VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

September 18, 2025

RE: COPN Request No. VA-8826
Chesapeake Regional Surgery Center at Virginia Beach, LLC
Virginia Beach, Virginia
Introduce Radiation Therapy (LDR Brachytherapy) in an Existing Medical Care Facility

Applicant

Chesapeake Regional Surgery Center at Virginia Beach, LLC (hereafter known as "Chesapeake Regional Surgery") is a Virginia limited liability company. The owners are Chesapeake Hospital Authority (51%), Cape Surgical Holdings, LLC (42%) and The Obelisk Group, LLC (7%). The facility is located at 229 Clearfield Avenue, Suite 200, Virginia Beach, Virginia, in Planning District (PD) 20, Health Planning Region (HPR) V.

Background

The Virginia Code defines radiation therapy as "treatment using ionizing radiation to destroy diseased cells and for the relief of symptoms. Radiation therapy may be used alone or in combination with surgery or chemotherapy."[1] Brachytherapy is a particular form of radiation therapy that entails "placing sources containing radioactive isotopes that emit radiation for a specified distance" into the body via intraluminal, intracavitary, or multi-catheter interstitial methods. [2]

Low-Dose Rate (LDR) brachytherapy is a one-time multi-catheter interstitial method that involves placing radioactive implants into the location of cancer where the implants will release low levels of radiation over a predetermined period of time.[3] The implants lose radiation after a time specified for the individual patient, at which point they will either be removed by the doctor or stay in the body permanently, no longer transmitting radiation.[4] This can be done as a single therapy, or as a "boost" in conjunction with another treatment. This type of brachytherapy is most used to treat prostate cancer.

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[1] 12 VAC5-230-10
[2] Mayer, C., Gasalberti, D. P., & Kumar, A. (2025, January). Brachytherapy. Treasure Island, Flordia: StatPearls Publishing. Retrieved from https://www.ncbi.nlm.nih.gov/books/NBK562190/
[3] Stish, B. J., Davis, B. J., Mynderse, L. A., McLaren, R. H., Deufel, C. L., & Choo, R. (2018, June 6). Low dose rate prostate brachytherapy. *Translational Andrology and Urology, 7*(3). doi:10.21037/tau.2017.12.15
[4] Mayer, C., Gasalberti, D. P., & Kumar, A. (2025, January). Brachytherapy. Treasure Island, Flordia: StatPearls Publishing. Retrieved from https://www.ncbi.nlm.nih.gov/books/NBK562190/

Prostate cancer is the lead cancer diagnosis among men in the state of Virginia.[5] **Table 1** shows the predicted cases of prostate cancer in the decade of 2020 to 2030. Included in the Western Tidewater category of PD 20 is Franklin City, Isle of Wight County, Southampton County, and Suffolk City. Locations where brachytherapy is currently offered in PD 20 include Sentara Norfolk General Hospital and Chesapeake Regional Medical Center, both of which are located in the Northeastern portion of the planning district. In 2024, Sentara Norfolk General Hospital provided 25 LDR brachytherapy treatments for patients with prostate cancer, and Chesapeake Regional Medical Center provided 4 as the applicant clarified[6].

Table 1: Predicted Cases of Prostate Cancer 2020-2030

	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Western Tidewater	PD20 Total
2020 Cases	206	123	122	42	105	598
2027 Cases	236	152	140	65	103	696
2030 Cases	239	155	144	66	103	707

Source: Statecancerprofiles.cancer.gov and Weldon Cooper Center

The use of LDR brachytherapy has been decreasing over the past two decades. The year with the highest utilization was 2002, with 18% of patients diagnosed with prostate cancer receiving LDR brachytherapy as the only radiological intervention. The decline may be due to less education about LDR brachytherapy, decreased opportunities for residents to experience performing the procedure, or advancements in External Beam Radiation Therapy (EBTR) decreasing the need for an LDR brachytherapy boost during treatment[7].

Proposed Project

Chesapeake Regional Surgery is proposing to add additional radiation therapy services- specifically LDR brachytherapy- to their current practice. The proposed location has an Outpatient Surgical Center (OSH) that has two general purpose operating rooms and three procedure rooms, primarily serving urology patients on an outpatient basis. The facility is equipped to support the addition of brachytherapy services for prostate cancer patients, with appropriate procedure space, infrastructure and clinical support areas already in place. Low dose rate brachytherapy can be performed safely in existing, unmodified procedure rooms and requires no capital equipment expenditures, only storage of radioactive seeds. The applicant reports that the lead oncologist, who would join the practice if the project were approved, owns the applicator, probe with stabilizer, and treatment software needed.

The total capital costs of the proposed project are $29,000, which represents the costs for the storage of equipment and supplies associated with the implants, a Radioactive Materials License

[5] Statecancerprofiles.cancer.gov
[6] Mellette, Peter. "Re: COPN Request No. VA-8826." Received by DCOPN 28 July 2025.
[7] Zaorsky NG, Davis BJ, Nguyen PL, Showalter TN, Hoskin PJ, Yoshioka Y, Morton GC, Horwitz EM. The evolution of brachytherapy for prostate cancer. Nat Rev Urol. 2017 Jun 30;14(7):415-439. doi: 10.1038/nrurol.2017.76. PMID: 28664931; PMCID: PMC7542347.

Consultant, and Ludlum Survey Meter (**Table 2**). The applicant will fund the project using its accumulated reserves. As such, there are no financing costs associated with this project.

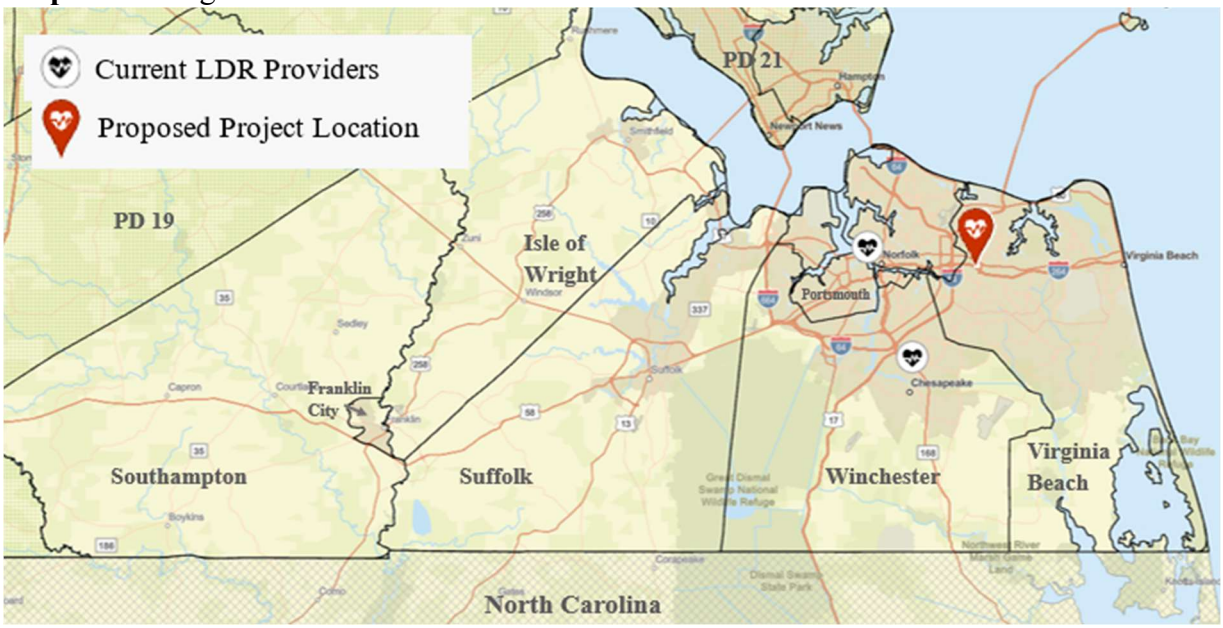
Table 2: Chesapeake Regional Surgery Capital Costs

Radiation Storage Equipment & Supplies	$24,000
Consultant Fees	$5,000
Total	**$29,000**

Source: COPN Request No. VA-8826

Map 1 shows the location of the proposed project (red marker) in relation to the two other LDR brachytherapy providers (white markers) in PD 20. Sentara Norfolk General Hospital and Chesapeake Regional Medical Center are both ten miles away from where Chesapeake Regional Surgery Center at Virginia Beach is located. There are no other LDR brachytherapy providers in PD 20. All locations are in the northeastern section of the PD. Isle of Wright, Suffolk, and Southampton do not have any directly located providers of LDR brachytherapy.

Map 1: Existing Providers



Source: DCOPN Records

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the "[i]ntroduction into an existing medical care facility described in subsection A of any…radiation therapy…." A medical care facility is defined, in part, as "[a]ny facility licensed as a hospital, as defined in § 32.1-123".

Required Considerations -- § 32.1-102.3, of the Code of Virginia

In determining whether a public need exists for a proposed project, the following factors shall be taken into account when applicable.

1. **The extent to which the proposed 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.**

There were 598 cases that occurred in PD 20 in 2020, with a predicted increase to 707 by 2030 (**Table 1)**. It is estimated that 107 in every 100,000 men in Virginia will be diagnosed with prostate cancer; and approximately 20 in every 100,000 Virginian men will die from the disease (**Table 3**). Within PD 20, the number of people diagnosed increases to 115 in every 100,000 with approximately 27 in every 100,000 dying from the cancer. Having additional LDR brachytherapy options available for a shorter wait period could theoretically assist in reducing the mortality rates. It is important to note, however, that not all cases of prostate cancer are appropriate for LDR brachytherapy.

Table 3: Approximate Prostate Cancer Incidence and Mortality Rate in PD 20

	2017-2021		2018-2022	
County	**Incidence Rate (per 100,000)**	**Average Annual Cases**	**Death Rate (per 100,000)**	**Average Annual Cases**
Chesapeake City	120	165	22	22
Franklin City	87	43	not reported	less than 3
Norfolk City	114	129	31	26
Portsmouth City	119	62	38	16
Suffolk City	128	72	23	10
Virginia Beach City	100	254	23	46
Isle of Wight County	128	37	17	4
Southampton County	126	20	34	4
Total PD 20	**115**	**782**	**27**	**128**
Virginia	**107**	**5,571**	**20**	**853**

Source: State Cancer Profile

There are no construction costs for the project and no major capital equipment. While there are some additional costs for the project relating to storage and consultation (see **Table 2** above), Chesapeake Regional Surgery is using accumulated resources so no financing costs will be incurred. Due to having the materials already available in the facility and only needing to hire an additional part-time nurse, services can begin without delay. Physicians, who will work at the center to supervise treatment and train current staff at the facility should the project be approved, are certified in the procedure and each have several years of experience providing LDR brachytherapy.

LDR brachytherapy allows patients to return to daily activities the next day following the procedure and strenuous activities within five days.[8] With respect to socioeconomic barriers, the poverty rate of PD 20 is higher than that of Virginia. Virginia Beach City, the location of the proposed project has a poverty rate of 8.7 %, the second lowest in PD 20 and lower than Virginia (**Table 4**).

Table 4. 2022 Poverty Rates, PD 20

Locality	Percent in Poverty
Isle of Wight County	7.3%
Southampton County	13.3%
Chesapeake City	10.0%
Franklin City	19.8%
Norfolk City	18.3%
Portsmouth City	18.7%
Suffolk City	11.1%
Virginia Beach City	8.7%
PD 20	**11.8%**
Virginia	**10.2%**

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

PD 20 had a population of about 1.2 million in 2020 and is projected to grow by just over 40,000 people, 3.3%, between 2020 and 2030. This is less than the population growth rate projected for Virginia during this decade, 5.8% (**Table 5**). The population of Virginia Beach is expected to be 474,052 by 2030, an increase of 3.2% from the 2020 population. People over the age of 65 are more likely to be diagnosed with cancer and need treatment. This population in Virginia Beach is expected to have a 36.8% increase from the 2020 population, reaching 94,903 residents (**Table 5**).

Table 5: PD20 Population Data

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

Source: Weldon-Cooper Data

[8] COPN Request No. VA-8826

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 three letters of commitment from pending staff members. These letters, in aggregate, expressed the qualifications of physicians who would be staffing the therapy. All three are board-certified radiation oncologists with experience in prostate brachytherapy; each would be serving as a physician for the program.

Six form-letters were sent in from doctors working in Chesapeake Regional Healthcare services. These letters stated that LDR brachytherapy is "an evidence-based, less invasive alternative that can be delivered in an outpatient setting", adding that patients are able to return to their routine the day after receiving services. They end with the "[strong] support" of the proposed project.

Three urologists working at Urology of Virginia wrote letters of support as well. The letters state that the incidence of prostate cancer is increasing in Virginia. They write that LDR brachytherapy is less invasive and has a quicker return to daily activities than other treatments for prostate cancer. There was caution for men postponing treatment due to financial or logistical barriers.

Four patients provided letters with individual experiences. They state variations of the idea that LDR brachytherapy is time and cost effective. All four also advocated for patient choice in determining what cancer treatment aligns with the patient's lifestyle. They also stated that if the treatment were more widely available "many" patients would choose it.

One letter of opposition was submitted to DCOPN by Sentara Norfolk General Hospital (Norfolk General Hospital). In the letter, Norfolk General Hospital outlined five reasons why the project is not appropriate for PD 20:

1. LDR brachytherapy is largely used for low-risk patients for whom the American College of Radiology recommends active surveillance rather than direct treatment.

2. Utilization is "unsupported by regional data or national utilization norms." An article is cited stating that there is a decrease in LDR brachytherapy utilization nationwide from 2004 to 2013. Norfolk General Hospital cited "30% of all newly diagnosed prostate cancer patients in PD 20 would need to receive LDR brachytherapy" in order to reach the 250 cases estimated by Chesapeake Regional Surgery.

3. Financial incentives can cause an increase in unnecessary utilization. Projected volumes by Chesapeake Regional Surgery "raise concerns not only about duplication of services, but also about systemic cost inefficiency."

4. Norfolk General Hospital can provide an additional "40+ LDR brachytherapy cases in a month" and would be able to accommodate higher demand if it became necessary.

5. Approval of the proposed project would adversely affect the business of Sentara Norfolk General Hospital.

Chesapeake Regional Surgery responded to the opposition with two additional letters. One letter, written by the lawyer representing the hospital, states that the LDR brachytherapy provided would still follow the guidelines recommended by the American College of Radiology and would not unnecessarily treat patients who can be actively surveilled. The variation in the number of patients eligible provided by Chesapeake Regional Surgery and Norfolk General Hospital is addressed with the applicant stating patients also originate from "Northeastern North Carolina and the Eastern Shore." In response to the point of Norfolk General Hospital having the capacity to accommodate additional cases, Chesapeake Regional Surgery writes that Norfolk General Hospital's primary use of LDR brachytherapy is as a support method and not a monotherapeutic treatment. The letter finishes stating that Norfolk General Hospital is attempting to "retain all of its patients and preserve its monopoly on services in a higher cost, inconvenient setting for patients…"

The second response letter was written by a doctor who will be a co-director of the program should it be approved. He is currently a board-certified radiation oncologist specializing in prostate brachytherapy.

1. He states that active surveillance would be practiced where applicable and recommended. LDR brachytherapy boosts would also be provided along with other treatments. Treatments would be determined based on appropriateness and in a "shared decision-making" process.

2. The statistic that Norfolk General Hospital cited from an article regarding 8% of prostate cancer patients receiving LDR brachytherapy was challenged by the doctor, citing another journal article that the national decline in utilization could indicate "training gaps, programmatic complexity, and economic factors—not to inferior outcomes."

3. Services will be provided by Western Radiation Oncology physicians and keep to the model of providing "high-quality brachytherapy care to the community." The facility will not be hiring local physicians "in order to maintain high quality." They will be partnering with Urology of Virginia to provide care and follow-up services to patients.

4. Regarding the statement that Norfolk General Hospital can cover additional care should it be needed, the doctor responds that the hospital's time is less certain as there are critical patients who can arrive unscheduled, and transportation may not be as consistent.

5. He also advocates that performing the procedure in an OSH instead of a hospital would be less costly. The letter stated that OSH facility payments "are materially lower than hospital outpatient department (HOPD) payments."

Norfolk General Hospital responded to Chesapeake Regional Surgery on September 12, 2025, with a statement again addressing the five factors.

1. The hospital reiterated that the "preferred approach" for low-risk patients per national standards is active surveillance, but that the hospital would be able to perform the procedure as a monotherapy should it be needed.

2. They raise concerns about the utilization projections in PD 20 and express doubt at "an additional 110-190 cases needed to obtain 250 cases would originate from rural North Carolina."

3. The hospital states that having the program's physicians "practicing across multiple states… [raises] questions about sustainability and overutilization incentives."

4. Norfolk General Hospital stated that the expected capacity is improbable. They also state that should the need of LDR brachytherapy increase, both Norfolk General Hospital and Chesapeake Regional Medical Center would be able to meet the demand.

5. The hospital repeated that both Norfolk General Hospital and Chesapeake Regional Medical Center cover the demand of LDR brachytherapy for prostate cancer patients in PD 20.

In response to the September 12th letter of opposition, a doctor who will be a co-director of the program should it be approved submitted a letter of support on September 15th. He wrote addressing the same points.

1. The doctor wrote that standards regarding active surveillance would be followed prior to the use of LDR brachytherapy as needed. LDR brachytherapy boosts would also be provided.

2. He clarified that the projections in the application document LDR brachytherapy as a monotherapy and as a boost.

3. The doctor stated "[m]ultiple peer-reviewed studies and Medicare claims analyses demonstrate that prostate brachytherapy is the most cost-effective curative radiotherapy for localized prostate cancer."

4. The doctor debated the point of the services already available as many radiation oncologists "have not performed a single brachytherapy case in many years, and the few who do perform just a small number of brachytherapy procedures per year." He states that he performs "up to 10-14 high-quality brachytherapy cases in a single day."

5. The doctor reiterates that the project will follow regulating practice procedures.

Norfolk General Hospital responded to the September 15th letter on September 16th. In the letter, the hospital stated that LDR Brachytherapy has not been denied to any patient and earlier appointments are available as needed. The hospital again stated concerns about "inefficiency by spreading limited case volume across multiple providers."

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-8826 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 August 15, 2025. The comment

(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 are two other locations that provide LDR brachytherapy in PD 20. Beyond LDR brachytherapy, other treatments for prostate cancer include other forms of radiation therapy, hormone therapy, and prostatectomy. The doctor will determine what treatment is beneficial for the specific patient; the below explanations are meant to explain similarly prescribed treatments but do not indicate indiscriminate interchangeably for patients.

Other forms of radiation therapy include external beam radiotherapy (EBRT). EBRT uses a linear accelerator to direct high-energy beams into the patient as they lie on a table.[9] There are numerous treatment sessions, depending on the cancer's severity. Both EBRT and LDR brachytherapy provide similar treatment, but EBRT aims outside the body and impacts healthy cells at a higher rate than LDR brachytherapy.

Hormone Therapy primarily target androgens in the body which can inhibit the growth of prostate cancer. This is done through reducing production, blocking androgen production, or preventing androgens from promoting growth of normal and cancerous cells in the prostate[10]. Where hormone therapy can slow down the rate of prostate cancer, it would not remove cancer that already exists. LDR brachytherapy, on the other hand, would attack existing cells.

Prostatectomy is the removal of the prostate via surgery. It is commonly done though minimally invasive surgery with robotic assistance after which patients will return home the next day or the day after.[11] It is estimated that the patient will be able to resume daily activities four weeks after the surgery, increasing difficulty in activities slowly over the following weeks[7].

Another reasonable alternative is the status quo. Should the project be denied, the residents of PD 20 would continue to receive LDR brachytherapy from Sentara General Hospital and Chesapeake Regional Medical Center. There would not be additional costs for the development of services; Chesapeake Regional Surgery is located in an overlapping driving distance from the two locations. Additionally, Chesapeake Regional Medical Center, who is the 51% owner of

[9] https://www.mayoclinic.org/tests-procedures/external-beam-radiation-for-prostate-cancer/about/pac-20384743
[10] https://www.cancer.gov/types/prostate/prostate-hormone-therapy-fact-sheet
[11] https://www.mayoclinic.org/tests-procedures/prostatectomy/about/pac-20385198

Chesapeake Regional Surgery and already provides LDR brachytherapy, could increase their output should the need of PD 20 increase.

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

Currently there is no organization in HPR V designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 20. Therefore, this consideration is not applicable to the review of the proposed project.

(iv) Any costs and benefits of the project.

As shown in **Table 2**, the projected capital costs for the project are $29,000, which represents the costs for consultant fees and radiation storage equipment and supplies. There is no major capital cost for the project as the equipment for the procedure is already in the facility. Accumulated reserves are being used to cover the capital costs and financing is not needed for the project. DOCPN concludes that the costs will be easily covered by the applicant.

Table 2: Chesapeake Regional Surgery Capital Costs *(Repeated from p.2)*

Radiation Storage Equipment & Supplies	$24,000
Consultant Fees	$5,000
Total	**$29,000**

Source: COPN Request No. VA-8826

The applicant has described several benefits to the proposed project, including:

- The implementation of another LDR brachytherapy service will provide further care for patients diagnosed with prostate cancer in PD 20 in surrounding areas. Current physicians at the practice estimate that "75% of the practice patients would be candidates for LDR brachytherapy."
- The procedure will be done on an outpatient basis, and patients will go home on the same day. LDR brachytherapy also allows patients to return to normal activities the next day. The treatment typically takes a single session, which is a reduction from other therapies provided.
- Physicians who are scheduled to join the team pending project approval, have several years of experience and have performed thousands of procedures. The staff "will provide education, support, and follow-up tailored to brachytherapy patients and Chesapeake Regional Surgery staff". The only staff that is needed to be hired is a part-time nurse; however, services can start without this hire.
- Chesapeake Regional Surgery projected being able to provide approximately 100 procedures a year, which would be in "manageable limits for the provider team and facility".

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

Section 32.1-102.4. B of the Code of Virginia indicates that, should the proposed project receive approval, the project would be conditioned to provide a level of charity care. The applicant has proposed a systemwide charity condition which DCOPN has accepted as its recommendation (See recommended charity condition, below). Pursuant to the Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

Table 6: HPR V Charity Care Contributions, 2023

HPR V	Gross Pt Rev	Total Charity Care Provided Below 200%	%
Inpatient Hospitals			
Riverside Doctors' Hospital Williamsburg	$263,828,291	$8,707,695	3.3%
Riverside Shore Memorial Hospital	$341,088,652	$11,224,959	3.3%
Sentara Careplex Hospital	$1,164,242,503	$29,652,584	2.5%
Riverside Walter Reed Hospital	$371,371,717	$8,973,741	2.4%
Sentara Norfolk General Hospital	$4,452,208,146	$105,227,800	2.4%
Sentara Obici Hospital	$1,273,496,343	$28,381,455	2.2%
Sentara Leigh Hospital	$2,031,781,262	$41,559,157	2.0%
Sentara Virginia Beach General Hospital	$1,702,923,060	$33,873,789	2.0%
Riverside Regional Medical Center	$3,130,814,126	$60,690,923	1.9%
Chesapeake Regional Medical Center	$1,267,460,220	$19,099,394	1.5%
Sentara Princess Anne Hospital	$1,410,258,179	$21,159,493	1.5%
VCU Health Tappahannock Hospital	$207,592,750	$2,640,231	1.3%
Sentara Williamsburg Regional Medical Center	$823,825,261	$10,213,652	1.2%
Virginia Beach Psychiatric Center	$55,638,150	$558,000	1.0%
Bon Secours Maryview Medical Center	$1,459,551,138	$9,414,682	0.6%
Bon Secours Southampton Medical Center	$240,211,511	$1,471,764	0.6%
Newport News Behavioral Health Center	$32,258,229	$158,238	0.5%
Bon Secours Mary Immaculate Hospital	$765,543,060	$3,588,088	0.5%
Bon Secours Rappahannock General Hospital	$99,791,350	$446,763	0.4%
Children's Hospital of the King's Daughters	$1,437,801,245	$5,501,594	0.4%
Riverside Rehabilitation Hospital	$81,843,187	$287,089	0.4%
Hospital For Extended Recovery	$32,875,314	$3,040	0.0%
Select Specialty Hospital-Hampton Roads	$88,091,051	$0	0.0%
Kempsville Center for Behavioral Health	$47,850,285	$0	0.0%
Lake Taylor Transitional Care Hospital	$39,571,707	$0	0.0%
The Pavilion at Williamsburg Place	Did not report	$0	
Bon Secours DePaul Medical Center	Did not report	$0	
Bon Secours Portsmouth General Hospital	Did not report	$0	
Norfolk Community Hospital	Did not report	$0	
Total Inpatient Facilities:			**25**
HPR V Inpatient Total $ & Mean%	**$22,821,916,737**	**$402,834,131**	**1.8%**

HPR V	Gross Pt Rev	Total Charity Care Provided Below 200%	%
Outpatient Hospitals			
Careplex Orthopedic Ambulatory Surgery Center	$57,325,774	$1,117,911	2.0%
Sentara BelleHarbour Ambulatory Surgery Center	$4,884,554	$87,094	1.8%
Sentara Princess Anne Ambulatory Surgery Management, LLC	$46,641,017	$418,450	0.9%
Riverside Hampton Surgery Center	$35,798,022	$320,541	0.9%
Riverside Doctors Surgery Center	$38,415,903	$263,341	0.7%
CHKD Health & Surgery Center (Newport News)	$22,661,447	$57,080	0.3%
Bon Secours Mary Immaculate Ambulatory Surgery Center	$26,888,307	$52,606	0.2%
Bon Secours Surgery Center at Virginia Beach	$45,283,882	$83,360	0.2%
CHKD Health & Surgery Center (Virginia Beach)	$40,509,315	$68,453	0.2%
Sentara Leigh Orthopedic Surgery Center, LLC	$114,822,981	$34,520	0.0%
Bon Secours Surgery Center at Harbour View, L.L.C.	$80,509,018	$2,834	0.0%
Chesapeake Regional Surgery Center at Virginia Beach, LLC	$58,862,768	$5,724	0.0%
Surgical Suites of Coastal Virginia	$34,118,670	$0	0.0%
Sentara Obici Ambulatory Surgery LLC	$30,297,111	$0	0.0%
Sentara Virginia Beach Ambulatory Surgery Center	$24,947,518	$0	0.0%
Surgery Center of Chesapeake	$18,080,607	$0	0.0%
CVP Surgery Center	$17,501,332	$0	0.0%
Sentara Port Warwick Surgery Center	$16,587,877	$0	0.0%
Center for Visual Surgical Excellence, LLC	$11,770,965	$0	0.0%
Bayview Medical Center, Inc	$4,852,441	$0	0.0%
Advanced Vision Surgery Center LLC	$2,109,895	$0	0.0%
Virginia Center for Eye Surgery			
Total Outpatient Facilities:			**22**
HPR V Outpatient Total $ & Mean%	**$765,240,875**	**$3,610,257**	**0.5%**
Total Facilities:			**47**
HPR V Total $ & Mean%	**$23,587,157,612**	**$406,444,388**	**1.7%**

Source: VHI, 2023

Chesapeake Regional Surgery self-reported providing $5,724 in charity care for the fiscal year of 2023 where the gross patient revenue reported was $58,862,768.[12] This equates to approximately 0.0097% of their total intake. Should the project be approved, there would be the condition of 0.5% of gross profit.

[12] VHI Data

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

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

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

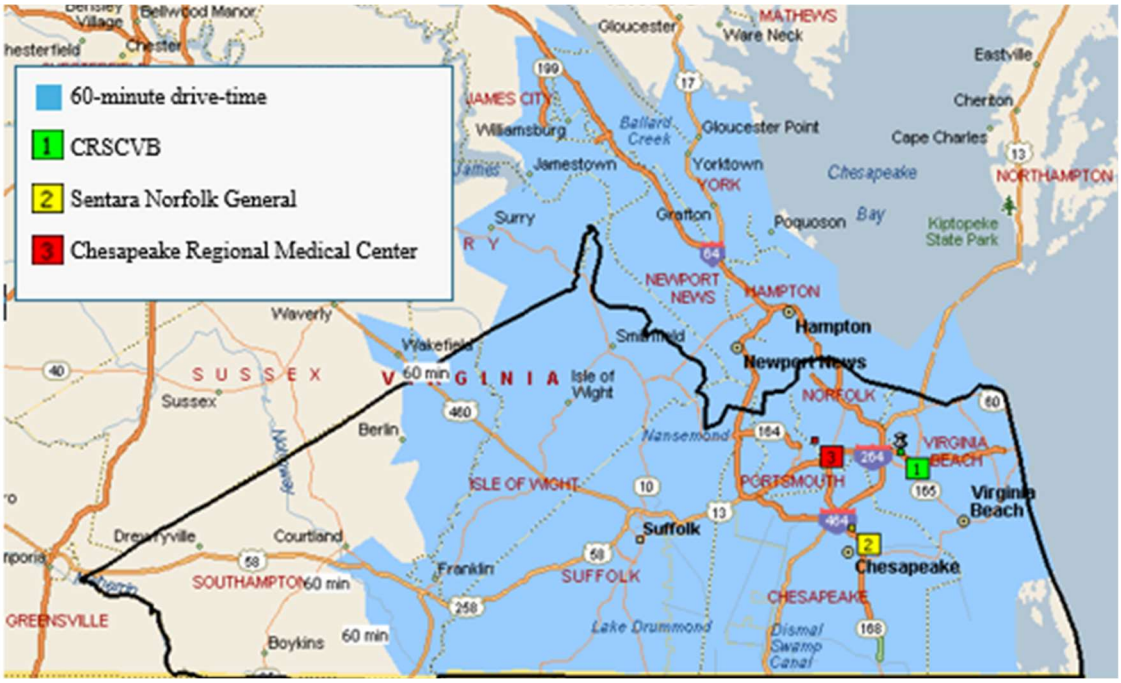
Section 32.1-102.2:1 of the Code of Virginia calls for the State Health Services Plan Task Force to develop recommendations for a comprehensive State Health Services Plan (SHSP). In the interim, DCOPN will consider the consistency of the proposed project with the predecessor of the SHSP, the State Medical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

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

Radiation Therapy Services
Criteria and Standards for Radiation Therapy Services

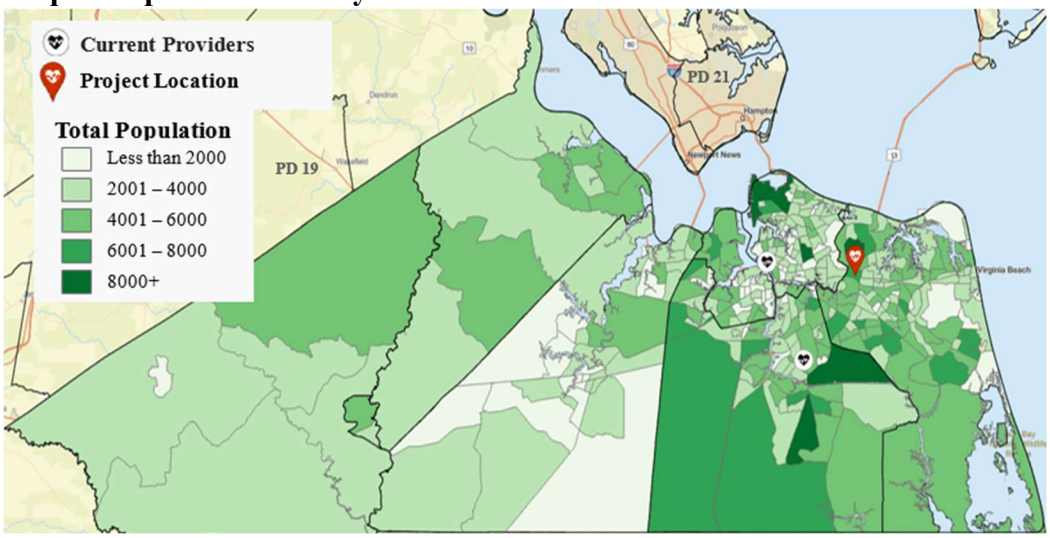
12VAC5-230-280. Travel time.
Radiation therapy services should be available within 60 minutes driving time one way under normal conditions of 95% of the population of the health planning district using mapping software as determined by the commissioner.

Map 2: 60-Minute Access to Brachytherapy in PD20

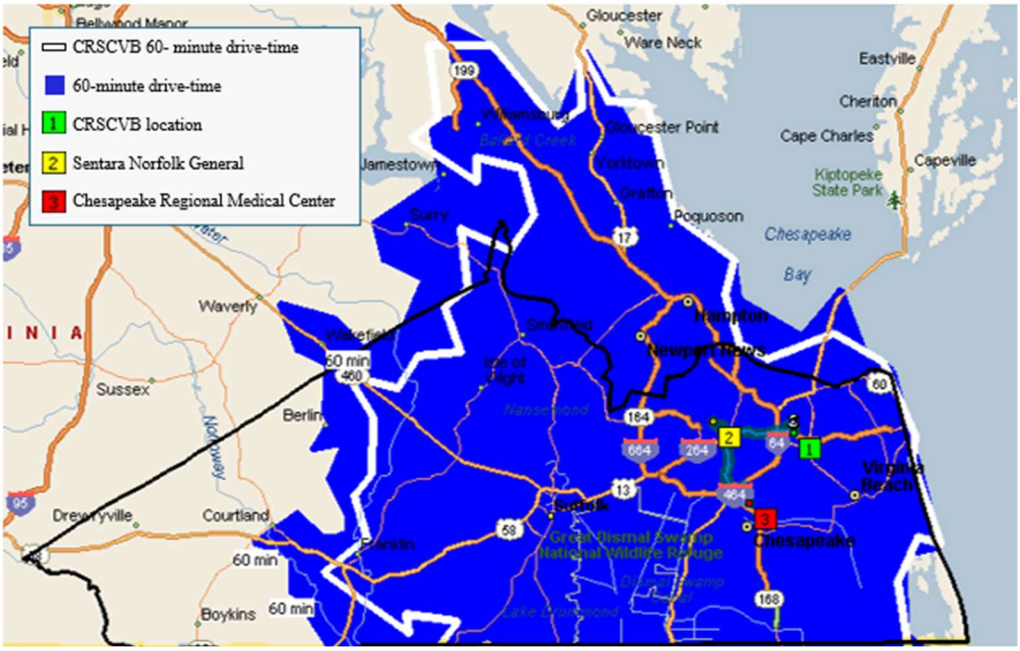


Map 2 shows the driving distance from all brachytherapy sites in PD 20. This includes Norfolk, Virginia Beach, Chesapeake City, Portsmouth, Suffolk County, and Isle of Wight County. Some of Southampton County is included, but the coverage does not include the entire county. The majority of PD 20's population is located within 60 minutes of the project location (**Map 3**). There is less than 5% of the population of PD 20 outside of the driving time which meets the required criteria. Of existing locations, Chesapeake Regional Surgery is only within a 15-minute drive from each location. The approval of the project would not add additional coverage for services in PD 20 (**Map 4**).

Map 3: **Population Density PD20**



Map 4: **Drive-Time from Existing and Proposed Locations (PD 20)**



12VAC5-230-290. Need for new service.

A. No new radiation therapy service should be approved unless:
   1. Existing radiation therapy machines located in the health planning district performed an average of 8,000 procedures per existing and approved radiation therapy machine in the relevant reporting period; and
   2. The new service will perform at least 5,000 procedures by the second year of operation without significantly reducing the utilization of existing providers in the health planning district.

Table 7 shows the total radiation therapy that is currently occurring in PD 20. Both Virginia Oncology Associates- Brock and Princess Anne are performing over 8,000 procedures each. The Brock location is also performing a reported 8,500 procedures of cobalt and linear accelerator without stereotactic radiosurgery (SRS). Sentara Virginia Beach General Hospital is also performing 8,000 procedures. Bon Secours Cancer Institute at Harbour View was certified for an additional radiation therapy lab (bringing their total to two) that was scheduled to start services in May 2025.[13] This would bring the number of authorized machines to 10 (**Table 7**). Of the two current brachytherapy providers in PD 20, neither are operating at the 8,000-procedure rate.

Table 7: Radiation Therapy Utilization PD 20 (2023)

Facility Name	Machine Numbers	Inpatient Treatment Visits	Outpatient Treatment Visits	Procedures
Linear with SR				
Bon Secours Cancer Institute at Harbour View	1	N/A	6,101	6,101
Chesapeake Regional Medical Center	1	29	3,945	3,974
Sentara Norfolk General Hospital	2	400	7,151	7,551
Sentara Obici Hospital	1	70	6,040	6,110
Virginia Oncology Associates - Brock	1	N/A	8,774	8,774
Virginia Oncology Associates - Princess Anne	1	N/A	8,747	8,747
Total with SR	7	**499**	**40,758**	**41,257**
Cobalt and Linear Accelerator without SR				
Chesapeake Regional Medical Center	1	73	5,290	5,363
Sentara Virginia Beach General Hospital	1	523	7,870	8,393
Virginia Oncology Associates - Brock	1	N/A	8,500	8,500
Total without SR	3	**596**	**21,660**	**22,256**
Total Radiation Therapy	**9**[14]	**1,095**	**62,418**	**63,513**

Source: VHI Database

Chesapeake Regional Surgery is not projecting the provision of 5,000 procedures by the first year as there are not 5,000 cases of prostate cancer who would be eligible for LDR brachytherapy. 700 people are newly diagnosed each year, but not all will be candidates for LDR brachytherapy.

[13] VA-04839
[14] Virginia Oncology Associates – Brock location is performing both procedures in the same lab.

The applicant estimated that approximately 320 people currently diagnosed with prostate cancer would be eligible.

B. The number of radiation therapy machines needed in a health planning district will be determined as follows:

$$\frac{\text{Population x Cancer Incidence Rate x 60\%}}{320}$$

where:

1. **The population is projected to be at least 150,000 people three years from the current year as reported in the most current projections of a demographic entity as determined by the commissioner;**
2. **The cancer incidence rate as determined by data from the Statewide Cancer Registry;**
3. **60% is the estimated number of new cancer cases in a health planning district that are treatable with radiation therapy; and**
4. **320 is 100% utilization of a radiation therapy machine based upon an anticipated average of 25 procedures per case.**

Chesapeake Regional Surgery is not looking to add additional machinery to the district. They are applying to add services to the equipment already in place.

C. Proposals for new radiation therapy services located less than 60 minutes driving time one way, under normal conditions, from any site that radiation therapy services are available shall demonstrate that the proposed new services will perform an average of 4,500 procedures annually by the second year of operation, without significantly reducing the utilization of existing services in the health planning district.

There are not enough cases in the area to need 4,500 procedures annually by the second year of operation. The location of the proposed project is within ten-minute driving distance from both providers currently open.

12VAC5-230-300. Expansion of service.

Proposals to expand radiation therapy services should be approved only when all existing radiation therapy services operated by the applicant in the health planning district have performed an average of 8,000 procedures for the relevant reporting period and the proposed expansion would not significantly reduce the utilization of existing providers.

According to SMFP regulations code 12VAC5-230-570, the project does not fit the definition of expansion of radiation therapy services. This section does not apply to the proposed project.

12VAC5-230-310. Statewide Cancer Registry.

Facilities with radiation therapy services shall participate in the Statewide Cancer Registry as required by Article 9 (§ 32.1-70 et seq.) of Chapter 2 of Title 32.1 of the Code of Virginia.

The applicant has provided assurances that Chesapeake Regional Surgery will participate in the Statewide Cancer Registry as required by Article 9 (§ 32.1-70 et seq.) of Chapter 2 of Title 32.1 of the Code of Virginia.

12VAC5-230-320. Staffing.

Radiation therapy services should be under the direction or supervision of one or more qualified physicians designated or authorized by the Nuclear Regulatory Commission or the Division of Radiologic Health of the Virginia Department of Health, as applicable.

The applicant provides assurances that the brachytherapy services will be under the direct supervision of one or more qualified physicians. Board-certified physicians who submitted letters of commitment stated that they would be supervising staff during the procedures pending the approval of the project.

Required Considerations Continued

4. **The extent to which the proposed service or facility fosters institutional competition 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 two providers that provide LDR brachytherapy for people diagnosed with prostate cancer in PD 20. Combined, Sentara Norfolk General Hospital and Chesapeake Regional Memorial provided 29 LDR brachytherapy procedures in 2024.[8] The approval of the application could increase the availability of the treatment. Due to the decreasing trend of LDR brachytherapy,[15] however, existing services may be negatively affected.

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.**

Regarding this consideration, the applicant provided the following information:

[15] Stish BJ, Davis BJ, Mynderse LA, McLaren RH, Deufel CL, Choo R. Low dose rate prostate brachytherapy. Transl Androl Urol. 2018 Jun;7(3):341-356. doi: 10.21037/tau.2017.12.15. PMID: 30050795; PMCID: PMC6043740.

> [H]igh and growing prostate cancer patient numbers and rates in PD 20 demonstrate a need for more access to LDR brachytherapy care. On average, there are more than 250 new prostate cancer cases in the Virginia Beach health district alone, and the district saw over 1,250 new cases between 2016 and 2020, the fourth highest of any health district in the state and nearly twice that of Norfolk and Western Tidewater. In that same time period, Virginia Beach averaged 105.3 prostate cancer cases per 100,000 people– on track with the state average of 105.5. Other localities in PD 20 had much higher rates during that time: 118.4 in Chesapeake, 123.3 in Norfolk, 128.4 in Portsmouth, and 129.1 in Western Tidewater (Virginia Cancer Registry data). Given that the number of prostate cancer cases in PD 20 will likely increase over the next 10 years as its total population grows by almost 30,000 people (Weldon Cooper Center population data), expanded access to LDR brachytherapy care is needed to respond to prostate cancer needs now and in the near future.

As previously stated, there are two providers who are currently operating LDR brachytherapy services in PD 20. Notably, however, there is not a current surplus of this service in the planning district. According to the statistics provided by Chesapeake Regional Surgery, there has been a sharp increase in the utilization of LDR brachytherapy services in recent years. To the contrary, other statistics state that the number of people receiving LDR brachytherapy has been decreasing over the past 23 years from the 2002 peak of 18% utilization. Due to the decrease in utilization, the approval of another location providing LDR brachytherapy services may negatively impact existing services already providing the care.

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.**

There are no construction costs for the project and no major capital equipment. There is an overall cost of the project is $29,000 that is budgeted for a consultant, a Ludlum Survey Meter, and for radiation storage equipment and supplies (**Table 2**). Chesapeake Regional Surgery has stated the facility does not require financing for these purchases and will be using accumulated reserves. The board-certified physicians who will be training and supervising direct staff have stated that they are committed to the project and have submitted letters to that effect. The only additional staff needed is a part-time nurse.

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 new technology but does propose the provision of care on an outpatient basis. Should there be complications in treatment, Chesapeake Regional Surgery has a

Patient Transfer Agreement with Sentara Hospital that patients can go between facilities smoothly. Regarding this consideration, the applicant provided the following information:

> The proposed brachytherapy program at Chesapeake Regional Surgery will significantly improve the patient experience for men undergoing prostate cancer treatment. The procedure itself, LDR brachytherapy, is highly patient-friendly: it is typically completed in a single session (usually around 30 minutes to 1 hour, including anesthesia time) and does not require repeated visits for radiation therapy. In fact, brachytherapy condenses an entire course of treatment into one visit, unlike external beam radiation which might require 20–40 daily sessions. This one-and-done aspect spares patients weeks of disruption to their lives.

There are no other factors for the Commissioner to consider that are not discussed elsewhere in the analysis.

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.

This is not applicable. The applicant is not a teaching hospital associated with a public institution of higher education or a medical school in the area to be served.

DCOPN Staff Findings and Conclusions

Chesapeake Regional Surgery Center at Virginia Beach ("Chesapeake Regional Surgery") is proposing to introduce radiation therapy (LDR brachytherapy) at its current location at 229 Clearfield Avenue in Virginia Beach. If approved, Chesapeake Regional Surgery would be added to the two existing providers that currently offer LDR brachytherapy to patients diagnosed with prostate cancer in PD 20. Calculated costs would be covered by accumulated cash reserves and would not need additional financing or loans.

DCOPN finds, however, that the proposed project to provide LDR brachytherapy for patients diagnosed with prostate cancer is not consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. There is not a demonstrated need for the proposed project based on current usage in the PD and adding another LDR brachytherapy provider would be a duplication of existing services. Of the two locations currently providing LDR brachytherapy in PD 20, one has written a letter stating that they would be able to accommodate an increase in LDR brachytherapy should the demand increase. The other location is the majority owner of Chesapeake Regional Surgery.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **denial** of Chesapeake Regional Surgery Center at Virginia Beach's COPN Request number VA-8826 to introduce Low Dose Rate (LDR) brachytherapy for the following reasons:

1. The proposal to introduce LDR brachytherapy at Chesapeake Regional Surgery is inconsistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. The current utilization rate of LDR brachytherapy in PD 20 is not at a rate which would indicate a need for additional services.
3. The location of Chesapeake Regional Surgery is within 20 minutes' drive time from both existing locations. In consideration of the low demand of LDR brachytherapy, the close location may negatively impact the existing providers. There would not be further coverage within 60-minute drive with the approval of the project.
4. The status quo is a reasonable alternative to the proposed project.