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-8887
Wythe County Community Hospital LLC, d/b/a Wythe County Community Hospital
Wytheville, Virginia
Introduce Mobile PET/CT with One Mobile PET/CT Scanner

Applicant

Wythe County Community Hospital, LLC d/b/a Wythe County Community Hospital (Wythe Community) is a limited liability corporation in the town of Wytheville in Wythe County that is fully owned by LifePoint Health System. The location of the proposed project is 600 West Ridge Road, Wytheville, Virginia in Planning District (PD) 3 in Health Planning Region (HPR) III.

Background

Wytheville is located in Wythe County in PD 3. Also in the PD are the two independent cities of Bristol and Galax, along with five other counties: Bland County, Carroll County, Grayson County, Smyth County, and Washington County. In 2020, the PD had a total population of 186,722 people and it is expected to decrease to 177,207 in 2030 (**Table 1**). This is a decrease of 5.1% of the total population over the decade. The population of Virginia is expected to increase 5.0% in the same time period, showing a sharp difference in population change between the PD and the overall state. Wythe County had a population of 22,290 in 2020 and is expected to have a decrease of 4.5% to a total population of 27,009 in 2030. The population loss in Wythe County is slightly less than the PD's projected population decrease.

Table 1: Predicted Population Change

Location	Experienced 2020			Predicted 2030			2020-2030 Change		
	Total	18+	65+	Total	18+	65+	Total	18+	65+
Bland County	6,270	5,339	1,490	5,938	5,097	1,621	-5.3%	-4.5%	8.8%
Carroll County	29,155	23,735	7,345	27,872	23,096	8,273	-4.4%	-2.7%	12.6%
Grayson County	15,333	12,871	3,934	14,861	12,620	4,410	-3.1%	-2.0%	12.1%
Smyth County	29,800	23,968	6,696	27,124	21,980	7,000	-9.0%	-8.3%	4.5%
Washington County	53,935	43,859	12,662	52,020	43,184	14,364	-3.5%	-1.5%	13.4%
Wythe County	28,290	22,728	6,275	27,009	21,881	6,911	-4.5%	-3.7%	10.1%
City of Bristol	17,219	13,715	3,819	15,778	12,608	4,171	-8.4%	-8.1%	9.2%
City of Galax	6,720	5,322	1,546	6,605	5,145	1,615	-1.7%	-3.3%	4.4%
PD 3	**186,722**	**151,539**	**43,767**	**177,207**	**145,611**	**48,365**	**-5.1%**	**-3.9%**	**10.5%**
Virginia	**8,631,393**	**6,729,459**	**1,395,291**	**9,060,433**	**7,217,241**	**1,826,064**	**5.0%**	**7.2%**	**30.9%**

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

Within Wythe County and the PD overall, there is projected growth in the population of people over the age of 65. Wythe County has a projected growth of 10.1%, with 6,911 people over 65 projected in 2030. This is consistent with the PD's growth rate of this age segment (10.5%) but is one-third of the state-wide growth rate in the 65 and over population (30.9%). As this population is more often diagnosed with long-term illnesses, including various cancers or heart disease, this indicates a statewide increase in need for care.

Positron emission tomography (PET) scans are imaging tests, that use a safe, radioactive chemical that is injected and detects diseased cells that absorb the chemical[1]. The specific chemical injected can change depending on the part of the body being scanned but is often a compound called fluorodeoxyglucose (FDG) which is similar to glucose and absorbed at a higher rate by more metabolically active cells, like cancerous cells. PET scans are often used to diagnose neurological conditions, brain trauma, cancers, or lung lesions[2]. PET scans can be combined with computed tomography (CT) scans. A CT scan will produce a three-dimensional (3D) image of the body and can provide a multiple-angle perspective for a scanned area[3].

Positron Emission Tomography-Computer Tomography (PET/CT) machines allow for both scans to occur simultaneously. There are currently two authorized PET providers in the PD: Johnston Memorial Hospital and Twin County Regional Healthcare, and no authorized providers for combined PET/CT services (**Table 2**). All PET scanners in the PD are mobile scanners, with the total number of half-days provided a week equating to approximately 4 half-days.

Table 2: PD 3 PET Scanners and Procedures Provided in 2024

Facility Name	Type of Scanner	Scanners	Service Half-Days	Total Procedures	Utilization
Johnston Memorial Hospital	Mobile PET	1	2	1,084	90.3%
Twin County Regional Healthcare	Mobile PET	1	1	52	8.7%
Wythe County Community Hospital	Mobile PET/CT	1	1	29	4.8%
	PD 3 Total	**3**	**4**	**1,165**	**48.5%**

Source: VHI Data (2024)

Wythe County Community Hospital was previously providing mobile PET/CT services equating to one half-day a week and was the sole provider of combined PET/CT procedures. Upon receiving notice that a COPN certificate was needed for the mobile service, the hospital stopped the provision of PET/CT imaging services. While it is included in **Table 2**, the hospital is no longer providing services pending the outcome of this application.

[1]Cleveland Clinic medical. "PET Scan: What It Is, Types, Purpose, Procedure & Results." *Cleveland Clinic*, Cleveland Clinic, 19 Mar. 2025, my.clevelandclinic.org/health/diagnostics/10123-pet-scan.

[2] "Positron Emission Tomography (PET)." *Hopkins Medicine*, Johns Hopkins Medicine, 20 Aug. 2021, www.hopkinsmedicine.org/health/treatment-tests-and-therapies/positron-emission-tomography-pet.

[3] Fayad, Laura M. "CT Scan versus MRI versus X-Ray: What Type of Imaging Do I Need?" *Johns Hopkins Medicine*, Johns Hopkins Medicine, 29 Aug. 2025, www.hopkinsmedicine.org/health/treatment-tests-and-therapies/ct-vs-mri-vs-xray.

Wythe Community has a primary service area that includes all of Wythe and Bland counties. The secondary service area includes most of Smyth County, Pulaski County in PD 4, and the northern portions of Carroll County and Grayson County.

Proposed Project

Wythe Community is proposing the addition of mobile PET/CT services to the hospital location. The applicant states that the primary source of referrals will be cancer patients due to the high cancer rates in the PD. There is an existing mobile pad at the facility, so no additional construction is required. The only capital cost associated with the proposed project is the acquisition of the mobile PET/CT scanner, which is $696,000 (**Table 3**).

Table 3: Capital Cost

Direct Construction Cost	$	-
Equipment not Included in Construction	$	696,000
Site Acquisition Cost	$	-
Site Preparation Cost	$	-
Architectural and Engineering Fees	$	-
Consultant Fees	$	-
Capital Cost	**$**	**696,000**

Source: COPN Request No. VA-8887

The proposed project will be staffed by Alliance HealthCare Services, Inc (Alliance). Alliance will provide staffing for all services, as well as the mobile PET/CT scanner. Alliance is also providing mobile PET services to Twin County Regional Healthcare in the PD at one half-day a week. Should the project be approved, services would be able to begin upon receiving the certification.

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project as the [t]he addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of positron emission tomographic (PET) scanning;" medical care facilities are defined, in part, as "[a]ny facility licensed as a hospital".

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

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

1. **The extent to which the proposed 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.**

PD 3 has a high rate of poverty Wythe County had a poverty rate of approximately 11.8% in 2024, the last year for which such data is available. This rate is between that of the PD (14.6%) and of the state (9.8%).

Table 4: Poverty Rate in PD 3 (2024)

Location	Population in Poverty	Estimated Total Population	Poverty Percentage
Bland County	801	5,486	14.6%
Carroll County	4,173	28,979	14.4%
Grayson County	2,493	14,165	17.6%
Smyth County	4,981	28,463	17.5%
Washington County	6,132	52,410	11.7%
Wythe County	3,296	27,932	11.8%
Bristol city	2,988	16,065	18.6%
Galax city	1,401	6,486	21.6%
PD 3	**26,265**	**179,986**	**14.6%**
Virginia	**839,669**	**8,568,051**	**9.8%**

Source: US Census SIAPE (2024)

DCOPN is not aware of cultural barriers in current care access, but there are challenges in terms of geographic barriers. Wythe Community is located within several mountain ranges which require additional time for travel and potentially risky conditions in the winter months. For residents who do not have access to private transportation, there are public buses that run throughout the county, although the schedules are not as frequent as in more urban areas and none service the hospital directly.

The proposed location has bus stops within walking distance, with the District Three Governmental Cooperative offering transit throughout PD 3 via the Mountain Lynx Transit. While the hospital itself is not on a bus route, there is a bus stop in front of a Walmart 0.5 miles from the hospital (approximately an 11-minute walk) and in front of a Food Lion 0.6 miles away (approximately a 15-minute walk). Depending on the reason for needing a hospital, a half-mile walk or more may not be possible for patients needing care. While it is not guaranteed, the Mountain Lynx Transit bus drivers are given the "flexibility to deviate a few blocks off the general route of travel for a drop-off or pick-up," indicating that trips directly to the hospital may be provided[4]. A bus is scheduled to stop at each location every hour between 7 am and 5 pm, Monday through Friday. Rides are free and all vehicles are wheelchair accessible.

The counties and cities within the PD also have high rates of cancer compared to Virginia statewide. This correlates with the National Cancer Institute's data showing that half of the localities within PD 3 are above the average incidence per 100,000 people of the state's 445 per 100,000 (**Table 5**). Five localities have higher rates than that of the US (485 per 100,000 people). Wythe County has greater incidence rates than both, with approximately 507 incidences per 100,000 people. The applicant has stated that the proposed project would address the cancer incidence rate by allowing for easier diagnosis, treatment, and monitoring of cancer throughout the body without residents having to travel outside of the county.

[4] District Three Governmental Cooperative. "Town of Wytheville." *District Three Governmental Cooperative*, 2026, district-three.org/index.php/town-of-wytheville/.

Table 5: Rates of Cancer Diagnosis (2018-2022)

County	Incidence per 100,000	Average Annual Count
Bland County	533	28
Wythe County	507	102
Grayson County	472	60
Carroll County	430	107
Smyth County	352	78
Washington County	297	123
Bristol City	263	29
Galax City	718	25
Virginia	**445**	**21,837**
US	**485**	**929,608**

Source: National Cancer Institute

The likelihood of being diagnosed with cancer increases as people age[5]. People over the age of 65 face a much higher likelihood than younger individuals. As **Table 1** above shows, the population of Wythe County is expected to increase 10.1% from the 2020 population to approximately 6,911 in 2030. The increase will put higher demand on PET/CT imaging for the diagnosis, treatment, and monitoring of various cancers.

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 5 letters of support from the public. This includes a letter from the mayor of Wytheville and doctors in the community. The letters, in aggregate, state:

- Without the provision of PET/CT services offered at the Wythe Community, residents must travel outside of the county for care. This places an undue burden on residents who are older, low-income, or experiencing chronic illness.
- Travel complications can create "delays in diagnosis, interruptions in treatment planning, and added emotional strain for patients and families."
- Wythe County has a high cancer rate, and PET/CT imaging services can assist in the diagnosis, treatment, and monitoring of cancer.

Other than the letters written above, there were no other comments of support. There is no known opposition to the project.

[5] National Cancer Institute SEER. *All Cancer Sites Combined Recent Trends in SEER Age-Adjusted Incidence Rates, 2000-2023*, National Cancer Institute- Surveillance, Epidemiology, and End Results Program, Nov. 2025.

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-8887 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 and invited public comments starting on May 8, 2026. The public comment period closed on June 24, 2026.

(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.

DCOPN is not aware of a reasonable alternative to the proposed project that will meet the population's needs in a less costly, more efficient, or more effective manner. The project is more beneficial than the status quo as it increases access to PET/CT services, does not require the recruitment of additional staff, and is inventory-neutral.

(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 the northwestern Virginia region. Therefore, this consideration does not apply to the review of either proposed project.

(iv) Any costs and benefits of the project.

Capital cost for the project is estimated at $696,000. The only cost for the project is the leasing of the mobile PET/CT unit through the partnership with Alliance. Due to the mobile pad already on site, no construction is needed for the project. This cost will be funded through accumulated reserves so there is no financing associated with the project. The cost is not expected to impact current care being provided.

Table 3: Projected Capital Cost *(as shown above)*

Direct Construction Cost	$ -
Equipment not Included in Construction	$ 696,000
Site Acquisition Cost	$ -
Site Preparation Cost	$ -
Architectural and Engineering Fees	$ -
Consultant Fees	$ -
Capital Cost	**$ 696,000**

Source: COPN Request No. VA-8887

The applicant states that benefits of the proposed project include improving cancer care and access currently provided at the facility, as well as improving access for other community residents. The northern portion of the PD does not currently have access to PET/CT imaging services, and the proposed project would allow accessibility while also ensuring that the scanner can provide services elsewhere when not in use. The proposed project will also be the first PET/CT scanner in PD 3 and will provide both types of scans with reduced radiation exposure and higher accuracy.

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

In accordance with Section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project will be conditioned to provide a level of charity care based on gross patient revenues derived from PET/CT imaging services that is no less than the equivalent average for charity care contributions in HPR III. Pursuant to the 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: Charity Care Provided Below 200% in HPR III (2024)

HPR III	Gross Pt Rev	Total Charity Care Provided	Percent of Revenue
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%
Norton Community Hospital			
HPR III Inpatient Hospital Median			0.4%
HPR III Total Inpatient $ & Mean %	$ 22,725,911,785	$ 120,163,010	0.5%

HPR III	Gross Pt Rev	Total Charity Care Provided	Percent of Revenue
Outpatient Facilities			
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%
Piedmont Day Surgery Center	$ 4,172,183	$ -	0.0%
HPR III Outpatient Hospital Median			0.3%
HPR III Total Outpatient Hospital $ & Mean %	$ 363,452,087	$ 1,213,134	0.3%
HPR III Hospital Median			0.3%
HPR III Total Hospital $ & Mean %	$ 23,089,363,872	$ 121,376,144	0.5%

Wythe County proffered a charity care rate of 0.5%. This is the HPR average and will be included as the charity condition on the certificate should the proposed project be approved (**Table 6**).

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

Article 1
Definitions and General Information

12VAC5-230-70. Calculation of utilization of services provided with mobile equipment.

A. The minimum service volume of a mobile unit shall be prorated on a site-by-site basis reflecting the amount of time that proposed mobile units will be used, and existing mobile units have been used, during the relevant reporting period, at each site using the following formula:

Required minimum service volume **X** **Number of days the service will be on site each week** **X 0.2 =** **Prorated minimum services volume**[6]

B. The average annual utilization of existing and approved CT, MRI, PET, lithotripsy, and catheterization services in a health planning district shall be calculated for such services as follows:

$$\frac{\text{Total volume of all units of the relevant service in the reporting period}}{\left(\text{\# of existing or approved fixed units} \times \text{Fixed unit minimum service volume}\right) + \text{Y Utilization}^{7}} \times 100$$

[6] This number is not to exceed the required full-time minimum service volume. For PET/CT services, the prorate minimum services volume is not to exceed 6,000.

[7] Y is the sum of the minimum service volume of each mobile site in the health planning district with the minimum services volume for each such site prorated according to subsection A of this section.

In 2024, there were approximately 1,165 total PET procedures in PD 3 (**Figure 1**). The procedures were completed between three mobile scanners, with 29 of the procedures being PET/CT combined[8]. According to the above calculations, the total utilization of PET scanners in PD 3 was 48.5%.

Figure 1: Mobile PET and PET/CT Utilization in PD 3 (2024)

Facility Name	Mobile Units	Minimum Service Volume	Full-Service Days	0.2	Min. Volume
Johnston Memorial Hospital	1	6,000	1	0.2	1,200
Twin County Regional Healthcare	1	6,000	0.5	0.2	600
Wythe County Community Hospital	1	6,000	0.5	0.2	600

$$\frac{\text{Actual Total Volume}}{\left(\begin{array}{c}\text{Authorized}\\ \text{fixed units}\end{array} \times \begin{array}{c}\text{Fixed Minimum}\\ \text{Service Volume}\end{array}\right) + \begin{array}{c}\text{Total Minimum}\\ \text{Service Volume}\end{array}} \times 100$$

$$\frac{1{,}165}{(0 \times 6{,}000) + 2{,}400} \times 100$$

$$\frac{1{,}165}{2{,}400} \times 100$$

48.5%

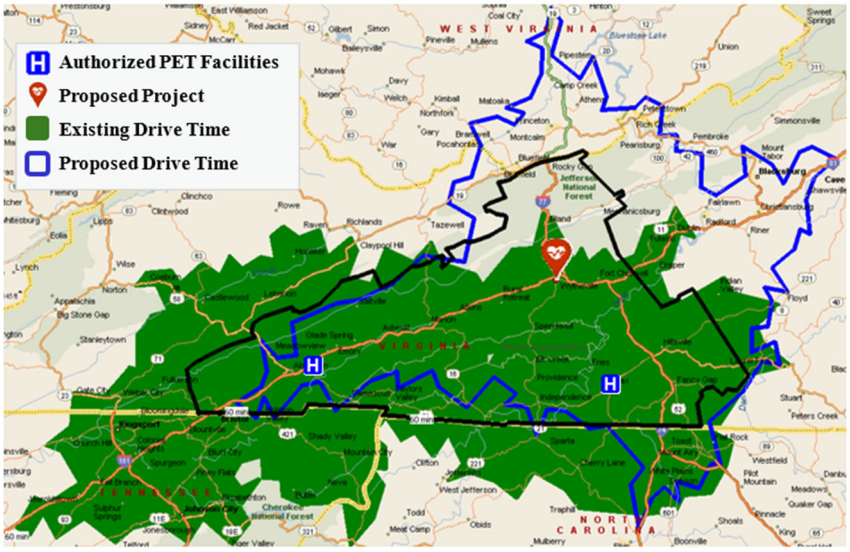
Article 4
Positron Emission Tomography

12VAC5-230-200. Travel time.

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

[8] The PET/CT scan was located at Wythe County Community Hospital. This was done prior to the hospital learning a COPN was needed for the provision of mobile imaging; once this was learned the scans stopped. While the facility was not authorized, the scans were reported to VHI so were included in the utilization for accuracy. The inclusion does not, in any way, authorize a scanner at this facility without a State Health Commission decision.

Map 2: Drive Time with PET Services (PD 3)



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

Map 2 shows the geographic accessibility of PET imaging services in PD 3. The proposed project is highlighted with the red symbol, with the drive time outlined in blue. Existing facilities are shown with a symbol of a white H in a blue square; the existing geographic access within a 60-minute drive time is shown in dark green. The proposed location is on the edge of the northern border of the existing drive time; authorization of the proposed project will allow for all of the PD to be within the 60-minute drive time geographic accessibility. The proposed project will be the first PET/CT combined scanner in the PD.

12VAC5-230-210. Need for new fixed site service.

A. If the applicant is a hospital, whether free-standing or within a hospital system, 850 new PET appropriate cases shall have been diagnosed and the hospital shall have provided radiation therapy services with specific ancillary services suitable for the equipment before a new fixed site PET service should be approved for the health planning district.

B. No new fixed site PET services should be approved unless an average of 6,000 procedures[9] per existing and approved fixed site PET scanner were performed in the health planning district during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site PET 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

[9] Note: For the purposes of tracking volume utilization, an image taken with a PET/CT scanner that takes concurrent PET/CT images shall be counted as one PET procedure. Images made with PET/CT scanners that can take PET or CT images independently shall be counted as individual PET procedures and CT procedures respectively, unless those images are made concurrently.

site may be disregarded in computing the average utilization of PET units in such health planning district.

This criterion does not apply as the proposed project is not a fixed site.

12VAC5-230-220. Expansion of fixed site services.

Proposals to increase the number of PET scanners in an existing PET service should be approved only when the existing scanners performed an average of 6,000 procedures for the relevant reporting period and the proposed expansion would not significantly reduce the utilization of existing fixed site providers in the health planning district.

This criterion does not apply as the proposed project is not a fixed site.

12VAC5-230-230. Adding or expanding mobile PET or PET/CT services.

A. Proposals for mobile PET or PET/CT scanners should demonstrate that, for the relevant reporting period, at least 230 PET or PET/CT appropriate patients were seen and that the proposed mobile unit will not significantly reduce the utilization of existing providers in the health planning district.

In 2024, there were 1,165 total PET procedures in PD 3. While Johnston Memorial Hospital performed most of the PET procedures in 2024 (93.0%), the average number of scans per scanner is mathematically 388.3 procedures. This is higher than 230 scans individually. However, the Wythe Community proposed project is not estimated to perform 230 scans, as it had previously completed 29 PET/CT procedures in 2024.

B. Proposals to convert authorized mobile PET or PET/CT scanners to fixed site scanners should demonstrate that, for the relevant reporting period, at least 1,400 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing providers in the health planning district.

This criterion does not apply as the proposed project is not for the conversion of a mobile to a fixed site unit.

12VAC5-230-240. Staffing.

PET services should be under the direction or supervision of one or more qualified physicians. Such physicians shall be designated or authorized by the Nuclear Regulatory Commission or licensed by the Division of Radiologic Health of the Virginia Department of Health, as applicable.

The applicant stated:

> "…the mobile PET/CT scanner will be overseen by Dr. James Lee, an interventional radiologist. Dr. Lee is certified by the American Board of

Radiology in both Interventional Radiology and Diagnostic Radiology and holds an active medical license in Virginia."

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

The purpose would not be to create institutional competition, but to provide a service that is not currently available in the northern portion of PD 3. Introducing authorized PET/CT imaging services to the county will allow residents to be served in a more effective manner without having to travel outside of the county.

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.

There are two authorized PET scanners in the PD, one in the southeastern portion and the second in the southwestern portion of the PD. In 2024, the last year for which data is available, there was a volume of 1,165 among all operating scanners[10] for a utilization of 48.5%. Due to the geographic boundaries of the mountains neither is available within a 30-minute drive of Wytheville or much of the northern area of the PD. The proposed project will also be the first combined PET/CT scanner in the PD. PET/CTs have been shown to provide higher quality images with less radiation exposure than performing PET and CT imaging separately.

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.

As stated previously, the capital cost of the project is in the acquisition of the mobile PET/CT scanner as needed and is estimated to cost approximately 696,000. No other costs are associated with the project, and no financing is expected as the cost will be paid through accumulated reserves. The proposed project is expected to have a profit of $40,699 in the first year of operation and $43,385 in the second year (**Table 7**).

Table 7: Pro Forma Projection

	Year 1	Year 2
Gross Patient Revenue	$ 395,250	$ 415,013
Contractual Discounts	$ (315,600)	$ (330,729)
Charity Care	$ (1,976)	$ (2,075)
Total Deductions	$ (317,576)	$ (332,804)
Operating Revenue	**$ 77,674**	**$ 82,209**
Operating Expenses	$ (36,975)	$ (38,824)
Net Income	**$ 40,699**	**$ 43,385**

Source: COPN Request No. VA-8887

[10] This does include Wythe Community's scanner.

The proposed project does not require the hiring of additional full-time employees (FTE). There are 23 vacant positions at the hospital: eleven registered nurses, one licensed practical nursing, five nurse aids and orderlies, and one laboratory medical technologist. The proposed project will be provided by Alliance, which will bring its own staff and equipment, and, as such, is not expected to impact the staffing of Wythe Community. It does appear to be short and long-term feasible.

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

(i) The project will introduce PET/CT services in the PD. There are currently CT and mobile PET scanners in the PD, but this would be the first combined scanner. As stated before, combined PET/CT scanners allow for more accurate imaging with smaller amounts of radiation than separate scans. (ii) The facility is a hospital where inpatient and outpatient imaging services will be provided. The proposed project is not restricted to either patient type, but the applicant has stated that the scanner will primarily serve outpatient clients. (iii) Services will be provided by Alliance which also operates mobile scanners at other locations in the HPR. (iv) No other factors were deemed appropriate.

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

Not applicable. The applicant is not a teaching hospital nor is it connected to one. Wythe Community is part of a nurse residency program and provides clinical experience to individuals enrolled in local community colleges.

DCOPN Staff Findings and Conclusions

Wythe County Community Hospital (Wythe Community) is applying to establish one mobile PET/CT service with one PET/CT scanner. The scanner will be the first PET/CT scanner in the PD, and the third scanner available in the PD which will be able to perform PET imaging services. All authorized PET scanners are currently mobile and preformed a total of 1,165 scans in PD 3 in 2024. The number of scans also includes those performed on one non-authorized PET/CT scanner at Wythe Community which operated until the beginning of 2026. The scans stopped upon the hospital's learning that a COPN certificate was required for mobile services.

There are geographic barriers to current access to care, including mountains and delayed public transportation. The PD also has a higher rate of cancer than other areas of the state. DCOPN received community support and there is no known opposition to the proposed project. DCOPN is not aware of a reasonable alternative to the proposed project that will meet the population's need in a less costly, more efficient, or more effective manner. The proposal is more beneficial than the status quo as it provides access to specialized imaging services in a rural area that is greater than 60 minutes' drive from an existing PET service. The proposed project is estimated to have a capital cost of $696,000, which only includes the leasing of the mobile PET/CT scanner.

The PD is currently operating at a mobile PET utilization of 48.5% of the SMFP threshold, as described above. This is does not show a mathematical need for expansion; however, there are extenuating factors to consider, including: the remote geographical location of the proposed facility, the proposed project being is a mobile scanner which is projected to be on site one half-day a week, and that it will be the first combined PET/CT scanner in the PD. DCOPN recommends that, in this specific instance the Commissioner not allow the calculated surplus to bar approval of Wythe Community's proposed mobile PET/CT project as it will meet a public need and introduce new technology to the PD.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Wythe County Community Hospital, LLC's Certificate of Public Need Request number VA-8887 to add PET/CT imaging services to an existing hospital for the following reasons:

1. The project 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. A reasonable, less costly, more efficient alternative to the proposed project does not exist, and the proposal is more beneficial than the status quo.
3. The proposed location of the project is located in a geographically underserved community.
4. The PET/CT technology is not currently available in the PD.
5. There is no known opposition to the project.

DCOPN's recommendation is contingent upon Wythe County Community Hospital, LLC's agreement to the following charity conditions:

Wythe County Community Hospital, LLC will provide mobile PET/CT imaging services to all persons in need of this service, regardless of their ability to pay, and will facilitate the development and operation of primary medical care services to medically underserved persons in an aggregate amount equal to at least 0.5% of Wythe County Community Hospital, LLC's gross patient revenue derived from PET/CT imaging 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.

Wythe County Community Hospital, LLC will provide PET/CT imaging 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. Additionally, Wythe County Community Hospital, LLC will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.