



COMMONWEALTH of VIRGINIA

Department of Health
P O BOX 2448
RICHMOND, VA 23218

Karen Shelton, MD
State Health Commissioner

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

August 20, 2025

Kendrel Cabarrus, Strategic Consultant
UVA Health System Strategy
UVA McKim Mail Room ATTN: Strategy Department
Post Office Box 800153
Charlottesville, Virginia 22904

RE: **COPN No. VA-04951 (COPN Request No. VA-8817)**
UVA Medical Center
Charlottesville, Virginia
Add 1 CT scanner (therapeutic)

Dear Mr. Cabarrus:

In accordance with Chapter 4, Article 1.1 of Title 32.1 of the Code of Virginia of 1950 (the Code), as amended, I reviewed the application and all supporting documents submitted by UVA Medical Center to add one therapeutic CT scanner in Charlottesville, Virginia.

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

1. The proposal to add one CT scanner at UVAMC is consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. PD 10 has a calculated need for one (diagnostic) CT scanner.
3. The capital costs of the proposed project are reasonable.
4. The proposed project is unlikely to have a significant negative impact upon the utilization, costs, or charges of other providers of CT services in PD 10.
5. The proposed project appears to be wholly feasible in the immediate and long-term.
6. It supports the mission of an academic medical center.

7. There is no known opposition to the project.

This certificate is valid for the period August 20, 2025 through August 19, 2026. The total authorized capital and financing cost of the project is \$300,000 with an expected competition date of September, 2025.

Please file two copies of the application for a certificate extension with the Department no later than 30 days before the expiration date of the certificate. Part VIII of the Virginia Medical Care Facilities Certificate of Public Need Rules and Regulations identifies the filing requirements and review procedure for certificate extension requests.

Sincerely,



Karen Shelton, MD
State Health Commissioner

Enclosure

cc: Charis A. Mitchell, Assistant Attorney General, Commonwealth of Virginia
Erik Bodin, Director, Division of Certificate of Public Need
James Jenkins, Acting Director, VDH, Office of Licensure and Certification
Deborah K. Waite, Chief Operating Officer, Virginia Health Information
Ryan McKay, MPA, District Director, Blue Ridge Health District

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

THIS CERTIFIES THAT The Rectors and Visitors of University of Virginia is authorized to initiate the proposal as described below.

NAME OF FACILITY: University of Virginia Medical Center

LOCATION: 1215 Lee Street, Charlottesville, Virginia

OWNERSHIP AND CONTROL: The Rectors and Visitors of University of Virginia

SCOPE OF PROJECT: Add one CT scanner for therapeutic use, for a total of ten CT scanners at University of Virginia Medical Center (total of three therapeutic, one radiation therapy simulator, and six diagnostic). Capital costs authorized for this project total \$3,000,000. The project is expected to be completed with approval of the certificate of public need, about September, 2025. This certificate is issued with the condition that appears on its reverse.



Pursuant to Chapter 4, Article 1:1 of Title 32.1, Sections 32.1-102.1 through 32.1-102.12 of the Code of Virginia (1950), as amended and the policies and procedures promulgated thereunder, this Medical Care Facilities Certificate of Public Need is issued contingent upon substantial and continuing progress towards implementation of the proposal within twelve (12) months from the date of issuance. A progress report shall be submitted to the State Health Commissioner within twelve (12) months from the date of issuance along with adequate assurance of completion within a reasonable time period. The Commissioner reserves the right not to renew this Certificate in the event the applicant fails to fulfill these conditions. This Certificate is non-transferable and is limited to the location, ownership, control and scope of the project shown herein.

Certificate Number: VA-04951

Date of Issuance: August 20, 2025

Expiration Date: August 19, 2026

A handwritten signature in black ink, appearing to read "Karen Shelton".

Karen Shelton, MD, State Health Commissioner

The Rector and Visitors of the University of Virginia on Behalf of the University of Virginia Medical Center will provide therapeutic computed tomography (CT) services to all persons in need of this service, 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 1.92% of The Rector and Visitors of the University of Virginia on Behalf of the University of Virginia Medical Center's total patient services revenue derived from therapeutic CT 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. The Rector and Visitors of the University of Virginia on Behalf of the University of Virginia Medical Center 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.

The Rector and Visitors of the University of Virginia on Behalf of the University of Virginia Medical Center will provide therapeutic CT 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, The Rector and Visitors of the University of Virginia on Behalf of the University of Virginia Medical Center will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

July 21, 2025

RE: COPN Request No. VA-8817

The Rector and Visitors of the University of Virginia
on Behalf of the University of Virginia Medical Center
Charlottesville, Virginia
Addition of One CT scanner at 2965 Ivy Road

Applicant

The University of Virginia Medical Center (UVAMC) is a state-owned, academic healthcare center operated under the authority of The Rector and Visitors of the University of Virginia. UVAMC is in Charlottesville, Virginia, Planning District (PD) 10, Health Planning Region (HPR) I.

Background

There are 20 authorized computed tomography (CT) scanners in PD 10, 15 of which were operational diagnostic CT scanners reporting utilization volume in 2023. The 15 operational CT scanners performed 121,844 CT scans in 2023, the latest year for which such data are available from Virginia Health Information (VHI). This is an average of 8,123 CT scans per scanner, or 109.8% of the State Medical Facilities Plan (SMFP) standard of 7,400 scans per CT scanner. The eight diagnostic CT scanners in PD 10 general hospitals averaged 151.4% of the SMFP standard and freestanding facilities averaged 62.1% of the standard (**Table 1**).

DCOPN records show that there are currently 20 CT scanners authorized in the PD 10. One of Sentara Martha Jefferson's and one of University of Virginia Medical Center's CT scanners are used for CT simulation, and two of the University of Virginia Medical Center's are intraoperative scanners. These four CT scanners are not in the count of diagnostic CT scanners and are not included in this utilization analysis. An additional diagnostic scanner is authorized (COPN no. VA-04923 approved February 2025) for the UVA Imaging Ivy Mountain site but is not due to open until September 2026.

UVA Imaging is a joint venture created with the purpose of providing off-Grounds outpatient imaging to UVA Medical Center patients. Across all UVA Health facilities in PD 10, CT scanners averaged 7,683 CT scans per unit in 2023, or 103.8% of the SMFP standard.

Table 1. PD 10 2023 CT Inventory and Utilization

Facility Name	Total Diagnostic Units	Total CT Procedures	CT Scans per Unit	% of SMFP Standard
Diagnostic CT				
General Hospitals				
Sentara Martha Jefferson Hospital	2	29,726	14,863	200.8%
University of Virginia Medical Center	6	59,927	9,988	135.0%
Totals and Averages, Acute Hospital	8	89,653	11,207	151.4%
Freestanding Imaging Center				
Martha Jefferson Health Services - Proffit Road	1	7,414	7,414	100.2%
Sentara Advanced Imaging Center - Charlottesville	1	195	195	2.6%
UVA Imaging - Transitional Care Hospital (Northridge)	1	5,408	5,408	73.1%
UVA Imaging Center Fontaine (MOB 1)	2	14,385	7,193	97.2%
UVA Imaging - Ivy Mountain	1	437	437	5.9%
UVA Imaging - Zion Crossroads	1	4,352	4,352	58.8%
Totals and Averages, Freestanding	7	32,191	4,599	62.1%
Total PD 10 2023 Operational Diagnostic CT Scanners and Utilization	15	121,844	8,123	109.8%
Approved, Not Yet Open				
UVA Imaging - Ivy Mountain, 2 nd Scanner	1			
Non-Diagnostic CTs				
University of Virginia Medical Center CT Simulator	1			
University of Virginia Medical Center Intraoperative	2			
Sentara Martha Jefferson Hospital CT Simulator	1			
Total PD 10 Non-Diagnostic / Therapeutic CT	4			
Total Authorized PD 10 CT Inventory	20			

Source: COPN Records and 2023 VHI Report

Proposed Project

UVAMC proposes adding a CT scanner, the third therapeutic, fourth non-diagnostic, eighth in the hospital and sixteenth overall. The proposal will not require renovation since the proposed CT will be placed in existing space previously used to house a CT scanner, and currently used to house a temporary scanner supporting the replacement of two diagnostic CTs are being replaced.

Capital costs for the proposed project are projected to be \$300,000 for the purchase of the equipment (Table 2). If approved, the proposal is expected to be operational upon the issue date for the COPN.

Table 2. Capital and Financing Costs, Second CT, UVA Imaging Northridge

Direct Construction Cost	\$ 0
Equipment not included in Construction Contract	\$ 300,000
TOTAL CAPITAL COSTS	\$ 300,000

Source: COPN Request No. VA-8817

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the “addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of ... computed tomographic (CT) scanning...” A medical care facility includes “... any institution, place, building, or agency, whether or not licensed or required to be licensed by the Board...” (Code of Virginia §32.1-3).

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.**

The population of PD 10 is expected to be about 280,000 by 2030 and have 20,000 more people than it had in 2020, a 7.9% increase (**Table 3**). This is a slightly higher percentage of population growth than that of Virginia at 5.8%. UVAMC’s primary service area extends well beyond PD 10. UVA Medical Center is an academic medical center offering tertiary/quaternary care to a broad spectrum of adults and children from across Virginia. UVA Medical Center’s patients can travel several hours for specialized services not readily available in communities across the state. UVA Imaging facilities in PD 10 (**Figure 1**) provide outpatient CT imaging in support of these patients.

Table 3. PD 10 Population Data

Geography Name	2020	2030	Change in Population 2020 - 2030	% Change 2020-2030	2020 65+	2030 65+	Change in 65+ Population 2020 - 2030	% Change 2020-2030 65+
Albemarle County	112,395	124,016	11,621	10.3%	21,417	27,028	5,611	26.2%
Fluvanna County	27,249	28,394	1,145	4.2%	5,799	7,366	1,567	27.0%
Greene County	20,552	22,376	1,824	8.9%	3,836	5,442	1,606	41.9%
Louisa County	37,596	41,436	3,840	10.2%	7,826	10,691	2,865	36.6%
Nelson County	14,775	14,322	-453	-3.1%	4,124	4,525	401	9.7%
Charlottesville city	46,553	48,920	2,367	5.1%	4,711	6,306	1,595	33.9%
PD 10 Totals/Averages	259,120	279,464	20,344	7.9%	47,712	61,357	13,645	28.6%
Virginia, Statewide	8,631,393	9,129,002	497,609	5.8%	1,352,448	1,723,382	370,934	27.4%

Source: Weldon-Cooper Data from the UVA Weldon-Cooper Center for Public Service, August 2023

Geographically, UVAMC is readily accessible from I-64, US-29 and US-250. Additionally, public transportation is available via the Charlottesville Transit Service and Jefferson Area United Transit, Inc. (JAUNT). (**Figure 1**). UVA shuttle buses provide accessibility to all UVA Health locations in Charlottesville for patients who have difficulty with transport or wayfinding,

and these have assistance and accommodations to get from clinic appointments to CT appointments.

In terms of socioeconomic barriers, **Table 5** shows that Charlottesville has a poverty rate of 23%, over twice the average statewide.

Table 5. Poverty Rates, PD 10 Localities

Geography Name	Poverty Rate
Albemarle County	9.00%
Fluvanna County	4.60%
Greene County	10.10%
Louisa County	10.80%
Nelson County	12.50%
Charlottesville city	23.10%
PD 10 Average/Total	11.70%
Virginia, Statewide	10.60%

Source: U.S. Census Bureau

In the map (Figure 1) above, the blue squares with a white “H” are the sites of UVAMC operated or affiliated CT scanners. The white square with a blue “H” are the sites of CT scanners that are not associated with UVAMC.

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 five letters of support from University of Virginia medical staff as part of UVAMC’s application.

Public Hearing

§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. COPN Request No. VA-8817 is not competing with another project and DCOPN did not receive a request to conduct a public hearing for the proposed project. Thus, no public hearing was held.

DCOPN provided notice to the public regarding this project inviting public comment on May 15, 2025. The public comment period closed on June 29, 2025. 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.

The proposed project is more beneficial than the status quo. Unlike imaging for diagnostic purposes, which can scan four or more patients an hour, the use of CT to provide imaging guidance for procedures often takes several hours due to the length of the procedure. As a tertiary level academic medical center, UVAMC provides care for very high acuity patients and has a teaching obligation. As the use of CT image guided procedures, especially in oncology, continued to grow UVAMC's existing two CTs used for image guided procedures have reached their capacity. Since the hospital based diagnostic CT scanners are operating above the threshold set in the SMFP they are not available for use for image guided procedures. The use of UVAMC's less well used diagnostic CTs sited remote from the hospital campus are not appropriately staffed or appointed for the specialized procedures performed with CT guidance such as tumor ablations and biopsies. These procedures also often require sedation and other support more appropriate to the hospital setting.

There is no reasonable alternative identified that is less costly, more efficient or more effective.

(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 I designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 10. Therefore, this consideration is not applicable to the review of the proposed project.

(iv) Any costs and benefits of the project.

Total projected capital costs for the proposed project are \$300,000, which is the cost of the scanner. The estimated costs are consistent on the low side with the cost of the CT equipment other recently approved projects to add a CT scanner at an established facility, COPN Nos. VA-04925 at \$502,996 and VA-04923 at \$859,050, for example. The example facilities had higher overall costs due to renovations or construction, which this project lacks.

The applicant has described several benefits to the proposed project, primarily the need to address capacity for image guided procedures for the treatment of cancers.

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

UVAMC treats all patients regardless of their ability to pay for services or of their payor source. UVAMC provided charity care in the amount of 2.9% in 2023, the latest year for which such data are available. This is well above the HPR I average of 1.9% (Table 4).

In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care consistent with University of Virginia Health System's systemwide charity condition of 4.1% of patient revenue. 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 4. Charity Care, HPR I Facilities, 2023

HPR I	Gross Pt Rev	Charity Care below 100% of the Federal Poverty Level	Charity Care between 100% and 200% of the Federal Poverty Level	Total Charity Care Provided Below 200%	%
Encompass Health Rehab Hosp of Fredericksburg	\$ 42,802,712	\$ 2,118,260	\$ -	\$ 2,118,260	4.9%
UVA Health Culpeper Medical Center	\$ 507,059,766	\$ 16,729,968	\$ 1,571,713	\$ 18,301,681	3.6%
University of Virginia Medical Center	\$ 8,020,368,020	\$ 198,753,774	\$ 30,464,785	\$ 29,218,559	2.9%
UVA Transitional Care Hospital	Not Reported				
Sentara RMH Medical Center	\$ 1,190,299,443	\$ -	\$ 28,499,736	\$ 28,499,736	2.4%
Sentara Martha Jefferson Hospital	\$ 952,966,624	\$ -	\$ 14,526,383	\$ 14,526,383	1.5%
Fauquier Hospital	\$ 441,769,351	\$ 4,359,090	\$ -	\$ 4,359,090	1.0%
Carilion Rockbridge Community Hospital	\$ 232,717,700	\$ 2,139,745	\$ -	\$ 2,139,745	0.9%
Valley Health Winchester Medical Center	\$ 1,806,900,696	\$ 9,089,218	\$ 4,894,194	\$ 13,983,412	0.8%
Valley Health Page Memorial Hospital	\$ 90,887,111	\$ 430,473	\$ 231,793	\$ 662,266	0.7%
Valley Health Shenandoah Memorial Hospital	\$ 194,924,417	\$ 912,846	\$ 491,532	\$ 1,404,378	0.7%
Valley Health Warren Memorial Hospital	\$ 246,095,036	\$ 987,658	\$ 531,816	\$ 1,519,474	0.6%
Augusta Health	\$ 1,468,631,292	\$ -	\$ 9,056,452	\$ 9,056,452	0.6%
Spotsylvania Regional Medical Center	\$ 892,931,924	\$ 5,431,927	\$ -	\$ 5,431,927	0.6%
Stafford Hospital Center	\$ 335,271,283	\$ 1,284,100	\$ 639,198	\$ 1,923,298	0.6%
Mary Washington Hospital	\$ 1,595,767,284	\$ 5,081,348	\$ 4,035,417	\$ 9,116,765	0.6%
Bath Community Hospital	\$ 28,198,002	\$ 82,326	\$ 15,068	\$ 97,394	0.3%
UVA Encompass Health Rehabilitation Hospital	\$ 35,824,260	\$ 48,700	\$ -	\$ 48,700	0.1%
Total Inpatient Hospitals:					17
HPR I Inpatient Hospital Median					0.7%
HPR I Total Inpatient \$ & Mean %	\$ 18,083,414,921	\$ 247,449,433	\$ 94,958,087	\$ 342,407,520	1.9%

Source: VHI 2023

(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 this 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:

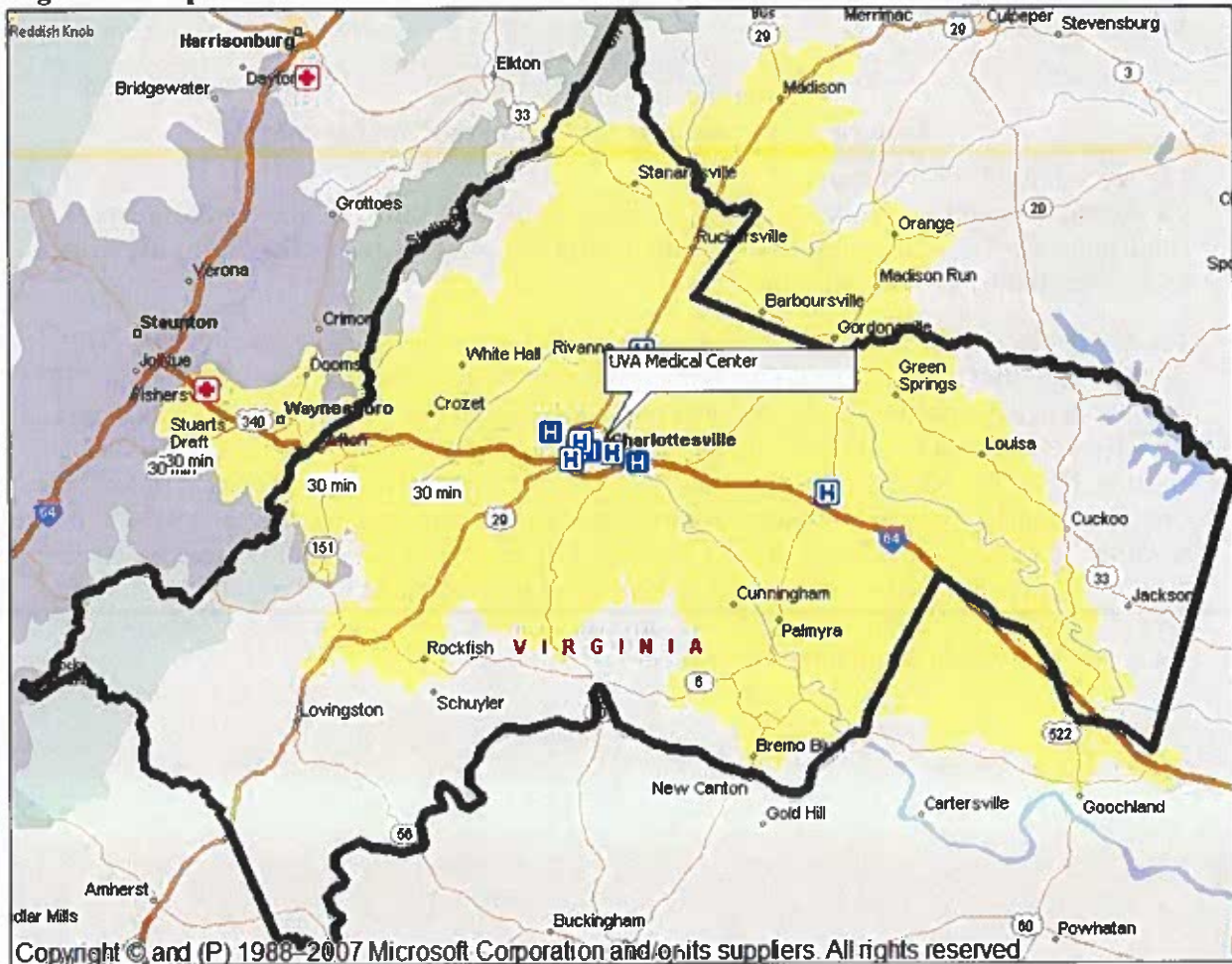
Part II Article 1
Diagnostic Imaging Services
Criteria and Standards for Computed Tomography

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 2** is the boundary of PD 10. The white icons with blue "H" symbols mark the freestanding CT imaging centers in PD 10. The blue icon with a white "H" symbol marks the locations of the hospital based CT sites in PD 10. The yellow shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing PD 10 CT services. Nearly all of Nelson County and a substantial portion of Louisa County lie outside of the 30-minute drive time area so it is expected that less than 95% of PD 10 is within 30 minutes' drive time of a CT service. CT services in adjacent PDs are also farther than 30 minutes from these "uncovered" geographies in Nelson and Louisa Counties, noted by the grey shading. The addition of a CT scanner at UVAMC does not improve geographic access to CT services within 30 minutes' drive time

Figure 1. Map of Authorized CT Services in PD 10



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.

The proposed project is the expansion of an existing site and not a new fixed site CT scanner but the CT need calculation for PD 10 is as follows:

Calculated Needed Fixed CT Scanners in PD 10

Calculated Needed CT scanners = 121,844 scans in PD 10 (Table 1) in 2023 / 7,400 scans = 16.5 (17) scanners needed

PD 10 Calculated Need = 17 diagnostic CT scanners based on 2023 utilization data

Current COPN authorized diagnostic CT scanners (Table 1) = 16

PD 10 Calculated need = 1 diagnostic CT scanner

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 the two existing CT scanners used solely for simulation prior to radiation therapy from its inventory and average utilization of diagnostic CT scanners in PD 10. Additionally, the two CT scanners whose use is restricted to the operating room were excluded from the inventory calculations as well.

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.

UVAMC is proposing to add a third CT scanner at UVAMC restricted to support of image guided procedures. UVAMC had utilization in 2023 at 135% of the SMFP threshold with their diagnostic CTs. The proposal is unlikely to reduce utilization of any existing provider in PD 10 since the proposed CT is proposed to be restricted to performing image guided procedures, and UVAMC is the only PD 10 provider currently performing CT image guided procedures.

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 confirmed that CT services at the proposed site will continue to 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.**

The proposed project does not foster institutional competition but enables UVAMC to meet their growing demand for image guided procedures using CT imaging. As an academic medical center with a teaching and research mission added to the clinical mission of a tertiary care hospital, UVAMC cares for very high acuity patients, the type most likely to benefit from the emerging use of CT scanners to perform CT image guided procedures and has an obligation to teach using the most modern technology and clinical practices.

- 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.**

UVAMC is one of two general hospitals in PD 10, the other being Sentara Martha Jefferson Hospital. Sentara Martha Jefferson Hospital does not have any CT scanners devoted strictly to image guided procedures. As UVAMC will be using the proposed CT scanner to meet their existing demand for image guided, or therapeutic, CT imaging and not to perform diagnostic imaging, it is unlikely that the addition of the requested CT at UVAMC will materially impact CT utilization at Sentara Martha Jefferson Hospital.

- 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 comparable to recently approved, similar projects. The site selection is hospital space already used, in a temporary basis, for CT imaging. The only capital cost is for the \$300,000 purchase of the scanner. The cost of the CT scanner is substantially lower than the scanner cost included in other recent COPN requests; e.g., COPN number VA-04923 UVA Imaging, \$859,050 and COPN Request number VA-8822, Tricities Hospital, \$800,000. The proforma provided by the applicant (**Table 5**) shows that UVAMC will have a net income of \$1.3 million the first year and \$1.5 million the second.

Table 5. Proforma UVAMC Third Therapeutic CT Scanner

	Year 1	Year 2
Gross Revenue	\$ 13,443,694	\$ 14,788,064
Charity Care	\$ 255,430	\$ 280,973
Other Deductions	\$ 9,562,138	\$ 10,518,352
Total Net Revenue	\$ 3,626,126	\$ 3,988,739
Total Expenses	\$ 2,282,257	\$ 2,506,197
Net Income	\$ 1,343,869	\$ 1,482,542

Source: COPN Request No. VA-8817

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 introduce a new technology, but does apply the existing technology of CT imaging in an emerging way, to provide image guidance to procedures. The applicant already employs two other CT scanners limited to image guidance. Given the length of time an image guided procedure takes, verses an image taken for diagnostic purposes, these limited use CT scanners, when solely devoted to procedures that can take several hours to complete, should not be considered in comparison with diagnostic imaging where several scans an hour can be performed.

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.

UVA Health has a tripartite mission to provide research, training and clinical care to benefit the citizens of the Commonwealth. Though UVA Health is not the applicant in the proposal, the applicant, UVA Health, and the proposal affect UVAMC and UVA Health by expanding CT capacity to enable the accomplishment of all three aspects of UVA Health's mission.

DCOPN Staff Findings and Conclusions

The applicant, UVA Medical Center is a tertiary care academic medical center serving the highest acuity patients from not only PD 10 but across the Commonwealth. The proposed project is located in PD 10 which has a higher growth rate than that of Virginia. The facility where the proposed CT scanner will be located is the hospital, supporting physicians, patients and the tripartite mission of the University of Virginia Medical Center. There is no identified alternative to the proposed project that is less costly and supplies additional CT capacity to perform CT

image guided therapeutic procedures. Proposed capital costs are reasonable and the proposal is financially feasible in the short and long-term.

The proposal is consistent with the applicable standards and criteria of the State Medical Facilities Plan, to the extent that this unique application of CT technology is not contemplated in the SMFP, and the Eight Required Considerations of the Code of Virginia. PD 10 has a calculated need for one additional CT scanner, based on diagnostic imaging utilization data. It is unlikely the proposal will impact other existing providers outside of the UVA Health arena since the other PD 10 provider has not dedicated a CT scanner to performing image guided procedures. There is no known opposition to the proposed project. The proposal supports the tripartite mission of an academic medical center.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of UVA Medical Center's, COPN Request number VA-8817 to expand its CT service with the addition of a third CT scanner dedicated to providing image guidance for therapeutic procedures located in the UVA Medical Center in Charlottesville, Virginia, for the following reasons:

1. The proposal to add one CT scanner at UVAMC is consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. PD 10 has a calculated need for one (diagnostic) CT scanner.
3. The capital costs of the proposed project are reasonable.
4. The proposed project is unlikely to have a significant negative impact upon the utilization, costs, or charges of other providers of CT services in PD 10.
5. The proposed project appears to be wholly feasible in the immediate and long-term.
6. It supports the mission of an academic medical center.
7. There is no known opposition to the project.

DCOPN's recommendation is contingent upon University of Virginia Medical Center's agreement to the following charity care condition:

University of Virginia Medical Center will provide CT image guided therapeutic services to all persons in need of this service, regardless of their ability to pay, and will provide as charity care to all indigent persons free services or rate reductions in services and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 10 in an aggregate amount equal to the 4.1% systemwide charity care condition applicable to University of Virginia Health System pursuant to COPN No. VA-04282 (issued December 13, 2010). 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. University of Virginia Medical Center will accept the revised charity condition based on 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 when it is available from Virginia Health Information. The value of charity care provided 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.

University of Virginia Medical Center will provide CT image guided therapeutic 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, University of Virginia Medical Center will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.

