable alternative to the proposed project.
3. The applicant demonstrated an institutional and urological specialty need for PET/CT and CT imaging.
4. Expanded use of the CT portion of the PET/CT is more efficient and cost effective than separate CT and PET machines.
5. The capital costs of the proposed project are reasonable.
6. The proposed project is unlikely to have a significant negative impact upon the utilization, costs, or charges of other providers of PET/CT or CT services in PD 20.
7. The proposed project appears to be financially viable in the immediate and long-term.
8. There is no known opposition to the project.

COPN Request No. VA-8685 – Bon Secours Maryview Medical Center and Town Center Imaging, LLC

The Division of Certificate of Public Need recommends the **denial** of Bon Secours Maryview Medical Center and Town Center Imaging, LLC's COPN Request number VA-8685 to establish a specialized center with two CT scanners and one MRI scanner through relocation (and replacement with regard to 1 CT unit) for the following reasons:

1. The proposal is not generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia.
2. The applicant has not demonstrated that the project is either inventory or site neutral.
3. There appears to be possible less costly alternatives to the proposed project.

4. Although the capital costs of the proposed project are reasonable, the approval of the project in the proposed location would be fiscally pejorative to other area providers in Virginia Beach.
5. The proposed project is likely to have a significant negative impact upon the utilization, costs, or charges of other providers of MRI and CT services within PD 20.
6. There is known opposition to the project.