VIRGINIA DEPARTMENT OF HEALTH

Office of Licensure and Certification

Division of Certificate of Public Need

Staff Analysis

January 21, 2025

RE: COPN Request No. VA-8786
University of Virginia Imaging, LLC
Charlottesville, Virginia
Addition of One CT scanner at 2965 Ivy Road

Applicant

University of Virginia Imaging, LLC ("UVA Imaging") is a limited liability company organized in Virginia. It is owned by the University of Virginia on behalf of its Medical Center ("UVAMC") (80% interest) and Outpatient Imaging Associates of Virginia, LLC (20% interest). The facility, UVA Imaging Northridge ("Northridge") is wholly owned by UVA Imaging and is located in Planning District (PD) 10, Health Planning Region (HPR) I.

Background

According to VHI data, PD 10 had 14 diagnostic CT scanners that performed 110,848 CT scans in 2022, the latest year for which such data are available. This is an average of 7,918 CT scans per unit, 107% of the State Medical Facilities Plan (SMFP) standard of 7,400 scans per CT scanner. CT scanners in PD 10 acute care hospitals averaged 138.7% of the SMFP standard and freestanding facilities averaged 64.7% of the standard (**Table 1**).

DCOPN records show that there are currently 19 CT scanners authorized in the PD 10. One of Sentara Martha Jefferson's and one of University of Virginia Medical Center's CT scanners are used for CT simulation, and two of University of Virginia Medical Centers are intraoperative scanners. These four CT scanners are not in the count of diagnostic CT scanners and are not included in this analysis. There are 15 diagnostic CT scanners in PD 10 (**Table 2**).

UVA Imaging is a joint venture created with the purpose of providing off-Grounds outpatient imaging to UVA Medical Center patients. Across all UVA Health facilities in PD 10, CT scanners averaged 7,499 CT scans per unit in 2022, or 101.3% of the SMFP standard. The UVA Imaging CT scanners operated at 75.4% of the SMFP threshold in 2022. UVA Imaging Northridge operated at 77.8% of the SMFP threshold in 2022 (**Table 1**).

Table 1. PD 10 CT Utilization, 2022 VHI Data

Facility Name	Total Stationary Units	Total CT Procedures	CT Scans per Unit	% of SMFP Standard
Acute Hospitals				
Sentara Martha Jefferson Hospital	2	29,427	14,714	198.8%
University of Virginia Medical Center[1]	6	52,678	8,780	118.6%
Totals and Averages, Acute Hospital	**8**	**82,105**	**10,263**	**138.7%**
Freestanding				
Martha Jefferson Health Services - Proffit Road	1	6,413	6,413	86.7%
Sentara Advanced Imaging Center - Charlottesville	1	14	14	0.2%
UVA Imaging - Transitional Care Hospital (Northridge)	1	5,760	5,760	77.8%
UVA Imaging Center Fontaine (MOB 1)	2	12,768	6,384	86.3%
UVA Imaging - Zion Crossroads	1	3,788	3,788	51.2%
Totals and Averages, Freestanding	**6**	**28,743**	**4,791**	**64.7%**
Total PD 10 CT Scanners and Utilization	**14**	**110,848**	**7,918**	**107.0%**

Table 2. PD 10 Inventory, Authorized CT Scanners

Facility	Total Authorized Scanners	Total Diagnostic Scanners
Sentara Martha Jefferson Hospital	3	2
University of Virginia Medical Center	9	6
Sentara Advanced Imaging - Charlottesville	1	1
Sentara Martha Jefferson Health Services - Proffit Road	1	1
UVA Transitional Care Hospital (Northridge)	1	1
UVA Imaging Center Fontaine MOB	2	2
UVA Imaging -- Ivy Mountain (Orthopedic Center)[2]	1	1
UVA Imaging - Zion Crossroads	1	1
Total PD 10 CT Inventory	**19**	**15**

Source: DCOPN records

Proposed Project

University of Virginia Imaging, LLC proposes to add a second CT scanner at UVA Imaging Northridge, an existing facility at 2965 Ivy Road, Charlottesville, Virginia. The proposal will require renovation of existing space to accommodate the new equipment and provide necessary environmental and ancillary spaces.

[1] University of Virginia Medical Center reported 7 CT scanners, in error, in 2022. This has been corrected in **Table 1** for accuracy.
[2] COPN No. VA-04745 authorized UVA Imaging – Ivy Mountain (Orthopedic Center) April 20, 2021.

Capital costs for the proposed project are projected to be $2,729,643, including $337,659 in conventional loan financing (**Table 3**). If approved, the proposal is expected to be operational by September 30, 2026.

Table 3. Capital and Financing Costs, Second CT, UVA Imaging Northridge

Direct Construction Cost	$	1,295,000
Equipment not included in Construction Contract	$	859,050
Site Acquisition Costs	$	32,934
Architectural and Engineering fees	$	110,000
Other Consulting Fees	$	95,000
Conventional Loan Financing	$	337,659
TOTAL CAPITAL COSTS	**$**	**2,729,643**

Source: COPN Request No. VA-8786

Project Definition

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part, as the "addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of … computed tomographic (CT) scanning…" A medical care facility includes "[a]ny specialized center or clinic or that portion of a physician's office developed for the provision of … computed tomographic (CT) scanning…"

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.**

   The population of PD 10 is expected to be about 280,000 by 2030 and have 20,000 more people than it had in 2020, a 7.9% increase (**Table 4**). This is a slightly higher percentage of population growth than that of Virginia at 5.8%. The primary service area of the proposed site, UVA Imaging Northridge, extends beyond PD 10. UVA Medical Center, which UVA Imaging supports, is an academic medical center offering tertiary/quaternary care to a broad spectrum of adults and children from across Virginia. UVA Medical Center's patients travel up to multiple hours for specialized services not readily available in communities across the state. UVA Imaging facilities in PD 10 close to UVA Medical Center (**Figure 1**) provide outpatient CT imaging in support of these patients. Efforts are made to coordinate imaging services with clinical visits to accommodate patients traveling long distances for services.

Table 4. PD 10 Population Data

Geography Name	2020	2030	Change in Population 2020 - 2030	% Change 2020-2030	2020 65+	2030 65+	Change in 65+ Population 2020 - 2030	% Change 2020-2030 65+
Albemarle County	112,395	124,016	11,621	10.3%	21,417	27,028	5,611	26.2%
Fluvanna County	27,249	28,394	1,145	4.2%	5,799	7,366	1,567	27.0%
Greene County	20,552	22,376	1,824	8.9%	3,836	5,442	1,606	41.9%
Louisa County	37,596	41,436	3,840	10.2%	7,826	10,691	2,865	36.6%
Nelson County	14,775	14,322	-453	-3.1%	4,124	4,525	401	9.7%
Charlottesville city	46,553	48,920	2,367	5.1%	4,711	6,306	1,595	33.9%
PD 10 Totals/Averages	**259,120**	**279,464**	**20,344**	**7.9%**	**47,712**	**61,357**	**13,645**	**28.6%**
Virginia, Statewide	**8,631,393**	**9,129,002**	**497,609**	**5.8%**	**1,352,448**	**1,723,382**	**370,934**	**27.4%**

Source: Weldon-Cooper Data from the UVA Weldon-Cooper Center for Public Service, August 2023

The facility is located less than one mile from an interchange connecting to Interstate 64 and US Route 29. It is approximately two miles from the UVA Medical Center Grounds and three miles from the outpatient clinics located at Fontaine Research Park (**Figure 1**). Local Charlottesville/Albemarle (CAT and JAUNT) bus services stop at the Northridge Medical Park frequently and regularly. UVA shuttle buses provide accessibility to all UVA Health locations in Charlottesville for patients who have difficulty with transport or wayfinding, and these have assistance and accommodations to get from clinic appointments to CT appointments. In terms of socioeconomic barriers, **Table 5** shows that Charlottesville has a poverty rate of 23%, over twice the average statewide.

Figure 1. Map of Proposed Project and Closest CT Providers

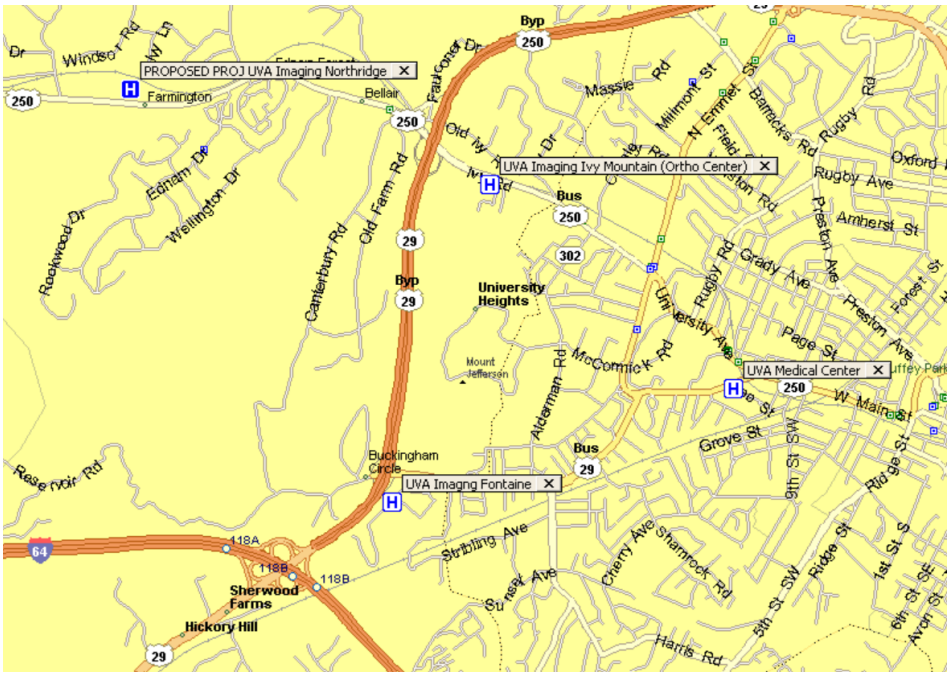


Table 5. Poverty Rates, PD 10 Localities

Geography Name	Poverty Rate
Albemarle County	9.00%
Fluvanna County	4.60%
Greene County	10.10%
Louisa County	10.80%
Nelson County	12.50%
Charlottesville city	23.10%
PD 10 Average/Total	**11.70%**
Virginia, Statewide	**10.60%**

Source: U.S. Census Bureau

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 of commitment from the Chair of University of Virginia's Department of Radiology and Medical Imaging. It also received nine letters of support for the proposed project from various providers and physician leaders: UVA Health's head of the Section of Medical Oncology, an associate professor of infectious disease, Chair of the Department of Obstetrics and Gynecology, Chief of Neuroradiology, Chair of the Department of Medicine, Physician Lead of the Oncology service line, Vice Chair for Quality and Safety, a thoracic medical oncologist and a nurse practitioner in the Thoracic Surgery Department. These letters, in aggregate, expressed the following:

- UVA Imaging serves UVA Medical Center outpatients at several locations in Charlottesville, and it is an integral part of UVA Health.
- It is vitally important to clinicians at UVA Medical Center that their patients have quick and convenient access to CT services when needed for diagnosis and treatment.
- UVA Imaging is clearly over capacity.
- If approved, the expanded facility will continue to be staffed by radiologists from University of Virginia School of Medicine, including sub-specialty radiologists who provide diagnosis and treatment of abdominal, thoracic, cardiac, breast, musculoskeletal, and neuroradiology diseases, as well as cancers.
- UVA Health's academic subspecialty radiology team implements protocols specifically tailored to UVA Medical Center's challenging patient population and provide interpretations that highlight subtle findings that referring physicians value. This differentiates the care provided at UVA Imaging as compared to our community colleagues.

- Cancer patients are by far the largest patient group at UVA Medical Center whose care is dependent upon high resolution CT scanning, both for initial diagnosis and treatment as well as surveillance.
- This imaging modality is essential for patients with cancers of the brain, lung, breast, reproductive tract and genitourinary tract.
- Patients and providers face challenges when imaging services are unable to accommodate the rapidly growing needs and expanding number of patients, including those with aggressive malignancies in need of sophisticated imaging for staging, treatment, planning and response assessment.
- The CT scanner at the Emily Couric Clinical Cancer Center (ECCCC) is particularly busy.
- The capacity of existing CT scanners at UVA Medical Center is very often challenged by the demand for services at University Hospital with its very busy ED, specialty clinics and inpatient population.
- Clinicians and patients rely on UVA Imaging's capacity at sites adjacent to ambulatory clinics where UVA specialists and subspecialists provide care (such as Fontaine Research Park and Northridge Medical Park) to provide CT imaging quickly and efficiently.
- UVA Imaging has reached capacity in its Charlottesville facilities and patients now experience delays of up to four weeks in scheduling CT appointments.
- Such delays are intolerable and often dangerous for patients.
- Many patients travel more than an hour for clinic visits and some in excess of five hours.
- Many patients are over the age of 60 with greater health acuity and multiple comorbidities.
- They are frequently transported by spouses of similar age and with similar limitations.
- Patients rely on availability of same day imaging appointments during business hours that can be aligned with scheduled clinic appointments.
- Imaging studies must also be coordinated for follow up of acute medical problems after discharge.
- Demand for UVA Imaging's CT services is making these accommodations increasingly difficult.
- Over the last six to twelve months, it has become more difficult to schedule CT scans, primarily due to lack of scanners.
- Expansion of UVA Imaging's CT service at Northridge by adding a second CT will provide much needed access to address capacity issues at both the Medical Center and UVA Imaging facilities in Charlottesville.

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-8786 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 November 8, 2024. The public comment period closed on December 23, 2024. Other than the letters of support 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.

The proposed project is more beneficial than the status quo. Though UVA Imaging Northridge, the site of the proposed project, does not have a facility-specific need for an additional CT scanner, it does have physical space and capacity to add a CT scanner. UVA Imaging Fontaine, the other PD 10 facility that is owned by the applicant and proximal to UVA Medical Center, had volumes on its two CT scanners equal to 86% of the SMFP standard in 2022, 97% in 2023 and 113% in 2024, according to the application for COPN Request No. VA-8786. A reasonable alternative to the proposed project would be the addition of a CT scanner at UVA Imaging Fontaine which does have a facility-specific need for another CT scanner; however, additional and more costly construction would be necessary for placement of a CT scanner at that site. There is no reasonable alternative identified that is less costly, more efficient or more effective.

(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 I designated by the Virginia Department of Health to serve as the Health Planning Agency for PD 10. 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 $2,729,643, including $337,659 in conventional loan financing. The estimated costs are consistent with other recently approved projects to add a CT scanner at an established facility, COPN Nos. VA-04871 at $1.8 million and VA-04873 at $3.4 million, for example.

The applicant has described several benefits to the proposed project, primarily the addition of capacity at an outpatient facility that offers access to specialized CT imaging, capable of the high-resolution CT imaging necessary for UVA Medical Center's wide range of patients, including many cancer patients that need CT imaging expeditiously. CT scans for patients arriving from distances of one to five hours away must be coordinated with appointments for other medical services to minimize trips for sick patients. Backlogs for CT scans at UVA Imaging facilities, including UVA Imaging Northridge, are four weeks, which is untenable for many out-of-town patients. The addition of a CT scanner at UVA Imaging Northridge will reduce backlogs and alleviate wait times for patients.

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

UVA Imaging treats all patients regardless of their ability to pay for services or of their payor source. UVA Medical Center and UVA Transitional Care Hospital where the proposed project is located, each provided charity care in the amount of 2.8% in 2022, the latest year for which such data are available. This is well above the HPR I average of 1.9% (**Table 6**).

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 consistent with University of Virginia Health System's systemwide charity condition of 4.1% of patient revenue. 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 6. Charity Care, HPR I Facilities, 2022

HPR I	Gross Pt Rev	Total Charity Care Provided Below 200%	Adjusted Charity Care	%
Encompass Health Rehab Hosp of Fredericksburg	$44,295,730	$2,229,009	$2,229,009	5.0%
UVA Health Culpeper Medical Center	$240,048,159	$7,421,653	$7,421,653	3.1%
University of Virginia Medical Center	$7,848,317,103	$221,917,841	$221,917,841	2.8%
UVA Transitional Care Hospital	$33,698,098	$949,912	$949,912	2.8%
Sentara RMH Medical Center	$1,071,307,453	$23,829,680	$23,829,680	2.2%
Sentara Martha Jefferson Hospital	$859,138,273	$13,611,074	$13,611,074	1.6%
Carilion Rockbridge Community Hospital	$198,916,994	$2,991,170	$2,991,170	1.5%
Valley Health Winchester Medical Center	$1,626,765,087	$15,114,509	$15,114,509	0.9%
Fauquier Hospital	$403,961,455	$3,743,617	$3,743,617	0.9%
Valley Health Page Memorial Hospital	$86,671,293	$784,764	$784,764	0.9%
Valley Health Shenandoah Memorial Hospital	$172,624,855	$1,427,262	$1,427,262	0.8%
Stafford Hospital Center	$325,489,642	$2,667,241	$2,667,241	0.8%
Valley Health Warren Memorial Hospital	$214,875,231	$1,602,856	$1,602,856	0.7%
Augusta Health	$1,319,446,005	$9,441,322	$9,441,322	0.7%
Spotsylvania Regional Medical Center	$767,734,481	$5,368,645	$5,368,645	0.7%
Mary Washington Hospital	$1,489,676,899	$7,943,769	$7,943,769	0.5%
Bath Community Hospital	$27,995,987	$81,827	$81,827	0.3%
UVA Encompass Health Rehabilitation Hospital	$35,912,204	$11,443	$11,443	0.0%
Total Inpatient Hospitals:				18
HPR I Total Inpatient $ & Mean %	$16,766,874,949	$321,137,594	$321,137,594	**1.9%**

Source: VHI 2022

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

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

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

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

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

Part II Article 1

Diagnostic Imaging Services

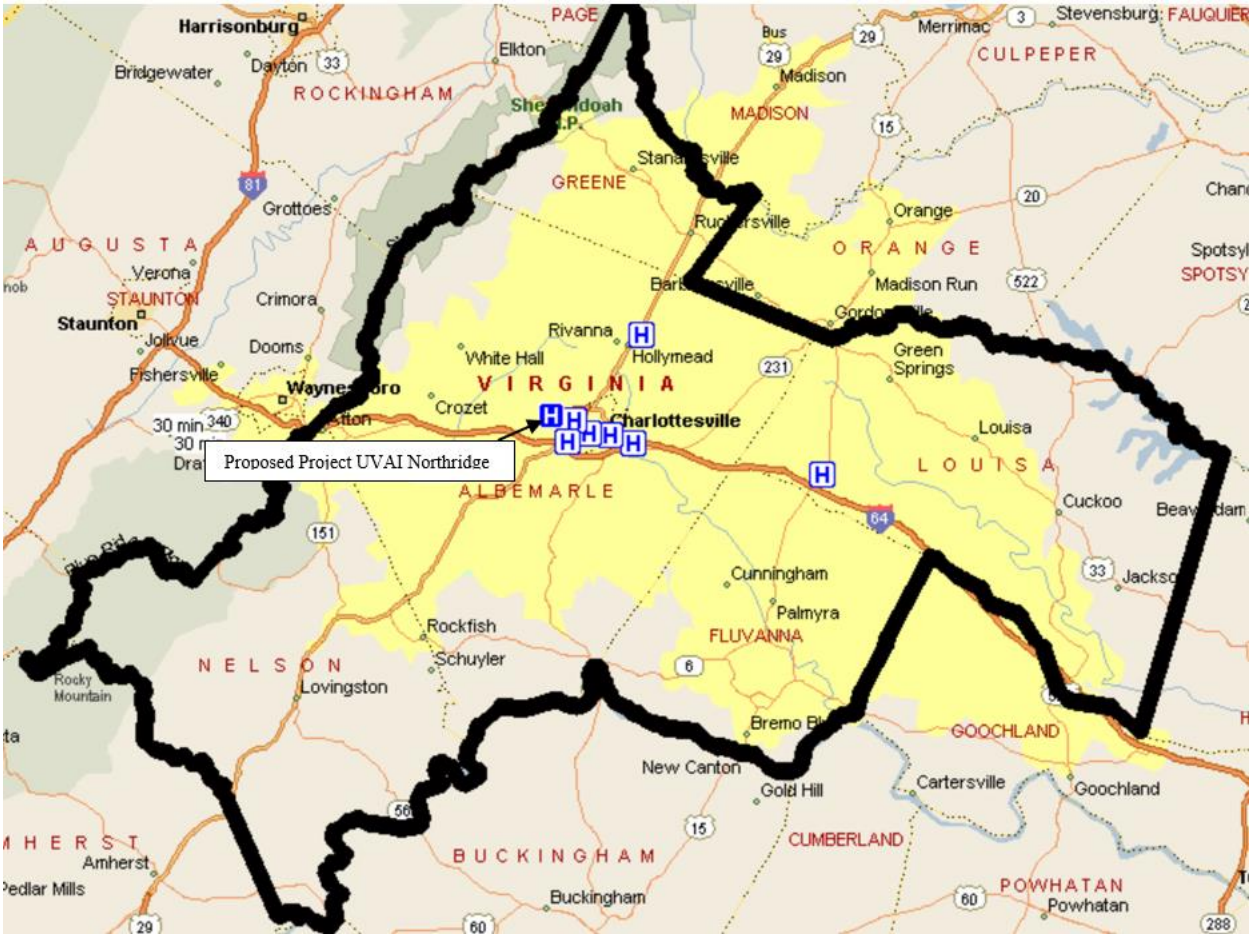
Criteria and Standards for Computed Tomography

12VAC5-230-90. Travel time.

CT services should be available within 30 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.

The heavy black line in **Figure 2** is the boundary of PD 10. The white icons with blue "H" symbols mark the locations of existing CT providers in PD 10. The blue icon with a white "H" symbol marks the locations of the proposed project. The yellow shaded area includes the area that is within 30 minutes driving time one-way under normal conditions of existing CT services in PD 10. Nearly all of Nelson County and a substantial portion of Louisa County lie outside of the 30-minute drive time area so less than 95% of PD 10 is within 30 minutes' drive time of a CT service. CT services in adjacent PDs are also farther than 30 minutes from these "uncovered" geographies in Nelson and Louisa Counties. The addition of a CT scanner at a facility that already provides CT services does not improve geographic access to CT services within 30 minutes' drive time.

Figure 2. Map of Authorized CT Services in PD 10



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.

The proposed project is the expansion of an existing site and not a new fixed site CT scanner but the CT need calculation for PD 10 is as follows:

Calculated Needed Fixed CT Scanners in PD 10

Calculated Needed CT scanners = 110,848 scans in PD 10 (**Table 1**) in 2022 / 7,400 scans = 14.97 (15) scanners needed

PD 10 Calculated Need = 15 CT scanners based on 2022 utilization data

Current COPN authorized CT scanners (**Table 2**) = 15

PD 10 Calculated Surplus = 0 CT scanners

Anticipating CT volume growth since 2022 VHI data were submitted, DCOPN obtained preliminary, submitted but yet-to-be-published 2023 PD 10 CT volumes from VHI. There were 121,844 CT scans reported in PD 10 in 2023. The calculated need for CT scanners based on these volumes is:

121,844/7,400= 16.5 (17) CT scanners needed in PD 10

With 15 CT scanners in the PD 10 inventory, there is now a **deficit of two CT scanners**.

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.

DCOPN has excluded existing CT scanners used solely for simulation prior to radiation therapy from its inventory and average utilization of diagnostic CT scanners in PD 10.

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.

UVA Imaging is proposing to add a second CT scanner at UVA Imaging Northridge. UVA Imaging Northridge had utilization in 2022 at 78% of the SMFP threshold and the applicant reports utilization at 79% of the SMFP threshold in 2024. The applicant reports CT volumes for UVA Imaging Fontaine, a separate facility that is also owned by the applicant, at 86.3% of the SMFP threshold in 2022 and 113% in 2024.

The proposed site, UVA Imaging Northridge, has existing physical space for a second CT scanner, whereas UVA Imaging Fontaine would require more extensive expansion and construction and incur higher capital costs. Wait times for a CT scan at any UVA Imaging site in PD 10 are an untenable four weeks. The proposal is unlikely to reduce utilization of any existing provider that is outside of the University of Virginia Health System.

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 CT scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.**

Not applicable. The applicant does not propose to add or expand mobile CT services or to convert authorized mobile CT scanners to fixed site scanners.

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

The applicant confirmed that CT services at the proposed site will continue to be under the direct supervision of certified and trained radiologists.

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.

A. PD 10 does not have an excess supply of CT scanners, but a need for two additional CT scanners. The proposal will partially address this need. The proposed site, UVA Imaging Northridge, does not exceed the SMFP volume standard to demonstrate an institutional need; however, renovations at the proposed site will result in capital costs less than those to add a CT scanner at UVA Imaging Fontaine.
B. UVA Imaging has no other CT scanner in PD 10 appropriate to be relocated.
C.& D. The project is not a nursing home, nor does it constitute establishment of a new 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 project does not foster institutional competition but enables CT imaging at UVA Imaging sites to accommodate demand and reduce wait times for its existing patients.

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.**

UVA Imaging is a joint venture between UVAMC and Outpatient Imaging Associates of Virginia, LLC, created for the purpose of the delivery of the high-resolution imaging needed by the academic medical center and its patients, on an outpatient basis. The applicant, and providers that wrote letters of support for the proposal, consider UVA Imaging to be "fully integrated and an integral component of UVA Health." The applicant reported that UVAMC's six CT scanners experienced utilization at 145% of the SMFP threshold in 2024. UVA Imaging's CT scanners help decant volumes from UVAMC, provide more convenient and accessible outpatient imaging services for patients and create added capacity with which to coordinate imaging services with physician visits and other testing for out-of-town patients. While only one of the three UVA Imaging facilities in PD 10 had volumes above 100% of the SMFP threshold in 2024, the other two were well-utilized.

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

Capital costs of the proposed project are reasonable and comparable to recently approved, similar projects. The site selection appears to require less construction and cost to implement the CT addition than the UVA Imaging site that has highest utilization. The proforma provided by the applicant (**Table 7**) shows that UVA Imaging Northridge will have a net income of $1.2 million the first year and $1.4 million the second. Additional information provided shows that this is about $200,000 less the first year and $115,000 less the second year than UVA Imaging Northridge's net income prior to the proposed second CT. According to the applicant, implementation of the proposal will require only two additional full-time equivalent staff members.

Table 7. Proforma UVA Imaging /Northridge with Second CT Scanner

	Year 1	Year 2
Revenue	**$ 32,501,897**	**$ 39,386,438**
Charity Care	$ 936,228	$ 1,526,003
Other Deductions	$ 28,595,027	$ 34,260,554
Total Net Revenue	**$ 2,970,642**	**$ 3,599,881**
Total Expenses	**$ 1,678,859**	**$ 2,202,148**
Net Income	**$ 1,291,783**	**$ 1,397,733**

Source: COPN Request No. VA-8786

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

The proposal does not provide innovations in the delivery of health services but does allow for delivery of care in an outpatient facility. UVA Imaging is itself a cooperative effort, a join venture between UVAMC and Outpatient Imaging Associates of Virginia, LLC.

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.

UVA Health has a tripartite mission to provide research, training and clinical care to benefit the citizens of the Commonwealth. Though UVA Health is not the applicant in the proposal, the applicant, UVA Imaging and the proposal affect UVAMC and UVA Health by expanding CT capacity to enable the accomplishment of all three aspects of UVA Health's mission. CT services offered by UVA Imaging reach indigent and underserved populations, those most often in need of the care provided by an academic medical center.

DCOPN Staff Findings and Conclusions

The applicant UVA Imaging, LLC is a joint venture between UVA Medical Center and Outpatient Imaging Associates of Virginia, created to provide high resolution imaging and subspecialty radiological analysis and guidance to physicians. The proposed project is located in PD 10 which has a higher growth rate than that of Virginia. The facility where the proposed CT scanner will be located supports physicians and patients of the University of Virginia Medical Center, many of whom travel hours for the specialized care of the academic medical center. The proposal has strong support from the medical community. There is no identified alternative to the proposed project that is less costly and supplies additional CT capacity to reduce patient wait times for needed imaging services. Proposed capital costs are reasonable and the proposal is feasible in the short and long-term.

The proposal is consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia. PD 10 has a deficit of two CT scanners, based on preliminary and yet-to-be published 2023 VHI data. It is unlikely the proposal will impact other existing providers outside of the UVA Health arena and there is no known opposition to the proposed project. The proposal supports the tripartite mission of an academic medical center and improves its outreach to indigent populations.

DCOPN Staff Recommendations

The Division of Certificate of Public Need recommends **conditional approval** of UVA Imaging, LLC's COPN Request number VA-8786 to expand its CT service with the addition of one CT scanner located at UVA Imaging Northridge in Charlottesville, Virginia, for the following reasons:

1. The proposal to add one CT scanner at UVA Imaging Northridge is consistent with the applicable standards and criteria of the State Medical Facilities Plan and the Eight Required Considerations of the Code of Virginia.

2. PD 10 has a deficit of two CT scanners which the proposed project will alleviate, and sites of UVA Imaging, LLC have untenable wait times of four weeks.

3. The capital costs of the proposed project are reasonable.

4. The proposed project is unlikely to have a significant negative impact upon the utilization, costs, or charges of other providers of CT services in PD 10.

5. The proposed project appears to be wholly feasible in the immediate and long-term.

6. It supports the mission of an academic medical center.

7. There is no known opposition to the project.

DCOPN's recommendation is contingent upon University of Virginia Imaging, LLC's agreement to the following charity care condition:

University of Virginia Imaging, LLC's will provide CT imaging services to all persons in need of this service, 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 10 in an aggregate amount equal to the systemwide charity care condition applicable to University of Virginia Health System pursuant to COPN No. VA-04282 (issued December 13, 2010). 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. University of Virginia Imaging, LLC will accept the revised charity condition based on data valued under the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 when it is available from Virginia Health Information. The value of charity care provided individuals pursuant to this condition shall be based on the provider reimbursement methodology utilized by the Centers for Medicare and Medicaid Services for reimbursement under Title XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.

University of Virginia Imaging, LLC's will provide CT 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, University of Virginia, LLC's will facilitate the development and operation of primary and specialty medical care services in designated medically underserved areas of the applicant's service area.