

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)

OUTPATIENT FACILITIES

COPN Request No. VA-8784

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

**Re-Establish CT Services Through the Addition of One CT Unit
at Inova Emergency Room – Reston/Herndon**

October 1, 2024

SECTION I FACILITY ORGANIZATION AND IDENTIFICATION

A. Inova Emergency Room – Reston/Herndon
Official Name of Facility

11901 Baron Cameron Ave.
Address

<u>Reston</u>	<u>Virginia</u>	<u>20190</u>
City	State	Zip

703-776-4001
Telephone

B. Inova Health Care Services d/b/a Inova Fairfax Hospital
Legal Name of Applicant

8100 Innovation Park Dr.
Address

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

C. **Chief Administrative Officer**
Steve Narang, MD, President, Inova Fairfax Hospital and 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, Strategic Planning, Inova Health System
Name

8095 Innovation Park Dr.
Address

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

- (2) ___ Option to purchase held by the applicant
- (3) ___ Leasehold interest for not less than ___ years.
- (4) ___ Renewable lease, renewable every ___ years
- (5) ___ Other (Identify).

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.

The Inova Emergency Room – Reston/Herndon is a freestanding emergency department (“ED”) and is operated as a department of Inova Fairfax Hospital (“IFH”). 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 a 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
8095 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 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 a 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 name(s) and address(es) 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 partnership operator, specify the name and address of the general or managing partner.

(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

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: 4.92 acres
- 2. Located in Reston / Fairfax County / Planning District 8 City/County/Planning District
- 3. Address or directions 11901 Baron Cameron Ave, Reston, Virginia 20190
- 4. Has site been zoned for type of use proposed:

X Yes (attach copy of zoning or use permit) See Attachment E

No

If no, explain status _____

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

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

Re-establish CT services in an existing freestanding ED, the Inova Emergency Room – Reston/Herndon, located at 11901 Baron Cameron Ave., Reston, Virginia 20190. The Inova Emergency Room – Reston/Herndon is a department of IFH. This project will be accomplished through an expansion of IFH’s CT services to the Inova Emergency Room – Reston/Herndon.

- (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, beliefs and commitments of Inova Health System, set forth in **Attachment F**.

Inova Health System’s mission is:

To provide world-class healthcare – every time, every touch – to each person in every community we have the privilege to serve.

Our vision is:

To be among the leading healthcare systems in the nation.

(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 re-establish computed tomography (CT) services at the Inova Emergency Room – Reston/Herndon, which is located at 11901 Baron Cameron Avenue in Reston, Virginia. The site plan attached as **Attachment G** identifies all existing buildings and access roads at the Inova Emergency Room – Reston/Herndon for reference.

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 emergency care services and is a necessary component for the continued operational success of the Inova Emergency Room – Reston/Herndon.

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

The Inova Emergency Room – Reston/Herndon is well-situated with respect to highway and public transportation access. It is located less than one (1) mile from the Dulles Toll Road (Route 267) and three (3) miles from Route 7. Both roadways are major east-west arteries serving Loudoun and Fairfax Counties. Within Reston, the Inova Emergency Room – Reston/Herndon is easily accessible from a connection to Town Center Parkway from the east and New Dominion Parkway from the south along Town Center Drive.

The Inova Emergency Room – Reston/Herndon is less than one (1) mile from Fairfax County Parkway, a major connecting road through Fairfax County. Reston has an entrance to Fairfax County Parkway via New Dominion Parkway. The parkway provides residents with another route to the Dulles Toll Road from Route 7 resulting in an important access alternative for patients from the western and southern sections of the Inova Emergency Room – Reston/Herndon service area. The Fairfax County Parkway also facilitates access to Reston from the Route 28 corridor, thus avoiding Route 7 congestion from Route 28 east to the Dranesville area. Fairfax County Parkway also provides ease of connection to the Dulles Toll Road, and the Dulles Greenway is a significant connector for residents of western and eastern Loudoun County to Reston.

The Inova Emergency Room – Reston/Herndon is also located near the route of several bus services in the Reston area. The Fairfax Connector is an internal bus system for Reston that provides direct public transportation access for residents of Reston and Herndon. The Fairfax Connector also provides connections to the Metrobus for wider geographic coverage and to the Metro system. Bus routes providing access to the Inova Emergency Room – Reston/Herndon include 950 of the Fairfax Connection and routes 1, 3, and 4 of the Reston Internal Bus System.

Reston is accessible to the Metro system as a result of the Dulles Corridor Metrorail extension. There is a metro stop at Reston Town Center located less than one (1) mile from the Inova Emergency Room – Reston/Herndon. The Metro system extends westward through Reston, Herndon, and Dulles Airport ending at Route 772 in eastern Loudoun County.

- (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 existing space at the Inova Emergency Room – Reston/Herndon that currently serves as a Staff Lounge, and which was the location of the original CT unit. The adjacent Staff Office will be restored as the CT Control Room. The site plan attached as **Attachment G** identifies the location of the Inova Emergency Room – Reston/Herndon and adjacent roadways, including Baron Cameron Avenue and Fountain Drive.

The site conforms to all current applicable land development ordinances, regulations and standards. There are driving entrances to the property from Baron Cameron Avenue and from Fountain Drive. Adequate parking is already available for patients, visitors and staff. Adequate public utilities currently exist on site, including electricity, 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 installed in the room where CT services were originally performed (i.e., the CT Scan Room) and which is currently used as a Staff Lounge. Existing walls contain lead shielding, which may require moderate patching and infill for the new installation. There is also an existing lead equivalent view window between the proposed CT Scan Room and proposed CT Control

Room. The CT Scan Room has existing medical gas outlets that will be reactivated for the CT installation.

The Staff Lounge will be relocated to unoccupied spaces that formerly housed offices and a breakroom. An existing storage room will be modified to provide direct corridor access to the new Staff Lounge.

Existing normal electrical power has adequate capacity to accommodate the new CT unit. A new 125A, three pole circuit breaker will be required, using space within the existing panel. New lighting controls and energy efficient lighting fixtures will be installed in the CT Scan Room and in the CT Control Room. Lighting will include occupancy sensor-controlled lighting in support areas, to be compliant with local energy calculation requirements

The existing rooftop mechanical unit serving the current space will be replaced with new rooftop unit that will incorporate energy saving features in accordance with local building ordinances and will comply with 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 electricity, water, sewer and solid waste services, in addition to heating and cooling equipment. The project does not require additional utility services. **See Attachment H.**

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 I.

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

The proposed CT unit will be installed in space constructed as the original CT scan room at the Inova Emergency Room – Reston/Herndon. The specific make and model of the new CT unit has been selected to fit within the existing space with consideration for current accessibility standards and required clearances for machine maintenance. The existing room will accommodate equipment and controls associated with the CT unit. The new CT unit will have a footprint and table length similar to the CT units at other Inova Health System emergency and outpatient centers.

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.**

See Attachment G.

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.**

See Attachment J.

H. Construction Time Estimates

1. **Date of Drawings:** **Preliminary:** 4/7/2025
Final: 7/1/2025
2. **Date of Construction:** **Begin:** 9/19/2025
Completion: 1/9/2026
3. **Target Date of Opening:** 2/15/2026

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.

The Inova Emergency Room – Reston/Herndon, a freestanding ED, is operated as a department of Inova Fairfax Hospital (“IFH”). Pursuant to this COPN application, CT services would be re-established at the Inova Emergency Room – Reston/Herndon through an expansion of IFH’s existing CT services.

IFH maintains 8 CT units for diagnostic imaging: 7 CT units are located on the IFH campus (including 5 in the main hospital and 2 at the Inova Center for Personalized Health) and 1 CT unit is located at the Inova Fairfax Emergency Care Center, a freestanding ED located approximately 7.5 miles from the IFH hospital campus and 12 miles from the Inova Emergency Room – Reston/Herndon. Approval of the proposed project will bring the total complement of IFH CT units to 9.¹

In 2022, IFH’s 8 CT units performed a total of 124,686 scans, for an average of 15,586 scans per unit, placing utilization at 211% of the State Medical Facilities Plan (“SMFP”) standard of 7,400 scans per year per CT unit. In 2023, CT procedure volume grew to 142,659 CT scans – an increase of 14.4% over 2022 volume – placing utilization at 241% of the SMFP standard.

The Inova Emergency Room – Reston/Herndon is the oldest freestanding ED in the United States, having opened in May 1977 when there were no other hospital services offered in the Reston/Herndon community. The site offered CT services until 2013, when Inova relocated that CT unit to the Inova Lorton HealthPlex where, at that time, there was greater need. The Inova Emergency Room – Reston/Herndon is currently the only freestanding ED in PD 8 that does not have a CT unit.

Today, CT services are widely recognized as a vital diagnostic tool in the freestanding ED setting. Having CT services available onsite provides the ability to rapidly produce detailed cross-sectional images of the body, allowing for swift and accurate assessment of traumatic injuries, strokes, and other critical conditions in patients presenting in a freestanding ED. This speed is crucial in emergencies, where timely intervention can be critical to patient outcomes. Onsite CT imaging aids in precise diagnosis, enabling healthcare providers to quickly identify the extent of injuries, plan appropriate treatments, and make informed decisions about patient care. Furthermore, the comprehensive data provided by a CT scan helps in assessing need for surgery and other interventions, ultimately improving overall patient management in high-pressure situations. For these reasons, CT services are needed onsite at the Inova Emergency Room – Reston/Herndon.

¹ Based on overwhelming institution-specific need, IFH is also proposing to add a CT unit on the IFH campus pursuant to COPN Request No. VA-8785. Approval of both projects would bring IFH’s total complement of CT units to 10.

Importantly, visit volume is growing at the Inova Emergency Room – Reston/Herndon, increasing 62% between 2020 and 2023.

Inova Emergency Room – Reston/Herndon Visit Volume: 2019 to 2023

2019	2020	2021	2022	2023
7,501	5,530	7,196	8,933	8,974

Moreover, since 2013, the population in the communities served by the Inova Emergency Room – Reston/Herndon has grown 16%. Additionally, the indications for usage of CT have also increased within the ED and for outpatient elective diagnostics. From 2013 to 2023 at IFH’s main hospital, CT scans in the ED increased 107%. While some of this increase can be attributed to an overall ED visit volume increase, more patients are requiring a CT scan in the ED setting. During the same time period CT scans per ED visit increased 39%. With area population growth and an increased utilization of CT scans for ED patients, as seen at IFH’s main hospital, re-establishing CT services at the Inova Emergency Room – Reston/Herndon is necessary.

From September 1, 2023 though September 1, 2024, 567 patients were transferred out of the Inova Emergency Room – Reston/Herndon, mostly due to the need for advanced imaging, in particular CTs that can initiate stroke activation protocols. The need to transfer ED patients for advanced imaging services impacts overall cost of care and has the potential to delay care for certain patients. Re-establishing CT services at the Inova Emergency Room – Reston/Herndon will enable faster diagnosis, improve accessibility for Inova’s existing patients, reduce patient transfers, and provide more coordinated patient care.

As discussed in Section IV.E, this COPN request is consistent with the applicable provisions of the SMFP.

B. Describe measures used or steps taken to assure continuity of care.

Continuity of care is a priority for the Inova Health System. Inova seeks to ensure that each and every patient receives the same quality care throughout its system. Inova has implemented EPIC, a comprehensive electronic medical record system throughout its entire care platform, enabling clinicians to access patient medical records from any Inova care setting. EPIC contains the full medical record for each Inova patient, including laboratory results, pharmaceutical information, operative reports, admission and discharge summaries, etc.

C. What procedures are utilized in quality care assessment?

The Inova Emergency Room – Reston/Herndon utilizes the protocols and procedures used across the Inova Health System. These protocols and procedures are designed to ensure quality of care and incorporate the concepts and functions of continuous quality improvements. Examples are as follows:

Equipment Quality Assessment

All non-radiation producing equipment (e.g., ultrasound) that is not subject to radiation safety oversight is inspected and maintained by Inova Health System's biomedical department. This service is available 24 hours a day/7 days a week. Any equipment with safety issues is immediately removed from service and repaired.

Radiation Safety

The Inova Emergency Room – Reston/Herndon will follow the rules and regulations of the Virginia Department of Health (“VDH”), Radiologic Health Program. All radiation producing equipment is registered with VDH and inspected by a physicist yearly. Radiation dosage, collimation and the mechanics of the machine are some of the areas that are surveyed. Any deficiencies are handled by Inova Health System's biomedical department for correction.

The Radiation Safety Committee is comprised of physicians, physicists, department directors, administration and staff members. The team is led by the Radiation Safety Officer. This crossover of departments ensures that every individual who might work near or somehow be exposed radiation producing equipment is represented. Radiation badge readings are reviewed on a quarterly basis, and any individual whose reading exceeds allowable limits is personally notified by the committee.

Quality of Radiologists and Technologists

The Inova Emergency Room – Reston/Herndon is contracted with Fairfax Radiology Consultants, a board-certified radiology group, to staff the imaging department. Certain specialty studies may be read off-site by other specialists as needed.

All CT technologists will be certified by their governing organization and annual competency assessments will be conducted to ensure their ability to safely perform their duties.

D. Describe the plan for obtaining additional medical, nursing and paramedical 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 addition 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, thereby 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.

E. Facilities and Services to be Provided

<i>Inova Emergency Room – Reston/Herndon</i>	Existing	This Project to be Added	This Project to be Discontinued
1. Post-Operative Recovery Room			
2. Intensive Care Unit			
Mixed			
3. Open Heart Surgery Facilities			
4. Pharmacy			
with full-time pharmacists			
with part-time pharmacists			
5. Diagnostic Radiological Services			
x-ray	X		
ultrasonography	X		
radioisotope			
CT scanning		X	
MRI scanning			
6. Therapeutic Radiological Services			
Specify Source(s) Used			
Specify Source(s) or Type(s) of Equipment Used			
7. Clinical Pathology Laboratory	X		
8. Organ Bank			
9. Blood Bank			
10. Electroencephalography			
11. Electrocardiography			
12. Respiratory Therapy			
13. Premature Nursery			
14. Self-Care Unit			
15. Skilled Nursing or Long-Term Nursing			
16. Renal Dialysis			
acute			
chronic			
inpatient			
outpatient			
home dialysis training			
17. Burn Care Unit			
18. Physical Therapy Department			

19. Occupational Therapy			
20. Medical Rehabilitation			
inpatient			
outpatient			
21. Tuberculosis Unit			
22. Psychiatric Services			
inpatient			
outpatient			
partial hospitalization program			
emergency services			
foster and/or home care			
consultation			
23. Clinical Psychology			
24. Organized Outpatient Department			
26. Social Work Department			
27. Family Planning Service			
28. Genetic Counseling Service			
29. Abortion Services			
inpatient			
outpatient			
30. Pediatric Department			
31. Obstetric Service			
32. Alcoholic & Detoxification Department			
33. Home Care Department			
34. Speech Pathology Services			
35. Audiology Services			
36. Hospital Auxiliary			
37. Volunteer Service Department			
38. Paramedical Training Program			
39. Emergency Department	X		
40. Dental Services (oral surgery)			
41. Podiatric Services			
42. Pre-Admission Testing			
43. Pre-Discharge Planning			
44. Multiphasic Screening			

45. Other (Identify)			

F. Program

1. Is (will) this outpatient facility (be) a department, unit or satellite of a hospital?

Yes (Give name of hospital) Inova Fairfax Hospital

No

2. Is this outpatient facility affiliated with or does it have a transfer agreement with a hospital?

Yes (Give name of hospital) Inova Fairfax Hospital and all other Inova hospitals

No

3. Is (will) there (be) an arrangement whereby medical records can readily be transferred between this outpatient facility and an inpatient facility (ies)?

Yes (Give name of hospital) Inova Fairfax Hospital and all other Inova hospitals

No

4. Outpatient services are (will be) available 24 hours per day, 7 days per week, 365 days per year.

CT service will support the ER on a 24 hours per day, seven day per week basis and will provide scheduled outpatient services Monday through Friday, 8 a.m. – 4 p.m.

5. Does (will) the facility operate scheduled clinics?

Yes (Attach clinic schedule list)

No

6. Are there other organized outpatient services in your primary service area?

Yes No

7. The outpatient facility is (will be) staffed:

- (a) Only by physicians on call: _____ Yes X No
- (b) By full time physicians: X Yes _____ No
- (c) By physicians who limit their practice to this outpatient service? _____ Yes X No

8. State specifically any limitations or restrictions for participation in the services of the facility.

The Inova Emergency Room – Reston/Herndon will accept all patients, regardless of their ability to pay or payment source. Radiology physician services will be provided by the same group of board certified radiologists that currently provides services at IFH.

G. Please provide historical and/or project utilization statistics for the facility including number of patients, number of patient visits and number of patient services.

Historical utilization of IFH’s CT units are as follows:

	Past Three Years		
	2021	2022	2023
<i>Total IFH (Main Hospital + ICPH + Fairfax City FSED)</i>			
# of CT Scanners	7	8	8
# CT Scans	112,482	124,686	142,659
% of SMFP	217%	211%	241%

<i>IFH - Main Hospital</i>			
# of CT Scanners	5	5	5
# CT Scans	94,426	108,874	122,613
% of SMFP	255%	294%	331%

<i>IFH - Expanded Campus (ICPH)</i>			
# of CT Scanners	1	2	2
# CT Scans	14,017	11,183	14,525
% of SMFP	189%	76%	98%

<i>Fairfax City FSED</i>			
# of CT Scanners	1	1	1
# CT Scans	4,039	4,629	5,521
% of SMFP	55%	63%	75%

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

Projected utilization of the proposed Inova Emergency Room – Reston/Herndon CT unit:

Inova Emergency Room – Reston/Herndon

	Projected Year 1+2	
	2026	2027
# CT Scanners	1	1
# CT Scans	4,053	4,432
CT Scans - Emergency	3,383	3,427
CT Scans - Scheduled	670	1,005
% of SMFP	55%	60%

CT procedure volume projections are based on baseline and future projected emergency room visits at the Inova Emergency Room – Reston/Herndon, assuming 0.36 CT scans per ED visit (consistent with Inova Fairfax Emergency Care Center’s 2023 actual experience).

The Inova Emergency Room – Reston/Herndon visit volume projections are based on the population growth of PD 8, which 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

In addition, a limited number of scheduled outpatient CT scans will be performed at the Inova Emergency Room – Reston/Herndon. IFH currently has long wait times for elective outpatient CT scans, the next available general CT appointment is in 2 weeks and the next available Cardiac CT appointment is in 4 weeks. The proposed CT unit is a cardiac CT capable unit. It is expected that some patients will elect to schedule their outpatient CT scans at the Inova Emergency Room – Reston/Herndon given the scheduling constraints on IFH’s main campus.

H. 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).

The staffing set forth below is specific to the proposed CT unit at the Inova Emergency Room – Reston/Herndon.

Staffing Category	Current Staffing		Additional	NEEDED
	Full Time	Vacant Positions	Full Time	Total

CT Technologist	0	0	4.2	4.2
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I. 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 project. 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, thereby 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.

J. 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.

K. Attach the following information or documents

1. **Copy of most recent licensing report from State Agency (existing facilities, excluding public health centers).**

See Attachment K for a copy of the most recent licensing report for IFH.

2. **Current accreditation status and copy of latest accreditation report from Joint Commission on Accreditation of Hospitals (existing facilities excluding public health centers).**

See Attachment L for IFH's accreditation report and certification.

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

See Attachment M for IFH's medical staff roster.

- 4. Copies of letters of commitment or statement of intent from physicians indicating they will staff the proposed new facility or service upon completion (existing and proposed facilities).**

See Attachment N.

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 Re-Establishment of CT Services at the Inova Emergency Room – Reston/Herndon

The Inova Emergency Room – Reston/Herndon, a freestanding ED, is operated as a department of Inova Fairfax Hospital (“IFH”). Pursuant to this COPN application, CT services would be re-established at the Inova Emergency Room – Reston/Herndon through an expansion of IFH’s existing CT services.

IFH maintains 8 CT units for diagnostic imaging: 7 CT units are located on the IFH campus (including 5 in the main hospital and 2 at the Inova Center for Personalized Health) and 1 CT unit is located at the Inova Fairfax Emergency Care Center, a freestanding ED located approximately 7.5 miles from the IFH hospital campus and 12 miles from the Inova Emergency Room – Reston/Herndon. Approval of the proposed project will bring the total complement of IFH CT units to 9.²

In 2022, IFH’s 8 CT units performed a total of 124,686 scans, for an average of 15,586 scans per unit, placing utilization at 211% of the State Medical Facilities Plan (“SMFP”) standard of 7,400 scans per year per CT unit. In 2023, CT procedure volume grew to 142,659 CT scans – an increase of 14.4% over 2022 volume – placing utilization at 241% of the SMFP standard.

² Based on overwhelming institution-specific need, IFH is also proposing to add a CT unit on the IFH campus pursuant to COPN Request No. VA-8785. Approval of both projects would bring IFH’s total complement of CT units to 10.

The Inova Emergency Room – Reston/Herndon is the oldest freestanding ED in the United States, having opened in May 1977 when there were no other hospital services offered in the Reston/Herndon community. The site offered CT services until 2013, when Inova relocated that CT unit to the Inova Lorton HealthPlex where, at that time, there was greater need. The Inova Emergency Room – Reston/Herndon is currently the only freestanding ED in PD 8 that does not have a CT unit.

Today, CT services are widely recognized as a vital diagnostic tool in the freestanding ED setting. Having CT services available onsite provides the ability to rapidly produce detailed cross-sectional images of the body, allowing for swift and accurate assessment of traumatic injuries, strokes, and other critical conditions in patients presenting in a freestanding ED. This speed is crucial in emergencies, where timely intervention can be critical to patient outcomes. Onsite CT imaging aids in precise diagnosis, enabling healthcare providers to quickly identify the extent of injuries, plan appropriate treatments, and make informed decisions about patient care. Furthermore, the comprehensive data provided by a CT scan helps in assessing need for surgery and other interventions, ultimately improving overall patient management in high-pressure situations. For these reasons, CT services are needed onsite at the Inova Emergency Room – Reston/Herndon.

Importantly, visit volume is growing at the Inova Emergency Room – Reston/Herndon, increasing 62% between 2020 and 2023.

Inova Emergency Room – Reston/Herndon Visit Volume: 2019 to 2023

2019	2020	2021	2022	2023
7,501	5,530	7,196	8,933	8,974

Moreover, since 2013, the population in the communities served by the Inova Emergency Room – Reston/Herndon has grown 16%. Additionally, the indications for usage of CT have also increased within the ED and for outpatient elective diagnostics. From 2013 to 2023 at IFH’s main hospital, CT scans in the ED increased 107%. While some of this increase can be attributed to an overall ED visit volume increase, more patients are requiring a CT scan in the ED setting. During the same time period CT scans per ED visit increased 39%. With area population growth and an increased utilization of CT scans for ED patients, as seen at IFH’s main hospital, re-establishing CT services at the Inova Emergency Room – Reston/Herndon is necessary.

From September 1, 2023 though September 1, 2024, 567 patients were transferred out of the Inova Emergency Room – Reston/Herndon, mostly due to the need for advanced imaging, in particular CTs that can initiate stroke activation protocols. The need to transfer ED patients for advanced imaging services impacts overall cost of care and has the potential to delay care for certain patients. Re-establishing CT services at the Inova Emergency Room – Reston/Herndon will enable faster diagnosis, improve accessibility for Inova’s existing patients, reduce patient transfers, and provide more coordinated patient care.

As discussed in Section IV.E, this COPN request is consistent with the applicable provisions of the SMFP.

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.)**

See Attachment O.

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

See Attachment P.

- 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)**

See Attachment Q 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 additional CT services. In 2022, IFH’s 8 CT units 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 14.4% over 2022 volume – placing utilization at 241% of the SMFP standard. Without expansion, IFH expects to reach or exceed an untenable utilization level of 250% of the SMFP standard by 2026.

This project will expand IFH’s existing CT services to the Inova Emergency Room – Reston/Herndon, addressing both IFH’s institution-specific need for additional CT services and the need to have CT services available on site at the Inova Emergency Room – Reston/Herndon.

- 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 units in the planning district based on 2022 CT scans. That DCOPN Staff Report relied on 2022 VHI data, which 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.³

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 units in the planning district.

Calculated Needed Fixed CT Units in PD 8

Calculated Needed CT units = 624,139 scans in the PD in 2022 / 7,400 = 84.34 (85) units needed (see **Attachment R** for CT procedure volume in PD 8)

2024 COPN authorized CT units = 78 (see **Attachment S** for current inventory of CT units in PD 8, including those authorized but not yet in service)

PD 8 Calculated Need = 7 CT units

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 unit 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.

This project addresses IFH's institution-specific need for additional CT capacity and a calculated need for additional CT capacity in PD 8.

Additionally, by expanding IFH's CT services to the Inova Emergency Room – Reston/Herndon, this project will add an essential diagnostic tool to an existing ED. Patients today are not able to access CT services onsite and must be transferred to another facility.

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.

³ As discussed 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.

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 additional CT capacity. In 2022, IFH's 8 CT units (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 14.4% over 2022 volume – placing utilization at 241% of the SMFP standard. Without expansion, IFH expects to reach or exceed an untenable utilization level of 250% of the SMFP standard by 2026.

As the population continues to grow in PD 8, the demand for CT services will continue to increase. Approval of this new CT unit is necessary to support the current emergency room patients at Inova Emergency Room – Reston/Herndon and allow IFH to meet the 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 utilization standard.

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 only freestanding emergency room in PD 8 without CT services. By expanding CT services, IFH will be able to ensure our patients continue to receive the highest quality care and allow for continued access to CT services 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 because this project proposes to expand IFH’s existing CT services to the Inova Emergency Room – Reston/Herndon. Nonetheless, as reflected in Section IV.C.2.c, there is a computational need for 7 CT units in the planning district.

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 unit 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 utilization of its existing 8 CT units. In 2022, IFH’s 8 CT units (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 14.4% over 2022 volume – placing utilization at 241% of the SMFP standard. Without expansion, IFH expects to reach or exceed an untenable utilization level of 250% of the SMFP standard by 2026.

Accordingly, this project proposes the re-establishment of CT services at the Inova Emergency Room – Reston/Herndon, which is operated as part of IFH and located within IFH’s primary service area for CT services. As the population continues to grow in PD 8, the demand for CT services will continue to increase. Approval of this new CT unit is necessary to support the current emergency room patients and allow IFH to meet the future demand for CT services.

Additionally, as the proposed project would involve re-establishing CT services at the Inova Emergency Room – Reston/Herndon, an existing freestanding ED, through an expansion of IFH’s existing services, Inova does not expect any impact on other providers and only seeks to better serve Inova’s existing patient base.

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 unit 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.

- 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 provides a variety of pediatric specialties including gastroenterology, genetics,

hematology oncology, nephrology and orthopedics. Please see **Attachment T** 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.

See Attachment O.

b. Location of other existing medical facilities (by name, type, hospital, nursing home, outpatient clinic, etc.) and number of beds in each inpatient facility).

See Attachment Q.

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.

See Attachment U.

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

See Attachment V.

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 and provide a copy of report(s) which provide(s) the basis for comparison.

All Inova Health System facilities with COPN-regulated services participate in, and report utilization to VHI. Please see **Attachment W.1** and **Attachment W.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>827,865</u>
2.	Cost of labor	\$ _____
3.	Equipment included in construction contract	\$ _____
4.	Builder’s overhead	\$ _____
5.	Builder’s profit	\$ _____
6.	Allocation for contingencies	\$ <u>82,700</u>
7.	<u>Sub-total (add lines 1 thru 6)</u>	\$ <u>910,565</u>

Part II – Equipment Not Included in Construction Contract
(List each separately) If leasehold, lease expense for the entire term of the initial lease

8.	a. Equipment _____	\$ <u>2,024,652</u>
	b. Equipment-Installation _____	\$ <u>26,875</u>
	c. Furnishings _____	\$ <u>12,000</u>
	e. Signage _____	\$ _____
	e. Data & Telecommunications _____	\$ <u>99,000</u>
	f. Contingency _____	\$ <u>106,326</u>
9.	<u>Sub-total (add lines 8a thru 8e)</u>	\$ <u>2,268,853</u>

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 for the entire term of the initial lease	\$ _____
14.	Additional expenses paid or accrued:	
	a. _____	\$ _____
	b. _____	\$ _____
	c. _____	\$ _____
15.	<u>Sub-total (add lines 10 thru 14c)</u>	\$ <u>0</u>

Part IV – Site Preparation Costs

16.	Earth work	\$ <u>6,195</u>
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17.	Site utilities	\$ <u>11,473</u>
18.	Roads and walks	\$ _____
19.	Lawns and planting	\$ _____
20.	Unusual site conditions:	
	a. _____	\$ _____
	b. _____	\$ _____
21.	Accessory structures	\$ _____
22.	Demolition costs	\$ _____
23.	<u>Sub-total (add lines 16 thru 22)</u>	\$ <u>17,668</u>

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

24.	_____	\$ _____
25.	_____	\$ _____
26.	_____	\$ _____
27.	_____	\$ _____
28.	<u>Sub-total (add lines 24 thru 27)</u>	\$ <u>0</u>

Part VI – Architectural and Engineering Fees

29.	Architect’s design fee	\$ <u>62,628</u>
30.	Architect’s supervision fee	\$ _____
31.	Engineering fees	\$ <u>33,839</u>
32.	Consultant’s fees	\$ <u>32,465</u>
33.	<u>Sub-total (add lines 29 thru 32)</u>	\$ <u>128,932</u>

Part VII – Other Consultant Fees (List each separately)

34.	a. _____	\$ _____
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- b. _____ \$ _____
- c. _____ \$ _____
- 35. Sub-total (add lines 34a thru 34c) \$ 0

Part VIII – Taxes During Construction

- 36. Property taxes during construction \$ _____
- 37. List other taxes:
 - a. _____ \$ _____
 - b. _____ \$ _____
- 38. Sub-total (add lines 36 thru 37b) \$ 0

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) \$ 0 _____

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 | _____ % |
| | 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. | <u>Sub-total Part IX B (add lines 58, 64, 66, 71, 72, 73, 74, 75, 76, 77a, b, c and 78)</u> | \$ <u>0</u> _____ |

Part IX C – Conventional Mortgage Loan Financing

- | | | |
|-----|---|-------|
| 81. | Estimated construction time (in months) | _____ |
|-----|---|-------|

82.	Dollar amount of construction loan	\$ _____
83.	Construction loan 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.	<u>Sub-total Part IX_C (add lines 84 & 88 thru 93)</u>	\$ <u>0</u>

Financial Data Summary Sheet

96.	Sub-total Part I	Direct Construction Cost (line 7)	\$ <u>910,565</u>
97.	Sub-total Part II	Equipment not included in construction contract (line 9)	\$ <u>2,268,853</u>
98.	Sub-total Part III	Site Acquisition Costs (line 15)	\$ _____
99.	Sub-total Part IV	Site Preparation Cost (line 23)	\$ <u>17,668</u>
100.	Sub-total Part V	Off-Site Costs (line 28)	\$ _____

101.	Sub-total Part VI	Architectural and Engineering fees (line 33)	\$ <u>128,932</u>
102.	Sub-total Part VII	Other Consultant fees (line 35)	\$ _____
103.	Sub-total Part VIII	Taxes During Construction (line 38)	\$ _____
104.	Sub-total Part IX-A	HUD-232 Financing (line 53)	\$ _____
105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	\$ _____
106.	Sub-total Part IX-C	Conventional Loan Financing (line 95)	\$ _____
107.	<u>TOTAL CAPITAL COST (lines 96 thru 106)</u>		\$ <u>3,326,018</u>
108.	Percent of total capital costs to be financed		_____ %
109.	Dollar amount of long term mortgage (line 107 x 108)		\$ _____
110.	Total Interest Cost on Long Term Financing		\$ _____
	a.	HUD-232 Financing (line 53)	\$ _____
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 79)	\$ _____
	c.	Conventional Loan Financing (line 94)	\$ _____
111.	Anticipated Bond discount		
	a.	HUD-232 Financing (line 53)	\$ _____
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 70)	\$ _____
	c.	Conventional Loan Financing (line 87)	\$ _____
112.	<u>TOTAL CAPITAL AND FINANCING COST (ADD LINES 107, 110a, b or c AND 111a, b or c)</u>		\$ <u>0</u>
D.	1.	Estimated costs for new construction (excluding site acquisition costs)	\$ _____
	1.	Estimated costs of modernization and renovation (excluding site acquisition costs)	\$ _____

E.	Anticipated Sources of Funds for Proposed Project	<u>Amount</u>
1.	Public Campaign	\$ <u>0</u>
2.	Bond Issue (Specify Type)	\$ <u>0</u>
3.	Commercial Loans	\$ <u>0</u>
4.	Government Loans (Specify Type)_	\$ <u>0</u>
5.	Grants (Specify Type)	\$ <u>0</u>
6.	Bequests	\$ <u>0</u>
7.	Private Foundations	\$ <u>0</u>
8.	Endowment Income	\$ <u>0</u>
9.	Accumulated Reserves	\$ <u>3,326,018</u>
10.	Other (Identify)_____	<u>0</u>

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.**

The Inova Emergency Room – Reston/Herndon is a freestanding ED that is a department of IFH. This project will not impact the IFH room rate schedule. See **Attachment X**.

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 Y.1** and **Attachment Y.2** for 2022 and 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 Z**.

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

Paul Dreyer
Type/Print Name of Authorizing Officer

Senior Director, Strategic Planning
Title of Authorizing Officer

October 1, 2024
Date

Inova Health System
Address – Line 1

8095 Innovation Park Drive
Address – Line 2

Fairfax, Virginia 22031
City/State/Zip

(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
Reston ECC - add CT**

Financial Projections	Project	
	2026	2027
Statement of Revenue and Expenses		
Gross Patient Revenue	\$ 5,791,373	\$ 6,569,567
Deductions from Patient Revenue		
Contractual/Other Discounts	\$ 3,434,591	\$ 3,954,012
Charity Deductions	\$ 226,863	\$ 257,742
Total Deductions from Revenue	\$ 3,661,453	\$ 4,211,753
Total Operating Revenue	\$ 2,129,920	\$ 2,357,813
Operating Expenses		
Salaries, Wages and Benefits	\$ 815,383	\$ 856,869
Supplies	\$ 64,683	\$ 73,561
Purchased Services	\$ 71,093	\$ 80,851
Bad Debt	\$ 70,643	\$ 80,136
Depreciation & Amortization	\$ 454,096	\$ 454,096
Indirect Expenses - Occupancy	\$ 203,032	\$ 230,314
Other Expense	\$ 2,824	\$ 3,212
Total Operating Expenses	\$ 1,681,754	\$ 1,779,037
Excess of Revenue Over Expenses	\$ 448,166	\$ 578,776
Total CT Scans	4,053	4,432

Expected Payor Mix*
Medicare
Medicaid
Commercial
Charity
Self Pay
TOTAL

*Expected payor mix equals 2024 IFH Reston ECC, as no change is expected as the result of adding 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 \$232,771 related to the project is not reflected in the above as it will be incurred in the prior year