VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

July 20, 2026

RE: COPN Request No. VA-8883
Carilion Giles Community Hospital
Pearisburg, Virginia
Add (1) CT Scanner to Carilion Giles Community Hospital

Applicant

Carilion Giles Community Hospital (CGCH) is a 501(c)(3) Virginia non-stock corporation. CGCH is located in Pearisburg, Virginia, Planning District (PD) 4, Health Planning Region (HPR) III. CGCH is a wholly owned subsidiary of Carilion Clinic, a 501(c)(3) Virginia non-stock corporation located in Roanoke, Virginia.

Background

A Computed Tomography (CT) scan is a diagnostic imaging tool that utilizes x-ray technology to produce images of the inside of the body and can show bones, muscles, organs, and blood vessels. CT scans are more detailed than plain film x-rays; rather than the standard straight-line x-ray beam, CT imaging uses an x-ray beam that moves in a circle around the body to show structures in much greater detail.[1] The scans can be done with or without contrast; contrast is a substance taken either orally or injected within the body, causing a particular organ or tissue to be seen more clearly.[2]

Virginia Health Information (VHI) published data on seven CT scanners in PD 4 for 2024, the latest year for which such data are available. Six of these scanners were reported by acute care hospitals and one was in a freestanding emergency department (ED). Overall, the CT scanners in PD 4 averaged 8,519 procedures per CT scanner, 115.12% of the State Medical Facilities Plan (SMFP) threshold for expansion of 7,400 scans per unit (**Table 1**). The Division of Certificate of Public Need (DCOPN) notes that the ED- LewisGale Christiansburg Emergency Room was only operational for two months of the 2024 VHI data collection period, which is evidenced by its 4.72% utilization.

[1] https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/computed-tomography-ct-scan#:~:text=Computed%20tomography%20is%20commonly%20referred,fat%2C%20organs%20and%20blood%20vessels.
[2] Ibid.

Table 1. PD 4 CT Scanners' Utilization, VHI 2024

Facility Name	Total Stationary Units	Total CT Procedures	Procedures by Scanner	% Utilization of Threshold
Carilion Giles Community Hospital	1	7,779	7,779	105.12%
Carilion New River Valley Hospital	3	26,360	8,787	118.74%
ED - LewisGale Christiansburg ER[3]	1	349	349	4.72%
LewisGale Hospital Montgomery	1	16,540	16,540	223.51%
LewisGale Hospital Pulaski	1	8,606	8,606	116.30%
PD 4 Totals and % of Threshold	**7**	**59,634**	**8,519**	**115.12%**

Source: DCOPN Records and VHI 2024 Data

There are now a total of nine CT scanners authorized in PD 4. COPN No. VA-04804 authorized Carilion New River Valley Medical Center to add one fixed CT scanner (for a total complement of four) and COPN No. VA-04973 authorized the establishment of the LewisGale Radford ER with one fixed CT scanner. Neither of these projects were complete when the 2024 VHI data was collected[4].

Proposed Project

CGCH proposes to add one fixed CT scanner, for a total of two, to the CGCH campus located at 159 Hartley Way, Pearisburg, Virginia. The CT scanner will be placed in an existing space that is centrally located in the hospital. Projected capital costs for the proposal are $3,298,993 (**Table 2**) and will be funded through the internal resources of Carilion Clinic, such that no financing costs will accrue.

Table 2. Capital Costs, CGCH CT

Direct Construction Costs	$1,548,120
Equipment not included in construction costs	$1,564,873
Site preparation costs	$61,000
Architectural and Engineering fees	$125,000
TOTAL CAPITAL COST	**$3,298,993**

Source: COPN Request No. VA-8883

Should the proposed project be approved, the applicant's target date for opening is December 6, 2027.

[3] ED - LewisGale Christiansburg ER also operates a CT simulator, which has been excluded from calculations.
[4] COPN No. VA-04804 became operational in December 2025, and VA-04973 is expected in April 2027.

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the "addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of … computed tomographic (CT) scanning…" A medical care facility includes "[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 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.**

CGCH is a 25-bed critical access hospital (CAH) located in southwestern Virginia. Being a CAH, the facility serves a unique rural community that is geographically distant from other hospitals. The facility is located on Hartley Way which connects easily to Pearisburg's main thoroughfares. Primary highways include U.S. Route 460 Business running through downtown Pearisburg and Virginia State Route 100 also passing through Pearisburg and linking the area with Interstate 81 (I-81). The applicant stated that since the hospital is located in a rural area, most visitors arrive by car. Patients without a personal vehicle can schedule a ride with Giles County Public Transportation during daytime hours Monday through Friday. Medical Transport Services also offers transportation for patients who require more advanced assistance getting to appointments.

The proposed project will be located in Giles County, Virginia, in PD 4. The total population in Giles County in 2030 is expected to be approximately 16,105 people, a decrease of 4.1% from the 2020 population (**Table 3**). In that same time frame, the 65+ population is expected to grow 8.9%, which is well below the PD average estimated growth of 15.1%. All of PD 4 is predicted to experience a population decrease with the exceptions of Montgomery County and the City of Radford. The total Virginia population is estimated to increase 5.0% from 2020 to 2030.

Table 3: PD 4 Population Projections

Location	Experienced 2020		Predicted 2030		2020-2030 Change	
	Total	65 years+	Total	65 years+	Total	65 years+
Floyd County	15,476	3,783	14,800	14,800	-4.4%	17.6%
Giles County	16,787	3,732	16,105	16,105	-4.1%	8.9%
Montgomery County	99,721	12,706	103,919	103,919	4.2%	20.7%
Pulaski County	33,800	7,675	31,960	31,960	-5.4%	6.6%
City of Radford	16,070	1,735	17,412	17,412	8.3%	20.3%
PD 4	**181,854**	**29,631**	**184,196**	**184,196**	**1.3%**	**15.1%**
Virginia	**8,631,393**	**1,395,291**	**9,060,433**	**9,060,433**	**5.0%**	**30.9%**

Source: Weldon-Cooper Data

Table 4 shows that PD 4 had a poverty rate of 18.0% in 2024, the latest year of which such data are available, which is nearly double the poverty rate of Virginia (9.8%). Giles County, where the proposed project is located, has a poverty rate of 11.5% which is lower than the PD 4 average, but slightly higher than the Virginia average.

Table 4. PD 4 Poverty Rates

Geographic Name	Poverty Rate
Floyd County	11.4%
Giles County	11.5%
Montgomery County	20.6%
Pulaski County	13.3%
City of Radford	27.2%
PD 4 Totals	**18.0%**
Virginia	**9.8%**

Source: Weldon-Cooper Census Data

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

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

DCOPN received four letters of support from various community members and medical providers which in summary said:

- Southwestern Virginia is very rural, and regional health centers, such as CGCH, are crucial to the population.
- A large portion of the surrounding population works in an industrial setting, creating an increased need for emergency diagnostics.
- The existing scanner at CGCH is over 16 years old and prone to operational issues.

- CT scanner volumes at CGCH have shown a sustained period of growth that indicates a need for additional capacity.
- CGCH works closely with the Blue Ridge Cancer Center which reports an increase in cancer incidence over the last 10 years. Increased access to CT services will help patients receive diagnoses and treatment faster.

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-8883 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 project inviting public comment on May 10, 2026. The public comment period closed on June 24, 2026. Other than the letters of support referenced above, no members of the public commented. There is no known opposition to the project.

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

There is no reasonable alternative to adding additional CT capacity at CGCH. The applicant reported a utilization rate of 105.12% in 2024, which exceeds the SMFP threshold for expansion. There is also no underutilized capacity within the health system that could be relocated to CGCH, as the only other Carilion Clinic facility that has CT scanners is Carilion New River Valley Hospital, which was at 118.74% of the SMFP threshold for expansion in 2024, with a fourth scanner having been added in December 2025 (**Table 5**).

Table 5. PD 4 Carilion Clinic CT Scanners' Utilization, VHI 2024

Facility Name	Total Stationary Units	Total CT Procedures	Procedures by Scanner	% Utilization of Threshold
Carilion Giles Community Hospital	1	7,779	7,779	105.12%
Carilion New River Valley Hospital	3	26,360	8,787	118.74%
PD 4 Carilion Clinic Totals and % of Threshold	***4***	***34,139***	***8,535***	***115.33%***

Source: DCOPN Records and VHI 2024 Data

(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 4. Therefore, this consideration does not apply to the review of the proposed project.

(iv) Any costs and benefits of the project.

Total projected capital costs for the proposed project are $3,298,993, funded entirely with accumulated reserves, so there are no financing costs involved in the proposed project. The estimated costs are consistent with other recently approved projects to add a CT scanner at an established facility. COPN No. VA-04804 authorized one CT scanner to be added to the Carilion New River Valley Medical Center with an authorized cost of $2,254,532.

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

- The new, more advanced, CT scanner has more functionality than CGCH's current one.
- An additional scanner will reduce wait times, which is especially beneficial because CGCH serves a population base that may have to travel a long distance to receive care.
- The population of PD 4 is aging rapidly and will require more diagnostic care, and an additional CT scanner will help ensure everyone has timely access to care.

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

CGCH provided charity care in the amount of 0.8% in 2024, the latest year for which such data are available. This is higher than the HPR III average of 0.5% (**Table 6**).

Table 6. 2024 Charity Care, HPR III

HPR III	2024 at 200% Gross Pt Rev	Total Charity Care Provided Below 200%	%
Inpatient Hospitals			
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	$0	$0	2.8%
Total Inpatient Hospitals:			**27**
HPR III Total Inpatient $ & Mean %	$22,725,911,785	$120,163,010	0.5%
Outpatient Centers			
Roanoke Valley Center for Sight at Oak Grove	$4,950,351	$48,540	1.0%
Surgery Center of Lynchburg	$84,680,369	$838,248	1.0%
Fairlawn Surgery Center, LLC	$6,315,595	$48,203	0.8%
New River Valley Surgery Center	$13,367,660	$79,443	0.6%
Roanoke Valley Center for Sight	$24,325,070	$132,333	0.5%
Southwest Virginia Center for Sight	$7,344,412	$20,058	0.3%
Martinsville Center for Sight	$5,961,587	$15,172	0.3%
Blue Ridge Surgery Center	$143,386,304	$26,210	0.0%
Roanoke Ambulatory Surgical Center	$58,874,618	$4,927	0.0%
Eye Surgery Center of Central Virginia, LLC	$10,073,938	$0	0.0%
Piedmont Day Surgery Center	$4,172,183	$0	0.0%

Total Outpatient Hospitals:			**11**
HPR III Total Outpatient Hospital $ & Mean %	$363,452,087	$1,213,134	0.3%
Total Hospitals:			**38**
HPR III Total $ & Mean %	$23,089,363,872	$121,376,144	0.5%

Source: VHI

The pro forma income statement provided by the applicant proffers 0.7% in charitable contributions (**Table 7**), which is higher than the HPR average of 0.5% In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, it would be conditioned to provide a level of charity care based on gross patient revenues derived from CT imaging that is no less than 0.7%. Pursuant to Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

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

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

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

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

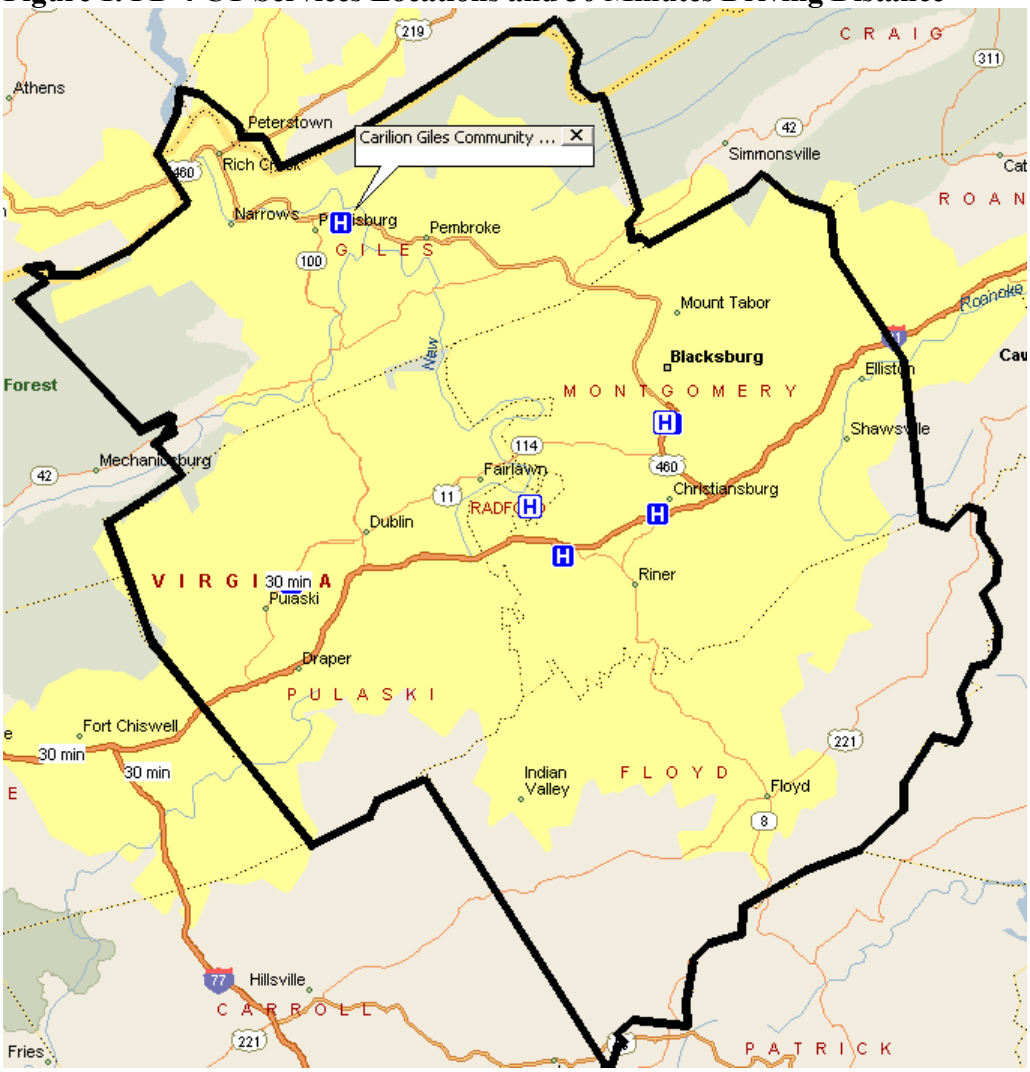
The State Medical Facilities Plan (SMFP) contains the criteria and standards for CT services. They are as follows:

12VAC-5-230 Part I, Article 1
Criteria and Standards for Computed Tomography

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

The black line in Figure 1 is the boundary of PD 4. The yellow shaded area in **Figure 1** illustrates the areas in PD 4 that have CT services available within 30 minutes driving distance. The "H" with the blue background indicates acute care facilities, while the "H" with the white background indicates freestanding. While the majority of the PD 4 population is centered around Montgomery County, there are still residents who are not within a 30-minute driving distance of CT services. Since the proposed project is for an existing facility, it would not improve geographical access.

Figure 1. PD 4 CT Services Locations and 30 Minutes Driving Distance



Source: DCOPN Records and Microsoft Streets & Maps

12VAC5-230-100. Need for new fixed site or mobile service.

A. No new fixed site or mobile CT service should be approved unless fixed site CT services in the health planning district performed an average of 7,400 procedures per existing and approved CT scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing providers in the health planning district. The utilization of existing scanners operated by a hospital and serving an area distinct from the proposed new service site may be disregarded in computing the average utilization of CT scanners in such health planning district.

B. Existing CT scanners used solely for simulation with radiation therapy treatment shall be exempt from the utilization criteria of this article when applying for a COPN. In addition, existing CT scanners used solely for simulation with radiation therapy treatment may be disregarded in computing the average utilization of CT scanners in such health planning district.

The proposed project is not a new fixed or mobile CT service, so this standard is not applicable, but the need calculation for CT scanners has been included here for reference:

According to 2024 VHI data, the most recent available, there were seven CT scanners in PD 4 with an average utilization of 8,519 scans, 115.12% of the SMFP threshold (**Table 1**). DCOPN notes that additional CT scanners have been authorized in PD 4 since the latest VHI data were published and that -there are currently nine diagnostic CT scanners authorized.

Needed CT units = 59,634 ÷ 7,400 = 8.06 (need for 9 scanners)
Utilization Percentage in 2024: 115.12%
Current number of PD 4 authorized CT units: 9
CT unit surplus = 0

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.

The applicant exceeds this standard as CGCH averaged 7,779 per diagnostic CT scanner in 2024, according to VHI (**Table 1**). CGCH reports in its application that the scanner utilization increased to 111% in 2025 and is projected to be over 120% in 2026.

12VAC5-230-120. Adding or expanding mobile CT services.
A. Proposals for mobile CT scanners shall demonstrate that, for the relevant reporting period, at least 4,800 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing CT providers in the health planning district.
B. Proposals to convert authorized mobile CT scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, at least 6,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.

This provision is not applicable as the applicant is not proposing to add or expand mobile CT services.

12VAC5-230-130. Staffing.

The applicant provides assurances that the CT imaging service will be under the direct supervision of one or more 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.

CGCH has demonstrated an institutional need for additional CT capacity having operated well above the SMFP, with 105% of the standard in 2024. The applicant also projected 111% of the standard in 2025 and 120% of the standard in 2026. Carilion Clinic scanners in PD 4 overall operated at 115% of the SMFP threshold for expansion in 2024, none could be relocated to CGCH without negatively impacting the other facility.
Also, the recent addition of a scanner at Carilion New River Valley Medical Center will do little to decrease the CT utilization at CGCH since the two sites are over 40 miles apart and CGCH serves a unique rural population.
The proposal does not involve a nursing facility, nor does it seek to establish a new service.

Required Considerations Continued

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

Carilion Clinic and HCA are the only two health systems that operate CT scanners in PD 4. Should this project be approved, Carilion Clinic will operate six out of the ten CT scanners in the PD (60%). There is no unhealthy market concentration in PD 4. Because of this, the approval of the project will not foster beneficial institutional competition.

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.**

Carilion Clinic has five of the nine authorized CT scanners in PD 4, with its most recent unit becoming operational at Carilion New River Valley Medical Center in December of 2025. The remaining four scanners are operated by The LewisGale Regional Health System, owned by HCA. CT services are generally well-utilized across the PD, operating above the SMFP in 2024,

according to VHI (**Table 1**), with lowest utilization, as mentioned previously, at a facility that had operated for only two months when the 2024 VHI data was collected.

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.**

Capital costs of the proposal are reasonable and will be paid with accumulated reserves, accruing no financing costs. The proposed project is expected to have a positive net income in years one and two (**Table 7**).
The proposed project requires an additional two full-time equivalent (FTE) CT technologists. CGCH currently has all 10 of its other CT technologist positions filled, showing it should have no issue filling the two additional positions.

Table 7. Pro forma, Second CT at CGCH

	Year 1	**Year 2**
Gross Revenue	**$25,617,000**	**$28,766,000**
Charity Care	$179,000	$201,000
Other Deductions	$19,003,000	$21,530,000
Net Revenue	**$6,435,000**	**$7,035,000**
Expenses	**$1,907,000**	**$2,195,000**
Operating Income	**$4,528,000**	**$4,840,000**

Source: COPN Request No. VA-8883

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.**

The proposed project will introduce more advanced CT technology to PD 4. According to the applicant, it is looking to purchase a SOMATOM Pro.Pulse scanner that can be used to scan for cardiovascular disease, as well as be used for emergencies, oncology, and stroke detection. The scanner also has integrated AI software that helps simplify complex scans by assisting the technologist through procedures. The scanner will be in an inpatient setting; thus it will not expand outpatient access.

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.

CGCH is not associated with a teaching hospital or medical school, but has a joint partnership with Virginia Tech, operates The Virginia Tech Carilion School of Medicine.

DCOPN Staff Findings and Conclusions

Carilion Giles Community Hospital (CGCH) proposes to add a second CT scanner to its hospital campus located in Pearisburg, Virginia. The current scanner located at CGCH operated at 105.12% of the SMFP threshold for expansion in 2024, showing an institutional need to add a second scanner in order to prevent delays in care. CGCH serves a rural population in southwestern Virginia that does not otherwise have access to ample medical services. The addition of a second scanner will ensure that this geographically unique population has access to the imaging services that they need without having to drive an excessive distance.
Because of an inherent institutional need, there is no identified reasonable alternative to the proposed project, and it is more beneficial than the status quo.
The proposed project has support from its local medical community and no known opposition. It is generally consistent with applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia with regard to a fixed CT site. The proposal is unlikely to impact other existing providers significantly. Projected capital costs for the proposal are reasonable and will be funded with accumulated reserves. The project is wholly feasible financially and with regard to human resources.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Carilion Giles Community Hospital's COPN Request No. VA-8883 to add a second CT scanner on the campus of CGCH in Pearisburg, Virginia for the following reasons:

1. The proposal is consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.

2. The applicant has demonstrated an institutional need for the proposed project.

3. There is no identified reasonable alternative to the proposed project, and it is more beneficial than the status quo.

4. The capital costs of the proposed project are reasonable.

5. The proposed project is unlikely to have a significant negative impact on the utilization, costs, or charges of other providers of CT services in PD 4.

6. The proposed project appears to be wholly feasible in the immediate and long-term.

7. There is no known opposition to the project.

DCOPN's recommendation is contingent upon Carilion Giles Community Hospital's agreement to the following charity care condition:

Carilion Giles Community Hospital must 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 patients free CT services or rate reductions in CT imaging services and facilitate the development and operation of primary care services to underserved persons in an aggregate amount equal to at least 0.7% of Carilion Giles Community Hospital's gross patient services revenue derived from CT imaging services. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or appropriately certified financial statements documenting compliance with the preceding requirement.

Carilion Giles Community Hospital will provide PET/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. Carilion Giles Community Hospital will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.