

COPN Request No. VA-8785

COMMONWEALTH OF VIRGINIA

APPLICATION FOR A

MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED

(CHAPTER 4, ARTICLE 1:1 OF TITLE 32.1,

SECTIONS 32.1 – 102.1 THROUGH 32.1 – 102.11 OF

THE CODE OF VIRGINIA OF 1950, AS AMENDED)

HOSPITALS

COPN Request No. VA-8785

Inova Health Care Services d/b/a Inova Fairfax Hospital

Expansion of CT Services Through the Addition of One CT Unit

October 1, 2024

SECTION I FACILITY ORGANIZATION AND IDENTIFICATION

- A. **Inova Fairfax Hospital**
Official Name of Facility

3300 Gallows Road
Address

<u>Falls Church</u>	<u>Virginia</u>	<u>22042</u>
City	State	Zip

(703) 776-1110
Telephone

- B. **Inova Health Care Services**
Legal Name of Applicant

8100 Innovation Park Drive
Address

<u>Fairfax</u>	<u>Virginia</u>	<u>22031</u>
City	State	Zip

- C. Chief Administrative Officer

Steve Narang, MD, President, Inova Fairfax Hospital & Pediatric Service Line
Name

3300 Gallows Road
Address

<u>Falls Church</u>	<u>Virginia</u>	<u>22042</u>
City	State	Zip

(703) 776-4001
Telephone

- D. Person(s) to whom questions regarding application should be directed:

Paul Dreyer, Sr. Director, Strategy & Planning, Inova Health System
Name

8100 Innovation Park Drive
Address

- (10) _____ (10) City/County (10) _____
- (11) _____ (11) Hospital Authority or Commission (11) _____
- (12) _____ (12) Other _____ Identify (12) _____

F. Ownership of the Site (Check one and attach copy of document)

- (1) ___ Fee simple title held by the applicant
- (2) ___ Option to purchase held by the applicant
- (3) leasehold interest for not less than 75 years
- (4) ___ Renewable lease, renewable every _____ years
- (5) ___ Other _____ Identify

Please see **Attachment B**

G. Attach a list of names and addresses of all owners or persons having a financial interest of five percent (5%) or more in the medical care facility.

Inova Fairfax Hospital (“IFH”) is owned by Inova Health Care Services, a 501(c)(3) Virginia nonstock corporation. The sole member of Inova Health Care Services is the Inova Health System Foundation, which is also a 501(c)(3) Virginia nonstock corporation. The corporate address for Inova Health Care Services is as follows:

**Inova Health Care Services
8100 Innovation Park Dr.
Fairfax, Virginia 22031**

(a) In the case of proprietary corporation also attach:

- (1) A list of the names and addresses of the board of directors of the corporation.
- (2) A list of the officers of the corporation.
- (3) The name and address of the registered agent for the corporation.

Not applicable.

(b) In the case of a non-profit corporation also attach:

- (1) A list of the names and addresses of the board of directors of the corporation

Please see Attachment C for the names of the board members. Please direct any questions to board members at the following address:

**c/o Nena Jaspers
8110 Innovation Park Dr.
Fairfax, Virginia 22031**

- (2) A list of the officers of the corporation

The Inova Health Care Services Board is charged with governance of the Inova hospitals.

The names of the board members and officers are set forth on Attachment C.

- (3) The name and address of the registered agent for the corporation

**CT Corporation System
4701 Cox Road, Suite 285
Glen Allen, Virginia 23060**

- (c) In the case of a partnership also attach:

- (1) A list of the names and addresses of all partners.
(2) The name and address of the general or managing partner.

Not applicable.

- (d) In the case of other types of ownership, also attach such documents as will clearly identify the owner.

Not applicable.

- H. List all subsidiaries wholly or partially owned by the applicant.

Please see Attachment D for a comprehensive corporate organization chart for Inova Health System.

- I. List all organizations of which the applicant is wholly or partially owned subsidiary.

Inova Health System Foundation d/b/a Inova Health System

- J. If the operator is other than the owner, attach a list of the names(s) and addresses of the operator(s) of the medical care facility project. In the case of a corporate operator, specify the name and address of the Registered Agent. In the case of the partnership operator, specify the name and address of the general or managing partner.

Not applicable.

- K. If the operator is other than the owner, attach an executed copy of the contract or agreement between the owner and the operator of the medical care facility.

Not applicable.

SECTION II ARCHITECTURE AND DESIGN

A. Location of the Proposed Project

1. Size of site: 183.06 acres
2. Located in Fairfax County / PD 8 City/County/Planning District
3. Address or directions 3300 Gallows Road, Falls Church, Virginia 22042

4. Has site been zoned for type of use proposed:

Yes (attach copy of zoning or use permit)

Please see Attachment E. The property is zoned to the "PDC" district under which inpatient and outpatient use is permitted.

No

If no, explain status _____

B. Type of project for which Certificate of Public Need is requested. (Check one)

- (1) New construction
- (2) Remodeling/modernization of an existing facility

Expansion of IFH's CT services through the addition of one CT unit at the IFH main hospital.

- (3) No construction or remodeling/modernization
- (4) Other _____ (Identify)

C. Design of the facility

- (1) Does the facility have a long range plan? If yes, attach a copy.

Long range planning is guided by the mission, vision, and values of Inova Health System, set forth in Attachment F.

- (2) Briefly describe the proposed project with respect to location, style and major design features, and the relationship of the current proposal to the

long range plan.

The project will expand IFH's existing CT services through the addition of one CT unit to the existing imaging suite at the IFH main hospital, which is located at 3300 Gallows Road, Falls Church, Virginia. The proposed CT unit will be co-located with three existing CT units in an existing, vacant room previously used to provide MRI services.

Additional support space required to operate the additional CT unit includes a new control room, expanded work area and relocated storage and staff lounge.

The site plan, including the proposed location of the CT unit, can be found in Attachment G, and the design drawings can be found in Attachment H.

This project is consistent with the Inova Health System mission and vision (as identified above and set forth in Attachment F). This project relates to Inova Health System's commitment to excellence in patient care by improving the quality and accessibility of CT services and is a necessary component for the continued operational success of IFH.

- (3) Describe the relationship of the facility to public transportation and highway access.

IFH is readily accessible. It is located 1/4 mile west of the Capital Beltway (Interstate 495) at 3300 Gallows Road, Falls Church, Virginia. It is accessible from the north and south via Interstates 495 and 95 and from the east and west via Route 50 and Interstate 66. Public bus transportation is available at the main entrance of the hospital and Metro-rail with shuttle service is available within three miles at the Dunn Loring Metro station.

- (4) Relate the size, shape, contour and location of the site to such problems as future expansion, parking, zoning and the provision of water, sewer and solid waste services.

The proposed CT unit will be located in the existing imaging suite at the IFH main hospital. The site plan, including the proposed location of the CT unit, can be found in Attachment G.

The site conforms to all current applicable land development ordinances, regulations and standards. There are multiple driving entrances to the property from Gallows Road and adequate parking is

already available for patients, visitors and staff. Adequate public utilities currently exist on site, including water, sewer, and solid waste services. No zoning changes are required for this project.

- (5) If this proposal is to replace an existing facility, specify what use will be made of the existing facility after the new facility is completed.

Not applicable.

- (6) Describe any design features which will make the proposed project more efficient in terms of construction costs, operating costs or energy conservation.

The proposed CT unit will be located in the existing imaging suite at the IFH main hospital. The existing imaging suite utilizes energy saving features in accordance with local building ordinances, including but not limited to occupancy sensor-controlled lighting in support areas, and is compliant with local energy calculation requirements and specifications for high efficiency mechanical equipment, which contributes to energy conservation and reduces operating costs.

- D. Describe and document in detail how the facility will be provided with water, Sewer and solid waste services. Also describe power source to be used for heating and cooling purposes. Documentation should include, but is not limited to:

- (1) Letters from appropriate governmental agencies verifying the availability and adequacy of utilities,
- (2) National Pollution Discharge Elimination System permits,
- (3) Septic tank permits, or
- (4) Receipts for water and sewer connection and sewer connection fees.

Adequate public utilities currently exist on-site, including water, sewer and solid waste services, in addition to heating and cooling equipment. The project does not require additional utility services. See Attachment I.1 and I.2 for copies of recent utility bills.

- E. Space tabulation – (show in tabular form)

1. If Item #1 was checked in II-B, specify

- a. The total number of square feet (both gross and net) in the proposed facility.
- b. The total number of square feet (both gross and net) by department and each type of patient room (the sum of the square footage in this part should equal the sum of the square footage in (a) above and should be consistent with any preliminary drawings, if available).

Not applicable.

2. If Item #2 was checked in II-B, specify:
 - a. The total number of square feet (both gross and net) by department and each type of patient room in the existing facility.
 - b. The total number of square feet (both gross and net) to be added to the facility.
 - c. The total number square feet (both gross and net) to be remodeled, modernized or converted to another use.
 - d. The total number of square feet (both gross and net) by department and each type of patient room in the facility upon completion. (The sum of square footage in this part should equal the sum of the square footages in parts (a) and (b) above and should be consistent with any preliminary drawings, if available. (The department breakdown should be the same as in (a) above.

See Attachment J.

3. Specify design criteria used or rationale for determining the size of the total facility and each department within the facility.

The proposed additional CT unit will be located in the existing imaging suite at the hospital. The existing imaging suite has been sized to accommodate the necessary equipment and has a similar footprint to the imaging suites at other Inova Health System facilities.

- F. Attach a plot plan of the site which includes at least the following:
 1. The courses and distances of the property line.
 2. Dimensions and location of any buildings, structures, roads, parking areas, walkways, easements, right-of-way or encroachments on the site.

Please see Attachment K.

G. Attach a preliminary design drawing drawn to a scale of not less than 1/16"-1'0" showing the functional layout of the proposed project which indicates at least the following:

1. The layout of each typical functional unit.
2. The spatial relationship of separate functional components to each mechanical spaces.
3. Circulatory spaces (halls, stairwells, elevators, etc.) and mechanical spaces.

Please see Attachment H.

H. Construction Time Estimates

1. Date of Drawings: Preliminary 7/2024 Final 9/2024
2. Date of Construction: Begin 3/2025 Completion 7/2025
3. Target Date of Opening: 8/2025

SECTION III**SERVICE DATA**

- A. In brief narrative form describe the kind of services now provided and/or the kind services to be available after completion of the proposed construction or equipment installation.

IFH Overview

IFH is the largest and busiest hospital in the Commonwealth of Virginia. Since opening in 1961, it has become a premier medical center in the Mid-Atlantic region and is a leader in healthcare services delivery in the Washington, DC metropolitan area.

- **IFH is Northern Virginia's only tertiary/ quaternary hospital for adults and children with a Level I Trauma Center for treating the most critically ill and injured patients;**
- **IFH maintains one of the nation's largest Obstetrical programs, including a dedicated high risk pregnancy unit and one of the country's largest Neonatal Intensive Care Units (Level III);**
- **IFH maintains a comprehensive organ transplantation program;**
- **IFH provides comprehensive pediatric services at its Children's Hospital; and**
- **IFH maintains the largest cancer program in the Commonwealth.**

The primary Centers of Excellence include Inova Schar Heart and Vascular, Neurosciences (including a Joint Commission accredited Primary Stroke Center), Inova Schar Cancer, Minimally Invasive Surgery, Women's Health, and Pediatrics.

Proposed Expansion of CT Services

IFH's radiology department offers comprehensive imaging services, including CT, MRI, digital mammography, fluoroscopy, interventional radiology, nuclear medicine, ultrasound, and x-ray.

IFH maintains 8 CT scanners for diagnostic imaging: 7 CT scanners are located on the IFH campus (including 5 in the main hospital and 2 at the Inova Center for Personalized Health) and 1 CT scanner is located at the Inova Fairfax Emergency Care Center, a freestanding Emergency Center located approximately 7.5 miles from the IFH hospital campus.

This COPN application proposes the addition of 1 CT scanner to the IFH hospital campus (to be located on the main campus within the existing imaging suite). Approval of the proposed project will bring the total complement of IFH CT scanners to 9, including 6 in the main hospital.

This project is proposed based on IFH’s institution-specific need to expand CT services. In 2022, IFH’s 8 CT scanners performed a total of 124,686 scans, for an average of 15,586 scans per machine placing utilization at 211% of the State Medical Facilities Plan (“SMFP”) standard of 7,400 scans per year per CT scanner. IFH experienced growth in CT services utilization in 2023, performing 142,659 CT scans – an increase of 17,973 CT scans when compared to 2022.

- B. Specify the historical and projected utilization of the facility using the following format:

	Historical Utilization			Projected Utilization	
	2021	2022	2023	2026	2027
<i>Inpatient Total</i>					
Total Licensed Beds	928	928	928	928	928
Total Patient Days	261,309	271,506	279,669	289,858	293,627
Total Occupancy %	77%	80%	83%	86%	87%
Total Discharges	47,760	50,036	52,013	53,908	54,609
Average Length of Stay	5.5	5.4	5.4	5.4	5.4
<i>Medical/Surgical (SMFP 80% Occupancy)</i>					
Total Licensed Beds	506	506	506	506	506
Total Patient Days	150,043	156,730	164,032	170,008	172,218
Total Occupancy %	81%	85%	89%	92%	93%
Total Discharges	27,036	28,239	30,170	31,269	31,676
Average Length of Stay	5.5	5.6	5.4	5.4	5.4
<i>Adult ICU (SMFP 65% Occupancy)</i>					
Total Licensed Beds	102	102	102	102	102
Total Patient Days	31,136	30,330	30,435	31,544	31,954
Total Occupancy %	84%	81%	82%	85%	86%
Total Discharges	1,331	1,344	1,340	1,389	1,407
Average Length of Stay	23.4	22.6	22.7	22.7	22.7
<i>Pediatric ICU (SMFP 65% Occupancy)</i>					
Total Licensed Beds	26	26	26	26	26
Total Patient Days	5,447	6,310	6,238	6,465	6,549
Total Occupancy %	57%	66%	66%	68%	69%
Total Discharges	440	456	465	482	488
Average Length of Stay	12.4	13.8	13.4	13.4	13.4
<i>Pediatric (SMFP 80% Occupancy)</i>					
Total Licensed Beds	92	92	92	92	92
Total Patient Days	15,454	19,733	20,763	21,519	21,799
Total Occupancy %	46%	59%	62%	64%	65%
Total Discharges	4,285	5,430	5,736	5,945	6,022
Average Length of Stay	3.6	3.6	3.6	3.6	3.6
<i>Obstetric (SMFP 80% Occupancy)</i>					
Total Licensed Beds	96	96	96	96	96
Total Patient Days	25,308	24,604	24,746	25,648	25,981
Total Occupancy %	72%	70%	71%	73%	74%
Total Discharges	10,268	10,211	9,847	10,206	10,338
Average Length of Stay	2.5	2.4	2.5	2.5	2.5
<i>Psychiatric Adult (SMFP 75% Occupancy)</i>					
Total Licensed Beds	41	41	41	41	41
Total Patient Days	13,972	14,228	14,301	14,822	15,015
Total Occupancy %	93%	95%	96%	99%	100%
Total Discharges	1,295	1,103	1,119	1,160	1,175
Average Length of Stay	10.8	12.9	12.8	12.8	12.8
<i>Psychiatric Child/Adolescent (SMFP 75% Occupancy)</i>					
Total Licensed Beds	15	15	15	15	15
Total Patient Days	5,104	4,389	3,852	3,992	4,044
Total Occupancy %	93%	80%	70%	73%	74%
Total Discharges	499	565	562	582	590
Average Length of Stay	10.2	7.8	6.9	6.9	6.9
<i>Medical Rehab (SMFP 75% Occupancy)</i>					
Total Licensed Beds	25	25	25	25	25
Total Patient Days	7,827	8,300	8,389	8,695	8,808
Total Occupancy %	86%	91%	92%	95%	97%
Total Discharges	584	588	605	627	635
Average Length of Stay	13.4	14.1	13.9	13.9	13.9
<i>Alcohol/Drug (SMFP 75% Occupancy)</i>					
Total Licensed Beds	25	25	25	25	25
Total Patient Days	7,018	6,882	6,913	7,165	7,258
Total Occupancy %	77%	75%	76%	79%	80%
Total Discharges	2,022	2,100	2,169	2,248	2,277
Average Length of Stay	3.5	3.3	3.2	3.2	3.2

Inpatient Bed Projection Methodology:

The Weldon Cooper Center for Public Service, Demographic Research Group, projects between 2023 and 2030, IFH's primary service area population, which includes all of PD 8, is expected to grow at a compound annual growth rate of 1.3%.

IFH conservatively projects inpatient discharges will grow at a rate consistent with population growth and length of stay will remain constant.

Historical and projected utilization of IFH's CT units are as follows:

	Historical Utilization			Projected Utilization	
	2021	2022	2023	2026	2027
<i>Total IFH (Main Hospital + ICPH + Fairfax City FSED)</i>					
# of CT Scanners	7	8	8	9	9
# CT Scans	112,482	124,686	142,659	147,857	149,779
% of SMFP	217%	211%	241%	222%	225%
<i>IFH - Main Hospital</i>					
# of CT Scanners	5	5	5	6	6
# CT Scans	94,426	108,874	122,613	127,080	128,732
% of SMFP	255%	294%	331%	286%	290%
<i>IFH - Expanded Campus (ICPH)</i>					
# of CT Scanners	1	2	2	2	2
# CT Scans	14,017	11,183	14,525	15,054	15,250
% of SMFP	189%	76%	98%	102%	103%
<i>Fairfax City FSED</i>					
# of CT Scanners	1	1	1	1	1
# CT Scans	4,039	4,629	5,521	5,722	5,797
% of SMFP	55%	63%	75%	77%	78%

Note: COPN No. VA-04777, issued on February 7, 2022, authorized Inova Health Care Services to add one (1) CT scanner, increasing IFH's total CT inventory to eight (8) CT scanners in 2022.

- C. State assumptions and show methodology used to calculate projections for two years following completion of the proposed project.

As the population of PD 8 continues to grow, the demands placed on IFH are only expected to increase. The population growth of PD 8 is projected to continue to increase at a rate faster than the Commonwealth as a whole between 2023 and 2030. Specifically, The Weldon Cooper Center for Public Service projects that between 2023 and 2030, IFH's primary service area population, which includes all of PD 8, is expected to grow an average of 1.3% per year as follows:

Population Projections

	Est. 2023	2024	2025	2026	2027	2028	2029	2030
Population Projections - IFH PSA (PD 8)	2,592,739	2,623,852	2,655,338	2,687,202	2,722,136	2,757,524	2,793,371	2,829,685
Population Growth		1.2%	1.2%	1.2%	1.3%	1.3%	1.3%	1.3%

Source: Weldon Cooper

IFH conservatively projects that its total CT volume will grow at a rate consistent with the population growth in PD 8.

D. Existing and/or Proposed Bed Complement

This project will not impact the IFH bed complement, the distribution of which is as follows:

1. Hospitals

<i>Inova Fairfax Hospital</i>	Distribution of Existing Licensed Beds	Total Beds to be built	Total Beds to be Lost or Removed from Service	Total Beds After Construction
Adult Medical/Surgical	506			506
Adult Critical Care	102			102
Obstetrical	96			96
Pediatric Medical/Surgical	92			92
Pediatric Critical Care	26			26
Psychiatric	81			81
Long-Term/Extended Care	n/a			n/a
Self-Care	n/a			n/a
Acute Rehabilitation	25			25
TOTAL	928			928
Neonatal Intensive Care	108			108
Other Newborn Bassinets	114			114

E. Facilities and Services to be Provided (Check)

The following services are currently provided at IFH:

<i>Inova Fairfax Hospital</i>	Existin g	This Project to be Added	This Project to be Discontinued	This Project to be Expanded or Renovated
1. Post-Operative Recovery Room	X			
2. Intensive Care Unit Cardiac	X			
3. Open Heart Surgery Facilities	X			
4. Pharmacy With full-time pharmacists	X			
With part-time pharmacists	X			
5. Diagnostic radiological services x-ray	X			
Ultrasonography	X			
Radioisotope	X			
CT scanning	X			X
MRI scanning	X			
6. Therapeutic Radiological Services Brachytherapy	X			
Specify Source(s) Used				
Teletherapy				
Specify Source(s) or Type(s) of Equipment Used				
7. Clinical Pathology Laboratory	X			
8. Organ Bank	X			
9. Blood Bank	X			
10. Electroencephalography	X			
11. Electrocardiography	X			
12. Respiratory Therapy	X			
13. Premature Nursery	X			
14. Self-Care Unit	X			
15. Skilled Nursing or Long-Term Nursing				
16. Renal Dialysis acute	X			
Chronic	X			
Inpatient	X			
Outpatient	X			
Home dialysis training	X			
17. Burn Care Unit				
18. Physical Therapy Department	X			
19. Occupational Therapy	X			
20. Medical Rehabilitation Inpatient	X			
outpatient	X			
21. Tuberculosis Unit				
22. Psychiatric Services				

inpatient	X			
Outpatient	X			
Partial hospitalization program	X			
Emergency services	X			
Foster and/or home care				
Consultation	X			
23. Clinical psychology	X			
24. Organized outpatient department	X			
25. Outpatient surgery	X			
26. Social work department	X			
27. Family planning service				
28. Genetic counseling service	X			
29. Abortion services				
Inpatient	X			
Outpatient	X			
30. Pediatric department	X			
31. Obstetric service	X			
32. Alcoholic & detoxification department	X			
33. Home care department				
34. Speech pathology services	X			
35. Audiology services	X			
36. Hospital auxiliary	X			
37. Volunteer service department	X			
38. Paramedical training program				
39. Emergency department	X			
40. Dental services (oral surgery)	X			
41. Podiatric services	X			
42. Pre-admission testing	X			
43. Pre-discharge planning	X			
44. Multi phasic screening	X			
45. Other (identify)				

F. Staffing of Existing and/or Proposed Facility

In the following categories, indicate the number of full-time equivalent personnel (at least 35 hours per week).

IFH's CT staffing needs at the main hospital are as follows:

Staffing Category	Current Staffing		Additional	NEEDED
	Full Time	Vacant Positions	Full Time	Total
CT Technologist	41	4.8	4.2	50

- G. Present a plan for obtaining all additional personnel required to staff the project following completion and identify the sources from which such personnel are expected to be obtained.

IFH does not anticipate difficulty meeting the hiring needs for the proposed expansion of CT services. Inova Health System's plan for obtaining additional personnel includes:

- **Recruiting initiatives targeted at labor pools which have historically been underutilized in the health care industry (e.g., minorities, seniors, retired military personnel, etc.), thereby expanding the pool of available workers, not draining resources from other facilities.**
- **Recruiting in geographic areas well outside Northern Virginia, therefore expanding the pool of available workers, without draining resources from other Northern Virginia facilities.**
- **Continuing initiatives to bolster the size and quality of the health services labor pool in Northern Virginia over the long-term by promoting health care career paths among area youth, benefitting all area health care providers with a vibrant and enthusiastic labor pool.**

- H. Describe the anticipated impact that the project will have on the staffing of other facilities in the service area.

The staffing requirements for this project are limited to 4.2 FTE CT Technologists and are not anticipated to have an impact on the staffing of other facilities in the service area.

- I. Attach the following information or documents

1. Roster of medical staff (existing facilities). Indicate their specialty, board Certification, Board eligibility, and staff privileges (active, associate, etc.)

Please see Attachment L.

2. Existing Facilities- Attach copy(ies) of letter of endorsement from the medical staff organization indicating the medical need for the proposed project.

Please see Attachment M.

3. Copy of most recent licensing report from State Agency (existing facilities).

Please see attachment N.1 (hospital license) and N.2 (licensing report)

4. Current accreditation status and copy of the latest accreditation report

from the Joint Commission on Accreditation of Hospitals (existing facilities).

Please see Attachment O.1 for the Accreditation Certificate and Attachment O.2 for the Accreditation Report.

SECTION IV PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY NEED

- A. Please provide a comprehensive narrative description of the proposed project.

IFH Overview

IFH is the largest and busiest hospital in the Commonwealth of Virginia. Since opening in 1961, it has become a premier medical center in the Mid-Atlantic region and is a leader in healthcare services delivery in the Washington, DC metropolitan area.

- **IFH is Northern Virginia's only tertiary / quaternary hospital for adults and children with a Level I Trauma Center for treating the most critically ill and injured patients;**
- **IFH maintains one of the nation's largest Obstetrical programs, including a dedicated high risk pregnancy unit and one of the country's largest Neonatal Intensive Care Units (Level III);**
- **IFH maintains a comprehensive organ transplantation program;**
- **IFH provides comprehensive pediatric services at its Children's Hospital; and**
- **IFH maintains the largest cancer program in the Commonwealth.**

The primary Centers of Excellence include Inova Schar Heart and Vascular, Neurosciences (including a Joint Commission accredited Primary Stroke Center), Inova Schar Cancer, Minimally Invasive Surgery, Women's Health, and Pediatrics.

Proposed Expansion of CT Services

IFH's radiology department offers comprehensive imaging services, including CT, MRI, digital mammography, fluoroscopy, interventional radiology, nuclear medicine, ultrasound, and x-ray.

IFH maintains 8 CT scanners for diagnostic imaging: 7 CT scanners are located on the IFH campus (including 5 in the main hospital and 2 at the Inova Center for Personalized Health) and 1 CT scanner is located at the Inova Fairfax Emergency Care Center, a freestanding Emergency Center located approximately 7.5 miles from the IFH hospital campus.

This COPN application proposes the addition of 1 CT scanner to the IFH hospital campus (to be located on the main campus within the existing imaging suite). Approval of the proposed project will bring the total complement of IFH CT scanners to 9, including 6 in the main hospital campus.

This project is proposed based on IFH’s institution-specific need to expand CT services. In 2022, IFH’s 8 CT scanners performed a total of 124,686 scans, for an average of 15,586 scans per machine placing utilization at 211% of the SMFP standard of 7,400 scans per year per CT scanner. IFH experienced growth in CT services utilization in 2023, performing 142,659 CT scans – an increase of 17,973 CT scans when compared to 2022.

B. Identification of Community Need

1. Describe the geographic boundaries of the facility’s primary service area. (Note: Primary service area may be considered to be geographic area from which 75% of patients are expected to originate.)

Please see Attachment P to view a map outlining the primary service area for IFH’s CT services.

2. Provide patient origin, discharge diagnosis or utilization data appropriate for the type of project being proposed.

Please see Attachment Q.1 and Q.2 for patient origin data for IFH’s CT services for calendar years 2022 and 2023 respectively.

- C. 1. Is (are) the services(s) to be offered presently being offered by any other existing facility(ies) in the Health Planning Region?

Yes, CT services are currently offered at other facilities in PD 8.

2. If yes,

- a. Identify the facility(ies)

Please see Attachment R for a list of existing CT facilities in PD 8.

- b. Discuss the extent to which the facility(ies) satisfy(ies) the current demand for the services(s)

IFH has an institution-specific need for an additional CT scanner. In 2022, IFH’s 8 CT scanners performed a total of 124,686 scans, for an average of 15,586 scans per machine, placing utilization at 211% of the SMFP standard. IFH experienced growth in CT services utilization in 2023, performing 142,659 CT scans – an increase of 17,973 CT scans when compared to 2022. Without expansion, IFH expects to reach or exceed an untenable utilization level of 250% of the SMFP standard by 2026.

Please see Attachment S for the COPN authorized fixed CT units and utilization in 2022, the most recent year for which data is available. The 63 then-operational CT scanners performed an average of 9,907 scans per unit.

As noted in COPN Request No. VA-8769, UVA Prince William Medical Center and UVA Haymarket Medical Center shifted from calendar year reporting (1/1-12/31) to fiscal year reporting (7/1-6/30) to align with UVA Medical Center's reporting framework. As a result, 2022 VHI-reported utilization for those two sites reflects only half a year of CT utilization. Attachment S reflects fiscal year end 6/30/2023 CT utilization reported by UVA Health in COPN Request No. VA-8769.

Several CT scanners have been approved for PD 8 since 2022 (i.e., the VHI CT utilization data reflected in Attachment S). Attachment T displays the current inventory of CT scanners in PD 8, including those authorized but not yet in service.

- c. Discuss the extent to which the facility(ies) will satisfy(ies) the demand for services in five years.

In the DCOPN Staff Report for COPN Request No. VA-8757, dated July 19, 2024, DCOPN calculated a need for six fixed CT scanners in the planning district based on 2022 CT scans. That DCOPN Staff Report relied on 2022 VHI data, which, as noted above, was incomplete for UVA Prince William Medical Center and UVA Haymarket Medical Center due to a shift from calendar year to fiscal year reporting for those facilities and only reflected half a year of CT utilization for those facilities.

Using the same logic employed by DCOPN in the DCOPN Staff Report for COPN Request No. VA-8757, but updating the utilization for UVA Prince William Medical Center and UVA Haymarket Medical Center to a twelve-month period (fiscal year end 6/30/2023 CT utilization reported by UVA Health in COPN Request No. VA-8769), Inova calculates a need for seven fixed CT scanners in the planning district.

Calculated Needed Fixed CT Scanners in PD 8

Calculated Needed CT scanners = $624,139 \text{ scans in the PD in } 2022 / 7,400 = 84.34 \text{ (85) scanners needed}$

2024 COPN authorized CT scanners = 78
PD 8 Calculated Need = 7 CT scanners

As the population continues to grow in PD 8, the demand for CT services will continue to increase over the next 5 years. Approval of an additional CT scanner is necessary to support current and future demand for CT services.

- D. Discuss how the project will fill an unmet need in the delivery of health care in the service area including, where applicable, geographic barriers to access.

Please see the response to Section IV.C.2.

- E. Discuss the consistency of the proposed project with applicable Regional Health Plan, State Health Plan, State Medical Facilities Plan, or other plans promulgated by State Agencies.

Article 1

Criteria and Standards for Computed Tomography

12VAC5-230-90. Travel time.

CT services should be within 30 minutes driving time one way under normal conditions of 95% of the population of the health planning district using a mapping software as determined by the commissioner.

CT services are currently available within 30 minutes driving time one way under normal conditions of 95% of the population in PD 8. Difficult and challenging traffic congestion in Northern Virginia frequently results in much longer travel times. As the Northern Virginia population continues to grow, drive times are expected to become even more lengthy and challenging. The proposed project will improve access to CT services in PD 8 by increasing needed capacity at the largest and busiest hospital in the Commonwealth. By expanding CT services, IFH will be able to decompress existing CT service volumes and ensure continued access to the service for its patient population.

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.*

Not applicable. IFH is an existing provider of CT services. Therefore, this project does not involve the establishment of new services.

- 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.*

Not applicable. The proposed CT scanner would be used for diagnostic imaging.

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.

IFH has an institution-specific need to expand its CT services based on the current and projected utilization of its existing eight CT scanners. In 2022, IFH's 8 CT scanners (including 7 on the hospital campus (5 in the main hospital and 2 at the Inova Center for Personalized Health) and 1 at the Inova Fairfax Emergency Care Center) performed a total of 124,686 scans, for an average of 15,586 scans per machine, placing utilization at 211% of the SMFP standard.

IFH experienced growth in CT services utilization in 2023, performing 142,659 CT scans – an increase of 17,973 CT scans when compared to 2022. Without expansion, IFH expects to reach or exceed an untenable utilization level of 250% of the SMFP standard by 2026. Notably, in 2023, the 5 CT scanners in the main hospital, where IFH proposes to place the additional CT scanner, operates at an average utilization of 331% if the SMFP standard.

As the population continues to grow in PD 8, and more specifically in IFH's service area, the demand for CT services will continue to increase. Approval of an additional CT scanner is necessary to support current and future demand for CT services.

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

Not Applicable. The proposed CT scanner would be a fixed-site unit.

12VAC5-230-130. Staffing.

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

IFH's radiology services, including CT services, are under 24-hour supervision by board certified radiologists with Fairfax Radiology Consultants through a contract with IFH.

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.*

IFH has an institution-specific need for an additional CT scanner. In 2022, IFH's 8 CT scanners (including 7 on the hospital campus (5 in the main hospital and 2 at the Inova Center for Personalized Health) and 1 at the Inova Fairfax Emergency Care Center) performed a total of 124,686 scans, for an average of 15,586 scans per machine, placing utilization at 211% of the SMFP standard. IFH experienced growth in CT services utilization in 2023, performing 142,659 CT scans – an increase of 17,973 CT scans when compared to 2022. Without expansion, IFH expects to reach or exceed an untenable utilization level of 250% of the SMFP standard by 2026. Notably, in 2023, the 5 CT scanners in the main hospital, where IFH proposes to place the additional CT scanner, operates at an average utilization of 331% if the SMFP standard.

As the population continues to grow in PD 8, and more specifically in IFH's service area, the demand for CT services will continue to increase. Approval of an additional CT scanner is necessary to support current and future demand for CT services.

- 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.*

Facility Name	Approved CT Machines	2022 Total Scans	2022 % of SMFP
Inova Alexandria Hospital ¹	5	67,406	182%
Inova Fair Oaks Hospital	3	40,468	182%
Inova Fairfax Hospital ²	8	124,686	211%
Inova Loudoun Hospital ³	4	68,113	230%
Inova Mount Vernon Hospital ⁴	3	32,841	148%
Total - Authorized	23	333,514	196%

¹Includes three (3) units at Inova Alexandria Hospital, one (1) unit at Inova Imaging Center - Mark Center, and one (1) unit at Inova Springfield HealthPlex.

²Includes seven (7) units on the IFH campus (five (5) in the main hospital and two (2) at the Inova Center for Personalized Health) and one (1) unit at Inova ECC-Fairfax.

³Includes two (2) CT units at Inova Loudoun Hospital, one (1) unit at Inova Loudoun Cornwall ECC, and one (1) at Inova Ashburn HealthPlex.

⁴Includes two (2) CT units at Inova Mount Vernon Hospital and one (1) unit at Inova Lorton HealthPlex.

Inova does not operate any underutilized CT services available for relocation. In 2022, the most recent year for which utilization data is publicly available from VHI, average utilization of all Inova hospitals' CT scanners was 196% of the SMFP standard for full utilization.

- F. Show how the method and assumptions used in determining the need for additional beds, new services or deletion of service in the proposed project's service area.

See responses to Sections III.B and III.C.

- G. Coordination and Affiliation with Other Facilities.

Describe any existing or proposed formal agreements or affiliations to share personnel, facilities, services or equipment. (Attach copies of any formal agreements with another health or medical care facility.)

Inova Health System is a broad-based regional healthcare system and provides a comprehensive and coordinated range of acute, ambulatory, and tertiary services.

Pediatric Specialists of Virginia, LLC (PSV), a non-profit private pediatric medical group, is a 50-50 joint venture between Inova and Children's National Medical Center. PSV provide a variety of pediatric specialties including gastroenterology, genetics, hematology oncology, nephrology and orthopedics. Please see Attachment U for legal documentation of joint venture.

H. Attach copies of the following documents:

1. A map of the service area indicating:
 - a. Location of the proposed project.
 - b. Location of other existing medical facilities (by name, type, hospital, nursing home, outpatient clinic, etc.) and number of beds in each inpatient facility).

Please see Attachment R.

2. Any material which indicates community and professional support for this project; i.e. letter of endorsement from physicians, community organizations, local government, Chamber of Commerce, medical society, etc.

Please see Attachment V.

3. Letters to other area facilities advising of the scope of the proposed project.

Please see Attachment W.

SECTION V

FINANCIAL DATA

It will be the responsibility of the applicant to show sufficient evidence of adequate financial resources to complete construction of the proposed project and provide sufficient working capital and operating income for a period of not less than one (1) year after the date of opening:

- A. Specify the per diem rate for all existing negotiated reimbursement contracts and proposed contracts for patient care with state and federal governmental agencies, Blue Cross/Blue Shield Plans, labor organizations such as health and welfare funds and membership associations.

This question requires the disclosure of confidential and proprietary information.

- B. Does the facility participate in a regional program which provides a means for facilities to compare its costs and operations with similar institutions?

 X Yes No

If yes, specify program **Virginia Health Information (VHI)**
 Provide a copy of report(s) which provide(s) the basis for comparison.

Please see Attachment X.1 and X.2 for a copy of IFH’s EPICS submission for 2022 and 2023, respectively.

- C. Estimated Capital Costs

Please see “Instructions for Completing Estimated Capital Costs” Section of the Certificate of Need application for detailed instructions for completing this question (attached)

Part I – Direct Construction Costs

1.	Cost of materials	\$ <u>1,038,860</u>
2.	Cost of labor	\$ _____
3.	Equipment included in construction contract	\$ _____
4.	Builder’s overhead	\$ _____
5.	Builder’s profit	\$ _____
6.	Allocation for contingencies	\$ <u>103,886</u>

7. Sub-total (add lines 1 thru 6) \$ 1,142,746

Part II – Equipment Not Included in Construction Contract

If leasehold, lease expense over entire term of lease

(List each separately)

8. a. Equipment \$ 1,790,345

b. Equipment Installation \$ 50,000

c. Furnishings \$ 20,963

d. Signage \$ 5,000

e. Data & Telecommunications \$ 73,524

f. Contingency \$ 172,574

9. Sub-total (add lines 8a thru 8e) \$ 2,112,406

Part III – Site Acquisition Costs

10. Full purchase price \$ _____

11. For sites with standing structures \$ _____

a. purchase price allocable to structures \$ _____

b. purchase price allocable to land \$ _____

12. Closing costs \$ _____

13. If leasehold, lease expense over entire term of lease \$ _____

14. Additional expenses paid or accrued:

a. _____ \$ _____

b. _____ \$ _____

c. _____ \$ _____

15. Sub-total (add lines 10 thru 14c) \$ _____

Part IV – Site Preparation Costs

16.	Earth work	\$ _____
17.	Site utilities	\$ _____
18.	Roads and walks	\$ _____
19.	Lawns and planting	\$ _____
20.	Unusual site conditions:	
	a. _____	\$ _____
	b. _____	\$ _____
21.	Accessory structures	\$ _____
22.	Demolition costs	\$ _____
23.	Sub-total (add lines 16 thru 22)	\$ _____

Part V – Off-site Costs (List each separately)

24.	_____	\$ _____
25.	_____	\$ _____
26.	_____	\$ _____
27.	_____	\$ _____
28.	Sub-total (add lines 24 thru 27)	\$ _____

Part VI – Architectural and Engineering Fees

29.	Architect's design fee	\$ <u>85,148</u>
30.	Architect's supervision fee	\$ _____
31.	Engineering fees	\$ <u>46,749</u>
32.	Consultant's fees	\$ <u>97,512</u>
33.	Sub-total (add lines 29 thru 32)	\$ <u>229,409</u>

Part VII – Other Consultant Fees (List each separately)

34. a. _____ \$ _____
 b. _____ \$ _____
 c. _____ \$ _____
35. Sub-total (add lines 34a thru 34c) \$ _____

Part VIII – Taxes During Construction

36. Property taxes during construction \$ _____
34. List other taxes:
- a. _____ \$ _____
 b. _____ \$ _____
38. Sub-total (add lines 36 thru 37b) \$ _____

Part IX-A – HUD Section 232 Financing

39. Estimated construction time(in months) _____
40. Dollar amount of construction loan \$ _____
41. Construction loan interest rate _____ %
42. Estimated construction loan interest costs \$ _____
43. Term of financing (in years) _____
44. Interest rate on permanent loan _____ %
45. FHA mortgage insurance premium \$ _____
46. FHA mortgage fees \$ _____
47. Financing fees \$ _____
48. Placement fees \$ _____
49. AMPO (non-profit only) \$ _____
50. Title and recording fees \$ _____

51. Legal fees \$ _____
52. Total interest expense on permanent mortgage loan \$ _____
53. Sub-total Part IX-A HUD Section 232 Financing (add lines 42, 45, 46, 47, 48, 49, 50 and 51) \$ _____

Part IX-B – Industrial Development Authority Revenue and General
Obligation Bond Financing

(Circle selected method of financing)

54. Method of construction financing (construction loan, proceeds of bond sales, if other, specify) _____
If construction is to be financed from any source other than bond sale proceeds, answer question 56 through 58. Otherwise, proceed to question 59.
55. Estimated construction time (in months) _____
56. Dollar amount of construction loan \$ _____
57. Construction loan interest rate _____%
58. Estimated construction loan interest cost \$ _____
59. Nature of bond placement (direct, underwriter, if other, specify) _____
60. Will bonds be issued prior to the beginning of construction? _____ Yes _____ No
61. If the answer to question 60 is yes, how long before in months? _____
62. Dollar amount of bonds expected to be sold prior to the beginning of construction \$ _____
63. Will principal and interest be paid during construction or only interest? _____
64. Bond interest expense prior to the beginning of construction(in dollars) \$ _____

65. How many months after construction begins will last bond be sold? _____
66. Bond interest expense during construction \$ _____
67. What percent of total construction will be financed from bond issue? \$ _____
68. Expected bond interest rate _____ %
69. Anticipated term of bond issued (in years) _____
70. Anticipated bond discount (in dollars) _____
71. Legal costs \$ _____
72. Printing costs \$ _____
73. Placement fee \$ _____
74. Feasibility study \$ _____
75. Insurance \$ _____
76. Title and recording fees \$ _____
77. Other fees (list each separately)
- a. _____ \$ _____
- b. _____ \$ _____
- c. _____ \$ _____
78. Sinking fund reserve account (Debt Service Reserve) \$ _____
79. Total bond interest expenses (in dollars) \$ _____
80. Sub-total Part IX_B (add lines 58, 64, 66, 71, 72, 73, 74, 75, 76, 77a, b, c and 78) \$ _____

Part IX_C – Conventional Mortgage Loan Financing

81. Estimated construction time (in months) _____

82.	Dollar amount of construction loan	\$ _____
83.	Construction interest rate _____%	
84.	Estimated construction loan interest cost (in dollars)	\$ _____
85.	Term of long term financing (in years)	_____
86.	Interest rate on long term loan _____%	
87.	Anticipated mortgage discount (in dollars)	\$ _____
88.	Feasibility study	\$ _____
89.	Finder's fee	\$ _____
90.	Legal fees	\$ _____
91.	Insurance	\$ _____
92.	Other fees (list each separately)	
	_____	\$ _____
93.	_____	\$ _____
94.	Total permanent mortgage loan interest expense (in dollars)	\$ _____
95.	Sub-total Part IX_C (add lines 84 & 88 thru 93)	\$ _____

Financial Data Summary Sheet

96.	Sub-total Part I	Direct Construction Cost (line 7)	\$ <u>1,142,746</u>
97.	Sub-total Part II	Equipment not included in construction contract (line 9)	\$ <u>2,112,406</u>
98.	Sub-total Part III	Site Acquisition Costs (line 15)	\$ <u>0</u>
99.	Sub-total Part IV	Site Preparation Cost (line 23)	\$ <u>0</u>
100.	Sub-total Part V	Off-Site Costs (line 28)	\$ <u>0</u>

101.	Sub-total Part VI	Architectural and Engineering fees (line 33)	\$ <u>229,409</u>
102.	Sub-total Part VII	Other Consultant fees (line 35)	\$ <u>0</u>
103.	Sub-total Part VIII	Taxes During Construction (line 38)	\$ <u>0</u>
104.	Sub-total Part IX-A	HUD-232 Financing (line 53)	\$ <u>0</u>
105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	\$ <u>0</u>
106.	Sub-total Part IX-C	Conventional Loan Financing (line 95)	\$ <u>0</u>
107.	TOTAL CAPITAL COST (lines 96 thru 106)		\$ <u>3,484,561</u>
108.	Percent of total capital costs to be financed _____%		
109.	Dollar amount of long term mortgage (line 107 x 108)		\$ <u>0</u>
110.	Total Interest Cost on Long Term Financing		\$ <u>0</u>
	a.	HUD-232 Financing (line 53)	\$ <u>0</u>
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 79)	\$ <u>0</u>
	c.	Conventional loan Financing (line 94)	\$ <u>0</u>
111.	Anticipated Bond discount		
	a.	HUD-232 Financing (line 53)	\$ <u>0</u>
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 70)	\$ <u>0</u>
	c.	Conventional Loan Financing (line 87)	\$ <u>0</u>
112.	TOTAL CAPITAL AND FINANCING COST (ADD LINES 107, 110a, b or c AND 111a, b or c)		\$ <u>3,484,561</u>
D.	1.	Estimated costs for new construction (excluding site acquisition costs)	\$ <u>0</u>
	2.	Estimated costs of modernization and renovation	

(excluding site acquisition costs) \$ 3,484,561

E. Anticipated Sources of Funds for Proposed Project	<u>Amount</u>
1. Public Campaign	\$ _____
2. Bond Issue (Specify Type) _____	\$ _____
3. Commercial Loans	\$ _____
4. Government Loans (Specify Type) _____	\$ _____
5. Grants (Specify Type) _____	\$ _____
6. Bequests	\$ _____
7. Private Foundations	\$ _____
8. Endowment Income	\$ _____
9. Accumulated Reserves	\$ <u>3,484,561</u>
10. Other (Identify) _____	\$ _____

- F. Describe in detail the proposed method of financing the proposed project, including the various alternatives considered. Attach any documents which indicate the financial feasibility of the project.

The project will be funded through accumulated reserves of Inova Health System.

- G. Describe the impact the proposed capital expenditure will have on the cost of providing care in the facility. Specify total debt service cost and estimated debt service cost per patient day for the first two (2) years of operation. (Total debt service cost is defined as total interest to be paid during the life of the loan (s). Estimate debt service cost per patient day by dividing estimated total patient days for year one into amount of debt service for that year. Repeat for year two.) Please attach an amortization schedule showing how the proposed debt will be repaid.

The project will be funded through accumulated reserves and, as such, there are no debt service costs associated with the project. Inova does not expect the capital costs associated with the project to impact the cost of care at IFH.

- H. Attach a copy of the following information of documents.

1. The existing and/or proposed room rate schedule, by type of accommodation.

This project will not impact the IFH room rate schedule. See Attachment Y.

2. The audited annual financial statements for the past two (2) years of the existing facility or if a new facility without operating experience, the financial state of the owner (s). Audited financial statements are required, if available.

Please see Attachment Z.1 and Z.2 for the audited financial statements for Inova Health System from FY 2022 and FY 2023, respectively.

3. Copy of the proposed facility's estimated income, expense and capital budget for the first two years of operation after the proposed project is completed.

Please see Attachment AA.

SECTION VI ASSURANCES

I hereby assure and certify that:

- a. The work on the proposed project will be initiated within the period of time set forth in the Certificate of Public Need; and
- b. completion of the proposed project will be pursued with reasonable diligence; and
- c. the proposed project will be constructed, operated and maintained in full compliance with all applicable local, State and Federal laws, rules, regulations and ordinances.

I hereby certify that the information included in this application and all attachments are correct to the best of my knowledge and belief and that it is my intent to carry out the proposed project as described.



Signature of Authorizing Officer

Inova Health System
Address – Line 1

Paul Dreyer
Type/Print Name of Authorizing Officer

8095 Innovation Park Drive
Address – Line 2

Senior Director, Strategy and Planning
Title of Authorizing Officer

Fairfax, VA, 22301
City/State/Zip

October 1, 2024
Date

(703) 403-7598
Telephone Number

Copies of this request should be sent to :

- A. **Virginia Department of Health
Division of Certificate of Public Need
9960 Mayland Drive – Suite 401
Henrico, Virginia 23233**
- B. **The Regional Health Planning Agency if one is currently designated by the Board of Health to serve the area where the project would be located.**

**Inova Fairfax Hospital
COPN Request No. VA-8785
Add One CT Unit**

Financial Projections	IFH CT Services without Project		Project Only		IFH CT Services + Project	
	2026	2027	2026	2027	2026	2027
Statement of Revenue and Expenses						
Gross Patient Revenue	\$ 192,909,050	\$ 196,767,231	\$ 7,028,005	\$ 9,819,666	\$ 199,937,054	\$ 206,586,896
Deductions from Patient Revenue						
Contractual/Other Discounts	\$ 145,658,858	\$ 148,572,035	\$ 5,306,600	\$ 7,414,485	\$ 150,965,458	\$ 155,986,520
Charity Deductions	\$ 7,523,453	\$ 7,673,922	\$ 274,092	\$ 382,967	\$ 7,797,545	\$ 8,056,889
Total Deductions from Revenue	\$ 153,182,311	\$ 156,245,957	\$ 5,580,692	\$ 7,797,452	\$ 158,763,003	\$ 164,043,409
Total Operating Revenue	\$ 39,726,739	\$ 40,521,274	\$ 1,447,313	\$ 2,022,214	\$ 41,174,051	\$ 42,543,487
Operating Expenses						
Salaries, Wages and Benefits	\$ 5,714,890	\$ 5,943,486	\$ 811,971	\$ 879,931	\$ 6,526,862	\$ 6,823,417
Supplies	\$ 1,673,710	\$ 1,740,658	\$ 60,976	\$ 86,868	\$ 1,734,686	\$ 1,827,526
Purchased Services	\$ 1,369,029	\$ 1,423,790	\$ 49,876	\$ 71,054	\$ 1,418,905	\$ 1,494,844
Bad Debt	\$ 2,353,103	\$ 2,400,165	\$ 85,728	\$ 119,780	\$ 2,438,831	\$ 2,519,946
Depreciation & Amortization	\$ 135,699	\$ 141,127	\$ 454,096	\$ 454,096	\$ 589,795	\$ 595,223
Indirect Expenses - Occupancy	\$ 23,991,624	\$ 24,951,289	\$ 252,228	\$ 352,418	\$ 24,243,852	\$ 25,303,707
Other Expense	\$ 97,585	\$ 101,488	\$ 3,555	\$ 5,065	\$ 101,140	\$ 106,553
Total Operating Expenses	\$ 35,335,640	\$ 36,702,004	\$ 1,718,430	\$ 1,969,212	\$ 37,054,070	\$ 38,671,216
Excess of Revenue Over Expenses	\$ 4,391,099	\$ 3,819,270	\$ (271,118)	\$ 53,001	\$ 4,119,981	\$ 3,872,271
Total CT Scans	122,613	122,613	4,467	6,119	127,080	128,732

Expected Payor Mix*	CT
Medicare	39.2%
Medicaid	8.1%
Commercial	44.1%
Charity	3.9%
Self Pay	4.8%
TOTAL	100.0%

*Expected payor mix equals 2024 IFH OP CT, as no change is expected as the result of adding additional CT Machine

Pro Forma Assumptions:

- Payor mix reimbursement is based on internal Inova information, % of Cases
- Annual inflation estimates: gross charge per case = 2%, net revenue per case = 2%, all expenses = 4%
- Equipment depreciation straight-lined for seven (7) years
- Construction/Renovation depreciation straight-lined for ten (10) years
- Non-Capital expense of estimated \$232,771 related to the project is not reflected in the above as it will be incurred in the prior year