

# VIRGINIA DEPARTMENT OF HEALTH

## Office of Licensure and Certification

### Division of Certificate of Public Need

#### Staff Analysis

May 19, 2026

Re: COPN Request No. VA-8872

Hanover Cardiac ASC, LLC d/b/a Virginia Cardiac Surgery Center

Establishment of a Medical Care Facility with One (1) Cardiac Catheterization Lab

#### Applicant

Hanover Cardiac ASC, LLC (Hanover Cardiac) is a limited liability company doing business as Virginia Cardiac Surgery Center (VCSC). The owners of Hanover Cardiac are Richmond Heart and Vascular Associates, PLLC, (95%), from Mechanicsville, Virginia and Southwest Integrated Surgical Services, LLC, (5%), from Tempe, Arizona. Hanover Cardiac will be the owner and operator of the proposed facility. The proposed project will be located at 12705 Broad Street Road, Henrico, Virginia, Health Planning Region (HPR) IV, Planning District (PD) 15.

#### Background

PD 15 is located in HPR IV in central Virginia. Richmond City is located in PD 15 along with seven counties: Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, and Powhatan. The total population of the planning district is predicted to grow by 9.18%, with the adult (18+) population growing approximately 8.96% and the population of people over the age of 65 growing 31.50% (Table 1). The growth rate predicted in PD 15 for each age group is higher than the respective predicted growth rates in Virginia.

**Table 1: PD 15 Population**

Location	2020 Census			Predicted 2030			% Change 2020-2030		
	Total	18 years+	65 years+	Total	18 years+	65 years+	Total	18 years+	65 years+
Charles City County	6,821	5,836	1,810	6,200	5,349	2,184	-9.11%	-8.35%	20.65%
Chesterfield County	358,245	273,743	56,749	406,942	311,402	78,858	13.59%	13.76%	38.96%
Goochland County	24,431	20,291	5,675	27,339	22,791	7,865	11.90%	12.32%	38.59%
Hanover County	108,262	84,905	20,287	118,374	93,446	28,681	9.34%	10.06%	41.37%
Henrico County	333,766	259,264	54,871	356,656	280,105	71,680	6.86%	8.04%	30.63%
New Kent County	23,648	19,036	4,355	27,067	21,546	6,216	14.46%	13.19%	42.74%
Powhatan County	30,148	24,667	5,858	32,152	25,757	8,085	6.65%	4.42%	38.01%
Richmond City	232,226	192,901	32,809	245,437	199,119	36,307	5.69%	3.22%	10.66%
<b>PD 15 Total</b>	<b>1,117,547</b>	<b>880,643</b>	<b>182,414</b>	<b>1,220,168</b>	<b>959,515</b>	<b>239,874</b>	<b>9.18%</b>	<b>8.96%</b>	<b>31.50%</b>
<b>Virginia Total</b>	<b>8,590,563</b>	<b>6,724,143</b>	<b>1,401,044</b>	<b>9,129,002</b>	<b>7,173,130</b>	<b>1,762,641</b>	<b>6.27%</b>	<b>6.68%</b>	<b>25.81%</b>

Source: Weldon-Cooper

Cardiac catheterization is a widely performed cardiac procedure, with over a million procedures occurring annually in the US<sup>1</sup>. Cardiac catheterization is defined by the State Medical Facilities Plan (SMFP) as “an invasive procedure where a flexible tube is inserted into the patient through an extremity blood vessel and advanced under fluoroscopic guidance into the heart chambers or coronary arteries.” Four main types of cardiac catheterization typically occur: diagnostic, simple therapeutic, both diagnostic and simple therapeutic (same session), and complex therapeutic. Cardiac catheterization is measured by Diagnostic Equivalent Procedure (DEP) which weighs the various types of procedures differently with pediatric heavier as well.

The SMFP defines diagnostic cardiac catheterization as “detecting and identifying defects in the arteries or veins” and determining if they are congenital or acquired. A simple therapeutic cardiac catheterization can correct or improve conditions that were diagnosed. This often includes catheter-based treatment which can help with irregular heartbeats, chest pain, and shortness of breath<sup>2</sup>. Both diagnostic and simple therapeutic procedures can also occur during the same visit.

The SMFP categorizes complex therapeutic procedures as “the performance of cardiac catheterization for the purpose of correcting or improving certain conditions that have been determined to exist in the heart or great arteries or veins of the heart, specifically catheter-based procedures for structural treatment to correct congenital or acquired structural or valvular abnormalities.”

**Table 2: Adult Cardiac Catheterization Utilization in PD 15 (2024)**

Facility Name	Facility Type	Fixed Labs	Lab Utilization
Bon Secours Memorial Regional Medical Center	Acute Hospital	4	132.9%
Bon Secours St. Francis Medical Center	Acute Hospital	2	90.5%
Bon Secours St. Mary's Hospital	Acute Hospital	4	126.6%
Chippenham Hospital	Acute Hospital	6	127.8%
Henrico Doctors' Hospital - Retreat	Acute Hospital	1	0.0%
Henrico Doctors' Hospital - Forest	Acute Hospital	5	112.6%
VCU Medical Center <sup>3</sup>	Acute Hospital	4	146.9%
Virginia Cardiovascular Specialists <sup>4</sup>	Freestanding	1	3.0%
<b>Total PD 15</b>		<b>27</b>	<b>116.3%</b>

Source: VHI Database (2024)

In 2024, the last year for which data is available, 27 cardiac catheterization labs in PD 15 reported data to Virginia Health Information (VHI) with an average utilization of 116% per lab (**Table 2**). Of

<sup>1</sup> Manda YR, Baradhi KM. Cardiac Catheterization Risks and Complications. [Updated 2023 Jun 5]. In: StatPearls [Internet]. Treasure Island (FL): StatPearls Publishing; 2025 Jan-. Available from: <https://www.ncbi.nlm.nih.gov/books/NBK531461/>

<sup>2</sup> <https://www.mayoclinic.org/tests-procedures/cardiac-catheterization/about/pac-20384695>

<sup>3</sup> VCU Medical Center has the only pediatric cardiac catheterization lab in PD 15, the volume and DEP are included within the utilization in **Table 2**.

<sup>4</sup> Virginia Cardiovascular Specialists started providing services on December 17, 2024. The facility performed 36 scans in the last two weeks of the year.

the existing facilities in PD 15, three COPN certificates have authorized the relocation or addition of cardiac catheterization labs:

COPN VA-04866 authorized the relocation of a cardiac catheterization lab from Bon Secours St Mary’s Hospital (St Mary’s Hospital) to Bon Secours St. Francis Medical Center (St. Francis Center). The project is expected to be completed in December 2026. It will result in two labs at St Mary’s Hospital and three labs at St. Francis Center.

COPN VA-04963 authorized the addition of a cardiac catheterization lab at Chippenham Hospital. The project is expected to be completed on February 28, 2026. It brings the total number of cardiac catheterization labs at the hospital to seven.

COPN VA-04820 authorized the addition of one pediatric cardiac catheterization lab to VCU Medical Center, for a total of 5 cardiac catheterization labs. The project started providing services on July 12, 2024. VCU Medical Center self-reported four labs to VHI in 2024, as the reporting year for the facility ended prior to the lab beginning services.

The Virginia State Health Commissioner also authorized the establishment of five new medical facilities with cardiac catheterization labs (**Table 3**). While one of the newly authorized facilities is a new acute care hospital, the other four are freestanding outpatient clinics. All of the facilities are expected to begin services by May 2030.

**Table 3: Adult Cardiac Catheterization Authorized but Not Open**

Facility Name	Facility Type	Labs	Certificate	Start Date
Hanover Cardiac ASC, LLC	Freestanding	1	VA-04941	Jul-25
Ashlake Heart & Rhythm Center, LLC	Freestanding	1	VA-04959	Feb-26
Hanover Cardiac ASC, LLC	Freestanding	1	VA-04964	Dec-26
Short Pump CV Ambulatory Surgery Center	Freestanding	1	VA-04866	Dec-27
VCU Chesterfield Hospital	Acute Hospital	1	VA-04981	May-30
<b>Total Authorized Facilities Not Open</b>		<b>5</b>		

Source: DCOPN Database

When all of the authorized projects are complete, there will be a total of 31 adult cardiac catheterization labs in PD 15 (**Table 4**). Five of the labs will be in outpatient facilities while the rest will be located within acute care hospitals.

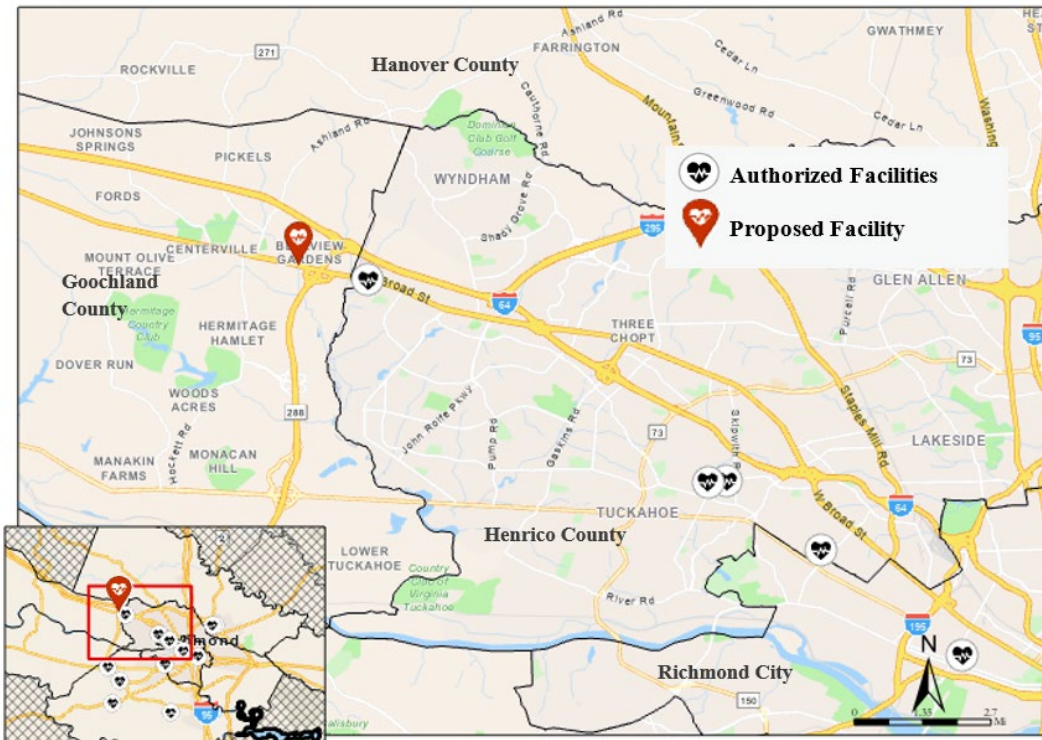
**Table 4: Total Adult Cardiac Catheterization Authorized**

Facility Name	Facility Type	Fixed Labs
Bon Secours Memorial Regional Medical Center	Acute Hospital	4
Bon Secours St. Francis Medical Center	Acute Hospital	3
Bon Secours St. Mary's Hospital	Acute Hospital	2
Chippenham Hospital	Acute Hospital	7
Henrico Doctors' Hospital - Forest	Acute Hospital	5
Henrico Doctors' Hospital - Retreat	Acute Hospital	1
VCU Chesterfield Hospital	Acute Hospital	1
VCU Medical Center	Acute Hospital	3
Ashlake Heart & Rhythm Center, LLC	Freestanding	1
Hanover Cardiac ASC, LLC	Freestanding	1
Hanover Cardiac ASC, LLC	Freestanding	1
Short Pump CV Ambulatory Surgery Center	Freestanding	1
Virginia Cardiovascular Specialists, PC	Freestanding	1
<b>Total PD 15 DEP</b>		<b>31</b>

Source: DCOPN Database

**Map 1** has all of the authorized facilities in PD 15, including the facilities that have been authorized but are not yet providing services. The larger map is zoomed into the location where the proposed facility will be located and outlined in the red rectangle over the smaller map attached. The smaller map has every facility showing. Most of the facilities are centered in or around Richmond City. While the proposed location would be the only cardiac catheterization lab in Goochland County, the Short Pump CV Ambulatory Surgery Center is located approximately 2 miles east of the location on the Henrico County and Goochland County line.

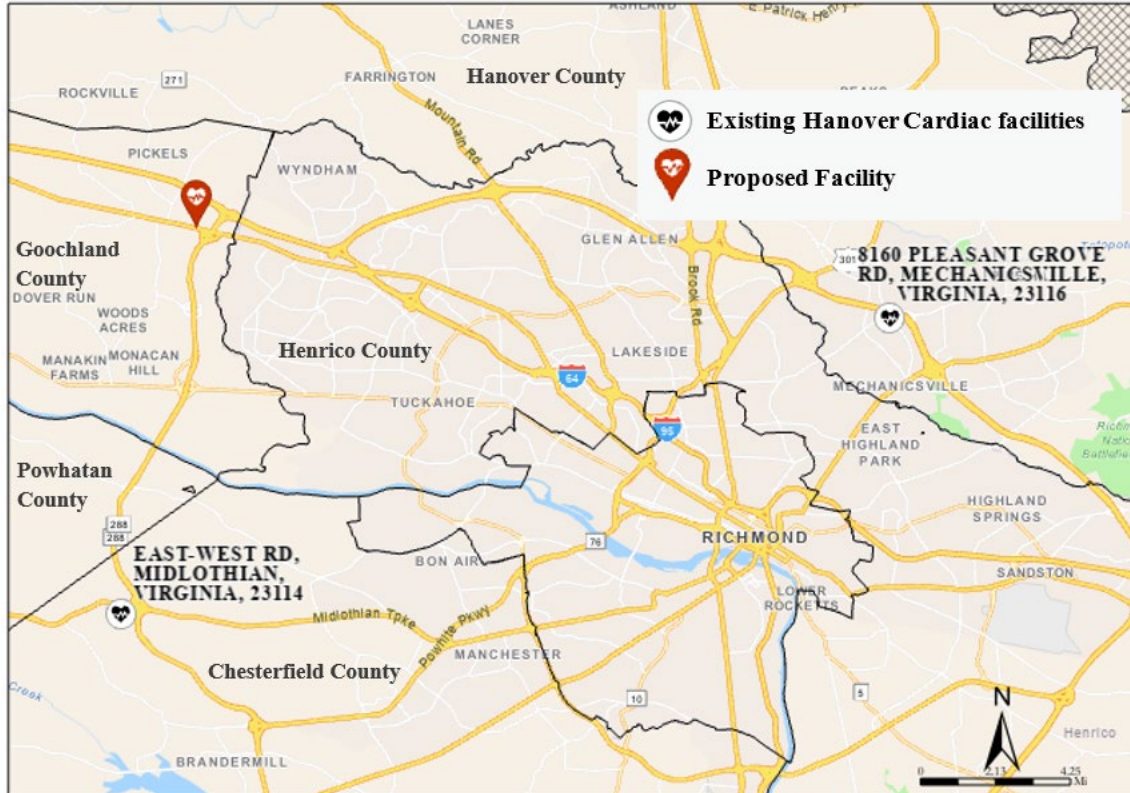
### Map 1: Authorized and Proposed Cardiac Catheterization Labs



Source: ArcGIS, DCOPN Inventory, VHI Records

The Virginia State Health Commissioner awarded Hanover Cardiac COPN No. VA-04941 to establish a free-standing cardiac catheterization center with an adult cardiac catheterization lab on June 17, 2025. The location of the approved project is 8160 Pleasant Grove Rd, Suite 100, Mechanicsville, roughly 18 miles from the location of the currently proposed project in this analysis (**Map 2**). The approved project was expected to begin services at the end of July 2025, as no additional construction or equipment was needed. Another Hanover Cardiac facility, located at 15200 East-West Road in Mechanicsville, was authorized COPN No. VA-04941 to establish a free-standing cardiac catheterization center with an adult cardiac catheterization lab in December 2026. The East-West location is approximately 13 miles from the proposed facility (**Map 2**). DCOPN does not have the reported data for any of the Hanover Cardiac facilities.

## Map 2: Hanover Cardiac Facilities (PD 15)



Source: ArcGIS, DCOPN Inventory, VHI Records

### Proposed Project

Hanover Cardiac is applying to establish an outpatient cardiac catheterization facility that will provide services under the name of Virginia Cardiac Surgery Center (VCSC). Construction on the facility is scheduled to begin in May 2026 with the target opening date is August 2027.

The proposed cardiac catheterization lab will be constructed in an outpatient facility in Goochland County, Virginia. Construction of the facility will include the addition of outpatient surgery, pre- and post-procedural rooms and recovery bays, along with suites for non-DCOPN-regulated procedures such as electrophysiology. The applicant is not responsible for construction as the lease will begin once the facility is built<sup>5</sup>. The equipment and site fees are projected to be \$4,693,354 (Table 5).

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<sup>5</sup> Hanover Cardiac is sub-leasing the facility from its parent company Richmond Heart and Vascular Associates.

**Table 5: Capital Costs**

Direct Construction Cost	\$ -
Equipment Not Included ( <i>shown below</i> )	\$ 1,507,873
Site Acquisition	\$ 3,185,481
Architect and Engineering Fees	\$ -
Other Consultant Fees	\$ -
<b>Total Capital Costs</b>	<b>\$ 4,693,354</b>

**Equipment Not Included in Construction**

Siemens Artis Q Cath Lab	\$ 771,500
Sensis Hemodynamics System	\$ 132,083
Other Medical Equipment	\$ 395,048
Technological Hardware	\$ 209,242
<b>Sub-total</b>	<b>\$ 1,507,873</b>

Source: COPN Request No. VA-8872

The facility is not yet built, however, two other locations owned by Hanover Cardiac are providing services in PD 15 and have an existing patient base. Should the project be approved, cardiac catheterization services will begin in August 2027 as well.

**Project Definition**

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

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

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

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

The population in PD 15 is expected to reach approximately 1,220,168 in 2030, a 9.2% increase from the 2020 population (**Table 1**). This is a higher growth rate than Virginia as a whole. The proposed project is in Goochland County, which has the third-highest increase in population and the fifth-highest poverty rate in the district (**Table 6**). The proposed location borders Henrico County as well, which has the second-highest population in the PD and a poverty rate of 10.3%.

**Table 6: PD 15 Estimated Population in Poverty (2024)**

Location	Population in Poverty	Total Population	Poverty Percentage
Charles City County	746	6,544	11.4%
Chesterfield County	27,250	383,803	7.1%
Goochland County	1,897	27,493	6.9%
Hanover County	6,949	113,918	6.1%
Henrico County	34,434	334,311	10.3%
New Kent County	1,179	26,795	4.4%
Powhatan County	2,107	31,448	6.7%
City of Richmond	40,639	223,291	18.2%
<b>PD 15</b>	<b>115,201</b>	<b>1,147,603</b>	<b>10.0%</b>
<b>Virginia</b>	<b>839,669</b>	<b>8,568,051</b>	<b>9.8%</b>

Source: US Census SIAPE (2024)

The proposed facility will be located near the intersection of I-288 and Route 250. The applicant states that the location can be accessed with Goochland’s public transportation program, GRTC LINK; however, the nearest bus location is approximately 1.5 miles from the proposed site. The ride-scheduling services that GRTC LINK offers are not accessible by the location.

**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.**

The president of Richmond Heart and Vascular Associates, a parent company of Hanover Cardiac, wrote a letter of commitment on behalf of the physicians at the facility. The president added that approval of the proposed project will decrease delays in care and improve recruitment efforts of cardiologists to PD 15.

Delegate May Nivar of the 57<sup>th</sup> District and Senator Luther Cifers, III, of the 10<sup>th</sup> Senate District wrote in support of the proposed project. The letters stated that the outpatient center will provide cardiac catheterization services at lower cost than hospital alternatives and that the center will be the first cardiac catheterization provider in Goochland County.

On April 24, 2026, the Chief Operating Officer of Bon Secours Richmond Health System (BSRHS) wrote in opposition to the proposed project. He stated that no public need for additional cardiac catheterization exists due to the rapidly expanding number of provider facilities. The geographic closeness of the proposed facility to the Bon Secours Short Pump CV Ambulatory Surgical Center, expected to open by December 2026, is noted as well as concerns of healthcare staff shortages.

On May 5, 2026, VCSC responded to the letter of opposition stating that the project is not premature as there is a trend of cardiac catheterization services being provided in freestanding facilities and the proposed project would accommodate this trend. The letter also reiterated the

utilization of cardiac catheterization labs the PD, including the facilities not yet reporting service utilization, and stated that “proximity....to another approved cardiac catheterization lab is not duplicative”.

### Public Hearing

§32.1-102.6B of the Code of Virginia directs DCOPN to hold one public hearing on each application in the case of competing applications, or in response to a written request by an elected local government representative, a member of the General Assembly, the Commissioner, the applicant, or a member of the public. COPN Request No. VA-8872 is not competing with another project and DCOPN did not receive a request to conduct a public hearing for the proposed project. Thus, no public hearing was held.

DCOPN provided notice to the public regarding this proposal inviting public comments on March 10, 2026. The public comment period closed on April 24, 2026. Other than the letters of commitment referenced above, no members of the public commented.

**(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.**

The alternative to the proposed project would be postponing the project until the five authorized facilities that have not yet started cardiac catheterization services in the PD- two of which are Hanover Cardiac facilities- can start services to determine the change of volume and public need. As stated above, there are five additional cardiac catheterization labs that have been authorized but are not providing services. It is a reasonable alternative to postpone the proposed addition of more labs until the authorized projects begin providing services and an updated volume estimate can be provided.

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

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

**(iv) Any costs and benefits of the project.**

**Table 5**, repeated below, shows the costs associated with the project. As stated before, construction costs are not included in the capital costs of the project, as the space will be rented in the facility after all construction is finished, however the applicant will pay lease expenses for the new facility. The costs of the project are from the acquisition of equipment not included in construction and in the leasing of the facility space. The total capital cost, \$4,693,354, is comparable to recent projects authorized for cardiac catheterization labs. This includes the

establishment of two outpatient cardiac catheterization facilities in PD 15, COPN VA-04959 which had a cost of \$4,433,605, and COPN VA-04964, which had a cost of \$4,693,354. All expenses will be paid through accumulated reserves, and no financing is expected.

**Table 5: Capital Costs** (as shown above)

Direct Construction Cost	\$ -
Equipment Not Included (shown below)	\$ 1,507,873
Site Acquisition	\$ 3,185,481
Architect and Engineering Fees	\$ -
Other Consultant Fees	\$ -
<b>Total Capital Costs</b>	<b>\$ 4,693,354</b>

**Equipment Not Included in Construction**

Siemens Artis Q Cath Lab	\$ 771,500
Sensis Hemodynamics System	\$ 132,083
Other Medical Equipment	\$ 395,048
Technological Hardware	\$ 209,242
<b>Sub-total</b>	<b>\$ 1,507,873</b>

Source: COPN Request No. VA-8872

Benefits of the proposed project would be the provision of cardiac catheterization services on an outpatient basis, which is less costly and more accessible to patients.

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

In accordance with Section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project will be conditioned to provide a level of charity care based on gross patient revenues derived from cardiac catheterization services that is no less than the equivalent average for charity care contributions in HPR IV. Pursuant to the Code of Virginia, any COPN issued for this project will also be conditioned on the applicant’s agreement to accept patients who are the recipients of Medicare and Medicaid.

**Table 7: 2024 Charity Care Contributions at or below 200% of Federal Poverty Level**

HPR IV	Gross Patient Revenues	Charity Care	% of Gross Patient Revenues
Inpatient Hospitals			

Encompass Health Rehab Hosp of Petersburg	\$35,558,767	\$1,308,642	3.7%
Sentara Halifax Regional Hospital	\$327,271,181	\$7,067,762	2.2%
Bon Secours Southern Virginia Regional Medical Center	\$269,252,865	\$5,288,471	2.0%
Bon Secours St. Francis Medical Center	\$1,701,025,863	\$31,217,891	1.8%
Sheltering Arms Institute	\$192,018,830	\$3,216,579	1.7%
Bon Secours Richmond Community Hospital	\$1,365,231,628	\$18,873,667	1.4%
Bon Secours St. Mary's Hospital	\$3,029,648,941	\$39,467,281	1.3%
CJW Medical Center HCA	\$11,840,238,948	\$123,924,990	1.0%
Bon Secours Southside Regional Medical Center	\$2,820,829,311	\$28,237,470	1.0%
TriCities Hospital HCA	\$1,474,696,049	\$14,176,839	1.0%
Henrico Doctors' Hospital HCA	\$7,780,639,272	\$59,835,274	0.8%
VCU Health System	\$9,030,145,019	\$63,013,672	0.7%
Poplar Springs Hospital UHS	\$88,666,484	\$493,078	0.6%
Bon Secours Memorial Regional Medical Center	\$2,044,616,572	\$9,753,595	0.5%
Centra Southside Community Hospital	\$415,397,324	\$1,821,204	0.4%
VCU Community Memorial Hospital	\$448,298,275	\$1,239,044	0.3%
Encompass Health Rehab Hosp of Virginia	\$32,375,170	\$2,350	0.0%
Select Specialty Hospital - Richmond	\$192,901,481	\$0	0.0%
Cumberland Hospital for Children and Adolescents UHS	\$29,398,596	\$0	0.0%
Total Inpatient Hospitals:			19
<b>HPR IV Total Inpatient \$ &amp; Mean %</b>	<b>\$43,118,210,576</b>	<b>\$408,937,809</b>	<b>0.9%</b>

	<b>Gross Patient Revenues</b>	<b>Charity Care</b>	<b>% of Gross Patient Revenues</b>
<b>Outpatient Centers</b>			
American Access Care of Richmond	\$6,271,285	\$83,974	1.3%
Boulders Ambulatory Surgery Center HCA	\$206,880,229	\$2,653,240	1.3%
VCU Health Neuroscience, Orthopedic and Wellness Center	\$78,434,508	\$608,160	0.8%
Virginia Eye Institute, Inc.	\$64,339,818	\$455,572	0.7%
St. Mary's Ambulatory Surgery Center	\$62,609,653	\$305,241	0.5%
MEDRVA Stony Point Surgery Center	\$59,309,363	\$0	0.0%
Urosurgical Center of Richmond	\$47,080,875	\$0	0.0%
MEDRVA Surgery Center @ West Creek	\$13,820,435	\$0	0.0%
Cataract and Refractive Surgery Center	\$9,845,331	\$0	0.0%
Skin Surgery Center of Virginia	\$1,708,546	\$0	0.0%
Virginia ENT Surgery Center			
Virginia Beach Health Center VLPP			
Total Outpatient Hospitals:			<b>10</b>
<b>HPR IV Total Outpatient Hospital \$ &amp; Mean %</b>	<b>\$550,300,043</b>	<b>\$4,106,187</b>	<b>0.7%</b>
Total Hospitals:			<b>29</b>
<b>HPR IV Total \$ &amp; Mean %</b>	<b>\$ 43,668,510,619</b>	<b>\$ 413,043,996</b>	<b>0.9%</b>

Hanover Cardiac proffered 2.5% of its patient revenues as charity care, which is higher than the HPR average of 0.9% (Table 7). The 2.5% charity care will equal the conditions on other

certificates awarded to Hanover Cardiac within the PD. Should the project receive a certificate, DCOPN recommends a charity condition of 2.5%.

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

No other factors were determined to be relevant to the determination of public need.

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

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

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

## **Part IV. Cardiac Services**

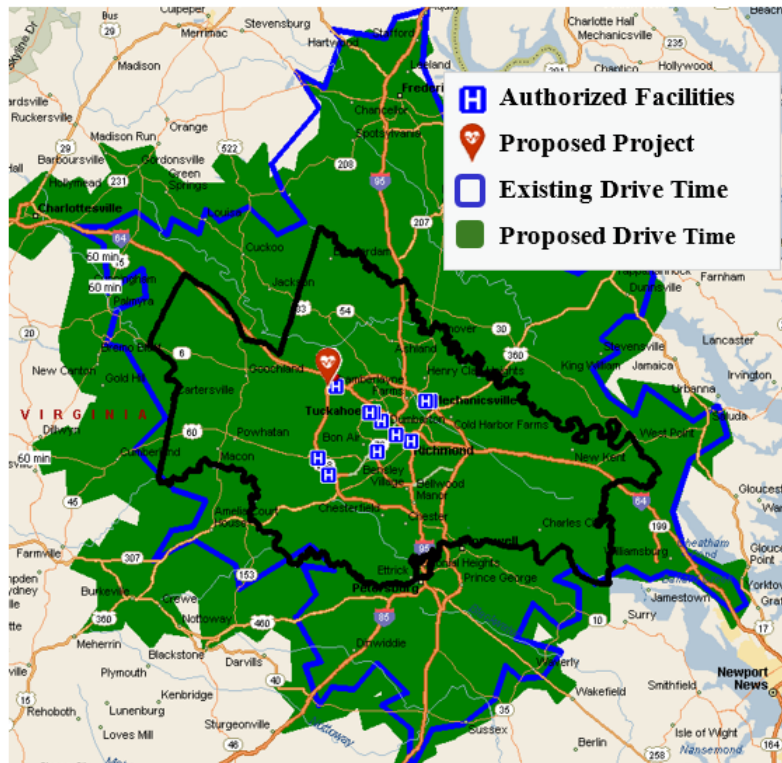
### **Article 1. Criteria and Standards for Cardiac Catheterization Services**

#### **12VAC5-230-380. Travel Time.**

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

**Map 3** shows the geographic accessibility that the proposed project would add to the PD. The green area on the map is the existing geographic accessibility within a 60-minute drive time, while the blue outline is the area within a 60-minute drive of the proposed project. The Hanover Cardiac location is indicated with the red symbol. The proposed project will not add to the geographic accessibility within a 60-minute drive from a cardiac catheterization service in PD 15.

**Map 3: 60-Minute Drive Time (PD 15)**



Source: Microsoft Streets and Trips (2008), DCOPN Inventory

**12VAC5-230-390. Need for New Service.**

**A. No new fixed site cardiac catheterization service should be approved for a health planning district unless:**

- 1. Existing fixed site cardiac catheterization services located in the health planning district performed an average of 1,200 cardiac catheterization DEPs per existing and approved laboratory for the relevant reporting period;**
- 2. The proposed new service will perform an average of 200 DEPs in the first year of operation and 500 DEPs in the second year of operation; and**
- 3. The utilization of existing services in the health planning district will not be significantly reduced.**

In the determination of the number of cardiac catheterizations needed in PD 15, the total number of DEPs performed in the PD in 2024, the last year for which data is available, was divided by 1,200, the threshold for expansion outlined in point 1 above of this section. It was determined that there is a need for a total of 31.2, or 32 cardiac catheterization labs in the PD. As there are 31 cardiac catheterization labs currently authorized in the PD, this leaves a deficit of 1 lab.

1. In 2024, the last year for which data was reported, the reporting cardiac catheterization labs performed an average of 1,389 DEPs. This includes Henrico Doctors' Hospital Retreat which performed no cardiac procedures in its authorized lab in 2024, as well as Virginia Cardiovascular Specialists which started providing services in December of 2024.
2. Hanover Cardiac estimates that the facility will provide 485 DEPs in the first year of operation and 582 DEPs in the second year. This is consistent with the necessary amount.
3. A representative from Bon Secours expressed concern in a letter of opposition that the volume of the Short Pump CV Ambulatory Surgery Center will be impacted by the approval of the proposed project. The facility is set to begin services in December 2027, less than one mile from the proposed site of VCSC.

**B. Proposals for mobile cardiac catheterization laboratories should be approved only if such laboratories will be provided at a site located on the campus of an inpatient hospital. Additionally, applicants for proposed mobile cardiac catheterization laboratories shall be able to project that they will perform an average of 200 DEPs in the first year of operation and 350 DEPs in the second year of operation without significantly reducing the utilization of existing laboratories in the health planning district below 1,200 procedures.**

The proposed project is not for a mobile cardiac catheterization lab. This criterion is not applicable.

**C. Preference may be given to a project that locates new cardiac catheterization services at an inpatient hospital that is 60 minutes or more driving time one way under normal conditions from existing services if the applicant can demonstrate that the proposed new laboratory will perform an average of 200 DEPs in the first year of operation and 400 DEPs in the second year of operation without significantly reducing the utilization of existing laboratories in the health planning district.**

The proposed project is neither an inpatient hospital nor at a distance greater than 60 minutes from existing services. This criterion is not applicable.

**12VAC5-230-400. Expansion of Services.**

**Proposals to increase cardiac catheterization services should be approved only when:**

1. All existing cardiac catheterization laboratories operated by the applicant's facilities where the proposed expansion is to occur have performed an average of 1,200 DEPs per existing and approved laboratory for the relevant reporting period; and
2. The applicant can demonstrate that the expanded service will achieve an average of 200 DEPs per laboratory in the first 12 months of operation and 400 DEPs in the second 12 months of operation without significantly reducing the utilization of existing cardiac catheterization laboratories in the health planning district.

The applicant is applying for the establishment of services, not the expansion of existing services. This criterion does not apply.

#### **12VAC5-230-410. Pediatric Cardiac Catheterization.**

No new or expanded pediatric cardiac catheterization services should be approved unless:

1. The proposed service will be provided at an inpatient hospital with open heart surgery services, pediatric tertiary care services or specialty or subspecialty level neonatal special care;
2. The applicant can demonstrate that the proposed laboratory will perform at least 100 pediatric cardiac catheterization procedures in the first year of operation and 200 pediatric cardiac catheterization procedures in the second year of operation; and
3. The utilization of existing pediatric cardiac catheterization laboratories in the health planning district will not be reduced below 100 procedures per year.

The applicant is not applying for pediatric cardiac catheterization. This criterion does not apply.

#### **12VAC5-230-420. Nonemergent Cardiac Catheterization.**

- A. Simple therapeutic cardiac catheterization. Proposals to provide simple therapeutic cardiac catheterization are not required to offer open heart surgery service available on-site in the same hospital in which the proposed simple therapeutic service will be located. However, these programs shall adhere to the requirements described in subdivisions 1 through 9 of this subsection.**

**The programs shall:**

1. Participate in the Virginia Heart Attack Coalition, the Virginia Cardiac Services Quality Initiative, and the Action Registry-Get with the Guidelines or National Cardiovascular Data Registry to monitor quality and outcomes;
2. Adhere to strict patient-selection criteria;
3. Perform annual institutional volumes of 300 cardiac catheterization procedures, of which at least 75 should be percutaneous coronary

- intervention (PCI) or as dictated by American College of Cardiology (ACC)/American Heart Association (AHA) Guidelines for Cardiac Catheterization and Cardiac Catheterization Laboratories effective 1991;
4. Use only AHA/ACC-qualified operators who meet the standards for training and competency;
  5. Demonstrate appropriate planning for program development and complete both a primary PCI development program and an elective PCI development program that includes routine care process and case selection review;
  6. Develop and maintain a quality and error management program;
  7. Provide PCI 24 hours a day, seven days a week;
  8. Develop and maintain necessary agreements with a tertiary facility that must agree to accept emergent and nonemergent transfers for additional medical care, cardiac surgery, or intervention; and
  9. Develop and maintain agreements with an ambulance service capable of advanced life support and intra-aortic balloon pump transfer that guarantees a 30-minute or less response time.

DCOPN has taken into consideration that the current standards were developed before the federal shift in standard of care allowing for freestanding cardiac catheterization lab and therefore all standards were created with the expectation that cardiac catheterization procedures will occur in a hospital. While each requirement has been assessed, DCOPN does encourage the state health commissioner to allow exemptions where appropriate.

1. VCSC is accredited by the Accreditation Association for Ambulatory Health Care (AAAHC) and has a plan for quality assurance. It is also participating in the Virginia Heart Attack Coalition, Virginia Cardiac Services Quality Initiative, and National Cardiovascular Data Registry.
2. The applicant states there is a “stringent patient selection protocol” that is reinforced by internal diagnostic modalities that allow physicians to evaluate and determine the best treatment.
3. The applicant projects approximately 300 cardiac catheterization procedures in the first year; this will exactly meet the required number (**Table 8**). The applicant estimates that 105 of the procedures will be PCI, which is above the threshold.

**Table 8: Projected Utilization from Applicant**

Projected Utilization	Year 1	Year 2
Diagnostic	195	234
Therapeutic	25	30
Diagnostic and Therapeutic	80	96
<b>Total Outpatient Catheterizations</b>	<b>300</b>	<b>360</b>
<b>DEPs</b>	<b>485</b>	<b>582</b>

Source: COPN Request No. VA-8872

4. Hanover Cardiac physicians are all board-certified or board-eligible and meet the training and competency standards of regulating agencies.
5. The applicant states that the facility “uses guidelines and selection criteria developed by the American Heart Association (AHA), the American College of Cardiology (ACC), and the SCAI for program development for primary and elective PCI.”
6. The facility has a QAPI committee that will report to the Board of Directors and facilitate quality assurances. They will meet at least quarterly.
7. The proposed project will have services provided Monday through Friday with physicians holding privileges at local hospitals. Cardiac catheterization services will not be provided at the facility 24/7. This does not meet the standard as it currently stands; however, the standard was developed with the intent for all cardiac catheterization services to be provided in hospitals and not in freestanding facilities.
8. VCSC has a transfer agreement with Henrico Doctors Hospital- Forest, located at 1602 Skipwith Road in Richmond City. The hospital is approximately 12 miles away from the proposed facility.
9. The applicant states: “[VCSC] has a regional agreement with an ambulance provider for non-emergent transports... Following the model established by the Virginia Cardiac Surgery Center Hanover location, once open, local Fire and EMS providers will be invited to the facility by shift to discuss transfer protocols and to ensure an efficient, positive, and collaborative relationship. The facility will have advanced life support functionality with two code carts and the facility’s clinical staff and physicians will all be ACLS-certified and have the capability to treat a patient until the ambulance arrives. Virginia Cardiac Surgery Center staff routinely perform drills to ensure high levels of readiness and training in the event of emergency.” Should an ambulance be needed while at the VCSC, there is a transfer agreement with Henrico Doctors’ Hospital- Forest.

**B. Complex therapeutic cardiac catheterization. Proposals to provide complex therapeutic cardiac catheterization should be approved only when open heart surgery services are available on-site in the same hospital in which the proposed complex therapeutic service will be located. Additionally, these complex therapeutic cardiac catheterization programs will be required to participate in the Virginia Cardiac Services Quality Initiative and the Virginia Heart Attack Coalition.**

Hanover Cardiac is not proposing complex therapeutic cardiac cauterization services. This criterion does not apply.

**12VAC5-230-430. Staffing.**

- A. Cardiac catheterization services should have a medical director who is board certified in cardiology and has clinical experience in performing physiologic and angiographic procedures.**

**In the case of pediatric cardiac catheterization services, the medical director should be board-certified in pediatric cardiology and have clinical experience in performing physiologic and angiographic procedures.**

- B. Cardiac catheterization services should be under the direct supervision or one or more qualified physicians. Such physicians should have clinical experience in performing physiologic and angiographic procedures.**

**Pediatric catheterization services should be under the direct supervision of one or more qualified physicians. Such physicians should have clinical experience in performing pediatric physiologic and angiographic procedures.**

Dr. M. Chaudry will be the center's medical director and has the needed experience. The applicant states that all services will be under the direct supervision of "Board Certified physicians that have clinical experience" in the needed specialties.

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

The proposed facility will increase the options for outpatient cardiac catheterization services. Outpatient facilities allow for the provision of care at a more cost-efficient rate that is more accessible to patients. However, among outpatient cardiac catheterization facilities, Hanover Cardiac has approximately 40% of authorized facilities in PD 15. Approval of the project would increase the ownership to approximately 60% of the freestanding cardiac catheterization facilities.

- 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.**

The cardiac catheterization labs in PD 15 have an average utilization of 116.3%. This volume is for the 27 labs reporting data to VHI and does not include the additional labs and facilities authorized. When the additional labs are operational, there will be 31 labs in PD 15. Even with this, there is a calculated deficit of 3 cardiac catheterization labs.

While the proposed facility will be the furthest west in the PD, it is less than one mile away from the Short Pump CV Ambulatory Surgery Center. The surgery center is expected to begin providing cardiac catheterization services in December 2027. Due to the proximity and limited

knowledge regarding the demand originating in the area of cases applicable to outpatient cardiac catheterization services, there is concern from an existing provider that approval of the proposed project will have a negative impact on the Short Pump CV Ambulatory Surgical Center. However, the western portion of the PD is largely without cardiac catheterization facilities while the proposed project may increase access while addressing the deficit of cardiac catheterization services in the PD.

**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.**

This proposed project will be the third facility of the applicant within three years and requires the hiring of six full-time equivalent employees (FTE). This includes three registered nurses, one radiologic technologist, and two other staff members, unspecified.

The applicant states that there are no anticipated problems in recruiting employees. Hanover Cardiac stated that the “physician group associated with [the facility] is... actively recruiting multiple cardiologists and cardiology sub-specialists.” The project also projects financial feasibility as it is estimated that the facility will have a net income of \$206,892 in the first year and \$582,134 in the second year (Table 9).

**Table 9: Pro Forma**

	<b>Year 1</b>	<b>Year 2</b>
Gross Revenue	\$ 5,514,540	\$ 6,653,051
Charity Care	\$ (137,863)	\$ (166,326)
<i>Charity Percentage</i>	<i>2.5%</i>	<i>2.5%</i>
Net Revenue	<b>\$ 5,376,677</b>	<b>\$ 6,486,725</b>
Operating Expenses	\$ (5,169,785)	\$ (5,904,591)
<b>Net Income</b>	<b>\$ 206,892</b>	<b>\$ 582,134</b>

Source: COPN Request No. VA-8872

DCOPN has concerns that the rapid expansion of three facilities is unsustainable in terms of staff and resources. Two other facilities have been authorized for Hanover Cardiac, and neither have reported to DCOPN or VHI that the facilities have started providing services.

**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.**

(i) The proposed project will not introduce new technology to the PD. While the facility will be a new medical facility in the PD, outpatient cardiac catheterization is already being provided. (ii) All services will be provided on an outpatient basis. (iii) The applicant did not specify any cooperative efforts associated with the project. (iv) No other factors were deemed appropriate.

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

Not applicable. The applicant is not a teaching hospital, nor is it connected to one.

### **DCOPN Staff Findings and Conclusions**

Hanover Cardiac ASC, LLC (Hanover Cardiac) is applying to establish an outpatient facility cardiac catheterization lab that will do business under the name of Virginia Cardiac Surgery Center (VCSC). This will be the third Hanover Cardiac facility within PD 15, although data on the volumes of either authorized facility is unavailable at this time. Capital costs of the project are estimated to be \$4,693,354. All expenses will be paid through accumulated reserves and no financing is expected.

The proposed facility of the project will be located near the intersection of I-288 and Route 250. There is no direct public transportation to the location. DCOPN received four letters of support for the project and one letter of opposition from Bon Secours Richmond Health System. A reasonable alternative to the proposed project is to postpone the addition of more labs until the authorized projects begin providing services and an updated volume estimate can be provided. Should the project receive a certificate, DCOPN recommends a charity condition of 2.5%.

The proposed project will not add geographic accessibility to cardiac catheterization services within PD 15 but will decrease the current deficit of 3 cardiac catheterization labs in the PD. VCSC is applying with criteria set out in the SMFP, except for performing PCI 24/7 in the facility which was set with the expectation all procedures would occur in acute hospital settings.

As stated previously, two other facilities have been authorized to Hanover Cardiac, and neither has reported to DCOPN or VHI that the facilities have started providing cardiac catheterization services due to the recent nature of the authorizations. While there is a need in the PD, the proposal of a third facility appears to be premature until there can be more information provided on the utilization of Hanover Cardiac facilities. The close geographic location to another authorized cardiac catheterization location may also have an impact on the provider, although cardiac catheterization services are not yet in existence there.

### **DCOPN Staff Recommendations**

The Division of Certificate of Public Need recommends **denial** of Hanover Cardiac Certificate of Public Need Request number VA-8872 to establish a specialized care facility for the provision of cardiac catheterization services for the following reasons:

1. The project is generally inconsistent with the applicable criteria and standards the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. A reasonable, less costly, more efficient alternative to the proposed project does exist.
3. There is opposition to the proposed project.
4. The proposed project is premature as the other authorized facilities for Hanover Cardiac have not yet started reporting cardiac catheterization service utilization.