

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

March 23, 2026

RE: COPN Request No. VA-8850

Reston Radiology Advanced Imaging Centers, LLC

Fredericksburg, Virginia

Establish a Medical Care Facility with One (1) PET/CT Scanner

RE: COPN Request No. VA-8864

Hematology-Oncology Associates of Fredericksburg

Fredericksburg, Virginia

Establish a Medical Care Facility with One (1) PET/CT Scanner

Applicant

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology Advanced Imaging Centers, LLC (Reston Radiology) is a limited liability company in Virginia, primarily providing services for northern Virginia. The company is owned and operated by physicians. Reston Radiology is not a parent or subsidiary of another company. The proposed project will be located at 4541 Spotsylvania Parkway, Fredericksburg, Virginia, in Planning District (PD) 16, Health Planning Region (HPR) I.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc.

Hematology-Oncology Associates of Fredericksburg, Inc. (HOAF) is a practice focused on the diagnosis and treatment of blood disorders and cancers. HOAF is not a parent or subsidiary of another company. The proposed project will be located at 4501 Empire Court, Fredericksburg, Virginia, in Planning District (PD) 16, Health Planning Region (HPR) I.

Background

The locations of the proposed projects are in the City of Fredericksburg in PD 16. Other than the unincorporated city. The PD also includes four counties: Caroline County, King George County, Spotsylvania County, and Stafford County. The total population of the PD in 2020 was 382,551 and is expected to grow by 12.7% to 431,060 by 2030 (**Table 1**). This is more than double the expected population growth of Virginia during the same period. Fredericksburg's population was expected to grow at a slightly slower rate than the PD, with an increase of 11.6% to approximately 31,224 people in 2030. The growth of the population over the age of 65 in the city is less than half of the projected growth rate of the age group for the PD.

Table 1: Predicted Population Change of PD 16

Location	Experienced 2020			Predicted 2030			2020-2030 Change		
	Total	18+	65+	Total	18+	65+	Total	18+	65+
Caroline County	30,887	23,931	5,327	32,753	25,369	6,470	6.0%	6.0%	21.5%
King George County	26,723	20,016	3,706	29,434	22,265	5,146	10.1%	11.2%	38.9%
Spotsylvania County	140,032	105,768	20,619	155,407	118,822	29,311	11.0%	12.3%	42.2%
Stafford County	156,927	115,532	17,291	182,243	135,993	26,858	16.1%	17.7%	55.3%
City of Fredericksburg	27,982	21,674	3,463	31,224	24,142	4,158	11.6%	11.4%	20.1%
PD 16	382,551	286,921	50,406	431,060	326,590	71,943	12.7%	13.8%	42.7%
Virginia	8,631,393	6,729,459	1,395,291	9,129,002	7,173,130	1,762,641	5.8%	6.6%	26.3%

Source: Weldon-Cooper Center for Public Service

Positron emission tomography (PET) scans use a safe, radioactive chemical that is injected, and the scanner detects diseased cells that absorb the radiotracer¹. The specific chemical injected can change depending on the part of the body being scanned but is often a compound called fluorodeoxyglucose (FDG) which is similar to glucose and absorbed at a higher rate by more metabolically active cells, like cancerous cells. PET scans are often used to diagnose neurological conditions, brain trauma, cancers, or lung lesions². All of the PET scanners in PD 16 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.

A computed tomography (CT) scan is a computerized x-ray imaging tool that produces images of the body to diagnose diseases or lesions in the body. CT scanners have varying depths, usually ranging from 1-10 millimeters. Whereas other x-rays provide two-dimensional (2D) images, a CT scan will produce a three-dimensional (3D) image of the body and can provide a multiple-angle perspective for a scanned area³. When combined with PET scans, the CT scan is not the full process that occurs in an independent CT scan, instead it is a “fast” scan simply to “delineate anatomical structures”⁴.

There is currently one PET/CT scanner in PD 16 reporting services to Virginia Health Information (VHI) in the most recent year of data available, 2024 (**Table 2**). The scanner does not have a

¹Cleveland Clinic medical. “PET Scan: What It Is, Types, Purpose, Procedure & Results.” *Cleveland Clinic*, Cleveland Clinic, 19 Mar. 2025, my.clevelandclinic.org/health/diagnostics/10123-pet-scan.

² “Positron Emission Tomography (PET).” *Hopkins Medicine*, Johns Hopkins Medicine, 20 Aug. 2021, www.hopkinsmedicine.org/health/treatment-tests-and-therapies/positron-emission-tomography-pet.

³ Fayad, Laura M. “CT Scan versus MRI versus X-Ray: What Type of Imaging Do I Need?” *Johns Hopkins Medicine*, Johns Hopkins Medicine, 29 Aug. 2025, www.hopkinsmedicine.org/health/treatment-tests-and-therapies/ct-vs-mri-vs-xray.

⁴ Ahmed I, Devulapally P. Nuclear Medicine PET Scan Cardiovascular Assessment, Protocols, and Interpretation. [Updated 2023 Jul 30]. In: StatPearls [Internet]. Treasure Island (FL): StatPearls Publishing; 2025 Jan-. Available from: <https://www.ncbi.nlm.nih.gov/books/NBK570631/>

restriction on use, and the CT portion is authorized to provide imaging independently from the PET portion of the scanner.

Table 2: PET/CT Reported Utilization in PD 16 (2024)

Facility	Scanners	Scans	Utilization
Medical Imaging of Fredericksburg	1	2,686	44.8%

Source: VHI Data

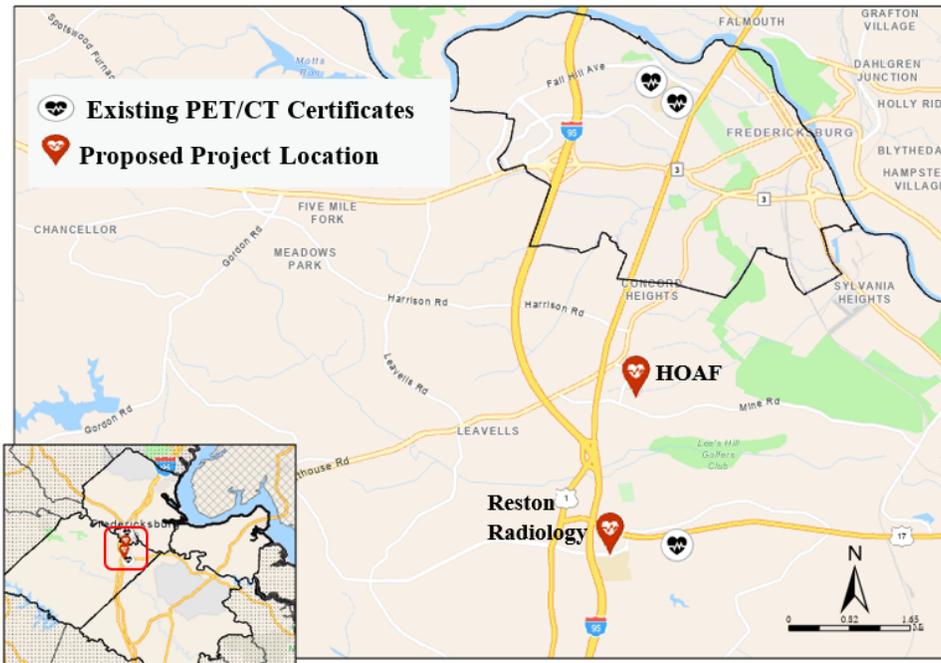
COPN No. VA-04852 authorized one PET/CT scanner restricted to cardiac imaging services for Cardiology Associates of Fredericksburg (Cardiology Associates) in August of 2023. The scanner was expected to be providing services starting in November of that year. Data for the site was not reported for 2023 or 2024, nor was there an annual or indefinite extension filed with DCOPN at the time this report was written⁵ so DCOPN has no documentation that this authorized scanner is operational. The CT portion of the PET/CT is not authorized for independent use.

COPN No. VA-04971 authorized oracle Heart and Vascular to establish a specialized imaging center for cardiac PET/CT scans with one PET/CT scanner in March 2026. The facility is expected to begin providing services June 16, 2026. It is restricted to cardiological imaging services. The CT portion of the scanner is not authorized for independent use.

As stated above, there is only one PET/CT scanner that is reporting data in PD 16. The other location which holds a certificate is not reporting data but is included in **Map 1** for reference. The smaller image in the map shows the PD as a whole, all of the scanners- authorized and proposed- are located in the red square, approximately a 7-mile radius of each other and along I-95.

⁵ In a phone call on March 2, 2026, staff at the facility stated that there was a PET/CT scanner providing services but could not confirm when these services started. DCOPN is waiting for the formal Indefinite Extension.

Map 1: Location of PET/CT Scanners (PD16)



Source: ArcGIS, DCOPN Inventory, VHI Records

The only authorized PET/CT scanner reporting data to VHI in PD 16 is reporting a utilization of 44.8%. DCOPN has previously acknowledged that the State Medical Facilities Plan (SMFP) utilization standards for PET/CT services need updating to create a more appropriate threshold to determine utilization of scanners. The highest performing PET scanner in Virginia for 2024, the latest year for which such data is available, performed 5,448 procedures (90.8% of the utilization standard⁶); the second highest utilized scanner performed 4,139 procedures (69.0% of the standard⁷). The average procedures per PET scanner in Virginia was 2,372 in 2024. The reported PD 16 average of 2,686 is higher than the state average.

There are 14 CT scanners in the PD that reported data for 2024, the last year for which data was available (**Table 3**). A 15th scanner was authorized in August 2024⁸ with the authorization of a specialized imaging center for CT imaging services; the service is expected to begin in January 2027.⁹ **Map 2** shows the location of all CT scanners in PD 16, with the larger map showing a zoomed in map of authorized scanners closer to the proposed locations.

⁶ This was performed by Virginia Heart in Falls Church, Virginia. The facility is authorized for one scanner by COPN VA-04806.

⁷ This was performed by Fairfax PET/CT Center in Fairfax, Virginia. The facility is authorized for one scanner per COPN VA-04132.

⁸ COPN VA-04901

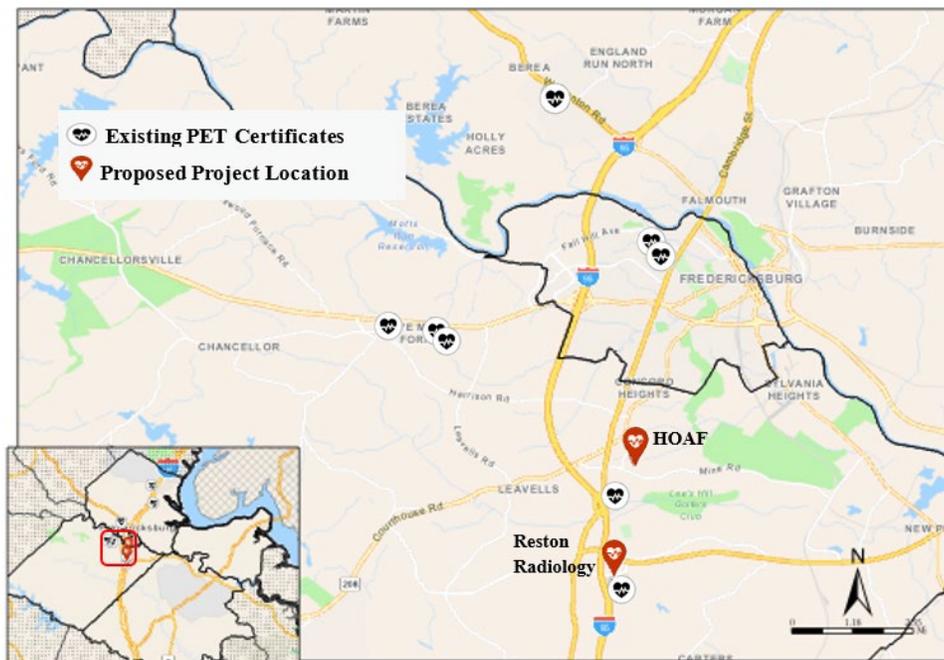
⁹ Spotsylvania Regional Medical Center d/b/a Stafford ER and Imaging Center applied for a time-based significant change in August of 2025; the request was deemed approved.

Table 3: CT Reported Utilization in PD 16 (2024)

Facility Name	Total Units	Total CT Procedures	Utilization
ED - Fredericksburg ER (Chancellor)	1	3,505	47.4%
ED - Mary Washington Hospital Harrison Crossing	1 ¹⁰	4,739	64.0%
MPI - Medical Imaging Harrison Crossing		6,842	92.5%
ED - Mary Washington Hospital - Lee's Hill	1 ¹¹	6,956	94.0%
Medical Imaging at Lee's Hill		9,896	133.7%
Mary Washington Hospital	5	42,919	116.0%
Medical Imaging of Fredericksburg	1	15,722	212.5%
Medical Imaging of North Stafford	1	3,895	52.6%
Spotsylvania Regional Medical Center	2	19,701	133.1%
Stafford Hospital	2	15,537	105.0%
PD 16 Total	14	129,712	125.2%

Source: VHI Data

Map 2: Location of CT Scanners (PD16)



Source: ArcGIS, DCOPN Inventory, VHI Records

¹⁰ MPI- Medical Imaging Harrison Crossing is authorized for one unrestricted CT scanner (COPN VA-04796). ED-Mary Washington Hospital Harron Crossing is located at the same address and uses the scanner as well and does not have a separate certificate, each report data separately.

¹¹Medical Imaging at Lee’s Hill is authorized for one unrestricted CT scanner (COPN VA-03970). Mary Washington Hospital- Lee’s Hill ED is located at the same address and uses the scanner as well and does not have a separate certificate, each report data separately.

Proposed Project

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology is applying to establish a specialized imaging center for the provision of PET/CT imaging services, with one fixed PET/CT scanner that will have independent use of the CT portion. Reston Radiology stated that the majority of the scans will provide “diagnostic services for a wide variety of oncology needs, including, but not limited to, breast, lung, colon, head and neck carcinomas, melanoma, and the many lymphomas.” The applicant does state, however, that it is not applying for a restricted scanner as the scanner will also be used for diagnosing neurological conditions.

The project is estimated to cost \$3,483,920, with the additional cost of interest on a loan bringing the total capital and financing costs to \$4,145,842 (**Table 4**). The project includes the build out of the imaging suite and additional spaces for patient comfort and care, including but not limited to additional injection bays and waiting areas. The facility is not currently providing services as the site acquisition has not occurred. Reston Radiology has four other locations; however, all are located in PD 8.

Table 4: Capital Costs and Financing

Direct Construction	\$ 401,749
Equipment Not Included	\$ 1,801,026
Site acquisition	\$ 1,256,145
Architectural and Engineering Fees	\$ 25,000
Total Capital Costs	\$ 3,483,920
Loan Interest Rate	\$ 661,922
Total Capital and Financing Cost	\$ 4,145,842

Source: COPN Request No. VA-8850 Corrected Section V.C¹²

The hours of operation would be aligned with the hours of the facility- Monday through Friday 8am to 9pm. If the project is approved, the provision of services is estimated to start 9 months after receiving the certificate.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

HOAF is applying establish a specialized imaging center for the provision of PET/CT imaging services, with one fixed PET/CT scanner that will have independent use of the CT portion. The project will be restricted to oncological imaging scans.

The applicant states that the project will be used for early detection, monitoring diseases, and assessing treatments and cancer stages and will be restricted to oncological uses. HOAF estimates that the cost of the project will be \$3,495,211 (**Table 5**). The project will include the

¹² Mortier, Nathan. “Re: Completeness Determination- COPN Request No. VA-8850.” Email to DCOPN, 8 Jan. 2026

renovations of the practice’s existing facility for the installation of the PET/CT scanner. The facility is currently providing services at this location, and there is an existing patient base.

Table 5: Capital Costs and Financing

Direct Construction	\$ 930,000
Equipment Not Included	\$ 1,892,180
Site acquisition	\$ 608,031
Architectural and Engineering Fees	\$ 65,000
Total Capital Costs	\$ 3,495,211

Source: COPN Request No. VA-8864 Corrected Section V.C¹³

The facility will provide PET/CT imaging services from 8am to 4pm Monday, Tuesday, Thursday, and Friday. Wednesday will have extended hours, and services will be provided on Saturday and Sunday as needed by patients. If the project is approved, the provision of services is estimated to start January 1, 2028.

Project Definition

VA-8850- Reston Radiology Advanced Imaging Centers, LLC and VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc.

Section 32.1-102.1:3 of the Code of Virginia defines a project as the “[e]stablishment of a medical care facility described in subsection A;” medical care facilities are defined, in part, as “[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 taken into account when applicable.

- 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.**

Both projects are located in the City of Fredericksburg, in PD 16. The city is located on the border of Spotsylvania County and Stafford County and has a poverty rate of 12.2% (Table 6). This rate is higher than that of the PD and the state.

Table 6: PD 16 Estimated Population in Poverty (2024)

Location	Population in Poverty	Total Population	Poverty Percentage
Caroline County	3,403	32,721	10.4%

¹³ Martin, Jamie. “Re: COPN Request No. VA-8864, Completeness Determination.” Email to DCOPN, 4 Dec. 2025

Reston Radiology's proposed site is located across the street from Spotsylvania Hospital, as shown in **Map 3** by the symbol showing the authorized CT scan¹⁵. The location is near I-95, as well as US Highway 1 and 17. I-95 runs through the state from north to south, providing accessibility. The closest bus stop to Reston Radiology is located at Spotsylvania Hospital, an estimated 20-minute walk according to Google Maps¹⁶. The approval of the project will allow for the addition of a third PET/CT scanner in the PD and increase access to PET/CT imaging.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

HOAF is close to a bus stop and is near I-95, as well as US Highway 1 (**Map 3**). I-95 runs through the state from north to south, providing accessibility. There are four bus stops within a one-mile radius of the location, with three approximately a five-minute walk from HOAF according to Google Maps. The approval of the project will allow for the addition of a third PET/CT scanner in the PD and increase access to PET/CT imaging. The scanner will be restricted to oncological services.

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.**

Public Hearing

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 two projects under review on February 10, 2026, at the Fredericksburg Branch Library in Fredericksburg, Virginia. In addition, DCOPN provided notice to the public on January 10, 2026, regarding these projects, inviting public comment. The public comment period closed on February 24, 2026.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

At the public hearing, three participants were in support, and twelve opposed Reston Radiology's proposed project. Of the supporters, two were physicians working at facilities owned by Reston Radiology and the third was the applicant's counsel. Of the individuals opposing the project all were from the Medical Imaging of Fredericksburg (MIF), the center is currently the only

¹⁵ While the applicant stated the proximity to the hospital was a decision factor in choosing a location, DCOPN has not received documentation from the applicant or Spotsylvania Hospital stating support or opposition to the project. There is also no transfer agreement between the applicant and said hospital.

¹⁶ Google Maps was consulted as well as Microsoft Streets and Maps (2008) which is the approved application to determine drive-time for project analysis. There were bus stops listed on Google and on the FRED website that were not included in the Microsoft Streets and Maps database. All sources were all used for the HOAF bus access analysis.

authorized unrestricted PET/CT provider in the PD or connected to a facility partnering with the center. The comments from the public hearing in aggregate expressed the following:

- There has been an increase in CT utilization and the addition of a PET/CT with independent CT use would add access and decrease patient's wait time.
- The combined PET/CT scanner would allow for dual scanning, reducing the amount of radiation exposure and scan time.
- Reston Radiology does not have an existing patient base in the PD; there were concerns regarding the projected number of scans expected and that it would encompass the entire PD's patient base if fulfilled.
- MIF physicians stated that current wait times between prescribing and performing scans is estimated to be approximately 2.1 days.
- There were stated concerns regarding the interpretation of scans. MIF has physicians across a variety of sub-specialties who can interpret or collaborate on scans depending on the location of the scan in the body.
- The approval of the project will harm existing providers due to lack of existing patient base and low demand of PET/CT scans in the PD.

There were six letters of commitment from physicians with Reston Radiology Consultants, who are also leaders of Reston Radiology Advanced Imaging Centers, and three from physicians in the community. The letters in aggregate expressed the following:

- An additional PET/CT scanner in the PD will provide additional geographic coverage.
- A PET/CT scanner at the facility will reduce the number of doctors patients need to visit and number of visits, improving the continuation of care.
- A combined PET/CT scanner will reduce the radiation patients are exposed to and provide more efficient and accurate diagnoses and treatment.

On February 23, 2026, physicians from MIF and Radiological Associates of Fredericksburg wrote in opposition to the project. The letters in aggregate expressed the following:

- It was stated that the project will reduce utilization of current providers and weaken infrastructure (ex: reduce nurse coverage and operational efficiency).
- Based on 2024 and 2025 data, wait-times for services at MIF are approximately 2.1 days. This includes receiving preauthorization and coordinating isotope delivery.
- Veteran's Affairs Clinic opened an imaging clinic in PD 16 and is providing services for eligible residents¹⁷.
- MIF is planning to upgrade its PET scanner in 2027; this upgrade is expected to decrease scan time by 50%.

¹⁷ Medical services provided by state or federal departments, such as the Veteran's Affairs or Correctional Facilities, are not required to apply for COPN certificates or report data to VHI. DCOPN is unaware of the utilization of the PET scanner mentioned in the letter, or of how many residents are eligible to receive imaging services.

On February 23, 2026, the vice president of Mary Washington Healthcare wrote in opposition to the project. The letter documented the PET/CT demand in PD 16 was “insufficient” to support additional providers. The author stated the driving distance between MIF and Reston Radiology is approximately 7.7 miles, or an 18-minute drive, which would not increase geographic access for patients. Also included was the breakdown of scans currently provided at MIF; of the PET scans the facility performed since 2022, oncological scans make up an average of 58% of all scans each year, with the rest being neurological. The CT scans performed since 2022 showed an average of 98% of the scans being oncological and the rest neurological. The author states that with Reston Radiology’s focusing on the provision of the same types of scans, approval would “be catastrophic to MIF’s PET/CT volume” and estimates that by 2028 MIF would only provide 81 scans followed by zero scans in 2029.

On February 23, 2026, a previous patient of Reston Radiology wrote in support of the project. The writer states that when she was diagnosed with cancer, she was informed that she would need to wait “a little over a month” for a scan at MIF and other locations in Richmond and Charlottesville did not take her insurance. She went to PET of Reston, where she received an appointment within 2 or 3 days. She had a positive experience and supports the approval of a facility in Fredericksburg.

On February 24, 2026, the representative from HOAF wrote a letter that Reston Radiology will offer services in a form already available in the PD- a freestanding outpatient imaging clinic. The author stated that while HOAF’s application will add to the continuum of care for current patients, the approval of Reston Radiology alone will “perpetuate a gap” in care.

On March 5, 2026, two letters were received by DCOPN, one from the vice president of Reston Radiology Consultants and another from the representative for the agency. The letters, in aggregate, stated concern over a single provider for unrestricted PET/CT uses and confidence in being able to establish a patient base in the PD. The writers also mentioned that HOAF’s project is restricted to current patients and will not be for the growing and aging population. They estimate PET/CT demand will grow 3.1%¹⁸ annually in the PD.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

At the public hearing, nine participants were in support, and ten opposed HOAF’s proposed project. Of the participants who were in support: three were former patients, six are current employees, and one was the applicant’s counsel. There were also two written comments of support that were delivered at the public hearing by the applicant’s counsel as the writers were unable to attend. Of the individuals opposing the project all were from the Medical Imaging of Fredericksburg (MIF), the center is currently providing all PET/CT services in the PD for HOAF or connected to agencies partnering with the facility. The comments from the public hearing in aggregate expressed the following:

¹⁸ A 3.1% increase would be approximately 84 scans, bringing the total demand to 2,769 PET/CT procedures.

- Approval of the project will allow HOAF to provide more services at one facility. This will increase accessibility for patients.
- The facility has an existing patient base and refers approximately 1,500 PET/CT scans to facilities annually.
- Individuals who spoke regarding previous oncological treatment received at HOAF stated that the care received was exceptional and having a PET/CT would allow for there to be a one-stop facility for comprehensive cancer treatment.
- MIF physicians stated that current wait times between prescribing and performing scans is estimated to be approximately 2.1 days.
- HOAF patients were estimated to be approximately 45-48% of the current patient base at MIF and there was stated concern that approval of the project would negatively impact the existing provider.
- There were stated concerns regarding the interpretation of scans. MIF has physicians across a variety of sub-specialties who can interpret or collaborate on scans depending on the location of the scan in the body.

DCOPN received a letter of commitment from the president of HOAF on behalf of medical staff. There were also three letters from community members, with one said member of the public Senator Tara Durant from the 27th Senatorial District and another Kenneth McDowell of the Virginia Board of Medicine. The letters in aggregate expressed the following:

- Fredericksburg is a growing city, and the additional scanner will improve access to care for patients diagnosed with cancer or blood disorders.
- A PET/CT scanner at HOAF will improve scheduling and overall efficiency of care.

On February 23, 2026, physicians from MIF and Radiological Associates of Fredericksburg wrote in opposition to the project. The letters in aggregate expressed the following:

- The project will reduce the utilization of current providers, mainly MIF where HOAF referrals make up “nearly half of the volume” of the facility.
- The average wait-time for imaging services is 2.1 days. Patients not requiring pre-authorization for insurance can receive services as early as the same day.
- MIF is planning to upgrade its PET scanner in 2027; this upgrade is expected to decrease scan time by 50%.

On February 23, 2026, the vice president of Mary Washington Healthcare wrote in opposition to the project. The letter documented the PET/CT demand in PD 16 was “insufficient” to support additional providers. The author stated the driving distance between MIF and Reston Radiology is approximately 7.7 miles, or an 18-minute drive, which would not increase geographic access for patients. Also included was the breakdown of scans currently provided at MIF; of the PET scans the facility performed since 2022, oncological scans make up an average of 58% of all scans each year, with the rest being neurological. The CT scans performed since 2022 showed an average of 98% of the scans being oncological and the rest neurological. The author states that

with Reston Radiology's focusing on the provision of the same types of scans, approval would "be catastrophic to MIF's PET/CT volume" and estimates that by 2028 MIF would only provide 81 scans followed by zero scans in 2029.

On March 12, 2026, the representative of the applicant submitted further information on the Eight Required Considerations and addressing Reston Radiology's March 5 comments. The precedent for DCOPN recommending approval despite the PD of the proposed project not meeting the SMFP required PET/CT utilization was restated. The writer also stated that HOAF's project "meets a public need that Reston Radiology's does not" in that HOAF expands coordination of care for existing patients. HOAF also stated that there were treatments and studies¹⁹ which are not offered, to their knowledge, at MIF which makes patients leave the PD for the procedures.

(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-8850- Reston Radiology Advanced Imaging Centers, LLC and VA-8864 Hematology-Oncology Associates of Fredericksburg

The status quo is a reasonable alternative to the proposed projects. The currently reporting PET/CT scanner in the PD, operated by MIF, had a utilization of 44.8% in 2024 with 2,686 scans. As stated above, this is higher than the average PET/CT scanner in Virginia²⁰. However, at the public hearing held on February 10th, MIF repeatedly stated that there was the ability to provide up to 1,500 additional scans before maximum utilization for the facility is reached. A representative from the facility also stated that the average wait-time for services at MIF is currently 2.1 days, including time for insurance preauthorization and isotope delivery²¹.

Cardiology Associates of Fredericksburg received a certificate for a cardiological PET/CT scanner in 2023 and was expected to begin services in November the same year²². Oracle Heart and Vascular received a certificate in March 2026 and is expected to begin providing services June 15, 2026. The introduction of additional PET/CT scanners will distribute the current PET/CT imaging demand.

(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.

¹⁹ The treatments and studies specified were "related to precision radiotracers and radioligand treatment options".

²⁰ DCOPN has acknowledged in previous reports that the SMFP's utilization standards for PET/CT services require updating to determine a more appropriate measurement threshold for utilization.

²¹ Schutz, Jakob. "Opposition to COPN Request No. VA-8850" Letter to DCOPN, 23 Jan. 2026

²² A representative for the agency has confirmed that the facility has started PET/CT services in a March 3, 2026, phone call. There has not been data submitted to VHI nor an Indefinite Extension received by DCOPN.

Currently there is no organization in HPR I designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 16. Therefore, this consideration is not applicable to the review of the proposed project.

(iv) Any costs and benefits of the project.

The cost of both proposals are comparable with other recent projects for the establishment of imaging centers with PET/CT scanners. A certificate awarded in August of 2025 for the establishment of a center for PET/CT services with one scanner limited to cardiology was estimated to cost \$1,335,285²³ and a similar certificate in April 2025 was awarded to a project with cost estimation of \$3,807,237²⁴.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology’s capital costs for the project are approximately \$3,483,920 before financing costs (**Table 7**). As stated above, this cost is reasonable when compared to similar projects.

The applicant is currently budgeting a loan of \$2,676,026, 76.8% of the project costs, with an interest of \$661,922 (**Table 7**). The loan will cover the cost of construction, equipment, and startup costs and be financed through Old Dominion National Bank, who has written a letter of acknowledgement of the project and pre-approval of a loan up to \$3 million. All capital costs not covered by the loan (\$1,469,816) will be paid with operating revenues. The applicant also wrote that the finances will be partially covered by a rental allowance but clarified that the rental agreement has yet to be finalized, and the allowance amount has not yet been agreed upon²⁵.

Table 7: Capital Costs and Financing

Direct Construction	\$ 401,749
Equipment Not Included	\$ 1,801,026
Site acquisition	\$ 1,256,145
Architectural and Engineering Fees	\$ 25,000
Total Capital Costs	\$ 3,483,920
Loan Debt from Interest	\$ 661,922
Total Capital and Financing Cost	\$ 4,145,842
Total Capital Costs	\$ 3,483,920
Loan Amount (76.8%)	\$ 2,676,026
Loan Debt from Interest (4.0%)	\$ 661,922
Total Capital and Financing Cost	\$ 4,145,842

Source: COPN Request No. VA-8850 Corrected Section V.C²⁶

²³ COPN VA-04949

²⁴ COPN VA-04930

²⁵ Mortier, Nathan. “Re: COPN Request No. VA-8850- Tenant Improvement Allowance.” Email to DCOPN, 28 Jan. 2026

²⁶ Mortier, Nathan. “Re: Completeness Determination- COPN Request No. VA-8850.” Email to DCOPN, 8 Jan. 2026

The main benefit of the project will be the addition of a second unrestricted PET/CT scanner in PD 16 which would increase availability to residents locally. It will increase the competition with the addition of an alternative for PET/CT imaging services.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

HOAF’s capital costs for the projects are approximately \$3,495,211 (**Table 8**). As stated above, the cost is reasonable when compared to similar projects. The applicant has stated that all costs will be funded from accumulated reserves and is not expected to have an impact on services currently provided.

Table 8: Capital Costs and Financing

Direct Construction	\$ 930,000
Equipment Not Included	\$ 1,892,180
Site acquisition	\$ 608,031
Architectural and Engineering Fees	\$ 65,000
Total Capital Costs	\$ 3,495,211

Source: COPN Request No. VA-8864 Corrected Application

Benefits of the project include increased accessibility, which will decrease potential wait time for patients needing diagnostic testing. HOAF has stated that the goal of the project is to provide imaging services at the facility and strengthen the internal continuum of care. Rather than requiring patients to meet with another doctor at a separate location, approval of the project would mean patient could continue to work with the same team for additional services. HOAF has a current patient base in the PD, making referrals to the existing provider of PET/CT imaging services, MIF.

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

Section 32.1-102.4. B of the Code of Virginia indicates that, should the proposed project receive approval, the project would be conditioned to provide a level of charity care. Pursuant to the Code of Virginia language any COPN issued for a project will also be conditioned on the applicant’s agreement to accept patients who are the recipients of Medicare and Medicaid.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology proffered a charity care rate of 1.9% in the application’s Pro Forma, however the calculations included in the Pro Forma attachment showed a percentage of 1.1% instead. This is significantly below the HPR average for the charity care reported in 2024²⁷ (**Table 9**). Should the project be approved, DCOPN recommends a charity care condition of 2.0% attached to the certificate, pursuant to the HPR I average.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc.

²⁷ 1.9% was the HPR charity care average for 2023, which was the most recent data available at the time of the submission of the application.

HOAF included a charity care rate of 1.9% in the application’s Pro Forma. This is slightly below the HPR average for the charity care reported in 2024²⁸ (Table 9). Should the project be approved, DCOPN recommends a charity care condition of 2.0% attached to the certificate, pursuant to the HPR I average.

Table 9: 2024 Charity Care Contributions at or below 200% of Federal Poverty Level

HPR I	Gross Patient Revenues	Charity Care	% of Gross Patient Revenues
Inpatient Hospitals			
UVA Health Culpeper Medical Center	608,478,177	34,259,884	5.63%
University of Virginia Medical Center	8,921,363,447	267,814,182	3.00%
Sentara RMH Medical Center	1,299,093,095	34,179,211	2.63%
UVA Encompass Health Rehabilitation Hospital	47,227,845	2,302,674	4.88%
Sentara Martha Jefferson Hospital	976,480,538	17,411,990	1.78%
Carilion Rockbridge Community Hospital	245,348,553	2,154,977	0.88%
Spotsylvania Regional Medical Center	1,018,743,482	8,957,162	0.88%
Augusta Health	1,602,399,846	12,298,471	0.77%
Bath Community Hospital	29,576,578	172,931	0.58%
Valley Health Winchester Medical Center	2,123,358,824	11,908,546	0.56%
Stafford Hospital Center	370,363,474	1,843,906	0.50%
Mary Washington Hospital	1,802,440,824	8,931,031	0.50%
Valley Health Shenandoah Memorial Hospital	211,090,921	1,039,184	0.49%
Fauquier Hospital	502,348,786	2,450,797	0.49%
Valley Health Warren Memorial Hospital	265,287,099	1,197,376	0.45%
Valley Health Page Memorial Hospital	95,416,374	314,135	0.33%
Encompass Health Rehab Hosp of Fredericksburg	39,643,298	12,455	0.03%
UVA Transitional Care Hospital			
HPR I Inpatient Hospital Median			0.9%
HPR I Total Inpatient \$ & Mean %	\$ 20,158,661,161	\$ 407,248,912	2.0%

HPR I	Gross Patient Revenues	Charity Care	% of Gross Patient Revenues
Outpatient Centers			
Martha Jefferson Outpatient Surgery Center	27,600,926	837,961	3.04%
UVA Health Surgical Care Riverside	39,804,288	921,933	2.32%
UVA Orthopedic Center	98,920,765	1,552,249	1.57%
Fredericksburg Ambulatory Surgery Center	71,232,608	178,939	0.25%
Surgery Center of Central Virginia	113,613,804	40,762	0.04%
Rockingham Eye Surgery Center	13,818,185	4,650	0.03%
Soaring Surgery Center	2,677,434	0	0.00%
Valley Health Surgery Center	19,528,899	0	0.00%
Winchester Eye Surgery Center, LLC	5,035,445	0	0.00%
HPR I Outpatient Hospital Median			0.0%
HPR I Total Outpatient Hospital \$ & Mean %	\$ 392,232,354	\$ 3,536,494	0.9%
HPR I Hospital Median			1.22%
HPR I Total Hospital \$ & Mean %	\$ 20,550,893,515	\$ 410,785,406	2.0%

²⁸ 1.9% was the HPR charity care average for 2023, which was the most recent data available at the time of the submission of the application.

Source: VHI Data (2024)

(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 SMFP.

The SMFP contains the criteria and standards for PET/CT imaging services. They are as follows:

**Part I
Definitions and General Information**

12VAC5-230-60. When competing applications received.

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

- 1. Has an established performance record in completing projects on time and within the authorized operating expenses and capital costs;**
- 2. Has both lower capital costs and operating expenses than his competitors and can demonstrate that his estimates are credible;**
- 3. Can demonstrate a consistent compliance with state licensure and federal certification regulations and a consistent history of few documented complaints, where applicable; or**
- 4. Can demonstrate a commitment to serving his community or service area as evidenced by unreimbursed services to the indigent and providing needed but unprofitable services, taking into account the demands of the particular service area.**

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

1. There have been four certificates authorizing projects for Reston Radiology since 2004 across two locations in PD 8. Each certificate with an indefinite extension have completed the project within one year from the date authorized on the certificate.
2. The capital cost with financing projected for Reston Radiology (\$4,145,842) is less than HOAF (\$3,495,211). There is nothing to demonstrate that the estimates are not credible.

There is a question regarding the financing of the budget due to the tenant improvement allowance not being finalized, but the applicant has stated that there is funding for the project regardless of the allowance amount²⁹.

3. DCOPN is not aware of documented comments or complaints about compliance with state licensure and federal certification regulations.
4. Reston Radiology has five COPN certificates, with three of which are at MRI of Reston³⁰ and two at PET of Reston³¹, in PD 8. Each certificate has charity care conditions stipulated; however, charity care data has not been consistently reported each year after the certificates were signed. In the Pro Forma attachment of the application, Reston Radiology proffered a charity care rate of 1.9%, which was the HPR average in 2023 but slightly less than the average of 2024, which is the last year for which data is available³².

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

1. This is the first COPN project that HOAF will be completing. The facility has not applied for previous applications.
2. The capital cost³³ projected for HOAF (\$3,495,211) is less than Reston Radiology's total capital and financing cost (\$4,145,842). There is nothing to demonstrate that the estimates are not credible.
3. DCOPN is not aware of documented comments or complaints about compliance with state licensure and federal certification regulations.
4. The applicant did not provide specific information regarding the provision of unreimbursed services to the indigent and providing needed but unprofitable services. In the Pro Forma attachment of the application, HOAF proffered a charity care rate of 1.9%, which was the HPR average in 2023 but slightly less than the average of 2024, which is the last year for which data is available³⁴.

Article 1

Criteria and Standards for Computed Tomography

12VAC5-230-90. Travel time.

²⁹ Mortier, Nathan. "Re: COPN Request No. VA-8850- Tenant Improvement Allowance." Email to DCOPN, 28 Jan. 2026

³⁰ MRI of Reston is authorized for four MRI scanners. The first was authorized prior to COPN regulations. The second was authorized by VA-03536 in 2000 and completed in 2003 with a charity care of 1.2%. The third (VA-03639) and fourth (VA-03782) were authorized in 2002 and 2004 respectively, both completed by 2005 with charity cares of 1.9%.

³¹ PET of Reston is authorized for two PET scanners. The first certificate is COPN VA-03852 authorized in 2004 and completed in 2005 with a charity care of 2.5%. The second certificate is COPN VA-04740 authorized in 2021 and completed in 2022 with a charity care of 4.1%.

³² 2024 Charity Care data was released one week after the submission of the application.

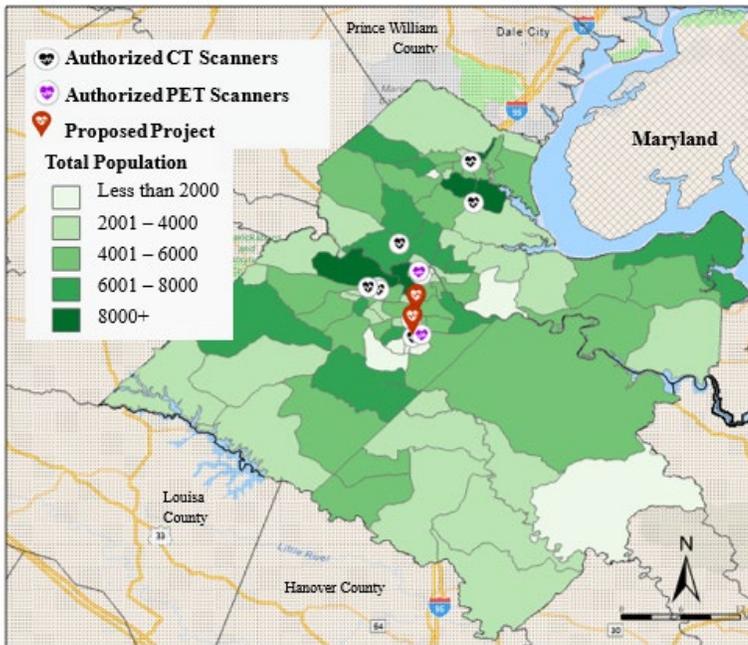
³³ HOAF's project will be funded through accumulated reserves and will not entail financing costs.

³⁴ 2024 Charity Care data was released one week after the submission of the application.

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.

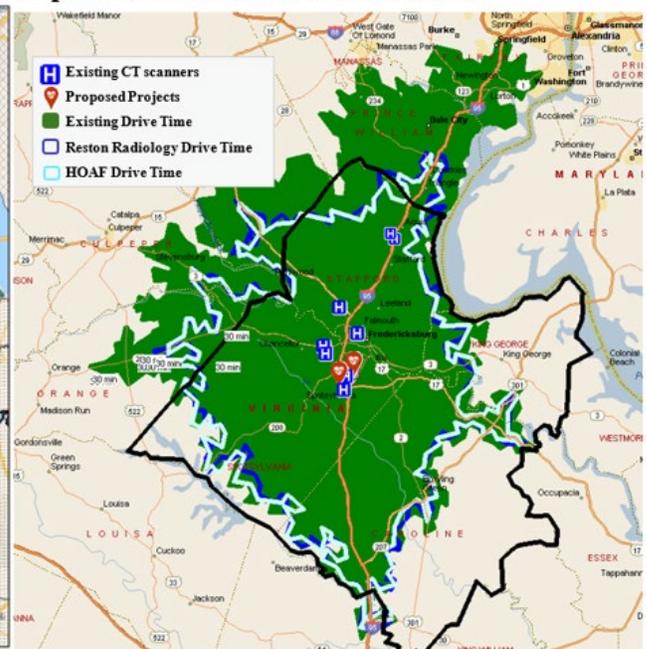
Map 4 shows the population of PD 16, with areas of higher populations in darker green. The locations of the proposed facilities are in higher density areas. Map 5 shows the accessibility to facilities within a 30-minute drive time, as shown by the solid dark green color. The black outline defines the areas in PD 16. The access within a 30-minute drive from Reston Radiology is shown via the dark blue outline. The access within a 30-minute drive from that HOAF is highlighted via the bright blue outline. The eastern portion of the PD is not within a 30-minute drive-time of CT services from existing or proposed locations, with much of Prince George County and the southwestern portion of Caroline County outside of a 30-minute drive-time geographic accessibility. Due to tracts within the areas outside of the geographic access, 95% of the PD population is not within 30 minutes of CT scans within the PD.

Map 4: 2020 Population of Census Tracts (PD16)



Source: ArcGIS, DCOPN Inventory, U.S. Census Data

Map 5: Estimated Access in 30-Minutes



Source: Microsoft Streets and Maps (2008), DCOPN Inventory, VHI Records

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology will not add to the geographic accessibility of the PD as defined by the 30-minute drive. The access to the facility will overlap with existing providers.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

HOAF will not add to the geographic accessibility of the PD as defined by the 30-minute drive. The access to the facility will overlap with existing providers.

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.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC and VA-8864 Hematology-Oncology Associates of Fredericksburg

Table 10: CT Procedures in PD 16 (2024)

Facility Name	Fixed Units	Total CT Procedures	Procedure Average per Scanner	Utilization
ED - Fredericksburg ER (Chancellor)	1	3,505	3,505	47.4%
ED - Mary Washington Hospital Harrison Crossing	1	4,739	11,581	64.0%
MPI - Medical Imaging Harrison Crossing		6,842		92.5%
ED - Mary Washington Hospital - Lee's Hill	1	6,956	16,852	94.0%
Medical Imaging at Lee's Hill		9,896		133.7%
Medical Imaging of Fredericksburg	1	15,722	15,722	212.5%
Medical Imaging of North Stafford	1	3,895	3,895	52.6%
Mary Washington Hospital	5	42,919	8,584	116.0%
Spotsylvania Regional Medical Center	2	19,701	9,851	133.1%
Stafford Hospital	2	15,537	7,769	105.0%
PD 16 Total	14	129,712	9,265	125.2%

Source: VHI Records

There was an average of 9,265 procedures on CT scanners performed in the PD in 2024, the last year for which data is available (**Table 10**). This is more than the minimum of 7,400 procedures outlined in the SMFP. The addition of the independent use CT is not expected to have a significant impact on volumes of the existing providers.

Based on the number of scans performed, with the SMFP threshold of 7,400, there is a need for 17.5, or 18, CT scanners in the PD. As there are currently 14 scanners, there is a deficit of four CT scanners in the PD.

12VAC5-230-110. Expansion of fixed site service.

Proposals to expand an existing medical care facility's CT service through the addition of a CT scanner should be approved when the existing services performed an average of 7,400 procedures per scanner for the relevant reporting period. The commissioner may authorize placement of a new unit at the applicant's existing medical care facility or at a separate location within the applicant's primary service area for CT services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC and VA-8864 Hematology-Oncology Associates of Fredericksburg

This does not apply to either project as each is applying for the establishment of new CT services and not the expansion of existing services.

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.**

VA-8850- Reston Radiology Advanced Imaging Centers, LLC and VA-8864 Hematology-Oncology Associates of Fredericksburg

This criterion does not apply to either project. Both Reston Radiology and HOAF are applying for fixed sites and not mobile locations.

12VAC5-230-130. Staffing.

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

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology has stated that the CT services will be provided under the direction and supervision of at least one qualified physician.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

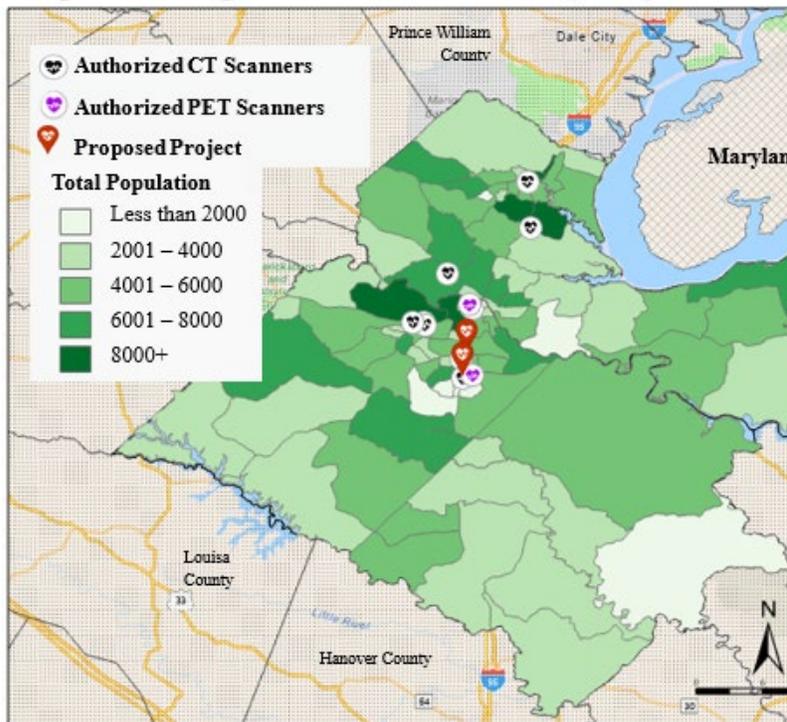
HOAF has stated that the CT services will be provided under the direction and supervision of at least one qualified physician.

Article 4
Positron Emission Tomography

12VAC5-230-200. Travel time.

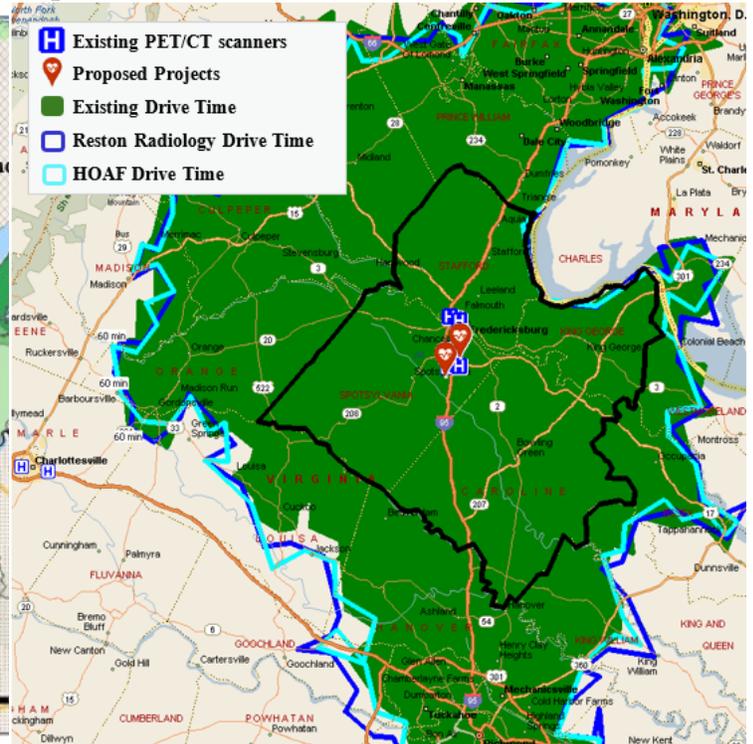
PET services should be within 60 minutes driving time one way under normal conditions of 95% of the health planning district using a mapping software as determined by the commissioner.

Map 4: 2020 Population of Census Tracts (PD16)



Source: ArcGIS, DCOPN Inventory, U.S. Census Data

Map 5: Estimated PET Access in 60-Minutes



Source: Microsoft Streets and Maps (2008), DCOPN Inventory, VHI Records

Map 4, repeated here from the section above, has the population of the PD shown, with areas of higher populations in darker green. The locations of the proposed facilities are in higher density areas. Map 6 shows the accessibility to facilities with authorized PET scanners within a 60-minute drive time, as shown by the solid dark green color. The black boarder outlines PD 16. The access within a 60-minute drive of Reston Radiology is shown via the dark blue outline. The access within a 60-minute drive of HOAF will add is highlighted via the bright blue outline.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology does not add to the geographic accessibility of the PD as defined by the 60-minute drive time. All residents of the region have geographic access to PET imaging services, any changes to accessibility are in external areas.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

HOAF does not add to the geographic accessibility of the PD as defined by the 60-minute drive time. All residents of the region have geographic access to PET imaging services, any changes to accessibility are in external areas.

12VAC5-230-210. Need for new fixed site service.

- A. If the applicant is a hospital, whether free-standing or within a hospital system, 850 new PET appropriate cases shall have been diagnosed and the hospital shall have provided radiation therapy services with specific ancillary services suitable for the equipment before a new fixed site PET service should be approved for the health planning district.**
- B. No new fixed site PET services should be approved unless an average of 6,000 procedures³⁵ 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.**

While the utilization of existing authorized scanners must be considered in the analysis of public need, DCOPN has stated before that the exact threshold for the maximum utilization needs updating. The highest performing PET scanner in Virginia for 2024, the latest year for which such data is available, performed 5,448 procedures (90.8% of the utilization standard³⁶); the second highest utilized scanner performed 4,139 procedures (69.0% of the standard³⁷). The average PET scanners in Virginia performed 2,372 procedures in 2024.

The reported PD 16 PET scanner average of 2,686, as shown in **Table 11**, is higher than the state average. MIF has stated³⁸, however, that 1,500 additional scans can be completed by the facility annually before the PD's demand for PET imaging requires additional scanners. Multiple MIF representatives have stated that the average wait-time for patients to receive imaging services is 2.1 days. There are also two authorized cardiac PET/CT scanners in the PD that are not yet reporting data to VHI. These additional scanners may disperse the utilization of MIF's scanner.

³⁵ 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 individual PET procedures and CT procedures respectively, unless those images are made concurrently.

³⁶ This was performed by Virginia Heart in Falls Church, Virginia. The facility is authorized for one scanner by COPN VA-04806.

³⁷ This was performed by Fairfax PET/CT Center in Fairfax, Virginia. The facility is authorized for one scanner per COPN VA-04132.

³⁸ COPN Request No. VA-8850 and VA-8864 Public Hearing (2026) (Testimony of Chris Snyder)

Table 11: PET Procedures in PD 16 (2024)

Facility Name	Fixed Units	Total CT Procedures	Procedure Average per Scanner	Utilization
Medical Imaging of Fredericksburg	1	2,686	2,686	44.8%

Source: VHI Records

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology is not part of a hospital, free-standing or attached to a campus. There are currently not 6,000 procedures being performed at the existing, reporting, PET/CT scanner. MIF reported 2,686 scans in 2024, only 44.8% of the SMFP threshold for expansion. Reston Radiology states that the project will not have a significant impact on existing providers. However, as will be discussed later, there is concern that the approval of the project will impact the existing provider by significantly reducing the volume of PET/CT scans.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

HOAF is not part of a hospital, free-standing or attached to a campus. There are currently not 6,000 procedures being performed at the existing, reporting, PET/CT scanner. MIF reported 2,686 scans in 2024, only 44.8% of the SMFP threshold for expansion.

HOAF states that the approval of the project is “not expected to have any significant adverse impact on the utilization of existing providers.” HOAF is currently a key referral source of scans for MIF, with “nearly half” of referrals to MIF coming from HOAF³⁹. There is concern that the loss of referrals from HOAF will significantly reduce the number of PET scans performed at MIF.

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.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC and VA-8864 Hematology-Oncology Associates of Fredericksburg

This criterion does not apply to either project. Both Reston Radiology and HOAF are applying for the establishment of new fixed sites, and not the expansion of existing services.

12VAC5-230-230. Adding or expanding mobile PET or PET/CT services.

A. Proposals for mobile PET or PET/CT scanners should demonstrate that, for the relevant reporting period, at least 230 PET or PET/CT appropriate patients were

³⁹ Green, Neil. “Opposition to COPN Request No. VA-8864.” Letter to DCOPN, 19 Feb. 2026

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 .**

VA-8850- Reston Radiology Advanced Imaging Centers, LLC and VA-8864 Hematology-Oncology Associates of Fredericksburg

This criterion does not apply to either project as the proposals are for fixed PET/CT scanners and not mobile.

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.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology has stated that the PET services will be provided under the direction and supervision of at least one qualified physician. The physicians wrote letters of commitment to the project and ensuring high-quality care.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

HOAF has stated that the PET services will be provided under the direction and supervision of at least one qualified physician.

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-8850- Reston Radiology Advanced Imaging Centers, LLC

The introduction of another PET/CT provider in the PD would foster institutional competition as there is currently a single provider. This would provide residents with more options for where to receive care and potentially increase options accepted by various insurance providers, allowing for care to be received without traveling outside of the PD.

Reston Radiology estimates 1,386 scans in the first year of service, increasing to 1,683 scans in the second year (Table 12). For PET scans, the number projected would be 51.6% and 61.9% respectively of the total scans performed in the PD in 2024. The applicant does not have a patient base in the PD, and the transition of clients would either indicate a sharp increase in PET scans performed or a negative impact on existing providers in the PD.

Table 12: Projected First Two Year PET/CT Scans Compared to 2024 Data

	Year 1	Year 2	2024 Average Scans per Unit	2024 Total Scans in PD
PET Scans	1,164	1,431	2,686	2,686
CT Scans	222	252	9,265	129,712
Combined PET/CT scans⁴⁰	1,386	1,683	11,951	132,398

Source: COPN Request No. VA-8850

For independent CT scans, the projected number of scans would be less than 3% of the average number of scans performed per fixed scanner in the PD in 2024. The estimated utilization of the CT scanner independently is not expected to significantly impact existing providers.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

The introduction of another PET/CT provider in the PD would foster institutional competition as there is currently a single provider. This would provide residents with more options for where to receive care and potentially increase options accepted by various insurance providers, allowing for care to be received without traveling outside of the PD.

HOAF estimates a total number of 6,218 PET/CT scans in the first year of operation and 6,466 in the second year (Table 13). When the totals are broken down, the PET scans would equate to approximately 54.3% of scans in the PD in the first year and 56.4% in the second. The applicant does have an existing patient base in the PD, but all current eligible scans occur at MIF. The approval of the project will impact the PET imaging services at MIF. However, the approval of the project is not estimated to encompass all of the referred scans. The applicant stated in the application that the projected number of scans are “approximately half of the scan volumes expected in future years in PD 16.” It was not specified if the remaining scans were not included in the estimates due to conservative predictions or plans to refer the patients to other providers.

Table 13: Projected First Two Year PET/CT Scans Compared to 2024 Data

	Year 1	Year 2	2024 Average Scans per Unit	2024 Average Scans in PD
PET Scans	1,458	1,516	2,686	2,686
CT Scans	4,760	4,950	9,265	129,712
Combined PET/CT scans	6,218	6,466	11,951	132,398

⁴⁰ The combined data for Table 12 and Table 13 are not only from machines able to perform combined PET/CT scans. CT procedures completed on individual CT scanners were also included in the tables’ bottom rows.

Source: COPN Request No. VA-8864

The projected independent CT scans will equate to approximately 51.4% of the average number of scans performed per fixed scanner in the PD in 2024, and approximately 53.4% in the second year. This would be slightly less than the average 2024 volume of existing providers.

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.

Table 14 shows the utilization of all providers in the PD for PET scans from 2020 to 2024. During that time period, the utilization of PET scanners increased with 1,040 additional scans completed in 2024 compared to 2020. The COVID-19 pandemic may have had an impact on the utilization during 2020; data for 2019 for comparison was not available according to VHI records.

Table 14: Reported PET Utilization in PD 16 (2020-2024)

Year	Fixed Scanners	Total Procedures	Utilization
2020	1	1,586	26.4%
2021	1	1,916	31.9%
2022	1	1,949	32.5%
2023	1	2,111	35.2%
2024	1	2,686	44.8%

Source: VHI Data

Table 15 shows the utilization of all providers in the PD for CT scans from 2020 to 2024. During that time period, the utilization of CT scanners steadily increased with a decrease in 2022. The number of fixed scanners in the PD has increased as well; in 2024 two scanners and three locations providing services started CT imaging services⁴¹.

Table 15: Reported CT Utilization in PD 16 (2020-2024)

Year	Fixed Scanners	Total Procedures	Utilization
2020	11	83,328	102.4%
2021	11	104,910	128.9%
2022	11	96,561	118.6%
2023	12	109,947	123.8%
2024	14	129,712	125.2%

Source: VHI Data

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

⁴¹ The scanner providing services at ED- Mary Washington Hospital Harrison Crossing and MPI Medical Imaging Harrison Crossing began services. Mary Washington opened a fifth CT scanner. ED- Mary Washington Hospital-Lee’s Hill also began providing imaging services at the scanner authorized to Medical Imaging at Lee’s Hill.

Reston Radiology does not have an existing presence based within the PD. The proposed facility will take volumes from existing providers.

Regarding the CT portion of the project, the approval of the project is not likely to significantly impact the existing providers. **Table 12** shows that the projected CT scans across the first two years of operation are less than 3% of the average CT scanner's procedures performed in the PD. There is a deficit of 4 CT scans in the PD, with a utilization of 125.2% across the 14 existing CT scanners (**Table 15**).

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

HOAF has an existing patient base within the PD that will be the target for its PET/CT imaging services should the project be approved. HOAF patients currently receiving PET/CT scans in the PD are referred to MIF, and represent between 40-45% of the patient base at MIF. Approval of HOAF for the facility's own PET/CT would cause a decrease in the number of referrals made and impact the utilization of MIF facilities.

Regarding the CT portion of the project, the approval is not likely to significantly impact the existing providers. As shown in **Table 13**, the projected scans in the first two years are less than the average CT scanner. There is a deficit of 4 CT scans in the PD, with a utilization of 125.2% across the 14 existing CT scanners (**Table 15**).

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-8850- Reston Radiology Advanced Imaging Centers, LLC

As stated above, Reston Radiology's capital costs for the project are approximately \$3,483,920 before financing costs which is reasonable when compared to similar projects. The project will be paid in part (76.8%) through a bank loan from Old Dominion National Bank, with the rest of the cost paid by operating revenues and a tenant improvement allowance. The additional costs are not projected to impact patient care.

The application proffered a 1.1% charity care percentage on PET/CT imaging services for the facility, with an income of \$253,833 for the first year and \$987,181 for the second (**Table 16**). With the recommended charity care condition of 2%, to match the HPR I average, the adjusted income is \$200,999 and \$923,780 respectably. The sharp increase in the second year (approximately 3.6%) is in part due to the depreciation expense that the facility is saving, with a decrease of \$428,164 between years one and two.

Table 16: Expected Revenue and Income of First Two Years

	Year 1	Year 2
Expected Gross Revenue	\$ 5,959,800	\$ 7,151,760
Estimated Charity Care	\$ 66,362	\$ 79,634
Percentage	1.11%	1.11%
Contractual Adjustments and Debt	\$ 2,467,080	\$ 2,960,496
Expected Net Revenue	\$ 3,426,358	\$ 4,111,630
Additional Expenses	\$ 3,172,525	\$ 3,124,449
Expected Income	\$ 253,833	\$ 987,181
Adjusted Charity Care	\$ 119,196	\$ 143,035
HPR Charity Care Average	2.00%	2.00%
Adjusted Net Revenue	\$ 3,373,524	\$ 4,048,229
Adjusted Income	\$ 200,999	\$ 923,780

Source: COPN Request No. VA-8850 Application

As stated above, DCOPN does have a concern regarding the long-term feasibility of the proposed project. The number of PET scans estimated in both the first and second year would be over half of the total scans currently provided. As the applicant does not have a presence in the PD, viability of the proposed project would require the facility to establish a patient base with half of the population of current residents receiving scans. This would impact existing providers.

Approval of the project will require 2.5 fulltime equivalent staff, with one being an administration business official and the other 1.5 equivalent staff being a radiologic technologist. The additional staff will be recruited from existing affiliated locations in PD 8; the applicant stated that two clerical staff and a physician at other facilities are willing to relocate to PD 16 should the project be approved.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc.

As stated above, HOAF’s capital costs for the project are approximately \$3,495,211 before financing costs, which is reasonable when compared to similar projects. The project will be paid for through accumulated reserves. The additional costs are not projected to impact patient care.

The application proffered a 1.9% charity care on PET/CT imaging services for the facility, with an income of \$979,112 for the first year and \$878,648 for the second (**Table 17**). With the recommended charity care condition of 2%, to match the HPR I average, the adjusted income is \$961,153 and \$860,273 respectively. There is a decrease from the first year to the second, but the project is still estimated to make a profit.

Table 17: Expected Revenue and Income of First Two Years

	Year 1	Year 2
Expected Gross Revenue	\$ 17,958,788	\$ 18,374,650
Estimated Charity Care	\$ 341,217	\$ 349,118
Percentage	1.90%	1.90%
Contractual Adjustments and Debt	\$ 12,229,935	\$ 12,513,137
Expected Net Revenue	\$ 5,387,636	\$ 5,512,395
Additional Expenses	\$ 4,408,524	\$ 4,633,747
Expected Income	\$ 979,112	\$ 878,648
HPR Charity Care Average	2.00%	2.00%
Adjusted Charity Care	\$ 359,176	\$ 367,493
Adjusted Net Revenue	\$ 5,369,677	\$ 5,494,020
Adjusted Income	\$ 961,153	\$ 860,273

Source: COPN Request No. VA-8864 Application

The project will require the addition of four full-time equivalent staff, with two administrative workers and two technologists dually certified in PET and CT imaging. HOAF states that recruitment efforts will be from training programs and contacts with health professionals and institutions.

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-8850- Reston Radiology Advanced Imaging Centers, LLC

(i) There is no new technology that will be introduced to the PD. (ii) All services will be provided on an outpatient basis, which would be provided at less cost than inpatient imaging services. (iii) There are no identified cooperative efforts to meet regional health care needs. (iv) No additional factors were stated to be considered.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc

(i) There is no new technology that will be introduced to the PD. (ii) All services will be provided on an outpatient basis, which would be provided at less cost than inpatient imaging services. (iii) There are no identified cooperative efforts to meet regional health care needs. (iv) The PET/CT scanner will be restricted to oncological uses.

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-8850- Reston Radiology Advanced Imaging Centers, LLC and VA-8864 Hematology-Oncology Associates of Fredericksburg

This is not applicable. Neither applicant is 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

The City of Fredericksburg There are currently three authorized PET/CT scanners in PD 16, and fifteen CT scanners; of these one PET/CT is reporting utilization and fourteen CT scanners are doing the same. There are two PET/CT scanners authorized for the PD who are not reporting utilization, both are restricted to cardiac imaging procedures. The facility which is reporting stated at the public hearing and wrote letters stating that the facility has a 2.1 day wait-time for patients and can perform more scans before reaching capacity.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

Reston Radiology Advanced Imaging Centers, LLC is (Reston Radiology) proposes to establish imaging facility for the provision of PET/CT services with independent CT use. Reston Radiology's proposed project is estimated to cost approximately \$3,483,920 and be paid via loan and internal resources. The costs are reasonable when compared to similar projects. Reston Radiology has four existing locations; all located in PD 8. This will be the first location in PD 16.

The status quo is a reasonable alternative to the project. Approval of the project will increase competition of PET/CT scanners in the PD and add options. However, there is concern that the facility will decrease utilization of the existing providers to an unsustainable degree. Approval of the proposed project will not add geographic access to the PD within the 30-minute drive time outlined in the SMFP. The feasibility of the proposed project is a concern, as the PET volumes projected are approximately half of the PD's existing volume and the CT volume is less than 3% of the existing volume.

There is significant opposition to the proposed project, with community members stating it is likely to significantly impact the utilization of existing providers. There was also a letter of support from a previous patient. There is currently a demand for four additional CT scanners in the PD, and there is not a mathematical need for additional PET scanners in the PD.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc.

Hematology-Oncology Associates of Fredericksburg, Inc. (HOAF) proposes to establish imaging facility for the provision of PET/CT services with independent CT use. The proposed scanner will be restricted to oncological uses. HOAF's proposed project is estimated to cost approximately \$3,495,211 and will be paid through accumulated reserves. The costs are reasonable when compared to similar projects. HOAF is currently providing medical services in PD 16, but this will be the first COPN certificate for the facility.

Approval of the proposed project will not add geographic access to the PD within the 30-minute drive time outlined in the SMFP. HOAF has a current patient base which would be the source of patients for PET/CT imaging services. The approval of the proposed project will increase competition of PET/CT scanners in the PD and add options. However, there is concern that the facility will decrease utilization of the existing PET providers to an unsustainable degree. HOAF is currently the main referral source for MIF patients and the authorization of HOAF for a PET/CT scanner will decrease the number of scans provided by MIF.

There is significant opposition to the proposed project, with community members stating it is likely to significantly impact the utilization of existing providers. Support for the proposed project was provided by previous patients and current physicians at the practice, stating approval would provide increased continuum of care and reduce patient travel. There is currently a demand for four additional CT scanners in the PD, and there is not a mathematical need for additional PET scanners in the PD.

DCOPN Staff Recommendations

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

The Division of Certificate of Public Need recommends **denial** of Reston Radiology Advanced Imaging Centers, LLC's Certificate of Public Need Request number VA-8850 to establish a specialized care facility for the provision of PET/CT imaging services for the following reasons:

1. The project is generally inconsistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. The status quo is preferable to this project.
3. The applicant does not have an existing presence in PD 16.
4. Approval of the project will significantly negatively impact existing providers in the PD.
5. There is no demand for additional PET scanners in PD 16. CT services cannot be approved independently as the applied project was stated for a combined scanner.
6. There is significant opposition to the project.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc.

The Division of Certificate of Public Need recommends **denial** of Hematology-Oncology Associates of Fredericksburg, Inc's Certificate of Public Need Request number VA-8864 to establish a specialized care facility for the provision of PET/CT imaging services for the following reasons:

1. The project is generally inconsistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. The status quo is preferable to this project.
3. Approval of the project will significantly negatively impact existing providers in the PD.
4. There is no demand for additional PET scanners in PD 16. CT services cannot be approved independently as the applied project was stated for a combined scanner.
5. There is significant opposition to the project.