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-8679
Our Lady of Peace, Inc.
Charlottesville, Virginia
Expand Authorized Capacity by up to 34 Nursing Home Beds

Applicant

Our Lady of Peace, Inc. (OLOP) is a non-profit corporation located at 751 Hillsdale Drive, Charlottesville, Virginia 22901, and is owned by the Catholic Diocese of Richmond (The Diocese). The Diocese owns the following four facilities: OLOP, Our Lady of Hope Health Center, Inc. (Richmond), Our Lady of Perpetual Help Health Center, Inc. (Virginia Beach), and Our Lady of the Valley (Roanoke). OLOP is located in Planning District (PD) 10, positioned within Health Planning Region (HPR) I.

Background

There were 12 nursing facilities in PD 10 with a total of 1,062 beds licensed by the Virginia Department of Health (VDH) reported in 2022. Two of these facilities were reported as Continuing Care Retirement Communities (CCRCs). The aggregate average occupancy for the PD 10 facilities based on 2021 utilization, the latest year for which such data are available from Virginia Health Information (VHI) was 78.59%, and OLOP, where the proposed project would be located, had the highest occupancy in the PD, 96.73% (**Table 1**). In 2021, PD 10 had an average of 227 vacant beds on any given day and OLOP had one.

OLOP proposes a Forbearance Agreement with Wellmont Health System, d/b/a Mountain View Regional Medical Center (MVRMC) to relocate 34 beds from PD 1 to PD 10. In November 2022, COPN No. VA-04813 authorized the transfer of 10 licensed hospital beds that were certified for long term care, from MVRMC to Norton Community Hospital (NCH), both located in PD 1, to establish a 10-bed long term care unit at NCH. This left 34 acute beds certified for long term care that MVRMC intended at that time to delicense. DCOPN notes that the beds at MVRMC proposed to be relocated to OLOP are not licensed as nursing home beds, rather licensed by VDH as acute care hospital beds that are certified to provide long term care. The Code of Virginia § 32.1-102.3:7 authorizes the relocation of nursing facility beds across PDs, and nursing facility beds include acute care hospital beds that are certified to provide long term care. There is

precedent for transferring such acute care hospital beds to nursing homes (COPN Nos.VA-04159, VA-04602 and VA-04106, for example). The MVRMC beds were included in the inventory when the Nursing Home Bed Need Forecast for the 2022 Planning Year was calculated and are counted as nursing facility beds.

DCOPN also notes that Ballad Health (parent company of Wellmont) has notified the Virginia Department of Health (VDH) that MVRMC will close by April 2023. On January 10, 2023, MVRMC sought relief from the Regulations for Licensure of Nursing Facilities at 12VAC5-371-100D, which requires a license to be surrendered within 30 days of discontinuing services when ownership is being transferred or the facility closes. MVRMC's intention is to preserve the 34 nursing facility beds that are subject to the forbearance agreement with OLOP until such time as a decision is made on COPN Request No. VA-8679. Surrender of the license prior to a decision on COPN Request No. VA-8679 would result in a circumstance in which the 34 nursing facility beds would no longer exist as licensed beds and therefore would not be available for relocation. To-date, no variance has been issued.

Table 1. PD 10 Nursing Home Occupancy

Facility Name	**Facility Type**	**Licensed Nursing Beds**	**Patient Days**	**Available Days**	**Occupancy Rate**
Albemarle Health & Rehabilitation Center	NH	120	13,906	17,640	78.83%
Cedars Health & Rehab Center*	NH	141	44,910	51,465	87.26%
Charlottesville Health & Rehabilitation Center	NH	105	12,837	15,435	83.17%
Colonnades Health Care Center (C0058)	CCRC	34	7,391	12,410	59.56%
Envoy Health Care at The Village	NH	60	20,682	21,900	94.44%
Laurels of Charlottesville	NH	120	39,738	43,800	90.73%
Louisa Health & Rehabilitation Center	NH	90	9,571	13,230	72.34%
Martha Jefferson House	NH	28	8,548	10,220	83.64%
Monroe Health & Rehab Center	NH	180	47,116	65,700	71.71%
Our Lady of Peace	*NH*	*30*	*10,592*	*10,950*	*96.73%*
Stanardsville VA Opco LLC	NH	90	20,671	32,850	62.93%
Westminster-Canterbury of the Blue Ridge (C0036)**	CCRC	64	13,001	21,170	61.41%
PD 10 Totals and Average Occupancy		**1,062**	**248,963**	**316,770**	**78.59%**

Source: VHI 2021 and DCOPN documentation
*corrected from VHI 2021 report
**includes the 12 beds added in 2022.

Proposed Project

OLOP proposes to construct a new three-story addition onto its existing building as well as perform some minor renovations in order to add 34 nursing home beds to an existing 30-bed nursing home, through the relocation of beds from MVRMC in PD 1. The applicant invokes Code of Virginia § 32.1-102.3:7, the so-called "Bed Transfer Statute" which allows the transfer of nursing facility beds from a PD with a calculated surplus to one with a calculated shortage. The proposed project would add 23,257 square feet of living space, and a total of 40,134 square feet of living and service area on the top two floors. Additional parking would be located under the building.

Projected capital costs of the proposed project are $10,971,283 with an additional $484,844 in financing costs (**Table 4**). The sources of capital are $2,564,127 in equity and $8,892,000 in debt. OLOP asserts that the proposed project will be complete and operational within 36 months after the COPN receipt, around May 2026.

Project Definition

Section 32.1-102.1:3 of the Code of Virginia (the Code) defines a project, in part, as "[a]n increase in the total number of beds or operating rooms in an existing medical care facility described in subsection A." Section 32.1-102.1:3 of the Code defines a medical care facility, in part, as "[a]ny facility licensed as a nursing home, as defined in § 32.1-123."

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

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

1. **The extent to which the proposed 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.**

According to the Nursing Home Bed Need Forecast for 2022, PD 10 had a shortage of 51 nursing facility beds (53 with a recent licensure correction). PD 1, from where the beds would relocate for the proposed project, had a calculated surplus of 81 nursing facility beds. PD 1 has an aggregate occupancy of 78.58%, nearly the same as PD 10's (78.59%). Removal of MVRMC's 34 long term care beds (which are scheduled to cease operations in April 2023) will increase utilization in PD 1 to about 80%.

The most recent Weldon-Cooper data projects a total PD 10 population of 287,829 residents by 2030 (**Table 2**). This represents an approximate 22.6% increase in total population from 2010 to 2030. Comparatively, Weldon-Cooper projects the total population of Virginia to increase by approximately 16.6% for the same period.

Table 2. PD 10 and Statewide Total Population Projections, 2010-2030

Locality	2010	2020	% Change	2030	% Change	2010-2030 % Change
Albemarle	98,970	111,039	12.2%	125,718	13.2%	27%
Charlottesville City	43,475	50,714	16.7%	52,376	3.3%	20.5%
Fluvanna	25,691	26,965	5.0%	30,258	12.2%	17.8%
Greene	18,403	20,348	10.6%	22,669	11.4%	23.2%
Louisa	33,153	36,737	10.8%	41,959	14.2%	26.6%
Nelson	15,020	14,828	-1.3%	14,850	0.1%	-1.1%
Total PD 10	**234,712**	**260,631**	**11.0%**	**287,829**	**10.4%**	**22.6%**
Virginia	8,001,024	8,655,021	8.2%	9,331,666	7.8%	16.6%

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

With regard to the 65 and older age cohort, Weldon-Cooper projects an increase of approximately 90% in residents aged 65 and over for PD 10 as a whole from 2010 to 2030, compared to Virginia overall, which Weldon-Cooper projects to increase by 76.4% over the same time period (**Table 3**).

Table 3. PD 10 Population Projections for 65+ Age Cohort, 2010-2030

Locality	2010	2020	% Change	2030	% Change	2010-2030 % Change
Albemarle	14,124	21,417	51.6%	27,028	26.2%	91.4%
Charlottesville City	4,017	4,711	17.3%	6,306	33.9%	57%
Fluvanna	4,022	5,799	44.2%	7,366	27%	83.1%
Greene	2,345	3,836	63.6%	5,442	41.9%	132.1%
Louisa	4,796	7,826	63.2%	10,691	36.6%	122.9%
Nelson	2,988	4,124	38%	4,525	9.7%	51.4%
Total PD 10	**32,292**	**47,712**	**47.8%**	**61,357**	**28.6%**	**90%**
Virginia	976,937	1,352,448	38.4%	1,723,382	27.4%	76.4%

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

OLOP has the highest utilization in PD 10 and 5 out of 5 CMS Star Ratings for Quality. Additional beds would improve access to a quality facility in high demand. According to the applicant, OLOP has a history of providing care for everyone living in its community regardless of their economic or financial status. Over fifty percent of current residents receive assistance from Medicaid and over 20% of assisted living residents are auxiliary grant recipients or receive a charitable scholarship for reduced rent. "In its 30+ history no resident at any service level has ever been transferred or evicted for exhaustion of funds. This is part of the core mission of Our Lady of Peace."

Currently OLOP residents that require post-acute and short-term rehabilitative care must be relocated from their home for those services and stay elsewhere indefinitely until a bed is available again. The proposed project would improve access to these services and enable residents to remain at OLOP for sub-acute skilled nursing and short-term rehabilitation, and also provide access to these services to the greater community. DCOPN notes that acquiring dual certification for some of its existing beds and constructing rehabilitation infrastructure would also provide access to these post-acute and short-term rehabilitative services without the need for a COPN, but the proposed project would increase access beyond what is possible with OLOP's current bed complement.

OLOP is located directly on a public bus line with a stop at the property's street front.

DCOPN did not identify any additional geographic, socioeconomic, cultural, transportation, and other barriers to access to care.

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.

DCOPN received twelve letters of support from providers, care partners, residents, families of residents, family members that became residents, board members, volunteers, the Bishop of Richmond and a member of the Virginia House of Delegates. These letters without exception provided complimentary remarks about OLOP and together articulated the following:

- The older population is growing and the number of people with chronic diseases is growing.
- Social isolation contributes to physical decline.
- OLOP has a skilled, caring, dedicated team.
- OLOP provides excellent care.
- OLOP has an excellent memory care center.
- Residents have a sense of belonging.
- Supporters had long-term relationships with OLOP and its team.
- Rehabilitation Partner (Powerback Rehab) is ramping up staffing to provide rehab support for additional beds.
- OLOP was voted Best Senior Living Community the last five years (except 2019 when it was runner up).
- Also voted more than once: Best Work Culture, Best Place to Work, Best Boss (Executive Director).
- Residents fear episodes that require skilled care or rehabilitation because they will be "outplaced" until that care is complete and wait indefinitely for a bed back at OLOP.
- The additional beds will allow OLOP to provide skilled nursing care and rehabilitation and avoid outplacing residents.
- The proposed project will add space and private rooms.

DCOPN posted a public notice on January 13, 2023, soliciting comments on the proposed project. Public comment period ended on February 27, 2023. The letters of support discussed were the only public comments. There is no known opposition to the proposed project.

(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.

The status quo is an alternative; however, the proposed project is more beneficial than the status quo in that it adds space, infrastructure and private rooms and enhances the ability of OLOP to provide skilled nursing and rehabilitation on-site without outplacing residents.

(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 I designated by the Virginia Department of Health to serve as the Health Planning Agency for the northwestern Virginia region. Therefore, this consideration is not applicable.

(iv) Any costs and benefits of the project.

The estimated capital and financing costs of the proposed project are $11,456,127 with 70.3% of these costs being direct construction costs and 4.2% financing expenses (**Table 4**). Costs for such projects are variable, but this estimated cost is high compared to recent projects authorized for nursing facilities. COPN No. VA-04818 authorized a new 48,900 square foot facility at $304 per square foot or $163,578 per bed added; COPN No. VA-04833 authorized a project that was not new construction at $51 per square foot, $145,365 per bed. The proposed project estimates its capital costs at about $273 per square foot but $322,685 per bed to be added.

The applicant and letters of support articulated multiple benefits to the proposed project, including additional space and beds (for a total of 64 beds). Because the 34 additional beds would all be dually certified, they equate to expanded access for PD 10, in particular for populations with socioeconomic barriers. The proposed project would also enhance OLOP's ability to provide skilled nursing and rehabilitation services on-site without displacing residents from their homes for these types of care. Additionally, the trend in nursing homes is to increase private rooms. Not only do prospective residents prefer private rooms, but they enable room placement without consideration of matching roommates for gender or temperament and are more effective for infection control. The proposed project would increase the number of private rooms available at OLOP from 12 to 46 and the percentage of private rooms from 40% to 72%.

Table 4. Estimated Capital and Financing Costs

Direct Construction Costs	$ 8,049,280
Equipment	$ 631,949
Site Acquisition Costs	$ 211,499
Site Preparation	$ 427,500
Off-Site Costs Forbearance fees and Legal Services	$ 867,000
Architectural and Engineering Fees	$ 418,000
Other Consultant Fees	$ 287,765
Tax & Government Fees	$ 78,290
Conventional Mortgage Loan Financing	$ 484,844
Total	**$ 11,456,127**

Source: COPN Request No. VA-8679

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

Should the proposed project be approved, OLOP asserts that all 34 additional beds would be dually certified and fully accessible to all payor sources. DCOPN notes that the 34 beds are dually certified at MVRMC.

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

DCOPN did not identify any other factors that may be relevant in determining a public need for the proposed project.

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

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

The State Medical Facilities Plan (SMFP) contains the criteria and standards for the addition of nursing beds. They are as follows:

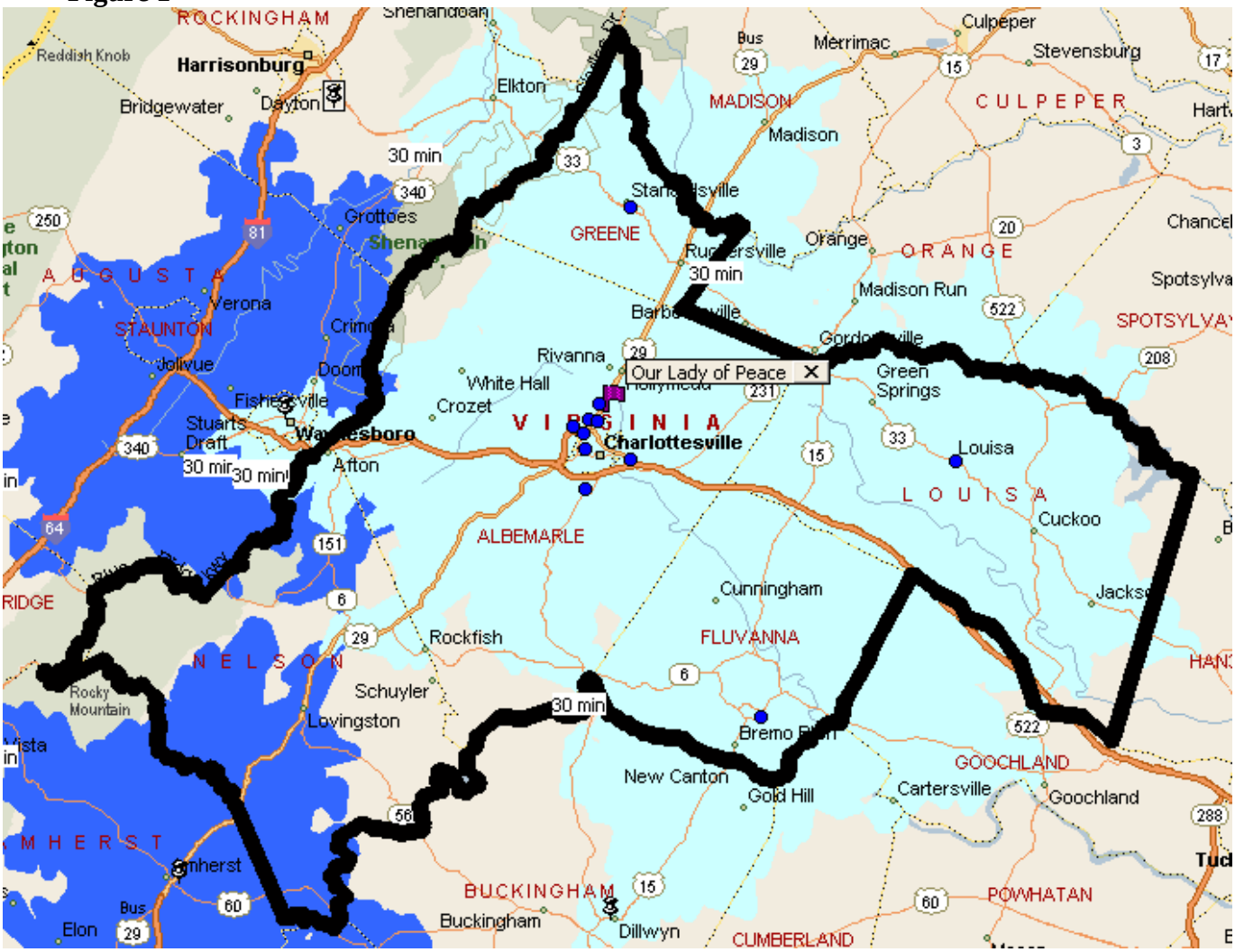
Part VII. Nursing Facilities

12VAC5-230-600. Travel Time.

A. Nursing facility beds should be accessible within 30 minutes driving time one way under normal conditions of 95% of the population in a health planning district using mapping software as determined by the commissioner

The heavy black line in **Figure 1** identifies the boundary of PD 10. The blue dots indicate the locations of the nursing facilities in the PD, while the purple flag marks the location of OLOP. The shaded light blue area is within the 30-minute drive time of existing nursing facilities in PD 10. There are significant areas of PD 10 that are not within the 30-minute drive area, though nursing facilities in adjacent PDs provide access within 30 minutes to portions of PD 10 (darker blue shaded area). The proposed project is at an existing provider, so it would not improve this measure of geographic accessibility.

Figure 1



B. Nursing facilities should be accessible by public transportation when such systems exist in an area.

OLOP is accessible via the Charlottesville Area Transit bus line, from 6:45 a.m. to 10:15 p.m. daily. The applicant states that a bus stop is located on the property's frontage on Hillsdale Drive.

C. Preference may be given to proposals that improve geographic access and reduce travel time to nursing facilities within a health planning district.

The proposed project is not competing with another project. Accordingly, this standard is not applicable.

12VAC5-230-610. Need for New Service.

A. A health planning district should be considered to have a need for additional nursing facility beds when:

1. **The bed need forecast exceeds the current inventory of beds for the health planning district; and**
2. **The average annual occupancy of all existing and authorized Medicaid-certified nursing facility beds in the health planning district was at least 93%, excluding the bed inventory and utilization of the Virginia Veterans Care Centers.**
   EXCEPTION: When there are facilities that have been in operation less than three years in the health planning district, their occupancy can be excluded from the calculation of average occupancy if the facilities had an annual occupancy of at least 93% in one of its first three years of operation.

B. No health planning district should be considered in need of additional beds if there are unconstructed beds designated as Medicaid certified. This presumption of 'no need' for additional beds extends for three years from the issuance date of the certificate.

C. The bed need forecast will be computed as follows:

PDBN = (UR64 x PP64) + (UR69 x PP69) + (UR74 + PP74) + UR79 + PP79) + UR84 + PP84) + UR85 + PP85)

Where:

- **PDBN = Planning district bed need.**
- **UR64 = The nursing home bed use rate of the population aged 0 to 64 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP64 = The population aged 0 to 64 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR69 = The nursing home bed use rate of the population aged 65 to 69 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP69 = The population aged 65 to 69 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR74 = The nursing home bed use rate of the population aged 70 to 74 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP74 = The population aged 70 to 74 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR79 = The nursing home bed use rate of the population aged 75 to 79 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP79 = The population aged 75 to 79 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR84 = The nursing home bed use rate of the population aged 80 to 84 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**

- **PP84 = The population aged 80 to 84 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR85+ = The nursing home bed use rate of the population aged 85 and older in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP85+ = The population aged 85 and older projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**

Health planning district bed need forecasts will be rounded as follows:

Health Planning District Bed Need	Rounded Bed Need
1-29	0
30-44	30
45-84	60
85-104	90
105-134	120
135-164	150
165-194	180
195-224	210
225+	240

EXCEPTION: When a health planning district has:

1. **Two or more nursing facilities;**
2. **Had an average annual occupancy rate in excess of 93% for the most recent two years for which bed utilization has been reported to VHI; and**
3. **Has a forecasted bed need of 15 to 29 beds, then the bed need for this health planning district will be rounded to 30.**

D. No new freestanding nursing facilities of less than 90 beds should be authorized. However, consideration may be given to a new freestanding facility with fewer than 90 nursing facility beds when the applicant can demonstrate that such a facility is justified based on a locality's preference for such smaller facility and there is a documented poor distribution of nursing facility beds within the health planning district.

E. When evaluating the capital cost of a project, consideration may be given to projects that use the current methodology as determined by the Department of Medical Assistance Services.

F. Preference may be given to projects that replace outdated and functionally obsolete facilities with modern facilities that result in the more cost-efficient resident services in a more aesthetically pleasing and comfortable environment.

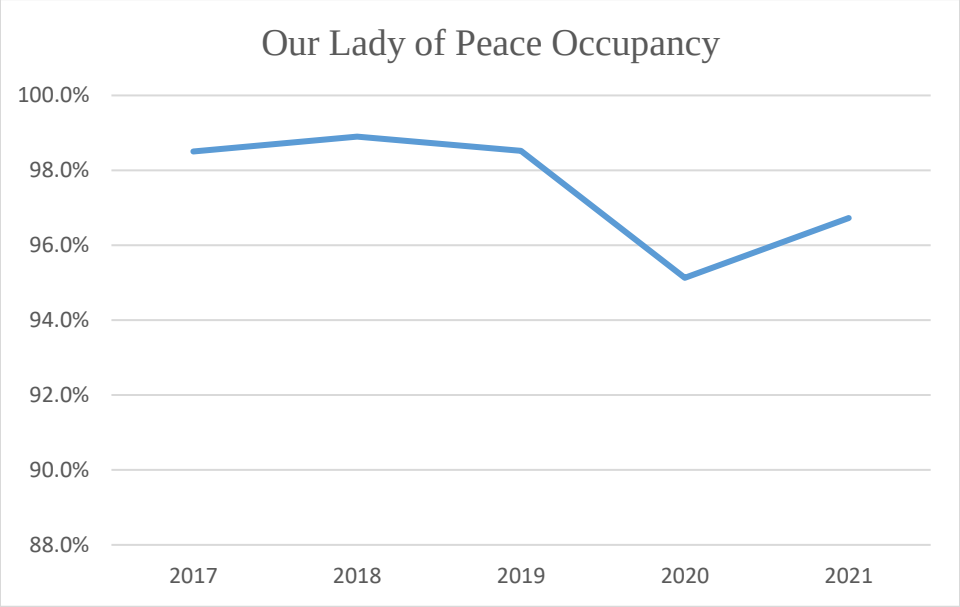
Not applicable, the applicant is not proposing to establish a new nursing home service; however, the Nursing Home Bed Need Forecast for the 2022 Planning Year demonstrates a calculated need for 53 beds in PD 10.

12VAC5-230-620. Expansion of Services.
Proposals to increase an existing nursing facility's bed capacity should not be approved unless the facility has operated for at least two years and the average annual occupancy of the facility's existing beds was at least 90% in the relevant reporting period as reported to VHI.

Note: Exceptions will be considered for facilities that operated at less than 90% average annual occupancy in the most recent year for which bed utilization has been reported when the facility offers short stay services causing an average annual occupancy lower than 90% for the facility.

The occupancy of Our Lady of Peace has been well above 90% for several years, according to data reported to VHI (**Figure 2**).

Figure 2



12VAC5-230-630. Continuing Care Retirement Communities.
Proposals for the development of new nursing facilities or the expansion of existing facilities by continuing care retirement communities (CCRC) will be considered when:

1. **The facility is registered with the State Corporation Commission as a continuing care provider pursuant to Chapter 49 (§38.2-4900 et seq.) of Title 38.2 of the Code of Virginia;**
2. **The number of nursing facility beds requested in the initial application does not exceed the lesser of 20% of the continuing care retirement community's total number of beds that are not nursing home beds or 60 beds;**
3. **The number of new nursing facility beds requested in any subsequent application does not cause the continuing care retirement community's total number of nursing home beds to exceed 20% of its total number of beds that are not nursing facility beds; and**

4. **The continuing care retirement community has established a qualified resident assistance policy.**

This provision is not applicable to the proposed project.

12VAC5-230-640. Staffing.
Nursing facilities shall be under the direction or supervision of a licensed nursing home administrator and staffed by licensed and certified nursing personnel qualified as required by law.

The applicant asserts that the facility is and will be staffed appropriately to comply with all regulatory requirements.

Required Considerations Continued

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.**

   There are twelve nursing facilities in PD 10 operated by different operators and owners, so competition is already in place. OLOP has the highest utilization of the facilities in the PD, so the addition of 34 beds may foster competition to the area by improving access to the nursing facility most in demand. Given the locations of existing providers and OLOP's site, central to a cluster of facilities around Charlottesville, it is unlikely to impact any individual nursing facility disproportionately.

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.**

   The Diocese owns and operates four nursing facilities across Virginia, but only one is in PD 10. No efficiencies are documented across The Diocese sites.

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.**

The estimated capital and financing costs of the proposed project are $11,456,127 with 4.2% of this total in financing expenses (**Table 4**). OLOP recently paid off its long-term mortgage and intends to utilize existing equity to fund the proposed project. The pro forma provided by OLOP (**Table 5**) projects a positive net income and a higher net income within the first year after implementation of the project when compared to net income pre-expansion.

Table 5. Pro Forma, Our Lady of Peace, post-expansion

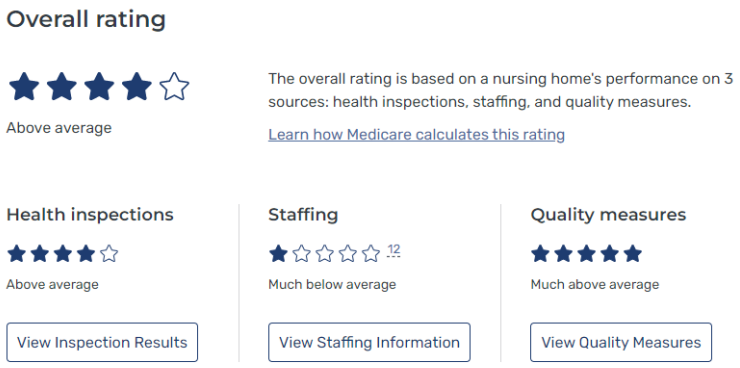
	Year 1	Year 2
Gross Patient Revenue	**$ 7,885,878**	**$ 8,110,518**
Deductions	$ 994,934	$ 994,934
Net Patient Revenue	**$ 6,890,944**	**$ 7,115,584**
Other Revenue	**$ 18,055**	**$ 18,055**
Total Net Revenue	**$ 6,908,999**	**$ 7,133,639**
Operating Expenses	**$ 6,563,163**	**$ 6,574,321**
Net Income*	**$ 345,836**	**$ 559,318**

Source: COPN Request No. VA-8689

*Projected Net Income displayed here is $198,984 and $412,466 higher the first and second years after the proposed project, respectively, than the year before implementation.

DCOPN notes that OLOP was given a CMS Star Rating of 1 for staffing. Details from the Medicare.gov website indicate that this rating is likely due to higher utilization of nurse aides and lower utilization of registered nurses than national and state averages. OLOP also has lower turnover, 41.4% (a very positive staffing indicator) than both the Virginia and national averages (56.% and 53.9%, respectively). This information may suggest that OLOP will have challenges staffing the additional 34 beds; however, the applicant has a 5-Star Quality rating and 4 Stars for its overall rating with current staffing, as well as letters of support documenting caring, dedicated staff and excellent care.

Figure 3



https://www.medicare.gov/care-compare/details/nursing-home/49A007?city=Charlottesville&state=VA&zipcode=

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.

Not applicable. The applicant does not propose to introduce new technologies with the proposed project.

(ii) The potential for provision of services on an outpatient basis.

OLOP provides non-skilled care and rehabilitation services on an outpatient basis to residents of the independent and assisted living sections of the facility but has not documented that this will change or increase if the proposed project is approved.

(iii) Any cooperative efforts to meet regional health care needs.

No such cooperative efforts are documented.

(iv) At the discretion of the Commissioner, any other factors as may be appropriate.

DCOPN did not identify any other factors relevant to improvements or innovations in the financing and delivery of health services.

8. In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served.

(i) The unique research, training, and clinical mission of the teaching hospital or medical school.

(ii) Any contribution the teaching hospital or medical school may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations.

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

DCOPN Staff Findings and Conclusions

DCOPN concludes that PD 10's population most likely to utilize nursing facilities (age 65 and over) is projected to grow more rapidly than the 65+ age group across Virginia overall. An increase in nursing home infrastructure would increase access.

The proposed project would improve access to a quality facility that is in high demand and whose mission includes the provision of access to those with financial need.

The proposed project has strong community support and no known opposition.

The proposed project is generally consistent with the 8 Required Considerations of the Code of Virginia and the relevant provisions of the State Medical Facilities Plan. It is not likely to impact the volumes of existing providers significantly.

The proposed project is more beneficial than the status quo and no reasonable alternatives are identified.

Projected costs of the proposed project are high when compared to other recently authorized projects.

Stated benefits are likely to occur from the proposed project.

The proposed project is feasible in the short- and long-term, though the applicant is likely to continue to experience challenges in staffing the additional beds.

DCOPN Staff Recommendations

COPN Request No. VA-8679—Our Lady of Peace.
The Division of Certificate of Public Need recommends the **approval** of this project for the following reasons:

1. The proposed project is consistent with the 8 Required Considerations of the Code of Virginia and the relevant provisions of the State Medical Facilities Plan.

2. It would improve access to patients with all payor sources.

3. The proposed project would enhance OLOP's ability to keep patients in place for skilled and rehabilitation services, rather than displace them to another home.

4. The proposed project is more beneficial than the status quo and no reasonable alternatives are identified.

5. It has strong community support and no known opposition.

6. It appears to be financially viable in the immediate and long-term.