

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-8820

Virginia Commonwealth University Health System Authority

Richmond, Virginia

Establish a Center for MRI (2) and CT (1) Imaging

Applicant

The Virginia Commonwealth University Health Systems Authority (“VCUHS”) is a public body corporate and political subdivision of the Commonwealth of Virginia, governed by the Virginia Commonwealth University Health System Authority Act of 1996-Title 23, Chapter 6.2, 23-50.16:1 of the Code of Virginia. Pauley Heart Center Pavilion at VCU Health (“Pauley Heart Pavilion”) is off-site from VCU Medical Center campus, in Planning District (PD) 15, Health Planning Region (HPR) IV.

Background

Computer Tomography (CT)

A 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 plain film 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 done with or without contrast; contrast is a substance taken either orally or injected within the body, causing a particular organ or tissue to be seen more clearly.²

VHI reported data on 48 CT scanners in PD 15 for 2023, the latest year for which such data are available. There are no mobile CT scanners in PD 15. That year PD 15 CT scanners reported volumes averaging 9,040 CT scans per unit equal to 122.2% of the State Medical Facilities Plan (SMFP) standard of 7,400 CT scans per unit (**Table 1**). There are currently 65 authorized CT scanners in PD 15 of which six are CT simulators and two are for intraoperative use. These eight CT scanners do not perform diagnostic CT scans and are not included in this assessment. The

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.>

² Ibid.

inventory of the 57 diagnostic CT scanners included in this assessment is in **Table 2**. The difference in CT scanner counts between the 2023 VHI report and the current inventory is in the **Table 2** footnotes.

Table 1. PD 15 Fixed CT Scanners' Utilization, VHI 2023

Facility Name	Total Stationary Units	Total CT Procedures	Procedures per Scanner	% Utilization of Threshold
Bon Secours Imaging Center at Reynolds Crossing	1	3,091	3,091	41.8%
Bon Secours Memorial Regional Medical Center	3	43,145	14,382	194.3%
Bon Secours Richmond Community Hospital	1	6,861	6,861	92.7%
Bon Secours St. Francis Medical Center	2	31,009	15,505	209.5%
Bon Secours St. Mary's Hospital	3	41,475	13,825	186.8%
Bon Secours Westchester Imaging Center	1	8,401	8,401	113.5%
Chesterfield Imaging	1	6,386	6,386	86.3%
Chippenham Hospital	3	48,520	16,173	218.6%
ED - Bon Secours Chester Emergency Center	1	8,842	8,842	119.5%
ED - Bon Secours Short Pump	1	11,358	11,358	153.5%
ED - Bon Secours Westchester	1	5,130	5,130	69.3%
ED - Hanover Emergency Center (HDH-F)	1	3,657	3,657	49.4%
ED - MCV/VCU	1	5,958	5,958	80.5%
ED - Swift Creek ER (CJW-C)	1	7,133	7,133	96.4%
Henrico Doctor's Hospital - Parham Doctors' Hospital	1	12,983	12,983	175.4%
Henrico Doctor's Hospital - Retreat	1	3,837	3,837	51.9%
Henrico Doctors' Hospital - Forest	2	33,288	16,644	224.9%
Independence Park Imaging	1	4,794	4,794	64.8%
Johnston-Willis Hospital	3	35,070	11,690	158.0%
MedRVA Imaging Center	1	1,222	1,222	16.5%
NOW Neuroscience, Orthopaedic and Wellness Center	1	5,865	5,865	79.3%
Richmond Ear Nose and Throat	1	319	319	4.3%
Urosurgical Center of Richmond	2	9,294	4,647	62.8%
VCU Medical Center	9	72,965	8,107	109.6%
VCU Medical Center at Stony Point Radiology	1	6,799	6,799	91.9%
Virginia Cancer Institute - Discovery Drive	1	6,369	6,369	86.1%
Virginia Cancer Institute - Harbourside	1	4,790	4,790	64.7%
Virginia Cardiovascular Specialists, PC	1	4,777	4,777	64.6%
Virginia Ear Nose & Throat	1	580	580	7.8%
Total and Average PD 15 CT Scanners	48	433,918	9,040	122.2%

Source: 2023 VHI

Table 2. Inventory of CT Scanners in PD 15

Facility Name	Authorized Diagnostic CT Scanners
Bon Secours Ashland Emergency and Imaging Center ³	1
Bon Secours Chester Emergency and Imaging Center	1
Bon Secours Imaging Center at Reynolds Crossing	1
Bon Secours Memorial Regional Medical Center	3
Bon Secours Richmond Community Hospital	1
Bon Secours Short Pump Emergency/Imaging Center	1
Bon Secours St. Francis Medical Center	2
Bon Secours St. Mary's Hospital	3
Bon Secours Westchester Imaging Center	1
Buford Road Imaging ⁴	1
Chester Imaging Center ⁵	1
Chesterfield Imaging	1
Chesterfield ER ⁶	1
Chippenham Hospital	3
Hanover Emergency Center	1
Henrico Doctor's Hospital - Parham Doctors' Hospital	1
Henrico Doctor's Hospital - Retreat	1
Henrico Doctors' Hospital - Forest ⁷	3
Magnolia ER	1
Virginia Cardiovascular Specialists	1
Johnston-Willis Hospital	3
OrthoVirginia ⁸	1
Richmond Ear, Nose & Throat ⁹	1
Richmond Eye & Ear Healthcare Alliance d/b/a Medarva Healthcare	1
Scott's Addition ER ¹⁰	1
Short Pump, LLC	1
VCU Health Neuroscience, Orthopedic and Wellness Center (Short Pump)	1
VCU Health System	8
VCU Medical Center Adult Outpatient Pavilion ¹¹	2
VCU Medical Center at Stony Point Radiology	1
VCU Health Emergency Center at New Kent	1
Vibra Hospital of Richmond LLC	1
Virginia Cancer Institute - Harbourside	1
Virginia Cancer Institute - Discovery Drive	1
Virginia Ear Nose & Throat - Chesterfield	1
Virginia Ear Nose & Throat - Henrico	1
Virginia Urology	2
Total Diagnostic CT Scanners, PD 15	57

Source: DCOPN Records

³ COPN No. VA-04864 authorized this site.

⁴ This site did not report data in 2022 or 2023.

⁵ COPN No. VA-04688 authorized this site.

⁶ COPN No. VA-04840 authorized this site.

⁷ COPN No. VA-04925 authorized a third scanner.

⁸ COPN No. VA-04876 authorized this site.

⁹ One of two CT scanners reported (two sites).

¹⁰ COPN No. VA-04811 authorized this site.

11 COPN No. VA-04935 authorized a second CT scanner, not yet operational.

Magnetic Resonance Imaging (MRI)

MRI is a noninvasive medical imaging test that produces detailed images of almost every internal structure in the human body, including organs, bones, muscles and blood vessels; the images are created using a large magnet and radio waves, and no radiation is produced.¹² An MRI may be used instead of a CT scan when organs or soft tissue are being studied as MRI is better at distinguishing between types of soft tissues and normal and abnormal soft tissues.¹³

VHI reported data on 37 fixed MRI scanners in PD 15 for 2023, the latest year for which such data are available. That year PD 15 MRI scanners reported 126,458 procedures, averaging 3,418 MRI scans per unit equal to 68.4% of the State Medical Facilities Plan (SMFP) standard of 5,000 MRI scans per unit (**Table 1**).

¹² <https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/magnetic-resonance-imaging-mri>

¹³ Ibid.

Table 3. PD 15 Fixed MRI Scanners' Utilization, VHI 2023

Facility Name	Total Stationary Units	Total MRI Procedures	Procedures per Scanner	% Utilization of Threshold
Bon Secours Imaging Center at Reynolds Crossing	2	4,510	2,255	45.1%
Bon Secours Memorial Regional Medical Center	2	10,929	5,465	109.3%
Bon Secours Richmond Community Hospital	1	1,134	1,134	22.7%
Bon Secours St. Francis Medical Center	2	13,171	6,586	131.7%
Bon Secours St. Mary's Hospital	2	6,457	3,229	64.6%
Bon Secours Tuckahoe Orthopedics MRI	1	2,891	2,891	57.8%
Bon Secours Westchester Imaging Center	1	2,533	2,533	50.7%
Chesterfield Imaging	1	4,181	4,181	83.6%
Chippenham Hospital	1	7,313	7,313	146.3%
ED - Bon Secours Chester Emergency Center	1	134	134	2.7%
ED - Bon Secours Short Pump	1	3,727	3,727	74.5%
ED - Bon Secours Westchester	1	78	78	1.6%
Ellen Shaw De Paredes Institute For Women's Imaging	1	161	161	3.2%
Henrico Doctor's Hospital - Parham Doctors' Hospital	1	2,627	2,627	52.5%
Henrico Doctor's Hospital - Retreat	1	1,889	1,889	37.8%
Henrico Doctors' Hospital - Forest	2	5,347	2,674	53.5%
Independence Park Imaging	1	3,928	3,928	78.6%
Johnston-Willis Hospital	3	11,105	3,702	74.0%
MedRVA Imaging Center	1	2,128	2,128	42.6%
NOW Neuroscience, Orthopaedic and Wellness Center ¹⁴	1	5,135	5,135	102.7%
OrthoVirginia MRI - Parham	1	6,445	6,445	128.9%
VCU Medical Center	8	25,500	3,188	63.8%
VCU Medical Center at Stony Point Radiology	1	5,135	5,135	102.7%
Total and Average PD 15 MRI Scanners	37	126,458	3,418	68.4%

Source: 2023 VHI

Six fixed MRI scanners have been authorized since submission of 2023 utilization data to VHI.

There are currently 43 authorized MRI scanners in PD 15 (**Table 2**). See **Table 2** footnotes identifying the most recently authorized MRI scanners.

¹⁴ The applicant asserts that it under-reported MRI volumes at the NOW site and in fact performed 5,986 scans there in 2023.

Table 4. Inventory of Authorized Fixed MRI Scanners

Facility	Authorized Fixed Site Scanners
Bon Secours Ashland Emergency and Imaging Center ¹⁵	1
Bon Secours Chester Emergency & Imaging Center	1
Bon Secours Imaging Center at Reynolds Crossing	2
Bon Secours Memorial Regional Medical Center	2
Bon Secours Richmond Community Hospital	1
Bon Secours Short Pump Imaging Center	1
Bon Secours St. Francis Medical Center	2
Bon Secours St. Mary's Hospital	2
Bon Secours Westchester Imaging Center	1
Chesterfield Imaging	1
Chester Imaging Center ¹⁶	1
Chippenham Hospital ¹⁷	2
Ellen Shaw De Paredes Institute For Women's Imaging	1
Henrico Doctor's Hospital - Parham Doctors' Hospital	1
Henrico Doctor's Hospital - Retreat	1
Henrico Doctors' Hospital - Forest	2
Independence Park Imaging	1
Johnston-Willis Hospital ¹⁸	4
MEDARVA West Creek Surgery Center	1
OrthoVirginia MRI - Parham	1
OrthoVirginia MRI - Westchester	1
Tuckahoe Orthopaedics MRI	1
VCU Health System ¹⁹	9
VCU Medical Center Adult Outpatient Pavilion ²⁰	1
VCU Medical Center at Stony Point Radiology	1
VCU NOW Center (Short Pump)	1
Total Authorized Fixed MRI Scanners	43

Source: DCOPN Records

Proposed Project

VCUHS plans to construct the Pauley Heart Pavilion at 1505 Robin Hood Road, Richmond Virginia to provide outpatient care for patients with cardiovascular diseases and conditions, particularly the patients of the VCUHS Pauley Heart Center. The applicant proposes to establish a specialized center for CT and MRI with one CT scanner and two MRI scanners at the proposed site, co-located

¹⁵ COPN No. VA-04864 authorized site with one MRI.

¹⁶ COPN No. VA-04655 authorized site with one MRI.

¹⁷ COPN No. VA-04753 authorized an additional MRI.

¹⁸ COPN No. VA-04884 authorized an additional MRI.

¹⁹ COPN No. VA-04760 authorized an additional MRI.

²⁰ COPN No. VA-04717 authorized site with one MRI.

with other cardiac services not regulated by COPN laws. The proposed 10,093 gross square foot facility will be off-site from the VCUHS campus.

VCUHS is currently authorized to operate thirteen CT scanners in PD 15, ten on its downtown campus, including two at the Adult Outpatient Pavilion, and one each at its Stony Point, Short Pump and New Kent Emergency Department sites. It is authorized to operate ten MRI units in PD 15, eight on its downtown campus and one each at its Stony Point and Short Pump sites. The applicant asserts an institutional need to add its fourteenth CT scanner and eleventh MRI scanner in PD 15.

Capital costs are projected to be \$15,876,228 (**Table 5**) funded by accumulated reserves such that no financing costs will be incurred. Should the proposed project be approved, VCUHS' target date of opening is April 2028.

Table 5. Capital Costs, Imaging Center, Pauley Heart Pavilion

Direct Construction Costs	\$7,223,614
Equipment not included in construction costs	\$7,632,604
Site Acquisition Costs	\$1,020,010
TOTAL CAPITAL COST	\$15,876,228

Source: COPN Request No. VA-8820

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the “[e]stablishment of a medical care facility described in subsection A.” 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 15 had a population over 1.1 million in 2020 and is projected to add nearly 100,000 to its population by 2030. Its projected growth rate of 8.9% by the end of the decade is a higher growth rate than that projected for Virginia's population, 5.8% (**Table 6**). Richmond City, where the proposed project is located, is projected to grow by 8.3%, similar to the growth rate of PD15. Richmond is projected to add nearly 20,000 to its population between 2020 and 2030 (**Table 6**).

People aged 65 and older have a higher utilization rate for advanced imaging services than younger individuals,²¹ so they are an important demographic in projects involving CT and MRI imaging. Though the population over age 65 is expected to grow at a higher rate in PD 15 (31.7%) than that of Virginia (26.3%), this age cohort is projected to grow in Richmond by 21.5%, slower than Virginia or PD 15. Richmond is projected to add 6,433 people over age 65 between 2020 and 2030 through aging and in-migration (**Table 6**).

Table 6. PD 15 Population Data

Locality	2020 Population	2030 Projected Population	Projected Growth 2020-2030	Percent Growth 2020-2030	65+ 2020 Population	Projected 65+ 2030 Population	Projected Growth 65+	Percent Growth 65+
Charles City	6,773	6,200	-573	-8.5%	1,776	2,184	408	23.0%
Chesterfield	364,548	406,942	42,394	11.6%	58,200	78,858	20,658	35.5%
Goochland	24,727	27,339	2,612	10.6%	5,721	7,865	2,144	37.5%
Hanover	109,979	118,374	8,395	7.6%	20,688	28,681	7,993	38.6%
Henrico	334,389	356,656	22,267	6.7%	55,596	71,680	16,084	28.9%
New Kent	22,945	27,067	4,122	18.0%	4,405	6,216	1,811	41.1%
Powhatan	30,333	32,152	1,819	6.00%	5,848	8,085	2,237	38.3%
Richmond	226,610	245,437	18,827	8.3%	29,874	36,307	6,433	21.5%
PD 15	1,120,304	1,220,167	99,863	8.9%	182,108	239,876	57,768	31.7%
Virginia	8,631,393	9,129,002	497,609	5.8%	1,395,291	1,762,641	367,350	26.3%

Source: Weldon Cooper Intercensal Estimates

Table 7 shows that PD 15 has a poverty rate just below that of Virginia (10.7%), but the poverty rate in Richmond is more than double that of Virginia or PD 15 at 24.5%. As to transportation barriers, none is identified. The proposed site is immediately off Interstates 64 and 95 and is served by public transportation. There is a bus stop on the Greater Richmond Transit Company (“GRTC”) route directly in front of the building on Sherwood Avenue.

Table 7. PD 15 Poverty Rates

Geographic Name	Poverty Rate
Charles City County	12.3%
Chesterfield County	7.6%
Colonial Heights City	13.5%
Goochland County	6.7%
Hanover County	5.2%
Henrico County	9.0%
New Kent County	5.2%
Powhatan County	6.9%
Richmond City	24.5%
PD 15 Totals	10.1%
Virginia	10.7%

Source: Weldon-Cooper Census Data

²¹ <https://jamanetwork.com/journals/jama/fullarticle/2749213>

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 of commitment from VCUHS' Chief Medical Officer of Ambulatory Services, a resolution from the VCUHS Board of Directors and twenty letters of support. These letters were written by Pauley Heart Center's director, assistant director, associate director, and VCUHS professors and physicians, as well as a cardiac patient of the applicant, the president of the American College of Cardiology and other research programs and academic medical centers, including the University of Virginia, Wake Forest School of Medicine and Inova Schar Heart and Vascular. These materials, in aggregate, express the following:

- VCUHS has long provided high-quality clinical and research services for cardiovascular patients, most of which operate within the Pauley Heart Center in downtown Richmond. It is the top-ranked heart center in Virginia.
- The proposal is part of VCUHS' vision for a comprehensive outpatient facility to improve access and availability of cardiovascular care.
- The proposal will allow VCUHS to keep critical outpatient cardiovascular care centrally within its primary service area but provide a site off the busy downtown campus.
- CT, 1.5T MRI and 3T MRI technology each play an increasingly important role in cardiovascular care, and cardiac CT and MRI are vital tools in cardiovascular research. Each is indispensable.
- Cardiac CT differs from cardiac MRI in that it is utilized to identify cardiovascular anatomy; MRI scans provide information relating to the heart muscle function, tissue characteristics and blood vessel flow.
- 1.5T MRI measures blood flow across a variety of cardiovascular diseases and patients with implanted devices. Artifacts caused by implanted devices interfere with scanning processes of the 3T MRI.
- 3T MRI is the field strength of choice for research, and also diagnose cardiac dysfunction;
- The proposal will address delays and scheduling challenges faced by cardiovascular patients due to conflicting demands of existing scanners.
- It will improve the delivery of optimal outpatient care, and support VCUHS' research programs and training opportunities.
- Cardiovascular disease is the leading cause of death nationally and in Virginia, and it disproportionately affects individuals impacted by challenging social determinants of health.
- The proposed location of the project enables access for patients that rely on public transportation.
- Central Virginia has inadequate access points for referring physicians and patients who seek outpatient cardiovascular care, particularly diagnostic imaging.
- VCUHS' cardiac patients currently share existing imaging units with inpatients, outpatients, emergency and trauma patients.
- Many cardiac patients wait several months for an appropriate scan.

- The Pauley Heart Pavilion will be able to offer a comprehensive one-stop-shop for cardiovascular care, improving access for patients with dedicated scheduling and precertification and enabling patients to receive a variety of consultative services in a single visit.
- The facility will host extensive cardiovascular imaging research and impact education and community engagement.
- The proposed Pauley Heart Pavilion provides an opportunity for VCUHS to further its missions in clinical care, education and research.

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-8820 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.

There is no reasonable, more efficient or effective alternative identified to the proposed project that would meet the needs of the population. According to the applicant, the Pauley Heart Center at VCUHS is the top-ranked heart center in Virginia, and *US News and World Report* has ranked it one of the best in the country. The applicant proposes to develop a facility for cardiovascular patients, the Pauley Heart Pavilion, for the provision of integrated diagnostic and treatment services, including MRI and CT imaging on an outpatient basis. VCUHS has demonstrated an institutional need for additional CT capacity, having exceeded the SMFP standard for the past two years. The applicant is requesting to add CT capacity at the proposed facility. VCUHS has not met the number of MRI procedures set forth in the SMFP to add MRI capacity at its downtown campus; however, the applicant asserts that, as an academic medical center, its MRI studies are lengthier than routine MRI scans due to more complex cases, anesthetized and sedated patients, pediatric cases, clinical trial protocols and the time required to teach medical students. Due to its patient base and role as an academic medical center, the applicant asserts it is at practical capacity and cardiac patients can wait weeks for appropriate imaging studies.

The applicant, as well as letters of support from physicians at VCUHS and other academic medical centers, have made the case that both CT and MRI imaging is required for a comprehensive outpatient cardiovascular facility. In addition, both a 1.5T and a 3T MRI are required, as neither is appropriate for the full spectrum of cardiovascular patients. VCUHS considered the alternative of relocating an existing MRI to the proposed site, but each is well-utilized by its peculiar patient base such that it cannot be reallocated. The status quo is less beneficial than the proposed project for patients as well as research and training goals.

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

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

(iv) Any costs and benefits of the project.

Total projected capital cost for the proposed project is \$15,876,228, funded in its entirety with accumulated reserves, so no financing costs are involved in the proposed project. The estimated costs are significantly higher than other recently approved projects to establish a center for CT and MRI imaging. For example, COPN No. VA-04880 was issued to Virginia Hospital Center at \$4.7 million and VA-04903 was issued to CVFP, LLC at \$1.5 million. Total costs and direct cost per square foot are both significantly higher than similar projects authorized recently.

The applicant has described several benefits to the proposed project such as improvement of timely access to cardiovascular imaging for a broad patient population; increased accuracy and reliability of disease diagnosis as well as more targeted treatment plans for cardiovascular patients; improved cardiovascular care post-hospitalization; optimal coordination of cardiovascular care; enhanced research opportunities and improved outcomes. VCUHS is an academic medical center that conducts clinical research and provides education for future physicians and other clinicians, functions also supported by adequate CT and MRI capacity.

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

VCHUS accepts all patients regardless of their ability to pay or other considerations. It provided charity care at 0.8% of gross patient revenues in 2023, the latest year for which such data are available. This is just under the HPR IV average of 0.9% that year (**Table 8**). The proforma provided by the applicant (**Table 9**) assumes charity care of 0.9% for the proposed project, consistent with the HPR IV charity care contribution average in 2023.

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 based on gross patient revenues derived from CT and MRI imaging that is no less than the equivalent average for charity care contributions in HPR IV of 0.9%. 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 8. HPR IV Charity Care Contributions: 2023

HPR IV	2023 at 200%		
	Gross Pt Rev	Total Charity Care Provided Below 200%	%
Inpatient Hospitals			
HPR IV			
Encompass Health Rehab Hosp of Petersburg	\$31,902,584	\$1,128,654	3.5%
Bon Secours Southern Virginia Regional Medical Center	\$250,713,603	\$5,572,556	2.2%
Sentara Halifax Regional Hospital	\$341,148,455	\$6,200,157	1.8%
Bon Secours St. Francis Medical Center	\$1,479,291,082	\$24,657,029	1.7%
Bon Secours Richmond Community Hospital	\$1,241,191,742	\$16,711,399	1.3%
Bon Secours St. Mary's Hospital	\$2,762,282,294	\$34,017,353	1.2%
Sheltering Arms Institute	\$186,535,950	\$2,177,014	1.2%
Bon Secours Southside Regional Medical Center	\$2,565,858,345	\$28,890,515	1.1%
CJW Medical Center HCA	\$10,527,250,615	\$100,362,996	1.0%
VCU Health System	\$8,145,377,150	\$66,362,509	0.8%
TriCities Hospital HCA	\$1,371,999,484	\$10,527,708	0.8%
Henrico Doctors' Hospital HCA	\$6,907,258,982	\$38,780,978	0.6%
Bon Secours Memorial Regional Medical Center	\$1,828,188,155	\$9,964,617	0.5%
Centra Southside Community Hospital	\$384,039,049	\$1,652,238	0.4%
Poplar Springs Hospital UHS	\$88,939,433	\$376,070	0.4%
VCU Community Memorial Hospital	\$421,895,877	\$1,677,139	0.4%
Encompass Health Rehab Hosp of Virginia	\$28,432,919	\$13,720	0.0%
Select Speciality Hospital - Richmond	\$53,310,288	\$0	0.0%
Cumberland Hospital for Children and Adolescents UHS	\$30,897,129	\$0	0.0%
Total Inpatient Hospitals:			19
HPR IV Total Inpatient \$ & Mean %	\$38,646,513,136	\$349,072,652	0.9%
Outpatient Centers			
HPR IV			
Boulders Ambulatory Surgery Center HCA	\$178,430,144	\$2,835,945	1.6%
American Access Care of Richmond	\$5,614,196	\$78,601	1.4%
Urosurgical Center of Richmond	\$46,830,464	\$384,074	0.8%
Virginia Eye Institute, Inc.	\$51,667,075	\$387,608	0.8%
VCU Health Neuroscience, Orthopedic and Wellness Center	\$67,292,975	\$414,824	0.6%
St. Mary's Ambulatory Surgery Center	\$54,839,934	\$252,107	0.5%
MEDRVA Surgery Center @ West Creek	\$12,554,561	\$20,580	0.2%
Virginia ENT Surgery Center	\$25,926,435	\$10,589	0.0%
MEDRVA Stony Point Surgery Center	\$64,547,579	\$0	0.0%
Cataract and Refractive Surgery Center	\$7,916,214	\$0	0.0%
Virginia Beach Health Center VLPP	\$2,270,805	\$0	0.0%
Skin Surgery Center of Virginia	\$1,542,518	\$0	0.0%
Total Outpatient Hospitals:			12
HPR IV Total Outpatient Hospital \$ & Mean %	\$519,432,900	\$4,384,328	0.8%
Total Hospitals:			31
HPR IV Total \$ & Mean %	\$39,165,946,036	\$353,456,980	0.9%

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 the 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 SMFP.

The SMFP contains criteria and standards for CT services. They are as follows:

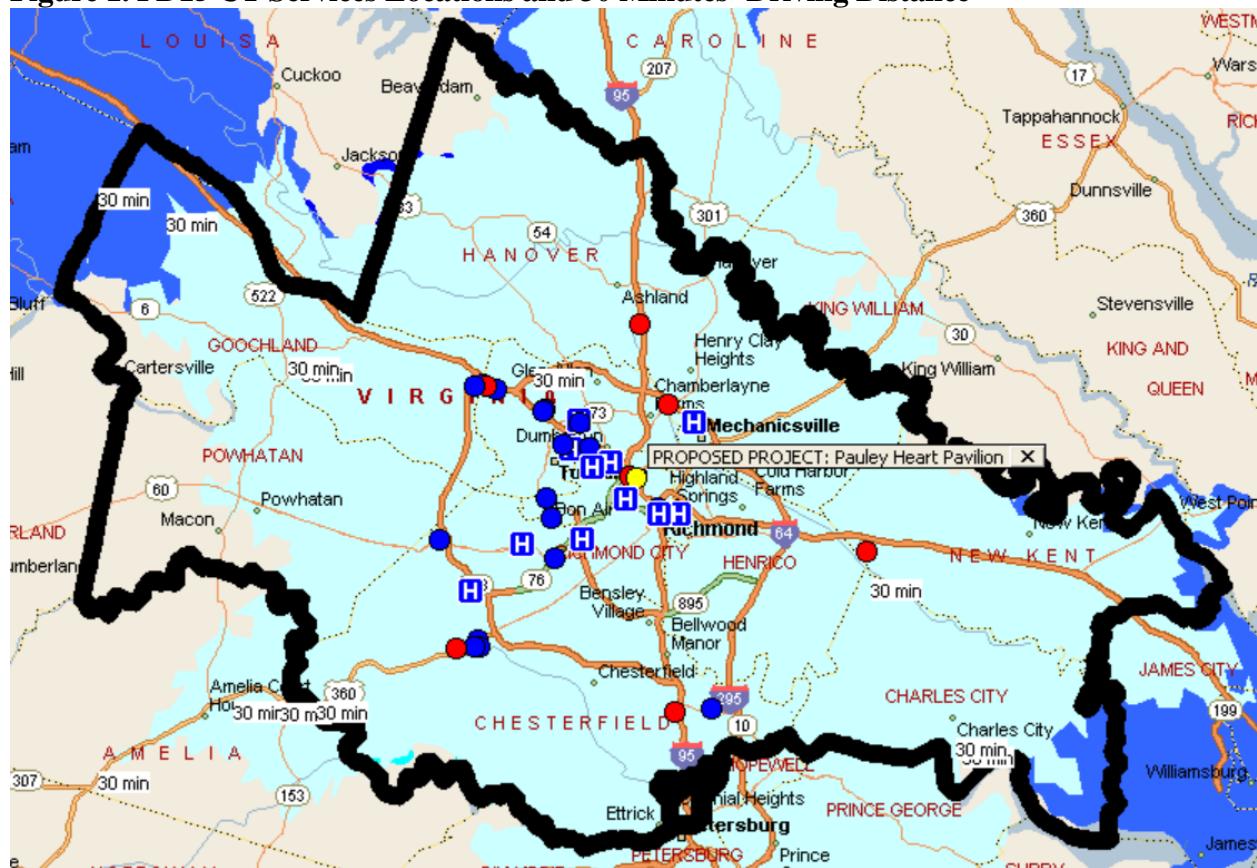
12VAC-5-230 Part I, Article 1
Criteria and Standards for Computed Tomography

12VAC5-230-90. Travel time.

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

The black border in **Figure 1** is the outline of PD 15. The light blue shaded area illustrates the areas that have CT services available within 30 minutes driving distance of a PD 15 CT scanner. The dark blue illustrates CT coverage within 30 minutes from providers outside of the PD. The three towns not within the shaded area include Cartersville (population 1,434 per 2020 Census), Beaverdam (population 14,374 per 2020 Census), and Macon (population 28,696 per 2020 Census), with a total population for the three being approximately 44,504 in 2020. The total PD 15 population was 1,120,304 in 2020, meaning the three towns not within 30 minutes' driving distance from CT services make up approximately 4% of the PD population, or that 96% of the PD is within the appropriate driving time from CT services according to the SMFP standard. The white dot is labeled and locates the proposed project. The proposed project does not expand geography with CT imaging within 30 minutes' drive time.

Figure 1. PD15 CT Services Locations and 30 Minutes' Driving Distance



Source: DCOPN Records and Microsoft Streets & Maps

*Note: The red dots indicate free-standing ERs, the blue dots are outpatient imaging centers, the "H"s are hospitals with CTs. The yellow dot icon is the proposed project.

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.
- 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.

According to 2023 VHI data, the most recent available, there were 48 CT scanners in PD 15 with an average utilization of 9,040 scans per unit, 122.2% percent of the SMFP threshold (Table 1). CT scanners have been authorized in PD 15 since the latest VHI data were published and there are currently 57 diagnostic CT scanners authorized (see Table 2). At utilization of the SMFP standard

of 7,400 CT scans per year, the 433,918 scans performed in 2023 would represent 59 fully utilized CT scanners, two more than are currently authorized.

Needed CT units = $433,918 \div 7,400 = 58.6$ (59)

Utilization Percentage in 2023: 122.2%

Current number of authorized diagnostic CT units in PD 15 = 57 (excludes CT simulators and dedicated intraoperative scanners)

CT deficit = 2 CT Scanners

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.

According to VHI, 433,918 CT scans were performed in PD 15 in 2023. With the current inventory of 57 authorized CT scanners in PD 15, this equates to 7,613 scans per authorized scanner or 103% of the SMFP standard. The intention of the proposed project is to care for VCUHS' patients, particularly those seeking care at the Pauley Heart Center. VCUHS' 12 CT scanners operational in 2023 performed 91,587 CT scans, an average of 7,632 scans per CT unit, 103.1% of the SMFP threshold that year. These VCUHS scanners performed 104,166 CT scans in 2024, an average of 8,681 scans per CT unit or 117% of the SMFP threshold. Including its thirteenth CT unit, recently authorized by COPN No. VA-04935 yields average utilization of 95.2% of the SMFP threshold in 2023 and 108.3% in 2024. At this high level of utilization, it is unlikely that the proposed project will significantly reduce utilization of other existing providers.

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 scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.**

This provision is not applicable as the applicant is not proposing to add or expand mobile CT services.

12VAC5-230-130. Staffing.

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

The applicant provides assurances that the CT imaging service will be under the direct supervision of one or more qualified physicians.

12VAC5-230-80. When institutional expansion is needed.

- A. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.**
- B. If a facility with an institutional need to expand is part of a health system, the underutilized services at other facilities within the health system should be reallocated, when appropriate, to the facility with the institutional need to expand before additional services are approved for the applicant. However, underutilized services located at a health system's geographically remote facility may be disregarded when determining institutional need for the proposed project.**
- C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.**
- D. Applicants shall not use this section to justify a need to establish new services.**

VCUHS' 12 CT scanners operational in 2023 performed 91,587 CT scans, an average of 7,632 scans per CT unit, 103.1% of the SMFP threshold that year. These VCUHS scanners performed 104,166 CT scans in 2024, an average of 8,681 scans per CT unit or 117% of the SMFP threshold. Including its thirteenth CT unit recently authorized by COPN No. VA-04935 yields utilization of 95.2% of the SMFP threshold in 2023 and 108.3% in 2024. There is not an underutilized VCUHS CT scanner available to reallocate to the proposed project. The proposal does not involve a nursing facility, nor does it seek to establish a new service.

The SMFP contains the criteria and standards for MRI services. They are as follows:

12VAC5-230 Part I, Article 2
Criteria and Standards for Magnetic Resonance Imaging

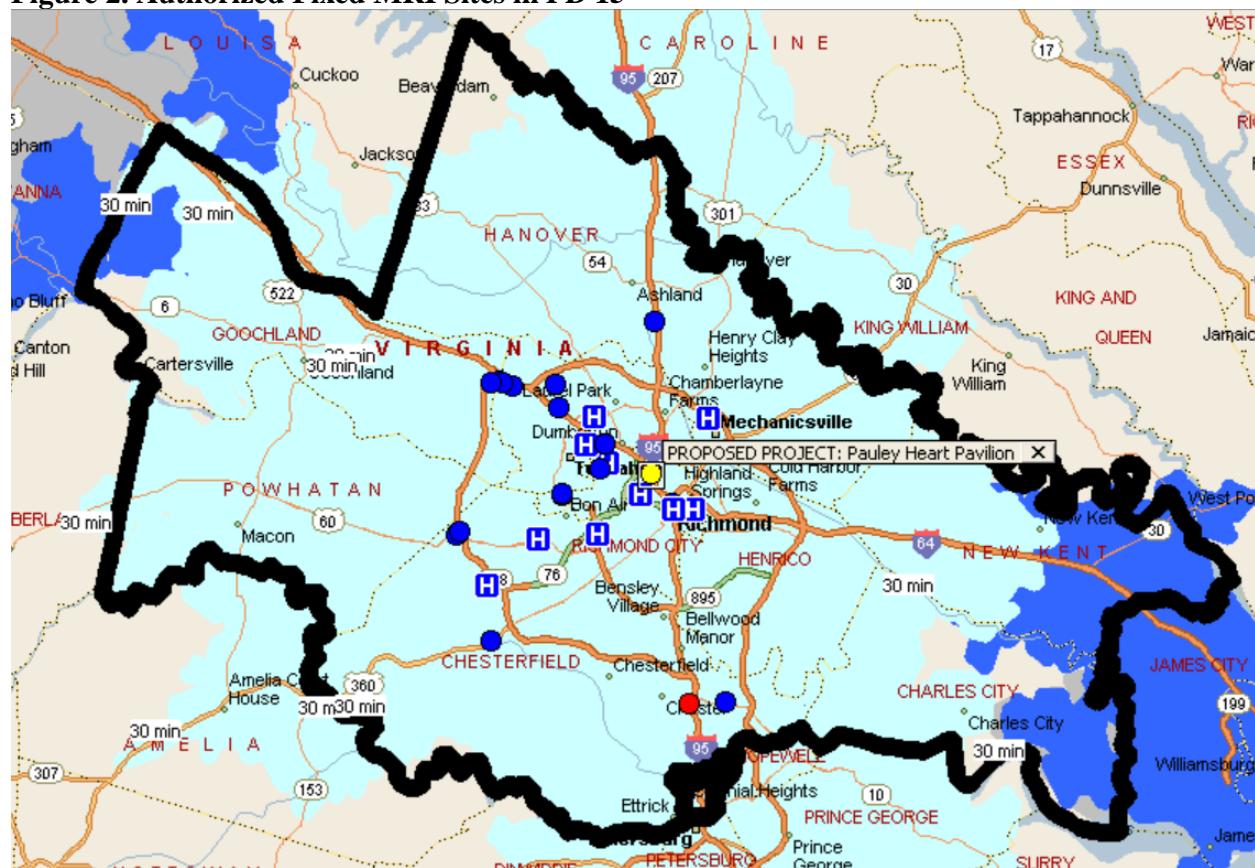
12VAC5-230-140. Travel time.

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 a mapping software as determined by the commissioner.

The light blue shaded area in **Figure 2** illustrates the areas in PD 15 that have MRI services available within 30 minutes' driving distance. The dark blue illustrates MRI coverage within 30 minutes from providers outside of PD 15. The areas not within the shaded area include Cartersville (population 1,434 per 2020 Census) and Beaverdam (population 14,374 per 2020 Census), and a small section of Charles City County. The total PD 15 population was 1,120,304 so less than 2% of the population in PD 15 is outside of 30 minutes' driving time from MRI services. The yellow dot shows the location of the proposed project, while blue icons with white Hs show hospital-based MRI scanners

in PD 15. Dots indicate freestanding MRI sites, and the red dot indicates an MRI in a freestanding emergency department. The proposed project will not increase geographical access to MRI services.

Figure 2. Authorized Fixed MRI Sites in PD 15



Source: DCOPN Records and Microsoft Streets & Trips Software

***Note:** The red dot indicates a free-standing ER, the blue dots are outpatient imaging centers, the "H"s are hospitals with MRIs. The yellow dot icon is the proposed project.

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

No new fixed site MRI services 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 site may be disregarded in computing the average utilization of MRI scanners in such health planning district.

According to 2023 VHI data, the most recent available, there were 37 fixed MRI scanners in PD 15 that performed 126,458 MRI scans (Table 3), an average of 3,418 MRI scans per unit, which is 68.4% of the SMFP standard of 5,000 procedures per scanner:

$$126,458/37 = 3,418$$

$$(3,418/5000) \times 100 = 68.4\%$$

The 126,458 MRI scans operating at the SMFP standard of 5,000 scans per unit would fully-utilize 25.3 (26) fixed site MRI scanners. With 43 fixed site MRI scanners now in the PD 15 inventory (**Table 4**), there is a calculated surplus of 17 fixed site scanners in PD 15.

Needed MRI units = $126,458 \div 5,000 = 25.3$ (26)

Current number of authorized fixed site MRI units in PD 15 = 43

MRI surplus = 17 MRI Scanners

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.

According to 2023 VHI data, the most recent available, there were 37 fixed MRI scanners in PD 15 that performed 126,458 MRI scans (**Table 3**), an average of 3,418 MRI scans per unit, which is 68.4% of the SMFP standard of 5,000 procedures per scanner. The applicant proposes to expand its MRI service with two MRI scanners at the Pauley Heart Pavilion based on an institutional need.

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.**

This provision is not applicable as the applicant is 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 its proposed additional MRI scanners will be under the direct supervision of one or more qualified physicians.

12VAC5-230-80. When institutional expansion is needed.

- A. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can**

be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.

B. If a facility with an institutional need to expand is part of a health system, the underutilized services at other facilities within the health system should be reallocated, when appropriate, to the facility with the institutional need to expand before additional services are approved for the applicant. However, underutilized services located at a health system's geographically remote facility may be disregarded when determining institutional need for the proposed project.

The applicant provided utilization data showing 36,621 MRI scans on its ten MRI scans in 2023 (73.2% of the SMFP standard) and 37,981 in 2024 (75.9% of the SMFP standard). VCUHS' outpatient facilities combined performed above the SMFP threshold in 2023 and 2024. The eight MRI scanners at VCU Medical Center did not achieve the SMFP standard of 5,000 MRI scans per unit. The applicant describes the dedicated use of several of its MRI units which limit their practical use. For example, one is dedicated to MRI scans of patients under anesthesia, another serves exclusively pediatric patients which frequently require sedation and longer procedure times, often in excess of 1.5 to 2 hours per scan. Yet another MRI scanner at VCU Medical Center is used only for specialty cardiac procedures (45 to 60 minutes per procedure) and research studies that require timely availability and 90 minutes or more of scan time. In addition, VCUHS' academic imaging protocols expand MRI scans times beyond the time required for standard studies.

The applicant has described the need at the proposed cardiovascular-focused facility for both the 1.5T MRI and the 3T MRI as each technology has capabilities and limitations that the other does not. For example, the 3T MRI scanner is not appropriate for patients with pacemakers. In addition, the applicant asserts that VCUHS is the only provider in PD 15 with the expertise to perform MRI scans on patients with pacemakers, so a 1.5M MRI is necessary. The 3T is needed for multiple clinical functions as well as advanced cardiovascular research that cannot be performed with the 1.5T technology. For example, patients treated for cancer who experience cardiac dysfunction need to know if it is related to cardiac toxicity from chemotherapy, myocardial infarction or myocarditis, which the 1.5T cannot distinguish. The applicant explored the relocation of existing MRI units from VCU Medical Center, but the dedicated units are needed in their current locations and removal of any of the more general MRI scanners would increase wait times and disrupt operations.

Though the applicant has not performed MRI volumes to establish demonstrated institutional need, DCOPN recommends that in this instance, the Commissioner not allow this provision to prevent the addition of the MRI units requested for this beneficial proposal.

C. This section is not applicable to nursing facilities pursuant to § 32-102.3:2 of the Code of Virginia.

D. Applicants shall not use this section to justify a need to establish new services.

The proposed project is not a nursing facility nor is it being used to justify need for a new service.

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.**

There are multiple providers of both CT and MRI services in PD 15 such that there is no unhealthy market concentration of these imaging services. The applicant has demonstrated an institutional need for CT services and its MRI units are highly utilized as well. The applicant intends that the proposed CT and MRI scanners will care for VCUHS' existing patient base, cardiovascular patients of the Pauley Heart Center.

- 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.**

The applicant is an academic medical center and asserts that it plays an essential role in bringing advanced clinical care and clinical research to patients across Virginia. VCUHS seeks to create a comprehensive outpatient cardiovascular center for its patients to access services more efficiently. VCUHS is authorized for 13 of the 57 diagnostic CT scanners in PD 15, and the applicant's CT units operated above the SMFP threshold in the past two years. There is also a deficit of two CT scanners across PD 15. VCUHS is authorized for ten of the 43 MRI scanners in PD 15. The applicant's outpatient MRI scanners operated above the SMFP threshold in the past two years. Its hospital based MRI scanners did not exceed the SMFP standard as most perform more complex and time intensive scans, some under constraints of research protocols.

- 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 cost of the proposal is \$15,876,228, relatively high as compared with other similar projects recently authorized. The applicant will fund the proposed project with accumulated reserves, accruing no financing costs. It is expected to have a positive net income of \$320,760 in year one and \$98,781 in year two (**Table 9**). The proposal requires an additional 16 FTEs. Recruitment of this number of staff members at a medical center that trains them is fully feasible.

Table 9. Proforma, Imaging Center, Pauley Heart Pavilion

	Year 1	Year 2
Gross Revenue	\$27,993,418	\$30,012,235
Charity Care	\$251,941	\$270,110
Other Deductions	\$23,848,257	\$25,504,908
Total Net Revenue	\$3,893,220	\$4,237,217
Total Expenses	\$3,572,460	\$4,138,436
Net Income Before Taxes	\$320,760	\$98,781

Source: COPN Request No. VA-8820

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.

VCUHS intends to integrate artificial intelligence at the proposed facility in interpretation of the CT and MRI studies for patients and in the production of patient educational materials that include the patients' own images and test results. Easy-to-understand materials facilitate patients' engagement in therapy and treatment.

(ii) The potential for provision of services on an outpatient basis.

The proposed facility is specifically for the provision of cardiovascular care on an outpatient basis in a single integrated location.

(iii) Any cooperative efforts to meet regional health care needs.

The applicant states that it has transfer agreements with dozens of hospitals across Virginia and is engaged in cooperative efforts with other providers.

(iv) At the discretion of the Commissioner, any other factors as may be appropriate.

There are no other factors not discussed elsewhere for the Commissioner's consideration.

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 states that VCUHS is Central Virginia's only academic medical center. It has a tripartite mission to preserve and restore health for all people of Virginia and beyond through innovative service, research and education. The proposed project integrates essential cardiovascular imaging and other services for heart patients in a single outpatient center. It will be utilized in support of clinical trials and research, and support VCUHS' educational mission by housing cardiovascular medicine fellows, undergraduate and graduate school training across related disciplines such as computer science, physiology, imaging, diet manipulation and engineering.

DCOPN Staff Findings and Conclusions

VCUHS proposes to establish a specialized center for CT (one scanner) and MRI (two scanners) as part of an integrated facility for the provision of cardiovascular care. CT imaging is utilized to identify cardiovascular anatomy while the MRI technology provides information related to heart muscle function, tissue characteristics and blood vessel flow. Both are needed for comprehensive cardiac imaging. The proposal includes two MRIs with differing field strength. The 3T MRI has

the field strength of choice for research and diagnosis of cardiac dysfunction and the 1.5 T MRI will, among other uses, enable imaging of patients with implanted devices such as pacemakers, which cause artifacts on the 3T MRI. Though the proposal will not expand geographic access, it will enhance access to VCUHS' highly utilized CT and MRI services, particularly for cardiovascular patients. There is no identified reasonable alternative to the proposed project, and it is more beneficial than the status quo.

The proposal is consistent with applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia with regard to fixed CT and MRI services. The proposal is unlikely to impact other existing providers significantly. The proposed project has support from its medical community as well as other academic medical centers and there is no known opposition. Projected capital costs for the proposal are high but will be funded entirely with accumulated reserves. The project is wholly feasible financially and with regard to human resources in the immediate and long-term. The proposed project supports the clinical, research and teaching missions of central Virginia's academic medical center in an outpatient center.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Virginia Commonwealth University Health System Authority's COPN Request number VA-8820 to establish a specialized center with one additional CT scanner (its 14th scanner) and two additional MRIs (its 11th and 12th) located at the Pauley Heart Pavilion for the following reasons:

1. The proposal to add a CT scanner and two MRI scanners at the Pauley Heart Center Pavilion at VCU Health 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. The proposed project is unlikely to have a significant negative impact upon the utilization, costs, or charges of other providers of CT or MRI services in PD 15.
3. The proposal is more beneficial than the status quo.
4. The proposed project is wholly feasible in the immediate and long-term.
5. The proposed project is supportive of the clinical, research and educational missions of an academic medical center.
6. There is no known opposition to the project.

DCOPN's recommendation is contingent on Virginia Commonwealth University Health System Authority's agreement to the following charity care condition:

Virginia Commonwealth University Health System Authority will provide CT and MRI imaging to all persons in need of these services, regardless of their ability to pay, and will provide as

charity care to all indigent persons free services or rate reductions in services and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 15 in an aggregate amount equal to at least 0.9% of Virginia Commonwealth University Health System Authority's gross patient revenue derived from CT and MRI imaging. 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. Virginia Commonwealth University Health System Authority 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 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.

Virginia Commonwealth University Health System Authority will provide CT and MRI imaging 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. Virginia Commonwealth University Health System Authority will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.