

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

September 18, 2024

RE: COPN Request No. VA-8768

UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville
Gainesville, Virginia

Establish a medical care facility for MRI Imaging with one MRI Scanner

Applicant

UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Outpatient Imaging Gainesville (“Imaging Gainesville”) is a wholly owned subsidiary of UVA Prince William Health System (“PWHS”). PWHS is a wholly owned subsidiary of UVA Community Health, Inc. (“UVACH”) which is a wholly owned subsidiary of The Rector and Visitors of the University of Virginia on behalf of its Medical Center (“UVAMC”). The facility is in Planning District (PD) 8, Health Planning Region (HPR) II.

Background

Division of Certificate of Public Need (DCOPN) records show that there are currently 61 COPN authorized fixed-site magnetic resonance imaging (MRI) scanners in PD 8 (**Table 1**). The applicant is part of PWHS. PWHS consists of two acute care hospitals, UVA Prince William Medical Center (PWMC), UVA Haymarket Medical Center (HAMC), UVA Outpatient Imaging Centerville, LLC and other outpatient services.

Table 1. PD 8 COPN Authorized Fixed MRI Units by Facility **# of Scanners**

Facility	# of Scanners
Fairfax MRI and Imaging Center at Tysons	1
FRC at Inova Health Center - Woodbridge ¹	1
Inova Alexandria Hospital ²	2
Inova Fair Oaks Hospital	2
Inova Fairfax Medical Campus	4 ³
Inova Center for Personalized Health	6
Inova Imaging Center - Ballston	1
Inova Imaging Center - Mark Center	1
Inova Loudoun Diagnostic Imaging Center -- Leesburg	1
Inova Lorton Healthplex	1
Inova Loudoun Hospital	1
Inova Mount Vernon Hospital	1
Inova Reston-Herndon MRI Center	2 ⁴
Inova Reston MRI Center	2
Inova Springfield HealthPlex	1
Rayus Radiology - Arlington (formerly known as Insight Imaging - Arlington)	2
Rayus Radiology - Fairfax (formerly known as Insight Imaging - Fairfax / Medical Imaging Center of Fairfax)	1
Rayus Radiology - Woodbridge (formerly known as Insight Imaging - Woodbridge/ Medical Imaging Center of Woodbridge)	2
Kaiser Permanente - Reston Medical Center	1
Kaiser Permanente - Tysons Corner Imaging Center	2
Kaiser Permanente - Woodbridge Imaging Center	2
MRI of Reston	4
UVA Centerville dba Vienna Diagnostic Imaging	2
UVA Prince William Medical Center d/b/a UVA Health Haymarket Medical Center	1
UVA Prince William Medical Center d/b/a UVA Health Prince William Medical Center	2
Radiology Imaging Associates at Lansdowne	3 ⁵
Reston Hospital Center	1
Sentara Advanced Imaging Center - Lake Ridge	1
Sentara Northern Virginia Medical Center	1
Stone Springs Hospital Center	1
Tysons Corner Diagnostic Imaging	2
Virginia Hospital Center	4
VHC Health Outpatient Imaging Center	1 ⁶
Washington Radiology Associates, PC	1
Total	61

Source: DCOPN records

¹ COPN No. VA-04895, issued August 15, 2024, authorized the establishment of FRC at Inova Health Ctr-Woodbridge for the provision of MRI through relocation from Radiology Imaging Associates at Sterling.

² COPN No. VA-04793, issued July 7, 2022, authorized the relocation to the new Inova Landmark Hospital.

³ COPN No. VA-04889, issued July 10, 2024, authorized Inova Health Care Services to add one MRI unit for a total of four MRI units. The project is expected to be completed by December 2, 2024.

⁴ COPN No. VA-04829 authorized Inova Reston MRI Center, LLC to add one MRI scanner at Inova Reston MRI Center-Herndon. The project is expected to be completed by December 2023.

⁵ COPN No. VA-04877 authorized IFRC, LLC to add one MRI unit for a total complement of three MRI units at Fairfax Radiology Center of Lansdowne. The project is expected to be completed by July 1, 2025.

⁶ COPN No. VA-04880 authorized Virginia Hospital Center Arlington Health System d/b/a VHC Health to establish a specialized center for CT and MRI imaging with one CT unit and one MRI unit. The project is expected to be completed by June 16, 2025.

Proposed Project

UVA Health Outpatient Imaging Centreville, LLC d/b/a UVA Health Outpatient Imaging Gainesville proposes the off-site expansion and establishment of a new MRI site within its primary service area. The proposed facility will be in existing space within an existing building with no new construction or engineering necessary, but remodeling of 8,122 square feet at 7454 Limestone Drive, Gainesville, Virginia. Projected capital costs for the proposal are \$2,709,102, funded entirely with accumulated reserves (**Table 2**). Target date of opening is April 2026.

Table 2. Capital Costs UVA Health Outpatient Imaging Gainesville, MRI

Direct Construction Cost	\$ 468,025
Equipment not included in construction contract	\$ 1,684,729
Site Acquisition Costs	\$ 539,349
Architectural and Engineering	\$ 13,449
Taxes During Construction	\$ 3,550
Total Capital Cost	\$ 2,709,102

COPN No. VA-04752, issued in 2021, authorized a second MRI at UVA Health Outpatient Imaging Centreville, LLC at 6208 Multiplex Drive, Suite 100, Centreville to address an institutional need due to high utilization. The applicant has reassessed the area and determined that Imaging Gainesville is a better location, more accessible to over one-third of its MRI patients than its existing Centreville location. UVA Health Outpatient Imaging Centreville, LLC has not yet operationalized this second MRI and has submitted a Significant Change Request to replace and relocate its second MRI to the proposed Imaging Gainesville site. Not yet receiving a response, UVA Health Outpatient Imaging Centreville, LLC has submitted COPN Request No. VA-8768 to establish MRI services at the Imaging Gainesville site. Should the proposed project be approved, the applicant will surrender COPN No. VA-04752. The proposed project is authorized inventory neutral.

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part as the “Establishment of a medical care facility described in subsection A.” A medical care facility includes “Any specialized center or clinic or that portion of a physician's office developed for the provision of ...magnetic resonance imaging (MRI)...”

A project is also defined as, “The addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of... magnetic resonance imaging (MRI)...”

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.

PD 8 is a large and fast-growing area of Virginia, estimated to grow to 2.8 million people, adding nearly 280,000 people between 2020 and 2030. This projected growth rate of 10.9% for PD 8 in the current decade is nearly twice the growth rate projected for Virginia at 5.8% (Table 3). The projected growth rate in Prince William County, where the proposed project is located, is 15%, higher than the Virginia and PD 8 growth rates. Prince William County is projected to add over 72,000 people during the 2020 to 2030 decade. The population over age 65 utilizes advanced imaging services at a higher rate than younger age cohorts⁷. The 65 and older population is projected to grow faster than the overall population, about 32%, in PD 8 during the same decade, compared with 26.3% across Virginia (Table 3). In Prince William County, the population over age 65 is expected to grow at a rate of 50.7% (Table 3).

Table 3. Population by Locality, PD 8

Locality	2020 Population	2030 Projected Population	Projected Growth 2020-2030	Percent Growth 2020-2030	65+ 2020 Population	Projected 65+ 2030 Population	Projected Growth 65+	Percent Growth 65+
Arlington County	238,643	265,794	27,151	11.4%	25,333	28,501	3,168	12.5%
Fairfax County	1,150,309	1,201,420	51,111	4.4%	158,687	195,132	36,445	23.0%
Loudoun County	420,959	522,015	101,056	24.0%	41,497	65,844	24,347	58.7%
Prince William Co.	482,204	554,344	72,140	15.0%	50,522	76,112	25,590	50.7%
Alexandria City	159,467	176,403	16,936	10.6%	18,758	22,941	4,183	22.3%
Fairfax City	24,146	25,358	1,212	5.0%	3,871	4,726	855	22.1%
Falls Church City	14,658	16,741	2,083	14.2%	2,185	2,545	360	16.5%
Manassas City	42,772	47,039	4,267	10.0%	4,505	6,593	2,088	46.3%
Manassas Park City	17,219	19,876	2,657	15.4%	1,343	2,162	819	61.0%
PD 8	2,550,377	2,828,990	278,613	10.9%	306,701	404,555	97,854	31.9%
Virginia	8,631,393	9,129,002	497,609	5.8%	1,395,291	1,762,641	367,350	26.3%

Source: United States Census Bureau at <https://data.census.gov/> and Weldon Cooper Center for Public Service, August 2023.

Poverty rates in PD 8 are lower in each locality than that of Virginia (10.6%), with Prince William County’s being 6.9%, indicating relatively few socio-economic barriers to address (Table 4). The proposed facility is centrally located in Prince William County with ready access to major highways, including Routes 29 and 619 as well as Interstate 66. Public bus services are provided by Prince William County Transit.

⁷ <https://jamanetwork.com/journals/jama/fullarticle/2749213>

PD 8 Poverty Rates by Locality

Locality	% in Poverty
Arlington County	6.8%
Fairfax County	5.9%
Loudoun County	3.8%
Prince William County	6.9%
Alexandria city	9.0%
Fairfax city	7.6%
Falls Church city	4.1%
Manassas city	9.1%
Manassas Park city	8.9%
PD 8	6.1%
Virginia	10.6%

Source: US Census Bureau, Small Area Income and Poverty Estimates

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 two letters of commitment, one from the Chair of the Department of Radiology and Medical Imaging at UVA Health and one from the Vice Chair of the Department of Radiology and Medical Imaging and of the Community Radiology Division of UVA Health. DCOPN also received three letters of support for the proposed project from Prince William County District Supervisor, and Prince William County Chamber of Commerce President & CEO and a local physician. These letters, in aggregate, expressed the following:

- There is a tremendous need for the proposed facility in the Gainesville area to serve patients.
- The proposed facility would be staffed by UVA Health’s Community Division and other UVA sub-specialty radiologists.
- Patients do not want to travel long distances for services.
- Patients and insurers don’t want to incur higher costs of hospital-based imaging services.
- There is tremendous need for a free standing, lower cost imaging center.
- Imaging Gainesville will address these concerns as the first Independent Diagnostic Testing Facility (IDTF) offering CT in the Gainesville area.
- Close proximity to UVA Prince William and UVA Haymarket Medical Centers will also make it desirable for patients.
- Imaging Gainesville will benefit from its affiliation with UVA and the quality and range of services of the radiologists of an academic medical center.
- It will facilitate the best outcomes for patients.
- As a full-service imaging center, Imaging Gainesville will be a highly desirable place for patients in PD 8.
- Imaging Gainesville is an integral part of a full range of services to be offered.

Public Hearing

§32.1-102.6B of the Code of Virginia directs DCOPN to hold one public hearing on each application in the case of competing applications; or in response to a written request by an elected local government representative, a member of the General Assembly, the Commissioner, the applicant, or a member of the public. A public hearing was held September 9, 2024. Three people presented the proposed project as well as an associated CT project. A summary of discussion points follows:

Presenters asserted that UVA Community Health (UVACH) services and facilities are the principal provider of acute care medical services in Prince William County. A full-service diagnostic imaging center in Gainesville is critical to rationalizing UVACH services in Western Prince William County and PD 8 generally. Establishing new CT and MRI scanning services in the manner proposed is consistent with applicable provisions of the Virginia SMFP. CT and MRI scanning positioned in Gainesville would permit UVACH to serve its existing patient base more effectively and efficiently. Access to diagnostic imaging among residents of western Prince William residents would be improved markedly. UVACH provides substantial amounts of charity care and serves the medically indigent equitably. Arguably, economic access would be enhanced by IDTF based diagnostic imaging. Reductions in demand at nearby imaging services would be at UVACH CT and MRI services where moderation of increasing demand would be beneficial and welcomed. There is no indication of potential negative health system effects. The costs of the proposals are reasonable within the capital cost ranges commonly seen for similar projects locally and elsewhere in Virginia.

DCOPN provided notice to the public regarding this project inviting public comment on July 11, 2024. The public comment period closed on August 26, 2024. Other than the letters of support and public hearing summary referenced above, no members of the public commented. There is no known opposition to the 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 applicant has been authorized to add a second MRI at its existing MRI site in Centreville (COPN No. VA-04752) in acknowledgement of an institutional need. That project has not yet been implemented and the institutional need continues. The existing Centreville MRI scanner operated at 135% of the SMFP volume standard in 2023. The proposed project adds an MRI scanner off-site and establishes a specialized center for the provision of MRI imaging in Gainesville, instead of adding the second MRI unit in Centreville. The applicant provided patient origin data showing that more than one-third of its existing MRI patients are closer to the proposed Imaging Gainesville site than the existing Centreville site. The proposal would spread utilization efficiently between two sites, more conveniently for patients and it is inventory neutral. The proposal is to be in an Independent Diagnostic Testing Facility (IDTF) offering patients in the area a lower-cost alternative to the hospital-based imaging providers, in affiliation with an academic medical center and the quality and breadth of services that affiliation provides. There is no reasonable alternative to the proposed service that would meet the needs of the population in a less costly, more efficient or effective manner. The proposed project is more beneficial than the status quo.

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

The Health Systems Agency of Northern Virginia (HSANV) considered the proposed projects at its September 9, 2024 meeting. The Board voted unanimously, 11 in favor and none opposed, to recommend that the application be approved. HSANV stated that their recommendation was based on its review of the application, on the HSANV staff report on the proposal, and on the testimony and other evidence presented at the September 9, 2024 public hearing. Findings and conclusions include:

- The proposal is an equipment relocation project. It is inventory neutral.
- The project is consistent with the applicable provisions of the Virginia SMFP as they have applied in assessing similar COPN MRI proposals.
- A full-service diagnostic imaging center in Gainesville will permit UVA Community Health to operate more efficiently.
- The capital cost of the project is reasonable, within the range reported for similar projects locally and elsewhere in Virginia.
- There is no indication that the project would negatively affect any imaging service outside the UVA Community Health services network in PD 8.

(iv) Any costs and benefits of the project.

Total projected capital costs for the proposed project are \$2,709,102, funded entirely with accumulated reserves, so there are no financing costs involved in the proposed project. The estimated costs are consistent with other similar, recently approved projects. For example, COPN No. VA-04880 was authorized for \$4.7 million to establish a center for both CT and MRI imaging.

The applicant has described several benefits to the proposed project including alleviation of an institutional need for an MRI, locating Imaging Gainesville and the proposed MRI in a portion of its primary service area where it has a substantial MRI patient base. The proposal is inventory neutral as it places a previously authorized MRI in a more beneficial location to spread volumes over two separate sites, one that better serves existing Gainesville patients. The applicant proposes a freestanding IDTF, providing a lower-cost option for patients in the area. The applicant also cites its affiliation with an academic medical center, parent organization University of Virginia, as a benefit of the proposed project, to ensure quality and breadth of radiological services.

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

Imaging Gainesville has committed to treating all patients in need of services without regard to their ability to pay for services or of their payor source, consistent with UVA Health's charity care policies. Imaging Gainesville will also be the first IDTF in its primary service area, offering imaging services at much lower charges than existing hospital-based services. UVA Prince William Medical Center provided charity care in the amount of 0.2% of its gross patient revenue in 2022, the latest year for which such data are available (**Table 5**). This is well below the HPR II average of

1.9%. The proforma provided by the applicant includes a charity care percentage of 2.6% (Table 8); however, Novant UVA Health System had a 4.1% systemwide charity condition prior to Novant's exiting the joint venture.

Table 7. HPR II Charity Care Contributions: 2022

Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	% of Gross Patient Revenue:
Encompass Health Rehab Hosp of Northern Virginia	\$44,278,869	\$1,731,629	3.9%
Sentara Northern Virginia Medical Center	\$944,136,646	\$32,219,014	3.4%
Inova Mount Vernon Hospital	\$641,472,447	\$17,706,001	2.7%
Inova Alexandria Hospital	\$1,197,261,807	\$29,265,924	2.4%
Virginia Hospital Center	\$1,986,450,290	\$47,061,276	2.3%
Inova Fairfax Hospital	\$5,214,506,184	\$116,268,953	2.2%
Inova Loudoun Hospital	\$1,228,076,373	\$24,600,105	2.0%
Inova Fair Oaks Hospital	\$872,902,867	\$16,347,102	1.8%
Dominion Hospital	\$171,735,320	\$1,891,758	1.1%
Reston Hospital Center	\$1,890,705,104	\$16,603,148	0.8%
StoneSprings Hospital Center	\$442,376,284	\$3,383,896	0.7%
North Spring Behavioral Healthcare	\$72,918,890	\$259,529	0.3%
UVA Health Prince William Medical Center	\$329,053,447	\$704,161	0.2%
UVA Health Haymarket Medical Center	\$183,865,488	\$174,114	0.1%
Total Inpatient Hospitals:			14
HPR II Total Inpatient \$ & Mean %	\$15,219,740,016	\$308,216,610	2.0%
Lake Ridge Ambulatory Surgical Center	\$12,134,108	\$210,500	1.7%
Stone Springs Ambulatory Surgery Center	\$3,999,113	\$59,669	1.5%
Northern Virginia Eye Surgery Center, LLC	\$14,479,800	\$63,197	0.4%
Haymarket Surgery Center	\$51,205,003	\$50,954	0.1%
Northern Virginia Surgery Center	\$59,865,180	\$47,316	0.1%
Reston Surgery Center	\$140,221,295	\$58,510	0.0%
Prince William Ambulatory Surgery Center	\$50,752,301	\$4,623	0.0%
Fairfax Surgical Center	\$141,540,392	\$209	0.0%
HealthQare Services ASC, LLC	\$8,526,020	\$0	0.0%
Inova Ambulatory Surgery Center at Lorton	\$1,977,872	\$0	0.0%
Inova Loudoun Ambulatory Surgery Center	\$86,732,059	\$0	0.0%
Inova Surgery Center @ Franconia-Springfield	\$86,936,077	\$0	0.0%
Kaiser Permanente Caton Hill Ambulatory Surgery Center	\$10,357,476	\$0	0.0%
Kaiser Permanente Tysons Corner Surgery Center	\$55,063,020	\$0	0.0%
McLean Ambulatory Surgery Center	\$38,502,416	\$0	0.0%
Pediatric Specialists of Virginia Ambulatory Surgery Center	\$9,138,277	\$0	0.0%
VHC Ambulatory Surgery Center	Opens Nov 2022	\$ -	
Total Outpatient Hospitals:			16
HPR II Total Outpatient Hospital \$ & Mean %	\$ 771,430,409	\$ 494,978	0.1%
Total Hospitals:			30
HPR II Total Hospital \$ & Mean %	\$ 15,991,170,425	\$ 308,711,588	1.9%

Source: VHI (2022)

In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from MRI imaging. DCOPN recommends a charity condition equal to 4.1% of patient revenue, consistent with UVA Health System's systemwide charity condition. Pursuant to Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

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

There are no other factors, not addressed elsewhere in the analysis, relevant to the determination of a public need for either 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 MRI services. They are as follows:

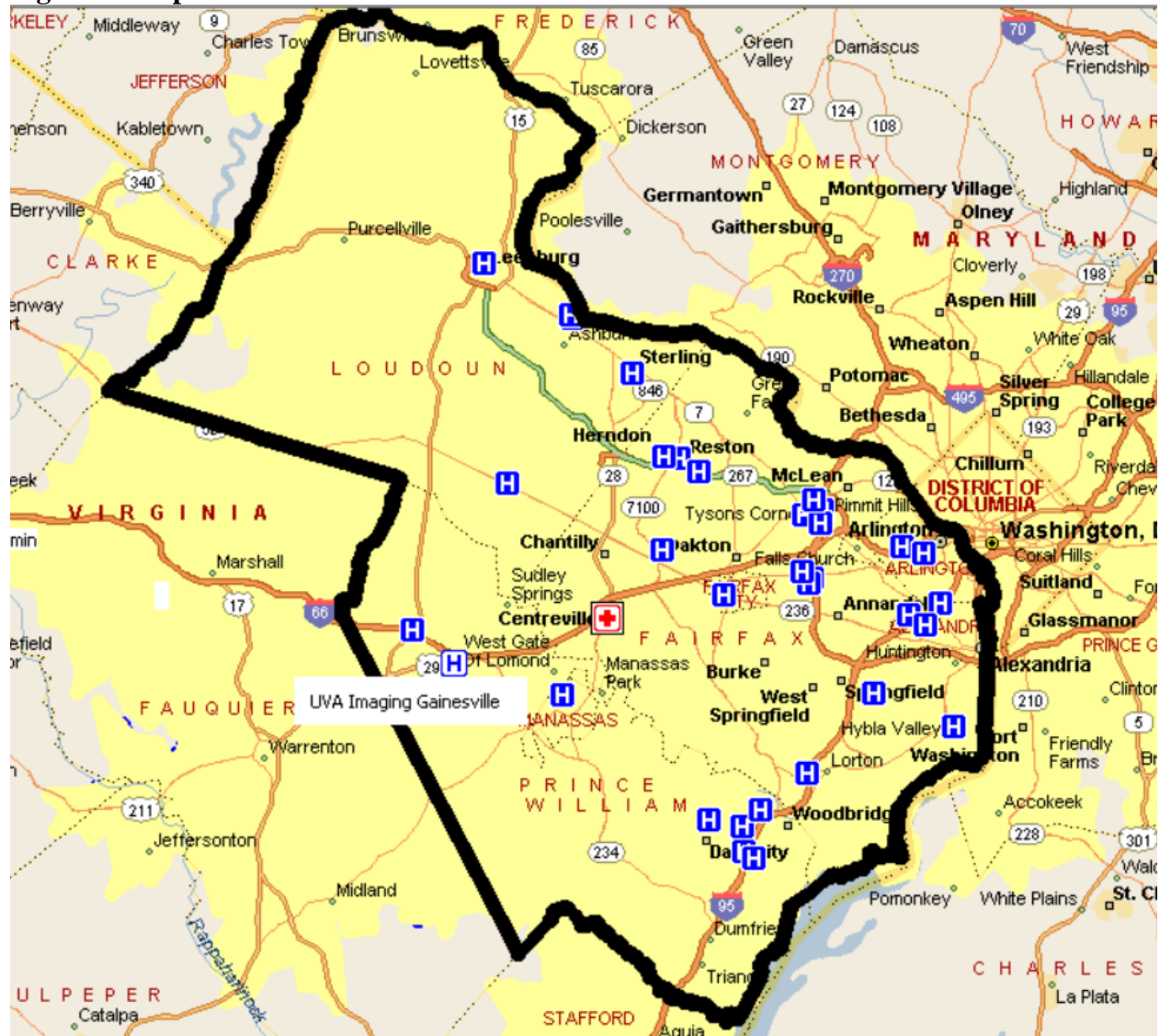
Article 2 Criteria and Standards for Magnetic Resonance Imaging

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 mapping software as determined by the commissioner.

The heavy black line in **Figure 1** is the boundary of PD 8. The blue "H" symbols mark the locations of existing MRI providers in PD 8. The white "H" symbol marks the location of the proposed project and the red cross is the current authorized MRI at UVA Outpatient Imaging Centerville, LLC. The yellow shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing MRI services in PD 8. **Figure 1** clearly illustrates that MRI services are already well within a 30-minute drive under normal conditions of 95% of the residents of PD 8.

Figure 1. Map of Authorized MRI Sites in PD 8



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

No new fixed site MRI service 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 may be disregarded in computing average utilization of MRI scanners in such planning district.

As shown in **Table 6** below, the then-existing PD 8 fixed MRI inventory performed a collective MRI volume of 255,368 MRI procedures in 2022, with an overall utilization of 92.9%. DCOPN notes that six MRI units have been added to the PD 8 inventory since the preparation of the VHI

data as displayed in **Table 6**. **Table 1** displays the current inventory of MRI units in PD 8. Based on these data, DCOPN has calculated a current surplus of 8 MRI units in PD 8 as follows:

Calculated Needed MRI Units in PD 8

Calculated Needed MRI Units = $255,368$ (2022 MRI procedures) \div $5,000$ = 51.07 (52) MRI units needed

PD 8 Calculated Need = 52 MRI Units based on 2022 utilization

2024 COPN authorized MRI Units = 61

PD 8 Surplus = 9 MRI Units

Table 6. PD 8 COPN Authorized Fixed MRI Units and Utilization: 2022

Facility	Fixed Unit	Procedures	Procedures /Unit	Utilization
Fairfax MRI and Imaging Center at Tysons	2	10,217	5,109	102.2%
Fairfax MRI Center at Reston	1	6,336	6,336	126.7%
Fairfax Radiology Center of Sterling	1	3,794	3,794	75.9%
Inova Alexandria Hospital	2	8,732	4,366	87.3%
Inova Arlington MRI Center	1	4,500	4,500	90.0%
Inova Fair Oaks Hospital	2	7,395	3,698	74.0%
Inova Emergency Room - Franconia Springfield HealthPlex	1	3,584	3,584	71.7%
Inova Emergency Room - Leesburg	1	2,308	2,308	46.2%
Inova Emergency Room - Lorton HealthPlex	1	3,415	3,415	68.3%
Inova Fairfax Hospital	3	17,223	5,741	114.8%
Inova Fairfax MRI Center	6	35,222	5,870	117.4%
Inova Imaging Center-Mark Center	1	3,416	3,416	68.3%
Inova Loudoun Hospital	1	5,490	5,490	109.8%
Inova Mount Vernon Hospital	1	5,233	5,233	104.7%
Rayus Radiology - Arlington (formerly Insight Imaging - Arlington)	2	9,938	4,969	99.4%
Rayus Radiology - Fairfax (formerly Insight Imaging - Fairfax / Medical Imaging Center of Fairfax)	1	4,640	4,640	92.8%
Rayus Radiology - Woodbridge (formerly Insight Imaging - Woodbridge/ Medical Imaging Center of Woodbridge)	2	10,436	5,218	104.4%
Kaiser Permanente - Reston Medical Center	1	5,153	5,153	103.1%
Kaiser Permanente - Woodbridge Imaging Center (AKA Caton Hill Center) ⁸	2	1,740	870	17.4%
Kaiser Permanente - Woodbridge Medical Center	1	3,812	3,812	76.2%
Kaiser Permanente Tyson's Corner ⁹	2	12,922	6,461	129.2%
MRI of Reston	4	18,408	4,602	92.0%
Radiology Imaging Associates at Lansdowne	2	11,421	5,711	114.2%
Reston Hospital Center	1	4,058	4,058	81.2%
Sentara Advanced Imaging Center - Lake Ridge	1	2,172	2,172	43.4%
Sentara Northern Virginia Medical Center	1	4,262	4,262	85.2%
Stone Springs Hospital Center	1	1,723	1,723	34.5%
Tysons Corner Diagnostic Imaging	2	14,369	7,185	143.7%
UVA Health Haymarket Medical Center	1	2,276	2,276	45.5%
UVA Health Prince William Medical Center	2	3,125	1,563	31.3%
UVA Outpatient Imaging Centreville	1	6,531	6,531	130.6%
Virginia Hospital Center	3	16,811	5,604	112.1%
Washington Radiology Associates, PC	1	4,706	4,706	94.1%
Total/Average	55	255,368	4,643	92.9%

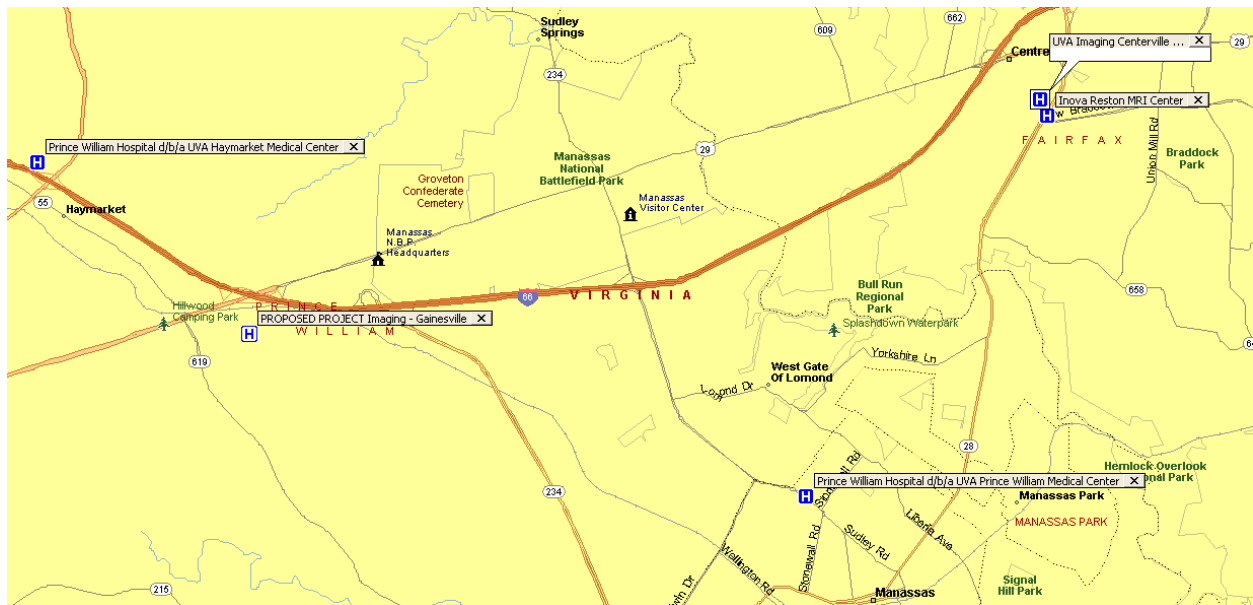
Source: VHI Data (2022)

⁸ VHI data for 2022 contains entries for Kaiser Permanente - Woodbridge Imaging Center (AKA Caton Hill Center) and Kaiser Permanente - Woodbridge Medical Center. In mid-2022, the Kaiser Woodbridge facility relocated to Caton Hill. Therefore, the Kaiser Permanente - Woodbridge Medical Center entry contains utilization for the first part of 2022 and the Kaiser Permanente - Woodbridge Imaging Center (AKA Caton Hill Center) entry contains utilization for the rest of 2022.

⁹ VHI data for 2022 reported that Kaiser Permanente - Tyson's Corner had two CT scanners and Kaiser Permanente Tysons Corner Surgery Center had two CT scanners. These entries are duplicative and have been corrected in **Table 8** to reflect the correct inventory of two CT scanners at Kaiser Permanente - Tyson's Corner.

The volume threshold of 5,000 scans per MRI provider is not met; however, the applicant proposes to establish a specialized center for the provision of MRI imaging at 7454 Limestone Drive, Gainesville in lieu of the MRI scanner authorized at 6208 Multiplex Drive, Suite 100, Centreville, so the proposed project is inventory neutral and its approval will not add to the surplus of authorized MRI scanners in PD 8. Regarding the effect that the proposed location would have on other facilities in the area (**Figure 2**), the closest provider to the proposed site that is not also owned by UVA is Inova Reston MRI Center which is 12.5 miles away and reported 126.7% of the SMFP volume threshold in 2022 (**Table 6**). It is unlikely the proposed project would significantly impact existing MRI providers.

Figure 2. Enlarged Map of MRI Providers Surrounding the Proposed Project.



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.

As previously discussed, the applicant was previously authorized to add one MRI scanner (COPN No. VA-04752) due to an institutional need to expand its MRI services. The proposed project would instead place an MRI off-site at Imaging Gainesville to decant MRI volumes in a location more convenient to a large base of its MRI patients. Should the proposed project be approved, the applicant will surrender COPN No. VA-04752. For 2022, the most recent year for which VHI data are available, the MRI at UVA Outpatient Imaging Centreville, LLC operated at 130.6% of the SMFP volume standard (**Table 6**).

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 has provided assurances that MRI services will be under the direction and supervision of board-certified and trained radiologists.

12VAC5-230-80. When institutional expansion needed.

- A. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.**
- B. If a facility with an institutional need to expand is part of a health system, the underutilized services at other facilities within the health system should be reallocated, when appropriate, to the facility with the institutional need to expand before additional services are approved for the applicant. However, underutilized services located at a health system's geographically remote facility may be disregarded when determining institutional need for the proposed project.**
- C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.**
- D. Applicants shall not use this section to justify a need to establish new services.**

Table 6 shows utilization at UVA Outpatient Imaging Centreville, LLC was 130.6%. The proposed project is submitted to address the applicant's institutional need off-site, as allowed by 12VAC5-230-160, in lieu of adding the MRI on-site as authorized by COPN No. VA-04752. All of PWHS' MRIs are well utilized. The proposal does not involve a nursing home. It involves the expansion of an existing service.

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.**

The proposal does not foster institutional competition. There are many MRI providers across PD 8 such that there is no monopoly in provision of MRI imaging. With high utilization of the applicant’s existing MRI, the proposed facility is likely to decant volumes and not enhance competition, beneficial or otherwise, in southern PD 8.

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.

Imaging Gainesville is a subsidiary of PWHS, which serves the southern portion of PD 8. PWHS consists of UVA Prince William Medical Center, UVA Haymarket Medical Center, UVA Health Outpatient Imaging Centreville and other outpatient services. The proposed project will help to decant volumes from the applicant’s existing MRI while providing a lower cost outpatient option in the southern portion of the PD.

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 proposed project is financially feasible in the short and long-term. Capital costs are reasonable and consistent with similar, recently authorized projects, and will be funded with accumulated reserves. The proforma (Table 7) shows a positive income in the proposed project’s first and second years of operation.

Table 7. Proforma UVA Imaging Gainesville, MRI

	Year 1	Year 2
Revenue	\$ 1,346,940	\$ 1,448,270
Charity Care	\$ 35,425	\$ 38,090
Bad Dept Expense	\$ 74,082	\$ 79,655
Total Net Revenue	\$ 1,237,433	\$ 1,330,525
Total Expenses	\$ 1,233,149	\$ 1,289,911
Net Income Before Taxes	\$ 4,284	\$ 40,614

Source: COPN Request No. VA-8768

Though 16 FTEs will be needed to operate the entire facility, the applicant states that only two are required for the operation of the proposed MRI unit, two for CT unit proposed in a related application. The other twelve FTEs will be leveraged from PWMC and HAMC as needed.

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.

The proposal is the first non-hospital-based MRI imaging facility in the southern portion of PD 8 and the applicant will seek designation as an IDTF, reducing the cost of imaging to patients and insurers.

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.

University of Virginia is the ultimate parent organization of the applicant and, as an academic medical center, has clinical, teaching and research missions, and seeks to expand care for the indigent and Medicaid populations. The proposal is a strategy to bring a lower cost option to its service area in PD 8 in the form of an IDTF, decant MRI volumes from an existing and highly utilized MRI and locate the service more conveniently for a large existing patient base, serving patients efficiently and effectively.

DCOPN Staff Findings and Conclusions

UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville proposes to expand its MRI service to an off-site location in Gainesville and establish a specialized center for the provision of MRI scanning with one scanner in an existing building. The proposal, if approved, will be implemented in lieu of COPN VA-04752 so it does not add to the surplus in PD 8. PD 8 is a highly populated and fast-growing area of Virginia. The proposed Imaging Gainesville would offer lower cost imaging services in an IDTF, decant volumes from the highly utilized MRI scanner at UVA Outpatient Imaging Centerville, LLC and improve access for Gainesville and the surrounding area. HSANV voted unanimously to recommend approval of the project. There is no documented opposition.

The proposal is consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia. There are no identified reasonable alternatives to the proposed project. Costs are reasonable and the proposal is more beneficial than the status quo. It enhances financial access with the first non-hospital imaging center in the area. It is wholly feasible and supports the mission of an academic medical center.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville's COPN Request number VA-8768 to establish a specialized center for the provision of MRI imaging and expand its MRI service offsite with one MRI scanner in Gainesville, Virginia, in lieu of the MRI scanner authorized in Centerville, for following reasons:

1. The proposal to establish a specialized center for the provision of MRI imaging and expand its MRI service offsite with one MRI scanner enhances access to MRI imaging in a highly populated, fast-growing area of Virginia.
2. The proposal improves financial access with the first Independent Diagnostic Testing Facility in the Gainesville area.
3. UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville's proposed project replaces the project authorized by COPN No. VA-04752, so it does not add to the MRI surplus in PD 8.
4. The proposal is consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia.
5. The proposed project is unlikely to have a significant impact upon the utilization, costs, or charges of other providers of MRI services in PD 8.
6. The capital costs of the proposed project are reasonable and it is viable in the immediate and long-term.
7. There is no identified alternative to the proposed project and it is more beneficial than the status quo.
8. HSANV recommended approval of the project.
9. There is no known opposition to the project.

DCOPN's recommendation is contingent upon UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville's agreement to the following charity care condition:

UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville will provide MRI imaging services to all persons in need of this service, regardless of their ability to pay, and will provide as charity care to all indigent persons free services or rate reductions in services and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 8 in an aggregate amount equal to at least 4.1% of UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville's gross patient revenue derived from MRI services. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement. UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville will accept the revised charity condition based on data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 when it is available from Virginia Health Information. The value of charity care provided individuals pursuant to this condition shall be based on the provider reimbursement

methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.

UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville will provide MRI services to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act (42 U.S.C. § 1396 et seq.), and 10 U.S.C. § 1071 et seq. Additionally, UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.