

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

January 20, 2025

RE: COPN Request No. VA-8843

Virginia Cardiovascular Specialists, PC
Mechanicsville, Virginia

Establish a Specialized Center for Cardiac PET/CT Imaging

RE: COPN Request No. VA-8846

Bon Secours St. Francis Medical Center, LLC
Chesterfield County, Virginia

Establish a Center for CT Imaging

RE: COPN Request No. VA-8851

Cardiology of Virginia, Inc.
Midlothian, Virginia

Establish a Center for Cardiac PET/CT Imaging with one fixed PET/CT scanner, includes independent use of the CT component

RE: COPN Request No. VA-8854

Virginia Ear, Nose & Throat Associates, PC
Midlothian, Virginia

Establish a Center for CT Imaging

Applicants

VA-8843 Virginia Cardiovascular Specialists, PC

Virginia Cardiovascular Specialists, PC (VCS) is a professional corporation registered in the Commonwealth of Virginia. Ownership of its shares is restricted to persons duly licensed or otherwise legally authorized to practice medicine in the Commonwealth of Virginia. No owner has more than 5% ownership and VCS states that it currently has no subsidiaries. The site of the proposed project is Virginia Cardiovascular Specialists at 7515 Right Flank Road, Mechanicsville, Virginia, in Planning District (PD) 15, Health Planning Region (HPR) IV.

VA-8846 Bon Secours St. Francis Medical Center, LLC

Bon Secours – St. Francis Medical Center, LLC (St. Francis) is a non-profit, limited liability company. Bon Secours – Richmond Health System d/b/a Bon Secours Virginia Health System is the sole corporate member of St. Francis and Bon Secours Richmond, LLC is the sole corporate

member of Bon Secours Richmond Health System. Bon Secours Mercy Health, Inc. (BSMH) is the sole member of Bon Secours Richmond, LLC. The proposed facility is Bon Secours Iron Bridge Emergency Center (IBEC) to be constructed at 5201 Chippenham Crossing Center, Richmond, Virginia in PD 15, HPR IV.

VA-8851 Cardiology of Virginia, Inc.

Cardiology of Virginia, Inc. (CoV) is a Virginia stock corporation. Ownership of its shares is restricted to persons duly licensed or otherwise legally authorized to render the same professional service as the corporation. CoV is wholly owned by Mark Johns, MD, FACC. The site of the proposed project is at 13572 Waterford Place, Midlothian, Virginia, in PD 15, HPR IV.

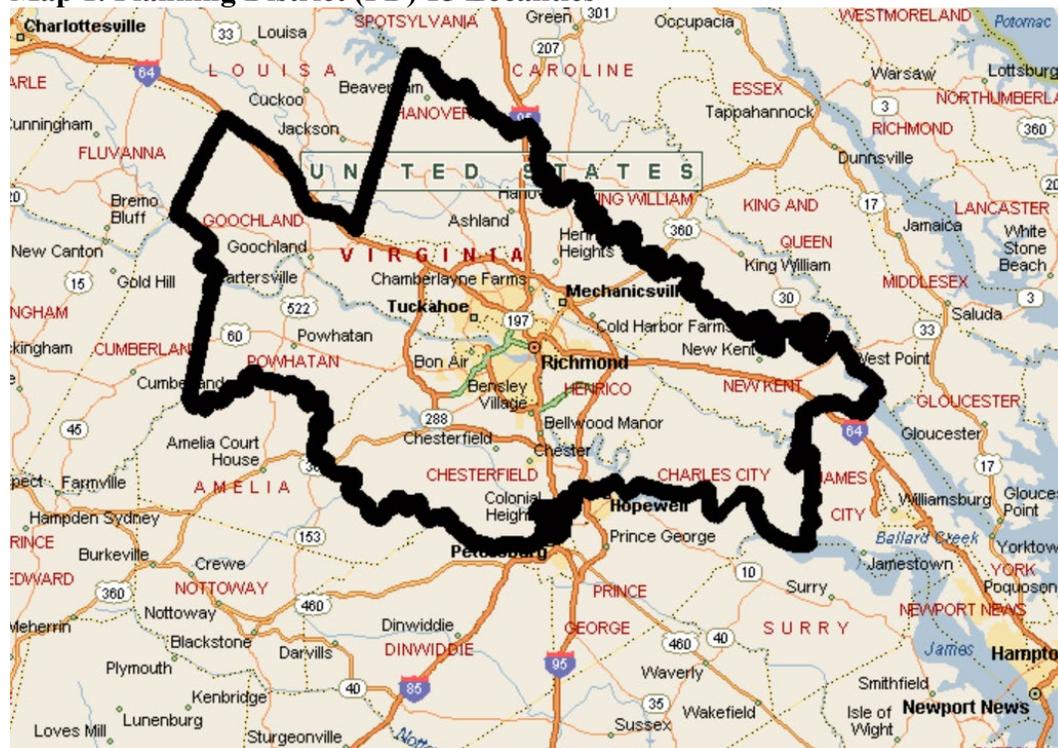
VA-8854 Virginia Ear, Nose & Throat Associates, PC

Virginia Ear, Nose & Throat Associates, PC (VENTA) is a Virginia-domiciled, for-profit professional corporation. Ownership of its shares is restricted to persons duly licensed or otherwise legally authorized to render the professional service of a practitioner of the healing arts. The ten physicians who are members of its Board of Directors are the members that have more than 5% ownership of VENTA. The site of the proposed project is at 15350 East West Road, Midlothian, Virginia, in PD 15, HPR IV.

Background

PD 15 is in the eastern portion of the Commonwealth of Virginia and consists of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent and Powhatan Counties and the City of Richmond (Map 1).

Map 1. Planning District (PD) 15 Localities



PD 15 had a population of over 1.1 million in 2020 and is projected to add nearly 100,000 to its population by 2030. It is a relatively fast-growing area of Virginia. Its projected growth of 8.9% by the end of the decade is a higher growth rate than the projected rate for Virginia’s population, 5.8% (Table 1).

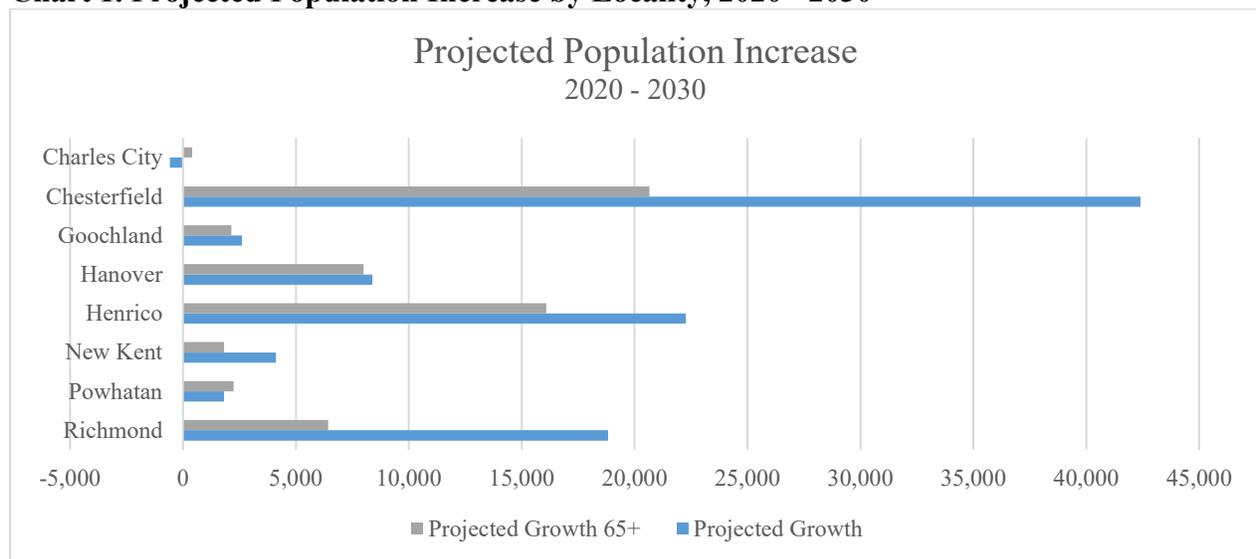
Table 1. PD 15 Population Data

Locality	2020 Population	2030 Projected Population	Projected Growth 2020-2030	Percent Growth 2020-2030	65+ 2020 Population	Projected 65+ 2030 Population	Projected Growth 65+	Percent Growth 65+
Charles City	6,773	6,200	-573	-8.5%	1,776	2,184	408	23.0%
Chesterfield	364,548	406,942	42,394	11.6%	58,200	78,858	20,658	35.5%
Goochland	24,727	27,339	2,612	10.6%	5,721	7,865	2,144	37.5%
Hanover	109,979	118,374	8,395	7.6%	20,688	28,681	7,993	38.6%
Henrico	334,389	356,656	22,267	6.7%	55,596	71,680	16,084	28.9%
New Kent	22,945	27,067	4,122	18.0%	4,405	6,216	1,811	41.1%
Powhatan	30,333	32,152	1,819	6.00%	5,848	8,085	2,237	38.3%
Richmond	226,610	245,437	18,827	8.3%	29,874	36,307	6,433	21.5%
PD 15	1,120,304	1,220,167	99,863	8.9%	182,108	239,876	57,768	31.7%
Virginia	8,631,393	9,129,002	497,609	5.8%	1,395,291	1,762,641	367,350	26.3%

Source: Weldon Cooper Intercensal Estimates

One of the proposed sites under review (VCS’ COPN Request No. VA-8843) is in Hanover County, with a projected growth rate of 7.6% between 2020 and 2030. Hanover County is projected to add 8,395 individuals during that time period and 7,993 aged 65 and older through aging and in-migration (Table 1/Chart 1). The three other competing projects under review (COPN Request Nos. VA-8846, VA-8851 and VA-8854) are in Chesterfield County, which is projected to grow by 11.6% during the same decade, one of the highest growth rates of any locality in Virginia. Chesterfield County is expected to add 42,394 people and 20,658 aged 65 and older between 2020 to 2030 (Table 1/Chart 1).

Chart 1. Projected Population Increase by Locality, 2020 - 2030



Source: Weldon Cooper Intercensal Estimates

Positron Emission Tomography (PET) Background

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 in 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 All of the fixed PET scanners in PD 15 are PET/CT scanners. Note from the State Medical Facilities Plan (SMFP): 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 one individual PET procedure and one CT procedure, respectively, unless those images are made concurrently.

CoV (COPN Request No. VA-8851) is proposing to utilize the CT portion of its proposed PET/CT scanner independently for coronary artery calcium channel scoring. For this reason, COPN Request No. VA-8851 is being evaluated for both PET and CT services and is a competing application with VCS' COPN Request No. VA-8843 for PET services, and is also in a competing cycle with St. Francis' COPN Request No. VA-8846 and VENTA's COPN Request No. VA-8854 for CT services.

Regarding cardiac PET/CT (relevant to COPN Request Nos. VA-8843 and VA-8851), 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

According to Virginia Health Information (VHI) there were five fixed PET/CT scanners and five mobile site PET scanners in PD 15 in 2024, the latest year for which such data are available.

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).

Only the fixed units are relevant for this review and are included in **Table 2**. Utilization of the fixed site PET/CT scanners averaged 2,325 procedures per scanner, or 38.8% of the volume standard of 6,000 average procedures per fixed site unit that is set forth in the State Medical Facilities Plan (SMFP) to add a PET scanner to the PD.

Table 2. PD 15 Fixed PET Scanner Utilization, 2024

Facility Name	Imaging Systems	Procedures	Procedures per Unit	% of SMFP Threshold
Bon Secours St. Mary's Hospital	1	2,366	2,366	39.4%
Henrico Doctors' Hospital - Forest	1	2,026	2,026	33.8%
Johnston-Willis Hospital	1	1,285	1,285	21.4%
VCU Medical Center	1	3,401	3,401	56.7%
Virginia Cardiovascular Specialists, PC	1	2,549	2,549	42.5%
PD 15 Fixed PET Scanner Totals & Averages	5	11,627	2,325	38.8%

Source: VHI 2024

Since the 2024 volumes were submitted to VHI by providers, three fixed PET/CT scanners have been added to the inventory in PD 15. There are currently eight fixed PET/CT scanners authorized in PD 15. Three of the fixed PET/CT scanners are restricted to cardiac use (**Table 3**).

Table 3. Authorized PET/CT Scanners, PD 15

Facility	# Fixed Scanners
Bon Secours Imaging Center at Reynolds Crossing	1
Henrico Doctors' Hospital - Forest	1
James River Cardiology - Chesterfield ^{3*}	1
James River Cardiology (Richmond) ^{4*}	1
Johnston-Willis Hospital	1
VCU Health System	1
Virginia Cancer Institute Westend ⁵	1
Virginia Cardiovascular Specialists*	1
PD 15, Total Fixed PET Scanners	8

*Restricted to cardiac use.

Source: DCOPN Records

³ COPN No. VA-04844 authorized one fixed PET/CT scanner that was completed December 5, 2023.

⁴ COPN No. VA-04949 authorized one fixed PET/CT scanner expected complete December 1, 2025.

⁵ COPN No. VA-04861 authorized one fixed PET/CT scanner that was completed April 20, 2025.

Computed Tomography (CT) Background

A CT scan is a diagnostic imaging tool that utilizes X-ray technology to produce images of the inside of the body and can show bones, muscles, organs, and blood vessels. CT scans are more detailed than plain film x-rays; rather than the standard straight-line x-ray beam, CT imaging uses an x-ray beam that moves in a circle around the body to show structures in much greater detail.⁶ The scans can be used to help diagnose tumors, investigate internal bleeding, or investigate other possible injuries or damage; additionally, early CT detection is key in stroke treatment to determine if thrombolytics can be administered safely. The scans can be done with or without contrast; contrast is a substance taken either orally or injected into the body, causing a particular organ or tissue to be seen more clearly.⁷

VHI reported data on 47 CT scanners in PD 15 for 2024, the latest year for which such data are available. Of the 47, 28 were reported by acute care hospitals (one was a long-term care acute care hospital) and 19 were freestanding facilities. The hospital-based CT scanners averaged 13,096 procedures per CT scanner, 177% of the SMFP threshold, and freestanding scanners averaged 5,448 procedures per scanner (73.6% of the SMFP threshold). In aggregate, CT scanners in PD 15 reported volumes for 2024 equal to 135.2% of the SMFP standard to add a CT scanner in the PD (**Table 4**). DCOPN notes that long-term acute care hospital (LTAC) Select Specialty Hospital Richmond (formerly Vibra) and Virginia Ear, Nose & Throat (Chesterfield and Henrico sites) failed to report 2024 data to VHI on their CT scanners.

Several CT scanners have been authorized since 2024 data were reported to VHI. There are currently 65 CT scanners authorized in PD 15. Six of these are used for CT simulation only, and two are intraoperative scanners. These are not diagnostic CT scanners, and their volumes are removed from consideration in this analysis. The remaining 57 CT scanners are for diagnostic use and are included in this analysis (**Table 5**).

⁶ <https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/computed-tomography-ct-scan#:~:text=Computed%20tomography%20is%20commonly%20referred,fat%2C%20organs%20and%20blood%20vessels.>

⁷ Ibid.

Table 4. PD 15 CT Utilization, 2024

Facility Name	Total Stationary Units	Total CT Procedures	Procedures Per CT Scanner	% of SMFP Standard
<i>Acute Hospital Fixed Sites</i>				
Bon Secours Memorial Regional Medical Center	3	46,765	15,588	210.7%
Bon Secours Richmond Community Hospital	1	7,655	7,655	103.4%
Bon Secours St. Francis Medical Center	2	33,824	16,912	228.5%
Bon Secours St. Mary's Hospital	3	43,892	14,631	197.7%
Chippenham Hospital	3	55,556	18,519	250.3%
Henrico Doctors' Hospital - Forest	2	38,395	19,198	259.4%
Henrico Doctors' Hospital - Parham Doctors' Hospital	1	13,913	13,913	188.0%
Henrico Doctors' Hospital - Retreat	1	4,145	4,145	56.0%
Johnston-Willis Hospital	3	37,560	12,520	169.2%
VCU Medical Center	9	84,972	9,441	127.6%
PD 15 Hospital Totals, Averages	28	366,677	13,096	177.0%
<i>Ambulatory Fixed Sites</i>				
Urosurgical Center of Richmond	2	8,885	4,443	60.0%
Bon Secours Imaging Center at Reynolds Crossing	1	3,507	3,507	47.4%
Bon Secours Westchester Imaging Center*	1	3,983	3,983	53.8%
Chesterfield Imaging	1	6,599	6,599	89.2%
Independence Park Imaging	1	4,901	4,901	66.2%
MedRVA Imaging Center	1	958	958	12.9%
NOW Neuroscience, Orthopaedic and Wellness Center	1	5,789	5,789	78.2%
Richmond Ear Nose and Throat	1	302	302	4.1%
VCU Medical Center at Stony Point Radiology	1	7,001	7,001	94.6%
Virginia Cancer Institute - Discovery Drive	1	5,647	5,647	76.3%
Virginia Cancer Institute - Harbourside	1	5,052	5,052	68.3%
Virginia Cardiovascular Specialists, PC	1	5,092	5,092	68.8%
ED - Bon Secours Chester Emergency Center	1	9,478	9,478	128.1%
ED - Bon Secours Short Pump	1	12,299	12,299	166.2%
ED - Bon Secours Westchester*	1	5,539	5,539	74.9%
ED - Hanover Emergency Center (HDH-F)	1	4,217	4,217	57.0%
ED - MCV/VCU	1	6,403	6,403	86.5%
ED - Swift Creek ER (CJW-C)	1	7,862	7,862	106.2%
PD 15 Ambulatory Site Totals, Averages	19	103,514	5,448	73.6%
PD 15 Totals, Averages	47	470,191	10,004	135.2%

Source: 2024 VHI

* St. Francis explains in COPN Request No. VA-8846 that it reported volumes to VHI for its Westchester Emergency Center site as “ED – Bon Secours Westchester” (CT scans for emergency services) and “Bon Secours Westchester Imaging Center” (non-emergent CT scans), but these volumes combined were performed by the one CT scanner at that site. This decreases the number of PD 15 CT scanners reported to VHI in 2024 to 46, increases the average procedures per scanner to 10,222, or 138.1% utilization.

Table 5. Inventory of Diagnostic CT Scanners in PD 15

Facility Name	Authorized Diagnostic CT Scanners
Bon Secours Ashland Emergency and Imaging Center ⁸	1
Bon Secours Chester Emergency and Imaging Center	1
Bon Secours Imaging Center at Reynolds Crossing	1
Bon Secours Memorial Regional Medical Center	3
Bon Secours Richmond Community Hospital	1
Bon Secours Short Pump Emergency/Imaging Center	1
Bon Secours St. Francis Medical Center	2
Bon Secours St. Mary's Hospital	3
Bon Secours Westchester Imaging Center	1
Chester Imaging Center ⁹	1
Chesterfield Imaging	1
Chesterfield ER ¹⁰	1
Chippenham Hospital	3
Hanover Emergency Center	1
Henrico Doctors' Hospital - Parham Doctors' Hospital	1
Henrico Doctors' Hospital - Retreat	1
Henrico Doctors' Hospital - Forest ¹¹	3
Magnolia ER ¹²	1
Virginia Cardiovascular Specialists	1
Johnston-Willis Hospital	3
OrthoVirginia ¹³	1
Richmond Ear, Nose & Throat	1
Richmond Eye & Ear Healthcare Alliance d/b/a Medarva Healthcare	1
Scott's Addition ER ¹⁴	1
Short Pump, LLC ¹⁵	1
Pauley Heart Center Pavilion at VCU Health ¹⁶	1
VCU Health Neuroscience, Orthopedic and Wellness Center (Short Pump)	1
VCU Health System	8
VCU Medical Center Adult Outpatient Pavilion ¹⁷	2
VCU Medical Center at Stony Point Radiology	1
VCU Health Emergency Center at New Kent	1
Vibra Hospital of Richmond LLC	1
Virginia Cancer Institute - Harbourside	1
Virginia Cancer Institute - Discovery Drive	1
Virginia Ear Nose & Throat - Chesterfield	1
Virginia Ear Nose & Throat - Henrico	1
Virginia Urology	2
Total Diagnostic CT Scanners, PD 15	57

Source: DCOPN Records

⁸ COPN No. VA-04864 authorized this site, originally expected to be completed by 11/2025.

⁹ COPN No. VA-04655 authorized this site, pending.

¹⁰ COPN No. VA-04840 authorized this site. Expected complete 3/2026.

¹¹ COPN No. VA-04925 authorized a third scanner. Expected complete 4/2026.

¹² COPN No. VA-04862 authorized this site with a replaced/relocated CT scanner from Swift Creek ER. Expected complete 5/2026.

¹³ COPN No. VA-04876 authorized this site. Expected complete 1/2026.

¹⁴ COPN No. VA-04811 authorized this site. Expected complete 1/2027.

¹⁵ COPN No. VA-04823 authorized this site, completed 7/2024.

¹⁶ COPN No. VA-04953 authorized this site. Expected complete 4/2028.

¹⁷ COPN No. VA-04935 authorized a second CT scanner. Expected completed 1/2026.

Proposed Projects

VA-8843—Virginia Cardiovascular Specialists, PC

VCS proposes to establish a specialized center for PET/CT imaging with one PET/CT scanner, restricted to cardiovascular studies at 7515 Right Flank Road, Mechanicsville, Virginia. The applicant asserts that the CT component of the PET/CT will not be used independently, and the scanner will be used exclusively for cardiac perfusion imaging. The proposed project involves the renovation of 1,490 gross square feet of the 20,066 gross square feet in the entire suite in which VCS currently provides services, including SPECT services. There is no incremental lease expense of the building because leased square footage will not increase as a result of the proposed project. The applicant asserts that the equipment costs are constructed as operational versus capital expenses. No mortgage or loan financing is required for the proposed project, which will be paid through operational revenue. Total projected capital costs are \$467,056 (**Table 6**). Should the project be approved, it is expected to open by June 1, 2026.

Table 6. Capital Costs, VCS PET/CT

Direct Construction Cost	\$ 397,056
Site Preparation Cost	\$ 45,000
Architectural & Engineering fees	\$ 25,000
Total Capital Cost	\$ 467,056

Source: COPN Request No. VA-8843

VA-8846—Bon Secours -St. Francis Medical Center, LLC

St. Francis proposes to expand its CT services through the establishment of a specialized center for CT imaging, with one fixed CT scanner at 5201 Chippenham Crossing Center, Richmond, Virginia, in Chesterfield County. The applicant claims an institutional need for added CT capacity. The proposed project involves the construction of a one-story building as a freestanding emergency and imaging center, IBEC, following the demolition of an existing, vacant building currently on the site. IBEC will be operated as an outpatient department of St. Francis and located in St. Francis’ primary service area. DCOPN notes that freestanding emergency departments are not regulated by COPN laws, but the proposed CT scanner is the component under review. The space for the proposed CT is 500 square feet, and the Bon Secours IBEC is 9,250 of the total 14,800 square feet in the building. Total capital costs for the building are \$33,713,480 (**Table 7**), which will be funded entirely with accumulated reserves such that no financing costs will accrue. Should the project be approved, it is expected to open on December 31, 2027.

Table 7. Capital Costs, St. Francis IBEC CT Scanner

Direct Construction Cost	\$ 15,444,931
Equipment not included in construction contract	\$ 4,523,211
Site Acquisition Costs	\$ 9,310,950
Site Preparation Cost	\$ 2,950,000
Architectural & Engineering fees	\$ 892,350
Other Consulting Fees	\$ 592,038
Total Capital Cost	\$ 33,713,480

Source: COPN Request No. VA-8846

VA-8851—Cardiology of Virginia, Inc.

CoV proposes to establish a PET/CT service at 13572 Waterford Place, Midlothian, Virginia in Chesterfield County with one PET/CT scanner restricted to cardiovascular procedures. The proposal includes the independent use of the CT component of the proposed PET/CT scanner to measure coronary arterial calcium. The proposal involves renovation of 495 gross square feet of existing space in the applicant’s practice adjacent to the room housing its SPECT unit. Total capital costs are \$2,002,885, to be funded with accumulated reserves, commercial loans, and operations will fund the leasing agreement for the equipment. With financing costs included in **Table 8**, capital and financing costs are \$2,234,448. Should the project be approved, it is expected to open 220 days after issuance of a COPN.

Table 8. Capital Costs, Cardiology of Virginia PET/CT

Direct Construction Cost	\$ 584,171
Equipment not included in construction contract	\$ 780,000
Site Acquisition Costs	\$ 614,714
Architectural & Engineering fees	\$ 24,000
Conventional Loan Financing	\$ 242,563
Total Capital and Financing Costs	\$ 2,245,448

Source: COPN Request No. VA-8851

VA-8854—Virginia Ear, Nose & Throat Associates, PC

VENTA proposes to establish a specialized center for CT imaging with one CT scanner in Chesterfield County through the replacement and relocation of a CT scanner from its current location on Wadsworth Drive to VENTA’s new practice facility at 15350 East West Road, Midlothian, Virginia. The equipment will be restricted to CT scans of the head and neck. The proposal is inventory-neutral and relocates a CT service to a newly established site 12 miles away. The 30,000 square foot facility will be newly constructed, with its lease funded through operations. Total capital costs of \$243,830 in **Table 9** include the cost of equipment and the construction cost of the 173 square feet allocated to the CT room. Should the project be approved, it is expected to open upon receipt of a COPN.

Table 9. Capital Costs, VENTA CT Scanner

Direct Construction Cost	\$ 6,375
Equipment not included in construction contract	\$ 180,000
Site Acquisition Costs	\$ 57,455
Total Capital Cost	\$ 243,830

Source: COPN Request No. VA-8854

Project Definition

COPN Request Numbers VA-8843, VA-8846, VA- 8851 and VA-8854

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the “establishment of a medical facility described in subsection A.” Included in the description of “medical care facility” in subsection A is “[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...”

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

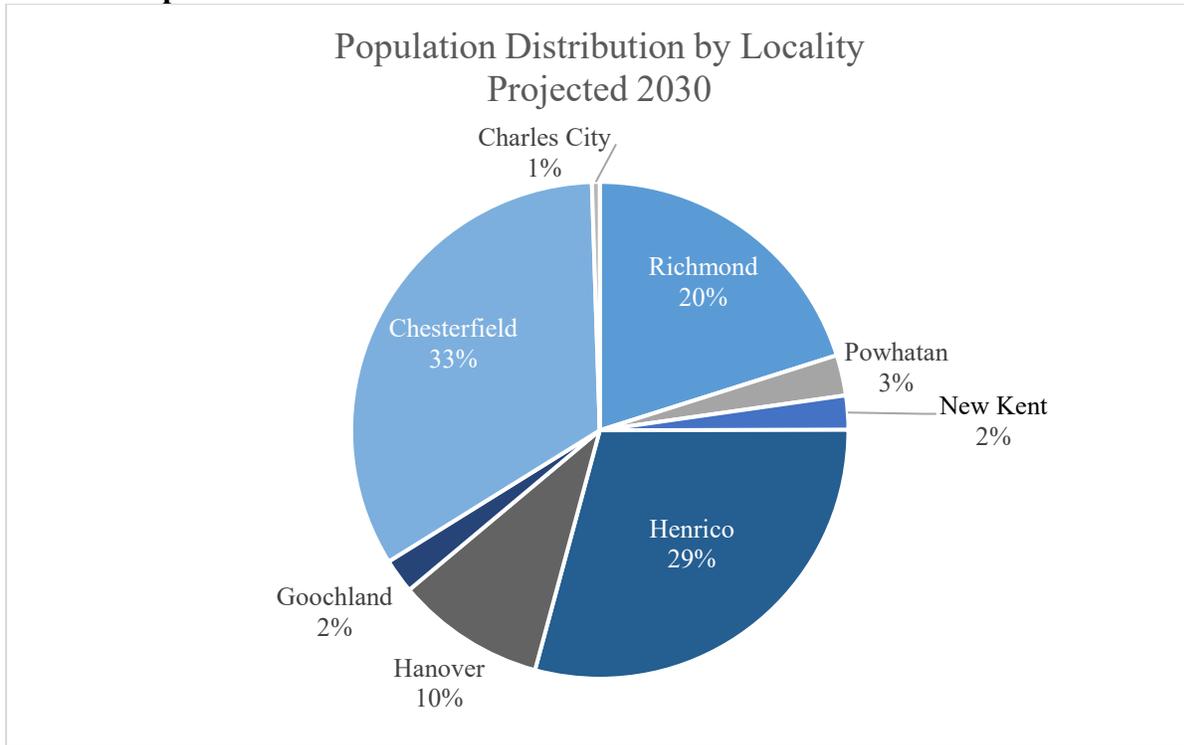
In determining whether a public need exists for a proposed project, the following factors shall be considered when applicable.

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

PD 15 is a relatively fast-growing area of Virginia. Chesterfield County, where three of the proposed projects are located (COPN Request Nos. VA-8846, VA-8851 and VA-8854), represents about a third of the PD 15 population (**Chart 2**) and is projected to grow by 11.6% (twice the growth rate of Virginia) and add just over 42,000 people between 2020 and 2030 (**Table 1/Chart 1**). More than 42% of the growth in PD 15 during the 2020 to 2030 decade is projected in Chesterfield County. The population over age 65 is expected to grow at a higher rate in PD 15 (31.7%) than that of Virginia (26.3%). Chesterfield’s population over age 65 is projected to grow faster still (35.5%), adding over 20,000 in this age group between 2020 and 2030 (**Table 1/Chart 1**). Adding health resources in this growing area will improve access for the large, growing and aging population.

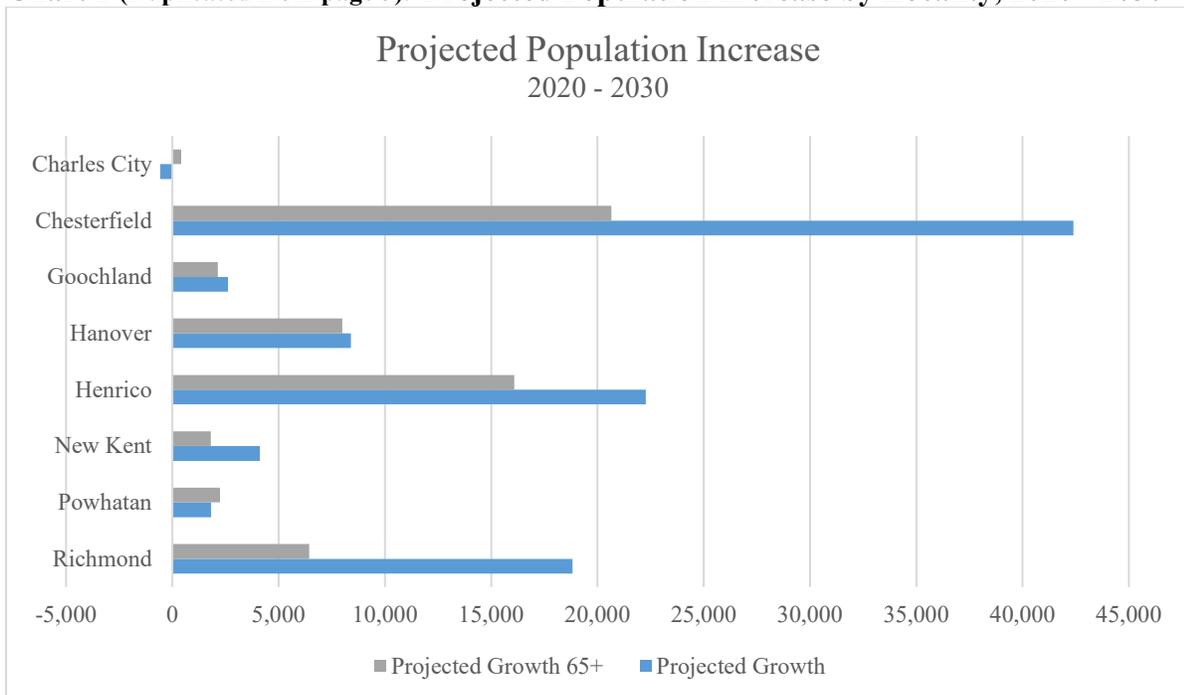
One of the proposed competing projects (COPN Request No. VA-8843) is in Hanover County, which represents about 10% of the population in PD 15 (**Chart 2**). It is growing at a faster rate than that of Virginia, not as fast as PD 15 and is expected to add 8,395 people during the decade. The age cohort over 65 in Hanover County is projected to experience the second fastest growth rate (38.6%) of municipalities in PD 15 during the 2020 to 2030 decade, a higher rate than that of Virginia (26.5%) and PD 15 (31.7%). Hanover is expected to have nearly 8,000 more people over age 65 in 2030 versus 2020 (**Table 1/Chart 1**). The proposed project would add cardiac PET/CT and improve access for this growing, aging population.

Chart 2. Population Distribution of PD 15



Source: Weldon Cooper Intercensal Estimates

Chart 1 (Duplicated from page 3). Projected Population Increase by Locality, 2020 - 2030

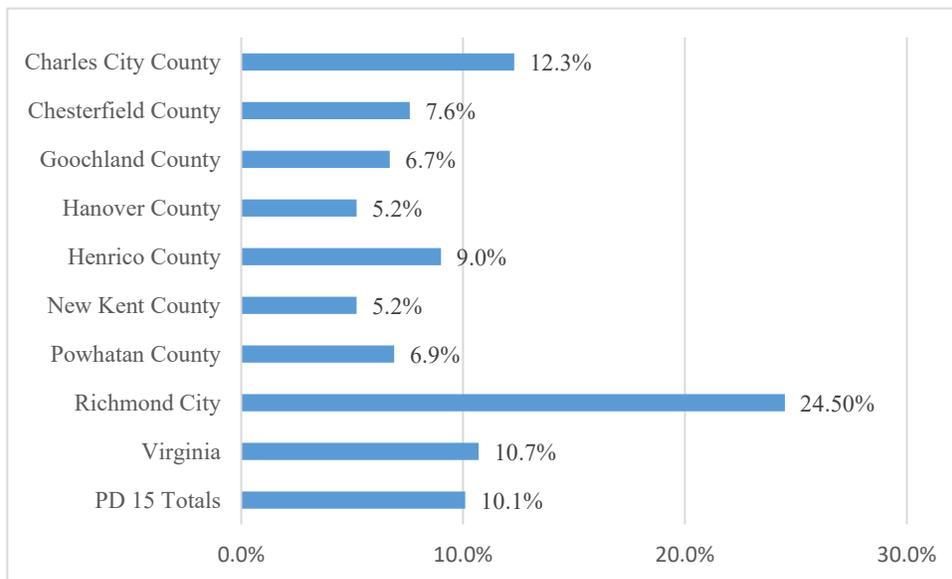


Source: Weldon Cooper Intercensal Estimates

To provide context for socioeconomic and transportation barriers, DCOPN examined poverty rates by locality and public transportation availability. In PD 15 10.1% of the population lives in poverty and the statewide poverty rate is 10.7%. Hanover County’s poverty rate is 5.2%, the lowest of localities in PD 15, and Chesterfield County’s poverty rate is 7.6%, slightly higher, but still less than that of Virginia and PD 15 overall (**Chart 3**).

Greater Richmond Transit Company (GRTC) serves as public transportation for Richmond City as well as parts of Chesterfield and Henrico Counties. It does not serve Hanover County; however, Hanover Dash is a service in Hanover County for individuals 65+ or disabled who can pay a flat \$6.00 rate for a one-way ride for medical appointments and specific other needs. Hanover Dash covers Hanover County and a 7-mile extension beyond the County’s boundaries; the ride must begin or end within Hanover County’s boundaries.¹⁸

Chart 3. Poverty Rate by Locality



Source: Weldon-Cooper Census Data

VA-8843—Virginia Cardiovascular Specialists, PC

The proposed site is in Mechanicsville (within Hanover County) and adjacent to major transportation arteries, including Interstate 64 and Interstate 295. Direct ingress and egress from Bell Creek Road and Pole Green Road ensure a smooth traffic flow and minimize congestion for patients. Public transportation in Hanover County is limited, but the proposed site is within a short drive of GRTC bus routes that serve the Mechanicsville Turnpike corridor. The site offers ample, free surface parking immediately adjacent to the entrance. The proposal primarily improves access and choice for patients of VCS at all of its office sites.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

The proposed site of Bon Secours IBEC is less than three miles and easily accessible from the intersection of Route 10 (Iron Bridge Road) and Route 150 (Chippenham Parkway), from which

¹⁸ <https://www.hanovercounty.gov/1000/HanoverDASH>

Interstate 95 is accessible. The proposed location is not currently served by public transportation, as is true of most of Chesterfield County. The proposed site is accessible for the Chesterfield community and is positioned approximately one mile from Station 11 of Chesterfield Fire & EMS to facilitate rapid transportation and coordination with emergency services for patients.

VA-8851—Cardiology of Virginia, Inc.

The proposed site is in Midlothian in Chesterfield County about one and a half miles from the intersection of Route 288 and Route 76, Powhite Parkway and 3 miles from Hull Street Road/Highway 360. Bus services are not directly available, but Medicaid and Medicare patients can arrange personalized transportation to the office through Modivcare. The site offers accessible on-site parking immediately adjacent to the entrance.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

The proposed site is located near the interchange of State Routes 60 and 299, major thoroughfares in Chesterfield County. No public transportation is noted. The site has a dedicated parking lot adjacent to the building.

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

- (i) The level of community support for the project demonstrated by citizens, businesses, and governmental leaders representing the area to be served.**

Section 32.1-102.6 B of the Code of Virginia directs DCOPN to 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 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. Public hearings were held for the four projects under review on December 18, 2025, at the Twin Hickory Area Library in Glenn Allen, Virginia. In addition, DCOPN provided notice to the public on November 10, 2025 regarding these projects, inviting public comment. The public comment period closed on December 25, 2025.

VA-8843—Virginia Cardiovascular Specialists, PC

At the public hearing, three participants were in support, and none opposed the VCS proposed project. DCOPN received 23 letters of support for the proposed VCS project, 19 from VCS physicians, 3 from physicians outside of VCS and one from a patient. These letters expressed the following:

- VCS physicians expressed commitment to their involvement and qualifications to interpret studies and ensure quality assurance and coordination of care.
- Cardiac PET has historically been difficult for a private practice to pursue due to cost.
- Cardiac PET will make available noninvasive imaging with lower radiation and higher sensitivity, especially for patients with very high BMI.
- The proposed cardiac PET/CT will improve patient satisfaction, reduce scanning time and likely reduce the number of cardiac catheterizations needed, lowering cost.

- These physicians strongly support the introduction of cost-effective technology to the Mechanicsville community to meet the increasing cardiac health needs of the population.
- The patient's letter stated that PET/CT quickly and accurately identified a serious issue with blood flow in his heart. that was able to be corrected the day after his scan and saved his life, highlighting the importance of access to this technology.

The letters of support referenced above and the public hearing are the only documented public comments. There is no known opposition to the proposed project.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

At the public hearing, nine participants were in support, and none opposed the St. Francis proposed project. DCOPN received six letters of commitment from three radiologists and five other members of the medical staff, as well as nine letters of support for the proposed St. Francis project. These letters expressed the following:

- Commonwealth Radiology, PC supports the proposed project and commits to the interpretation of imaging services at the proposed facility.
- St. Francis is a key resource for imaging and emergency services in Chesterfield County.
- St. Francis' provides care through its hospital campus in Midlothian and two freestanding emergency departments in Chester and Westchester, all highly utilized.
- St. Francis' imaging services have exceeded the SMFP threshold for expansion for several years.
- The proposed project will be a welcome addition to the complement of healthcare services.
- With the rapidly growing population around the proposed site, the proposal is needed to provide access to residents of the area.

The letters of support referenced above and the public hearing are the only documented public comments. There is no known opposition to the proposed project.

VA-8851—Cardiology of Virginia, Inc.

At the public hearing, seven participants were in support, and none opposed the proposed CoV project. DCOPN received nine letters of support for the proposed CoV project, three from CoV physicians committing to interpreting studies, managing quality assurance and coordination of care, and six from area cardiovascular physicians. These letters expressed the following:

- CoV physicians are excited to offer technology to patients to ensure state-of-the-art care by reducing radiation, improving image quality, especially for patients with high BMI, and improving overall value of care.
- CoV requires improved equipment to provide the highest quality care.
- With more than 25,000 patient encounters per year, CoV has reached capacity on its SPECT scanner.
- Compared to traditional SPECT imaging, PET/CT offers significantly lower radiation exposure and is far more effective in diagnosing heart disease.

- The proposed project will enable CoV to better serve the growing patient population of Chesterfield County.
- The growing and aging population in Chesterfield County is driving demand for more cardiovascular services.
- The proposed PET/CT is essential for assessing, diagnosing and managing heart disease as well as coronary artery disease and conditions.
- The proposed project will decrease scanning time and improve patient satisfaction.

The letters of support referenced above and the public hearing are the only documented public comments. There is no known opposition to the proposed project.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

At the public hearing, three participants were in support and none opposed the VENTA proposed project. DCOPN received 13 letters of support for the proposed VENTA project, 10 from VENTA physicians, 2 from Chippenham & Johnston-Willis Hospitals and 1 from Dermatology Associates of Virginia. These letters expressed the following:

- VENTA physicians expressed support and commitment to the proposed project.
- The proposed project will allow VENTA to continue its current, efficient practice of providing needed CT scans onsite with their patients' physician visits.
- VENTA is a high-quality and important provider of services.
- It is important that VENTA is allowed to provide streamlined services to its patients.

The letters of support referenced above and the public hearing are the only documented public comments. There is no known opposition to the proposed project.

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

VA-8843—Virginia Cardiovascular Specialists, PC

Authorizations for cardiac PET/CT scanners have proliferated in Virginia in the past two years. Two of the latest three PET/CT scanners authorized in PD 15 have been restricted to cardiac use. They are operated by individual cardiology practices and are used primarily for their own patients. PET/CT is developing into a significant technology for cardiac diagnostics. It is the preferred and recommended modality for myocardial perfusion by the American Society of Nuclear Cardiology and the Society of Nuclear Medicine and Molecular Imaging, replacing SPECT as the standard of care. VCS was issued the first PD 15 COPN for cardiac PET services in 2018 at its Forest Avenue, Henrico location (COPN No. VA-04590). The applicant is requesting a second fixed cardiac PET/CT location in PD 15.

The status quo entails continued travel for VCS patients to its current PET/CT scanner in Henrico or continued use of the SPECT camera for myocardial perfusion, currently at the proposed site. PET/CT is superior to SPECT in diagnostic accuracy, 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. VCS has SPECT patients and a

patient base at its various office locations that would benefit from access to the recommended imaging modality. The proposed project is more beneficial than the status quo. No reasonable alternative is identified that serves the population in a less costly, more efficient or more effective manner. Because the applicant proposes to use the PET/CT unit primarily to serve its existing patient population, and it will be limited to cardiac use, DCOPN concludes that the proposed project is unlikely to adversely affect the utilization and efficiency of existing services.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

St. Francis' two hospital-based CT scanners had utilization of 228.5% of the SMFP threshold to add CT capacity in 2024 and exceeded the standard of 7,400 procedures per scanner for several years prior. Its two existing freestanding emergency departments each have a CT scanner exceeding the SMFP threshold at 128% and 129%, respectively in 2024. Altogether, St. Francis' four CT scanners had utilization of 13,206 procedures per scanner in 2024, 178% of the SMFP threshold. There is no alternative to adding CT capacity at St. Francis, and the SMFP explicitly allows for expansion at an off-site location. No reasonable alternative has been identified that meets the needs of the population in a less costly, more efficient, or more effective manner. Furthermore, the proposal is more beneficial than the status quo.

VA-8851—Cardiology of Virginia, Inc.

As previously discussed, cardiac PET/CT scanners have proliferated in Virginia in the past two years and two of the latest three PET/CT scanners authorized in PD 15 have been restricted to cardiac use. They are operated by individual cardiology practices and are used primarily for their own patients, as would the proposed project. PET/CT is the preferred and recommended modality for myocardial perfusion by the American Society of Nuclear Cardiology and the Society of Nuclear Medicine and Molecular Imaging, replacing SPECT as the standard of care.

The status quo entails continued use of the SPECT camera for myocardial perfusion by CoV's large and quickly growing cardiovascular patient base, rather than the superior PET/CT cardiac imaging that is preferred and recommended. PET/CT is superior to SPECT in diagnostic accuracy, 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. CoV has SPECT patients and a patient base that would benefit from access to the recommended imaging modality. The proposed project is more beneficial than the status quo. No reasonable alternative is identified that serves the population in a less costly, more efficient or more effective manner. Because the applicant proposes to use the PET/CT unit primarily to serve its existing patient population, and it will be limited to cardiac use, DCOPN concludes that the proposed project is unlikely to adversely affect the utilization and efficiency of existing services.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

There is no identified alternative to the proposed project that serves the population in a less costly, more efficient or more effective manner. The status quo would leave VENTA's CT service at a location separate from its new state-of-the-art facility and create costs and inefficiencies for patients and physicians. The inventory-neutral proposal to establish a specialized center for the provision of head and neck CTs through relocation is more beneficial than the status quo.

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

Currently, there is no organization in HPR IV designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 15. Therefore, this consideration is not applicable to the review of the proposed project.

(iv) Any costs and benefits of the project.

VA-8843—Virginia Cardiovascular Specialists, PC

Total projected capital costs for the proposed project are \$467,056, funded by operating revenues and a service contract with CDL Nuclear Technologies, Inc. The estimated costs are less than the costs of other similar, recently approved projects to establish cardiac PET/CT in cardiology practices. For example, COPN No. VA-04949 was issued to James River Cardiology, authorizing a capital cost of \$1.3 million and COPN No. VA-04882 was issued to Amelia Heart and Vascular Center with a capital cost of \$1.4 million.

The applicant has described several benefits of the proposed project. Currently, VCS offers SPECT at the proposed location, but cardiac PET/CT is the preferred modality for myocardial perfusion imaging over SPECT-based studies. PET/CT-based cardiac studies are more accurate than SPECT-based studies. The combination of cardiovascular PET with CT provides the patient with the most accurate study, which is significantly better than PET cameras without CT, because CT provides a more rapid study with a high-quality attenuation map. PET scans combined with CT are several minutes shorter. Shorter scan times result in less motion and improved diagnostic accuracy, thereby avoiding unnecessary cardiac catheterizations. Cardiac PET/CT scans also expose patients to less radiation than SPECT.

The addition of a cardiac PET/CT by VCS is unlikely to produce a reduction in utilization of existing cardiac PET/CT services within PD 15. Given the strong and growing demand for cardiac PET/CT services and limited availability, the proposed project is beneficial to the population, particularly VCS's patient base. Other providers of cardiac PET/CT serve their own distinct patient population, and given the large population and relatively high growth in PD 15, no reduction in services is anticipated.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

Total capital costs for the proposed project are \$33,713,480, of which 46% are direct construction costs. This is inclusive of the 14,800 gross square foot IBEC building, though only 500 square feet are required for the CT scanner. The project will be funded entirely with accumulated reserves such that no financing costs will accrue. Applying the overall square footage to the CT's 500 square feet yields a cost of \$1,138,969 which is comparable to similar, recently authorized projects. For example, Spotsylvania Regional Medical Center was issued COPN No. VA-04901 at an authorized cost of \$1,016,602; and Lewis Gale Medical Center was issued COPN No. VA-04955 at an authorized cost of \$1,002,090.

The applicant has described several benefits to the proposed project, primarily related to decanting high volumes from existing CT scanners and supporting emergency services that will be co-located with the proposed CT service. The location is approximately one mile from a busy Fire/EMS station to facilitate rapid transportation and support coordination with emergency services for patients.

Given the very high utilization of all of St. Francis' CT scanners, the addition of a CT scanner by St. Francis is unlikely to reduce utilization of existing CT services within PD 15. Given the strong and growing demand for its CT services and the growing and aging population in Chesterfield County, the proposal will provide needed access in the community.

VA-8851—Cardiology of Virginia, Inc.

Total projected capital costs for the proposed project are \$2,002,885, funded by reserves and commercial loans, with operational revenues paying for a leasing agreement for the equipment. Total capital and financing costs are \$2,245,448. The estimated costs are higher than costs of other similar, recently approved projects to establish cardiac PET/CT in cardiology practices. For example, COPN No. VA-04949 was issued to James River Cardiology, authorizing a capital cost of \$1.3 million and COPN No. VA-04882 was issued to Amelia Heart and Vascular Center with a capital cost of \$1.4 million.

The applicant has described several benefits of the proposed project. Currently, CoV offers SPECT at the proposed location, but cardiac PET/CT is the preferred modality for myocardial perfusion imaging over SPECT-based studies. PET/CT-based cardiac studies are more accurate than SPECT-based studies. The combination of cardiovascular PET with CT provides the patient with the most accurate study, which is significantly better than PET cameras without CT, because CT provides a more rapid study with a high-quality attenuation map. PET scans combined with CT are several minutes shorter. Shorter scan times result in less motion and improved diagnostic accuracy, thereby avoiding unnecessary cardiac catheterizations. Cardiac PET/CT scans also expose patients to less radiation than SPECT.

The proposal also seeks to utilize the CT component of the proposed PET/CT equipment independently to measure coronary arterial calcium. This imaging is a painless, non-invasive way to identify the presence, location and extent of calcified plaque in the coronary arteries, indicating the presence of atherosclerosis and coronary artery disease. The tool provides direct visualization of arterial plaque and allows for more precise risk stratification, early intervention and improved patient management with no additional equipment cost.

The addition of a cardiac PET/CT by CoV is unlikely to produce a reduction in utilization of existing cardiac PET/CT services within PD 15. Given the strong and growing demand for cardiac PET/CT services and limited availability, the proposed project is beneficial to the population, particularly CoV's patient base. Other providers of cardiac PET/CT serve their own distinct patient population, and given the population and relatively high growth in PD 15, no reduction in services is anticipated.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

Total capital costs for the proposed project are \$243,830, of which lease costs of the CT space included within the new facility will be funded by operational revenue, and equipment by accumulated reserves. No financing costs are associated with the proposed project. Equipment costs and overall costs are lower than other recent proposals to establish a center for CT imaging, as the CT scanner is specific to head and neck scans. For example, Spotsylvania Regional Medical Center was issued COPN No. VA-04901 at an authorized cost of \$1,016,602; and Lewis Gale Medical Center was issued COPN No. VA-04955 at an authorized cost of \$1,002,090.

The primary benefit of the proposal is to retain efficiency and convenience for ENT patients and physicians by having on-site CT scanning capability at the applicant’s new facility. The proposal also results in CT services that are less costly for patients.

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

VA-8843—Virginia Cardiovascular Specialists, PC

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 cardiac PET/CT imaging that is no less than the equivalent average for charity care contributions in HPR IV in 2024, the latest year for which such data are available. Pursuant to the Code of Virginia, 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. The proforma for the proposed project proffers 2% charity care (**Table 10**), higher than the latest HPR IV mean of 0.9% (**Table 11**). Should the proposal be approved, DCOPN recommends a charity condition of 2% as proposed by the applicant.

Table 10. Proforma, VCS PET/CT

	Year 1	Year 2
Revenue (after isotope)	\$2,842,080	\$3,126,288
Charity care	\$56,842	\$62,526
Net Revenue	\$2,785,238	\$3,063,762
Operating Expenses	\$273,000	\$276,000
Net Income	\$2,512,238	\$2,787,762

Source: COPN Request No. VA-8843

Table 11. 2024 Charity Care Contributions for HPR IV

HPR IV	2024 at 200%		
	Gross Pt Rev	Total Charity Care Provided Below 200%	%
Inpatient Hospitals			
Encompass Health Rehab Hosp of Petersburg	\$35,558,767	\$1,308,642	3.7%
Sentara Halifax Regional Hospital	\$327,271,181	\$7,067,762	2.2%
Bon Secours Southern Virginia Regional Medical Center	\$269,252,865	\$5,288,471	2.0%
Bon Secours St. Francis Medical Center	\$1,701,025,863	\$31,217,891	1.8%
Sheltering Arms Institute	\$192,018,830	\$3,216,579	1.7%
Bon Secours Richmond Community Hospital	\$1,365,231,628	\$18,873,667	1.4%
Bon Secours St. Mary's Hospital	\$3,029,648,941	\$39,467,281	1.3%
CJW Medical Center HCA	\$11,840,238,948	\$123,924,990	1.0%
Bon Secours Southside Regional Medical Center	\$2,820,829,311	\$28,237,470	1.0%
TriCities Hospital HCA	\$1,474,696,049	\$14,176,839	1.0%
Henrico Doctors' Hospital HCA	\$7,780,639,272	\$59,835,274	0.8%
VCU Health System	\$9,030,145,019	\$63,013,672	0.7%
Poplar Springs Hospital UHS	\$88,666,484	\$493,078	0.6%
Bon Secours Memorial Regional Medical Center	\$2,044,616,572	\$9,753,595	0.5%
Centra Southside Community Hospital	\$415,397,324	\$1,821,204	0.4%
VCU Community Memorial Hospital	\$448,298,275	\$1,239,044	0.3%
Encompass Health Rehab Hosp of Virginia	\$32,375,170	\$2,350	0.0%
Select Specialty Hospital - Richmond	\$192,901,481	\$0	0.0%
Cumberland Hospital for Children and Adolescents UHS	\$29,398,596	\$0	0.0%
Inpatient Hospitals			
Total Inpatient Hospitals:			19
HPR IV Total Inpatient \$ & Mean %	\$43,118,210,576	\$408,937,809	0.9%
Outpatient Hospitals			
American Access Care of Richmond	\$6,271,285	\$83,974	1.3%
Boulders Ambulatory Surgery Center HCA	\$206,880,229	\$2,653,240	1.3%
VCU Health Neuroscience, Orthopedic and Wellness Center	\$78,434,508	\$608,160	0.8%
Virginia Eye Institute, Inc.	\$64,339,818	\$455,572	0.7%
St. Mary's Ambulatory Surgery Center	\$62,609,653	\$305,241	0.5%
MEDRVA Stony Point Surgery Center	\$59,309,363	\$0	0.0%
Urosurgical Center of Richmond	\$47,080,875	\$0	0.0%
MEDRVA Surgery Center @ West Creek	\$13,820,435	\$0	0.0%
Cataract and Refractive Surgery Center	\$9,845,331	\$0	0.0%
Skin Surgery Center of Virginia	\$1,708,546	\$0	0.0%
Virginia ENT Surgery Center			
Virginia Beach Health Center VLPP			
Total Outpatient Hospitals:			10
HPR IV Total Outpatient Hospital \$ & Mean %	\$550,300,043	\$4,106,187	0.7%
Total Hospitals:			29
HPR IV Total \$ & Mean %	\$ 43,668,510,619	\$ 413,043,996	0.9%

Source: 2024 VHI

VA-8846—Bon Secours -St. Francis Medical Center, LLC

The applicant affirms that all services at St. Francis are available to anyone, regardless of ability to pay or source of payment. Bon Secours Mercy Health offers reduced rates and free care to qualifying individuals and families through its Care Card program and participates in other programs to ensure financial accessibility. St. Francis provided charity at a rate of 1.8% of patient revenue in 2024, the latest year for which such data are available, higher than the HPR IV average that year of 0.9% (**Table 11**). In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from CT imaging that is no less than the equivalent average for charity care contributions in HPR IV. 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.

Table 12. Proforma, IBEC CT Scanner

	Year 1	Year 2
Gross Revenue	\$84,079,000	\$91,691,000
Charity care	\$2,522,000	\$2,751,000
Contractual Adjustments	\$68,945,000	\$75,186,000
Net Revenue	\$12,612,000	\$13,754,000
Operating Expenses	\$8,613,000	\$9,444,000
Net Income	\$3,999,000	\$4,310,000

Source: COPN Request No. VA-8846

The proforma for the proposed project proffers 3% charity care, consistent with St. Francis’ facility-wide charity condition (**Table 12**). Should the proposal be approved, DCOPN recommends a charity condition of 3%.

VA-8851—Cardiology of Virginia, Inc.

In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from cardiac PET/CT imaging that is no less than the equivalent average for charity care contributions in HPR IV, 0.9% in 2024, the latest year for which such data are available (**Table 11**). Pursuant to the Code of Virginia, 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. The proforma for the proposed project includes 0.9% charity care (**Table 13**), consistent with the latest HPR IV mean. Should the proposal be approved, DCOPN recommends a charity condition of 0.9%.

Table 13. Proforma, Cardiology of Virginia, Inc. PET/CT

	Year 1	Year 2
Gross Revenue	\$3,051,302	\$3,432,715
Charity care	\$27,462	\$30,894
Net Revenue	\$3,023,840	\$3,401,821
Operating Expenses	\$1,838,006	\$1,942,307
Net Income	\$1,185,834	\$1,459,514

Source: COPN Request No. VA-8851

VA-8854—Virginia Ear, Nose & Throat Associates, PC

In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from CT imaging that is no less than the equivalent average for charity care contributions in HPR IV, 0.9% in 2024, the latest year for which such data are available. Pursuant to the Code of Virginia, 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.

Table 13. Proforma, VENTA CT Scanner

	Year 1	Year 2
Gross Revenue	\$135,000	\$138,600
Charity care	\$1,215	\$1,248
Contractual Adjustments	\$74,250	\$76,230
Other deductions	\$2,700	\$2,772
Net Revenue	\$56,835	\$58,350
Expenses	\$10,700	\$10,700
Earnings before Depreciation	\$46,135	\$47,650
Depreciation Expense	\$15,000	\$15,000
Operating Income	\$31,135	\$32,650

Source: COPN Request No. VA-8854

The proforma for the proposed project (**Table 14**) includes charity care in the amount of 0.9% of gross revenue, consistent with the latest HPR IV charity care mean of 0.9% (**Table 11**). Should the proposal be approved, DCOPN recommends a charity condition of 0.9%.

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

There are no other factors, not addressed elsewhere in the analysis, relevant to the determination of a public need for either project.

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

Section 32.1-102.2:1 of the Code of Virginia calls for the State Health Services Plan Task Force to develop recommendations for a comprehensive State Health Services Plan (SHSP). In the interim,

DCOPN will consider the consistency of the proposed project with the predecessor of the SHSP, the State Medical Facilities Plan (SMFP).

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

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

VA-8843—Virginia Cardiovascular Specialists, PC

The applicant cites high utilization of PET services at its existing PET site but is not asserting an institutional need for expansion. Its proposal is for a new site.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

A-St. Francis is requesting to establish a CT scanner off-site of its hospital campus, in a specialized center for CT imaging, as an expansion of its CT services due to an institutional need. This off-site expansion is explicitly allowed per the section of the SMFP related to CT services. St. Francis' two hospital-based CT scanners had utilization of 228.5% of the SMFP threshold to add CT capacity in 2024 and exceeded the standard of 7,400 procedures per scanner for several years prior. Its two existing freestanding emergency departments each has a CT scanner with utilization exceeding the SMFP threshold at 128% and 129%¹⁹, respectively in 2024. Altogether, St. Francis' four CT scanners had utilization of 13,206 procedures per scanner in 2024, 178% of the SMFP threshold, demonstrating an institutional need for expansion.

B-None of St. Francis' CT scanners has underutilized services. There is one CT scanner operated by Bon Secours Mercy Health that had less than 100% utilization in 2024. Bon Secours Imaging at Reynolds Crossing is 19 miles/20-35 minutes from the proposed site. There is a single CT scanner at that location, so the CT service in that community would close if the unit were relocated.

C-The proposal is not a nursing facility.

D- The proposal is an off-site expansion of St. Francis' CT service, explicitly permitted in the SMFP.

¹⁹ St. Francis asserts that it reported volumes to VHI (see **Table 4**) for its Westchester Emergency Center site as "ED – Bon Secours Westchester" (CT scans for emergency services) and "Bon Secours Westchester Imaging Center" (non-emergent CT scans), but these volumes combined were performed by the one CT scanner at that site.

VA-8851—Cardiology of Virginia, Inc.

CoV's proposal is for a new site and not expansion of an existing service.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

VENTA is proposing to establish a new site and not to expand an existing service.

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

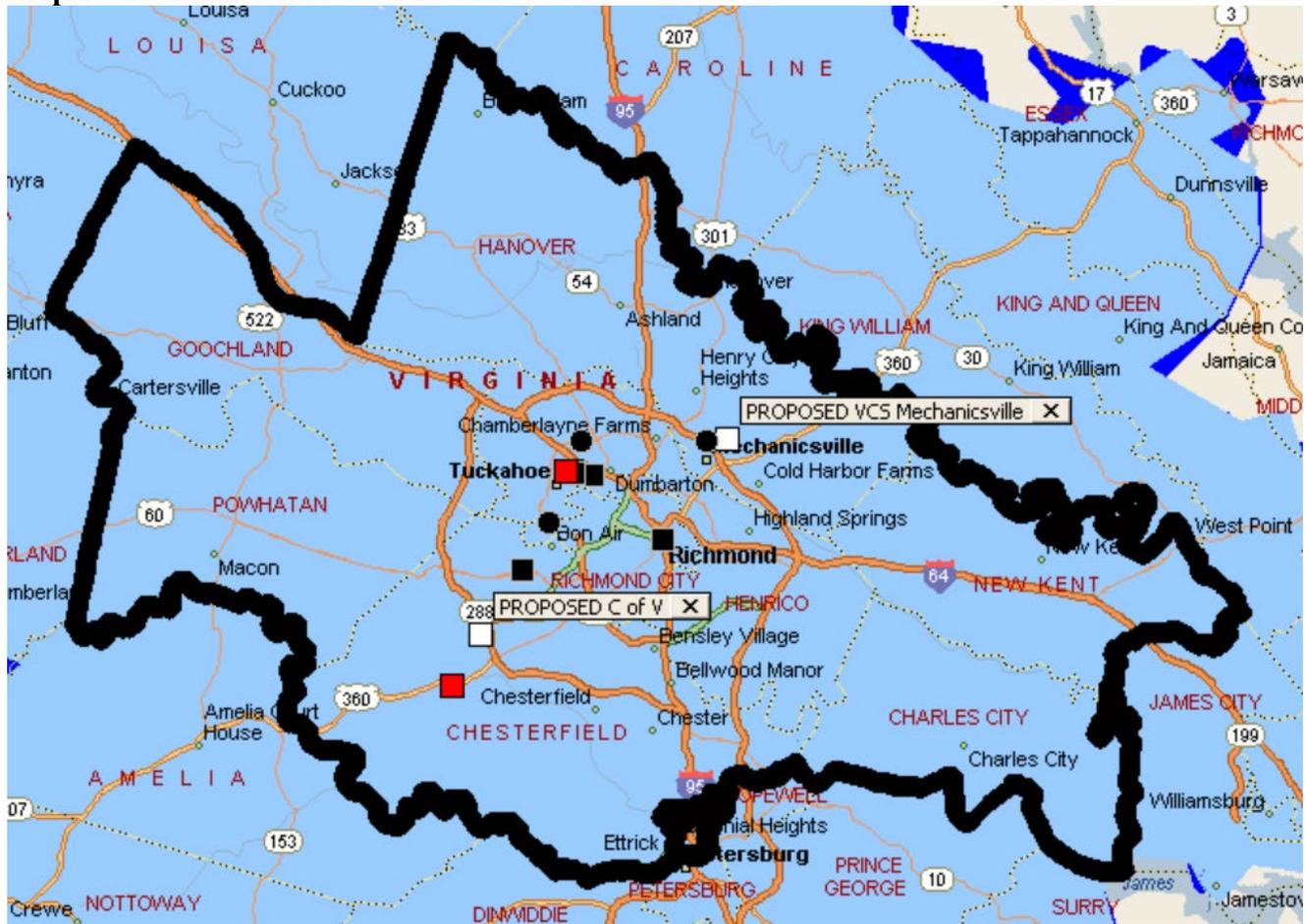
Part II
Diagnostic Imaging Services
Article 4 Criteria and Standards for Positron Emission Tomography

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.

The heavy black line in **Map 2** is the boundary of PD 15. The squares on the map represent fixed site PET scanners while the circles are mobile sites. The red squares indicate PET scanners restricted to cardiac-only studies and the white squares are the proposed cardiac-restricted PET sites (COPN Request No. VA-8843 and VA-8851). It is important to note that the SMFP does not distinguish between cardiac-specific PET services and all other PET services. The blue shaded area includes the area that is within 60 minutes driving time one-way under normal conditions of existing cardiac specific PET services in PD 15. The drive time availability for existing cardiac-specific PET scanners overlaps and covers the area that is within a 60-minute drive of all PET services. **Map 2** clearly illustrates that PET services are available within 60 minutes' driving time of the entire population in PD 15.

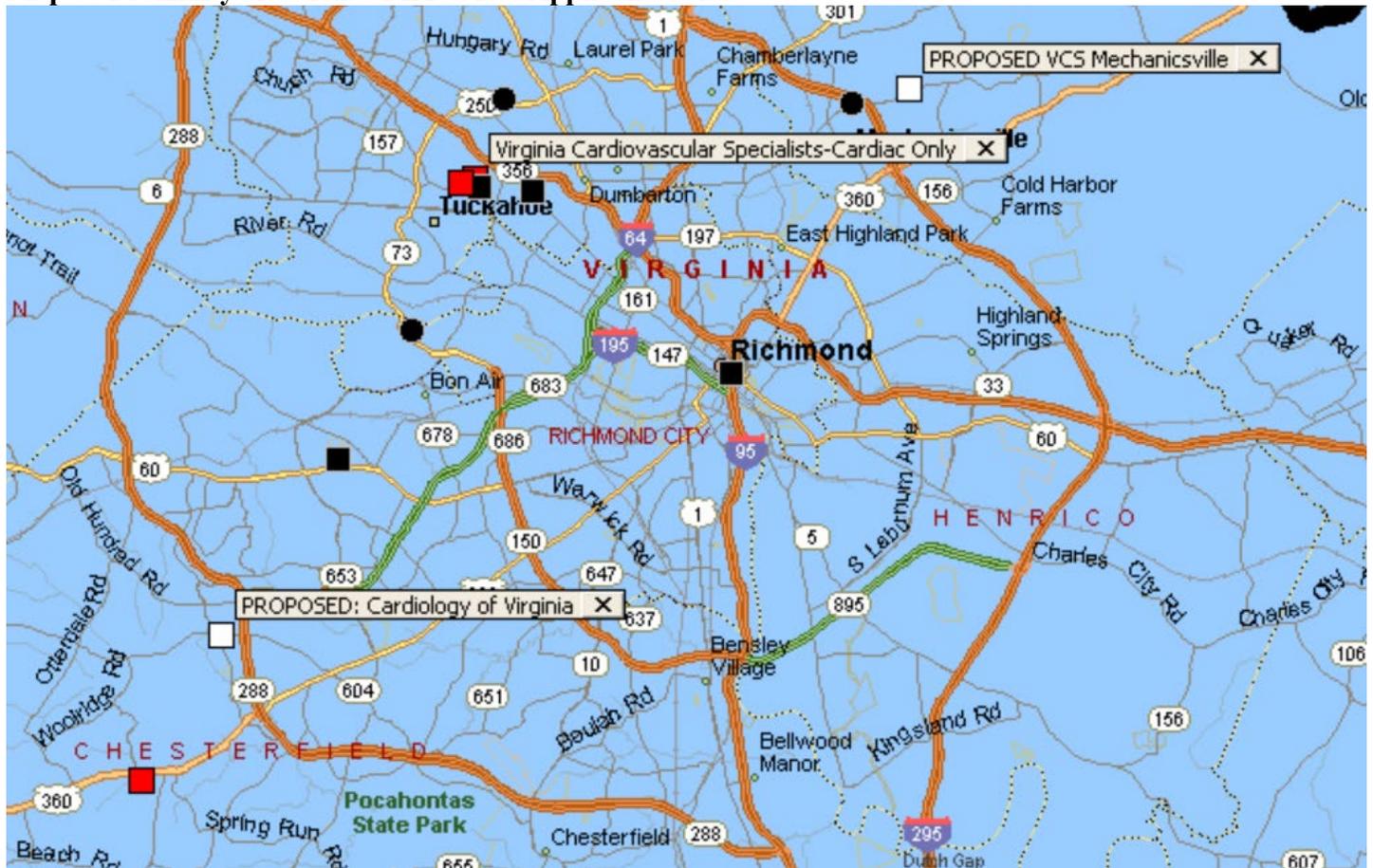
Map 2. Authorized PET Scanners in PD 15



Note: Squares are fixed sites; circles are mobile sites; red squares are cardiac-only; the white squares are the proposed sites.

Map 3 is provided to visualize all of the existing cardiac PET services in PD 15 (the red squares) in relation to the proposed cardiac PET sites (the white squares). VCS' existing cardiac PET service in Henrico County (labeled Virginia Cardiovascular Specialists-cardiac only on Map 3) is about 20.6 miles/25 minutes from its proposed site. Neither of the proposed projects improves geographic access to PET in PD 15, as all of the population is already within 60 minutes of an existing fixed PET site.

Map 3. Proximity of Cardiac PET/CT to Applicants' Sites



Note: Squares are fixed sites; circles are mobile sites; red squares are cardiac-only; the white squares are the proposed sites.

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.

VA-8843—Virginia Cardiovascular Specialists, PC
Not applicable. The applicant is not a hospital.

VA-8846—Bon Secours -St. Francis Medical Center, LLC
Not applicable. The applicant is not proposing a PET scanner.

VA-8851—Cardiology of Virginia, Inc.
Not applicable. The applicant is not a hospital.

VA-8854—Virginia Ear, Nose & Throat Associates, PC
Not applicable. The applicant is not a hospital nor is it proposing a PET scanner.

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 one individual PET procedure and one CT procedure respectively, unless those images are made concurrently.

In 2024, the latest year for which VHI reported utilization data, PD 15 had five fixed PET scanners. Utilization of these stationary scanners for 2024 is presented in **Table 2**. These scanners performed an average of 2,325 procedures, 38.8% of the SMFP standard (6,000 per scanner) that year.

DCOPN notes that there are now eight fixed site PET scanners in PD 15, included in **Table 2**, three of them restricted to cardiac use. Only one of these cardiac-restricted PET units was open and reported data in 2024. Virginia Cardiovascular Specialists, PC's original PET/CT site reported 2,549 procedures on its PET scanner in 2024. Though this is only 42.5% of the SMFP standard to add a PET scanner to the PD, it has the second highest utilization of PET scanners in PD 15.

Calculated Needed Fixed PET Scanners in PD 15

2025 COPN authorized fixed PET scanners = 8

Calculated Needed Fixed PET scanners = $11,627$ (2024 PET procedures) \div $6,000$ = 1.94 scanners
(2) needed

PD 15 Calculated Surplus = (2025 PET Scanners (8) – Calculated Need (2)) = **Surplus of 6**

The SMFP does not distinguish between cardiac PET and PET used for other clinical uses. As shown above, there is a calculated surplus of 6 PET scanners in PD 15. DCOPN notes, as shown in **Table 2**, no PET services in PD 15 surpassed the SMFP's volume threshold in 2024. In fact, according to VHI data for 2024, the average number of PET procedures performed across all PET providers in the entire Commonwealth was 2,372. The only cardiac-restricted PET scanner operational in PD 15 in 2024 (VCS' existing PET/CT service) exceeded this.

DCOPN has previously acknowledged that 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.

VA-8843—Virginia Cardiovascular Specialists, PC

Based on converting 80% of its SPECT volumes to cardiac PET/CT, the proposed VCS PET scanner is expected to perform 1,200 in its first year. Regarding the effect that the proposed

project would have on existing providers, VCS has stated that the primary purpose of the proposed PET/CT service will be to serve its existing patient base, though it does not plan to close referrals from outside its practice. Because of the distinct nature of the patient base and the restricted scope of the PET/CT service to only cardiac procedures, DCOPN does not anticipate that approval of the proposed project would negatively affect utilization of other PET services in PD 15. Instead, approval of the proposed project would create an overall improvement in access to cardiac PET/CT for VCS's patients.

While the applicant does not meet the computational analysis of this SMFP standard, DCOPN recommends that the Commissioner, in this specific instance, not allow this standard to bar the establishment of this cardiac PET/CT service.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

Not applicable. The applicant is not proposing a PET scanner.

VA-8851—Cardiology of Virginia, Inc.

Based on converting 80% of its SPECT volumes to cardiac PET/CT and performing PET/CT scans on patients for which SPECT is not appropriate, the proposed CoV PET scanner is expected to perform over 1,100 procedures in its first year. Regarding the effect that the proposed project would have on existing providers, CoV has stated that the primary purpose of the proposed PET/CT service will be to serve its existing patient base. Because of the distinct nature of the patient base and the restricted scope of the PET/CT service to only cardiac procedures, DCOPN does not anticipate that approval of the proposed project would negatively affect utilization of other PET services in PD 15. Instead, approval of the proposed project would create an overall improvement in access to cardiac PET/CT for VCS's patients.

While the applicant does not meet the computational analysis of this SMFP standard, DCOPN recommends that the Commissioner, in this specific instance, not allow this standard to bar the establishment of this cardiac PET/CT service.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

Not applicable. The applicant is not proposing a PET scanner.

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

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

Not applicable. None of the applicants proposes to expand an existing fixed-site PET service.

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.

Not applicable. None of the applicants propose to add or expand an existing mobile PET service.

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.

Both applicants that are proposing a PET service have confirmed that the proposed PET services would be under the direct supervision of qualified and licensed physicians.

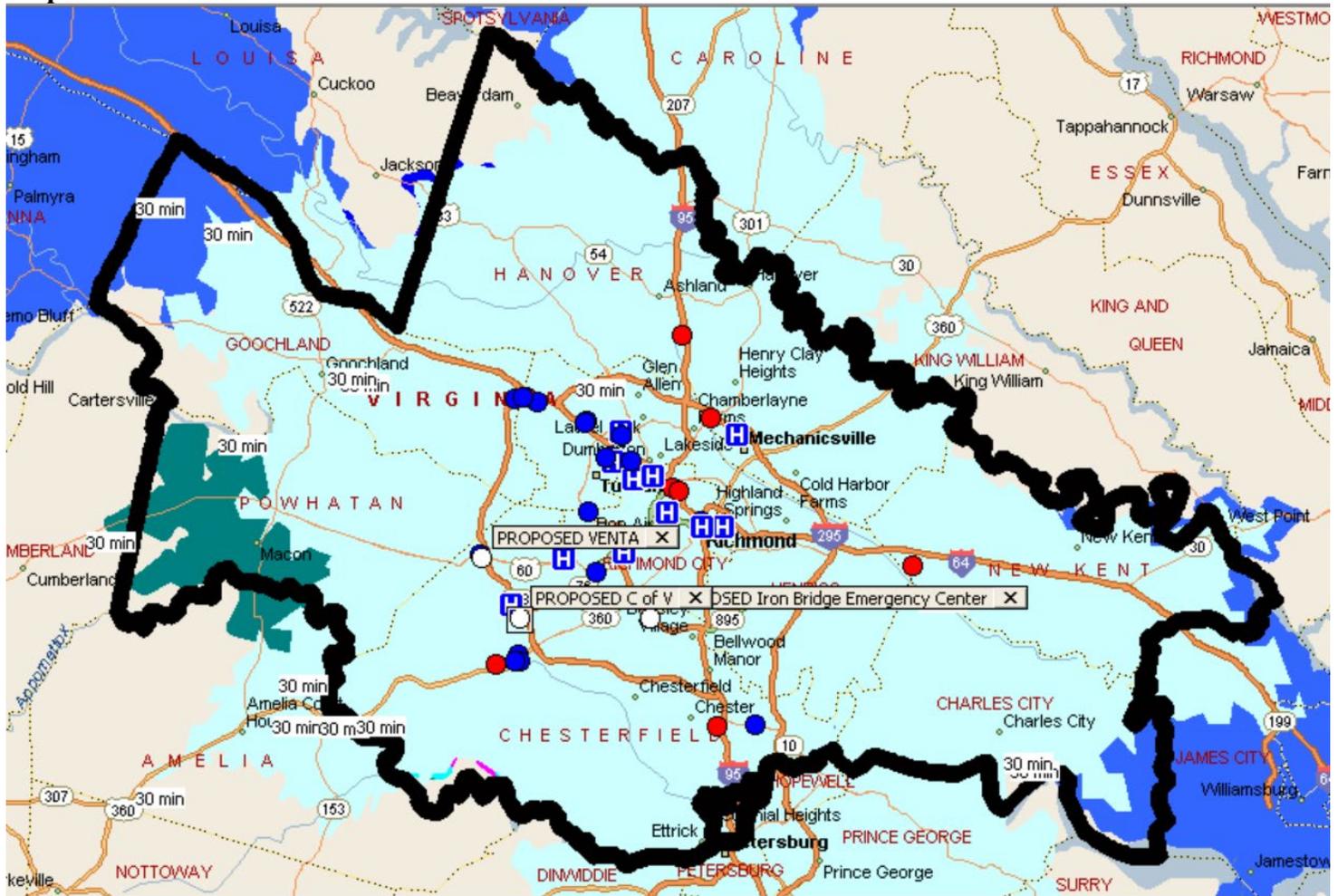
12VAC-5-230 Part I, Article 1
Criteria and Standards for Computed Tomography

12VAC5-230-90. Travel time.

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

The heavy black line in **Map 4** is the boundary of PD 15. The light blue shaded area in **Map 4** illustrates the areas in PD 15 that have CT services available within 30 minutes driving distance. The dark blue illustrates CT coverage within 30 minutes from providers outside of the PD. The three towns not within the shaded area include Cartersville (population 1,434 per 2020 Census), Beaverdam (population 14,374 per 2020 Census), and Macon (population 28,696 per 2020 Census), with a total population for the three being approximately 44,504 in 2020. The total PD 15 population was 1,140,301 in 2020, meaning the three towns not within 30 minutes driving distance from CT services make up approximately 3.9% of the PD population, or that 96.1% of the PD is within the appropriate driving time from CT services according to the SMFP standard. The proposed VENTA project expands geographic access beyond the area currently accessible to a CT service in 30 minutes (green shading), though its proposed CT service is restricted to scans of the head and neck. “H” symbols with blue backgrounds are hospital-based CT scanners, dots are freestanding CT sites and red dots are those in FSEDs. White dots locate the proposed CT scanners. It is important to note that the SMFP does not distinguish between restricted-use CT services (such as cardiac or ENT) and all other CT services.

Map 4. Authorized CT Scanners in PD 15



Source: DCOPN Records and Microsoft Streets & Maps

*Note: The red dots indicate free-standing ERs, the blue dots are outpatient imaging centers, the blue “H”s are hospitals with CTs, and the three white dots are the proposed sites.

12VAC5-230-100. Need for new fixed site or mobile service.

- A. No new fixed site or mobile CT service should be approved unless fixed site CT services in the health planning district performed an average of 7,400 procedures per existing and approved CT scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing providers in the health planning district. The utilization of existing scanners operated by a hospital and serving an area distinct from the proposed new service site may be disregarded in computing the average utilization of CT scanners in such health planning district.**
- 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.**

VHI reported utilization data on 47 operational PD 15 CT scanners in 2024, the most recent year for which such data are available. Their average utilization was 10,004 procedures per scanner, exceeding the SMFP threshold to add CT scanners in the PD (7,400 procedures per CT scanner), at 135.2% of the SMFP standard (**Table 4**)²⁰. Several CT scanners have been authorized since 2024 data were reported to VHI, and there are currently 57 diagnostic CT scanners in PD 15 (**Table 5**). At the utilization of the SMFP standard of 7,400 scans per year, the 470,191 scans performed in PD 15 in 2024 (**Table 4**) would represent 64 fully utilized CT scanners, seven more than are currently authorized.

Needed diagnostic CT units = $470,191 \div 7,400 = 64$

Utilization Percentage in 2024: 135.2% (excludes dedicated intraoperative scanners)

Current number of PD 15 authorized CT units: 57 (excluding dedicated intraoperative scanners)

CT deficit = 7

VA-8843—Virginia Cardiovascular Specialists, PC

Not applicable. VCS will not utilize the CT capability of its proposed PET/CT independently.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

St. Francis is requesting to establish a new site for CT services off-site of its hospital campus, in a specialized center for CT imaging, as an expansion of its existing CT service, due to an institutional need. Should its proposal be approved, it will reduce the deficit of CT scanners in PD 15.

VA-8851—Cardiology of Virginia, Inc.

CoV intends to utilize the CT component of its proposed PET/CT scanner independently. Should its proposal be approved, it will reduce the deficit of CT scanners in PD 15 and be restricted to cardiovascular use.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

VENTA is requesting to establish a specialized center for CT imaging restricted to head and neck scans. The inventory-neutral proposal is to replace and relocate an existing CT scanner (also restricted to head scans), so the proposed project will not reduce the deficit of CT scanners in PD 15. VENTA has not reported utilization to VHI for a number of years but has reached out to submit retrospective data. In its application, VENTA reported utilization equal to 8.4% of the SMFP threshold for 2025. This low utilization is expected for a specialized service. The proposal maintains the benefits of on-site CT scanning for VENTA's patients and is inventory-neutral and does not represent an addition to the CT inventory in PD 15.

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

²⁰ St. Francis describes reporting data on its CT service at Westchester ED and Imaging Center as two different entities, but all procedures were performed on one CT scanner. This decreases the number of PD 15 CT scanners reported to VHI in 2024 to 46, increases the average procedures per scanner to 10,222, or 138.1% utilization.

expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

VA-8843—Virginia Cardiovascular Specialists, PC

Not applicable. VCS will not utilize the CT capability of its proposed PET/CT independently.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

St. Francis is requesting to establish a CT scanner off-site of its hospital campus, in a specialized center for CT imaging, as an expansion of its CT services due to an institutional need. The CT scanner in a freestanding emergency department and imaging center would operate as a department of St. Francis. Should its proposal be approved, it will reduce the deficit of CT scanners in PD 15.

VA-8851—Cardiology of Virginia, Inc.

Not applicable. CoV's proposal is for a new CT service, not the expansion of an existing service.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

Not applicable. VENTA's proposal is not the expansion of an existing service.

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

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

This provision is not applicable as none of the applicants is proposing to add or expand mobile CT services.

12VAC5-230-130. Staffing.

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

All three applicants proposing a CT service provide assurances that their respective CT services will be under the direction or supervision of one or more qualified physicians.

Required Considerations Continued

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

VA-8843—Virginia Cardiovascular Specialists, PC

Three of the eight authorized fixed site PET services in PD 15 are cardiac-only, each owned by a cardiology group and each providing PET imaging primarily to (or prioritizing) that cardiology group's patients, as would VCS' proposed scanner, such that little to no competition would result from the proposed project.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

St. Francis has a demonstrated institutional need for the proposed project. Due to high utilization of its CT services and extraordinary population growth in the area surrounding the proposed site, the proposal will serve to enhance accessibility for its existing patient base and will not foster institutional competition.

VA-8851—Cardiology of Virginia, Inc.

Three of the eight authorized fixed site PET services in PD 15 are cardiac-only, each owned by a cardiology group and each providing PET imaging primarily to (or prioritizing) that cardiology group's patients, as would CoV's proposed scanner such that little to no competition would result from the proposed project. CoV intends to utilize the CT component of its proposed PET/CT scanner independently. There is a calculated deficit of CT scanners in PD 15, which the proposed project would decrease.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

The inventory-neutral establishment of a specialized center for CT scans of the head and neck by replacement and relocation of an existing CT service does not risk reduction of utilization by existing CT scanners. The proposed project is primarily for the practice's existing patient base and is restricted to CT scans of the neck, consistent with an ENT practice. It does not foster institutional competition.

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

PD 15 is served by hospital-based, freestanding and specialty physician-operated imaging services. Bon Secours, HCA, and VCU Health, as well as a long-term acute care hospital and specialists in cardiology, ENT, oncology, orthopedics and others, represent a wide variety of providers. There is a need for seven additional CT scanners and a calculated surplus of six PET scanners in PD 15. As noted above, no PET service in the Commonwealth has achieved the SMFP standard of 6,000 for adding a PET scanner. The most highly utilized PET scanner in Virginia (Virginia Heart in PD 8) achieved 5,448 procedures in 2024 (91% of the SMFP standard) and the second most highly-utilized in Virginia averaged 4,139 (69.0%). The average of all PET scanners in Virginia was 2,372 in 2024, the latest year for which such data are available. PD 15's average PET scans per scanner in 2024 were consistent with this, at 2,325 per PET scanner.

VA-8843—Virginia Cardiovascular Specialists, PC

Three of the eight authorized fixed site PET services in PD 15 are cardiac-only. VCS's existing PET scanner had the second-highest utilization in PD 15, at 2,549, following VCU Health. This is, relatively speaking, a highly utilized PET scanner. As the existing cardiac PET/CT services

in PD 15 were established to serve the needs of the individual cardiology groups that operate them (exclusively or primarily), as would the applicant's cardiac PET/CT service, it appears there will be little impact on the health care system as a whole in PD 15, other than making cardiac PET/CT imaging more available to the patients of VCS. Other area cardiovascular physicians have provided letters of support for the proposal.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

St. Francis is one of four Bon Secours hospitals operating in PD 15. Bon Secours controls 14 of the 57 diagnostic CT scanners in PD 15 (24.6%). St. Francis is the only Bon Secours hospital south of the James River and is located in Chesterfield County, the fastest growing county in PD 15. St. Francis' CT scanners, two hospital based and two offsite, combined had utilization of 178% in 2024.

VA-8851—Cardiology of Virginia, Inc.

Three of the eight authorized fixed site PET services in PD 15 are cardiac-only. The existing cardiac PET/CT services in PD 15 were established to serve the needs of the individual cardiology groups that operate them (exclusively or primarily), as would the applicant's cardiac PET/CT service, it appears there will be little impact on the health care system as a whole in PD 15, other than making cardiac PET/CT imaging more available to the patients of CoV. CoV intends to utilize the CT component of its proposed PET/CT scanner independently, restricted to cardiovascular imaging, specifically calcium artery channel scoring of its own patients. Again, the proposal is unlikely to impact existing providers of CT scanners. Other area cardiovascular physicians have provided letters of support for the proposal.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

VENTA consists of twelve physicians board certified in otolaryngology and five nurse practitioners. The practice has offered CT scanning as part of its practice for over a decade and currently has two sites in PD 15 that provide CT imaging, one in Henrico and the other in North Chesterfield, proposed to be relocated.

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

VA-8843—Virginia Cardiovascular Specialists, PC

The total capital costs of the proposed project are \$467,056, of which approximately 85% represents direct construction costs (**Table 6**) funded by operating revenues and a service contract with CDL Nuclear Technologies, Inc. As already discussed, DCOPN concludes that when compared to similar projects, these costs are less than costs of other similar recently approved projects to establish cardiac PET/CT in cardiology practices.

The proforma income statement provided by the applicant (**Table 10**) projects net income of \$2.5 million in the first year of operation, and \$2.5 million in the second year of operation. Regarding staffing, the applicant anticipates the need to hire one additional certified nuclear medicine technologist, a part-time registered nurse and administrative support, a modest and attainable recruitment.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

The total capital costs of the IBEC, which will house the proposed CT scanner, are \$33,713,480, of which approximately 46% represents direct construction costs (**Table 7**). The proposal will be funded entirely with accumulated reserves. As already discussed, DCOPN finds these costs comparable to other similar, recently approved projects to establish a CT service with one CT scanner.

The proforma income statement provided by the applicant (**Table 12**) projects net income of \$4 million in the first year of operation, and \$4.3 million in the second year of operation. Regarding staffing, the applicant anticipates the need to hire 4.6 full-time equivalents (FTEs) to operationalize its proposal, a modest and attainable recruitment.

VA-8851—Cardiology of Virginia, Inc.

Total projected capital costs for the proposed project are \$2,002,885, funded by reserves and commercial loans with operational revenues paying for a leasing agreement for the equipment. Approximately 29% are direct construction costs (**Table 8**). Total capital and financing costs are \$2,245,448. The estimated costs are higher than costs of other similar recently approved projects to establish cardiac PET/CT in cardiology practices.

The proforma income statement provided by the applicant (**Table 13**) projects net income of \$1.2 million in the first year of operation, and \$1.5 million in the second year of operation. Regarding staffing, the applicant anticipates utilizing existing staff for the proposed equipment and will not need to recruit additional personnel.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

Total capital costs for the proposed project are \$243,830, funded through operations and accumulated reserves. The estimated costs are lower than costs of other recently approved projects to establish a new CT scanner.

The proforma income statement provided by the applicant (**Table 14**) projects net income of \$31,135 in the first year of operation, and \$32,650 in the second year of operation. Regarding staffing, the applicant anticipates utilizing existing staff for the proposed project and will not need to recruit additional personnel.

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

VA-8843—Virginia Cardiovascular Specialists, PC

Cardiac PET has been found to reduce the overall cost of managing coronary artery disease by approximately 30% when it is used routinely as compared with SPECT technology.²¹ Though there are existing and authorized providers of cardiac PET/CT scanning services in PD 15, PET/CT is most available to cardiac patients whose cardiologists have an authorized service. The proposed project is 20.6 miles/25 minutes from VCS' existing PET/CT scanner and enhances access to the practice's patients from several of its sites. The proposed project provides access to the latest, most accurate technology for the applicant's patients on an outpatient basis. The applicant does not make any arguments regarding cooperative efforts.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

St. Francis does not argue innovations in financing or delivery of services, but the proposal does provide for CT services on an outpatient basis. It does not involve cooperative efforts to meet regional needs.

VA-8851—Cardiology of Virginia, Inc.

Cardiac PET has been found to reduce the overall cost of managing coronary artery disease by approximately 30% when it is used routinely as compared with SPECT technology.²² Though there are existing and authorized providers of cardiac PET/CT scanning services in PD 15, PET/CT is most available to cardiac patients whose cardiologists have an authorized service. The proposed project provides access to the latest, most accurate technology for the applicant's patients on an outpatient basis. The applicant does not make any arguments regarding cooperative efforts.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

VENTA's proposal does not argue innovations in financing or delivery of services but involves the ability to continue to provide a cost-effective service within its practice at a new office-based facility. The applicant does not claim cooperative efforts to meet regional needs.

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

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

VA-8843—Virginia Cardiovascular Specialists, PC

VCS is not associated with a public institution of higher education or a medical school.

21 Merhige, M. E., Breen, W. J., Shelton, V., Houston, T., D'Arcy, B. J., & Perna, A. F. (2007, July 1). Impact of myocardial perfusion imaging with pet and 82RB on downstream invasive procedure utilization, costs, and outcomes in coronary disease management. *Journal of Nuclear Medicine*.
<https://jnm.snmjournals.org/content/48/7/1069>

22 Merhige, M. E., Breen, W. J., Shelton, V., Houston, T., D'Arcy, B. J., & Perna, A. F. (2007, July 1). Impact of myocardial perfusion imaging with pet and 82RB on downstream invasive procedure utilization, costs, and outcomes in coronary disease management. *Journal of Nuclear Medicine*.
<https://jnm.snmjournals.org/content/48/7/1069>

VA-8846—Bon Secours -St. Francis Medical Center, LLC

The applicant is not a teaching hospital associated with a public institution of higher education or a medical school in the area to be served, but Bon Secours Mercy Health operates a school of nursing health professionals in PD 15 and collaborates with colleges, universities and established allied health schools and programs.

VA-8851—Cardiology of Virginia, Inc.

CoV is not associated with a public institution of higher education or a medical school.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

VENTA is not associated with a public institution of higher education or a medical school.

DCOPN Staff Findings and Conclusions

PD 15 is an area of the Commonwealth that is growing at a rate higher than that of Virginia and the important 65 and older demographic, which utilizes health care services at a higher rate, is also growing faster than the Virginia growth rate for that age group.

VA-8843—Virginia Cardiovascular Specialists, PC

DCOPN finds that Virginia Cardiovascular Specialist, PC's proposed project to establish a PET/CT service restricted to cardiac studies at its Right Flank Road office by installing one PET/CT is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. The applicant has stated that the PET/CT scanner would be used solely for cardiac imaging, and the CT component of the equipment will not be utilized independently. 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 unique population of patients the PET/CT will serve, and the clinical advantages of PET/CT over SPECT, DCOPN recommends that the Commissioner, in this specific instance, not allow this standard to bar the establishment of cardiac PET/CT services at this location.

Additionally, DCOPN finds that the proposed project is more beneficial than the alternative of the status quo. Furthermore, the proposed project is unlikely to negatively affect the utilization of existing providers. Finally, DCOPN finds that the total capital costs of the proposed project are reasonable, and the proposal is wholly feasible in the immediate and long run and there is no documented opposition to the proposal.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

St. Francis is requesting to establish a CT scanner off-site of its hospital campus, in a specialized center for CT imaging, as an expansion of its CT services due to a demonstrated institutional need. Should its proposal be approved, it will reduce the deficit of CT scanners in PD 15. Of localities in PD 15, Chesterfield County has the highest growth rate and is expected to add more than 42,000 people between 2020 and 2030 (**Table 1**).

The proposal is consistent with applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia with regard to fixed CT services. The proposal is unlikely to negatively impact other existing providers. There is no identified reasonable alternative

to the proposed project, and it is more beneficial than the status quo. Projected capital costs for the proposal are reasonable and will be funded entirely with accumulated reserves. The project is wholly feasible financially and with regard to human resources in the immediate and long-term. The proposed project has support from its community and there is no known opposition.

VA-8851—Cardiology of Virginia, Inc.

CoV proposes to establish a PET/CT service restricted to cardiovascular imaging, and the independent use of the CT component for calcium channel scoring. DCOPN finds that Cardiology of Virginia, Inc.'s proposed project to establish PET/CT restricted to cardiac studies, with this restricted use of the CT component, is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. 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 unique population of patients the PET/CT will serve, and the clinical advantages of PET/CT over SPECT, DCOPN recommends that the Commissioner, in this specific instance, not allow this standard to bar the establishment of cardiac PET/CT services at this location. There is a deficit of CT scanners in PD 15, which the independent use of the CT component of the PET/CT will reduce.

Additionally, DCOPN finds that the proposed project is more beneficial than the alternative of the status quo. Furthermore, the proposed project is unlikely to negatively affect the utilization of existing providers. Finally, DCOPN finds that the total capital costs of the proposed project are reasonable, and the proposal is wholly feasible in the immediate and long run and there is no documented opposition to the proposal.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

Virginia Ear, Nose & Throat proposes to establish a specialized center for the provision of CT imaging restricted to images of the head and neck, through the replacement and relocation of an existing CT scanner to its new practice facility. DCOPN finds that Virginia Ear Nose & Throat's proposed project is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. Additionally, DCOPN finds that the proposed project is more beneficial than the alternative of the status quo. Furthermore, the proposed project is unlikely to negatively affect the utilization of existing providers. There is a deficit of CT scanners in PD 15, and the proposal is inventory neutral. Finally, DCOPN finds that the total capital costs of the proposed project are reasonable, the proposal is wholly feasible in the immediate and long run and there is no documented opposition to the proposal.

DCOPN Staff Recommendations

VA-8843—Virginia Cardiovascular Specialists, PC

DCOPN recommends **conditional approval** of COPN Request No. VA-8843, Virginia Cardiovascular Specialist, PC's request to establish a specialized center for the provision of PET/CT services with one PET/CT scanner restricted to cardiovascular imaging 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 in PD 15.
5. The project is more beneficial than the alternative of the status quo.
6. The capital costs are reasonable.
7. The proposal is wholly feasible in the immediate and long term.
8. There is no known opposition.

DCOPN's recommendation is contingent upon Virginia Cardiovascular Specialist, PC's agreement to the following charity care condition:

Virginia Cardiovascular Specialist, PC 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 15 in an aggregate amount equal to at least 2.0% of Virginia Cardiovascular Specialist, PC'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. Virginia Cardiovascular Specialist, PC 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.

Virginia Cardiovascular Specialist, PC 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. Virginia Cardiovascular Specialist, PC will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.

VA-8846—Bon Secours -St. Francis Medical Center, LLC

DCOPN recommends **conditional approval** of COPN Request No. VA-8846, Bon Secours-St. Francis Medical Center, LLC's request to establish a specialized center for the provision of CT services with one CT scanner for the following reasons:

1. The proposal improves access in a highly populated and rapidly growing area of the Commonwealth.
2. 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.
3. The applicant has demonstrated an institutional need for the proposed project.
4. PD 15 has a deficit of CT scanners which the proposal will alleviate.
5. The project is unlikely to affect existing providers of CT services adversely.
6. The project is more beneficial than the alternative of the status quo.
7. The capital costs are reasonable.
8. The proposal is wholly feasible in the immediate and long term.
9. There is no known opposition.

DCOPN's recommendation is contingent upon Bon Secours St. Francis Medical Center, Inc.'s agreement to the following charity care condition:

Bon Secours St. Francis Medical Center, Inc. will provide services to all persons in need of services, regardless of their ability to pay, and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 15 in an aggregate amount equal to 3.0% of Bon Secours St. Francis Medical Center, Inc.'s gross patient revenue, consistent with its facility wide condition. 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. Bon Secours St. Francis Medical Center, Inc. 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 to 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.

Bon Secours St. Francis Medical Center, LLC will provide services to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act (42 U.S.C. § 1396 et seq.), and 10 U.S.C. § 1071 et seq.

Additionally, Bon Secours St. Francis Medical Center, Inc. will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.

VA-8851—Cardiology of Virginia, Inc.

DCOPN recommends **conditional approval** of COPN Request No. VA-8851, Cardiology of Virginia, Inc.'s request to establish a specialized center for the provision of PET/CT services with one PET/CT scanner restricted to cardiovascular imaging, and the restricted independent use of the CT component of the proposed equipment, 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 cardiovascular 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 in PD 15.
5. The project is more beneficial than the alternative of the status quo.
6. The capital costs are reasonable.
7. The proposal is wholly feasible in the immediate and long term.
8. There is no known opposition.

DCOPN's recommendation is contingent upon Cardiology of Virginia, Inc.'s agreement to the following charity care condition:

Cardiology of Virginia, Inc. will provide cardiovascular PET/CT and cardiovascular 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 15 in an aggregate amount equal to at least 0.9% of Cardiology of Virginia, Inc.'s gross patient revenue derived from cardiovascular PET/CT and 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. Cardiology of Virginia, Inc. 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 to

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.

Cardiology of Virginia, Inc. will provide cardiovascular PET/CT and cardiovascular 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. Cardiology of Virginia, Inc. will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.

VA-8854—Virginia Ear, Nose & Throat Associates, PC

DCOPN recommends **conditional approval** of COPN Request No. VA-8854, Virginia Ear, Nose & Throat Associates, PC's request to establish a specialized center for the provision of CT services, restricted to images of the head and neck, with one CT scanner 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 CT scanner's use will be limited solely to images of the head and neck.
3. The project will not adversely affect existing providers of CT services in PD 15.
4. The project is more beneficial than the alternative of the status quo.
5. The capital costs are reasonable.
6. The proposal is wholly feasible in the immediate and long term.
7. There is no known opposition.

DCOPN's recommendation is contingent upon Virginia Ear, Nose & Throat Associates, PC's agreement to the following charity care condition:

Virginia Ear, Nose & Throat Associates, PC will provide CT services 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 15 in an aggregate amount equal to at least 0.9% of Virginia Ear, Nose & Throat Associates, PC's gross patient revenue derived from 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. Virginia Ear, Nose & Throat Associates, PC 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 to 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.

Virginia Ear, Nose & Throat Associates, PC will provide 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. Virginia Ear, Nose & Throat Associates, PC will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.