

**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)**

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| <b>HOSPITALS</b> |
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**COPN Request No. VA – 8899**

**Expansion of Surgical Services at Inova Fairfax Hospital**  
**(Add Two General Purpose Operating Rooms through Relocation of Capacity)**

**July 31, 2026**

## SECTION I FACILITY ORGANIZATION AND IDENTIFICATION

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

**3300 Gallows Road**  
Address

|                             |                  |                     |
|-----------------------------|------------------|---------------------|
| <b><u>Falls Church,</u></b> | <b><u>VA</u></b> | <b><u>22042</u></b> |
| City                        | State            | Zip                 |

**703-776-1110**  
Telephone

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

**8095 Innovation Park Drive**  
Address

|                        |                  |                     |
|------------------------|------------------|---------------------|
| <b><u>Fairfax,</u></b> | <b><u>VA</u></b> | <b><u>22031</u></b> |
| City                   | State            | Zip                 |

- C. Chief Administrative Officer

**Steven Narang, MD, President, Inova Fairfax Hospital and President, Inova Pediatric Service Line**  
Name

**3300 Gallows Road**  
Address

|                             |                  |                     |
|-----------------------------|------------------|---------------------|
| <b><u>Falls Church,</u></b> | <b><u>VA</u></b> | <b><u>22042</u></b> |
| City                        | State            | Zip                 |

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

**Jessica Parker, Senior Director, Strategy & Planning, Inova Health System**  
Name

**8095 Innovation Park Drive**  
Address

|                        |                  |                     |
|------------------------|------------------|---------------------|
| <b><u>Fairfax,</u></b> | <b><u>VA</u></b> | <b><u>22031</u></b> |
|------------------------|------------------|---------------------|

|                     |            |                                 |
|---------------------|------------|---------------------------------|
| City                | State      | Zip                             |
| <b>703-517-9320</b> | <b>N/A</b> | <b>Jessica.Parker@inova.org</b> |
| Telephone           | Facsimile  | 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<br>(Check one) | Proprietary                                                                                               | Operator of Facility<br>(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) <u><b>X</b></u> | (5) Corporation-attach copy of Articles of Incorporation and Certificate of Incorporation | (5) <u><b>X</b></u> |
|---------------------|-------------------------------------------------------------------------------------------|---------------------|

**Please see Attachments A.1 and A.2.**

|           |                          |           |
|-----------|--------------------------|-----------|
| (6) _____ | (6) Other _____ Identify | (6) _____ |
|-----------|--------------------------|-----------|

**Governmental**

|            |                  |            |
|------------|------------------|------------|
| (7) _____  | (7) 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) \_\_\_\_\_

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

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

**Please see Attachment B.**

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

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

**Inova Health Care Services  
 8095 Innovation Park Dr.  
 Fairfax, Virginia 22031**

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

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

**Not Applicable.**

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

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

**Please see Attachment C for the names of the Inova Health Care Services Board members. Please direct any questions to Board members at the following address:**

**c/o Nena Jaspers  
8095 Innovation Park Drive  
Fairfax, VA 22031**

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

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

**The names and officers are attached in Attachment C.**

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

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

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

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

**Not applicable.**

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

**Not applicable.**

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

**Please see Attachment D for a comprehensive corporate organizational chart for the Inova Health System.**

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

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

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

**Not applicable.**

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

**Not applicable.**

## SECTION II ARCHITECTURE AND DESIGN

### A. Location of the Proposed Project

1. Size of site: 183.06 acres
2. Located in Fairfax County / PD 8 City/County/Planning District
3. Address or directions 3300 Gallows Road, Falls Church, VA 22042
4. Has site been zoned for type of use proposed:

X Yes (attach copy of zoning or use permit)

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

       No

If no, explain status \_\_\_\_\_

\_\_\_\_\_

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

- (1)        New construction
- (2)        Remodeling/modernization of an existing facility
- (3)        No construction or remodeling/modernization
- (4) X Other        (Identify)

**COPN Request No. VA-8899 proposes the expansion of IFH’s surgical services through the addition of two (2) general purpose operating rooms (“GPORs”). The two (2) GPORs will be relocated within PD 8 from the Pediatric Specialists of Virginia Ambulatory Surgery Center (“PSV ASC”). Accordingly, the project is inventory neutral.**

### C. Design of the facility

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

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

- (2) Briefly describe the proposed project with respect to location, style and

major design features, and the relationship of the current proposal to the long range plan.

### **IFH – Utilization and Location of Existing GPORs**

IFH currently has 47 GPORs, including 43 on its main campus and four (4) at its Inova Woodburn Surgery Center, which operates as an outpatient department of IFH. Of the 43 GPORs on the main campus, 26 are in the main hospital building's Surgery Center, eight (8) are in the Women's and Children's Hospital building, eight (8) are in the professional services building, and one (1) is in the Heart & Vascular building. Please see Attachment G for the locations of IFH's 43 existing GPORS on its main campus and the location of the two (2) proposed GPORs on its main campus.

IFH has an institution-specific need to expand its surgical services. In 2025, the most recent VHI submission year, IFH's 47 GPORs operated at 125% of the State Medical Facilities Plan standard of 1,600 hours per GPOR. IFH expects its GPOR utilization to exceed 134% of the SMPF standard by 2030. Such utilization, as reflected in the table set forth in Section III.C below, demonstrates an immediate need for an additional 11.8 GPORs (i.e., 12 GPORs) and a need for an additional 15.9 GPORs (i.e., 16 GPORs) by 2030.

To help alleviate some of the existing surgical capacity constraints and ensure timely access to surgical services for its patient population, which is particularly critical for any tertiary/quaternary hospital, IFH conservatively seeks COPN approval for an additional two (2) GPORs. The two (2) GPORs will be relocated from the PSV ASC, which is wholly owned by Pediatric Specialists of Virginia, LLC ("PSV").

### **Background - PSV**

Formed in February 2013, PSV is a 50/50 joint venture between Inova Health Care Services ("Inova") and Children's National Medical Center ("Children's National") that provides pediatric specialty care in Northern Virginia. PSV operates the PSV ASC, a two (2) OR ASC established pursuant to COPN No. VA-04420, issued December 17, 2013, through the relocation and relinquishment of two (2) ORs from IFH.

Inova and Children's National have decided to dissolve PSV effective June 30, 2027. Per the PSV operating agreement between Inova and Children's National, the two (2) ORs relocated from IFH to establish the PSV ASC are to be returned to Inova upon PSV's dissolution.

### **Location of Proposed GPORs at IFH**

As discussed above, to help alleviate some of the existing surgical capacity constraints and ensure timely access to surgical services for its patient population, which is particularly critical for any tertiary/quaternary hospital, IFH conservatively seeks COPN approval for an additional two (2) GPORs through the relocation of the two (2) operating rooms from the PSV ASC.

One (1) of the two (2) proposed GPORs will be built out in existing space on the ground floor of the Women's and Children's Hospital building, adjacent to the existing eight (8) GPORs in the Women's and Children's Hospital building. The second proposed GPOR will be located in the Surgery Center building alongside the existing 26 GPORs located in the Surgery Center. To make this possible, IFH will undertake the on-campus relocation of its pediatric Cardiovascular Operating Room (CVOR) from the Surgery Center to existing space in the Women's and Children's Hospital building where the first of the two (2) new GPORs will be built. The pediatric CVOR space in the Surgery Center will then be converted into a GPOR.

Relocating the pediatric CVOR to and building out a new GPOR in the Women's and Children's Hospital building will allow the most critical pediatric surgical cases to be performed closer to the pediatric ICU, which is directly accessible by elevator from the space on the ground floor where the CVOR and to new GPOR are to be located.

This project is consistent with Inova's mission, vision, and values as further discussion in Section II.C.(1) above.

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

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

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

The site conforms to all current applicable land development ordinances, regulations and standards. There are multiple driving

**entrances to the property from Gallows Road and adequate parking is already available for patients, visitors and staff. Adequate public utilities currently exist on site, including water, sewer, and solid waste services. No zoning changes are required for this project.**

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

**Not applicable. As described in Section II.C.(2) above, the proposed two (2) GPORs will be located at Inova Fairfax Hospital.**

**The two (2) proposed GPORs will be relocated from the PSV ASC. The PSV ASC is located at 3023 Hamaker Court, Fairfax, Virginia. Before PSV was formed, Children's National leased and operated the space as a procedure suite. Upon dissolution of PSV, control of the space will return to Children's National. The current surgical volume at the PSV ASC will be appropriately redistributed between Inova and Children's National, and Children's National will determine its future use of the space.**

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

**As described above in Section II.C.(2), the two (2) proposed GPORs will be located in existing space at IFH. One (1) of the two (2) proposed GPORs will be built in existing space on the ground floor of the Women's and Children's Hospital building. The other proposed GPOR will be located in the Surgery Center. To make this possible, the current pediatric Cardiovascular Operating Room (CVOR) will be moved from the Surgery Center to space within the Women's and Children's Hospital building where one (1) of the two (2) new GPORs will be built, and the former pediatric CVOR space in the Surgery Center will then be converted into a GPOR.**

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

- (1) Letters from appropriate governmental agencies verifying the availability and adequacy of utilities,
- (2) National Pollution Discharge Elimination System permits,
- (3) Septic tank permits, or

- (4) Receipts for water and sewer connection and sewer connection fees.

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

E. Space tabulation – (show in tabular form)

1. If Item #1 was checked in II-B, specify
  - a. The total number of square feet (both gross and net) in the proposed facility.
  - b. The total number of square feet (both gross and net) by department and each type of patient room (the sum of the square footage in this part should equal the sum of the square footage in (a) above and should be consistent with any preliminary drawings, if available).

**Not applicable.**

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

| IFH Room / Space Description                            | Quantity | Room Net SF | Room Gross SF |
|---------------------------------------------------------|----------|-------------|---------------|
| <b><u>Surgery Center</u></b>                            |          |             |               |
| Proposed GPOR ( <i>Previously Pediatric CVOR</i> )      | 1        | 573         | 648           |
| <b><u>Women's &amp; Children's Building</u></b>         |          |             |               |
| Pediatric CVOR ( <i>Relocated from Surgery Center</i> ) | 1        | 1,101       | 1,135         |
| Proposed GPOR                                           | 1        | 850         | 874           |
| Sterile Core                                            | 1        | 475         | 495           |

|                          |   |              |              |
|--------------------------|---|--------------|--------------|
| Equipment Storage        | 2 | 359          | 391          |
| Semi Restricted Corridor | 1 | 306          | 327          |
| Vestibule                | 1 | 89           | 97           |
| <b>Total Project</b>     |   | <b>3,753</b> | <b>3,967</b> |

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

**Space design criteria and rationale for determining the size of the operating rooms (including the proposed new GPORs and the relocated pediatric CVOR) and related space is based on application of the 2022 FGI Guidelines for the Design and Construction of Hospitals.**

- F. Attach a plot plan of the site which includes at least the following:

1. The courses and distances of the property line.
2. Dimensions and location of any buildings, structures, roads, parking areas, walkways, easements, right-of-way or encroachments on the site.

**Please see Attachment I.**

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

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

**Please see Attachments J.1 & J.2.**

- H. Construction Time Estimates

1. Date of Drawings: Preliminary **June 2026** Final **October 2026**
2. Date of Construction: Begin **February 2028** Completion **January 2029**
3. Target Date of Opening: **March 2029**

## SECTION III

## SERVICE DATA

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

**IFH 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, D.C. 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 is home to the only full-service children's hospital in Northern Virginia;**
- **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 (the only Level IV NICU in PD 8 as designated by the American Academy of Pediatrics);**
- **IFH maintains a comprehensive organ transplantation program;**
- **IFH maintains one of the largest cancer treatment programs in the Commonwealth; and**

### **IFH Surgical Services**

**IFH provides a full range of adult and pediatric surgical services utilizing advanced technology, ranging from routine procedures such as gallbladder and hernia surgery to the most complex neurosurgery, cardiac surgery, and transplants. IFH's medical staff includes more than 485 active surgeons who provide surgical services across 14 distinct surgical services programs.**

**The IFH Department of Surgery maintains a robust clinical research program, which includes investigator-initiated and industry-sponsored research studies designed to evaluate new surgical techniques, enhance surgical education, and improve patient outcomes.**

**An integral part of the IFH Department of Surgery's mission is to train the surgeons of tomorrow. Its five-year Surgical Residency Program is comprised of 20 residents and has four approved specialty fellowship programs in Breast Surgical Oncology, Surgical Critical Care, Gastroenterology, and Advanced Laparoscopic, Minimally Invasive and Bariatric Surgery.**

**IFH is also home to the most technologically advanced surgery simulation facility in the region, The Advanced Surgical Technology and Education**

**Center (ASTEC). The 10,000-square-foot facility combines a classroom and a large, centralized skills training area with a high-fidelity operating room environment, including pre-operative and post-anesthesia care unit bays, two functional endoscopic procedure rooms and state-of-the-art observation and recording capabilities. The Center's primary goal is to optimize the care of patients and minimize adverse outcomes through simulation-based education and training.**

**IFH currently has 47 GPORs, including 43 that are located on the main campus and four (4) at its Inova Woodburn Surgery Center, which operates as an outpatient department of IFH. Of the 43 GPORs on the main campus, 26 are in the main hospital building's Surgery Center, eight (8) are in the Women's and Children's Hospital building, eight (8) are in the professional services building, and one (1) is in the Heart & Vascular building. Please see Attachment G for the locations of IFH's 43 existing GPORS on its main campus and the location of the two (2) proposed GPORs on its main campus.**

**IFH has an institution-specific need to expand its surgical services. In 2025, the most recent VHI submission year, IFH's 47 GPORs operated at 125% of the State Medical Facilities Plan standard of 1,600 hours per GPOR. IFH expects its GPOR utilization to exceed 134% of the SMPF standard by 2030. Such utilization, as reflected in the table set forth in Section III.C below, demonstrates an immediate need for an additional 11.8 GPORs (i.e., 12 GPORs) and a need for an additional 15.9 GPORs (i.e., 16 GPORs) by 2030.**

**To help alleviate some of the existing surgical capacity constraints and ensure timely access to surgical services for its patient population, which is particularly critical for any tertiary/quaternary hospital, IFH conservatively seeks COPN approval for an additional two (2) GPORs. The two (2) GPORs will be relocated from the PSV ASC, which is wholly owned by PSV.**

**Formed in February 2013, PSV is a 50/50 joint venture between Inova Health Care Services ("Inova") and Children's National Medical Center ("Children's National") that provides pediatric specialty care in Northern Virginia. PSV operates the PSV ASC, a two (2) OR ASC established pursuant to COPN No. VA-04420, issued December 17, 2013, through the relocation and relinquishment of two (2) ORs from IFH.**

**Inova and Children's National have decided to dissolve PSV effective June 30, 2027. Per the PSV operating agreement between Inova and Children's National, the two (2) ORs relocated from IFH to establish the PSV ASC are to be returned to Inova upon PSV's dissolution.**

**Although IFH anticipates seeking approval for additional GPORs in the future, the current space plans allow for two (2) additional GPORs. By relocating the two (2) GPORs from the PSV ASC back to IFH, IFH will address some of the existing capacity constraints on its hospital campus without increasing the number of COPN-authorized GPORs in PD 8.**

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

|                                       | Past Three Years |            |            | Projected First Two Years |            |
|---------------------------------------|------------------|------------|------------|---------------------------|------------|
|                                       | 2023             | 2024       | 2025       | 2029                      | 2030       |
|                                       |                  |            |            |                           |            |
| <b>1. Inpatient Data</b>              |                  |            |            |                           |            |
| <b>Total Licensed Beds</b>            | <b>928</b>       | <b>928</b> | <b>928</b> | <b>976</b>                | <b>976</b> |
| Total Patient Days                    | 279,669          | 292,823    | 312,863    | 328,153                   | 332,091    |
| Total Occupancy %                     | 82.6%            | 86.4%      | 92.4%      | 92.1%                     | 93.2%      |
| Total Discharges                      | 52,013           | 53,484     | 57,388     | 60,193                    | 60,915     |
| Average Length of Stay                | 5.4              | 5.5        | 5.5        | 5.5                       | 5.5        |
|                                       |                  |            |            |                           |            |
| <b>2. By Major Inpatient Service</b>  |                  |            |            |                           |            |
|                                       |                  |            |            |                           |            |
| <b>Medical/Surgical Licensed Beds</b> | <b>506</b>       | <b>506</b> | <b>506</b> | <b>554</b>                | <b>554</b> |
| Medical/Surgical Patient Days         | 164,032          | 172,910    | 192,233    | 201,628                   | 204,047    |
| Medical/Surgical Occupancy %          | 88.8%            | 93.6%      | 104.1%     | 99.7%                     | 100.9%     |
| Medical/Surgical Discharges           | 30,170           | 30,999     | 35,267     | 36,991                    | 37,434     |
| Average Length of Stay                | 5.4              | 5.6        | 5.5        | 5.5                       | 5.5        |
|                                       |                  |            |            |                           |            |
| <b>Pediatric Licensed Beds</b>        | <b>92</b>        | <b>92</b>  | <b>92</b>  | <b>92</b>                 | <b>92</b>  |
| Pediatric Patient Days                | 20,763           | 21,391     | 22,063     | 23,141                    | 23,419     |
| Pediatric Occupancy %                 | 61.8%            | 63.7%      | 65.7%      | 68.9%                     | 69.7%      |
| Pediatric Discharges                  | 5,736            | 5,905      | 5,849      | 6,135                     | 6,208      |
| Average Length of Stay                | 3.6              | 3.6        | 3.8        | 3.8                       | 3.8        |
|                                       |                  |            |            |                           |            |
| <b>Pediatric ICU Licensed Beds</b>    | <b>26</b>        | <b>26</b>  | <b>26</b>  | <b>26</b>                 | <b>26</b>  |
| Pediatric ICU Patient Days            | 6,238            | 5,996      | 5,594      | 5,867                     | 5,938      |
| Pediatric ICU Occupancy %             | 65.7%            | 63.0%      | 58.9%      | 61.8%                     | 62.6%      |

|                                        | Past Three Years |            |            | Projected First Two Years |            |
|----------------------------------------|------------------|------------|------------|---------------------------|------------|
|                                        | 2023             | 2024       | 2025       | 2029                      | 2030       |
| Pediatric ICU Discharges               | 465              | 396        | 515        | 540                       | 547        |
| Average Length of Stay                 | 13.4             | 15.1       | 10.9       | 10.9                      | 10.9       |
|                                        |                  |            |            |                           |            |
| <b>Adult ICU Licensed Beds</b>         | <b>102</b>       | <b>102</b> | <b>102</b> | <b>102</b>                | <b>102</b> |
| Adult ICU Patient Days                 | 30,435           | 31,658     | 31,286     | 32,815                    | 33,209     |
| Adult ICU Occupancy %                  | 81.7%            | 84.8%      | 84.0%      | 88.1%                     | 89.2%      |
| Adult ICU Discharges                   | 1,340            | 1,335      | 1,336      | 1,401                     | 1,418      |
| Average Length of Stay                 | 22.7             | 23.7       | 23.4       | 23.4                      | 23.4       |
|                                        |                  |            |            |                           |            |
| <b>Obstetric Licensed Beds</b>         | <b>96</b>        | <b>96</b>  | <b>96</b>  | <b>96</b>                 | <b>96</b>  |
| Obstetric Patient Days                 | 24,746           | 27,538     | 28,253     | 29,634                    | 29,989     |
| Obstetric Occupancy %                  | 70.6%            | 78.4%      | 80.6%      | 84.6%                     | 85.6%      |
| Obstetric Discharges                   | 9,847            | 10,531     | 10,172     | 10,669                    | 10,797     |
| Average Length of Stay                 | 2.5              | 2.6        | 2.8        | 2.8                       | 2.8        |
|                                        |                  |            |            |                           |            |
| <b>Psychiatric Adult Licensed Beds</b> | <b>41</b>        | <b>41</b>  | <b>41</b>  | <b>41</b>                 | <b>41</b>  |
| Psychiatric Adult Patient Days         | 14,301           | 14,326     | 14,456     | 15,162                    | 15,344     |
| Psychiatric Adult Occupancy %          | 95.6%            | 95.5%      | 96.6%      | 101.3%                    | 102.5%     |
| Psychiatric Adult Discharges           | 1,119            | 1,115      | 1,042      | 1,093                     | 1,106      |
| Average Length of Stay                 | 12.8             | 12.8       | 13.9       | 13.9                      | 13.9       |
|                                        |                  |            |            |                           |            |
| <b>Psychiatric Peds Licensed Beds</b>  | <b>15</b>        | <b>15</b>  | <b>15</b>  | <b>15</b>                 | <b>15</b>  |
| Psychiatric Peds Patient Days          | 3,852            | 4,092      | 4,130      | 4,332                     | 4,384      |
| Psychiatric Peds Occupancy %           | 70.4%            | 74.5%      | 75.4%      | 79.1%                     | 80.1%      |
| Psychiatric Peds Discharges            | 562              | 560        | 566        | 594                       | 601        |
| Average Length of Stay                 | 6.9              | 7.3        | 7.3        | 7.3                       | 7.3        |
|                                        |                  |            |            |                           |            |
| <b>Medical Rehab Beds</b>              | <b>25</b>        | <b>25</b>  | <b>25</b>  | <b>25</b>                 | <b>25</b>  |
| Medical Rehab Patient Days             | 8,389            | 8,516      | 8,698      | 9,123                     | 9,233      |
| Medical Rehab Occupancy %              | 91.9%            | 93.1%      | 95.3%      | 100.0%                    | 101.2%     |
| Medical Rehab Discharges               | 605              | 714        | 764        | 801                       | 811        |
| Average Length of Stay                 | 13.9             | 11.9       | 11.4       | 11.4                      | 11.4       |
|                                        |                  |            |            |                           |            |

|                                   | Past Three Years |           |           | Projected First Two Years |           |
|-----------------------------------|------------------|-----------|-----------|---------------------------|-----------|
|                                   | 2023             | 2024      | 2025      | 2029                      | 2030      |
| <b>Alcohol/Drug Licensed Beds</b> | <b>25</b>        | <b>25</b> | <b>25</b> | <b>25</b>                 | <b>25</b> |
| Alcohol/Drug Patient Days         | 6,913            | 6,396     | 6,150     | 6,451                     | 6,528     |
| Alcohol/Drug Occupancy %          | 75.8%            | 69.9%     | 67.4%     | 70.7%                     | 71.5%     |
| Alcohol/Drug Discharges           | 2,169            | 1,929     | 1,877     | 1,969                     | 1,992     |
| Average Length of Stay            | 3.2              | 3.3       | 3.3       | 3.3                       | 3.3       |

### **Inpatient Bed Projection Methodology**

The Weldon Center for Public Service, Demographic Research Group, projects that, between 2025 and 2031, the population of PD 8, which roughly equates to IFH's primary service area ("PSA") is expected to grow at a compound annual growth rate of 1.3%.

Using 2025 as a baseline, IFH conservatively projects that inpatient discharges will grow at a rate consistent with PD 8's population growth and length of stay will remain constant.

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

The table below illustrates the historical and projected utilization of IFH's 47 GPORs.

|                                         | Actual        |               |               | Projected       |                 |
|-----------------------------------------|---------------|---------------|---------------|-----------------|-----------------|
|                                         | 2023          | 2024          | 2025          | Year 1:<br>2029 | Year 2:<br>2030 |
| Inpatient Cases                         | 11,472        | 12,373        | 12,385        | 13,063          | 13,238          |
| Outpatient Cases                        | 19,950        | 22,728        | 23,908        | 25,217          | 25,555          |
| <b>Total Cases</b>                      | <b>31,422</b> | <b>35,101</b> | <b>36,293</b> | <b>38,280</b>   | <b>38,793</b>   |
| <b>Hours</b>                            | <b>83,454</b> | <b>89,313</b> | <b>94,103</b> | <b>99,255</b>   | <b>100,586</b>  |
| <b>Hours per Case</b>                   | <b>2.66</b>   | <b>2.54</b>   | <b>2.59</b>   | <b>2.59</b>     | <b>2.59</b>     |
| <b>Approved GPORs</b>                   | <b>47</b>     | <b>47</b>     | <b>47</b>     | <b>47</b>       | <b>47</b>       |
| <b>% of SMPF (1,600 Hours per GPOR)</b> | <b>111%</b>   | <b>119%</b>   | <b>125%</b>   | <b>132%</b>     | <b>134%</b>     |
| <b>GPOR Deficit</b>                     | <b>(5.2)</b>  | <b>(8.8)</b>  | <b>(11.8)</b> | <b>(15.0)</b>   | <b>(15.9)</b>   |

The Weldon Center for Public Service, Demographic Research Group, projects that, between 2025 and 2031, the population of PD 8, which roughly

equates to IFH's PSA is expected to grow at a compound annual growth rate of 1.3%.

IFH's surgical cases are projected to increase 1.3% per year, consistent with the rate of population growth in PD 8. Average hours per surgical case are projected to remain unchanged and consistent with IFH's 2025 average hours per surgical case.

D. Existing and/or Proposed Bed Complement

**This project will have no impact on IFH's licensed bed capacity.**

| <b>Inova Fairfax Hospital</b> | <b>Distribution of Existing Licensed Beds</b> | <b>Total Beds to be Built, Remodeled</b> | <b>Total Beds to be Lost or Removed from Service</b> | <b>Total Beds After Construction</b> |
|-------------------------------|-----------------------------------------------|------------------------------------------|------------------------------------------------------|--------------------------------------|
| Adult Medical/Surgical        | 554                                           |                                          |                                                      | 554                                  |
| Adult Critical Care           | 102                                           |                                          |                                                      | 102                                  |
| Obstetrical                   | 96                                            |                                          |                                                      | 96                                   |
| Pediatric Medical/Surgical    | 92                                            |                                          |                                                      | 92                                   |
| Pediatric Critical Care       | 26                                            |                                          |                                                      | 26                                   |
| Psychiatric                   | 81                                            |                                          |                                                      | 81                                   |
| Long-Term/Extended Care       | N/A                                           |                                          |                                                      | N/A                                  |
| Self-Care                     | N/A                                           |                                          |                                                      | N/A                                  |
| Acute Rehabilitation          | 25                                            |                                          |                                                      | 25                                   |
| <b>Total Beds</b>             | <b>976</b>                                    |                                          |                                                      | <b>976</b>                           |
|                               |                                               |                                          |                                                      |                                      |
| Neonatal Intensive Care       | 108                                           |                                          |                                                      | 108                                  |
| Other Newborn Bassinets       | 114                                           |                                          |                                                      | 114                                  |

E. Facilities and Services to be Provided (Check)

| <b>Inova Fairfax Hospital</b>    | <b>Existing</b> | <b>This Project to be Added</b> | <b>This Project to be Discontinued</b> | <b>This Project to be Expanded or Renovated</b> |
|----------------------------------|-----------------|---------------------------------|----------------------------------------|-------------------------------------------------|
| 1. Post-Operative Recovery Room  | <b>X</b>        |                                 |                                        |                                                 |
| 2. Intensive Care Unit Cardiac   | <b>X</b>        |                                 |                                        |                                                 |
| Mixed                            | <b>X</b>        |                                 |                                        |                                                 |
| 3. Open Heart Surgery Facilities | <b>X</b>        |                                 |                                        |                                                 |
|                                  |                 |                                 |                                        |                                                 |

| <b>Inova Fairfax Hospital</b>                     | <b>Existing</b> | <b>This Project<br/>to be Added</b> | <b>This Project<br/>to be<br/>Discontinued</b> | <b>This Project<br/>to be<br/>Expanded or<br/>Renovated</b> |
|---------------------------------------------------|-----------------|-------------------------------------|------------------------------------------------|-------------------------------------------------------------|
| 4. Pharmacy<br>with full-time pharmacists         | <b>X</b>        |                                     |                                                |                                                             |
| with part-time pharmacists                        | <b>X</b>        |                                     |                                                |                                                             |
| 5. Diagnostic Radiological Services<br>x-ray      | <b>X</b>        |                                     |                                                |                                                             |
| ultrasonography                                   | <b>X</b>        |                                     |                                                |                                                             |
| radioisotope                                      | <b>X</b>        |                                     |                                                |                                                             |
| CT scanning                                       | <b>X</b>        |                                     |                                                |                                                             |
| MRI scanning                                      | <b>X</b>        |                                     |                                                |                                                             |
| 6. Therapeutic Radiological Services              | <b>X</b>        |                                     |                                                |                                                             |
| Specify Source(s) Used                            |                 |                                     |                                                |                                                             |
| Specify Source(s) or<br>Type(s) of Equipment Used |                 |                                     |                                                |                                                             |
| 7. Clinical Pathology Laboratory                  | <b>X</b>        |                                     |                                                |                                                             |
| 8. Organ Bank                                     | <b>X</b>        |                                     |                                                |                                                             |
| 9. Blood Bank                                     | <b>X</b>        |                                     |                                                |                                                             |
| 10. Electroencephalography                        | <b>X</b>        |                                     |                                                |                                                             |
| 11. Electrocardiography                           | <b>X</b>        |                                     |                                                |                                                             |
| 12. Respiratory Therapy                           | <b>X</b>        |                                     |                                                |                                                             |
| 13. Premature Nursery                             | <b>X</b>        |                                     |                                                |                                                             |
| 14. Self-Care Unit                                | <b>X</b>        |                                     |                                                |                                                             |
| 15. Skilled Nursing or Long-Term<br>Nursing       |                 |                                     |                                                |                                                             |
| 16. Renal Dialysis<br>acute                       | <b>X</b>        |                                     |                                                |                                                             |
| Chronic                                           | <b>X</b>        |                                     |                                                |                                                             |
| Inpatient                                         | <b>X</b>        |                                     |                                                |                                                             |
| Outpatient                                        | <b>X</b>        |                                     |                                                |                                                             |
| home dialysis training                            | <b>X</b>        |                                     |                                                |                                                             |
| 17. Burn Care Unit                                |                 |                                     |                                                |                                                             |
| 18. Physical Therapy Department                   | <b>X</b>        |                                     |                                                |                                                             |
| 19. Occupational Therapy                          | <b>X</b>        |                                     |                                                |                                                             |
| 20. Medical Rehabilitation<br>Inpatient           | <b>X</b>        |                                     |                                                |                                                             |
| Outpatient                                        | <b>X</b>        |                                     |                                                |                                                             |
| 21. Tuberculosis Unit                             |                 |                                     |                                                |                                                             |

| <b>Inova Fairfax Hospital</b>                 | <b>Existing</b> | <b>This Project<br/>to be Added</b> | <b>This Project<br/>to be<br/>Discontinued</b> | <b>This Project<br/>to be<br/>Expanded or<br/>Renovated</b> |
|-----------------------------------------------|-----------------|-------------------------------------|------------------------------------------------|-------------------------------------------------------------|
| 22. Psychiatric Services<br>inpatient         | <b>X</b>        |                                     |                                                |                                                             |
| Outpatient                                    | <b>X</b>        |                                     |                                                |                                                             |
| partial hospitalization program               | <b>X</b>        |                                     |                                                |                                                             |
| emergency services                            | <b>X</b>        |                                     |                                                |                                                             |
| foster and/or home care                       |                 |                                     |                                                |                                                             |
| Consultation                                  | <b>X</b>        |                                     |                                                |                                                             |
| 23. Clinical Psychology                       | <b>X</b>        |                                     |                                                |                                                             |
| 24. Organized Outpatient Department           | <b>X</b>        |                                     |                                                |                                                             |
| 25. Outpatient Surgery                        | <b>X</b>        |                                     |                                                |                                                             |
| 26. Social Work Department                    | <b>X</b>        |                                     |                                                |                                                             |
| 27. Family Planning Service                   |                 |                                     |                                                |                                                             |
| 28. Genetic Counseling Service                | <b>X</b>        |                                     |                                                |                                                             |
| 29. Abortion Services inpatient               | <b>X</b>        |                                     |                                                |                                                             |
| Outpatient                                    | <b>X</b>        |                                     |                                                |                                                             |
| 30. Pediatric Department                      | <b>X</b>        |                                     |                                                |                                                             |
| 31. Obstetric Unit                            | <b>X</b>        |                                     |                                                |                                                             |
| 32. Alcoholic & Detoxification<br>Department  | <b>X</b>        |                                     |                                                |                                                             |
| 33. Home Care Department                      |                 |                                     |                                                |                                                             |
| 34. Speech Pathology Services                 | <b>X</b>        |                                     |                                                |                                                             |
| 35. Audiology Services                        | <b>X</b>        |                                     |                                                |                                                             |
| 36. Hospital Auxiliary                        | <b>X</b>        |                                     |                                                |                                                             |
| 37. Volunteer Service Department              | <b>X</b>        |                                     |                                                |                                                             |
| 38. Paramedical Training Program              |                 |                                     |                                                |                                                             |
| 39. Emergency Department                      | <b>X</b>        |                                     |                                                |                                                             |
| 40. Dental Services (oral surgery)            | <b>X</b>        |                                     |                                                |                                                             |
| 41. Podiatric Services                        | <b>X</b>        |                                     |                                                |                                                             |
| 42. Pre-Admission Testing                     | <b>X</b>        |                                     |                                                |                                                             |
| 43. Pre-Discharge Planning                    | <b>X</b>        |                                     |                                                |                                                             |
| 44. Multiphasic Screening                     | <b>X</b>        |                                     |                                                |                                                             |
| 45. Other (Identify) <b>Surgical Services</b> | <b>X</b>        |                                     |                                                | <b>X</b>                                                    |

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).

| Position                  | Current    |                  | Additional  | Total        |
|---------------------------|------------|------------------|-------------|--------------|
|                           | Full-Time  | Vacant Positions | Full-Time   |              |
| OR RN                     | 186        | 20               | 3.6         | 209.6        |
| Surgical Tech             | 65         | 12               | 2.4         | 79.4         |
| Surgical Scheduler        | 16         | 0                | 0           | 16           |
| Sterile Processing Tech   | 108        | 4                | 3.6         | 115.6        |
| Anesthesia Techs          | 41         | 1                | 1           | 43           |
| Pre Op / PACU (RN & Tech) | 177        | 8                | 10.8        | 195.8        |
| Surgical Assist           | 27         | 0                | 1           | 28           |
| <b>Total</b>              | <b>620</b> | <b>45</b>        | <b>22.4</b> | <b>687.4</b> |

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

**IFH'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.), and in geographic areas well outside Northern Virginia, expanding the pool of available workers, without draining resources from other facilities.**
- **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.**
- **Inova has created targeted fellowship programs for nurses in both the perioperative and peri anesthesia areas to attract both new graduate nurses and new specialty practitioners.**
- **Inova actively engages with four accredited surgical technology programs (ECPI Manassas, Frederick Community College, Lord Fairfax Community College and Prince Georges Community College) in the community to develop surgical technologists for staffing our operating rooms.**

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

**Staffing of the proposed GPORs is not expected to impact staffing of other facilities in the service area.**

I. Attach the following information or documents

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

**Please see Attachment K.**

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

**Please see Attachment L.**

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

**Please see Attachments M.1 and M.2 for a copy of IFH's license and its most recent licensing report.**

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

**Please see Attachments N.1 and N.2 for IFH's accreditation certificate and accreditation report from The Joint Commission.**

## SECTION IV                      PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY NEED

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

**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, D.C. 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 is home to the only full-service children's hospital in Northern Virginia;**
- **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 (the only Level IV NICU in PD 8 as designated by the American Academy of Pediatrics);**
- **IFH maintains a comprehensive organ transplantation program;**
- **IFH maintains one of the largest cancer treatment programs in the Commonwealth; and**
- **IFH has been ranked the #1 best hospital in Virginia and Washington, DC for 5 years in a row by U.S. News and World Report**

### **IFH Surgical Services**

**IFH provides a full range of adult and pediatric surgical services utilizing advanced technology, ranging from routine procedures such as gallbladder and hernia surgery to the most complex neurosurgery, cardiac surgery, and transplants. IFH's medical staff includes more than 485 active surgeons who provide surgical services across 14 distinct surgical services programs.**

**The IFH Department of Surgery maintains a robust clinical research program, which includes investigator-initiated and industry-sponsored research studies designed to evaluate new surgical techniques, enhance surgical education, and improve patient outcomes.**

**An integral part of the IFH Department of Surgery's mission is to train the surgeons of tomorrow. Its five-year Surgical Residency Program is comprised of 20 residents and has four approved specialty fellowship programs in Breast Surgical Oncology, Surgical Critical Care, Gastroenterology, and Advanced Laparoscopic, Minimally Invasive and Bariatric Surgery.**

IFH is also home to the most technologically advanced surgery simulation facility in the region, The Advanced Surgical Technology and Education Center (ASTEC). The 10,000-square-foot facility combines a classroom and a large, centralized skills training area with a high-fidelity operating room environment, including pre-operative and post-anesthesia care unit bays, two functional endoscopic procedure rooms and state-of-the-art observation and recording capabilities. The Center's primary goal is to optimize the care of patients and minimize adverse outcomes through simulation-based education and training.

IFH currently has 47 GPORs, including 43 that are located on the main campus and four (4) at its Inova Woodburn Surgery Center, which operates as an outpatient department of IFH. Of the 43 GPORs on the main campus, 26 are in the main hospital building's Surgery Center, eight (8) are in the Women's and Children's Hospital building, eight (8) are in the professional services building, and one (1) is in the Heart & Vascular building. Please see Attachment G for the locations of IFH's 43 existing GPORS on its main campus and the location of the two (2) proposed GPORS on its main campus.

IFH has an institution-specific need to expand its surgical services. In 2025, the most recent VHI submission year, IFH's 47 GPORs operated at 125% of the State Medical Facilities Plan standard of 1,600 hours per GPOR. IFH expects its GPOR utilization to exceed 134% of the SMPF standard by 2030. Such utilization, as reflected in the table set forth in Section III.C above, demonstrates an immediate need for an additional 11.8 GPORs (i.e., 12 GPORs) and a need for an additional 15.9 GPORs (i.e., 16 GPORs) by 2030.

To help alleviate some of the existing surgical capacity constraints and ensure timely access to surgical services for its patient population, which is particularly critical for any tertiary/quaternary hospital, IFH conservatively seeks COPN approval for an additional two (2) GPORs. The two (2) GPORs will be relocated from the PSV ASC, which is wholly owned by PSV.

Formed in February 2013, PSV is a 50/50 joint venture between Inova Health Care Services ("Inova") and Children's National Medical Center ("Children's National") that provides pediatric specialty care in Northern Virginia. PSV operates the PSV ASC, a two (2) OR ASC established pursuant to COPN No. VA-04420, issued December 17, 2013, through the relocation and relinquishment of two (2) ORs from IFH.

Inova and Children's National have decided to dissolve PSV effective June 30, 2027. Per the PSV operating agreement between Inova and Children's National, the two (2) ORs relocated from IFH to establish the PSV ASC are to be returned to Inova upon PSV's dissolution.

**Although IFH anticipates seeking approval for additional GPORs in the future, the current space plans allow for two (2) additional GPORs. By relocating the two (2) GPORs from the PSV ASC back to IFH, IFH will address some of the existing capacity constraints on its hospital campus without increasing the number of COPN-authorized GPORs in PD 8.**

**B. Identification of Community Need**

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

**Please see Attachment O for the zip codes that fall within IFH's primary service area for surgical services, as calculated from 2025 patient origin data.**

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

**Please see Attachment O for a listing of IFH's 2025 surgery patients by zip code.**

- 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)

**Please see Attachment P.**

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

**IFH has an institution-specific need to expand its surgical services. In 2025, the most recent VHI submission year, IFH's 47 GPORs operated at 125% of the State Medical Facilities Plan standard of 1,600 hours per GPOR. IFH expects its GPOR utilization to exceed 134% of the SMPF standard by 2030. Such utilization, as reflected in the table set forth in Section III.C above, reflects an immediate need for an**

**additional 11.8 GPORs (i.e., 12 GPORs) and an additional 15.9 GPORs (i.e., 16 GPORs) by 2030.**

**Although IFH anticipates seeking approval for additional GPORs in the future, the current space plans allow for two (2) additional GPORs. By relocating the two (2) GPORs from the PSV ASC back to IFH, IFH will address some of the existing capacity constraints on its hospital campus without increasing the number of COPN-authorized GPORs in PD 8.**

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

**As the population of IFH's service area continues to grow, demand for surgical services will continue to increase over the next five years.**

**Although IFH anticipates seeking approval for additional GPORs in the future, the current space plans allow for two (2) additional GPORs. By relocating the two (2) GPORs from the PSV ASC back to IFH, IFH will address some of the existing capacity constraints on its hospital campus without increasing the number of COPN-authorized GPORs in PD 8.**

- 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.

**IFH has an institution-specific need to expand its surgical services. In 2025, the most recent VHI submission year, IFH's 47 GPORs operated at 125% of the State Medical Facilities Plan standard of 1,600 hours per GPOR. IFH expects its GPOR utilization to exceed 134% of the SMPF standard by 2030. Such utilization, as reflected in the table set forth in Section III.C above, reflects an immediate need for an additional 11.8 GPORs (i.e., 12 GPORs) now and an additional 15.9 GPORs (i.e., 16 GPORs) by 2030.**

**Although IFH anticipates seeking approval for additional GPORs in the future, the current space plans allow for two (2) additional GPORs. By relocating the two (2) GPORs from the PSV ASC back to IFH, IFH will address some of the existing capacity constraints on its hospital campus without increasing the number of COPN-authorized GPORs in PD 8. Expansion of surgical services through the addition of two (2) GPORs will help decompress IFH's surgical department utilization and provide patients with increased access to its surgical services.**

- 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.

*Part IV: General Surgical Services*

12VAC5-230-490. 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.*

**Surgical services are available in PD 8 within 30 minutes driving time of 95% of the population. COPN Request No. VA-8899 is proposed based on IFH's institution-specific need to expand surgical services.**

12VAC5-230-500. 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:*

$$\text{FOR} = \frac{((\text{ORV}/\text{POP}) \times (\text{PROPOP})) \times \text{AHORV}}{1600}$$

*Where:*

*ORV = the sum of total inpatient and outpatient general purpose operating room visits in the health planning district in the most recent five years for which general purpose operating room utilization data has been reported by VHI; and*

*POP = the sum of total population in the health planning district as reported by a demographic entity as determined by the commissioner, for the same five-year period as used in determining ORV.*

*PROPOP = the projected population of the health planning district five years from the current year as reported by a demographic program as determined by the commissioner.*

*AHORV = the average hours per general purpose operating room visit in the health planning district for the most recent year for which average hours per general purpose operating room visits have been calculated as reported by VHI.*

*FOR = future general purpose operating rooms needed in the health planning district five years from the current year.*

*1600 = available service hours per operating room per year based on 80% utilization of an operating room available 40 hours per week, 50 weeks per year.*

**Not applicable.** This project proposes expanding an existing surgical service; it does not propose establishing a new surgical service. However, in the interest of completeness, this provision is being addressed.

**The most recent five-year period for which VHI published surgery use data is available is the period from 2020-2024. Please see the table below for the values and applicable sources used in the formula resulting in a need for 202 GPORs in PD 8 in 2031.**

| Formula Variable                                                         | Value      | Source                                  | Attachment   |
|--------------------------------------------------------------------------|------------|-----------------------------------------|--------------|
| ORV (2020-2024)                                                          | 779,495    | VHI                                     | Attachment Q |
| POP (2020-2024)                                                          | 12,874,371 | Weldon Cooper Center for Public Service | Attachment R |
| PROPOP (2031)                                                            | 2,828,990  | Weldon Cooper Center for Public Service | n/a          |
| AHORV (2024)                                                             | 1.88       | VHI                                     | Attachment S |
| <b>FOR = ((779,495/12,874,371) x (2,828,990) x 1.8832)/1,600 = 201.6</b> |            |                                         |              |
| <b>COPN Authorized GPORs = 211</b>                                       |            |                                         |              |
| <b>GPORs Needed by 2031 = 202</b>                                        |            |                                         |              |
| <b>Surplus = 9 GPORs</b>                                                 |            |                                         |              |

- 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.** This project proposes expanding IFH's existing surgical services through the relocation of two (2) GPORs from the PSV ASC. As discussed throughout this application, PSV is dissolving and per the PSV operating agreement between Inova and Children's National, the two (2) ORs relocated from IFH to establish the PSV ASC are to be returned to Inova upon PSV's dissolution.

**At that time, control of the PSV space will return to Children's National. The current surgical volume at the PSV ASC will be appropriately redistributed between Inova and Children's National, and Children's National will determine its future use of the space.**

2VAC5-230-510. Staffing.

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

**All surgical services at IFH are under the direction of board-certified physicians. The same will be true of the proposed surgical services expansion.**

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 to expand its surgical services. In 2025, the most recent VHI submission year, IFH's 47 GPORs operated at 125% of the State Medical Facilities Plan standard of 1,600 hours per GPOR. IFH expects its GPOR utilization to exceed 134% of the SMPF standard by 2030. Such utilization, as reflected in the table set forth in Section III.C above, reflects an immediate need for an additional 11.8 GPORs (i.e., 12 GPORs) and an additional 15.9 GPORs (i.e., 16 GPORs) by 2030.**

**Although IFH anticipates seeking approval for additional GPORs in the future, the current space plans allow for two (2) additional GPORs. By relocating the two (2) GPORs from the PSV ASC back to IFH, IFH will address some of the existing capacity constraints on its hospital campus without increasing the number of COPN-authorized GPORs in PD 8. Expansion of surgical services through the addition of two (2) GPORs will help decompress IFH's surgical department utilization and provide patients with increased access to its surgical 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.*

**This application proposes the addition of two (2) GPORs at IFH, through the inventory-neutral relocation of GPORs from the PSV ASC. As discussed above, PSV is a 50/50 joint venture between Inova Health Care Services (“Inova”) and Children’s National Medical Center (“Children’s National”) that provides pediatric specialty care in Northern Virginia. PSV operates the PSV ASC, a two (2) OR ASC established pursuant to COPN No. VA-04420, issued December 17, 2013, through the relocation and relinquishment of two (2) ORs from IFH.**

**Inova and Children’s National have decided to dissolve PSV effective June 30, 2027. Per the PSV operating agreement between Inova and Children’s National, the two (2) ORs relocated from IFH to establish the PSV ASC are to be returned to Inova upon PSV’s dissolution.**

**In 2025, the average utilization of all Inova Health System facilities’ COPN authorized GPORs was 112% of the SMFP standard.**

**Individually, each Inova hospital operated above the SMFP standard.**

**In addition to the Inova hospitals, in 2025 Inova operated six (6) ambulatory surgery centers (ASCs).**

- **Four (4) of the six (6) ASCs are private LLCs that are jointly owned by Inova and shareholders. It is not feasible to relocate GPORs from a private entity to an Inova hospital.**
  - **Includes: Inova Loudoun Ambulatory Surgery Center, Inova Surgery Center at Franconia-Springfield, McLean Ambulatory Surgery LLC, and Northern Virginia Surgery Center**
- **Pursuant to COPN No. VA-04960, the 2 GPORs at Inova Ambulatory Surgery Center at Lorton are authorized to be relocated to Inova Franconia-Springfield Surgery Center II, which is currently under construction and is planned to open in late 2028.**
- **Inova Oakville Ambulatory Surgery Center opened in 2025 and is still ramping up.**

**Inova Health System: 2025 GPOR Utilization**

| Facility Name                                              | Operational GPORs | Total Cases   | Total Hours    | % of SMFP   | Authorized GPORs |
|------------------------------------------------------------|-------------------|---------------|----------------|-------------|------------------|
| Inova Alexandria Hospital                                  | 11                | 7,792         | 21,708         | 123%        | 6                |
| Inova Fair Oaks Hospital <sup>1</sup>                      | 14                | 11,138        | 25,047         | 112%        | 14               |
| Inova Fairfax Hospital                                     | 47                | 36,293        | 94,103         | 125%        | 47               |
| Inova Loudoun Hospital                                     | 10                | 7,809         | 18,751         | 117%        | 10               |
| Inova Mount Vernon Hospital <sup>1</sup>                   | 7                 | 4,812         | 12,095         | 108%        | 5                |
| Inova Franconia-Springfield Hospital <sup>1</sup>          | -                 | -             | -              |             | 5                |
| <b>Total Hospital GPORs</b>                                | <b>89</b>         | <b>67,844</b> | <b>171,704</b> | <b>121%</b> | <b>87</b>        |
| Inova Ambulatory Surgery Center at Lorton <sup>1</sup>     | 2                 | 384           | 1,133          | 35%         | -                |
| Inova Loudoun Ambulatory Surgery Center                    | 5                 | 5,861         | 9,063          | 113%        | 5                |
| Inova Surgery Center at Franconia-Springfield              | 5                 | 3,641         | 7,497          | 94%         | 5                |
| McLean Ambulatory Surgery, LLC <sup>2</sup>                | 2                 | 2,222         | 2,651          | 83%         | 3                |
| Northern Virginia Surgery Center                           | 4                 | 4,346         | 5,135          | 80%         | 4                |
| Inova Oakville Ambulatory Surgery Center <sup>3</sup>      | 3                 | 468           | 897            | 19%         | 3                |
| Inova Franconia-Springfield Surgery Center II <sup>1</sup> | -                 | -             | -              | n/a         | 4                |
| <b>Total ASC GPORs</b>                                     | <b>21</b>         | <b>16,922</b> | <b>26,376</b>  | <b>79%</b>  | <b>24</b>        |
| <b>Total GPORs</b>                                         | <b>110</b>        | <b>84,766</b> | <b>198,080</b> | <b>112%</b> | <b>111</b>       |
| Pediatric Specialists of Virginia                          | 2                 | 2,413         | 2,041          | 64%         | 2                |

**Source:** 2025 VHI EPICs report and Inova Health System internal record keeping.

<sup>1</sup>As part of the two projects to replace Inova Alexandria Hospital, the GPORs at Inova Alexandria, Inova Mount Vernon and Inova ASC at Lorton are authorized to be reconfigured as following. 6 GPORs from Inova Alexandria will be relocated to the Inova Alexandria Replacement Hospital. 5 GPORs from Inova Alexandria will be relocated to the Inova Franconia-Springfield Replacement Hospital. 2 GPORs from Inova Mount Vernon Hospital and 2 GPORs from Inova Lorton ASC will be relocated to Inova Franconia-Springfield Surgery Center II.

<sup>2</sup> McLean Ambulatory Surgery, LLC is adding (1) COPN-regulated GPOR, approved through COPN No. VA-04845, to the McLean Ambulatory Surgery Center, bringing the facility's total complement to three (3) GPORs; Project expected to completed December 2027

<sup>3</sup> Inova Oakville ASC opened in 2025

- 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 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.**

H. Attach copies of the following documents:

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

**Please see Attachment T.**

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

**Please see Attachments U.1 through U.6.**

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

**Please 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 participate in VHI. See Attachments W.1 and W.2 for a copy of IFH's EPICS submission for 2024 and 2025.**

- 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)

**The estimated capital costs include the cost for the proposed GPORs and the cost to move the pediatric CVOR from the Surgery Center to its new location within IFH in the Women's and Children's Hospital building.**

Part I – Direct Construction Costs

|    |                                             |                           |
|----|---------------------------------------------|---------------------------|
| 1. | Cost of materials                           | <b><u>\$6,622,531</u></b> |
| 2. | Cost of labor                               | <b><u>\$0</u></b>         |
| 3. | Equipment included in construction contract | <b><u>\$0</u></b>         |
| 4. | Builder's overhead                          | <b><u>\$0</u></b>         |

|    |                                |                           |
|----|--------------------------------|---------------------------|
| 5. | Builder's profit               | <b><u>\$0</u></b>         |
| 6. | Allocation for contingencies   | <b><u>\$652,253</u></b>   |
| 7. | Sub-total (add lines 1 thru 6) | <b><u>\$7,274,784</u></b> |

**Part II – Equipment Not Included in Construction Contract**

**If leasehold, lease expense over entire term of lease**

**(List each separately)**

|    |                                                |                           |
|----|------------------------------------------------|---------------------------|
| 8. | a. <b><u>Equipment</u></b>                     | <b><u>\$4,107,500</u></b> |
|    | b. <b><u>Equipment Installation</u></b>        | <b><u>\$150,000</u></b>   |
|    | c. <b><u>Furnishings</u></b>                   | <b><u>\$32,250</u></b>    |
|    | d. <b><u>Signage</u></b>                       | <b><u>\$16,000</u></b>    |
|    | e. <b><u>Data &amp; Telecommunications</u></b> | <b><u>\$173,000</u></b>   |
|    | f. <b><u>Contingency</u></b>                   | <b><u>\$500,000</u></b>   |
| 9. | Sub-total (add lines 8a thru 8e)               | <b><u>\$4,978,750</u></b> |

**Part III – Site Acquisition Costs (not applicable)**

|     |                                                       |          |
|-----|-------------------------------------------------------|----------|
| 10. | Full purchase price                                   | \$ _____ |
| 11. | For sites with standing structures                    | \$ _____ |
|     | a. purchase price allocable to structures             | \$ _____ |
|     | b. purchase price allocable to land                   | \$ _____ |
| 12. | Closing costs                                         | \$ _____ |
| 13. | If leasehold, lease expense over entire term of lease | \$ _____ |
| 14. | Additional expenses paid or accrued:                  |          |
|     | a. _____                                              | \$ _____ |
|     | b. _____                                              | \$ _____ |
|     | c. _____                                              | \$ _____ |

15. Sub-total (add lines 10 thru 14c) **not applicable**

**Part IV – Site Preparation Costs (not applicable)**

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) **not applicable**

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

24. \_\_\_\_\_ \$ \_\_\_\_\_

25. \_\_\_\_\_ \$ \_\_\_\_\_

26. \_\_\_\_\_ \$ \_\_\_\_\_

27. \_\_\_\_\_ \$ \_\_\_\_\_

28. Sub-total (add lines 24 thru 27) **not applicable**

**Part VI – Architectural and Engineering Fees**

29. Architect's design fee **\$636,085**

30. Architect's supervision fee **\$0**

31. Engineering fees **\$403,181**

32. Consultant's fees **\$542,100**

33. Sub-total (add lines 20 thru 32) **\$1,581,366**

**Part VII – Other Consultant Fees (List each separately) (not applicable)**

34. a. \_\_\_\_\_ \$ \_\_\_\_\_  
 b. \_\_\_\_\_ \$ \_\_\_\_\_  
 c. \_\_\_\_\_ \$ \_\_\_\_\_

35. Sub-total (add lines 34a thru 34c) **not applicable**

**Part VIII – Taxes During Construction (not applicable)**

36. Property taxes during construction \$ \_\_\_\_\_

34. List other taxes:

a. \_\_\_\_\_ \$ \_\_\_\_\_  
 b. \_\_\_\_\_ \$ \_\_\_\_\_

38. Sub-total (add lines 36 thru 37b) **not applicable**

**Part IX-A – HUD Section 232 Financing (not applicable)**

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) **not applicable**

**Part IX-B – Industrial Development Authority Revenue and General (not applicable)**

**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) **not applicable**

**Part IX\_C – Conventional Mortgage Loan Financing (not applicable)**

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) **not applicable**

**Financial Data Summary Sheet**

96. Sub-total Part I Direct Construction Cost (line 7) **\$7,274,784**
97. Sub-total Part II Equipment not included in  
construction contract (line 9) **\$4,978,750**
98. Sub-total Part III Site Acquisition Costs (line 15) **not applicable**

|      |                                                                                            |                                                                                     |                              |
|------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------|
| 99.  | Sub-total Part IV                                                                          | Site Preparation Cost (line 23)                                                     | <b><u>not applicable</u></b> |
| 100. | Sub-total Part V                                                                           | Off-Site Costs (line 28)                                                            | <b><u>not applicable</u></b> |
| 101. | Sub-total Part VI                                                                          | Architectural and Engineering fees (line 33)                                        | <b><u>\$1,581,366</u></b>    |
| 102. | Sub-total Part VII                                                                         | Other Consultant fees (line 35)                                                     | <b><u>not applicable</u></b> |
| 103. | Sub-total Part VIII                                                                        | Taxes During Construction (line 38)                                                 | <b><u>not applicable</u></b> |
| 104. | Sub-total Part IX-A                                                                        | HUD-232 Financing (line 53)                                                         | <b><u>not applicable</u></b> |
| 105. | Sub-total Part IX-B                                                                        | Industrial Development Authority Revenue & General Revenue Bond Financing (line 80) | <b><u>not applicable</u></b> |
| 106. | Sub-total Part IX-C                                                                        | Conventional Loan Financing (line 95)                                               | <b><u>not applicable</u></b> |
| 107. | <b>TOTAL CAPITAL COST (lines 96 thru 106)</b>                                              |                                                                                     | <b><u>\$13,834,900</u></b>   |
| 108. | Percent of total capital costs to be financed <b><u>0%</u></b>                             |                                                                                     |                              |
| 109. | Dollar amount of long term mortgage (line 107 x 108)                                       |                                                                                     | <b><u>not applicable</u></b> |
| 110. | Total Interest Cost on Long Term Financing                                                 |                                                                                     | <b><u>not applicable</u></b> |
|      | a.                                                                                         | HUD-232 Financing (line 53)                                                         | <b><u>not applicable</u></b> |
|      | b.                                                                                         | Industrial Development Authority Revenue & General Revenue Bond Financing (line 79) | <b><u>not applicable</u></b> |
|      | c.                                                                                         | Conventional loan Financing (line 94)                                               | <b><u>not applicable</u></b> |
| 111. | Anticipated Bond discount                                                                  |                                                                                     |                              |
|      | a.                                                                                         | HUD-232 Financing (line 53)                                                         | <b><u>not applicable</u></b> |
|      | b.                                                                                         | Industrial Development Authority Revenue & General Revenue Bond Financing (line 70) | <b><u>not applicable</u></b> |
|      | c.                                                                                         | Conventional Loan Financing (line 87)                                               | <b><u>not applicable</u></b> |
| 112. | <b>TOTAL CAPITAL AND FINANCING COST<br/>(ADD LINES 107, 110a, b or c AND 111a, b or c)</b> |                                                                                     | <b><u>\$13,834,900</u></b>   |

- |    |    |                                                                                    |                              |
|----|----|------------------------------------------------------------------------------------|------------------------------|
| D. | 1. | Estimated costs for new construction (excluding site acquisition costs)            | <b><u>not applicable</u></b> |
|    | 2. | Estimated costs of modernization and renovation (excluding site acquisition costs) | <b><u>\$13,834,900</u></b>   |

- |    |                                                   |                                       |                            |
|----|---------------------------------------------------|---------------------------------------|----------------------------|
| E. | Anticipated Sources of Funds for Proposed Project |                                       | <u>Amount</u>              |
|    | 1.                                                | Public Campaign                       | <b><u>\$0</u></b>          |
|    | 2.                                                | Bond Issue (Specify Type) _____       | <b><u>\$0</u></b>          |
|    | 3.                                                | Commercial Loans                      | <b><u>\$0</u></b>          |
|    | 4.                                                | Government Loans (Specify Type) _____ | <b><u>\$0</u></b>          |
|    | 5.                                                | Grants (Specify Type) _____           | <b><u>\$0</u></b>          |
|    | 6.                                                | Bequests                              | <b><u>\$0</u></b>          |
|    | 7.                                                | Private Foundations                   | <b><u>\$0</u></b>          |
|    | 8.                                                | Endowment Income                      | <b><u>\$0</u></b>          |
|    | 9.                                                | Accumulated Reserves                  | <b><u>\$13,834,900</u></b> |
|    | 10.                                               | Other (Identify) _____                | <b><u>\$0</u></b>          |

- 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 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 proposed project will be funded through accumulated reserves and, as such, there are no debt service costs associated with the project. Inova does**

**not expect the capital costs associated with the project to impact the cost of care at IFH.**

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

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

**This project will not impact the Inova Fairfax Hospital room rate schedule.**

**Please 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 Attachments Y.1 and Y.2 for the 2024 and 2025 audited financial statements for Inova Health System.**

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.

*Jessica K. Parker*

\_\_\_\_\_  
Signature of Authorizing Officer

**Inova Health System**

Address – Line 1

**Jessica Parker**

\_\_\_\_\_  
Type/Print Name of Authorizing Officer

**8095 Innovation Park Drive**

Address – Line 2

**Senior Director, Strategy & Planning**

\_\_\_\_\_  
Title of Authorizing Officer

**Fairfax, VA 22031**

City/State/Zip

**July 31, 2026**

\_\_\_\_\_  
Date

**703-517-9320**

\_\_\_\_\_  
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**  
**Addition of Two General Purpose Operating Rooms**

| Financial Projections                    | IFH Surgical Services (GPORs)<br>without Project |                   | Project Only     |                  | IFH Surgical Services (GPORs) +<br>Project |                     |
|------------------------------------------|--------------------------------------------------|-------------------|------------------|------------------|--------------------------------------------|---------------------|
|                                          | 2029                                             | 2030              | 2029             | 2030             | 2029                                       | 2030                |
| <b>Amounts in \$000s</b>                 |                                                  |                   |                  |                  |                                            |                     |
| <b>Statement of Revenue and Expenses</b> |                                                  |                   |                  |                  |                                            |                     |
| Gross Patient Revenue                    | \$ 2,545,911                                     | \$ 2,673,207      | \$ 103,834       | \$ 146,347       | \$ 2,649,745                               | \$ 2,819,553        |
| Deductions from Patient Revenue          |                                                  |                   |                  |                  |                                            |                     |
| Contractual/Other Discounts              | \$ 1,554,395                                     | \$ 1,632,115      | \$ 63,395        | \$ 89,351        | \$ 1,617,790                               | \$ 1,721,466        |
| Charity Deductions                       | \$ 84,791                                        | \$ 89,031         | \$ 3,458         | \$ 4,874         | \$ 88,250                                  | \$ 93,905           |
| Total Deductions from Revenues           | \$ 1,639,187                                     | \$ 1,721,146      | \$ 66,853        | \$ 94,225        | \$ 1,706,040                               | \$ 1,815,371        |
| <b>Net Patient Revenue</b>               | <b>\$ 906,725</b>                                | <b>\$ 952,061</b> | <b>\$ 36,980</b> | <b>\$ 52,121</b> | <b>\$ 943,705</b>                          | <b>\$ 1,004,182</b> |
| Operating Expenses                       |                                                  |                   |                  |                  |                                            |                     |
| Salaries, Wages, and Benefits            | \$ 298,956                                       | \$ 310,914        | \$ 12,193        | \$ 17,021        | \$ 311,149                                 | \$ 327,935          |
| Supplies                                 | \$ 197,942                                       | \$ 205,860        | \$ 8,073         | \$ 11,270        | \$ 206,015                                 | \$ 217,130          |
| Purchased Services                       | \$ 41,090                                        | \$ 42,733         | \$ 1,676         | \$ 2,339         | \$ 42,766                                  | \$ 45,073           |
| Bad Debt                                 | \$ 17,446                                        | \$ 18,318         | \$ 712           | \$ 1,003         | \$ 18,157                                  | \$ 19,321           |
| Depreciation & Amortization              | \$ 22,529                                        | \$ 23,430         | \$ 2,516         | \$ 2,880         | \$ 25,045                                  | \$ 26,310           |
| Indirect Expenses                        | \$ 100,857                                       | \$ 104,891        | \$ 4,113         | \$ 5,742         | \$ 104,970                                 | \$ 110,634          |
| Other Expenses                           | \$ 80,548                                        | \$ 83,770         | \$ 3,285         | \$ 4,586         | \$ 83,834                                  | \$ 88,356           |
| <b>Total Operating Expenses</b>          | <b>\$ 759,369</b>                                | <b>\$ 789,918</b> | <b>\$ 32,567</b> | <b>\$ 44,841</b> | <b>\$ 791,936</b>                          | <b>\$ 834,759</b>   |
| <b>Excess of Revenue Over Expenses</b>   | <b>\$ 147,356</b>                                | <b>\$ 162,143</b> | <b>\$ 4,413</b>  | <b>\$ 7,280</b>  | <b>\$ 151,769</b>                          | <b>\$ 169,423</b>   |
| <i>Inpatient Cases</i>                   | <i>12,551</i>                                    | <i>12,551</i>     | <i>512</i>       | <i>687</i>       | <i>13,063</i>                              | <i>13,238</i>       |
| <i>Outpatient Cases</i>                  | <i>24,229</i>                                    | <i>24,229</i>     | <i>988</i>       | <i>1,326</i>     | <i>25,217</i>                              | <i>25,555</i>       |
| <b>Total Surgical Cases</b>              | <b>36,780</b>                                    | <b>36,780</b>     | <b>1,500</b>     | <b>2,014</b>     | <b>38,280</b>                              | <b>38,793</b>       |

| Expected Payor Mix <sup>1</sup> |               |
|---------------------------------|---------------|
| Medicare                        | 25.9%         |
| Medicaid                        | 13.1%         |
| Commercial                      | 52.9%         |
| Self-Pay                        | 4.7%          |
| Charity                         | 3.3%          |
| <b>TOTAL</b>                    | <b>100.0%</b> |

<sup>1</sup> Inova Fairfax Hospital is owned by Inova and thus would fall under Inova's system-wide charity care condition.

**Pro Forma Assumptions:**

- 2029 and 2030 surgical case volumes for IFH Surgical Services Without Project held at projected 2026 surgical cases due to capacity constraints
- Annual inflation estimates: gross charge per case = 5%, net revenue per case = 2%, all expenses 4%