

**Health Systems Agency of Northern Virginia
Board of Directors Meeting
November 11, 2024**

Members Present

Ana Alvarez
Patricia Deitos, RN
Pamela Kincheloe, RN, Chairperson
Lydia Lawrence
Patrice Lepczyk
Anitha Raj
Douglas Samuelson
James Smith, III MD
Jennifer Weber
Maria Zlotnick

Staff Present

Ann McFeeley
Dean Montgomery

Guests (Partial List)

George Aguilar, MD, OrthoVirginia
Emily Bowles, Williams Mullen, Counsel, Eisenhower, LLC
Paul Dryer, Inova Health System
Christopher Lane, President & CEO, VHC Health
Jamie Martin, Williams Mullen, Counsel, VHC Health and Eisenhower, LLC
Ryan Miller, Surgery Ventures, Hospital Corporation of America
Jessica Parker, Inova Health System
Sharon Poulos, Sentara Health
Betsy Reilly, Business Analyst, JHU Healthcare
Tom Stallings, Counsel, North VA Surgicenter
Adrian Stanton, Vice President Real Estate & Development, VHC Health
Brian Stone, MD, Chief Medical Officer, VHC Health
Nathan Vooyo, CEO, Reston Hospital
Spencer Wildonger, Director of Planning, Transformation, JHU Medicine

I. Call to Order

Pamela Kincheloe, RN, Chairperson, Health Systems Agency of Northern Virginia (HSANV), called the meeting to order at 7:34 PM. She welcomed guests and reviewed the agenda.

Kincheloe stated that, among other matters, the board would consider two certificate of public need (COPN) applications:

- **Eisenhower, LLC, Establish Outpatient Surgical Hospital (COPN Request VA-8778)**
- **Northern VA Surgicenter, Establish Outpatient Surgical Hospital (COPN Request VA-8780)**

She noted that the Eisenhower and North VA Surgicenter applications are competing proposals. Consequently, both applicants, and any public testimony on the applications, would be heard before voting on each.

II. Previous Minutes

The board approved minutes of the September 9, 2024 and October 7, 2024, meetings.

III. Conflict of Interest

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

IV-A. COPN Application: Eisenhower, LLC, Establish Outpatient Surgical Hospital (COPN Request VA-8778)

Eisenhower Presentation

Adrian Stanton, Vice President, VHC Health, introduced himself and others representing Eisenhower, LLC: Brian Stone, MD, Chief Medical Officer, VHC Health; and Christopher Lane, President & CEO, VHC Health.

Among other considerations, Stanton, Stone, and Lane emphasized:

- VHC Health surgery services are used heavily, substantially more than the nominal standard of 1,600 hours per room annually. Additional capacity is needed to meet current and projected demand.
- Given the ongoing shift from inpatient to outpatient surgery where clinically appropriate, and space limitations on the VHC Health campus, a satellite freestanding outpatient surgery facility is the appropriate expansion option.
- The site (Eisenhower Avenue in east Alexandria) is well within VHC Health's primary service area.
- Unused operating room capacity elsewhere in the planning region is not a practical alternative to adding capacity within VHC Health, which has a service specific or "institutional" need for additional operating rooms.
- VHC Health has a standing charity care agreement with the Commissioner of Health. That agreement, roughly 3.0% of charges, would apply to the Eisenhower service.
- The capital cost of the project is within the range reported for similar projects locally and elsewhere in Virginia.

The information (talking points) presented by VHC representatives is attached (Attachment 1).

Board & Staff Questions, Discussion

In response to questions, Stanton, Stone, and Lane stated, or confirmed that:

- It is likely that the Eisenhower service will be syndicated, with VHC Health retaining a majority interest.
- The Eisenhower Avenue location in eastern Alexandria is well positioned in relation to the VHC campus and the other satellite services in VHC Health's primary service area. Success of the Eisenhower service is not dependent on establishing a new service area or attracting a new patient population.

Public Comment

Dominion Plastic Surgery filed a statement opposing the application. VHC Health filed a detailed response to the DPS statement. Both documents are in the record being compiled on the proposal. There was no public comment at the hearing. Several letters of support were submitted with the application.

Applicant Final Summary

Stanton thanked the board for its consideration of the proposal and offered to answer any additional questions members might have.

IV-B. COPN Application: North VA Surgicenter, Establish Outpatient Surgical Hospital (COPN Request VA-8780)

North VA Surgicenter Presentation

Ryan Miller, Vice President-Operations, HCA Capital Division, Ambulatory Surgery Division, introduced himself and others representing North VA Surgicenter: Tom Stallings, Counsel, North VA Surgicenter; Nathan Vooyo, CEO, Reston Hospital; and George Aguilar, MD, OrthoVirginia.

Miller, Vooyo, Stallings, and Garcia presented the application. Among other considerations, they emphasized:

- The proposal entails the conversion of an existing OrthoVirginia operatory into an outpatient surgical hospital with four licensed operating rooms and support space.
- The purpose of the project is to permit OrthoVirginia to serve government insured (e.g., Medicare, Medicaid, Tricare) outpatient surgery patients on site, rather than treat them in a nearby hospital outpatient surgery service or other surgery center.
- Two of the four operating rooms requested would be "transferred" from the licensed complement of Reston Hospital Center. The net increase in licensed capacity would be two operating rooms.
- There is precedent (recent COPN approvals in the Richmond, Virginia region) for authorizing additional capacity, absent a regional or institutional need, under circumstances that now obtain in northern Virginia (PD 8) and within local HCA surgery services.
- Given current and projected demand at local HCA surgery services, no more than two operating rooms can be transferred from existing services.
- Given the high caseload in the operatory to be converted, and the growth in outpatient surgery demand regionwide, there is no reason to expect a noticeable effect on other surgery services.

- The project is a relatively low cost way to add beneficial surgery capacity.
- The conversion would permit more efficient operations and be more convenient for surgeons and patients alike.

The information presented by Miller, Vooyo, and Stallings is attached (Attachment 3).

Board & Staff Questions, Discussion

In response to questions, Miller, Stallings, Aguilar, and Vooyo stated or acknowledged:

- North VA Surgicenter is likely to be syndicated, principally among OrthoVirginia surgeons treating patients at the facility.
- The surgery service would be a closed; only OrthoVirginia surgeons would be granted privileges to practice.
- Hospital Corporation of America (HCA) will retain a majority interest in the facility.
- No more than two operating rooms can be transferred from existing HCA surgery services.
- A surgery center with only two licensed operating rooms (and procedure rooms and related space) is not adequate. Commercial and private pay patients could not be served (as they are now) in the unlicensed operatory rooms.
- Based on experience in Richmond area HCA surgery services, The government payer mix at North VA Surgicenter is likely to be more than 50%.
- OrthoVirginia does not track information on the number of Medicare, Medicaid, and Tricare patients referred elsewhere for outpatient surgery.

Public Comment

Inova Health System filed a statement opposing the application. The Inova critique is in the record being compiled on the proposal. There was no public comment at the public hearing. Several letters of support were submitted with the application.

Applicant Final Summary

Miller did not wish to offer additional testimony. He thanked the board for its consideration of the proposal and offered to answer any additional questions members might have.

Staff Recommendations: COPN Request VA-8778 & COPN Request VA-8780

Montgomery summarized the similarities and differences of the competing proposals. There is substantial excess capacity in the region, much of it in HCA services. The Eisenhower project qualifies for consideration under the institutional need provision of the Virginia State Medical Facilities Plan, the North VA Surgicenter project does not. He noted that all indications are that a surgery facility with two licensed operating rooms is sufficient to meet the legitimate needs of North VA Surgicenter, Reston Hospital Center and OrthoVirginia.

Based on these considerations, on the data and information presented in the agency staff report on the applications, and on the preceding discussion Montgomery recommended approval of the Eisenhower application (**COPN Request VA-8778**) and that the North VA Surgicenter proposal be reduced in scope to

two licensed operating rooms transferred from the Reston Hospital Center licensed operating room complement. He recommended denial if the proposal is not so revised.

Board Deliberation and Vote, COPN Request VA-8778

James Smith offered a motion to recommend approval of COPN Request VA-8778. Patrice Lepczyk seconded the motion. The motion passed by a vote of ten in favor (Alvarez, Deitos, Kincheloe, Lawrence, Lepczyk, Raj, Samuelson, Smith, Weber, Zlotnick) and no one opposed.

Board Deliberation and Vote, COPN Request VA-8780

James Smith offered a motion to recommend approval of COPN Request, VA-8780 as submitted. Patrice Lepczyk seconded the motion. The motion passed by a vote of nine in favor (Deitos, Kincheloe, Lawrence, Lepczyk, Raj, Samuelson, Smith, Weber, Zlotnick) and one (Alvarez) opposed.

V. Other Business

The next HSANV board meeting will be Monday, December 16, 2024.

VI. Adjourn

Kincheloe adjourned the meeting at 9:35 PM.

Respectfully submitted,



Dean Montgomery

Attachments (3)

**COPN Request NO. VA-8778
Eisenhower, LLC**

Attachment 1

**Establish Outpatient Surgical Hospital
with Two Operating Rooms**

**VHC Health Ambulatory Surgery Center –
Alexandria
(Alexandria ASC)**



Alexandria ASC: Project Overview

- Establishment of a multi-specialty outpatient surgical hospital with two ORs
 - To be located at 3601 Eisenhower Avenue in Alexandria
 - VHC Health's first general-purpose multi-specialty off-campus ASC (and only its second ASC)
 - VHC Health's first comprehensive hub for a broad range of ambulatory care services
 - Owned and operated by Eisenhower, LLC, a wholly owned subsidiary of VHC Health
- Project meets a demonstrated institutional and public need:
 - Addresses high GPOR utilization and capacity constraints on the VHC campus
 - Provides VHC Health patients residing in the PSA and the surrounding communities with access to surgical services closer to home in a dedicated outpatient setting
 - Provides VHC Health patients with access to surgical services in a lower-cost setting
- Capital costs of \$9,070,895 (\$4,176,646 direct construction + \$4,257,802 equipment + \$638,447 architectural and engineering), financed from VHC Health's accumulated reserves
- To open November 2026



VHC GPOR Utilization

- Surgical utilization on the VHC campus is high and continues to increase:

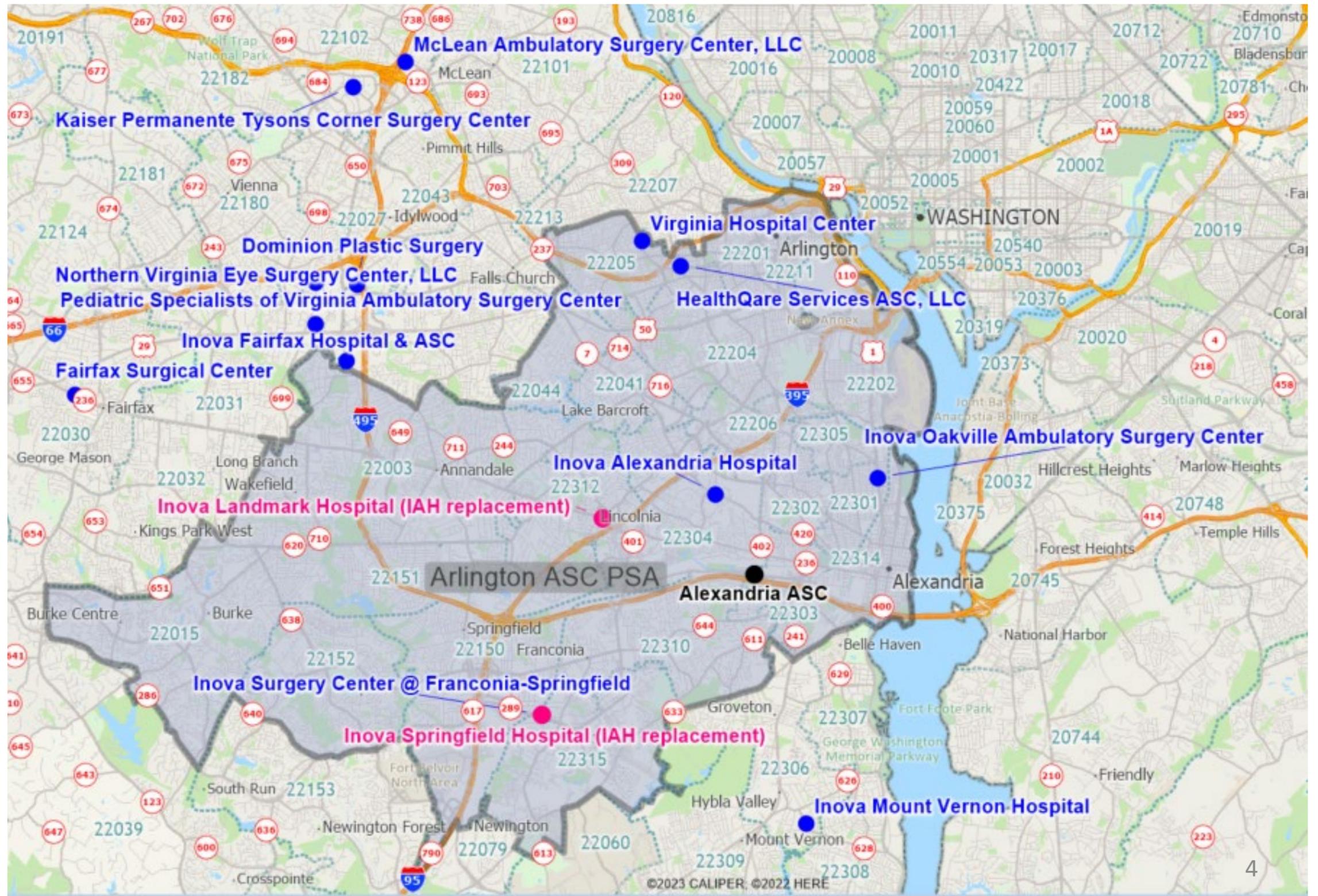
Metric	2021	2022	2023
GPORs	17	17	13*
Surgical Cases	12,624	13,184	14,179
Surgical Hours	26,836	27,077	27,890
SMFP %	99%	100%	134%

- VHC Health has a critical need for:
 - more capacity for higher-acuity outpatients and inpatients, accomplished here through an increase in OR inventory but placing those ORs in Alexandria and shifting appropriate patients there, thus allowing VHC Health to serve more patients at the hospital as well;
 - reduced wait times for outpatients;
 - additional capacity for various surgical specialties;
 - lower-cost options; and
 - outpatient-focused sites of care in other areas of the VHC Health service area.



* In late 2022, VHC opened its first off-campus ASC, a joint venture with local orthopedic surgeons providing single-specialty orthopedic surgical services. This facility, located in McLean, is outfitted with 4 ORs relocated from the hospital per COPN No. VA-04689.

Alexandria ASC: Proposed Primary Service Area



Need in the Alexandria ASC PSA

- The location for our proposed facility has long been a part of VHC's PSA.
- In 2023, 42% of the hospital's overall surgical utilization originated in the Alexandria ASC PSA.
- The Alexandria ASC PSA is also home to patients accounting for 42% of VHC's outpatient surgery volumes
- VHC Health patients need and would welcome a more accessible and convenient surgical site of care within the VHC Health system.
 - As the HSANV Staff Report recognized, "outpatient surgery is a critical component of local hospital proficiency . . ." and "[i]t is increasingly important that community hospitals offer outpatient surgery efficiently, on and off campus"

Attachment 2

North VA Surgicenter

COPN Request No. VA-8780

HSANV Board Meeting

November 11, 2024

Medicare Facility Fee				
CPT	CPT Description	ASC	Hospital	Savings
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair	\$ 3,392	\$ 6,816	50%
29881	Arthroscopy, Knee	\$ 1,518	\$ 3,084	51%
29888	Arthroscopically aided ACL repair	\$ 4,497	\$ 6,816	34%
25609	Open treatment of distal radial fracture	\$ 4,603	\$ 6,816	32%
64721	Neuroplasty and/or transposition	\$ 897	\$ 1,839	51%
29806	Arthroscopy shoulder	\$ 3,392	\$ 6,816	50%
25447	Arthroplasty, interposition, intercarpal or carpometacarpal joints	\$ 1,518	\$ 3,084	51%
26055	Tendon sheath incision	\$ 819	\$ 1,531	47%
23430	Tenodesis of long tendon of biceps	\$ 4,142	\$ 6,045	31%
29848	Endoscopy, wrist, surgical with release of transverse carpal ligament	\$ 1,065	\$ 1,635	35%

Medicare Patient Responsibility				
CPT	CPT Description	ASC	Hospital	Savings
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair	\$ 889	\$ 1,574	77%
29881	Arthroscopy, Knee	\$ 411	\$ 724	76%
29888	Arthroscopically aided ACL repair	\$ 1,091	\$ 1,555	43%
25609	Open treatment of distal radial fracture	\$ 1,129	\$ 1,572	39%
64721	Neuroplasty and/or transposition	\$ 266	\$ 454	71%
29806	Arthroscopy shoulder	\$ 887	\$ 1,572	77%
25447	Arthroplasty, interposition, intercarpal or carpometacarpal joints	\$ 468	\$ 781	67%
26055	Tendon sheath incision	\$ 221	\$ 364	65%
23430	Tenodesis of long tendon of biceps	\$ 1,035	\$ 1,511	46%
29848	Endoscopy, wrist, surgical with release of transverse carpal ligament	\$ 265	\$ 408	54%

Medicaid Facility Fee				
CPT	CPT Description	ASC	Hospital	Savings
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair	\$ 917	\$7,784	88%
29881	Arthroscopy, Knee	\$ 469	\$3,000	84%
29888	Arthroscopically aided ACL repair	\$ 836	\$7,784	89%
25609	Open treatment of distal radial fracture	\$ 908	\$7,513	88%
64721	Neuroplasty and/or transposition	\$ 386	\$1,881	79%
29806	Arthroscopy shoulder	\$ 910	\$7,784	88%
25447	Arthroplasty, interposition, intercarpal or carpometacarpal joints	\$ 720	\$4,898	85%
26055	Tendon sheath incision	\$ 506	\$1,842	73%
23430	Tenodesis of long tendon of biceps	\$ 643	\$6,665	90%
29848	Endoscopy, wrist, surgical with release of transverse carpal ligament	\$ 446	\$3,000	85%

Reston Hospital Center Requires 14 GPORs And, Therefore, Can Only Transfer 2 GPORs

Reston Hospital Center has 17 General Purpose Operating Rooms (GPORs) today

1 OR will be converted to an Open Heart Room, leaving 16 GPORs

2023 GPOR hours demonstrate the need for 12 GPORs at Reston Hospital Center

As shown below, new surgeons to Reston Hospital Center require 2 GPORs

This means Reston Hospital Center needs 14 GPORs (12 +2)

Reston Hospital Center, therefore, can only transfer 2 GPORs to North VA Surgicenter, which would leave the required 14 GPORs at Reston Hospital Center

RHC GPORs	Explanation
17	Existing GPORs today
-1	Conversion of one GPOR to cardiac surgery OR
-12	Demonstrated GPOR need based on 2023 hours
-2	GPORs required for new surgeons (see table below)
2	GPORs available for transfer

Surgeons Joining Reston Hospital Center October 2024-January 2025 Require 2 GPORs

Specialty	# of MDs	# GPORs needed
Ortho	2	0.4
Neurosurgery	1	0.2
Spine	1	0.4
General	2	0.6
GYN	5	0.5
Urology	1	0.1
Total	12	2.2

Attachment 3

North VA Surgicenter Presentation

COPN Request No. VA-8780

HSANV Board Meeting

November 11, 2024

Ryan Miller Introduction

- Good evening.
- I am Ryan Miller, Vice President of Operations for the HCA Capital Division Ambulatory Surgery Division.
- I am sure you know our counsel Tom Stallings who is distributing a handout.
- Also with me tonight is Dr. Aguiar from OrthoVirginia and Nathan Vooy from Reston Hospital Center.
- Each of them will be speaking in a few minutes.
- It is my pleasure to present our application to establish North VA Surgicenter as an outpatient surgical hospital with 4 operating rooms in Herndon.
- The project involves converting the existing four-room in-office operatory suite at the Herndon office of OrthoVirginia into a licensed outpatient surgical hospital.
- Two of the four ORs will be relocated from Reston Hospital Center and the other two ORs will be new.
- OrthoVirginia's Herndon operatory has been providing outstanding patient care for years.
- However, because OrthoVirginia's Herndon operatory is not a licensed outpatient surgical hospital, it is not currently eligible to participate in Medicare, Medicaid, Tricare, or other government programs.
- That means that patients covered by government programs have to obtain their orthopaedic surgery elsewhere, typically at area hospitals.
- If our COPN is approved, the facility will be able to serve patients covered by Medicare, Medicaid, TRICARE, and other government programs.
- This will mean both better care and lower costs.

- With respect to better care, the Commissioner has long recognized the benefits of single specialty outpatient surgical hospitals in terms of better outcomes, higher efficiency, and fewer complications.
- You'll hear more about the patient care benefits from Dr. Aguiar shortly.
- With respect to the cost savings, please take a look at the first page of our handout.¹
- This is the page with three tables on it.
- The first table shows the Medicare facility fee for ASCs versus a hospital for many of the most common orthopaedic surgeries.
- This is the amount Medicare pays.
- As you can see, the savings to Medicare are significant, ranging from 31% to over 50%.
- The second table shows the savings to Medicare patients.
- This is the amount patients covered by Medicare pay in the form of co-payments.
- As you can see, these savings are even more significant, ranging from 39% to 77%.
- The clear takeaway here is that shifting Medicare cases out of the hospital setting into the outpatient setting will lower the cost to both the Medicare program and individual Medicare patients for many of the most common outpatient orthopaedic surgeries.
- As I am sure most of you know, TRICARE is the federal health care program for uniformed service members, retirees, and their families.

¹ This is page 17 this document. This information was included at pages 14-15 of the North VA Surgicenter COPN application.

- TRICARE has adopted Medicare's fee schedule, so the TRICARE savings should be comparable to the first two tables on this page.
- Please turn to the third table, which shows the savings to Virginia's Medicaid program.
- As you can see, the savings to Medicaid will be very significant, ranging from 73% to 90%.
- Converting the existing OrthoVirginia operatory suite to a licensed outpatient surgical hospital will, therefore, allow patients covered by governmental programs to access better care at a much lower cost.
- This conversion would not trigger higher payments for patients covered by private insurance or their insurance companies.
- As I've mentioned, North VA Surgicenter will have four ORs.
- Two of the ORs will be relocated from Reston Hospital Center.
- Relocation of these two ORs from Reston Hospital Center to North VA Surgicenter is, therefore, consistent with the State Medical Facilities Plan² because relocation will result in the provision of surgical services at a lower cost, as we just reviewed, and moving governmental cases from area hospitals to the outpatient surgical facility will optimize the number of cases performed in the outpatient setting.
- As discussed in our application and Tom will cover in a minute, the addition of the two new ORs is consistent with established COPN precedent under similar circumstances.
- At this point, I'd like to invite Nathan Vooy's to explain why Reston Hospital Center is unable to transfer all four of the ORs needed at North VA Surgicenter, followed by Tom Stallings and Dr. Aguiar.

² 12VAC5-230-500(B), quoted on page 24 of the North VA Surgicenter COPN application.

Nathan Vooyo

- Good evening.
- I am Nathan Vooyo, CEO of Reston Hospital Center.
- I appreciate the opportunity to appear before you tonight.
- As has been discussed, Reston Hospital Center is prepared to transfer 2 of its general purpose operating rooms to North VA Surgicenter.
- So, 2 of the 4 ORs at North VA would be transferred, and 2 would be new.
- I'm here to speak to why Reston Hospital Center cannot transfer all 4 ORs.
- Please turn to the second page of the handout.³
- Reston Hospital Center is authorized for 17 general purpose ORs today.
- Reston Hospital Center will soon be opening its open heart surgery program, which will require use of one room currently included in Reston's general purpose OR inventory.
- That leaves us with 16 general purpose ORs.
- Our 2023 surgical hours supports a need for 12 general purpose ORs at the hospital.
- That leaves 4 ORs in play: 16 minus 12 equals 4.
- As noted in the application, a dozen new surgeons are joining Reston Hospital Center's medical staff this Fall and Winter.
- Because of the commitments we have made to these physicians for OR time when they join our medical staff, we have to retain those 2 ORs at the hospital.

³ This is page 18 this document. These issues were also discussed at page 16 of the North VA Surgicenter COPN application.

- Please look at the table on the bottom of page 2 of our handout.⁴
- This shows the surgeons and their specialties that are joining our medical staff.
- The table also shows the amount of OR time these new surgeons are expected to require.
- As you can see, we need 2 ORs to accommodate those surgeons.
- As a result, Reston Hospital Center will, within a matter of just a few months, require at least 14 general purpose ORs (in addition to the open heart surgery OR).
- That only leaves us with 2 ORs to transfer to North VA Surgicenter.
- As much as we would like to transfer all 4 ORs, we can't do that because we have need for 2 of them at the hospital in the immediate future.
- And this is not some theoretical need based on doctors who may or may not come at some unspecified time in the future.
- These doctors have started to arrive and all will be in place by January 2025.
- If we were required to transfer all 4 ORs from the hospital, we would have to immediately file a COPN application to add 2 more back at the hospital.
- Obviously, that's not efficient and it would mean that surgeons who have already committed to joining the hospital would not have available OR time to treat their patients.
- We hope you can see that we are trying to be responsible stewards of the COPN authorized ORs.
- It's not that we are not open to transferring some ORs.
- It's just that we can't, in good conscience, transfer all 4 because of the commitments we have made to our incoming surgeons.

⁴ This is also page 18 this document.

- Reston Hospital Center respectfully asks that you recommend approval of the North VA Surgicenter as proposed with 2 transferred ORs and 2 new ORs.
- I thank you very much for considering my comments this evening.

Tom Stallings

- Good evening.
- I am Tom Stallings, counsel for North VA Surgicenter.
- Nice to see everyone again.
- You just heard why Reston Hospital Center is only able to transfer 2 of the 4 ORs needed at North VA Surgicenter.
- As recognized in the staff report⁵ and set forth in our COPN application, the Commissioner has held that the existence of a calculated surplus of ORs in a planning district is not determinative of SMFP inconsistency.⁶
- The Commissioner has also repeatedly acknowledged the benefits and clinical appropriateness of single-purposed outpatient surgical hospitals, even when the procedures performed therein could be performed in a physician's office.⁷
- Additionally, the Commissioner has recognized the advantages of increasing financial and practical access for patients covered by Medicare and Medicaid by facilitating performance of surgical services in lower costs outpatient surgical facilities instead of at inpatient hospitals.⁸

⁵ HSANV report at 3, 9-10, and 12.

⁶ September 20, 2021, Commissioner's Decision issuing COPN Request Nos. VA-04756 and -04757 at page 7 of 9 of Adjudication Officer's Recommendation. See Attachment IV.A to the North VA Surgicenter COPN application.

⁷ September 20, 2021, Commissioner's Decision issuing COPN Request Nos. VA-04756 and -04757 at page 5 of 9 of Adjudication Officer's Recommendation. See Attachment IV.A to the North VA Surgicenter COPN application.

⁸ September 20, 2021, Commissioner's Decision issuing COPN Request Nos. VA-04756 and -04757 at pages 4-5 of 9 of Adjudication Officer's Recommendation. See Attachment IV.A to the North VA Surgicenter COPN application.

- Under these circumstances, the Commissioner has ruled that rigid adherence to the State Medical Facilities Plan's calculated surplus is not required when a modest project, like this one, shows great promise to improve access and care.
- As reflected in the staff report, PD 8 has more than 200 authorized General Purpose Operating Rooms.
- We're only asking for 2 more.
- If we are approved, that would increase the inventory by less than 1%⁹ and, therefore, would not materially change the calculated surplus of ORs in PD 8.
- As previously noted, we're not asking for a large number of new ORs.
- We're only requesting 2 new ORs so that this meritorious project can be approved.
- If we had 4 ORs to transfer, we'd do so.
- But, as you heard from Nathan, we only have 2 that we can realistically contribute.
- As always, thank you for your attention to my comments, and now I'll turn it back over to our other speakers.

Dr. Aguiar

- Good evening.
- I am Dr. George Aguiar.
- I practice with OrthoVirginia primarily out of our Herndon and Reston offices, so in the western portion of the planning district.

⁹ HSANV report page 8 counts 204 authorized ORs. $2 \text{ new ORs} \div 204 \text{ authorized ORs} = 0.0098$, which is less than one percent.

- I specialize in knee and shoulder surgery, especially sports medicine and adult knee and shoulder reconstruction, and am certified by the American Board of Orthopaedic Surgery with a specialty in Orthopaedic Sports Medicine.
- I attended college and medical school at Georgetown University, as well as completing both my internship and residency at Georgetown.
- I've been practicing in Northern Virginia for nearly 25 years.
- OrthoVirginia is Virginia's largest provider of orthopedic medicine, with more than 150 orthopedic specialists in over 35 locations across Virginia.
- As one of the largest orthopedic specialty practices in the country, OrthoVirginia's nationally recognized physicians provide advanced surgical and non-surgical care to patients of all ages.
- OrthoVirginia delivers patient-centered, outcome-focused care, powered by the latest research, innovation, and a team of expert orthopedic specialists.
- In Planning District 8, OrthoVirginia serves its patients from 14 sites.
- OrthoVirginia works with all the major health systems in PD 8 and is very familiar with the PD 8 healthcare landscape.
- Not so many years ago, virtually all orthopaedic surgeries were performed at inpatient hospitals.
- While many orthopaedic surgeries continue to require the resources of an inpatient hospital, more and more orthopaedic surgery procedures can now be appropriately performed in the outpatient setting.
- Our experience is consistent with the relevant medical literature – namely, that most patients receive better, faster, and more-affordable care when their surgery is performed in a dedicated orthopaedic outpatient facility.
- These important patient care benefits cannot be obtained in surgical facilities that do not specialize in orthopaedic procedures – whether that other facility is a multi-specialty ASC or an inpatient hospital.

- Those facilities serve a wide range of surgical specialties, but they are unable to focus exclusively on the best possible orthopaedic care, as we are.
- To give you an important example of how we are able to deliver superior patient care at our existing Herndon in-office operatory, our post-procedure infection rate is significantly lower than the national average.
- As you know, post-procedure infections can be devastating for patients and end up adding to the cost of care because the patient requires additional resources, which can include IV antibiotics, one or more additional surgeries, and sometimes hospitalization.
- Because our Herndon facility is dedicated exclusively to orthopaedic surgery, we are able to implement best practices to reduce the risk of infection.
- And, as I mentioned, we are succeeding in a quite dramatic fashion, as evidenced by our extremely low infection rates.
- Our COPN application included documentation that Virginia's COPN program has long recognized the many benefits of single-specialty outpatient surgical hospitals like North VA Surgicenter, including improved efficiency, superior outcomes, and reduced complications.¹⁰
- In addition to these important clinical patient care benefits, surgery performed in an outpatient setting is, as you've heard, typically significantly less expensive for both the patient and the payer than when the same surgery is performed at a hospital.
- The differential in a patient's financial responsibility is often hundreds of dollars, and the payer's differential can be in the thousands.
- As you can imagine, I hear every day from my patients with concerns about the cost of care.

¹⁰ September 20, 2021, Commissioner's Decision issuing COPN Request Nos. VA-04756 and -04757 at page 5 of 9 of Adjudication Officer's Recommendation. See Attachment IV.A to the North VA Surgicenter COPN application.

- I know from firsthand experience that outpatient surgery centers remove the significant financial barriers that lead many patients to delay their orthopaedic surgery, during which time their medical condition deteriorates.
- Even worse, the high cost of surgery in the hospital setting leads some patients to decide to go without the needed surgery altogether.
- Our goal is to facilitate timely surgical care so that the patient can return to health as quickly as possible.
- Our experience with our existing Herndon operatory has been very positive for privately insured patients, who received world-class care from an expert team of professionals focused on optimal outpatient orthopaedic surgery patient care.
- However, patients covered by government insurance programs, like Medicare, Medicaid, and TRICARE are not currently able to benefit from this enhanced level of care because facilities that do not have a Virginia outpatient surgical hospital license cannot enroll as ASC with governmental payers.
- Instead, most of our governmentally insured patients receive surgery at one of the area hospitals, which typically have longer wait times, higher costs to both patients and payers, and more challenging parking and wayfinding, which can be particularly challenging for the many orthopaedic patients who have mobility issues as a result of their condition.
- The Commissioner has recognized the importance of financial access to outpatient surgery, lauding how single-specialty outpatient surgical hospitals increase geographic, financial, and practical access to vital health care services for patients covered by Medicare and Medicaid.
- Approval of our COPN application would enable our Medicare, Medicaid, and TRICARE patients to experience these same clinical and financial benefits at North VA Surgicenter OSH.
- As I mentioned, I've been practicing almost 25 years.

- During the course of my career, I have treated many patients who first came to me as young adults covered by private insurance provided through their employers.
- I've aged along with these patients, who are now covered by Medicare.
- These patients had excellent experience as a surgical patient at our Herndon in-office operatory, but, now that they are no longer covered by private insurance, I cannot continue to schedule them for surgery at Herndon but, instead, have to schedule them for surgery at an area hospital.
- As you can imagine, my patients are confused and frustrated.
- They tell me they had a very positive experience with their prior surgeries at Herndon and they don't understand why, now that they are covered by Medicare, they have to go to a different facility.
- I've had some version of this conversation every week for the past five years.
- I don't like telling my Medicare patients they can't receive surgical care – care I know is the best possible orthopaedic surgical care in the area – at Herndon simply because their insurance changed from private commercial insurance to Medicare.
- And, frankly, it frustrates me as a physician because I want to provide the best possible care to all my patients and I know that performing the surgery at Herndon gives my patients the very best chance for an optimal outcome.
- Approving our COPN will mean that I can treat all my patients – no matter their insurance coverage – at the facility I know provides the best possible care.
- Another important patient population I serve is the area's Hispanic population.
- I am of Colombian and Mexican heritage.

- I grew up speaking Spanish as my first language, and it's always been very important to me to serve the Hispanic population, which, as you know, often has difficulty accessing the health care system.
- I am fluent in Spanish, and our Herndon office has front office staff and OR staff that are also fluent in Spanish so that we can communicate with our patients, answer their questions, and put them at ease.
- About 25% of my patients are Spanish speakers.
- Many of our Spanish-speaking patients are covered by government insurance – most often Medicaid, but also Medicare and other federal programs.
- If a Spanish-speaking patient comes to our Herndon location, we can seamlessly communicate with them in their native tongue because their doctor, nurses, OR staff, and front office staff all speak Spanish.
- That is not always the case at other facilities.
- Our expertise in caring for the Hispanic patient population is another reason I feel strongly that it's the best medicine to schedule those patients at our Herndon location, no matter what insurance they have.
- Unfortunately, today, if a patient is covered by Medicaid, I can't do that.
- Again, because we are not currently licensed as an outpatient surgical hospital, we can't participate in Medicaid, Medicare, or the other government programs.
- Approving our COPN application will change that and allow me to care for all my Spanish-speaking patients, regardless of their insurer, at our Herndon location that, because we focus exclusively on orthopaedic surgery, provides the best possible care and outcomes for orthopaedic surgery patients.
- Another benefit of this project is that it will enable many of our surgeons to practice more efficiently, and, therefore, to have time to care for more patients.
- Take me as an example.

- As I said, I practice primarily out of our Herndon and Reston offices.
- North VA Surgicenter will be in the same building as our Herndon office.
- As has been acknowledged during the COPN review of similar projects, this co-location provides improved continuity of care and significant operational efficiency for busy surgeons who do not need to spend time traveling through PD 8's challenging traffic between their office and their surgical facility.
- Today, I have to drive to a different location to perform surgery on my patients covered by Medicare, Medicaid, and other government programs.
- Approval of our COPN will allow me to see patients in my office and to perform surgery on these patients without spending half the day in the car driving between sites.
- By being more efficient in my workday, I can see more patients, which translates into better patient care because patients can be seen and treated faster.
- That means patients spend less time in pain and can get started on their recovery sooner.
- That's good medicine.
- While the benefits to patients will be significant, we do not expect approval of our COPN to adversely impact other providers in any meaningful way.
- Today, the governmentally insured patients who would begin receiving services at North VA Surgicenter are served at many different hospitals across Northern Virginia.
- That means that the impact on any single hospital will be minimal.
- Additionally, PD 8's population is both growing and aging, meaning the overall demand for orthopaedic surgery, both in the inpatient and outpatient setting will continue to grow in absolute terms.

- We continue to recruit new surgeons to our Northern Virginia offices, and OrthoVirginia plans to continue to perform cases at all area PD 8 hospitals.
- Therefore, we do not anticipate any meaningful diminution of the volumes of cases we perform at area hospitals following approval of our COPN application.
- As a physician, I want what's best for my patients.
- That's why I am here tonight speaking in support of this COPN application.
- OrthoVirginia requests for your approval of North VA Surgicenter's COPN application because it will significantly improve our ability to provide the best care for our patients.
- Thank you for the opportunity to speak in support of this important project.

Ryan Miller Closing

- One last point I want to cover is the suggestion in the staff report that North VA Surgicenter open with only 2 ORs given that Reston can only afford to transfer 2 ORs.
- A 2 OR facility won't have sufficient capacity.
- The volumes at the existing OrthoVirginia in-office operatory suite already exceed the number of cases than can be accommodated in 2 ORs.
- If we only had 2 ORs, we couldn't treat the patients who already receive surgery at that location, and we certainly wouldn't have any capacity to treat the governmental patients who today are receiving surgery at the higher-priced hospital setting.
- This why we are requesting a COPN for a 4-OR facility, 2 of which would be transferred from Reston Hospital Center and 2 of which would be new.
- Thank you very much for your attention to our presentation.
- As you've heard, our application will significantly improve patient care and substantially lower costs without adversely impacting any other provider.

- We respectfully request that you recommend approval of our application.
- We'd be happy to answer any questions you have.
- [Note: The handout distributed at the HSANV meeting is reproduced on the following two pages]

Medicare Facility Fee				
CPT	CPT Description	ASC	Hospital	Savings
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair	\$ 3,392	\$ 6,816	50%
29881	Arthroscopy, Knee	\$ 1,518	\$ 3,084	51%
29888	Arthroscopically aided ACL repair	\$ 4,497	\$ 6,816	34%
25609	Open treatment of distal radial fracture	\$ 4,603	\$ 6,816	32%
64721	Neuroplasty and/or transposition	\$ 897	\$ 1,839	51%
29806	Arthroscopy shoulder	\$ 3,392	\$ 6,816	50%
25447	Arthroplasty, interposition, intercarpal or carpometacarpal joints	\$ 1,518	\$ 3,084	51%
26055	Tendon sheath incision	\$ 819	\$ 1,531	47%
23430	Tenodesis of long tendon of biceps	\$ 4,142	\$ 6,045	31%
29848	Endoscopy, wrist, surgical with release of transverse carpal ligament	\$ 1,065	\$ 1,635	35%

Medicare Patient Responsibility				
CPT	CPT Description	ASC	Hospital	Savings
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair	\$ 889	\$ 1,574	77%
29881	Arthroscopy, Knee	\$ 411	\$ 724	76%
29888	Arthroscopically aided ACL repair	\$ 1,091	\$ 1,555	43%
25609	Open treatment of distal radial fracture	\$ 1,129	\$ 1,572	39%
64721	Neuroplasty and/or transposition	\$ 266	\$ 454	71%
29806	Arthroscopy shoulder	\$ 887	\$ 1,572	77%
25447	Arthroplasty, interposition, intercarpal or carpometacarpal joints	\$ 468	\$ 781	67%
26055	Tendon sheath incision	\$ 221	\$ 364	65%
23430	Tenodesis of long tendon of biceps	\$ 1,035	\$ 1,511	46%
29848	Endoscopy, wrist, surgical with release of transverse carpal ligament	\$ 265	\$ 408	54%

Medicaid Facility Fee				
CPT	CPT Description	ASC	Hospital	Savings
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair	\$ 917	\$7,784	88%
29881	Arthroscopy, Knee	\$ 469	\$3,000	84%
29888	Arthroscopically aided ACL repair	\$ 836	\$7,784	89%
25609	Open treatment of distal radial fracture	\$ 908	\$7,513	88%
64721	Neuroplasty and/or transposition	\$ 386	\$1,881	79%
29806	Arthroscopy shoulder	\$ 910	\$7,784	88%
25447	Arthroplasty, interposition, intercarpal or carpometacarpal joints	\$ 720	\$4,898	85%
26055	Tendon sheath incision	\$ 506	\$1,842	73%
23430	Tenodesis of long tendon of biceps	\$ 643	\$6,665	90%
29848	Endoscopy, wrist, surgical with release of transverse carpal ligament	\$ 446	\$3,000	85%

Reston Hospital Center Requires 14 GPORs And, Therefore, Can Only Transfer 2 GPORs

Reston Hospital Center has 17 General Purpose Operating Rooms (GPORs) today

1 OR will be converted to an Open Heart Room, leaving 16 GPORs

2023 GPOR hours demonstrate the need for 12 GPORs at Reston Hospital Center

As shown below, new surgeons to Reston Hospital Center require 2 GPORs

This means Reston Hospital Center needs 14 GPORs (12 +2)

Reston Hospital Center, therefore, can only transfer 2 GPORs to North VA Surgicenter, which would leave the required 14 GPORs at Reston Hospital Center

RHC GPORs	Explanation
17	Existing GPORs today
-1	Conversion of one GPOR to cardiac surgery OR
-12	Demonstrated GPOR need based on 2023 hours
-2	GPORs required for new surgeons (see table below)
2	GPORs available for transfer

Surgeons Joining Reston Hospital Center October 2024-January 2025 Require 2 GPORs

Specialty	# of MDs	# GPORs needed
Ortho	2	0.4
Neurosurgery	1	0.2
Spine	1	0.4
General	2	0.6
GYN	5	0.5
Urology	1	0.1
Total	12	2.2