

# VIRGINIA DEPARTMENT OF HEALTH

## Office of Licensure and Certification

### Division of Certificate of Public Need

#### Staff Analysis

November 19, 2025

#### **COPN Request No. VA-8839**

Fairview Propco, LLC

Franklin, Virginia

Establish a 95-bed nursing home by relocation from Southampton Memorial Hospital

#### **Applicant**

Fairview Propco, LLC (“Fairview”) is a limited liability corporation established in April 2025 and is authorized to transact business in Virginia. The applicant does not currently operate any healthcare facilities in Virginia; however, the proposed facility would have common ownership with four other facilities in Virginia, one of which is located in Southampton County. The proposed facility, Fairview Rehabilitation and Healthcare Center, is in Planning District (PD) 20, Health Planning Region (HPR) V. Fairview Propco LLC is a subsidiary of Fairview Holdco LLC.

#### **Background**

There were 37 nursing facilities reported to Virginia Health Information (VHI) in PD 20 for 2024, including three continuing care retirement communities (CCRCs) and two acute care facilities with certified long term care beds. In total, there were 4,306 nursing facility beds, that were occupied at 87.1% in 2024 (**Table 1**). Omitting the CCRCs from the calculation yields an occupancy of 87.3%. Since the data for 2024 was reported to VHI, COPN No. VA- 04869 authorized Our Lady of Perpetual Help Health Center to add 34 beds, to be relocated from Bon Secours Southampton Memorial Hospital (“Southampton”), expected to be completed in March 2027. This authorization leaves 95 beds at Southampton that are not pending relocation. Southampton is the long term care-certified acute care unit that the applicant proposes to acquire. The same patient days reported in 2024 would have an occupancy of 93.9% of the remaining 95 beds (instead of the previously authorized 129 beds in **Table 1**).

Also, since 2024, COPN No. VA- 04946 authorized a new 100-bed facility in Suffolk, Bennett’s Creek Health and Rehab Center. Its 100 beds will be relocated from five other facilities within PD 20. The facility is expected to be completed in August 2028. **Table 2** reflects the authorized relocations of nursing facility beds within PD 20, with the total inventory of beds located in PD 20 remaining unchanged.

DCOPN notes that the beds at Southampton proposed to be relocated to Fairview are not licensed as nursing home beds, rather licensed by VDH as acute care hospital beds that are certified to provide long term care. Nursing facility beds include acute care hospital beds that are certified to provide long term care. There is precedent for transferring such acute care hospital beds to nursing homes (COPN Nos. VA-04602 and VA-04837, for example). Though the beds under review will remain in the same building, the proposal is to establish a nursing home with licensed nursing home beds. Should the proposal be approved, Southampton will reduce its hospital license by 95 acute care beds.

**Table 1. PD 20 Nursing Facility Utilization, 2024**

Facility Name	Total Licensed Nursing Beds	Total Patient Days	Licensed Bed Available Days	Occupancy Rate per Licensed Bed
Autumn Care of Chesapeake	117	40,131	42,822	93.7%
Autumn Care of Norfolk	120	40,624	43,920	92.5%
Autumn Care of Portsmouth	105	34,117	38,430	88.8%
Autumn Care of Suffolk	110	38,299	40,260	95.1%
Bay Pointe Rehabilitation and Nursing	112	36,139	40,992	88.2%
Bayside Health and Rehabilitation Center	60	20,100	21,960	91.5%
Birchwood Park Rehabilitation and Nursing	150	47,643	54,900	86.8%
Bon Secours Southampton Memorial Hospital - LTCU	129	32,650	47,214	69.2%
Chesapeake Health and Rehabilitation Center	180	63,117	65,880	95.8%
Colonial Health & Rehab Center	90	29,894	32,940	90.8%
Consulate Health Care of Norfolk	222	68,066	81,252	83.8%
Consulate Healthcare of Windsor	114	40,158	41,724	96.2%
Courtland Rehabilitation and Healthcare Center	90	31,910	32,940	96.9%
Cypress Pointe Rehabilitation and Nursing	90	29,352	32,940	89.1%
Greenbrier Regional Medical Center	120	36,623	43,920	83.4%
Harbors Edge Norfolk (C0074)	33	9,971	12,078	82.6%
Harbour Pointe Healthcare and Rehabilitation Center	169	51,029	61,854	82.5%
Kempsville Health & Rehab Center	90	30,582	32,940	92.8%
Lake Prince Woods (C0065)	40	9,160	14,640	62.6%
Lake Taylor Transitional Care Hospital LTCU	192	57,885	70,272	82.4%
Maimonides Health Center of Virginia Beach	120	31,209	33,000	94.6%
Nans Pointe Rehabilitation and Nursing	148	44,449	54,168	82.1%
Norfolk Health and Rehabilitation Center	180	61,574	65,880	93.5%
Northern Cardinal Rehabilitation and Nursing	120	37,014	43,920	84.3%
Norview Heights Rehabilitation and Nursing	60	20,080	21,960	91.4%
Oak Grove Health & Rehab Center	120	42,413	43,920	96.6%
Our Lady of Perpetual Help Center, Inc	30	10,310	10,980	93.9%
Portside Health and Rehab Center	132	42,220	48,312	87.4%
Portsmouth Health and Rehab	120	37,347	43,920	85.0%
Princess Anne Health and Rehabilitation Center	120	41,144	43,920	93.7%
Riverside Healthy Living Community - Smithfield	34	10,677	12,444	85.8%
Rosemont Health & Rehab Center	116	38,621	42,456	91.0%
Seaside Health Center	50	14,272	18,300	78.0%
Thalia Gardens Rehabilitation and Nursing	138	43,735	50,508	86.6%
Virginia Beach Healthcare and Rehabilitation Center	180	62,401	65,880	94.7%
Waterside Health and Rehab Center	197	42,322	72,102	58.7%
Westminster-Canterbury on Chesapeake Bay (C0038)	108	35,210	39,528	89.1%
<b>PD 20 Totals and Average</b>	<b>4,306</b>	<b>1,362,448</b>	<b>1,565,076</b>	<b>87.1%</b>

Source: 2024 VHI

**Table 2. Nursing Facility Inventory (includes Licensed LTC Hospital Beds), PD 20**

Facility	Licensed Nursing Facility Beds	Authorized Nursing Facility Beds after relocations
Accordius Health at Bay Pointe LLC	112	112
Accordius Health at Courtland	90	90
Accordius Health at Nansemond Pointe LLC	148	148
Accordius Health at River Pointe LLC	138	138
Autumn Care of Chesapeake	117	117
Autumn Care of Norfolk	120	118
Autumn Care of Portsmouth	105	91
Autumn Care of Suffolk	110	110
Bayside Health & Rehab Center	60	60
Bennett's Creek Health and Rehab Center	0	100
Maimonides Health Center of Virginia Beach	120	120
Bon Secours/Maryview Nursing Center	120	120
Chesapeake Health and Rehab Center	180	180
The Citadel Virginia Beach LLC	150	150
Consulate Health Care of Norfolk	222	222
Consulate Health Care of Windsor	114	114
Greenbriar Regional Medical Center	120	120
Harbor's Edge**	33	33
Heritage Hall - Virginia Beach	90	90
Kempsville Health & Rehab	90	90
Lake Prince Woods**	40	40
Lake Taylor Transitional Care Hosp (LTC)*	192	192
Norfolk Health & Rehabilitation Center	180	180
Our Lady of Perpetual Help	30	30
Pelican Health Norfolk (Thornton Hall)	60	60
Portside Health and Rehab Center	132	124
Portsmouth Health and Rehab	120	120
Princess Ann Healthcare	120	120
Riverside Healthy Living Community-Smithfield	34	34
Seaside, Health Center at Atlantic Shores	50	50
Sentara Nursing Center - Chesapeake	120	120
Sentara Nursing Center - Virginia Beach (Rosemont Health & Rehab)	116	110
Sentara Nursing Center - Windermere	90	90
Signature Healthcare of Norfolk	169	169
Bon Secours Southampton Memorial Hospital LTC*	129	95
Virginia Beach Healthcare & Rehab Center	180	180
Waterside Health & Rehab Center	197	127
Westminster-Canterbury on Chesapeake Bay**	108	108
<b>Total PD 20</b>	<b>4,306</b>	<b>4,306</b>

Source: DCOPN Records

\* Long Term Care (LTC) beds in acute general hospitals

\*\*Continuing Care Retirement Communities

### **Proposed Project**

The applicant proposes to establish a 95-bed nursing home through the acquisition of 95 beds and the facility in which they are located, from Southampton. These beds are currently licensed acute care beds certified for long term care services. The beds will remain in place in the 61,296-square-foot facility at 100 Fairview Drive in Franklin, Virginia. Fairview intends to acquire ownership rights via an Asset Purchase Agreement and then Fairview Opco, LLC (the operator) will lease the property from the applicant. The cost of conventional mortgage loan financing associated with the proposal is \$9,375,000 so total Capital and Financing Costs are \$21,875,000.

**Table 3. Capital Costs, Fairview Rehabilitation and Healthcare Center**

Direct Construction Cost	\$ -
Equipment not included in construction contract	\$ -
Site Acquisition Costs	\$ 12,500,000
Architectural and Engineering	\$ -
<b>Total Capital Costs</b>	<b>\$ 12,500,000</b>

Source: COPN Request No. VA-8839

Should the proposed project be approved, the applicant expects that it will be operational 45 days after issuance of a COPN.

### **Project Definition**

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the “[e]stablishment of a medical care facility described in subsection A.” A medical care facility includes “[a]ny facility licensed as a nursing home...”

### **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 20 had a population of about 1.2 million in 2020 and is projected to grow by just over 40,000 people, 3.3%, between 2020 and 2030. This is less than the population growth rate projected for Virginia during this decade, 5.8%. Franklin City, where the proposed project is located, and the surrounding Southampton County are rural areas of PD 20 and represent only 2.2% of the PD 20 population. Franklin City is projected to decrease in population by 513 people (6.3% decline in population) between 2020 and 2030, and Southampton County is projected to decrease by 824 people (4.6% decline in population) during the same period (**Table 4**).

PD 20's 65 and older cohort is projected to increase, through aging and in-migration, by 33.8% between 2020 and 2030. Franklin County's 65 and older age group is projected to increase by a third of that, 10.9% during the same time period, and Southampton County by 27.9%, compared to 26.3% in Virginia (**Table 4**).

**Table 4. PD 20 Population Data**

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

Source: Weldon-Cooper Data, updated August 2023

With respect to socioeconomic barriers, the poverty rate of PD 20 is higher than that of Virginia (**Table 5**). Franklin City, the location of the proposed project, has a poverty rate of 19.0%, considerably higher than that of PD 20, and higher than that of Virginia. The surrounding Southampton County has a poverty rate of 15.0%, also higher than the PD and Virginia poverty rates.

**Table 5. 2022 Poverty Rates, PD 20**

Locality	Percent in Poverty
Isle of Wight County	8.5%
Southampton County	15.0%
Chesapeake City	8.7%
Franklin City	19.0%
Norfolk City	18.8%
Portsmouth City	19.8%
Suffolk City	11.6%
Virginia Beach City	9.9%
<b>PD 20</b>	<b>12.3%</b>
Virginia	10.6%

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

The site's location is bordered by High Street, a north-south road, and Fairview Drive, an east-west highway in the northern part of Franklin, Virginia. It is a 10-minute drive from State Roads 58 and 258, providing access in all directions.

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

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

DCOPN received a letter from Universal Health Corporation expressing its willingness to partner with Fairview and provide a Medical Director and attending provider. DCOPN has received no other documentation of support.

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-8839 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 11, 2025. The public comment period closed on October 26, 2025. Other than the letter 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.**

No alternative has been identified to the proposed project that meets the needs of the population in a less costly, more efficient or more effective manner. The proposal maintains the inventory of nursing facility beds within PD 20. It is more beneficial than the status quo because currently only 13 of Southampton's beds certified for long term care are dually certified for Medicare and Medicaid; whereas the applicant states that, with approval of the proposed project, all 95 beds will be dually certified for Medicaid and Medicare and become more accessible to all payors.

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

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

**(iv) Any costs and benefits of the project.**

Total projected capital costs for the proposed project are \$12,500,000, with another \$9,375,000 in conventional mortgage loan financing, so the total capital and financing costs are \$21,875,000. The estimated costs are consistent with other recently approved projects to establish a nursing home. For example, COPN No. VA-04946 authorized Bennett's Creek RE Group, LLC to establish a 100-bed nursing home at a capital cost of \$18,936,700.

The applicant has described several benefits of the proposed project. Currently, only 13 of Southampton's beds are dually certified for Medicare and Medicaid services. Fairview asserts that all 95 nursing home beds it seeks will be dually certified for Medicare and Medicaid and open to the public regardless of payment source. The proposal maintains the current inventory of PD 20 nursing facility beds unaltered and allows Southampton to focus on acute care patients and services.

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

Fairview is committed to ensuring that all 95 proposed nursing home beds will be dually certified for Medicare and Medicaid and open to all patients regardless of their ability to pay for services or of their payor source.

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

The Centers for Medicare and Medicaid Services (CMS) has given the existing Southampton nursing facility a 5-star rating (out of 5) with component ratings for Health Inspections, Staffing and Quality Measures ratings of 4-, 5- and 5-stars, respectively.



**Figure 1. Bon Secours Southampton Memorial Hospital LTC Unit, CMS Star Ratings**

### Overall rating



Much above average

The overall rating is based on a nursing home's performance on 3 sources: health inspections, staffing, and quality measures.

[Learn how Medicare calculates this rating](#)

### Health inspections



Above average

[View Inspection Results](#)

### Staffing



Much above average

[View Staffing Information](#)

### Quality measures



Much above average

[View Quality Measures](#)

Source: <https://www.medicare.gov/care-compare/details/nursing-home/495157?city=Franklin&state=VA&zipcode=>  
Last updated 9/24/2025.

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

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

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

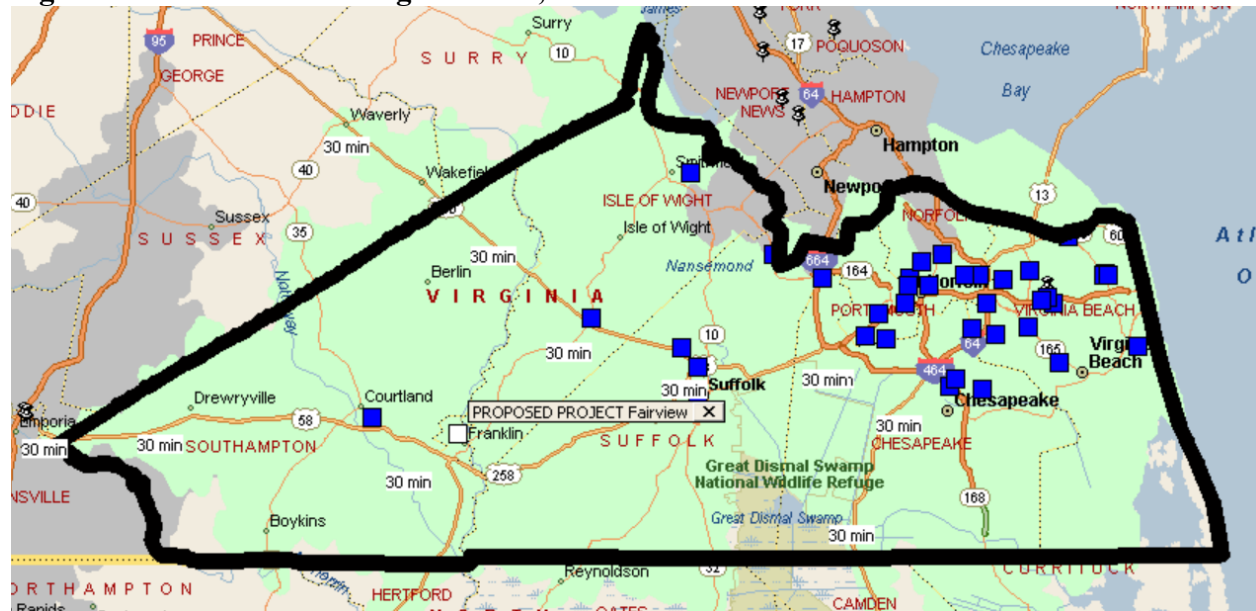
#### **Part VII. Nursing Facilities**

##### **12VAC5-230-600. Travel Time.**

##### **A. Nursing facility beds should be accessible within 30 minutes driving time one way under normal conditions of 95% of the population in a health planning district using mapping software as determined by the commissioner**

The heavy black line in **Figure 2** identifies the boundary of PD 20. The dark blue squares indicate the location of the authorized nursing home facilities in PD 20. The white square is the proposed project labeled “Fairview,” which is currently an existing nursing facility, Southampton. The shaded green area is within the 30-minute drive time of existing nursing facilities in PD 20. The grey shaded area is within 30 minutes of a nursing facility outside of PD 20. Nursing facilities are already accessible to over 95% of the population. The proposed project will not impact geographic accessibility.

**Figure 2. Authorized Nursing Facilities, PD 20**



Source: DCOPN Mapping Software and Records

**B. Nursing facilities should be accessible by public transportation when such systems exist in an area.**

Public transportation was not addressed in the application. A Google search shows that I-Ride Franklin/Southampton has a stop at Bon Secours Southampton Memorial Hospital on its handicap-accessible transit service for seniors.

**C. Preference may be given to proposals that improve geographic access and reduce travel time to nursing facilities within a health planning district.**

The proposal does not change geographic access or reduce travel time to nursing facilities. The proposed project is not competing with another project. Accordingly, this standard is not applicable.

**12VAC5-230-610. Need for New Service.**

**A. A health planning district should be considered to have a need for additional nursing facility beds when:**

- 1. The bed need forecast exceeds the current inventory of beds for the health planning district; and**
- 2. The average annual occupancy of all existing and authorized Medicaid-certified nursing facility beds in the health planning district was at least 93%, excluding the bed inventory and utilization of the Virginia Veterans Care Centers.**

**EXCEPTION:** When there are facilities that have been in operation less than three years in the health planning district, their occupancy can be excluded from the calculation of average occupancy if the facilities had an annual occupancy of at least 93% in one of its first three years of operation.

**B. No health planning district should be considered in need of additional beds if there are unconstructed beds designated as Medicaid certified. This presumption of ‘no need’ for additional beds extends for three years from the issuance date of the certificate.**

**C. The bed need forecast will be computed as follows:**

$$\text{PDBN} = (\text{UR64} \times \text{PP64}) + (\text{UR69} \times \text{PP69}) + (\text{UR74} + \text{PP74}) + \text{UR79} + \text{PP79}) + \text{UR84} + \text{PP84}) + \text{UR85} + \text{PP85})$$

**Where:**

- **PDBN = Planning district bed need.**
- **UR64 = The nursing home bed use rate of the population aged 0 to 64 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP64 = The population aged 0 to 64 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR69 = The nursing home bed use rate of the population aged 65 to 69 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP69 = The population aged 65 to 69 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR74 = The nursing home bed use rate of the population aged 70 to 74 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP74 = The population aged 70 to 74 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR79 = The nursing home bed use rate of the population aged 75 to 79 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP79 = The population aged 75 to 79 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR84 = The nursing home bed use rate of the population aged 80 to 84 in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP84 = The population aged 80 to 84 projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**
- **UR85+ = The nursing home bed use rate of the population aged 85 and older in the health planning district as determined in the most recent nursing home patient origin study authorized by VHI.**
- **PP85+ = The population aged 85 and older projected for the health planning district three years from the current year as most recently published by a demographic program as determined by the commissioner.**

Health planning district bed need forecasts will be rounded as follows:

<u>Health Planning District Bed Need</u>	<u>Rounded Bed Need</u>
1-29	0
30-44	30
45-84	60
85-104	90
105-134	120
135-164	150
165-194	180
195-224	210
225+	240

**EXCEPTION: When a health planning district has:**

1. Two or more nursing facilities;
  2. Had an average annual occupancy rate in excess of 93% for the most recent two years for which bed utilization has been reported to VHI; and
  3. Has a forecasted bed need of 15 to 29 beds, then the bed need for this health planning district will be rounded to 30.
- D. No new freestanding nursing facilities of less than 90 beds should be authorized. However, consideration may be given to a new freestanding facility with fewer than 90 nursing facility beds when the applicant can demonstrate that such a facility is justified based on a locality's preference for such smaller facility and there is a documented poor distribution of nursing facility beds within the health planning district.**
- E. When evaluating the capital cost of a project, consideration may be given to projects that use the current methodology as determined by the Department of Medical Assistance Services.**
- F. Preference may be given to projects that replace outdated and functionally obsolete facilities with modern facilities that result in the more cost-efficient resident services in a more aesthetically pleasing and comfortable environment.**

Not applicable. The proposed project will not add nursing facility beds in PD 20 and the proposed project meets the 90-bed threshold.

**12VAC5-230-620. Expansion of Services.**

**Proposals to increase an existing nursing facility's bed capacity should not be approved unless the facility has operated for at least two years and the average annual occupancy of the facility's existing beds was at least 90% in the relevant reporting period as reported to VHI.**

**Note: Exceptions will be considered for facilities that operated at less than 90% average annual occupancy in the most recent year for which bed utilization has been reported when the facility offers short stay services causing an average annual occupancy lower than 90% for the facility.**

Not applicable, the applicant is not proposing to expand an existing service.

**12VAC5-230-630. Continuing Care Retirement Communities.**

Proposals for the development of new nursing facilities or the expansion of existing facilities by continuing care retirement communities (CCRC) will be considered when:

1. The facility is registered with the State Corporation Commission as a continuing care provider pursuant to Chapter 49 (§38.2-4900 et seq.) of Title 38.2 of the Code of Virginia;
2. The number of nursing facility beds requested in the initial application does not exceed the lesser of 20% of the continuing care retirement community's total number of beds that are not nursing home beds or 60 beds;
3. The number of new nursing facility beds requested in any subsequent application does not cause the continuing care retirement community's total number of nursing home beds to exceed 20% of its total number of beds that are not nursing facility beds; and
4. The continuing care retirement community has established a qualified resident assistance policy.

This provision is not applicable to the proposed project, as the applicant is not a continuing care retirement community.

**12VAC5-230-640. Staffing.**

Nursing facilities shall be under the direction or supervision of a licensed nursing home administrator and staffed by licensed and certified nursing personnel qualified as required by law.

The applicant asserts that the facility is and will be staffed appropriately to comply with all regulatory requirements.

**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 project does not change the inventory or location of nursing facilities and does not foster institutional competition. As demonstrated by **Table 1**, there are 37 COPN authorized nursing facilities in PD 20 with 4,306 nursing home beds, operated by different owners and operators. DCOPN contends that the proposed project is not likely to foster additional institutional competition benefiting PD 20, as sufficient competition already exists among existing providers.

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.**

Based on 2024 VHI data, there were 555 vacant nursing home beds in PD 20 on any given day. The proposed project is inventory-neutral, so it does not add to the excess capacity of beds. In addition,

it does not redistribute beds within PD 20. The proposed site is in an area of PD 20 where nursing facilities are sparse, with only 3 nursing facilities within a 30-minute drive of Southampton.

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

There is no construction associated with the proposed project. Capital costs are for bed and site acquisition. This cost is comparable to that of a very recently authorized project, also in PD 20, to construct a new nursing home. The proforma provided by the applicant (**Table 6**) shows a net income before taxes of \$930,521 each of the first two years.

**Table 6. Proforma, Fairview Rehabilitation and Healthcare Center**

	Year 1	Year 2
<b>Revenue</b>	<b>\$ 10,850,086</b>	<b>\$ 10,850,086</b>
Deductions	\$ 742,141	\$ 742,141
<b>Net Patient Revenue</b>	<b>\$ 11,592,227</b>	<b>\$ 11,592,227</b>
<b>Other Revenue</b>	<b>\$ 5,003</b>	<b>\$ 5,003</b>
<b>Total Net Revenue</b>	<b>\$ 11,597,230</b>	<b>\$ 11,597,230</b>
<b>Total Expenses</b>	<b>\$ 10,666,709</b>	<b>\$ 10,666,709</b>
<b>Net Income Before Taxes</b>	<b>\$ 930,521</b>	<b>\$ 930,521</b>

Source: COPN Request No. VA-8839

The applicant asserts that the proposed nursing home will retain the same staff that currently serves Southampton's long term care unit and no additional staffing is needed.

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

The proposal does not provide innovations in the financing and delivery of health services or enhance outpatient services or cooperative efforts to meet regional healthcare needs.

**8. In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served.**

**(i) The unique research, training, and clinical mission of the teaching hospital or medical school. (ii) Any contribution the teaching hospital or medical school may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations.**

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

### **DCOPN Staff Findings and Conclusions**

The proposed project establishes a 95-bed nursing home, Fairview Rehabilitation and Healthcare Center, by means of the purchase of Bon Secours Southampton Memorial Hospital's acute care beds that are certified for long term care use, and the facility in which they are housed. The proposal establishes a nursing home through the licensing of the beds, proposed to be purchased, as nursing home beds. The location and staff remain the same as they are currently at the Southampton long term care unit, which achieved a 5-star CMS Star rating in 2025. No additional staffing is required to operate the new nursing home.

The area surrounding the facility is rural, the population is small and shrinking; however, the population aged 65 and over is growing at a rate higher than that of the PD and of Virginia. The proposal maintains the inventory of nursing facility beds and is more beneficial than the status quo, in that it increases the number of beds that are dually certified by Medicare and Medicaid from 13 to the full complement of 95 beds, improving financial accessibility of the beds in an area with a relatively high poverty rate. The proposed project has capital costs that are comparable to those of another recently approved new nursing home in PD 20. The proposal is wholly feasible and it is generally consistent with the applicable criteria and standards of the SMFP and the Eight Required Considerations of the Code of Virginia.

### **DCOPN Staff Recommendations**

The Division of Certificate of Public Need recommends **approval** of Fairview Propco, LLC's COPN Request No. VA-8839 to establish a nursing home with 95 beds for the following reasons:

1. The proposal to establish Fairview Rehabilitation and Healthcare Center 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. The proposed project improves financial accessibility in an area of the state with a relatively high poverty rate.
3. The proposed project is more beneficial than the status quo and no alternative has been identified to the proposed project that meets the needs of the population in a less costly, more efficient or more effective manner.
4. The proposal is wholly feasible.
5. The capital costs of the proposed project are reasonable.
6. There is no known opposition to the project.