

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-8769

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

Establish a medical care facility for CT Imaging with one CT 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

According to VHI data, PD 8 had 63 diagnostic CT scanners that performed 603,733 CT scans in 2022, the latest year for which such data are available. This is an average of 9,583 CT scans per unit, 129.5% of the State Medical Facilities Plan (SMFP) standard of 7,400 (**Table 1**). The applicant operated at 17.6% of the SMFP standard and PWHS CT facilities combined reported 22,324 scans to VHI, 75.4% of the SMFP standard in 2022 (**Table 1**). Volumes reported for UVA Prince William and UVA Haymarket Medical Centers, however, reflect only 6 months of utilization data, due to a transition from calendar year reporting (under a joint venture ownership with Novant) to fiscal year reporting, consistent with UVACH, its parent organization (after Novant left the joint venture).

Table 1. PD 8 COPN Authorized Fixed CT Units and Utilization: 2022

| Facility | # of Scanners | # of Scans | Procedures / Unit | Utilization Rate |
|--|---------------|------------|-------------------|------------------|
| Centreville / Clifton Imaging Center | 1 | 8,445 | 8,445 | 114.12% |
| Fair Oaks Imaging Center | 1 | 2,864 | 2,864 | 38.70% |
| Fairfax Diagnostic Imaging Center | 1 | 6,237 | 6,237 | 84.28% |
| Fairfax ENT & Facial Plastic Surgery | 1 | 622 | 622 | 8.41% |
| Fairfax MRI and Imaging Center at Tysons | 1 | 4,224 | 4,224 | 57.08% |
| Fairfax Radiology Center of Reston-Herndon | 1 | 7,096 | 7,096 | 95.89% |
| Fairfax Radiology Center of Sterling | 1 | 5,808 | 5,808 | 78.49% |
| Inova Alexandria Hospital | 3 | 45,955 | 15,318 | 207.00% |
| Inova Ashburn Healthplex | 1 | 8,267 | 8,267 | 111.72% |
| Inova Fair Oaks Hospital | 3 | 40,468 | 13,489 | 182.29% |
| Inova Fairfax Hospital | 7 | 120,057 | 17,151 | 231.77% |
| Inova Emergency Room of Fairfax City | 1 | 4,629 | 4,629 | 62.55% |
| Inova Franconia Springfield HealthPlex | 1 | 16,498 | 16,498 | 222.95% |
| Inova Emergency Room - Leesburg | 1 | 10,402 | 10,402 | 140.57% |
| Inova Lorton HealthPlex | 1 | 8,725 | 8,725 | 117.91% |
| Inova Imaging Center-Mark Center | 1 | 4,953 | 4,953 | 66.93% |
| Inova Loudoun Hospital | 2 | 49,444 | 24,722 | 334.08% |
| Inova Mount Vernon Hospital | 2 | 24,116 | 12,058 | 162.95% |
| Rayus Radiology - Arlington (formerly Insight Imaging - Arlington) | 1 | 1,978 | 1,978 | 26.73% |
| Rayus Radiology - Fairfax (formerly Insight Imaging - Fairfax / Medical Imaging Center of Fairfax) | 1 | 3,491 | 3,491 | 47.18% |
| Kaiser Permanente - Reston Medical Center | 1 | 6,399 | 6,399 | 86.47% |
| Kaiser Permanente - Woodbridge Imaging Center (AKA Caton Hill Center) ¹ | 1 | 3,738 | 3,738 | 50.51% |
| Kaiser Permanente - Woodbridge Medical Center | - | 8,259 | 8,259 | 111.61% |
| Kaiser Permanente Tysons Corner ² | 2 | 19,394 | 9,697 | 131.04% |
| Lakeside @ Loudoun Tech Center 1 | 1 | 3,522 | 3,522 | 47.59% |
| Metro Region Pet Center | 1 | 2,763 | 2,763 | 37.34% |
| Orthopaedic Foot and Ankle Center of Washington | 1 | 136 | 136 | 1.84% |
| Prosperity Imaging Center | 1 | 9,151 | 9,151 | 123.66% |
| Radiology Imaging Associates at Lansdowne | 1 | 8,234 | 8,234 | 111.27% |
| Reston Hospital Center | 4 | 33,224 | 8,306 | 112.24% |
| Sentara Advanced Imaging Center - Lake Ridge | 1 | 9,232 | 9,232 | 124.76% |
| Sentara Advanced Imaging Center - Springfield | 1 | 0 | 0 | 0.00% |
| Sentara Northern Virginia Medical Center | 3 | 25,673 | 8,558 | 115.64% |
| Stone Springs Hospital Center | 1 | 8,936 | 8,936 | 120.76% |
| Tysons Corner Diagnostic Imaging | 1 | 911 | 911 | 12.31% |
| Tysons Corner Emergency Room | 1 | 1,160 | 1,160 | 15.68% |

¹ 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.

² 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.

Table 1. PD 8 COPN Authorized Fixed CT Units and Utilization: 2022

| Facility | # of Scanners | # of Scans | Procedures / Unit | Utilization Rate |
|--|---------------|----------------|-------------------|------------------|
| UVA Health Haymarket Medical Center | 1 | 8,298 | 8,298 | 112.14% |
| UVA Health Prince William Medical Center | 2 | 12,720 | 6,360 | 85.95% |
| UVA Outpatient Imaging Centreville | 1 | 1,306 | 1,306 | 17.65% |
| Virginia Cancer Specialists | 1 | 731 | 731 | 9.88% |
| Virginia Hospital Center | 3 | 52,263 | 17,421 | 235.42% |
| Woodburn Diagnostic Center | 2 | 13,404 | 6,702 | 90.57% |
| Total/Average | 63 | 603,733 | 9,583 | 129.5% |

Source: VHI (2022) and DCOPN records.

The applicant has provided 2023 utilization data showing that UVA Outpatient Imaging Centreville performed at 20% and PWHS CT facilities combined performed at 145% of the SMFP volume standard in their most recent full year of operation (**Table 2**).

Table 2. 2023 PWHS Utilization

| Facility | CT Units | CT Scans | CT Scans per Unit | Percent of SMFP CT Volume Standard |
|-----------------------------------|----------|---------------|-------------------|------------------------------------|
| PWMC | 2 | 24,064 | 12,032 | 163% |
| HAMC | 1 | 17,360 | 17,360 | 235% |
| Imaging Centreville | 1 | 1,444 | 1,444 | 20% |
| PWHS Totals & Averages | 4 | 42,868 | 10,717 | 145% |

Source: COPN Request No. VA-8769

DCOPN records show that there are currently 78 COPN Authorized Computed Tomography (CT) scanners in PD 8 (**Table 3**). See footnotes provided for additions to the inventory.

Table 3. PD 8 COPN Current Authorized Fixed CT Units

| Facility | # of Scanners |
|---|---------------|
| Centreville-Clifton Imaging Center - Fairfax Radiology | 1 |
| Chantilly ER ³ | 1 |
| Fair Oaks Imaging Center | 1 |
| Fairfax Diagnostic Imaging Center | 1 |
| Fairfax ENT & Plastic Surgery Center | 1 |
| Fairfax MRI and Imaging Center at Tysons | 1 |
| Fairfax Radiology Center at Prosperity | 2 |
| Fairfax Radiology Center of Reston-Herndon | 1 |
| Fairfax Radiology Center of Springfield ⁴ | 1 |
| Fairfax Radiology Center at Woodburn | 2 |
| Inova Alexandria Hospital ⁵ | 4 |
| Inova Ashburn Healthplex | 1 |
| Inova Emergency Room of Fairfax City | 1 |
| Inova Fair Oaks Hospital | 3 |
| Inova Fairfax Hospital | 7 |
| Inova Health Center - Woodbridge ⁶ | 1 |
| Inova HealthPlex - Franconia/Springfield | 1 |
| Inova Imaging Center – Leesburg | 1 |
| Inova Imaging Center-Mark Center | 1 |
| Inova Lorton HealthPlex | 1 |
| Inova Loudoun Hospital | 3 |
| Inova Mount Vernon Hospital | 2 |
| Inova Oakville Ambulatory Center in the City of Alexandria | 1 |
| Inova Springfield Hospital ⁷ | 1 |
| Kaiser Permanente - Reston Medical Center | 1 |
| Kaiser Permanente - Tysons Corner Imaging Center | 2 |
| Kaiser Permanente - Woodbridge Imaging Center | 1 |
| Leesburg Emergency and Imaging Center ⁸ | 1 |
| Loudoun Medical Group, P.C. | 1 |
| Metropolitan ENT & Facial Plastic Surgery | 1 |
| Orthopaedic Foot and Ankle Center | 1 |
| Radiology Imaging Associates at Lansdowne | 1 |
| Radiology Imaging Associates at Sterling | 1 |
| Rayus Radiology - Arlington (formerly known as Insight Imaging - Arlington) | 1 |
| Rayus Radiology - Fairfax (formerly known as Insight Imaging - Fairfax / Medical Imaging Center of Fairfax) | 1 |

³ COPN No. VA-04900 authorized Northern Virginia Hospital, LLC to establish CT services with one CT unit at Chantilly ER.

⁴ COPN No. VA-04878 authorized IFRC, LLC to establish CT services with one CT unit at Fairfax Radiology Center of Springfield. The project is expected to be completed by October 1, 2024.

⁵ COPN No. VA-04793, issued July 7, 2022, authorized the addition of one fixed CT scanner at the relocated Inova Alexandria Hospital (Landmark).

⁶ COPN No. VA-04896 authorized IFRC, LLC to establish CT services with one CT unit at Inova Health Center – Woodbridge.

⁷ COPN No. VA-04832 authorized the relocation and replacement of Inova Alexandria, including the addition of one CT scanner.

⁸ COPN No. VA-04863 authorized Reston Hospital Center, LLC to establish a specialized center for CT imaging, Leesburg Emergency and Imaging Center. The project is expected to be completed by November 30, 2025.

| Facility | # of Scanners |
|---|---------------|
| Rayus Radiology - Woodbridge ⁹ | 1 |
| Reston Hospital Center | 4 |
| Sentara Advanced Imaging Center – Alexandria | 1 |
| Sentara Lake Ridge Ambulatory Care Center | 1 |
| Sentara Northern Virginia Medical Center | 2 |
| Sentara Northern Virginia Medical Center - Century Medical Office Building | 1 |
| StoneSprings Hospital Center | 2 |
| Tysons Corner Emergency Center | 1 |
| Tysons Corner Diagnostic Imaging | 1 |
| UVA Outpatient Imaging - Centreville (formerly known as Novant Health UVA Health System Imaging – Centreville) | 1 |
| UVA Health Haymarket Medical Center (formerly known as UVA Prince William Medical Center d/b/a UVA Health Haymarket Medical Center) | 1 |
| UVA Health Prince William Medical Center (formerly known as UVA Prince William Medical Center d/b/a UVA Health Prince William Medical Center) | 2 |
| VHC Emergency & Imaging Center ¹⁰ | 1 |
| VHC Health Outpatient Imaging Center ¹¹ | 1 |
| Virginia Hospital Center | 4 |
| Washington Radiology Associates | 1 |
| Woodburn Nuclear Medicine/Metro Region PET | 1 |
| Total | 78 |

Source: DCOPN records

Proposed Project

Imaging Gainesville proposes the off-site expansion and establishment of a new CT 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 \$1,709,102, funded entirely with accumulated reserves (**Table 4**). Target date of opening is April 2026.

Table 4. Capital Costs UVA Health Outpatient Imaging Gainesville

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

⁹ COPN No. VA-04879 authorized Insight Health Corporation to establish CT services with one CT unit at Rayus Radiology – Woodbridge. The project is expected to be completed by October 31, 2024.

¹⁰ COPN No. VA-04775 authorized VHC to establish a specialized center for CT imaging at VHC Emergency and Imaging Center with one CT scanner. VHC Emergency and Imaging Center is expected to open in the fourth quarter of 2024.

¹¹ 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 with one CT unit and one MRI unit. The project is expected to be completed by June 16, 2025.

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 ...computed tomographic (CT) scanning...”

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...computed tomographic (CT) scanning...”

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 5**). 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 cohorts¹². 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 5**). In Prince William County, the population over age 65 is expected to grow at a rate of 50.7% (**Table 5**).

¹² <https://jamanetwork.com/journals/jama/fullarticle/2749213>

Table 5. 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 6). 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.

Table 6. 2022 Poverty Rates, PD 8

| 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 Community Radiology Division of UVA Health. DCOPN also received ten letters of support for the proposed project from Delegate Ian Lovejoy of the Virginia House of Delegates, Prince William County Executive, Prince William County District Supervisor, and Prince William County Chamber of Commerce President & CEO and several physicians and medical care providers. 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 MRI 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 proposed project is more beneficial than the status quo. It locates imaging services in an area where PWHS's existing CT sites are highly utilized. The applicant proposes an IDTF offering patients in the area a lower-cost alternative to the current 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.

(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:

(iv) Any costs and benefits of the project.

Total projected capital costs for the proposed project are \$1,709,102, 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-04876 was authorized for \$1.6 million to establish a specialized center for CT imaging. The current project is associated with another proposed project also to establish MRI imaging at Imaging Gainesville. 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 the provision of CT imaging in a portion of its primary service area in which other CT providers within PWHS have exceptionally high utilization. Imaging Gainesville proposes a freestanding IDTF, not only to decant volumes from highly utilized hospital-based CT services within PWHS but also 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 7**). 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 | Not Open until 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 CT imaging. DCOPN recommends a charity condition equal to 4.1% of patient revenue, consistent with UVA Health’s systemwide 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 CT services. They are as follows:

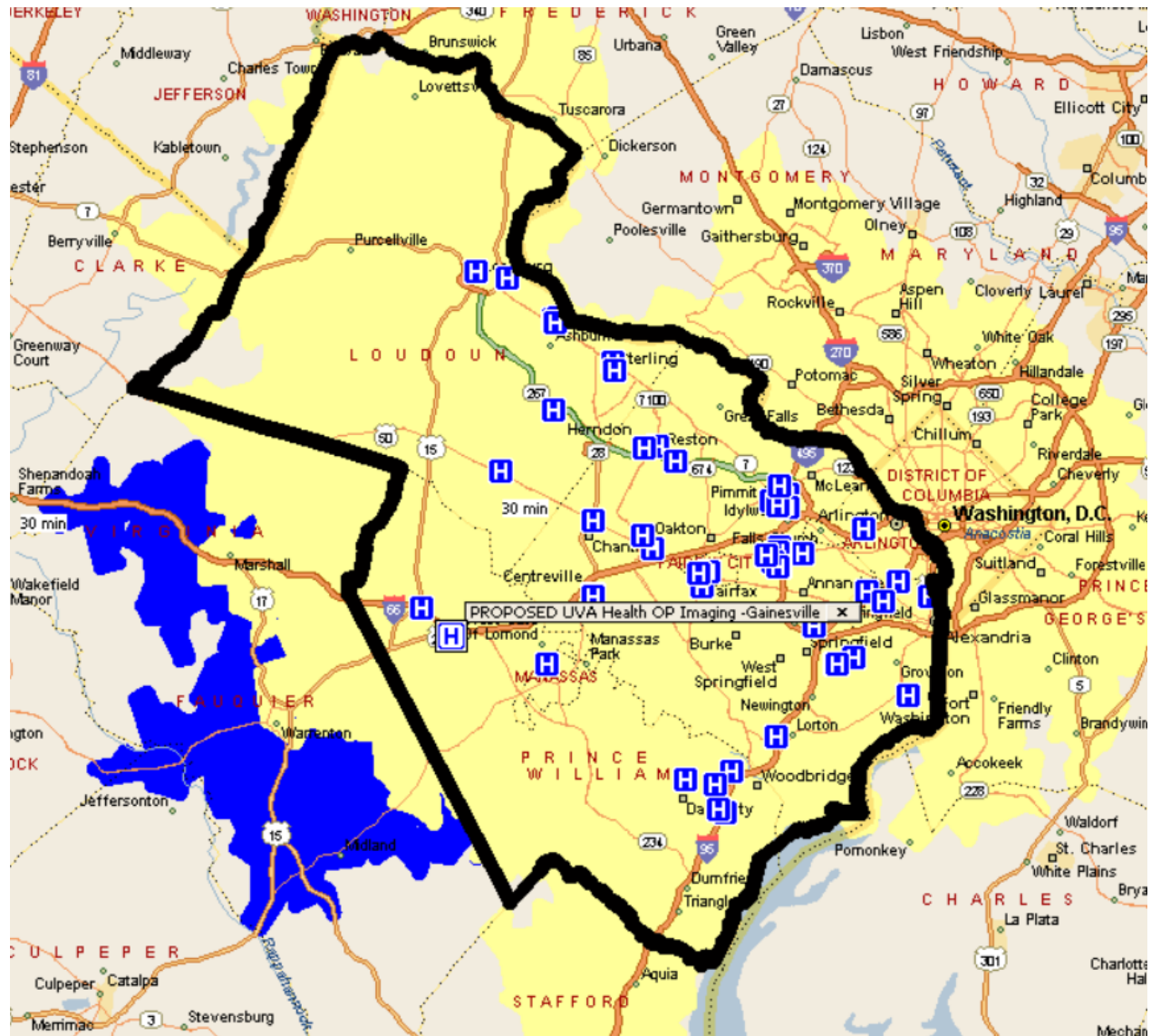
**Part II Article 1
Diagnostic Imaging Services
Criteria and Standards for Computed Tomography**

12VAC5-230-90. Travel time.

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

The heavy black line in **Figure 1** is the boundary of PD 8. The blue “H” symbols mark the locations of existing CT providers in PD 8. The white “H” symbol marks the locations of the proposed project. The yellow shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing CT services in PD 8. The dark blue shaded area shows the access provided within 30 minutes by the proposed project beyond existing PD 8 CT scanners. This area is outside PD 8 and is within 30 minutes of PD 9 CT services, so the proposal does not create geographic access. **Figure 1** clearly illustrates that CT services are already well within a 30-minute drive under normal conditions of 95% of the residents of PD 8.

Figure 1. Map of Authorized PD 8 CT Sites



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.

DCOPN notes that 15 CT scanners have been added to the PD 8 inventory since the preparation of the 2022 VHI data as displayed in **Table 1** and there are now 78 CT scanners authorized in the PD. **Table 3** displays the current inventory of CT scanners in PD 8. **Table 1** shows that the utilization of existing CT scanners in the PD in 2022 was 129.5% of the 7,400 procedures per scanner necessary to introduce a new fixed CT service under this section of the SMFP. Moreover, DCOPN calculates a need for four additional fixed CT scanners in the planning district:

Calculated Needed Fixed CT Scanners in PD 8

Calculated Needed CT scanners = 603,733 scans in the PD in 2022 / 7,400 scans = 81.59 (82) scanners needed.

PD 8 Calculated Need = 82 CT scanners based on 2022 utilization data

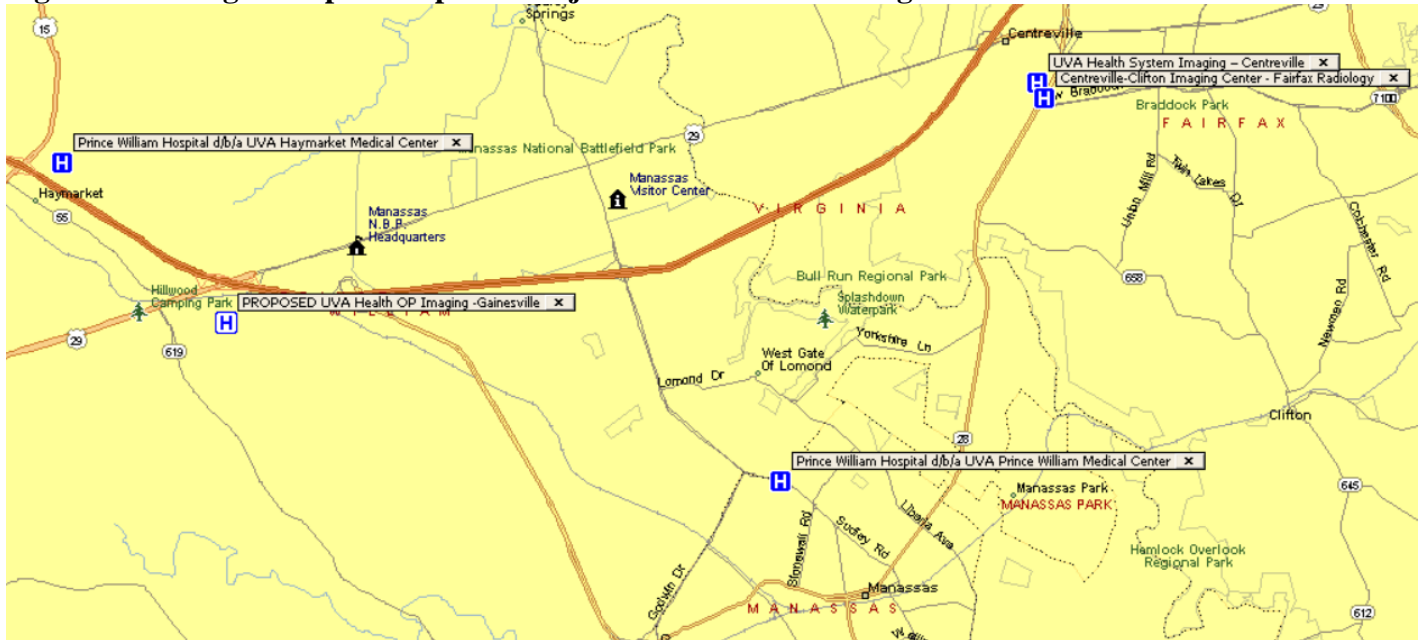
2024 COPN authorized CT scanners = 78

PD 8 Calculated Deficit = 4 CT scanners

The proposed project would add one CT scanner to the PD 8 inventory and partially address this computational need. Regarding the effect that the proposed location would have on other facilities in the area, **Figure 2** shows in an enlarged map of CT providers in the vicinity of the proposed facility. The closest provider to the proposed site that is not also owned by UVA is Centreville/Clifton Imaging which is 12.5 miles away and reported 114.1% of the SMFP volume threshold in 2022 (**Table 1**). Both UVA Prince William Medical Center (“PWMC”) and UVA Haymarket Medical Center (“HAMC”) have historically had high utilization. The applicant reports that in 2023 they performed CT volumes at 163% and 235% of the SMFP volume thresholds, respectively (**Table 2**).

UVA Health System Outpatient Imaging Centreville (“Imaging Centreville”) has operated at low utilization, 18% in 2022 and 20% in 2023 (**Tables 1 & 2**). The applicant asserts that its CT scanner in Centreville cannot be relocated to Gainesville as it is a vital component of services which UVA plans to expand in the vicinity of Imaging Centreville, including cancer care, primary care, orthopedic and urology services. Including all four of its existing CT scanners, PWHS’s 2023 CT utilization was 145% (**Table 2**). Including the proposed CT, the 42,868 CT scans performed by PWHS CT units in 2023 would average 8,574 per scanner or 116% of the SMFP threshold.

Figure 2. Enlarged Map of Proposed Project and Nearest Existing CT Providers



There is no opposition to the proposed project from existing providers and DCOPN’s analysis of the available data, both in the application and from VHI, shows no evidence that the proposed location would significantly reduce the utilization of existing providers in the area.

B. Existing CT scanners used solely for simulation with radiation therapy treatment shall be exempt from the utilization criteria of this article when applying for a COPN. In addition, existing CT scanners used solely for simulation with radiation therapy treatment may be disregarded in computing the average utilization of CT scanners in such health planning district.

DCOPN has excluded nine existing CT scanners used solely for simulation prior to the initiation of radiation therapy from its inventory and average utilization of diagnostic CT scanners in PD 8 with respect to the proposed projects.

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.

UVA Health Outpatient Imaging Centreville performed 1,306 CT scans in 2022 and 1,444 CT scans in 2023, far below the SMFP threshold to expand its services. Failure to meet the volume criterion in this section does not preclude approval of an off-site expansion in a PD with a need for

additional CT scanners. The proposed project is also likely to decant very high utilization at other CT sites within PWHS without being in the imaging department of a hospital, allowing it designation as an IDTF.

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

- A. Proposals for mobile CT scanners shall demonstrate that, for the relevant reporting period, at least 4,800 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing CT providers in the health planning district.**
- B. Proposals to convert authorized mobile CT scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, at least 6,000 procedures were performed by the mobile CT scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.**

Not applicable. The applicant does not propose to add or expand mobile CT services or to convert authorized mobile CT scanners to fixed site scanners.

12VAC5-230-130. Staffing.

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

The applicant confirms that CT services will be under the direct supervision of certified and trained radiologists.

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 CT providers across PD 8 such that there is no monopoly in provision of CT imaging. With high utilization of other PWHS sites and close proximity to them, 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. As previously discussed, the hospital-based CT services are highly utilized and the proposed project will help to decant these volumes while providing a lower cost outpatient option in the southern portion of the PD. The existing CT scanner at Imaging Centreville is an important component of UVA's plans for future provision and expansion of services closer to Centreville.

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 8**) shows a loss in the first year but a positive income by the proposed project’s second year of operation.

Table 8. Proforma UVA Imaging Gainesville - CT

| | Year 1 | Year 2 |
|--------------------------------|--------------------|-------------------|
| Revenue | \$ 535,248 | \$ 798,858 |
| Charity Care | \$ 14,077 | \$ 21,010 |
| Bad Dept Expense | \$ 29,439 | \$ 43,937 |
| Total Net Revenue | \$ 491,732 | \$ 733,911 |
| Total Expenses | \$ 524,934 | \$ 689,913 |
| Net Income Before Taxes | \$ (33,202) | \$ 43,998 |

Source: COPN Request No. VA-8769

Though 16 FTEs will be needed to operate the entire facility, the applicant states that only two are required for the operation of the CT unit, two for a (proposed) MRI unit and the other twelve 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 CT 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, leaving CT in Centreville as well, as a diagnostic tool for planned services in the future.

DCOPN Staff Findings and Conclusions

UVA Outpatient Imaging Centerville, LLC d/b/a UVA Health Imaging Gainesville proposes to expand to an off-site location in Gainesville and establish a specialized center for the provision of CT scanning with one scanner in an existing building. PD 8 is a highly populated and fast-growing area of Virginia. Though Imaging Centreville has had low utilization at its existing CT site in Centreville, the hospital-based CT services that are also subsidiaries of PWHS are quite well utilized. The proposed Imaging Gainesville would offer lower cost imaging services in an IDTF, decant volumes from PWHS hospital-based CT scanners and improve access for Gainesville and the surrounding area. The proposal has good community support and the HSNV 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-8769 to establish a specialized center for the provision of CT imaging and expand its CT service offsite with one CT scanner in Gainesville, Virginia following reasons:

1. The proposal to establish a specialized center for the provision of CT imaging and expand its CT service offsite with one CT scanner enhances access to CT 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 area and the first non-hospital-based CT service in the Gainesville area.
3. 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.
4. There is a deficit of CT scanners in PD 8 which the proposal partially addresses.
5. The proposed project is unlikely to have a significant impact upon the utilization, costs, or charges of other providers of CT services in PD 8.
6. The capital costs of the proposed project are reasonable and it is financially viable in the short 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 CT 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 CT services. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement. 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 CT 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.