



COMMONWEALTH of VIRGINIA

Department of Health  
P O BOX 2448  
RICHMOND, VA 23218

B. Cameron Webb, MD, JD  
State Health Commissioner

TTY 7-1-1 OR  
1-800-828-1120

March 13, 2026

Thomas Stallings, Esquire  
McGuireWoods LLP  
Gateway Plaza  
800 East Canal Street  
Richmond, Virginia 23219

**RE: Chippenham & Johnston-Willis Hospitals, Inc.  
Certificate of Public Need (COPN) No. VA-04982 (COPN Request No. VA-8831)  
Establish a 60-bed general acute care hospital with 4 ORs, 1 CT, and 1 MRI  
Planning District 15**

Dear Mr. Stallings:

In accordance with Chapter 4, Article 1.1 of Title 32.1 of the Code of Virginia of 1950 (the Code), as amended, I reviewed the application and all supporting documents submitted by Chippenham & Johnston-Willis Hospitals, Inc. to establish Magnolia Hospital with 60 acute care beds, 4 operating rooms, 1 CT scanner, and 1 MRI scanner.

I have reviewed and adopted the enclosed findings, conclusions and recommended decision of the adjudication officer that convened the informal fact-finding conference on this application in accordance with the Virginia Administrative Process Act, Virginia Code §2.2-4000 *et seq.*

As required by Virginia Code §32.1-102.3(B), I have considered all factors that must be taken into account in the determination of public need, and I have concluded that **conditional approval** of the request is warranted based on the following findings:

1. The proposed project is consistent with the COPN law, is in harmony with the SMFP or public policies, interests, and purposes to which the SMFP and COPN law are dedicated;
2. The applicant has demonstrated that the status quo is not a reasonable alternative because the proposed project would redistribute beds to the most highly populated and fastest growing county in PD 15 in an improved distribution of services, and reduce PD medical surgical bed surplus;

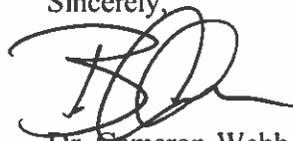
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3. There are no less costly or more efficient alternatives to the project. The project is feasible and the projected capital costs are reasonable;
4. There is considerable community support for the project;
5. The proposed project is unlikely to impact existing providers significantly; and
6. The proposed project should be contingent upon a 0.9% charity care condition, as proffered by the applicant.

This certificate is valid for the period of March 13, 2026 through March 12, 2027.

Please file two copies of the application for a certificate extension with the Department no later than 30 days before the expiration date of the certificate. Part VIII of the Virginia Medical Care Facilities Certificate of Public Need Rules and Regulations identifies the filing requirements and review procedure for certificate extension requests.

Sincerely,



Dr. Cameron Webb  
State Health Commissioner

Enclosure

cc:

Charis A. Mitchell, Assistant Attorney General, Commonwealth of Virginia  
April Dovel, Director, VDH, Office of Licensure and Certification  
Antwon Jacobs, Supervisor, Division of Certificate of Public Need  
James Jenkins, Deputy Director, VDH, Office of Licensure and Certification  
Vanessa MacLeod, Adjudication Officer, VDH, Office of the State Health Commissioner  
Deborah K. Waite, Chief Operating Officer, Virginia Health Information  
Jennifer Ligon, Counsel to Virginia Commonwealth University Health System Authority  
Erin S. Whaley, Counsel to Bon Secours – St. Francis Medical Center

COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF HEALTH  
MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED

THIS CERTIFIES THAT Chippenham & Johnston-Willis Hospitals, Inc. is authorized to initiate the proposal as described below.

NAME OF FACILITY: Magnolia Hospital

LOCATION: 16100, 16300 & 16500 Hull Street Road, Moseley, Virginia 23120

OWNERSHIP AND CONTROL: Chippenham & Johnston-Willis Hospitals, Inc.

SCOPE OF PROJECT: Establish Magnolia Hospital with 60 acute care beds (54 general medical/surgical beds and 6 ICU beds), 4 general purpose operating rooms, 1 CT scanner and 1 MRI scanner. Capital costs authorized for this project total \$260,238,000. The project is expected to be completed by October 13, 2029. This certificate is issued with the condition that appears on its reverse.



Pursuant to Chapter 4, Article 1:1 of Title 32.1, Sections 32.1-102.1 through 32.1-102.12 of the Code of Virginia (1950), as amended and the policies and procedures promulgated thereunder, this Medical Care Facilities Certificate of Public Need is issued contingent upon substantial and continuing progress towards implementation of the proposal within twelve (12) months from the date of issuance. A progress report shall be submitted to the State Health Commissioner within twelve (12) months from the date of issuance along with adequate assurance of completion within a reasonable time period. The Commissioner reserves the right not to renew this Certificate in the event the applicant fails to fulfill these conditions. This Certificate is non-transferable and is limited to the location, ownership, control and scope of the project shown herein.

Certificate Number: VA-04982

Date of Issuance: March 13, 2026

Expiration Date: March 12, 2027

A handwritten signature in black ink, appearing to read "Dr. Cameron Webb".

Dr. Cameron Webb, State Health Commissioner

Chippenham & Johnston Willis Hospitals, Inc. will provide acute care hospital services at Magnolia Hospital to all persons in need of these services, regardless of their ability to pay, and will provide as charity care to all indigent persons free services or rate reductions in services and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 15 in an aggregate amount equal to at least 0.9% of Magnolia Hospital's gross patient revenue derived from acute care hospital 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 documenting compliance with the preceding requirement. Chippenham & Johnston Willis Hospitals, Inc. will accept a revised percentage based on the regional average after such time regional charity care data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. is available from Virginia Health Information. The value of charity care provided to individuals pursuant to this condition shall be based on the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.

Chippenham & Johnston Willis Hospitals, Inc. will provide acute care hospital services at Magnolia Hospital 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. Chippenham & Johnston Willis Hospitals, Inc. will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.