VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

October 20, 2025

RE: COPN Request No. VA 8828
Harbour View Medical Center LLC d/b/a Bon Secours Harbour View Medical Center and Maryview Hospital LLC d/b/a Bon Secours Maryview Medical Center
Suffolk, Virginia
Addition of 36 Acute Care Beds

Applicant

Harbour View Medical Center, LLC ("HVMC") is wholly owned by Maryview Hospital, LLC d/b/a Bon Secours Maryview Medical Center ("MMC"). MMC is wholly owned by Bon Secours Hampton Roads Health System ("BSHR"), which is wholly owned by Bon Secours Mercy Health ("BSMH"). BSMH, BSHR, MMC and HVMC are all not-for-profit Virginia limited liability companies. MMC also owns other entities, including Harbour View MOB 2, LLC, Bon Secours Surgery Center at Harbour View, LLC and Bon Secours Surgery Center at Virginia Beach, LLC. HVMC is a co-applicant because it is the owner and operator of the facility. HVMC has no subsidiaries. Bon Secours Harbour View Medical Center (previously Bon Secours Harbour View Hospital) is in Planning District (PD) 20, Health Planning Region (HPR) V.

Background

In 2018, MMC was issued COPN No. VA-04631 authorizing the establishment of Bon Secours Harbour View Hospital (now HVMC), an inpatient acute care hospital with 18 acute care beds and 4 general purpose operating rooms, to be relocated from MMC, and 1 CT scanner to be relocated from Bon Secours Harbour View (outpatient services) already in service. According to COPN No. VA-04631, the authorized project was scheduled to be operational by February 1, 2021. The application for the project described Harbour View Hospital as an innovative, short-stay, surgically focused, inpatient hospital, and the project included the relinquishment of 36 beds by MMC in a two-to-one relinquishment of beds transferred. In March 2020 the Commissioner approved a significant change authorizing the relocation of the beds from DePaul Medical Center, LLC, rather than MMC. MMC and DePaul subsequently merged, and DePaul closed effective April 1, 2021. In December 2021 a significant change was granted by the Commissioner to extend the completion date for the project to November 30, 2025.

On July 1, 2020, MMC and DePaul filed a joint application for COPN Request No. VA-8520, to introduce obstetrical services at Harbour View Hospital with up to 12 beds, general and intermediate level neonatal services, intensive care services with up to 8 beds, and expanded

medical/surgical bed capacity by up to 16 medical/surgical beds. All beds were proposed to be relocated from DePaul Medical Center. On October 19, 2020, DCOPN recommended denial of the proposed expansion project. On March 11, 2021, the State Health Commissioner denied COPN Request No. VA-8520, in part because it would unnecessarily duplicate health care resources in PD 20 and would dramatically extend and alter the scope, size and purpose of the approved but undeveloped Harbour View Hospital, before that hospital has even generated utilization data.

On January 1, 2021, MMC submitted an application for COPN Request No. VA-8546, to add up to 36 acute care beds, including medical/surgical, intensive care and obstetric beds, as well as intermediate level neonatal special care services to the yet-to-be-constructed Bon Secours Harbour View Hospital – a significant expansion of the previously approved 18 bed short-stay acute care hospital pursuant to COPN No. VA-04631. On March 31, 2021, prior to receiving a recommendation from DCOPN, MMC requested to indefinitely delay the review of COPN Request No. VA-8546.

On August 8, 2024, COPN Request No. VA-8546 project was resumed at the request of the applicants. The revised proposal now only included the request for 36 med/surg beds. Rather than constructing a new building on an undeveloped portion of the property, the new construction plan described HVMC as an expansion of the Health Center at Harbour View, which has operated as an ambulatory medical campus since 1999. The plan was for existing services to be integrated within the expanded hospital in place, rather than moved into an all-new building as originally described. Following the submission of the revised application, MMC proposed a 2:1 relinquishment of beds—relocating 36 beds to HVMC and reducing its own licensed bed capacity by an additional 36 beds—for a total reduction of 72 beds at MMC.

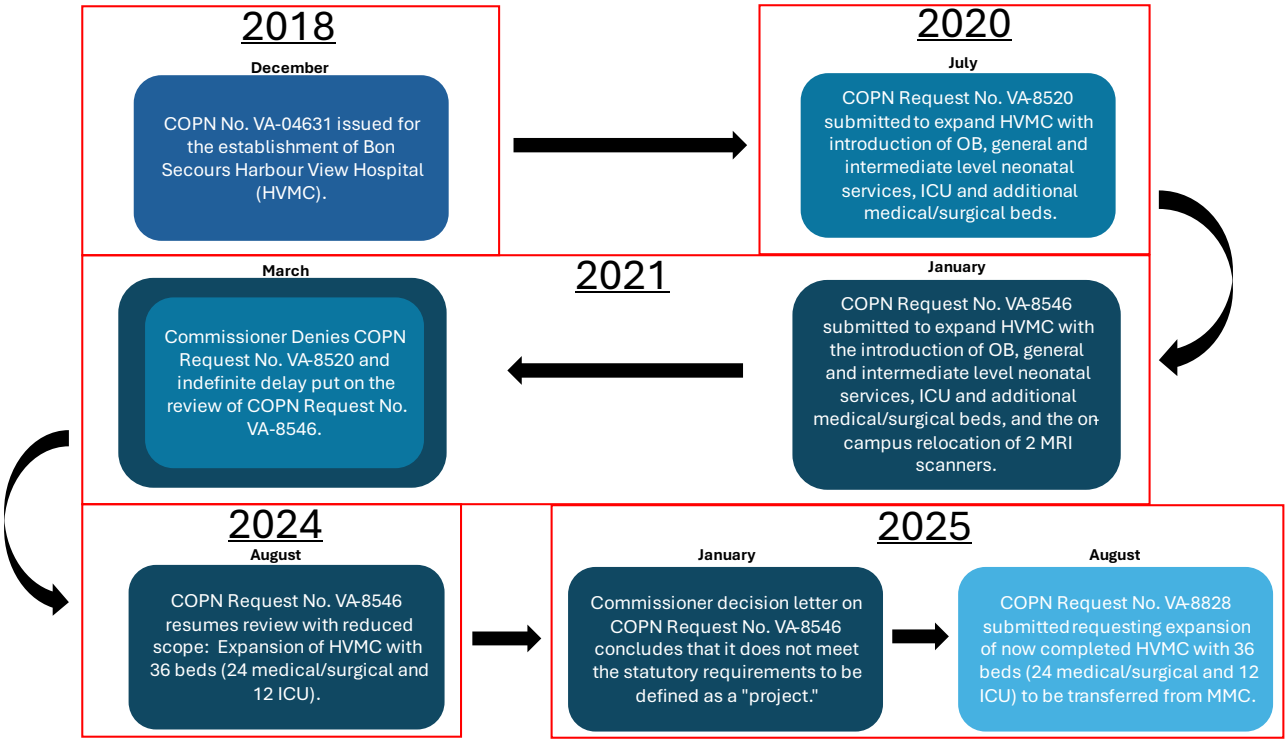
On October 17, 2024, DCOPN found that COPN request No. VA-8546 was consistent with applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. Because of this, DCOPN recommended conditional approval of the plan, with the condition being compliance to BSHR's 4.0% charity condition. Due to a Good Cause Petition submitted by Riverside Hospital, however, an Informal Fact-Finding Conference (IFFC) was held by the Office of Adjudication. Following the IFFC, the adjudication officer determined that this project was not eligible for the Commissioner's review because Section 32.1-102.1:3(B) of the Code of Virginia states that *relocation of beds is considered a project for which a COPN is required when the beds are located from one "existing medical care facility" to another "existing medical care facility".* Additionally, *for relocation of beds to a hospital, the most appropriate medical care facility category would be under Section 32.1-102. 1:3 (A), "Any facility licensed as a hospital, as defined in Section 32.1-123"*[1]*. In order for a hospital to be an "existing medical care facility" that can receive beds, that hospital must be licensed.* Bon Secours Harbour View Medical Center was determined to not be a "licensed" hospital because it had not yet been completed and opened and therefore was not an "existing medical care facility".

HVMC officially opened on May 6, 2025, and an application for an additional 36 acute care beds was submitted under COPN Request No. VA-8828. This request had the same scope as the revised

[1] COPN Request VA-8546 Adjudication Officer's Recommendation

proposal outlined in the 2024 version of COPN Request No. VA-8546, with the difference being that the facility was now open and operational. Additionally, this request did not include the two-to-one relinquishment of beds by MMC that had been included in COPN Request No. VA-8546. **Figure 1** shows the timeline of COPN requests from MMC regarding HVMC.

Figure 1. Timeline of Bon Secours MMC/HVMC COPN Requests



Source: COPN Request No. VA-8828

DCOPN notes that nearly all acute care hospital beds in Virginia can be classified as "medical/surgical" beds, with the exception of psychiatric, substance abuse treatment, and rehabilitation beds. Hospitals may configure and use medical/surgical beds, as circumstances require, so long as they do not go over their number of licensed beds. For this reason, DCOPN has included beds that VHI classifies as obstetric (OB), pediatric, and intensive care unit (ICU) beds in the total count of licensed medical/surgical beds (**Table 1**). Because the proposed project involves ICU beds and the State Medical Facilities Plan (SMFP) has a separate occupancy threshold for ICU beds, they are also shown separately in **Table 1**.

Table 1. PD 20 Medical/Surgical Beds, 2023[2]

Facility Name	Class	Licensed Beds	Staffed Beds	Licensed Bed Available Days	Patient Days	Occupancy Rate per Licensed Bed
ICU Beds						
Bon Secours Maryview Medical Center	Adult ICU	22	22	8,030	5,858	72.95%
Bon Secours Southampton Memorial Hospital	Adult ICU	8	8	2,920	1,084	37.12%
Chesapeake Regional Medical Center	Adult ICU	28	25	10,220	6,770	66.24%
Sentara Leigh Hospital	Adult ICU	20	20	7,300	6,034	82.66%
Sentara Norfolk General Hospital	Adult ICU	78	78	28,470	25,959	87.67%
Sentara Obici Hospital	Adult ICU	16	16	5,840	4,562	72.12%
Sentara Princess Anne Hospital	Adult ICU	16	16	5,840	4,758	81.47%
Sentara Virginia Beach General Hospital	Adult ICU	24	24	8,760	7,151	81.63%
Children's Hospital of The King's Daughters[3]	Pediatric ICU	102	102	37,230	27,205	73.07%
PD 20 ICU Bed Totals/Averages		**314**	**311**	**114,610**	**89,381**	**77.99%**
Medical/Surgical Beds (Excluding ICU Beds)						
Bon Secours Maryview Medical Center	Med/Surg	245	130	89,425	33,751	37.74%
Bon Secours Southampton Memorial Hospital	Med/Surg	82	72	29,930	1,870	6.25%
Chesapeake Regional Medical Center	Med/Surg	274	255	100,010	68,694	68.40%
Children's Hospital of The King's Daughters	Med/Surg	96	73	35,040	18,731	53.46%
Hospital Authority of Norfolk	Med/Surg	104	104	37,960	20,712	54.56%
Hospital for Extended Recovery	Med/Surg	35	35	12,775	5,829	45.63%
Sentara Leigh Hospital	Med/Surg	254	254	92,710	76,427	74.82%
Sentara Norfolk General Hospital	Med/Surg	391	391	142,715	131,115	92.48%
Sentara Obici Hospital	Med/Surg	139	139	50,735	40,841	66.41%
Sentara Princess Anne Hospital	Med/Surg	158	158	57,670	50,645	77.02%
Sentara Virginia Beach General Hospital	Med/Surg	217	217	79,205	66,833	84.38%
PD 20 Medical/Surgical Bed Totals/Averages		**1,995**	**1,828**	**728,175**	**515,448**	**70.79%**
PD 20 Total Medical/Surgical Beds, including ICU Beds		**2,309**	**2,139**	**842,785**	**604,829**	**71.77%**

Source: 2023 VHI.

In total, PD 20 licensed medical/surgical beds (including ICU) had an occupancy rate of 71.77% in 2023, the latest year for which such data are available. Licensed beds designated as ICU beds in PD 20 had an average occupancy rate of 77.99% (**Table 1**). Of the 2,309 licensed medical/surgical beds (including ICU beds) in PD 20, 170 were not staffed in 2023 (7.4%). **Table 2** shows MMC had a total overall licensed medical/surgical bed (including ICU) occupancy of 40.64% in 2023, 37.74% for beds designated as medical/surgical beds. Of its 267 licensed medical/surgical beds (including

[2] Riverside Smithfield Hospital was authorized for 50 acute care beds under COPN No. VA-04785 and is scheduled to open early 2026.

[3] Children's Hospital for The King's Daughter is a pediatric facility that treats patients age 0-21. They are included in the count because they still fall under licensed medical/surgical beds.

ICU), MMC had 115 beds that were not staffed (43.07%). This underutilization of beds is clear evidence that a redistribution to HVMC where the beds would be staffed and utilized would be beneficial.

Table 2. MMC Medical/Surgical Beds

Class	Licensed Beds	Staffed Beds	Licensed Bed Available Days	Patient Days	Occupancy Rate per Licensed Bed
Med/Surg	245	130	89,425	33,751	37.74%
Adult ICU	22	22	8,030	5,858	72.95%
	267	**152**	**97,455**	**39,609**	**40.64%**

Source: 2023 VHI

As previously mentioned, HVMC has only been operational since May 2025, and therefore does not have historic utilization data. In its application, HVMC provided projections as to what its utilization would potentially look like with 54 licensed beds (**Table 3**). While projected ICU bed utilization is only 63%, there is a deficit of ICU beds in PD 20, which will be discussed later.

Table 3. Bon Secours Harbour View Medical Center Projected 2-Year Utilization

Year 1

Class	Licensed Beds	Licensed Bed Available Days	Patient Days	Occupancy Rate per Licensed Bed
Med/Surg	42	15,330	12,047	79%
Adult ICU	12	4,380	2,743	63%
Total	**54**	**19,710**	**14,790**	**75%**

Year 2

Class	Licensed Beds	Licensed Bed Available Days	Patient Days	Occupancy Rate per Licensed Bed
Med/Surg	42	15,330	12,205	80%
Adult ICU	12	4,380	2,763	63%
Total	**54**	**19,710**	**14,968**	**76%**

Source: COPN Request No. VA-8828

Proposed Project

The proposed project seeks to add 36 beds (24 medical-surgical beds and 12 intensive care beds) in a transfer from MMC to HVMC. COPN No. VA-04631 authorized HVMC as an 18-bed short-stay surgical hospital. This project would build out the currently shelled third floor and construct an additional fourth floor for patient care. According to the applicant, 18 med/surg beds will be installed on the fourth floor and 12 ICU beds, as well as the remaining 6 general med/surg beds will be installed on the third floor. The addition of the fourth floor would add 32,168 gross square feet to the facility. Should this project be approved, HVMC would have a total of 54 med/surg beds, 12 of which will be designated ICU beds. The application states that the purpose of this proposal is to offer intensive care services so patients can avoid the disruption of being transported to other area facilities.

Capital cost for the proposed project is $61,069,458, funded entirely with accumulated reserves of BSMH such that no financing costs are incurred (**Table 4**). The target date for completion is 36 months after COPN approval.

Table 4. Capital Costs Bon Secours Harbour View Medical Center

Direct Construction Cost	$	43,914,230
Equipment not included in the construction contract	$	12,745,160
Site Acquisition Costs		-
Site Preparation Costs		-
Architectural and Engineering Fees	$	2,973,318
Other Consultant Fees	$	1,436,750
Total Capital Cost	**$**	**61,069,458**

Source: COPN Request No. VA-8828

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as "(a)n increase in the total number of beds…in an existing medical care facility as described in subsection A." and "(r)elocation of beds from an existing medical care facility…to another existing medical care facility. A medical care facility includes "[a]ny facility licensed as a hospital…"

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.**

Geographically, HVMC is located at 1020 Bon Secours Drive in the City of Suffolk, Virginia. HVMC is accessible from Harbour View Boulevard and Bon Secours Drive. It is located at the intersection of US Route 17 and Interstate 664, immediately accessible to both. US Route 17 has existing turn lanes and traffic lights for access in either the east or west direction. Suffolk Transit also has a stop located on the Harbour View campus.

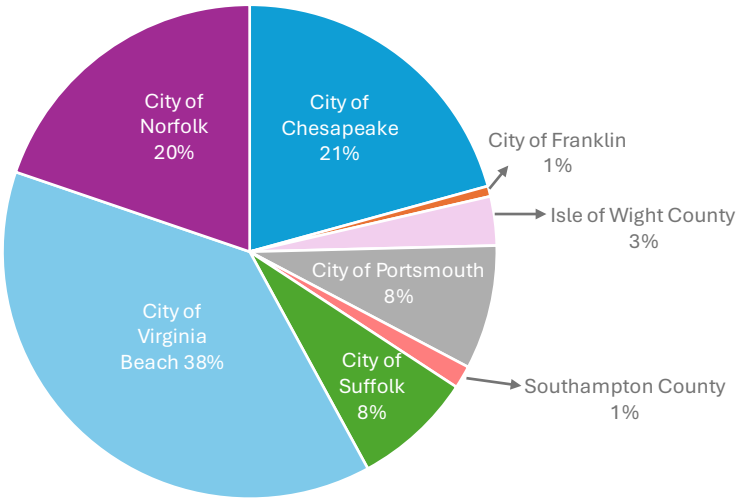
PD 20 had a population of about 1.2 million in 2020 and is projected to grow by just over 40,000 people, 3.3%, between 2020 and 2030. This is less than the population growth rate projected for Virginia during this decade, 5.8% (**Table 5**). However, the City of Suffolk, where the proposed project is located, is projected to have a population exceeding 100,000 by 2030. It is projected to grow by 8.7%, 8,247 people, between 2020 and 2030, a higher rate than that of PD 20 and that of Virginia (**Table 5**). The growth rates projected for 2020-2030 in the 65 and older age group are 33.8% in PD 20 and 32.4% in the City of Suffolk, compared to 26.3% in Virginia (**Table 5**). **Figure 2** shows that the City of Suffolk makes up 8% of the population of PD 20.

Table 5. PD 20 Population Data

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

Source: Weldon-Cooper Data, updated August 2024

Figure 2. Percent of PD 20 Population by Locality



Source: Weldon-Cooper Data, updated June 2025

With respect to socioeconomic barriers, the overall poverty rate of PD 20, 11.8%, is slightly higher than that of Virginia, 10.2% (**Table 6**). The City of Suffolk has a poverty rate comparable to the rest of PD 20 at 11.1% and slightly higher than Virginia. The City of Portsmouth, from which beds are proposed to move, has a poverty rate nearly double that of the PD and Virginia at 18.7%.

Table 6. 2023 Poverty Rates, PD 20

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

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

Given low utilization at MMC in 2023 and the large number of unstaffed beds (**Table 1**), it is unlikely the proposal to relocate beds will diminish bed accessibility in Portsmouth.

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 several letters of support, including from the current president of HVMC. Other letters of support came from: local residents, the Director of Economic Development for the City of Suffolk, the President/CEO of Hampton Roads Chamber of Commerce, the President/Chief Experience Officer and Chairman of TowneBank, and a Hampton Roads medical provider. These letters, in aggregate, expressed the following:

- The area has grown tremendously in the last decade and would benefit from HVMC having ICU services.
- The number of beds at the current site is not sufficient for the population, and ER visits can easily turn into ICU admission.
- Other existing facilities in Western Hampton Roads do not meet the needs of patients in Northern Suffolk. Patients currently face unnecessary transfers and long wait times for beds at which delays care.
- The proposed project would increase options for healthcare for area residents. Accessible quality healthcare helps attract and retain employees in the area. The recent expansion of HVMC has led to significant economic and professional development in the City of Suffolk.

Two letters of opposition and one public comment letter were submitted to DCOPN by Riverside Smithfield Hospital (RSH) (September 25, 2025), Chesapeake Regional Healthcare (September 25, 2025) and Sentara (September 18, 2025). In the letters, the facilities outlined reasons why the project is not appropriate in PD 20:

- HVMC has only been open since May 2025 and does not have the utilization data necessary to warrant expansion.
- The need for acute beds cannot be determined until RSH is fully operational. The facilities have overlapping service areas and premature expansion of HVMC may impact RSH.
- RSH will be financially impacted by the expansion of HVMC if this project is approved before RSH can open. Recruiting efforts for RSH will also be negatively impacted.
- MMC is not offering a 2-1 relinquishment of beds like they did in COPN No. VA-8546. MMC should offer this condition if this project is approved.
- There will be a strain put on the local workforce unless HVMC also relocates nursing staff from MMC along with the beds.

HVMC responded to the letters of opposition and the public comment letter on October 15, 2025. Their response is summarized as follows:

- The HVMC bed expansion is not premature and inpatient utilization data is not the sole way that need can be proved. There has been a significant increase in patients presenting to MMC that are coming from HVMC's service area. This proves that

there is a patient base that would benefit from the expansion of HVMC, particularly the addition of an ICU.

- Despite claims, this project would improve distribution of beds in PD 20. Portsmouth, where MMC is located, is experiencing population decline, while the City of Suffolk has had a robust population boom.
- This project will not pose a financial threat to the not-yet-open RSH. The claim that HVMC is in the direct service area of RSH is false and RSH changed its service area to overlap with HVMC after claiming there was no overlap at the time of COPN Request No. VA-8573.
- An expansion of HVMC will not impact staffing in the PD. In response to Sentara, HVMC stated that they offer robust internal advancement and relocation opportunities that would allow staff to move from MMC to HVMC to supplement outside hiring.
- The denial of COPN Request No. VA-8520 should not be used as a reason to deny COPN Request No. VA-8828. A material change occurred with CMS reimbursement standards between the denial of COPN Request No. VA-8520 and now. This was addressed in the approval of COPN Request No. VA-8546, which RSH ignores.
- HVMC is willing to proffer beds as they did in COPN Request No. VA-8546, but warns that this would only increase Sentara's dominance in the PD.

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-8828 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 10, 2025. The public comment period closed on September 24, 2025.

(ii) The availability of reasonable alternatives to the proposed service or facility that would meet the needs of the population in a less costly, more efficient, or more effective manner.

The proposed project would be more beneficial and cost effective than the status quo, which would be the current 18-bed short-stay, surgically focused hospital. HVMC has shown that their projected capacity will surpass the abilities of the current facility.

Looking at other alternatives, in PD 20, there is a surplus of 157 acute care beds (to be discussed later), therefore, redistributing 36 beds from MMC is the better option over the alternative of purchasing new beds and adding to the surplus. HVMC has only been open since May 2025 but has updated projections based on data they have collected in their first few months of operation, and statistics provided by MMC. Historically, the applicant states that 12% of patients evaluated at HVMC's emergency department were transferred and

ultimately admitted to MMC's ICU[4]. With this, they stated that there has been a 21.49% increase in patients presenting to HVMC's emergency department that require admission to MMC over the past 5 years that would potentially receive service at HVMC should this project be approved. They also stated that there has been a 35.8% increase in admissions and 58.66% increase in patient days in HBVC's primary service area (PSA) receiving acute care services at MMC over the past 5 years that would potentially receive service at HVMC should the project be approved[5]. MMC, from where the beds would be taken, has also been reporting a low occupancy rate per licensed bed of 40.64% in addition to only having 56.9% of beds staffed (**Table 1**). Relocating 36 beds from MMC would help improve utilization at both facilities and would not contribute to the aforementioned bed surplus in PD 20.

No reasonable alternative has been identified that meets the needs of the population in a less costly, more efficient or more effective manner. The proposed project is more beneficial than the status quo.

(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 demonstrated by **Table 4**, the projected capital costs of the proposed project are $61,069,458, which will be funded by reserves, so there are no financing costs on this project. Direct construction costs are estimated to be $43,914,230 or 72% of total costs, and direct cost per square foot is $1,898 per square foot. This is slightly higher than recently approved similar projects COPN No. VA 04939, COPN No. VA-04940 and COPN No. VA-004956, which ranged from $879 to $1,362 per square foot.
The applicant identified numerous benefits of the proposed project, including:

- The population in the PSA is growing rapidly, requiring an expansion of services to accommodate. In addition, the population of older adults 65+ is growing at an even more substantial rate. As the population ages, service utilization will follow.
- HVMC is the only acute care hospital in PD 20 without intensive care services. Adding this service would prevent patients from facing the extra burden of transportation to MMC or other area hospitals.
- This project would involve an inventory neutral transfer of beds from MMC to HVMC. Because of this, no beds would be added to PD 20's acute bed surplus. Additionally, MMC's bed utilization and staffing is low, so it would be beneficial to transfer their beds to HVMC where the projected demand is higher.

[4] COPN Request No. VA-8828
[5] Ibid.

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

Bon Secours facilities treat all patients regardless of their ability to pay for services or of their payor source. MMC provided charity care in the amount of 0.6% in 2023, the latest year for which such data are available, and Bon Secours Surgery Center at Harbour View, LLC provided 0% charity care that year (**Table 7**). These are both well below the HPR V average of 1.8% in 2023. In the pro forma provided in the application for COPN Request No. VA-8828, HVMC proffers 4% charity care (**Table 13)**, consistent with Bon Secours Hampton Roads Health System's systemwide condition.

Table 7: HPR V Charity Care Contributions, 2023

HPR V	2023 at 200%		
	Gross Pt Rev	Total Charity Care Provided Below 200%	%
Inpatient Hospitals			
Riverside Doctors' Hospital Williamsburg	$263,828,291	$8,707,695	3.30%
Riverside Shore Memorial Hospital	$341,088,652	$11,224,959	3.30%
Sentara Careplex Hospital	$1,164,242,503	$29,652,584	2.50%
Riverside Walter Reed Hospital	$371,371,717	$8,973,741	2.40%
Sentara Norfolk General Hospital	$4,452,208,146	$105,227,800	2.40%
Sentara Obici Hospital	$1,273,496,343	$28,381,455	2.20%
Sentara Leigh Hospital	$2,031,781,262	$41,559,157	2.00%
Sentara Virginia Beach General Hospital	$1,702,923,060	$33,873,789	2.00%
Riverside Regional Medical Center	$3,130,814,126	$60,690,923	1.90%
Chesapeake Regional Medical Center	$1,267,460,220	$19,099,394	1.50%
Sentara Princess Anne Hospital	$1,410,258,179	$21,159,493	1.50%
VCU Health Tappahannock Hospital	$207,592,750	$2,640,231	1.30%
Sentara Williamsburg Regional Medical Center	$823,825,261	$10,213,652	1.20%
Virginia Beach Psychiatric Center	$55,638,150	$558,000	1.00%
Bon Secours Maryview Medical Center	$1,459,551,138	$9,414,682	0.60%
Bon Secours Southampton Medical Center	$240,211,511	$1,471,764	0.60%
Newport News Behavioral Health Center	$32,258,229	$158,238	0.50%
Bon Secours Mary Immaculate Hospital	$765,543,060	$3,588,088	0.50%
Bon Secours Rappahannock General Hospital	$99,791,350	$446,763	0.40%
Children's Hospital of the King's Daughters	$1,437,801,245	$5,501,594	0.40%
Riverside Rehabilitation Hospital	$81,843,187	$287,089	0.40%
Hospital For Extended Recovery	$32,875,314	$3,040	0.00%
Select Specialty Hospital-Hampton Roads	$88,091,051	$0	0.00%
Kempsville Center for Behavioral Health	$47,850,285	$0	0.00%
Lake Taylor Transitional Care Hospital	$39,571,707	$0	0.00%
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	1.80%

- HPR V Charity Care Contributions, 2023 cont.-

	2023 at 200%		
HPR V	**Gross Pt Rev**	**Total Charity Care Provided Below 200%**	**%**
Outpatient Hospitals			
Careplex Orthopedic Ambulatory Surgery Center	$57,325,774	$1,117,911	2.00%
Sentara BelleHarbour Ambulatory Surgery Center	$4,884,554	$87,094	1.80%
Sentara Princess Anne Ambulatory Surgery Management, LLC	$46,641,017	$418,450	0.90%
Riverside Hampton Surgery Center	$35,798,022	$320,541	0.90%
Riverside Doctors Surgery Center	$38,415,903	$263,341	0.70%
CHKD Health & Surgery Center (Newport News)	$22,661,447	$57,080	0.30%
Bon Secours Mary Immaculate Ambulatory Surgery Center	$26,888,307	$52,606	0.20%
Bon Secours Surgery Center at Virginia Beach	$45,283,882	$83,360	0.20%
CHKD Health & Surgery Center (Virginia Beach)	$40,509,315	$68,453	0.20%
Sentara Leigh Orthopedic Surgery Center, LLC	$114,822,981	$34,520	0.00%
Bon Secours Surgery Center at Harbour View, L.L.C.	$80,509,018	$2,834	0.00%
Chesapeake Regional Surgery Center at Virginia Beach, LLC	$58,862,768	$0	0.00%
Surgical Suites of Coastal Virginia	$34,118,670	$0	0.00%
Sentara Obici Ambulatory Surgery LLC	$30,297,111	$0	0.00%
Sentara Virginia Beach Ambulatory Surgery Center	$24,947,518	$0	0.00%
Surgery Center of Chesapeake	$18,080,607	$0	0.00%
CVP Surgery Center	$17,501,332	$0	0.00%
Sentara Port Warwick Surgery Center	$16,587,877	$0	0.00%
Center for Visual Surgical Excellence, LLC	$11,770,965	$0	0.00%
Bayview Medical Center, Inc	$4,852,441	$0	0.00%
Advanced Vision Surgery Center LLC	$2,109,895	$0	0.00%
Virginia Center for Eye Surgery			
Total Outpatient Facilities:			22
HPR V Outpatient Total $ & Mean%	$765,240,875	$3,610,257	0.50%
Total Facilities:			**47**
HPR V Total $ & Mean%	$23,587,157,612	$406,444,388	**1.70%**

Source: VHI, 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 4.0% charity care based on gross patient revenue, which is Bon Secours Hampton Roads Health System's systemwide condition. 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.

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

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

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

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

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

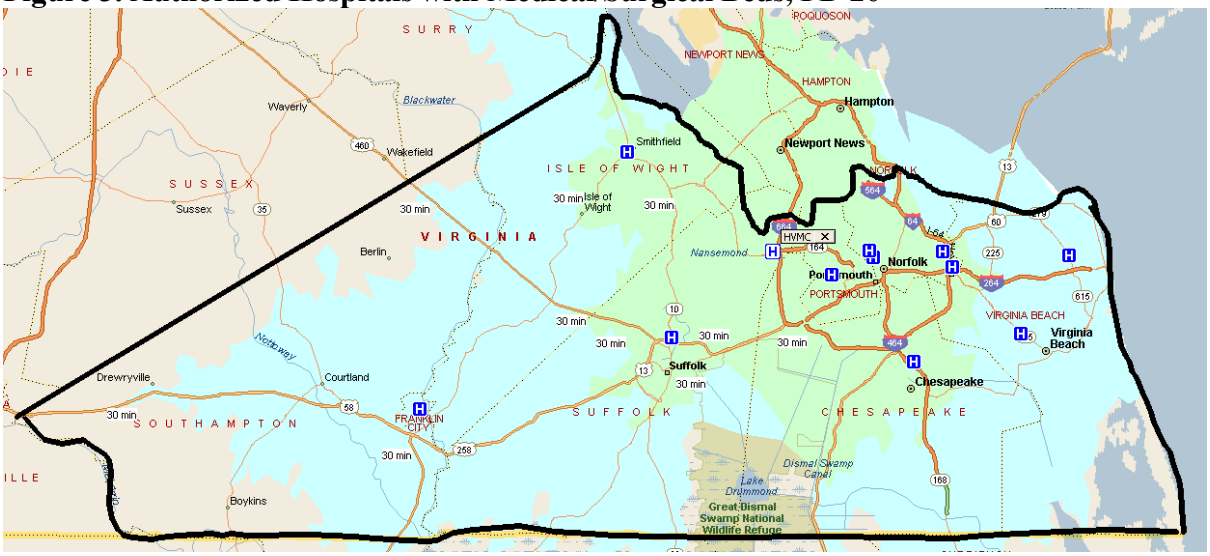
Part VI
Inpatient Bed Requirements

12VAC5-230-520. Travel time.
Inpatient beds should be within 30 minutes driving time one way under normal conditions of 95% of the population of a health planning district using a mapping software as determined by the commissioner.

The black line in **Figure 3** shows the boundary of PD 20. The blue shaded area illustrates the area within 30 minutes driving distance of a PD 20 acute care hospital. The green shaded area shows the area within 30 minutes of HVMC. The dark blue icons with the white "H" locate authorized acute care hospitals and the white icon with a blue H shows the location of HVMC and the proposed project.

The largest towns in the rural area outside the blue shading, not within 30 minutes from medical/surgical beds in PD 20 are Boykin (population 484 in 2023), Drewryville (population 2,336 in 2023), and Berlin (population 3,005 in 2023). These three towns represent less than half a percent of the PD 20 population, so it is likely over 95% of the PD is within the appropriate driving time from an acute care hospital in accordance with the SMFP standard.
The proposed project, at a facility previously authorized for inpatient beds, will not increase geographical access to acute care services in PD 20.

Figure 3. Authorized Hospitals with Medical/Surgical Beds, PD 20



Source: 2023 VHI.

12VAC5-230-530. Need for New Service.

A. No new inpatient beds should be approved in any health planning district unless:

1. The resulting number of beds for each bed category contained in this article does not exceed the number of beds to be needed for that health planning district for the fifth planning horizon year; and

2. The average annual occupancy based on the number of beds in the health planning district for the relevant reporting period is:

a. 80% at midnight census for medical-surgical and pediatric beds;

b. 65% at midnight census for intensive care beds.

B. For proposals to convert under-utilized beds that require a capital expenditure of $15 million or more, consideration may be given to such proposals if:

1. There is a projected need in the applicable category of inpatient beds; and

2. The applicant can demonstrate that the average annual occupancy of the converted beds would meet the utilization standard for the applicable bed category by the first year of operation.

For purposes of this part, "utilization" means less than 80% average annual occupancy for medical-surgical or pediatric beds, when the relocation involves such beds and less than 65% average annual occupancy for intensive care beds when the relocation involves such beds.

C. The capital expenditure threshold referenced in subsection B of this section shall be adjusted annually using the percentage increase listed in the Consumer Price Index for All Urban Consumers (CPI-U) for the most recent year as follows:

$$A \times (1 + B)$$

Where:

A = the capital expenditure threshold amount for the previous year; and

B = the percent increase for the expense category "Medical Care" listed in the most recent year available of the CPI-U of the U.S. Bureau of Labor Statistics.

This provision is not applicable as the proposed project does not add new inpatient beds to the PD.

12VAC5-230-540. Need for Medical-surgical Beds.
The number of medical-surgical beds projected to be needed in a health planning district shall be computed as follows:

1. **Determine the use rate for medical-surgical beds for the health planning district using the formula:**

$$BUR = (IPD/PoP)$$

Where:

BUR = the bed use rate for the health planning district.
IPD = the sum of the total inpatient days in the health planning district for the most recent five years for which inpatient day data has been reported to VHI; and
PoP= the sum of the total population 18 years of age and older in the health planning district for the same five years used to determine IPD as reported by a demographic program as determined by the commissioner.

Table 8. Medical/Surgical[6] Bed Need Data, PD 20

	2019	2020	2021	2022	2023	5-Year Total
Days	588,737	590,921	636,896	603,823	603,829	3,024,206
Population 18+	933,397	937,488	941,585	945,685	949,778	4,707,924

Source: 2020 Census, VHI, and Weldon-Cooper

IPD = 3,024,206
PoP = 4,707,924

3,024,206/4,707,924
BUR = 0.6423650849

2. **Determine the total number of medical-surgical beds needed for the health planning district in five years from the current year using the formula:**

$$ProBed = \frac{((BUR \times ProPop) / 365}{0.80}$$

Where:

ProBed = the projected number of medical-surgical beds needed in the health planning district for five years from the current year.
BUR = the bed use rate for the health planning district determined in subdivision 1 of this section.

[6] Medical/Surgical includes VHI Classifications Medical/surgical, Obstetric, Pediatric and intensive care unit (ICU) beds.

ProPop = the projected population 18 years of age and older of the health planning district five years from the current year as reported by a demographic program as determined by the commissioner.

BUR = 0.6423650849
ProPOP = 978,456 (2030 population)

(.6423650849 * 978,456)/365
= 1,722

1,722/0.8
ProBed =2,152 (bed need in 5 years)

3. Determine the number of medical-surgical beds that are needed in the health planning district for the five-year planning horizon year as follows:

NewBed = ProBed – CurrentBed

Where:

NewBed = the number of new medical-surgical beds that can be established in a Health planning district, if the number is positive. If NewBed is negative, No additional medical-surgical beds should be authorized in the health Planning district.

ProBed = the projected number of medical-surgical beds needed in the health Planning district for five years from the current year as determined in Subdivision 2 of this section.

CurrentBed = the current inventory of licensed and authorized medical-surgical Beds in the health planning district.

Current Beds =2,309 (**Table 1**)
ProBed = 2,152

2152-2309
NewBed = -157

Surplus of **157** medical/surgical beds

12VAC5-230-550. Need for Pediatric Beds.

In the interest of brevity, this calculation has been omitted from this DCOPN staff analysis report as the applicant is not proposing to add pediatric beds.

12VAC5-230-560. Need for intensive care beds.

The projected need for intensive care beds in a health planning district shall be computed as follows:

1. **Determine the use rate for ICU beds for the health planning district using the formula:**

ICUBUR = (ICUPD/Pop)

Where:

ICUBUR = The ICU bed use rate for the health planning district.
ICUPD = The sum of total ICU inpatient days in the health planning district for the most recent five years for which inpatient day data has been reported by VHI; and
Pop = The sum of population 18 years of age or older for adults or under 18 for pediatric patients in the health planning district for the same five years used to determine ICUPD as reported by a demographic program as determined by the commissioner.

Table 9. ICU Bed Need Data

	2019	2020	2021	2022	2023	5-Year Total
ICU Days	88,883	90,836	91,494	87,749	88,381	447,343
Population 18+	933,391	937,488	941,585	945,682	949,778	4,707,924

Source: 2020 Census, VHI, and Weldon-Cooper

ICUPD = 447,088
PoP = 4,707,924

447,088/4,707,924
BUR = 0.0949649994

2. **Determine the total number of ICU beds needed for the health planning district, including bed availability for unscheduled admissions, five years from the current year using the formula:**

ProICUBed = ((ICUBUR x ProPop)/365)/0.65

Where:

ProICUBed = The projected number of ICU beds needed in the health planning district for five years from the current year;
ICUBUR = The ICU bed use rate for the health planning district as determine in subdivision 1 of this section;
ProPop = The projected population 18 years of age or older for adults or under 18 for pediatric patients of the health planning district five years from the current year as reported by a demographic program as determined by the commissioner.

BUR = 0.0949649994
ProPOP = 978,456 (2030 population)

(0.0949649994* 978,456)/365
= 268.1

268.1/0.65
ProBed =392 (bed need in 5 years)

3. **Determine the number of ICU beds that may be established or relocated within the health planning district for the fifth planning horizon planning year as follows:**

NewICUB = ProICUBed – CurrentICUBed

Where:

NewICUBed = The number of new ICU beds that can be established in a health planning district, if the number is positive. If NewICUBed is a negative number, no additional ICU beds should be authorized for the health planning district.
ProICUBed = The projected number of ICU beds needed in the health planning district for five years from the current year as determined in subdivision 2 of this section.
CurrentICUBed = The current inventory of licensed and authorized ICU beds in the health planning district.

Current Beds =314(**Table 1**)
ProBed = 392

392-314
NewBed = 78

Deficit of **78** ICU beds

12VAC5-230-570. Expansion or Relocation of Services.

A. Proposals to relocate beds to a location not contiguous to the existing site should be approved only when:

1. **Off-site replacement is necessary to correct life safety or building code deficiencies;**

The proposed relocation of beds from MMC to HVMC is not due to life safety or building code deficiencies.

2. **The population currently served by the beds to be moved will have reasonable access to the beds at the new site, or to neighboring inpatient facilities;**

MMC, from which the beds will be relocated, is 6.7 miles (a 16-minute drive) from HVMC (**Table 11**). DCOPN concludes that the population currently served at MMC will continue to have reasonable access to the medical-surgical beds at both MMC and HVMC.

3. **The number of beds to be moved off-site is taken out of service at the existing facility;**

The applicant has provided assurances that the 36 medical-surgical beds to be moved from MMC to HVMC will be delicensed when the service is operational at HVMC.

4. The off-site replacement of beds results in:
a. A decrease in the licensed bed capacity;

The relocation of the medical-surgical beds from MMC to HVMC will be inventory neutral and there will not change to the licensed bed capacity in PD 20.

b. A substantial cost savings; cost avoidance, or consolidation of underutilized facilities; or

According to the applicant, the transfer of beds from MMC to HVMC will be both cost-saving and consolidate resources of an underused facility. As mentioned previously, MMC had an overall med/surg occupancy rate of only 40.64% with only 57% of beds being staffed (**Table 2**). These beds could better be utilized in a location like the City of Suffolk, where HVMC is located, which has an 8.7% projected population growth between 2020 and 2030 (**Table 5**). Additionally, the applicant states that if HVMC were able to offer expanded services, especially ICU, it would reduce the cost and time burden of transferring vulnerable patients from HVMC to MMC in order to provide more intensive care.

c. Generally improved efficiency in the applicant's facility or facilities; and

As mentioned previously, the relocation of beds from MMC to HVMC would greatly reduce the transport of vulnerable patients from HVMC to MMC. HVMC is the only acute care hospital in PD 20 that does not currently have an ICU. If the project were approved, HVMC would be better able to streamline patient care by being able to offer intensive care services promptly.

5. The relocation results in improved distribution of existing resources to meet community needs.

The proposed project seeks an improved distribution of acute care beds for MMC's patient base currently seeking care at HVMC or residing nearby. Patients seeking care at HVMC's emergency department and patients admitted to MMC from HVMC's PSA will benefit from the proposed project, ensuring that adequate medical/surgical beds and ICU beds are accessible closer to their homes and where they already seek care.
An occupancy calculation after decreasing 36 beds from MMC to relocate to HVMC (using MMC's 2023 patient days and 36 fewer beds) results in an occupancy rate of 46.98% (**Table 10**).

Table 10. MMC Projections with 36 Fewer Beds

Facility Name	Licensed Beds	Licensed Bed Available Days	Patient Days	Occupancy Rate per Licensed Bed
Bon Secours Maryview Medical Center	231	84315	39609	46.98%

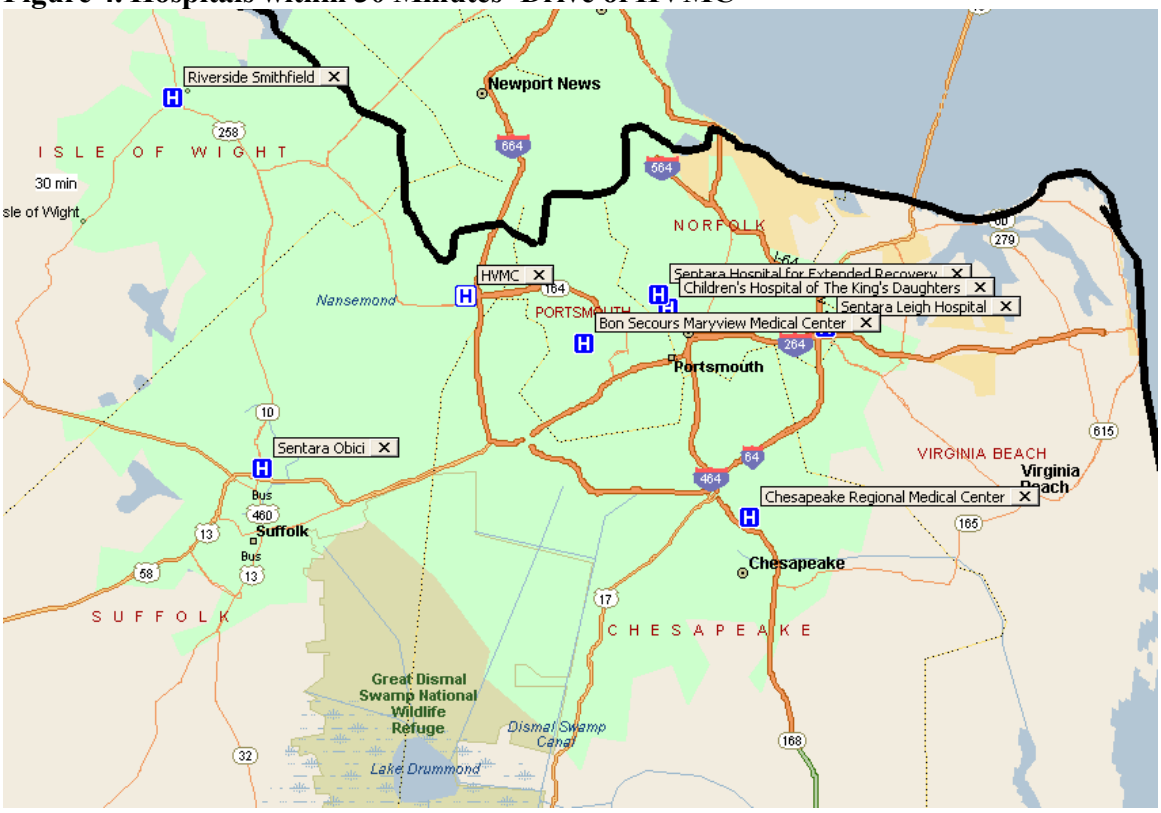
Source: VHI 2023

B. Proposals to relocate beds within a health planning district where underutilized beds are within 30 minutes driving time one way under normal conditions of the proposed

relocation should be approved only when the applicant can demonstrate that the proposed relocation will not materially harm existing providers.

Figure 4 shows hospitals that are within a 30-minute driving distance from HVMC. Among these is MMC which is approximately 16 minutes (6.7 miles) from HVMC (**Table 11**).

Figure 4. Hospitals within 30 Minutes' Drive of HVMC



Source: 2023 VHI.

Table 11. Driving Distance from HVMC

Hospital	Miles	Minutes	2023 Occupancy
MMC	6.7	16	40.64%
Sentara Norfolk General	9.6	12-20+ depending on tunnel traffic	91.17%
Sentara Hospital for Extended Recovery	9.7	15	45.63%
Children's Hospital of the King's Daughters	9.8	17	63.56%
Riverside Smithfield Hospital	15.7	26+ depending on traffic	Not yet Open
Sentara Obici	17.1	23	80.25%
Sentara Leigh	19.2	27	82.45%
Chesapeake Regional Medical Center	19.7	25	68.46%

Source: Google Maps & COPN Request No. VA-8828

HVMC's projections which emphasize the need for 36 additional medical/surgical beds, including 12 beds designated as ICU beds, are based on MMC and HVMC demand, acuity and projected growth, from its existing patient base. The proposal is unlikely to significantly impact patient volumes of neighboring facilities. The two Sentara hospitals that are within 30 minutes of HVMC are not underutilized, having utilization rates between 80% to 91% (**Table 1**). Applicants for Riverside Smithfield Hospital, authorized by COPN No. VA-04785 in March 2022, stated that while HVMC and Riverside Smithfield will overlap service area once their facility opens in early 2026, it should not have an impact on their patient core. Additionally, data supporting HVMC's expansion relies only on patients already seeking care at HVMC and MMC.

In a PD with a surplus of beds, the project will shift medical/surgical capacity from MMC to HVMC.

12VAC5-230-580. Long-term acute care hospitals (LTACHs).

The beds to be relocated are not LTACH beds. This section is not applicable.

12VAC5-230-590. Staffing.
Inpatient services should be under the direction or supervision of one or more qualified physicians.

The applicant has provided assurances that the proposed additional beds will be supervised appropriately.

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.

Sentara Health System has the dominant portion of medical/surgical beds and the highest share of patient days in PD 20. In 2023, Sentara had 58% of the licensed medical/surgical beds in PD 20 and 69% of the med/surg patient days (**Table 12**). For comparison, BSHR, the health system that owns both HVMC and MMC, only had 15% of medical/surgical beds in PD 20 and 7% of med/surg patient days (**Table 12**).
Though this project would not offset Sentara's large share of medical/surgical beds, it would help even out patient days in PD 20. According to HVMC's year one projections, provided in COPN Request No. VA-8828, the addition of 36 beds would increase BSHR's system-wide patient days to be around 17% of the total in PD 20.

Though the proposal is in response to a growing and increasingly higher-acuity existing patient base and not upon drawing patients from existing providers, it does foster beneficial competition. The project strengthens BSHR's service offerings and financial position while reallocating unstaffed/unutilized beds from MMC to a growing area of PD 20.

Table 12. PD 20 Health Systems/Hospitals Share of Beds and Patient Days

Facility Name	Licensed Beds	Overall Share of Licensed Beds	Patient Days	Overall Share of Patient Days
Bon Secours	357	15%	42,563	7%
Chesapeake Regional Medical Center	302	9%	75,464	12%
Children's Hospital of The King's Daughters	198	5%	45,936	8%
Lake Taylor Transitional Care	104	5%	20,712	3%
Sentara	1348	58%	419,154	69%
PD 20 Acute Bed Totals	**2,309**		**603,829**	

Source: 2023 VHI

5. The relationship of the project to the existing health care system of the area to be served, including the utilization and efficiency of existing services or facilities.

As mentioned above, Sentara had 69% of the medical/surgical patient days in PD 20 in 2023, the last year for which such data are available. BSHR had 7%, Children's Hospital of The King's Daughter had 8%, Lake Taylor Transitional Care Hospital (previously Hospital Authority of Norfolk) had 3% and Chesapeake Regional Medical Center had 12% (**Table 12**). While the Sentara Health System, Children's Hospital for the King's Daughter, Lake Taylor Transitional Care Hospital, and Chesapeake Regional Medical Center are well-utilized (with more than a 50%

overall average occupancy rate) (**Table 1**), the average occupancy rates for both MMC and Bon Secours Southampton Memorial Hospital were less than 50%. Riverside Smithfield Hospital is authorized but not yet open in Smithfield, Virginia.

6. **The feasibility of the project, including the financial benefits of the project to the applicant, the cost of construction, the availability of financial and human resources, and the cost of capital.**

Capital Costs for the proposed project are higher than other similar, recently approved projects, but still would be considered a reasonable amount. The pro forma (**Table 13**) shows the proposal is expected to generate over $10 million in income from operations for the first and second years.

Table 13. Pro forma, Bon Secours Harbour View Medical Center

	Year 1	Year 2
Gross Patient Revenue	**$ 241,691,781**	**$ 252,966,636**
Contractual Adjustments	$ 173,341,684	$182,615,496
Bad Debt	$ 3,711,523	$ 3,897,099
Charity Care	$ 9,636,824	$ 10,118,665
Other	$ 9,238,000	$ 9,515,140
Total Operating Revenue	**$ 64,239,750**	**$ 65,850,516**
Total Operating Expenses	**$ 53,964,000**	**$ 55,582,920**
Income/(Loss) from Operations	**$ 10,275,750**	**$ 10,267,596**

Source: COPN Request No. VA-8828

HVMC currently has 148.8 FTEs with only 2.9% of positions being vacant as of the time of application submission. That being said, this project will require an additional 83.9 FTEs to staff the additional beds that will be added. BSHR is committed to using their current recruitment practices which include online job boards, in-person recruitment at health fairs, and utilizing their school of nursing as well as their connections with local colleges and universities.

7. **The extent to which the project provides improvements or innovations in the financing and delivery of health services, as demonstrated by: (i) The introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services. (ii) The potential for provision of services on an outpatient basis. (iii) Any cooperative efforts to meet regional health care needs. (iv) At the discretion of the Commissioner, any other factors as may be appropriate.**

The proposal does not provide innovations in the delivery of health services or additional provision of services on an outpatient basis.

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.

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

DCOPN finds that Harbour View Medical Center's COPN Request No. VA-8828 to relocate 36 beds from Maryview Medical Center to Harbour View Medical Center is consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia. If the proposed project is approved, Harbour View Medical Center will have a total of 54 licensed beds, all of which will be acute medical/surgical beds. Harbour View Medical Center was authorized by COPN No. VA-04631 as an 18-bed inpatient acute care hospital and opened on May 6th, 2025. This application was submitted following the Commissioner's decision on COPN Request No. VA-8546 October 17th, 2024, which determined that the project was not eligible for review because Harbour View Medical Center was not yet licensed. Previous to this decision by the commissioner, DCOPN had recommended conditional approval of COPN Request No. VA-8546.Though published patient data is not yet available for Harbour View Medical Center, data from Maryview Medical Center offers solid evidence that there is a need for expanded medical services in Harbour View Medical Center, as many patients treated at Maryview Medical Center could have instead been treated at Harbour View Medical Center if they were able to offer additional services and capacity. The relocation of beds would also help improve Maryview Medical Center's low utilization rate, potentially bringing it from 40% to 47% if it were to transfer 36 beds to Harbour View Medical Center.

Although the projected capital costs are slightly higher than comparable projects, they are not unreasonable and will be financed with accumulated reserves. Bon Secours Hampton Roads has a systemwide charity condition of 4%, higher than the PD 20 average of 1.8% of gross patient revenues. The location of the proposal, the City of Suffolk, has a projected growth rate higher than that of PD 20 and Virginia. The proposal is more beneficial than the status quo, providing a better distribution of beds and access to Bon Secours Hampton Roads's patient base in the Suffolk area without detriment to the Chesapeake area.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Bon Secours Mary View Medical Center and Bon Secours Harbour View Medical Center's Certificate of Public Need Request number VA-8828 to expand the number of medical/surgical beds at Harbour View Medical Center in the City of Suffolk, Virginia by 36 medical/surgical beds (including 12 ICU beds) by relocating them from Bon Secours Maryview Medical Center. This recommendation is based on the following:

1. The project is consistent with the applicable criteria and standards of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.

2. The project would add beds to an area of PD 20 that is experiencing rapid growth.

3. The project would be inventory neutral and not add to the medical/surgical bed surplus in PD 20.

4. The capital cost of the proposed project is reasonable, and the proposed project appears financially viable in the short- and long-term.

5. The proposed project would not negatively impact other providers in PD 20.

6. There is a large community support for the project.

DCOPN's recommendation is contingent upon Bon Secours Harbour View Medical Center's agreement to the following charity conditions:

> Bon Secours Harbour View Medical Center will provide acute care services 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 facilitate the development and operation of primary care services to medically underserved persons in an aggregate amount equal to the 4.0% systemwide charity care condition applicable to Bon Secours Hampton Roads pursuant to COPN No. VA-04237 (issued January 1, 2015). 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. Bon Secours Harbour View Medical Center will accept the revised charity condition based on data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 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.
>
> Bon Secours Harbour View Medical Center will provide acute care services to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act (42 U.S.C. § 1396 et seq.), and 10 U.S.C. § 1071 et seq. Additionally, Bon Secours Harbour View Medical Center will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.