

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

November 19, 2024

COPN Request No. VA-8776

Absolute Dermatology ASC, LLC

Richmond, Virginia

Establish an outpatient surgical hospital with one operating room for Mohs procedures

Applicant

Absolute Dermatology ASC, LLC (Absolute Dermatology) is a limited liability company formed under the laws of Virginia in 2024. Absolute Dermatology does not have any subsidiaries. The proposed project would be located in Richmond, Virginia in Health Planning Region (HPR) IV, Planning District (PD) 15.

Background

In the application for Certificate of Public Need (COPN) Request No. VA-8776, the applicant explains:

Mohs surgery is recognized as the most effective technique for treating most cancerous skin lesions, including basal cell carcinomas, squamous cell carcinomas, and melanoma. For skin cancer that has not been treated before, Mohs surgery has up to a 99% cure rate and up to 94% for skin cancer that has returned after previous treatment. Mohs surgery has a much higher cure rate than other cancer treatment options due to the precise process followed. In this procedure, the surgeon removes thin layers of skin one layer at a time and examines each layer under a microscope to determine if any cancer remains. This process continues until it is confirmed the remaining tissue is cancer free. It is much more precise than traditional skin cancer surgery techniques, which can result in larger amounts of skin being taken than necessary (leaving a bigger scar) or less skin taken than necessary (leaving cancerous cells behind and requiring additional procedures and creating risk of further spread). Allowing one doctor to act as both surgeon and pathologist and evaluate 100% of the surgical margin in one visit results in much higher cure rates than traditional excision with standard pathology. The benefits of the precise nature of Mohs surgery are even greater in high risk and cosmetically sensitive areas where excessive margins can be disfiguring and recurrence could even be fatal.

Mohs surgery is preferable to traditional surgery as it allows completion of all treatment in one visit, including lab work, while patients wait. In contrast, traditional surgery requires multiple procedures and follow ups, as the biopsied skin sample is sent out of the facility for

lab review. During that time, patients are left with an open wound and must wait for confirmation that all cancerous cells were removed. If not, the process repeats, dragging out the process for patients and resulting in increased costs, more time away from work, and heightened stress during an already emotional time. Mohs surgery spares significantly more surrounding healthy tissue and leaves the smallest possible scar, creating better patient outcomes and higher patient satisfaction.

As a growing part of its current practice, Absolute Dermatology provides Mohs surgery for tumor removal and post-Mohs reconstruction for skin cancer patients. Mohs is a preferred alternative to local excisions and is the most advanced surgery to address skin cancer, as it offers more precise removal of skin cancer while leaving a greater amount of healthy surrounding tissue. Mohs surgery also permits more exact and certain confirmation that the cancerous cells are fully removed. Therefore, the number of patients seeking Mohs surgery at Absolute Dermatology is both significant and growing. Further, Mohs surgery in conjunction with post-Mohs reconstruction allows for restoration of both the look and function of the skin following tumor removal. Access to immediate post-Mohs reconstruction allows patients to heal faster and results in better long-term outcomes. Dr. Gillen specifically trained in Mohs micrographic surgery and dermatologic oncology with Dr. Coldiron, a prolific author of Mohs surgery literature, and Dr. Gillen is a fellowship-trained and board-certified Mohs micrographic and reconstructive surgeon with significant experience in providing precise Mohs surgery in even the most complex cases.

Mohs surgery is an outpatient surgery that is readily performed in a physician's office, (usually a dermatologist's or plastic surgeon's office), or in an outpatient surgical hospital (OSH). Performance in an OSH carries the advantage of being in a licensed, inspected, facility and can qualify for more expanded third-party reimbursement such as from Medicare and Medicaid.

According to Division of Certificate of Public Need (DCOPN) records, there are 206 operating rooms (ORs) located in PD 15, of which 148 are within acute care hospitals, and 58 are within OSHs. Of the 206 ORs, 12 are dedicated cardiac ORs and 4 are trauma ORs, which are explicitly excluded from the general purpose OR (GPOR) need calculation in the State Medical Facilities Plan (SMFP). Of the remaining 190 GPORs, 20 additional ORs are restricted use ORs, which are not specifically excluded from the GPOR need calculation in the SMFP. Therefore, for purposes of the GPOR need calculation in the SMFP, DCOPN will consider a GPOR inventory of 190 GPORs (**Table 1**). In PD 15 there are at least four centers with a focus on Mohs surgery (Skin Surgery Center of Virginia, Mohs Surgery Center of Richmond Dermatology, Absolute Dermatology and VCU Medical Center Dermatology Department), in addition to other dermatologic, skin cancer and plastic procedures, readily identified. Only two are licensed as an OSH (Skin Surgery Center of Virginia and Mohs Surgery Center of Richmond Dermatology) and one is licensed as a general hospital (VCU). Based on the number of physicians identified in an internet search as performing Mohs surgery in PD 15, there may be many additional physician's offices, and perhaps hospitals where patients can access the surgery.

Table 1: PD 15 COPN Authorized GPOR Inventory

Facility	Total ORs	Dedicated Cardiac ORs	Restricted Use ORs	Trauma OR	Unrestricted GPORs
Acute Care Hospitals					
Bon Secours Memorial Regional Medical Center	8	1	--	--	7
Bon Secours Richmond Community Hospital	3	--	--	--	3
Bon Secours St. Francis Medical Center	13	--	--	--	13
Bon Secours St. Mary's Hospital	23	2	--	--	21
Chippenham Hospital	14	4	--	1	9
Henrico Doctors' Hospital - Forest	20	2	--	1	17
Henrico Doctor's Hospital - Parham	11	--	--	--	11
Henrico Doctor's Hospital - Retreat	3	--	--	--	3
Johnston-Willis Hospital	16	--	--	--	16
VCU Health System	37	3	--	2	32
Total ORs in Acute Care Hospitals	148	12	0	4	132
Facility	Total ORs	Dedicated Cardiac ORs	Restricted Use ORs	Trauma OR	Unrestricted GPORs
American Access Care of Richmond	2	--	2 (Vascular)	--	--
Bon Secours Memorial Ambulatory Surgical Center	5	--	--	--	5
Boulders Ambulatory Surgery Center	4	--	--	--	4
Cataract and Refractive Surgery Center	1	--	1 (Ophthalmic)	--	--
Colon & Rectal Endoscopy Specialists & Surgery Center, LLC	1	--	1 (Colorectal)	--	--
MEDRVA Stony Point Surgery Center	5	--	--	--	5
MEDRVA Surgery Center at West Creek	2	--	--	--	2
MEDARVA Surgery Center at Chesterfield	2	--	1 (Ophthalmic)	--	1
Middle Virginia Surgicenter	3 ¹	--	--	--	3
MOHS Surgery Center of Richmond Dermatology	1	--	1 (Mohs)	--	--
Skin Surgery Center of Virginia	2	--	2 (Skin Cancer/Mohs)	--	--
St. Francis Ambulatory Surgery Center	2	--	--	--	2
St. Mary's Ambulatory Surgery Center	4	--	--	--	4
Urosurgical Center of Richmond	3	--	3 (Urosurgical)	--	--
VCU Health Courthouse Landing Pavilion	4	--	--	--	4
VCU NOW Center	6	--	--	--	6
VCU Medical Center-Pediatric Outpatient Surgery	2	--	--	--	2
Virginia ENT Surgery Center	1	--	1 (ENT)	--	--

¹ COPN No. VA-04892 authorized Middle Virginia Surgicenter, LLC to establish an outpatient surgical hospital with three GPORS – two relocated from Henrico Doctors Hospital – Retreat and one relocated from Henrico Doctors Hospital Forest. The project is expected to be complete by May 31, 2027.

Facility	Total ORs	Dedicated Cardiac ORs	Restricted Use ORs	Trauma OR	Unrestricted GPORs
Virginia Eye Institute	6 ²	--	6 (Ophthalmic)	--	--
VSA Vascular Center	2	--	2 (Vascular)	--	--
Total ORs in OSHs	58	0	20	0	38
Grand Total	206	12	20	4	170

Source: DCOPN Records

Proposed Project

Absolute Dermatology proposes to establish an outpatient surgical hospital (OSH) with one operating room dedicated to the provision of Mohs surgery and post-Mohs reconstructive surgery at 1300 Wilkes Ridge Drive, Richmond, Virginia. The OSH will be located adjacent to the existing Absolute Dermatology practice. Although the applicant is currently performing Mohs surgeries in its office, it has identified a need to establish an OSH, explaining:

The purpose of seeking a specialty OR through the COPN process is not to compete with existing general purpose ASC providers but to offer a seamless process for skin cancer patient care. While Absolute Dermatology is currently performing Mohs procedures in its existing Glen Allen office, the patient volume has significantly increased and is outgrowing the existing facility. The Glen Allen facility has limited space in its procedure room to do post-Mohs reconstructive surgery, and a new replacement facility with a dedicated operating room and procedure room would allow for more efficient and patient-focused spaces that improve and enhance the patient experience. It would also allow Absolute Dermatology to better use its existing Chesterfield office for other dermatology treatments and procedures, as Mohs surgery and post-Mohs reconstructive procedures can be time consuming and limit availability of the procedure room for non-Mohs reconstructive surgeries. The relocation to the eastern Goochland location will allow Absolute Dermatology to co-locate and expand its general dermatology and aesthetics practice next to the ASC. Through this project, Absolute Dermatology can more effectively use its space for general and medical dermatology visits, as well as improve Mohs surgery care.

For each patient, the Mohs surgical process from start to finish can take anywhere up to 4 hours or more. Performing these surgeries in Absolute Dermatology's existing office therefore takes up time that could be utilized for other dermatologic treatment and would be better suited for a facility that is built to enhance the patient experience, with appropriate waiting areas and patient recovery space while patients wait for lab results. Additionally, the proposed project will allow for on-site Mohs-reconstructive surgery post-procedure. This is a significant benefit to patients, as it allows their reconstructive surgery to happen directly following the surgery. As such, they do not need to schedule a follow-up appointment for a different day at a different facility and are not required to leave the facility with a bandage over an open wound, leaving them susceptible to infection and other side-effects.

² COPN No. VA-04902 authorized Virginia Eye Institute, Inc. to add one operating room limited to ophthalmic procedures, for a total of six operating rooms. The project is expected to be completed by February 28, 2026.

The projected capital costs of the proposed project total \$2,362,564, approximately 69% of which represent direct construction costs. The project involves financing incurred by both the applicant and the landlord. The applicant will be responsible for equipment and start-up cost financing. The landlord will be responsible for the build out of the OSH space and will charge the applicant for the construction costs as a pass-through cost.

Table 2. Absolute Dermatology Projected Capital Costs

Direct Construction Costs	\$1,635,656
Equipment Not Included in Construction Contract	\$116,578
Site Acquisition Costs	\$509,880
Architectural and Engineering Fees	\$96,950
Other Consultant Fees	\$3,500
Total Capital Costs	\$2,362,564

Source: COPN Request No. VA-8776

Construction is anticipated to begin in February 2025 and is expected to be completed by July 2025. The applicant anticipates an opening date in August 2025.

Project Definition

§32.1-102.1 of the Code of Virginia defines a project, in part, as the “[e]stablishment of a medical care facility.” A medical care facility includes “[a]ny facility licensed as a hospital, as defined in Section 32.1 – 123.”

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 project will provide or increase access to health care services for people in the area to be served, and the effects that the proposed project will have on access to health care services in areas having distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to health care;**

Geographically, Absolute Dermatology will be located at 1300 Wilkes Ridge Drive, Richmond, Virginia. The OSH will be located near the intersections of Interstate 64, Virginia State Route 288 and Broad Street, major thoroughfares in PD 15. There is a Greater Richmond Transit Company (GRTC) bus stop a two-minute walk from the site of the proposed facility at 2000 Wilkes Ridge Drive, Richmond, Virginia. This bus runs every 30 minutes Monday through Saturday and every 60 minutes on Sundays. Additionally, the Ride Connections Hot Line provides two round-trip rides to medical appointments to persons meeting eligibility requirements (aged 60+ with disabilities or on Supplemental Security Income under age 60) living in PD 15. Finally, GoochlandCares offers regularly scheduled transportation service from Goochland County for those who qualify.

PD 15 had a population just over 1.1 million in 2020 and is projected to add nearly 100,000 to its population by 2030. PD 15's projected growth of 8.9% by the end of the decade 2020-2030 higher than Virginia's growth rate of 5.8%. (**Table 3**).

Table 3. Population by Locality, PD 15

Locality	2020 Population	2030 Projected Population	Projected Growth 2020-2030	Percent Growth 2020-2030	65+ 2020 Population	Projected 65+ 2030 Population	Projected Growth 65+	Percent Growth 65+
Charles City	6,773	6,200	-573	-8.46%	1,776	2,184	408	22.97%
Chesterfield	364,548	406,942	42,394	11.63%	58,200	78,858	20,658	35.49%
Goochland	24,727	27,339	2,612	10.56%	5,721	7,865	2,144	37.48%
Hanover	109,979	118,374	8,395	7.63%	20,688	28,681	7,993	38.64%
Henrico	334,389	356,656	22,267	6.66%	55,596	71,680	16,084	28.93%
New Kent	22,945	27,067	4,122	17.96%	4,405	6,216	1,811	41.11%
Powhatan	30,333	32,152	1,819	6.00%	5,848	8,085	2,237	38.25%
Richmond	226,610	245,437	18,827	8.31%	29,874	36,307	6,433	21.53%
PD 15	1,120,304	1,220,167	99,863	8.91%	182,108	239,876	57,768	31.72%
Virginia	8,631,393	9,129,002	497,609	5.77%	1,395,291	1,762,641	367,350	26.33%

Source: United States Census Bureau at <https://data.census.gov/> and Weldon Cooper Center for Public Service, August 2023

With regard to charity care, the applicant asserts:

Absolute Dermatology is committed to providing charity care for both surgical services in the ambulatory surgical center and through general dermatology services provided in the clinic. As Mohs surgery is generally not performed without a biopsy, it is important to provide an avenue by which patients in need of care can be evaluated and have a biopsy performed to make the diagnosis of skin cancer. Absolute Dermatology will be participating in AccessNowRVA to provide care to local and regional patients in need for general dermatology services. Instances of skin cancers diagnosed will be treated in Absolute Dermatology ASC by the surgeons at Absolute Dermatology. Additionally, Absolute Dermatology will be working with GoochlandCares free clinic to provide discounted services to those receiving care there who are not eligible for care through AccessNowRVA. Through these efforts Absolute Dermatology hopes to greatly improve access to dermatologic care and skin cancer surgery in the Richmond metro area for those without insurance and who are unable to afford care otherwise.

According to regional and statewide data regularly collected by Virginia Health Information (VHI), for 2022, the most recent year for which such data is available, the average amount of charity care provided by HPR IV facilities was 0.9% of all reported total gross patient revenues (**Table 4**). Pursuant to § 32.1-102.4B of the Code of Virginia DCOPN must now place a charity care condition on every applicant seeking a COPN. Accordingly, should the State Health Commissioner (Commissioner) approve the proposed project, DCOPN recommends a charity care condition of no less than the 0.9% HPR IV average, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia.

Table 4. HPR IV Charity Care Contributions: 2022

2022 Charity Care Contributions at or below 200% of Federal Poverty Level			
HPR IV	Gross Patient Revenues	Adjusted Charity Care Contribution	Percent of Gross Patient Revenue
Inpatient Hospitals			
Encompass Health Rehab Hosp of Petersburg	\$29,926,632	\$1,262,680	4.2%
Bon Secours Southern Virginia Regional Medical Center	\$226,835,907	\$4,487,576	2.0%
Sheltering Arms Institute	\$151,399,824	\$2,530,945	1.7%
Sentara Halifax Regional Hospital	\$309,122,102	\$4,945,782	1.6%
Bon Secours St. Francis Medical Center	\$1,238,984,979	\$19,560,168	1.6%
Bon Secours St. Mary's Hospital	\$2,475,071,483	\$27,800,876	1.1%
Bon Secours Southside Regional Medical Center	\$2,238,925,486	\$23,176,465	1.0%
CJW Medical Center HCA	\$9,414,749,474	\$92,280,367	1.0%
TriCities Hospital HCA	\$1,291,681,768	\$12,190,500	0.9%
Bon Secours Richmond Community Hospital	\$1,099,525,303	\$9,999,109	0.9%
Henrico Doctors' Hospital HCA	\$6,125,759,528	\$50,390,024	0.8%
Bon Secours Memorial Regional Medical Center	\$1,648,605,572	\$10,986,041	0.7%
VCU Health System	\$7,574,785,954	\$45,509,855	0.6%
Poplar Springs Hospital UHS	\$84,621,465	\$328,036	0.4%
Centra Southside Community Hospital	\$357,467,950	\$1,261,207	0.4%
VCU Community Memorial Hospital	\$428,496,287	\$664,258	0.2%
Encompass Health Rehab Hosp of Virginia	\$28,839,933	\$35,972	0.1%
Select Specialty Hospital - Richmond	\$119,460,229	-	0.0%
Cumberland Hospital for Children and Adolescents UHS	\$32,427,799	-	0.0%
Total Inpatient Hospitals:			19
HPR IV Inpatient Hospital Median			0.9%
HPR IV Total Inpatient \$ & Mean %	\$34,876,687,675	\$307,409,861	0.9%
Outpatient Centers			
Boulders Ambulatory Surgery Center HCA	\$133,673,934	\$3,982,385	3.0%
Urosurgical Center of Richmond	\$46,192,499	\$467,587	1.0%
Virginia Eye Institute, Inc.	\$41,539,958	\$362,746	0.9%
St. Mary's Ambulatory Surgery Center	\$51,111,602	\$420,544	0.8%
MEDRVA Surgery Center @ West Creek	\$11,215,428	\$27,326	0.2%
VCU Health Neuroscience, Orthopedic and Wellness Center	\$6,301,892	\$9,063	0.1%
American Access Care of Richmond	\$5,218,308	\$865	0.0%
Cataract and Refractive Surgery Center	\$9,709,070	-	0.0%
MEDRVA Stony Point Surgery Center	\$62,279,534	-	0.0%
Skin Surgery Center of Virginia	\$1,562,293	-	0.0%
Virginia Beach Health Center VLPP	\$2,518,016	-	0.0%

2022 Charity Care Contributions at or below 200% of Federal Poverty Level			
HPR IV	Gross Patient Revenues	Adjusted Charity Care Contribution	Percent of Gross Patient Revenue
Total Outpatient Hospitals:			11
HPR IV Outpatient Hospital Median	\$371,322,534		
HPR IV Total Outpatient Hospital \$ & Mean %			
Total Hospitals:			30
HPR IV Median			0.3%
HPR IV Total \$ & Mean %	\$35,248,010,209	\$5,270,516	0.9%

Source: VHI (2022)

DCOPN is not aware of any other geographic, socioeconomic, cultural, or transportation barriers to access to care.

2. The extent to which the proposed project will meet the needs of people in the area to be served, as demonstrated by each of the following:

(i) the level of community support for the proposed project demonstrated by people, businesses, and governmental leaders representing the area to be served;

DCOPN received eight letters of support for the proposed project. Collectively, these letters articulate several benefits of the project, including:

- The establishment of this facility would benefit residents living in the Greater Richmond area who are seeking specialty surgical care and treatment and offer important training opportunities for dermatologists. Patients in this area are dealing with significant scheduling delays and wait several months to receive an appointment with a dermatologist or dermatologic surgeon, risking continued tumor growth and potential negative outcomes by delaying care.
- Projects like this one will improve timely access to the effective treatments for skin cancer.
- As the population increases and ages, the demand for skin cancer treatment will continue to grow. Skin cancer occurrence rates, especially melanomas, are rising.
- Mohs surgery is an effective surgical treatment that offers better outcomes to patients and a better overall patient experience. Mohs surgery results in quicker recovery times, lower risk, and better outcomes due to the precise nature of the surgery and the ability to perform confirmatory lab work while the patient waits.
- According to the applicant, existing facilities offering Mohs surgery in adjacent areas [to Goochland County] have an almost four-month waitlist.

- Absolute Dermatology will be able to offer competitive, affordable pricing as an outpatient ambulatory surgery center compared to local hospital rates while working with local organizations to provide access for those in need.
- Having a dedicated ambulatory surgery center to perform Mohs surgical procedures and post-surgery reconstructive procedures will allow patients to be scheduled more efficiently and will result in a better patient experience in a facility built to most effectively carry out these procedures and optimize patient comfort.
- Absolute Dermatology's high volume of Mohs surgery patients impacts its ability to schedule other important preventative care and dermatology procedures that are performed in-office and limits the number of new patients that it can see.
- Not only does the project stand to improve geographic access, it will improve financial access for patients in the area. Due to the precise nature of Mohs surgery and the ability to perform lab work and reconstructive surgery all within one visit, patients are spared the expense of costly follow-up procedures to remove additional cancerous cell or to reconstruct the remaining skin are following tumor removal at another visit. The service is also more cost-efficient as the procedure is provided under same day topical, local or regional anesthesia, limiting anesthesia fees and professional fees that are passed on to the patient.
- Establishment of a dedicated surgery center by Dr. Gillen will offer important training options for VCU Health dermatology residents which are not readily available at present.
- The providers at Richmond Dermatology have historically worked with Absolute Dermatology's providers to ensure that the Mohs surgical needs of PD 15 residents are met. Prior to the approval of Richmond Dermatology's own Mohs-focused surgical facility, Dr. Gillen and Absolute Dermatology served many of Richmond Dermatology's patients seeking surgical care.
- Based on utilization throughout the planning district, growing rates of skin cancer, and the demand for Mohs surgery and post-Mohs reconstructive surgery, Absolute Dermatology's proposal to establish a dedicated surgical facility for these surgical services is warranted and will meet the need for these services. The project will alleviate existing wait times due to the sheer volume of patients seeking these procedures within PD 15 and will provide another high-quality option for patients.
- Absolute Dermatology, which currently operates two offices in the Richmond metropolitan area, has agreed to participate in AccessNowRVA. Absolute Dermatology ASC will also provide discounted Mohs surgery services to low-income patients who do not qualify for free services in Goochland County, and throughout the region.

Support from Richmond Dermatology is notable because, pursuant to COPN No. VA-04817, the Commissioner granted Richmond Dermatology's COPN request to establish an OSH with one operating room dedicated to Mohs surgery procedures. The site of the future Richmond

Dermatology site is less than eight miles³ from the proposed Absolute Dermatology OSH site. According to Richmond Dermatology's support letter:

The providers at Richmond Dermatology have historically worked with Absolute Dermatology's providers to ensure that the Mohs surgical needs of PD 15 residents are met. Prior to the approval of Richmond Dermatology's own Mohs-focused surgical facility, Dr. Gillen and Absolute Dermatology served many of Richmond Dermatology's patients seeking surgical care. Thus, we are aware of the high-quality Mohs surgeries and post-Mohs reconstructive surgeries that are offered by Dr. Gillen and Absolute Dermatology.

Based on utilization throughout the planning district, growing rates of skin cancer, and the demand for Mohs surgery and post-Mohs reconstructive surgery, Absolute Dermatology's proposal to establish a dedicated surgical facility for these surgical services is warranted and will meet the need for these services. The project will alleviate existing wait times due to the sheer volume of patients seeking these procedures within PD 15 and will provide another high-quality option for patients.

Public Hearing

Section 32.1-102.6 B of the Code of Virginia directs DCOPN to hold one public hearing on each application in a location in the county or city in which the project is proposed or a contiguous county or city 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-8776 is not competing with another project in this batch cycle and DCOPN did not receive a request to conduct a public hearing for the proposed project. Thus, no public hearing was held.

(ii) the availability of reasonable alternatives to the proposed project that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner;

With regard to the status quo, there is one operational OSH (Skin Surgery Center of Virginia) and one to-be-developed OSH (Mohs Surgery Center of Richmond Dermatology) for Mohs surgery in PD 15, both of which are approximately eight miles from the proposed location. Additionally, VCU Medical Center is approximately eight miles away. If the proposed project is approved, it will meet a unique need in PD 15. As displayed in **Table 8**, the utilization of the two ORs at Skin Surgery Center of Virginia was 55.5% in 2022. However, the applicant explains:

Several of the largest dermatology practices in PD 15 are not currently accepting new patients, and many patients are waiting three to four months to receive treatment for their cancers with Mohs surgery. These wait times and limited access are absolutely detrimental to patients seeking care in PD 15, as aggressive tumors can rapidly grow. It is critical that patients be treated as soon as possible after diagnosis to prevent negative

³ The applicant submitted a significant change request to move the site from 9816 Mayland Drive, Suite 100, Henrico, VA 23233 to 3829 Gaskins Road, Henrico, VA 23233. Both sites are approximately eight miles from the applicant's proposed new site. As of the date of this report, the request is pending.

outcomes. Being able to move its post-Mohs reconstructive procedures to the new special purpose OR will permit Absolute Dermatology to expand its availability and access to general dermatology visits, which would substantially improve wait times for new patients in PD 15.

Existing nearby providers of Mohs surgery are also operating at high utilization due to the demand for Mohs surgery as the preferred surgical technique for skin cancer surgical procedures, and thus existing providers cannot meet the demand identified at Absolute Dermatology. Based on available information, other existing facilities are experiencing a 3-4 month waitlist, with non-facility Mohs surgeries being booked out 3-6 months. The delays in skin cancer care will only result in more serious and invasive surgeries later. Such wait times can negatively impact patients, as aggressive tumors can double in size in a matter of days to weeks and could potentially impact other critical structures such as nerves, the eyes, or nasal cartilage.

General dermatology appointments in PD 15 are delayed even longer (up to a year) due to the lack of available dermatologists. The development of the Absolute Dermatology office and ASC will facilitate the necessary growth in general dermatology services, as it will provide an opportunity for other general dermatologists to work in concert with a Mohs surgery practice.

Several support letters also discussed the existing delays in access to care. For example, Dr. Wallace from Richmond Dermatology said, “[t]he project will alleviate existing wait times due to the sheer volume of patients seeking these procedures within PD 15 and will provide another high-quality option for patients.”

Absolute Dermatology could, as an alternative to obtaining a COPN and licensure as an OSH, continue to perform Mohs surgery as an office-based procedure without need for a COPN or facility license. While a viable, and, clearly from the example of others who have followed that model, a reasonable alternative, the public may be better served by the licensure regulation of MSC as an OSH. Additionally, the applicant has indicated that continuing to perform Mohs surgery as an office-based procedure is no longer a viable option because:

- The patient volume has significantly increased and is outgrowing the existing facility;
- [The current] facility has limited space in its procedure room to do post-Mohs reconstructive surgery, and a new replacement facility with a dedicated operating room and procedure room would allow for more efficient and patient-focused spaces that improve and enhance the patient experience; and
- [The proposed project will] allow Absolute Dermatology to better use its existing Chesterfield office for other dermatology treatments and procedures, as Mohs surgery and post-Mohs reconstructive procedures can be time consuming and limit availability of the procedure room for non-Mohs reconstructive surgeries

For these reasons, DCOPN concludes that the proposed project is more advantageous than any of the potential alternative and the status quo.

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

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

(iv) any costs and benefits of the proposed project;

As demonstrated by **Table 2**, the projected capital costs of the proposed project are \$2,362,564, approximately 69% of which represent direct construction costs. The project involves financing incurred by both the applicant and the landlord. The applicant will be responsible for equipment and start-up cost financing. The landlord will be responsible for the build out of the OSH space and will charge the applicant for the construction costs as a pass-through cost. DCOPN concludes that when compared to similar projects, these costs are reasonable. For example, COPN No. VA-04817 issued to Mohs Surgery Center of Richmond Dermatology, PLLC to establish an OSH with one operating room dedicated to Mohs surgery and post-Mohs surgery reconstructive surgery procedures is anticipated to cost approximately \$1,883,726.

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

- This application is consistent with Absolute Dermatology's long-term goals and plan to serve patients in an efficient, cost-effective manner by creating a dedicated surgical center in which advanced Mohs surgery and post-Mohs reconstructive procedures can be performed.
- This application proposes the construction of a new ambulatory surgery facility from the ground up, which will result in increased operational efficiency by allowing Absolute Dermatology to build the center out according to its specific needs.
- Mohs is a preferred alternative to local excisions and is the most advanced surgery to address skin cancer, as it offers more precise removal of skin cancer while leaving a greater amount of healthy surrounding tissue. Mohs surgery also permits more exact and certain confirmation that the cancerous cells are fully removed. Therefore, the number of patients seeking Mohs surgery at Absolute Dermatology is both significant and growing.
- Mohs surgery in conjunction with post-Mohs reconstruction allows for restoration of both the look and function of the skin following tumor removal. Access to immediate post-Mohs reconstruction allows patients to heal faster and results in better long-term outcomes.
- While Absolute Dermatology is currently performing Mohs procedures in its existing Glen Allen office, the patient volume has significantly increased and is outgrowing the existing facility. The Glen Allen facility has limited space in its procedure room to do post-Mohs

reconstructive surgery, and a new replacement facility with a dedicated operating room and procedure room would allow for more efficient and patient-focused spaces that improve and enhance the patient experience.

- [The proposed project] would also allow Absolute Dermatology to better use its existing Chesterfield office for other dermatology treatments and procedures, as Mohs surgery and post-Mohs reconstructive procedures can be time consuming and limit availability of the procedure room for non-Mohs reconstructive surgeries.
- Several of the largest dermatology practices in PD 15 are not currently accepting new patients, and many patients are waiting three to four months to receive treatment for their cancers with Mohs surgery. These wait times and limited access are absolutely detrimental to patients seeking care in PD 15, as aggressive tumors can rapidly grow.

(v) the financial accessibility of the proposed project to the people in the area to be served, including indigent people; and

The Pro Forma Income Statement provided by the applicant does not specifically address charity care (**Table 5**). As previously discussed, recent changes to § 32.1-102.4B of the Code of Virginia now require DCOPN to place a charity care condition on every applicant seeking a COPN. DCOPN notes that, if approved, the proposed project should be subject to a charity care condition no less than the 0.9% HPR IV average, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia.

Table 5. Absolute Dermatology Pro Forma Income Statement

	Year 1	Year 2
Total Gross Revenue	\$2,033,655	\$2,847,117
Total Expenses	(\$1,993,438)	(\$2,772,048)
Net Operating Income	\$40,217	\$75,069
Income Tax	\$14,076	\$26,274
Post-Tax Income	\$26,141	\$48,795

Source: COPN Request No. VA-8776

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

DCOPN did not identify any other discretionary factors, not discussed elsewhere in this staff analysis report, to bring to the attention of the Commissioner as may be relevant to determining a public need for the proposed projects.

3. The extent to which the application is consistent with the State Health Services 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, these regulations provide the best available criteria and DCOPN will consider the

consistency of the proposed project with the predecessor of the SHSP, the State Medical Facilities Plan (SMFP).

Part V of the SMFP contains criteria/standards for the addition of general-purpose operating rooms. They are as follows:

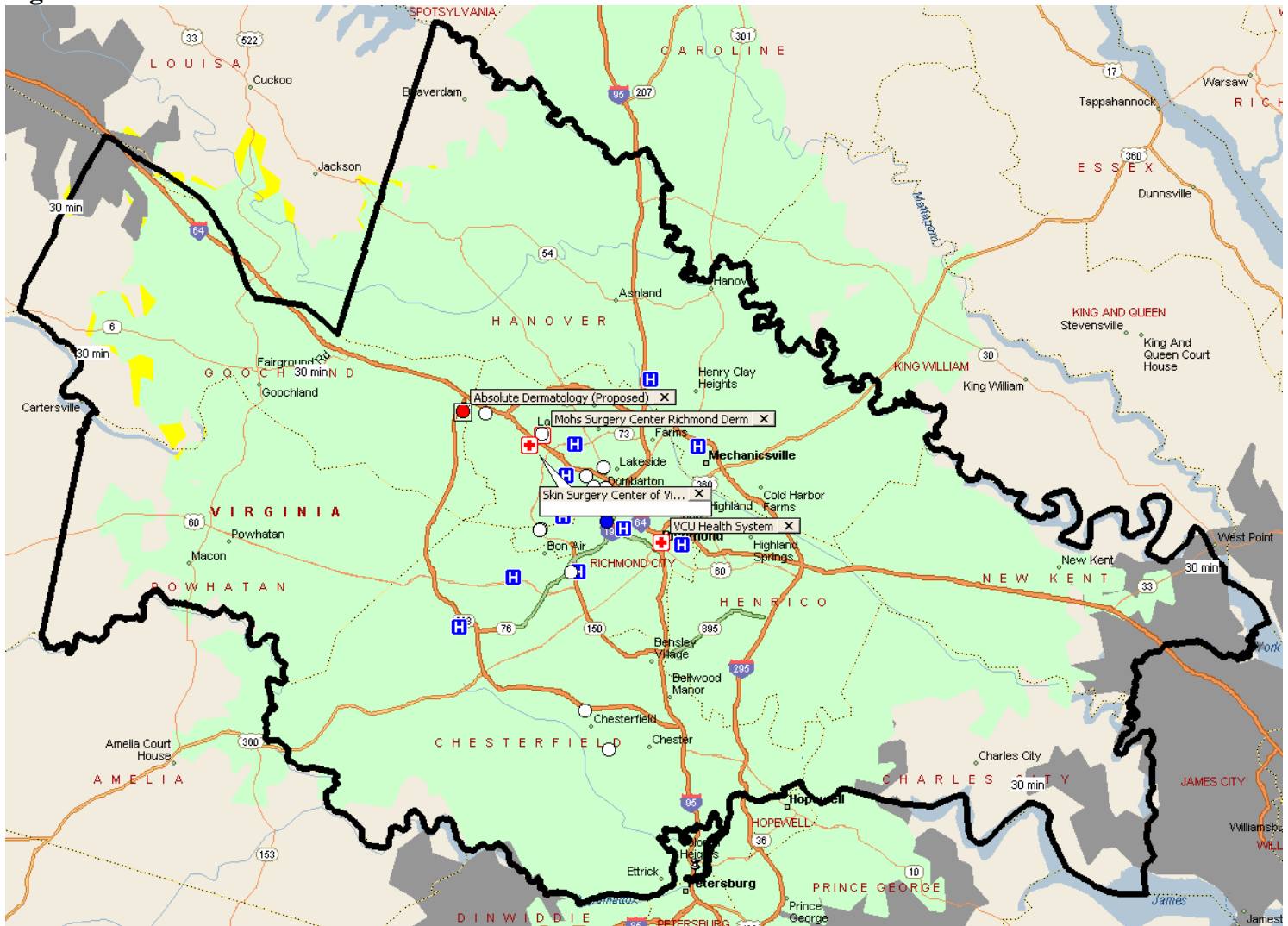
Part V General Surgical Services
Criteria and Standards for General Surgical Services

12VAC5-230-490. Travel Time.

Surgical services should be available within 30 minutes driving time one way under normal conditions for 95% of the population of the health planning district using mapping software as determined by the commissioner.

The heavy black line in **Figure 1** represents the boundary of PD 15. The red circle symbol marks the location of the proposed project. The red circle symbols mark the locations of other providers of Mohs surgery. The white “H” symbols on blue backgrounds mark the locations of existing general hospital surgical services within PD 15. The white circles are existing and authorized OSH sites in PD 15. The light green shaded area represents the areas of PD 15 and surrounding areas that are within 30 minutes’ drive time of existing PD 15 surgical services. The yellow shaded area represents the new area that will be within a 30-minute drive time resulting from approval of the proposed project. Given the amount and location of shaded area, and that the population of PD 15 is concentrated in the center of the PD, it is evident that surgical services currently exist within a 30-minute drive time for at least 95% of the population of PD 15. Accordingly, DCOPN concludes that approval of the proposed project would not improve geographic access to Mohs surgical services for persons in PD 15 in any meaningful way.

Figure 1



12VAC5-230-500. Need for New Service.

- A. The combined number of inpatient and outpatient general purpose surgical operating rooms needed in a health planning district, exclusive of procedure rooms, dedicated cesarean section rooms, operating rooms designated exclusively for cardiac surgery, procedures rooms or VDH-designated trauma services, shall be determined as follows:**

$$\text{FOR} = \frac{((\text{ORV}/\text{POP}) \times (\text{PROPOP})) \times \text{AHORV}}{1600}$$

Where:

ORV = the sum of total inpatient and outpatient general purpose operating room visits in the health planning district in the most recent five years for which general purpose operating room utilization data has been reported by VHI; and

POP = the sum of total population in the health planning district as reported by a demographic entity as determined by the commissioner, for the same five-year period as used in determining ORV.

PROPOP = the projected population of the health planning district five years from the current year as reported by a demographic program as determined by the commissioner.

AHORV = the average hours per general purpose operating room visit in the health planning district for the most recent year for which average hours per general purpose operating room visits have been calculated as reported by VHI.

FOR = future general purpose operating rooms needed in the health planning district five years from the current year.

1600 = available service hours per operating room per year based on 80% utilization of an operating room available 40 hours per week, 50 weeks per year.

The preceding formula can be used to affirm whether there is currently an excess of GPORs in PD 15. The preceding formula can also determine the overall need for GPORs within PD 15 five years from the current year, i.e., in the year 2029.

Based on GPOR utilization data submitted to and compiled by VHI, for the five-year period of 2018-2022, which is the most recent five-year period for which relevant data is available, the total and average number of reported inpatient and outpatient operating room visits is shown below in **Table 6**.

Table 6. Inpatient and Outpatient GPOR Visits in PD15: 2018-2022

Year	Total Inpatient & Outpatient GPOR Visits
2018	134,998
2019	141,390
2020	119,544
2021	136,700
2022	137,157
Total	669,789
Average	133,958

Source: VHI (2018-2022)

Based on actual population counts derived as a result of the 2010 U.S. Census, and population projections as compiled by Weldon Cooper, **Table 7** presents the U.S. Census' baseline population estimates for PD 15 for the five years 2018-2022 as follows:

Table 7. PD 15 Population: 2018-2022 and 2029

Year	Population
2018	1,084,014
2019	1,096,002
2020	1,108,448
2021	1,121,051
2022	1,130,755
Total	5,540,270
2029	1,207,561

Source: U.S. Census, Weldon Cooper Center Projections (August 2019)

Based on the above population estimates from the 2010 U.S. Census and population projections as compiled by Weldon Cooper, the cumulative total population of PD 15 for the five-year period 2018-2022, was 5,540,270, while the population of PD 15 in the year 2029 (PROPOP – five years from the current year) is projected to be 1,207,561. These figures are necessary for the application of the preceding formula, as follows:

ORV	÷	POP	=	CSUR
Total PD 15 GPOR Visits 2018 to 2022		PD 15 Historical Population 2018-2022		Calculated GPOR Use Rate 2018-2022
669,789		5,540,270		0.1209

CSUR	X	PROPOP	=	PORV
Calculated GPOR Use Rate 2018-2022		PD 15 Projected Population 2029		Projected GPOR Visits 2029
0.1209		1,207,561		145,994

AHORV is the average hours per operating room visit in the planning district for the most recent year for which average hours per operating room visits has been calculated using information collected by the Virginia Department of Health.

AHORV = 253,394 total inpatient and outpatient operating room hours (**Table 8**) reported to VHI in 2022, divided by 137,157 total inpatient and outpatient operating room visits reported to VHI for that same year (**Table 6**).

$$\text{AHORV} = 1.8475$$

$$\text{FOR} = ((\text{ORV} / \text{POP}) \times (\text{PROPOP})) \times \text{AHORV} / 1600$$

$$\text{FOR} = ((669,789 / 5,540,270) \times (1,207,561)) \times 1.8541 / 1600$$

$$\text{FOR} = 269,724.15 / 1600$$

FOR = 168.58 General Purpose Operating Rooms Needed in PD 15 in 2029
Current PD 15 GPOR Inventory: 190 (Table 1)

Net Surplus: 21.42 (22) GPORs for 2027 Planning Year

As shown above, DCOPN has calculated a surplus of 22 GPORs in PD 15 for the 2029 planning year. Additionally, as shown in **Table 8**, in 2022, the 179 GPORs in PD 15 in operation for that year displayed a collective utilization of 88.5%.

If the proposed project that is the subject of this staff analysis report is approved, it will add to that surplus of 22. However, the Commissioner has repeatedly acknowledged the benefits and clinical appropriateness of single-purpose OSHs. There is currently one operational restricted-use Mohs OSH (Skin Surgery Center of Virginia) and one to-be-developed OSH (Mohs Surgery Center of Richmond Dermatology) in PD 15. It is 1.5 miles from the proposed MSC site. Both OSHs are approximately eight miles from the proposed location. In 2022 and 2023, Absolute Dermatology

performed 4,248 procedures and 6,889 procedures respectively. According to the applicant, approximately 5,000 of the procedures were Mohs procedures and about 25% of the Mohs procedures required post-Mohs reconstructive surgery. Absolute Dermatology projects that it will perform approximately 1,311 Mohs reconstructive surgeries in the first year of operation and 1,835 reconstructive surgeries in the second year of operation.

Table 8. 2022 PD 15 General Purpose Operating Room Utilization

Facility	Operating Rooms	Total Hours	Use Per OR	Utilization Rate
American Access Care of Richmond	2	2,400	1,200.0	75.0%
Bon Secours Memorial Regional Medical Center	12	22,193	1,849.4	115.6%
Bon Secours Richmond Community Hospital	3	956	318.7	19.9%
Bon Secours St. Francis Medical Center	11	17,661	1,605.5	100.3%
Bon Secours St. Mary's Hospital	21	35,966	1,712.7	107.0%
Boulders Ambulatory Surgery Center	3	6,595	2,198.3	137.4%
Cataract and Refractive Surgery Center	1	2,700	2,700.0	168.8%
Chippenham Hospital	14	14,363	1,025.9	64.1%
Henrico Doctors' Hospital - Forest	17	16,123	948.4	59.3%
Henrico Doctor's Hospital - Parham Doctors' Hospital	11	9,581	871.0	54.4%
Henrico Doctor's Hospital - Retreat	5	4,105	821.0	51.3%
Johnston-Willis Hospital	17	19,436	1,143.3	71.5%
MEDARVA Stony Point Surgery Center	6	9,702	1,617.0	101.1%
MEDARVA Surgery Center @ West Creek	2	4,393	2,196.5	137.3%
Skin Surgery Center of Virginia	2 ⁴	1,775	887.5	55.5%
St. Mary's Ambulatory Surgery Center	4	8,216	2,054.0	128.4%
Urosurgical Center of Richmond	3 ⁵	2,216	738.7	46.2%
VCU Health Neuroscience, Orthopedic and Wellness Center	6	721	120.2	7.5%
VCU Medical Center	34	67,564	1,987.2	124.2%
Virginia Eye Institute Surgery Pavilion	5	6,728 ⁶	1345.6	84.1%
TOTAL	179	253,394	1,415.6	88.5%

Source: VHI (2022) and DCOPN records

⁴ Second operating room limited to the surgical treatment of skin cancers added pursuant to COPN No. VA-04301. VHI data lists as procedure rooms – corrected for utilization calculations in Table 12.

⁵ DCOPN records indicate the Urosurgical Center of Richmond operates three GPORs. VHI data lists two as cystoscopic – corrected for utilization calculations in Table 12.

⁶ VEI explained in the application for COPN Request No. VA-8753, that for several years, its previous reporting to VHI had inadvertently contained several discrepancies, including counting laser procedures in its case count and including total hours for prep and cleanup. For purposes of the PD need calculation and overall utilization, DCOPN has corrected this information based on the provided corrected data.

B. Projects involving the relocation of existing operating rooms within a health planning district may be authorized when it can be reasonably documented that such relocation will: (i) improve the distribution of surgical services within a health planning district ; (ii) result in the provision of the same surgical services at a lower cost to surgical patients in the health planning district; or (iii) optimize the number of operations in the health planning district that are performed on an outpatient basis.

Not applicable. The applicant is not seeking to relocate existing operating rooms.

12VAC5-230-510. Staffing.

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

The applicant has provided assurances that the proposed surgical services will be under the direction of appropriately qualified and licensed physicians, including a Mohs specialist.

Required Considerations Continued

4. The extent to which the proposed project fosters institutional competition that benefits the area to be served while improving access to essential health care services for all people in the area to be served;

As previously discussed, there is one operational OSH (Skin Surgery Center of Virginia) and one to-be-developed OSH (Mohs Surgery Center of Richmond Dermatology) for Mohs surgery in PD 15, both of which are approximately eight miles from the proposed location. Additionally, VCU Medical Center is approximately eight miles away. As previously discussed, Dr. Wallace, from Mohs Surgery Center of Richmond Dermatology has provided a support letter for the proposed project.

The proposed project is likely to foster institutional competition that benefits the area to be served by introducing another licensed provider of Mohs surgery in the PD. But equally important is the addition of capacity, in an inspected and licensed hospital, to meet patient need for this specialty surgery. No provider of Mohs surgery, or any other provider, voiced opposition to the proposed project.

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

As previously discussed, there is one operational OSH (Skin Surgery Center of Virginia) and one to-be-developed OSH (Mohs Surgery Center of Richmond Dermatology) for Mohs surgery in PD 15, both of which are approximately eight miles from the proposed location. Additionally, VCU Medical Center is approximately eight miles away. If the proposed project is approved, it will meet a unique need in PD 15. As displayed in **Table 8**, the utilization of the two ORs at Skin Surgery Center of Virginia was 55.5% in 2022.

Mohs surgery requires a brief OR visit followed by an extended wait while the excised tissue is prepared and examined by the surgeon in the on-site laboratory. Depending on the laboratory

findings, a repeat, brief trip to the OR may be required for further tissue excision or post-Mohs reconstruction. As previously discussed, the applicant has explained that wait times in PD 15 can range from three to six months and that “delays in skin cancer treatment care will result in more serious and invasive surgeries later.” Additionally, the applicant explains that “[s]uch wait times can negatively impact patients, as aggressive tumors can double in size in a matter of days to weeks....” Several support letters also discussed the existing delays in access to care.

As such, DCOPN concludes that, given the specialized nature of the proposed OSH and the reported wait time for Mohs surgery, approval of the project is highly unlikely to have a material impact on the utilization of providers of surgical services within the planning district.

6. The feasibility of the proposed project, including the financial benefits of the proposed project to the applicant, the cost of construction, the availability of financial and human resources, and the cost of capital;

As already discussed, DCOPN contends that the projected costs of \$2,362,564 are reasonable when compared to previously authorized projects similar in scope. For example, COPN No. VA-04817 issued to Mohs Surgery Center of Richmond Dermatology, PLLC to establish an OSH with one operating room dedicated to Mohs surgery and post-Mohs surgery reconstructive surgery procedures is anticipated to cost approximately \$1,883,726. The project involves financing incurred by both the applicant and the landlord. The applicant will be responsible for equipment and start-up cost financing. The landlord will be responsible for the build out of the OSH space and will charge the applicant for the construction costs as a pass-through cost. The Pro Forma Income Statement provided by the applicant projects post-tax income of \$26,141 in the first year of operation, and post-tax income of \$48,795 in the second year of operation (**Table 5**).

With regard to staffing, the applicant states that 4.5 additional full time equivalent employees (FTE) are required to staff the proposed project, including 1.5 administrative FTEs and 3 registered nurses. The applicant says “Absolute Dermatology already has surgical nurses for its proposed ASC working within its practice. The number of staff to recruit is minimal. To the extent additional staff are needed, they will be sourced from Absolute Dermatology’s existing staffing pool or recruited using national and local resources.”

Because of the limited number of employees needed for this project, DCOPN concludes that the applicant will not have difficulty filling the required position or that doing so will have a negative impact on other area healthcare providers.

7. The extent to which the proposed project provides improvements or innovations in the financing and delivery of health care 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 health care services on an outpatient basis; (iii) any cooperative efforts to meet regional health care needs; and (iv) at the discretion of the Commissioner, any other factors as may be appropriate; and

The proposed project would not introduce new technology that would promote quality or cost effectiveness in the delivery of inpatient acute care. However, the proposed project will increase

the availability of sites for the provision of Mohs surgery services, which is typically an outpatient surgery.

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, 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.**

The applicant provided the following information with regard to this consideration:

While this project is not proposed by a teaching hospital, Dr. Gillen has worked closely with VCU Health in the past to supervise dermatology residents and provide outpatient training opportunities at Absolute Dermatology's current facility. Absolute Dermatology intends to continue offering this opportunity with the establishment of this new facility and anticipates that it will provide even more ability to offer outpatient training opportunities to VCU Health dermatology residents. As confirmed by Dr. Salkey, Director of VCU Health's residency program, these types of opportunities are limited currently but are critical to ensuring that these residents have the necessary skill set to continue the important work in surgically treating various skin conditions.

DCOPN Findings and Conclusions

DCOPN finds that Absolute Dermatology ASC, LLC's proposed project to establish an outpatient surgical hospital with one operating room is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. The operating room will be limited to Mohs and post-Mohs reconstruction surgery, which will not negatively impact the utilization of existing GPORs in PD 15. Moreover, for the reasons discussed, the status quo is not a preferable alternative to the proposed project, nor is the performance of Mohs surgery in an office-based environment.

DCOPN finds that the total capital costs of the proposed project are reasonable and consistent with previously approved projects similar in scope. Furthermore, DCOPN finds that the project appears to be economically feasible both in the immediate and long-term. Finally, DCOPN recommends that such approval be limited to the provision of Mohs and post-Mohs reconstruction surgery services as presented by the applicant.

DCOPN Staff Recommendation

The Division of Certificate of Public Need recommends **conditional approval** of Absolute Dermatology ASC, LLC's COPN request to establish an outpatient surgical hospital with one operating room dedicated to Mohs and post-Mohs reconstruction surgery for the following reasons:

1. The proposed 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. The additional operating room will be limited to Mohs and post-Mohs reconstruction surgery.
3. The capital costs are reasonable.
4. The proposed project appears economically viable in the long-term.
5. The project is more favorable than maintaining the status quo or the alternative of office-based surgery.

Recommended Condition

Absolute Dermatology ASC, LLC will provide Mohs and post-Mohs reconstruction services 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 facilitate the development and operation of primary care services to medically underserved persons in an aggregate amount equal to at least 0.9% of Absolute Dermatology ASC, LLC's total patient services revenue derived from Mohs and post-Mohs reconstruction surgery services as 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. 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. Absolute Dermatology ASC, LLC 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.

Absolute Dermatology ASC, LLC will provide Mohs and post-Mohs reconstruction surgery 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 Absolute Dermatology ASC, LLC will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.