VIRGINIA DEPARTMENT OF HEALTH
Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis Report

July 20, 2026

COPN Request No. VA-8877
Centra Health, Inc.
Lynchburg, Virginia
Establishment of a Specialized Center for the Provision of Imaging Services, with One (1) Fixed CT Scanner

Applicant

Centra Health, Inc., ("Centra") is a 501(c)(3) not-for-profit, non-stock corporation located in Lynchburg, Virginia. It has no members and is not a subsidiary of any organization. Centra has 29 subsidiaries, including several hospitals and Central Virginia Imaging, LLC. The proposed facility, Centra Timberlake Medical Center, is at 7051 Timberlake Road, in the City of Lynchburg, Virginia, Health Planning Region (HPR) III, Planning District (PD) 11.

Background

PD 11 is in the central part of Virginia, surrounded entirely by several other Virginia Counties as shown in **Figure 1**. It had a population of 261,593 at the beginning of the decade and is projected to grow by 3.2% by 2030. This is a lower growth rate than that of Virginia at 5.0% (**Table 1**). About 30% of the population in PD 11 resides in the independent City of Lynchburg (**Figure 2**), where the proposed project is located. Lynchburg is projected to grow by 5.3% between 2020 and 2030, comparable to Virginia's growth rate.

The population 65 and older is an important segment in imaging services, due to higher utilization of imaging by this age group. This population is projected to grow by 22.0% in PD 11 during the decade, compared to 30.9% across Virginia. The segment of Lynchburg's residents over age 65 is projected to grow by 19.2%, a slower rate than that of Virginia or the PD overall.

Figure 1. Map of PD 11 with Population

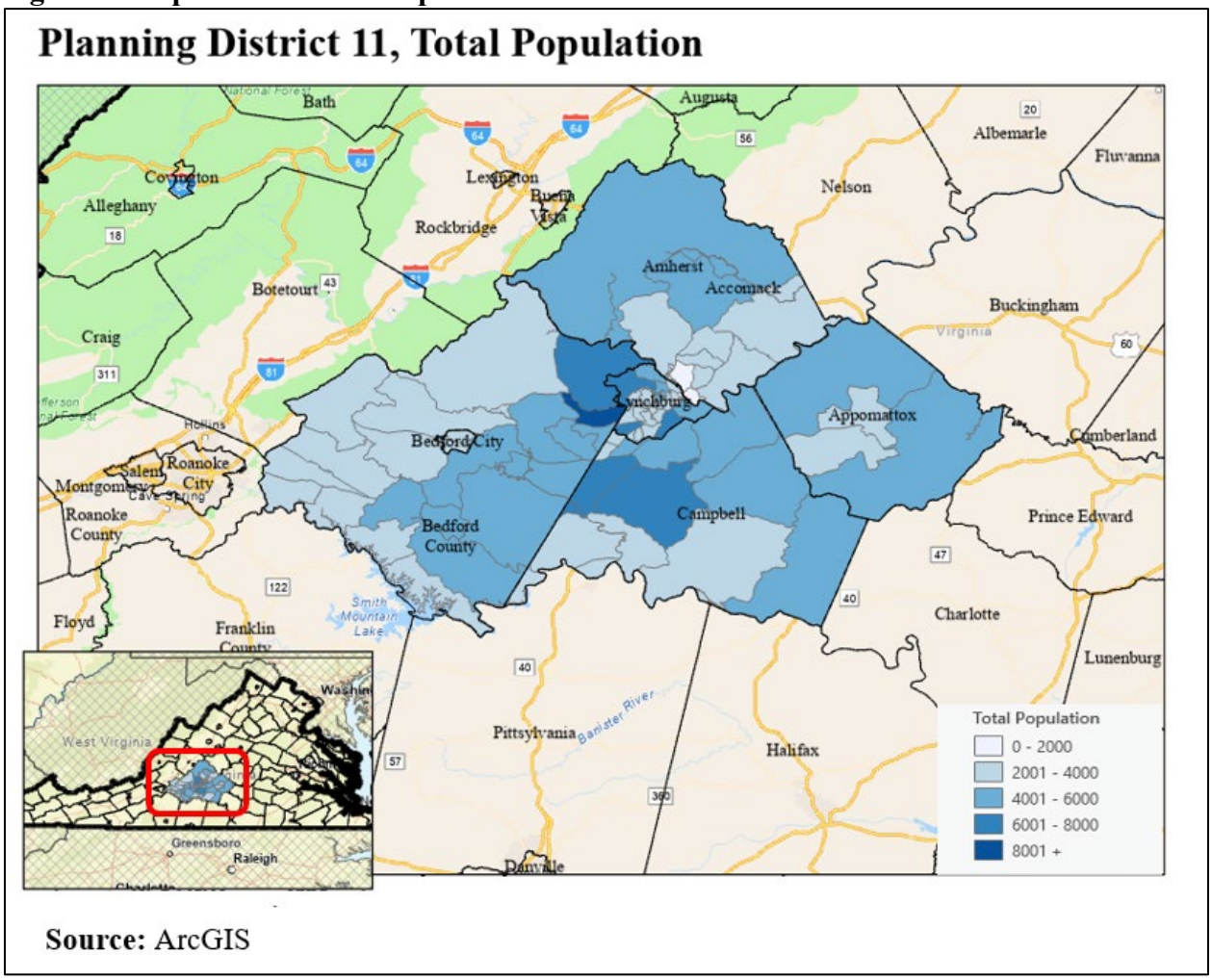
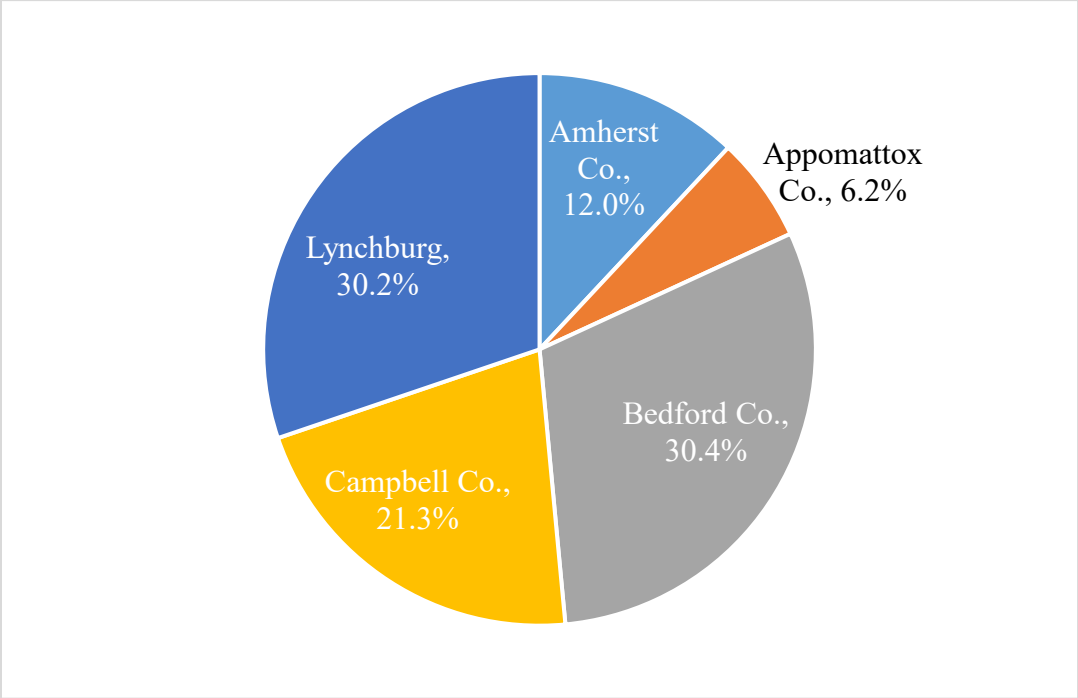


Table 1. PD 11 Population and Projections

Location	Total Population				65 and Older			
	2020	Projected 2030	Projected Change 2020-2030	% Change	2020	Projected 2030	Projected Change 2020-2030	% Change
Amherst County	31,307	30,647	-660	-2.1%	6,754	7,867	1,113	16.5%
Appomattox County	16,119	17,627	1,508	9.4%	3,358	4,004	646	19.2%
Bedford County	79,462	82,238	2,776	3.5%	17,848	22,881	5,033	28.2%
Campbell County	55,696	56,329	633	1.1%	11,599	13,867	2,268	19.6%
City of Lynchburg	79,009	83,228	4,219	5.3%	12,833	15,293	2,460	19.2%
PD 11	**261,593**	**270,068**	**8,475**	**3.2%**	**52,392**	**63,912**	**11,520**	**22.0%**
Virginia, Statewide	**8,631,393**	**9,060,433**	**429,040**	**5.0%**	**1,395,291**	**1,826,064**	**430,773**	**30.9%**

Source: Weldon-Cooper Center for Public Service (2026)

Figure 2. Percent of PD 11 Population by Locality



Source: Weldon-Cooper Center for Public Service (2026)

Virginia Health Information (VHI) reported eight CT scanners in PD 11 in 2024, the most recent year for which data are available. Seven of the eight CT scanners are owned by Centra. Utilization of the CT scanners in PD 11 that year averaged 131.8% of the State Medical Facilities Plan (SMFP) threshold for adding a CT scanner (**Table 2**). The proposed project is an off-site expansion of the CT services of Centra's Lynchburg General Hospital (LGH). LGH currently has four CT scanners on its license, including three on campus and one off-site that just opened in May 2026. In 2024, the CT scanners at LGH were utilized at 213.3% of the SMFP threshold (**Table 2**). Including LGH's off-site CT scanner, at 2024 volumes, LGH had CT utilization per scanner the equivalent of 160% of the SMFP threshold to add a CT unit. DCOPN records show that there are currently ten COPN authorized fixed-site CT scanners at seven sites in PD 11 (**Table 3)**.

Table 2. PD 11 CT Utilization, 2024

Facility Name	Total Stationary Units	Total CT Procedures	CT Procedures Per Scanner	% of SMFP Threshold
(Centra) Bedford Memorial Hospital	1	12,975	12,975	175.3%
Blue Ridge Ear, Nose, Throat and Plastic Surgery	1	577	577	7.8%
(Centra) Central Virginia Imaging	2	12,664	6,332	85.6%
(Centra) Lynchburg General Hospital	3	47,351	15,784	213.3%
(Centra) Virginia Baptist Hospital	1	4,484	4,484	60.6%
PD 11 Totals and Averages	**8**	**78,051**	**9,756**	**131.8%**

Source: VHI 2024

Two facilities that were operational in 20204 did not report volumes. These were CVFP Medical Group, with one CT scanner, and Centra Outpatient Imaging Center, with two CT scanners (**Table 3**).

Table 3. Authorized Diagnostic CT Scanners, PD 11

Facility	Total Diagnostic Scanners	CT Scanners Authorized since VHI's 2024 Report
Centra Bedford Memorial Hospital	1	
CVFP Medical Group	1	COPN No. VA-04903 authorized the establishment of this CT scanner and 1MRI scanner. The latest expected date of completion is May 2026, but no indefinite extension has been filed.
Blue Ridge Ear, Nose, Throat and Plastic Surgery	1	
Centra Outpatient Imaging Center	1	COPN No. VA- 04883 authorized the establishment of this CT scanner as an off-site expansion of Lynchburg General's CT services. It became operational on May 11, 2026.
Central Virginia Imaging	2	
Lynchburg General Hospital	3	
Virginia Baptist Hospital	1	
Total CT Scanners, PD 11	**10**	

Source: DCOPN Records

Proposed Project

The applicant proposes to establish a specialized center for the provision of CT imaging, Centra Timberlake Medical Center, with one CT scanner, to be located at 7051 Timberlake Road, Lynchburg, Virginia. The proposed CT scanner is an expansion of LGH's CT services and will be the 5th authorized CT scanner on LGH's license and the second one located off campus. LGH currently operates three CT scanners on its hospital campus, and one that was recently completed at Centra Outpatient Imaging Center off campus. The applicant asserts an institutional need for the proposed project. It describes the proposed facility as a hybrid freestanding emergency department (FSED) and urgent care center (UCC) with roughly 14,300 gross square feet. DCOPN notes that FSEDs and UCCs are not regulated by COPN statutes, only the CT component. The CT space proposed is approximately 800 gross square feet.

The projected capital costs of the freestanding emergency department/urgent care center total $24,100,023 (**Table 4**). The cost of CT equipment and other costs allocated to the CT space by square footage equal $2,330,491 ($1,224,000 for the CT scanner + all other non-equipment costs of $19,778,530 multiplied by a square footage allocation ratio of 800/14,300). The applicant will not incur any financing costs associated with the construction of the facility, as it will be funded with accumulated reserves from Centra Health. Should the proposed project be approved, the applicant anticipates it will open January 30, 2028.

Table 4. Capital Costs, Centra Timberlake Medical Center	
Direct Construction Cost	$ 13,504,872
Equipment not included in Construction Contract	$ 4,321,493
Site Acquisition Costs	$ 1,350,000
Site Preparation Costs	$ 1,955,000
Off-Site Costs	$ -
Architectural and Engineering Fees	$ 1,291,771
Other Consulting Fees	$ 1,676,887
Total Capital Costs	**$ 24,100,023**

Source: COPN No. VA-8877

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part as, "The establishment of a medical care facility." A medical care facility includes, in part, "(a)ny specialized centers or clinics or that portion of a physician's office developed for the provision of…computed tomographic (CT) 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:

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;**

The population in PD 11 is projected to grow at a slower rate than Virginia's, while Lynchburg's growth rate is comparable to Virginia's. PD 11's and Lynchburg's population over age 65 is projected to grow at a significantly slower rate than Virginia's 65 and older population (**Table 1**). Due to their central location in the PD and the rurality of the surrounding counties, Lynchburg-based facilities draw patients widely from across PD 11. Overall, PD 11 is expected to have nearly 8,500 more people in 2030 than it did in 2020. PD 11 has a poverty rate of 12.5%, higher than that of Virginia at 9.8%. Lynchburg's poverty rate of 17.8% is the highest of the localities in PD 11 and much higher than Virginia's. (**Table 5**).

Table 5. Poverty Rates 2024

Amherst County	12.5%
Appomattox County	12.2%
Bedford County	8.9%
Campbell County	11.2%
City of Lynchburg	17.8%
PD 11	**12.5%**
Virginia	*9.8%*

Source: Census Bureau, SAIPE

The proposed facility is about seven miles/ fifteen minutes from LGH in a location that provides optimal access for residents of the greater Lynchburg area by major arterial streets and highways including Timberlake and Wards Ferry Roads, and from US Routes 29, 501 and 460. The Greater Roanoke Transit Company operates bus services that connect the area to neighborhoods and major hubs. The proposed site is 1.6 miles from Fire Station 8, which provides emergency medical services (EMS) to Lynchburg. The applicant contends that this proximity will facilitate rapid transportation and EMS coordination, especially for residents in areas of Lynchburg with higher rates of Medicaid enrollment and uninsured status who face barriers to care due to transportation limitations and distance. The applicant states that the proposal will decompress LGH's highly utilized CT (and emergency) services in a convenient, easy-to-access and lower cost outpatient facility.

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 a letter of commitment and support from Raleigh Radiology Associates to provide interpretive services for the proposed CT scanner. It also received 11 letters of support for the proposed project from the Lynchburg Chief of Police, Interim Fire Chief, Centra leaders and physicians, and local residents which addressed:

- LGH's CT services and emergency services are very busy. LGH has the only emergency department in Lynchburg.

- Lynchburg Fire Department provides primary EMS within Lynchburg and locating the proposed project 1.6 miles from Fire Station 8 will facilitate rapid transportation and EMS coordination.
- Centra is a trusted partner in promoting health and safety in Lynchburg and the proposed project will directly enhance public safety by improving response times, reducing patient transport distances and decanting volumes from highly utilized CT services.
- Higher acuity patients will be able to receive imaging services at LGH more efficiently as lower acuity patients receive care at the proposed facility, in a lower-cost outpatient setting.
- Residents in areas of Lynchburg with higher rates of Medicaid enrollment and uninsured status face barriers to care due to transportation limitations and distance, which the proposed project will help to address.
- CT imaging is clinically essential to offering a functional freestanding emergency department.

Public Hearing

Section 32.1-102.6 B 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-8877 is not competing with another project in this batch cycle 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 project on May 8, 2026. The public comment period closed on June 22, 2026. There is no documented opposition to the proposed 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;

Neither DCOPN nor the applicant identified a reasonable alternative 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. The CT scanners at LGH experience high utilization and the proposed project would decant volumes from those units and not only provide an additional site at which to access CT services but also reduce volumes and wait times at the hospital. In 2024, PD 11 CT scanners operated well above the SMFP threshold, and LGH has demonstrated an institutional need for an additional CT scanner. The proposal is more beneficial than the status quo.

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

Currently, there is no organization in HPR III designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 11. Therefore, this consideration does not apply to the review of the proposed project.

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

The projected capital costs of the proposed facility are $24,100,023 (**Table 3**). This is within the range of other recently authorized, similar projects, for example, COPN No. VA-04974 authorized Bon Secours Maryview Medical Center to establish a specialized Center for CT imaging at $23,826,209; and COPN No. VA-04977 authorized Bon Secours St. Francis Medical Center to establish a specialized Center for CT imaging at $33,713,480. Capital costs for the DCOPN-regulated CT portion of the project are estimated to be $2.3 million. The applicant will not incur any financing costs associated with the proposed project as it will be funded with Centra's accumulated reserves.

The applicant identified several benefits of the proposed project, including decanting CT volumes from the highly utilized CT scanners at LGH. As previously mentioned, LGH has the only emergency department in Lynchburg. The proposed CT scanner will support a FSED as a department of LGH which will provide access to Lynchburg area residents, including a segment with socioeconomic barriers. The applicant has demonstrated an institutional need to expand its CT capacity. An off-site service will allow higher-acuity patients to receive imaging more efficiently, as lower-acuity patients receive CT services off-site at the proposed facility.

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

The applicant asserts that Centra Timberlake will accept patients without regard to ability to pay or payment source. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from CT services that is no less than the equivalent average for charity care contributions in HPR III, which was 0.5% in 2024, the latest year for which data are available (**Table 6**). Centra has proffered 1.2% charity care in its pro forma income statement (**Table 7**); therefore, if the Commissioner approves the proposed project, DCOPN recommends a charity care condition of no less than 1.2%. Pursuant to Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

Table 6. HPR III Charity Care Contributions: 2024

HPR III	Gross Pt Rev	Total Charity Care Provided Below 200%	%
Inpatient Facilities			
Rehabilitation Hospital of Bristol, LLC	21,074,983	594,048	2.8%
Centra Specialty Hospital	49,629,337	1,151,183	2.3%
Carilion Franklin Memorial Hospital	291,774,472	4,126,513	1.4%
Carilion Tazewell Community Hospital	97,063,289	1,035,463	1.1%
Carilion Medical Center	5,523,913,586	43,089,656	0.8%
Carilion New River Valley Medical Center	1,045,584,847	8,284,749	0.8%
LewisGale Hospital-Montgomery	1,028,863,817	8,035,905	0.8%
Carilion Giles Memorial Hospital	241,763,245	1,965,594	0.8%
Lewis-Gale Medical Center	3,633,204,645	25,020,978	0.7%
LewisGale Hospital Pulaski	557,969,215	3,462,675	0.6%
LewisGale Hospital - Alleghany	307,838,577	1,894,786	0.6%
Bedford Memorial Hospital	220,261,406	1,156,200	0.5%
Johnston Memorial Hospital	939,082,042	3,526,000	0.4%
Centra Health	3,572,261,352	12,125,268	0.3%
Wellmont Lonesome Pine Mountain View Hospital	852,382,429	2,640,163	0.3%
Smyth County Community Hospital	216,722,529	604,993	0.3%
Lee County Community Hospital	43,608,193	118,721	0.3%
Dickenson Community Hospital	28,200,560	54,209	0.2%
Russell County Medical Center	137,892,582	161,769	0.1%
Buchanan General Hospital	127,118,204	137,889	0.1%
Sovah Health-Danville	1,253,164,239	288,678	0.0%
Sovah Health-Martinsville	917,943,082	268,214	0.0%
DLP Twin County Regional Healthcare	363,954,973	128,136	0.0%
Clinch Valley Medical Center	829,913,180	191,054	0.0%
Wythe County Community Hospital	415,798,563	100,166	0.0%
Ridgeview Pavilion (Bristol Region)	8,928,438	0	0.0%
Norton Community Hospital			
Total Inpatient Hospitals:			26
HPR III Inpatient Hospital Median			**0.4%**
HPR III Total Inpatient $ & Mean %	$ 22,725,911,785	$ 120,163,010	**0.5%**

Source: VHI (2024)

Table 7. Centra Timberlake Medical Center, CT Scanner Proforma

	Year 1	Year 2
Total Gross Patient Revenue	**$56,041,719**	**$66,199,281**
Charity Care	$700,521	$827,491
Other Deductions	$43,936,708	$51,900,236
Net Revenue	**$11,404,490**	**$13,471,554**
Total Expenses	**$10,267,185**	**$11,277,255**
Net Income	**$1,137,305**	**$2,194,299**

Source: COPN Request No. VA-8877

(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 projects.

3. The extent to which the proposed project 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 predecessor of the SHSP, the SMFP.

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

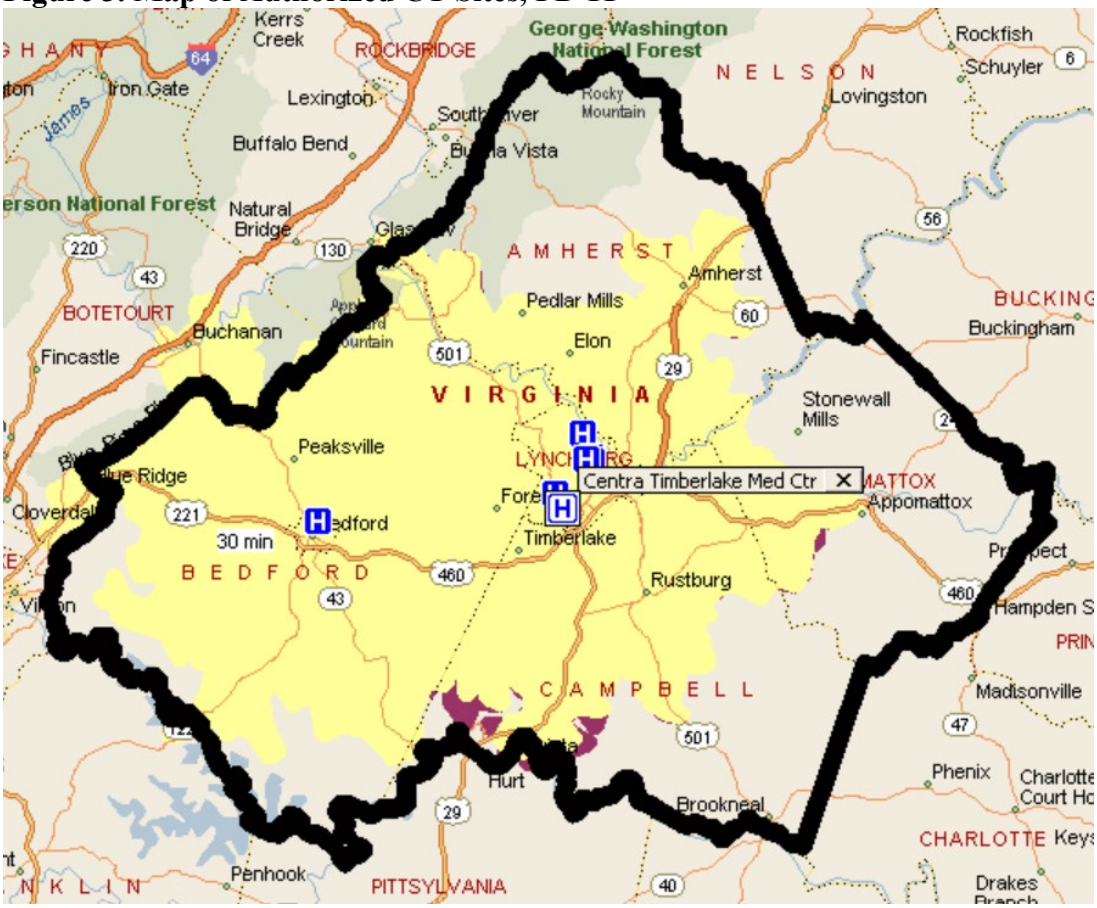
Part II Article 1
Diagnostic Imaging Services
Criteria and Standards for Computed Tomography

12VAC5-230-90. Travel time.
CT services should be available within 30 minutes driving time one way under normal conditions of 95% of the population of the health planning district using mapping software as determined by the commissioner.

The heavy black line in **Figure 3** is the boundary of PD 11. The blue "H" symbols mark the locations of existing CT providers in PD 11. The white "H" symbol marks the location of the proposed project. The yellow shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing CT services in PD 11. The purple shaded areas near the southern border of PD 11 and in Appomattox County are the locales that would gain geographic access within 30 minutes' drive from a CT scanner, should the proposed project be approved. There are significant portions of PD 11 that are not within 30 minutes driving time of

a CT service, including large portions of Appomattox, Amherst and Campbell Counties, which made up approximately 39% of PD 11's population in 2020.

Figure 3. Map of Authorized CT Sites, PD 11



Source: Microsoft Streets & Trips

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.

Table 2, above, shows that the then-operational CT scanners performed an average of 9,756 procedures per scanner in 2024, equal to 131.8% of the SMFP threshold of 7,400. The ten CT scanners now authorized would average 7,805 procedures per CT scanner, at PD 11 CT volumes in 2024, 78,051 scans. This is 105.5% of the SMFP standard.

Regarding the effect that the proposed location will have on other facilities in the PD, all but two authorized CT scanners in PD 11 belong to Centra. Blue Ridge Ear, Nose, Throat and Plastic

Surgery's CT scanner is restricted to head-only CTs and is used for imaging of the practice's patients, and the proposed project will not impact this service. Likewise, the authorized CVFP CT service, expected to open soon, is primarily for patients of that practice. Moreover, there is no opposition to the proposed project from existing providers. Therefore, DCOPN's analysis of the available data, both in the application and from VHI, shows no evidence that the proposed location would significantly reduce the utilization of existing providers in the area.

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.

DCOPN has excluded the one existing CT scanner in PD 11 that is used solely for simulation prior to the initiation of radiation therapy from its inventory and average utilization of diagnostic CT scanners in PD 11, with respect to the proposed project.

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.

LGH's three on-campus CT scanners performed an average of 15,784 procedures per scanner in 2024, 213.3% of the SMFP threshold. The applicant reported that LGH performed 52,030 CT scans in 2025. Including its newly opened 4th (off-site) CT scanner in the calculation, LGH's CT services averaged 13,007 procedures per scanner in 2025, equal to 175.8% of the SMFP standard. Including the proposed 5th CT scanner, to be located within LGH's primary service area, at its reported 2025 CT volumes, LGH would average 10,406 CT procedures per scanner. This is still over the SMFP threshold to add a CT scanner, at 140.6% of the SMFP standard. Given the high utilization of LGH's CT scanners, the proposed scanner is likely to decant volumes of patients already seeking care at LGH and is unlikely to impact existing PD 11 providers significantly.

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 CT scanner and that the proposed conversion will not

significantly reduce the utilization of existing CT providers in the health planning district.

Not applicable. The applicant does not propose to add or expand mobile CT services or to convert authorized mobile CT scanners to fixed site scanners.

12VAC5-230-130. Staffing.
CT services should be under the direction or supervision of one or more qualified physicians.

The applicant confirmed that CT services will be under the direction and supervision of qualified physicians.

12VAC5-230-80. When institutional expansion needed.
A. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.
B. If a facility with an institutional need to expand is part of a health system, the underutilized services at other facilities within the health system should be reallocated, when appropriate, to the facility with the institutional need to expand before additional services are approved for the applicant. However, underutilized services located at a health system's geographically remote facility may be disregarded when determining institutional need for the proposed project.
C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.
D. Applicants shall not use this section to justify a need to establish new services.

Altogether, Centra's eight authorized CT scanners, at Centra's 2024 CT volumes, performed at 130.9% of the SMFP standard. All of the units are well-utilized such that relocating any to the proposed site is not appropriate. The proposal is not for a nursing facility. The proposed facility is well within LGH's primary service area and justifies the off-site expansion of an existing service and not a new service.

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;**

As previously discussed, DCOPN records indicate that of the current inventory of ten CT scanners in PD 11 (**Table 3**), 80%, are owned by, or in partnership with, Centra; therefore, approval of the proposed project would not foster beneficial institutional competition but instead would add to the market concentration of CT services in PD 11.

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 discussed above, Centra has a large share of PD 11's CT scanners. LGH, under which the proposed CT scanner would be licensed, is one of only two emergency departments in PD 11 and the only one in the Lynchburg area. The CT scanners at LGH support inpatient and emergency scans and a significant portion of outpatient CT imaging. Centra's CT scanners, across four sites, average 11,068 procedures per scanner, or 150.0% of the SMFP standard to expand.

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;

Capital costs of the proposed project are reasonable and consistent with recently authorized, similar projects. The proposal will be funded with accumulated reserves of Centra, so the applicant will not incur any financing costs associated with the proposed project. The pro forma income statement for the proposal provided by the applicant (**Table 7**) projects a net income of $1,137,305 in the first year of operation and $2,194,299 in the second year of operation.

Regarding staffing, the applicant anticipates the need to hire 4.6 full-time equivalent (FTE) staff members to operate the proposed project. The applicant anticipates that this small number of additional staff members will be recruited through its ongoing systemwide recruitment efforts and its long-standing partnership with Central Virginia Community College and its radiological school.

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 does not introduce new technology that would promote quality or cost effectiveness in the delivery of inpatient acute care; however, it does increase the provision of services on an outpatient basis for patients who do not need imaging services performed in a hospital setting. DCOPN did not identify any cooperative efforts in providing CT services associated with the proposed project, or other factors that have not been discussed elsewhere in this staff analysis to bring to the attention of the Commissioner.

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.

The applicant is not an academic medical center, but provided the following information concerning this consideration:

Centra has a long tradition of learning and teaching with a School of Nursing and Lynchburg Family Medicine Residency. Centra's Office of Medical Education and Student Affairs (OMESA) is an administrative center for student relations and onboarding within Centra. OMESA works with multiple academic partners to place medical learners in Centra's teaching practices and medical communities.

DCOPN Staff Findings and Conclusions

PD 11 is an area with moderate population growth and CT utilization that is above the SMFP standard to add CT capacity. The applicant has highly utilized CT services, also above the SMFP threshold, and has demonstrated an institutional need for the proposed project. It will improve access to critical imaging services in PD 11. DCOPN finds Centra Health, Inc.'s COPN Request No. VA-8877 to establish a specialized center for the provision of CT imaging to be generally consistent with the applicable criteria and standards of the SMFP and the eight required considerations of the Code of Virginia. It is unlikely to impact the volumes, costs or operations of existing providers.

No reasonable alternative has been identified that will meet the needs of the population in a less costly, more efficient, or more effective manner and the proposal is more favorable than maintaining the status quo. Total capital costs of the proposed project are reasonable as compared to previously approved projects similar in scope. The proposed project is wholly feasible in the immediate and long-term. There is no known opposition to the proposed project.

Staff Recommendation

The Division of Certificate of Public Need recommends **conditional approval** of Centra Health, Inc.'s COPN Request No. VA-8877 to establish a specialized center for the provision of CT imaging with one fixed CT scanner at Centra Timberlake Medical Center for the following reasons:

1. Centra Health, Inc.'s proposal to establish a specialized center for the provision of CT imaging with one fixed CT scanner is generally consistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.

2. The applicant has demonstrated an institutional need and is unlikely to impact existing providers negatively.

3. No reasonable alternative has been identified to the proposed project, and the proposal is more beneficial than the status quo.

4. The capital costs are reasonable and consistent with recently authorized, similar projects.

5. The proposed project is wholly feasible in the immediate and the long-term.

6. There is no known opposition to the proposed project.

Recommended Condition:
Centra Timberlake Medical Center will provide CT services to all persons in need of these services, regardless of their ability to pay, and will provide as charity care to all indigent persons free services or rate reductions in services and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 11 in an aggregate amount equal to at least 1.2% of Centra Timberlake Medical Center's gross patient revenue derived from CT services. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement.

Centra Timberlake Medical Center will provide CT services to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act (42 U.S.C. § 1396 et seq.), and 10 U.S.C. § 1071 et seq. Centra Timberlake Medical Center will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.