VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

October 20, 2025

COPN Request No. VA-8830
Virginia Commonwealth University Health System Authority
Chesterfield, Virginia
Establish a 66-bed general acute care hospital with 6 ORs, 1 CT, 1 MRI, and intermediate level neonatal special care

COPN Request No. VA-8831
Chippenham & Johnston-Willis Hospitals, Inc.
Moseley, Virginia
Establish a 60-bed general acute care hospital with 4 ORs, 1 CT scanner and 1 MRI scanner

COPN Request No. VA-8832
Bon Secours St. Francis Medical Center, Inc.
Midlothian, Virginia
Add 36 medical-surgical and 4 intensive care beds

Applicants

VA-8830 - Virginia Commonwealth University Health System Authority
The Virginia Commonwealth University Health Systems Authority ("VCUHS") is a public body corporate and political subdivision of the Commonwealth of Virginia, governed by the Virginia Commonwealth University Health System Authority Act of 1996-Title 23, Chapter 6.2, 23-50.16:1 of the Code of Virginia. The proposed VCU Health Chesterfield Hospital ("Chesterfield Hospital") is off-site of VCUHS' downtown Richmond campus, in Chesterfield, Virginia in Planning District (PD) 15, Health Planning Region (HPR) IV.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Chippenham & Johnston-Willis Hospitals, Inc. (CJW) is a proprietary stock corporation owned by HCA, Inc. Johnston-Willis Hospital, Henrico Doctors' Hospital – Retreat and Swift Creek ER, from where beds and services are proposed to relocate, have the same ultimate corporate parent as CJW, HCA Healthcare, Inc. CJW was formed in 1995 by Johnston-Willis and Chippenham Hospitals. The site of the proposed Magnolia Hospital is 16100, 16300 and 16500 Hull Street Road, Mosely, Virginia in Chesterfield County. The applicant facility is in PD 15, HPR IV.

VA-8805 – Bon Secours St. Francis Medical Center, Inc.

Bon Secours – St. Francis Medical Center, Inc. ("St. Francis") is a 501(c)(3) not-for-profit, non-stock, church related membership corporation located in Midlothian (Chesterfield County), Virginia in PD 15, HPR IV. The hospital is owned and operated by Bon Secours – Richmond Health System, a 501(c)(3) Virginia not-for-profit, non-stock, church related membership corporation and the sole corporate member of St. Francis Medical Center. Bon Secours – Richmond Health System is a subsidiary of Bon Secours Mercy Health, Inc.

Background

Acute Care Hospital Beds

According to Virginia Health Information (VHI), there were fourteen hospitals that reported acute care utilization data in PD 15 for 2023, the latest year for which such data are available. In the aggregate, they had 3,548 licensed beds with an average occupancy of 63.9%. (**Table 1**). This is below the State Medical Facilities Plan (SMFP) threshold for the addition of new beds, which is 80% occupancy of medical/surgical beds and 65% for intensive care unit (ICU) beds.

Table 1. PD 15 Hospital Beds and Occupancy, VHI 2023

Facility	Licensed Beds	Staffed Beds	Licensed Bed Available Days	Patient Days	Occupancy
Bon Secours Memorial Regional Medical Center	269	269	98,185	70,307	71.6%
Bon Secours Richmond Community Hospital	104	99	37,960	13,471	35.5%
Bon Secours St. Francis Medical Center	130	130	47,450	40,976	86.4%
Bon Secours St. Mary's Hospital	391	391	142,715	90,237	63.2%
Chippenham Hospital	466	466	170,090	124,368	73.1%
Cumberland Hospital for Children and Adolescents	78	56	28,470	13,297	46.7%
Encompass Health Rehab Hosp of Virginia	40	40	14,600	12,281	84.1%
Henrico Doctors' Hospital - Forest	340	249	124,100	67,115	54.1%
Henrico Doctors' Hospital - Parham Doctors' Hospital	200	141	73,000	30,558	41.9%
Henrico Doctors' Hospital - Retreat	227	75	82,855	9,814	11.8%
Johnston-Willis Hospital	292	292	106,580	75,279	70.6%
Select Specialty Hospital - Richmond (Vibra)	60	60	12,060	4,860	40.3%
Sheltering Arms Institute	114	104	37,960	35,174	92.7%
VCU Medical Center	837	783	305,505	230,599	75.5%
PD 15 Totals and Average	**3,548**	**3,155**	**1,281,530**	**818,336**	**63.9%**

Source: 2023 VHI

Table 2 shows the number of beds on each hospital's 2025 license. In 2019, COPN No. VA-04682 authorized the addition of 55 beds at Bon Secours St. Francis Medical Center (51 medical/surgical and 4 ICU beds), which were added since its 2023 VHI submission, and are now included on its 2025 license. Cumberland Hospital for Children and Adolescents made a midyear change with

licensure to show 44 medical rehabilitation beds in 2025 but reported 78 pediatric (medical/surgical) beds to VHI in 2023. There are 34 fewer beds total on its 2025 license than the 2023 VHI report shows. The Division of Certificate of Public Need (DCOPN) has no documentation that Cumberland Hospital for Children and Adolescents has applied for a COPN to convert medical/surgical beds to medical rehabilitation beds; however, it appears the facility may have had medical rehabilitation beds for some time, despite what it has reported to VHI.

Table 2. PD 15 Licensed Beds in 2025

Facility	Total Authorized Beds	Medical/ Surgical (excluding ICU) Beds	Adult ICU Beds	Pediatric ICU Beds	Adult Psych Beds	Pediatric Psych Beds	Medical Rehab Beds
Bon Secours - Richmond Community Hospital	104	64	-	-	40	-	-
Bon Secours Memorial Regional Medical Center	269	234	35	-	-	-	-
Bon Secours St. Francis Medical Center[1]	185	161	24	-	-	-	-
Bon Secours St. Mary's Hospital	391	312	35	12	32	-	-
CJW Medical Center - Chippenham Campus[2]	466	265	56	8	113	24	-
CJW Medical Center - Johnston-Willis Campus	292	222	26	-	-	-	44
Cumberland Hospital for Children & Adolescents	44	-	-	-	-	-	44
Encompass Health Rehabilitation Hospital of Richmond[3]	40	-	-	-	-	-	40
Henrico Doctors' Hospital - Forest	340	316	24	-	-	-	-
Henrico Doctors' Hospital-Parham	200	128	12	-	24	-	36
Henrico Doctors' Hospital-Retreat[4]	227	201	6	-	20	-	-
Select Specialty Hospital - Richmond, Inc.	60	60	-	-	-	-	-
Sheltering Arms Institute[5]	114	-	-	-	-	-	114
VCU Medical Center[6]	837	602	134	24	45	32	-
PD 15 Totals	**3,569**	**2,565**	**352**	**44**	**274**	**56**	**278**
PD 15 Totals after all authorized projects are completed	**3,676**	**2,579**	**379**	**44**	**290**	**56**	**328**

Source: Licensure and DCOPN Records

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. As long as the total licensed bed complement is not exceeded, hospitals may configure and use medical/surgical beds, as circumstances require. **Table 2** includes in "medical/surgical" beds that VHI classifies as obstetric (OB) and pediatric but breaks out ICU beds because the SMFP has a different threshold for ICU beds versus medical/surgical beds.

[1] COPN No. VA-04682, issued in November 2019, authorized the addition of 51 medical/surgical and 4 ICU beds at Bon Secours St. Francis Medical Center bringing the total licensed beds from 130 to 185. This project was completed in 2024; COPN No. VA-04956 authorized the addition of 4 ICU beds at Bon Secours St. Francis Medical Center.

[2] COPN No. VA-04940, issued in June 2025, authorized the addition of 36 medical/surgical beds at Chippenham Hospital, for a total of 502 beds upon completion, relocated from Henrico Doctors' Hospital-Retreat. This inventory-neutral project is not yet completed.

[3] COPN No. VA-04928, issued in March 2025, authorized the addition of 20 new medical rehabilitation beds at Encompass Health.

[4] COPN No. VA-04638, issued in January 2019, authorized the conversion of 16 medical/surgical beds to psychiatric beds at Henrico Doctors' Hospital-Retreat, not yet completed; and COPN No. VA-04940 authorized the relocation of 36 bed from Henrico Doctors' Hospital-Retreat to Chippenham Hospital, leaving 191 acute care beds upon completion, not yet completed.

[5] COPN No. VA-04897, issued in September 2023, authorized the addition of 30 medical rehabilitation beds, not yet completed.

[6] COPN No. VA-04939, issued in June 2025, authorized the addition of beds at VCUHS's downtown campus: 24 new pediatric beds, 6 new adult medical/surgical beds and 23 new adult ICU beds, for a total of 890 beds after completion. This project is not yet completed.

Operating Rooms

Ten acute care hospitals and eleven outpatient surgical hospitals (OSHs) from PD 15 reported utilization to VHI in 2023, the latest year for which such data are available. These facilities reported data on 200 operating rooms, including 11 cardiac operating rooms and 4 trauma operating rooms. These exclusive-use operating rooms are specifically excluded from the SMFP need calculation for general purpose operating rooms (GPORs), so only the 185 GPORs are included in this assessment (**Table 3**).

Table 3. PD 15 GPOR Utilization, VHI, 2023

Facility Name	GPORs	Hours Cut to Suture+Prep & Clean-up	Hours per GPOR	% of SMFP Standard
Acute Care Hospitals				
Bon Secours Memorial Regional Medical Center	12	25,102	2,091.8	130.7%
Bon Secours Richmond Community Hospital	3	475	158.3	9.9%
Bon Secours St. Francis Medical Center	11	18,004	1,636.7	102.3%
Bon Secours St. Mary's Hospital	21	53,902	2,566.7	160.4%
Chippenham Hospital	14	15,318	1,094.1	68.4%
Henrico Doctors' Hospital – Forest	17	12,948	761.6	47.6%
Henrico Doctor's Hospital - Parham Doctors' Hospital	11	9,829	893.5	55.8%
Henrico Doctors' Hospital – Retreat	5	3,602	720.5	45.0%
Johnston-Willis Hospital	17	18,987	1,116.9	69.8%
VCU Medical Center	37	62,949	1,701.3	106.3%
PD 15 Acute Care Hospital GPOR Utilization	***148***	***221,114***	***1,494.0***	***93.4%***
Outpatient Surgical Hospitals				
American Access Care of Richmond	2	2,398	1,199.0	74.9%
Boulders Ambulatory Surgery Center	4	8,303	2,075.6	129.7%
Cataract and Refractive Surgery Center	1	1,015	1,015.0	63.4%
MedRVA Surgery Center at Stony Point	6	9,057	1,509.5	94.3%
MedRVA Surgery Center at West Creek	2	4,265	2,132.5	133.3%
St. Mary's Ambulatory Surgery Center	4	8,584	2,146.0	134.1%
Urosurgical Center of Richmond	5	2,723	544.6	34.0%
VCU Health Neuroscience, Orthopedic and Wellness Center	6	5,863	977.2	61.1%
Virginia Beach Health Center	1	-	-	0.0%
Virginia ENT Surgery Center	1	1,552	1,551.7	97.0%
Virginia Eye Institute Surgery Pavilion	5	6,635	1,327.0	82.9%
PD 15 OSH GPOR Utilization	***37***	***50,394***	***1362.0***	***85.1%***
PD 15 General Operating Room Utilization	**185**	**273,360**	**1,477.6**	**92.4%**

Source: VHI 2023

There were 148 acute care hospital GPORs in PD 15 that were utilized at 93.4% of the SMFP threshold to add GPORs, and 37 GPORs in PD 15 OSHs, utilized at 85.1% of the SMFP standard. Altogether, the GPORs in PD 15 were utilized at 92.4% of the SMFP standard in 2023. According to DCOPN records, there are 207 operating rooms (ORs) located in PD 15, of which 148 are within acute care hospitals, and 59 are within OSHs. Of the 207 ORs, 12 are dedicated cardiac ORs and 4 are trauma ORs. Of the remaining 191 GPORs, 21 additional ORs are restricted use ORs, which are not specifically excluded from the GPOR need calculation in the SMFP; therefore, for purposes of

the GPOR need calculation in the SMFP, DCOPN will consider a GPOR inventory of 191 GPORs **(Table 4)**.

Table 4: PD 15 COPN Authorized GPOR Inventory

Facility	Total ORs	Dedicated Cardiac ORs	Restricted Use ORs	Trauma OR	Unrestricted GPORs
Acute Care Hospitals					
Bon Secours Memorial Regional Medical Center	8	1	--	--	7
Bon Secours Richmond Community Hospital	3	--	--	--	3
Bon Secours St. Francis Medical Center	13	--	--	--	13
Bon Secours St. Mary's Hospital	23	2	--	--	21
Chippenham Hospital	14	4	--	1	9
Henrico Doctors' Hospital - Forest	20	2	--	1	17
Henrico Doctors' Hospital - Parham	11	--	--	--	11
Henrico Doctors' Hospital - Retreat	3	--	--	--	3
Johnston-Willis Hospital	16	--	--	--	16
VCU Health System	37	3	--	2	32
Total ORs in Acute Care Hospitals	**148**	**12**	**0**	**4**	**132**
Outpatient Surgical Hospitals					
Absolute Dermatology and Skin Cancer Center[7]	1	--	1 (Mohs)	--	--
American Access Care of Richmond	2	--	2 (Vascular)	--	--
Bon Secours Memorial Ambulatory Surgical Center	5	--	--	--	5
Boulders Ambulatory Surgery Center	4	--	--	--	4
Cataract and Refractive Surgery Center	1	--	1 (Ophthalmic)	--	--
Colon & Rectal Endoscopy Specialists & Surgery Center, LLC	1	--	1 (Colorectal)	--	--
MEDRVA Stony Point Surgery Center	5	--	--	--	5
MEDRVA Surgery Center at West Creek	2	--	--	--	2
MEDARVA Surgery Center at Chesterfield	2	--	1 (Ophthalmic)	--	1
Middle Virginia Surgicenter	3[8]	--	--	--	3
MOHS Surgery Center of Richmond Dermatology	1	--	1 (Mohs)	--	--
Skin Surgery Center of Virginia	2	--	2 (Skin Cancer/Mohs)	--	--
St. Francis Ambulatory Surgery Center	2	--	--	--	2
St. Mary's Ambulatory Surgery Center	4	--	--	--	4
Urosurgical Center of Richmond	3	--	3 (Urosurgical)	--	--
VCU Health Courthouse Landing Pavilion	4	--	--	--	4
VCU NOW Center	6	--	--	--	6
VCU Medical Center-Pediatric Outpatient Surgery	2	--	--	--	2
Virginia ENT Surgery Center	1	--	1 (ENT)	--	--
Virginia Eye Institute	6[9]	--	6 (Ophthalmic)	--	--
VSA Vascular Center	2	--	2 (Vascular)	--	--
Total ORs in OSHs	**59**	**0**	**21**	**0**	**38**
Grand Total	**207**	**12**	**21**	**4**	**170**

Source: DCOPN Records

[7] COPN No. VA-04912, issued in December 2024, authorized Absolute Dermatology and Skin Cancer Center to establish an outpatient surgical hospital with one OR restricted to Mohs surgery.

[8] COPN No. VA-04892 authorized Middle Virginia Surgicenter, LLC to establish an outpatient surgical hospital with three GPORS – two relocated from Henrico Doctors Hospital – Retreat and one relocated from Henrico Doctors Hospital Forest. The project is expected to be complete by May 31, 2027.

[9] COPN No. VA-04902 authorized Virginia Eye Institute, Inc. to add one operating room limited to ophthalmic procedures, for a total of six operating rooms. The project is expected to be completed by February 28, 2026.

Computer Tomography (CT)

A CT scan is a diagnostic imaging tool that utilizes X-ray technology to produce imaging of the inside of the body and can show bones, muscles, organs, and blood vessels. CT scans are more detailed than plain film X-rays; rather than the standard straight-line X-ray beam, CT imaging uses an X-ray beam that moves in a circle around the body to show structures in much greater detail.[10] The scans can be done with or without contrast; contrast is a substance taken either orally or injected into the body, causing a particular organ or tissue to be seen more clearly.[11]

VHI reported data on 48 CT scanners in PD 15 for 2023, the latest year for which such data are available. There are no mobile CT scanners operating in PD 15. In 2023, PD 15 CT scanners reported volumes averaging 9,040 CT scans per unit, equal to 122.2% of the SMFP standard of 7,400 CT scans per unit (**Table 5**). There are currently 66 authorized CT scanners in PD 15, of which six are CT simulators and two are restricted to intraoperative use. These eight CT scanners do not perform diagnostic CT scans and are not included in this assessment. The inventory of the 58 diagnostic CT scanners included in this assessment is in **Table 6**. The difference in CT scanner counts between the 2023 VHI report and the current inventory is in the footnotes of **Table 6**.

[10] https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/computed-tomography-ct-scan#:~:text=Computed%20tomography%20is%20commonly%20referred,fat%2C%20organs%20and%20blood%20vessels.
[11] Ibid.

Table 5. PD 15 Fixed CT Scanners' Utilization, VHI 2023

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

Source: 2023 VHI

Table 6. Inventory of Diagnostic CT Scanners in PD 15

Facility Name	Authorized Diagnostic CT Scanners
Bon Secours Ashland Emergency and Imaging Center[12]	1
Bon Secours Chester Emergency and Imaging Center	1
Bon Secours Imaging Center at Reynolds Crossing	1
Bon Secours Memorial Regional Medical Center	3
Bon Secours Richmond Community Hospital	1
Bon Secours Short Pump Emergency/Imaging Center	1
Bon Secours St. Francis Medical Center	2
Bon Secours St. Mary's Hospital	3
Bon Secours Westchester Imaging Center	1
Buford Road Imaging[13]	1
Chester Imaging Center[14]	1
Chesterfield Imaging	1
Chesterfield ER[15]	1
Chippenham Hospital	3
Hanover Emergency Center	1
Henrico Doctor's Hospital - Parham Doctors' Hospital	1
Henrico Doctors' Hospital - Retreat	1
Henrico Doctors' Hospital - Forest[16]	3
Magnolia ER	1
Virginia Cardiovascular Specialists	1
Johnston-Willis Hospital	3
OrthoVirginia[17]	1
Richmond Ear, Nose & Throat[18]	1
Richmond Eye & Ear Healthcare Alliance d/b/a Medarva Healthcare	1
Scott's Addition ER[19]	1
Short Pump, LLC	1
Pauley Heart Center Pavilion at VCU Health[20]	1
VCU Health Neuroscience, Orthopedic and Wellness Center (Short Pump)	1
VCU Health System	8
VCU Medical Center Adult Outpatient Pavilion[21]	2
VCU Medical Center at Stony Point Radiology	1
VCU Health Emergency Center at New Kent	1
Vibra Hospital of Richmond LLC	1
Virginia Cancer Institute - Harbourside	1
Virginia Cancer Institute - Discovery Drive	1
Virginia Ear Nose & Throat - Chesterfield	1
Virginia Ear Nose & Throat - Henrico	1
Virginia Urology	2
Total Diagnostic CT Scanners, PD 15	**58**

Source: DCOPN Records

[12] COPN No. VA-04864 authorized this site.
[13] This site did not report data in 2022 or 2023.
[14] COPN No. VA-04688 authorized this site.
[15] COPN No. VA-04840 authorized this site.
[16] COPN No. VA-04925 authorized a third scanner.
[17] COPN No. VA-04876 authorized this site.
[18] One of two CT scanners reported (two sites).
[19] COPN No. VA-04811 authorized this site.
[20] COPN No. VA-04953 authorized this site, not yet operational.
[21] COPN No. VA-04935 authorized a second CT scanner, not yet operational.

Magnetic Resonance Imaging (MRI)

MRI is a noninvasive medical imaging test that produces detailed images of almost every internal structure in the human body, including organs, bones, muscles and blood vessels; the images are created using a large magnet and radio waves, and no radiation is produced.[22] An MRI may be used instead of a CT scan when organs or soft tissue are being studied, as MRI is better at distinguishing between types of soft tissues and normal and abnormal soft tissues.[23]

VHI reported data on 37 fixed MRI scanners in PD 15 for 2023, the latest year for which such data are available. That year, PD 15 MRI scanners reported 126,458 procedures, averaging 3,418 MRI scans per unit, equal to 68.4% of the SMFP standard of 5,000 MRI scans per unit (**Table 7**).

Table 7. PD 15 Fixed MRI Scanners' Utilization, VHI 2023

Facility Name	Total Stationary Units	Total MRI Procedures	Procedures per Scanner	% Utilization of Threshold
Bon Secours Imaging Center at Reynolds Crossing	2	4,510	2,255	45.1%
Bon Secours Memorial Regional Medical Center	2	10,929	5,465	109.3%
Bon Secours Richmond Community Hospital	1	1,134	1,134	22.7%
Bon Secours St. Francis Medical Center	2	13,171	6,586	131.7%
Bon Secours St. Mary's Hospital	2	6,457	3,229	64.6%
Bon Secours Tuckahoe Orthopedics MRI	1	2,891	2,891	57.8%
Bon Secours Westchester Imaging Center	1	2,533	2,533	50.7%
Chesterfield Imaging	1	4,181	4,181	83.6%
Chippenham Hospital	1	7,313	7,313	146.3%
ED - Bon Secours Chester Emergency Center	1	134	134	2.7%
ED - Bon Secours Short Pump	1	3,727	3,727	74.5%
ED - Bon Secours Westchester	1	78	78	1.6%
Ellen Shaw De Paredes Institute For Women's Imaging	1	161	161	3.2%
Henrico Doctors' Hospital - Parham Doctors' Hospital	1	2,627	2,627	52.5%
Henrico Doctors' Hospital - Retreat	1	1,889	1,889	37.8%
Henrico Doctors' Hospital - Forest	2	5,347	2,674	53.5%
Independence Park Imaging	1	3,928	3,928	78.6%
Johnston-Willis Hospital	3	11,105	3,702	74.0%
MedRVA Imaging Center	1	2,128	2,128	42.6%
NOW Neuroscience, Orthopaedic and Wellness Ctr.[24]	1	5,135	5,135	102.7%
OrthoVirginia MRI - Parham	1	6,445	6,445	128.9%
VCU Medical Center	8	25,500	3,188	63.8%
VCU Medical Center at Stony Point Radiology	1	5,135	5,135	102.7%
Total and Average PD 15 MRI Scanners	**37**	**126,458**	**3,418**	**68.4%**

Source: 2023 VHI

[22] https://www.hopkinsmedicine.org//health/treatment-tests-and-therapies/magnetic-resonance-imaging-mri

[23] Ibid.

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

Eight fixed MRI scanners have been authorized since the submission of 2023 utilization data to VHI. There are currently 45 authorized MRI scanners in PD 15 (**Table 8**). See **Table 8** footnotes identifying the most recently authorized MRI scanners.

Table 8. Inventory of Authorized Fixed MRI Scanners

Facility	Authorized Fixed Site Scanners
Bon Secours Ashland Emergency and Imaging Center[25]	1
Bon Secours Chester Emergency & Imaging Center	1
Bon Secours Imaging Center at Reynolds Crossing	2
Bon Secours Memorial Regional Medical Center	2
Bon Secours Richmond Community Hospital	1
Bon Secours Short Pump Imaging Center	1
Bon Secours St. Francis Medical Center	2
Bon Secours St. Mary's Hospital	2
Bon Secours Westchester Imaging Center	1
Chesterfield Imaging	1
Chester Imaging Center[26]	1
Chippenham Hospital[27]	2
Ellen Shaw De Paredes Institute For Women's Imaging	1
Henrico Doctors' Hospital - Parham Doctors' Hospital	1
Henrico Doctors' Hospital - Retreat	1
Henrico Doctors' Hospital - Forest	2
Independence Park Imaging	1
Johnston-Willis Hospital[28]	4
MEDARVA West Creek Surgery Center	1
OrthoVirginia MRI - Parham	1
OrthoVirginia MRI - Westchester	1
Pauley Heart Center Pavilion at VCU Health[29]	2
Tuckahoe Orthopaedics MRI	1
VCU Health System[30]	9
VCU Medical Center Adult Outpatient Pavilion[31]	1
VCU Medical Center at Stony Point Radiology	1
VCU NOW Center (Short Pump)	1
Total Authorized Fixed MRI Scanners	**45**

Source: DCOPN Records

[25] COPN No. VA-04864 authorized site with one MRI.
[26] COPN No. VA-04655 authorized site with one MRI.
[27] COPN No. VA-04753 authorized an additional MRI.
[28] COPN No. VA-04884 authorized an additional MRI.
[29] COPN No. VA-04953 authorized site with two MRIs.
[30] COPN No. VA-04760 authorized an additional MRI.
[31] COPN No. VA-04717 authorized site with one MRI.

Cardiac Catheterization

Cardiac Catheterization (cath) labs are laboratories that are used to examine how well the heart is working by inserting a catheter, which is a thin, hollow tube, into a large blood vessel that leads to the heart.[32] Cardiac catheterization services are performed to find diseases of the heart muscle, valves, or coronary (heart) arteries by measuring the pressure and blood flow in the heart.[33] To measure the pressure and blood flow of the heart and associated tissues, coronary angiography is utilized; a contrast dye visible in X-rays is injected through the catheter and the X-ray images show the dye as it flows through the heart arteries, showing where arteries are blocked.[34]

The State Medical Facilities Plan, at 12VAC5-230-10 Definitions, provides the following definition for diagnostic equivalent procedures (DEPs) and their calculation:

> *"DEP" means diagnostic equivalent procedure, a method for weighing the relative value of various cardiac catheterization procedures as follows: a diagnostic cardiac catheterization equals 1 DEP, a simple therapeutic cardiac catheterization equals 2 DEPs, a same session procedure (diagnostic and simple therapeutic) equals 3 DEPs, and a complex therapeutic cardiac catheterization equals 5 DEPs. A multiplier of 2 will be applied for a pediatric procedure (i.e., a pediatric diagnostic cardiac catheterization equals 2 DEPs, a pediatric simple therapeutic cardiac catheterization equals 4 DEPs, and a pediatric complex therapeutic cardiac catheterization equals 10 DEPs.)*

VHI reported data on 26 cardiac catheterization labs in 2023, the latest year for which such data are available. The average utilization for PD 15 cardiac catheterization labs was 102.7% of the SMFP standard, or 1,232 DEPs per catheterization lab (**Table 9**). The utilization in **Table 9** was calculated using the SMFP threshold of 1,200 DEPs.

Section 32.1-102.1:3, subsection B.5, of the Code of Virginia, states that a project would include the "[i]ntroduction into an existing medical care facility described in subsection A of any cardiac catheterization… when such medical care facility has not provided such service in the previous 12 months." As the Henrico Doctors' Hospital– Retreat catheterization lab has not been utilized in over 12 months, the Code of Virginia would not allow for Henrico Doctors' Hospital– Retreat to begin providing cardiac catheterization services again without obtaining a new COPN. Excluding the Henrico Doctors' Hospital– Retreat cardiac catheterization lab, PD 15 had an average of 1,281.1 DEPs per catheterization lab in 2023, or 106.8% of the SMFP threshold.

[32] https://www.heart.org/en/health-topics/heart-attack/diagnosing-a-heart-attack/cardiac-catheterization
[33] Ibid.
[34] [34] https://www.heart.org/en/health-topics/heart-attack/diagnosing-a-heart-attack/cardiac-catheterization

Table 9. PD 15 Cardiac Catheterization Utilization, VHI 2023

Facility Name	Cardiac Cath Labs	Adult Dx	Adult Tx	Adult Same Visit	Adult Complex Tx	Adult Total DEPs	Ped Dx	Ped Tx	Ped Total DEPs	Avg DEPs/Lab	Utilization per Cath Lab
Per Lab SMFP Standard										*1,200*	
Bon Secours Memorial Regional Medical Center	4	1,025	13	524	406	4,653	-	-	-	1,163	96.9%
Bon Secours St. Francis Medical Center	2	778	5	253	66	1,877	-	-	-	939	78.2%
Bon Secours St. Mary's Hospital	4	1,537	15	489	500	5,534	-	-	-	1,384	115.3%
Chippenham Hospital	6	2,323	724	1,378	136	8,585	-	-	-	1,431	119.2%
Henrico Doctor's Hospital - Retreat	1	-	-	-	-	-	-	-	-	-	0.0%
Henrico Doctors' Hospital - Forest	5	1,698	76	1,160	103	5,845	-	-	-	1,169	97.4%
VCU Medical Center	4	3,155	884	-	-	4,923	251	27	610	1,383	115.3%
PD 15 Totals, Average and Utilization	**26**	**10,516**	**1,717**	**3,804**	**1,211**	**31,417**	**251**	**27**	**610**	**1,232**	**102.7%**

Source: 2023 VHI

There are currently 29 cardiac catheterization labs authorized in PD 15, including the one at HDH-Retreat. Three of these are in freestanding outpatient centers and 26 are hospital based. These are listed in **Table 10** with footnotes on the three catheterization labs added to the inventory since 2023 reporting to VHI.

Table 10. PD 15 Cardiac Catheterization Inventory

Facility	Fixed Hospital Catheterization Labs	Fixed Outpatient Labs	Total Authorized Labs
Bon Secours Memorial Regional Medical Center	4	-	4
Bon Secours St. Francis Medical Center	2	-	2
Bon Secours St. Mary's Hospital [35]	3	-	3
Chippenham Hospital	6	-	6
Hanover Cardiac ASC, LLC[36]	-	1	1
Henrico Doctors' Hospital--Retreat	1	-	1
Henrico Doctors' Hospital--Forest	5	-	5
Short Pump CV Ambulatory Surgery Center[37]	-	1	1
VCS Heart and Vascular Center[38]	-	1	1
VCU Health System [39]	5	-	5
PD 15 Total	**26**	**3**	**29**

Source: DCOPN Records

[35] Bon Secours St. Mary's Hospital currently operates 4 cardiac catheterization labs; however, it will decrease to 3 when Short Pump CV Ambulatory Surgery Center is completed. This reduction is included in Table 10, as is the relocated catheterization lab at Short Pump CV Ambulatory Surgery Center.

[36] COPN No. VA-04941 authorized the establishment of Hanover Cardiac ASC, LLC.

[37] COPN No. VA-04866 authorized Short Pump CV ambulatory Surgery Center. When it opens (expected in 2025), Bon Secours St. Mary's Hospital will decrease its catheterization labs from 4 to 3.

[38] COPN No. VA-04868 authorized the establishment of VCU Heart and Vascular Center, to be opened in 2025.

[39] COPN No. VA-04820 authorized the addition of one cardiac catheterization lab at VCU Medical Center's Children's Tower.

Excluding the HDH – Retreat catheterization lab, there are 28 catheterization labs in PD 15 available to perform catheterization procedures. Using 2023 DEP volumes and current inventory, the average DEPs per catheterization lab is 1,144, or 95.3% of the SMFP threshold to add a catheterization lab.

Neonatal Special Care Services

"Neonatal special care" means care for infants in one or more of the higher service levels designated in 12VAC5-410-443. 12VAC5-410-443 B states that " hospital's newborn service shall be designated as a general level, intermediate level, specialty level, or subspecialty level newborn service." One of the applicants (VCUHS at the proposed Chesterfield Hospital) is requesting an intermediate level newborn service which provides care "within the service's medical protocol to moderately ill neonates or stable-growing low birthweight neonates who require only a weight increase to be ready for discharge." In addition to the capabilities required of the general level newborn nursery, the intermediate level nursery has additional requirements. Specialty level newborn services have additional requirements beyond intermediate level and subspecialty level newborn services have the highest requirements and provide intensive care for high-risk, critically ill neonates with complex neonatal illnesses.

Seven acute care hospitals in PD 15 reported utilization of neonatal services to VHI in 2023. Of these, two offered specialty level newborn services and four offered subspecialty level newborn services (**Table 11**). Only Chippenham Hospital has general infant care only, and it transfers infants needing a higher level of care to its sister facility, Johnston-Willis Hospital. There are no intermediate level only nurseries in PD 15. Newborns needing intermediate care can receive it at one of the higher level neonatal special care services. No new neonatal special care services have been added since the 2023 data submissions. Though the facilities listed in **Table 11** reported staffed beds and patient days, only authorization for the service level is COPN-regulated. The number of neonatal beds (bassinets) are not regulated and can change as desired by each facility, so occupancy rates are not meaningful in assessing need for the service.

Table 11. PD 15 Neonatal Special Care Services, VHI 2023

Facility Name	Staffed Stations*	Staffed Bed Station Available Days	Patient Days	Occupancy Rate per Staffed Bed Station
Infant - General				
Bon Secours Memorial Regional Medical Center	17	6,205	2,082	33.6%
Bon Secours St. Francis Medical Center	15	5,475	4,328	79.1%
Bon Secours St. Mary's Hospital	32	11,680	4,061	34.8%
Chippenham Hospital	4	1,460	1,241	85.0%
Henrico Doctors' Hospital - Forest	46	16,790	4,720	28.1%
Johnston-Willis Hospital	24	8,760	2,146	24.5%
VCU Medical Center	25	9,125	5,633	61.7%
General Totals & Average Occupancy	**163**	**59495**	**24211**	**40.7%**
Infant - Specialty				
Bon Secours Memorial Regional Medical Center	9	3,285	1,478	45.0%
Bon Secours St. Francis Medical Center	10	3,650	2,021	55.4%
Specialty Totals & Average Occupancy	**19**	**6935**	**3499**	***50.5%***
Infant - Subspecialty				
Bon Secours St. Mary's Hospital	21	7,665	5,968	77.9%
Henrico Doctors' Hospital - Forest	40	14,600	10,909	74.7%
Johnston-Willis Hospital	20	7,300	6,279	86.0%
VCU Medical Center	40	14,600	13,420	91.9%
Subspecialty Totals & Average Occupancy	***121***	***44165***	***36576***	***82.8%***
PD 15 Totals and Average Occupancy	**303**	**177,025**	**91,996**	**52.0%**

*Infant care station means the point of care in a neonatal special care unit, including bassinets, warming stations and isolettes, not licensed as beds (12VAC5-230-10).
Source: 2023 VHI

Proposed Projects

VA-8830 - Virginia Commonwealth University Health System Authority

VCUHS is proposing to establish Chesterfield Hospital at 7220 Beach Road, Chesterfield, Virginia with 66 acute care beds, including 42 general medical/surgical beds, 6 pediatric beds, 6 obstetric beds and 12 intensive care unit (ICU) beds. VCUHS is also proposing six GPORs, one cardiac catheterization lab, one CT unit, one MRI unit and intermediate level nursery services. The proposed site is on the same medical campus as VCUHS' Chesterfield Pavilion, which will include a four-operating room outpatient surgical hospital (authorized by COPN No. VA-04757, originally expected to be completed in 2023) and a medical office building. VCUHS broke ground on these outpatient facilities in May 2025. The proposed hospital is 202,889 square feet. Projected capital costs for the project are $306,206,173 (**Table 3**), of which half will be funded by tax-exempt bond issue and half with VCUHS' accumulated reserves. Financing costs over the 30-year term are $129.6 million. Should the proposed project be approved, the applicant expects to open the hospital in May 2030.

Table 12. Capital Costs, Chesterfield Hospital

Direct Construction Cost	$ 202,722,201
Equipment not included in construction contract	$ 44,252,188
Site Acquisition Costs	$ 6,206,172
Site Preparation Cost	$ 24,261,690
Other Consultant fees	$ 28,763,922
Total Capital Cost	**$ 306,206,173**

Source: COPN Request No. VA-8830

VA-8804 – Chippenham & Johnston-Willis Hospitals, Inc.

CJW proposes to establish Magnolia Hospital at 16100, 16300 and 16500 Hull Street Road, Moseley, Virginia, with 60 acute care beds, including 54 general medical/surgical beds and 6 ICU beds. CJW is also proposing 4 GPORs, 1 CT scanner and 1 MRI scanner. The proposed beds will be relocated from Retreat Doctors' Hospital; the proposed GPORs will be relocated from Johnston-Willis Hospital (3 GPORs) and Retreat Doctors' Hospital (1 GPOR); and the proposed CT scanner from Swift Creek ER, which will close should Magnolia Hospital be authorized and open. Only the proposed MRI will be an increase to the inventory of services in PD 15. The proposed hospital is 135,325 square feet of new construction. Projected capital costs are $260,238,000 (**Table 13**), funded through the internal resources of HCA Healthcare such that no financing costs are required. Should the proposed project be approved, the applicant expects Magnolia Hospital to open 43 months after issuance of a COPN.

Table 13. Capital Costs, Magnolia Hospital

Direct Construction Cost	$ 178,798,000
Equipment not included in construction contract	$ 48,252,000
Site Acquisition Costs	$ 11,900,000
Site Preparation Cost	$ 8,000,000
Off-Site Costs	$ 3,734,000
Architectural & Engineering fees	$ 9,554,000
Total Capital Cost	**$ 260,238,000**

Source: COPN Request No. VA-8831

VA-8805 – Bon Secours St. Francis Medical Center, Inc.

St. Francis proposes to add 40 acute care beds to its license to address high occupancy, 4 ICU beds[40] and 36 medical/surgical beds, in its hospital building at 13170 St. Francis Boulevard, Midlothian, Virginia. The proposed project involves 58,400 square feet of new construction in a two-story vertical expansion above an existing inpatient bed tower, adding a new sixth and seventh floor, and 2,000 square feet of major renovation in existing space. Each proposed new floor will include 20 acute care beds and shell space for future expansion. The proposed ICU beds will be developed in existing space on the fourth floor, from where four existing

[40] COPN No. VA-04956 authorized the addition of 4 ICU beds in a partial approval of the same proposal. Should the COPN Request No. VA-8832 be approved, St. Francis will surrender COPN No. VA-04956.

medical/surgical beds will be relocated to new space. A portion of the additional medical/surgical beds will be developed as intermediate medical care beds (IMC, or "step down" beds) which, the applicant asserts will play a role in caring for patients while moderating the use of more expensive ICU beds.

Projected capital costs are $106,018,984 (**Table 14**), funded through the accumulated reserves of Bon Secours Mercy Health, and the proposed project will not result in any debt service cost. Should the proposed project be approved, the applicant expects to open the additional beds 42 months after issuance of a COPN.

Table 14. Capital Costs St. Francis, Add 40 Acute Care Beds

Direct Construction Cost	$	82,289,438
Equipment not included in construction contract	$	12,831,051
Architectural and Engineering	$	8,244,185
Other Consulting Fees	$	2,445,645
Industrial Development Authority Revenue & General Revenue Bond Financing	$	208,665
Total Capital Cost	**$**	**106,018,984**

Source: COPN Request No. VA-8832

Project Definitions

VA-8830 - Virginia Commonwealth University Health System Authority &
VA-8831 - Chippenham & Johnston-Willis Hospitals, Inc.
Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the "[e]stablishment of a medical care facility described in subsection A." A medical care facility includes "[a]ny facility licensed as a hospital."

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the "increase in the total number of beds…in an existing medical care facility described in subsection A." 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.**

PD 15 had a population of over 1.1 million in 2020 and is projected to add nearly 100,000 to its population by 2030. Its projected growth of 8.9% by the end of the decade is a higher growth rate than that projected for Virginia's population, 5.8% (**Table 15**). Chesterfield County, where the three proposed projects are located, represents about a third of the PD 15 population and is projected to grow by 11.6% (twice the growth rate of Virginia) and add just over 42,000 people between 2020 and 2030 (**Table 15**). More than 42% of the growth in PD 15 during the 2020 to 2030 decade is projected in Chesterfield County. The population over age 65 is expected to grow at a higher rate in PD 15 (31.7%) than that of Virginia (26.3%). Chesterfield's population over 65 is projected to grow faster, by 35.5%, adding over 20,000 in this age group between 2020 and 2030 (**Table 15**).

The population growth projected in Chesterfield County between 2020 and 2030 is the majority of the growth projected for the entirety of PD 15. This demographic shift southward within PD 15, as well as the portion of the PD 15 population residing in Chesterfield County, confirms the need to distribute more health resources to the Chesterfield area as need for additional services grows in PD 15. In addition, the James River is recognized as a geographical barrier to access. There is a calculated surplus of nearly 500 acute care beds in PD 15 (with the exception of adult ICU beds) and over 50 operating rooms. A new hospital is a major expense as well as a new competitive hub within the PD. Competing applications for a new hospital should be approved judiciously, so that excess resources don't overbuild capacity and prevent all providers from thriving.

Table 15. PD 15 Population Data

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

Source: Weldon Cooper Intercensal Estimates

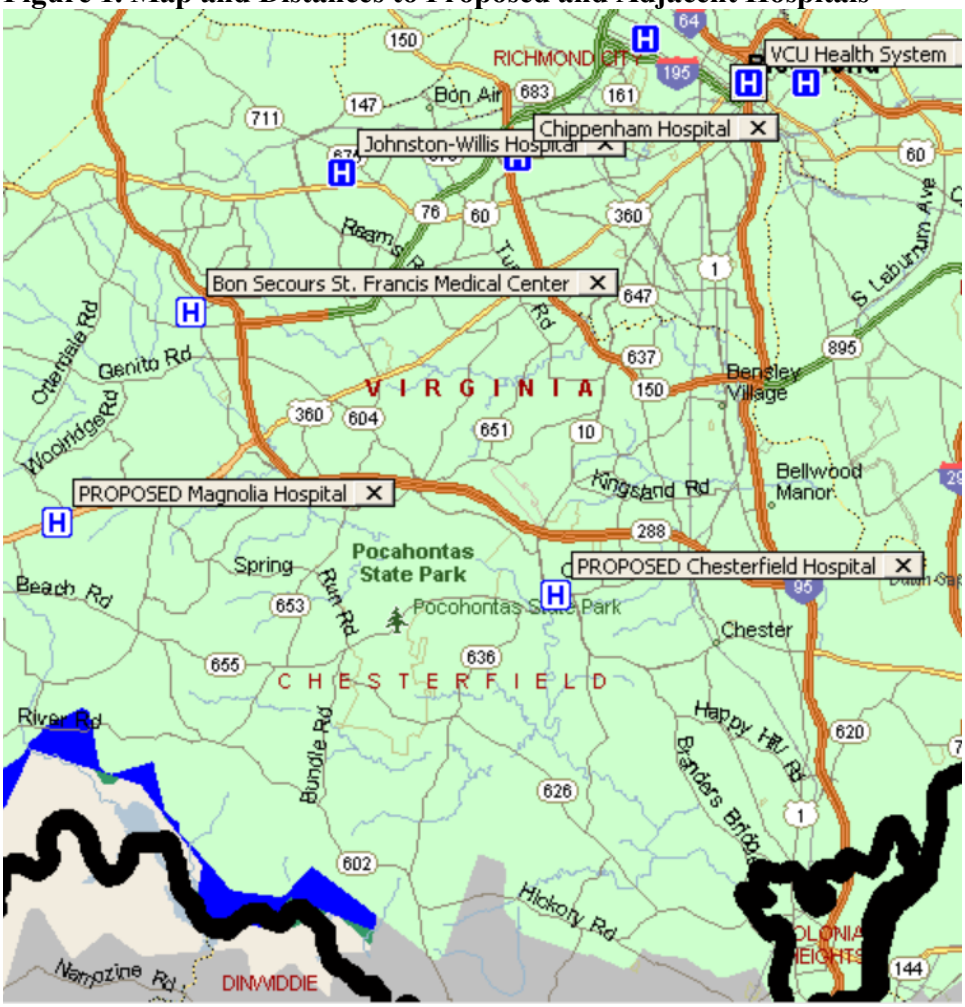
Table 16 shows that PD 15 has a poverty rate of 10.1%, just under that of Virginia (10.7%). Chesterfield County has a lower poverty rate of 7.6%.

Table 16. PD 15 Poverty Rates

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

Source: Weldon-Cooper Census Data

Figure 1. Map and Distances to Proposed and Adjacent Hospitals



		Miles	Minutes
Proposed (VCU) Chesterfield Hospital to:	VCU Medical Center	17.3	22
	St. Francis	13.5	16
	Johnston-Willis Hospital	13.8	24
	Chippenham Hospital	11.7	17
	Proposed Magnolia Hospital	14.5	20
Proposed (CJW) Magnolia Hospital to:	St. Francis	17.9	14
	Johnston-Willis	15.7	24
	Chippenham Hospital	16.3	23

VA-8830 - Virginia Commonwealth University Health System Authority
The applicant intends the proposed project to improve access to its patients in the Chesterfield area that require primary and secondary acute hospital care. VCUHS states that nearly 11,000 of its low- to mid-acuity patients in 2024 resided in the service area of the proposed Chesterfield Hospital site, which is in VCUHS' primary service area and adjacent to the VCU Health Chesterfield Pavilion. The Chesterfield Pavilion will house the Chesterfield ASC and a medical office building. It is 13.5 miles/16 minutes from competing applicant St. Francis (an existing hospital), and 14.5 miles/20 minutes from CJW's proposed competing project, also a new hospital (Magnolia Hospital). VCUHS' proposed Chesterfield Hospital is 17.3 miles/22 minutes from VCUHS' downtown campus (**Figure 1**).

The proposed site is accessible by major thoroughfares, two minutes from Route 288 near the intersection of Iron Bridge Road and Beach Road (**Figure 1**). It is not accessible by public transportation, like many other sites in Chesterfield County.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
The applicant intends to implement the proposed project to improve access to its patients in the Chesterfield area further south than Johnston-Willis Hospital. The proposed Magnolia Hospital is within CJW's primary service area with roughly 24% of CJW's 2024 patients (nearly 7,000) residing closer to the proposed Magnolia site than to either Chippenham or Johnston-Willis. The proposed site is on Hull Street Road (Route 360) near the planned Powhite Parkway (Route 76) extension. The applicant states, "Chesterfield County officials have described Magnolia Hospital's location as 'ideal' and 'at the epicenter of future growth in the county over the next 20 years." The site is not accessible by public transportation. It is 17.9 miles/14 minutes from competing applicant St. Francis (an existing hospital), 14.5 miles/20 minutes from VCUHS' proposed Chesterfield Hospital and 15.7 miles/24 minutes from Johnston-Willis Hospital.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
St. Francis is the only Bon Secours hospital south of the James River. St. Francis fully implemented 55 new acute care beds in October 2024 and asserts that more are needed to address

high inpatient bed utilization. The hospital is located approximately 1.5 miles west of Route 76 (Powhite Parkway) and approximately half a mile southwest of the Route 228 and Center Pointe Parkway interchange. St. Francis is accessible to Route 60 (Midlothian Turnpike) and Route 360 (Hull Street Road) via Charter Colony Road and Old Hundred Road, and is also accessible to Interstate 95 via Route 228. St. Francis is not served by public transportation, as is true of most of Chesterfield County.

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 provided notice to the public on August 11, 2025, of COPN Request Nos. VA-8830, VA-8831 and VA-8832, inviting public comment. The public comment period closed on September 25, 2025. In addition to the comments documented below the Chesterfield County Board of Supervisors wrote a letter to Governor Youngkin expressing an "Urgent Need for Additional Hospitals in Chesterfield County."

Section §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. The public hearings for competing applications, COPN Request Nos. VA-8830, VA-8831 and VA-8832, were held consecutively on September 18, 2025, and 27 individuals signed in. Chesterfield County Administrator Joe Casey, Chesterfield's Fire and EMS Chief, Edward Senter, and Kevin Carroll from the Chesterfield County Board of Supervisors spoke in support of all three proposals, noting that high growth in the area requires additional health care resources. Other participants spoke in support of each individual project.

<u>VA-8830 - Virginia Commonwealth University Health System Authority</u>
DCOPN received a resolution from VCUHS' Board of Directors, a letter of endorsement from VCU Medical Center's Chief Medical Officer on behalf of its medical staff and 15 letters of community and professional support from Chesterfield County and legislators, EMS and VCUHS. These letters expressed the following:

- VCUHS is Central Virginia's only academic health system and the only health system in PD 15 with only one acute care hospital. It is committed to providing the safest and highest quality patient care to all patients requiring its services and needs inpatient and outpatient capacity.
- VCUHS needs strong high-acuity infrastructure on the downtown campus, appropriate diversified care settings and ample distribution of services throughout the communities served.
- Chesterfield County has become the fastest growing locality in the Commonwealth of Virginia, adding almost as many new residents as the former top two fastest growing localities combined. It is underserved by medical services, particularly as compared to other parts of the PD.
- The proposed Chesterfield Hospital on the VCU Health Chesterfield Campus will help address the needs of the health system and its patients and is squarely in VCUHS' broad service area.

- Emergency medical and many other pre-hospital services are provided by Chesterfield Fire & EMS (CFEMS). The number of patients transported has increased by 16.5% over the past five years. Due to patient choice, and because there are only two hospitals in Chesterfield County, over half of patients are transported outside of the county, increasing time and expense.

Bon Secours Mercy Health (BSMH) wrote a letter of opposition to VCUHS' proposed Chesterfield Hospital, expressing that there is not a public need for an additional hospital in Chesterfield County at this time, stating that "less than a month ago, the Commissioner clearly stated that "with a surplus of nearly 435 beds there is no public need for new medical surgical beds in PD 15." The letter points out that institutional need cannot be used to establish a new hospital and that VCUHS does not have an institutional need for medical/surgical beds. BSMH discusses the service area of VCUHS' proposed Chesterfield Hospital, noting that patients will not drive to a community hospital so great as distance as they drive for tertiary and quaternary services, and that VCUHS did not provide data to determine patient origins for the medium and low acuity patients VCUHS is assuming it will serve. BSMH asserts that this number will be less than VCUHS' projections and that Chesterfield Hospital will significantly impact St. Francis' volumes.

In addition, BSMH points out the $20 million in losses in each of Chesterfield Hospital's first two years, despite unrealistic projections, and concludes that the proposed project is not feasible. BSMH notes that VCUHS has announced an additional $1.5 billion, 576-bed inpatient tower as an alternative to a separate acute care hospital, with the potential to impact existing providers. BSMH expresses concern that VCUHS costs will increase, already the highest costs in PD 15. The letter asserts that, in addition to impacting volumes of existing providers, the proposed project will also exacerbate staffing shortages.

VCUHS responded to BSMH's opposition letter with its own letter, dated October 8, 2025, addressing each point, and opposing St. Francis proposal (COPN Request No. VA-8832). VCUHS' letter stated that the proposed Chesterfield Hospital improves access to inpatient care; geographically distributes VCUHS' inpatient resources, currently concentrated on a single hospital campus in the City of Richmond; brings the benefits of academic medicine, including clinical, educational and research components to communities VCUHS already serves; and fosters beneficial competition in an area of PD 15 historically dominated by HCA. VCUHS states that competition was marginally enhanced when St. Francis opened, for reasons similar to the reasons underlying the need for Chesterfield Hospital. VCUHS' letter points out that it is the only health system in PD 15 with only one hospital campus (with highly utilized services) and therefore has no underutilized "paper beds" or other services to reallocate to the proposed hospital, which only underscores the need for an additional facility. A second hospital in PD 15 would decant volumes from its downtown campus and create capacity downtown to better serve its tertiary and quaternary patients there, as well as its lower acuity patients who live closer to Richmond. At the same time, it would improve access to nearly 11,000 medium- and lower-acuity patients that it already serves that reside closer to the proposed site than to the downtown campus. VCUHS addresses the tower announced recently to add beds at its downtown campus, saying that this concept is in early planning stages with a long planning horizon and requires movement and demolition of existing services and buildings to implement. It is not a consideration in projects currently under COPN review and will not address VCUHS' immediate need for capacity.

BSMH responded to VCUHS' answer to its opposition saying that VCUHS mischaracterized BSMH's response, restating that VCUHS cannot utilize institutional need for its proposal, that will not improve access, that there are more effective, reasonable alternatives and that VCUHS' proposed project is not financially feasible. BSMH reiterates that VCUHS' projections are overstated and that the proposed Chesterfield Hospital will harm BSMH hospitals. Its letter argues that establishment of the proposed project is not analogous to the establishment of St. Francis or Riverside Smithfield. It also says that VCUHS' opposition to St. Francis' proposal is retaliatory and without merit.

CJW Medical Center also submitted a letter of opposition to VCUHS' proposed Chesterfield Hospital, stating that the site was inappropriate as it is less than one mile from CJW's Chesterfield ER, under construction (CT scanner for this facility authorized by COPN No. VA-04840). The letter asserts that VCUHS cannot meet its projections without adversely impacting existing providers and utilizes VCUHS' patient origin data and projections to support this assertion. CJW points out that VCUHS is the highest cost hospital in the Commonwealth and that CJW provides more community benefit, and also concludes that, due to $20 million losses projected for its first two years, VCUHS' Chesterfield hospital is not viable. CJW concludes that VCUHS' proposal is premature, at best.

VCUHS submitted a letter responding to CJW's opposition letter and opposing COPN Request No. VA-8831, CJW's proposal of Magnolia Hospital (see below for VCUHS' comments on the proposed Magnolia Hospital). VCUHS states that its proposed Chesterfield Hospital equips VCUHS and its patients with something that HCA and its patients have long enjoyed in PD 15, an additional option for inpatient care. The proposed Chesterfield Hospital is optimally located within VCUHS' historical service area. It states that CJW's Chesterfield ER does not supplant the need for VCUHS' Chesterfield Hospital because an acute care hospital is not interchangeable with a freestanding ER. VCUHS also points out that HCA chose a site for its freestanding ER within one mile of VCUHS' already approved Chesterfield ASC. VCUHS states that the benefits of Chesterfield Hospital outweigh the potential minimal adverse impact to existing providers, including the benefits of geographical distribution of VCUHS' inpatient resources, acuity-appropriate services in a community-based setting and bringing academic medicine closer to the communities served by VCUHS. It asserts that it is inevitable that service areas will overlap as the population grows, as they have in PDs 8 and 20, and that volumes of existing and future facilities will continue to increase as a result of the rapid population growth in the area. The overlap of service areas of high-occupancy hospitals such as CJW and St. Francis does not mean that the resulting proposal will cause significant volume decreases, particularly when patients from the area already seek care at VCUHS.

VCUHS responds to both letters of opposition that remarked on losses in its first two years, asserting that the project is financially feasible and anticipates a short ramp-up period, as other new hospitals have experienced. In response to CJW's assertion of more community benefit, VCUHS points out that, as a for-profit health system, CJW/HCA includes required taxes in its total and that, excluding its taxes, VCUHS far outperforms HCA in charity care and bad debt, overall and as a percentage of gross revenue.

Public Hearing
Dr. Michael Elliott, COO of VCUHS, Dan Thurman, Director of Strategic Planning and Business Development for VCUHS and Sheryl Garland, Chief of Health Impact for VCUHS, presented the proposal for VCUHS, COPN Request No. VA-8830. Of the attendants at the public hearing, nine supported the project and none opposed, though St. Francis' presentation noted that its opposition would be in writing (see summary of opposition letter, above). Three members of the public spoke in support of the proposed project.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
DCOPN received a resolution from the CJWH Executive Committee of the Medical Staff supporting COPN Request No. VA-8831, a letter of commitment from Radiology Associates of Richmond and twenty-eight letters of support from physicians, community leaders, Virginia Delegates Cherry, Earley and Ware, as well as Virginia Senator Sturtevant. These letters expressed the following:

- Both campuses of CJW Medical Center urgently require additional medical/surgical beds to meet patient demand. On many days there are no available medical/surgical beds at one or both hospitals. The 36 additional beds requested at Chippenham Hospital (now approved) will help but will not be adequate.
- CJW has long been committed to Chesterfield County and PD 15 patients living south of the James River, having relocated Johnston-Willis Hospital from Richmond to Chesterfield County in 1980. CJW realizes the need to provide additional resources in another fast-growing area of the county. The population of Chesterfield County is now nearly five times what it was when Johnston-Willis was located there.
- The proposed Magnolia Hospital will not only improve access for CJW's existing patients that reside in the area, but free up medical/surgical beds at Chippenham and Johnston-Willis Hospitals for higher acuity specialty patients. Hospitals take years to complete, so the proposed project should be approved now.
- As responsible stewards of assets, HCA is proposing to reallocate 60 underutilized beds from Retreat Doctors' Hospital and GPORs and a CT scanner from within PD 15 as well. Only the proposed MRI will be a new asset in PD 15.
- Placing a hospital closer to where patients live and work enhances access, convenience and improves the health of the community. In addition, it conserves resources such as Fire & Rescue that will reduce time and personnel needed to transport patients outside of the area for services.

Bon Secours Mercy Health (BSMH) submitted a letter to DCOPN opposing the proposed CJW Magnolia Hospital, stating that there is no public or institutional need for an additional hospital in PD 15 and that the unnecessary addition of a hospital would significantly harm St. Francis. The letter argues that CJW's proposal shifts "paper bed" capacity from Retreat Doctors' Hospital without providing evidence that there is a need surrounding the proposed site and argues that the capacity issues of CJW could more legitimately be addressed on-site instead of the proposed satellite expansion. BSMH's letter references and likens the Commissioner's denial of Ashland Hospital to the proposed Magnolia Hospital. It quotes the institutional expansion section of the SMFP which prohibits the use of institutional need as justification for establishing new services and goes on to assert that CJW does not have an institutional need. It also states that the proposal is not consistent or in general harmony with multiple sections of the SMFP and

references a previous decision in which relocation of "surplus" beds was said to perpetuate the surplus without significant benefit and the beds were underutilized because there are surplus beds in the PD.

The BSMH letter dismisses drive time and traffic congestion arguments as unsupported as to being a barrier to accessing CJW's services. BSMH points to low utilization at Henrico Doctors'-Retreat and questions if HCA is chasing market share in a lucrative market at the expense of existing providers while perpetuating a surplus of beds. In addition, some of the proposed service relocations will create immediate institutional need at the contributing facilities, particularly ICU beds at Henrico Doctors'-Retreat and GPORs at Johnston-Willis Hospital.

BSMH states that CJW has failed to demonstrate control over the proposed site with an "option to purchase." BSMH also asserts that HCA has the highest charges in PD 15, and the construction of Magnolia Hospital may increase costs for patients. It contends that Magnolia Hospital does not have a clearly defined service area and that its proximity to St. Francis creates an expensive and unnecessary access point that would significantly impact St. Francis' volumes and exacerbate staffing shortages.

CJW responded to BSMH's opposition, arguing that Bon Secours established Harbour View Medical Center in the same manner as the proposed Magnolia Hospital and is now saying CJW's proposed facility cannot be established through the same path, criticizing the reallocation of "paper bed capacity." Also, BSMH's project currently under review proposes a similar reallocation from Bon Secours Maryview Medical Center to Bon Secours Harbour View Medical Center. CJW also asserts that the denial of HCA's proposed Ashland Hospital does not support the denial of its currently proposed Magnolia Hospital and that it is fully compliant with the SMFP. It denies BSMH's assertion that CJW does not have an institutional need for bed capacity and contends that its proposed inventory-neutral reallocation of beds is the only proposal under current review that addresses PD 15's bed surplus. It asserts that CJW's proposed Magnolia Hospital will improve access, that CJW has control of the proposed site (and includes the Real Estate Option Agreement in its response), and that HCA's facilities proposed to contribute services will retain sufficient capacity. CJW states that the proposed project will neither increase costs nor harm St. Francis, since it has an existing patient base in the Magnolia area. It also asserts that St. Francis' workforce claims are overstated.

BSMH responded to CJW's answer to its opposition stating there is no institutional need for CJW's proposed Magnolia Hospital and stating that its establishment is not like Harbour View Medical Center's. BSMH states that the proposed Magnolia hospital will not create more meaningful access than the status quo and that CJW's application lacks transparency. It reiterates that CJW has failed to obtain control of the proposed site, that it will harm St. Francis and that workforce expansion of adding hospitals in PD 15 is too burdensome for the area.

VCUHS' letter in response to letters of opposition to its proposal also expresses opposition to CJW's proposed Magnolia Hospital, providing a comparison of its merits versus VCUHS' Chesterfield Hospital's merits. It contends that VCUHS' proposal creates more access than does CJW's and removes more barriers. Though VCUHS says that CJW has demonstrated an institutional need for bed capacity, it has not demonstrated the need for that capacity at a third

site south of the James River and a sixth hospital in PD 15, let alone in the affluent Magnolia community. The letter also states that CJW has not explained why it isn't more reasonable, efficient or cost-effective to add capacity on-site at its existing hospitals. In comparison, VCUHS' proposed hospital will be its only alternative site in PD 15 and its only site south of the James River in a more underserved, high-risk and socioeconomically diverse area than the Magnolia community.

VCUHS asserts that CJW and BSMH have been able to offer choices of inpatient sites to their patients and CJW's proposed Magnolia Hospital will not substantially increase options for patients; whereas VCUHS' proposed Chesterfield Hospital will offer its existing patient base an alternative site south of the James River. The letter argues that VCUHS' proposal promotes beneficial competition, but CJW's proposal adds to HCA's market concentration. VCUHS points out that HCA has not addressed how its proposed reallocation of services will impact those who currently rely on them where they are currently offered. VCUHS, by contrast, does not operate multiple hospitals from which to reallocate "unstaffed paper beds" and it has no underutilized services on its downtown campus to reallocate. It states that the proposed Chesterfield Hospital represents a complementary, whole-system approach to health care planning.

CJW responded to VCUHS' opposition, saying VCUHS concedes that CJW needs more beds and contends that there are more CJW patients residing closer to the proposed Magnolia Hospital site than to either of CJW's existing hospitals. CJW also points out that VCUHS acknowledges that its proposed Chesterfield Hospital would impact existing providers and CJW repeats that VCUHS' proposal would be duplicative of CJW's Chesterfield ER. CJW states that the proposed reallocation of services to Magnolia Hospital will not harm its patients in the City of Richmond. It contends that CJW's proposal will increase access more than VCUHS' proposal and that CJW has superior performance in both revenue per adjusted admission and community benefit (including taxes).

Public Hearing

Lance Jones, CEO of Chippenham and Johnston Willis Hospital Medical Center, presented the proposal for Magnolia Hospital, COPN Request No. VA-8831 and included members of the public, Joe Casey, Chesterfield County Administrator, Edward Senter, Chesterfield Fire and EMS Chief and Kevin Carroll of the Chesterfield Board of Supervisors in the proposed project's presentation. David Johnston, Powhatan Fire and Rescue Chief, also spoke in support of the proposal and Dr. Rajiv Malhotra, CMO of Chippenham Hospital, spoke as a representative of the medical staff, expressing support. Of the attendants at the public hearing, eight supported and none opposed, though St. Francis' presentation noted that its opposition would be in writing (see summary of opposition letter, above).

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

DCOPN received two letters of support on behalf of the Medical Staff at St. Francis, one from John M. Yosay, MD, MHA, CMO of St. Francis and one from Cecilia C. Bergh, MD. DCOPN also received 35 letters of support from individual providers, patients and community members, including some Community Advisory Council members. These letters, in aggregate, expressed the following:

- Our community needs additional acute care services to improve accessibility for our county's patients and keep pace with the rapid growth and aging in Chesterfield County and surrounding areas.
- St. Francis is a key resource for our community's patients to receive care that is of the highest quality.
- The hospital has experienced rapid growth in the utilization of its services.
- Utilization, particularly of medical/surgical and ICU beds, has been high and increasing.
- ICU beds operate in excess of the SMFP expansion threshold and medical/surgical beds are projected to exceed the threshold this year.
- It is inevitable that, as capacity constraints increase, the care team will face issues continuing to deliver accessible and efficient care to the patients who seek healthcare services at St. Francis.
- St. Francis has made significant strides towards expanding the care it can provide, including operating two freestanding emergency departments in the county.
- These facilities are highly utilized and transfer patients to St. Francis as necessary.
- As our community continues to grow and age, these services will be increasingly utilized and exacerbate capacity constraints.
- The hospital has also hired multiple new providers to serve patients and the operation of the freestanding emergency departments.
- St. Francis' proposal is a considerate and understanding response to growth in the community and will ensure patients will continue to have access to the best care possible.

In VCUHS' letter of October 8, 2025 responding to BSMH's opposition, it also opposed BSMH's project stating that the same project was denied in September 2025 and that nothing has materially changed, concluding that St. Francis' request should be denied.

Public Hearing
Joseph Wilkins, CEO of St. Francis and John Yosay, CMO of St. Francis presented the proposal for St. Francis, COPN Request No. VA-8832. In addition to Edward Center, Kevin Carroll and Joe Casey, four other members of the public spoke in support. Of attendants at the public hearing, twelve supported and none opposed the proposed project.

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

VA-8830 - Virginia Commonwealth University Health System Authority
There is no identified alternative to the proposed hospital that meets the needs of the population in a less costly, more efficient, or more effective manner. Redistribution of services would be a more efficient option if such services were available to VCUHS. VCUHS is hindered from a redistribution of services because it has only one hospital campus and no underutilized services, inpatient or outpatient, to reallocate to a new hospital. The status quo, or the alternative of additional beds at VCUHS' downtown Richmond campus, leaves thousands of patients currently seeking care at VCUHS' with no alternative site in PD 15 south of the James River. Testimony at the public hearings for the proposed projects was that more than half of Chesterfield County residents who

require EMS transport are taken outside of the county. This supports the need for additional inpatient resources in the southern portion of PD 15 to care for patients without taking EMS and other resources outside of the area. Both Bon Secours and CJW have existing hospitals in Chesterfield County south of the James River so a VCUHS hospital in the county would allow far more patients to be served without travel or transport outside the county.

The needs of VCUHS' tertiary and quaternary patients are also a consideration. An alternative inpatient site designed for low- to mid-acuity patients will decant service volumes from the downtown Richmond campus and create capacity where tertiary and quaternary patients will continue to go for care. VCUHS provides access for Virginia residents beyond PD 15. It has submitted data that show that 16% of its discharges and 36% of its patient days in the 12 months ending June 2025 are tertiary and quaternary patients (patients with a case mix index over 3). About half of these are for patients outside of PD 15. The status quo will not address the need for additional service capacity for the large and growing number of patients across Virginia that seek subspecialty care, some of which are available only at VCUHS' Richmond campus.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.

The status quo is a reasonable alternative to the proposed project. CJW has two existing medical facilities that are access points for its patients south of the James River. Additional inpatient capacity, when needed, can be provided more cost-effectively without construction of a new hospital. Though its services are highly utilized, CJW's bed occupancy calculations exclude OB beds. Appropriately including OB beds in its calculation of medical/surgical utilization and including the 36 additional beds recently authorized by COPN No. VA-04940, patient days reported to VHI for Chippenham Hospital in 2023, the latest such data available, represent 70% occupancy of that facility. Combined, utilization of beds at Chippenham Hospital and Johnston-Willis Hospital was 73.7% of currently authorized medical/surgical bed capacity (including OB beds) in 2023. Using 2024 general medical/surgical days reported in its application and extrapolating 2024 OB days (based on the reported 62% occupancy reported in its application), CJW's 2024 occupancy of authorized medical/surgical beds (including OB) is 78.7%, falling short of the SMFP standard. DCOPN acknowledges the efficiency of redistributing underutilized beds and equipment from underutilized HCA facilities; however, CJW has not established the need for an additional inpatient site, having multiple options north and south of the James River for patients choosing HCA to access care.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

There is no reasonable alternative to the proposed project. St. Francis has provided updated utilization data of its existing and operational medical/surgical beds (appropriately including OB beds) through September 2025, which demonstrates sustained occupancy of 81.3% year-to-date since all of its authorized beds were put into service. This is above the SMFP threshold to add medical/surgical bed capacity. St. Francis proffers the relinquishment of COPN No. VA-04956 which authorized 4 ICU beds, should the current proposed project be approved.

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

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

(iv) Any costs and benefits of the project.

VA-8802 - Virginia Commonwealth University Health System Authority
Projected total capital costs for the proposed project are $306,206,173, of which about 50% is funded by accumulated reserves and the remainder with 30-year tax-exempt bond financing. The cost of the financing totals an additional $129.6 million across the 30-year term. Direct construction costs are estimated to be $202,722,201, 66.2% of total costs. Focusing on direct construction costs, the proposed project is estimated to be $999 per square foot. This is more than projected costs of other similar recently authorized projects, but the least expensive of the three projects under review. For example, COPN No. VA-04888 authorized Virginia Hospital Center to build a hospital for psychiatric and medical rehabilitation services at $950 of direct construction cost per square foot, and COPN No. VA-04832 was issued to Inova Health Services to relocate Inova Springfield Hospital at a direct construction cost of $899 per square foot.

The applicant has described several benefits of the proposed project. The proposal adds a second acute care hospital to VCUHS, the only system in PD 15 with one acute care facility, and Central Virginia's only academic medical center. The proposed project would serve patients from a large portion of VCUHS' service area south of the James River in the growing Chesterfield area who need medium and lower acuity services and already choose VCUHS for their care. VCUHS has submitted data showing that nearly 11,000 of its patients seeking primary and secondary inpatient care reside in the proposed service area of the project. The proposal would provide another inpatient site for the research and education missions of VCUHS. As utilization of its downtown campus continues to grow, the proposal would decant volumes of patients that don't require the tertiary and quaternary services offered on its main campus, making those services more accessible as well.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Projected total capital costs for the proposed project are $260,238,000, to be funded by internal resources of HCA Healthcare, Inc. such that there are no financing costs. Direct construction costs are estimated to be $178,798,000, 68.7% of total costs. Focusing on direct construction costs, the proposed project is estimated to be $1,321 per square foot. This is more than the projected costs of similar recently authorized projects exemplified above. For example, COPN No. VA-04888 at $950 of direct construction cost per square foot, and COPN No. VA-04832 at a direct construction cost of $899 per square foot.

The applicant has described several benefits to the proposed project, such as creating access for CJW's patients who live closer to the proposed site than to either Chippenham or Johnston-Willis Hospitals and expanding access within 30 minutes' drive to parts of Amelia County in the adjacent PD 14. It also cites high utilization and the need for more acute care capacity based on utilization of CJW's existing beds. By relocating beds and services/equipment from

underutilized facilities, the applicant can address capacity needs without adding to the surplus of beds, GPORs and CTs in PD 15.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Total projected capital costs for the proposed project are $106,018,984, funded by accumulated reserves of Bon Secour Mercy Health, so there are no resulting debt service costs for the proposed project. Focusing on direct construction costs of $82,289,438 (77.6% of total capital costs), the proposed 60,400 square foot project is estimated to be $1,362 per square foot. This is somewhat higher than the projected costs of other similar recently authorized projects, likely due to expansion above existing occupied space. For example, COPN No. VA-04865 authorized Centra Health, Inc. to add 36 medical/surgical beds at $1,109 of direct construction cost per square foot, and COPN No. VA-04832 was issued to Inova Health Services to relocate Inova Springfield Hospital at a direct construction cost of $899 per square foot.

The applicant has described several benefits to the proposed project related to alleviation of high utilization, such as reduction of delays in placing patients, and development of IMC beds to reduce utilization of more expensive ICU beds. St. Francis operates three emergency departments which served nearly 83,000 patients in 2024. Admissions from these emergency departments accounted for nearly two thirds of the hospital's inpatient admissions that year. In addition, St. Francis' service area is experiencing the highest growth of localities in PD 15 and additional capacity will be needed for growth in demand from aging and population expansion.

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

VA-8802 - Virginia Commonwealth University Health System Authority
VCUHS accepts all patients without regard to their ability to pay or payment source. **Table 17** shows that VCUHS provided 0.8% of its patient revenues as charity care in 2023, the latest year for which such data are available. This is slightly less than the HPR average in 2023 of 0.9%. The proforma provided by the applicant (**Table 23**) projects charity care at 0.9% of patient revenues, consistent with the HPR IV mean.

In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from acute care services that is no less than the equivalent average for charity care contributions in HPR IV. Pursuant to Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Table 17 shows that CJWH provided 1% of patient revenue as charity care in 2023, slightly higher than the HPR average of 0.9% that year. The proforma provided by the applicant, **Table 24,** projects charity care at 0.9% of patient revenues, consistent with the HPR IV mean. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from acute care services that is no less than the equivalent average for charity care

contributions in HPR IV. Pursuant to Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

St. Francis accepts all patients without regard to their ability to pay or payment source. **Table 17** shows that St. Francis provided 1.7% of patient revenue as charity care in 2023, higher than the HPR average of 0.9% that year and higher than the other competing applicants. The proforma provided by the applicant, **Table 25,** assumes charity care at 3% of patient revenues, consistent with St. Francis' facility-wide condition. In accordance with section 32.1-102.4.B of the Code of Virginia, should the proposed project receive approval, the project would be conditioned to provide a level of charity care based on gross patient revenues derived from acute care services. Pursuant to Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

Table 17. HPR IV Charity Care Contributions: 2023

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

Source: VHI 2023

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

The need for additional acute care beds in a PD is calculated based on authorized licensed beds. It is informative to examine staffed and unstaffed beds as well, to gain insights as to bed surpluses in the PD. There are calculated surpluses in PD 15 of 396 adult and 81 pediatric medical/surgical beds, as well as 15 pediatric ICU beds (**Table 19**, below). **Table 18** shows the number of unstaffed medical/surgical beds reported by each health system in PD 15 in 2023, the latest year for which such data are available. Though the number of unstaffed beds of each bed type does not account for the exact calculated bed surplus, it does indicate where some of the surpluses are held. It is important to note, for example, that there are no unstaffed beds in the high-growth area of Chesterfield south of the James River where the three competing applications under review are proposed. This observation substantiates that this is an area of PD 15 to which additional resources need to be developed.

Table 18. Unstaffed Medical/Surgical Beds in PD 15, by Health System

	Adult Med/Surg	Pediatric Med/Surg	Adult ICU	Pediatric ICU	Health System Totals	Health System Percentage
BSMH	-	-	5	-	**5**	**1.3%**
Cumberland[41]	-	18	-	-	**18**	**4.8%**
HCA	288	8	2	4	**302**	**80.7%**
VCUHS	35	14	-	-	**49**	**13.1%**
PD 15 Total	**323**	**40**	**7**	**4**	**374**	**100.0%**

Source: 2023 VHI

Table 18 shows that a very small percentage of the unstaffed beds in PD 15 are operated by BSMH hospitals (about 1%); 13% of the unstaffed beds in PD 15 are held at VCUHS' downtown Richmond campus; and 81% of unstaffed beds in PD 15 are in HCA hospitals north of the James River (the Henrico Doctors' Hospital locations).

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).

[41] As noted above and in the footnotes for **Table 19**, Cumberland Hospital for Children and Adolescents is problematic in determining the need for pediatric medical/surgical beds due to inconsistencies in its bed reporting.

Part I, Institutional Expansion

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

A. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.

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

C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.

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

VA-8830 - Virginia Commonwealth University Health System Authority

VCUHS asserts an institutional need for inpatient service capacity, in part to alleviate capacity constraints at its highly utilized existing hospital, and in part to improve access to patients that already seek care at its downtown Richmond campus from Chesterfield Hospital's proposed service area. VCUHS reported in its application adult medical/surgical patient days (appropriately including OB days) of 156,071 in 2024. Including the six adult medical/surgical beds authorized by COPN No. VA-04939, VCUHS has licensed available adult medical/surgical capacity of 194,180 days per year. VCUHS' occupancy of 80.4% of authorized beds surpasses the SMFP threshold for institutional expansion of medical/surgical beds. Likewise, its occupancy of 81.5% of authorized adult ICU beds (using 2024 patient days) surpasses the SMFP threshold to add ICU beds. VCUHS' pediatric medical/surgical occupancy was 80% in 2024, justifying an expansion of 24 pediatric beds in its downtown Children's Tower. With these additional beds authorized, VCUHS does not meet the SMFP threshold for expansion of pediatric beds. The applicant asserts that it had 1,668 low- to mid-acuity pediatric patients in 2024 that reside in the proposed service area of Chesterfield Hospital and that the proposed project will provide access to VCUHS services for these pediatric patients closer to home.

VCUHS does not have underutilized capacity to reallocate services to the proposed Chesterfield Hospital. Though part D. of the Institutional Need section of the SMFP states that applicants shall not use this section to justify a need to establish new services, VCUHS argues that a project does not need to be at an existing medical care facility to address a health system's institutional need and cites past decisions by the Commissioner that are consistent with this.[42] VCUHS' claim to institutional need for expansion is based on more than highly utilized services. It is the only health system in PD 15 with only one hospital serving the PD, and without a hospital south of the geographical barrier of

[42] COPN Request No. VA-8830 Attachment IV. E. Compliance with the SMFP, beginning at p. 4.

the James River. It is also the only urban hospital in the Commonwealth providing high-acuity trauma/tertiary/quaternary services that does not have a complementary smaller hospital in the PD in which it is located. VCUHS contends that the proposed hospital is needed to provide diversity of care settings, specifically for lower acuity services, geographic availability and practical access for existing patients near the proposed site in a fast-growing and underserved area south of the James River.

Using 2024 volumes, VCUHS has also surpassed institutional need thresholds for additional CT capacity at 101% of the SMFP standard based on all authorized CT scanners; a robust utilization of 64% of the SMFP standard across all authorized MRI scanners; utilization of its cardiac catheterization labs at 118% of the SMFP standard; and GPOR hours at 102% of the SMFP standard. Though VCUHS has not surpassed MRI volumes based on the SMFP standard due to unique patient segments and necessarily lengthy imaging times, the applicant states that MRI is an imaging modality important to supporting services at the proposed hospital. Specialty and subspecialty neonatal care is available within the prescribed drive times of the SMFP. VCUHS is proposing the only intermediate level neonatal special care service in PD 15 to serve babies born at the proposed Chesterfield Hospital.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is proposing the establishment of a new hospital that would address high bed utilization by reallocation of underutilized inpatient beds from a sister HCA facility, Henrico Doctors'-Retreat.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
The 2023 VHI report was based on utilization prior to the addition of 55 beds at St. Francis which were completed in October 2024. St. Francis has provided updated utilization data of its medical/surgical beds (appropriately including OB beds) through September 2025 which demonstrates sustained occupancy of 81.3% above the SMFP threshold to add medical/surgical bed capacity. In addition, St. Francis proffers the relinquishment of COPN No. VA-04956 which authorized 4 ICU beds, should the current proposed project be approved.

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

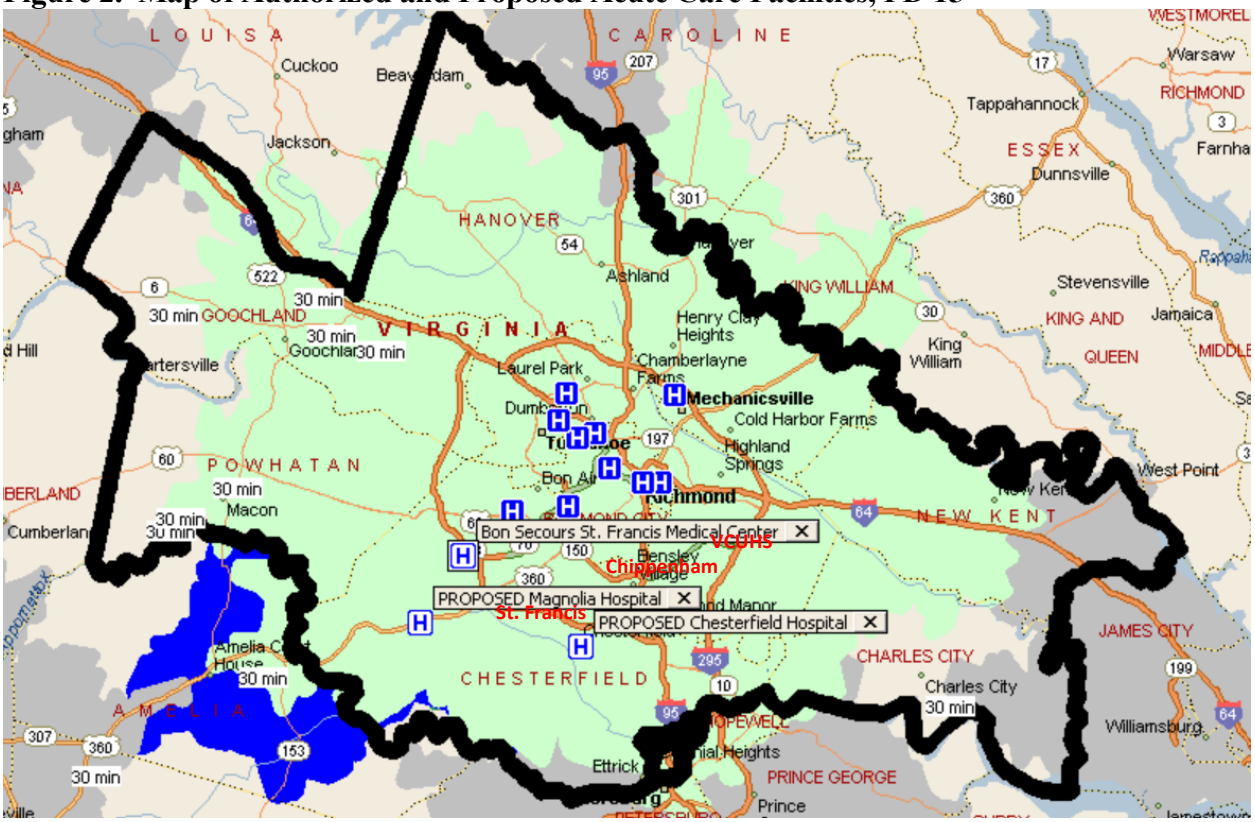
Part VI. Inpatient Bed Requirements

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.

Figure 2 shows the boundary of PD 15, the heavy black line. Acute care hospitals in PD 15 are represented by the H symbols and the proposed projects are labeled and shown by white icons with blue Hs. The light green shading shows the area that is within 30 minutes' drive time of a PD 15 acute care hospital and the dark grey shaded area is within 30 minutes of an acute care hospital

outside of PD 15. The map shows that only Beaver Dam, Charles City and small portions of Goochland and Powhatan are outside of a 30-minute drive from an acute care hospital. These areas represent less than 4% of the PD 15 population, so more than 95% of the PD 15 population is within a 30-minute drive of an acute care hospital. None of the three proposed projects expand geographic access within 30 minutes' drive within PD 15; however, the dark blue shading is the area within 30 minutes of the proposed Magnolia Hospital that is not currently within 30 minutes of an acute care facility in the adjacent PD 14.

Figure 2. Map of Authorized and Proposed Acute Care Facilities, PD 15



Source: DCOPN Records and Microsoft Streets & Maps

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 projected 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 or pediatric beds;

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

B. For proposals to convert under-utilized beds that require a capital expenditure with an expenditure exceeding the threshold amount as determined using the formula contained in subsection C of this section, consideration may be given to such proposal 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 the purposes of this part, "underutilized" 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 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 x (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.

DCOPN has performed bed need calculations by bed type for PD 15. See **Table 19** under 12VAC5-230-540. Need for Medical/Surgical Beds, below. There is a surplus of adult and pediatric medical/surgical beds and pediatric ICU beds as shown via negative deficit numbers in the table. There is a shortage of 46.2 (47) adult ICU beds in PD 15. Due to very high population growth in Chesterfield County more services need to be allocated to that area of PD 15 to address a growing maldistribution of beds.

VA-8802 - Virginia Commonwealth University Health System Authority
VCUHS' proposal adds 48 new adult medical/surgical beds (including 6 obstetric beds), 12 ICU beds and 6 pediatric beds to the PD 15 inventory, adding to the surplus of adult and pediatric medical/surgical beds and alleviating the shortage of ICU beds. VCUHS seeks to add a second hospital in PD 15, in a highly populated, high-growth area where it has a substantial existing patient base to serve patients with medium and low acuity health care needs that don't require the tertiary and quaternary services of its downtown campus. VCUHS has no underutilized services to relocate to implement the proposed project without adding to the bed surplus.

In this particular case, DCOPN recommends that the Commissioner not allow the calculated surplus of beds in PD 15 to prevent the approval of the proposed Chesterfield Hospital, with its requested new beds. The allocation of a second VCUHS hospital to serve low- to mid-acuity patients that reside in a high-growth area of Chesterfield County fills a significant need for thousands of patients that currently seek care at VCUHS' only PD 15 site in downtown Richmond. In addition, providing a VCUHS site closer to the homes of thousands of its patients will divert its patients seeking primary and secondary care and open bed capacity at VCUHS' downtown site where patients will continue to seek tertiary and quaternary care from across the Commonwealth.
VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
CJW seeks to establish a new hospital in Chesterfield County through reallocation of underutilized PD15 beds from outside of Chesterfield County in an inventory-neutral proposal. The proposal does not add inpatient beds to the surplus in PD 15.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

St. Francis' proposal would add new adult medical/surgical and adult ICU beds to the PD 15 inventory. There is an existing surplus of adult medical/surgical beds, but a need for ICU beds (**Table 19**). St. Francis seeks to increase its licensed bed capacity arguing an institutional need despite the surplus in medical/surgical beds in PD 15.

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 the 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 total 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 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.
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 = ((BUR x 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.
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.
3. Determine the number of medical/surgical beds that are needed in the health planning district for the five planning horizon years 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 a negative number, no additional medical/surgical beds should be authorized for 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 determined in subdivision 2 of this section.
CurrentBed = the current inventory of licensed and authorized medical/surgical beds in the health planning district.

Table 19. PD 15 Medical/Surgical[43] and ICU Bed Need Calculation by Bed Type

	Days 5-Year Sum	Population 5-Year Sum[44]	Bed Use Rate	2030 Pop.	Projected Patient Days in 5 Years	Beds at 100% Occupancy	Beds Needed at SMFP Occupancy Threshold[45]	Beds Licensed in 2025	Beds Authorized	Bed Deficit (Surplus)[46]
Adult ICU	465,012	4,458,187	0.104	967,133	100,877	276.4	425.2	352	379	46.2
Adult Med/Surg	2,657,339	4,458,187	0.596	967,133	576,467	1,579.4	1,974.2	2,380	2,370	-395.8
Pediatric	175,652[47]	1,189,215	0.148	253,035	37,374	102.4	128.0	185	209	-81.0
Pediatric ICU	40,282	1,189,215	0.034	253,035	8,571	23.5	29.4	44	44	-14.6

Sources: VHI 2019 – 2023; Weldon-Cooper

Accounting for authorized but not yet completed bed projects, there is a surplus of 395.8 (396) adult medical/surgical beds in PD 15 (**Table 19**).

12VAC5-230-550. Need for pediatric beds.
The number of pediatric beds projected to be needed in a health planning district shall be computed as follows:
1. Determine the use rate for pediatric beds for the health planning district using the formula:
PBUR = (PIPD/PedPop)
Where:
PBUR = The pediatric bed use rate for the health planning district.
PIPD = The sum of total pediatric inpatient days in the health planning district for the most recent five years for which inpatient days data has been reported by VHI; and
PedPop = The sum of population under 18 years of age in the health planning district for the same five years used to determine PIPD as reported by a demographic program as determined by the commissioner.
2. Determine the total number of pediatric beds needed to the health planning district in five years from the current year using the formula:
ProPedBed = ((PBUR x ProPedPop)/365)/0.80
Where:
ProPedBed = The projected number of pediatric beds needed in the health planning district for five years from the current year.
PBUR = The pediatric bed use rate for the health planning district determined in subdivision 1 of this section.

[43] Nearly all acute care hospital beds in Virginia can be classified as "medical/surgical" beds, except for psychiatric, substance abuse treatment and rehabilitation beds. As long as the total licensed bed complement is not exceeded, hospitals may configure and use medical/surgical beds, as circumstances require.
[44] Adult population is the sum of projected 18 and older PD 15 population in 2019-2023; pediatric is the sum of the projected population less than 18 years old for the same years.
[45] Adult medical/surgical and pediatric ped calculations use 80% occupancy while adult and pediatric ICU calculations use 65% occupancy.
[46] Calculation based on authorized beds.
[47] Bed counts and type for Cumberland Hospital for Children and Adolescents are problematic. This calculation includes the facility's beds and days as pediatric. Excluding beds and days for this facility, a surplus of 63.9 (64) pediatric beds is calculated.

ProPedPop = The projected population under 18 years of age of the health planning district five years from the current year as reported by a demographic program as determined by the commissioner.
3. Determine the number of pediatric beds needed within the health planning district for the fifth planning horizon year as follows:
NewPedBed – ProPedBed – CurrentPedBed
Where:
NewPedBed = the number of new pediatric beds that can be established in a health planning district, if the number is positive. If NewPedBed is a negative number, no additional pediatric beds should be authorized for the health planning district.
ProPedBed = the projected number of pediatric beds needed in the health planning district for five years from the current year determined in subdivision 2 of this section.
CurrentPedBed = the current inventory of licensed and authorized pediatric beds in the health planning district.

Accounting for authorized but not yet completed bed projects, there is a surplus of 81 pediatric medical/surgical beds in PD 15 (**Table 18**).

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.
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.
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.

Accounting for authorized but not yet completed bed projects, there is a need for 46.2 (47) adult ICU beds in PD 15 (**Table 8**) and a surplus of 14.6 (15) pediatric ICU beds. Should all requested ICU beds be authorized, there will still be a surplus of 4 adult 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;
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;
3. The number of beds to be moved off-site is taken out of service at the existing facility;
4. The off-site replacement of beds results in:
a. A decrease in the licensed bed capacity;
b. A substantial cost savings, cost avoidance, or consolidation of underutilized facilities; or
c. Generally improved operating efficiency in the applicant's facility or facilities; and
5. The relocation results in improved distribution of existing resources to meet community needs.

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

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS' proposal is the establishment of a second inpatient hospital in PD 15 rather than an expansion or relocation of services. The applicant asserts that nearly 11,000 low- to mid-acuity patients for which it provided care in 2024 resided in the service area of the proposed hospital. With this existing patient base, the proposal would not significantly impact existing providers. Furthermore, all providers in the area south of the James River are highly utilized and request service expansions.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
A. CJW seeks to relocate beds to establish Magnolia Hospital in Chesterfield County. The proposed beds will be relocated from Retreat Doctors' Hospital.

1. Though the relocation is not due to life safety or building code deficiencies, it will eliminate underutilized rooms at Henrico Doctors'-Retreat that do not meet current design guidelines and are inefficient for the delivery of optimal patient care.
2. Henrico Doctors' – Retreat from which beds are proposed to relocate is underutilized and will continue to have ample bed capacity for its demand. It is licensed for 207 medical/surgical beds but its patient days in 2024 would fully utilize 34 beds.
3. The applicant affirms that Henrico Doctors' – Retreat would reduce its licensed capacity by 60 beds should the proposed Magnolia Hospital become operational.
4. The relocation would not result in a decrease in licensed bed capacity in the PD or cost savings but would consolidate underutilized facilities. CJW argues that operational efficiencies will be gained from decanting volumes to the proposed Magnolia Hospital from CJW's highly utilized acute care beds.
5. The proposal redistributes beds to the most highly populated and fastest growing county in PD 15 in an improved distribution of existing services.

B. CJW has an established patient base from the area surrounding the proposed Magnolia Hospital stating that about half of CJW's patients in 2024 (6,905 patients) live closer to the proposed Magnolia Hospital than Chippenham or Johnston-Willis such that the proposed hospital will not significantly impact existing providers. In addition, hospitals in Chesterfield County are highly utilized.

VA-8805 – Bon Secours St. Francis Medical Center, Inc.

St. Francis is proposing expansion of its licensed bed capacity by 36 medical/surgical beds and 4 adult ICU beds based on an institutional need.

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

This section does not apply to the proposed projects and was omitted for brevity.

12VAC5-230-590. Staffing.

Inpatient services should be under the direction or supervision of one or more qualified physicians.

The applicants have provided assurances that the inpatient services will be under the direct supervision of one or more qualified physicians.

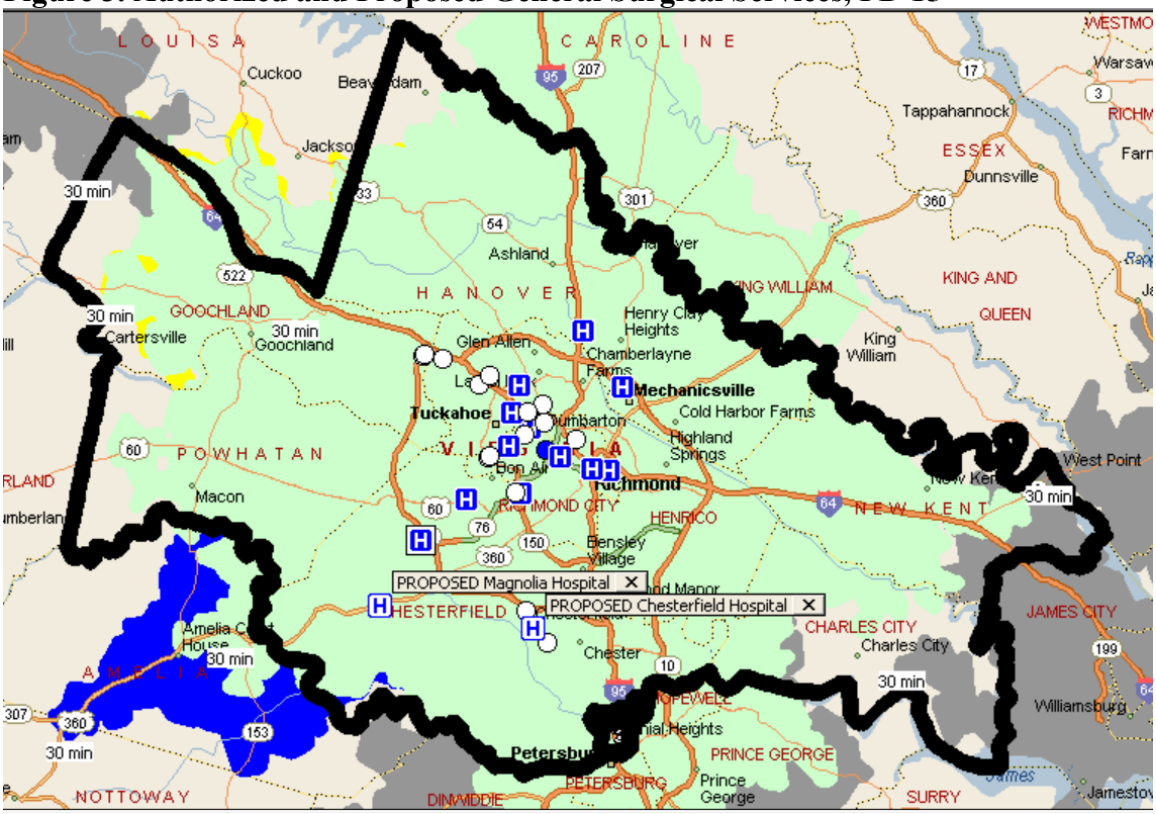
The State Medical Facilities Plan (SMFP) contains the criteria and standards for general surgical services. They are as follows:

Part V. General Surgical Services
Criteria and Standards for General Surgical Services

12VAC5-230-490. Travel Time.
Surgical services should be available within 30 minutes driving time one way under normal conditions for 95% of the population of the health planning district using mapping software as determined by the commissioner.

The heavy black line in **Figure 3** represents the boundary of PD 15. Blue "H" symbols on white backgrounds mark the locations of the two proposed projects requesting surgical services. DCOPN notes that St. Francis is not requesting surgical services. The white "H" symbols on blue backgrounds mark the locations of existing general hospital surgical services within PD 15. The white circles are existing and authorized OSH sites in PD 15. The light green shaded area represents the areas of PD 15 and surrounding areas that are within 30 minutes' drive time of existing PD 15 surgical services. The grey shaded area is within 30 minutes of surgical services outside of PD 15. The dark blue shaded area represents the new area that will be within a 30-minute drive time should CJW's Magnolia Hospital be approved, outside of PD 15. VCUHS' proposed project would not result in additional geographic access to surgical services within 30 minutes' drive time. Given the small amount and location of unshaded areas, in the less populated areas of PD 15, it is evident that surgical services currently exist within a 30-minute drive time for at least 95% of the population of PD 15.

Figure 3. Authorized and Proposed General Surgical Services, PD 15



Source: DCOPN Records and Microsoft Streets & Maps
***Note:** The "H"s are hospitals with surgical services white dots indicate outpatient surgical hospitals.

12VAC5-230-500. Need for New Service.

A. The combined number of inpatient and outpatient general purpose surgical operating rooms needed in a health planning district, exclusive of procedure rooms, dedicated cesarean section rooms, operating rooms designated exclusively for cardiac surgery, procedures rooms or VDH-designated trauma services, shall be determined as follows:

$$\text{FOR} = \frac{((\text{ORV}/\text{POP}) \times (\text{PROPOP})) \times \text{AHORV}}{1600}$$

Where:

ORV = the sum of total inpatient and outpatient general purpose operating room visits in the health planning district in the most recent five years for which general purpose operating room utilization data has been reported by VHI; and

POP = the sum of total population in the health planning district as reported by a demographic entity as determined by the commissioner, for the same five-year period as used in determining ORV.
PROPOP = the projected population of the health planning district five years from the current year as reported by a demographic program as determined by the commissioner.
AHORV = the average hours per general purpose operating room visit in the health planning district for the most recent year for which average hours per general purpose operating room visits have been calculated as reported by VHI.

FOR = future general purpose operating rooms needed in the health planning district five years from the current year.

1600 = available service hours per operating room per year based on 80% utilization of an operating room available 40 hours per week, 50 weeks per year.

The preceding formula can be used to affirm whether there is currently an excess of GPORs in PD 15. The preceding formula can also determine the overall need for GPORs within PD 15 five years from the current year, i.e., in the year 2030.

Based on GPOR utilization data submitted to and compiled by VHI, for the five-year period of 2019-2023, which is the most recent five-year period for which relevant data are available, the total and average number of reported inpatient and outpatient operating room visits is shown below in **Table 20**.

Table 20. Inpatient and Outpatient GPOR Visits in PD15: 2019-2023

Year	Total Inpatient & Outpatient GPOR Visits
2019	141,390
2020	119,544
2021	136,700
2022	137,157
2023	169,745
Total	**704,536**
Average	**140,907**

Source: VHI (2019-2023)

Based on actual population counts derived as a result of the 2020 U.S. Census, and population projections as compiled by Weldon Cooper, **Table 21** presents the U.S. Census' baseline population estimates for PD 15 for the five years 2019-2023 as follows:

Table 21. PD 15 Population: 2019-2023 and 2030

Year	Population
2019	1,096,002
2020	1,108,448
2021	1,121,051
2022	1,130,755
2023	1,150,263
Total	**5,606,519**
2030	**1,220,167**

Source: U.S. Census, Weldon Cooper Center Projections (August 2019)

Based on these population estimates the cumulative total population of PD 15 for the five-year period 2019-2023, was 5,606,519, while the population of PD 15 in the year 2030 (PROPOP –

five years from the current year) is projected to be 1,220,167. These figures are necessary for the application of the preceding formula, as follows:

ORV ÷	POP =	CSUR
Total PD 15 GPOR Visits 2019 to 2023	PD 15 Historical Population 2019-2023	Calculated GPOR Use Rate 2019-2023
704,536	5,606,519	0.1257

CSUR X	PROPOP =	PORV
Calculated GPOR Use Rate 2019-2023	PD 15 Projected Population 2030	Projected GPOR Visits 2030
0.1257	1,220,167	153,375

AHORV is the average hours per operating room visit in the planning district for the most recent year for which average hours per operating room visit has been calculated using information collected by the Virginia Department of Health.

AHORV = 273,360 total inpatient and outpatient operating room hours reported to VHI in 2023 (**Table 3**), divided by 169,745 total inpatient and outpatient operating room visits reported to VHI for that same year (**Table 20**).

AHORV = 1.6104

$$\textbf{FOR} = \frac{((\textbf{ORV} / \textbf{POP}) \times (\textbf{PROPOP})) \times \textbf{AHORV}}{1600}$$

$$\textbf{FOR} = \frac{((704{,}536 / 5{,}606{,}519) \times (1{,}220{,}167)) \times 1.6104}{1600}$$

FOR = 246,995 / 1600
FOR = 154.4 General Purpose Operating Rooms Needed in PD 15 in 2030
Current PD 15 GPOR Inventory: 207 (Table 4)

Net Surplus: 52.6 (53) GPORs for 2030 Planning Year

As shown above, DCOPN has calculated a surplus of 53 GPORs in PD 15 for the 2030 planning year. Additionally, as shown in **Table 3**, in 2023, the 185 GPORs in PD 15 in operation for that year displayed a collective utilization of 92.4%. Considering utilization of individual surgical facilities in PD 15, some have entire GPORs that are in excess of need based upon the SMFP threshold of 1600 hours. Based on GPOR hours by facility, BSMH has an excess of two GPORs at one of its hospitals; VCUHS has an excess of two GPORs at one of its OSHs; and HCA has an excess of 22 GPORs spread over all five of its existing hospitals, including four at Chippenham Hospital and 4 at Johnston-Willis Hospital. Though Chesterfield County needs additional health services due to high population growth, there is also a maldistribution of GPOR capacity by health system.

VA-8830 - Virginia Commonwealth University Health System Authority
Should the proposed project be approved, it would add 6 operating rooms to the surplus of 53 in PD 15. VCUHS reports that its existing 47 operating rooms had combined utilization of 102% in 2024.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
CJW is proposing the relocation of operating rooms which would not add to the surplus of operating rooms in PD 15.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. Bon Secours St. Francis is not proposing the addition of operating rooms.

B. Projects involving the relocation of existing operating rooms within a health planning district may be authorized when it can be reasonably documented that such relocation will: (i) improve the distribution of surgical services within a health planning district ; (ii) result in the provision of the same surgical services at a lower cost to surgical patients in the health planning district; or (iii) optimize the number of operations in the health planning district that are performed on an outpatient basis.

VA-8830 - Virginia Commonwealth University Health System Authority
Not applicable. The applicant is not seeking to relocate existing operating rooms but to add new operating rooms to the inventory in PD 15.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
CJW is proposing the relocation of operating rooms, which would improve the distribution of operating rooms in PD 15 to the highest growth county in the PD. It should be noted that the relocation of three GPORs from Johnston-Willis would result in utilization of 91.3% of the SMFP threshold (based on 2024 GPOR hours reported in its application) for Johnston-Willis operating rooms and potentially create an institutional need in the near future.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. Bon Secours St. Francis is not proposing the relocation of operating rooms.

12VAC5-230-510. Staffing.
Surgical services should be under the direction or supervision of one or more qualified physicians.

The applicants have provided assurances that the proposed surgical services will be under the direction of appropriately qualified and licensed physicians.

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

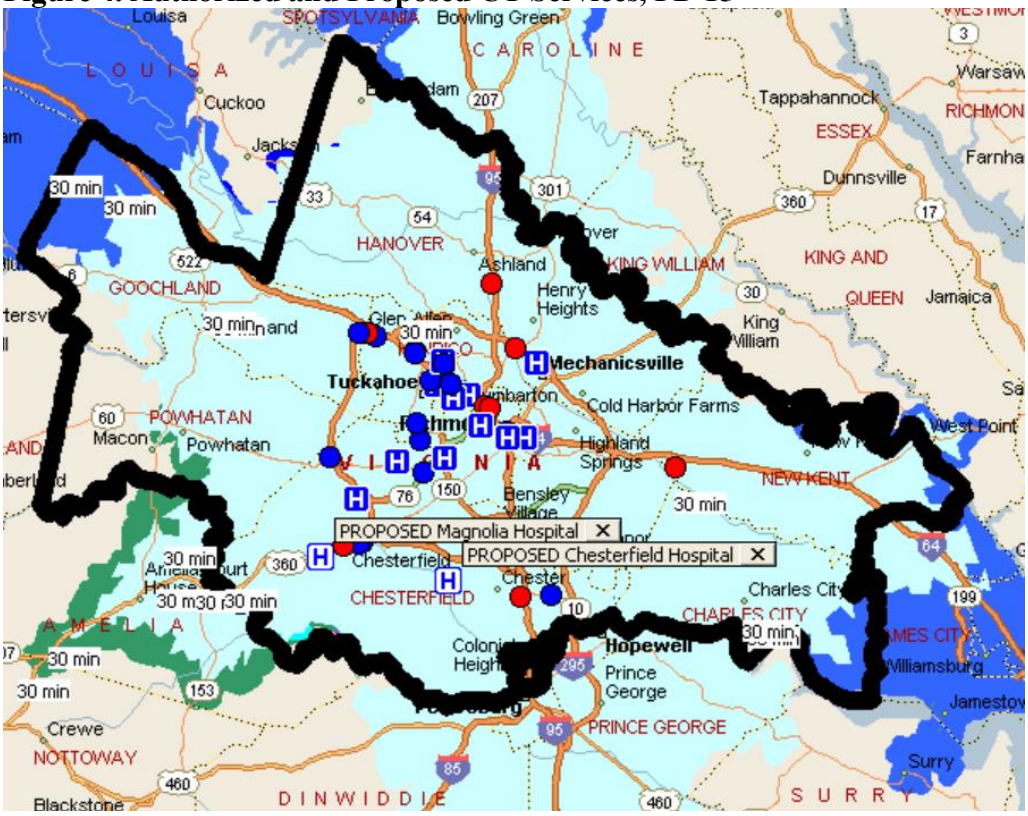
12VAC-5-230 Part I, Article 1
Criteria and Standards for Computed Tomography

12VAC5-230-90. Travel time.
CT services should be within 30 minutes driving time one way under normal conditions of 95% of the population of the health planning district using a mapping software as determined by the commissioner.

The black border in **Figure 4** is the outline of PD 15. The light blue shaded area illustrates the areas that have CT services available within 30 minutes driving distance of a PD 15 CT scanner. The dark blue illustrates CT coverage within 30 minutes from providers outside of the PD. Red dots indicate free-standing ERs, blue dots are outpatient imaging centers and white "H" symbols on blue backgrounds are hospitals with existing CT scanners. The two blue H symbols on white backgrounds show the proposed projects that include CT services. DCOPN notes that St. Francis is not requesting a CT scanner.

The three towns not within the shaded area have a total population of approximately 44,504 in 2020. The total PD 15 population was 1,120,304 in 2020, so the area not within 30 minutes' driving distance from CT services makes up approximately 4% of the PD population. Approximately 96% of the PD is within the appropriate driving time from CT services according to the SMFP standard. The green shaded area represents geographic coverage within 30 minutes of the CJW's proposed Magnolia Hospital that is not covered by existing CT scanners (mostly outside of PD 15). VCUHS' proposed Chesterfield Hospital does not expand geographical access.

Figure 4. Authorized and Proposed CT Services, PD 15



Source: DCOPN Records and Microsoft Streets & Maps

***Note:** The red dots indicate free-standing ERs, the blue dots are outpatient imaging centers, the "H"s are hospitals with CT scanners.

12VAC5-230-100. Need for new fixed site or mobile service.

A. No new fixed site or mobile CT service should be approved unless fixed site CT services in the health planning district performed an average of 7,400 procedures per existing and approved CT scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing providers in the health planning district. The utilization of existing scanners operated by a hospital and serving an area distinct from the proposed new service site may be disregarded in computing the average utilization of CT scanners in such health planning district.

B. Existing CT scanners used solely for simulation with radiation therapy treatment shall be exempt from the utilization criteria of this article when applying for a COPN. In addition, existing CT scanners used solely for simulation with radiation therapy treatment may be disregarded in computing the average utilization of CT scanners in such health planning district.

According to 2023 VHI data, the most recent available, there were 48 CT scanners in PD 15 with an average utilization of 9,040 scans per unit, 122.2% percent of the SMFP threshold (**Table 5**). CT scanners have been authorized in PD 15 since the latest VHI data were published and there are currently 58 diagnostic CT scanners authorized (see **Table 6**). At utilization of the SMFP standard of 7,400 CT scans per year, the 433,918 scans performed in 2023 would represent 59 fully utilized CT scanners, one more than are currently authorized.

Needed CT units = 433,918 ÷ 7,400 = 58.6 (59)
Utilization Percentage in 2023: 122.2%
Current number of authorized diagnostic CT units in PD 15 = 58 (excludes CT simulators and dedicated intraoperative scanners)

CT deficit = 1 CT Scanner

Furthermore, due to very high population growth in Chesterfield County more services need to be allocated to that area of PD 15 to address a growing maldistribution of imaging services.

VA-8830 - Virginia Commonwealth University Health System Authority
VCHUS is proposing an expansion of its imaging services at a new hospital site. Should the proposed project be approved, the addition of a CT scanner at the proposed Chesterfield Hospital would make the surplus/deficit of CT scanners "0." VCUHS argues that all acute care hospitals in the Commonwealth have at least 1 CT scanner, so if Chesterfield Hospital is approved, a CT scanner is a basic, necessary imaging service. In addition, VCUHS has utilization of 101% of the SMFP threshold on all of its existing authorized CT scanners combined.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
CJW is proposing the relocation of a CT scanner to a new site in Chesterfield County, redistributing it within PD 15 to the highest growth county in the PD. The proposal does not result in an increase in the CT inventory in PD 15 and CJW has proffered that Swift Creek ER, from which the CT scanner will be reallocated, will close should the proposed Magnolia Hospital be approved.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. Bon Secours St. Francis is not proposing a new CT service.

12VAC5-230-110. Expansion of fixed site service.
Proposals to expand an existing medical care facility's CT service through the addition of a CT scanner should be approved when the existing services performed an average of 7,400 procedures per scanner for the relevant reporting period. The commissioner may authorize placement of a new unit at the applicant's existing medical care facility or at a separate location within the applicant's primary service area for CT services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

According to VHI, 433,918 CT scans were performed in PD 15 in 2023. With the current inventory of 58 authorized CT scanners in PD 15, this equates to 7,481 scans per authorized scanner or 101% of the SMFP standard.

VA-8830 - Virginia Commonwealth University Health System Authority
In 2023 VCU Medical Center's 9 CT scanners had utilization at 109.6% of the SMFP standard, VCU Medical Center at Stony Point had utilization of 91.9% New Kent ED had utilization at 80.5% and Short Pump had utilization at 79.3% of the SMFP threshold for additional CT

capacity, 103% altogether. According to COPN Request No. VA-8830, utilization of VCUHS' 12 operational CT scanners in 2024 was 117% altogether, and 101% when spread over its 14 authorized CT scanners. This demonstrates an institutional need for additional CT capacity for VCUHS, which may be placed off-site of existing CT scanners. Should the proposed project be approved, the expansion of VCUHS' CT services at the proposed Chesterfield Hospital would make the surplus/deficit of CT scanners "0." VCUHS argues that all acute care hospitals in the Commonwealth have at least 1 CT scanner, so if Chesterfield Hospital is approved, a CT scanner is a basic, necessary imaging service.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is proposing the relocation of the CT scanner at Swift Creek ER and closing that facility, should the proposed Magnolia Hospital be approved, not expansion of an existing service.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. Bon Secours St. Francis is not proposing the expansion of CT services.

12VAC5-230-120. Adding or expanding mobile CT services.

A. Proposals for mobile CT scanners shall demonstrate that, for the relevant reporting period, at least 4,800 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing CT providers in the health planning district.

B. Proposals to convert authorized mobile CT scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, at least 6,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.

This provision is not applicable as none of the applicants are proposing to add or expand mobile CT services.

12VAC5-230-130. Staffing.
CT services should be under the direct supervision of one or more qualified physicians.

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

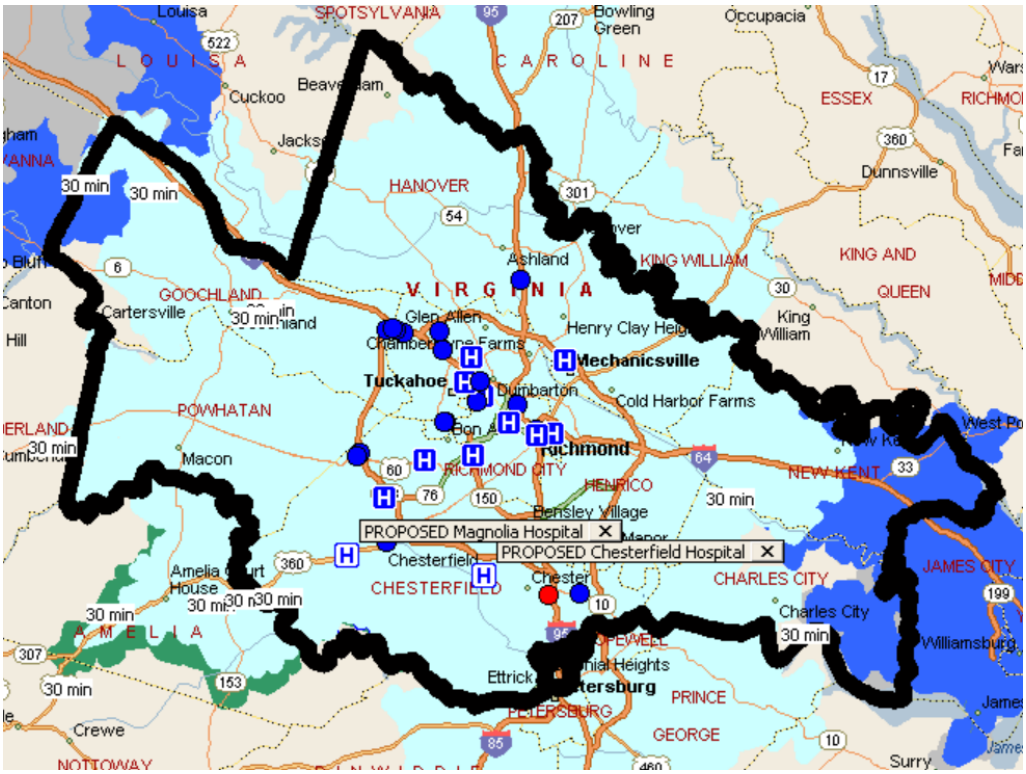
The SMFP contains the criteria and standards for MRI services. They are as follows:

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

12VAC5-230-140. Travel time.
MRI services should be within 30 minutes driving time one way under normal conditions of 95% of the population of the health planning district using a mapping software as determined by the commissioner.

The light blue shaded area in **Figure 5** illustrates the areas in PD 15 that have MRI services available within 30 minutes' driving distance. The dark blue illustrates MRI coverage within 30 minutes from providers outside of PD 15. The areas not within the shaded area include Cartersville (population 1,434 per the 2020 Census) and Beaverdam (population 14,374 per the 2020 Census), and a small section of Charles City County. More than 95% of the population of PD 15 is within 30 minutes' driving time from MRI services. Blue icons with white Hs show hospital-based MRI scanners in PD 15. Dots indicate freestanding MRI sites, and the red dot indicates an MRI in a freestanding emergency department. The proposed projects are represented by white symbols with blue Hs. VCUHS' proposed hospital will not increase geographic access to MRI services. CJW's proposed hospital will increase geographic access outside of PD 15, the dark green shading. DCOPN notes than St. Francis' request does not include MRI services.

Figure 5. Authorized and Proposed Fixed MRI Sites in PD 15



Source: DCOPN Records and Microsoft Streets & Trips Software

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

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

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

According to 2023 VHI data, the most recent available, there were 37 fixed MRI scanners in PD 15 that performed 126,458 MRI scans (**Table 7**), an average of 3,418 MRI scans per unit, which is 68.4% of the SMFP standard of 5,000 procedures per scanner:

126,458/37 =3,418
(3,418/5000) x 100 = 68.4%

The 126,458 MRI scans performed at the SMFP standard of 5,000 scans per unit would fully utilize 25.3 (26) fixed site MRI scanners. With 45 fixed site MRI scanners now authorized in the PD 15 inventory (**Table 8**), there is a calculated surplus of 19 fixed site scanners in PD 15.

Needed MRI units = 126,458 ÷ 5,000 = 25.3 (26)
Current number of authorized fixed site MRI units in PD 15 = 45

MRI surplus = 19 MRI Scanners

Due to very high population growth in Chesterfield County more services need to be allocated to that area of PD 15 to address a growing maldistribution of services.

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS argues that all but one acute care hospital in the Commonwealth have at least one MRI scanner, so if Chesterfield Hospital is approved, an MRI scanner is a basic, necessary imaging service. Furthermore, the applicant has a large existing patient base in the service area of the proposed hospital such that inclusion of an MRI scanner will not significantly impact volumes of existing providers. VCUHS is authorized for twelve MRI scanners in PD 15, including the two most recently authorized by COPN No. VA-04953. In 2023, its operational MRIs operated at 73% of the SMFP standard and in 2024, at 76%.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
CJW acknowledges that it does not have an institutional need for an additional MRI, but states that MRI scanning is an essential diagnostic tool and a critical resource for a general hospital to effectively treat patients. Furthermore, the applicant has a large existing patient base in the service area of the proposed hospital such that inclusion of an MRI scanner will not significantly impact volumes of existing providers.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. Bon Secours St. Francis is not proposing additional MRI services.

12VAC5-230-160. Expansion of fixed site service.
Proposals to expand an existing medical care facility's MRI services through the addition of an MRI scanner may be approved when the existing service performed an average of 5,000 MRI procedures per scanner during the relevant reporting period. The commissioner may authorize placement of the new unit at the applicant's existing medical care facility, or at a separate location within the applicant's primary service area for MRI services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

VA-8830 - Virginia Commonwealth University Health System Authority
Not applicable. VCUHS is proposing a new MRI scanner.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is proposing a new MRI scanner.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. Bon Secours St. Francis is not proposing additional MRI services.

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

A. Proposals for mobile MRI scanners shall demonstrate that, for the relevant reporting period, at least 2,400 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing MRI providers in the health planning district.

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

Not applicable. None of the applicants propose a mobile MRI service.

12VAC5-230-180. Staffing.
MRI services should be under the direct supervision of one or more qualified physicians.

The applicants have provided assurances that their proposed MRI scanners will be under the direct supervision of one or more qualified physicians.

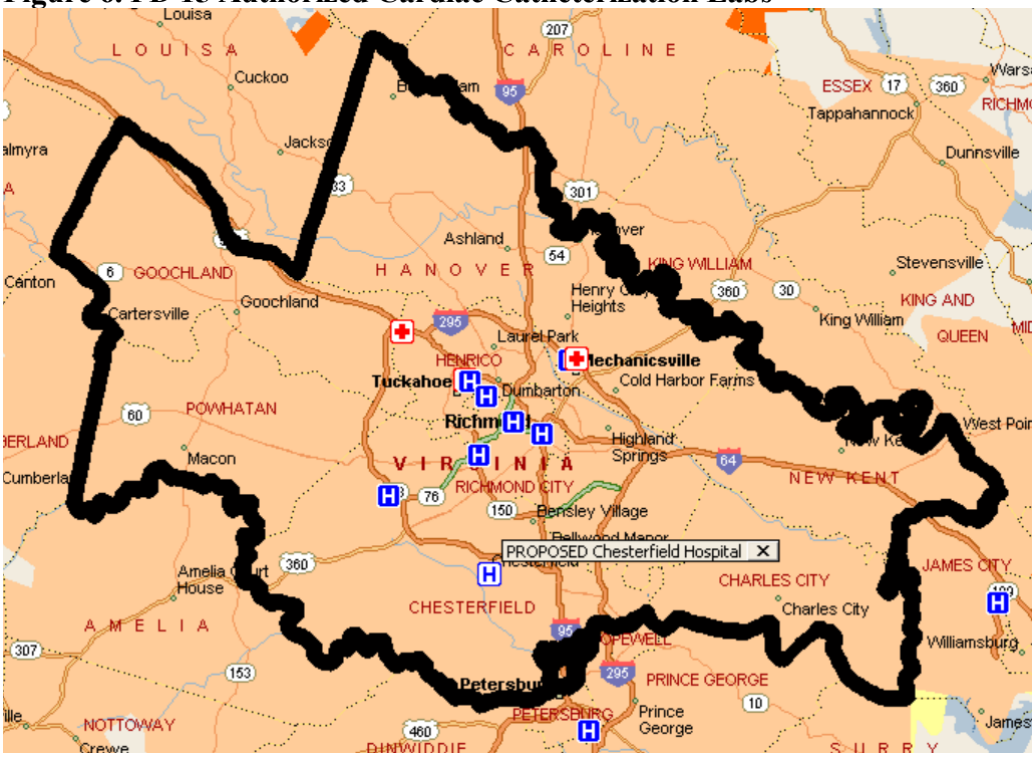
12VAC5-230 Part IV, Article I
Criteria and Standards for Cardiac Catheterization Services

12VAC5-230-380. Travel time.
Cardiac catheterization services should be 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.

In **Figure 6** below, the black line outlines PD 15. White "H"s with a blue background show the locations of inpatient hospital based cardiac catheterization labs. Red crosses are the locations of authorized freestanding cardiac catheterization labs. The blue "H" with a white background is the location of the proposed VCUHS project. DCOPN notes that the other two proposed projects under consideration are not requesting cardiac catheterization services. Cardiac catheterization lab services are available within a 60-minute driving time for the entire PD 15 population (depicted in the orange area of **Figure 6)**; furthermore, it appears that the addition of

the proposed catheterization lab will not increase geographic access with regard to the 60-minute driving distance SMFP criteria.

Figure 6. PD 15 Authorized Cardiac Catheterization Labs



Sources: DCOPN Records, Microsoft Streets & Trips, Google Maps

12VAC5-230-390. Need for new service.

A. No new fixed site cardiac catheterization service should be approved for a health planning district unless:

1. Existing fixed site cardiac catheterization services located in the health planning district performed an average of 1,200 cardiac catheterization DEPs per existing and approved laboratory for the relevant reporting period;

For the reporting year 2023 VHI reported 26 catheterization labs in PD 15 operating at 102.7% of the 1,200 DEP standard. The 26 catheterization labs included the lab at Henrico Doctors' Hospital - Retreat already discussed as not being functional. Excluding the lab at Henrico Doctors' Hospital - Retreat, the 25 operating catheterization labs were at 106.8% of the 1,200 DEP standard; however, the 2025 inventory for PD 15 includes three additional catheterization labs, authorized but not operational in 2023, and therefore not reflected in the VHI report for 2023. The current inventory of PD 15 catheterization labs is now 29 (including Henrico Doctors' Hospital -Retreat) resulting in an average operating volume of 92% of the SMFP standard. Again, discounting the unused lab at Henrico Doctors' Hospital -Retreat, the average utilization of 28 operating, and authorized but not yet operating labs, is 95.3% of the SMFP standard. The 32,027 DEPs reported in PD 15 in 2023 would equal 100% of 26.7 (27) cardiac catheterization labs.

27 needed cardiac catheterization labs – 28 operational cardiac catheterization labs =
1 (surplus of one operational cardiac catheterization lab)

Due to very high population growth in Chesterfield County more services need to be allocated to that area of PD 15 to address a growing maldistribution of services.

2. The proposed new service will perform an average of 200 DEPs in the first year of operation and 500 DEPs in the second year of operation; and

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS projects that the proposed cardiac catheterization lab would achieve the first-year standard and perform 311 cardiac catheterizations in its first year but fall short of the second-year standard projecting 377 in its second year.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

3. The utilization of existing services in the health planning district will not be significantly reduced.

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS states that the proposal will not significantly reduce cardiac catheterization volumes for existing providers since the proposed location of Chesterfield Hospital is in its primary service area and it has an existing patient base. The proposal is intended to provide access to existing VCUHS patients.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

B. Proposals for mobile cardiac catheterization laboratories should be approved only if such laboratories will be provided at a site located on the campus of an inpatient hospital. Additionally, applicants for proposed mobile cardiac catheterization laboratories shall be able to project that they will perform an average of 200 DEPs in the first year of operation and 350 DEPs in the second year of operation without significantly reducing the utilization of existing laboratories in the health planning district below 1,200 procedures.

This provision of the SMFP is not applicable as the applicant does not propose to add mobile catheterization lab services.

C. Preference may be given to a project that locates new cardiac catheterization services at an inpatient hospital that is 60 minutes or more driving time one way under normal conditions from existing services if the applicant can demonstrate that the proposed new laboratory will perform an average of 200 DEPs in the first year of operation and 400 DEPs in the second year of operation without significantly reducing the utilization of existing laboratories in the health planning district.

VA-8830 - Virginia Commonwealth University Health System Authority
This provision of the SMFP is not applicable as the applicant's proposal will locate a new cardiac catheterization service less than 60 minutes' driving time one way under normal conditions from existing services.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

12VAC5-230-400. Expansion of services.
Proposals to increase cardiac catheterization services should be approved only when:
1. **All existing cardiac catheterization laboratories operated by the applicant's facilities where the proposed expansion is to occur have performed an average of 1,200 DEPs per existing and approved laboratory for the relevant reporting period; and**
2. **The applicant can demonstrate that the expanded service will achieve an average of 200 DEPs per laboratory in the first 12 months of operation and 400 DEPs in the second 12 months of operation without significantly reducing the utilization of existing cardiac catheterization laboratories in the health planning district.**

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS' cardiac catheterization utilization is 101% of the SMFP standard on its downtown campus, surpassing the SMFP threshold to expand its cardiac catheterization services; however, the proposal is a new cardiac catheterization lab to complement an emergency department with a comprehensive range of cardiovascular services in a high-growth area where the applicant has an existing patient base. The applicant projects DEP volumes at 156% of this standard in Year 1 and 75% of the standard in Year 2.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

12VAC5-230-410. Pediatric cardiac catheterization.
No new or expanded pediatric cardiac catheterization services should be approved unless:
1. **The proposed service will be provided at an inpatient hospital with open heart surgery**

services, pediatric tertiary care services or specialty or subspecialty level neonatal special care;

2. **The applicant can demonstrate that the proposed laboratory will perform at least 100 pediatric cardiac catheterization procedures in the first year of operation and 200 pediatric cardiac catheterization procedures in the second year of operation; and**
3. **The utilization of existing pediatric cardiac catheterization laboratories in the health planning district will not be reduced below 100 procedures per year.**

This provision of the SMFP is not applicable as the applicants do not propose to add or expand pediatric cardiac catheterization services.

12VAC5-230-420. Nonemergent cardiac catheterization.

A. Simple therapeutic cardiac catheterization. Proposals to provide simple therapeutic cardiac catheterizations are not required to offer open heart surgery service available on-site in the same hospital in which the proposed simple therapeutic service will be located. However, these programs shall adhere to the requirements described in subdivisions 1 through 9 of this subsection.

The programs shall:

1. **Participate in the Virginia Heart Attack Coalition, the Virginia Cardiac Services Quality Initiative, and the Action Registry-Get with the Guidelines or National Cardiovascular Data Registry to monitor quality and outcomes;**

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS' affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

2. **Adhere to strict patient-selection criteria;**

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

3. **Perform annual institutional volumes of 300 cardiac catheterization procedures of which at least 75 should be percutaneous coronary intervention (PCI) or as dictated**

by the American College of Cardiology (ACC)/American Heart Association (AHA) Guidelines for Cardiac Catheterization and Cardiac Catheterization Laboratories effective 1991;

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS projects 71 PCI procedures in Year 1 and 87 in Year 2.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

4. Use only AHA/ACC-qualified operators who meet the standards for training and competency;

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

5. Demonstrate appropriate planning for program development and complete both a primary PCI development program and an elective PCI development program that includes routine care process and case selection review;

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

6. Develop and maintain a quality and error management program;

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

7. Provide PCI 24 hours a day, seven days a week;

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

8. Develop and maintain necessary agreements with a tertiary facility that must agree to accept emergent and nonemergent transfers for additional medical care, cardiac surgery, or intervention; and

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

9. Develop and maintain agreements with an ambulance service capable of advanced life support and intra-aortic balloon pump transfer that guarantees a 30-minute or less response time.

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

B. Complex therapeutic cardiac catheterization. Proposals to provide complex therapeutic cardiac catheterization should be approved only when open heart surgery services are available on-site in the same hospital in which the proposed complex therapeutic service will be located. Additionally, these complex therapeutic cardiac catheterization programs will be required to participate in the Virginia Cardiac Services Quality Initiative and the Virginia Heart Attack Coalition.

VA-8830 - Virginia Commonwealth University Health System Authority
Not applicable. VCUHS is not proposing to provide complex therapeutic cardiac catheterization services at Chesterfield Hospital.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

12VAC5-230-430. Staffing.

A. Cardiac catheterization services should have a medical director who is board-certified in cardiology and has clinical experience in performing physiologic and angiographic procedures. In the case of pediatric cardiac catheterization services, the medical director should be board-certified in pediatric cardiology and have clinical experience in performing physiologic and angiographic procedures.

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

B. Cardiac catheterization services should be under the direct supervision or one or more qualified physicians. Such physicians should have clinical experience in performing physiologic and angiographic procedures. Pediatric catheterization services should be under the direct supervision of one or more qualified physicians. Such physicians should have clinical experience in performing pediatric physiologic and angiographic procedures.

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS affirms that the proposed cardiac catheterization service will meet this requirement.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing cardiac catheterization services.

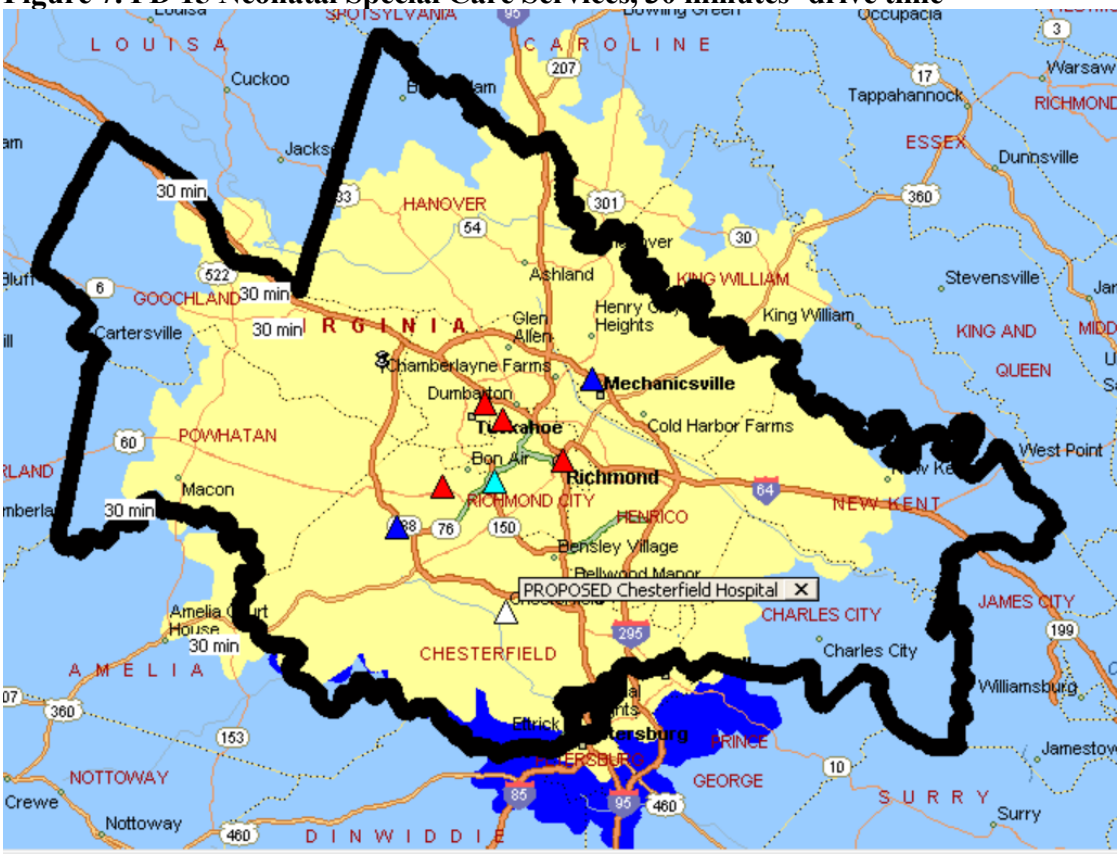
VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing cardiac catheterization services.

Article 2. Neonatal Special Care Services

12VAC5-230-940. Travel time.
A. Intermediate level neonatal special care services should be located within 30 minutes driving time one way under normal conditions of hospitals providing general level newborn services using mapping software as determined by the commissioner.

In **Figure 7** below, the black line outlines PD 15. The light blue triangle shows the one hospital in PD 15 that offers general level newborn services but doesn't have a specialty level neonatal special care service or higher on-site. The dark blue triangles locate specialty care, and the red triangles subspecialty care neonatal services. The white triangle locates VCUHS' proposed project. The yellow shaded area shows the area that is within 30 minutes of the specialty and subspecialty level neonatal services in PD 15. Clearly, all of the hospitals in PD 15 that offer general level newborn services are within 30 minutes' driving time from intermediate level care, which can be provided by specialty and subspecialty level neonatal special care services. The dark blue shaded area represents the geographical expansion of the proposed project beyond what is already within 30 minutes of intermediate-level neonatal special care services. There are no hospitals with obstetrical services within the dark blue shaded area.

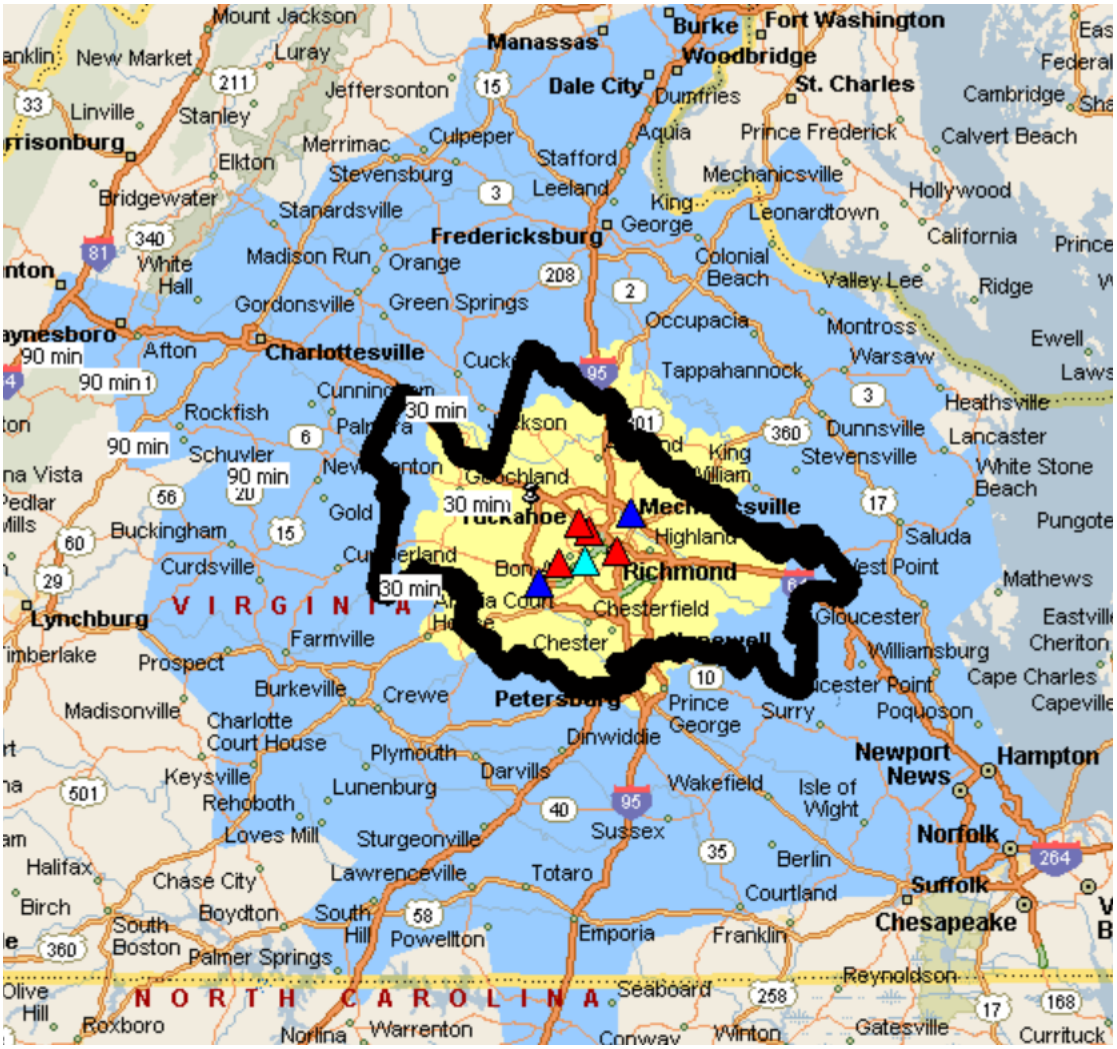
Figure 7. PD 15 Neonatal Special Care Services, 30 minutes' drive time



B. Specialty and subspecialty neonatal special care services should be located within 90 minutes driving time one way under normal conditions of hospitals providing general or intermediate level newborn services using mapping software as determined by the commissioner.

The map in **Figure 8** expands to show 90 minutes surrounding PD 15 specialty and subspecialty neonatal services (the blue shaded area plus the yellow shaded area that represents 30 minutes from these services). The blue shading reaches the Atlantic Ocean, North Carolina, past subspecialty neonatal care services in Charlottesville, Norfolk and Northern Virginia.

Figure 8. PD 15 Neonatal Special Care Services, 90 minutes' drive time



12VAC5-230-950. Need for new service.

No new level of neonatal service shall be offered by a hospital unless that hospital has first obtained a COPN granting approval to provide each such level of service.

VA-8830 - Virginia Commonwealth University Health System Authority

VCUHS is seeking a COPN for its proposed Chesterfield Hospital to provide an intermediate care neonatal service and geographical access for its existing patients near the proposed site.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.

Not applicable. CJW is not proposing neonatal specialty care services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

Not applicable. St. Francis is not proposing neonatal specialty care services.

12VAC5-230-960. Intermediate level newborn services.

A. Existing intermediate level newborn services as designated in 12VAC5-410-443 should achieve 85% average annual occupancy before new intermediate level newborn services can be added to the health planning region.

B. Intermediate level newborn services as designated in 12VAC5-410-443 should contain a minimum of six bassinets.

C. No more than four bassinets for intermediate level newborn services as designated in 12VAC5-410-443 per 1,000 live births should be established in each health planning region.

VA-8830 - Virginia Commonwealth University Health System Authority

There are currently no intermediate-level newborn services in PD 15, so the proposed VCUHS project complies with this standard. VCUHS proposes six bassinets in its intermediate level newborn services. With no intermediate-level beds in PD 15, utilization is difficult to assess, but only eight intermediate bassinets were reported in HPR IV in 2023, and 16,054 births. The ratio is 2,007 births per intermediate level nursery bassinet.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.

Not applicable. CJW is not proposing neonatal specialty care services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

Not applicable. St. Francis is not proposing neonatal specialty care services.

12VAC5-230-970. Specialty level newborn services.

A. Existing specialty level newborn services as designated in 12VAC5-410-443 should achieve 85% average annual occupancy before new specialty level newborn services can be added to the health planning region.

B. Specialty level newborn services as designated in 12VAC5-410-443 should contain a minimum of 18 bassinets .

C. No more than four bassinets for specialty level newborn services as designated in 12VAC5-410-443 per 1,000 live births should be established in each health planning region.

D. Proposals to establish specialty level services as designated in 12VAC5-410-443 shall demonstrate that service volumes of existing specialty level newborn service providers located within the travel time listed in 12VAC5-230-940 will not be significantly reduced.

Not applicable. None of the applicants is seeking specialty-level newborn services.

12VAC5-230-980. Subspecialty level newborn services.

A. Existing subspecialty level newborn services as designated in 12VAC5-410-443 should achieve 85% average annual occupancy before new subspecialty level newborn services can be added to the health planning region.

B. Subspecialty level newborn services as designated in 12VAC5-410-443 should contain a minimum of 18 bassinets .

C. No more than four bassinets for subspecialty level newborn services as designated in 12VAC5-410-443 per 1,000 live births should be established in each health planning region.

D. Proposals to establish subspecialty level newborn services as designated in 12VAC5-410-443 shall demonstrate that service volumes of existing subspecialty level newborn providers located within the travel time listed in 12VAC5-230-940 will not be significantly reduced.

Not applicable. None of the applicants is seeking subspecialty-level newborn services.

12VAC5-230-990. Neonatal services.

The application shall identify the service area and the levels of service of all the hospitals to be served by the proposed service.

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS intends that the proposed intermediate beds would serve neonatal patients from the proposed Chesterfield Hospital in need of that service. The applicant has identified a primary service area of seven zip codes surrounding the proposed site:

23832 Chesterfield
23831 Chester
23803 Petersburg
23237 Richmond
23838 Chesterfield
23834 Colonial Heights
23002 Amelia Court House
23120 Moseley

VCUHS intends the service to provide care for Chesterfield Hospital patients.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing neonatal specialty care services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing neonatal specialty care services.

12VAC5-230-1000. Staffing.

All levels of neonatal special care services should be under the direction or supervision of one or more qualified physicians as described in 12VAC5-410-443.

VA-8830 - Virginia Commonwealth University Health System Authority
The applicant affirms that this requirement will be met at the proposed facility.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
Not applicable. CJW is not proposing neonatal specialty care services.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
Not applicable. St. Francis is not proposing neonatal specialty care services.

12VAC5-230-60. When competing applications received.
In reviewing competing applications, preference may be given to an applicant who:

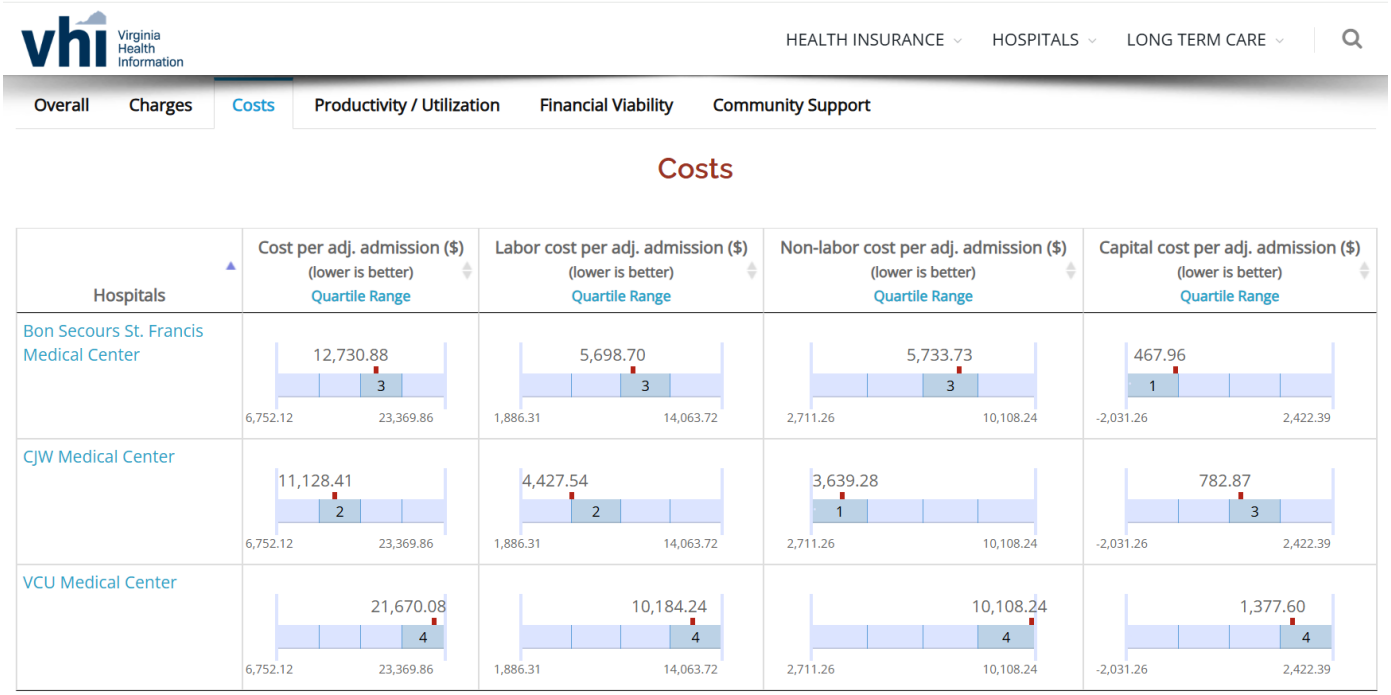
1. **Has an established performance record in completing projects on time and within the authorized operating expenses and capital costs;**

According to DCOPN records, Chippenham and St. Francis each completed two projects over the past 10 years more than six months later than planned. In the past ten years, VCUHC completed one project more than six months later than planned.

2. Has both lower capital costs and operating expenses than his competitors and can demonstrate that his estimates are credible;

According to VHI cost comparisons **(Figure 9**), VCU Medical Center has the highest operational costs of the three applicants. This is unsurprising because it is an academic medical center. CJW has the lowest operational costs, but St. Francis has the lowest capital cost per adjusted admission.

Figure 9. Cost Comparison of Applicants, 2023



Source: https://vhi.org/Efficiency/Efficiency_compare_result.asp

2. Can demonstrate a consistent compliance with state licensure and federal certification regulations and a consistent history of few documented complaints, where applicable; or

All three applicants are compliant with licensure requirements.

3. Can demonstrate a commitment to serving his community or service area as evidenced by unreimbursed services to the indigent and providing needed but unprofitable services, taking into account the demands of the particular service area.

Referring to **Table 17**, St. Francis' charity as a percentage of gross patient revenue was the highest of the three applicants in 2023 the latest year for which such data are available, at 1.7%. CJW's was 1% and VCUHS' 0.8%.

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.

Table 22 shows the number of authorized medical/surgical beds (inclusive of OB, pediatric and ICU beds), general acute care hospitals, percentage of beds and facilities and occupancy by health system in PD 15. HCA has the most beds and hospitals of the three health systems in the PD, and its occupancy is the lowest. VCUHS has the fewest authorized beds, only one hospital and the highest occupancy. In PD 15, using currently authorized beds and patient days in 2023, VCUHS would have 258 empty beds on a given day, BSMH would have 364 and HCA would have 684. In Chesterfield County, with the largest population and fastest growth, and south of the geographical barrier of the James River, BSMH has one hospital, HCA has two, and VCUHS none. There is a maldistribution of hospitals and beds both geographically and by health system.

Table 22. PD 15 Distribution of Medical/Surgical Beds, Hospitals and Occupancy by Health System

Health System	Authorized Beds	Hospitals	Percentage of PD15 M/S Beds	Percentage of Facilities	Occupancy of Authorized beds (2023 Days)
BSMH	**953**	**4**	**28.3%**	**40.0%**	**61.8%**
HCA	**1525**	**5**	**45.3%**	**50.0%**	**55.2%**
VCUHS	**890**	**1**	**26.4%**	**10.0%**	**71.0%**
Total All Systems	**3368**	**10**	**100.0%**	**100.0%**	**61.2%**

Source: 2023 VHI and DCOPN Records

VA-8830 - Virginia Commonwealth University Health System Authority

The proposed project fosters beneficial institutional competition in that it adds a second site for VCUHS within PD 15, where the other health systems have multiple sites. South of the James River

should the proposed Chesterfield Hospital be approved, VCUHS would have one general hospital, BSMH one general hospital and HCA would have two-- three, if CJW's proposed hospital should be approved as well. As Central Virginia's only academic medical center, VCUHS offers tertiary and quaternary subspecialty services in Richmond, drawing patients from a wider area than other hospitals in PD 15. The proposed Chesterfield Hospital is intended to serve VCUHS' lower acuity patients that live in the vicinity of Chesterfield County, off-site of its main campus with more convenient access, both geographically and with a more easily navigable campus.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
The proposed project does not foster institutional competition and exacerbates a maldistribution of hospitals and beds in PD 15 and across health systems. Though the proposal does not impact overall inventory in PD 15, it reallocates existing underutilized bed capacity. Most of the bed surplus in PD 15 is within HCA's hospitals. South of the James River should the proposed Magnolia Hospital be approved, BSMH would have one hospital, HCA three and VCUHS none, one if VCUHS' proposed hospital should be approved as well.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
The proposed project does little to foster institutional competition. The expansion in bed capacity is based on high utilization and institutional need for additional capacity to care for patients coming to St. Francis for care.

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.

VA-8830 - Virginia Commonwealth University Health System Authority
The applicant is Central Virginia's only academic medical center and plays an essential role in bringing advanced clinical care and clinical research to patients across Virginia and from other states. VCUHS is the only Level I Pediatric Trauma and Burn Center in the state and operates one of two liver transplant services in Virginia. It is a tertiary and quaternary referral center for the Mid-Atlantic Region from Washington, D.C. into North Carolina and West Virginia. As such, VCUHS serves a patient population residing not just within and immediately surrounding PD 15, but far outside its boundaries. VCUHS offers specialty and subspecialty services for adults and pediatrics, some of which are not otherwise available in PD 15.

VCUHS has 890 of the authorized 3,368 medical/surgical (inclusive) beds in PD 15 (26.4%). VCUHS was issued COPN No. VA-04939 in June of 2025 to add 53 beds to alleviate high bed occupancy on its downtown campus. For 2024, the patient days in medical/surgical (including obstetrical) beds, spread over its authorized beds yield a calculated occupancy of 82%, and its ICU patient days spread over its authorized beds yield a calculated occupancy of 72%. Both of these are over the SMFP threshold for additional beds. Though reallocation of beds to the proposed Chesterfield Hospital would be ideal, VCUHS does not have surplus beds to reallocate.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
CJWH was formed in 1995 from Johnston Willis and Chippenham Hospitals. These two hospitals, although separately licensed, are considered one medical center with two campuses. This is a

similar model to Henrico Doctors' Hospital which has three campuses, Forest, Parham and Retreat, the latter of which is proposed to contribute surplus beds to Magnolia Hospital. All of these facilities are under the HCA Healthcare, Inc. corporate parent, which controls 1,525 of the 3,368 medical/surgical beds in PD 15 (45.3%). Chippenham is the largest of these, with 466 beds. It offers a wide range of services and has received accreditations and recognitions in numerous services. It is designated as a Level I Trauma Center, Level 1 Burn Center and a certified Primary Stroke Center, providing critical subspecialty services to the region.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
St. Francis is one of four Bon Secours hospitals operating in PD 15. Bon Secours controls 953 of the 3,368 medical/surgical beds in PD 15 (28.3%). St. Francis is the only Bon Secours hospital south of the James River and is located in Chesterfield County, the fastest growing county in PD 15.

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.

VA-8830 - Virginia Commonwealth University Health System Authority
Capital costs for the proposed project are higher than recently authorized, similar projects. Projected capital costs for the project are $306,206,173 (**Table 3**), of which half will be funded by tax-exempt bond issue and half with VCUHS' accumulated reserves. DCOPN has calculated direct costs per square foot at $999. Financing costs over the 30-year term are $129.6 million. The proforma provided by the applicant (**Table 23**) projects a loss for the proposed project of over $20 million in year one and just under $20 million in year 2. The applicant has stated that this large, proposed project is feasible and will be profitable after a short ramp-up period, sustainable by the financial strength of VCUHS.

The proposal requires 415 additional full-time equivalent staff members to operationalize. In support of this need, as well as ongoing staffing shortages across the Commonwealth, the VCU School of Nursing made the decision to shift from a once-per-year to a twice-a-year admission, spring and fall, adding 120 nurses per year to the program. VCU School of Nursing hires are automatically enrolled in VCUHS' Nurse Residency Program, and the school also offers a guaranteed pathway for registered nurses to earn a Bachelor of Science in Nursing, which allows nurses to continue working full-time while pursuing their degree. The VCU School of Radiation Services likewise maximizes VCU's pool of qualified candidates for radiologic technologists.

Table 23. Proforma, Chesterfield Hospital

	Year 1	Year 2
Revenue	**$ 398,021,430**	**$ 494,143,479**
Charity Care	$ 3,582,193	$ 4,447,291
Other Deductions	$ 287,085,806	$ 356,549,316
Total Net Revenue (net Charity Care)	**$ 107,353,431**	**$ 133,146,872**
Total Expenses	**$ 127,695,517**	**$ 152,914,630**
Net Income Before Taxes	**$ (20,342,086)**	**$ (19,767,758)**

Source: COPN Request No. VA-8830

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.

Projected total capital costs for the proposed project are $260,238,000 funded by internal resources of HCA Healthcare, Inc. such that there are no financing costs. DCOPN has calculated direct costs per square foot at $1321 per square foot. This is more than the projected costs of similar recently authorized projects exemplified above. The proforma provided by the applicant (**Table 24**) projects a net income for the proposed project of over $12.6 million in its first year and nearly $13.3 million in its second year. The proposal requires 359 full-time equivalent staff members to operationalize. CJW anticipates recruiting through its multi-faceted approach to staff development and multiple partnerships with nursing schools and educators of health services. During a time of health care staffing shortages, CJW may find it challenging to fully staff Magnolia Hospital, but states that it anticipates no issues in maintaining an adequate staffing level.

Table 24. Proforma, Magnolia Hospital

	Year 1	Year 2
Revenue	**$ 764,473,013**	**$ 814,793,878**
Charity Care	$ 6,880,257	$ 7,333,145
Other Deductions	$ 662,591,673	$ 708,134,931
Total Net Revenue	**$ 95,001,083**	**$ 99,325,801**
Total Expenses	**$ 82,415,207**	**$ 86,009,589**
Net Income Before Taxes	**$ 12,585,876**	**$ 13,316,212**

Source: COPN Request No. VA-8831

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

Total projected capital costs for the proposed project are $106,018,984, funded by accumulated reserves of Bon Secour Mercy Health, so there are no resulting debt service costs for the proposed project. DCOPN as calculated direct costs per square foot at $1,362 per square foot. This is somewhat higher than the projected costs of other similar recently authorized projects. The proforma provided by the applicant (**Table 25**) projects a net income for the proposed project of $119 million in its first year and over $117 million in its second year. The proposal requires 84.7 additional full-time equivalent staff members to operationalize. St. Francis reports that it currently has 37 vacant positions. During a time of health care staffing shortages, St. Francis may find it challenging to fill all its positions but is confident that its robust recruiting methods will secure adequate staffing.

Table 25. Proforma, St. Francis Add 40 Acute Care Beds

	Year 1	Year 2
Revenue	**$2,441,071**	**$2,616,309**
Charity Care	$73,232	$78,489
Other Deductions	$1,893,001	$2,042,853
Other Revenue	$3,882	$3,960
Total Net Revenue	**$478,720**	**$498,927**
Total Expenses	**$358,896**	**$381,959**
Net Income Before Taxes	**$119,824**	**$116,968**

Source: COPN Request No. VA-8832

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.**

VA-8830 - Virginia Commonwealth University Health System Authority
(i) The proposed project at Chippenham Hospital does not introduce new technology but allows for more efficient use of the latest technologies on its downtown campus by providing an alternate location for low- to mid-acuity patients to seek care. (ii) The proposed hospital will offer complementary outpatient services. (iii) VCUHS asserts that it has transfer agreements with hospitals across Virginia. (iv) There are no other factors for the Commissioner to consider.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
(i) The proposed project at Magnolia Hospital does not introduce new technology. (ii) The proposed hospital will offer complementary outpatient services. (iii) CJW has transfer agreements with hospitals across Virginia. (iv) There are no other factors for the Commissioner to consider.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
(i) The proposed project at St. Francis does not introduce new technology but the applicant asserts that it contributes to effective delivery of high-quality care by providing more timely access for inpatients at St. Francis. (ii) The proposed hospital will offer complementary outpatient services. (iii) The applicant does not cite any cooperative efforts. (iv) There are no other factors for the Commissioner to consider.

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.

VA-8830 - Virginia Commonwealth University Health System Authority
VCUHS is an academic medical center with clinical, research and educational missions. It accelerates the development of new and promising discoveries by facilitating research. Clinical trials give patients access to advanced diagnostics and medical treatments and technologies before they are widely available. The applicant provides training in various specialties to medical students, interns, residents and fellows in programs at VCU. The proposed new hospital will support the breadth of medical students' education by offering a different clinical setting in addition to the main VCU Medical Center with its full complement of technology and services. VCUHS accepts all patients regardless of their ability to pay or their payment source.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.
The applicant is not an academic medical center but states that HCA Virginia Health System has partnered with colleges, universities and other initiatives and programs for health professionals.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.
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, but Bon Secours Mercy Health operates a school of nursing health professionals in PD 15 and collaborates with colleges, universities and established allied health schools and programs.

DCOPN Staff Findings and Conclusions

PD 15 is an area of the Commonwealth that is growing at a rate higher than that of Virginia and the important 65 and older demographic, which utilizes health care services at a higher rate, is also growing faster than the Virginia growth rate for that age group. Focusing on inpatient beds, the primary service that substantiates or disproves need for a new hospital, there is a surplus of acute care beds in PD 15. In addition, more than 95% of the population in PD 15 is already within 30 minutes' drive of inpatient beds, meeting the SMFP standard. Accounting for authorized beds, PD 15 has a surplus of 396 adult medical/surgical beds and 81 pediatric beds and a need for an additional 47 adult ICU beds. Of localities in PD 15, Chesterfield County has the highest growth rate and is expected to add more than 42,000 people between 2020 and 2030 (**Table 15)** . Population growth and indications of continued growth support statements that there is a need to redistribute health care resources to that area of the PD. Additionally, the James River is an acknowledged geographical barrier. All three proposed projects are located south of the James River in Chesterfield County.

VA-8830 - Virginia Commonwealth University Health System Authority
Virginia Commonwealth University Health Systems Authority proposes to build Chesterfield Hospital, a new hospital in Chesterfield County, and add 66 acute care beds, 6 operating rooms, an intermediate level neonatal service with 6 bassinets, a cardiac catheterization laboratory, a CT scanner and an MRI scanner to the inventory of services in PD 15. All of these services are appropriate in size and scope for the proposed site of Chesterfield Hospital. DCOPN has not

identified a reasonable alternative that is less costly, more efficient and more effective than the proposed project. It is more beneficial than the status quo.

Capital costs of the proposed project are slightly higher than similar, recently approved projects. After a ramp-up period in the immediate and short-term, the proposal is financially feasible. VCUHS has doubled the number of graduating nurses in its nursing program to aid in recruitment of the project as well as to address staffing shortages, generally in the Commonwealth. The proposed project is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia. VCUHS has no underutilized services to reallocate. The proposal addresses a maldistribution of beds and acute care hospitals by adding a second inpatient access point in PD 15, its first south of the James River, for patients seeking care from VCUHS in a high-growth area where VCUHS has a substantial patient base. According to EMS leadership, nearly half of patients from Chesterfield County are transported out of the county for hospital care, despite having both Bon Secours and HCA hospitals in the county. It is unlikely that approval of the proposed project will negatively impact on existing providers due to VUCHS' existing patient base, high utilization of existing acute care providers and high population growth.

The applicant has a unique role in the region and in the Commonwealth. VCUHS is an academic medical center with research and education missions in addition to subspecialty clinical care, for which adequate bed capacity is required. The proposal will serve to redistribute low- to mid-acuity patients from its downtown Richmond campus to the proposed facility, creating service capacity for its tertiary and quaternary services.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.

Chippenham & Johnston-Willis Hospitals, Inc. proposes to establish Magnolia Hospital with 54 medical/surgical beds, 6 ICU beds, 4 GPORs 1 CT scanner and 1 MRI scanner. All of these proposed services will be reallocated from underutilized services owned by the same parent company, HCA, in an inventory-neutral proposal, except for one MRI scanner. CJW's existing services are highly utilized, and it has an existing patient base closer to the proposed Magnolia Hospital site than to either existing CJW hospital. It is unlikely that approval of the proposed project will harm volumes of existing providers because of this existing patient base, high utilization at existing facilities south of the James River and high population growth.

The proposed project is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia and slightly expands geographical access for some patients outside of PD 15. Capital costs of the proposed project are higher than recently approved projects. It is financially feasible in the immediate and long term. The proposed project, however, exacerbates a competitive maldistribution of beds as HCA has the most hospitals and beds in PD 15 as well as the most vacant beds and unstaffed beds. HCA already has two hospitals south of the James River in Chesterfield County. It is prudent to approve new hospitals judiciously so that services are not overbuilt to the detriment of existing providers. CJW has not established a need for an additional site in Chesterfield County. The status quo is a reasonable alternative that is less costly, more efficient and more effective than the proposed project. Additional capacity that may be needed in the future may be reasonably addressed by building capacity on-site at CJW's two existing hospitals.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

Bon Secours St. Francis Medical Center, Inc. proposes to add 36 medical/surgical beds and 4 ICU beds on its campus. It has demonstrated an institutional need to increase bed capacity and it is unlikely that approval of the proposed project will have a negative impact on existing providers as the additional beds are requested to address high utilization and rapid growth at the facility. The proposal is generally consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.

Capital costs of the proposed project are slightly higher than similar, recently approved projects. It is financially feasible in the immediate and long term, though recruitment may be challenging. There is no documented opposition to the proposed project.

DCOPN Staff Recommendations

VA-8830 - Virginia Commonwealth University Health System Authority

The Division of Certificate of Public Need recommends **conditional approval** of Virginia Commonwealth University Health System Authority's COPN Request No. VA-8830 to establish a 66-bed general acute care hospital with 42 adult medical/surgical beds, 6 pediatric beds, 12 ICU beds, 6 obstetric beds, 6 operating rooms, 6 intermediate level nursery bassinets, 1 cardiac catheterization laboratory, 1 CT scanner and 1 MRI scanner at the proposed Chesterfield Hospital site in Chesterfield, Virginia, for the following reasons:

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

2. The proposal alleviates a maldistribution of health services within PD 15.

3. Virginia Commonwealth University Health System Authority has demonstrated the need for an additional hospital site in a very high-growth area of PD 15 in which it has a large base of patients that travel outside of their home county and choose VCUHS for their primary and secondary level care.

4. The proposal improves access to acute care services, primary and secondary level services in Chesterfield County South of the James River and reduces barriers to VCUHS' tertiary and quaternary services at its downtown Richmond site for patients across Virginia.

5. The proposed project is unlikely to have a significant negative impact on the utilization, costs, or charges of other acute care providers in PD 15.

6. The proposal contributes to the unique research, training, and clinical mission of an academic medical center and furthers access to health care for citizens of the Commonwealth, including indigent or underserved populations.

7. There is no reasonable alternative identified that meets the needs of the population in a less costly, more efficient, or more effective manner.

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

> Virginia Commonwealth University Health System Authority will provide acute care hospital services at Chesterfield Hospital to all persons in need of these services, regardless of their ability to pay, and will provide as charity care to all indigent persons free services or rate reductions in services and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 15 in an aggregate amount equal to at least 0.9% of Chesterfield Hospital's gross patient revenue derived from acute care hospital services. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement. Virginia Commonwealth University Health System Authority will accept a revised percentage based on the regional average after such time regional charity care data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. is available from Virginia Health Information. The value of charity care provided to individuals pursuant to this condition shall be based on the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.
>
> Virginia Commonwealth University Health System Authority will provide acute care hospital services at Chesterfield Hospital to individuals who are eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.), Title XIX of the Social Security Act (42 U.S.C. § 1396 et seq.), and 10 U.S.C. § 1071 et seq. Virginia Commonwealth University Health System Authority will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.

VA-8831 – Chippenham & Johnston-Willis Hospitals, Inc.

The Division of Certificate of Public Need recommends **denial** of Chippenham & Johnston-Willis Hospitals, Inc.'s COPN Request No. VA-8831 to establish a 60-bed hospital with 54 medical/surgical and 6 ICU beds, 4 GPORs, 1 CT scanner and 1 MRI scanner for the following reasons:

1. The proposal to establish Magnolia Hospital hinders beneficial competition because it exacerbates a maldistribution of hospitals and beds by health system.

2. Chippenham & Johnston-Willis Hospitals, Inc. has not demonstrated the need for additional acute care capacity or an additional acute care site in Chesterfield County.

3. The status quo is a reasonable alternative to the proposed project.

4. There is opposition to the proposed project.

VA-8832 – Bon Secours St. Francis Medical Center, Inc.

The Division of Certificate of Public Need recommends **conditional approval** of Bon Secours St. Francis Medical Center, Inc.'s COPN Request No. VA-8832 to add 36 medical/surgical beds and 4 ICU beds at Bon Secours St. Francis Medical Center in Midlothian, Virginia, for the following reasons:

1. The proposal to add 36 medical/surgical and 4 adult ICU beds is consistent with the applicable standards and criteria of the State Medical Facilities Plan and the 8 Required Considerations of the Code of Virginia.

2. Bon Secours St. Francis Medical Center has demonstrated an institutional need for these requested beds.

3. Bon Secours St. Francis will surrender COPN No. VA-04956 to add four ICU beds, should the proposal be approved.

4. The proposed project is unlikely to have a significant negative impact on the utilization, costs, or charges of other providers of acute care services in PD 15.

5. The proposed project is financially viable in the immediate and long-term, but staffing is likely to prove a challenge.

8. There is no reasonable alternative that meets the needs of the population in a less costly, more efficient, or more effective manner.

DCOPN's recommendation is contingent upon Bon Secours St. Francis Medical Center, Inc.'s agreement to the following charity care condition:

Bon Secours St. Francis Medical Center, Inc. will provide services to all persons in need of services, regardless of their ability to pay, and will facilitate the development and operation of primary medical care services to medically underserved persons in PD 15 in an aggregate amount equal to 3.0% of Bon Secours St. Francis Medical Center, Inc.'s gross patient revenue, consistent with its facility wide condition. 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 St. Francis Medical Center, Inc. will accept a revised percentage based on the regional average after such time regional charity care data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. is available from Virginia Health Information. The value of charity care provided to individuals pursuant to this condition shall be based on the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.

Bon Secours St. Francis Medical Center, LLC will provide 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 St. Francis Medical Center, Inc. will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.