VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

September 18, 2026

Re: COPN Request No. VA-8895
The Rector and Visitors of the University of Virginia on Behalf of Its Medical Center
Charlottesville, Virginia
Add One MRI Scanner for Diagnostic Use

Applicant

The University of Virginia Medical Center (UVA Medical Center) is a facility owned by the Rector and Visitors of the University of Virginia on Behalf of Its Medical Center (RAV-UVA). UVA Medical Center and associated hospitals and clinics are state-owned (public) with headquarters located in the City of Charlottesville, Virginia. UVA Medical Center is located at 1215 Lee Street, Charlottesville, Virginia, in Planning District (PD) 10, Health Planning Region (HPR) 1.

Background

The City of Charlottesville is in PD 10 along with five counties: Albemarle County, Nelson County, Fluvanna County, Greene County, and Louisa County. The population of the PD is expected to be approximately 290,454 people in 2030, a 12.1% increase from the 2020 population (**Table 1**). The City of Charlottesville is expected to grow 17.5% from the 2020 population, with approximately 54,717 more people in 2030. The adult population in the city is expected to grow to 45,320 (an increase of 18.7%), while the population over 65 is expected to grow to 6,558 (an increase of 20.4%) by 2030 (**Table 1**). The City of Charlottesville's current population projections show a growth rate higher than previously estimated and this is reflected in the PD. The state total population is growing at a slower rate than previously estimated.

Table: Predicted Population Change

Location	Experienced 2020			Predicted 2030			2020-2030 Change		
	Total	18+	65+	Total	18+	65+	Total	18+	65+
Albemarle County	112,395	87,614	21,772	124,560	100,086	29,055	10.8%	14.2%	33.5%
Fluvanna County	27,249	21,910	5,784	29,125	24,196	7,728	6.9%	10.4%	33.6%
Greene County	20,552	15,959	3,758	22,887	18,580	5,266	11.4%	16.4%	40.1%
Louisa County	37,596	29,943	7,702	44,679	36,840	10,786	18.8%	23.0%	40.0%
Nelson County	14,775	12,315	4,267	14,486	12,101	4,809	-2.0%	-1.7%	12.7%
City of Charlottesville	46,553	38,165	5,449	54,717	45,320	6,558	17.5%	18.7%	20.4%
PD 10	**259,120**	**205,906**	**48,732**	**290,454**	**237,122**	**64,202**	**12.1%**	**15.2%**	**31.7%**
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)

A Magnetic Resonance Imaging (MRI) scan uses magnetic field and computer-generated radio waves to scan the body to create detailed images of organs, tissues, and the skeletal system[1]. An MRI creates a three-dimensional (3D) image of the body and provides details about muscles, ligaments, and organs[2].

Table 2 shows the utilization of MRI scanners in the PD, for all authorized scanners reporting volumes to Virginia Health Information (VHI) in 2025, the last year for which data is available. The average utilization of MRI scanners in the PD was 83.2% of the State Medical Facilities Plan (SMFP) threshold for expansion. All MRI units in the PD are fixed scanners.

Table 2: 2025 PD 10 MRI Scanner Utilization

Facility Name	Facility Type	Total Scanners	Total MRI Procedures	Utilization
Sentara Martha Jefferson Hospital	Acute Hospital	2	9,453	94.5%
University of Virginia Medical Center	Acute Hospital	5[3]	16,833	67.3%
Martha Jefferson Health Services - Proffit Road	Freestanding	1	2,232	45.2%
ED - Sentara Martha Jefferson Outpatient Care Center	Freestanding ED		26	
UVA Imaging - Transitional Care Hospital (Northridge)	Freestanding	2	10,321	103.2%
UVA Imaging - Zion Crossroads	Freestanding	1	2,221	44.4%
UVA Imaging Center Fontaine	Freestanding	3	17,297	115.3%
UVA Imaging Center Ivy Mountain	Freestanding	2	8,165	81.7%
PD 10 Total		**16**	**55,548**	**83.2%**

Source: VHI Data (2025)

COPN No. VA-04909 authorized the establishment of a specialized center for MRI imaging with one weight-bearing MRI scanner at the Scott Wagner Integrated Medicine clinic. The scanner was expected to be completed April 2026; DCOPN has not yet received an indefinite extension for the project.

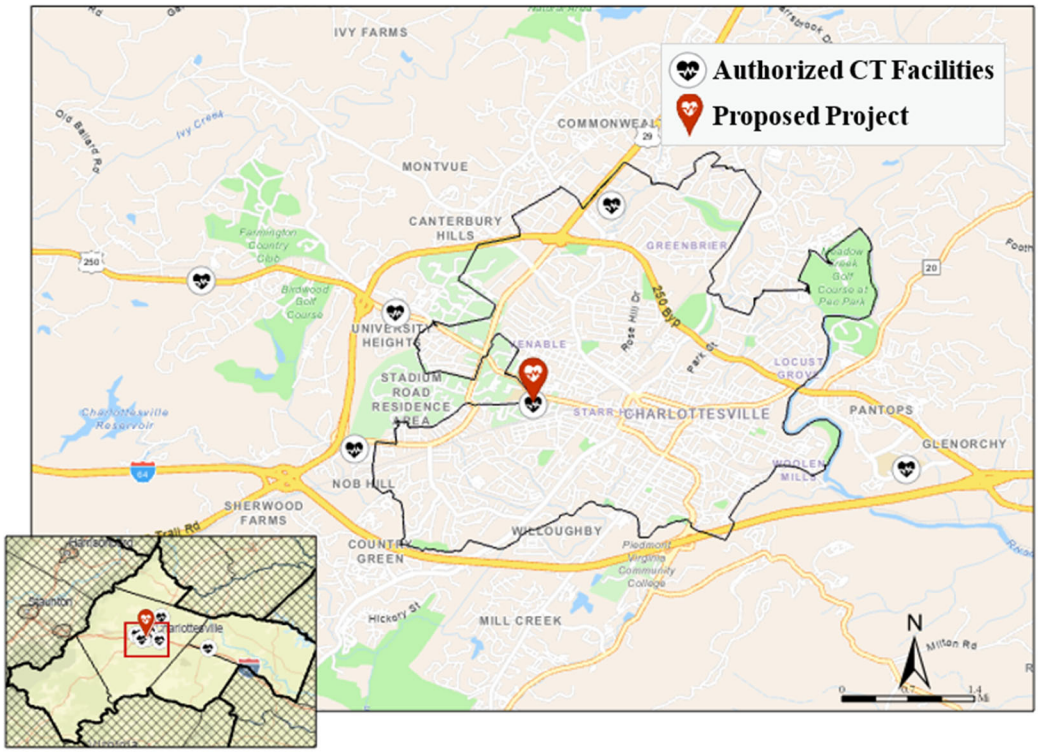
Map 1 shows the locations of all facilities authorized in PD 10 for the provision of MRI services. The main map has the locations of facilities near the proposed project, including existing scanners at the medical center, and the smaller map towards the southwest of the image shows all facilities in PD 10. There are two facilities providing MRI services which are located further away from the facility: Sentara Martha Jefferson to the north, and UVA Imaging- Zion Crossing to the east.

The City of Charlottesville is the location of the University of Virginia (UVA) and has associated medical facilities, which have led to the city being a hub of medical care in the PD. The authorized MRI site furthest from the City of Charlottesville is UVA Imaging- Zion Crossing, at approximately13 miles from the city limits. There are no authorized facilities in Fluvanna County,

[1] Mayo Clinic. (2023, September 9). *MRI*. https://www.mayoclinic.org/tests-procedures/mri/about/pac-20384768
[2] Akin, O., Do, R., & Plodkowski, A. (2025, June 4). *CT scan vs. MRI: What's the difference?* CT Scan vs. MRI: What's the Difference? | Memorial Sloan Kettering Cancer Center. https://www.mskcc.org/news/ct-vs-mri-what-s-difference-and-how-do-doctors-choose-which-imaging-method-use
[3] This includes four fixed scanners and one portable scanner. The portable scanner (COPN No. VA-04807) was surrendered May 1, 2026.

Greene County, or Nelson County, and only one facility in Louisa County (UVA Imaging- Zion Crossing).

Map 1: Authorized Facilities with MRI Services (PD 10)



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

UVA Medical Center is the only Level I trauma center in the region and provides medical, surgical, and imaging services to residents. The existing suite at the hospital was authorized in 2019 via COPN No. VA-04695 with four MRI scanners and shell space for expansion as needed. The project was indefinitely extended on June 26, 2025, three years after the originally authorized date. The applicant states that this was due to complications related to the COVID pandemic as well as design delays. Of the four currently authorized MRI scanners: one scanner is located at the Educational Resource Center, and three are located in the Imaging Pavilion. The Imaging Pavilion provides inpatient, outpatient, and emergency services.

COPN No. VA-04807 was awarded to the UVA Medical Center in September of 2022 and authorized one portable MRI scanner[4]. The project was completed March 1, 2023, and was the first of its kind in the Commonwealth. UVA Medical Center states that the scanner did not perform the volumes expected, with the unit having "volumes of fewer than 100 scans per year as part of overall MRI utilization." Due to the differing volumes, the certificate was surrendered May 1, 2026. It is important to note that due to this being the first portable MRI scanner in Virginia, the scanner was

[4] Portable scanners differ from fixed and mobile scanners in that portable units are kept at one address and able to move between multiple rooms. Fixed scanners are located at one address and in one room at any given point- they cannot be easily moved between rooms. Mobile scanners provide services at multiple addresses. A certificate for a portable scanner cannot be changed to a fixed or mobile unit.

counted as a fixed unit and not a separate category. The applicant states that this caused utilization to appear lower despite the volumes largely being done on four scanners.

Proposed Project

UVA Medical Center is proposing to add one MRI scanner at the main hospital. The proposed site for the project would be in the existing facility and would include remodeling to keep the MRI suite in place while adding a control room for the scanner, an Uninterruptible Power Supply (UPS) room for the scanners to "ensure continuous electrical power," and patient experience rooms.

Table 3: Capital Costs

Direct Construction Cost	$	2,200,000
Equipment not in Construction	$	2,050,000
Site Acquisition and Preparation	$	-
Architectural and Engineering Fees	$	260,000
Consultant Fees	$	7,000
Total Capital Cost	**$**	**4,517,000**

Source: COPN Request No. VA-8895

Should the proposed project be approved, the MRI scanner would begin providing services August 15, 2027. The proposed project will bring the total number of MRI scanners at the UVA Medical Center to five scanners.

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project as the "addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of … magnetic resonance imaging (MRI)." 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.**

The City of Charlottesville, where the proposed project is located, had approximately 7,019 residents in poverty (16.5%) in 2024, the last year for which such data is available. The poverty rate is the highest of the PD, and larger than the average rate of poverty in PD 10 and Virginia (**Table 4**).

Table 4: Poverty Rate in PD 10 (2024)

Location	Population in Poverty	Estimated Total Population	Poverty Percentage
Albemarle County	9,142	110,145	8.3%
Nelson County	1,951	27,479	7.1%
Fluvanna County	1,805	21,488	8.4%
Greene County	3,486	42,000	8.3%
Louisa County	1,686	14,661	11.5%
City of Charlottesville	7,019	42,539	16.5%
PD 10	**25,089**	**258,312**	**9.7%**
Virginia	**839,669**	**8,568,051**	**9.8%**

Source: US Census SIAPE (2024)

There are two public transit systems available at the proposed location. The first, Jaunt, is a PD-wide program where residents can schedule transportation at least one day in advance between the hours of 8:30 am and 5 pm. Riders are picked up by drivers, with accommodation for disabilities as applicable. Jaunt rides are currently free[5]. The second public transit system available at the proposed location is the UVA bus system. Rides are available for anyone from 8 am to 5 pm, with no cost associated with the rides. The bus stops at the proposed facility as well as various stops around the campus and parking lots.

There are also routes from the city's public bus system, called Charlottesville Area Transit (CAT), with five stops located on the UVA Medical Center campus. CAT rides are free for passengers, and all vehicles can accommodate passengers with disabilities.

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 seven letters of support for the proposed project. These letters were from doctors at UVA Medical Center in various specialties, such as surgery, pediatrics, as well as radiology. The letters, in aggregate, express the following:

- Pediatric MRI imaging services can require anesthesia, and an anesthesiologist to be present during the procedure, which limits the number of scans that can be performed.
- Delays in MRI scans can cause increased stress on the patient and family as well as postponing necessary treatments.
- There has been an increase in MRI demand which exceeds existing MRI capacity at UVA Medical Center.

[5] https://ridejaunt.org/services/how-to-ride/

- Patients sometimes wait hours for MRI imaging services, which can contribute to "Emergency Department crowding, increases [in] length of stay, delays [in] admission or discharge decision, and reduces [in] overall throughput capacity."
- Cardiac MRI services are being studied by UVA Medical Center and have been recommended by clinical guidelines[6] for "a wide range of cardiac disorders."

The Interim Chief Medical Officer at the hospital also cited a 27% "overall expansion in MRI demand" at the facility between 2021 and 2026, with a higher increase in specialized services during the same time. Other than the letters referenced above, there are 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-8895 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 July 10, 2026. The public comment period closed on August 24, 2026. 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.

The applicant states that the authorized MRI scanners at UVA Medical Center are operating above capacity, despite showing mathematically that there is room for increased volumes. The volume discrepancy is partially due to the surrendered portable MRI which was included in the facility's inventory until May 1, 2026. The portable scanner performed fewer scans than expected but was reported as a fixed scanner leading to impacted utilization. Alternative solutions which the applicant reports already trying are: "extended operating hours, redistribution of outpatient imaging activity, and dedicated scheduling blocks for specialized procedures." The facility also provides 24-hour imaging services, seven days a week, for inpatients and those in the Emergency Department.

In 2025, UVA Medical Center's MRI scanner utilization was 67.3% of the SMFP standard with the five authorized scanners. As stated before, this included the portable scanner. Without the portable scanner, the same volume would have been a utilization of 84.2% on four MRI scanners. This is below the threshold for expansion for MRI scanners outlined in the SMFP, as discussed later, and would indicate availability for higher volumes on the existing scanners. However, UVA Medical Center is an academic medical center that performs "complex studies, including pediatric anesthesia MRI procedures and imaging for patients with implanted cardiac devices."

[6] Clinical guidelines recommending it as an effective treatment or diagnosis tool were published by the American College of Cardiology and the American Heart Association.

When anesthesia is involved, or when there is cardiac MRI scanning, the procedures take longer periods of time to be performed properly. The applicant states that:

> "Specialized Scans are much lengthier than an average MRI scan that can be completed in 30 minutes—in fact, studies of patients with cardiac implants and pediatric patients needing anesthesia or sedation are typically scheduled for two-hour blocks. Cardiac studies are scheduled for 75 minutes. The high volumes of Specialized Scans, which comprise some 20% of the overall volumes of studies conducted in 2026, have a profound impact on the capacity of 4.0 scanners and significantly contribute to a unique institutional need for an additional device."

This means that existing MRI scanners are occupied for longer periods of time for a lower number of procedures. As such, DCOPN is unaware of a reasonable alternative to the proposed project that would meet the needs of the population in a less costly, more efficient, or more effective manner.

(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 I designated by the Virginia Department of Health to serve as the Health Planning Agency for the northwestern Virginia region. Therefore, this consideration is not applicable to the review of the proposed project.

(iv) Any costs and benefits of the project.

Capital costs of the proposed project are estimated at $4,517,000 (**Table 3**). This includes the remodeling of the existing imaging suite and construction of "break-away building panels that allow for replacement of… magnets in the imaging suite". The applicant states that renovations will streamline the cost of the proposed project and any future projects in the suite. The proposed project will be funded from accumulated reserves and does not require additional financing costs. The costs are not expected to impact the provision of existing services.

Table 3: Capital Costs *(as seen above)*

Direct Construction Cost	$ 2,200,000
Equipment not in Construction	$ 2,050,000
Site Acquisition and Preparation	$ -
Architectural and Engineering Fees	$ 260,000
Consultant Fees	$ 7,000
Total Capital Cost	**$ 4,517,000**

Source: COPN Request No. VA-8895

Capital costs are comparable to recent projects to add MRI scanners to existing medical facilities with MRI services. Most of the similar authorized projects have capital costs ranging from $2,420,196 (COPN No. VA-04894) to $4,871,989 (COPN No. VA-04924). COPN No. VA-04952 was for a similar project in adding a fixed MRI scanner but was largely for pediatric patients and had a capital cost of $10,106,088. This is an outlier among recently authorized

projects. The proposed project is within the average range of recently authorized additions of MRI scanners.

As stated before, UVA Medical Center provides specialized imaging services such as pediatric imaging with anesthesia, scans of patients with implanted medical devices, and cardiac MRI. The applicant states that UVA Medical Center is one of a "limited number of providers in Virginia" that is performing cardiac MRI imaging services. The Medical Center is the only cardiac MRI and pediatric MRI imaging provider in PD 10, with the closest other facility in the state being VCU Medical campus in PD 15, approximately 75 miles southeast (approximately 1.5 hours). Approval of the proposed project will allow for higher volumes of MRI scans, and more accessibility for patients requiring specialized imaging services.

(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 MRI imaging services that is no less than the equivalent average for charity care contributions in HPR I.

UVA Medical Center proffered a charity care rate of 1.8% in the application's Pro Forma. This rate is below the HPR average for the charity care reported in 2024 (**Table 5**). Should the project be approved, DCOPN recommends a charity care condition of 2.0% attached to the certificate, consistent with the HPR I average. 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 5: Charity Care Provided at 200% of the Federal Poverty Line (2024)

HPR I	Gross Patient Revenue	Charity Care Provided	Percent Provided
Inpatient Hospitals			
UVA Health Culpeper Medical Center	$ 608,478,177	$ 34,259,884	5.6%
University of Virginia Medical Center	$ 8,921,363,447	$ 267,814,182	3.0%
Sentara RMH Medical Center	$ 1,299,093,095	$ 34,179,211	2.6%
UVA Encompass Health Rehabilitation Hospital	$ 47,227,845	$ 2,302,674	4.9%
Sentara Martha Jefferson Hospital	$ 976,480,538	$ 17,411,990	1.8%
Carilion Rockbridge Community Hospital	$ 245,348,553	$ 2,154,977	0.9%
Spotsylvania Regional Medical Center	$ 1,018,743,482	$ 8,957,162	0.9%
Augusta Health	$ 1,602,399,846	$ 12,298,471	0.8%
Bath Community Hospital	$ 29,576,578	$ 172,931	0.6%
Valley Health Winchester Medical Center	$ 2,123,358,824	$ 11,908,546	0.6%
Stafford Hospital Center	$ 370,363,474	$ 1,843,906	0.5%
Mary Washington Hospital	$ 1,802,440,824	$ 8,931,031	0.5%
Valley Health Shenandoah Memorial Hospital	$ 211,090,921	$ 1,039,184	0.5%
Fauquier Hospital	$ 502,348,786	$ 2,450,797	0.5%
Valley Health Warren Memorial Hospital	$ 265,287,099	$ 1,197,376	0.5%
Valley Health Page Memorial Hospital	$ 95,416,374	$ 314,135	0.3%
Encompass Health Rehab Hosp of Fredericksburg	$ 39,643,298	$ 12,455	0.0%
UVA Transitional Care Hospital			
HPR I Inpatient Hospital Median			**0.9%**
HPR I Total Inpatient $ & Mean %	**$ 20,158,661,161**	**$ 407,248,912**	**2.0%**

HPR I	Gross Patient Revenue	Charity Care Provided	Percent Provided
Outpatient Hospitals			
Martha Jefferson Outpatient Surgery Center	$ 27,600,926	$ 837,961	3.0%
UVA Health Surgical Care Riverside	$ 39,804,288	$ 921,933	2.3%
UVA Orthopedic Center	$ 98,920,765	$ 1,552,249	1.6%
Fredericksburg Ambulatory Surgery Center	$ 71,232,608	$ 178,939	0.3%
Surgery Center of Central Virginia	$ 113,613,804	$ 40,762	0.0%
Rockingham Eye Surgery Center	$ 13,818,185	$ 4,650	0.0%
Soaring Surgery Center	$ 2,677,434	$ -	0.0%
Valley Health Surgery Center	$ 19,528,899	$ -	0.0%
Winchester Eye Surgery Center, LLC	$ 5,035,445	$ -	0.0%
Culpeper Surgery Center, LLC			
University of Virginia Medical Center--Battle Building (Outpatient Children's Hospital)			
University of Virginia Musculoskeletal Center at Ivy Mountain			
Monticello Community Surgery Center			
HPR I Outpatient Hospital Median			**0.0%**
HPR I Total Outpatient Hospital $ & Mean %	**$ 392,232,354**	**$ 3,536,494**	**0.9%**
HPR I Hospital Median			**0.9%**
HPR I Total Hospital $ & Mean %	**$ 20,550,893,515**	**$ 410,785,406**	**2.0%**

Source: VHI Database

(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 SMFP.

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

Part 1.
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.

Table 6: UVA Health System's MRI Scanners in PD 10

Facility Name	Facility Type	Total Scanners	Total MRI Procedures	Utilization
University of Virginia Medical Center	Acute Hospital	5	16,833	67.3%
UVA Imaging - Transitional Care Hospital (Northridge)	Freestanding	2	10,321	103.2%
UVA Imaging - Zion Crossroads	Freestanding	1	2,221	44.4%
UVA Imaging Center Fontaine	Freestanding	3	17,297	115.3%
UVA Imaging Center Ivy Mountain	Freestanding	2	8,165	81.7%
	Total	**13**	**54,837**	**84.4%**

Source: VHI Records (2025)

Table 6 shows the utilization of MRI scanners in the UVA Health System and inventory in 2025. As a reminder, UVA Medical Center currently has 4 MRI scanners due to the surrender of the portable scanner, not five, so UVA Health System currently has 12 authorized MRI scanners and not 13 as existed in 2025.

(A) The applicant states that the current demand of the MRI services is beyond the capacity of the scanners. The facility operated at a utilization of 67.3% in 2025, with four fixed scanners and one portable scanner. This does not meet or exceed the SMFP threshold for expansion. The facility is also not located in a geographically remote area.

(B) In 2025, UVA Health System had 13 authorized scanners in PD 10 that operated at an average utilization of 91.4% (**Table 6**). The lowest utilization (44.4%) was from UVA Imaging- Zion Crossroads which is authorized for one scanner and located in an area geographically remote from other imaging services. The facility is located the furthest east in the PD; relocation of the scanner would leave much of Fluvanna County and Lousia County without access to an MRI scanner within a 30-minute drive in the PD.

(C) The applicant is not a nursing home. (D) The proposed project is not the establishment of new services, but the expansion of existing imaging services.

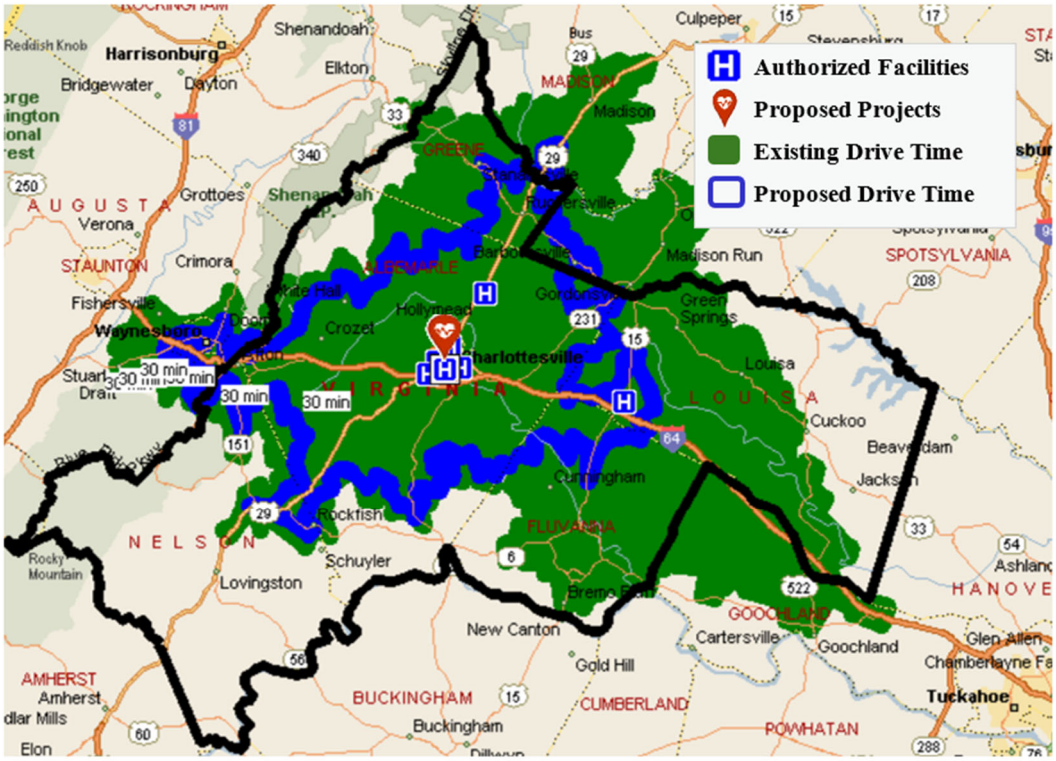
Article 2.
Criteria and Standards for Magnetic Resonance Imaging

12VAC5-230-140. Travel time.

MRI 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 geographic accessibility from MRI providers within a 30-minute drive under normal conditions. The existing facilities are marked with a blue “H” symbol, and the drive-time shown with the dark green solid color. The location of the proposed project is shown with the red pin and added drive time marked with a blue outline. As the proposed location is currently authorized for MRI scanners, approval of the proposed project will not add to geographical access in the PD.

Map 2: Drive Time with MRI Services (PD 10)



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

12VAC5-230-150. Need for new fixed site service.

No new fixed site MRI services should be approved unless fixed site MRI services in the health planning district performed an average of 5,000 procedures per existing and approved fixed site MRI scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site MRI 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 MRI scanners in such health planning district.

This criterion does not apply as the proposed project is not to establish a new fixed site for MRI services, but to expand existing services.

12VAC5-230-160. Expansion of fixed site service.

Proposals to expand an existing medical care facility's MRI services through the addition of an MRI scanner may be approved when the existing service performed an average of 5,000 MRI procedures per scanner during the relevant reporting period. The commissioner may authorize placement of the new unit at the applicant's existing medical care facility, or at a separate location within the applicant's primary service area for MRI services,

provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

In 2025, the last year for which data is available, the were 16,833 MRI procedures completed on the 5 authorized MRI scanners at UVA Medical Center. This averages approximately 3,366.6 (3,367) procedures per scanner. This is below the SMFP threshold of 5,000 scans.

Based on the volumes in PD 10 shown in 2025, DCOPN has calculated a current surplus of three fixed MRI scanners in as follows:

COPN authorized fixed MRI units = 16[7]

Needed MRI units = 66,548 (2025 MRI procedures) ÷ 5,000 = 13.3 **(14)**

Fixed MRI unit surplus = 2

Due to UVA Medical Center providing more specialty imaging services, as explained above, the facility has lower volumes per MRI scanner due to longer than average procedure times[8]. UVA Medical Center is also an academic hospital which provides clinical training for students including radiological technologists. The training of students can increase procedure time as well. DCOPN recommends, in this particular case, the Commissioner not allow the applicant's volume shortfall to precent approval of a beneficial project.

12VAC5-230-170. Adding or expanding mobile MRI services.

A. **Proposals for mobile MRI scanners shall demonstrate that, for the relevant reporting period, at least 2,400 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing MRI providers in the health planning district.**
B. **Proposals to convert authorized mobile MRI scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, 3,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing MRI providers in the health planning district.**

This criterion does not apply as the proposed project is not to add or establish mobile MRI services.

12VAC5-230-180. Staffing.

MRI services should be under the direct supervision of one or more qualified physicians.

The applicant states that MRI services occur under the supervision of qualified physicians. It stated, "[UVA] Medical Center maintains the staffing infrastructure and recruitment capabilities necessary to support the proposed expansion."

[7] This includes COPN No. VA-04807, and the surrendering of COPN No. VA-04909.
[8] This was reported by the applicant as the time during each procedure is not currently reported to VHI.

Return to Required Considerations

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 is not projected to impact institutional competition but rather increase access to the existing UVA Medical center services. As stated before, the medical center is the only provider of specialized imaging services within the PD and is stating that the existing scanners are operating at capacity. The applicant states that the proposed project is to meet the public demand for these services and decrease the wait times for imaging services.

DCOPN notes that the UVA Health System currently operates 12 of the 15 authorized MRI scanners in PD 10. This is approximately 80% of MRI scanners, which will increase should the proposed project be approved.

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.**

In 2025, UVA Health System had 13 authorized scanners in PD 10 that operated at an average utilization of 83.2%. UVA Medical Center operated at a utilization of 67.3% in the same year, with four fixed scanners and one portable scanner. As stated before, the certificate for the portable scanner has been surrendered and the applicant currently is authorized for four scanners. With the same 2025 volume, the facility had a utilization of 84.2%. Of the currently authorized 12 scanners, eight are in freestanding imaging centers. The lower utilized scanners have been previously discussed under the consideration of **12VAC5-230-80** and for brevity will not be repeated.

In the PD, there are three MRI scanners which are operated outside of the UVA Health System, by Sentara Martha Jefferson Hospital and a freestanding clinic. UVA Health Systems operates roughly 80% of the scanners in the PD and is the only provider of specialized imaging services including: pediatrics needing anesthesia, cardiac MRI, and scans for patients with implemented medical devices.

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 projects that the expanded MRI services will produce a net income of $348,267 in the first year and $402,563 in the second year (**Figure 1**). However, this income was calculated with a charity care rate of 1.8%, which is slightly below the HPR average in 2024, the last year for which data is available. Should the proposed project be approved, there would be a charity care rate of 2.0%, consistent with the HPR average. With only the changed charity care, the net income of the first year becomes $194,5596, and the second year has a net income of $239,629. The proposed project is still financially feasible with the updated charity care rate.

Figure 1: Projected Financials in the First Two Years of Operation

As stated in Application Pro Forma

	Year 1	Year 2
Gross Patient Revenue	**$ 84,621,969**	**$ 89,699,287**
Contractual Discounts	$ (67,823,754)	$ (71,893,179)
Charity Care (1.8%)	*$ (1,538,728)*	*$ (1,631,052)*
Total Deductions	$ (69,362,482)	$ (73,524,231)
Operating Revenue	**$ 15,259,487**	**$ 16,175,056**
Operating Expenses	$ (14,911,220)	$ (15,772,493)
Net Income	**$ 348,267**	**$ 402,563**

Based on HPR Average (All Other Estimations Identical)

Charity Care (2.0%)	$ (1,692,439)	$ (1,793,986)
Operating Revenue	**$ 15,105,776**	**$ 16,012,122**
Net Income (Updated)	**$ 194,556**	**$ 239,629**

Source: COPN Request No. VA-8882, VHI Records (2024)

The proposed project will require the hiring of 9 additional full-time equivalent (FTE) staff: 1 administrator, 5 register nurses, and 3 radiologic technologists. There are currently 48 FTE vacancies at the medical center, including 35 radiologic technologists. The applicant states that to fill the open position, UVA Medical Center recruits regionally and nationally via social media, online job boards, and conferences. The applicant also partners with Piedmont Virginia Community College (PVCC) to provide clinical hours to students, and recruits from graduates of the program as well. The applicant states that "there is no impact anticipated on the staffing of other facilities in the service 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 does not introduce new technology to the PD but rather expands existing MRI imaging services already provided at UVA Medical Center. (ii) The proposed project would provide outpatient services as well as inpatient services at the Medical Center. (iii) The applicant states that the proposed project will "improve operational efficiency by reducing delays affecting inpatient care, emergency department throughput, and outpatient scheduling." (iv) No other factors were identified.

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.**

UVA Medical Center is an academic medical center. (i) The mission of UVA Medical Center is to "provide advanced care for severely ill patients with complex needs when other hospitals cannot." The applicant also stated that:

> "The Medical Center trains future physicians, nurses, technologists, and allied health professionals while simultaneously delivering highly specialized tertiary and quaternary care services to patients from throughout Virginia. The complexity of the patient population served at UVAMC, together with the institution's academic and research mission, creates imaging demands that differ substantially from those of community hospitals and freestanding imaging centers."

(ii) The applicant stated that care for the indigent or underserved population will improve through "improving access and reducing delays that disproportionately affect patients with the fewest resources."

DCOPN Staff Findings and Conclusions

The University of Virginia Medical Center (UVA Medical Center) is proposing the addition of one MRI scanner at the main hospital. DCOPN received seven letters of support for the proposed project and there is no known opposition. The applicant states that the authorized MRI scanners at UVA Medical Center are operating above capacity, despite falling short of the SMFP volume standard. However, UVA Medical Center is an academic medical hospital that performs "complex studies, including pediatric anesthesia MRI procedures and imaging for patients with implanted cardiac devices" which take longer than routine procedures.

Capital costs of the proposed project are estimated at $4,517,000 which is comparable to recent projects to add an MRI scanner to an existing medical facility with MRI services. The proposed project will be funded from accumulated reserves and does not require additional financing costs. It is not expected to impact the provision of existing services. Should the project be approved, DCOPN recommends a charity care condition of 2.0% attached to the certificate, pursuant to the HPR I average.

While there is no geographic or mathematical demonstration of institutional need, DCOPN does take into consideration that the facility is part of a teaching hospital, and clinical training can take more time during scans as do specialized imaging services as referenced prior. As the proposed location is currently authorized for MRI scanners, approval of the proposed project will not add to geographical access in the PD. There is a surplus of 2 MRI scanners in PD 10. The proposed project is not projected to impact institutional competition but rather increase access to the existing UVA Medical center services. The proposed project is feasible in terms of finances and human resources. UVA Medical Center is an academic medical center and provides clinical opportunities for students and specialized imaging services for patients.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Rector and Visitors of the University of Virginia on Behalf of Its Medical Center's Certificate of Public Need Request No. VA-8895 to add one MRI scanner to an established hospital for the following reasons:

1. The proposal to add one MRI 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. Capital costs for the proposed project are reasonable when compared to recently authorized, similar projects.
3. No reasonable alternative has been identified that meets the needs of the population to be served in a more efficient or effective manner, and the proposal is more beneficial than the status quo.
4. The proposed project is unlikely to have a significant negative impact upon the utilization, costs, or charges of other providers of imaging services in PD 10.
5. The project appears feasible in the short and long term.
6. There is no known opposition to the project.

DCOPN's recommendation is contingent upon the Rector and Visitors of the University of Virginia on Behalf of Its Medical Center's agreement to the following charity conditions:

Rector and Visitors of the University of Virginia on Behalf of Its Medical Center's will provide MRI 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 2.0% of Rector and Visitors of the University of Virginia on Behalf of Its Medical Center's gross patient revenue derived from MRI 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.

Rector and Visitors of the University of Virginia on Behalf of Its Medical Center's will provide MRI 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, Rector and Visitors of the University of Virginia on Behalf of Its Medical Center's will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.