

VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

November 19, 2025

COPN Request No. VA-8837

Centra Health, Inc.

Lynchburg, Virginia

Add four (9th, 10th, 11th & 12th) general operating rooms at Centra Lynchburg General Hospital

Applicant

Centra Health, Inc., (“Centra”) is a 501(c)(3) not-for-profit, non-stock corporation located in Lynchburg, Virginia. Centra is the sole owner and operator of Centra Lynchburg General Hospital (“Lynchburg General”). Centra is not a subsidiary of other organizations. The hospital is located at 1901 Tate Spring Road, Lynchburg, Virginia, in Planning District (PD) 11, Health Planning Region (HPR) III.

Background

The location of the proposed operating rooms is at a currently existing hospital in PD 11, which is made up of four counties: Amherst, Appomattox, Bedford, and Cambell There is also one unincorporated city wherein the project will be located, City of Lynchburg. The population of the district is expected to increase by 1.9% from the 2020 population to 2030 (**Table 1**). In Lynchburg, the population is expected to increase by 2.8% to an estimated 81,268 people in this same time period. The percentage of people over the age of 65 is expected to increase by almost 11% in Lynchburg, and 16.4% in PD 11 overall.

Table 1: PD 11 Estimated Population Changes 2020-2030

Location	Total Population			Population Over 18 Years			Population Over 65 Years		
	2020	2030	Percent Change	2020	2030	Percent Change	2020	2030	Percent Change
Amherst County	31,307	29,827	-5.0%	24,830	23,738	-4.6%	6,754	7,833	13.8%
Appomattox County	16,119	17,018	5.3%	12,569	13,218	4.9%	3,358	4,019	16.5%
Bedford County	79,462	82,822	4.1%	63,798	66,614	4.2%	17,848	22,924	22.1%
Campbell County	55,696	55,739	0.1%	44,206	44,105	-0.2%	11,599	13,501	14.1%
City of Lynchburg	79,009	81,268	2.8%	61,829	63,669	2.9%	12,833	14,399	10.9%
PD 11	261,593	266,674	1.9%	207,232	211,345	1.9%	52,392	62,677	16.4%
Virginia	8,631,393	9,129,002	5.5%	6,729,459	7,173,130	6.2%	1,395,291	1,762,641	20.8%

Source: Weldon-Cooper Data

In 2023, there were a total of 24 operating rooms (OR) in PD 11. This total included three specialized operating rooms, two of which are at Lynchburg General Hospital as cardiac operating rooms (**Table 2**). Both the Eye Surgery Center of Central Virginia and the Surgery Center of Lynchburg are outpatient surgical hospitals (OSH), whereas the other facilities that have operating rooms are hospitals and therefore able to offer inpatient services as well.

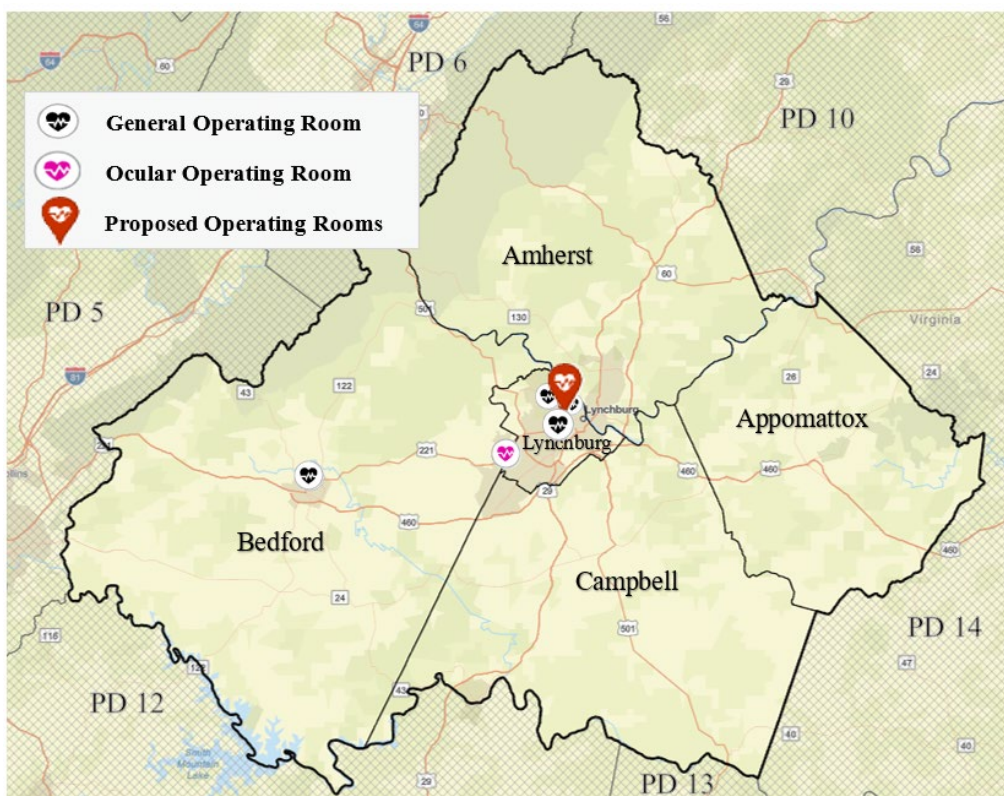
Table 2: PD 11 Operating Room Inventory (2024)

Facility	General	Specialized	Facility Total
Bedford Memorial Hospital	2	0	2
Lynchburg General Hospital	8	2	10
Virginia Baptist Hospital	8	0	8
Eye Surgery Center of Central Virginia	0	1	1
Surgery Center of Lynchburg	3	0	3
PD 11 Total	21	3	24

Source: DCOPN Records

The Eye Surgery Center of Central Virginia's operating room is restricted to ocular surgery. Including the eye surgery center and Lynchburg General, there are four facilities that are licensed for operating rooms within City of Lynchburg limits (**Map 1**). The ocular surgery center is included in the map but is highlighted with a pink symbol rather than the black of other rooms in the district. The location of Lynchburg General is marked with a red symbol.

Map 1: PD 11 Operation Room Locations



Source: DCOPN Records, ArcGIS

Lynchburg General is currently authorized for eight general operating rooms¹ and two specialty operating rooms for open-heart surgeries. The two open-heart operating rooms are the only ones specifically designated as cardiac operating rooms as such in the PD. The hospital also reports 410² beds that are currently providing services, with the number expected to increase to 445 with the completion of COPN No. VA-04865.

All facilities that hold a COPN certificate in the PD that are currently providing surgeries are subsidiaries of Centra. Eye Surgery Center of Central Virginia (d/b/a Harman Eye Surgery Center) is not currently providing services after a structural fire in May 2025 destroyed the facility³. The facility has not stated if services will restart at the same location or what the time frame for continuing services will be according to DCOPN records. As services were uninterrupted for the most recent year of utilization data and the certificate for operating rooms has not been surrendered, the center will be listed as an existing specialty operating room for this report.

The proposed project is part of the revitalization of Lynchburg General that is expected to be a five-story building on the existing campus. DCOPN received *Registration for Capital Expenditure* requests in March 2023 and April 2025, stating expected costs and plans for the tower. COPN VA-04865 was approved to move 35 medical/surgical beds from Virginia Baptist Hospital along with the neonatal specialty care unit to the tower upon opening. COPN VA-04887 added 52 beds (16 ICU beds and 36 medical/surgical beds) at Lynchburg General and was completed May 19, 2025.

Proposed Project

Centra is applying to expand its surgical services with the addition of four additional general purpose operating rooms at Lynchburg General Hospital located at 1901 Tate Spring Road. Approval of the proposed project will bring the total count of general-purpose operating rooms from 8 to 12. The additional operating rooms will be part of the revitalization of the hospital's campus with the construction of a 6-story tower. Upon completion, the tower will have a 46,300 gross square foot surgical floor with the eight current general operating rooms (relocated from their current location), pre- and post-recovery suites, space for visitors, and additional room for administrative duties and surgical support. It is expected that the tower will be completed in October 2028 and will begin to

¹ COPN No. VA-04473 was issued in 2015 for the relocation of an operating room from Centra Virginia Baptist Hospital (Virginia Baptist) to Lynchburg General Hospital. Virginia Health Information (VHI) data shows that Lynchburg General has not increased the number of operating rooms, however, the hospital has stated that data was incorrectly reported since 2019.

In the application for COPN Request No. VA-8837, the hospital submitted updated data stating that there were 8 rooms at both Lynchburg General and Virginia Baptist. This was brought to the applicant's attention on October 1, 2025, via email. The applicant responded on October 9, 2025, that the Virginia Baptist number had been misreported as well and it was providing services out of seven rooms as certified.

² In the application for COPN Request No. VA-8837, Lynchburg General stated there are 410 beds available due to the recent completion of COPN No. VA-04887 in "early 2025".

³ <https://wset.com/news/local/electrical-issue-sparks-fire-at-harman-eye-surgery-center-1835-graves-mill-road-in-forest-may-2025>

provide services in December of that year. Centra asserted that there is an institutional need at Lynchburg for four additional general purpose operating rooms.

Lynchburg General has submitted two capital expenditure registrations for the building of the tower, one for the overall costs of building the tower without the inclusion of additional equipment⁴ and the second for the costs of the surgical floor as described above⁵ - which together totals to \$245,633,628⁶. The proposed cost of adding four additional general purpose operating rooms to Lynchburg General is approximately \$13,049,404 (**Table 3**). This amount is included in the \$245 million total previously listed.

Table 3: Total Cost Summary

Direct Construction Cost	\$9,998,760
Equipment Not Construction	\$2,070,000
Architectural and Engineering Fees	\$915,121
Other Consultant Fees	\$65,523
Total	\$13,049,404

Source: COPN Request No. VA-8837

Project Definition

Section 32.1-102.1 of the Code of Virginia defines a project, in part, as “[a]n increase in the total number of...operating rooms...in an existing medical care facility.” A medical care facility includes “general hospitals...”

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 11 had a population of approximately 261,593 in 2020 and is expected to grow to a population of 266,274 by 2030, a 1.9% growth rate (**Table 1**). The PD 11 growth rate is less than the 5.5% growth rate projected for Virginia; however, the poverty rate for the PD is higher than

⁴ March 19, 2024, *Registration for Capital Expenditures* request

⁵ April 16, 2025, *Registration for Capital Expenditures* request

⁶ Capital expenditure registrations are for projects costing over the amount determined by the calculation in 12VAC5-220-110 and not requiring a COPN certificate (as outlined in the Code of Virginia § 32.1-102.1:3.). The costs associated with COPN No. VA-04887 for the addition of 52 beds to Lynchburg General and costs associated to the proposed project (COPN Request No. VA-8837) are not included in the capital expenditure registrations listed above.

the state's (**Table 4**). The PD had a poverty rate of 13.4% in 2023 which is the last year for which poverty data is currently available. The proposed project is located within the City of Lynchburg, which reported the second highest population of the PD at 81,268 people (**Table 1**) and the highest poverty rate at 19.1%. The poverty rate of Lynchburg is almost double the poverty rate of the state.

Table 4: Poverty Rate, PD 11 (2023)

Locality	Percent in Poverty
Amherst County	12.5%
Appomattox County	11.4%
Bedford County	9.9%
Campbell County	12.4%
City of Lynchburg	19.1%
PD 11	13.4%
Virginia	10.2%

Source: SAIPE, US Census

Regarding transportation, the project is in the City of Lynchburg, where public transportation is available at varying fees. The Greater Lynchburg Transit Company (GLTC) provides bus fares at varied prices (**Table 5**) and also has half-price passes for people who qualify. Paratransit services are also available for people who are unable to participate in the regular bus routes due to qualifying disabilities and can provide transportation at the \$4.00 one-way rate or through using a card where the rider can have up to \$40 stored. The paratransit services must be scheduled in advance and are provided on a “first come, first serve” basis⁷.

Table 5: GLTC Bus Fare

Pass Types	Cost
One-way Ride	\$2
Day Pass	\$4
14-Day Pass	\$25
31-Day Pass	\$50
Year Pass	\$500
Summer Youth	\$25

Source: GLTC website

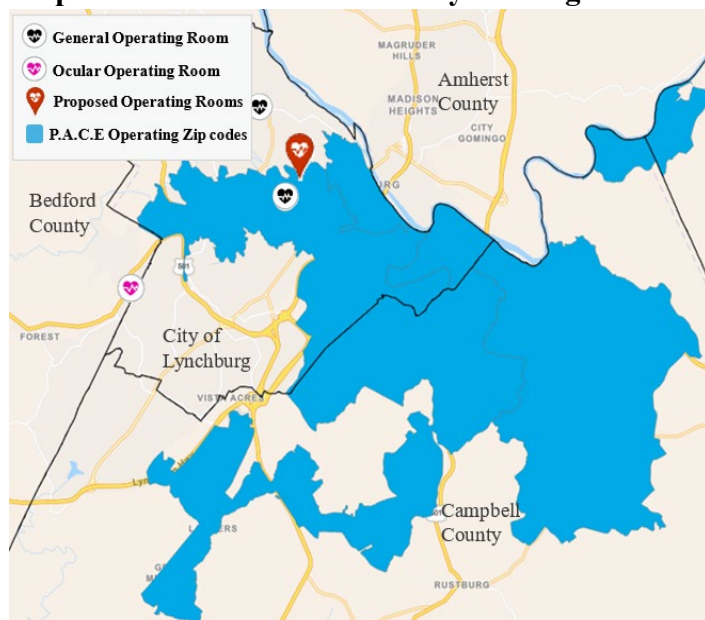
Centra also has a program for elderly patients which includes transportation for non-emergency care for participants. The program, called A Program of All-inclusive Care for the Elderly (P.A.C.E.), is available in participating zip codes in the PD. The zip codes included in the service are on **Map 2**, apart from 24523 which receives services but is not shown on the map due to proximity. Participants of the program must be over the age of 55, qualify for nursing facility

⁷ <https://gltconline.com/paratransit/>

level care but are living in the community, and participate in other P.A.C.E programs. There is a cost for the P.A.C.E. program and transportation participation.

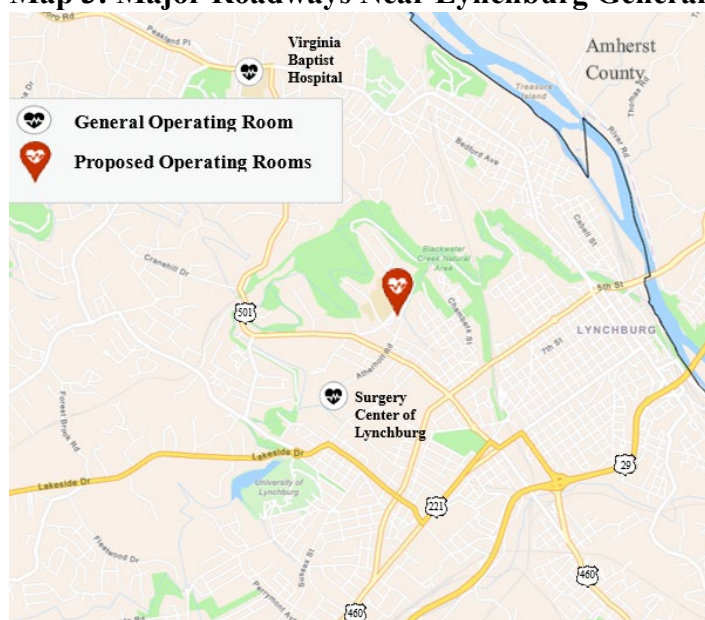
Lynchburg General is also located close to various interstates, including Route 29, Route 460, Route 221, and Route 501 (**Map 3**). The University of Lynchburg is approximately 2 miles southwest of the hospital, the Surgery Center of Lynchburg is one mile south, and Virginia Baptist Hospital is 3 miles northwest.

Map 2: P.A.C.E. Transit Near Lynchburg



Source: DCOPN Records, ArcGIS

Map 3: Major Roadways Near Lynchburg General



Source: DCOPN Records, ArcGIS

According to Virginia Health Information (VHI), current utilization of operating rooms for the PD was 106.2% of the State Medical Facilities Plan (SMFP) in 2024 (**Table 6**).

Lynchburg General reported operating room hours equal to 149.4% of the SMFP threshold.

Table 6: PD 11 Operating Room Utilization (2024)

Facility Name	Total OR	Visits	OR Hours	Hours per OR	% of SMFP Threshold
Bedford Memorial Hospital	2	385	832	416	26.0%
Lynchburg General Hospital	8	8,450	19,117	2,390	149.4%
Virginia Baptist Hospital	8	7,465	11,000	1,375	85.9%
Surgery Center of Lynchburg	3	9,941	7,847	2,616	163.5%
Eye Surgery Center of Central Virginia	1	5,972	813	813	50.8%
PD11 Total	22	32,213	39,609	1,800	112.5%

Source: 2024 VHI

2. The extent to which the project will meet the needs of the residents of the area to be served, as demonstrated by each of the following:

(i) The level of community support for the project demonstrated by citizens, businesses, and governmental leaders representing the area to be served.

DCOPN received multiple letters of commitment from staff members. One form letter was signed by 13 people and stated that operating rooms are currently “very busy” and have surgeries that must be rescheduled “more than 8 weeks out”.

Thirteen additional individual letters of support. These letters, in aggregate, expressed support for the project due to high demand and utilization. One letter mentioned “[e]nhanced surgical capacity means improved access, reduced wait times, and greater flexibility.” It was also stated that currently there are surgeries that must be rescheduled due to the high utilization.

The President of Medical Staff at Virginia Baptist and Lynchburg General wrote a letter on behalf of the staff at both hospitals and Lynchburg General Hospital’s Chief Medical Officer also wrote in support of the project. Both letters stated support for the project and cited the high utilization as the reason the new operating rooms are needed.

Public Hearing

§32.1-102.6B of the Code of Virginia directs DCOPN to hold one public hearing on each application in the case of competing applications; or in response to a written request by an elected local government representative, a member of the General Assembly, the Commissioner, the applicant, or a member of the public. COPN Request No. VA-8837 is not competing with another project and DCOPN did not receive a request to conduct a public hearing for the proposed project. Thus, no public hearing was held.

DCOPN provided notice to the public regarding this project inviting public comment on September 10, 2025. The public comment period closed on October 25, 2025. Other than the letters of commitment referenced above, no members of the public commented. There is no known opposition to the project.

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

There is not a reasonable alternative to the proposed service. One alternative DCOPN researched was the potential relocation of a Bedford Memorial operating room due to the low utilization of the operating rooms at that hospital (26% of the SMFP threshold). DCOPN has operational concerns regarding the accessibility of general surgical services should one of the general purpose operating rooms be relocated from Bedford Memorial, leaving the hospital with one remaining.

Due to the distance of the hospital from other general purpose operating rooms, the PD utilization being above the SMFP threshold, and the other considerations included in this report, it was determined that the alternative is not feasible in the long term.

(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 III designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 11. Therefore, this consideration does not apply to the review of the proposed project.

(iv) Any costs and benefits of the project.

As shown in **Table 3**, the projected capital costs for the project are \$13,049,404 which represents the costs for direct construction and operating room equipment as well as the other categories included in the table. All costs are expected to be paid for through accumulated reserves, so there are no financing costs associated with the proposal, and the applicant states that it does not expect capital costs to have an impact on patient care.

Table 3: Total Cost Summary (as shown above)

Direct Construction Cost	\$9,998,760
Equipment Not Construction	\$2,070,000
Architectural and Engineering Fees	\$915,121
Other Consultant Fees	\$65,523
Total	\$13,049,404

Source: COPN Request No. VA-8837

Approval of the project will decrease the need for ORs in the PD and the hospital specifically. The applicant also stated that the addition of the operating rooms before the completion of the new tower's surgical floor will be more cost-effective than holding space for the rooms, "thereby avoiding downtime and other disruptions."

Lynchburg General is currently operating at 149.4% of the SMFP utilization threshold. The high utilization is causing difficulty for patients to receive care, with longer wait-times for patients and delays in care. The addition of four general operating rooms would reduce the existing strain and provide greater surgical capacity for the PD.

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

Section 32.1-102.4. B of the Code of Virginia indicates that, should the proposed project receive approval, the project will be conditioned to provide a level of charity care. Pursuant to the Code of Virginia language any COPN issued for this project will also be conditioned on the applicant's agreement to accept patients who are the recipients of Medicare and Medicaid.

Table 7: 2023 Charity Care Contributions at or below 200% of Federal Poverty Level

HPR III	Gross Patient Revenues	Charity Care	% of Gross Patient Revenue
Inpatient Hospitals			
Rehabilitation Hospital of Bristol, LLC	\$19,511,661	\$485,168	2.5%
Centra Specialty Hospital	\$49,263,635	\$927,182	1.9%
Carilion Franklin Memorial Hospital	\$260,485,310	\$3,182,816	1.2%
Carilion Tazewell Community Hospital	\$93,201,701	\$915,589	1.0%
Carilion Giles Memorial Hospital	\$214,444,866	\$1,577,250	0.7%
Carilion Medical Center	\$4,948,697,558	\$39,724,335	0.8%
Carilion New River Valley Medical Center	\$955,897,092	\$7,639,471	0.8%
LewisGale Hospital-Montgomery	\$1,022,426,647	\$5,328,382	0.5%
LewisGale Hospital - Alleghany	\$283,061,729	\$1,151,183	0.4%
LewisGale Hospital Pulaski	\$523,904,005	\$1,674,632	0.3%
Lewis-Gale Medical Center	\$3,302,457,661	\$12,305,457	0.4%
Centra Health	\$3,324,221,131	\$10,826,171	0.3%
Smyth County Community Hospital	\$199,838,748	\$803,394	0.4%
Bedford Memorial Hospital	\$200,565,970	\$506,965	0.3%
Norton Community Hospital	Did not report	-	-
Russell County Medical Center	\$136,544,998	\$349,028	0.3%
Dickenson Community Hospital	\$28,592,334	\$77,774	0.3%
Johnston Memorial Hospital	\$864,558,491	\$4,316,555	0.5%
Wellmont Lonesome Pine Mountain View Hospital	\$832,222,721	\$2,226,897	0.3%
Lee County Community Hospital	\$39,718,746	\$161,548	0.4%
Buchanan General Hospital	\$121,202,254	\$98,872	0.1%
DLP Twin County Regional Healthcare	\$308,984,072	\$68,790	0.0%
Sovah Health-Martinsville	\$796,930,431	\$94,423	0.0%
Clinch Valley Medical Center	\$730,614,306	\$298,585	0.0%
Sovah Health-Danville	\$1,108,084,476	\$129,178	0.0%
Wythe County Community Hospital	\$350,271,171	\$7,304	0.0%
Ridgeview Pavilion (Bristol Region)	\$8,000,972	0	0.0%
Total Inpatient Hospitals:			26
HPR III Total Inpatient \$ & Mean %	\$20,723,702,686	\$94,876,949	0.5%
Outpatient Centers			
Fairlawn Surgery Center, LLC	\$7,069,956	\$40,683	0.6%
Surgery Center of Lynchburg	\$75,066,135	\$647,509	0.9%
Roanoke Ambulatory Surgical Center	\$38,089,588	\$71,166	0.2%
Southwest Virginia Center for Sight	\$5,372,878	\$6,496	0.1%
Roanoke Valley Center for Sight	\$23,125,120	\$122,608	0.5%
Roanoke Valley Center for Sight at Oak Grove	\$5,361,313	\$59,878	1.1%
Martinsville Center for Sight	\$7,105,770	\$38,570	0.5%
New River Valley Surgery Center	\$14,346,732	\$67,149	0.5%
Eye Surgery Center of Central Virginia, LLC	\$9,412,990	\$0	0.0%
Blue Ridge Surgery Center	\$116,745,790	\$13,192	0.0%
Piedmont Day Surgery Center	\$3,624,096	\$0	0.0%
Total Outpatient Hospitals:			11
HPR III Total Outpatient Hospital \$ & Mean %	\$305,320,368	\$1,067,251	0.3%
Total Hospitals:			37
HPR III Total Hospital \$ & Mean %	\$21,029,023,054	\$95,944,200	0.5%

Source: VHI Database

In the application, Centra proffered a charity condition of 1.23% for the project. In 2023, Centra provided 0.3% overall and not a specified percentage for general operating rooms specifically; this percentage is below the 0.5% average of the PD (Table 7).

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

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

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

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

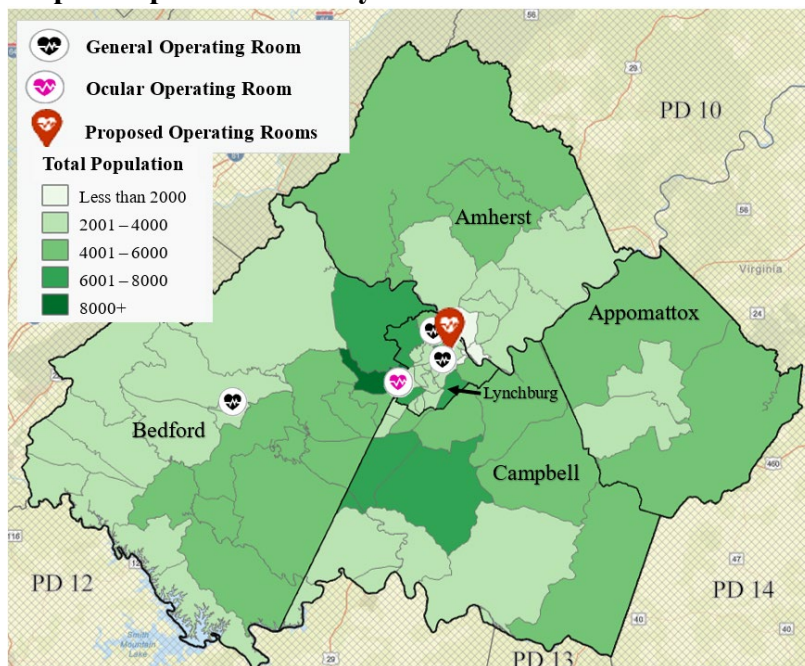
The SMFP contains the criteria and standards for operation room services. They are as follows:

Part V. 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.

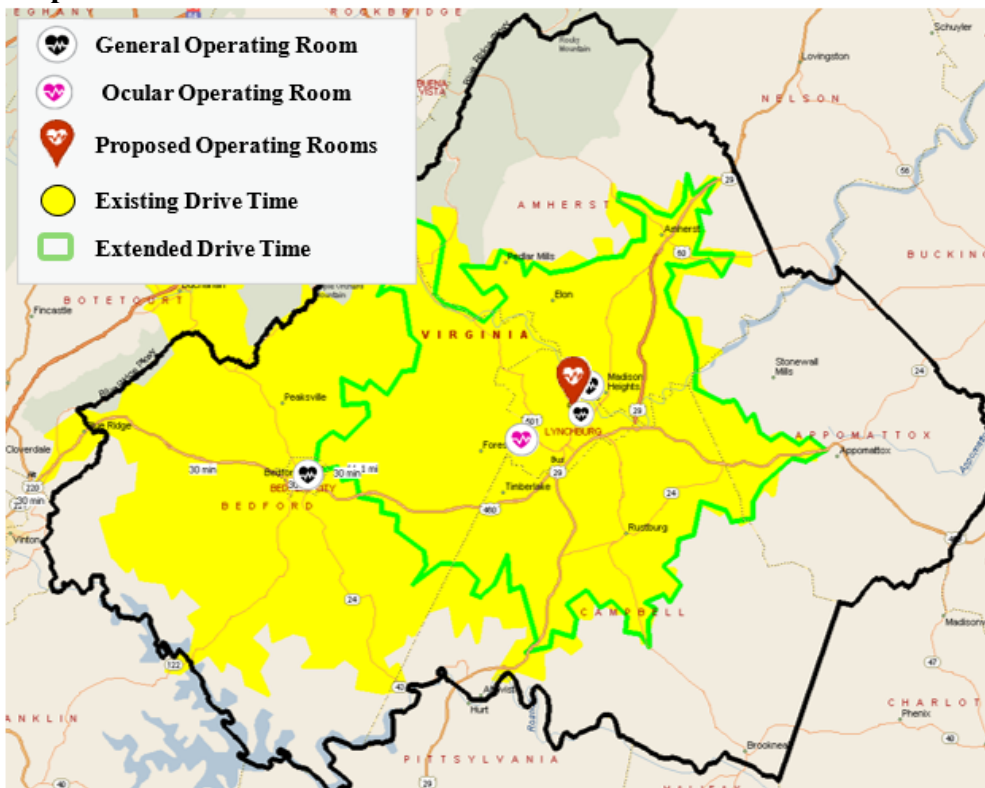
Map 4: Population Density PD 11



Source: US Census (2020), ArcGIS

Map 4 shows the access to facilities within a 30-minute drive highlighted in yellow. The green outline is the drive-time accessibility from Lynchburg General. As the facility is already licensed for operating rooms, the proposed addition of four more at an existing site will not improve travel time to surgical services in the PD. Existing services are available in the western region of the PD but are largely inaccessible within the 30-minute drive to the east and southeastern areas. When **Map 4** and **Map 5** are juxtaposed, there is more than 5% of the PD left outside of the 30-minute radius from each location.

Map 5: Estimated Drive Access within 30 Minutes



Source: DCOPN Records, Microsoft Streets & Maps (2008)

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:

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

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.

Figure 1: Calculations Determining Future Need for General Operating Rooms

General Operating Room Visits and Hours PD11

Years	Inpatient Visits	Outpatient Visits	Total Visits	Inpatient Hours	Outpatient Hours	Total Hours	Hours per Visit Average
2024	5,844	26,369	32,213	12,770	26,839	39,609	1.230
2023	3,632	27,216	30,848	5,779	22,406	28,185	0.914
2022	5,084	24,698	29,782	8,417	13,101	21,518	0.723
2021	4,856	23,972	28,828	7,944	13,306	21,250	0.737
2020	4,474	22,412	26,886	7,622	12,673	20,295	0.755
Total	23,890	124,667	148,557	42,532	88,325	130,857	0.872

Experienced Population Total (2020-2024) and Prediction (2030)

Location	2020	2021	2022	2023	2024	Total	2030
Amherst County	31,307	31,159	31,011	30,863	30,715	155,055	29,827
Appomattox County	16,119	16,209	16,299	16,389	16,478	81,494	17,018
Bedford County	79,462	79,798	80,134	80,470	80,806	400,670	82,822
Campbell County	55,696	55,700	55,705	55,709	55,713	278,523	55,739
City of Lynchburg	79,009	79,235	79,461	79,687	79,913	397,304	81,268
PD 11	261,593	262,101	262,609	263,117	263,625	1,313,046	266,674
Virginia	8,631,393	8,681,154	8,730,915	8,780,676	8,830,437	43,654,574	9,129,002

Source: Weldon-Cooper and DCOPN Records

$$\begin{aligned}\text{FOR} &= \frac{((\text{ORV}/\text{POP}) \times (\text{ProPOP})) \times \text{AHORV}}{1,600} \\ \text{FOR} &= \frac{((130,857)/1,313,046) \times 266,674 \times 1.2295}{1,600} \\ \text{FOR} &= \frac{29,728.32 \times 1.2295}{1,600} \\ \text{FOR} &= \frac{36,551}{1,600}\end{aligned}$$

FOR= 22.84 or 23 Operating Rooms

The future general purpose operating rooms need in PD 11 in 2030 is 23 operating rooms, as shown through the calculations in **Figure 1**. As there are currently 21 general purpose operating rooms in the PD, there is a need for two more 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.

This is not applicable as the operating rooms will not be relocated.

12VAC5-230-510. Staffing.

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

The applicant states that surgical services “will be under the direction of the Executive Chair of Surgical Services Clinton S. Beverly, MD.”

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.

Lynchburg General has demonstrated an institutional need for additional operating rooms with the high utilization of the existing operating rooms. According to the 2024 VHI report, the facility was above the SMFP required threshold to expand, at 149% of the SMFP utilization threshold in the 2024 VHI reports. While the percentage in past years differs due to misreported information from the applicant to VHI, the current report was verified by both sources and indicates qualification for institutional need.

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

The applicant is part of a health system, but there is not an underutilized facility that will be able to be relocated without negatively impacting the existing service population.

There are three other facilities in the Centra Health System that are licensed for operating rooms currently. Bedford Memorial has the lowest utilization with only 416 hours per operating room in 2024; however, it is the only facility with general operating rooms outside of the City of Lynchburg. Bedford Memorial also only has two operating rooms; decreasing its operating room inventory to one would create significant operational inefficiencies for Bedford Memorial.

Virginia Baptist performed 1,375 hours per operating room in 2024 and does not qualify as underutilized. The Surgery Center of Lynchburg also does not qualify as there is 163% of the SMFP utilization being performed at the outpatient surgical hospital.

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

The section does not apply as the applicant is not a nursing facility.

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

The section does not apply as the applicant is not looking to establish a new service but to expand an existing surgical service.

Required Considerations Continued

- 4. The extent to which the proposed service or facility fosters institutional competition that benefits the area to be served while improving access to essential health care services for all persons in the area to be served.**

The proposed addition of four general operating rooms will not foster institutional competition but will increase the availability of services currently provided. The applicant has addressed this consideration stating:

“The project will definitely improve access to essential health care services for residents of the area by offering more general purpose operating room surgical capacity, enabling the more efficient delivery of surgical services, the scheduling of cases in a timelier manner for both scheduled and add-on cases, and offer greater flexibility in the larger surgical suites.”

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

As stated above, all facilities in PD 11 currently providing general operating surgical services are subsidiaries of Centra. One provider is an outpatient surgical hospital which is currently providing services at 163% of the SMFP threshold for expansion, higher than the utilization of Lynchburg General. The other outpatient surgical hospital has one general operating room with a restriction for ocular surgery only.

The two other facilities with general operating rooms are hospitals in the Centra system: Virginia Baptist and Bedford Memorial. Virginia Baptist is currently providing services at 86% of the SMFP threshold and is not expected to be negatively impacted by the proposed addition at Lynchburg General. While Bedford Memorial is at 26%, it is also not expected to be negatively impacted due to Bedford Memorial’s geographic distance and established patient base.

- 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.**

Projected capital costs for the project are \$13,049,404. This includes the equipment needed for the operating rooms and support areas on the surgical floor. Direct construction costs are estimated at \$9,998,760, making the cost per square foot for the project approximately \$3,174. This cost is slightly higher than similar, recently authorized projects. COPN VA-04942 authorized the addition of one general operating room at Chesapeake Regional Memorial Hospital in PD 20 with a budget of \$780 per square foot. COPN VA-04790 was issued to Inova Fair Oaks Hospital for the addition of two operating rooms with a budget of \$1,882 per square foot. The project is financially feasible. There is a constant profit predicted after opening the additional general purpose operating rooms, as shown in **Table 8**.

Table 8: Projected Finances for Year 1 and Year 2

	Year 1	Year 2
Gross Revenue	\$ 855,371,032.00	\$ 898,626,666.00
Charity Care	\$ 10,521,064.00	\$ 11,053,108.00
Deductions	\$ 181,961,950.00	\$ 189,200,394.00
Operating Expenses	\$ 114,937,537.00	\$ 121,091,186.00
Total Expenses	\$ 307,420,551.00	\$ 321,344,688.00
Net Revenue	\$ 547,950,481.00	\$ 577,281,978.00

Source: COPN Request No. 8837

Regarding staffing resources, the proposed project will need an additional 15 full-time surgical employees. There are currently 21 vacancies in surgical staff positions within the hospital, meaning with the additional 15 people needed there will be approximately 30% of the surgical staff positions vacant- 36 vacancies in total (**Table 9**).

Table 9: Lynchburg General Hospital Surgical Staffing

Full-Time Staff Positions	Current		Additional Full-Time	Unstaffed Total
	Full-Time Staff	Vacant Positions		
Registered Nurses	42	10	4	14
Surgical Tech	26	9	6	15
Nurse's Aides, Orderlies, and Attendants	5	1	1	2
Anesthesia Technicians	4	-	1	1
Perfusionist	3	-	-	0
Surgical Tech First Assist	4	1	3	4
Total Staff	84	21	15	36

Source: COPN Request No. VA-8837

Centra partners with universities, including but not limited to Liberty University and the University of Lynchburg, offering bachelor's degrees in nursing for recruitment of students and graduates.

- 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.**

(i) The project will not introduce technology to the PD. The applicant does state in regard to this criterion that the additional rooms will be sized to "accommodate surgical robotic systems in which a variety of surgical specialty procedures can be performed." The robotic systems in question are already in existence at the hospital as two portable artificial intelligence (AI) bots.

(ii) The proposal does not involve provision of outpatient care. (iii) The applicant does not cite any cooperative efforts regarding medical or surgical services. (iv) No additional factors were stated to be considered.

- 8. In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served.**
(i) The unique research, training, and clinical mission of the teaching hospital or medical school. (ii) Any contribution the teaching hospital or medical school may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations.

This is not applicable. The applicant is not a teaching hospital associated with a public institution of higher education or a medical school in the area to be served. The health system has a nursing college (Centra College) but the courses and degrees are from local colleges.

DCOPN Staff Findings and Conclusions

Lynchburg General Hospital is a subsidiary hospital of Centra Health, Inc., and is located at 1901 Tate Spring Road, Lynchburg, Virginia. The hospital is applying to add four general operating rooms, bringing the facility total to twelve general and two specialized operating rooms. The additional operating rooms will be part of the revitalization of the hospital's campus with the construction of a 6-story tower currently being built. The planned surgical floor of the tower will include pre- and post-recovery suites, space for visitors, and additional room for administrative duties and surgical support, as well as operating rooms authorized at Lynchburg General Hospital. It is expected that the tower will be completed in October 2028 and will begin to provide services in December of that year.

Lynchburg General will add four general purpose operating rooms, bringing the facility total to twelve general and two specialized operating rooms, but will not enhance geographic access to general surgical services in PD 11. Thirteen community members wrote letters of support for the project and staff have stated commitment to the expansion of services. There is no known opposition to the project. There is not an alternative to the project, and the project is more beneficial than the status quo. The total cost of the project is \$13,049,404 which is consistent with similar projects, and the facility has proffered a charity care rate of 1.23%. There is a need for two additional general purpose operating rooms and the applicant has calculated institutional need. Fifteen additional surgical staff will be needed to provide services with the approval of the project, bringing the vacant positions at the hospital to 36 full-time equivalent staff.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of Centra Health, Inc.'s COPN Request No. VA-8837 to add four additional general purpose operating rooms at Centra Lynchburg General Hospital, bringing the facility total to 12 operating rooms for the following reasons:

1. The project is generally consistent with the applicable criteria and standards the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.
2. A reasonable, less costly, more efficient alternative to the proposed project does not exist and the proposal is more beneficial than the status quo.
3. There is a calculated deficit of two general operating rooms in the PD and the applicant has an institutional need for additional general purpose operating rooms.
4. There is no known opposition to the project.

DCOPN's recommendation is contingent upon Centra Health, Inc.'s agreement to the following charity conditions:

Centra Health, Inc. will provide general operating room services to all persons in need of these services, regardless of their ability to pay, and will provide as charity care to all indigent persons free services or rate reductions in services and facilitate the development and operation of primary care services to medically underserved persons in an aggregate amount equal to at least 1.23% of Centra Health, Inc.'s total patient services revenue derived from general operating room services as valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq. Compliance with this condition will be documented to the Division of Certificate of Public Need annually by providing audited or otherwise appropriately certified financial statements documenting compliance with the preceding requirement. Centra Health, 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.

Centra Health, Inc. will provide surgical care 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 Centra Health, 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.