VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

March 21, 2025

RE: COPN Request No. VA-8795
IFRC, LLC
Arlington, Virginia
Introduce CT imaging services in an existing medical care facility with one fixed CT scanner relocated from FRC Sterling

Applicant

IFRC, LLC ("IFRC") is a limited liability company formed in 2019 under the laws of the Commonwealth of Virginia. IFRC is jointly owned by Inova Health Care Services, the majority member, and Fairfax Radiological Consultants, PLLC, the minority member. The applicant has no subsidiaries. IFRC, LLC proposes to introduce CT services at an existing medical care facility, Fairfax Radiology Center of Ballston ("IFRC Ballston"), in Planning District (PD) 8, Health Planning Region (HPR) II to be operated by Fairfax Radiology Centers, LLC. ("FRC").

Background

A computed tomography (CT) scan is a diagnostic imaging tool that utilizes x-ray technology to produce imaging of the inside of the body and can show bones, muscles, organs, and blood vessels. CT scans are more detailed than x-rays; rather than the standard straight-line x-ray beam, CT imaging uses an x-ray beam that moves in a circle around the body to show structures in much greater detail.[1] The scans can be used to help diagnose tumors, investigate internal bleeding, or investigate other possible injuries or damage. The scans can be done with or without contrast.

According to Virginia Health Information (VHI) data, PD 8 had 69 diagnostic CT scanners that performed 715,618 CT scans in 2023, the latest year for which such data are available. This is an average of 10,371 CT scans per unit, 140.2% of the State Medical Facilities Plan (SMFP) standard of 7,400 scans per CT scanner (**Table 1**). DCOPN records show that there are currently 89 COPN authorized CT scanners in PD 8. Nine are CT simulators and one is for intraoperative use, so there are currently 79 diagnostic CT scanners authorized (**Table 2**) that will be considered in the current assessment. See **Table 2** footnotes provided for additions to the inventory since the 2023 VHI reporting referenced above.

[1] https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/computed-tomography-ct-scan#:~:text=Computed%20tomography%20is%20commonly%20referred,fat%2C%20organs%20and%20blood%20vessels.

Table 1. PD 8 CT Utilization, 2023 VHI

Facility Name	Facility Type	CT Scanners	Total CT Procedures	% of SMFP Threshold
ED - Inova Emergency Room - Ashburn HealthPlex	Freestanding ED	1	11,058	149.4%
ED - Inova Emergency Room - Fairfax City	Freestanding ED	1	5,521	74.6%
ED - Inova Emergency Room - Franconia Springfield HealthPlex	Freestanding ED	1	19,129	258.5%
ED - Inova Emergency Room - Leesburg	Freestanding ED	1	13,576	183.5%
ED - Inova Emergency Room - Lorton HealthPlex	Freestanding ED	1	11,133	150.4%
ED - Sentara Lake Ridge	Freestanding ED	1	5,406	73.1%
ED - Tysons Emergency (RHC)	Freestanding ED	1	2,707	36.6%
Fair Oaks Imaging Center	Freestanding	1	2,981	40.3%
Fairfax ENT & Facial Plastic Surgery	Freestanding	1	658	8.9%
Fairfax Radiology Center at Prosperity	Freestanding	1	9,245	124.9%
Fairfax Radiology Center of Centreville	Freestanding	1	9,719	131.3%
Fairfax Radiology Center of Fairfax City	Freestanding	1	6,955	94.0%
Fairfax Radiology Center of Lansdowne	Freestanding	1	8,737	118.1%
Fairfax Radiology Center of Reston-Herndon	Freestanding	1	7,829	105.8%
Fairfax Radiology Center of Sterling	Freestanding	1	6,328	85.5%
Inova Alexandria Hospital	Acute Hospital	3	50,467	227.3%
Inova Fair Oaks Hospital	Acute Hospital	3	46,144	207.9%
Inova Fairfax Hospital	Acute Hospital	7	137,138	264.7%
Inova Imaging Center-Mark Center	Freestanding	1	4,426	59.8%
Inova Loudoun Hospital	Acute Hospital	2	54,275	366.7%
Inova Mount Vernon Hospital	Acute Hospital	2	26,164	176.8%
Insight Imaging - Arlington	Freestanding	1	3,130	42.3%
Insight Imaging - Fairfax	Freestanding	1	4,475	60.5%
Kaiser Permanente - Reston Medical Center	Freestanding	1	7,188	97.1%
Kaiser Permanente - Tyson's Corner	Freestanding	2	20,489	138.4%
Kaiser Permanente - Woodbridge Imaging Center	Freestanding	1	15,558	210.2%
Kaiser Permanente - Woodbridge Surgery Center	Amb Surgery	1	15,558	210.2%
Kaiser Permanente Tysons Corner Surgery Center	Amb Surgery	2	20,489	138.4%
Lakeside @ Loudoun Tech Center 1	Freestanding	1	32	0.4%
LMG Imaging Center	Freestanding	1	708	9.6%
Orthopaedic Foot and Ankle Center of Washington	Freestanding	1	89	1.2%
Reston Hospital Center	Acute Hospital	4	38,468	130.0%
Sentara Advanced Imaging Center - Alexandria	Freestanding	1	-	0.0%
Sentara Advanced Imaging Center - Lake Ridge	Freestanding	1	3,928	53.1%
Sentara Northern Virginia Medical Center	Acute Hospital	3	28,970	130.5%
Stone Springs Hospital Center	Acute Hospital	1	9,118	123.2%
Tysons Corner Diagnostic Imaging	Freestanding	1	970	13.1%
Tysons MRI and Imaging Center	Freestanding	1	4,901	66.2%
UVA Health Haymarket Medical Center	Acute Hospital	1	11,586	156.6%
UVA Health Prince William Medical Center	Acute Hospital	2	22,111	149.4%
UVA Outpatient Imaging Centreville	Freestanding	1	1,444	19.5%
Virginia Cancer Specialists	Freestanding	1	854	11.5%
Virginia Hospital Center	Acute Hospital	5	52,514	141.9%
Woodburn Diagnostic Center	Freestanding	2	13,442	90.8%
PD 8 CT Totals and Average		**69**	**715,618**	**140.2%**

Source: 2023 VHI

Table 2. Diagnostic CT Scanners Authorized in PD 8

Facility	Total Diagnostic Scanners
Centreville-Clifton Imaging Center - Fairfax Radiology	1
Chantilly ER (Stone Springs Hospital Center)[2]	1
Fair Oaks Imaging Center	1
Fairfax Diagnostic Imaging Center	1
Fairfax ENT & Plastic Surgery Center	1
Fairfax MRI and Imaging Center at Tysons	1
Fairfax Radiology Center at Prosperity	2
Fairfax Radiology Center of Springfield (IFRC)[3]	1
Fairfax Radiology Center at Woodburn	2
FRC at Inova Health Center - Woodbridge (IFRC)[4]	1
Inova Alexandria Hospital	4
Inova Ashburn Healthplex	1
Inova Emergency Room of Fairfax City	1
Inova Emergency Room of Reston	0
Inova Fair Oaks Hospital	3
Inova Fairfax Hospital	7
(Inova) Fairfax Radiology Center of Reston-Herndon	1
Inova Imaging Center-Mark Center	1
Inova Lorton HealthPlex	1
Inova Imaging Center - Leesburg	1
Inova Loudoun Hospital	3
Inova Mount Vernon Hospital	2
Inova HealthPlex - Franconia/Springfield	1
Inova Oakville Ambulatory Center[5]	1
Inova Springfield Hospital[6]	1
RAYUS Radiology - Arlington (formerly Insight Imaging - Arlington)	1
RAYUS Radiology - Fairfax (formerly Insight Imaging - Fairfax / Medical Imaging Center of Fairfax)	1
RAYUS Radiology - Woodbridge (formerly Insight Imaging)[7]	1
Kaiser Permanente - Reston Medical Center	1
Kaiser Permanente - Tysons Corner Imaging Center	2

[2] COPN No. VA-04900, issued August 15, 2024, authorized Chantilly ER, expected complete September 2028.
[3] COPN No. VA-04878, issued February 21, 2024, authorized Fairfax Radiology Center of Springfield, expected complete October 2024.
[4] COPN No. VA-04896, issued August 15, 2024, authorized Fairfax Radiology Center of Woodbridge, expected complete March 2025.
[5] COPN No. VA-04776, issued February 2022, authorized a CT at Inova Oakville Ambulatory Center, expected complete April 2024.
[6] COPN No. VA-04832, issued March 2023, authorized the relocation and partial replacement of Inova Alexandria Hospital, including one CT to be relocated from Inova Alexandria Hospital, one to be relocated from Inova Springfield Healthplex and one new CT scanner. CTs not yet relocated are still in the inventory at those sites. Expected complete April 1, 2028.
[7] COPN No. VA-04879, issued February 2024, authorized a CT at RAYUS Radiology-Woodbridge/Insight Imaging, expected complete October 2024.

Kaiser Permanente - Woodbridge Imaging Center	1
Leesburg Emergency and Imaging Center (Reston Hospital Center)[8]	1
LMG Imaging Center	1
Metropolitan ENT & Facial Plastic Surgery	1
Metro Region PET Center	0
Tysons Corner Diagnostic Imaging	1
UVA Outpatient Imaging - Centreville (formerly Novant Health UVA Health System Imaging – Centreville)	1
Orthopaedic Foot and Ankle Center	1
Potomac Radiation Oncology Center	0
UVA Health Haymarket Medical Center (formerly UVA Prince William Medical Center d/b/a UVA Health Haymarket Medical Center)	1
UVA Health Outpatient Imaging Gainesville[9]	1
UVA Health Prince William Medical Center (formerly UVA Prince William Medical Center d/b/a UVA Health Prince William Medical Center)	2
Radiology Imaging Associates at Lansdowne	1
Radiology Imaging Associates at Sterling	1
Reston Hospital Center	4
Sentara Advanced Imaging Center -- Alexandria	1
Sentara Lake Ridge Ambulatory Care Center	1
Sentara Northern Virginia Medical Center	2
Sentara Northern Virginia Medical Center -Century Building Med Office Building	1
StoneSprings Hospital Center	2
Tysons Corner Emergency Center	1
Virginia Cancer Specialists	0
Virginia Hospital Center	4
VHC Emergency and Imaging Center[10]	1
VHC Health Outpatient Imaging Center[11]	1
Washington Radiology Associates	1
Woodburn Nuclear Medicine / Metro Region PET Center	1
PD 8 Total	**79**

Source: DCOPN Records

Proposed Project

IFRC proposes to establish CT services at IFRC Ballston, an existing facility that currently offers MRI services, as well as other imaging services not subject to COPN regulation. IFRC proposes to replace and relocate the CT scanner that is currently located at IFRC Sterling to IFRC Ballston at

[8] COPN No. VA-04863, issued October 18, 2023, authorized a CT at Leesburg Emergency and Imaging Center expected complete November 2025.
[9] COPN No. VA-04906, issued October 8, 2024, authorized a CT at UVA Health Outpatient Imaging Gainesville expected complete April 2026.
[10] COPN No. VA-04775, issued February 7, 2022, authorized a CT at VHC Emergency and Imaging Center, expected complete April 2023.
[11] COPN No. VA-04880, issued February 2, 2024, authorized a CT at VHC Emergency and Imaging Center, expected complete June 2025.

3833 Fairfax Dr. Suite 10, Arlington, Virginia. The inventory neutral proposal requires expansion of the current leased space into adjacent space to accommodate the proposed, relocated CT unit.

Projected capital and financing costs are $2,582,843 (**Table 3)**. IFRC intends to acquire the CT unit through a capital lease with the vendor and accomplish the buildout with a commercial loan and tenant improvement allowance. Site acquisition costs include the lease expense for the additional square footage that IFRC Ballston will need for the proposed CT operations. Should the proposed project be approved the applicant's target date of opening is June 2026.

Table 3. Capital Costs IFRC Radiology Center of Ballston

Direct Construction Cost	$ 591,408
Equipment not included in construction contract	$ 786,935
Site Acquisition Costs	$ 1,178,500
Architectural and Engineering	$ 26,000
Total Capital and Financing Cost	**$ 2,582,843**

Source: COPN Request No. VA-8795

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the "(i)ntroduction into an existing medical care facility described in subsection A of …computed tomographic (CT) scanning…" A medical care facility includes "[a]ny specialized center or clinic or that portion of a physician's office developed for the provision of…computed tomographic (CT) scanning [or] magnetic resonance imaging (MRI)…"

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.**

PD 8 is a large and fast-growing area of Virginia, estimated to grow to 2.8 million people, adding nearly 280,000 people between 2020 and 2030. This projected growth of 10.9% for PD 8 in the current decade is nearly twice the growth rate projected for Virginia at 5.8% (**Table 4**). **Figure 1** is a map of the localities in PD 8 and shows Arlington County, where the proposed project is located, adjacent to Alexandria, Falls Church, Fairfax County and Washington, D.C. The population over age 65 utilizes advanced imaging services at a higher rate than younger age cohorts[12] and is an important demographic group to examine. The number of people over 65 is expected to grow by nearly 98,000 people in PD 8 between 2020 and 2030, through in-migration and aging. This is 32% growth, compared to Virginia's projected growth of 26.3% for the 65+ segment during the same period (**Table 4**).

[12] https://jamanetwork.com/journals/jama/fullarticle/2749213

Table 4. Population by Locality, PD 8

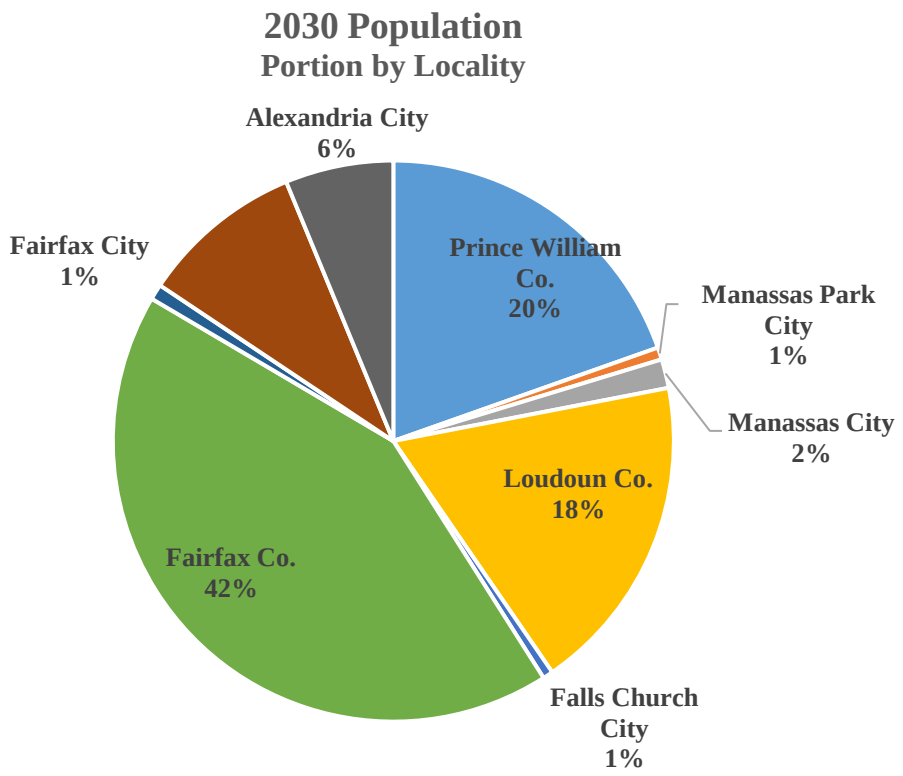
Locality	2020 Population	2030 Projected Population	Projected Growth 2020-2030	Percent Growth 2020-2030	65+ 2020 Population	Projected 65+ 2030 Population	Projected Growth 65+	Percent Growth 65+
Arlington Co.	238,643	265,794	27,151	11.4%	25,333	28,501	3,168	12.5%
Fairfax Co.	1,150,309	1,201,420	51,111	4.4%	158,687	195,132	36,445	23.0%
Loudoun Co.	420,959	522,015	101,056	24.0%	41,497	65,844	24,347	58.7%
Prince William Co.	482,204	554,344	72,140	15.0%	50,522	76,112	25,590	50.7%
Alexandria City	159,467	176,403	16,936	10.6%	18,758	22,941	4,183	22.3%
Fairfax City	24,146	25,358	1,212	5.0%	3,871	4,726	855	22.1%
Falls Church City	14,658	16,741	2,083	14.2%	2,185	2,545	360	16.5%
Manassas City	42,772	47,039	4,267	10.0%	4,505	6,593	2,088	46.4%
Manassas Park City	17,219	19,876	2,657	15.4%	1,343	2,162	819	61.0%
PD 8	**2,550,377**	**2,828,990**	**278,613**	**10.9%**	**306,701**	**404,555**	**97,854**	**31.9%**
Virginia, Statewide	***8,631,393***	***9,129,002***	***497,609***	***5.8%***	***1,395,291***	***1,762,641***	***367,350***	***26.3%***

Sourced from U.S. Census Bureau at https://data.census.gov/ and Weldon Cooper Center for Public Service, August 2023.

Figure 1. Map of PD 8 Localities

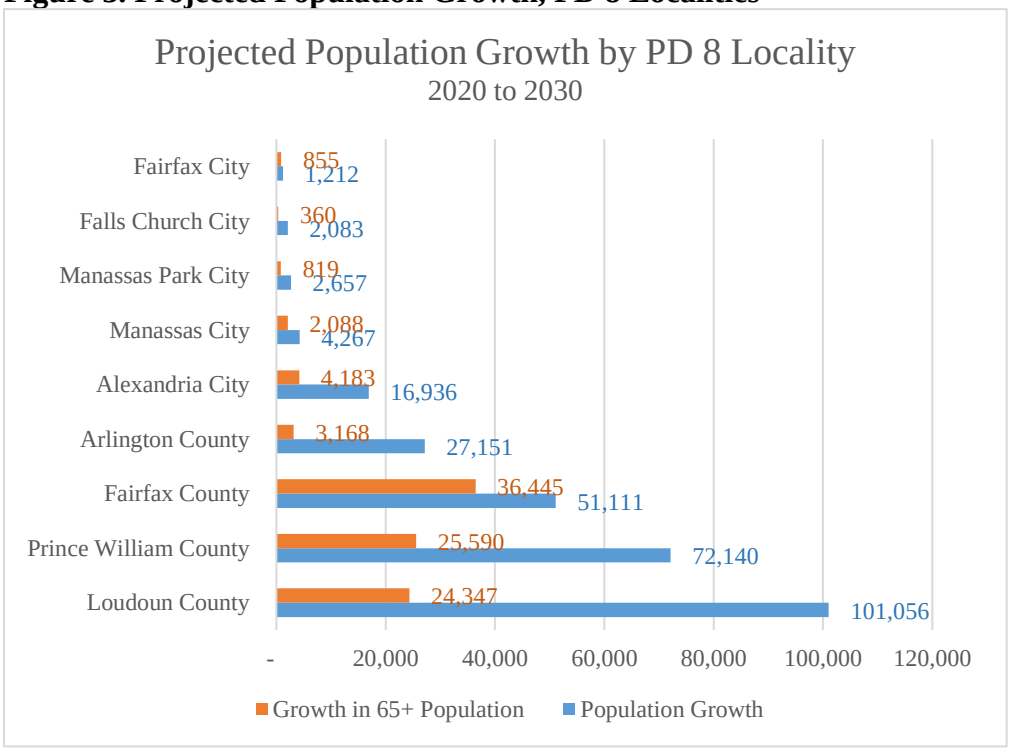
Arlington County is expected to represent 9% of residents of PD 8 by 2030 (**Figure 2**). It is projected to grow by over 27,000 people during the 2020 to 2030 decade. Its population over age 65 is projected to grow by about 3,168, during the decade (**Table 5/Figure 3**).

Figure 2



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

Figure 3. Projected Population Growth, PD 8 Localities



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

Table 5. 2022 Poverty Rates, PD 8

Locality	% in Poverty
Arlington County	6.8%
Fairfax County	5.9%
Loudoun County	3.8%
Prince William County	6.9%
Alexandria City	9.0%
Fairfax City	7.6%
Falls Church City	4.1%
Manassas City	9.1%
Manassas Park City	8.9%
PD 8	**6.1%**
Virginia	***10.6%***

Source: US Census Bureau, Small Area Income and Poverty Estimates

Poverty rates in PD 8 are lower in each locality than the poverty rate of Virginia (**Table 5**). Arlington County's is 6.8%, lower than Virginia's and higher than PD 8's. No unique socioeconomic barriers to access are identified. IFRC Ballston is located within one mile of two Interstate 66 exits, offering easy access to Interstate 66 and the greater Washington, D.C. area. The Washington Metropolitan Area Transit Authority (WMATA) Virginia Square Metro subway station is easily walkable within 1,000 feet of IFRC Ballston. IFRC Ballston is located along a busy commuting corridor and regional bus lines.

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 from the president of Fairfax Radiological Consultants stating intent of the practice to provide professional supervision and staffing. It also received three letters of support for the proposed project from referring physicians, an internist, a surgical gynecological oncologist, and the president of Inova Schar Cancer Institute. These letters, in aggregate, expressed the following:

- A physician that refers regularly to Fairfax Radiology Centers, values the commitment to excellence.
- Physicians support the replacement and relocation of the CT unit into a more modern space with newer technology equipment.
- The new equipment will better meet the needs of patients.
- Physicians support the upgrade to provide the most up-to-date CT services for patients.
- When a patient is diagnosed with cancer, it is essential to have the evaluation performed as quickly as possible on the highest quality equipment.

- CT is an important tool in the evaluation and diagnosis of pelvic floor pain and gynecological malignancies.
- CT is essential in the detection and staging of many cancers.
- It is important to have ready access to high quality CT services for staging and management of care for cancer patients.
- Co-locating CT with other imaging modalities will provide a one-stop imaging shop and improve access for patients.
- The project will alleviate pent-up demand from the nearby CT unit at the Schar Cancer Center reducing time to diagnosis and staging to treatment for patients in Northern Virginia.
- The proposal will be immediately impactful for patients.

Public Hearing

DCOPN provided notice to the public regarding this project inviting public comment on January 10, 2025. The public comment period closed on February 24, 2025. §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 March 10, 2025, the Health Systems Agency of Northern Virginia (HSANV) held a public hearing for the proposed project. Lance Boyd, CEO, Fairfax Radiology Centers presented the project, along with Carol Burchett, Chief Strategy Officer, Fairfax Radiology Centers and Patrick Oliverio, MD, IFRC and Fairfax Radiology Consultants. 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.

IFRC Sterling, from which the proposed CT scanner will relocate, expects to close at the end of its lease in February 2027. The CT located there is at the end of its useful life, so replacement with a technology upgrade is needed. Relocating the replacement unit to IFRC Ballston is more efficient than replacing the CT at its current site and relocating it later. IFRC Sterling will continue to operate its other imaging modalities until the lease expires, at which time the site will close. The proposal establishes a CT site at IFRC Ballston with other imaging modalities already in place and is CT inventory neutral. There is no reasonable alternative identified to the proposed project and the proposal is more beneficial than 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.

HSANV considered the proposed projects at its March 10, 2025 meeting.

The Board voted seven 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 March 10, 2025 public hearing, and on several findings and conclusions, including:

1. The proposal, which appears to be a necessary maintenance of effort project, represents a qualitative improvement in service delivery.
2. The capital outlay is within the range commonly seen for similar projects.
3. There is no indication that the project is likely to result in negative health system effects.
4. The proposal is consistent with the applicable provisions of the Virginia State Medical Facilities Plan.

(iv) Any costs and benefits of the project.

Total projected capital and financing costs for the proposed project are $2,582,843, funded through an equipment lease with the vendor, a commercial loan ($502,066) and a tenant improvement allowance. The estimated costs are in the range of similar projects approved in the past year to introduce CT at an established facility. Most of these were authorized for less than $2 million in capital expenses, for example, COPN No. VA-04906 at $1.7 million was granted to UVA Outpatient Imaging Centreville and COPN No. VA-04901 at just over $1 million was granted to Spotsylvania Regional Medical Center. IFRC was granted COPN No. VA-04878 with a capital cost of $3.9 million, however, so projected costs of the proposal are not outside of the range of previously approved for similar projects.

The applicant has described several benefits to the proposed project. The current CT scanner was purchased in 2005 and has operational and technological limitations which the proposal will alleviate. IFRC plans to close IFRC Sterling, the current site of the CT scanner, in 2027 and redistribute patients to its other existing facilities. Accomplishing the CT replacement and relocation at the same time is more efficient than a replacement in place and relocation later. IFRC asserts that establishing a CT site by co-locating it with MRI and other imaging services at IFRC Ballston "will create a more comprehensive imaging specialty center that will greatly improve efficiency, coordination of care and convenience for IFRC patients."

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

Inova Health Care Services, the majority member of IFRC, provided charity care in the amount of 2.2% in 2022, the latest year for which such data are available. This is above the HPR II average of 1.9% (**Table 6**). The proforma provided with IFRC's application (**Table 7**) includes charity care equal to 1.5% of patient revenues of the proposed IFRC Ballston CT. Should the proposed project be approved, it is subject to Inova Health Care Services' systemwide condition of 3.9% charity care. 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.

Table 6. HPR II Charity Care Contributions: 2022

Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	Percent of Gross Patient Revenue:
Encompass Health Rehab Hosp of Northern Virginia	$44,278,869	$1,731,629	3.9%
Sentara Northern Virginia Medical Center	$944,136,646	$32,219,014	3.4%
Inova Mount Vernon Hospital	$641,472,447	$17,706,001	2.7%
Inova Alexandria Hospital	$1,197,261,807	$29,265,924	2.4%
Virginia Hospital Center	$1,986,450,290	$47,061,276	2.3%
Inova Fairfax Hospital	$5,214,506,184	$116,268,953	2.2%
Inova Loudoun Hospital	$1,228,076,373	$24,600,105	2.0%
Inova Fair Oaks Hospital	$872,902,867	$16,347,102	1.8%
Dominion Hospital	$171,735,320	$1,891,758	1.1%
Reston Hospital Center	$1,890,705,104	$16,603,148	0.8%
StoneSprings Hospital Center	$442,376,284	$3,383,896	0.7%
North Spring Behavioral Healthcare	$72,918,890	$259,529	0.3%
UVA Health Prince William Medical Center	$329,053,447	$704,161	0.2%
UVA Health Haymarket Medical Center	$183,865,488	$174,114	0.1%
Total Inpatient Hospitals:			**14**
HPR II Inpatient Hospital Median			1.9%
HPR II Total Inpatient $ & Mean %	$15,219,740,016	$308,216,610	2.0%
Lake Ridge Ambulatory Surgical Center	$12,134,108	$210,500	1.7%
Stone Springs Ambulatory Surgery Center	$3,999,113	$59,669	1.5%
Northern Virginia Eye Surgery Center, LLC	$14,479,800	$63,197	0.4%
Haymarket Surgery Center	$51,205,003	$50,954	0.1%
Northern Virginia Surgery Center	$59,865,180	$47,316	0.1%
Reston Surgery Center	$140,221,295	$58,510	0.0%
Prince William Ambulatory Surgery Center	$50,752,301	$4,623	0.0%
Fairfax Surgical Center	$141,540,392	$209	0.0%
HealthQare Services ASC, LLC	$8,526,020	$0	0.0%
Inova Ambulatory Surgery Center at Lorton	$1,977,872	$0	0.0%
Inova Loudoun Ambulatory Surgery Center	$86,732,059	$0	0.0%
Inova Surgery Center @ Franconia-Springfield	$86,936,077	$0	0.0%
Kaiser Permanente Caton Hill Ambulatory Surgery Center	$10,357,476	$0	0.0%
Kaiser Permanente Tysons Corner Surgery Center	$55,063,020	$0	0.0%
McLean Ambulatory Surgery Center	$38,502,416	$0	0.0%
Pediatric Specialists of Virginia Ambulatory Surgery Center	$9,138,277	$0	0.0%
VHC Ambulatory Surgery Center	Not Open until Nov 2022	$ -	
Total Outpatient Hospitals:			16
HPR II Outpatient Hospital Median			0.0%
HPR II Total Outpatient Hospital $ & Mean %	$ 771,430,409	$ 494,978	**0.1%**
Total Hospitals:			30
HPR II Total Hospital $ & Mean %	$ 15,991,170,425	$ 308,711,588	**1.9%**

Source: VHI (2022)

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

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

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

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

The State Medical Facilities Plan (SMFP) contains the criteria and standards for CT services. They are as follows:

Part II Article 1

Diagnostic Imaging Services

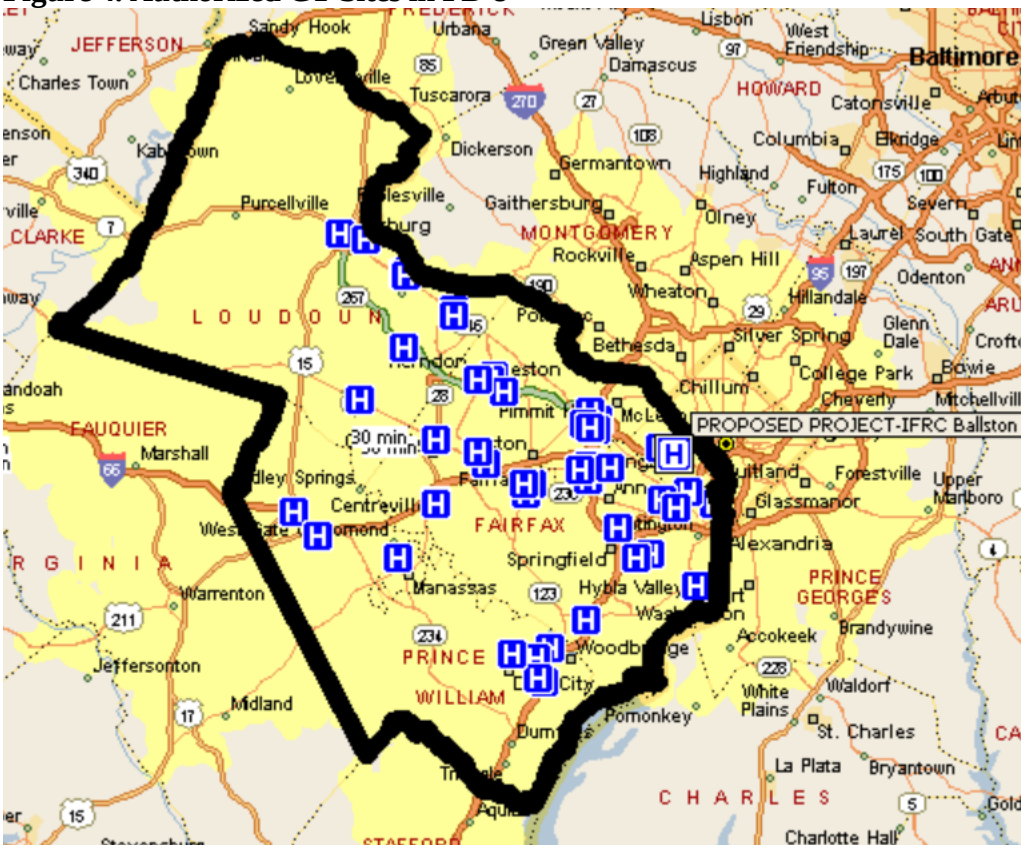
Criteria and Standards for Computed Tomography

12VAC5-230-90. Travel time.

CT services should be available within 30 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 4** is the boundary of PD 8. The blue "H" symbols mark the locations of existing CT providers in PD 8. The white "H" symbol marks the location of the proposed project. The yellow shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing CT services in PD 8. **Figure 4** clearly illustrates that CT services are already well within a 30-minute drive under normal conditions of 95% of the residents of PD 8. The proposed project does not expand geographic access to CT services within 30 minutes driving time beyond status quo.

Figure 4. Authorized CT Sites in PD 8



12VAC5-230-100. Need for new fixed site or mobile service.

A. No new fixed site or mobile CT service should be approved unless fixed site CT services in the health planning district performed an average of 7,400 procedures per existing and approved CT scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing providers in the health planning district. The utilization of existing scanners operated by a hospital and serving an area distinct from the proposed new service site may be disregarded in computing the average utilization of CT scanners in such health planning district.

In 2023, the 69 CT scanners in PD 8 performed 715,618 procedures, an average of 10,371 scans per CT unit or 140.2% of the SMFP standard set forth in this section (**Table 1**).

Calculated Needed Fixed CT Scanners in PD 8

Calculated Fixed CT scanners Needed in PD 8 =

715,618 scans in the PD (**Table 1**) in 2023 / 7,400 scans = 96.7 (97) scanners needed

PD 8 Calculated Need = 97 CT scanners based on 2023 utilization data

Current COPN authorized diagnostic CT scanners (**Table 2**) = 79

PD 8 Calculated Deficit = 18 CT scanners

The applicant asserts that its CT units' utilization is growing, and they are expected to operate at 99% of the SMFP utilization standard in 2025. The proposed project relocates a CT scanner to the eastern part of PD 8, establishing a new site, but does not add to the PD 8 inventory. With a deficit of 18 CT scanners in the PD, relocation of a CT scanner is unlikely to impact current providers negatively.

B. Existing CT scanners used solely for simulation with radiation therapy treatment shall be exempt from the utilization criteria of this article when applying for a COPN. In addition, existing CT scanners used solely for simulation with radiation therapy treatment may be disregarded in computing the average utilization of CT scanners in such health planning district.

DCOPN has excluded existing CT scanners used solely for simulation prior to the initiation of radiation therapy from its inventory and average utilization of diagnostic CT scanners in PD 8 with respect to the proposed projects.

12VAC5-230-110. Expansion of fixed site service.

Proposals to expand an existing medical care facility's CT service through the addition of a CT scanner should be approved when the existing services performed an average of 7,400 procedures per scanner for the relevant reporting period. The commissioner may authorize placement of a new unit at the applicant's existing medical care facility or at a separate location within the applicant's primary service area for CT services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

Not applicable. The proposal is the introduction of a CT service, not expansion of an existing service.

12VAC5-230-120. Adding or expanding mobile CT services.

A. Proposals for mobile CT scanners shall demonstrate that, for the relevant reporting period, at least 4,800 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing CT providers in the health planning district.

B. **Proposals to convert authorized mobile CT scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, at least 6,000 procedures were performed by the mobile CT scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.**

Not applicable. The applicant does not propose to add or expand mobile CT services or to convert authorized mobile CT scanners to fixed site scanners.

12VAC5-230-130. Staffing.
CT services should be under the direction or supervision of one or more qualified physicians.

The applicant confirms that the proposed CT at IFRC Ballston will be under the direct supervision of certified and trained radiologists.

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.**

IFRC's majority member Inova Health Care Services is the dominant health system in PD 8. The proposed project does not change the inventory of CT scanners in PD 8 nor add to Inova's CT scanner count. It does not foster beneficial institutional competition.

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.**

As stated previously, IFRC's majority member Inova Health Care Services is the dominant health system in PD 8 and IFRC is authorized for eleven CT scanners. All of Inova's CT scanners are well-utilized with many of its sites operating above 100% of the SMFP average volume threshold.

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.**

Capital costs of the proposed project are reasonable and within the range of similar, recently authorized projects. The proforma provided by the applicant (**Table 7**) shows a positive net income in years one and two after beginning CT operations at IFRC Ballston. The proposal will require three additional full-time equivalent staff members to implement. With IFRC's recruitment resources, formal in-house CT Tech training program and partnerships with educational institutions, recruitment of these staffing additions is feasible.

Table 7. Proforma IFRC Ballston

	Year 1	Year 2
Revenue	**$ 3,642,000**	**$ 4,801,000**
Charity Care	$ 54,000	$ 71,000
Other Deductions	$ 2,439,000	$ 3,216,000
Total Net Revenue	**$ 1,149,000**	**$ 1,514,000**
Total Expenses	**$ 1,035,000**	**$ 1,151,000**
Net Income Before Taxes	**$ 114,000**	**$ 363,000**

Source: COPN Request No. VA-8795

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 innovations in the delivery of health services, but the proposed replacement CT scanner does feature capabilities not offered by the existing CT model to be replaced, such as dose reduction algorithms and AI enhanced imagery generation and reconstruction. The proposal allows for 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.

The applicant is not a teaching hospital and does not request approval on this basis.

DCOPN Staff Findings and Conclusions

IFRC, LLC proposes to replace and relocate the CT scanner at IFRC Sterling to introduce CT services at IFRC Ballston, an existing medical care facility that offers MRI and other imaging services that are not regulated by COPN. The proposed replacement CT will have enhanced capabilities not available on the existing CT unit which is at the end of its useful life. IFRC intends to close the IFRC Sterling site when its lease expires in 2027, and relocating the CT scanner at the same time it is replaced is more efficient than relocating the replacement scanner at a later date.

PD 8 is an area of Virginia that is growing at a rate higher than that of Virginia. The proposed project is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. DCOPN has calculated a deficit of 18 CT scanners in PD 8 based on utilization reported to VHI in 2023 and the current CT inventory. The proposed project is inventory neutral and does not alleviate the CT deficit. Existing PD 8 CT scanners are well-utilized. DCOPN concludes that it is unlikely the proposal will significantly impact existing providers negatively, the proposed project is more beneficial than the status quo, and there is no identified alternative that is more beneficial.

The Board of the Health Systems Agency of Northern Virginia voted seven in favor and none opposed. 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 to be wholly feasible both in the immediate and long-term. There is no known opposition.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of IFRC, LLC's COPN Request number VA-8795 to introduce CT services at Fairfax Radiology Center of Ballston in Arlington, Virginia with the replacement and relocation of one CT scanner from Fairfax Radiology Center of Sterling for the following reasons:

1. The proposal to introduce CT services at Fairfax Radiology Services of Ballston by the replacement and relocation of one CT scanner is generally consistent with the applicable

standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.

2. There is a calculated deficit of CT scanners in PD 8 and the proposal is inventory neutral.

3. The capital costs of the proposed project are reasonable.

4. There is no identified alternative to the proposed project that meets the needs of the population in a less costly, more efficient, or more effective manner.

5. The proposed project appears to be wholly feasible in the immediate and long-term.

6. HSANV has recommended approval of the proposal.

7. There is no known opposition to the proposal.

DCOPN's recommendation is contingent upon IFRC, LLC's agreement to the following charity care condition:

Recommended Condition

This project shall be subject to the system-wide charity care condition applicable to Inova Health Care Services d/b/a Inova Heath System pursuant to COPN No. VA-04381 (issued April 2, 2013), as amended by the State Health Commissioner by letter dated January 4, 2016 (the Inova System-Wide Condition). Pursuant to the 2016 reconsideration, the Inova System-Wide Condition reset to 3.9% as of January 1, 2022. Provided, however, that charity care provided under the Inova System-Wide condition shall be 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.

IFRC, 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. In addition to any right to petition the Commissioner contained in the Inova System-Wide condition, to the extent Inova Health System expects its Inova System-Wide condition 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. or any revised percentage to materially alter the value of its charity care commitment thereunder, it may petition the Commissioner for a modification to the Inova System-Wide condition to resolve the expected discrepancy.

IFFC, LLC will provide CT imaging services to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act (42 U.S.C. § 1396 et seq.), and 10 U.S.C. § 1071 et seq.