

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis Report

March 21, 2025

COPN Request No. VA-8796

Sentara Advanced Imaging Solutions, LLC
Norfolk, Virginia

Introduce full-service MRI by removing restricted use (extremity) on existing MRI

Applicant

Sentara Advanced Imaging Solutions, LLC (SAIS) is a Virginia limited liability company organized in 2019. SAIS is a wholly owned subsidiary of Sentara Hospitals. Sentara Hospitals is a wholly owned subsidiary of Sentara Health. SAIS does business as Sentara Advanced Imaging Solutions – Sentara Leigh on the campus of SLH in Norfolk, Virginia, which is located in Planning District (PD) 20, within Health Planning Region (HPR) V.

Background

Division of Certificate of Public Need (DCOPN) records show that there are currently 31 COPN authorized fixed-site magnetic resonance imaging (MRI) scanners in PD 20 (**Table 1**).

Table 1. PD 20 COPN Authorized Fixed MRI Units

Facility	Units
Bon Secours Health Center at Harbour View	2
Bon Secours Maryview Medical Center	1
Bon Secours Imaging Town Center	1
Chesapeake Regional Medical Center	3
Children's Hospital of The King's Daughters	2
First Meridian d/b/a MRI & CT Diagnostics - Chesapeake	3
First Meridian d/b/a MRI & CT Diagnostics - Virginia Beach	2
Chesapeake Diagnostic Imaging - Hanbury Imaging Center	1
Chesapeake Diagnostic Imaging - Lynnhaven Imaging Center	1
Chesapeake Diagnostic Imaging – West Branch Imaging Center	1
Sentara Advanced Imaging Center - Belleharbour	1
Sentara Advanced Imaging Center - Leigh	1
Sentara Advanced Imaging Center - Princess Anne	1
Sentara Advanced Imaging Center at First Colonial	1
Sentara Independence	1

Facility	Units
Sentara Leigh Hospital	2 ¹
Sentara Norfolk General Hospital	3 ²
Sentara Obici Hospital	2
Sentara Princess Anne Hospital	1
Sentara Virginia Beach General Hospital	1
Total	31

Source: DCOPN records

Proposed Project

SAIS proposes to remove the extremity limitation on an existing MRI unit located at 6201 Virginia Beach Boulevard, Suite 104, Norfolk, Virginia. According to the applicant, the goals of the proposed project are: (1) facilitate timelier scheduling for patients in a lower-cost, outpatient setting; (2) redistribute utilization at Sentara Leigh Hospital (SLH) and Sentara Brock Cancer Center (SBCC); and (3) increase efficiencies without the premature addition of new MRI units.

The total capital costs of the proposed project are \$364,560, all of which represents the cost of the coils and software package to update the existing MRI unit (**Table 2**). The proposed project will be funded through accumulated reserves. Therefore, there are no financing costs associated with the proposed project.

Table 2. SAIS Capital Costs

Direct Construction Costs	\$0
Equipment Not Included in Construction Contract	\$364,560
Site Acquisition Cost	\$0
Total	\$364,560

Source: COPN Request No. VA-8796

No construction is required to implement the proposed project. The applicant anticipates an opening date three months after COPN approval.

Project Definitions

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as “[t]he addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of... magnetic resonance imaging (MRI)...” A medical care facility includes “Any specialized center or clinic or that portion of a physician's office developed for the provision of ... magnetic resonance imaging (MRI)....”

¹ One MRI unit at Sentara Brock Cancer Center.

² Virginia Health Information data for 2023 lists four MRI units at Sentara Norfolk General Hospital. DCOPN records indicate that one of these four MRI units is an intraoperative unit. Therefore, DCOPN did not include it in the inventory in **Table 1**.

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, SAIS is located at 6201 E. Virginia Beach Boulevard, Suite 104, Norfolk, Virginia. SAIS is located on the Sentara Leigh campus, close to the intersection of Interstate 64 and Interstate 264. The applicant states that bus services and other transportation for individuals with special needs are available via Hampton Roads Transit.

PD 20 had a population of about 1.2 million in 2020 and is projected to grow by just over 40,000 people and 3.3%, between 2020 and 2030. This is slightly less than the population growth rate projected for Virginia during this decade, 5.8%. The growth rates projected for 2020-2030 in the 65 and older age group are 25.4% in Norfolk City and 33.8% in PD 20 as a whole, compared to 26.3% in Virginia (**Table 3**).

Table 3. PD 20 Population Data

Locality	2020 Census	2030 Projection	Projected Population Change 2020-2030	Projected % Change 2020-2030	2020 65+ Census	2030 65+ Projection	Projected Population Change 65+ 2020-2030	Projected % Change 65+ 2020-2030
Isle of Wight County	38,606	41,341	2,735	7.1%	7,751	10,388	2,637	34.0%
Southampton County	17,996	17,172	-824	-4.6%	3,719	4,756	1,037	27.9%
Chesapeake City	249,422	272,670	23,248	9.3%	36,045	50,838	14,793	41.0%
Franklin City	8,180	7,667	-513	-6.3%	1,787	1,982	195	10.9%
Norfolk City	238,005	229,864	-8,141	-3.4%	29,215	36,636	7,421	25.4%
Portsmouth City	97,915	98,857	942	1.0%	15,496	19,321	3,825	24.7%
Suffolk City	94,324	102,571	8,247	8.7%	14,708	19,474	4,766	32.4%
Virginia Beach City	459,470	474,052	14,582	3.2%	69,375	94,903	25,528	36.8%
PD 20 Totals	1,203,918	1,244,194	40,276	3.3%	178,096	238,297	60,201	33.8%
Virginia	8,631,393	9,129,002	497,609	5.8%	1,395,291	1,762,641	367,350	26.3%

Source: Weldon-Cooper Data, updated August 2023

DCOPN notes that the poverty rate of PD 20 is higher than that of Virginia (**Table 4**). Norfolk City, the location of the proposed project, has the third highest poverty rate in PD 20.

Table 4. 2023 Poverty Rates, PD 20

Locality	Percent in Poverty
Isle of Wight County	7.3%
Southampton County	13.3%
Chesapeake City	10%
Franklin City	19.8%
Norfolk City	18.3%
Portsmouth City	18.7%
Suffolk City	11.1%
Virginia Beach City	8.7%
PD 20	11.8%
Virginia	10.2%

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

Regarding socioeconomic barriers to access to the applicant's services, according to regional and statewide data regularly collected by VHI, for 2022, the most recent year for which such data is available, the average amount of charity care provided by HPR V facilities was 1.9% of all reported total gross patient revenues (**Table 5**). 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, SAIS should be subject to charity care consistent with the Sentara Hampton Roads 1.8% system-wide charity care condition, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia.

Table 5. HPR V Charity Care Contributions: 2022

2022 Charity Care Contributions at or below 200% of Federal Poverty Level			
Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	% of Gross Patient Revenue:
Inpatient Hospitals			
Riverside Doctors' Hospital Williamsburg	\$235,047,426	\$7,344,864	3.1%
Sentara Norfolk General Hospital	\$3,864,668,030	\$109,016,224	2.8%
Riverside Shore Memorial Hospital	\$322,109,369	\$8,731,934	2.7%
Chesapeake Regional Medical Center	\$1,155,918,449	\$29,774,782	2.6%
Sentara Obici Hospital	\$1,129,233,332	\$28,033,924	2.5%
Sentara Careplex Hospital	\$1,034,820,882	\$23,699,497	2.3%
Riverside Walter Reed Hospital	\$331,866,869	\$7,551,194	2.3%
Riverside Regional Medical Center	\$2,771,854,623	\$59,626,052	2.2%
Sentara Virginia Beach General Hospital	\$1,541,137,501	\$32,477,460	2.1%
Sentara Leigh Hospital	\$1,751,776,448	\$36,872,093	2.1%
Virginia Beach Psychiatric Center	\$53,717,475	\$1,004,000	1.9%
Sentara Princess Anne Hospital	\$1,248,353,068	\$19,746,037	1.6%
VCU Health Tappahannock Hospital	\$180,355,500	\$2,408,281	1.3%
Sentara Williamsburg Regional Medical Center	\$752,613,462	\$8,404,028	1.1%
Bon Secours Mary Immaculate Hospital	\$709,536,813	\$7,318,928	1.0%
Bon Secours Maryview Medical Center	\$1,351,611,536	\$11,279,831	0.8%
Newport News Behavioral Health Center	\$30,706,561	\$244,159	0.8%
Bon Secours Southampton Medical Center	\$241,085,104	\$1,877,601	0.8%

2022 Charity Care Contributions at or below 200% of Federal Poverty Level				
Hospital	Gross Patient Revenues	Adjusted Charity Care Contribution	% of Gross Patient Revenue:	
Bon Secours Rappahannock General Hospital	\$92,843,633	\$716,430	0.8%	
Riverside Rehabilitation Hospital	\$62,764,853	\$388,974	0.6%	
Children's Hospital of the King's Daughters	\$1,343,335,333	\$3,354,180	0.2%	
Hospital For Extended Recovery	\$26,673,737	\$14,488	0.1%	
The Pavilion at Williamsburg Place	\$48,867,340	\$17,535	0.0%	
Kempsville Center for Behavioral Health	\$44,555,478	\$0	0.0%	
Lake Taylor Transitional Care Hospital	\$42,830,830	\$0	0.0%	
Select Specialty Hospital-Hampton Roads	\$73,328,103	\$0	0.0%	
Total Inpatient Facilities:			26	
HPR V Inpatient Median			1.2%	
HPR V Inpatient Total \$ & Mean%	\$20,441,611,755	\$399,902,496	2.0%	
 Outpatient Centers				
Riverside Peninsula Surgery Center	\$26,825,317	\$646,330	2.4%	
Careplex Orthopaedic Ambulatory Surgery Center	\$54,808,248	\$1,290,094	2.4%	
Sentara BelleHarbour Ambulatory Surgery Center	\$2,732,407	\$50,587	1.9%	
Riverside Hampton Surgery Center	\$35,603,742	\$247,351	0.7%	
CHKD Health & Surgery Center (Newport News)	\$18,626,720	\$91,323	0.5%	
Sentara Princess Anne Ambulatory Surgery Management, LLC	\$45,406,534	\$191,358	0.4%	
Riverside Doctors Surgery Center	\$38,658,425	\$155,389	0.4%	
Bon Secours Mary Immaculate Ambulatory Surgery Center	\$28,531,734	\$114,059	0.4%	
Bon Secours Surgery Center at Virginia Beach	\$41,672,833	\$80,023	0.2%	
CHKD Health & Surgery Center (Virginia Beach)	\$33,722,353	\$62,513	0.2%	
Sentara Obici Ambulatory Surgery LLC	\$18,535,929	\$17,065	0.1%	
Sentara Leigh Orthopedic Surgery Center, LLC	\$107,157,116	\$13,664	0.0%	
Sentara Virginia Beach Ambulatory Surgery Center	\$21,565,567	\$2,700	0.0%	
Bon Secours Surgery Center at Harbour View, L.L.C.	\$50,778,791	\$4,037	0.0%	
Advanced Vision Surgery Center LLC	\$1,969,222	\$0	0.0%	
Bayview Medical Center, Inc	\$4,246,866	\$0	0.0%	
Center for Visual Surgical Excellence, LLC	\$9,769,037	\$0	0.0%	
Chesapeake Regional Surgery Center at Virginia Beach, LLC	\$47,742,818	\$0	0.0%	
CVP Surgery Center	\$19,000,461	\$0	0.0%	
Sentara Port Warwick Surgery Center	\$1,740,580	\$0	0.0%	
Surgery Center of Chesapeake	\$14,774,000	\$0	0.0%	
Surgical Suites of Coastal Virginia	\$38,314,052	\$0	0.0%	
Virginia Center for Eye Surgery	\$6,172,666	\$0	0.0%	
Total Outpatient Facilities:			23	
HPR V Outpatient Median			0.2%	
HPR V Outpatient Total \$ & Mean%	\$668,355,418	\$2,966,493	0.4%	
Total Facilities:			49	
	HPR V Median		0.5%	
	HPR V Total \$ & Mean%	\$21,109,967,173	\$402,868,989	1.9%

Source: VHI (2022)

DCOPN is not aware of any other distinct and unique geographic, socioeconomic, cultural, transportation, or other barriers to care that this project would address.

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 20 letters of support for the proposed project from members of the local medical community, which addressed:

- Currently SLH campus operates two full-scope MRI machines along with one MRI restricted to extremity imaging. While these resources provide critical imaging services, the current capacity can result in delays, especially for patients requiring complex imaging that cannot be managed by extremity-limited equipment.
- These delays are particularly concerning for oncologic patients, where prompt and accurate imaging can be the difference between effective intervention and irreversible outcomes.
- An increase in MRI capacity would directly support efforts to deliver timely care, alleviate wait times, and provide a more comprehensive range of diagnostic options.
- SLH has one fixed MRI that operated at 173.3% of the SMFP threshold of 5,000 procedures in 2023; Sentara Brock Cancer Center (SBCC) has one fixed MRI that operated at 88.2% of the SMFP threshold in 2023. While SBCC operated at under 100% of the SMFP threshold, oncological scans take significantly longer to perform than other types of scans, such as scans for orthopedic purposes. The extremity limited MRI scanner at SAIS – North Leigh campus operated at 61.3% of the SMFP threshold, indicating that this MRI can aid in decanting volumes from SLH and SBCC.
- Throughout 2024, wait times for third-appointment MRI scans at SLH and SBCC consistently exceeded seven days, while the SAIS – North Leigh campus MRI had near immediate availability.
- The SAIS – North Leigh campus scanner is an independent diagnostic testing facility (IDTF), which costs both patients and the healthcare system significantly less than an MRI operating in a hospital outpatient department setting.
- Removing the extremity limitation at SAIS – North Leigh campus would provide several key benefits: 1. Faster access to critical imaging; 2. Enhanced operational efficiency; 3. Address complex imaging needs; and 4. Cost savings for patients.

DCOPN received one letter, dated February 24, 2025, from Bon Secours Hampton Roads (BSHR Opposition Letter). DCOPN notes that the BSHR Opposition Letter makes reference to COPN

Request No. VA-8800, which was withdrawn on March 6, 2025. The BSHR Opposition Letter addressed:

- Based on recently published 2023 VHI data, PD 20 has a surplus of MRI capacity and, in addition, the area within PD 20 where the projects are proposed is already well served by existing providers, with MRI services available at any number of sites within the proposed projects' primary services areas (PSAs).
- The Bon Secours Imaging at Town Center (Bon Secours – Town Center), in particular, will be located within close proximity to the projects proposed by both Sentara Advanced Imaging – Sentara Leigh and Jordan-Young, and will be substantially harmed by approval of either project.
- Bon Secours – Town Center, which is under development pursuant to COPN No. VA-04851, will be located within just 3.5 miles of the Sentara Advanced Imaging – Sentara Leigh site and 3.0 miles of the Jordan-Young site and will offer non-hospital, lower cost MRI and CT services as part of a larger complement of diagnostic imaging services. It is scheduled to open in approximately five months, in July 2025, and will be in the midst of a ramp up period with minimal operating history at the time the proposed Sentara Advanced Imaging – Sentara Leigh and Jordan -Young MRI projects would become operation. Approval of either project would substantially harm utilization of Bon Secours – Town Center during a critical stage of development.
- While Sentara Advanced Imaging – Sentara Leigh argues that the removal of the use restrictions on its MRI unit is necessary to address capacity constraints at other Sentara facilities and Jordan-Young argues that its MRI service will provide an option not currently available in PD 20, these arguments ignore the ample MRI capacity that is available at Chesapeake Regional Imaging – Kempsville and at MRI & CT Diagnostics – Virginia Beach, and will be available at Bon Secours – Town Center. To the extent Sentara seeks access to lower cost, non-hospital MRI services for the Sentara Leigh Hospital patient population, the existing locations and soon to open Bon Secours – Town Center are well positioned, given their proximity to the Sentara Leigh Hospital campus, to provide this access.
- The nine freestanding locations [of MRI services] average 3,975 MRI procedures per fixed MRI unit, or 79.5% of the SMFP standard.

On March 12, 2025, Sentara Health responded to the BSHR Opposition Letter, explaining:

- As Bon Secours states, the recently released 2023 Virginia Health Information (VHI) data results in a calculated surplus of MRI units in PD 20; specifically, there is a calculated surplus of two (2) MRI units in PD 20. However, SAIS-Leigh's proposed project is based upon Sentara's institutional need for additional MRI capacity, as indicated and supported throughout the application.

- In order for SLH to continue to meet the needs of its existing patients and community partners, it is essential for SAIS-Leigh to have the extremity limitation on the SAIS-Leigh unit removed.
- While the SBCC MRI is under the 5,000-procedures threshold outlined in the SMFP, the SMFP threshold doesn't account for the differences in scanning times based on the type of scan being performed. Simple orthopedic MRI scans can take as little as 15 minutes to complete, but scans for other specialties, such as oncology, can take upwards of two (2) hours to complete. As the SBCC MRI is primarily used for oncological scanning, the SMFP calculation does not accurately reflect that SBCC is facing difficulties in scheduling due to the very high utilization of the unit. As a result, SLH is not able to decant any of its volume to the SBCC scanner.
- In addition to the institutional need for expanded MRI capacity on the SLH campus, the MRI units at SAIS-Leigh and SBCC utilize 3T magnets, whereas the SLH MRI operates with a 1.5T magnet. While 1.5T magnets are the standard for general MRI imaging and well-suited for hospital-based scanning, 3T magnets produce significantly higher-resolution images in a shorter time.
- Approval of this project would optimize scan distribution across the SLH campus, maximizing the benefits of the existing 3T MRI at SAIS-Leigh while alleviating strain on both SBCC and SLH.
- The clinical trend is towards MRI screening for prostate cancer (“prostogram”) and is on track to become as routine as mammograms for women. Approval of this project would enable SAIS-Leigh to accommodate a portion of these screening needs, reducing referrals to SBCC and improving access to timely imaging. Additionally, as demand rises, Bon Secours Imaging at Town Center (BS-TCI) will be well-positioned to attract new patients in need of screenings—both those currently outside the Sentara system and those “historically served by DePaul”, whom BS-TCI initially intended to support.
- Removing the extremity limitation at SAIS-Leigh would allow for the redistribution of head, spine, and prostate scans from the heavily utilized SLH scanner to SAIS-Leigh, improving overall efficiency. As an independent diagnostic testing facility (IDTF), SAIS-Leigh's ability to absorb these scans would not only relieve hospital-based capacity constraints but also lower costs for both payers and patients.
- One of the reasons for the Commissioner's approval for the relocation of one (1) MRI scanner as part of the BS-TCI project was, in part, because the “...approval of the project is not reasonably expected to adversely affect the utilization of any existing provider of CT or MRI services...”. On July 25, 2023, the Commissioner found that BS-TCI's MRI would not adversely affect providers such as Sentara Leigh Hospital and as SAIS-Leigh is proposing to remove the extremity limitation on the existing fixed MRI on the SLH campus to accommodate an institutional need to support its existing and currently served patients, it would be logically inconsistent for Bon Secours to conclude that SAIS-Leigh's project would adversely affect BS-TCI. The only plausible reason for Bon Secours to oppose the removal

of the extremity limitation at SAIS-Leigh—an initiative designed to enhance access and efficiency for Sentara’s own patient population—is if Bon Secours is actively seeking to capture and redirect these patients to BS-TCI.

- Bon Secours’ objection suggests an intent to limit Sentara’s ability to care for its own existing patients, potentially forcing them to seek services within the Bon Secours network instead. Such opposition would not be rooted in concerns over healthcare access or system efficiency, but rather in an effort to drive patient volume to BS-TCI, counteracting the original intent of its establishment to serve patients historically seeking care at Bon Secours facilities.

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. DCOPN notes that, at the time of application receipt, COPN Request No. VA-8796 was competing with COPN Request No. VA-8800. However, the applicant for COPN Request No. VA-8800 withdrew its application on March 6, 2025 before the scheduled public hearing. Therefore, COPN Request No. VA-8796 is no longer 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;

Neither DCOPN nor the applicant identified a reasonable alternative 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. The proposed project is an inventory-neutral removal of an extremity restriction on the applicant’s existing MRI unit. One of the stated goals of the project is to redistribute utilization at SLH and Sentara Brock Cancer Center, which along with SAIS – Leigh, is on the SLH campus. As noted in **Table 9** below, for 2023, the most recent year for which VHI data is available, the extremity-limited MRI unit at SAIS – Leigh operated at 61.3% utilization (3,064 procedures), the MRI unit at SLH operated at 173.3% utilization (8,665 procedures) and the MRI unit at Sentara Brock Cancer Center operated at 88.2% utilization (4,408 procedures). Consequently, even after accounting for a reasonable redistribution of Sentara Health’s existing patient base on the SLH campus, all of the MRI units will be extremely well utilized by its existing patient base. As such, the proposed project is highly unlikely to affect the utilization and efficiency of existing providers. For these reasons, DCOPN finds that the proposed project to remove the extremity limitation on the existing MRI unit is more advantageous than maintaining 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 V designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 20. 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 \$364,560, all of which represents the cost of the coils and software package to update the existing MRI unit. The proposed project will be funded through accumulated reserves. Therefore, there are no financing costs associated with the proposed project. DCOPN concludes that when compared to similar projects, these costs are very low. For example, COPN No. VA-04788 issued to First Meridian Medical, LLC t/a MRI & CT Diagnostics to add one MRI unit is anticipated to cost approximately \$2,714,525.

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

- This project does not require construction or any major design alterations; additional software and coils must be purchased to increase the types of scans the unit can perform. As such, this project is low-cost while increasing efficiencies of available assets and aiding in decanting high utilization of the other two fixed MRI units on the SLH campus to a low-cost, outpatient, independent diagnostic testing facility (IDTF) setting.
- The proposed extremity limitation removal on an existing and operational fixed MRI unit will not require construction or any alterations to utilities, parking, or zoning.
- Through maximizing the efficiency of an existing asset, the construction costs will be reduced. Rather than applying for additional assets to support SLH and SBCC that would incur substantially heftier costs, maximizing the operational efficiency of an existing asset allows for a reduction of wait times for patients without a high capital cost.
- Additionally, as the fixed unit at SAIS-Leigh only needs a new software package and coils, the unit will be able to quickly support the MRI imaging needs on the Sentara Leigh Campus.
- For patients, receiving timely MRI scans is crucial, especially when dealing with injuries, cancer evaluations, or neurological conditions where rapid assessment can be the difference between early intervention and delayed care. Currently, high utilization of the two unlimited-use MRIs can lead to delays, with patients often facing longer wait times. These delays not only create frustration but can also impact patient outcomes if critical diagnoses are postponed.
- By decanting additional head and spine scans from SLH and SBCC to SAIS Leigh, the wait times will be decreased for patients with more complex scanning needs at SLH and SBCC.

- Furthermore, the decanted head and spine scans will be performed at an established independent diagnostic testing facility (IDTF) with considerably lower costs to the healthcare system and patients.
- Removal of the MRI limitation on the SAIS-Leigh MRI unit would greatly alleviate this bottleneck, allowing Sentara Leigh Hospital to provide faster, more efficient care. Shorter wait times for MRI appointments would enable physicians to make quicker clinical decisions, ensuring that patients receive the care they need without unnecessary delays. This is especially important for patients experiencing pain or acute conditions, for whom faster imaging translates to quicker relief and a path to recovery.
- Moreover, having another full-use MRI on campus would support SLH's emergency services, where immediate access to imaging can be lifesaving.
- The reason for this project proposal is not due to projected increases in volume but rather to address the current utilization at SLH. Removal of the SAIS-Leigh MRI's extremity limitation will allow for 1,286 scans in 2025 and approximately 2,928 scans each year moving forward to be decanted from SLH to SAIS-Leigh.
- The proposal to remove the extremity limitation on the fixed MRI unit at SAIS – Leigh will be a positive step, at a very low price point and without adding inventory to the PD, to reduce patient wait times, increase operational efficiencies, and aid in meeting the demand for more MRI imaging slot time on both the SLH campus and PD 20 as a whole.
- Although the average utilization will remain above 100% of the SMFP threshold, the project would allow for redistribution of scanning without addition of a new asset to the campus. Sentara is proposing the removal of this limitation in an effort to maximize the utility of an existing asset before requesting approval for additional assets.

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

The applicant has confirmed that Sentara will continue to provide care for those in need of healthcare services, regardless of their ability to pay. The Pro Forma Income Statement provided by the applicant anticipates the provision of charity care in the amount of 1.9% of SAIS's gross revenues from MRI services (**Table 6**). DCOPN notes that Sentara Health recently renegotiated its Hampton Roads system-wide charity care condition. As previously discussed, should the Commissioner approve the proposed project, SAIS should be subject to charity care consistent with the Sentara Hampton Roads 1.8% system-wide charity care condition, in addition to any new requirements as found in the revised § 32.1-102.4B of the Code of Virginia.

Table 6. SAIS Pro Forma Income Statement

	Year 1	Year 2
Total Gross Patient Revenue	\$5,593,522	\$7,880,206
Charity Care	(\$106,277)	(\$149,724)
Contractuals	(\$3,406,545)	(\$4,887,185)
Net Operating Revenue	\$2,080,700	\$2,843,297
Total Operating Expenses	\$2,171,628	\$2,527,936
Net Income	(\$90,928)	\$315,360

Source: COPN Request No. VA-8796

(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 proposed project 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, DCOPN will consider the consistency of the proposed project with the predecessor of the SHSP, the SMFP.

The SMFP contains criteria/standards for the establishment or expansion of MRI services. They are as follows:

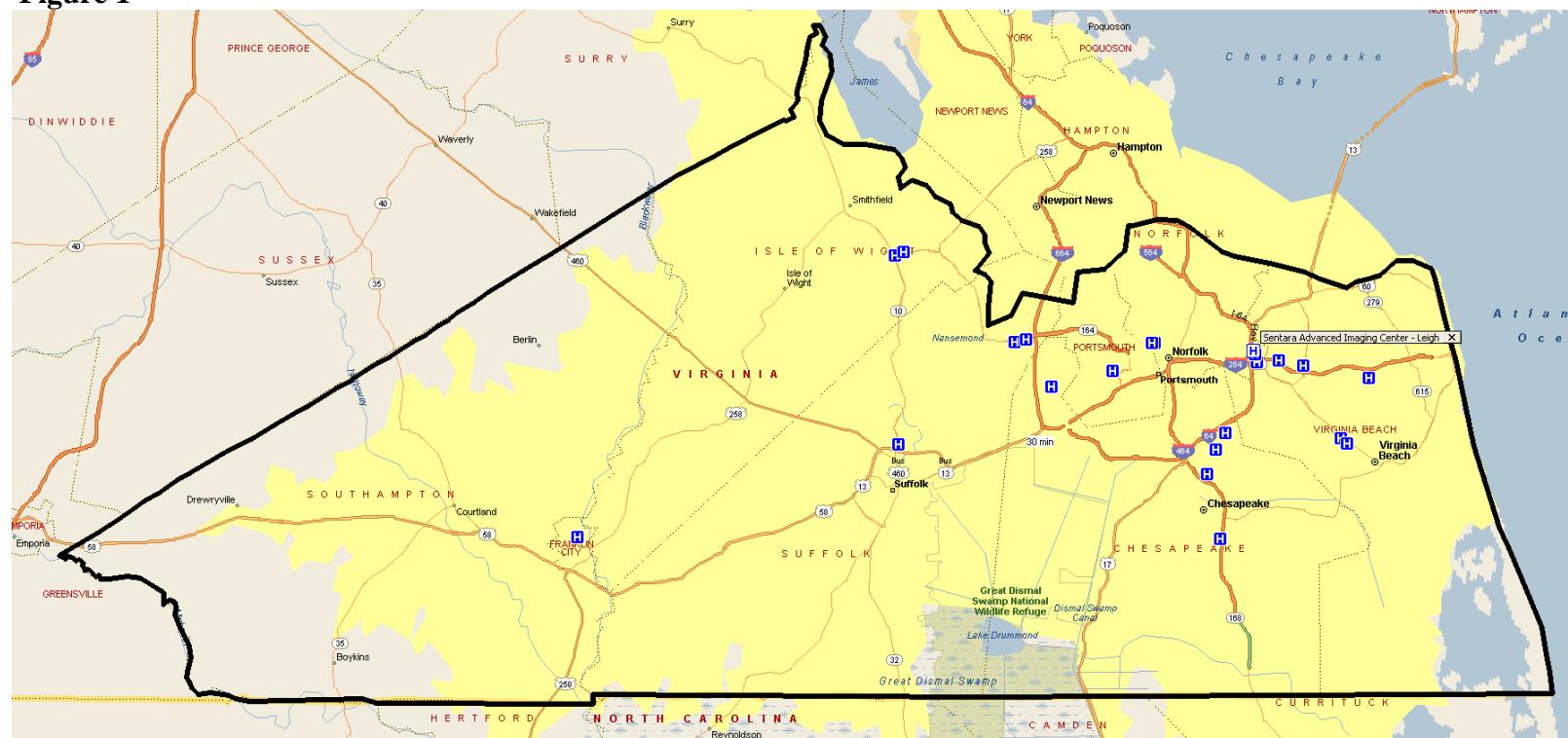
Article 2
Criteria and Standards for Magnetic Resonance Imaging

12VAC5-230-140. Travel time.

MRI services should be 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 1** is the boundary of PD 20. The blue “H” symbols mark the locations of existing MRI providers in PD 20. 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 MRI services in PD 20. **Figure 1** clearly illustrates that MRI services are already well within a 30-minute drive under normal conditions of 95% of the residents of PD 20. Approval of the proposed project will not increase geographic access to MRI services in PD 20.

Figure 1



12VAC5-230-150. Need for new fixed site service.

No new fixed site MRI service should be approved unless fixed site MRI services in the health planning district performed an average of 5,000 procedures per existing and approved fixed site MRI scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site MRI 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 may be disregarded in computing average utilization of MRI scanners in such planning district.

Not applicable. The applicants are not seeking to add new MRI services, but instead are seeking to remove an extremity limitation on an existing MRI unit. The information provided below is to show a complete picture of the MRI needs of PD 20.

Table 1 displays the current inventory of MRI units in PD 20. As shown in **Table 9** below, the then-existing PD 20 fixed MRI inventory performed a collective MRI volume of 135,785 MRI procedures in 2023, with an overall utilization of 82.29%. Based on this data, DCOPN has calculated a current surplus of 3 MRI units in PD 20 as follows:

Calculated Needed MRI Units in PD 20

Calculated Needed MRI Units = 135,785 (2023 MRI procedures) \div 5,000 = 27.2 (28) MRI units needed

PD 20 Calculated Need = 28 MRI Units based on 2023 utilization

2024 COPN authorized MRI Units = 31

PD 20 Surplus = 3 MRI Units

Table 9. PD 20 COPN Authorized Fixed MRI Units and Utilization: 2023

Facility	Fixed Unit	Procedures	Procedures /Unit	Utilization
Bon Secours Maryview Medical Center	1	4,016	4,016	80.3%
Chesapeake Regional Imaging - Kempsville	1	2,867	2,867	57.3%
Chesapeake Regional Imaging - Kingsborough	2	10,840	5,420	108.4%
Chesapeake Regional Medical Center	3	7,910	2,637	52.7%
Children's Hospital of The King's Daughters	2	6,273	3,137	62.7%
Bon Secours Health Care Center @ Harbour View	2	6,348	3,174	63.5%
Sentara BelleHarbour	1	134	134	2.7%
Sentara Independence	1	131	131	2.6%
Maryview Medical Center at Norfolk	1	221	221	4.4%
MRI & CT Diagnostics - Chesapeake	2	8,854	4,427	88.5%
MRI & CT Diagnostics - Virginia Beach	3	9,858	3,286	65.7%
Sentara Advanced Imaging Center - Belleharbour	1	4,327	4,327	86.5%
Sentara Advanced Imaging Center - Princess Anne	1	5,039	5,039	100.8%
Sentara Advanced Imaging Center at First Colonial	1	5,333	5,333	106.7%
Sentara Advanced Imaging Solutions at North Leigh Campus	1	3,064	3,064	61.3%
Sentara Brock Cancer Center	1	4,408	4,408	88.2%
Sentara Independence	1	5,469	5,469	109.4%
Sentara Leigh Hospital	1	8,665	8,665	173.3%
Sentara Norfolk General Hospital	4	16,348	4,087	81.7%
Sentara Obici Hospital	1	8,450	8,450	169.0%
Sentara Princess Anne Hospital	1	8,764	8,764	175.3%
Sentara Virginia Beach General Hospital	1	8,466	8,466	169.3%
Total/Average	33	135,785	4,115	82.3%

Source: VHI Data (2023)

12VAC5-230-160. Expansion of fixed site service.

Proposals to expand an existing medical care facility's MRI services through the addition of an MRI scanner may be approved when the existing service performed an average of 5,000 MRI procedures per scanner during the relevant reporting period. The commissioner may authorize placement of the new unit at the applicant's existing medical care facility, or at a separate location within the applicant's primary service area for MRI services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health-planning district.

As previously discussed, the applicant is seeking approval to remove the extremity limitation on its existing MRI unit. One of the stated goals of the project is to redistribute utilization at SLH and Sentara Brock Cancer Center. As noted in **Table 9** above, for 2023, the most recent year for which VHI data is available, the extremity-limited MRI unit at SAIS – Leigh operated at 61.3% utilization (3,064 procedures), the MRI unit at SLH operated at 173.3% utilization (8,665 procedures) and the MRI unit at Sentara Brock Cancer Center operated at 88.2% utilization (4,408 procedures).

The applicant explains:

By decanting additional head and spine scans from SLH and SBCC to SAIS Leigh, the wait times will be decreased for patients with more complex scanning needs at SLH and SBCC. Orthopedic scans are usually short and can take as little as 15 minutes, while oncological and other complex scans can take 45-120 minutes or more. Head and spine scans can take about 45 minutes. Relocating some of the head and spine scans to SAIS-Leigh will open those slots for oncological and other complex scanning at SLH and SBCC. Furthermore, the decanted head and spine scans will be performed at an established independent diagnostic testing facility (IDTF) with considerably lower costs to the healthcare system and patients.

While the SBCC MRI is under the 5,000-procedures threshold outlined in the SMFP, the SMFP threshold doesn't account for the differences in scanning times based on the type of scan being performed. Simple orthopedic MRI scans can take as little as 15 minutes to complete, but scans for other specialties, such as oncology, can take upwards of two (2) hours to complete. As the SBCC MRI is primarily used for oncological scanning, the SMFP calculation does not accurately reflect that SBCC is facing difficulties in scheduling due to the very high utilization of the unit. As a result, SLH is not able to decant any of its volume to the SBCC scanner.

Although the BSHR Opposition Letter indicates that “[t]he Bon Secours Imaging at Town Center (Bon Secours – Town Center), in particular, will be located within close proximity to the projects proposed by both Sentara Advanced Imaging – Sentara Leigh and Jordan-Young, and will be substantially harmed by approval of either project,” as noted in the applicant's response to the BSHR Opposition Letter, the approval of the Bon Secours- Town Center project was based on Bon Secours request to:

[R]elocate existing COPN-authorized CT and MRI capacity from Norfolk to Virginia Beach so that it can continue offering advancing diagnostic imaging services to its patient population that resides in eastern PD 20. The preservation of access to these services can reasonably be expected to enhance (rather than harm) beneficial competition among the three health systems.³

BSHR also claimed “[t]here are three primary health systems that serve PD 20: Bon Secours, Sentara and Chesapeake. The latter two, which oppose the Applicant’s project, are well-resourced, institutional providers of health care. No credible evidence in the administrative record demonstrates or otherwise suggests that either competing health system will be harmed by approval of the Applicant’s project.”⁴ As the applicant observed in its response to the BSHR Opposition Letter, “[o]n July 25, 2023, the Commissioner found that BS-TCI’s MRI would not adversely affect providers such as Sentara Leigh Hospital and as SAIS-Leigh is proposing to remove the extremity limitation on the existing fixed MRI on the SLH campus to accommodate an institutional need to support its existing and currently served patients, it would be logically inconsistent for Bon Secours to conclude that SAIS-Leigh’s project would adversely affect BS-TCI.”

While the applicant does not meet the computational analysis of this SMFP standard, DCOPN recommends that the Commissioner, in this specific instance, does not allow this standard to bar the removal of the extremity limitation on the existing MRI unit.

12VAC5-230-170. Adding or expanding mobile MRI services.

- A. Proposals for mobile MRI scanners shall demonstrate that, for the relevant reporting period, at least 2,400 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing MRI providers in the health-planning district.**
- B. Proposals to convert authorized mobile MRI scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, 3,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing MRI providers in the health-planning district.**

Not applicable. The applicants are not proposing to add or expand mobile MRI services.

12VAC5-230-180. Staffing.

MRI services should be under the direct supervision of one or more qualified physicians.

The applicant has provided assurances that the MRI services will be under the direction and supervision of one or more qualified physicians.

³ Proposed Findings of Fact COPN Request No. VA-8685 p.18

⁴ Id.

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 shown in **Table 9** above, the MRI unit at SAIS – Leigh operated at 61.3% in 2023, the MRI unit at SLH operated at 173.3% and the MRI unit at Sentara Brock Cancer Center operated at 88.2% utilization. According to the applicant, the removal of the extremity limitation is meant to support the decanting of appropriate procedures from SLH and to increase efficiencies on the SLH campus without adding a new asset to the PD 20 inventory. Therefore, the project is unlikely to foster institutional competition.

- 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 shown in **Table 9** above, the then-existing PD 20 fixed MRI inventory performed a collective MRI volume of 135,785 MRI procedures in 2023, with an overall utilization of 82.29%. As previously discussed, DCOPN contends that approval of the proposed project is not likely to have a significant negative impact on existing providers of MRI services in PD 20. Even after accounting for a reasonable redistribution of Sentara Health's existing patient base on the SLH campus, all of the MRI units will be extremely well utilized by its existing patient base.

- 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 demonstrated by **Table 2**, the projected capital costs of the proposed project are \$364,560, all of which represents the cost of the coils and software package to update the existing MRI unit. As already discussed, DCOPN concludes that when compared to similar projects, these costs are very low. The Pro Forma Income Statement provided by the applicant (**Table 7**) projects a net loss of \$90,928 from in the first year of operation, but a net profit of \$315,360 in the second year of operation.

Regarding staffing, the applicant explains that no addition staffing is required for the proposed project because the existing staff have the training required to operate the MRI unit following the removal of the extremity limitation.

- 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 does increase the potential for provision of services on an outpatient basis for patients who do not need imaging services performed in a hospital setting. DCOPN did not identify any other factors that have not been discussed elsewhere in this staff analysis report to bring to the attention of the Commissioner.

- 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 provided the following information with regard to this consideration:

Medical Center Radiologists (MCR), the radiology group serving Sentara, and Sentara Hospitals Norfolk (the combined formal medical staff of SNGH and SLH) serve as the EVMS/ODU clinical faculty and directors for our Accreditation Council for Graduate Medical Education (ACGME) accredited radiology residency program. The program supports 16 radiology residents in training annually, as well as two fellowships in women's imaging/mammography services. SAIS-Leigh's picture archive and communications system is fully integrated with Sentara Hospitals and our MCR radiology residency program. As such, cases of interest that are identified by our radiologist medical director that are performed at SAIS- Leigh are included in teaching case files that our hospital radiology residents utilize for training/educational purposes.

DCOPN Staff Findings and Conclusions

DCOPN finds that Sentara Advanced Imaging Solutions, LLC's COPN Request No. VA-8796 to introduce full-service MRI by removing restricted use (extremity) on an existing MRI unit is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. The proposed project is more favorable than maintaining the status quo. As previously discussed, the proposed project would allow Sentara Health to decant volume from the extremely highly utilized MRI unit at SLH. Additionally, the proposed project will increase efficiencies on the SLH campus without adding a new asset to the PD 20 inventory. Therefore, the project is unlikely to foster institutional competition, nor will it negatively affect existing providers of MRI services.

DCOPN finds that the total capital costs of the proposed project are low when compared 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's analysis of the available data shows no evidence that the proposed location would significantly reduce the utilization of existing providers in the area.

Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Sentara Advanced Imaging Solutions, LLC COPN Request No. VA-8796 to introduce full-service MRI by removing restricted use (extremity) on existing MRI for the following reasons:

1. The project is 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 project is more favorable than maintaining the status quo.
3. The capital costs are low.
4. The proposed project appears economically viable in the immediate and the long-term.

Recommended Condition

This project shall be subject to the 1.8% system-wide charity care condition applicable to Sentara Health Hampton Roads, as reflected in COPN No. VA-04534 as amended by the State Health Commissioner by letter dated January 14, 2025 (Sentara Hospitals Hampton Roads system-wide condition). Sentara Health ("Sentara") will provide healthcare services in Hampton Roads (Health Planning Region ("HPR") V) to all persons in need of these services, regardless of their ability to pay for those services. Further, Sentara will provide as charity care to all indigent persons whose family income is at or below 200 percent of the federal non-farm poverty level (hereinafter "Qualifying Recipients") free services or rate reductions in services and facilitate the development and operation of primary and specialty care services to medically underserved persons in HPR V in an aggregate amount equal to at least 1.8% of Sentara's revenues derived from patient services in HPR V. The valuation of charity care provided pursuant to this condition shall be consistent with the methodology for such valuation as then applied by the Virginia Department of Health.

Sentara Advanced Imaging Solutions, LLC will provide MRI 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.

Starting January 1, 2028, and every third calendar year thereafter, the level of charity care required to be provided by Sentara under this system-wide condition shall be adjusted, up or down, to equal the average charity care level provided in HPR V over the previous three (3) years for which such data has been publicly reported by the end of the prior calendar year.

In calculating the combined value of charity care provided by Sentara Health Hampton Roads facilities pursuant to this condition, Sentara may include the revenues and value of charity care, measured as set forth above, attributable to (i) patient care services provided by Sentara's facilities in HPR V without charge to Qualifying Recipients, (ii) medical or other outpatient services provided through Sentara-affiliated outreach services in HPR V without charge to Qualifying Recipients, and (iii) physician and ancillary services provided by Sentara-affiliated physician medical practices in HPR V without charge to Qualifying Recipients. Sentara may also include, for purposes of calculating the value of charity care, amounts donated by Sentara to community health centers, free clinics, and similar organizations in HPR V and amounts paid to non-affiliated physicians, medical practices, or other healthcare providers for the provision of medical care in HPR V to Qualifying Recipients, including amounts appropriated to Sentara and retained by organizations to further Sentara's initiatives to provide care to Qualifying Recipients in HPR V. Sentara also may include, for purposes of calculating the value of charity care, costs associated with providing (a) eligibility services to facilitate receipt of charity care by Qualifying Recipients and (b) items and services provided in connection with indigent care, including, but not limited to, transportation costs, guardian expenses, and durable medical equipment costs (provided, however, that any revenues received by Sentara in connection with the provision of such items and services set forth in this subsection (b) shall be included in Sentara's revenues subject to this condition).

This condition will apply to all COPNs issued to all Sentara-owned hospitals and other facilities in HPR V prior to and after the effective date hereof, until this condition is amended or upon agreement between the Commissioner and Sentara regarding any exceptions. Each year, Sentara shall provide documentation to the Division of Certificate of Public Need regarding its calculation of the HPR V average applicable in such calendar year, and agrees that such amount shall be applicable to all services then covered by this condition and to any services approved pursuant to new COPNs issued in such calendar year, until such average is adjusted per the methodology set forth herein. Sentara will document compliance with this condition as required by the Virginia Department of Health.