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-8892
Virginia Commonwealth University Health System Authority
Richmond, Virginia
Establish a Specialized Imaging Center with One CT Scanner

Applicant

The Virginia Commonwealth University Health Systems Authority (VCUHS) is a public body corporate and political subdivision of the Commonwealth of Virginia, governed by the Virginia Commonwealth University Health System Authority Act of 1996, Title 23, Chapter 6.2, 23-50.16:1 of the Code of Virginia. The proposed imaging center, called VCU Health Carytown Imaging (VCU Carytown), will be located at 12 North Thompson Street, Richmond, Virginia in Planning District (PD) 15, Health Planning Region (HPR) IV.

Background

The City of Richmond is in PD 15 along with Henrico County, Charles City County, Chesterfield County, Goochland County, Hanover County, New Kent County, and Powhatan County. The total population of the PD is predicted to grow by 11.1% between 2020 and 2030, with the adult population growing approximately 14.1% and the population of people over the age of 65 growing 36.8% (**Table 1).** The total population growth of the PD is an increase from previous projections that estimated a growth of approximately 8.9%. This contrasts with the overall state population which was projected to increase by 5.8% and now is showing an estimated increase of 5.0%.

Table 1: Predicted Population Change of PD 15 (2025)

	Experienced 2020			Predicted 2030			2020-2030 Change		
	Total	**18+**	**65+**	**Total**	**18+**	**65+**	**Total**	**18+**	**65+**
Charles City County	6,773	5,785	1,776	6,113	5,169	2,177	-9.7%	-10.6%	22.6%
Chesterfield County	364,548	277,149	58,200	425,661	338,854	82,524	16.8%	22.3%	41.8%
Goochland County	24,727	20,484	5,721	29,796	25,695	8,308	20.5%	25.4%	45.2%
Hanover County	109,979	85,947	20,688	119,155	97,634	29,375	8.3%	13.6%	42.0%
Henrico County	334,389	259,925	55,596	357,921	285,204	75,195	7.0%	9.7%	35.3%
New Kent County	22,945	18,235	4,405	30,740	25,410	6,618	34.0%	39.3%	50.2%
Powhatan County	30,333	24,045	5,848	33,083	27,233	8,163	9.1%	13.3%	39.6%
Richmond City	226,610	184,420	29,874	242,288	194,635	36,814	6.9%	5.5%	23.2%
PD 15	**1,120,304**	**875,990**	**182,108**	**1,244,757**	**999,832**	**249,173**	**11.1%**	**14.1%**	**36.8%**
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 (2025)

The City of Richmond reported a population of 226,610 in the 2020 census, and the population is expected to be approximately 242,288 people in 2030, a 6.9% increase (**Table 1**). This growth will keep the city as the third most populous locality in the PD. The city's projected growth rates of adults, and individuals over 65, are less than that of the PD but greater than the state's. The population over the age of 65 shows the most growth (23.2%) of any of the city's age segments.

Table 2: PD 15 CT Scanners Reporting to VHI (2024)

Facility Name	Total Fixed Units	Total CT Procedures	Utilization
Bon Secours Imaging Center at Reynolds Crossing	1	3,507	47.4%
Bon Secours Memorial Regional Medical Center	3	46,765	210.7%
Bon Secours Richmond Community Hospital	1	7,655	103.4%
Bon Secours St. Francis Medical Center	2	33,824	228.5%
Bon Secours St. Mary's Hospital	3	43,892	197.7%
Bon Secours Westchester Imaging Center	1	3,983	53.8%
ED - Bon Secours Westchester		5,539	74.9%
Chesterfield Imaging	1	6,599	89.2%
Chippenham Hospital	3	55,556	250.3%
ED - Bon Secours Chester Emergency Center	1	9,478	128.1%
ED - Bon Secours Short Pump	1	12,299	166.2%
ED - Hanover Emergency Center	1	4,217	57.0%
ED – VCU at Pocahontas Trail	1	6,403	86.5%
ED - Swift Creek ER[1]	1	7,862	106.2%
Henrico Doctors' Hospital - Forest	2	38,395	259.4%
Henrico Doctors' Hospital - Parham	1	13,913	188.0%
Henrico Doctors' Hospital - Retreat	1	4,145	56.0%
Independence Park Imaging[2]	1	4,901	66.2%
Johnston-Willis Hospital	3	37,560	169.2%
MedRVA Imaging Center	1	958	12.9%
NOW Neuroscience, Orthopedic and Wellness Center[3]	1	5,789	78.2%
Richmond Ear Nose and Throat	1	302	4.1%
Urosurgical Center of Richmond	2	8,885	60.0%
VCU Medical Center[4]	9	84,972	127.6%
VCU Medical Center at Stony Point Radiology	1	7,001	94.6%
Virginia Cancer Institute - Discovery Drive	1	5,647	76.3%
Virginia Cancer Institute - Harbourside	1	5,052	68.3%
Virginia Cardiovascular Specialists, PC	1	5,092	68.8%
PD 15 Total	**46**	**470,191**	**135.2%**

Source: VHI Data

[1] The Swift Creek ER CT scanner is relocating to the Magnolia Hospital (authorized by COPN NO. VA-04981).
[2] The CT scanner at Independence Park Imaging was replaced and relocated to Short Pump Imaging, LLC, via COPN NO. VA- 04823. Independence Park Imaging is not authorized for the provision of CT scans as of Nov. 15, 2024.
[3] Also called the VCU Short Pump Pavilion.
[4] VCU Medical Campus' reporting CT volume includes: 1 at the Adult Outpatient Pavilion, 1 in the Gateway Building, 2 at the Children's Pavilion, 1 at the at the Critical Care Hospital Neurosciences ICU, 2 at the Main Hospital's Emergency Department, 2 at the Main Hospital' Radiology Department. One of the scanners in the radiology department (COPN No. VA-04464) is an intraoperative scanner which is not included in the total count.

A computed tomography (CT) scan is a computerized X-ray imaging tool that produces images of the body to diagnose diseases or lesions. The patient lies in a CT machine, and the X-ray source completes a rotation around the body, documenting the skeleton, organs, and tissues[5]. Whereas other X-rays provide two-dimensional (2D) images, a CT scan will produce a three-dimensional (3D) image of the body and can provide a multiple-angle perspective for a scanned area[6]. Forty-six CT scanners in PD 15 reported to Virginia Health Information (VHI) in 2024, the last year for which data are available. Overall, in the PD, the CT scanners reported usage of 135.2% of the State Medical Facilities Plan (SMFP) threshold to add a CT scanner (**Table 2**).

Table 3: CT Scanners at Facilities Authorized but Not Reporting to VHI in 2024

Facility	Fixed Scanners	Certificate	Service Start Estimate	Street Address	County
Virginia Ear Nose & Throat – Chesterfield	1	VA-04979	02/28/26	15350 East West Road	Chesterfield
Ironbridge ER	1	VA-04840	06/01/26	9630 and 9640 Iron Bridge Road	Chesterfield
Scott's Addition ER	1	VA-04811	01/01/27	3054 North Arthur Ashe Blvd	Richmond City
Bon Secours Iron Bridge ER	1	VA-04977	12/31/27	5201 Chippenham Crossing Center	Richmond City
Pauley Heart Center Pavilion at VCU Health	1	VA-04953	04/30/28	1505 Robin Hood Road	Richmond City
White Oak ER	1	VA-04994	09/24/28	4415 S. Laburnum Ave	Henrico
South Richmond ER	1	VA-04989	12/27/28	3830 Hull Street Rd	Richmond City
Magnolia Hospital	1	VA-04982	10/13/29	16100, 16300 & 16500 Hull Street Rd	Chesterfield
VCU Chesterfield Hospital	1	VA-04981	05/30/30	7220 Beach Road	Chesterfield
Scanners Expected	**8**[7]				
Facility	**Fixed Scanners**	**Certificate**	**Service Start Date**	**Street Address**	**City/County**
Virginia Ear Nose & Throat - Henrico	1	VA-04409	07/18/24	3450 Mayland Court	Henrico
Short Pump Imaging, LLC	1	VA-04823	11/15/24	12402 West Broad Street	Richmond City
Bon Secours Ashland Emergency and Imaging Center	1	VA-04864	11/18/25	1140 North Lakeridge Pkwy	Hanover
OrthoVirginia	1	VA-04876	10/06/25	7858 Shrader Road	Richmond City
Scanners Providing Services not Reporting	**3**[8]				
Total Additional Scanners	**11**				

Source: DCOPN Inventory

[5] "Computed Tomography (CT)." *National Institute of Health*, National Institute of Biomedical Imaging and Bioengineering, July 2025, www.nibib.nih.gov/science-education/science-topics/computed-tomography-ct.
[6] 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.
[7] Due to the CT scanner at Magnolia Hospital being relocated from Swift Creek ER, there are eight scanners being added to the PD's inventory, despite the authorization of the nine projects listed in this section.
[8] Due to the CT scanner at Short Pump Imaging, LLC, being relocated from Independence Park Imaging, there are three scanners being added, despite the authorization of the four projects listed in this section.

Chippenham and Johnston-Willis is authorized for the establishment of a specialty imaging center with one CT scanner to be located at the freestanding South Richmond ER[9]. The project was authorized in April 2026 and is expected to begin services around December 27, 2028. A competing application was filed by HCA Health Services of Virginia for the establishment of a specialty imaging center with one CT scanner to be located at a freestanding ER, the White Oak ER, which was proposed in the same batch cycle. The project was authorized June 2026 and is expected to begin services on September 24, 2028 (**Table 3)**.

There are an additional two CT scanners at existing facilities which are authorized but have not yet started services. Henrico Doctors' Hospital- Forest (HDH Forest) is authorized as an additional CT scanner, for a total of 3[10]. The project is expected to be completed in June 2026.

VCU Medical Center is authorized to have one additional CT scanner, for a total of 10 on the campus. The scanner is authorized via COPN No. VA-04935 at the VCU Medical Center Adult Outpatient Pavilion and is expected to be completed in late 2026 per the 2026 annual extension of the certificate. It will be the second scanner at this location.

The two scanners at the existing facilities and eleven newly established facilities total thirteen scanners that have been authorized but are not yet reporting data to VHI. Of the thirteen authorized additional scanners, six are in the City of Richmond, three are in Chesterfield, three are in Henrico, and one is in Hanover. There is also a relocated CT scanner from Swift Creek ER to the Magnolia Hospital which will be in Chesterfield; as well as a relocated scanner from Independence Park Imaging to the Short Pump Imaging, LLC. With the additional and relocated scanners, there are a total of 59 authorized CT scanners in the PD (**Table 4**). If the volume of procedures remains the same as the 2024 volume (470,191), there would be a 107.7% utilization of scanners in the PD once all 59 authorized CT scanners are providing imaging services.

VCU Massey Cancer Center at Hanover Medical Park is authorized for one fixed CT simulator[11] as well. The certificate was indefinitely extended, following the facility becoming operational on May 8, 2017. Bon Secours St. Mary's Hospital is also authorized to use a CT simulator[12]. The proposed project is expected to be completed on July 31, 2026. Neither the VCU Massey Cancer Center's nor Bon Secours St. Mary's Hospital's CT simulators are used in diagnosis or treatment. As such they are not included in the inventory for this report.

[9] COPN No. VA-04989
[10] COPN No. VA-04925
[11] COPN No. VA-04546
[12] COPN No. VA-04899.

Table 4: CT Scanners in PD 15 After Completion of All Authorized Projects

Facilities	Fixed Units	Facilities	Fixed Units
Bon Secours Imaging Center at Reynolds Crossing	1	Bon Secours Ashland Emergency and Imaging Center	1
Bon Secours Memorial Regional Medical Center	3	Bon Secours Iron Bridge ER	1
Bon Secours Richmond Community Hospital	1	VCU Chesterfield Hospital	1
Bon Secours St. Francis Medical Center	2	Iron Bridge ER	1
Bon Secours St. Mary's Hospital	3	Magnolia Hospital[13]	1
Bon Secours Westchester Imaging Center	1	OrthoVirginia	1
ED - Bon Secours Westchester		Pauley Heart Center Pavilion at VCU Health	1
Chesterfield Imaging	1	Scott's Addition ER	1
Chippenham Hospital	3	Short Pump Imaging, LLC	1
ED - Bon Secours Chester Emergency Center	1	Virginia Ear Nose & Throat - Midlothian	1
ED - Bon Secours Short Pump	1	Virginia Ear Nose & Throat - West End	1
ED - Hanover Emergency Center	1	South Richmond ER	1
ED- VCU at Pocahontas Trail	1	White Oak ER	1
Henrico Doctors' Hospital - Forest	3		
Henrico Doctors' Hospital - Parham	1		
Henrico Doctors' Hospital - Retreat	1		
Johnston-Willis Hospital	3		
MedRVA Imaging Center	1		
NOW Neuroscience, Orthopedic and Wellness Center	1		
Richmond Ear Nose and Throat	1		
Urosurgical Center of Richmond	2		
VCU Medical Center	10		
VCU Medical Center at Stony Point Radiology	1		
Virginia Cancer Institute - Discovery Drive	1		
Virginia Cancer Institute - Harbourside	1		
Virginia Cardiovascular Specialists, PC	1		
PD 15 CT Scanners	**59**		

Source: DCOPN Inventory

Proposed Project

VCUHS is proposing to establish a specialized imaging center with one CT scanner, approximately 10 minutes, or 3.7 miles, from the hospital's main campus. The proposed location of the project is currently operating as a Patient First urgent care facility. The 2,174 gross square feet where the proposed project will be is currently unused in the building and will require renovations before services can begin. Imaging services at VCU Carytown will operate "separate and apart from Patient First" services. The total capital cost of the proposed project is $3,222,8885 (**Table 5**).

[13] The CT scanner at Swift Creek ER will be directly relocated to Magnolia Hospital. The Magnolia ER project that was originally authorized for the scanner is no longer occurring.

Table 5: Capital Cost

Direct Construction	$ 1,768,791
Equipment not in Construction	$ 1,043,845
Site Acquisition	$ 207,013
Architectural Fees	$ 203,236
Engineering and Consultant Fees	$ -
Total Cost	**$ 3,222,885**

Source: COPN Request No. VA-8892

The proposed facility will offer services from 7 am to 7:30 pm Monday through Friday, and 7 am to 3:30 pm Saturday and Sunday. It will be staffed by full-time physicians. Should the project receive a certificate, the scanner will begin services 22 months after authorization.

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the "[e]stablishment of a medical care facility." A medical care facility is defined, in part, as "[a]ny specialized center or clinic or that portion of a physician's office developed for the provision of…computed tomographic (CT) scanning".

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

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

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

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

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

Source: US Census SIAPE (2024)

The City of Richmond has a poverty percentage of 18.2%, nearly double the state rate and the rate of the PD. The city's total population represents approximately 19.5% of the PD's population and 2.6% of Virginia's population. The City of Richmond has the highest number of people living in poverty within the PD (**Table 6**). The population is growing at a slightly slower rate than originally projected in 2020, as the projection based on the 2020 census was 245,437. As stated above, the City of Richmond has the third largest population in the PD and is expected to continue to grow to a total population of 242,288 by 2030 (**Table 1**). Should the poverty percentage stay the same as the population grows, the City of Richmond will have approximately 44,096 people in poverty in 2030.

The proposed location is near Greater Richmond Transit Company (GRTC) routes. Two main lines connect the proposed location to the VCU Medical Center, and there are additional lines leading across Richmond and into surrounding counties. For passengers with disabilities that prevent them from traveling independently on the bus routes, GRTC also offers Community Assisted Ride Enterprise (CARE). CARE offers services along the fixed routes and passengers only need an ADA Paratransit photo ID card to use. There is no cost for any of GRTC's services, and services are provided every day from 5 am to 1 am. The proposed location is accessible from I-195 and Highway 76 for patients not using public transit.

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 three letters of support from community members. Senator Lamon Bagby, of the 14th District, also wrote in support of the project. The letters, in aggregate, state the following:

- Approval of the project will allow for more accessible care for patients, closer to where they live. It will also provide efficient and timely care.
- CT imaging assists in the diagnosis, staging, and treatment planning for patients with cancer. Access to CT scans allows for more immediate care and reduces delays, which may affect "time-sensitive decisions" regarding treatment.
- VCUHS currently provides "high-quality, patient-centered" care.

Other than the letters written above, there were no other comments of support.

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-8892 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 comments on May 10, 2026. The public comment period closed on June 24, 2026. Other than the letters of commitment 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.

An alternative to the proposed project is the status quo. As shown in **Table 4** above, there are 13 CT scanners in facilities that have either not started services or do not have published volumes. Waiting for the approval of another CT scanner until there is more utilization information would allow for a more updated assessment of public need. However, even with all of the 59 authorized CT scanners in the PD, there is still a utilization of 107.7% of the SMFP threshold.

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

Currently there is no organization in HPR IV designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 15. Therefore, this consideration does not apply to the review of the proposed project.

(iv) Any costs and benefits of the project.

The total capital cost of the proposed project is $3,222,885. This includes renovations of the existing facility to create a separate 2,174 gross square foot unit where VCU Carytown will provide CT imaging services. Comparable projects include COPN No. VA-04994, which had a total capital cost of $1,212,973; and COPN No. VA-04989, which had a total capital cost of $1,001,174. The proposed project has a significantly higher capital cost than other recent projects. Even determining the cost per square footage with direct construction costs alone has the proposed project ($813.61) over seven times the cost of COPN No. VA-04994 ($111.69) and almost nine times the cost of COPN No. VA-04989 ($90.80).

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

Direct Construction	$ 1,768,791
Equipment not in Construction	$ 1,043,845
Site Acquisition	$ 207,013
Architectural Fees	$ 203,236
Engineering and Consultant Fees	$ -
Total Cost	**$ 3,222,885**

Source: COPN Request No. VA-8892

The applicant states that the proposed project will allow patients to receive imaging services in a timely and effective manner at lower cost than the main hospital. The proposed project will also allow students to receive clinical experience in providing imaging services on an outpatient basis. The cost is also not expected to impact existing services provided by VCUHS. The proposed project will be paid for through accumulated reserves; there is no anticipated financing cost.

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

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

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

HPR IV	Gross Patient Revenue	Charity Care	% of Gross Patient Revenue
Outpatient Centers			
American Access Care of Richmond	$ 6,271,285	$ 83,974	1.3%
Boulders Ambulatory Surgery Center HCA	$ 206,880,229	$ 2,653,240	1.3%
VCU Health Neuroscience, Orthopedic and Wellness Center	$ 78,434,508	$ 608,160	0.8%
Virginia Eye Institute, Inc.	$ 64,339,818	$ 455,572	0.7%
St. Mary's Ambulatory Surgery Center	$ 62,609,653	$ 305,241	0.5%
MEDRVA Stony Point Surgery Center	$ 59,309,363	$ -	0.0%
Urosurgical Center of Richmond	$ 47,080,875	$ -	0.0%
MEDRVA Surgery Center @ West Creek	$ 13,820,435	$ -	0.0%
Cataract and Refractive Surgery Center	$ 9,845,331	$ -	0.0%
Skin Surgery Center of Virginia	$ 1,708,546	$ -	0.0%
Virginia ENT Surgery Center	Not Reported	$ -	
Virginia Beach Health Center VLPP	Not Reported	$ -	
Total Outpatient Hospitals:			**10**
HPR IV Total Outpatient Hospital $ & Mean %	**$ 550,300,043**	**$ 4,106,187**	**0.7%**
Total Hospitals:			**29**
HPR IV Total $ & Mean %	**$ 43,668,510,619**	**$ 413,043,996**	**0.9%**

Source: VHI Data (2024)

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 CT imaging services that is no less than the equivalent average for charity care contributions in HPR IV, 0.9% (**Table 7**). 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.

VCU proffered a charity care rate of 0.9% for the proposed project. This is consistent with the HPR average in 2024, the last year for which data is available. In the same year, VCUHS reported a provision of 0.7% charity care, slightly below average. Should the proposed project be issued a certificate, there will be a charity care condition of 0.9% of the gross annual income derived from CT services.

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

A previous staff report stated that the total number of CT scanners in PD 15 was 62. This was an incorrect inventory count, which included simulator CT scanners and an intraoperative scanner.

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

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

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

Part I
Definitions and General Information

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.

Figure 1: VCU Health System CT Scanners

Scanners Reporting Volumes to VHI (2024)

Facility Name	Total Fixed Units	Total CT Procedures	Utilization
ED – VCU at Pocahontas Trail	1	6,403	86.5%
VCU Medical Center	9	84,972	127.6%
VCU Medical Center at Stony Point Radiology	1	7,001	94.6%
VCU Neuroscience, Orthopedic and Wellness Center	1	5,789	78.2%
Reporting Scanners	**12**	**104,165**	**117.3%**

Scanners Authorized and not Reporting

Facility Name	Additional Scanners	Authorizing Certificate	Expected Start
VCU Chesterfield Hospital	1	VA-04981	May 2030
VCU Medical Center- Children's Tower	1	VA-04760	April 2023
VCU Medical Center- Adult Outpatient Pavilion	1	VA-04935	Late 2026
Scanners Not Reporting	**3**		
Total VCU Authorized Scanners in PD 15	**15**		

Source: VHI Data, DCOPN Records

A. Of VCU's 12 scanners that reported volumes in 2024, there was an average utilization of 117.3% of the SMFP threshold (**Figure 1**). The main hospital had a utilization of 127.6% in the same year. The applicant has a CT imaging volume on its authorized and reporting CT scanners above the SMFP threshold to expand services.

B. VCU Carytown will be part of the VCUHS network. As shown in **Figure 1**, there are no underutilized services within the health system. The facility with the lowest utilization is the VCU Neuroscience, Orthopedic, and Wellness Center (NOW), which had a utilization of 78.2%.

C. The applicant is not a nursing facility, nor will the proposed project be a nursing facility.

D. The proposed project will be under the license of the hospital and an expansion of the existing CT services provided. As such, it is not the establishment of new services.

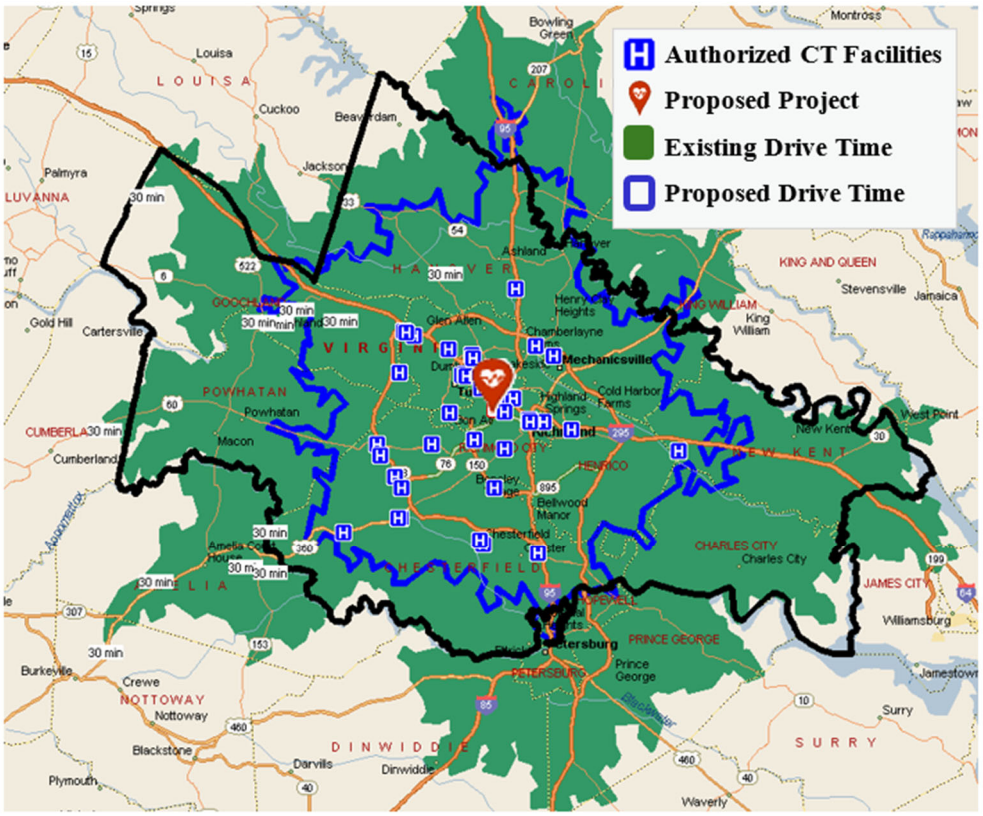
Article 1
Criteria and Standards for Computed Tomography

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.

Map 1 shows the geographic access of CT services in the PD within a 30-minute driving period. The existing accessibility within this driving time is shown in green, with providers indicated by the blue "H" symbol. The proposed location of VCU Carytown is shown with the red tag, and the access within 30-minutes driving time under normal conditions of the proposed site is highlighted by the blue outline. The proposed project does not add geographic accessibility to the PD. With the existing providers, 95% of the PD's population is within 30-minutes of a one-way drive from CT imaging services.

Map 1: Geographic Access of CT Scanners within 30 Minutes (PD 15)



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

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**.

This criterion does not apply as the proposed project is not for the establishment of a new fixed or mobile service. It is an expansion of an existing fixed service.

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 46 authorized CT scanners in PD 15 that reported data to VHI performed a total of 470,191 scans in 2024, which equates to an average of approximately 10,221.5 scans per unit. Should the 2024 volume stay consistent through the completion of all CT projects, there would be an average of 7,969 scans on the 59 authorized scanners (107.7% of the SMFP threshold).

To determine the needed number of CT scanners in the PD, the total number of scans completed in the most recent year of data (470,191 procedures) was divided by the SMFP expansion threshold (7,400). This calculation determined that there is a need for 63.5, or 64 CT scanners in the PD. As there are 59 CT scanners currently authorized, this leaves a deficit of 5 scanners.

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 criterion does not apply to the proposed project. The applicant is not proposing mobile CT services.

12VAC5-230-130. Staffing.

CT services should be under the direction or supervision of one or more qualified physicians.

The applicant states that the "proposed CT services will be under the direction and supervision of one or more board certified radiologists who are active members of VCUHS' medical staff."

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.

The proposed project will add a CT scanner which is unrestricted and not located within a specialized facility or hospital to the area. Except for the White Oak ER, set to begin services September 2028, and the Scotts Addition ER, set to begin services January 2027, most CT scanners in the area either belong to a hospital or were authorized for specialized care. For example, the Pauley Heart Center Pavilion at VCU Health is focused on cardiac imaging and VCU's Adult Outpatient Pavilion is part of VCU Massey Comprehensive Cancer Center. While the certificates for the CT scanners are not restricted, the scanners will be used for cardiac care and oncology, respectively.

There is not a majority owner of CT scanners within PD 15 that would indicate a monopoly of CT scanners. The proposed project will not create one.

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.

PD 15 currently has 59 authorized CT scanners, with 46 reporting procedure volumes in 2024. The total volume in that year indicates a need for 64 CT scanners in the PD, meaning that there is a deficit of 5 CT scanners. VCUHS is authorized 15 CT scanners and has an average utilization of 117.3% on the 12 reporting scanners system-wide and a utilization of 127.6% on the 9 scanners located at the VCU Medical Center in downtown Richmond.

The proposed project is located separately from the VCUHS main downtown campus. VCU Carytown's proposed location is approximately 1 mile from Henrico Doctors' Hospital- Retreat (HDH- Retreat). In 2024, the last year for which data is available, HDH- Retreat reported a CT utilization of 56.0% of the SMFP threshold on the one authorized CT scanner. While the existing facility is an acute hospital and the proposed project would be an outpatient facility, most of the procedures (86.4%) the hospital performed in 2024 were outpatient. HDH- Retreat did not contact DCOPN about opposing the proposed project. The applicant also states that the proposed project is planned to alleviate the demand at the VCU downtown hospital.

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.

The applicant estimates a net loss of $174,534 in the first year of operation and $154,882 in the second year (**Table 8**). While the loss is decreasing from the first year to the second, there is concern over the net loss projected in the first two years of services. When the matter was raised by DCOPN, counsel for the applicant responded that the estimates provided were "conservative projections" and that the proposed project would be backed by the health system should there be loss in the first year[14]. Due to the backing of the proposed project, should there be loss of income, it is anticipated that the costs would be absorbed by the health system and services provided would not be impacted.

Depreciation costs are typically preparation and not a cash expense paid yearly. It is still included in the Pro Forma for an accurate estimate of expenses, and the applicant has included the data in the attachment submitted. Prior to the depreciation costs, the project is projected to have a net income of $157,723 in the first year and $177,375 in the second.

Table 8: Pro Forma Projection

	Year 1	Year 2
Gross Patient Revenue	$ 7,124,812	$ 7,651,224
Contractual Discounts and Bad Debts	$ (5,139,408)	$ (5,519,129)
Charity Care	$ (64,123)	$ (68,861)
Total Deductions	$ (5,203,531)	$ (5,587,990)
Operating Revenue	**$ 1,921,281**	**$ 2,063,234**
Operating Expenses	$ (1,763,558)	$ (1,885,859)
Revenue after Expenses	**$ 157,723**	**$ 177,375**
Depreciation & Amortization	$ (332,257)	$ (332,257)
Net Income	**$ (174,534)**	**$ (154,882)**

Source: COPN Request No. VA-8892

The proposed project will require the hiring of 7.6 additional full-time equivalent (FTE) staff. This includes 1.9 administrative staff, 1.9 licensed practical nurses or nursing aids, and 3.8 radiologic technologists. The applicant states that recruitment of staff will focus on recent graduates from schools, including Virginia Commonwealth University (VCU). VCU has a Department of Radiation Sciences within the School of Health Professions from which graduates

[14] Email from J. Ligon. "COPN Request No. VA-8892 Financials." 30 June 2026.

"typically fill 75% of all VCUHS vacancies for radiologic technologists." The applicant states that hiring of additional FTE staff is not anticipated to have a significant impact on other facilities in the area.

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

(i) The proposed project will not introduce new technology but will instead expand on CT imaging services already provided in the PD. (ii) Due to the facility being a freestanding clinic, all services will be provided on an outpatient basis. (iii) VCU Carytown Imaging will have a transfer agreement with VCU Medical Center and the applicant states that VCUHS has transfer agreements with "dozens of hospitals across the Commonwealth." The facility will also serve as a location for students to gain clinical experience, providing services on an outpatient basis. (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.**

VCUHS is an academic medical center. (i) The applicant states that the mission of the facility is to "preserve and restore health for all people, advance biomedical knowledge through innovative research, and [educate] and train the next generation of health professionals." (ii) The facility will provide outpatient CT imaging services to all residents. This will provide "lower-cost imaging options for VCUHS patients and payors." The applicant has also proffered a 0.9% charity care rate, which is consistent with the HPR average.

DCOPN Staff Findings and Conclusions

The Virginia Commonwealth University Health Systems Authority ("VCUHS") is proposing to establish a specialized imaging center with one CT scanner. The center, VCU Carytown, will operate in the same building as Patient First, but all services will be provided separately. The proposal is generally consistent with the standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia.

DCOPN received four letters of support from community members and no comments of opposition to the proposed project. Costs are significantly higher than similar projects, with capital costs for the proposed project being $3,222,885. The applicant states that the cost is not expected to impact services, and all costs will be paid through accumulated reserves. A charity care condition of 0.9% was proffered in the Pro Forma, which is consistent with the HPR average.

There is a deficit of 5 CT scanners in PD 15 and VCU's existing CT scanners operate on an average above the SMFP threshold for CT expansion. The proposed project does not add geographic accessibility to the PD. The proposed location is approximately one mile from HDH-Retreat but is expected to alleviate the volumes from VCU's main hospital (3.7 miles away) and HDH-Retreat did not voice opposition to the proposed facility. The proposed project appears to be feasible in terms of staff, although it is projected to have financial loss in the first two years of operation when depreciation is included. The applicant stated, however, that the financials were conservative and any losses that do occur will be covered by VCUHS without impact on the provision of services. VCU is an academic medical center and states a commitment to the community.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Virginia Commonwealth University Health Systems Authority's Certificate of Public Need Request number VA-8892 to establish a specialized care facility for the provision of CT imaging services for the following reasons:

1. The project to establish a specialized imaging facility with one CT scanner is generally consistent with the standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia.
2. The applicant is an academic medical school, and the project will provide imaging clinical experiences in an outpatient facility.
3. There is a deficit of CT scanners in the PD and the applicant's CT scanners have a utilization above the SMFP threshold for CT expansion.
4. There is no reasonable alternative identified that would meet the needs of the population in a less costly, more efficient, or more effective manner and the proposal is more beneficial than the status quo.
5. There is no known opposition to the project.

DCOPN's recommendation is contingent upon Virginia Commonwealth University Health Systems Authority's agreement to the following charity conditions:

Virginia Commonwealth University Health Systems Authority will provide 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 0.9% of Virginia Commonwealth University Health Systems Authority's gross patient 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 otherwise appropriately certified financial statements.

Virginia Commonwealth University Health Systems Authority will provide 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, Virginia Commonwealth University Health

Systems Authority will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.