



COMMONWEALTH of VIRGINIA

B. Cameron Webb, MD, JD
State Health Commissioner

Department of Health
P O BOX 2448
RICHMOND, VA 23218

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

June 22, 2026

Adrian Stanton
VHC Health
1701 North George Mason Drive
Arlington, Virginia 22205

RE: COPN No. VA-04991 (COPN Request No. VA-8869)
VHC Health
Arlington, Virginia
Add one Cardiac Catheterization Laboratory

Dear Mr. Stanton:

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 VHC Health to add one Cardiac Catheterization Laboratory.

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

1. The project is generally consistent with the applicable criteria and standards of the State Medical Facilities Plan and the eight Required Considerations of the Code of Virginia.
2. VHC continues to see an increase in cardiac catheterization laboratory and has a demonstrated institutional need to expand.
3. The addition of a fifth cardiac catheterization lab 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 surgical services in PD 8.
5. The capital cost of the proposed project is reasonable and appears financially viable in the short- and long-term.

6. HSANV has recommended approval of the project.

This certificate is valid for the period June 22, 2026, through June 21, 2027. The total authorized capital cost of the project is \$5,700,497.

Please file two copies of the application for a certificate extension with the Virginia Department of Health and one copy with the regional health planning agency 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: Jamie Martin, Counsel, VHC Health

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

Dean Montgomery, Executive Director, Health Systems Agency of Northern Virginia

Deborah K. Waite, Chief Operating Officer, Virginia Health Information

Gloria Addo-Ayensu, MD, MPH, District Director, Fairfax Health District

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

THIS CERTIFIES THAT Virginia Hospital Center Arlington Health System d/b/a VHC Health is authorized to initiate the proposal as described below.

NAME OF FACILITY: Virginia Hospital Center

LOCATION: 1701 North George Mason Drive, Arlington, Virginia 22205

OWNERSHIP AND CONTROL: Virginia Hospital Center Arlington Health System d/b/a VHC Health

SCOPE OF PROJECT: Add one (1) Cardiac Catheterization Laboratory to Virginia Hospital Center for a total complement of five (5). Capital costs authorized for this project total \$5,700,497. The project is expected to be completed by August 2027. 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-04991

Date of Issuance: June 22, 2026

Expiration Date: June 21, 2027



Dr. Cameron Webb, State Health Commissioner

Virginia Hospital Center must provide Cardiac Catheterization services to all persons in need of these services, regardless of their ability to pay, and will provide as charity care to all indigent patients free Cardiac Catheterization services or rate reductions in Cardiac Catheterization services and facilitate the development and operation of primary care services to underserved persons in an aggregate amount equal to at least 3.0% of Virginia Hospital Center's gross patient services revenue derived from Cardiac Catheterization services consistent with the Virginia Hospital Center Arlington Health System system-wide charity care condition agreed to in 2014. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or appropriately certified financial statements documenting compliance with the preceding requirement.

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

May 19, 2026

COPN Request No. VA-8869

Virginia Hospital Center Arlington Health System
Arlington County, Virginia
Add one cardiac catheterization laboratory

Applicant

Virginia Hospital Center (VHC) is a 501(c)(3) Virginia non-stock corporation. VHC Health (previously Virginia Hospital Center Arlington Health System), a 501(c)(3) non-profit corporation, is the sole owner of VHC. VHC is located in Arlington, Virginia, Planning District (PD) 8, within Health Planning Region (HPR) II.

Background

Cardiac Cath Labs are labs that examine how well the heart is working by inserting a catheter, a thin, hollow tube, into a large blood vessel that leads to the heart.¹ Cardiac cath services are performed to find diseases of the heart muscle, valves, or coronary (heart) arteries by measuring the pressure and blood flow in the heart.²

In order to measure the pressure and blood flow of the heart and associated tissues, coronary angiography is utilized; a contrast dye, visible in X-rays, is injected through the catheter and the x-ray images show the dye as it flows through the heart arteries, indicating where arteries are blocked.³

Catheter labs are essential in treating heart conditions in a minimally invasive manner as an alternative to surgery.⁴ Some common cath lab procedures are:

- Cardiac coronary angiogram (procedure to evaluate the blood vessels supplying the heart using catheters and x-ray dye)
- Coronary stent placement (a procedure where small metal scaffolds are placed within a blocked artery to keep the artery open)

¹ <https://www.heart.org/en/health-topics/heart-attack/diagnosing-a-heart-attack/cardiac-cath>

² Ibid.

³ <https://www.heart.org/en/health-topics/heart-attack/diagnosing-a-heart-attack/cardiac-cath>

⁴ Saira Samani, MD. "What Is a Cath Lab?: Ochsner Health." Ochsner Health System. Ochsner Health System, August 5, 2022. <https://blog.ochsner.org/articles/cath-lab-101-behind-the-laboratory-door>.

- Right heart cath (a procedure where physicians examine blood flow and pressure filling in the right side of the heart)
- Peripheral angiogram (a procedure that evaluates the flow of blood through arteries in the upper extremities, similar to a coronary angiogram)
- Valve replacement (a minimally invasive procedure that implants an artificial valve in the heart to replace a narrowed heart valve)⁵

According to Virginia Health Information (VHI), there were 21 cardiac catheterization laboratories (cath labs) reported to VHI for PD 8 in 2024, the latest year for which such data are available (**Table 1**). Their utilization equaled diagnostic equivalent procedures (DEPs)⁶ of 26,145, 103.75% of the State Medical Facilities Plan (SMFP) standard for increasing the number of cardiac cath labs (**Table 1**).

In 2024, VHC reported a total of four cardiac cath labs that operated at 88.52% of the SMFP standard (**Table 1**). Inova Fairfax Hospital, Reston Hospital Center⁷, and Virginia Hospital Center are the only facilities in PD 8 that offer open-heart surgery; therefore, they are the only sites that can provide complex cardiac cath services per Section 12VAC5-230-420 of the SMFP.⁸

Additionally, Inova Fairfax Hospital is the only facility in PD 8 that offers pediatric cardiac cath services, which is reflected in their DEP total in **Table 1**.

⁵ Ibid.

⁶ "DEP" means diagnostic equivalent procedure, a method for weighing the relative value of various cardiac cath procedures as follows: a diagnostic cardiac cath equals 1 DEP, a simple therapeutic cardiac cath equals 2 DEPs, a same session procedure (diagnostic and simple therapeutic) equals 3 DEPs, and a complex therapeutic cardiac cath equals 5 DEPs. A multiplier of 2 will be applied for a pediatric procedure (i.e., a pediatric diagnostic cardiac cath equals 2 DEPs, a pediatric simple therapeutic cardiac cath equals 4 DEPs, and a pediatric complex therapeutic cardiac cath equals 10 DEPs.)

⁷ Reston Hospital Center had not yet started its open-heart surgery program at the time of this report.

⁸ 12VAC5-230-420: Proposals to provide complex therapeutic cardiac cath should be approved only when open heart surgery services are available on-site in the same hospital in which the proposed complex therapeutic service will be located.

Table 1. Cardiac Cath Visits VHI 2024 Utilization, PD 8

Facility Name	# of Labs	Adult Dx	Adult Simple Tx	Adult Same Session Dx and Tx	Adult Complex Tx
Inova Alexandria Hospital	2	954	18	294	0
Inova Fairfax Hospital	7	4111	92	1233	912
Inova Loudoun Hospital	2	914	3	444	0
Reston Hospital Center	2	324	217	198	0
Sentara Northern Virginia Medical Center	2	926	12	187	0
Stone Springs Hospital Center	1	10	2	3	0
UVA Health Prince William Medical Center	1	33	705	43	0
Virginia Hospital Center	4	1305	215	503	201
PD 8 Total	21	8,577	1,264	2,905	1,113

DEP Multiplier (weighted)								
Facility Name	# of Labs	x 1	x 2	x 3	x 5	Total DEPs	DEPs/ Cath Lab	% of SMFP Threshold
Inova Alexandria Hospital	2	954	36	882	0	1,872	936	78.00%
Inova Fairfax Hospital	7	4111	184	3699	4560	13,314 ⁹	1,902	158.50%
Inova Loudoun Hospital	2	914	6	1332	0	2,252	1,126	93.83%
Reston Hospital Center	2	324	434	594	0	1,352	676	56.33%
Sentara Northern Virginia Medical Center	2	926	24	561	0	1,511	756	62.96%
Stone Springs Hospital Center	1	10	4	9	0	23	23	1.92%
UVA Health Prince William Medical Center	1	33	1410	129	0	1,572	1,572	131.00%
Virginia Hospital Center	4	1305	430	1509	1005	4,249	1,062	88.52%
PD 8 Total	21	8,577	2,528	8,715	5,565	26,145	1,245	103.75%

Source: 2024 VHI and DCON Calculations

Division of Certificate of Public Need (DCOPN) records show that there are now 24 cardiac cath labs in PD 8 (Table 2), three more than the number reported to VHI in 2024. COPN No. VA-04891 authorized Inova Fairfax Hospital for one additional cardiac cath lab, COPN No. VA-04604 authorized UVA Health Prince William Medical Center for one additional cardiac cath lab and COPN No. VA-04893 authorized Cardiac Care Associates to establish cardiac cath services with one cardiac cath lab. Additionally, Sentara Northern Virginia Medical Center moved one of its cardiac cath labs to a new facility, Sentara Heart and Vascular Center under COPN No. VA-04847. Data from these changes is not yet available.

⁹ Includes pediatric cardiac cath services.

Table 2. Cardiac Cath Lab Inventory: 2026

Facility	Cardiac Cath Labs
Cardiac Care Associates	1
Inova Alexandria Hospital	2
Inova Fairfax Hospital	8
Inova Loudoun Hospital	2
Reston Hospital Center	2
Sentara Heart and Vascular Center	1
Sentara Northern Virginia Medical Center	1
Stone Springs Hospital Center	1
UVA Health Prince William Medical Center	2
Virginia Hospital Center	4
Total	24

Source: DCOPN Records

Proposed Project

VHC proposes to expand its cardiac cath service with the addition of one cardiac cath lab (its 5th) at the VHC acute care hospital located at 1701 N. George Mason Drive in Arlington, based on institutional need.

In 2025, the applicant submitted COPN Request No. VA-8827 which proposed adding 11 Intensive Care Unit (ICU) beds as well as one cardiac cath lab to VHC. Ultimately, DCOPN recommended a partial approval with the ICU beds being recommended for approval and the cath lab being recommended for denial since VHC did not have the 1,200 diagnostic equivalent procedures (DEPs) per lab for expansion outlined in the SMFP¹⁰. The applicant accepted the decision as is before filing a new request, COPN Request No. VA-8869.

The ICU and cath lab requests are part of a larger expansion effort by VHC which involves the construction of what the applicant calls the “Corner Addition”. In addition to the ICU and cardiac cath lab expansions, the Corner Addition will also include an expanded Emergency Department (ED), which is not regulated by DCOPN.

Projected capital costs for the project are \$5,700,497 (Table 3) and are funded entirely by VHC’s accumulated reserves, so no financing costs accrue. If the proposed project is approved, the target opening date is August 2027.

Table 3. Capital Costs CRMC, Add One Cardiac Cath Lab

Direct Construction Cost	\$ 1,035,000
Equipment not included in construction contract	\$ 3,795,000
Architectural and Engineering	\$ 870,497
Total Capital Cost	\$ 5,700,497

Source: COPN Request No. VA-8869

¹⁰ COPN No. VA-04965 was issued December 15, 2025, authorizing the addition of 11 ICU beds.

Project Definition

Section 32.1.1-102.1 of the Code of Virginia defines a project, in part, as “the addition by an existing medical care facility of any medical equipment for the provision of cardiac cath...” A medical care facility includes “general hospitals...”

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.**

VHC is centrally located in Arlington County, a suburb of Washington, D.C., making it readily accessible to residents of PD 8. The surrounding area is a mix of single-family residential communities, large multi-family housing developments, and commercial development around the Orange Line and Silver Line of the Metrorail transit system. Major highway access is provided by Interstate 66 and Route 29 (east and west) and by N. George Mason Drive and Glebe Road, two four-lane cross-country connectors that travel primarily north/south. Emergency vehicles primarily use Glebe Road and Washington Boulevard to access the hospital.

Public transportation, including Metrorail and bus services, adds to VHC’s accessibility. Metrorail patrons can use the Arlington Connector to access the hospital from the local metro transit stations. There are two bus stops adjacent to the hospital campus. One stop is at the hospital’s main entrance at N. George Mason Drive, and the other stop is at the hospital entrance off 16th Street. Additionally, the Washington Metropolitan Area Transportation Authority (WMATA) provides handicapped paratransit.

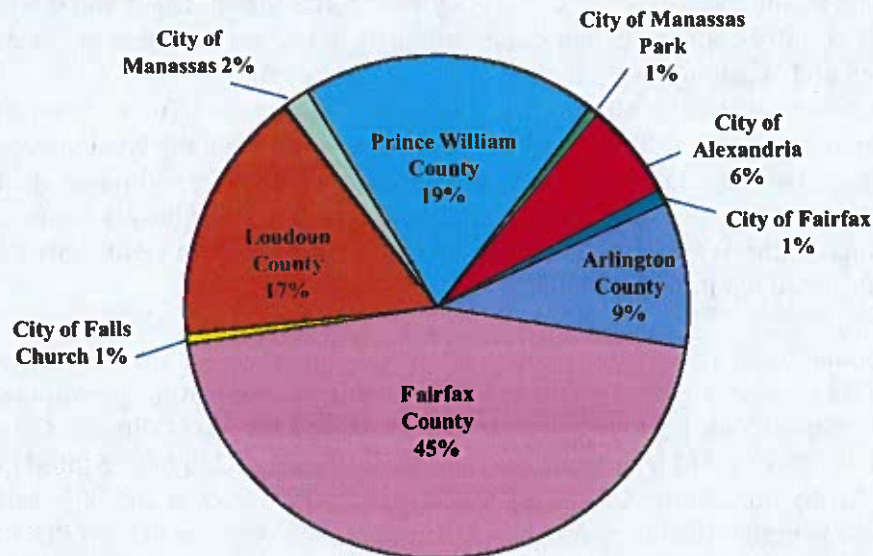
PD 8 had a population of about 2.5 million in 2020 and is projected to grow by just under 300,000 people, a 10.92% increase, by 2030. This is nearly double the population growth rate projected for the Commonwealth of Virginia during this decade, 5.77% (**Table 4**). Arlington County, where the project will be located should it be approved, had a population of 238,643 in 2020 (**Table 4**). The population in Arlington County is expected to increase 11.37% to over 265,000 residents by 2030. This growth rate is higher than the average rate of population increase in both PD 8 (10.92% and the Commonwealth (5.77%) during this same time frame. The 65+ population in PD 8 is expected to grow by 97,855 people (a 31.91% increase) between 2020 and 2030. In Arlington County, the 65+ population is expected to grow by 3,168 people (a 12.50% increase) (**Table 4 & Figure 2**). **Figure 1** shows that Arlington County makes up 9% of the population of PD 8.

Table 4. PD 8 Population Data

Geographic Name	2020 Census	2030 Projection	Projected Population Change 2020-2030	Projected % Change 2020-2030	2020 65 + Census	2030 65+ Projection	Projected Population Change 65+ 2020-2030	Projected Percent Change 65+ 2020-2030
City of Alexandria	159,467	176,403	16,936	10.62%	18,758	22,941	4,183	22.29%
Arlington County	238,643	265,794	27,151	11.37%	25,333	28,501	3,168	12.50%
Fairfax County	1,150,309	1,201,420	51,111	4.44%	158,687	195,132	36,445	23.00%
Fairfax City	24,146	25,358	1,212	5.02%	3,871	4,726	855	22.10%
City of Falls Church	14,658	16,741	2,083	14.21%	2,185	2,545	360	16.48%
Loudoun County	420,959	522,015	101,056	24.00%	41,497	65,844	24,347	58.67%
Manassas City	42,772	47,039	4,267	9.98%	4,505	6,593	2,088	46.35%
City of Manassas Park	17,219	19,876	2,657	15.43%	1,343	2,162	819	60.98%
Prince William County	482,204	554,344	72,140	14.96%	50,522	76,112	25,590	50.65%
PD 8 Totals/Avg.	2,550,377	2,828,990	278,613	10.92%	306,701	404,556	97,855	31.91%
Virginia	8,631,393	9,129,002	497,609	5.77%	1,395,291	1,762,641	367,350	26.33%

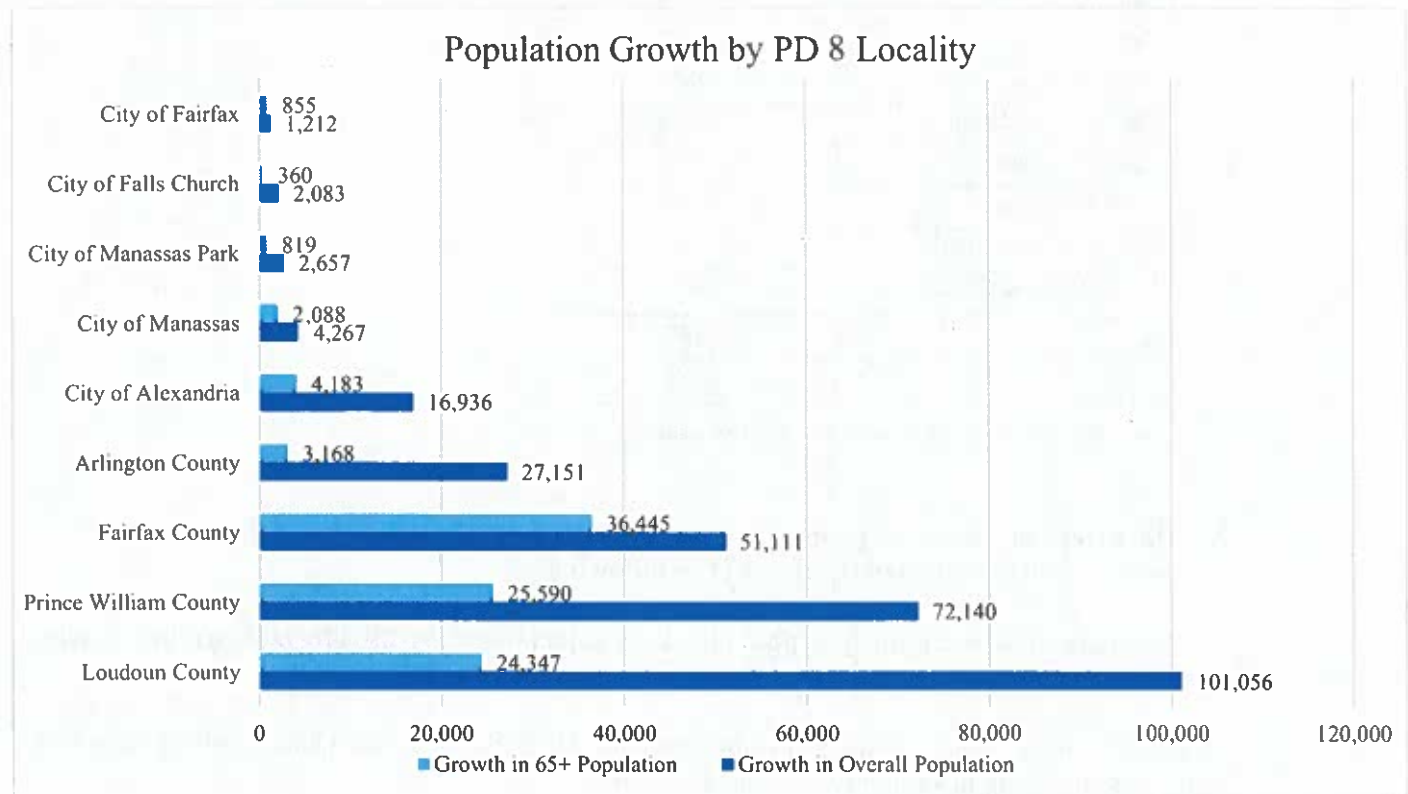
Source: Weldon-Cooper Data, updated June 2025

Figure 1. Percent of PD 8 Population by Locality



Source: Weldon-Cooper Data, updated June 2025

Figure 2. Projected Population Growth by Locality, PD 8, 2020-2030



Source: Weldon-Cooper Data, updated June 2025

With respect to socioeconomic barriers, the overall poverty rate of PD 8, 6.20% is lower than that of Virginia, 9.80% (**Table 5**). Arlington County has a poverty rate slightly higher than the rest of PD 8 at 8.00%.

Table 5. 2024 Poverty Rates, PD 8

Locality	Percent in Poverty
City of Alexandria	7.50%
Arlington County	8.00%
Fairfax County	6.00%
City of Fairfax	7.80%
City of Falls Church	4.60%
Loudoun County	4.30%
City of Manassas	9.10%
City of Manassas Park	7.30%
Prince William County	6.60%
PD 8	6.20%
<i>Virginia</i>	<i>9.80%</i>

Source: <https://www.census.gov/data-tools/demo/saipe/#>

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 a letter of support from the Senior Vice President and Chief Medical Officer of VHC Health which, in summary, said the following:

- VHC is an academic medical center and the only acute care hospital in Arlington County. It is also the only remaining independent community hospital in Northern Virginia.
- VHC currently experiences high utilization of its cardiac cath lab, with recent increased rates of complex cardiac surgeries, structural heart procedures and interventional cardiology.
- Capacity limitations directly impact patient flow, delay time-sensitive interventions, and create bottlenecks that reverberate throughout the hospital.

DCOPN received no letters of opposition to the project.

Public Hearing

DCOPN provided notice to the public regarding this project inviting public comment on March 10, 2026. The public comment period closed on April 24, 2026. §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.

On April 13, 2026, the Health Systems Agency of Northern Virginia (HSANV) held a public hearing for the proposed project. Adrian Stanton, Vice President, VHC Health, presented the

project, along with Brian Stone, MD, VHC Health and Jamie Martin, Counsel, VHC Health. Other than the letters of support referenced above, no members of the public commented. There is no known opposition to the project.

(ii) The availability of reasonable alternatives to the proposed service or facility that would meet the needs of the population in a less costly, more efficient, or more effective manner.

Neither DCOPN nor the applicant identified a reasonable alternative to the project. According to the applicant, VHC experienced an average cardiac cath lab utilization rate of 103.30% in 2025 (Table 6). This, coupled with consistently high utilization rates since 2021, demonstrate that the applicant has an institutional need to expand, even though it only experienced 88.52% utilization in 2024. The applicant explained that this 2024 decrease in utilization was primarily due to staffing challenges that have since been resolved.

Table 6.VHC Utilization 2020-2024

Year	Cath Labs	Diagnostic	Therapeutic	Same Session	Complex	Total DEPs	Utilization
2021	4	1,633	634	633	0	4,800	100%
2022	4	1,162	375	662	0	3,898	81.21%
2023	4	1,198	262	607	196	4,523	94.23%
2024	4	1,305	215	503	201	4,249	88.52%
2025*	4	1,410	208	620	254	4,956	103.30%*
Average		1,342	339	605	130	4,485	93.40%

Source: VHI (2021-2025) and COPN Request No. VA-8869

*Estimated

(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.

HSANV considered the proposed projects at its April 13, 2026, meeting.

The Board voted eleven in favor and none opposed to recommend that the application be approved. HSANV stated that its recommendation was based on its review of the application, on the HSANV staff report on the proposal, on the testimony and other evidence presented at the April 13, 2026, public hearing, and on several findings and conclusions, including:

- The Virginia Hospital Center cardiac catheterization service is the second largest cardiovascular service in the region. Its total catheterization caseload is above the nominal service volume planning guideline of 1,200 diagnostic equivalent procedures (DEPs) per laboratory.
- Virginia Hospital Center qualifies for consideration to add capacity in accordance with the institution specific need provision of the SMFP as that guidance has been applied locally and elsewhere in Virginia.

- Recent and projected demand suggests the laboratory requested would be used efficiently over its useful life.
- An incremental expansion of a heavily used service is not likely to affect other catheterization services negatively.

(iv) Any costs and benefits of the project.

As demonstrated by **Table 3**, the projected capital costs of the proposed project are \$5,700,497, which will be funded wholly by accumulated reserves, so there are no financing costs on this project. Direct construction costs are estimated to be \$1,035,000 or 18% of total costs and come to \$205 per square foot¹¹. This cost is lower than recently approved similar projects, COPN No. VA-04939, COPN No. VA-04940 and COPN No. VA-04956, which ranged from \$879 to \$1,362 per square foot.

**Table 3. Capital Costs CRMC, Add One Cardiac Cath Lab
(Duplicated)**

Direct Construction Cost	\$ 1,035,000
Equipment not included in construction contract	\$ 3,795,000
Architectural and Engineering	\$ 870,497
Total Capital Cost	\$ 5,700,497

Source: COPN Request No. VA-8869

The applicant identified numerous benefits of the proposed project, including:

- An additional cardiac cath lab will increase capacity and reduce delays and barriers to care.
- As a Level 2 Trauma Center, VHC treats high volumes of patients with serious cardiovascular issues that require immediate intervention. An additional cardiac cath lab would allow these patients to be treated faster.
- Cardiac cath labs are the safest setting for other procedures such as structural heart, electrophysiology (EP), and pulmonary vein (PV).

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

The applicant asserts that its mission is to provide high-quality care to all patients regardless of their ability to pay for services or the payment source. As **Table 7** below demonstrates, VHC provided 2.2% of its gross patient revenue in the form of charity care in 2024. The Pro Forma Income Statement provided by the applicant proffered a charity care contribution equal to 4.1% of gross patient services revenue¹². This amount is higher than the 2.2% HPR II charity care average (**Table 7**) and is higher than VHC Health's system-wide charity care condition currently in place

¹¹ Extended Net Square Footage: 5,044

¹² Source: COPN Request VA-8869

of 3.0%¹³. Accordingly, should the Commissioner approve the proposed project, a 3.0% charity care condition will apply per the systemwide condition.

¹³ 3.0% System-wide condition established pursuant to COPN No. VA-04447/04447 in 2014.

Table 7. HPR II Charity Care Contributions: 2024

Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	% of Gross Patient Revenue:
UVA Health Prince William Medical Center	\$716,331,491	\$41,008,588	5.72%
Sentara Northern Virginia Medical Center	\$1,113,165,093	\$51,702,306	4.64%
Encompass Health Rehab Hosp of Northern Virginia	\$48,211,597	\$1,826,742	3.79%
Inova Alexandria Hospital	\$1,694,182,731	\$50,440,661	2.98%
Inova Mount Vernon Hospital	\$890,441,286	\$23,371,040	2.62%
Inova Fairfax Hospital	\$7,540,856,971	\$166,576,158	2.21%
Inova Loudoun Hospital	\$1,677,819,433	\$37,476,979	2.23%
Virginia Hospital Center	\$1,256,027,025	\$27,903,630	2.22%
Inova Fair Oaks Hospital	\$2,408,582,527	\$52,039,581	2.16%
Dominion Hospital	\$187,238,481	\$3,760,816	2.01%
Reston Hospital Center	\$2,254,004,397	\$19,684,028	0.87%
StoneSprings Hospital Center	\$582,717,334	\$4,566,302	0.78%
North Spring Behavioral Healthcare	\$82,497,344	\$230,098	0.28%
UVA Health Haymarket Medical Center	\$386,285,597	\$8,866,919	2.30%
Inova Specialty Hospital	\$84,305,852	\$0	0.00%
Total Inpatient Hospitals:			15
HPR II Total Inpatient \$ & Mean %	\$20,922,667,159	\$489,453,848	2.3%
HealthQare Services ASC, LLC	\$13,632,136	\$1,310,762	9.62%
Stone Springs Ambulatory Surgery Center	\$76,406,627	\$3,149,654	4.12%
Inova Ambulatory Surgery Center at Lorton	\$10,368,192	\$108,312	1.04%
Northern Virginia Eye Surgery Center, LLC	\$19,079,771	\$31,456	0.16%
Inova Surgery Center @ Franconia-Springfield	\$103,157,360	\$71,790	0.07%
Haymarket Surgery Center	\$78,596,299	\$48,654	0.06%
Northern Virginia Surgery Center	\$68,941,715	\$33,412	0.05%
Reston Surgery Center	\$195,891,966	\$75,099	0.04%
McLean Ambulatory Surgery Center	\$54,482,314	\$24,067	0.04%
Inova Loudoun Ambulatory Surgery Center	\$101,605,217	\$18,748	0.02%
Fairfax Surgical Center	\$181,894,940	\$16,493	0.01%
Prince William Ambulatory Surgery Center	\$86,151,992	\$11,406	0.01%
Lake Ridge Ambulatory Surgical Center	\$14,168,726	\$275	0.00%
Kaiser Permanente Tysons Corner Surgery Center	\$51,140,777	\$0	0.00%
Kaiser Permanente Caton Hill Ambulatory Surgery Center	23,894,258	\$0	0.00%
Pediatric Specialists of Virginia Ambulatory Surgery Center	9,187,308	\$0	0.00%
VHC Ambulatory Surgery Center	Not reporting	\$0	0.00%
Total Outpatient Hospitals:			16
HPR II Total Outpatient Hospital \$ & Mean %	\$1,088,599,598	\$4,900,128	0.5%
Total Hospitals:			31
HPR II Total Hospital \$ & Mean %	\$22,011,266,757	\$494,353,976	2.2%

Source: VHI (2024)

In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenue, in this case derived from cardiac cath services at the proffered 4.1%. Pursuant to Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

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

There are no other factors, not addressed elsewhere in the analysis, relevant to the determination of a public need for the proposed project.

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

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

The SMFP contains criteria/standards for the establishment or expansion of cardiac cath 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.

VHC has four cardiac cath labs that reported DEP volumes to VHI equal to 88.5% of the SMFP standard in 2024, the latest year for which such data are published. In COPN Request No. VA-8869, the applicant presents DEPs, equal to 103.3% of the SMFP threshold for 2025. (Table 6). This, along with the five-year utilization average of 93.4%, shows that VHC's cardiac catheterization program is growing and is in need of additional capacity. Additionally, VHC provided the second largest number of DEPs in PD 8 in 2024 (4,249) only behind Inova Fairfax Hospital (13,314) (Table 1). This further solidifies that VHC is one of the most well-utilized providers for cardiac cath procedures in the planning district that will continue to see increased utilization as the population of Arlington County continues to grow and age.

Table 6. VHC Utilization 2020-2024
(duplicated)

Year	Cath Labs	Diagnostic	Therapeutic	Same Session	Complex	Total DEPs	Utilization
2021	4	1,633	634	633	0	4,800	100%
2022	4	1,162	375	662	0	3,898	81.21%
2023	4	1,198	262	607	196	4,523	94.23%
2024	4	1,305	215	503	201	4,249	88.52%
2025*	4	1,410	208	620	254	4,956	103.30%*
Average		1,342	339	605	130	4,485	93.40%

Source: VHI (2021-2025) and COPN Request No. VA-8869

*Estimated

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.

Not applicable. VHC Health has no other cardiac cath labs off site of the Virginia Hospital Center campus in Arlington.

C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.

Not applicable. The applicant is not a nursing facility.

D. Applicants shall not use this section to justify a need to establish new services.

Not applicable. The applicant is an existing provider of cardiac cath services in PD 8.

Part IV
Cardiac Services
Article 1

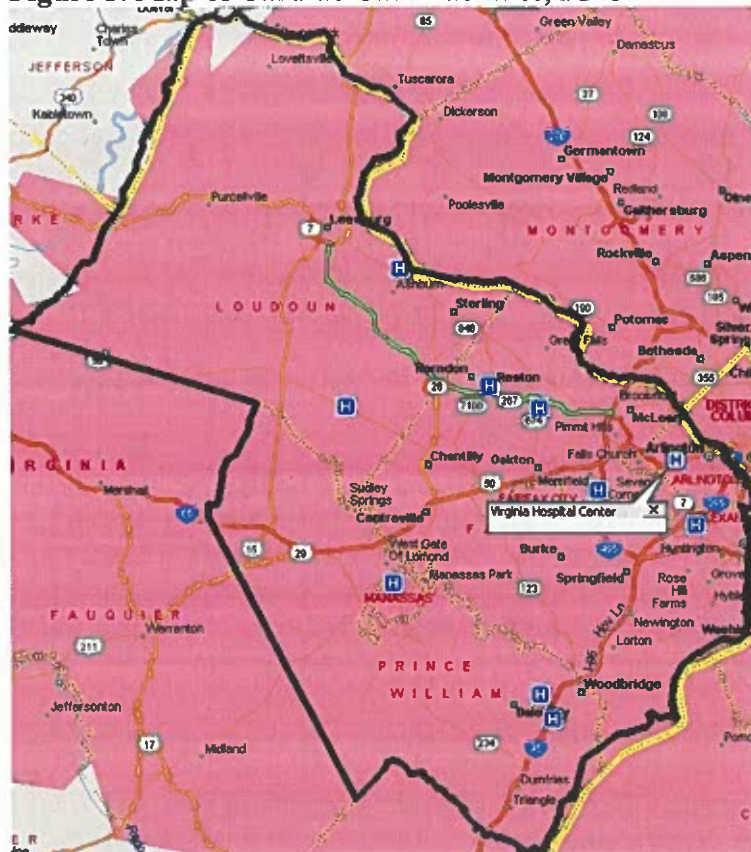
Criteria and Standards for Cardiac Cath Services

12 VAC 5-230-380. Travel Time.

Cardiac cath services should be within 60 minutes driving time one way under normal conditions of 95% of the population of the health planning district using mapping software as determined by the Commissioner.

The heavy black line in **Figure 3** identifies the boundaries of PD 8. In **Figure 3**, the pink shading illustrates the area that is within 60 minutes driving time one way under normal driving conditions of all cardiac cath service providers in PD 8. As the small unshaded area of **Figure 3** is located in a low population area of the planning district, DCOPN concludes that 95% of the population of PD 8 are currently within 60 minutes driving time one way under normal traffic conditions of cardiac cath services. The proposed project does not increase geographic access to cardiac cath beyond services already authorized.

Figure 3. Map of Cardiac Cath Facilities, PD 8



Source: DCOPN Records

12 VAC 5-230-390. Need for New Service.

A. No new fixed site cardiac cath service should be approved for a health planning district unless:

- 1. Existing fixed site cardiac cath services located in the health planning district performed an average of 1,200 cardiac cath DEPs per existing and approved laboratory for the relevant reporting period;**
- 2. The proposed new service will perform an average of 200 DEPs in the first year of operation and 500 DEPs in the second year of operation;**
- 3. The utilization of existing services in the health planning district will not be significantly reduced.**

Not applicable, but for context, DCOPN has calculated cardiac cath lab need:

Calculated Needed Cardiac Cath Labs in PD 8

COPN authorized cardiac cath labs = 24

Calculated cardiac cath labs needed in PD 8 =

26,145 DEPs in the PD (**Table 1**) / 1,200 DEPs / cardiac cath lab = 21.8 (22) cardiac cath labs needed

PD 8 Calculated Need = 22 cardiac cath labs

PD 8 Calculated Surplus = 2 cardiac cath labs

In 2024, the last year for which DCOPN has data available from VHI, the existing fixed cardiac cath labs in PD 8 operated at 103.75% of the SMFP threshold mandated by this section (**Table 1**). Based on this utilization in the planning district, DCOPN calculated a regional need, in 2024, for 22 cardiac cath labs in PD 8. As there are currently 24 cardiac cath labs in PD 8, DCOPN calculates a surplus of two cardiac cath labs. While there is a calculated surplus of cardiac cath labs in PD 8, the overall utilization rate is over the SMFP threshold for expansion, demonstrating there is a need for additional capacity across the PD.

As the applicant is an existing provider of cardiac cath services, these calculations are presented to provide an overview of cardiac cath services in the planning district.

B. Proposals for mobile cardiac cath laboratories should be approved only if such laboratories will be provided at a site located on the campus of an inpatient hospital. Additionally, applicants for proposed mobile cardiac cath laboratories shall be able to project that they will perform an average of 200 DEPs in the first year of operation and 350 DEPs in the second year of operation without significantly reducing the utilization of existing laboratories in the health planning district below 1,200 procedures.

Not applicable. The proposed project is not for a mobile cardiac cath lab.

C. Preference may be given to a project that locates new cardiac cath services at an inpatient hospital that is 60 minutes or more driving time one way under normal conditions from existing services if the applicant can demonstrate that the proposed new laboratory will perform an average of 200 DEPS in the first year of operation and 400 DEPs in the second

Not applicable. The proposed project seeks to expand an existing cardiac cath program.

Proposals to increase cardiac cath services should be approved only when:

- As reported to VHI in 2024, VHC had a utilization of 4,249 DEPs (1,062 DEPs per cardiac cath lab), 88.52% of the 1,200 DEP threshold (**Table 8**). This does not meet the SMFP threshold for expansion.

Facility Name	# of Labs	Adult Diagnostic	Adult Simple Tx	Adult Same Session Dx and Tx	Adult Complex Tx	Peds Dx	Peds Tx	Peds Same Session Dx and Tx	Peds Complex			
Virginia Hospital Center	4	1305	215	503	201	0	0	0	0			
DEP Multiplier (weighted)												
		x1	x2	x3	x5	x2	x4	x6	x10	Total DEPs	DEPs/ Cath Lab	% of SMFP Threshold
		1305	430	1509	1005	0	0	0	0	4,249	1,062	88.52%

According to the applicant, however, cardiac cath procedure volumes significantly increased in 2025. Between 2024 and 2025 total DEPs increased from 4,249 to 4,956 (16.7%), putting VHC's cardiac cath labs at 103.3% of the SMFP threshold for expansion (**Table 9**).

Projected Cardiac Cath Utilization	2025	
	Procedures	DEPs
Diagnostic Procedures	1,410	1,410
Simple Therapeutic Procedures	208	416
Same Session Procedures	620	1,860
Complex Therapeutic Procedures	254	1,270
Total	2,492	4,956
SMFP % Utilization		103.3%

Source: COPN Request No. VA-8869

- B. The applicant can demonstrate that the expanded service will achieve an average of 200 DEPs per laboratory in the first 12 months of operation and 400 DEPs in the second 12 months of operation without significantly reducing the utilization of existing cardiac cath laboratories in the health planning district.**

According to projections provided by the applicant (Table 10), should the project be approved, the five cardiac cath labs are projected to do an average of 1,398 DEPs per lab in the first year of operation and 1,419 DEPs in the second year. This is well above the recommendation of 200 DEPs per lab in the first year and 400 DEPs in the second year. This project is not expected to significantly reduce the utilization of existing cardiac cath labs in the PD.

Table 10. Projected VHC Cardiac Cath Utilization

Projected Cardiac Cath Utilization	Year 1		Year 2	
	Procedures	DEPs	Procedures	DEPs
Diagnostic Procedures	1,982	1,982	2,012	2,012
Simple Therapeutic Procedures	312	624	317	634
Same Session Procedures	856	2,569	869	2,607
Complex Therapeutic Procedures	363	1,818	368	1,841
Total	3,513	6,989	3,566	7,094
SMFP % Utilization		116%		118%

Source: COPN Request No. VA-8869

12 VAC 5-230-410. Pediatric Cardiac Cath.

No new or expanded pediatric cardiac cath should be approved unless:

- A. The proposed service will be provided at an inpatient hospital with open heart surgery services, pediatric tertiary care services or specialty or subspecialty level neonatal special care;**
- B. The applicant can demonstrate that the proposed laboratory will perform at least 100 pediatric cardiac cath procedures in the first year of operation and 200 pediatric cardiac cath procedures in the second year of operation; and**
- C. The utilization of existing pediatric cardiac cath laboratories in the health planning district will not be reduced below 100 procedures per year.**

Not applicable. The applicant is not proposing to provide pediatric cardiac cath procedures.

12VAC5-230-420. Non-emergent Cardiac Cath.

- A. Simple therapeutic cardiac cath. Proposals to provide simple therapeutic cardiac cath are not required to offer open heart surgery service available on-site in the same hospital in which the proposed simple therapeutic service will be located. However, these programs shall adhere to the requirements described in subdivisions 1 through 9 of this subsection.**

The programs shall:

- 1. Participate in the Virginia Heart Attack Coalition, the Virginia Cardiac Services Quality Initiative, and the Action Registry-Get with the Guidelines or National Cardiovascular Data Registry to monitor quality and outcomes;**
- 2. Adhere to strict patient-selection criteria;**

3. **Perform annual institutional volumes of 300 cardiac cath procedures, of which at least 75 should be percutaneous coronary intervention (PCI) or as dictated by American College of Cardiology (ACC)/American Heart Association (AHA) Guidelines for Cardiac Cath and Cardiac Cath Laboratories effective 1991;**
4. **Use only AHA/ACC-qualified operators who meet the standards for training and competency;**
5. **Demonstrate appropriate planning for program development and complete both a primary PCI development program and an elective PCI development program that includes routine care process and case selection review;**
6. **Develop and maintain a quality and error management program;**
7. **Provide PCI 24 hours a day, seven days a week;**
8. **Develop and maintain necessary agreements with a tertiary facility that must agree to accept emergent and nonemergent transfers for additional medical care, cardiac surgery, or intervention; and**
9. **Develop and maintain agreements with an ambulance service capable of advanced life support and intra-aortic balloon pump transfer that guarantees a 30-minute or less response time.**

VHC is an established provider of simple therapeutic cardiac cath procedures and affirms compliance with each of the requirements in this subsection.

12 VAC 5-230-430. Staffing.

- A. Cardiac cath services should have a medical director who is board certified in cardiology and has clinical experience in performing physiologic and angiographic procedures;**

VHC provided assurances that cardiac cath services are under the direction of a medical director with the required board certification and experience.

In the case of pediatric cardiac cath services, the medical director should be board-certified in pediatric cardiology and have clinical experience in performing physiologic and angiographic procedures.

Not applicable. VHC is not proposing to perform pediatric cardiac cath procedures.

- B. Cardiac cath services should be under the direct supervision of one or more qualified physicians. Such physicians should have clinical experience performing physiologic and angiographic procedures.**

VHC provided assurances that cardiac cath services are under the direction of a medical director with the required board certification and experience.

Pediatric cath services should be under the direct supervision of one or more qualified physicians. Such physicians should have clinical experience in performing pediatric physiologic and angiographic procedures.

Not applicable. VHC is not proposing to perform pediatric cardiac cath procedures.

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.

Inova Health Systems had the dominant share of cardiac catheterization labs in PD 8, with its 11 labs making up 52.38% of all labs in the PD in 2024. Additionally, Inova contributed 66.70% of all DEPs in PD 8 in 2024 (Table 11). Meanwhile, VHC had 19.05% of the cardiac catheterization labs in the PD, which is the second-highest share, and contributed 16.25% of the DEPs in the PD. Should this project be approved, it would mildly increase institutional competition by decreasing Inova's overall share of cath labs in the PD.

Table 11. PD 8 Health Systems/Hospitals Share of Cardiac Catheterization Labs

Facility Name	Licensed Cath Labs	Overall Share of Cath Labs	Overall Share of DEPs
Inova Health Systems (IHS)	11	52.38%	66.70%
Healthcare Associates Inc (HCA)	3	14.29%	5.26%
Sentara Health	2	9.52%	5.78%
University of Virginia (UVA)	1	4.76%	6.01%
Virginia Hospital Center (VHC)	4	19.05%	16.25%
PD 8 Cardiac Catheterization Totals	21		

Source: VHI, 2024

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.

VHC is the only acute care hospital in Arlington and the only remaining independent hospital in PD 8. It is a Level 2 Trauma Center, one of three open-heart surgery providers¹⁴, and operates the second busiest emergency department (ED) in the PD 8. VHC operated four of the 21 (19.05%) of the cardiac cath labs in PD 8 in 2024. According to Table 1 VHC's four cath labs were utilized at 88.52% of the SMFP threshold for expansion in 2024. While this does not meet or exceed the SMFP threshold, VHC recorded the second largest number of overall DEPs in PD 8. The average overall DEP volume in PD was 1,245 per cath lab which is 103.75% of the threshold outlined in the SMFP. This demonstrates that there is a need for additional cardiac cath lab services in PD 8.

¹⁴ The three authorized open heart surgery providers in PD 8 are Inova Fairfax Hospital, Virginia Hospital Center and Reston Hospital Center

Table 1. Cardiac Cath VHI 2024 Utilization, PD 8 (Duplicated)

Facility Name	# of Labs	Adult Dx	Adult Simple Tx	Adult Same Session Dx and Tx	Adult Complex Tx
Inova Alexandria Hospital	2	954	18	294	0
Inova Fairfax Hospital	7	4111	92	1233	912
Inova Loudoun Hospital	2	914	3	444	0
Reston Hospital Center	2	324	217	198	0
Sentara Northern Virginia Medical Center	2	926	12	187	0
Stone Springs Hospital Center	1	10	2	3	0
UVA Health Prince William Medical Center	1	33	705	43	0
Virginia Hospital Center	4	1305	215	503	201
PD 8 Total	21	8,577	1,264	2,905	1,113

DEP Multiplier (weighted)								
Facility Name	# of Labs	x 1	x 2	x 3	x 5	Total DEPs	DEPs/ Cath Lab	% of SMFP Threshold
Inova Alexandria Hospital	2	954	36	882	0	1,872	936	78.00%
Inova Fairfax Hospital	7	4111	184	3699	4560	13,314	1,902	158.50%
Inova Loudoun Hospital	2	914	6	1332	0	2,252	1,126	93.83%
Reston Hospital Center	2	324	434	594	0	1,352	676	56.33%
Sentara Northern Virginia Medical Center	2	926	24	561	0	1,511	756	62.96%
Stone Springs Hospital Center	1	10	4	9	0	23	23	1.92%
UVA Health Prince William Medical Center	1	33	1410	129	0	1,572	1,572	131.00%
Virginia Hospital Center	4	1305	430	1509	1005	4,249	1,062	88.52%
PD 8 Total	21	8,577	2,528	8,715	5,565	26,145	1,245	103.75%

Source: 2024 VHI and DCON Calculations

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.

Projected capital costs of \$5,700,497 (Table 3) are reasonable when compared to other recently authorized and similar projects. The proposal will be funded entirely with VHC's accumulated reserves such that no financing costs accrue. The pro forma income statement provided by the applicant projects net income before taxes of \$6,426,000 in the first year of operation, and \$6,625,462 in the second year of operation (Table 12).

Table 12. Pro Forma, VHC Health

	Year 1	Year 2
Gross Patient Revenue	\$41,444,110	\$42,687,320
Contractual Adjustments	\$28,181,995	\$29,027,455
Bad Debt	\$621,662	\$640,312
Charity Care	\$1,243,323	\$1,280,623
Total Operating Revenue	\$11,397,130	\$11,739,044
Total Operating Expenses	\$4,971,130	\$5,113,582
Income/(Loss) from Operations	\$6,426,000	\$6,625,462

Source: COPN Request No. VA-8869

With regard to staffing, the applicant states that the proposed project requires only 4.5 additional full-time equivalent staff members. This includes 2 registered nurses, one licensed practical nurse and 1.5 laboratory medical technologists.

While DCOPN previously expressed concern about the large number of vacant positions¹⁵ VHC had to fill across all areas of the facility, this particular portion of the larger “Corner Addition” project is feasible. The applicant asserts that they will be able to staff the cardiac cath lab using existing recruitment efforts and channels. VHC added that it was able to open its most recent COPN project¹⁶, The VHC Health Outpatient Imaging Center has a full staff.

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

The proposal does not provide innovation in the delivery of health services nor the delivery of care in an outpatient facility.

- 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.

VHC partners with many training and educational facilities in Northern Virginia and the District of Columbia, including Marymount University, Northern Virginia Community College, George Mason University, Georgetown University, George Washington University, James Madison

¹⁵ COPN Request No. VA-8827 staff report p. 31-32.

¹⁶ COPN No. VA-04880 was issued in February 2024 to establish a specialized center for CT and MRI imaging.

University, Catholic University, Shenandoah University, Stratford University, and Chamberlain University. In 2022, VHC Health became the first hospital in the D.C. Metro area to become a Practice Transition Accreditation Program which is a national certification awarded for meeting global standards that transition new graduate registered nurses through their first twelve months of practice. The applicant does not address any criteria by which the proposed project would affect the unique research, training, and clinical mission of the teaching hospital or any contribution the teaching hospital may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations that is not addressed elsewhere in the report.

DCOPN Staff Findings and Conclusions

Virginia Hospital Center proposed to add one additional cardiac catheterization laboratory, for a total complement of five, at its main hospital campus located at 1701 N George Mason Drive in Arlington. DCOPN finds that this proposal is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia. While VHC's four existing cardiac cath labs only performed at 88.52% of the SMFP threshold for expansion, it has shown that it will well-exceed the threshold in coming years and therefore has an institutional need to expand. Additionally, the overall average utilization in PD 8 was 130.75%, demonstrating an overall need for additional cardiac cath labs.

Additionally, the HSAHV recommended approval and there is no known opposition to the proposal. The proposal is more beneficial than the status quo and it is unlikely to impact existing providers significantly.

Projected capital costs are reasonable, and the proposal is wholly feasible in the immediate and long-term. Finally, additionally staffing required for the project is minimal.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Virginia Hospital Center's COPN Request Number VA-8869 to add one cardiac cath laboratory (for a total complement of five) in its hospital facility in Arlington, Virginia for the following reasons:

1. The project is generally consistent with the applicable criteria and standards of the State Medical Facilities Plan and the eight Required Considerations of the Code of Virginia.
2. VHC continues to see an increase in cardiac catheterization laboratory and has a demonstrated institutional need to expand.
3. The addition of a fifth cardiac catheterization lab 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 surgical services in PD 8.
5. The capital cost of the proposed project is reasonable and appears financially viable in the short- and long-term.

6. HSANV has recommended approval of the project.

Should the Commissioner decide to approve the COPN Request No. VA-8869, Virginia Hospital Center must accept the following charity care condition:

Virginia Hospital Center must provide Cardiac Catheterization services to all persons in need of these services, regardless of their ability to pay, and will provide as charity care to all indigent patients free Cardiac Catheterization services or rate reductions in Cardiac Catheterization services and facilitate the development and operation of primary care services to underserved persons in an aggregate amount equal to at least 4.1% of Virginia Hospital Center's gross patient services revenue derived from Cardiac Catheterization services. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or appropriately certified financial statements documenting compliance with the preceding requirement.