COMMONWEALTH of VIRGINIA
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State Health Commissioner
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August 20, 2026

Jamie B. Martin
Williams Mullen
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RE: Certificate of Public Need (COPN) Request No. VA-8864
Hematology-Oncology Associates of Fredericksburg
Fredericksburg, VA
Establish a Medical Care Facility with One (1) PET/CT Scanner, Planning District #16

Dear Ms. Martin:

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 Certificate of Public Need (COPN) application captioned above and all relevant documents. As required by Subsection B of Virginia Code §32.1-102.3, I have considered all matters, listed therein, in deciding public need under the COPN Law.

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, §2.2-4000 *et seq.* of the Code.

As required by §32.1-102.3(B) 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 **denial** is warranted based on the following findings:

1. The proposed project is inconsistent with the COPN law, is not in harmony with the State Medical Facilities Plan or public policies, interests, and purposes to which the State Medical Facilities Plan and COPN law are dedicated;

2. PD 16 has no need for an additional PET/CT scanner. Authorization for another PET/CT scanner is premature;

3. A reasonable alternative to the proposed project is the status quo;

4. Approval of the project will significantly negatively impact existing providers in the PD; and

5. There is documented opposition to the proposed project.

Sincerely,

Dr. Cameron Webb
State Health Commissioner

cc: Deborah K. Waite, Chief Operating Officer, Virginia Health Information
Charis A. Mitchell, Assistant Attorney General, Commonwealth of Virginia
Vanessa MacLeod, Adjudication Officer
Antwon Jacobs, COPN Supervisor, Division of Certificate of Public Need
Natalie Scarbrough, Project Analyst, Division of Certificate of Public Need
Nathan C. Mortier, Counsel to Reston Radiology Advanced Imaging Centers LLC

Recommended Case Decision
Certificate of Public Need (COPN)
Planning District (PD) 16
Health Planning Region (HPR) I

COPN Request No. VA-8850
Reston Radiology Advanced Imaging Centers, LLC
Fredericksburg, Virginia
Establish a Medical Care Facility with One (1) PET/CT Scanner

COPN Request No. VA-8864
Hematology-Oncology Associates of Fredericksburg
Fredericksburg, Virginia
Establish a Medical Care Facility with One (1) PET/CT Scanner

I. Introduction

This document is a recommended case decision, submitted to the State Health Commissioner (hereinafter, "Commissioner") for consideration. It follows full review of the administrative record pertaining to the above-captioned applications, as well as the convening of an informal fact-finding conference (IFFC)[1] conducted in accordance with the Virginia Administrative Process Act[2] and Title 32.1 of the Code of Virginia.

II. Authority

Article 1.1 of Chapter 4 of Title 32.1 (§32.1-102.1 *et seq.*) of the Code of Virginia (the "COPN Law") addresses medical care services and provides that "[n]o person shall undertake a project described in [this Article] or regulations of the [State] Board [of Health] at or on behalf of a medical care facility . . . without first obtaining a certificate [of public need] from the Commissioner."[3]

The endeavors described and proposed in these applications falls within the statutory definition of "project" contained in the COPN law, and thereby, requires a Certificate to be issued before these projects may be undertaken.[4]

[1] The IFFC was held on April 20, 2026. A certified reporter's transcript ("Tr.") of the IFFC is in the administrative record ("AR").
[2] Va. Code §2.2-4000 *et seq.*
[3] Va. Code §32.1-102.1:2(A); (a "Certificate" or COPN).
[4] Va. Code §§32.1-102.1 and 32.1-102.3.

III. Statement of Facts

The factual basis underlying this recommendation consists of evidence in the administrative record, including, but not limited to, the applications giving rise to this review, the testimony of witnesses presented, and written documents prepared by the applicants at and following the IFFC, and the documents prepared by the Division of Certificate of Public Need ("DCOPN").

Specific findings of fact for each proposed project are as follows:

1. Each proposed project is in PD 16, HPR I.

2. The administrative record on each of the proposed projects closed on June 17, 2026.[5]

Specific findings of fact for VA-8850- Reston Radiology Advanced Imaging Centers, LLC are as follows:

1. Reston Radiology Advanced Imaging Centers, LLC ("Reston Radiology") is a limited liability company in Virginia, primarily providing services for northern Virginia. The company is owned and operated by physicians. Reston Radiology is not a parent or subsidiary of another company.

2. The proposed project will be located at 4541 Spotsylvania Parkway, Fredericksburg, Virginia.

3. The applicant seeks approval to establish a specialized center for PET/CT imaging.

4. Should the proposed project be approved, the applicant estimates the provision of services will begin nine months after receiving the Certificate.

5. DCOPN recommended denial.

Specific findings of fact for VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc. are as follows:

1. Hematology-Oncology Associates of Fredericksburg, Inc. ("HOAF") is a practice focused on the diagnosis and treatment of blood disorders and cancers. HOAF is not a parent or subsidiary of another company.

2. The proposed project will be located at 4501 Empire Court, Fredericksburg, Virginia.

3. The applicant seeks approval to establish cancer-focused PET/CT services at one of its three locations in PD 16.

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[5] Tr. at 169.

4. Should the proposed project be approved, the provision of services is estimated to start on January 1, 2028.

5. DCOPN recommended denial.

A. The Proposed Projects in Relation to the Eight Statutory Considerations

The eight statutory considerations provided by the COPN law[6] appear in bold type below, with statements pertinent to the proposed projects.

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.

Each proposed project is located in the City of Fredericksburg; and seeks to add another PET/CT scanner to the PD.

In addition to the City of Fredericksburg, PD 16 also includes four counties: Caroline County, King George County, Spotsylvania County, and Stafford County.

PD 16's population growth is more than double the expected population growth of Virginia.[7] The total population of this PD in 2020 was 382,551 and is expected to grow by 12.7% to 14.7% (i.e., ranging from 431,060 to 438,636) by 2030.[8] The growth of the 65+ population accounts for roughly half of the projected growth rate.[9]

All of the PET scanners in PD 16 are PET/CT scanners. There are three approved PET/CT scanners in PD 16 located at (1) Medical Imaging of Fredericksburg ("MIF"), (2) Cardiology Associates of Fredericksburg, and (3) Oracle Heart & Vascular Inc, respectively.

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[6] The COPN law requires that any decision to issue a Certificate must consider the eight statutory factors enumerated in Virginia Code §32.1-102.3(B) and consistency with the State Health Services Plan. Virginia Code §32.1-102.2:1 calls for the State Health Services Plan Task Force to develop recommendations for a comprehensive State Health Services Plan. Because the State Health Services Plan is still in development, I am considering consistency of the proposed projects with the current regulatory language provided in the State Medical Facilities Plan (SMFP). The SMFP, found in the Virginia Administrative Code (VAC) at 12VAC5-230-10 *et seq.*, is the planning document adopted by the Board of Health, which includes methodologies for projecting need for medical facilities and services, as well as procedures, criteria, and standards of review of applications for projects for medical care facilities and services.

[7] DCOPN Staff Report at 1.

[8] DCOPN Staff Report at 1; Reston IFFC Exhibit Book, Tab 7.

[9] *Id.*

Of those three, only MIF reported services on its one PET/CT scanner in PD 16 to Virginia Health Information (VHI) in the most recent year of data available, 2024.[10] The other two PET/CT scanners were not operational until 2026.

MIF's scanner does not have a restriction on use, and the CT portion is authorized to provide imaging independently from the PET portion of the scanner.[11] MIF plans on upgrading their scanner in 2027, which will decrease scan time by up to 50% and allow greater access to imaging services.[12] MIF has physicians across a variety of sub-specialties who can interpret or collaborate on scans depending on the location of the scan in the body; and they represented that in 2025, 58% of their referrals for PET/CT services were related to oncology and 42% were related to neurosciences.[13]

Regarding the second scanner, Cardiology Associates of Fredericksburg received a certificate for a cardiological PET/CT scanner in 2023 and started PET/CT services on March 3, 2026. The CT portion of the PET/CT is not authorized for independent use.

The third scanner at Oracle Heart & Vascular Inc. was approved in March of 2026 and was scheduled to begin providing services on June 16, 2026.

All of the scanners- authorized and proposed- are located within approximately a 7-mile radius of each other and along I-95.

The average procedures per PET scanner in Virginia was 2,372 in 2024.[14] The reported PD 16 average of 2,686 is higher than the state average.[15]

There are 15 CT scanners in the PD.[16]

Reston Radiology

Reston Radiology is applying to establish a specialized imaging center for the provision of PET/CT imaging services, with one fixed PET/CT scanner that will have independent use of the CT portion.

The facility is not currently providing services as the site acquisition has not occurred. Reston Radiology's proposed site is located across the street from Spotsylvania Hospital.

Reston Radiology has four other locations; however, all of which are located in PD 8.

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[10] DCOPN Staff Report at 2.
[11] *Id.* at 2-3.
[12] AR Exhibit L at 2.
[13] AR Exhibit O at 5.
[14] DCOPN Staff Report at 4.
[15] *Id.*
[16] *Id.*

HOAF

HOAF is applying to establish a specialized imaging center for the provision of PET/CT imaging services, with one fixed PET/CT scanner that will have independent use of the CT portion. The project will be restricted to oncological imaging scans.

The project will include the renovation of the practice's existing facility. The facility is currently providing services at this location, and there is an existing patient base.

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; (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; (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; (iv) Any costs and benefits of the project; (v) The financial accessibility of the project to the residents of the area to be served, including indigent residents; (vi) At the discretion of the Commissioner, any other factors as may be relevant to the determination of public need for a project.**

There is community support and opposition for each of the proposed projects, as demonstrated by the public hearings on the applications as well as the letters.

Supporting positions generally asserted that there has been an increase in CT utilization and the addition of a PET/CT with independent CT use would add access and decrease patient's waiting time; and the combined PET/CT scanner would allow for dual scanning, reducing the amount of radiation exposure and scan time.

Opposition generally asserted that approval of the project will harm existing providers due to lack of existing patient base and low demand for PET/CT scans in the PD. One letter of opposition asserts that "forecasting indicates that adding new PET providers could reduce MIF volume from 2,884 scans in 2026 to as low as 81 scans in 2028, threatening long-term service sustainability."[17]

The status quo is a reasonable alternative to the proposed projects. The currently reporting PET/CT scanner in the PD, operated by MIF, had a utilization of 44.8% in 2024 with 2,686 scans. The two other providers started PET/CT services in 2026. No information provided showed that this PD was at or near the SMFP threshold.

There is no Health Planning Agency in HPR I.

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[17] AR Exhibit K at 2.

The cost of both proposals is comparable with other recent projects for the establishment of imaging centers with PET/CT scanners.

Reston Radiology

At the public hearing, three participants were in support, and twelve opposed Reston Radiology's proposed project. Of the supporters, two were physicians working at facilities owned by Reston Radiology, and the third was the applicant's counsel. Of the individuals opposing the project all were from MIF, the center is currently the only authorized unrestricted PET/CT provider in the PD or connected to a facility partnering with the center.

Opposition argued that Reston Radiology does not have an existing patient base in the PD; the projected number of scans would encompass the entire PD's patient base if fulfilled; current wait times between prescribing and performing scans are estimated to be approximately 2.1 days; and the approval of the project would harm existing providers due to lack of existing patient base and low demand for PET/CT scans in the PD.

HOAF

At the public hearing, nine participants were in support, and ten opposed HOAF's proposed project. Of the participants who were in support: three were former patients, six were current employees, and one was the applicant's counsel. Two written comments of support were delivered at the public hearing by the applicant's counsel as the writers were unable to attend. Of the individuals opposing the project, all were from MIF.

Opposition argued that current wait times between prescribing and performing scans are estimated to be approximately 2.1 days; HOAF patients were estimated to be approximately 45-48% of the current patient base at MIF; and there was stated concern that approval of the project would negatively impact the existing providers.

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

All residents of the region have geographic access to PET/CT imaging services.

The reported PD 16 PET scanner average of 2,686 is higher than the state average. MIF, which is operating below 50% of the SMFP threshold, asserts that 1,500 additional scans can be completed by the facility annually before the PD's demand for PET imaging requires additional scanners. Multiple MIF representatives have stated that the average wait time for patients to receive imaging services is 2.1 days. MIF plans on upgrading their scanner in 2027, which will decrease scan time by up to 50% and allow greater access to imaging services.[18] Further, the

[18] AR Exhibit L at 2.

other two authorized PET/CT scanners in the PD are not yet reporting data to VHI because they began providing services in 2026.

Reston Radiology

Reston Radiology does not have an existing facility in PD 16; and, for this project proffered a charity care rate of 1.9%, which was the HPR average in 2023 but slightly less than the average of 2024.

Reston Radiology will not add to the geographic accessibility of the PD as defined by the 30-minute drive. Reston Radiology's proposed location is 5.2 miles from MIF's site. Access to the facility will overlap with existing providers.

Reston Radiology asserts that residents of PD 16 leave the PD for PET/CT services, citing to 31 residents treated at their PD 8 facility and alleged PD 16 patients referenced in other COPN applications.[19]

HOAF

HOAF has an existing facility in PD 16; and proffered a charity care rate of 1.9%, which was the HPR average in 2023 but slightly less than the average of 2024.

HOAF will not add to the geographic accessibility of the PD as defined by the 30-minute drive. HOAF is 7.7 miles from MIF's site. Access to the facility will overlap with existing providers.

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.

There are three PET/CT providers in PD 16; two of which began providing services in 2026.

The introduction of another PET/CT provider in the PD would foster institutional competition. However, overexpansion risks destabilizing existing services. Currently, the utilization rate available suggests that PD 16 has a less than 50% utilization rate, making it likely that the addition of one or two more PET/CT scanners would result in overexpansion.

Reston Radiology

Reston Radiology does not have a patient base in the PD, and the transition of clients would either indicate a sharp increase in PET/CT scans performed or a negative impact on existing providers in the PD.

[19] Reston Radiology Proposed Findings of Fact and Conclusions of Law at 11; *See also* Tr. at 36-38.

HOAF

HOAF has an existing patient base, and currently provides nearly half of MIF's referrals. Loss of referrals from HOAF will significantly reduce the number of PET scans performed at MIF.

5. The relationship of the project to the existing health care system of the area to be served, including the utilization and efficiency of existing services or facilities.

There are three PET/CT providers in PD 16; two of which began providing services in 2026.

HOAF pointed out that MIF's unit is the only general-purpose PET/CT unit along the I-95 corridor between Northern Virginia and Richmond.[20] Even then, it operates at less than half of the SMFP's utilization threshold.

Current PET/CT procedures at MIF are at less than half of the SMFP's utilization threshold; and two other PET/CT providers began offering services in 2026. MIF, the only authorized PET/CT scanner reporting data to VHI in PD 16, is reporting a utilization of 44.8% of the SMFP threshold for expansion. MIF offers a full range of non-cardiac PET/CT services. The other two scanners, at Cardiology Associates of Fredericksburg and Oracle Heart & Vascular Inc., which provide dedicated cardiology-dedicated PET/CT services, will likely disperse the utilization of MIF's scanner on some level.

There is no demand for additional PET/CT scanners in PD 16. While PD 16 has additional CT capacity under the SMFP, CT services cannot be approved independently as the proposed projects expressly applied for a combined PET/CT scanner.

Adding one or two more PET/CT scanners per the proposed projects would likely have a negative impact on existing providers. Mary Washington Medical Group asserts that because each applicant would offer substantially the same services as MIF, that either of the proposed projects would substantially harm utilization of MIF's PET/CT service, and approval of both would be catastrophic for MIF.[21]

Reston Radiology

The number of PET scans estimated in both the first and second year would be over half of the total scans currently provided within PD 16. As the applicant does not have a presence in the PD, the viability of the proposed project would require the facility to establish a patient base with half of the population of current residents receiving scans from other providers.

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[20] HOAF Proposed Findings and Conclusions of Law at 5.
[21] AR Exhibit O at 2.

Reston Radiology asserts they are referral neutral, taking all types of patients, not only oncology referrals.[22] If so, then the proposed project would likely negatively impact the three existing providers.

HOAF argues that it is unclear what patients Reston Radiology would serve; and that Reston Radiology has submitted no data quantifying the number of PD 16's non-cancer patients who need additional PET/CT capacity or who would be better served by their scanner. [23]

HOAF further asserts that "[w]ith essentially no existing patient base, and no apparent referral relationships, Reston Radiology's projections are mere speculation."[24]

HOAF

HOAF's patients were estimated to be approximately 45-48% of the current patient base at MIF, making it likely that the proposed project would negatively impact MIF.

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.

Each of the applicants has provided assurances that the services will be under the direct supervision of one or more qualified physicians; and each applicant asserts it is confident that it will secure adequate staffing.

Each of the projects is financially feasible for the applicants. However, the lack of public need calls into question the financial viability of introducing an additional scanner.

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.

None of the proposed projects introduce new technology. All services will be provided on an outpatient basis. There are no identified cooperative efforts to meet regional health care needs.

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[22] Tr. at 60-61.
[23] HOAF Rebuttal at 2.
[24] *Id.* at 3.

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 serve (i) The unique research, training, and clinical mission of the teaching hospital or medical school, and (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.

Each of the applicants are not an academic medical center nor a teaching hospital associated with a public institution of higher education or a medical school in the area to be served.

Conclusions and Recommendation

Based on review of the evidence, I recommend denial for each of the proposed projects because they do not merit approval under COPN law.

VA-8850- Reston Radiology Advanced Imaging Centers, LLC

I recommend denial of Reston Radiology Advanced Imaging Centers, LLC's Certificate of Public Need Request number VA-8850 to establish a specialized care facility for the provision of PET/CT imaging services for the following reasons:

1. The proposed project is inconsistent with the COPN law, is not in harmony with the SMFP or public policies, interests, and purposes to which the SMFP and COPN law are dedicated;

2. PD 16 has no need for an additional PET/CT scanner. Authorization for another PET/CT scanner is premature;

3. A reasonable alternative to the proposed project is the status quo;

4. Approval of the project will significantly negatively impact existing providers in the PD; and

5. There is documented opposition to the proposed project.

VA-8864- Hematology-Oncology Associates of Fredericksburg, Inc.

I recommend denial of Hematology-Oncology Associates of Fredericksburg, Inc.'s Certificate of Public Need Request number VA-8864 to establish a specialized care facility for the provision of PET/CT imaging services for the following reasons:

1. The proposed project is inconsistent with the COPN law, is not in harmony with the SMFP or public policies, interests, and purposes to which the SMFP and COPN law are dedicated;

2. PD 16 has no need for an additional PET/CT scanner. Authorization for another PET/CT scanner is premature;

3. A reasonable alternative to the proposed project is the status quo;

4. Approval of the project will significantly negatively impact existing providers in the PD; and

5. There is documented opposition to the proposed project.

Respectfully submitted,

Vanessa MacLeod, JD
Adjudication Officer

August 3, 2026