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-8884
Carilion Franklin Memorial Hospital
Rocky Mount, Virginia
Add (1) CT Scanner to the Carilion Franklin Memorial Hospital

Applicant

Carilion Franklin Memorial Hospital (CFMH) is a 501(c)(3) nonprofit hospital and is a wholly owned subsidiary of Carilion Clinic. CFMH has no subsidiaries of its own. The proposed project is located at 180 Floyd Avenue, Rocky Mount, Virginia 24151, in Planning District (PD) 12, within Health Planning Region (HPR) III.

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) reported data on nine CT scanners in PD 12 for 2024, the latest year for which such data are available. Two of these were reported by acute care hospitals and eight were in a freestanding facility. Overall, the CT scanners in PD 12 averaged 7,730 procedures per CT scanner, 104.46% of the State Medical Facilities Plan (SMFP) threshold of 7,400 scans per unit (**Table 1**).

[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 12 CT Scanners' Utilization, VHI 2024

Facility Name	Total Stationary Units	Total CT Procedures	Procedures by Scanner	% Utilization of Threshold
Carilion Franklin Memorial Hospital	2	14,138	7,069	95.53%
ED - Gretna Medical Center	1	8,734	8,734	118.03%
Sovah Danville Imaging Center	1	5,715	5,715	77.23%
Sovah Health - Danville	3	21,951	7,317	98.88%
Sovah Health - Martinsville	2	19,030	9,515	128.58%
PD 12 Totals and % of Threshold	**9**	**69,568**	**7,730**	**104.46%**

Source: DCOPN Records and VHI 2024 Data

According to the Division of Certificate of Public Need (DCOPN) records there are ten CT scanners authorized in PD 12. Stuart Community Hospital is authorized for one fixed CT scanner and became operational in January of 2026[3].

DCOPN notes that though CFMH reported having two scanners when reporting to VHI, only one is located on the hospital's campus. The other scanner, which is under the hospital's license, is located at a freestanding site at 35 Medical Court in Hardy, Virginia, which is more than 16 miles from CFMH. According to the applicant, 31 scans were performed at the Westlake site and 14,107 were performed at CFMH. The utilization table with the two sites separated is below (**Table 2**).

[3] This scanner was authorized under HB1305 in 2022 which allowed for the establishment of Stuart Community Hospital.

Table 2. PD 12 CT Scanners' Utilization, VHI 2024—Westlake extracted

Facility Name	Total Stationary Units	Total CT Procedures	Procedures by Scanner	% Utilization of Threshold
Carilion Franklin Memorial Hospital	1	14,107	14,107	190.64%
Carilion Westlake Freestanding	1	31	31	0.42%
ED - Gretna Medical Center	1	8,734	8,734	118.03%
Sovah Danville Imaging Center	1	5,715	5,715	77.23%
Sovah Health - Danville	3	21,951	7,317	98.88%
Sovah Health - Martinsville	2	19,030	9,515	128.58%
PD 12 Totals and % of Threshold	**9**	**69,568**	**7,730**	**104.46%**

Source: DCOPN Records, 8884 Application, and VHI 2024 Data

Proposed Project

CFMH proposes to add one fixed CT scanner, its second[4], on the CFMH campus located at 180 Floyd Avenue, Rocky Mount, Virginia. The proposed CT scanner will be located within the main CFHM hospital facility and will help supplement the existing scanner.
Projected capital costs for the proposal are $3,109,069 (**Table 3**) and will be funded through the internal resources of Carilion Clinic, such that no financing costs will accrue.

Table 3. Capital Costs, CFMH CT

Direct Construction Costs	$1,276,069
Equipment not included in construction costs	$1,564,873
Site preparation costs	$115,000
Architectural and Engineering fees	$153,127
TOTAL CAPITAL COST	**$3,109,069**

Source: COPN Request No. VA-8884

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

[4] While CFMH is licensed for two CT scanners and reports two to VHI, only one scanner is located on the CFMH campus. The other scanner is located over 16 miles away at the Carilion Westlake freestanding site.

In determining whether a public need exists for a proposed project, the following factors shall be considered 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.**

CFMH is a 37-bed facility in Rocky Mount, Virginia, providing care to residents of rural Franklin and Henry Counties. The facility is 2.5 miles from U.S. Highway 220. Ferrum College operates a bus service for its students that is open to the public and stops within a mile of CFMH.

The proposed project will be in Frankin County, Virginia, in PD 12. The total population in Franklin County in 2030 is expected to be approximately 52,568 people, a decrease of 3.5% from the 2020 population (**Table 4**). In that same time frame, the 65+ population is expected to grow 17.1%, which is above the PD average of 13.2%. All of localities in PD 12 are predicted to experience a population decrease, while the Virginia total population is estimated to increase 5.0% from 2020 to 2030.

Table 4: PD 12 Population Projections

Location	Experienced 2020		Predicted 2030		2020-2030 Change	
	Total	65 years+	Total	65 years+	Total	65 years+
Franklin County	54,477	13,555	52,568	15,868	-3.5%	17.1%
Henry County	50,948	12,230	46,028	13,255	-9.7%	8.4%
Patrick County	17,608	4,837	16,179	5,358	-8.1%	10.8%
Pittsylvania County	60,501	13,969	56,340	15,968	-6.9%	14.3%
City of Danville	42,590	9,528	41,951	10,701	-1.5%	12.3%
City of Martinsville	13,485	2,912	12,865	3,395	-4.6%	16.6%
PD 12	**239,609**	**57,031**	**225,932**	**64,545**	**-5.7%**	**13.2%**
Virginia	**8,631,393**	**1,395,291**	**9,060,433**	**9,060,433**	**5.0%**	**30.9%**

Source: Weldon-Cooper Data

Table 5 shows that PD 12 has a poverty rate of 15.9% which is significantly higher than the poverty rate of Virginia (9.8%). Franklin County, where the proposed project is located, has a poverty rate of 12.3% which is lower than the PD 12 average, but slightly higher than the Virginia average.

Table 5. PD 12 Poverty Rates

Geographic Name	Poverty Rate
Franklin County	12.3%
Henry County	16.0%
Patrick County	16.6%
Pittsylvania County	13.5%
City of Danville	22.9%
City of Martinsville	18.8%
PD 12 Totals	**15.9%**
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 six letters of support from various community members and medical providers which in summary said:

- CFMH is vital to the rural community it serves and requires another CT scanner to continue providing for the community promptly.
- Many patients must travel long distances to receive advanced imaging services due to limited capacity with CFMH's scanner.
- CFMH is closely partnered with Blue Ridge Cancer Center who relies on CFMH to help diagnose and treat its patients promptly.
- CFMH partners with a free clinic that provides imaging services to patients at little or no cost.
- Current scheduling delays are negatively impacting throughput and extending the length of stay for patients.

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-8884 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 CFMH. The applicant reported a utilization rate of 190.64% in 2024, which exceeds the SMFP threshold for expansion. The only other scanner that Carilion Clinic operates in PD 12 is located over 16 miles away at the Carilion Westlake Freestanding Imaging Center. Though this scanner only operated at 0.42% of the SMFP threshold for expansion in 2024, DCOPN does not believe that the relocation of this scanner to CFMH is a reasonable alternative.

In 2023, the applicant filed COPN Request No. VA-8698 which was a nearly identical proposal to add one fixed CT scanner to CFMH. At that time, DCOPN recommended partial conditional approval of the proposal, with the caveat that the scanner be relocated from the Westlake site. The applicant rejected the recommendation and withdrew the project entirely. The applicant then explained in its COPN request No. VA-8884 application that it is not feasible to move the scanner from the Westlake site because it would be taking critical imaging services from a rural and rapidly aging population. The applicant further explained that efforts have been made in the last year to route patients to the Westlake site for scans, which is reflected in the applicant reporting that the Westlake site did 1,091 CT scans in 2025 (a 3,419% increase). The applicant also stated that it is planning to build a freestanding Emergency Department (FSED) at the current Westlake site that will heavily rely on the CT scanner for emergency scans. Because of this, DCOPN believes it would be more beneficial to add a new scanner to CFMH instead of relocating the one at Westlake.

(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 12. 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 $3,109,069, funded entirely with accumulated reserves, so there is 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 additional scanner will reduce patients' waiting time, and allow for more streamlined and efficient care.
- The proposed CT scanner is more advanced than the current one and will allow for precise imaging guided by AI technology.
- CFMH can help fill a gap in CT imaging capacity in PD 12.

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

CFMH provided charity care in the amount of 1.4% in 2024, the latest year for which such data are available. This is higher than the HPR III average of 0.5% (**Table 7**).

Table 7. 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 8**), 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, the project 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).

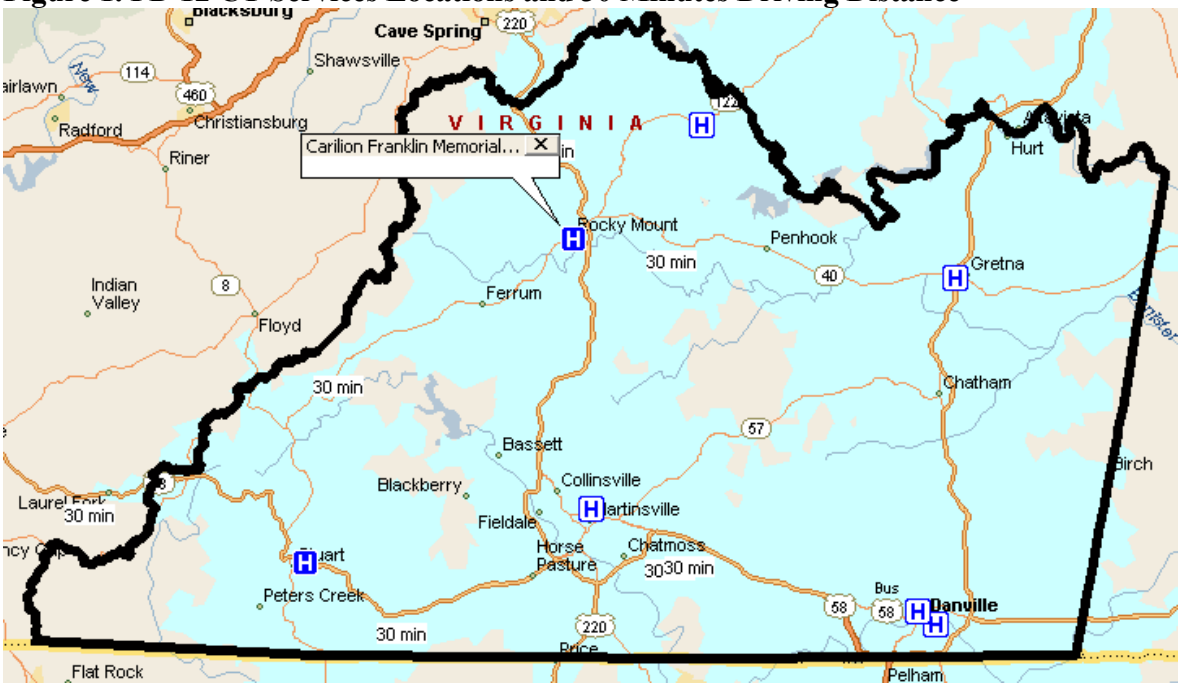
The State Medical Facilities Plan (SMFP) contains the criteria and standards for CT services. They are as follows:

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 outline in Figure 1 shows the boundary of PD 12. The blue shaded area in **Figure 1** illustrates the areas in PD 12 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. Looking at the map, it can be assumed that 95% of the PD is within 30 minutes driving distance of CT services. Since the proposed project is at an existing facility, it would not increase geographical access should it be approved.

Figure 1. PD 12 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 nine CT scanners in PD 12 with an average utilization of 7,730 scans, 104.46% percent of the SMFP threshold (**Table 1**). CT scanners have been authorized in PD 12 since the latest VHI data were published, and there are currently ten diagnostic CT scanners authorized.

Needed CT units = 69,568 ÷ 7,400 = 9.40 (need for 10 scanners)
Utilization Percentage in 2024: 104.46%
Current number of PD 12 authorized CT units: 10

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 CFMH averaged 14,107 per diagnostic CT scanner in 2024, according to VHI, when removing the offsite scanner from the reporting (**Table 2**). CFMH reports in its application that the scanner volumes increased to 200% in 2025 and are projected to increase by over 194% in 2026. The applicant explains that the slight decrease in the 2026 utilization is due to extensive efforts to route some scanner volumes from CFMH to the highly underutilized Carilion Westlake.

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.

CFCH has demonstrated an institutional need for additional CT capacity having operated well above the SMFP volume standard for the past three years, as noted above, 191% of the standard in 2024, and a projected 200% of the standard in 2025 and 194% of the standard in 2026.

Carilion Clinic only operates one other CT scanner in PD 12, located at the Carilion Westlake Freestanding Imaging Center. This scanner operated at 0.42% of the SMFP threshold for expansion in 2024, completing only 31 scans.

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.**

Three large health systems operate the 10 authorized CT scanners in PD 12: Carilion Clinic (two scanners), Centra (one scanner) and Sovah (six scanners). Stuart Community Hospital, which has one CT scanner, is operated by a private healthcare company that specializes in restoring rural healthcare services. With this distribution of the CT inventory among multiple health systems in the PD, there is no unhealthy market concentration that the proposed project will address. Should this project be approved, Carilion Clinic would operate 27% of all scanners in PD 12. Since the project is proposed in an existing facility, it would do little to foster 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 two of the ten authorized CT scanners in PD 12. CT services are generally well-utilized across the PD, operating above the SMFP in 2024, according to VHI (**Table 1**). The lowest reported utilization was at the Carilion Westlake Freestanding Imaging Center, for which the applicant mentioned Carilion Clinic has a plan to rectify.

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 8**).
The proposed project requires an additional three full-time equivalent (FTE) CT technologists and one CT assistant. CFMH currently has all 15 of its other CT technologist positions filled, showing it should have no issue filling the two additional positions.

Table 8. Pro forma, Second CT at CFMH

	Year 1	Year 2
Gross Revenue	**$53,958,000**	**$57,564,000**
Charity Care	$378,000	$403,000
Other Deductions	$41,473,000	$44,677,000
Net Revenue	**$12,107,000**	**$12,484,000**
Expenses	**$3,183,000**	**$3,287,000**
Operating Income	**$8,925,000**	**$9,197,000**

Source: COPN Request No. VA-8884

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 12. According to the applicant, it is looking to purchase a SOMATOM Pro.Pulse scanner that can be used to scan cardiovascular disease, as well as be used for emergencies, oncology, and stroke detection. The scanner also has integrated AI software that helps simply 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.

CFMH 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 Franklin Memorial Hospital (CFMH) proposes to add a second CT scanner to its campus located in Rocky Mount, Virginia. The current scanner located at CFMH operated at 190.64% of the SMFP threshold for expansion in 2024, showing an institutional need to add a second scanner in order to prevent delays in care. CFMH is located in a more rural area of the Commonwealth and serves a patient base that would otherwise have difficulties accessing healthcare services.
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. DCOPN considered relocating a highly underutilized scanner from the Carilion Westlake Freestanding Imaging Center but determined that option was not feasible because Carilion Clinic is making a concerted effort to shift CT cases to this location.
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 Franklin Memorial Hospital's COPN Request No. VA-8884 to add a second CT scanner on the campus of CFMH in Rocky Mount, 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. It is not feasible to relocate the underutilized scanner from the Carilion Westlake Freestanding Imaging Center.

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 12.

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 Franklin Memorial Hospital's agreement to the following charity care condition:

Carilion Franklin Memorial Hospital must provide surgical 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 surgical services or rate reductions in 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 Franklin Memorial Hospital's gross patient services revenue derived from 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.