

VIRGINIA DEPARTMENT OF HEALTH
Office of Licensure and Certification
Division of Certificate of Public Need

Staff Analysis

January 20, 2026

COPN Request No. VA-8842

US Health Virginia, LLC

Norfolk, Virginia

Establish a Center for PET/CT services with one fixed PET/CT scanner limited to cardiology

COPN Request No. VA-8849

Bon Secours Maryview Medical Center

Norfolk, Virginia

Establish a Specialized Center for Imaging Services with One Fixed CT Scanner

COPN Request No. VA-8857

James River Cardiology

Franklin, Virginia

Establish a Center for PET/CT services with one fixed PET/CT scanner limited to cardiology

Applicants

COPN Request No. VA-8842: US Health Virginia

US Health Virginia, LLC (USHV) is a limited liability company that was formed under the laws of Delaware in 2023. USHV is a subsidiary of US Health Partners Management, LLC. The proposed facility, USHV, is in the City of Norfolk, Health Planning Region (HPR) V, Planning District (PD) 20.

COPN Request No. VA-8849: Bon Secours Norfolk Emergency Center

Bon Secours Norfolk Emergency Center (BSNEC) is wholly owned by Maryview Hospital, LLC d/b/a Bon Secours Maryview Medical Center (“MMC”). MMC is wholly owned by Bon Secours Hampton Roads Health System (“BSHR”), which is wholly owned by Bon Secours Mercy Health (“BSMH”). BSMH, BSHR, MMC and HVMC are all not-for-profit Virginia limited liability companies. MMC also owns other entities, including Harbour View MOB 2, LLC, Bon Secours Surgery Center at Harbour View, LLC and Bon Secours Surgery Center at Virginia Beach, LLC. HVMC is a co-applicant because it is the owner and operator of the facility. HVMC has no subsidiaries. Bon Secours Norfolk Emergency Center is in PD 20, HPR V.

COPN Request No. VA-8857: James River Cardiology

James River Cardiology, LLC (JRC) is a limited liability company formed under the laws of Delaware in 2010. Although originally formed as a Professional Corporation (P.C.) it was converted to a Limited Liability Company (LLC) in 2023. JRC is a wholly owned subsidiary of Cavalier MSO, LLC d/b/a AlignedCardio. The proposed facility, James River Cardiology, is in PD 20, HPR V.

Background

PET/CT Services

A positron emission tomography (PET) scan is an imaging test that can help reveal the metabolic or biochemical function of tissues and organs. The PET scan uses a radioactive drug called a tracer to show both typical and atypical metabolic activity. A PET scan can often detect the atypical metabolism of the tracer in diseases before the disease shows up on other imaging tests, such as computerized tomography (CT) and magnetic resonance imaging (MRI). The tracer is most often injected into a vein in the hand or arm. The tracer will then collect into areas of the body that have higher levels of metabolic or biochemical activity. This often pinpoints the location of the disease. The PET images are typically combined with CT or MRI and are called PET/CT or PET/MRI scans.¹

Regarding cardiac PET/CT, the American Society of Nuclear Cardiology and the Society of Nuclear Medicine and Molecular Imaging published a joint position paper in 2016 (Society Joint Position Statement) stating:

The purpose of this joint Society Position Statement is to highlight the attributes that make rest/stress myocardial perfusion PET both **Preferred** and **Recommended** in the era of high value initiatives for appropriate patients. Myocardial perfusion PET image quality, high diagnostic accuracy that is relatively independent of body habitus, ability to accurately risk stratify patients with a wide array of clinical presentations, short acquisition times, safety by virtue of low radiation exposure, and its unique ability to quantify myocardial blood flow are all significant and clinically important properties. The properties of myocardial perfusion PET according to the published literature are sufficient to advance recommendations for its use in clinical practice. There are no clinical scenarios where PET should not be considered a preferred test for patients who meet appropriate criteria for a stress imaging test and who require pharmacologic stress.² Both COPN Request No. VA-8842 and COPN Request No. 8857 are proposing PET/CT services limited to cardiac imaging.

According to 2024 VHI data, the latest such data available, PD 20 has nine PET/CT services³ – three fixed site scanners and six mobile scanners. Only the fixed units are relevant for this review and are included in **Table 2**. In addition to this, Sentara Norfolk General Hospital was recently approved to introduce PET/CT services with a fixed PET/CT scanner (no independent CT usage)

¹<https://www.mayoclinic.org/tests-procedures/pet-scan/about/pac-20385078>

² Bateman et.al. American Society of Nuclear Cardiology and Society of Nuclear Medicine and Molecular Imaging Joint Position Statement on the Clinical Indications for Myocardial Perfusion PET. Journal of nuclear cardiology (2016): official publication of the American Society of Nuclear Cardiology. <https://pubmed.ncbi.nlm.nih.gov/27528255/> (accessed December 17, 2024).

³ PET Institute of Hampton Roads was authorized for one PET scanner (no CT), but this certificate was surrendered.

per COPN No. VA-04908. This unit will primarily be used for cardiac PET/CT scans and is projected to be operational in early 2026.⁴ Including this scanner, which is approved but not yet operational, there are four total fixed PET/CT scanners in PD 20, with one being primarily for cardiac use.

Table 1. PD 20 COPN Authorized Fixed PET Services

| Facility | Total Scanners | Procedures | Procedures per Unit | % of SMFP Threshold |
|---|----------------|--------------|---------------------|---------------------|
| Chesapeake Regional Medical Center | 1 | 1,296 | 1,296 | 21.60% |
| Children's Hospital of The King's Daughters | 1 | 74 | 74 | 1.23% |
| Sentara Brock Cancer Center | 1 | 2,996 | 2,996 | 49.93 |
| PD 20 Total | 3 | 4,366 | 4,366 | 72.77% |

Source: 2024 VHI

CT Services

COPN Request No. VA-8842: USHV

USHV proposes to introduce Coronary Artery Calcium (CAC) Scoring and Computed Tomography Angiography (CTA) services through the independent use of the CT component of its requested PET/CT scanner. CAC scoring is a specialized scan of the heart that uses a CT scanner and identifies areas of calcium deposits in the arteries. This helps determine a patient’s risk for heart attack or stroke⁵. CTA “uses an injection of contrast material into your blood vessels and CT scanning to help diagnose and evaluate blood vessel disease or related conditions, such as aneurysms or blockages.”⁶ Both procedures require the use of the CT scanner independently from the PET/CT, meaning that CT scanner services in PD 20 will be taken into account as well for USHV. DCOPN recognizes, however, that should this project be approved, non-restricted use CT scanner services in the PD would not be impacted.

COPN Request No. VA-8849: BSNEC

BSNEC proposes to establish a specialized center for the provision of CT services, with one fixed CT scanner in the Free-Standing Emergency Department (FSED) it is planning to construct.

Table 2 below shows all the authorized CT scanners in PD 20 according to the 2024 VHI data, the latest such data available. Of the 47 authorized CT scanners, 16 are in freestanding facilities and 31 are in acute care hospitals. Overall, the PD was at 122.03% of the SMFP threshold for expansion for CT scanners (66.03% in freestanding facilities and 171.93% in acute care hospitals).

DCOPN reached out to Sentara who confirmed that it only has one CT scanner on its Independence campus and two scanners on its Belleharbour campus, despite reporting its ED volumes at these locations separately. Taking this into account, there were actually only 44 individual scanners

⁴ Source: COPN No. VA-04908 Annual Extension Request, December 2025

⁵ <https://www.mayoclinic.org/tests-procedures/heart-scan/about/pac-20384686>

⁶ <https://www.radiologyinfo.org/en/info/angiact>

reported to VHI in 2024. DCOPN notes that three CT scanners are located in emergency departments and may only be accessible to those seeking emergency services.

Table 2 also shows the difference between the 2024 VHI Report and DCOPN records. Taking into account all scanners that have been added or removed from the PD since the 2024 VHI report, there are 48 CT scanners in PD 20.

Table 2. PD 20 COPN Authorized CT Services

| Facility | # of Scanners Reported to 2024 VHI | 2025 COPN Inventory | Difference |
|---|------------------------------------|---------------------|------------|
| Atlantic Orthopaedic Specialists ⁷ | 1 | 1 | 0 |
| Bon Secours Harbour View Medical Center | 0 | 1 ⁸ | -1 |
| Bon Secours Imaging at Town Center | 0 | 1 ⁹ | -1 |
| Bon Secours Maryview Medical Center | 2 | 2 | 0 |
| Bon Secours Southampton Memorial Hospital | 1 | 1 | 0 |
| Chesapeake Bay ENT P.C. Suffolk | 0 | 1 ¹⁰ | -1 |
| Chesapeake Bay ENT P.C. Belle Haven | 0 | 1 ¹¹ | -1 |
| Chesapeake Bay ENT P.C. Franklin | 0 | 1 ¹² | -1 |
| Chesapeake Regional Imaging - Kempsville ¹³ | 1 | 0 ¹⁴ | 1 |
| Chesapeake Regional Medical Center | 4 | 4 | 0 |
| Children's Hospital of The King's Daughters ¹⁵ | 5 | 4 ¹⁶ | 1 |
| ED - Bon Secours Health Care Center at Harbour View ¹⁷ | 2 | 2 | 0 |
| ED - Sentara BelleHarbour ¹⁸ | 2 | 0 ¹⁹ | 2 |
| ED - Sentara Independence ²⁰ | 1 | 0 ²¹ | 1 |
| MRI & CT Diagnostics - Chesapeake | 1 | 1 | 0 |
| MRI & CT Diagnostics - Virginia Beach | 1 | 1 | 0 |
| Riverside Hospital | 0 | 1 ²² | -1 |
| Riverside Diagnostic Center - Smithfield | 1 | 0 ²³ | 1 |
| Sentara Advanced Imaging Center - Belleharbour | 2 | 2 | 0 |
| Sentara Advanced Imaging Center - Fort Norfolk | 1 | 1 | 0 |
| Sentara Advanced Imaging Center - Greenbrier Healthplex | 1 | 1 | 0 |

Source: 2024 VHI

⁷ Scanner is restricted for orthopaedic use only.

⁸ COPN-04631 authorized the intra-campus transfer of 1 CT scanner to Harbour View Medical Center.

⁹ Authorized under COPN-04851. Opened in 2025.

¹⁰ COPN-04750 authorized 1 restricted use CT scanner.

¹¹ COPN-04749 authorized 1 restricted use CT scanner.

¹² COPN-04748 authorized 1 restricted use CT scanner.

¹³ This location has closed.

¹⁴ Location closed in 2025.

¹⁵ Two scanners are “head only” restricted use.

¹⁶ Only Authorized for 4 CT scanners across 3 locations.

¹⁷ This emergency department is now part of Harbour View Medical Center which opened in 2025.

¹⁸ CT scanners are licensed under Sentara Advanced Imaging Center – Belleharbour but are reported separately. The Belleharbour campus only has two scanners.

¹⁹ Duplicate reporting with Sentara Imaging Center BelleHarbour.

²⁰ CT scanner is licensed under Sentara Independence Advanced Imaging Center – Belleharbour but is reported separately. The Independence campus only has one scanner.

²¹ Duplicate reporting with Sentara Independence.

²² Authorized under COPN No. VA-04841.

²³ Certificate was surrendered.

Table 2. PD 20 COPN Authorized CT Services -Continued-

| Facility | # of Scanners Reported to 2024 VHI | 2025 COPN Inventory | Difference |
|---|------------------------------------|---------------------|------------|
| Sentara Advanced Imaging Center - Princess Anne | 1 | 1 | 0 |
| Sentara Advanced Imaging Center - St. Luke's | 1 | 1 | 0 |
| Sentara Advanced Imaging Center at First Colonial | 1 | 1 | 0 |
| Sentara Brock Cancer Center | 1 | 1 | 0 |
| Sentara Independence | 1 | 1 | 0 |
| Sentara Leigh Hospital | 3 | 3 | 0 |
| Sentara Norfolk General Hospital | 6 | 6 | 0 |
| Sentara Obici Hospital | 2 | 2 | 0 |
| Sentara Princess Anne Hospital | 2 | 2 | 0 |
| Sentara Virginia Beach General Hospital | 3 | 3 | 0 |
| Urology of Virginia | 0 | 1 ²⁴ | -1 |
| PD 20 Total/Average | 47²⁵ | 48 | -1 |

Source: 2024 VHI

Proposed Projects

COPN Request No. VA-8842: USHV

USHV proposes to establish cardiac PET/CT services at a new site at 6160 Kempsville Circle, Suite 100, Norfolk, VA. In addition to the PET/CT services, the new site will provide Coronary Artery Calcium Scoring along with Computed Tomography Angiography (CTA) through the independent use of the CT component of the PET/CT scanner. Other services not regulated by COPN include SPECT imaging, treadmill stress testing, echocardiography and vascular ultrasound.

The total capital costs of the proposed project are \$4,669,466 of which approximately 22.7% represents direct construction costs (**Table 3**). The applicant states that the proposed project will be funded fully through accumulated reserves, thus no financing costs will be incurred.

²⁴ Authorized under COPN-04841

²⁵ As mentioned above, Sentara Independence and Belleharbour and its associated EDs reported a duplication of its scanners.

Table 3. US Health Virginia

| | |
|---|--------------------|
| Direct Construction Costs | \$1,060,866 |
| Equipment Not Included in Construction Contract | \$1,607,383 |
| Site Acquisition Cost | \$1,927,261 |
| Architectural and Engineering Fees | \$60,000 |
| Taxes During Construction | \$13,956 |
| Total | \$4,669,466 |

Source: COPN Request No. VA-8842

Construction for the proposed project is expected to be completed by October 1, 2026.

COPN Request No. VA-8849: BSNEC

BSNEC proposes to establish a specialized center for imaging services with one fixed CT scanner at an existing medical care building located at 155 Kingsley Lane in Norfolk. This CT scanner will be housed in a FSED that the applicant proposes to open at this location, and the scanner will only be accessible to patients seeking emergency care. EDs do not require DCOPN review, BSNEC’s ED is addressed in this report since it is integrated into the construction project that will also accommodate the CT scanner, but the analysis is on the public need of a CT scanner and not the public need of an ED. The FSED is being constructed on the campus of the former Bon Secours DePaul Medical Center (DePaul), which was closed in 2021 and has since been partially demolished. The building where this project will be located is a former DePaul outpatient facility that has continued to offer outpatient services even after the hospital closed. Bon Secours previously operated two CT scanners on the DePaul campus, which were approved to be relocated to the Bon Secours Imaging at Town Center in 2024 per COPN No. VA-04851. In its last full year of operation, DePaul reported its two scanners were operating at 90.39% of the SMFP threshold for expansion.

The total capital costs of the proposed project are \$23,826,209, of which approximately 45.91% represents direct construction costs (**Table 4**). The applicant states that the proposed project will be funded solely by accumulated reserves, and there will be no third-party funding, so no financing costs are associated with the new project. A new CT scanner will be purchased by the applicant for \$822,390, which is included in equipment costs below.

Table 4. BSNEC Capital Costs

| | |
|---|-------------------|
| Direct Construction Costs | \$ 10,940,081 |
| Equipment Not Included in Construction Contract | \$4,527,777 |
| Site Acquisition Cost | \$6,844,400 |
| Architectural and Engineering Fees | \$1,124,950 |
| Site Preparation Costs | \$ 325,000 |
| Other Consultant Fees | \$640,000 |
| Total | 23,826,209 |

Source: COPN Request No. VA-8849

Construction for the proposed project is expected to begin on July 1, 2026, and to be completed on August 31, 2027. The applicant anticipates an opening date of October 31, 2027.

COPN Request No. VA-8857: JRC

JRC proposes to establish Cardiac PET/CT Services at its existing James River Cardiology facility located at 101 S. College Dr. in Franklin City with one PET/CT scanner. The Franklin location currently offers diagnostic services including EKG Stress Testing, SPECT MPI and echocardiography. None of these services are DCOPN reviewable. The applicant indicates that adding PET/CT services at the existing site is intended to partially replace current SPECT diagnostic services, which require more time to complete and expose patients to higher radiation levels than PET/CT.

The applicant has clarified that the CT portion of the requested PET/CT unit will not be used independently and will only be used for attenuation correction. JRC currently operates two other cardiac PET/CT scanners in Virginia, one in PD 15, and the other in PD 19. The applicant proposes an additional site at its location in Franklin City.

The total capital costs of the proposed project are \$1,335,285, of which approximately 19.17% represents direct construction costs (**Table 5**). The applicant states that there will be no third-party financing for this project and that it has an established service agreement with CDL Nuclear Technologies, LLC “ensuring that capital expenditures, such as facility renovations, will be funded throughout the agreement’s term”.²⁶ JRC has partnered with CDL Nuclear Technologies on previous projects to obtain and train staff, and maintain equipment with positive results.

The applicant further clarified the terms of the agreement with CDL Nuclear Technologies saying:

James River Cardiology has an equipment lease and services arrangement with CDL Nuclear Technologies for the cardiac PET/CT system. CDL provides and installs the PET/CT system, supplies all radioisotopes, and funds up to \$256,000 in site renovation costs as a build-out allowance. JRC pays a fixed monthly equipment fee and a per-dose isotope fee, and CDL provides equipment maintenance and technologist training. This ensures that the capital and renovation costs required for PET/CT implementation are covered during the contract term of 5 years.

According to the application, the monthly payment on the machine will be \$11,445.

Table 5. JRC Capital Costs

| | |
|---|--------------------|
| Direct Construction Costs | \$256,000 |
| Equipment Not Included in Construction Contract | \$824,000 |
| Site Acquisition Cost | \$254,285 |
| Architectural and Engineering Fees | \$10,000 |
| Taxes During Construction | \$0 |
| Total | \$1,335,285 |

Source: COPN Request No. VA-8857

Construction for the proposed project is expected to begin on March 10, 2026, and to be completed on May 10, 2026. The applicant anticipates an opening date of June 1, 2026.

²⁶ Source: COPN Request No. VA-8857

Project Definitions

COPN Request No. VA-8842: USHV

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

COPN Request No. VA-8849: BSNEC

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part as, “The establishment of a medical care facility.” A medical care facility includes “...Specialized centers or clinics or that portion of a physician's office developed for the provision of...computed tomographic (CT) scanning...”

COPN Request No. VA-8857: JRC

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

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

In determining whether a public need for a project exists, the following factors shall be considered:

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

According to regional and statewide data regularly collected by Virginia Health Information VHI, for 2024, the most recent year for which such data is available, the average amount of charity care provided by HPR V facilities was 1.8% of all reported total gross patient revenues (Table 6).

Table 6: HPR V Charity Care Contributions, 2024

| HPR V | 2024 at 200% | | |
|--|------------------|--|-------|
| | Gross Pt Rev | Total Charity Care Provided Below 200% | % |
| Inpatient Hospitals | | | |
| Riverside Shore Memorial Hospital | \$354,364,851 | \$16,373,174 | 4.62% |
| Riverside Doctors' Hospital Williamsburg | \$297,237,405 | \$12,131,900 | 4.08% |
| Riverside Walter Reed Hospital | \$387,098,512 | \$11,102,707 | 2.87% |
| Sentara Careplex Hospital | \$1,313,698,788 | \$37,496,919 | 2.85% |
| Sentara Obici Hospital | \$1,352,671,244 | \$35,372,773 | 2.62% |
| Sentara Virginia Beach General Hospital | \$1,825,705,099 | \$47,186,982 | 2.58% |
| Sentara Leigh Hospital | \$2,192,444,921 | \$50,952,088 | 2.32% |
| Sentara Norfolk General Hospital | \$4,894,539,810 | \$107,248,394 | 2.19% |
| Riverside Regional Medical Center | \$3,356,990,790 | \$63,591,379 | 1.89% |
| Chesapeake Regional Medical Center | \$1,357,755,934 | \$21,073,675 | 1.55% |
| Sentara Williamsburg Regional Medical Center | \$873,857,607 | \$13,241,461 | 1.52% |
| Sentara Princess Anne Hospital | \$1,544,557,025 | \$25,184,203 | 1.63% |
| Virginia Beach Psychiatric Center | \$54,267,999 | \$582,000 | 1.07% |
| VCU Health Tappahannock Hospital | \$235,011,627 | \$1,062,189 | 0.45% |
| Bon Secours Southampton Medical Center | \$230,185,097 | \$2,072,911 | 0.90% |
| Bon Secours Maryview Medical Center | \$1,541,147,853 | \$10,718,119 | 0.70% |
| Bon Secours Mary Immaculate Hospital | \$802,263,279 | \$3,656,976 | 0.46% |
| Bon Secours Rappahannock General Hospital | \$117,738,136 | \$595,586 | 0.51% |
| The Pavilion at Williamsburg Place | \$61,494,600 | \$227,828 | 0.37% |
| Newport News Behavioral Health Center | \$35,970,167 | \$108,740 | 0.30% |
| Children's Hospital of the King's Daughters | \$1,575,120,453 | \$3,920,403 | 0.25% |
| Hospital For Extended Recovery | \$34,590,910 | \$16,000 | 0.05% |
| Riverside Rehabilitation Hospital | \$109,190,304 | \$0 | 0.00% |
| Select Specialty Hospital-Hampton Roads | \$121,007,932 | \$0 | 0.00% |
| Kempsville Center for Behavioral Health | \$51,735,416 | \$0 | 0.00% |
| Lake Taylor Transitional Care Hospital | \$46,192,534 | \$0 | 0.00% |
| Total Inpatient Facilities: | | | 26 |
| HPR V Inpatient Total \$ & Mean% | \$24,766,838,293 | \$463,916,407 | 1.9% |

Table 6: HPR V Charity Care Contributions, 2024 -Cont.-

| HPR V | 2024 at 200% | | |
|--|------------------|--|-------|
| | Gross Pt Rev | Total Charity Care Provided Below 200% | % |
| Outpatient Hospitals | | | |
| Riverside Peninsula Surgery Center | \$39,509,332 | \$1,248,200 | 3.16% |
| Careplex Orthopaedic Ambulatory Surgery Center | \$63,138,487 | \$1,593,954 | 2.52% |
| Sentara BelleHarbour Ambulatory Surgery Center | \$6,636,653 | \$138,219 | 2.08% |
| Riverside Hampton Surgery Center | \$39,901,658 | \$386,418 | 0.97% |
| Riverside Doctors Surgery Center | \$48,292,467 | \$345,699 | 0.72% |
| CHKD Health & Surgery Center (Virginia Beach) | \$41,975,738 | \$159,916 | 0.38% |
| Sentara Princess Anne Ambulatory Surgery Management, LLC | \$49,297,412 | \$174,534 | 0.35% |
| CHKD Health & Surgery Center (Newport News) | \$26,304,861 | \$80,552 | 0.31% |
| Bon Secours Mary Immaculate Ambulatory Surgery Center | \$26,840,062 | \$52,417 | 0.20% |
| Leigh Orthopedic Surgery Center, LLC | \$148,643,492 | \$4,500 | 0.00% |
| Bon Secours Surgery Center at Harbour View, L.L.C. | \$103,392,678 | \$3,358 | 0.00% |
| Surgical Suites of Coastal Virginia | \$36,498,457 | \$0 | 0.00% |
| Sentara Obici Ambulatory Surgery LLC | \$60,137,996 | \$0 | 0.00% |
| Sentara Virginia Beach Ambulatory Surgery Center | \$30,832,912 | \$0 | 0.00% |
| Surgery Center of Chesapeake | \$28,311,404 | \$0 | 0.00% |
| CVP Surgery Center | \$59,660,549 | \$0 | 0.00% |
| Sentara Port Warwick Surgery Center | \$33,026,922 | \$0 | 0.00% |
| Bayview Medical Center, Inc | \$4,592,699 | \$0 | 0.00% |
| Advanced Vision Surgery Center LLC | \$1,858,446 | \$0 | 0.00% |
| Virginia Beach Health Center | \$2,647,444 | \$0 | 0.00% |
| Sentara Leigh Orthopedic Surgery Center, LLC | \$58,117,293 | \$0 | 0.00% |
| Total Outpatient Facilities: | | | 21 |
| HPR V Outpatient Total \$ & Mean% | \$909,616,962 | \$4,187,767 | 0.5% |
| Total Facilities: | | | 47 |
| HPR V Total \$ & Mean% | \$25,676,455,255 | \$468,104,174 | 1.8% |

Source: VHI, 2024

PD 20 had a population of about 1.2 million in 2020 and is projected to grow by just over 40,000 people, 3.3%, between 2020 and 2030. This is less than the population growth rate projected for Virginia during this decade, 5.8% (Table 7). The growth rates projected for 2020-2030 in the 65 and older age group are 33.8% in PD 20 compared to 26.3% in Virginia (Table 7). The City of Norfolk, where the proposed USHV and BSNEC sites are located, is projected to see an overall population decrease of about 3.4% by 2030. Following this same trend, the City of Franklin, where JRC is located, is expected to have a 6.3% population decrease by 2030. Both of these cities are expected to have increases in their 65+ population, however, with this age group increasing by 25.4% in the City of Norfolk and 10.9% in the City of Franklin.

Table 7. PD 20 Population Data

| Geographic Name | 2020 Census | 2030 Projection | Projected Population Change 2020-2030 | Projected % Change 2020-2030 | 2020 65 + Census | 2030 65+ Projection | Projected Population Change 65+ 2020-2030 | Projected Percent Change 65+ 2020-2030 |
|------------------------|------------------|------------------|---------------------------------------|------------------------------|------------------|---------------------|---|--|
| Isle of Wight County | 38,606 | 41,341 | 2,735 | 7.1% | 7,751 | 10,388 | 2,637 | 34.0% |
| Southampton County | 17,996 | 17,172 | -824 | -4.6% | 3,719 | 4,756 | 1,037 | 27.9% |
| City of Chesapeake | 249,422 | 272,670 | 23,248 | 9.3% | 36,045 | 50,838 | 14,793 | 41.0% |
| City of Franklin | 8,180 | 7,667 | -513 | -6.3% | 1,787 | 1,982 | 195 | 10.9% |
| City of Norfolk | 238,005 | 229,864 | -8,141 | -3.4% | 29,215 | 36,636 | 7,421 | 25.4% |
| City of Portsmouth | 97,915 | 98,857 | 942 | 1.0% | 15,496 | 19,321 | 3,825 | 24.7% |
| City of Suffolk | 94,324 | 102,571 | 8,247 | 8.7% | 14,708 | 19,474 | 4,766 | 32.4% |
| City of Virginia Beach | 459,470 | 474,052 | 14,582 | 3.2% | 69,375 | 94,903 | 25,528 | 36.8% |
| PD 20 Totals | 1,203,918 | 1,244,194 | 40,276 | 3.3% | 178,096 | 238,297 | 60,201 | 33.8% |
| <i>Virginia</i> | <i>8,631,393</i> | <i>9,129,002</i> | <i>497,609</i> | <i>5.8%</i> | <i>1,395,291</i> | <i>1,762,641</i> | <i>367,350</i> | <i>26.3%</i> |

Source: Weldon-Cooper Data, updated August 2024

Table 8. 2023 Poverty Rates, PD 20

| Locality | Percent in Poverty |
|------------------------|--------------------|
| Isle of Wight County | 7.3% |
| Southampton County | 13.3% |
| City of Chesapeake | 10.0% |
| City of Franklin | 19.8% |
| City of Norfolk | 18.3% |
| City of Portsmouth | 18.7% |
| City of Suffolk | 11.1% |
| City of Virginia Beach | 8.7% |
| PD 20 | 11.8% |
| <i>Virginia</i> | <i>10.2%</i> |

Source: <https://www.census.gov/data-tools/demo/saipe/#>

Geographically, the proposed facility will be located at 6160 Kempsville Circle, Suite 100, Norfolk, VA, centrally located off Kempsville Road and approximately 3 miles from I-64 and I-264. Norfolk is served by Hampton Roads Transit (HRT) with bus stops accessible within a 5-minute walk of the proposed site.

Regarding socioeconomic barriers to access to the applicant's services, the City of Norfolk, where the proposed site is located, had a poverty rate of 18.3%. This is significantly higher than the PD average of 11.8% and the Commonwealth average of 10.2% (**Table 8**). According to the applicant, the burden of cardiovascular disease in Norfolk City is high with a heart disease death rate of 210.8 per 100,000. This is higher than the state-wide average of 149.6 per 100,000.²⁷

The average amount of charity care provided by HPR V facilities was 1.8% of all reported total gross patient revenues (**Table 6**). Accordingly, should the Commissioner approve the proposed project, USHV would be subject to a charity care condition no less than the 1.8% HPR V average, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia. USHV proffered a 3.5% charity contribution in its application (**Table 13**) in the first year of operation.

Since the proposed project is located in eastern PD 20, it would be one of the first facilities in the area to offer cardiac PET/CT services.

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

COPN Request No. VA-8849: BSNEC

The proposed location of this project is 155 Kingsley Ln., Norfolk, VA, directly off of Route 460 (Granby St.). The facility also has easy access to I-64, I-264, and I-464. Additionally, there is a stop for the Hampton Roads Transit bus less than a quarter mile from the proposed facility.

Regarding socioeconomic barriers to access to the applicant's services, the City of Norfolk, where the proposed site is located, had a poverty rate of 18.3%. This is significantly higher than the PD average of 11.8% and the Commonwealth average of 10.2% (**Table 8**). In its application, BSNEC mentions that according to 2023 data from the Centers for Medicare and Medicaid Services, 25.6% of Norfolk residents are enrolled in Medicaid, a population that often experiences barriers to timely care. The applicant also emphasizes how the BSNEC FSED will be the only FSED in Norfolk and will bridge a gap in emergency services for individuals who were previously in the DePaul Primary Service Area (PSA).

The average amount of charity care provided by HPR V facilities was 1.8% of all reported total gross patient revenues (**Table 6**). The applicant, MMC, only provided 0.7% charity care in 2024, which is well below the Bon Secours Hampton Roads Health systemwide condition of 4%. Should this project be approved, BSNEC proffers 4% charity care (**Table 14**), which aligns with the systemwide condition.

²⁷ Source: COPN Request No. VA-8842

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

COPN Request No. VA-8857: JRC

The proposed location for this project is a currently existing JRC facility located at 101 S. College Dr., Franklin, VA. This facility is located near the intersection of South College Drive and Armory Drive, which is about 1.5 miles from U.S. Route 58. The Franklin Transit System provides fixed-route service with a stop less than a quarter mile from the facility.

Regarding socioeconomic barriers to access to the applicant's services, the City of Franklin, where the proposed site is located, had a poverty rate of 19.8%. This is significantly higher than the PD average of 11.8% and the Commonwealth average of 10.2% (**Table 8**).

The average amount of charity care provided by HPR V facilities was 1.8% of all reported total gross patient revenues (**Table 6**). JRC proffers 1.3% charity care (**Table 15**), should this project be approved. Since this is below the HPR V average, should the Commissioner approve the proposed project, JRC would be subject to a charity care condition no less than 1.8% to match this average.

The proposed JRC project will be located in the western part of PD 20. This area of the PD is more rural, and therefore has less access to healthcare services than the eastern part of the PD. The nearest major healthcare facility is Bon Secours Southampton, located less than two miles away, which does not offer any PET/CT services. Because of this, should the proposed project be approved, JRC would be the first provider to offer cardiac PET/CT services in this area.

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

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

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

COPN Request No. VA-8842: USHV

The applicant states that because it is not an established provider in the area, it does not have any letters of support for the project.

DCOPN additionally received two letters of opposition for this project from Sentara Leigh Hospital and Heart and Vascular Group.

These letters in aggregate stated:

- The lack of key items in the application such as patient origin and volume indicate a lack of adequate planning of USHV's part.
- The 71% projected PET/CT volume increase from 2027 to 2028 estimated by USHV does not match the nationwide annual average PET/CT volume increase rate of 6.7%.
- Typically, PET/CT applicants are existing cardiac providers who use SPECT data as justification for needing new PET/CT services. USHV fails to provide this link and

therefore would be taking patients from existing PD 20 providers. While USHV being a new provider does not necessarily disqualify them from approval, their lack of evidence regarding need is of concern to competing providers.

- USHV has no existing referral networks meaning that patients will be syphoned from area providers such as Sentara, Bon Secours, Innovation Cardiology, Fort Norfolk Medical – Cardiology Associates, and East Cardiovascular Specialists.
- Sentara Norfolk General Hospital, which is 6.7 miles away, will be introducing cardiac PET/CT services in early 2026, which would mean USHV would be duplicating services in that service area.
- USHV provided no supporting proof regarding a planned partnership with Old Dominion University.
- This project will put a strain on the regional healthcare worker shortage because the staffing plan provided in the application states that they will be recruiting staff directly from the local community.
- The applicant is an out of state private equity entity that has no patient base in PD 20.

USHV responded to the letters of opposition with the following points:

- COPN approval is not restricted to existing providers, and decisions should be made on public need, not provider tenure.
- COPN regulations do not require letters of support and a lack of letters does not directly correlate to a lack of community support.
- USHV is fully able to meet community needs without having an established presence.
- Sentara Northern Virginia Medical Center has an existing relationship with USHV's PD 8 practice (Carient Heart and Vascular), so their insistence otherwise is unfounded.
- USHV clearly laid out projection methodology in their application that demonstrates utilization patterns.
- USHV will not be syphoning patients from existing providers because they are looking to focus on cardiac PET/CT specifically. This will allow it to attract a specific patient base that is different from other PET/CT providers that are more oncology-based.

Sentara Leigh then responded with the following:

- The relationship between Sentara Northern Virginia Medical Center and Carient Heart and Vascular is misleading because Carient has been an established cardiac provider in PD 8 for over 25 years. USHV also did not disclose how this relationship would translate in PD 20.
- USHV is not following the traditional precedent for cardiac-exclusive PET/CT scanners which involves demonstrating having existing volume and a consistent patient base.
- While there are no cardiac restricted PET/CT scanners in PD 20, that does not mean that providers do not currently offer cardiac PET/CT services. Sentara Norfolk General Hospital is planning to provide full cardiac PET/CT scans during business hours once their project construction is complete.
- Absence of community support is notable as it brings forth evidence that USHV has not engaged the local community.

DCOPN received several letters of support for this project including ones from:

- Kenneth Alexander, Mayor of the City of Norfolk
- Martin Thomas, Jr., the Vice Mayor of the City of Norfolk
- The City of Norfolk City Manager
- Angela Graves, Virginia Senator, District 21
- Thelma Drake, Former Member of Congress
- The TowneBank Norfolk President
- Bryan Stephens, Hampton Roads Chamber
- The Secretary of Norfolk Innovation Corridor
- President and CEO of the Hampton Roads Workforce Council
- Chairman of Next Steps to Success
- A former Norfolk Commissioner of the Revenue
- 130+ signed form letters from the public and current medical staff

In aggregate, these letters state:

- Norfolk does not have a freestanding ED in the northern half of the city. This is an issue because Norfolk has a higher-than-average number of Medicaid recipients.
- Norfolk residents face barriers to healthcare that result in delayed treatment and poorer outcomes.
- Bon Secours is a trusted presence in Norfolk, established through its long operation of DePaul.

There is no known opposition to the project.

COPN Request No. VA-8857: JRC

DCOPN received 6 letters of commitment from providers stating that they will work with its colleagues to ensure the facility will be staffed appropriately.

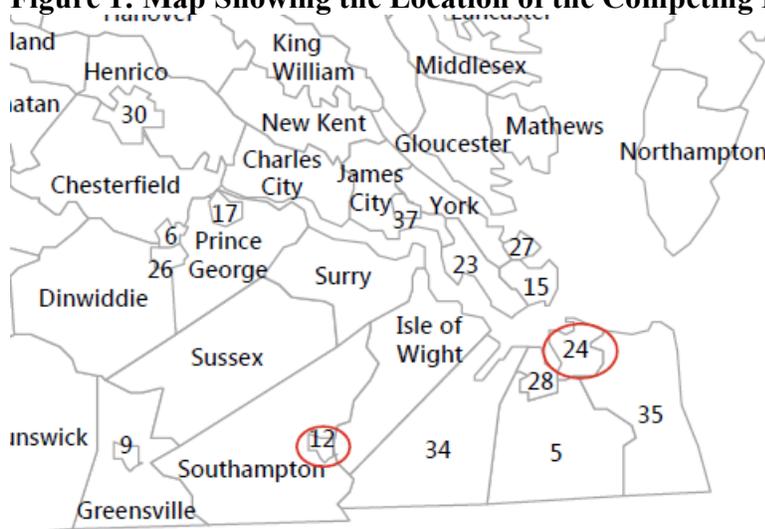
There is no known opposition to the project.

Public Hearings

A Public Hearing was held in two parts for the three competing projects. The first part of the hearing was held for COPN Request No. VA-8842 and COPN Request No. VA-8849 at the Jordan-Newby Anchor Branch Library at Broad Creek in Norfolk on December 8, at 10:00 AM. Due to inclement weather, the second portion of the public hearing resumed virtually via Teams with COPN Request No. VA-8857 presenting on December 30, 2025, at 11:30 AM.

DCOPN notes that § 32.1-102.6. of the Code of Virginia states that *“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, hold one public hearing on each application in a location in the county or city in which the project is proposed or a contiguous county or city.”*(Underline added). USHV and BSNEC are both located in Norfolk (number 24 in **Figure 1**) while JRC is located in Franklin (number 12 in **Figure 1**). Since these two localities do not have a common bordering county or city, DCOPN held one public hearing in two locations.

Figure 1: Map Showing the Location of the Competing Projects



Source: Weldon Cooper Center

The following occurred during the Public Hearing:

COPN Request No. VA-8842: USHV

Lauri Garrett, Aaron Snyder and Jennifer Wane, all of USHV, jointly presented the proposal for USHV, COPN Request No. VA-8842. Of the attendants of the public hearing, three supported, none opposed the project.

COPN Request No. VA-8849: BSNEC

Alex Brings presented the proposal for BSNEC, COPN Request No. VA-8849. In addition, Michelle Pyka and Aron Boney, both Bon Secours doctors, spoke as members of the public. Of the attendants of the public hearing, four supported, none opposed the project.

COPN Request No. VA-8857: JRC

Doctor Mitesh Amin presented the proposal for JRC, COPN Request No. VA-8857. No other members of the public spoke. Of the attendants of the public hearing, four supported, none opposed the project.

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

COPN Request No. VA-8842: USHV

Maintaining the status quo is a reasonable alternative. There are currently three fixed PET/CT scanners in PD 20, with a fourth to be added in early 2026, none of which are close to meeting

the threshold for expansion. DCOPN notes that the SMFP makes no distinction between PET services and those restricted to cardiac imaging.

As will be discussed later, the Commissioner has previously allowed projects to be approved even if they do not meet the threshold for expansion under certain circumstances, but DCOPN does not believe this project meets the criteria for this exception. As USHV is not an established provider in PD 20, it cannot demonstrate a need for a PET/CT scanner through historical data from existing services. Because of this, DCOPN expresses concern that the project is premature, and that USHV would benefit from establishing patients in PD 20 before implementing PET/CT services.

COPN Request No. VA-8849: BSNEC

DCOPN has not identified any reasonable alternatives to the proposed project that would meet the needs of the population in a less costly, more efficient, or more effective manner. There is currently a deficit of CT scanners in the PD, which will be discussed later.

COPN Request No. VA-8857: JRC

DCOPN did not identify any reasonable alternatives to the proposed project that would meet the needs of the population in a less costly, more efficient, or more effective manner. The applicant proposes to introduce an imaging test that is more precise, has lower radiation and is quicker when compared to traditional the traditional SPECT imaging that JRC currently offers. Cardiac PET/CT imaging has quickly gained prominence as the preferred modality for myocardial perfusion imaging (MPI). PET/CT scanners also offer an edge over traditional SPECT imaging by allowing for early and precise detection of coronary artery disease (CAD), which has downstream economic benefits, mainly surrounding the diminished need for costly testing and disease management.

Furthermore, the applicant proposes to use the PET/CT unit to serve its existing patient population. Therefore, DCOPN concludes that the proposed project is unlikely to adversely affect the utilization and efficiency of existing services.

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

Currently there is no organization in HPR V designated by the Virginia Department of Health to serve as the Health Planning Agency for the Southeastern Virginia region. Therefore, this consideration is not applicable to the review of either proposed project

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

COPN Request No. VA-8842: USHV

As presented in **Table 3**, the projected capital costs of the proposed project are \$4,669,466 approximately 22.7% of which are attributed to direct construction costs. As previously

discussed, the applicant states that the proposed project will be funded entirely through accumulated reserves, so no financing costs will be incurred. DCOPN concludes that when compared to similar projects, these costs are reasonable. For example, COPN No. VA-04950 issued to Inova Health Care Services to establish a specialized center for PET/CT with one PET/CT unit is anticipated to cost approximately \$8,615,529.

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

- This project would expand access to advanced imaging services by reaching an underserved population that experiences frequent barriers to cardiovascular care.
- The design of the proposed facility will allow patients to receive a range of cardiovascular diagnostic services in one location.

COPN Request No. VA-8849: BSNEC

As presented in **Table 4**, the projected capital costs of the proposed project are \$23,826,209 approximately 45.9% of which are attributed to direct construction costs. As previously discussed, the applicant states that the proposed project will be funded entirely through accumulated reserves, so no financing costs be incurred. DCOPN notes that this total cost is for the ED project as a whole, which is not COPN reviewable. The CT scanner and associated renovations of associated square footage will cost \$822,390. DCOPN concludes that, when compared to similar projects, these costs are reasonable. COPN No. VA-04863 authorized Reston Hospital Center to establish a specialized center for CT imaging at a FSED of similar size at an authorized capital cost of \$22,234,000

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

- Bon Secours has a long-standing reputation in the Norfolk area and could bring emergency and CT services to a currently underserved population.
- There is a deficit of CT scanners in PD 20, and BSNEC could help fill this gap.
- The FSED, where the CT scanner will be housed, will allow patients with lower-acuity issues to access care in a more timely, outpatient manner.
- BSNEC would be the only FSED in an area that has higher than average poverty rates.

COPN Request No. VA-8857: JRC

As presented in **Table 5**, the projected capital costs of the proposed project are \$1,335,285 approximately 19.2% of which are attributed to direct construction costs. The applicant states that there will be no third-party financing for this project and that it has an established service agreement with CDL Nuclear Technologies, LLC “ensuring that capital expenditures, such as facility renovations, will be funded throughout the agreement’s term”. DCOPN concludes that when compared to similar projects, these costs are reasonable.

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

- A PET/CT scanner will bring significant technological improvements over the currently used SPECT testing. PET/CT scanners can significantly reduce the number of false positives that may be found in less advanced diagnostic procedures.
- Since JRC is an existing practice that provides a variety of cardiac services such as SPECT, it already has a client base that will benefit from this addition.
- Many patients are currently having to travel to Colonial Heights (over an hour away) for PET/CT scans.
- There are currently no facilities in PD 20 that have dedicated PET/CT imaging in the western part of the PD despite demand. JRC can help bridge this gap.

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

COPN Request No. VA-8842: USHV

USHV asserts that it will provide cardiac PET/CT services to patients regardless of ability to pay or payor source. § 32.1-102.4B of the Code of Virginia requires DCOPN to place a charity care condition on every applicant seeking a COPN. According to its application, USHV proffers 3.5% in charitable contributions should this project be approved. 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.

COPN Request No. VA-8849: BSNEC

Bon Secours facilities treat all patients regardless of ability to pay for services or of payor source. MMC provided charity care in the amount of 0.6% in 2023, the latest year for which such data are available (**Table 6**). This is well below the HPR V average of 1.8% in 2024. In the pro forma provided in the application for COPN Request No. VA-8849, HVMC proffers 4% charity care (**Table 14**), consistent with Bon Secours Hampton Roads Health System'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.

COPN Request No. VA-8857: JRC

The pro forma income statement provided by the applicant proffers 1.3% in charitable contributions, which is lower than the HPR average of 1.8% (**Table 7**). In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project will be conditioned to provide a level of charity care based on gross patient revenues derived from PET/CT services that is no less than the equivalent average for charity care contributions in HPR V. Because of this, should the project be approved, JRC will be subject to a 1.8% 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 proposed project.

DCOPN did not identify any other discretionary factors, not discussed elsewhere in this staff analysis report, to bring to the attention of the Commissioner as may be relevant to determining a public need for the proposed projects.

3. The extent to which the proposed project is consistent with the State Health Services Plan;

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

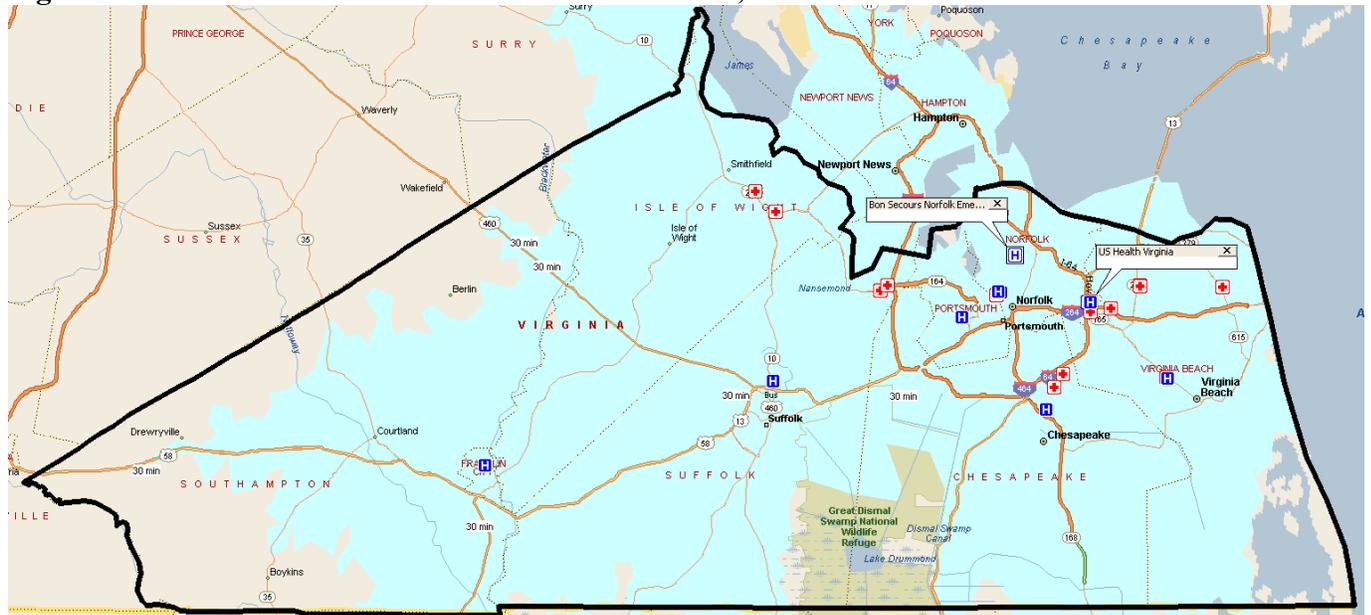
The SMFP contains criteria/standards for the establishment or expansion of CT services. They are as follows:

Part II 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.

Figure 2. Authorized Facilities with Fixed CT Scanners, PD 20



Source: 2024 VHI, Microsoft Streets and Trips

COPN Request No. VA-8849: BSNEC

The heavy black line in **Figure 2** is the boundary of PD 20. The blue “H” symbols mark acute care hospitals that offer CT services in PD 20, and the red symbol with the white background marks outpatient facilities that offer CT services in PD 20. The white “H” symbols mark the locations of the proposed projects.

The blue shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing CT services in PD 20.

The largest towns in the rural area outside the blue shading, not within 30 minutes from medical/surgical beds in PD 20 are Boykin (population 484 in 2023), Drewryville (population 2,336 in 2023), and Berlin (population 3,005 in 2023). These three towns represent less than half a percent of the PD 20 population, so it is likely over 95% of the PD is within the appropriate driving time from an acute care hospital in accordance with the SMFP standard.

The proposed project, at a facility previously authorized for inpatient beds, will not increase geographical access to acute care services in PD 20.

Neither proposed project expands geographic access to CT services within 30 minutes driving time beyond status quo.

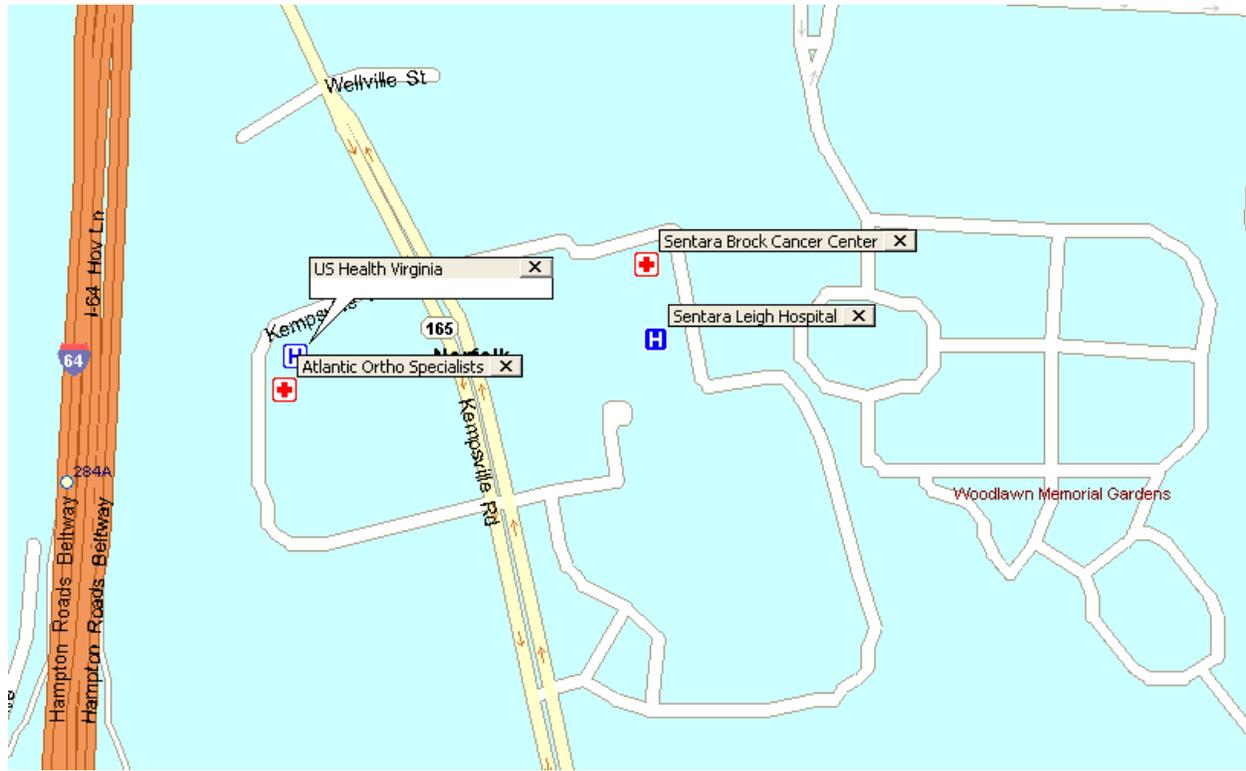
COPN Request No. VA-8842: USHV

The CT portion of the requested PET/CT unit will be used for calcium scoring and CT angiography, but not for broader diagnostic CT services. Therefore, access to diagnostic CT services will not be affected by approval of the proposed project. DCOPN notes that the SMFP does not distinguish between general use and cardiac CT services.

USHV is included in **Figure 2** above for context.

Figure 3 is a zoomed in section of the map that better shows the facilities that surround the US Health Virginia proposed site.

Figure 3. Authorized Facilities around US Health Virginia, Proposed Site



Source: 2024 VHI, Microsoft Streets and Trips

COPN Request No. VA-8857: JRC

Not applicable. The applicant is not seeking to add a new fixed or mobile CT service. As previously discussed, the applicant has provided assurances that the CT portion of the requested PET/CT unit will not be used independently.

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.**

COPN Request No. VA-8849: BSNEC

As noted in **Table 9** below, in 2024, the utilization of existing CT scanners in the planning district was 122.03% of the 7,400 procedures per scanner necessary to introduce CT scanning services to a new location under this section of the SMFP. Moreover, DCOPN calculates a deficit of 10 scanners in the PD (below). Based on this calculation, there is currently a need for

additional CT scanners in PD 20. DCOPN does note that the applicant only projected 3,109 scans during the first full year of operation, which is 42% of the SMFP threshold for expansion and below the PD average scans per unit of 6,096.

With regard to impact on area providers, there are three providers that offer CT services near the proposed site: Sentara Norfolk General Hospital, Sentara Advanced Imaging Center- Fort Norfolk and Children’s Hospital of The Kings’ Daughter. DCOPN notes that Sentara Norfolk General Hospital is highly utilized at 171.30% with Sentara Advanced Imaging Center - Fort Norfolk being a department of the main hospital. Children's Hospital of The King's Daughters has low utilization, but generally only treats patients up to 21 years of age.

Table 9. Facilities near BSNEC Offering CT Services

| Facility Name | # of CT Scanners | 2024 Utilization |
|--|------------------|------------------|
| Sentara Norfolk General Hospital | 6 | 171.30% |
| Sentara Advanced Imaging Center - Fort Norfolk | 1 | 64.59% |
| Children's Hospital of The King's Daughters | 5 | 17.48% |

Source: VHI, 2024

Calculated Needed Fixed CT Scanners in PD 20

Calculated Needed CT scanners = 424,231 scans in the PD in 2024 / 7,400 scans = 57.3 (58) scanners needed

PD 20 Calculated Need = 58 CT scanners based on 2024 utilization data

PD 20 COPN authorized CT scanners = 48

PD 20 Calculated Need = Deficit 10 CT scanners

Table 10. PD 20 COPN Authorized Fixed CT Units and Utilization: 2024

| Facility | # of Scanners | # of Scans | Procedures / Unit | Utilization Rate |
|---|---------------|------------|-------------------|------------------|
| Atlantic Orthopaedic Specialists | 1 | 493 | 493 | 6.66% |
| Bon Secours Maryview Medical Center | 2 | 22,193 | 11,097 | 149.95% |
| Bon Secours Southampton Memorial Hospital | 1 | 5,567 | 5,567 | 75.23% |
| Chesapeake Regional Imaging - Kempsville | 1 | 1,389 | 1,389 | 18.77% |
| Chesapeake Regional Medical Center | 4 | 40,918 | 10,230 | 138.24% |
| Children's Hospital of The King's Daughters | 5 | 6,469 | 1,294 | 17.48% |
| ED - Bon Secours Health Care Center at Harbour View | 2 | 11,068 | 5,534 | 74.78% |
| ED - Sentara BelleHarbour | 2 | 11,151 | 5,576 | 75.34% |
| ED - Sentara Independence | 1 | 7,220 | 7,220 | 97.57% |
| MRI & CT Diagnostics - Chesapeake | 1 | 3,105 | 3,105 | 41.96% |
| MRI & CT Diagnostics - Virginia Beach | 1 | 4,726 | 4,726 | 63.86% |
| Riverside Diagnostic Center - Smithfield | 1 | 1,312 | 1,312 | 17.73% |
| Sentara Advanced Imaging Center - Belleharbour | 2 | 5,879 | 2,940 | 39.72% |

Table 10. PD 20 COPN Authorized Fixed CT Units and Utilization: 2024 -Cont.-

| Facility | # of Scanners | # of Scans | Procedures / Unit | Utilization Rate |
|---|---------------|----------------|-------------------|------------------|
| Sentara Advanced Imaging Center - Fort Norfolk | 1 | 4,780 | 4,780 | 64.59% |
| Sentara Advanced Imaging Center - Greenbrier Healthplex | 1 | 6,694 | 6,694 | 90.46% |
| Sentara Advanced Imaging Center - Princess Anne | 1 | 6,592 | 6,592 | 89.08% |
| Sentara Advanced Imaging Center - St. Luke's | 1 | 657 | 657 | 8.88% |
| Sentara Advanced Imaging Center at First Colonial | 1 | 7,831 | 7,831 | 105.82% |
| Sentara Brock Cancer Center | 1 | 13,300 | 13,300 | 179.73% |
| Sentara Independence | 1 | 6,030 | 6,030 | 81.49% |
| Sentara Leigh Hospital | 3 | 56,606 | 18,869 | 254.98% |
| Sentara Norfolk General Hospital | 6 | 76,058 | 12,676 | 171.30% |
| Sentara Obici Hospital | 2 | 36,750 | 18,375 | 248.31% |
| Sentara Princess Anne Hospital | 2 | 43,125 | 21,563 | 291.39% |
| Sentara Virginia Beach General Hospital | 3 | 44,518 | 14,839 | 200.53% |
| Total/Average | 47 | 424,431 | 9,030 | 122.03% |

Source: VHI (2024) and DCOPN records.

COPN Request No. VA-8842: USHV

The CT portion of the requested PET/CT unit will be restricted to cardiac imaging and used for calcium scoring and CT angiography and not for diagnostic CT services. Thus, approval of the proposed project is unlikely to affect utilization of existing diagnostic CT units in PD 20.

COPN Request No. VA-8857: JRC

Not applicable. The applicant is not seeking to add a new fixed or mobile CT service. As previously discussed, the applicant has provided assurances that the CT portion of the requested PET/CT unit will not be used independently.

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

DCOPN has excluded existing CT scanners used solely for simulation prior to the initiation of radiation therapy from its inventory and average utilization of diagnostic CT scanners in PD 20.

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.

COPN Request No. VA-8742: USHV, COPN Request No. VA-8849: BSNEC & COPN Request No. VA-8857: JRC

Not applicable. No applicant is seeking to expand existing CT services.²⁸

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.**

COPN Request No. VA-8742: USHV, COPN Request No. VA-8849: BSNEC & COPN Request No. VA-8857: JRC

Not applicable. The applicants do not propose adding or expand mobile CT services or converting 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.

COPN Request No. VA-8842: USHV & COPN Request No. VA-8849: BSNEC

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

COPN Request No. VA-8857: JRC

Not applicable. The applicants are not seeking to add a new fixed or mobile CT service.

²⁸ As a FSED, the proposed BSNEC will be on the hospital license of Maryview and, as such, is an expansion of Maryview's CT service; however, the proposed facility is not within Maryview's primary service area and is more appropriately evaluated as the establishment of a new CT service.

The SMFP also contains criteria/standards for the establishment of PET services. They are as follows:

Part II
Diagnostic Imaging Services
Article 4 Criteria and Standards for Positron Emission Tomography

12VAC5-230-200. Travel Time.

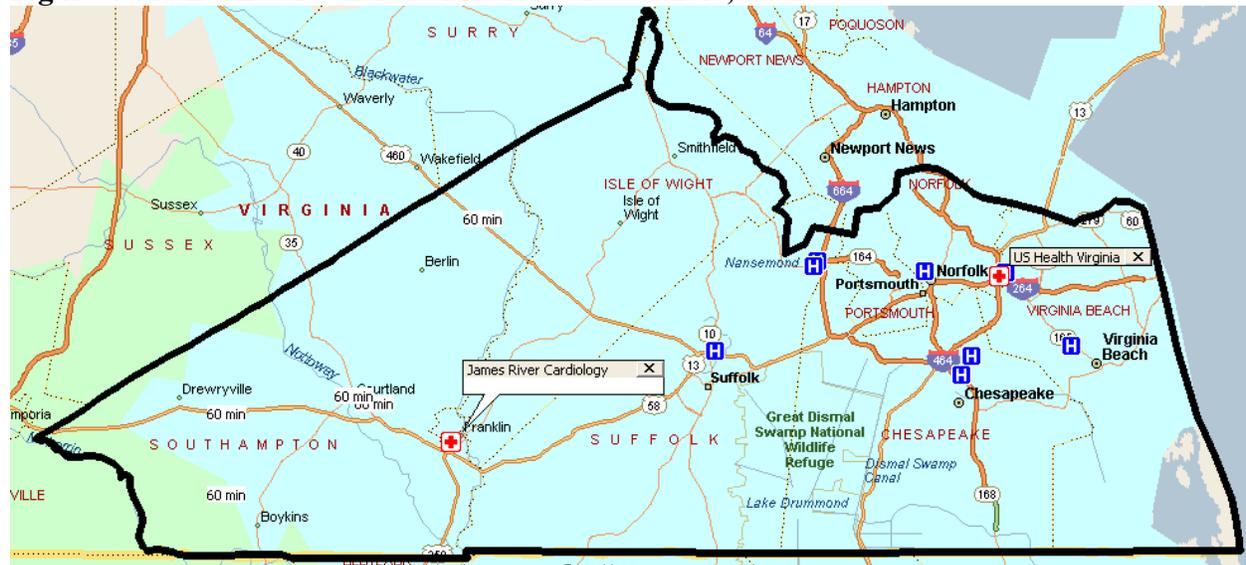
PET services should be within 60 minutes driving time one way under normal conditions of 95% of the health planning district using a mapping software as determined by the commissioner.

COPN Request No. VA-8842: USHV & COPN Request No. VA-8857: JRC

The heavy black line in **Figure 4** is the boundary of PD 20. The blue “H” symbols mark the locations of existing PET providers in PD 20. The red and white symbols mark the locations of the proposed projects. The blue shaded area includes the area that is within 60 minutes driving time one-way under normal conditions of existing PET services in PD 20.

The green shaded area shows the additional area that would be covered should COPN Request VA-8857 for JRC be approved. **Figure 4** clearly illustrates that PET services are already well within a 60-minute drive under normal conditions of 95% of the residents of PD 20. Approval of COPN Request VA-8857 (JRC) would mean the entire PD would then be within 60 minutes driving distance of PET services, though JRC’s proposed project is restricted to cardiac imaging. DCOPN notes that the SMFP does not distinguish between cardiac restricted and general diagnostic PET. The approval of COPN Request VA-8842 (USHV) would not increase access for the PD and this does not apply to COPN Request VA-8857

Figure 4. Authorized Facilities with PET/CT Scanners, PD 20



Source: 2024 VHI, Microsoft Streets and Trips

COPN Request No. VA-8849: BSNEC

Not applicable. The applicant is not seeking to add a new PET/CT service.

12VAC5-230-210. Need for New Fixed Site Service.

- A. If the applicant is a hospital, whether free-standing or within a hospital system, 850 new PET appropriate cases shall have been diagnosed and the hospital shall have provided radiation therapy services with specific ancillary services suitable for the equipment before a new fixed site PET service should be approved for the health planning district.**
- B. No new fixed site PET services should be approved unless an average of 6,000 procedures per existing and approved fixed site PET scanner were performed in the health planning district during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site PET providers in the health planning district. The utilization of existing scanners operated by a hospital and serving an area distinct from the proposed new service site may be disregarded in computing the average utilization of PET units in such health planning district.**

Note: For the purposes of tracking volume utilization, an image taken with a PET/CT scanner that takes concurrent PET/CT images shall be counted as one PET procedure. Images made with PET/CT scanners that can take PET or CT images independently shall be counted as 1 individual PET procedure and CT procedure respectively, unless those images are made concurrently.

PD 20 fixed PET providers performed an average of 1,455 per scanner in 2024, or 24.26% of the SMFP standard of 6,000 average scans per unit in the PD. **Table 11** below displays only fixed PET/CT units. **Table 1** above displays the current inventory of both mobile and fixed PET/CT scanners in PD 20.

Calculated Needed Fixed PET Scanners in PD 8
2025 COPN authorized fixed PET scanners = 4
Calculated Needed Fixed PET scanners = $4,366 \div 6,000 = 0.73$ (1) scanners needed
PD 20 Calculated Need = 1 PET scanner
PD Calculated Surplus = 3 PET scanners (2025 PET Scanners (4) – Calculated Need (1))

Table 11. PD 20 COPN Authorized Fixed PET Units and Utilization: 2025

| Facility | Number of Scanners | Number of Scans | Utilization |
|--|--------------------|-----------------|--------------|
| Chesapeake Regional Medical Center | 1 | 1,296 | 21.60% |
| Children's Hospital of The King's Daughters | 1 | 74 | 1.23% |
| Sentara Brock Cancer Center | 1 | 2,996 | 48.97% |
| Sentara Norfolk General Hospital ²⁹ | 1 | N/A | N/A |
| PD 20 Total/Average | 4 | 1,455 | 24.3% |

Source: DCOPN Records

The SMFP does not distinguish between cardiac PET and PET used for other clinical uses. As shown above, there is a calculated surplus of 3 PET scanners in PD 20. DCOPN notes, as shown in **Table 11**, that every provider in PD 20 had lower than 50% of the 6,000 per scanner required for expansion.

DCOPN has previously acknowledged the SMFP’s utilization standards for PET/CT services are outdated and that expecting a PET service to reach the threshold suggested by the SMFP amounts to a misconception about the utilization of this modality at the time the SMFP was written, and should be treated as such:

Consistency with SMFP planning guidance in this case is, in effect, an academic exercise. The assumptions underlying the service volume standards, for example, have been superseded by technological developments (e.g., shorter average scan times) and the failure to identify additional clinical applications for the technology. Moreover, none of the existing services met fully the SMFP review criteria and standards when they obtained COPN authorization.³⁰

More recently, in its November 29, 2022 report for COPN Request No. VA-8626 for Carient Heart and Vascular, a partner of US Health Partners, the HSANV observed “[i]t is evident that there is a wholesale shift underway from SPECT to PET-CT imaging as the preferred imaging modality in cardiovascular care...” and “[c]ardiac PET imaging in Northern Virginia has developed separately from other PET imaging services. This may not be desirable but is an operational reality that must be acknowledged...” and “[u]ntil recently Northern Virginia PET services have been organized, structured and equipped to serve oncology patients. Few cardiac

²⁹ This site is projected to open early 2026

³⁰ Source: Health Systems Agency of Norther Virginia Staff Report RE: COPN Request No. VA-8327, November 28, 2017

patients are referred for PET scans. Metro Region PET, the region's largest PET service, reports less than a dozen cardiac patient scans (less than 0.5% of Metro PET's caseload) in recent years. None of the older services offer the PET based myocardial perfusion imaging...."

Past cardiac PET/CT projects, such as COPN No. VA-04949, have recommended approval for PET/CT services even though the PD is not meeting the SMFP threshold for expansion. It is important to note, however, that justification of such approvals relied on the applicant already having an established presence in the planning district and previously providing SPECT services.

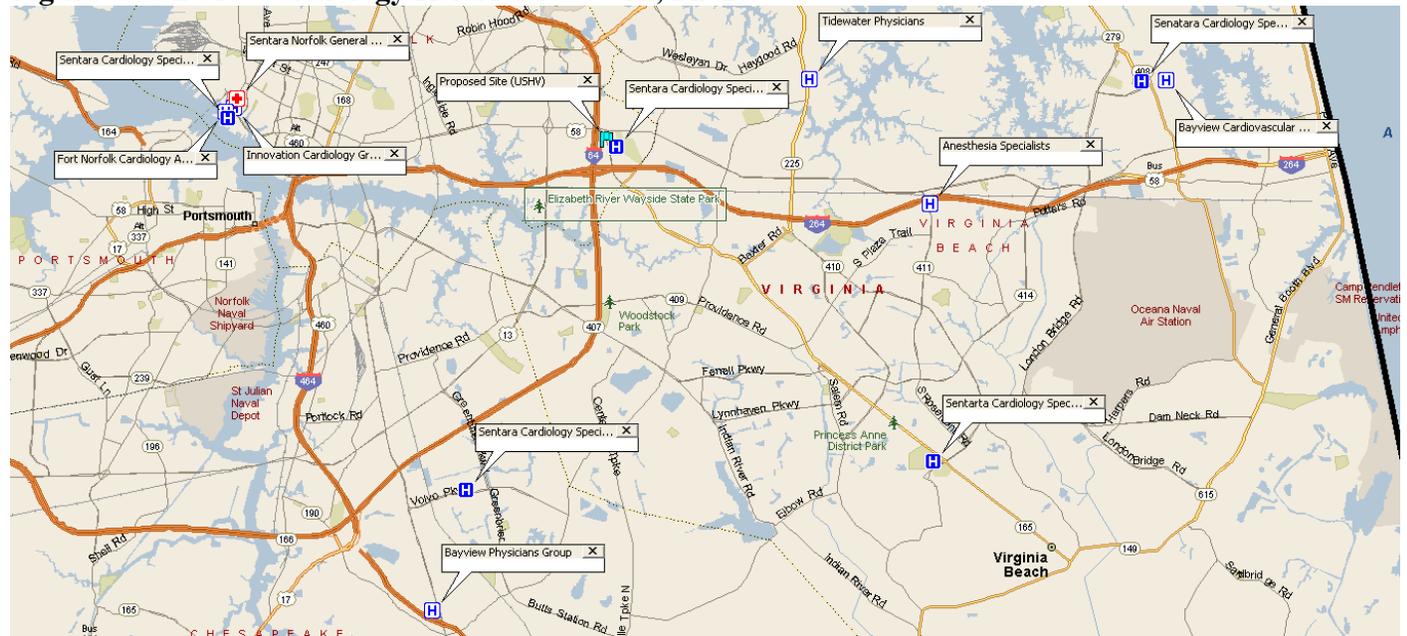
COPN Request No. VA-8842 USHV

USHV anticipates performing 486 PET/CT studies in its first full year of operation and 831 scans in year two before ramping up to 1,200 scans per year. To determine these projections, the applicant looked at volumes from its other affiliated practices, as well as historic heart disease rates in PD 20. DCOPN notes that these projections are very low, even at the maximum projected volume when compared to the competing COPN Request No. VA-8857 which is projecting an average of 1,739 cardiac PET/CT scans in the first year.

With regard to the effect that the proposed project would have on existing providers, USHV is not an existing provider in PD 20, and therefore does not have a patient base.

With this, DCOPN notes that Sentara Norfolk General Hospital has recently received approval for a PET/CT scanner designed mainly for cardiac scans, which Sentara confirmed will be the referral site for all of their Cardiology Specialist locations, including the one at Sentara Leigh Hospital. **Figure 5** below shows the referral network of Sentara cardiology providers and affiliates in PD 20. The white symbol with the red cross indicates the location of Sentara Norfolk General Hospital. The blue symbols with the white "H" indicate Sentara Cardiology sites and the white symbols with the blue "H" indicate Sentara affiliated cardiologists. The teal flag is the proposed site for the project. Looking at Sentara's referral network, it is evident that USHV can not establish services at their intended location without negatively impacting the existing patient-provider relationships in PD 20.

Figure 5. Sentara Cardiology Referral Network, PD 20



Source: Sentara

COPN Request No. VA-8857: JRC

The applicant states that it is projected to do 1,729 cardiac PET/CT studies during the first year of project implementation. To determine these projections, the applicant references COPN No. VA-04827 which granted PET/CT services to its Colonial Heights location. Based on historical data for this location as well as its Chesterfield location, JRC estimates that approximately 65% of SPECT studies will be converted to PET/CT studies should this project be approved. The applicant does mention this is a very conservative estimate, as past PET/CT projects have ended up with more than double the utilization projected in the applications. This year one projection is higher than the PD average of 1,455 scans per fixed site.

With regard to the effect that the proposed project would have on existing providers, JRC is an established cardiac provider in Franklin City, and therefore has an existing patient base. As previously mentioned, there are no PET/CT scanners in western PD 20 that are specifically for cardiac services, so there is no concern that introducing this new service would take patients away from any competing providers.

COPN Request No. VA-8849: BSNEC

Not applicable. This project does not seek to add PET services.

12VAC5-230-220. Expansion of Fixed Site Services.

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

COPN Request No. VA-8842: USHV and COPN Request No. VA-8857: JRC

Not applicable. Neither applicant is proposing to expand an existing fixed-site PET service.

COPN Request No. VA-8849: BSNEC

Not applicable. This project does not seek to add PET services.

12VAC5-230-230. Adding or Expanding Mobile PET or PET/CT Services.

- A. Proposals for mobile PET or PET/CT scanners should demonstrate that, for the relevant reporting period, at least 230 PET or PET/CT appropriate patients were seen and that the proposed mobile unit will not significantly reduce the utilization of existing providers in the health planning district.**
- B. Proposals to convert authorized mobile PET or PET/CT scanners to fixed site scanners should demonstrate that, for the relevant reporting period, at least 1,400 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing providers in the health planning district.**

COPN Request No. VA-8842: USHV and COPN Request No. VA-8857: JRC

Not applicable. Neither applicant is proposing to add or expand an existing mobile PET/CT service.

COPN Request No. VA-8849: BSNEC

Not applicable. This project does not seek to add PET services.

12VAC5-230-240. Staffing.

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

COPN Request No. VA-8842: USHV and COPN Request No. VA-8857: JRC

Both applicants confirmed that PET services would be under the direct supervision of certified and trained radiologists.

COPN Request No. VA-8849: BSNEC

Not applicable. This project does not seek to add PET services.

The SMFP also contains criteria/standards for when competing applications are received. They are as follows:

**Part 1
Definitions and General Information**

12VAC5-230-30. When Competing Applications Received.

In reviewing competing applications, preference may be given to an applicant who:

- 1. Has an established performance record in completing projects on time and within the authorized operating expenses and capital costs;**
- 2. Has both lower capital costs and operating expenses than his competitors and can demonstrate that his estimates are credible;**

3. **Can demonstrate a consistent compliance with state licensure and federal certification regulation and a consistent history of few documented complaints, where applicable; or**
4. **Can demonstrate a commitment to serving his community or service area as evidenced by unreimbursed services to the indigent and providing needed but unprofitable services, taking into account the demand of the particular service area.**

COPN Request No. VA-8842: USHV

USHV does not have any recent COPN projects to analyze. The last two COPN projects that USHV submitted applications for were COPN No. VA-04947 and COPN No. VA-04948, which introduced CT imaging for calcium scoring using the CT portion of the PET/CT in two existing locations in PD 8. Since there was no additional cost, as the facilities already had the PET/CT scanners operational. With respect to the proposed project, the projected capital cost is \$4,669,466. As a freestanding imaging facility, the applicant is not bound by hospital state licensure and federal certification regulations. Should the Commissioner approve the proposed project, the applicant should be subject to a charity care condition no less than the 1.8% HPR V average, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia.

COPN Request No. VA-8849: BSNEC

The most recent project that MMC completed was the opening of Bon Secours Harbour View Medical Center, approved under COPN No. VA-04631. This project was originally estimated to be completed in February 2021, with a budget of \$122,039,735. The project ended up being completed more than four years later in March 2025 and was 8.7% over budget. MMC additionally has another project in process at the Bon Secours Cancer Institute – Harbour View, the addition of one linear accelerator, approved under COPN No. VA-04839. This project was originally estimated to be completed in May 2025, but a significant change request submitted in March of 2025 stated that due to unforeseen issues surrounding power, the project completion date has been delayed until March 2026. With this, the estimated budget increased from \$3,282,607 to \$5,190,714. Given this historical project analysis, it is evident that MMC has a history of completing projects beyond the anticipated time, and over budget.

With respect to the proposed project, the projected capital cost is \$23,826,209. As a freestanding imaging facility, the applicant is not bound by hospital state licensure and federal certification regulations. Should the Commissioner approve the proposed project, it shall be subject to the Bon Secours Hampton Roads Health System (BSHR) systemwide charity care condition attached to Certificate No. VA-04237, effective January 1, 2010 (currently 4%).

COPN Request No. VA-8857: JRC

The most recent project from JRC that DCOPN analyzed was the establishment of PET/CT services at an existing location in PD 19, a nearly identical project to COPN Request No. VA-8857. The project was originally projected to be completed in July 2023, with an estimated budget of \$1,001,700, but ended up being completed early and 2% over budget (\$20,000).

With respect to the proposed project, the projected capital cost is \$1,335,285. As a freestanding imaging facility, the applicant is not bound by hospital state licensure and federal certification regulations. Should the Commissioner approve the proposed project, the applicant should be subject to a charity care condition no less than the 1.8% HPR V average, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia.

Eight Required Considerations Continued

4. The extent to which the proposed project fosters institutional competition that benefits the area to be served while improving access to essential health care services for all people in the area to be served;

COPN Request No. VA-8842: USHV

As discussed earlier, Sentara Norfolk General Hospital is the sole provider in PD 20 that has pledged to prioritize cardiac patients for its PET/CT scanner, though COPN No. VA-4908 does not restrict use to cardiology alone. Should this project be approved, it would be in direct competition with Sentara Norfolk General Hospital, which is located less than 10 miles away. The other competing project requesting a PET/CT scanner, James River Cardiology, is located over an hour away from USHV's proposed site and has an existing patient base.

For other general PET/CT scanners in the PD, Sentara, the dominant health organization in the PD, operates seven out of the 10 authorized scanners, both fixed and mobile (70%), including the one to be operational in January 2026. If this project is approved, it will help reduce this majority share, but again, the scanner would be restricted to cardiology. As previously mentioned, the CT portion of the PET/CT scanner will be used independently by USHV should this project be approved, limited strictly to calcium scoring and CT angiography.

COPN Request No. VA-8849: BSNEC

Bon Secours operates five CT scanners in PD 20, operating at an average of 99.9% of the SMFP threshold. In total, Bon Secours has about 10% of the CT scanner share in the PD. If the scanner at BSNEC were to be approved, this share would go up to about 13%. Sentara has the majority of CT scanners in the PD, holding about 60% of the total share. Should this project be approved, it would enhance beneficial competition with Sentara's dominance in this service.

COPN Request No. VA-8857: JRC

Again, there is only one provider in PD 20 that is using their PET/CT scanner primarily for cardiac patients, Sentara Norfolk General Hospital. JRC is located outside of 60-minutes drive time from both Sentara Norfolk General Hospital, and the competing USHV project. Should this project be approved, it will have minimal impact on Sentara's dominant presence in PD 20. JRC will be the only provider in western PD 20 to offer PET/CT services, with the next closest provider being Sentara Obici, located over 25 miles east.

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

COPN Request No. VA-8842: USHV & COPN Request No. VA-8857: JRC

The proposed projects for USHV and JRC, should they be approved, will be introducing cardiac PET/CT services that are fairly new in PD 20, with only one provider to primarily offer cardiac PET/CT scans starting in 2026. **Table 12** shows the overall utilization of the other un-restricted

PET/CT scanners in the PD. The PD average of 14.3% of the SMFP threshold for expansion is evidence that PET/CT services are not being well utilized in the PD. USHV, additionally, is not an existing cardiac provider in PD 20, and will be directly impacting the existing cardiac care network that has been established in the area. JRC is already an existing cardiac care provider with a patient base generally unique to the rest of the PD that would benefit from JRC’s proposed project.

Table 12. PD 20 COPN Authorized PET Services Utilization

| Facility | Total Authorized Scanners | Authorized Fixed-Site Scanners | Authorized Mobile Sites | Utilization |
|---|---------------------------|--------------------------------|-------------------------|---------------|
| Chesapeake Regional Medical Center | 1 | 1 | 0 | 21.60% |
| Children's Hospital of The King's Daughters | 1 | 1 | 0 | 1.23% |
| ED - Bon Secours Health Care Center at Harbour View | 1 | 0 | 1 | 8.77% |
| Sentara Advanced Imaging Center - Belleharbour | 1 | 0 | 1 | 6.05% |
| Sentara Advanced Imaging Center - Greenbrier Healthplex | 1 | 0 | 1 | 2.43% |
| Sentara Brock Cancer Center | 2 | 1 | 1 ³¹ | 28.51% |
| Sentara Obici Hospital | 1 | 0 | 1 | 10.75% |
| Sentara Princess Anne Hospital | 1 | 0 | 1 | 22.03% |
| PD 20 Total/Average | 9 | 3 | 6 | 14.30% |

Source: 2024 VHI

COPN Request No. VA-8849: BSNEC

Bon Secours operates five CT scanners across the PD that operate at an average of 99.9% of the SMFP threshold for expansion. The PD as a whole operated at 122.03% of the SMFP threshold for CT expansion, with acute care hospitals utilizing scanners at a higher rate than outpatient facilities (**Table 2**). Bon Secour’s other ED, located at Harbour View, was utilized at 74.78% of the SMFP threshold.

³¹ The mobile scanner that the Sentara Brock Cancer Center is reporting is a temporary mobile unit that is not COPN regulated. Because of this, it will be excluded from utilization calculations.

Table 2 (Repeated). PD 20 COPN Authorized CT Services

| Facility | # of Authorized Scanners | Utilization |
|---|--------------------------|----------------|
| Atlantic Orthopaedic Specialists | 1 | 6.66% |
| Bon Secours Maryview Medical Center | 2 | 149.95% |
| Bon Secours Southampton Memorial Hospital | 1 | 75.23% |
| Chesapeake Regional Imaging - Kempsville | 1 | 18.77% |
| Chesapeake Regional Medical Center | 4 | 138.24% |
| Children's Hospital of The King's Daughters | 5 | 17.48% |
| ED - Bon Secours Health Care Center at Harbour View ³² | 2 | 74.78% |
| MRI & CT Diagnostics - Chesapeake | 1 | 41.96% |
| MRI & CT Diagnostics - Virginia Beach | 1 | 63.86% |
| Riverside Diagnostic Center - Smithfield | 1 | 17.73% |
| Sentara Advanced Imaging Center - Fort Norfolk | 1 | 64.59% |
| Sentara Advanced Imaging Center - Greenbrier Healthplex | 1 | 90.46% |
| Sentara Advanced Imaging Center - Princess Anne | 1 | 89.08% |
| Sentara Advanced Imaging Center - St. Luke's | 1 | 8.88% |
| Sentara Advanced Imaging Center at First Colonial | 1 | 105.82% |
| Sentara Brock Cancer Center | 1 | 179.73% |
| Sentara BelleHarbour | 2 | 57.53% |
| Sentara Independence | 1 | 89.53% |
| Sentara Leigh Hospital | 3 | 254.98% |
| Sentara Norfolk General Hospital | 6 | 171.30% |
| Sentara Obici Hospital | 2 | 248.31% |
| Sentara Princess Anne Hospital | 2 | 291.39% |
| Sentara Virginia Beach General Hospital | 3 | 200.53% |
| PD 20 Total/Average | 44³³ | 122.03% |

Source: 2024 VHI

³² This emergency department is now part of Harbour View Medical Center which opened in 2025.

³³ Sentara Independence and Sentara Belleharbour were reporting scanners at both the hospital/imaging center, and the related EDs. DCOPN confirmed that Sentara Independence has one CT scanner, and Sentara Belleharbour has two. The three duplicated scanners have been removed from this count.

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

COPN Request No. VA-8842 USHV

The total capital costs of the proposed project are \$4,669,466 of which approximately 23% represents direct construction costs (**Table 3**). As discussed previously, these costs are reasonable when comparing projects of similar scopes. All costs will be funded through accumulated reserves. The pro forma income statement provided by the applicant (**Table 13**) projects a net profit of \$37,000 in the first year of operation, and a net profit of \$253,000 in the second year of operation. This first-year margin is small but still shows that the project is profitable.

Table 13. USHV Pro Forma Income Statement

| | Year 1 | Year 2 |
|------------------------------------|--------------------|---------------------|
| Total Gross Patient Revenue | \$8,622,000 | \$20,469,000 |
| Contractuals/Other Discounts | (\$5,216,000) | (\$12,384,000) |
| Bad Debt | (\$259,000) | (\$614,000) |
| Charity Care | (\$302,000) | (\$716,000) |
| Net Operating Revenue | \$2,845,000 | \$8,981,000 |
| Total Operating Expenses | \$2,808,000 | \$6,502,000 |
| Net Income | \$37,000 | \$253,000 |

Source: COPN Request No. VA-8842

Regarding staffing, the applicant anticipates the need to hire seventeen full-time equivalent employees (FTE), including one administration - business office FTEs, two registered nurse FTEs, four radiologic technologist FTEs, six medical assistant FTEs and four receptionist FTEs. The applicant states that recruitment is already underway and that it mainly advertises to the immediate local community. To fill the nuclear medicine technologist positions, USHV is looking to partner with Old Dominion University’s (ODU) Nuclear Medicine Technology Program.

DCOPN expresses concern with USHV’s recruitment strategies. First, the proposed site is located directly across from Sentara Leigh Hospital, which currently has 103 FTE openings as of the date of this report. If the main staffing strategy is to recruit local candidates, DCOPN anticipates USHV will have a difficult time competing with Sentara Leigh Hospital, as well as other area providers, while also not interfering with PD-wide recruitment efforts. In addition to this, DCOPN expresses concern with the proposed partnership with ODU. For background, Sentara Norfolk General Hospital is the primary teaching hospital for Eastern Virginia Medical School (EVMS). In 2024, EVMS merged with ODU, becoming Virginia’s largest academic medical center, and linking ODU directly to Sentara and casting doubts that they would also enter a partnership with USHV.

DCOPN also expresses concern that USHV’s lack of solid recruitment plans will lead to a strain on PD 20’s already limited healthcare staffing pipeline.

COPN Request No. VA-8849: BSNEC

The total capital costs of the proposed project are \$23,826,209, of which approximately 46% represents direct construction costs (**Table 4**). As discussed previously, these costs are reasonable when comparing projects of similar scopes. All costs will be funded through accumulated reserves.

The pro forma income statement provided by the applicant (**Table 14**) projects a net profit of \$1,697,000 in the first year of operation, and a net profit of \$3,505,000 in the second year of operation.

Table 14. BSNEC Pro Forma Income Statement

| | Year 1 | Year 2 |
|------------------------------------|---------------------|---------------------|
| Total Gross Patient Revenue | \$56,028,000 | \$82,878,000 |
| Contractuals/Other Discounts | (\$45,383,000) | (\$67,131,000) |
| Charity Care | (\$2,241,000) | (\$3,315,000) |
| Net Operating Revenue | \$8,404,000 | \$12,432,000 |
| Total Operating Expenses | \$6,707,000 | \$8,926,000 |
| Net Income | \$1,697,000 | \$3,505,000 |

Source: COPN Request No. VA-8849

Regarding staffing, the applicant anticipates the need to hire five additional staff members, all CT Technologists. This total does not include staff for the broader ED project, which is not COPN regulated. The applicant states that it has robust recruitment pathways, focusing first on online job boards, and employment fairs. It also operates a school of nursing that helps train young professionals in Bon Secours facilities to give them a pathway to employment. DCOPN notes that in the BSHR health system, there are currently 138 job openings as of November 2025, nine of which are for full time CT Technologists at various locations.³⁴

Sentara Norfolk General Hospital, which is located less than four miles from the proposed BSNEC site, also has six job openings for full-time CT Technologists, raising concerns that these two facilities may have a hard time filling these positions, especially if they are then competing for the same talent pool.

COPN Request No. VA-8857: JRC

The total capital costs of the proposed project are \$1,355,385 of which approximately 19% represents direct construction costs (**Table 5**). As discussed previously, these costs are reasonable when comparing projects of similar scopes. All costs will be funded through accumulated reserves. The pro forma income statement provided by the applicant (**Table 15**) projects a net profit of \$1,991,632 in the first year of operation, and a net profit of \$2,337,246 in the second year of operation.

Table 15. JRC Pro Forma Income Statement

| | Year 1 | Year 2 |
|------------------------------------|--------------------|--------------------|
| Total Gross Patient Revenue | \$3,319,405 | \$3,803,205 |
| Contractuals/Other Discounts | (\$331,940) | (\$380,321) |
| Charity Discounts | (\$39,833) | (\$45,638) |
| Net Operating Revenue | \$2,947,632 | \$3,377,246 |
| Total Operating Expenses | (\$956,000) | (\$1,040,000) |
| Net Income | \$1,991,632 | \$2,337,246 |

Source: COPN Request No. VA-8857

³⁴ Source: <https://careers.bonsecours.com/us/en/jobs-in-hampton-roads>

Regarding staffing, the applicant anticipates the need to hire twenty-seven additional staff members including five business administrators, one registered nurse, five practical nurses, one medical record librarian, two radiological technicians, and thirteen other miscellaneous personnel. The applicant states that it will primarily use online job boards, social media and healthcare publications and newspaper advertisements as its main recruitment sources.

DCOPN does not anticipate this project will impact area staffing.

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

COPN Request No. VA-8842: USHV

The proposed project would provide improvements in the delivery of health care services by providing access to the latest, most accurate cardiac imaging technology at a lower cost in an outpatient setting. Additionally, as there are a limited number of providers of cardiac PET/CT scanning services in PD 20, the proposed project, along with JRC should it also be approved, would provide improvements or innovations in the financing and delivery of health care services, as demonstrated by the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services.

DCOPN did not identify any other factors that may be appropriate to bring to the Commissioner's attention.

COPN Request No. VA-8849: BSNEC

The proposal would introduce no new technology that would promote quality in the delivery of CT scanner services, but offers services in an outpatient setting. Since the project is located in a FSED location that is an outpatient department of MMC, it would not promote cost effectiveness in the delivery of CT scanner services.

DCOPN did not identify any other factors that may be appropriate to bring to the Commissioner's attention.

COPN Request No. VA-8857: JRC

The proposed project would provide improvements in the delivery of health care services by providing access to the latest, most accurate cardiac imaging technology at a lower cost in an outpatient setting. Additionally, as there are limited providers of cardiac PET/CT scanning services in PD 20, the proposed project, along with USHV should it also be approved, would provide improvements or innovations in the financing and delivery of health care services, as demonstrated by the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services.

DCOPN did not identify any other factors that may be appropriate to bring to the Commissioner's attention.

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

COPN Request No. VA-8842: USHV, COPN Request No. VA-8849: BSNEC & COPN Request No. VA-8857: JRC

Not applicable. These facilities are 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

COPN Request No. VA-8842: USHV

DCOPN finds US Health Virginia LLC's (USHV) request to establish a center for PET/CT services with one fixed PET/CT scanner limited to cardiology in Norfolk to be generally inconsistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. Namely, the applicant proposes introducing a new service into the highly saturated PD 20 without an established patient base or referral network. Furthermore, projected utilization for the PET/CT scanner is only 170 scans in the first year and 486 in the second—well below the district average—raising concerns about sustainability. Staffing is also a concern, as USHV, being a new provider, lacks an existing talent pool and will need to compete for personnel in this challenging market. The status quo is a more beneficial alternative to the proposed project.

Finally, there was significant opposition to this project from area providers including Sentara Leigh Hospital and Heart and Vascular Group.

COPN Request No. VA-8849: BSNEC

DCOPN finds Bon Secours Maryview Medical Center's (MMC) request to establish a center for CT imaging at the former site of Bon Secours Depaul Medical Center in Norfolk to be generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. Namely, there is a deficit of 10 CT scanners in the PD, and existing scanners are operating at average of 122.03% of the SMFP threshold for expansion. The proposed Bon Secours Norfolk Emergency Center (BSNEC) project will increase geographical access to CT services, and enhances access in an area of PD 20 with a high poverty rate, offering a higher than HPR V average charity care condition. There is no alternative identified to the proposed project and it is more beneficial than the status quo.

COPN Request No. VA-8857: JRC

DCOPN finds that James River Cardiology's (JRC) proposed project to establish a center for PET/CT services with one fixed PET/CT scanner limited to cardiology at its Franklin office is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. The applicant stated the scanner will be used exclusively for cardiac imaging, with no independent use of the CT scanner. While the planning district does not meet the utilization threshold for the establishment of a new PET service, DCOPN notes that precedent has been established by the Commissioner regarding this threshold not barring the establishment of new PET/CT services when sufficiently compelling circumstances exist. As such compelling reasons exist, such as the clinical advantages of PET/CT over SPECT, an existing patient base and the location of the facility in a part of PD 20 that has less access to medical services, DCOPN recommends that the Commissioner, not allow this standard to bar the establishment of cardiac PET/CT services at this location. JRC also projects doing 1,729 cardiac PET/CT studies during the first year of operation, which is above the PD average for fixed scanners.

DCOPN also finds that the proposed project is more beneficial than the status quo, which would be the more time-consuming and less accurate SPECT scans. There is no identified alternative to

the proposed project that better meets public need. There is no known opposition to the project, the cost is reasonable, and the project is unlikely to affect the utilization of other area providers.

DCOPN Staff Recommendation

COPN Request No. VA-8842: US Health Virginia, LLC

The Division of Certificate of Public Need recommends the **denial** of US Health Virginia's COPN Request number VA-8842 to establish a center for PET/CT services with one fixed PET/CT scanner limited to cardiology, for the following reasons:

1. The project is generally inconsistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. The status quo is preferable to this project.
3. The applicant does not have an existing patient base in Planning District 20.
4. There is significant opposition to this project.

COPN Request No. VA-8849: Bon Secours Norfolk Emergency Center

The Division of Certificate of Public Need recommends the **conditional approval** of Bon Secours Maryview Medical Center's COPN Request number VA-8849 to establish a center for CT imaging, the Bon Secours Norfolk Emergency Center, for the following reasons:

1. The proposal is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia.
2. There is a deficit of nine CT scanners in the planning district (PD).
3. The proposed project can fill a gap in care for residents of Northern Norfolk.
4. There is no alternative identified to the proposed project and it is more beneficial than the status quo.
5. There is no known opposition to the proposal.

DCOPN's recommendation is contingent upon Bon Secours Hampton Roads Health System's agreement to the following charity care condition:

Recommended Condition

This project shall be subject to the Bon Secours Hampton Roads Health System (BSHR) systemwide charity care condition attached to Certificate No. VA-04237, effective January 1, 2010 (currently 4%). Provided that the charity care provided under the BSHR system-wide condition shall be valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. BSHR will accept a revised percentage based on the regional

average after such time regional charity care data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. are available from Virginia Health Information. In addition to any right of BSHR to seek modification or adjustment described in the BSHR system-wide condition, to the extent BSHR expects its BSHR system-wide condition as valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. or any revised percentage to materially alter the value of its charity care commitment thereunder, it may petition the Commissioner for a modification of the BSHR system-wide condition to resolve the expected discrepancy.

BSHR will provide acute care 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.

COPN Request No. VA-8857: James River Cardiology

The Division of Certificate of Public Need recommends **conditional approval** of James River Cardiology's COPN Request No. VA-8849 to establish a center for PET/CT services with one fixed PET/CT scanner limited to cardiology for the following reasons:

1. The project is generally consistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. The PET/CT scanner's use will be limited solely to cardiac imaging.
3. The project will improve access to the preferred cardiac imaging modality with numerous benefits over SPECT.
4. The project will not adversely affect existing providers of PET/CT services.
5. The project is more beneficial than the alternative of the status quo.
6. The capital costs are reasonable.
7. There is no known opposition to the proposed project.

DCOPN's recommendation is contingent upon James River Cardiology's agreement to the following charity care condition:

Recommended Condition

James River Cardiology, LLC will provide cardiac PET/CT imaging to all persons in need of these services, regardless of their ability to pay, and will provide as charity care to all indigent persons free services or rate reductions in services and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 20 in an aggregate amount

equal to at least 1.8% of James River Cardiology, LLC's gross patient revenue derived from cardiac PET/CT imaging. 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. James River Cardiology, LLC will accept a revised percentage based on the regional average after such time regional charity care data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. is available from Virginia Health Information. The value of charity care provided individuals pursuant to this condition shall be based on the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.

James River Cardiology, LLC will provide cardiac PET/CT imaging 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. James River Cardiology, LLC will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.