

**Health Systems Agency of Northern Virginia
Board of Directors Meeting
January 8, 2024**

Members Present

Ana Alvarez
Michael Carrasco
Tom Fonseca, Chairperson
Pamela Kincheloe, RN
Patrice Lepczyk
Lydia Lawrence
Sally Patterson
Anitha Raj
Douglas Samuelson
Robert Starpe
Jennifer Weber
John Whyte, MD, MPH

Staff Present

Ann McFeeley
Dean Montgomery

Guests (Partial List)

Melany Atkins, MD, Fairfax Radiological Consultants
Lance Boyd, CEO, Fairfax Radiological Consultants
Elizabeth Breen, Hunton Andrews Kurth, Counsel, IFRC
Karren Davis, Managing Director, Alvarez & Marsal
Melody Dickerson, Vice President & CNO, VHC Health
Paul Dryer, Senior Director, Strategy and Planning, Inova Health System
Amy Garrigues, Chief Operating Officer, Rayus Radiology
Chris Lane, CEO, VHC Health
Alexandra Luevano, RN, Mercy Free Clinic
John McMahon, Chief Financial Officer, Southeast Region, Universal Health Services
Peter Mellette, Goodman, Allen, Donnelly, Counsel, Rayus Radiology
Azita Moalemi, MD, Amelia Heart and Vascular Center
Patrick Oliverio, MD, Chairman, Diagnostic Radiology, Inova Fairfax Hospital
Summer Rivas, Director of Operations & Business Development, Rayus Radiology
Kimberly Russo, CEO, George Washington University Hospital, District Hospital Partners
Amandeep Sidhu, Winston & Strawn, Counsel, District Hospital Partners
Adrian Stanton, Vice President, Real Estate A& D, VHC Health
Lisa Weiner, FNP, Neighborhood Health

I. Call to Order

Pamela Kincheloe, RN, Chairperson, Health Systems Agency of Northern Virginia (HSANV), called the meeting to order at 7:00 PM. She welcomed everyone and reviewed the agenda.

Kincheloe stated that, among other matters, the Committee would hold public hearings on six certificate of public need (COPN) applications:

- Inova Fairfax Hospital, Expand MRI Service, COPN Request VA-8726
- IFRC (Lansdowne), Expand MRI Service, COPN Request VA-8727
- IFRC (Springfield), Establish CT Service, COPN Request VA-8728
- Insight Health (Rayus Radiology), Establish CT Service, COPN Request VA-8730
- District Hospital Partners, Establish CT & MRI Services, COPN Request VA-8734
- VHC Health, Expand CT & MRI Services, COPN Request VA-8735

II. Previous Minutes

The board approved the minutes of the December 11, 2023 meeting.

III. Conflict of Interest

Kincheloe followed established HSANV conflict of interest procedures to determine whether any member had a conflict of interest on any of the applications on the agenda. No conflicts were declared, alleged, or otherwise identified.

IV. Public Hearings:

- **Inova Fairfax Hospital, Expand MRI Service, COPN Request VA-8726**
- **IFRC, Expand MRI Service, COPN Request VA-8727**
- **IFRC, Establish CT Service, COPN Request VA-8728**
- **Insight Health, Establish CT Service, COPN Request VA-8730**
- **District Hospital Partners, Establish CT & MRI Services, COPN Request VA-8734**
- **VHC Health, Expand CT & MRI Services, COPN Request VA-8735**

HSANV Staff Review

Dean Montgomery presented the HSANV staff assessment of the applications. He said the proposals would add CT and MRI capacity. The District Hospital Partners and VHC Health applications propose adding both a CT service and an MRI service. He noted that under Virginia certificate of public need (COPN) regulations the applications proposing the same service or equipment are competing proposals. The Inova Fairfax Hospital, IFRC Lansdowne, District Health Partners, and VHC Health applications are competing MRI service proposals. The IFRC Springfield, Insight Health, District Health Partners, and VHC Health are competing CT scanning proposals. All would add capacity to the regional licensed complement of CT or MRI scanners. None are service replacement or relocation proposals.

Examination of the applications, in the context of regulatory requirements, regional CT and MRI services markets, and local service capacity and trends indicates that:

- Demand for MRI scanning and authorized regional capacity are in balance. There is no identified regional need for additional capacity. There is a regional need for additional CT scanning capacity, for more than the four scanners proposed by the applicants.
- The applications claiming an institution specific need for additional MRI capacity (Inova Fairfax Hospital, IFRC Lansdowne, VHC Health) satisfy the requirements of Section 12VAC5-230-80 of the Virginia SMFP as it has been interpreted and applied to similar projects, locally and statewide.
- The applicants have acceptable charity and indigent care policies and practices.
- Except for the Inova Fairfax Hospital Application, which would add an MRI scanner to a hospital-based service, the additional scanners requested would be in freestanding imaging centers and reimbursed as independent diagnostic testing facilities (IDTFs).
- The capital outlays proposed vary depending on the nature and purpose of the project. All are within the capital expenditure ranges commonly seen for similar projects.
- Unlike the local (PD 8) competing applications, the District Hospital Partners project is problematic in that its existing CT and MRI services have low service volumes, its northern patient population is miniscule, and were its services located in northern Virginia they would not qualify for consideration to expand.
- Except for the District Hospital Partners proposal, which Inova Health System opposes, there is no expressed opposition to the proposals.

Based on these considerations, and on the data and arguments presented in the applications, staff conclude that, except for the District Hospital Partners application, the proposals respond to a regional or an institution specific need for additional capacity and, therefore, qualify for consideration to expand.

A. Inova Fairfax Hospital, COPN Request VA-8726

Paul Dryer, Senior Director, Strategy and Planning, Inova Health System, introduced himself and Patrick Oliverio, MD, Chairman, Diagnostic Radiology, Inova Fairfax Hospital (IFH). They summarized the application and explained the rationale for seeking additional MRI capacity now.

Among other considerations, Dryer and Oliverio emphasized several key considerations:

- The sustained high use of the nine MRI scanners in use at Inova Fairfax Hospital (IFH).
- Average MRI caseloads exceed the nominal Virginia SMFP planning threshold.
- IFH has a service specific, institutional need for additional capacity.
- There is no unused capacity within Inova Health System that can be reallocated or otherwise used to respond to current and projected IFH demand.
- Additional MRI capacity is needed to permit more efficient operations and scheduling and to accommodate increasingly complex cases, e. g., cardiac imaging.
- The cost of the project is reasonable, within the range commonly seen for similar services and equipment.

Board & Staff Questions, Discussion

In response to questions, Oliverio stated that the MRI system that would be acquired would be a state-of-the-art 1.5 tesla scanner and software, which would permit IFH to accommodate a larger number of cardiac imaging patients. IFH has both 1.5 tesla and 3.0 tesla scanners.

Public Comment

There was no public comment on the IFH application.

Applicant Final Summary-

Dryer restated the reasons for adding MRI capacity at IFH and offered to answer additional questions.

B. IFRC (Lansdowne), COPN Request VA-8727

Elizabeth Breen, Hunton Andrews Kurth, Counsel, IFRC, introduced herself and others representing the applicant: Patrick Oliverio, MD, Chairman, Diagnostic Radiology, Inova Fairfax Hospital, and Lance Boyd, CEO, Fairfax Radiology Centers.

Breen, Oliverio and Boyd discussed the nature and key elements of the proposal and the reasons for adding capacity now. Attachment 1 contains the substance of their presentation. Among other factors, they emphasized:

- The IFRC Lansdowne MRI service has high use. Demand is increasing.
- Recent service volumes exceed the nominal planning threshold specified in the Virginia SMFP.
- IFRC has nine MRI scanners in multiple sites in PD 8. All have high use.
- There is no unused MRI capacity within IFRC, Inova Health System, or Fairfax Radiological Consultants that could be reallocated or otherwise used to respond to increasing demand at IFRC Lansdowne.
- Capital costs are reasonable, comparable with those approved elsewhere.
- Authorizing an additional scanner at IFRC Lansdowne to meet current and projected demand would not affect demand at, or operations of, other MRI service providers.
- The proposal is consistent with applicable provisions of the Virginia State Medical Facility Plan (SMFP), including the institutional need provision of the plan.

Board & Staff Questions, Discussion

In response to questions IFRC representatives stated:

- Based on the needs of the population served, and the capabilities of the scanners now available in the service, a 3.0 tesla MRI system will be acquired if the application is approved.

Public Comment

There was no public comment on the application.

Applicant Final Summary

Breen thanked the board for its attention, noted the need for additional capacity as soon as it can be added, and offered to answer additional questions.

C. IFRC Springfield, COPN Request VA-8728

Elizabeth Breen, Hunton Andrews Kurth, Counsel, IFRC, introduced herself and others representing the applicant: Patrick Oliverio, MD, Chairman, Diagnostic Radiology, Inova Fairfax Hospital, and Melany Atkins, MD, Fairfax Radiological Consultants.

Breen, Oliverio and Atkins presented the application. Attachment 2 contains the substance of their presentation. Among other factors, they emphasized:

- There is a documented need for additional CT scanning capacity in northern Virginia (PD 8).
- IFRC has eight CT scanners in multiple sites in PD 8. All have high use. Average use exceeds the nominal service planning threshold specified in the Virginia SMFP.
- Demand for CT scanning is increasing rapidly regionwide.
- Establishing a CT service at IFRC's Springfield diagnostic imaging center is responsive to regional need, and to IFRC's internal need for additional CT capacity.
- There is no unused CT scanning capacity IFRC, Inova Health System, or Fairfax Radiological Consultants that could be reallocated or otherwise used to respond to the demand projected for the IFRC Springfield service.
- The proposed location, in IFRC's Springfield imaging center, is an appropriate location for a new CT service.
- The cost of the project is reasonable, within the range commonly seen for similar services and equipment.

Board & Staff Questions, Discussion

In response to questions, Breen, Oliverio and Atkins discussed the increasing utility and value of CT scanning in medical diagnosis, treatment planning. and screening tests.

Public Comment

There was no public comment on the application.

Applicant Final Summary

Breen summarized the considerations supporting the application and offered to answer additional questions.

D. Insight Health (Rayus Radiology), COPN Request VA-8730

Peter Mellette, Counsel, Rayus Radiology introduced himself, Amy Garrigues, Chief Operating Officer, Rayus Radiology, and Summer Rivas, Director of Operations & Business Development, Rayus Radiology.

Mellette, Garrigus, and Rivas discussed Rayus Radiology's history and operations in northern Virginia. Attachment 3 contains the substance of their presentation. Among other considerations, they indicated:

- Rayus Radiology has served the planning region, in Arlington, Fairfax, and Prince William counties for decades, offering responsive, reasonably priced, quality diagnostic imaging services.
- There is a need for additional CT scanning services in the planning region (PD 8) and in Prince William County.
- Rayus Radiology has two CT scanners in PD 8, in Arlington and Fairfax counties. Neither has low use. Neither can be relocated or used to respond to increasing demand in Prince William County.
- Rayus Radiology has generous charity policies and practices.
- There is community support for the proposal.
- A CT scanner would complement the diagnostic imaging capabilities now available at the site.
- The project is consistent with the applicable provisions of the Virginia State Medical Facility Plan (SMFP).

Board & Staff Questions, Discussion

In response to questions, Mellette and Garrigues agreed that:

- There is no indication that Rayus Radiology CT scanners have lower radiation doses than most other local (PD 8) CT services.
- Most freestanding CT scanning services in PD 8 are independent diagnostic testing facilities (IDTFs), not hospital-based imaging services.
- There is no evidence, or other indication, that PD 8 residents are forced to travel outside their communities to obtain CT scans.

Public Comment

Three people spoke in support of the application. Lisa Weiner, FNP (Neighborhood Health), Alexandra Luevano, RN (Mercy Free Clinic), and Azita Moalemi, MD (Amelia Heart and Vascular Center) endorsed the application. They noted Rayus Radiology’s responsiveness to community needs and its record of serving the medically indigent.

Applicant Final Summary

Mellette summarized the proposal and thanked the board for its consideration of the application.

E. District Hospital Partners, COPN Request VA-8734

Amandeep Sidhu, Counsel, District Hospital Partners (DHP) introduced himself, Kimberly Russo, CEO, George Washington University Hospital, John McMahon, Chief Financial Officer, Southeast Region, Universal Health Services, and Karren Davis, Managing Director, Alvarez & Marsal. They presented key elements of the DHP proposal to establish an imaging center with a CT scanner and an MRI scanner in Falls Church, VA. Attachment 4 contains the substance of their presentation. Among other considerations, they stated that:

- District Hospital Partners (DHP), a subsidiary of Universal Health Services, owns and manages George Washington University Hospital. It provides CT, MRI, and other diagnostic imaging services at the hospital and at freestanding imaging centers in the District of Columbia. DHP proposes to extend these services to suburban Virginia (PD 8).
- DHP proposes to develop an outpatient medical care complex in Falls Church to serve its suburban Virginian patient population, approximately 10,000 persons, more conveniently and more effectively. Ultimately, the center is to have an array of diagnostic services and an outpatient surgery center.
- Northern Virginia CT and MRI imaging services have high use. Additional services are needed to ensure ready access, to expand patient choice, and to increase competition.
- DHP services, connected to an academic medical center, would complement, and enhance the northern Virginia health care delivery system.
- The imaging services proposed would be designated as less costly IDTFs, not departments of George Washington University Hospital.
- Given high PD 8 CT and MRI service volumes, and projected population growth, DHP can attain its projected caseloads without affecting existing services negatively.
- The project is generally consistent with the Virginia State Medical Facility Plan (SMFP) and other applicable regional planning considerations. .

Board & Staff Questions, Discussion

In response to questions, Sidhu, Russo, McMahon, and Davis discussed:

- Possible reasons for the exceptionally low CT and MRI service volumes at DHP services in the District of Columbia.
- Possible explanations for the miniscule low patient base in northern Virginia.
- The Inova Health System critique of the application, which they dismissed as the attempt of a dominant service provider to protect its monopoly market position and avoid potential competition.
- The justification for all elements of the DHP proposal. DHP representatives indicated that both CT and MRI scanners are critical to the initiative. Unless both scanners are authorized, the project will not be undertaken.

Public Comment

Paul Dryer, Senior Director, Strategy and Planning, Inova Health System, presented Inova's critique of the application. He emphasized the unusually small DHP patient base in PD 8 and the atypically low CT and MRI caseloads at DHP imaging services in the District of Columbia. He noted that under Virginia SMFP planning requirements, the DHP proposal does not qualify for consideration to expand its CT and MRI services. Attachment 5 contains Dryer's full presentation.

Applicant Final Summary

Sidhu summarized the proposal, focusing on the applicant's view of its potential long-term benefits and value. DHP did not respond to the specifics of the Inova critique. Sidhu dismissed Inova's opposition to the project as problematic arguments of the dominant service provider trying to avoid competition.

F. VHC Health, COPN Request VA-8735

Adrian Stanton, Vice President, Real Estate A&D, VHC Health introduced himself, Chris Lane, CEO, VHC Health, and Melody Dickerson, Vice President & CNO, VHC Health. They presented the VHC Health proposal to establish an imaging center with a CT scanner and an MRI scanner in Fairfax County, VA.

Among other considerations, they stated that:

- VHC Health CT and MRI services have high use. Even with recent service expansions, CT and MRI service volumes are above, or will soon exceed, the nominal caseload thresholds specified in the Virginia SMFP.
- The off-site location near the center of VHC Health's primary service area is appropriate to improve access and necessary to help control congestion on the densely developed and heavily used hospital campus.
- Capital costs are within the range for CT and MRI expansion projects locally and elsewhere.
- Expanding CT and MRI services to meet current and projected near term demand would not be likely to affect diagnostic imaging operations at other services.
- The project is consistent with the Virginia State Medical Facility Plan (SMFP) service expansion considerations, including the institutional need provision of the plan.

Board & Staff Questions, Discussion

In response to questions, VHC representatives indicated that:

- The hospital's affiliation with the Mayo Clinic is valuable in many ways but does not affect directly demand for CT or MRI imaging.
- The increase in demand for diagnostic imaging over the last decade has been strong. Internal projections suggest that additional capacity, beyond what is being requested, may be required relatively soon, but not in the next review cycle.

Public Comment

There was no public comment other than letters of support submitted with the application.

Applicant Final Summary

Stanton restated the principal reasons for adding capacity and thanked the board for its consideration of the application.

HSANV Staff Recommendations

Based on the information presented in the agency staff reports on the applications, on the testimony presented earlier by the applicants, and on the public testimony submitted and presented, Montgomery recommended approval of the Inova Fairfax Hospital, IFRC Lansdowne, IIFRC Springfield, Insight Health (Rayus Radiology), and VHC Health applications. He recommended denial of the District Hospital Partners application.

Board Deliberation and Votes

Inova Fairfax Hospital, COPN Request VA-8726

Douglas Samuelson offered a motion to recommend approval of the application. Tom Fonseca seconded the motion. The motion passed by a vote of twelve in favor (Alvarez, Carrasco, Fonseca, Kincheloe, Lawrence, Lepczyk, Patterson, Raj, Samuelson, Starke, Weber, Whyte) and none opposed.

IFRC Lansdowne, COPN Request VA-8727

Sally Patterson offered a motion to recommend approval of the application. Douglas Samuelson seconded the motion. The motion passed by a vote of twelve in favor (Alvarez, Carrasco, Fonseca, Kincheloe, Lawrence, Lepczyk, Patterson, Raj, Samuelson, Starke, Weber, Whyte) and none opposed.

IFRC Springfield, COPN Request VA-8728

Lydia Lawrence offered a motion to recommend approval of the application. Douglas Samuelson seconded the motion. The motion passed by a vote of twelve in favor (Alvarez, Carrasco, Fonseca, Kincheloe, Lawrence, Lepczyk, Patterson, Raj, Samuelson, Starke, Weber, Whyte) and none opposed.

Insight Health, COPN Request VA-8730

Douglas Samuelson offered a motion to recommend approval of the application. Lydia Lawrence seconded the motion. The motion passed by a vote of twelve in favor (Alvarez, Carrasco, Fonseca, Kincheloe, Lawrence, Lepczyk, Patterson, Raj, Samuelson, Starke, Weber, Whyte) and none opposed.

District Hospital Partners, COPN Request VA 8734

Lydia Lawrence offered a motion to recommend denial of the application. Douglas Samuelson seconded the motion. The motion passed by a vote of nine in favor (Carrasco, Fonseca, Kincheloe, Lawrence, Patterson, Raj, Samuelson, Starke, Weber) and three opposed (Alvarez, Lepczyk, Whyte).

VHC Health, COPN Request VA-8735

Ana Alvarez offered a motion to recommend approval of the application. Anitha Raj seconded the motion. The motion passed by a vote of twelve in favor (Alvarez, Carrasco, Fonseca, Kincheloe, Lawrence, Lepczyk, Patterson, Raj, Samuelson, Starke, Weber, Whyte) and none opposed.

V. Other Business

The next HSANV board meeting was set for Monday, March 4, 2024.

VI. Adjourn

Kincheloe adjourned the meeting at 9:45 P.M.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Dean Montgomery".

Dean Montgomery

Attachments (5)