

VIRGINIA DEPARTMENT OF HEALTH
Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

April 21, 2026

COPN Request No. VA-8866

Inova Health Care Services d/b/a Inova Loudoun Hospital
Leesburg, Virginia
Add 48 medical-surgical beds.

Applicant

Inova Health Care Services is a 501 (c)(3) Virginia nonstock corporation. The sole member of Inova Health Care Services is the Inova Health System Foundation, also a 501 (c)(3) Virginia nonstock corporation. Inova Loudoun Hospital (“ILH”) is a facility in Leesburg, Planning District (PD) 8, Health Planning Region (HPR) II.

Background

The Division of Certificate of Public Need (DCOPN) notes that nearly all acute care hospital beds in Virginia can be classified as “medical-surgical” (med/surg) beds, except for psychiatric, substance abuse treatment, and rehabilitation beds. As long as the total licensed bed complement is not exceeded, hospitals may configure and use med/surg beds, as circumstances require. For this reason, DCOPN has included obstetric (OB), pediatric, and intensive care unit (ICU) beds in the total count of licensed med/surg beds (**Table 1**). According to DCOPN records, and as demonstrated by **Table 1** below, the med/surg bed inventory of PD 8 consists of 2,667 beds.

Table 1. PD 8 Licensed General Hospital Beds

Facility	Total Licensed Beds	Medical-Surgical Beds
Inova Alexandria Hospital ¹	302	302
Inova Fair Oaks Hospital	174	174
Inova Fairfax Medical Campus	928 ²	822
Inova Loudoun Hospital	211	189
Inova Mount Vernon Hospital	205	108
Inova Specialty Hospital	32	32
Reston Hospital Center	243	213
Sentara Northern Virginia Medical Center	183	183
StoneSprings Hospital Center	124	107
UVA Health Haymarket Medical Center	60	60
UVA Health Prince William Medical Center	130	100
Virginia Hospital Center	453	377
Total	3,045	2,667

Source: DCOPN records

According to the 2024 Virginia Health Information (VHI) report, the latest of which is available, ILH’s 189 licensed med/surg beds reported an overall occupancy rate of 78.97%. This is slightly below the State Medical Facilities Plan (SMFP) threshold for expansion of 80% (**Table 2**).

Table 2: ILH Med/Surg Occupancy Rate by Bed Class

Bed Class	Licensed Beds	Licensed Bed Available Day	Patient Days	Occupancy Rate
Adult ICU	23	8,418	5,901	70.10%
Med/Surg	128	46,848	40,679	86.83%
Obstetric	24	8,784	6,329	72.05%
Pediatric	14	5,124	1,716	33.49%
Total	189	69,174	54,625	78.97%

Source: 2024 VHI

ILH’s most recent request for acute care beds was in 2018 with COPN Request No. VA-8388 where it proposed to add 44 new adult inpatient beds to its inventory. At the time, there was a surplus of 109 med/surg beds in PD 8, and ILH’s overall med/surg bed occupancy was 71.5%. Ultimately, the project was recommended for denial by DCOPN with the alternative recommendation that beds would be relocated from other hospitals within the Inova Health System that were historically underutilized. Following an Informal Fact-Finding Conference (IFFC), COPN No. VA-04658 was issued in May 2019 allowing for the addition of 44 med/surg beds at ILH with the condition that the beds be relocated from other facilities. The relocation

¹ VA-04793 and VA-04832 authorized the relocation and partial replacement of Inova Alexandria Hospital. Upon completion, 192 beds will be relocated to the new Inova Alexandria Hospital, and 110 beds will be relocated to Inova Franconia-Springfield Hospital. Project completion for both hospitals is estimated for 2028. Note that these authorized changes are not yet on the hospitals’ licenses and are not included here.

² COPN No. VA-04658 authorized the transfer of 20 beds from Inova Fairfax Hospital to Inova Loudoun Hospital. Following this, COPN No. VA-04938 authorized the addition of 48 med/surg beds at Inova Fairfax Hospital. The total bed compliment at Inova Fairfax Hospital was erroneously stated to be 996 on the certificate instead of 976. Upon completion of VA-04938, the total bed compliment at Fairfax will be 976.

allocated 16 beds from Inova Alexandria Hospital, 20 beds from Inova Fairfax Hospital and 8 beds from Inova Fair Oaks Hospital. According to an indefinite extension request filed for the project, the transfer of beds was completed in April 2020, and **Table 1** reflects the current bed complement.

Proposed Project

The applicant proposes to expand ILH's adult inpatient med/surg bed capacity by adding 48 med/surg beds. The addition of the 48 med/surg beds will be accomplished by fitting existing shell space (38,148 net square feet) on the 7th floor of the North Patient Tower with two 24-bed units. Should the project be approved, ILH will have a total complement of 237 med/surg beds.

The projected capital costs for the proposed project total \$33,777,107, of which 67% represents direct construction costs (**Table 3**). The applicant will fund the project using accumulated reserves, accordingly, there are no financing costs associated with this project.

Table 3. Projected Capital Costs

Direct Construction Costs	\$22,548,015
Equipment Not Included in Construction Contract	\$9,622,893
Architectural and Engineering Fees	\$1,606,200
Total Capital Costs	\$33,777,107

Source: COPN Request No. VA-8866

Construction for the proposed project is expected to begin in March 2027 and is expected to be completed in October 2028. The applicant anticipates an opening date in December 2028.

Project Definition

§32.1-102.1:3 of the Code of Virginia defines a project, in part, as “[a]n increase in the total number of beds...in an existing medical care facility described in subsection A” §32.1-123 defines a medical care facility as “[a]ny facility licensed as a hospital.”

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

ILH is well-situated with respect to public and private transportation. Public bus transportation is available near the main patient entrance, and the metro rail is available at the Innovation Center Metro Station via the Loudoun County Transit bus service. From the Beltway (I-495), Leesburg Pike VA-7 West may be followed for approximately 20 miles to Claiborne Parkway / Lansdowne Boulevard, where hospital signs for ILH are first sighted.

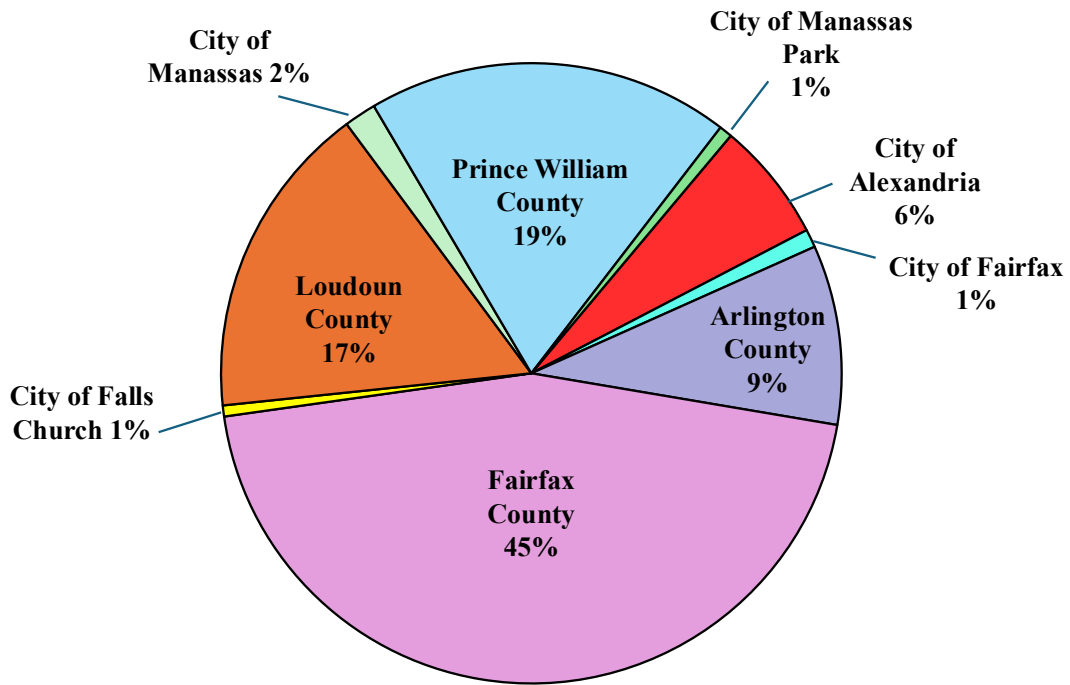
PD 8 had a population of about 2.5 million in 2020 and is projected to grow by just under 300,000 people, a 10.9% increase, by 2030. This is nearly double the population growth rate projected for the Commonwealth of Virginia during this decade, 5.8% (Table 4). Loudoun County, where the proposed project is located, is projected to have a population exceeding 522,000 by 2030. In total, it is projected to grow by 101,056 people, a 24% increase, between 2020 and 2030, a higher rate than that of PD 8 and that of Virginia (Table 4 & Figure 2). In fact, Loudoun County is projected to have the highest population increase in PD 8. The 65+ population in PD 8 is expected to grow by 97,855 people (a 31.9% increase) between 2020 and 2030. In Loudoun County, the 65+ population is expected to grow by 24,347 people (a 58.7% increase) (Table 4 & Figure 2). Fairfax County, which borders Loudoun County, is the largest county in PD 8 and in 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). Figure 1 shows that Loudoun County makes up 17% of the population of PD 8.

Table 4. PD 8 Population Data

Geographic Name	2020 Census	2030 Projection	Projected Population Change 2020-2030	Projected % Change 2020-2030	2020 65 + Census	2030 65+ Projection	Projected Population Change 65+ 2020-2030	Projected Percent Change 65+ 2020-2030
City of Alexandria	159,467	176,403	16,936	10.6%	18,758	22,941	4,183	22.3%
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%
City of Fairfax	24,146	25,358	1,212	5.0%	3,871	4,726	855	22.1%
City of Falls Church	14,658	16,741	2,083	14.2%	2,185	2,545	360	16.5%
Loudoun County	420,959	522,015	101,056	24.0%	41,497	65,844	24,347	58.7%
City of Manassas	42,772	47,039	4,267	10.0%	4,505	6,593	2,088	46.3%
City of Manassas Park	17,219	19,876	2,657	15.4%	1,343	2,162	819	61.0%
Prince William County	482,204	554,344	72,140	15.0%	50,522	76,112	25,590	50.7%
PD 8 Totals/Avg.	2,550,377	2,828,990	278,613	10.9%	306,701	404,556	97,855	31.9%
<i>Virginia</i>	<i>8,631,393</i>	<i>9,129,002</i>	<i>497,609</i>	<i>5.8%</i>	<i>1,395,291</i>	<i>1,762,641</i>	<i>367,350</i>	<i>26.3%</i>

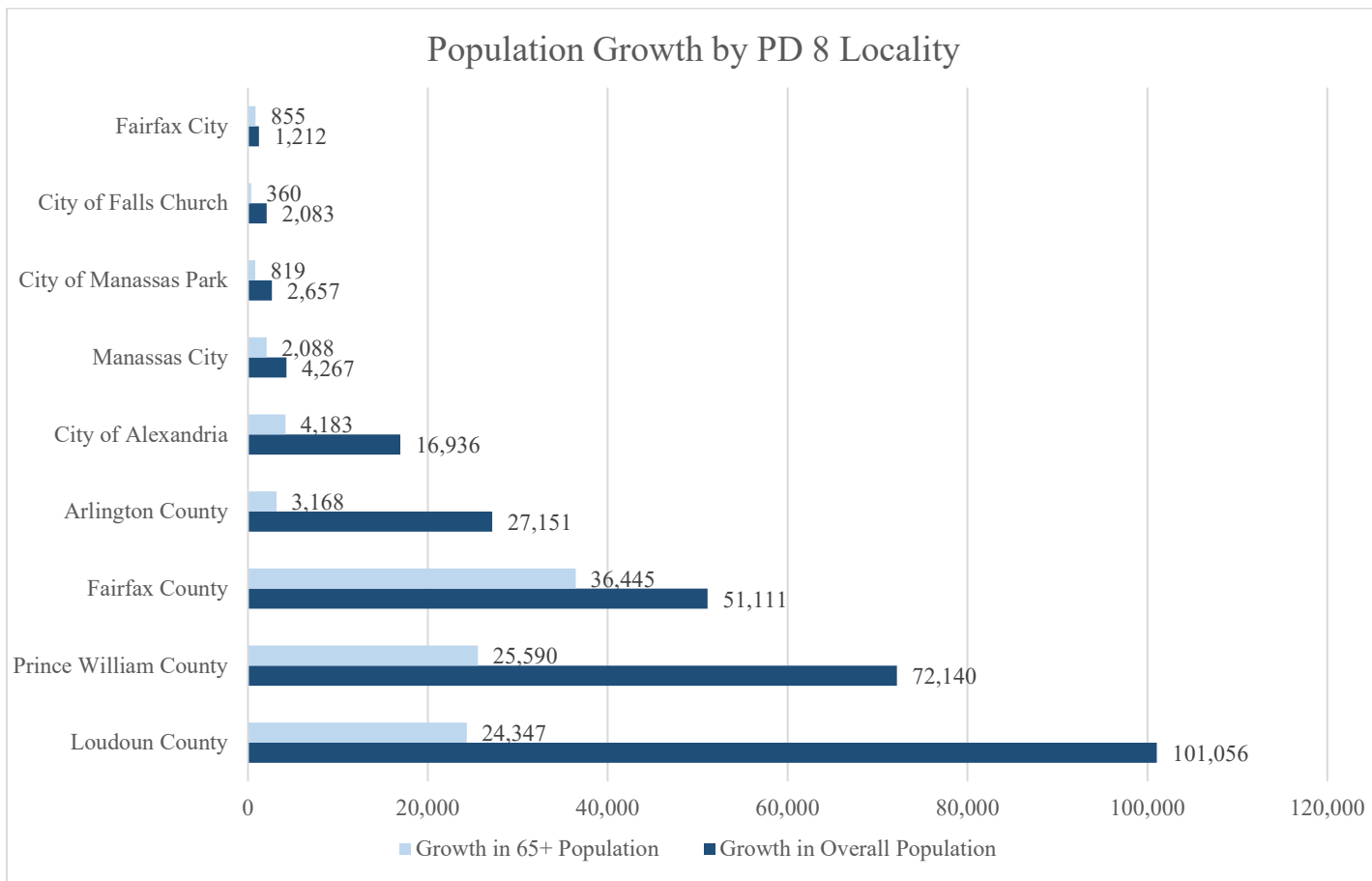
Source: Weldon-Cooper Data, updated June 2025

Figure 1. Percent of PD 8 Population by Locality



Source: Weldon-Cooper Data, updated June 2025

Figure 2. Projected Population Growth by Locality, PD 8, 2020-2030



Source: Weldon-Cooper Data, updated June 2025

With respect to socioeconomic barriers, the overall poverty rate of PD 8 is 6.2%, lower than that of Virginia, 10.2% (Table 5). Loudoun County has a poverty rate lower than the rest of PD 8 at 4.1%.

Table 5. 2023 Poverty Rates, PD 8

Locality	Percent in Poverty
City of Alexandria	8.5%
Arlington County	7.1%
Fairfax County	6.1%
City of Fairfax	7.4%
City of Falls Church	5.1%
Loudoun County	4.1%
City of Manassas	10.7%
City of Manassas Park	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 proposed project will meet the needs of people in the area to be served, as demonstrated by each of the following:

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

DCOPN received three letters in support for the proposed project, which addressed:

- Unavailability of beds has led to delayed admission and lower patient satisfaction.
- As the population continues to increase, ILH needs to expand inpatient med/surg bed capacity to meet the needs of the population.
- ILH has made significant strides in addressing the needs of the community, including becoming a provisional Level II Trauma Center and focusing on expanding specialized coverage.

DCOPN did not receive any letters in opposition to the proposed project.

Public Hearing

DCOPN provided notice to the public regarding these projects on February 10, 2026. The public comment period closed on March 27, 2026. On April 13, 2026, the Health Systems Agency of Northern Virginia (HSANV) held a public hearing for the project. ILH's project was presented by Alicia Wiygul, Director, Strategy & Planning, Inova Health System, Susan Carroll, President, Inova Loudoun Hospital and Shabnam Lankarani, MD, Chief Medical Officer, Inova Fair Oaks Hospital. There was no public comment regarding the project.

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

A reasonable alternative to the proposed project identified by DCOPN would be for ILH to relocate underutilized beds from other facilities within the Inova Health System to the proposed site. According to the 2024 VHI data, Inova Alexandria Hospital had the lowest med/surg bed occupancy (52.71%) in the Inova Health System, but these beds are already planned to be relocated to the two new Inova Hospitals that are currently being constructed.³ Additionally, the beds at the Inova Specialty Hospital, located on the campus of Inova Mount Vernon Hospital, are slated for use by critically ill patients. This leaves Inova Fair Oaks Hospital (59.74% occupancy) and Inova Mount Vernon Hospital (57.91% occupancy) as the best two options to transfer beds from, as doing so would not cause occupancy rates to go above the SMFP threshold for expansion. **Table 6** below shows what occupancy rates for Inova Fair Oaks and Mount Vernon Hospitals would potentially look like with the transfer of 30 beds from Fair Oaks and 18 beds from Mount Vernon.⁴ Even with the reduction in med/surg beds, both facilities would still be below the occupancy rate for expansion outlined in the SMFP. DCOPN notes that the applicant could be authorized to relocate beds from any of their other facilities, not just the two identified by DCOPN as the best options.

Table 6: Inova Health System Med/Surg Bed Occupancy, 2024

Facility Name	Licensed Beds	Staffed Beds	Licensed Bed Available Days	Patient Days	Occupancy Rate	Projected Occupancy Rate with Bed Transfer
Alexandria Hospital	302	302	110,532	58,266	52.71%	-
Fair Oaks Hospital	174	174	63,684	38,045	59.74%	72.19% (minus 30 beds)
Fairfax Hospital	822	822	300,852	257,962	85.74%	-
Loudoun Hospital	189	189	69,174	54,625	78.97%	-
Mount Vernon Hospital	108	108	39,528	22,889	57.91%	69.49% (minus 18 beds)
Specialty Hospital	32	32	11,712	7,943	67.82%	-
Total	1,627	1,627	595,482	439,730	73.84%	-

Source: VHI, 2024

The two facilities with underutilized med/surg bed capacity, Inova Fair Oaks and Inova Mount Vernon, have not experienced med/surg occupancy increases at the same rate as other hospitals in the Inova Health System. From 2020 to 2024, Inova Fair Oaks’ med/surg occupancy rate only

³ COPN No. VA-04793 and COPN No. VA-04832

⁴ Calculations were made using 2024 patient days provided by VHI.

increased by 6.5% while Inova Mount Vernon experienced a decrease of 1.4% (accounting for a reduction of 32 beds⁵).

DCOPN concludes that reallocating beds from one or more of Inova Health System's underutilized facilities, specifically Inova Fair Oaks and Inova Mount Vernon, is a reasonable and more cost-effective alternative to the proposed project.

(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;

At its April 13, 2026, meeting, the HSANV, the organization in HPR II designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 8, voted eleven in favor, none opposed, to recommend approval of Inova Health Care Services COPN Request number VA-8866. The HSANV based its recommendation on its review of the application, on the HSANV staff report on the proposal, on the information presented at the April 13, 2026 public hearing and Board of Directors meeting, and on several basic findings and conclusions, including:

1. Recent inpatient service volumes at Inova Loudoun Hospital are the highest in the planning region, exceeding licensed capacity in 2025. Demand at the hospital is increasing steadily.
2. There is no unused capacity in Inova Health System that can be reallocated to respond to increasing demand at ILH.
3. ILH service volumes indicate that additional medical-surgical beds are needed immediately, as soon as they can be developed.
4. Though there is unused capacity at some chronic local low-volume services, there is no indication that expansion of Inova Loudoun Hospital to meet an institution specific need would affect any other facility negatively.
5. Capital costs of the project is reasonable for the space to be brought into service and for the number of beds developed.
6. The project qualifies for consideration to add capacity under Section 12VAC5-230-80, the institutional need provision of the Virginia State Medical Facilities Plan.

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

As demonstrated by **Table 3**, the projected capital costs of the proposed project are \$33,777,107, or \$703,690 per bed, 66.8% of which represents direct construction costs. DCOPN concludes that these costs are to those of recently approved projects similar in scope. For example, COPN No. VA-04938 issued to Inova Fair Oaks Hospital to add 48 beds which cost \$32,944,386 or \$686,341 per bed.

⁵ Beds were transferred to the Inova Specialty Hospital per COPN VA-04606.

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

- ILH has been seeing an increase in med/surg bed usage in recent years, mainly due to a population boom in Loudoun County. These additional beds will help meet the needs of the growing and aging population.
- The additional beds will allow residents of Loudoun County to grow and age in place.

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

ILH 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. ILH provided charity care in an average amount of 2.2% of its gross patient revenue in 2024, the latest year for which such data are available (**Table 7**). This is equal to the HPR average of 2.2%. The pro forma provided by the applicant proffers a charity care percentage of 2.6% (**Table 11**); however, Inova Health Systems has a 3.9% systemwide charity care condition, so should this project be approved, ILH will be held to this condition.

Table 7. 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.C 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 med/surg services. 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 proposed project;

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

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

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

The SMFP contains criteria/standards for the addition of inpatient beds. They are as follows:

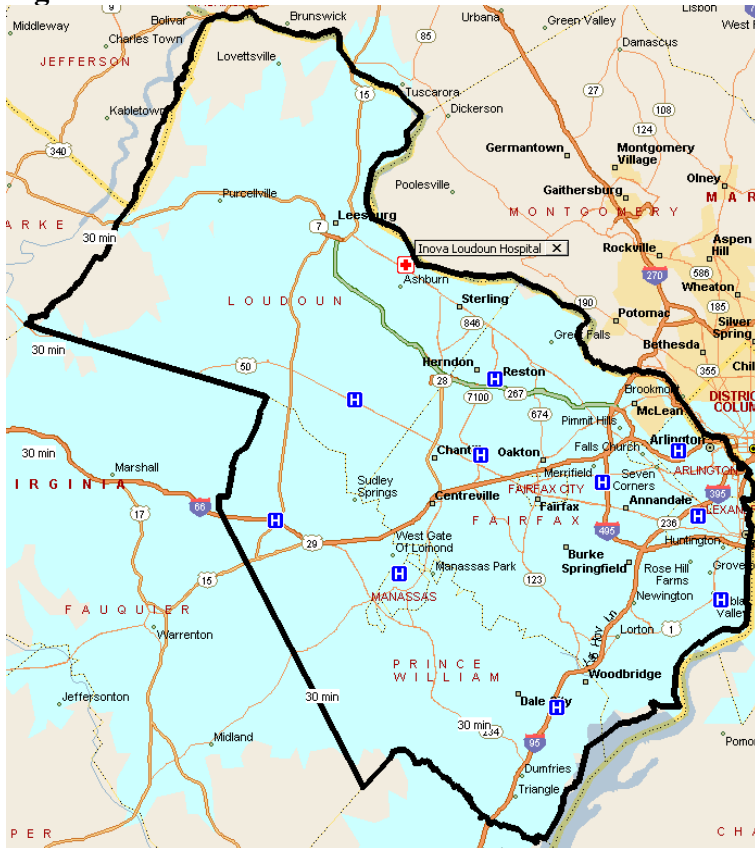
**Part VI
Inpatient Bed Requirements**

12VAC5-230-520. Travel Time.

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

The heavy black line in **Figure 3** represents the boundary of PD 8. The red cross symbol marks the location of the proposed project. The blue background "H" symbols mark the locations of all other existing inpatient bed services in PD 8. The light-blue shaded area represents the area of PD 8 that is within 30 minutes' drive of existing inpatient bed services. Per the map, it is clear that inpatient bed services currently exist within a 30-minute drive for a least 95% of the population of PD 8. Additionally, the applicant proposes to add med/surg beds at a location that already provides these services and, therefore, DCOPN concludes that approval of the proposed project would not improve geographic access to inpatient bed services in PD 8. DCOPN does note that there are only two acute care hospitals in Loudoun County, and ILH serves much of the north-western part of the county which stretches all the way to West Virginia.

Figure 3



Source: Microsoft Streets & Trips

12VAC5-230-530. Need for New Service.

- A. No new inpatient beds should be approved in any health planning district unless:**
 - 1. The resulting number of beds for each bed category contained in this article does not exceed the number of beds to be needed for that health planning district for the fifth planning horizon year; and
 - 2. The average annual occupancy based on the number of beds in the health planning district for the relevant reporting period is:
 - a. 80% at midnight census for medical-surgical and pediatric beds;
 - b. 65% at midnight census for intensive care beds.

- B. For proposals to convert under-utilized beds that require a capital expenditure of \$15 million or more, consideration may be given to such proposals if:**
 - 1. There is a projected need in the applicable category of inpatient beds; and
 - 2. The applicant can demonstrate that the average annual occupancy of the converted beds would meet the utilization standard for the applicable bed category by the first year of operation.

For purposes of this part, “utilization” means less than 80% average annual occupancy for medical-surgical or pediatric beds, when the relocation involves such beds and less than 65% average annual occupancy for intensive care beds when the relocation involves such beds.

C. The capital expenditure threshold referenced in subsection B of this section shall be adjusted annually using the percentage increase listed in the Consumer Price Index for All Urban Consumers (CPI-U) for the most recent year as follows:

$$A \times (1 + B)$$

Where:

A = the capital expenditure threshold amount for the previous year; and

B = the percent increase for the expense category “Medical Care” listed in the most recent year available of the CPI-U of the U.S. Bureau of Labor Statistics.

With regard to the addition of 48 new beds to the PD 8 inventory, according to VHI data for 2024, the most recent year for which such data is available, and as demonstrated by **Table 8** below, the med/surg bed inventory of PD 8 consisted of 2,667 med/surg beds that operated at a collective occupancy of 69.12%. The calculation in **12VAC5-230-540** below demonstrates that there is a projected surplus of 279 med/surg beds in PD 8 for the five-year planning horizon.

Table 8. Medical-Surgical Bed Inventory and Utilization⁶ in PD 8: 2024

Facility	Licensed Beds	Staffed Beds	Available Days	Patient Days	Occupancy
Inova Alexandria Hospital	302	302	110,532	58,266	52.71%
Inova Fair Oaks Hospital	174	174	63,684	38,045	59.74%
Inova Fairfax Hospital	822	822	300,852	257,962	85.74%
Inova Loudoun Hospital	189	189	69,174	54,625	78.97%
Inova Mount Vernon Hospital	108	108	39,528	22,889	57.91%
Inova Specialty Hospital	32	32	11,712	7,943	67.82%
Reston Hospital Center	213	213	77,958	42,897	55.03%
Sentara Northern Virginia Medical Center	183	183	66,978	44,058	65.78%
Stone Springs Hospital Center	107	107	39,162	7,822	19.97%
UVA Health Haymarket Medical Center	60	31	21,960	11,138	50.72%
UVA Health Prince William Medical Center	100	85	36,600	31,025	84.77%
Virginia Hospital Center	377	343	137,982	98,045	71.06%
Total/Average	2,667	2,589	976,122	674,715	69.12%

Source: VHI (2024)

⁶ The Adjudication Officer’s case decision for COPN No. VA-04682 held that DCOPN was in error by including obstetric, intensive care and pediatric patient days in its calculations for medical-surgical bed need, despite those beds being fungible and accordingly, able to convert to medical-surgical beds without COPN authorization. However, because obstetric, intensive care and pediatric beds can be easily converted to medical-surgical beds, thereby changing the medical-surgical inventory without first obtaining COPN authorization, DCOPN maintains that obstetric, intensive care and pediatric beds should be included in the medical-surgical inventory and the corresponding patient days used for medical-surgical bed need calculations.

12VAC5-230-540. Need for Medical-surgical Beds.

The number of medical-surgical beds projected to be needed in a health planning district shall be computed as follows:

1. Determine the use rate for medical-surgical beds for the health planning district using the formula:

$$\text{BUR} = (\text{IPD}/\text{PoP})$$

Where:

BUR = the bed use rate for the health planning district.

IPD = the sum of the total inpatient days in the health planning district for the most recent five years for which inpatient day data has been reported to VHI; and

PoP= the sum of the total population 18 years of age and older in the health planning district for the same five years used to determine IPD as reported by a demographic program as determined by the commissioner.

2. Determine the total number of medical-surgical beds needed for the health planning district in five years from the current year using the formula:

Where:

ProBed = the projected number of medical-surgical beds needed in the health planning district for five years from the current year.

BUR = the bed use rate for the health planning district determined in subdivision 1 of this section.

ProPop = the projected population 18 years of age and older of the health planning district five years from the current year as reported by a demographic program as determined by the commissioner.

3. Determine the number of medical-surgical beds that are needed in the health planning district for the five-year planning horizon year as follows:

$$\text{NewBed} = \text{ProBed} - \text{CurrentBed}$$

Where:

NewBed = the number of new medical-surgical beds that can be established in a Health planning district, if the number is positive. If NewBed is negative, No additional medical-surgical beds should be authorized in the health Planning district.

ProBed = the projected number of medical-surgical beds needed in the health Planning district for five years from the current year as determined in Subdivision 2 of this section.

CurrentBed = the current inventory of licensed and authorized medical-surgical Beds in the health planning district.

Table 9. Medical/Surgical⁷ Bed Need Data, PD 8

	2020	2021	2022	2023	2024	5-Year Total
Days	586,493	636,226	629,232	648,434	676,246	3,176,631
Population 18+	1,939,750	1,967,611	1,995,473	2,023,334	2,051,195	9,977,363

Source: 2020 Census, 2024 VHI, and Weldon-Cooper

$3,176,631/9,977,363 = 0.3183838255$ (Bed Use Rate)

$(BUR \times 2,190,090 \text{ (2030 population)})/365 = 1,910$

$1,910/0.8 = 2,388$ (bed need in 5 years)

Current Beds = 2,667

$2,388 - 2,667 = -279$

Surplus of 279 medical/surgical beds

12VAC5-230-550. Need for Pediatric Beds.

In the interest of brevity, this calculation has been omitted from this DCOPN staff analysis report as the applicant is not proposing to add pediatric beds.

12VAC5-230-560. Need for Intensive Care Beds.

In the interest of brevity, this calculation has been omitted from this DCOPN staff analysis report, as the applicant is not proposing to add new ICU beds to PD 8.

12VAC5-230-570. Expansion or Relocation of Services.

A. Proposals to relocate beds to a location not contiguous to the existing site should be approved only when:

- 1. Off-site replacement is necessary to correct life safety or building code deficiencies;**
- 2. The population currently served by the beds to be moved will have reasonable access to the beds at the new site, or to neighboring inpatient facilities;**
- 3. The number of beds to be moved off-site is taken out of service at the existing facility;**
- 4. The off-site replacement of beds results in:**
 - a. A decrease in the licensed bed capacity;**

⁷ Medical/Surgical includes VHI Classifications Medical/surgical, Obstetric, Pediatric and intensive care unit (ICU) beds.

- b. A substantial cost savings; cost avoidance, or consolidation of underutilized facilities;
or
 - c. Generally improved efficiency in the applicant's facility or facilities; and
5. The relocation results in improved distribution of existing resources to meet community needs.
- B. Proposals to relocate beds within a health planning district where underutilized beds are within 30 minutes driving time one way under normal conditions of the proposed relocation should be approved only when the applicant can demonstrate that the proposed relocation will not materially harm existing providers.

The applicant is not proposing to relocate beds.

12VAC5-230-580. Long-Term Acute Care Hospitals (LTACHs)

In the interest of brevity, this standard has been omitted, as the applicant is not proposing to add LTACH beds or to convert existing beds to LTACH beds.

12VAC5-230-590. Staffing.

Inpatient beds should be under the direction of one or more qualified physicians.

Inpatient services at ILH are under the direction of the Chief Medical Officer, Dr. Christopher Chiantella.

Part I Definitions and General Information

12VAC5-230-80. When Institutional Expansion is 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 § 32.1-102.3:1 of the Code of Virginia.
- D. Applicants shall not use this section to justify a need to establish new services.

The applicant proposes to add 48 med/surg beds to its current complement of 211 beds, with 189 med/surg beds, resulting in a total complement of licensed beds of 259 beds, with 237 med/surg beds. Utilization of med/surg beds has steadily increased over the last five years, matching a steep increase in the population of Loudoun County. Between 2020 and 2024 the med/surg bed utilization increased about 15% at ILH, which is reflected in **Table 10** below. Based on 2025 data reported by

the applicant that was collected from January to October of that year; there was a med/surg bed occupancy rate estimated at 90.00%. This is well above the SMFP threshold for expansion of 80% and shows that bed utilization at ILH is continuing to grow.

Table 10: ILH Med/Surg Bed Utilization 2020-2025⁸

Year	Med/Surg Bed Utilization
2020	64.16%
2021	75.01%
2022	75.81%
2023	73.92%
2024	78.97%
2025 (estimated)	90.00%

Source: VHI 2020-2024, COPN Request No. VA-8866

While the applicant did not meet 80% threshold for expansion in 2024, reporting 78.97% occupancy, DCOPN contends that ILH has shown a pattern of increased growth and has demonstrated a need for additional beds in upcoming years.

As was mentioned previously, however, Inova does have underutilized beds within its health system at its other hospitals in PD 8. Specifically, all but one of Inova’s hospitals are operating below the 80% threshold for expansion for med/surg beds (**Table 6**). DCOPN has determined, based on historical bed utilization and current occupancy rates, that capacity could specifically be shifted from Inova Fair Oaks and Inova Mount Vernon without having a major negative impact on said facilities.

Table 6: Inova Health System Med/Surg Beds, 2024 (Replicated)

Facility Name	Licensed Beds	Staffed Beds	Licensed Bed Available Days	Patient Days	Occupancy Rate
Alexandria Hospital	302	302	110,532	58,266	52.71%
Fair Oaks Hospital	174	174	63,684	38,045	59.74%
Fairfax Hospital	822	822	300,852	257,962	85.74%
Loudoun Hospital	189	189	69,174	54,625	78.97%
Mount Vernon Hospital	108	108	39,528	22,889	57.91%
Specialty Hospital	32	32	11,712	7,943	67.82%
Total	1,627	1,627	595,482	439,730	73.84%

Source: VHI, 2024

⁸ 2025 utilization was estimated by the applicant using annualized data from January to October 2025.

Required Considerations Continued

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

Through its six facilities that offer inpatient services, Inova operates 1,627 of the 2,679 licensed med/surg beds in PD 8. This equates to Inova having 61% of all med/surg beds in the PD. The addition of 48 med/surg beds would not foster institutional competition, as Inova is already the majority provider of med/surg services in the PD. Likewise, the addition of these 48 beds would not improve geographic access, as ILH is already an existing facility. The facility is also operating at 78.97% utilization for med/surg beds, just below the SMFP occupancy threshold.

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

As previously mentioned, Inova Health System operates six of the 12 facilities in PD 8 that offer med/surg services. ILH has the third largest number of licensed med/surg beds amongst all the Inova inpatient care facilities. This equates to approximately 11% of the med/surg beds in the health system. As **Table 5**, above, shows the average utilization among all med/surg beds in the Inova Health System is 73.84%. This is below the SMFP threshold for expansion of 80%.

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

The proposed project is feasible in the long term, though the pro forma provided by the applicant (**Table 11**) shows that there is an expected income loss of \$2.2 million in the first year of operation. The following year will see a net income of \$1.2 million.

Capital costs are reasonable and consistent with similar, recently authorized projects. For example, COPN No. VA-04938 authorized Inova Fairfax Hospital to add 48 med/surg beds for an authorized cost of \$32,944,386. This is comparable to the proposed budget for this project, \$33,777,107 (**Table 3**).

The project will be funded solely through accumulated reserves and thus no financing costs will be incurred.

Table 11. ILH Pro Forma, Med/Surg Beds

	Year 1	Year 2
Gross Revenue	\$ 44,536,000	\$ 54,714,000
Charity Care	\$ 1,180,000	\$ 1,472,000
Contractual Deductions	\$ 26,055,000	\$ 31,993,000
Net Revenue	\$ 17,202,000	\$ 21,129,000
Expenses	\$ 19,464,000	\$ 19,891,000
Income/Loss	\$ -2,262,000	\$ 1,238,000

Source: COPN Request No. VA-8866

This project will require 116 full time equivalent (FTE) staff members (66 registered nurses, 13 nurse aids, orderlies and attendants, two registered pharmacists, four laboratory medical technicians, two respiratory therapists, one pharmacy technician, and 28 “other” personnel”). DCOPN does express concern with the large number of FTE staff required, especially the need for 66 registered nurses when there is currently a national nursing shortage and ILH already has 30 additional registered nurse vacancies elsewhere in the hospital (**Figure 4**). Should this project be approved, it would most likely negatively impact the staffing efforts of other area providers.

Figure 4: Current and Future Staffing Needs for ILH

Staffing Category	Current Staffing		Additional Full Time	Total Needed
	Full Time Equivalent	Vacant Positions		
Registered Nurses	694	30	66	790
Licensed Practical Nurses	7	0	0	7
Nurse Aides, Orderlies, and Attendants	239	9	13	261
Registered Pharmacist	15	0	2	17
Laboratory Medical Technologists	55	2	4	61
Radiologic Technologists	89	7	0	96
Respiratory Therapists	21	0	2	23
Other Health Professionals				
• Pharmacy techs	14	2	1	17
All Other Personnel (Exclude Physicians and Dentists)	1,037	30	28	1,095
Grand Total	2,171	80	116	2,367

Source: COPN Request No. VA-8866

The applicant provided assurance, however, that they do not anticipate any difficulties meeting the hiring needs for this project, including the following plan in its application:

- Recruiting initiatives targeted at labor pools which have historically been underutilized in the health care industry (e.g., minorities, seniors, retired military personnel, etc.), thereby expanding the pool of available workers, not draining resources from other facilities.
- Recruiting in geographic areas well outside Northern Virginia, therefore expanding the pool of available workers, without draining resources from other Northern Virginia facilities.
- Continuing initiatives to bolster the size and quality of the health services labor pool in Northern Virginia over the long-term by promoting health care career paths among area youth, benefitting all area health care providers with a vibrant and enthusiastic labor pool.

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

The proposed project would not introduce any new technologies, or any services that could be offered on an outpatient basis, nor are there any cooperative efforts to meet healthcare needs. DCOPN did not identify any other discretionary factors to bring to the Commissioner's attention.

8. In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served, (i) the unique research, training, and clinical mission of the teaching hospital or medical school, and (ii) any contribution the teaching hospital or medical school may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations.

The applicant's request will not have a significant or new impact on the research or training mission of an academic medical school such that this condition is a factor in the decision to add beds.

DCOPN Findings and Conclusions

DCOPN finds that Inova Health Care Services' COPN Request No. VA-8866 to add 48 medical-surgical at Inova Loudoun Hospital is generally inconsistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia.

In 2024, ILH reported a medical/surgical bed occupancy rate of 78.97%, which remains below the 80% threshold typically used to justify expansion. Although the projected 2025 average occupancy rate of 90% indicates a future need for additional beds at ILH, the proposed project carries significant costs and is expected to incur a first-year loss of \$2,262,000. The project also requires 116 full-time staff positions, including 66 registered nurses. Given the ongoing national nursing shortage, DCOPN has concerns about the applicant's ability to successfully recruit and retain the required workforce.

While DCOPN acknowledges that ILH will need to expand in the future, a practical alternative would be to reallocate beds from another hospital within the Inova Health System, particularly given the current surplus of 279 medical/surgical beds in PD 8. Inova Fair Oaks Hospital (59.74% occupancy in 2024) and Inova Mount Vernon Hospital (57.91% occupancy in 2024) have maintained consistently low occupancy levels compared to the system's faster-growing facilities. Because this underutilized capacity can be redistributed within the Inova Health System, DCOPN recommends this approach as an alternative to the proposed project. This option would lower capital costs, help offset the projected first-year financial loss, and shift underused beds to an Inova facility located in a rapidly growing area of PD 8.

DCOPN Staff Recommendation

The Division of Certificate of Public Need recommends **denial** of this project for the following reasons:

1. There is a surplus of 279 medical/surgical beds in the planning district.
2. While there may be a need for additional beds at ILH as the population grows there is underutilized bed capacity at other Inova Hospitals within the Inova Health System. *12VAC5-230-80, B of the State Medical Facilities Plan states, in part, "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..."*
3. The reallocation of beds from underutilized facilities with the Inova Health System is a reasonable and more cost-effective alternative to the proposed project.
4. The project is not financially feasible in the first year of operation.
5. The project will require 116 FTE staff members, which will most likely negatively impact area providers.