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August 3, 2026

BY ELECTRONIC MAIL (COPN@vdh.virginia.gov)

B. Cameron Webb, MD, JD
State Health Commissioner
Virginia Department of Health
109 Governor Street, 13th Floor
Richmond, VA 23219

**Re: COPN Request No. VA-8911
Virginia Hospital Center Arlington Health System d/b/a VHC Health
Addition of Four (4) General Purpose Operating Rooms
At Virginia Hospital Center
Planning District 8**

Dear Dr. Webb:

Enclosed please find an application by Virginia Hospital Center Arlington Health System d/b/a VHC Health ("VHC Health") to add four general purpose operating rooms at Virginia Hospital Center. A check in the amount of \$20,000, representing the application fee for this request, was delivered under separate cover to the Division of Certificate of Public Need ("DCOPN").

Thank you for your consideration of VHC Health's proposal. Please let us know of any questions.

Sincerely,


Jamie B. Martin

Enclosures

cc: Mr. Antwon Jacobs, MBA, COPN Supervisor, Division of Certificate of Public Need
Mr. Dean Montgomery, Executive Director, Health Systems Agency of Northern
Virginia
Mr. Adrian Stanton, Vice President, Real Estate Acquisition and Development, VHC
Health

COPN Request No. VA-8911
Virginia Hospital Center Arlington Health System d/b/a VHC Health
Add Four (4) Operating Rooms at
Virginia Hospital Center
Planning District 8

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A. COPN Application

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-8911

Virginia Hospital Center Arlington Health System d/b/a VHC Health

**Add Four (4) General Purpose Operating Rooms
at Virginia Hospital Center**

SECTION I

FACILITY ORGANIZATION AND IDENTIFICATION

- A. **Virginia Hospital Center**
Official Name of Facility

1701 N. George Mason Drive
Address

<u>Arlington</u>	<u>VA</u>	<u>22205</u>
City	State	Zip

(703) 558-5000
Telephone

- B. **Virginia Hospital Center Arlington Health System d/b/a VHC Health**
Legal Name of Applicant

1701 N. George Mason Drive
Address

<u>Arlington</u>	<u>VA</u>	<u>22205</u>
City	State	Zip

- C. Chief Administrative Officer

Christopher T. Lane
Name

1701 N. George Mason Drive
Address

<u>Arlington</u>	<u>VA</u>	<u>22205</u>
City	State	Zip

(703) 558-5000
Telephone

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

Adrian Stanton
Name

1701 N. George Mason Drive
Address

<u>Arlington</u>	<u>VA</u>	<u>22205</u>
City	State	Zip

(703) 558-6319

Telephone

ASanton@vhchealth.org

E-mail

and**Jamie Baskerville Martin**

Name

Williams Mullen, 200 South 10th St., Suite 1600

Address

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(804) 420-6507

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jbmartin@williamsmullen.com

E-mail

- E. Type of Control and Ownership (Complete appropriate section for both owner and operator.)

Will the facility be operated by the owner?

Yes **X** No _____Owner of the Facility
(Check one)

Proprietary

Operator of Facility
(Check one)

(1) _____

(1) Individual

(1) _____

(2) _____

(2) Partnership-attach copy of
Partnership Agreement and
receipt showing that
agreement has been recorded

(2) _____

(3) _____

(3) Corporate-attach copy of
Articles of Incorporation and
Certificate of Incorporation

(3) _____

(4) _____

(4) Other _____ Identify

(4) _____

Non-Profit(5) **X**(5) Corporation-attach copy of
Articles of Incorporation and
Certificate of Incorporation(5) **X**

(6) _____

(6) Other _____ Identify
Governmental

(6) _____

(7) _____

(6) State

(7) _____

- | | | |
|------------|--|------------|
| (8) _____ | (8) County | (8) _____ |
| (9) _____ | (9) City | (9) _____ |
| (10) _____ | (10) City/County | (10) _____ |
| (11) _____ | (11) Hospital Authority or
Commission | (11) _____ |
| (12) _____ | (12) Other _____ Identify | (12) _____ |

See Attachment I.E—Organizational Documentation.

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

- (1) X Fee simple title held by the applicant
 (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

See Attachment I.F—Ownership Documentation.

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.

Virginia Hospital Center Arlington Health System, a Virginia non-stock corporation, is Virginia Hospital Center's ("VHC's") sole owner.

(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.

(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
 (2) A list of the officers of the corporation
 (3) The name and address of the registered agent for the corporation

Virginia Hospital Center Arlington Health System has one class of members, which consists of all voting members of the Board of Directors.

The Board of Directors is identified at Attachment I.G—Board of Directors. The officers and registered agent are as follows:

Christopher T. Lane	President/CEO
Melanie Reza	Interim Vice President
John Nguyen	Chairman
M. Anthony Casolaro, MD	Vice Chairman
O’Kelly McWilliams	Treasurer
Andre Collins	Secretary

Registered agent: Melanie Reza, Esquire
1701 N. George Mason Drive
Arlington, VA 22205

(c) In the case of a partnership also attach: **Not applicable.**

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

(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.

See Attachment I.H—List of VHC Health Subsidiaries.

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

Not applicable.

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: **22.5 acres**
2. Located in **Arlington County, Planning District (“PD”) 8**
City/County/Planning District
3. Address or directions **1701 N. George Mason Drive**
Arlington, VA 22205
4. Has site been zoned for type of use proposed:

 X Yes (attach copy of zoning or use permit)

 No

If no, explain status _____

The site allows for hospital use and for the proposed general purpose operating room (“GPOR”) expansion.

See Attachment II.A.4—Zoning Documentation.

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
- (3) No construction or remodeling/modernization
- (4) X Other **addition of four (4) GPORs** (Identify)

C. Design of the facility

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

Virginia Hospital Center, formerly Arlington Hospital, has served Arlington, Alexandria, Falls Church, and neighboring Fairfax County communities since 1944. The hospital remains the only independent community hospital in Planning District (“PD”) 8 and is an important low-cost provider in Northern Virginia. As VHC Health’s sole general acute care hospital, VHC is a 530,000-square-foot tertiary-level facility and academic medical center that serves approximately 387,000 patients each year.

Although VHC Health’s long-range plan is proprietary, its goals include providing high-quality clinical care, achieving high levels of patient satisfaction, maintaining state-of-the-art facilities and equipment, innovating through information technology, investing in the professional growth of its workforce, managing resources prudently, and serving the health care needs of the community.

To fulfill its essential role as the only independent community hospital in PD 8 and advance its long-range plan, VHC seeks to expand its on-campus surgical program. VHC’s 13 GPORs consistently operate well above the State Medical Facilities Plan’s (“SMFP”) utilization threshold – reaching 119% in 2024 and projected to reach 149% in 2026 based on annualized data. VHC seeks to align its authorized OR inventory with this demand to support appropriate access to surgical care, accommodate urgent and complex cases, and maintain efficient perioperative operations. At the same time, demand continues to grow. Advances in medical technology and treatment have improved outcomes for patients with complex conditions, increasing the need for surgical intervention. Population growth and aging of VHC’s service area population further amplify this demand.

- (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 be located within the existing VHC hospital building and will make efficient use of available space while supporting the delivery of hospital-based surgical services. The four additional GPORs will be situated within VHC’s existing surgical services platform, in space that formerly contained eight small operating rooms with less than 400 SF each – the current minimum size for general operating rooms. Four of those rooms were relocated to the McLean Tysons Orthopedic Surgery Center (“MTOSC”), a joint-ventured facility which opened in November 2022;¹ the other four were moved to the Outpatient Pavilion on the VHC campus. Reconfiguration of this space, in a facility which otherwise offers few options for in-hospital reallocation of services given the dense development of the VHC campus, will create appropriately sized and equipped GPORs that meet modern design standards. The project reflects VHC’s most current and thoroughly considered assessment of its surgical needs, available space, and on-campus resources.

The project will integrate the proposed ORs with existing perioperative services, including pre-operative preparation, anesthesia support, post-anesthesia care, sterile processing, surgical supply storage, imaging,

¹ Authorized per COPN No. VA-04689 (issued 12/16/2019) with four ORs relocated from VHC.

inpatient units, intensive care, emergency services, and related clinical support. By expanding authorized surgical inventory on campus, the project will enhance operational flexibility, support access for urgent and complex cases, and promote efficient perioperative flow.

The project's location, design, and scope will align OR inventory with documented demand, available campus resources, and the operational requirements of a high-acuity hospital surgical program. The proposed addition of four GPORs directly supports VHC Health's long-range plan by expanding authorized hospital-based surgical inventory on the VHC campus. The project will enhance operational flexibility, support appropriate and timely access to medically necessary inpatient and outpatient procedures, and improve the hospital's ability to accommodate urgent, emergent, complex, and high-acuity surgical cases requiring hospital-based resources. The project advances VHC Health's goals of providing high-quality care, managing resources prudently, and serving the health care needs of the community.

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

VHC is centrally located in Arlington County, a suburb of Washington, D.C. The surrounding area includes single-family residential neighborhoods, large multi-family housing developments, and commercial development near the Orange and Silver Lines of the Metrorail system.

Major highway access is available from Route 66 and Route 29, which provide east-west access. N. George Mason Drive and Glebe Road, both four-lane local cross-county connectors, provide primary north-south access. Emergency vehicles generally access the hospital via Glebe Road and Washington Boulevard.

Public transportation, including Metrorail and bus service, further supports access to VHC. Metrorail riders can use the Arlington Transit ARTbus system to reach the hospital from nearby Metro stations. Two bus stops are located adjacent to the VHC campus: one at the main entrance on N. George Mason Drive and one at the 16th Street entrance. The Washington Metropolitan Area Transportation Authority provides paratransit service for individuals with disabilities.

- (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 existing hospital building is already served with water, sewer, and other utility services, and has ample parking sufficient to support the proposed GPOR addition.

- (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; VHC Health is not proposing to replace an existing facility. Notably, however, the project will repurpose within VHC's existing surgical suite space that formerly contained eight undersized operating rooms (each less than 400 SF) that no longer meet current clinical and regulatory standards and are no longer used as ORs. This space will be reconfigured into four appropriately sized GPORs that conform to contemporary requirements for equipment, circulation, and patient care.

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

The project incorporates several design features that enhance efficiency across construction, operations, and energy use.

Specifically, the project utilizes existing space within the hospital, eliminating the need for new building construction or ground-up development. This adaptive reuse approach significantly reduces material costs, site preparation expenses, and construction timelines. No external renovation or façade modifications are required, further minimizing construction complexity and associated costs.

Further, the project is supported by existing utility connections, including electrical, plumbing, and medical gas infrastructure. By leveraging the hospital's established systems, the project avoids the capital expense and ongoing maintenance costs associated with independent utility installations. Shared facility management resources and centralized building operations further contribute to reduced operating overhead.

Finally, the interior location within an existing climate-controlled facility reduces heating and cooling loads compared to a standalone structure. The project benefits from the hospital's existing energy management systems and any efficiency upgrades already implemented at the facility level. Additionally, modern medical equipment selected for the project will meet current energy efficiency standards, minimizing electrical consumption during operations.

- 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.

All utilities necessary to support this project are currently available on the VHC campus. Renovation of the existing space to accommodate the four new ORs does not change utility needs.

See Attachment II.D—Documentation of Utilities.

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

1. If Item #1 was checked in II-B, specify **Not applicable.**
 - 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).

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.

See Attachment II.E.2.a—Space Tabulation (Hospital).

- b. The total number of square feet (both gross and net) to be added to the facility.

Not applicable; the project will add no SF to the hospital.

- c. The total number of square feet (both gross and net) to be remodeled, modernized or converted to another use.

The total number of SF to be remodeled and renovated is 11,840 gross SF and 11,230 net SF. See Attachment II.E.2.c—Space Tabulation (Project).

- 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 II.E.2.a—Space Tabulation (Hospital). The project will not add any square footage to the facility nor alter square footages among departments.

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

VHC Health considered inpatient volume, projected service needs, and required support space in determining the additional GPOR capacity needed. The proposal will comply with applicable design and regulatory standards, including the Facilities Guidelines Institute standards, Virginia hospital regulations, and the Centers for Medicare and Medicaid Services requirements. See also Response to Section II.C(6).

- 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 II.F—Plot Plan.

- 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 II.G—Preliminary Design Drawings.

- H. Construction Time Estimates

1. Date of Drawings: Preliminary **December 2025**

		Final	May 2026
2.	Date of Construction:	Begin:	Summer 2026
		Completion:	April 2027
3.	Target Date of Opening:	May 2027	

SECTION III

SERVICE DATA

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

VHC is the only acute care hospital in Arlington County and serves as an essential surgical resource for patients from Arlington County, Falls Church, Alexandria, and portions of Fairfax County. On the hospital campus, VHC Health provides a comprehensive range of inpatient and outpatient surgical services including general surgery, orthopedic surgery, neurosurgery, cardiac (including open heart) and thoracic surgery, vascular surgery, urology, gynecology, oncology-related surgery, trauma-related surgery, and other complex hospital-based procedures. As a tertiary-level facility, academic medical center, and Level 2 Trauma Center, VHC also supports urgent, emergent, and high-acuity surgical cases that require immediate access to OR capacity, anesthesia, imaging, intensive care, inpatient beds, and other hospital-based resources.

VHC's GPOR Utilization: VHC has 13 GPORs.² These ORs are highly utilized and insufficient to meet current and projected surgical demand.

VHC Historical GPOR Utilization:

Utilization Metric	2021	2022	2023	2024	2025
GPORs	17	17	13 ³	13	13
Surgical Hours	26,836	27,077	26,656	24,835	24,624
Average Utilization	99%	100%	128%	119%	118%

VHC's OR capacity is available 24 hours a day, 7 days a week, 365 days a year; given current demand, VHC's ORs are generally scheduled and in use from 5:00 AM until 8:00 PM daily. As reflected in the table above, VHC's GPORs have operated at or above the SMFP utilization threshold since at least 2021. Annualized data for January

² VHC's OR inventory was inadvertently misreported in the 2023-2024 VHI data and reflects two errors. These errors relate to the establishment of MTOSC with four ORs relocated from VHC, approved per COPN No. VA-04689 (12/16/2019). MTOSC became operational late 2022. However, between 2023-2024, VHC (i) reported MTOSC and its utilization as ambulatory ORs under Virginia Hospital Center, and (ii) failed to revise the "general" ORs line in its EPICs report from 17 to 13 ORs, to reflect the relocation of four ORs to MTOSC. In short, while VHC reported 17 general and four ambulatory ORs in 2023 and 2024, it operated a total of 13 GPORs on the campus. In addition, VHC operates 2 dedicated cardiac ORs and one trauma OR.

³ Reduction following relocation of ORs to MTOSC per COPN No. VA-04689 (12/16/2019).

through June 2026 project utilization at 149%, demonstrating continued and intensifying surgical demand.

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

The historical and projected inpatient bed utilization below reflects the pending VHC Health Wellness Hospital (“Wellness Hospital”) – a facility to be outfitted with some beds to be relocated from VHC and some new beds.⁴ For convenience, the corresponding authorized bed counts for VHC and the Wellness Hospital are summarized immediately below.

VHC Health Authorized Beds

Bed Type	2026 Licensed VHC Beds	2026 Authorized VHC Beds	Year 1 Licensed VHC Beds	Wellness Hospital Authorized Beds	Year 2 VHC Beds (Following Opening of Wellness Hospital)
Medical-Surgical	274	274	274	-	274
ICU	32	43 ⁵	43	-	43
Pediatric	13	13	13	-	13
Obstetric	58	58	58	-	58
Medical Rehabilitation	20	20	20	50 (20 relocated)	0 ⁶
Mental Health	40	56 ⁷	40	96 (42 relocated)	14 ⁸
TOTAL	437	464	448	146	402

Until the Wellness Hospital opens, the beds approved for relocation to the new facility remain operational at VHC. Given that the Wellness Hospital is anticipated to be complete in December 2028, the utilization projections for 2029 (the proposed GPORs’ second full year of operation) in the table below reflect the bed counts

⁴ Per COPN No. VA-04888, the Commissioner approved establishment of the Wellness Hospital with (i) 96 mental health beds (42 relocated from VHC and 54 new); and 50 medical rehabilitation beds (30 new and 20 relocated from VHC).

⁵ Reflects addition of 11 ICU beds per COPN No. VA-04965 issued 12/15/2025.

⁶ All 20 of VHC’s medical rehabilitation beds will be relocated to Wellness Hospital.

⁷ Reflects approval of 16 additional psychiatric beds per COPN No. VA-04773 issued 2/7/2022.

⁸ 42 of the 56 mental health beds approved for VHC will be relocated to Wellness Hospital, leaving 14 psychiatric beds at VHC.

authorized for VHC following relocation of certain beds to the Wellness Hospital – i.e., a total of 402 beds at VHC.

Table III.B.2 – VHC Historical and Projected Bed Utilization

	Past Three Years			<u>Projected Two Years Following Completion</u>	
	2022	2023	2024	Year 1 2028	Year 2 2029
1. Inpatient Data					
Total Licensed Beds	371	371	371	402	402
Total Patient Days	113,882	111,161	109,575	122,222	115,598
Total Occupancy %	84.1%	82.1%	80.9%	74.7%	78.8%
Total Discharges	22,637	23,046	23,422	25,616	24,786
Total Discharge Days	119,347	117,981	118,929	131,997	119,740
Average Length of Stay	5.3	5.1	5.1	5.2	4.8
2. By Major Inpatient Services					
a. Medical/Surgical Beds⁹	208	208	208	274	274
Medical/Surgical Patient Days	83,039	80,346	79,724	89,730	92,422
Medical/Surgical Occupancy %	109.4%	105.8%	105.0%	89.7%	92.4%
Medical/Surgical Discharges	16,114	16,387	16,850	18,965	19,534
Medical/Surgical Discharge Days	87,032	80,997	83,094	93,523	96,329
Average Length of Stay	5.4	4.9	4.9	4.9	4.9
b. Pediatric Beds	13	13	13	13	13
Pediatric Patient Days ¹⁰	79	77	78	78	78
Pediatric Occupancy %	1.7%	1.6%	1.6%	1.6%	1.6%
Pediatric Discharges	97	98	99	99	99
Pediatric Discharge Days	216	215	216	216	216
Average Length of Stay	2.2	2.2	2.2	2.2	2.2

⁹ The 2022-2024 reported VHC bed capacity does not account for 66 of the 87 additional medical-surgical beds approved in 2017 and 2020; only 21 of those 87 beds were operational in 2024. (44 medical-surgical beds were approved per COPN No. VA-04563 issued 5/19/2017 and 43 med-surg beds were approved per COPN No. VA-04724 issued 11/16/2020.) All of VHC 274 authorized med-surg beds were operational in 2025 and are reflected for year 1 and year 2 of the project's operation.

¹⁰ Low pediatric occupancy is not unusual. At VHC, average daily census of the 13 pediatric beds is often less than the licensed bed complement, so VHC uses its pediatric beds to accommodate surges in demand for its medical-surgical beds. That occupancy is reflected under medical-surgical occupancy; pediatric occupancy reflects only use of pediatric beds by pediatric patients.

	Past Three Years			Projected Two Years Following Completion	
	2022	2023	2024	Year 1 2028	Year 2 2029
c. Obstetric Beds ¹¹	58	58	58	58	58
Obstetric Patient Days	11,765	12,113	11,604	11,604	11,604
Obstetric Occupancy %	55.6%	57.2%	54.8%	54.8%	54.8%
Obstetric Discharges	4,482	4,320	4,290	4,290	4,290
Obstetric Discharge Days	8,340	12,277	11,859	11,859	11,859
Average Length of Stay	1.9	2.8	2.8	2.8	2.8
d.1. Psychiatric Beds (Adult)	40	40	40	40	14
Psychiatric Patient Days	5,313	4,927	4,664	4,968	2,483
Psychiatric Occupancy % ¹²	36.4%	33.7%	31.9%	34.0%	48.60
Psychiatric Discharges	1,006	1,236	1,179	1140	273
Psychiatric Discharge Days	11,133	10,841	10,267	10,747	2,482
Average Length of Stay	11.1	8.8	8.7	9.4	9.1
d.2. Psychiatric Beds (Pediatric)	Not applicable.				
e. Long-Term Care/Nursing Home Beds	Not applicable.				
f.1. Adult ICU Beds	32	32	32	43	43
Adult ICU Patient Days	7,082	6,792	6,639	8,976	9,011
Adult ICU Occupancy %	60.6%	58.2%	56.8%	57.2%	57.4%
Adult ICU Discharges	440	436	470	588	590
Adult ICU Discharge Days	6,041	6,723	6,660	8,819	8,854
Average Length of Stay	14	15	14	15	15
f.2. Pediatric ICU Beds	Not applicable.				
g. CCU Beds	Included with ICU Beds above.				
h. Medical Rehab Beds	20	20	20	20	0

¹¹ VHC does not regularly operate at least three of its OB beds which are located in very small and outdated rooms, to be renovated in the future.

¹² Because all the existing VHC psychiatric beds are located in semi-private rooms, VHC has at times been unable to accommodate certain patients because of various co-rooming compatibility issues such as the patient's age, gender, acuity, psychiatric diagnosis, aggressive behavior, and medical comorbidities. These co-rooming challenges functionally limit VHC's practical capacity.

	<u>Past Three Years</u>			<u>Projected Two Years Following Completion</u>	
	2022	2023	2024	Year 1 2028	Year 2 2029
Medical Rehab Patient Days	6,604	6,906	6,866	6,866	0
Medical Rehab Occupancy %	90.5%	94.6%	94.0%	94.0%	0
Medical Rehab Discharges	498	569	534	534	0
Medical Rehab Discharge Days	6,585	6,928	6,833	6,833	0
Average Length of Stay	13.2	12.2	12.8	12.8	0

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

VHC Health has projected utilization of its beds based on a range of factors, including (i) VHC’s historical bed utilization and growth; (ii) the acuity of inpatients receiving inpatient care at VHC; (iii) relocation of beds to the Wellness Hospital; (iv) the growing demand on VHC’s emergency department; and (v) demographic factors, including population growth and aging in VHC’s service area.

- D. Existing and/or Proposed Bed Complement

While the project does not propose any changes to VHC’s bed inventories, the table below reflects all pending bed changes at VHC (per the Wellness Hospital approval) as “beds to be built” and “beds to be lost or removed from service” – i.e., VHC beds in year 2 of the proposed GPORs’ operation. See also Section III.B.1.

1. <u>Hospitals</u>	Distribution Of Existing Licensed Beds	Total Beds to be Built	Total Beds To be Lost or Removed from Service	Total Beds After Construction (Should equal sum of Columns 1, 2 and 3)
Medical/Surgical	274	_____	_____	274
Obstetrical	58	_____	_____	58
Pediatric	13	_____	_____	13
Psychiatric	40	16 ¹³	42 ¹⁴	14
Intensive/Coronary Care	32	11 ¹⁵	_____	43
Long-Term/Extended Care	_____	_____	_____	_____

¹³ COPN No. VA-04773 (approving 16 additional psychiatric beds at VHC).

¹⁴ COPN No. VA-04888 (approving relocation of 42 of VHC’s existing psychiatric beds to the VHC Wellness Hospital).

¹⁵ COPN No. VA-04965 (approving addition of 11 ICU beds at VHC).

Self-Care	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____
Inpatient Rehab	20	_____	20¹⁶	0
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL	437	27	62	402
Newborn Bassinets	_____	_____	_____	_____
2. <u>Nursing Home Units</u>	N/A			
Skilled Care	_____	_____	_____	_____
Intermediate Care	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____
3. <u>Bed Assignment (reflects bed counts)</u>				
One Bed Rooms	430		28	402
Two Bed Rooms	18	_____	18	0
Three Bed Rooms	_____	_____	_____	_____
Four Bed Rooms	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____
TOTAL	448		46	402
E. Facilities and Services to be Provided (Check)				
			This Project to be Expanded	
	<u>Existing</u>	<u>This Project To be Added</u>	<u>This Project to be Discontinued</u>	<u>This Project to be Expanded Renovated</u>
1. Post Operative Recovery Room	<u>X</u>	_____	_____	_____
2. Intensive Care Unit Cardiac	<u>X</u>	_____	_____	_____
3. Open Heart Surgery Facilities	<u>X</u>	_____	_____	_____

¹⁶ COPN No. VA-04888 (approving relocation of VHC's 20 medical rehabilitation beds to the VHC Wellness Hospital).

	Pharmacy				
	with full-time pharmacists	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
	with part-time pharmacists	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4.	Diagnostic Radiological Services				
	x-ray	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
	ultrasonography	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
	radiosotope	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
	CT scanning	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
5.	Therapeutic Radiological Services				
	Brachytherapy	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
	Specify Source(s) Used				
	Teletherapy				
	Specify Source(s) or Type(s) of Equipment Used				
6.	Clinical Pathology				
	Laboratory	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
8.	Organ Bank	<u> </u>	<u> </u>	<u> </u>	<u> </u>
9.	Blood Bank	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
10.	Electroencephalography	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
11.	Electrocardiology	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
12.	Respiratory Therapy	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
13.	Premature Therapy	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
14.	Self-Care Unit	<u> </u>	<u> </u>	<u> </u>	<u> </u>
15.	Skilled Nursing or Long-Term Nursing	<u> </u>	<u> </u>	<u> </u>	<u> </u>
16.	Renal Dialysis				
	acute	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
	chronic	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	inpatient	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	outpatient	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	home dialysis	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	training	<u> </u>	<u> </u>	<u> </u>	<u> </u>
17.	Burn Care Unit	<u> </u>	<u> </u>	<u> </u>	<u> </u>
18.	Physical Therapy Department	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
19.	Occupational Therapy	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
20.	Medical Rehabilitation				
	inpatient	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
	outpatient	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
21.	Tuberculosis Unit	<u> </u>	<u> </u>	<u> </u>	<u> </u>
22.	Psychiatric Services	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	inpatient	<u>X</u>	_____	_____	_____
	outpatient	<u>X</u>	_____	_____	_____
	partial hospitali- zation program	_____	_____	_____	_____
	emergency services	_____	_____	_____	_____
	foster and/or home care consultation	_____	_____	_____	_____
23.	Clinical Psychology	_____	_____	_____	_____
24.	Organized Outpatient Department	_____	_____	_____	_____
25.	Outpatient Surgery	<u>X</u>	_____	_____	_____
26.	Social Work Department	<u>X</u>	_____	_____	_____
27.	Family Planning Service	<u>X</u>	_____	_____	_____
28.	Genetic Counseling Service	<u>X</u>	_____	_____	_____
29.	Abortion Services inpatient outpatient	_____	_____	_____	_____
30.	Pediatric Department	<u>X</u>	_____	_____	_____
31.	Obstetric Service	<u>X</u>	_____	_____	_____
32.	Alcoholic & Detoxi- fication Department	<u>X</u>	_____	_____	_____
33.	Home Care Depart- ment	_____	_____	_____	_____
34.	Speech Pathology Services	<u>X</u>	_____	_____	_____
35.	Audiology Services	<u>X</u>	_____	_____	_____
36.	Hospital Auxiliary	<u>X</u>	_____	_____	_____
37.	Volunteer Service Department	<u>X</u>	_____	_____	_____
38.	Paramedical Training Program	<u>X</u>	_____	_____	_____
39.	Emergency Depart- ment	<u>X</u>	_____	_____	_____
40.	Dental Services	_____	_____	_____	_____
41.	Podiatric Services	<u>X</u>	_____	_____	_____
42.	Pre-Admission Testing	<u>X</u>	_____	_____	_____
43.	Pre-Discharge Planning	<u>X</u>	_____	_____	_____
44.	Multiphasic Screening	_____	_____	_____	_____
45.	Other (Identify)	<u>X</u>	_____	_____	_____

PET/CT X
MRI X

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).

	<u>Current</u>		<u>Additional</u>	<u>NEEDED</u>
	<u>Full</u>	<u>Vacant</u>	<u>Full</u>	<u>Total</u>
	<u>Time</u>	<u>Positions</u>	<u>Time</u>	
<u>Total number of Full-time staff</u>	3,137.1	382.6	23.0	405.6
Administration-Business				
Office (senior leadership)	34.0	1.0		1.0
Registered Nurses	963.9	112.4	6.0	118.4
Licensed Practical Nurses	12.9	1.0		1.0
Nurses Aides, Orderlies and Attendants	273.3	19.2	5.5	24.7
Registered Pharmacists	36.0	2.0		2.0
Laboratory Medical Technologists and Pharmacy techs	118.7	13.0		13.0
ADA Dieticians	10.0	1.0		1.0
Radiologic Technologists	131.8	23.0	1.5	24.5
Occupational Therapists/ Physical Therapists/ SLP Therapists	66.9	11.8		11.8
Psychologists	1.0			
Psychiatric Social Workers				
Recreational Therapists	_____	_____	_____	_____
Inhalation Therapists	_____	_____	_____	_____
Medical Social Workers	_____	_____	_____	_____
Other Health Professionals (Identify)	646.7	113.6	7.5	121.1
			(The 7.5 FTE needed include 5.5 FTE OR First Assistants, 1 FTE OR Assistant, and 1.0 FTE OR tech.)	
All Other Personnel (Exclude Physicians and Dentists)	841.9	84.6	2.5	87.1
			(The 2.5 FTE needed reflect environmental services to support the proposed ORs.)	

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.

The proposed project will require 23 FTEs additional surgical staff to support the four new GPORs. VHC Health anticipates adding approximately 6 FTEs perioperative nurses/RNs, 5.5 FTEs RN aides, 1.5 FTEs radiologic technologists, 5.5 FTEs OR First Assistants, 1.0 FTE OR Assistants, 1.0 FTE OR tech, and 2.5 FTEs environmental support staff. Final staffing needs will be refined based on operating schedules, block utilization, projected case volume, and the implementation schedule for the expanded OR platform.

VHC Health will use its existing recruitment channels, including internal recruitment, employee referrals, online and professional job platforms, specialty-specific job boards, targeted career fairs, and relationships with regional nursing, surgical technology, allied health, and anesthesia training programs. VHC Health also benefits from affiliations with educational and training institutions in Northern Virginia, the District of Columbia, and the broader region, including Marymount University, Northern Virginia Community College, George Mason University, Georgetown University, George Washington University, James Madison University, Catholic University, Shenandoah University, Stratford University, and Chamberlain University. These relationships provide important pipelines for nursing, surgical technology, allied health, and other clinical personnel needed to support expanded surgical services.

Additionally, VHC Health participates in workforce development initiatives with community and professional partners, including Arlington County, Friends of Nursing Foundation, the National Institute of First Assists, and the Foundation Poyant Fund. In addition, VHC Health will rely on its perioperative leadership structure, clinical education resources, onboarding programs, and retention initiatives to train and integrate new staff into the surgical services department.

VHC Health has a strong record of recruiting and retaining physicians, nurses, and clinical staff despite national health care staffing challenges. Its clinical reputation, community hospital culture, Magnet recognition, competitive compensation and benefits, and investment in employee development support its ability to attract and retain perioperative personnel. Because the project expands VHC's authorized surgical inventory and does not introduce a new surgical service, VHC expects to meet staffing needs through a combination of new hires, internal transfers where appropriate, cross-training, retention of existing perioperative staff, and recruitment of experienced surgical services personnel. Based on its recruitment infrastructure, educational affiliations, and prior staffing experience, VHC Health does not anticipate significant difficulty obtaining the personnel necessary to staff the additional GPORs.

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

Given VHC's role as a teaching hospital and its relationships with area teaching and educational facilities as described in Section III.G above, VHC does not anticipate that the project will have any significant impact on staffing at other area facilities.

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.)

See Attachment III.I.1—Medical Staff Roster.

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

See Attachment III.I.2—Letter of Endorsement.

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

A copy of VHC's 2026 license is attached. See Attachment III.I.3—2026 License Information.

VHC is accredited by the Joint Commission, whose accreditation materials are attached, and therefore Virginia does not conduct annual licensure inspections (or issue annual licensure reports) at the facility.

4. Current accreditation status and copy of the latest accreditation report from the Joint Commission on Accreditation of Hospitals (existing facilities).

See Attachment III.I.4—Accreditation Documentation.

SECTION IV **PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY NEED**

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

With this application, VHC Health seeks authorization to expand its authorized surgical inventory based on sustained utilization. The proposed expansion of GPOR inventory will enable VHC to continue meeting demand from patients, physicians, and the service area community.

This project leverages existing space within VHC’s surgical suite to convert outdated and inadequate infrastructure into modern ORs. Specifically, the project will repurpose space previously occupied by eight undersized ORs that no longer meet current clinical and regulatory standards and are no longer used as ORs, transforming that footprint into four appropriately sized GPORs that conform to contemporary requirements for equipment, circulation, and patient care. This approach maximizes the utility of VHC’s existing campus footprint and avoids the need for new building construction or external renovation. The proposed GPORs will be supported by existing utility connections. This approach minimizes construction costs and timelines, and supports efficient integration with VHC’s established perioperative workflow and support services.

These additional operating rooms are essential to support the breadth of surgical services VHC provides. VHC offers a comprehensive range of inpatient and outpatient surgical services, including general surgery, orthopedic surgery, neurosurgery, cardiac and thoracic surgery, vascular surgery, urology, gynecology, oncology-related surgery, trauma-related surgery, and other complex hospital-based procedures. As the only acute care hospital in Arlington County, and as a tertiary-level facility, academic medical center, and Level 2 Trauma Center, VHC must maintain OR capacity to accommodate scheduled cases while preserving the ability to respond to urgent, emergent, complex, and high-acuity surgical needs.

VHC’s GPORs are highly utilized. As detailed in Section III.A, VHC’s surgical utilization has consistently exceeded the SMFP threshold, and January-June 2026 trends project utilization at 149% in 2026. VHC’s operating rooms are available around the clock, 365 days a year, and are currently scheduled and in use from 5:00 AM to 8:00 PM each day to meet existing demand. These data underscore the sustained surgical demand at VHC.

In light of this demand, the addition of four GPORs will enhance operational flexibility, support appropriate access to medically necessary procedures, and improve VHC’s ability to accommodate urgent, emergent, complex, and high-acuity cases requiring hospital-based resources. By expanding authorized inventory on the existing VHC campus, the project will align VHC’s GPOR authorization with documented surgical demand while supporting efficient use of hospital infrastructure, staffing, and perioperative resources.

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.)

The primary service area for VHC includes Arlington County, Falls Church City, Alexandria City, and portions of Fairfax County.

See Attachment IV.B.1—VHC Service Area Map.

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

See Attachment IV.B.2—Patient Origin Data.

- 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.

2. If yes,

- a. Identify the facility(ies)

The following facilities currently provide surgical services in PD 8.

**Dominion Plastic Surgery
Eisenhower ASC¹⁷
Fairfax Surgical Center
Haymarket Surgery Center
HealthQare Services ASC, LLC
Inova Alexandria Hospital
Inova Ambulatory Surgery Center at Lorton, LLC
Inova Fair Oaks Hospital
Inova Fairfax Hospital & Inova Fairfax Hospital ASC
Inova Loudoun Ambulatory Surgery Center, LLC
Inova Loudoun Hospital
Inova Oakville Ambulatory Surgery Center
Inova Mount Vernon Hospital
Inova Surgery Center @ Franconia-Springfield I
Inova Surgery Center @ Franconia-Springfield II¹⁸
Kaiser Permanente – Woodbridge Surgery Center**

¹⁷ Authorized per COPN No. VA-04914 (issued 12/30/2024).

¹⁸ COPN No. VA-04960 (issued 5/8/2026).

Kaiser Permanente Tysons Corner Surgery Center
Lake Ridge Ambulatory Surgery Center, LLC
McLean Ambulatory Surgery Center, LLC
McLean Tysons Orthopedic Surgery Center
Northern Virginia Eye Surgery Center, LLC
Northern Virginia Surgery Center
Pediatric Specialists of Virginia ASC
Prince William Ambulatory Surgery Center
Reston Hospital Center
Reston Surgery Center
Sentara Northern Virginia Medical Center
Stone Springs Ambulatory Surgery Center
Stone Springs Hospital Center
UVA Health Haymarket Medical Center
UVA Health Prince William Medical Center
Virginia Hospital Center

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

VHC is the only hospital in Arlington County and the closest option for much of its service area. Existing hospital-based surgical providers in other parts of PD 8 contribute valuable surgical resources in Northern Virginia, but they do not address VHC's need for additional GPORs. VHC's need is driven by sustained utilization of its existing ORs – which have consistently exceeded the SMFP threshold – growth in surgical case volume, and the clinical and operational imperative to maintain appropriate access to OR resources on the VHC campus.

Reliance on other facilities is not a practical or effective substitute for the proposed project. Surgical care at VHC often must be coordinated with the hospital's emergency department, anesthesia services, imaging, intensive care, inpatient beds, physician availability, and perioperative support resources. For urgent, emergent, complex, and high-acuity cases, the ability to access hospital-based OR resources on the VHC campus is essential to continuity of care and efficient perioperative operations. The proposed authorization of four GPORs will align VHC's authorized inventory with documented demand and will enable VHC to better serve patients, physicians, and the service area community.

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

For the reasons discussed above, existing facilities in PD 8 do not address VHC's need for additional GPOR authorization. VHC's need

is specific to sustained utilization of its own on-campus ORs, continued growth in surgical case volume, and the imperative to maintain appropriate access for urgent, emergent, complex, and high-acuity cases that require VHC's hospital-based infrastructure and clinical support resources. As the only acute care hospital in Arlington County – and as a tertiary-level facility, academic medical center, and Level 2 Trauma Center – VHC must maintain sufficient on-campus OR resources to support continuity of care, physician availability, perioperative operations, inpatient backup, emergency response capability, and efficient hospital operations. Approval of the proposed four-GPOR authorization is therefore appropriate to align VHC's authorized inventory with documented surgical demand and to support appropriate access to hospital-based surgical care.

Demographic data reinforce this conclusion. According to the Weldon Cooper Center, the population of PD 8 is projected to grow by approximately 11% between 2020 and 2030, with particularly significant growth among residents aged 65 and older – a demographic cohort with higher utilization of surgical services. Northern Virginia will continue to be the fastest growing region in the Commonwealth, with a growth rate significantly outpacing the statewide average of approximately 5.8% for the same decade.

- 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.

VHC Health proposes to add four GPORs to address sustained demand for hospital-based OR access at VHC. As documented throughout this application, VHC's existing GPORs have consistently operated above the SMFP utilization threshold. As the sole acute care hospital in Arlington County, VHC occupies a unique role as a tertiary-level facility, academic medical center, and Level 2 Trauma Center. This mission requires maintaining sufficient OR capacity not only for scheduled inpatient and outpatient procedures but also for urgent, emergent, complex, and high-acuity cases that cannot be accommodated elsewhere. Such cases depend on hospital-based infrastructure, anesthesia support, perioperative staffing, inpatient backup, emergency response capability, and specialized clinical resources that ambulatory surgical centers and other outpatient settings are not equipped to provide.

The proposed four-GPOR authorization will support appropriate access to surgical care, promote efficient perioperative throughput, and enable VHC to continue meeting documented regional demand while preserving readiness for unplanned surgical needs. The project will align VHC's authorized inventory with utilization, positioning VHC to accommodate projected volume growth

while preserving the operational flexibility essential to its trauma and emergency care mission.

- 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.

12 VAC 5-230-80. 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.

VHC's ORs are highly utilized. As set forth in Section III.A, VHC's GPORs have operated above the SMFP utilization threshold for multiple years, with 2024 utilization at 119% and annualized January-June 2026 utilization growing to 149%. VHC's utilization data show sustained demand for hospital-based surgical services, particularly for urgent, emergent, complex, and high-acuity cases that require immediate access to anesthesia support, perioperative staffing, imaging, intensive care, inpatient backup, emergency response capability, and other hospital-based resources. VHC has an institutional need for additional hospital-based GPOR authorization to support appropriate access to surgical care.

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.

Not applicable. VHC Health does not have underutilized ORs available for reallocation. The VHC hospital facility in Arlington is VHC Health's only general acute care hospital; it has no other hospitals from which to relocate capacity. All of VHC's existing GPORs are highly utilized. VHC Health has no other facilities that serve as reasonable sources for relocated OR capacity. VHC Health is affiliated with only one operational outpatient surgical hospital – the joint-ventured MTOSC. That facility, approved in December 2019 and opened in November 2022 (during the COVID-19 public health emergency) is still in its early operations. Utilization has been steadily increasing and was at 72% in 2025. Relocation of one OR would put the facility at practical capacity; relocation of more would put it over the 1,600-hour threshold, yet would still not address VHC Health's institutional need. In any event, and as the Commissioner has recognized, ORs that are part of facilities joint-ventured between hospitals and other entities are generally not considered part of the hospital health system for purposes of relocation.

C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.

Not applicable; VHC Health is not a nursing facility.

D. Applicants shall not use this section to justify a need to establish new services.

Not applicable; VHC Health is not seeking to establish new services but rather to expand the existing surgical services on the VHC campus.

PART V. GENERAL SURGICAL SERVICES

12 VAC 5-230-490. Travel Time.

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

Although surgical services generally are available within 30 minutes' driving time for most of the residents of PD 8, VHC Health's proposal is predicated on an institutional need to improve access to surgical services for existing patients. By decompressing the high utilization of VHC's existing ORs, the project will improve access for VHC Health's inpatients, emergency patients, and complex outpatients who require the surgical and ancillary resources of the hospital campus. Notably, the acute care hospitals closest to VHC are Inova Fairfax Hospital (9 miles and 18 minutes away), Inova Alexandria Hospital (6 miles and 21 minutes away), and Inova Mount Vernon Hospital (14 miles and 26 minutes away). All are highly utilized, with 2024 surgical utilization at 119%, 126%, and 115%, respectively.

12 VAC 5-230-500. Need for New Service.

A. The combined number of inpatient and outpatient general purpose surgical operating rooms needed in a health planning district, exclusive of procedure rooms, dedicated cesarean section rooms, operating rooms designated exclusively for cardiac surgery, procedures rooms or VDH-designated trauma services, shall be determined as follows:

[Text omitted for brevity.]

Not applicable; VHC Health is not proposing the establishment of a new service but rather the expansion of VHC's highly utilized existing service.

B. Projects involving the relocation of existing operating rooms within a health planning district may be authorized when it can be reasonably documented that such relocation will: (i) improve the distribution of surgical services within a health planning district; (ii) result in the provision of the same surgical services at a lower cost to surgical patients in

the health planning district; or (iii) optimize the number of operations in the health planning district that are performed on an outpatient basis.

Not applicable; VHC Health does not propose the relocation of ORs.

12 VAC 5-230-510. Staffing.

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

As part of the existing VHC surgical services, the proposed ORs will be under the direction of one or more appropriately qualified physicians on the medical staff of VHC. That medical staff is committed to providing safe, high-quality surgical services to all patients requiring care. See Attachment III.I.2 – Letter of Endorsement.

- 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.

VHC Projected Utilization – 17 GPORs

Utilization	Projected Procedures	Projected Hours	% of SMFP
Year 1	18,977	27,933	103%
Year 2	19,548	30,159	111%

VHC Health's methodology for determining the need for additional GPORs is based on VHC's historical surgical demand, sustained utilization above the SMFP utilization threshold, growth in surgical case volume and surgical hours, the clinical requirements of hospital-based surgical care, and the operational imperative to preserve adequate OR access for scheduled, urgent, emergent, complex, and high-acuity cases. The methodology also accounts for the types of cases that require on-campus resources, including anesthesia support, perioperative staffing, imaging, intensive care, inpatient backup, emergency response capability, and related clinical services. These factors are particularly important for urgent, emergent, complex, and high-acuity surgical cases that cannot be effectively accommodated through reliance on other facilities or lower-acuity ambulatory settings.

VHC's projected utilization reflects historical surgical case volume, surgical hours, recent annual growth trends, expected physician and service line growth, anticipated changes in case mix and acuity, block utilization, add-on and emergency case demand, and the need for sufficient operational flexibility within the hospital-based OR platform.

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.)

VHC has an agreement with Children’s National Medical Center for the management of the hospital’s NICU and neonatology team of physicians. The agreement is confidential and proprietary.

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).

See Attachment IV.H.1—Map of Existing Facilities.

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 IV.H.2—Letters of Support. Additional letters of support for the project will be submitted later in the review process.

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

See Attachment IV.H.3—Notification Letters.

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.

Per diem rates in contracts are proprietary and subject to contractual confidentiality provisions; however, the chart below lists VHC's publicly available reimbursement arrangements. For information regarding comparisons of VHC's charges, costs, and productivity/utilization, please refer to Attachment V.B—2024 VHI EPICS Report.

Payer	Type of Contract
Medicare	DRG
Medicaid	Per Diem/DRG
Virginia Bureaus (MCH, BCC, BFP)	Claim Agreement

- 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**

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

See Attachment V.B—2024 VHI EPICS Report.

- 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 **\$8,618,700**
2. Cost of labor \$ _____
(included above)
3. Equipment included in construction contract \$ _____

4.	Builder's overhead	\$ _____
5.	Builder's profit	\$ _____
6.	Allocation for contingencies	\$430,635
7.	Sub-total (add lines 1 thru 6)	\$9,049,635

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

7.	a. Major equipment (boom lights, etc.)	\$1,266,667
	b. Minor equipment	\$114,286
	c. IT and call systems	\$136,333
	d. Furnishings and signage	\$44,000
	e. Contingency	\$78,064
9.	Sub-total (add lines 8a thru 8e)	\$1,639,350

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. 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 **\$569,723**
30. Architect's supervision fee \$ _____
31. Engineering fees \$ _____

32. Consultant's fees \$ _____

33. Sub-total (add lines 29 thru 32) **\$569,723**

Part VII – Other Consultant Fees (List each separately)

34. a. **Design contingency** **\$40,783**

b. **Testing and Permits** **\$122,967**

c. _____ \$ _____

35. Sub-total (add lines 34a thru 34c) **\$163,750**

Part VIII – Taxes During Construction

36. Property taxes during construction \$ _____

37. 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) **\$9,049,635**
97. Sub-total Part II Equipment not included in
construction contract (line 9) **\$1,639,350**
98. Sub-total Part III Site Acquisition Costs (line 15) \$ _____
99. Sub-total Part IV Site Preparation Cost (line 23) \$ _____

100.	Sub-total Part V	Off-Site Costs (line 28)	\$ _____
101.	Sub-total Part VI	Architectural and Engineering fees (line 33)	\$569,723
102.	Sub-total Part VII	Other Consultant fees (line 35)	\$163,750
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.	TOTAL CAPITAL COST (lines 96 thru 106)		\$11,422,458
108.	Percent of total capital costs to be financed 0%		
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.	TOTAL CAPITAL AND FINANCING COST (ADD LINES 107, 110a, b or c AND 111a, b or c)		\$11,422,458

- D. 1. Estimated costs for new construction (excluding site acquisition costs) \$ _____
2. Estimated costs of modernization and renovation (excluding site acquisition costs) \$ _____
- E. Anticipated Sources of Funds for Proposed Project Amount
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 **\$11,422,458**
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 proposed project will be financed from VHC Health's accumulated reserves.**
- 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 capital expenditure will not result in increased costs of care for patients. The project will be financed from accumulated reserves and there is no debt service cost.

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

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

See Attachment V.H.1—2026 Room and Board Charges.

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.

See Attachment V.H.2—Audited Financial Statements.

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.

See Attachment V.H.3—Pro Forma.

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

1701 N. George Mason Dr.

Address – Line 1

Adrian Stanton

Type/Print Name of Authorizing Officer

Address – Line 2

Vice President

Real Estate Acquisition and Development

VHC Health

Title of Authorizing Officer

Arlington, VA 22205

City/State/Zip

7/31/2026

Date

703-558-6319

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.**

Attachment V.H.3 Pro Forma

COPN Request No. VA-8911
VHC Health, Addition of 4 GPORs
Attachment V.H.3 - Pro Forma

	Proforma Year 1	Proforma Year 2
REVENUE:		
Incremental Inpatient Revenue	\$26,547,477	\$28,661,162
Incremental Outpatient Revenue	\$53,542,152	\$57,805,129
Total Incremental Gross Revenue	\$80,089,629	\$86,466,292
Contractual Adjustments	\$56,863,636	\$61,391,067
Bad Debts	\$400,448	\$432,314
Charity	\$2,402,689	\$2,593,989
Total Deductions	\$59,666,773	\$64,417,370
Net Patient Revenue	\$20,422,855	\$22,048,922
EXPENSES:		
Salaries	\$2,350,298	\$2,537,413
Contract Labor	\$181,849	\$196,327
Benefits	\$177,910	\$192,074
Supplies	\$9,059,373	\$9,780,619
Contract Services	\$1,614	\$1,743
Repairs and Maintenance	\$85,583	\$92,397
Rentals and Leases	\$2,729	\$2,946
Utilities	\$1,065	\$1,150
Other expenses	\$55,066	\$59,450
Total Incremental Operating Expenses	\$11,915,489	\$12,864,120
Net Income (Loss) From Operations	\$8,507,367	\$9,184,802

Assumptions:

- Revenue, payor mix, and inpatient-to-outpatient ratio is based on 2025 data.
- Gross patient service revenue assumes an increase of 2.5% per year.
- Operating expenses are based on experience of expenses as a percentage of gross patient services revenue and a 3% increase/year.
- Charity care reflects VHC's system-wide charity care condition of 3.0%.
- Bad debt is based on historical experience at VHC.