

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

January 20, 2026

RE: COPN Request No. VA-8848

IRMC, LLC, d/b/a Prosperity MRI Center
Fairfax, Virginia

Introduce MRI in an existing medical care facility

Applicant

Inova Reston MRI Center, LLC (IRMC) is a Virginia limited liability company jointly owned by Inova Health Care Services, the majority member, and Fairfax Radiological Consultants, PLLC, the minority member. The applicant has no subsidiaries. Inova Reston MRI Center, LLC does business as Fairfax Radiology Center of Prosperity in Fairfax, Virginia, which is located in Planning District (PD) 8, within Health Planning Region (HPR) II.

Background

Magnetic resonance imaging (MRI) is a noninvasive medical imaging test that produces detailed images of almost every internal structure in the human body, including the organs, bones, muscles and blood vessels. MRI scanners create images of the body using a large magnet and radio waves. No ionizing radiation is produced during an MRI exam, unlike X-rays. These images give physicians important information on diagnosing medical conditions and planning courses of treatment.¹

Table 1 below shows all the Certificate of Public Need (COPN) authorized MRI scanners in PD 8 according to the 2024 Virginia Health Information (VHI) data, the latest of which is available. Of the 58 authorized MRI scanners, 37 are in freestanding facilities and 21 are in acute care hospitals. Overall, the PD MRI utilization was at 103.4% of the State Medical Facilities Plan (SMFP) threshold for expansion for MRI scanners. ED- Sentara Lake Ridge duplicated reporting of a scanner belonging to Sentara Advanced Imaging Center- Lake Ridge and UVA Health Prince William Medical Center confirmed it only had two scanners, not three. Based on this information, there were actually only 56 individual scanners in PD 8 in 2024. **Table 2** shows the difference between the 2024 VHI reported MRI scanners and DCOPN inventory. Additionally,

¹ Source: <https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/magnetic-resonance-imaging-mri>

the five scanners that are operated by Kaiser Permanente can only be accessed by those who have Kaiser Permanente health insurance plans.

Table 1. PD 8 COPN Authorized Fixed MRI Units and Utilization: 2024

Facility	Fixed Unit	Procedures	Procedures /Unit	Utilization
ED - Inova Emergency Room - Franconia Springfield HealthPlex	1	4,494	4494	89.9%
ED - Inova Emergency Room - Leesburg	1	5,676	5676	113.5%
ED - Inova Emergency Room - Lorton HealthPlex	1	3,574	3574	71.5%
ED - Sentara Lake Ridge ²	1	8	8	0.2%
Fairfax Radiology Center of Ballston	1	6,189	6189	123.8%
Fairfax Radiology Center of Lansdowne	2	14,206	7103	142.1%
Fairfax Radiology Center of Sterling	1	2,918	2918	58.4%
Inova Alexandria Hospital	2	9,543	4771.5	95.4%
Inova Centreville MRI Center ³	1	8,194	8194	163.9%
Inova Fair Oaks Hospital	2	9,347	4673.5	93.5%
Inova Fairfax Hospital ⁴	3	18,984	6328	126.6%
Inova Fairfax MRI Center	6	37,704	6284	125.7%
Inova Imaging Center - Mark Center	1	3,298	3298	66.0%
Inova Loudoun Hospital	1	7,333	7333	146.7%
Inova Mount Vernon Hospital	1	5,809	5809	116.2%
Inova Reston-Herndon MRI Center	2	14,944	7472	149.4%
Insight Imaging Arlington	2	11,932	5966	119.3%
Insight Imaging Fairfax	1	6,166	6166	123.3%
Insight Imaging Woodbridge	2	11,480	5740	114.8%
Kaiser Permanente - Reston Medical Center	1	3,973	3973	79.5%
Kaiser Permanente - Tyson's Corner	2	11,148	5574	111.5%
Kaiser Permanente - Woodbridge Imaging Center	2	10,326	5163	103.3%
MRI of Reston	4	16,397	4099.25	82.0%
Reston Hospital Center	1	4,366	4366	87.3%
Sentara Advanced Imaging Center - Lake Ridge	1	2,002	2002	40.0%
Sentara Northern Virginia Medical Center	1	4,997	4997	99.9%
Stone Springs Hospital Center	1	1,677	1677	33.5%
Tysons Corner Diagnostic Imaging	2	14,165	7082.5	141.7%
Tysons MRI and Imaging Center ⁵	1	7,287	7287	145.7%
UVA Health Haymarket Medical Center	1	4,808	4808	96.2%
UVA Health Prince William Medical Center ⁶	3	5,559	1853	37.1%
UVA Outpatient Imaging Centreville ⁷	1	6,914	6914	138.3%
Virginia Hospital Center	4	21,660	5415	108.3%
Washington Radiology Associates, PLLC	1	2,857	2857	57.1%
Total/Average	58	299,935	5,171	103.4%

Source: VHI Data (2024)

² This is duplicate reporting from the Sentara Advanced Imaging Center – Lake Ridge

³ Also called the Inova Reston MRI Center

⁴ COPN No. VA-04889 approved a fourth MRI Scanner

⁵ COPN No. VA-04894 approved a second scanner

⁶ UVA Health Prince William Medical Center is only authorized for two MRI scanners, but misreported three in 2024

⁷ COPN No. VA-04905 authorized one MRI scanner to be relocated from UVA Outpatient Imaging Centreville to a new Gainesville location

Table 2 shows the difference in MRI scanner count between the 2024 VHI report and the DCOPN inventory. Taking all authorized MRI scanners into account, there are 59 scanners in PD 8.

Table 2. Difference in Count of MRI Scanners, 2024 VHI vs DCOPN Inventory

Facility Name	Authorized MRI Scanners	Notes
<i>Reported to VHI</i>	<i>58</i>	
ED- Sentara Lake Ridge	-1	Duplication with Sentara Advanced Imaging Center – Lake Ridge
UVA Health Prince William Medical Center	-1	Only authorized for two MRI scanners
UVA Outpatient Imaging Centreville	-1	One scanner relocated to Gainesville per COPN No. VA-04905
Fairfax Radiology Center of Sterling	-1	Moved to Inova Health Center-Woodbridge per COPN No. VA-04895
Inova Fairfax Medical Campus	1	COPN No. VA-04889 authorized a fourth scanner
Tysons MRI and Imaging Center	1	COPN No. VA-04894 authorized a second scanner
UVA Health Outpatient Imaging Gainesville	1	One scanner relocated from Centerville per COPN No. VA-04905
VHC Health Outpatient Imaging Center	1	Authorized per COPN No. VA-04880
Inova Health Center- Woodbridge	1	Moved from Fairfax Radiology Center of Sterling per COPN No. VA-04895
<i>Total Difference in Count of MRI Scanners</i>	<i>1</i>	
Authorized PD 20 MRI Scanner Inventory	59	

Source: DCOPN Inventory, 2024 VHI

Proposed Project

IRMC proposes to introduce MRI services with one fixed MRI unit at the Fairfax Radiology Center of Prosperity site (also known as The Prosperity MRI Center) located at 8503 Arlington Boulevard in Fairfax. Existing services at the site include X-Ray, ultrasound, Computed Tomography (CT) and nuclear medicine. The proposed MRI machine will be installed within an established medical care facility currently subleased from Inova Fairfax Radiological Consultants (IFRC), occupying a total of 2,346 square feet.

Projected capital costs for the proposal are \$3,772,642, funded through a combination of accumulated reserves and a bank loan (**Table 3**). The applicant states that it plans to finance \$2,875,382⁸ which is projected to be paid off by the end of December 2032. The target date of opening is May 18, 2027.

Table 3. Capital Costs IRMC, MRI

Direct Construction Cost	\$ 1,144,720
Equipment not included in construction contract	\$ 1,625,162
Site Acquisition Costs	\$ 897,260
Architectural and Engineering	\$ 80,500
Total Capital Cost	\$ 3,772,642

Source: COPN NO. VA-8848

Fairfax County, where the proposed project will be located, borders Loudoun and Prince William Counties to its west and Arlington and Alexandria Counties to its east (**Figure 1**). The red star indicated the location of the proposed project

⁸ According to the applicant, \$2,875,385 will be financed at a 5.5% interest rate over a 75-month term. Total estimated interest will be \$507,009.98 bringing the total finance cost with interest to \$3,382,391.98.

Figure 1. Counties in Northern Virginia



Source: novaregion.org/233/Northern-Virginia-Map

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the “[i]ntroduction into an existing medical care facility described in subsection A of ... magnetic resonance imaging (MRI)...” 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...magnetic resonance imaging (MRI)...” **Required Considerations -- § 32.1-102.3, of the Code of Virginia**

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

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

The Prosperity MRI Center where the proposed project is located is at the intersection of Arlington Boulevard (Route 50) and Prosperity Avenue in Fairfax. The site has easy access to the Capital Beltway, I-66 and Route 50. There is also access to public transportation with a nearby Metro bus stop, which takes riders to the nearby Vienna Metro Station. The area is served by the Fairfax Connector bus as well.

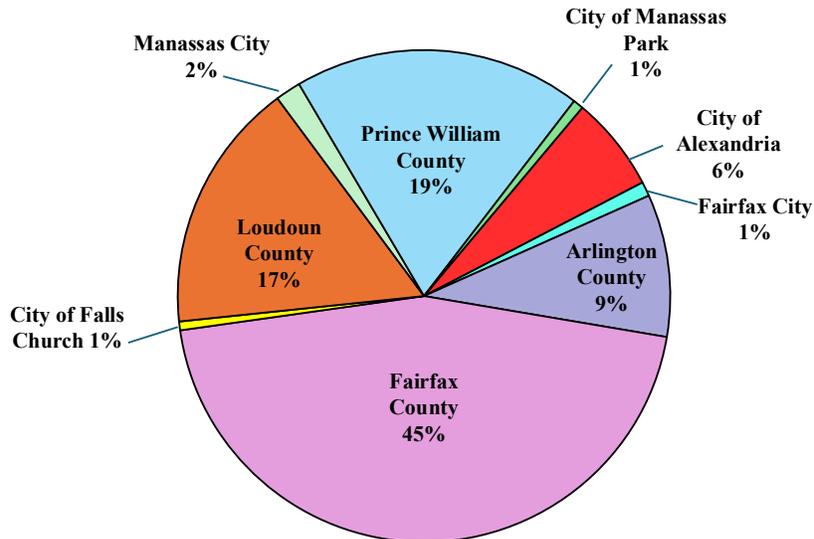
PD 8 had a population of about 2.5 million in 2020 and is projected to grow by just under 300,000 people, a 10.9% increase, by 2030. This is nearly double the population growth rate projected for the Commonwealth of Virginia during this decade, 5.8% (**Table 4**). Fairfax County, where the proposed project is located, is the largest county in PD 8 and the Commonwealth with over 1.1 million residents in 2020 (45% of the population of PD 8, 13.3% of the total population of Virginia). (**Table 4**). The population in Fairfax County is expected to increase 4.4% to over 1.2 million residents by 2030. The 65+ population in PD 8 is expected to grow by 97,855 people (a 31.9% increase) between 2020 and 2030. In Fairfax County, the 65+ population is expected to grow by 195,132 people (a 23% increase) (**Table 4**). **Figure 2** shows that Fairfax County makes up 45% of the population of PD 8.

Table 4. Population by Locality, PD 8

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

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

Figure 2. Percent of PD 8 Population by Locality



Source: Weldon-Cooper Data, updated June 2025

With respect to socioeconomic barriers, the overall poverty rate of PD 8, 6.2% is lower than that of Virginia, 10.2% (Table 5). Fairfax County has a poverty rate comparable to the rest of PD 8 at 6.1%.

Table 5. 2023 Poverty Rates, PD 8

Locality	Percent in Poverty
Alexandria City	8.5%
Arlington County	7.1%
Fairfax County	6.1%
Fairfax City	7.4%
Falls Church City	5.1%
Loudoun County	4.1%
Manassas City	10.7%
Manassas Park City	7.7%
Prince William County	6.7%
PD 8	6.2%
<i>Virginia</i>	<i>10.2%</i>

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

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

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

DCOPN received two letters of support for the project. One from a neurologist practicing at Neuroscience Consultants, and the other from the Medical Director of the Inova Breast Care Center. In aggregate, these letters stated:

- MRI is a critical tool for diagnosis and management of neurological conditions, and demand continues to grow.
- An additional MRI unit at the prosperity location would expand access and enhance care.
- MRI is a vital tool in breast cancer detection, especially among women with elevated lifetime risk or dense breast tissue.
- Increased access to MRI services will prevent treatment delays in patients that require MRI-biopsy prior to surgery or neoadjuvant chemotherapy.

Public Hearing

DCOPN provided notice to the public regarding this project inviting public comment on November 10, 2025. The public comment period closed on December 25, 2025. §32.1-102.6B of the Code of Virginia directs DCOPN to hold one public hearing on each application in the case of competing applications; or in response to a written request by an elected local government representative, a member of the General Assembly, the Commissioner, the applicant, or a member of the public. On January 5, 2026, the Health Systems Agency of Northern Virginia (HSANV) held a public hearing for the proposed project. Lance Boyd, CEO, Fairfax Radiology Centers presented the project, along with Carol Burchett, Chief Strategy Officer, Fairfax Radiology Centers and Patrick Oliverio, MD, IFRC and Fairfax Radiology

Consultants. Other than the letters of support referenced above, no members of the public commented. There is no known opposition to the project.

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

DCOPN did not find any reasonable alternatives to the proposed project that would meet the needs of the population in a less costly, more efficient, or more effective manner. MRI scanners in PD 8 averaged 103.4% of the SMFP threshold for expansion, and there is a calculated need for one additional MRI scanner by 2030. Additionally, IRMC has four scanners at sites in PD 8 that operated at a combined average of 152% of the SMFP threshold for expansion, laying out a clear demand for MRI services in the area. **Figure 3** below shows MRI volumes at the existing IRMC sites for 2023 and 2024.

Figure 3: MRI Volumes at other IRMC sites

Facility Name	Procedures		% of SMFP	
	2023	2024	2023	2024
Tysons MRI and Imaging Center	6,637	7,287	133%	146%
Reston-Herndon MRI	7,033	14,944	141%	149%
Centreville MRI Center	6,844	8,194	137%	164%
Total/Average	20,514	30,425	137%	152%
Total MRI Units	3	4		
% of SMFP	137%	2		

Source: COPN Request No. VA-8848

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

The Health Systems Agency of Northern Virginia (HSANV) considered the proposed projects at its January 5, 2026, meeting. The Board voted unanimously, eight in favor and none opposed, to recommend that the application be approved. HSANV stated that their recommendation was based on its review of the application, on the HSANV staff report on the proposal, and on the testimony and other evidence presented at the January 5, 2026, public hearing. Findings and conclusions include:

- IRMC’s MRI services have sustained high use. Demand is increasing. Additional capacity is necessary to meet current and projected demand.
- The proposal is generally consistent with the substance and principles inherent in similar projects that have been authorized locally and statewide.
- The project is not likely to have significant negative health system effects.

(iv) Any costs and benefits of the project.

Total projected capital costs for the proposed project are \$3,772,647, funded through a combination of accumulated reserves and a bank loan. More specifically, the applicant states that 76.22% of the project will be financed, covering the cost of the MRI equipment and construction/build out costs. The estimated costs are consistent with a similar project done by IRMC which added one MRI unit to their Falls Church location for a total authorized cost of \$2,420,196 per VA-04894.

The applicant has described several benefits to the proposed project including:

- The proposed site is located less than one mile from the Breast Center of Fairfax, which will introduce a stream of patients that require MRI scans for cancer detection.
- This facility will increase capacity constraints for IRMC's existing MRI locations. These existing sites are facing significant backlog which is leading to longer wait times for scans.
- IRMC is already an established provider in the area and will not impact area providers.

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

IRMC has committed to treating all patients in need of services without regard to their ability to pay for services or of their payor source, consistent with Inova Health System's charity care policies. The Inova Health System provided charity care in an average amount of 2.3% of its gross patient revenue (2.3% average for inpatient facilities, 0.1% for outpatient facilities) in 2024, the latest year for which such data are available (**Table 6**). This is about the same as the average of HPR average of 2.2%. The pro forma provided by the applicant includes a charity care percentage of 1.8% (**Table 8**); however, Inova Health Systems had a 3.9% systemwide charity condition, so should this project be approved, IRMC will be held to this condition.

Table 6. HPR II Charity Care Contributions: 2024

Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	% of Gross Patient Revenue:
UVA Health Prince William Medical Center	\$716,331,491	\$41,008,588	5.72%
Sentara Northern Virginia Medical Center	\$1,113,165,093	\$51,702,306	4.64%
Encompass Health Rehab Hosp of Northern Virginia	\$48,211,597	\$1,826,742	3.79%
Inova Alexandria Hospital	\$1,694,182,731	\$50,440,661	2.98%
Inova Mount Vernon Hospital	\$890,441,286	\$23,371,040	2.62%
Inova Fairfax Hospital	\$7,540,856,971	\$166,576,158	2.21%
Inova Loudoun Hospital	\$1,677,819,433	\$37,476,979	2.23%
Virginia Hospital Center	\$1,256,027,025	\$27,903,630	2.22%
Inova Fair Oaks Hospital	\$2,408,582,527	\$52,039,581	2.16%
Dominion Hospital	\$187,238,481	\$3,760,816	2.01%
Reston Hospital Center	\$2,254,004,397	\$19,684,028	0.87%
StoneSprings Hospital Center	\$582,717,334	\$4,566,302	0.78%
North Spring Behavioral Healthcare	\$82,497,344	\$230,098	0.28%
UVA Health Haymarket Medical Center	\$386,285,597	\$8,866,919	2.30%
Inova Specialty Hospital	\$84,305,852	\$0	0.00%
Total Inpatient Hospitals:			15
HPR II Total Inpatient \$ & Mean %	\$20,922,667,159	\$489,453,848	2.3%
HealthQare Services ASC, LLC	\$13,632,136	\$1,310,762	9.62%
Stone Springs Ambulatory Surgery Center	\$76,406,627	\$3,149,654	4.12%
Inova Ambulatory Surgery Center at Lorton	\$10,368,192	\$108,312	1.04%
Northern Virginia Eye Surgery Center, LLC	\$19,079,771	\$31,456	0.16%
Inova Surgery Center @ Franconia-Springfield	\$103,157,360	\$71,790	0.07%
Haymarket Surgery Center	\$78,596,299	\$48,654	0.06%
Northern Virginia Surgery Center	\$68,941,715	\$33,412	0.05%
Reston Surgery Center	\$195,891,966	\$75,099	0.04%
McLean Ambulatory Surgery Center	\$54,482,314	\$24,067	0.04%
Inova Loudoun Ambulatory Surgery Center	\$101,605,217	\$18,748	0.02%
Fairfax Surgical Center	\$181,894,940	\$16,493	0.01%
Prince William Ambulatory Surgery Center	\$86,151,992	\$11,406	0.01%
Lake Ridge Ambulatory Surgical Center	\$14,168,726	\$275	0.00%
Kaiser Permanente Tysons Corner Surgery Center	\$51,140,777	\$0	0.00%
Kaiser Permanente Caton Hill Ambulatory Surgery Center	23,894,258	\$0	0.00%
Pediatric Specialists of Virginia Ambulatory Surgery Center	9,187,308	\$0	0.00%
VHC Ambulatory Surgery Center	Not reporting	\$0	0.00%
Total Outpatient Hospitals:			16
HPR II Total Outpatient Hospital \$ & Mean %	\$1,088,599,598	\$4,900,128	0.5%
Total Hospitals:			31
HPR II Total Hospital \$ & Mean %	\$22,011,266,757	\$494,353,976	2.2%

Source: VHI (2024)

In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from MRI imaging. DCOPN recommends a charity condition equal to 3.9% of patient revenue, consistent with Inova Health System's systemwide charity condition. Pursuant to Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

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

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

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

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

The State Medical Facilities Plan (SMFP) contains the criteria and standards for MRI services. They are as follows:

Article 2 Criteria and Standards for Magnetic Resonance Imaging

12VAC5-230-140. Travel time.

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

The heavy black line in **Figure 4** is the boundary of PD 8. The blue "H" symbols mark the locations of existing MRI providers in PD 8. The white symbol with the red cross marks the location of the proposed project. The blue shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing MRI services in PD 8. **Figure 4** clearly illustrates that MRI services are already well within a 30-minute drive under normal conditions of 95% of the residents of PD 8.

Based on these data, DCOPN has calculated a current deficit of 1 MRI unit in PD 8 as follows:

Calculated Needed MRI Units in PD 8

Calculated Needed MRI Units = $299,935$ (2024 MRI procedures) \div $5,000$ = 59.98 (60) MRI units needed

PD 8 Calculated Need = 59 MRI Units based on 2024 utilization

COPN authorized MRI Units = 59

PD 8 Deficit = 1 MRI Unit

Table 1. PD 8 COPN Authorized Fixed MRI Units and Utilization: 2024 (Duplicated)

Facility	Fixed Unit	Procedures	Procedures /Unit	Utilization
ED - Inova Emergency Room - Franconia Springfield HealthPlex	1	4,494	4494	89.9%
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¹⁴ COPN No. VA-04905 authorized one MRI scanner to be relocated from UVA Outpatient Imaging Centreville to a new Gainesville location

The volume threshold of 5,000 scans per MRI provider is met for the PD 8, and there is a need for one additional MRI scanner by 2030. IRMC can help fulfil this need with the project proposed in COPN Request No. VA-8848.

12VAC5-230-160. Expansion of fixed site service.

Proposals to expand an existing medical care facility's MRI services through the addition of an MRI scanner may be approved when the existing service performed an average of 5,000 MRI procedures per scanner during the relevant reporting period. The commissioner may authorize placement of the new unit at the applicant's existing medical care facility, or at a separate location within the applicant's primary service area for MRI services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health-planning district.

Not applicable. The applicant is not proposing to expand an existing service.

12VAC5-230-170. Adding or expanding mobile MRI services.

- A. Proposals for mobile MRI scanners shall demonstrate that, for the relevant reporting period, at least 2,400 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing MRI providers in the health-planning district.**
- B. Proposals to convert authorized mobile MRI scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, 3,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing MRI providers in the health-planning district.**

Not applicable. The applicant is not proposing to add or expand mobile MRI services.

12VAC5-230-180. Staffing.

MRI services should be under the direct supervision of one or more qualified physicians.

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

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

A. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.

B. If a facility with an institutional need to expand is part of a health system, the underutilized services at other facilities within the health system should be reallocated, when appropriate, to the facility with the institutional need to expand before additional services are approved for the applicant. However, underutilized services located at a health system's geographically remote facility may be disregarded when determining institutional need for the proposed project.

C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.

D. Applicants shall not use this section to justify a need to establish new services.

Not applicable. The applicant did not claim institutional need.

Required Considerations Continued

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

The proposal does not foster institutional competition. Inova Health Care System operates or is partnered with practices that operate 27 of the 58 MRI scanners that were reported to VHI in 2024 (47% of all MRI units in PD 8) (**Table 7**). Should this project be approved, the percentage of MRI units that are operated under Inova Health System or its affiliates will increase, and market share for competitors will decrease.

Table 7: MRI Units Operated by Inova Health Systems or Its Partners

Facility Name	# of Scanners	Procedures	Procedures per scanner	Utilization
Inova Emergency Room - Franconia Springfield HealthPlex	1	4,494	4,494	89.9%
Inova Emergency Room - Leesburg	1	5,676	5,676	113.5%
ED - Inova Emergency Room - Lorton HealthPlex	1	3,574	3,574	71.5%
Fairfax Radiology Center of Ballston	1	6,189	6,189	123.8%
Fairfax Radiology Center of Lansdowne	2	14,206	7,103	142.1%
Fairfax Radiology Center of Sterling	1	2,918	2,918	58.4%
Inova Alexandria Hospital	2	9,543	4,772	95.4%
Inova Centreville MRI Center	1	8,194	8,194	163.9%
Inova Fair Oaks Hospital	2	9,347	4,674	93.5%
Inova Fairfax Hospital	3	18,984	6,328	126.6%
Inova Fairfax MRI Center	6	37,704	6,284	125.7%
Inova Imaging Center - Mark Center	1	3,298	3,298	66.0%
Inova Loudoun Hospital	1	7,333	7,333	146.7%
Inova Mount Vernon Hospital	1	5,809	5,809	116.2%
Inova Reston-Herndon MRI Center	2	14,944	7,472	149.4%
Tysons MRI and Imaging Center	1	7,287	7,287	145.7%
	27	159,500	5,907	118.1%

Source: VHI, 2024

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.

DCOPN concludes that approval of the proposed project is unlikely to significantly affect the utilization and efficacy of existing providers in the area. IRMC is an existing provider in PD 8. As mentioned in **Table 7** above, Inova Health System and its affiliates operated 27 MRI scanners in PD 8 with an average utilization of 118.1%.

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

The proposed project is financially feasible in the short and long-term. Capital costs are reasonable and consistent with similar, recently authorized projects, and will be funded with a combination of accumulated reserves and financing. The pro forma (**Table 8**) shows a positive income in the proposed project's first and second years of operation.

Table 8. IRMC Pro Forma, MRI

	Year 1	Year 2
Gross Revenue	\$ 12,088,000	\$ 13,834,000
Charity Care	\$ 168,000	\$ 187,000
Contractual Deductions	\$ 6,865,000	\$ 7,819,000
Net Revenue	\$ 5,055,000	\$ 5,828,000
Expenses	\$ 2,898,000	\$ 3,206,000
Income/Loss	\$ 2,157,000	\$ 2,622,000

Source: COPN Request No. VA-8848

This project will require hiring eight full-time equivalent (FTE) staff members, three administrative positions and six radiologic technologists. The applicant assures that all positions will be recruited internally, as well as having two recruiters dedicated to clinical recruitment. DCOPN does not anticipate this project will have an impact on the staffing of area providers.

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.

This proposed project will not provide improvements or innovations in the financing and delivery of health services as demonstrated by the introduction of new technology that promotes quality or cost effectiveness.

Regarding the provision of health care services on an outpatient basis, DCOPN notes that the proposed project will offer MRI services on an outpatient basis, offering diagnostic services at a lower cost than an inpatient setting.

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

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

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

DCOPN Staff Findings and Conclusions

Inova Reston MRI Center (IRMC) proposes to introduce MRI services with one (1) fixed MRI unit at the Fairfax Radiology Center of Prosperity. The proposed site is located at 8503 Arlington Boulevard in Fairfax. Project costs are reasonable and will be funded through a combination of accumulated reserves and financing.

DCOPN find that the proposal is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia. There are no identified alternatives to the proposed project, costs are reasonable, and the proposal is more beneficial than the status quo. The project will shift Inova Health System MRI services from an inpatient setting to a lower cost outpatient setting. There is no known opposition to the proposal. Finally, the Board of the HSANV voted to recommend approval for the project.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Inova Reston MRI Center, LLC's COPN Request number VA-8848 to introduce MRI in an existing medical care facility, for following reasons:

1. The proposal is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia.
2. There is a calculated need for one (1) MRI scanner in PD 8, which Inova Reston MRI Center can supply.
3. Since Inova Reston MRI Center is an established and highly utilized provider the proposed project is unlikely to have a significant impact upon the utilization, costs, or charges of other providers of MRI services in PD 8.
4. The capital costs of the proposed project are reasonable and it is viable in the immediate and long-term.
5. There is no identified alternative to the proposed project and it is more beneficial than the status quo.
6. HSANV recommended approval of the project.
7. There is no known opposition to the project.

DCOPN's recommendation is contingent upon Inova Reston MRI Center's agreement to the following charity care condition:

Recommended Condition

This project shall be subject to the system-wide charity care condition applicable to Inova Health Care Services d/b/a Inova Health System pursuant to COPN No. VA-04381 (issued April 2, 2013), as amended by the State Health Commissioner by letter dated January 4, 2016 (the Inova System-Wide Condition). Pursuant to the 2016 reconsideration, the Inova System-Wide Condition reset to 3.9% as of January 1, 2022. Provided, however, that charity care provided under the Inova System-Wide condition shall be valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.

Inova Health System 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. In addition to any right to petition the Commissioner contained in the Inova System-Wide condition, to the extent Inova Health System expects its Inova System-Wide condition as valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. or any revised percentage to materially alter the value of its charity care commitment thereunder, it may petition the Commissioner for a modification to the Inova System-Wide condition to resolve the expected discrepancy.