

**Health Systems Agency of Northern Virginia
Board of Directors Meeting
Teleconference Meeting
June 13, 2022**

Members Present

Michael Carrasco
Linda Cook
Tom Fonseca, Chairperson
Michelle Kimmel
Pamela Kincheloe, RN
Patrice Lepczyk
Lydia Lawrence
Sally Patterson
Terry West

Staff Present

Ann McFeeley
Dean Montgomery

Guests (Partial List)

Kathy Johnson, RN, PhD, CEO, Sentara Northern Virginia Hospital Center
Matt Mathias, Loudoun Medical Group
Nathan Mortier, Sands Anderson, Counsel, Loudoun Medical Group
Eric Norby, MD, President & Medical Director, Woodburn Nuclear Medicine
Patrick Oliverio, MD, Chairman, Diagnostic Radiology, Inova Fairfax Hospital
Jessica Parker, Senior Director, Strategy and Planning, Inova Health System
Aaron Stack, MD, Woodburn Nuclear Medicine
Thomas Stallings, McGuireWoods, Counsel, Reston Hospital Center
Christine Tran, MD, Loudoun Medical Group
Justin Zakia, CEO, Fairfax Radiology Centers

I. Call to Order

Tom Fonseca, Chairperson, Health Systems Agency of Northern Virginia (HSANV), called the meeting to order at 7:32 PM. He welcomed those present and reviewed the agenda.

Fonseca stated that, among other matters, the Committee would hold public hearings on four certificate of public need (COPN) applications:

- Woodburn Nuclear Medicine, Establish CT Scanning Service (COPN Request VA-8624)

- IFRC, Establish CT Scanning Service (COPN Request VA-8633)
- Reston Hospital Center, Establish CT Scanning Service (COPN Request VA-8635)
- Loudoun Medical Group, Establish CT Scanning Service (COPN Request VA 8639)

II. Previous Minutes

Minutes of the May 9, 2022 meeting were approved.

III. Conflict of Interest

Fonseca followed established HSANV conflict of interest procedures to determine whether any member had a conflict of interest on any of the applications on the agenda. No conflicts were declared, alleged, or otherwise identified.

IV. Public Hearings: **Woodburn Nuclear Medicine, Establish CT Scanning Service (COPN Request VA-8624)** **IFRC, Establish CT Scanning Service (COPN Request VA-8633)** **Reston Hospital Center, Establish CT Scanning Service (COPN Request VA-8635)** **Loudoun Medical Group, Establish CT Scanning Service (COPN Request VA 8639)**

HSANV Staff Review

Dean Montgomery presented the HSANV staff assessment of the applications. He noted that under Virginia certificate of public need (COPN) regulations the applications, all of which call for establishing diagnostic CT scanning services, are competing proposals. One of the applications, the IFRC proposal, is to replace and relocate an aging CT scanner, and would not result in an increase regional capacity. The other three propose to develop new services and would add one CT scanner each to the regional licensed complement.

Examination of the applications, in the context of regulatory requirements, the regional CT service market, and local service capacity and trends indicates that:

1. Demand for CT scanning and regional CT scanning capacity are in balance. The Virginia State Medical Facilities Plan (SMFP) public need determination formulation suggests a regional need for 65 CT scanners. The region now has 63 authorized scanners with two others pending before the Virginia Commissioner of Health with recommendations of approval.
2. Locally, Hospital based scanners have high use, more than 2.5 time the service volumes of freestanding CT services. There is substantial unused capacity among freestanding CT services, the type of service proposed by the applicants.
3. There is no evidence of need for additional CT services or capacity.
4. The rationale for, and value of, replacing and relocating the IFRC CT service is evident.
5. Though Virginia rules and regulations are silent on the question of emergency service capacity, there is no evidence of a public need for additional satellite emergency services in Northern Virginia or for CT scanners to support such services.
6. The capital outlays proposed vary depending on the nature and purpose of the project, but all are within the capital expenditure ranges commonly seen for similar projects.

Based on these considerations and findings, and on the data and arguments presented in the applications, staff conclude that the IFRC application qualifies for approval, but there is no indication of a public need for the other projects.

Woodburn Nuclear Medicine Presentation

Eric Norby, President & Medical Director, Woodburn Nuclear Medicine (WNM), introduced himself and Aaron Stack, MD, a WNM radiologist and nuclear medicine specialist. Norby and Stack discussed the history of WNM, which does business at Metro Region PET, and its experience in providing diagnostic CT scans with its PET-CT scanner.

Among other considerations, Norby and Stack emphasized several points, including

- WNM began providing diagnostic CT scanning nearly twenty years ago (2004) after it upgraded its original PET scanner to a PET-CT device and physicians who referred patients for PET imaging began referring patients for diagnostic CT scans unrelated to PET imaging.
- WNM does not, and will not, advertise or otherwise promote its diagnostic CT scanning service.
- WNM disagreed with HSANV staff assessment of the WNM proposal, especially the characterization of its history as idiosyncratic and its position in providing large numbers of diagnostic CT scans with its PET-CT scanner as anomalous. Moreover, WNM asserted that it began providing diagnostic CT scans with the agreement and approval of HSANV and has always cooperated with the agency in providing requested information on its operations.
- WNM filed the current COPN application after talking DCOPN officials and being encouraged to do so.
- WNM's PET-CT service incorporates a 16 slice CT scanner. A faster state-of-the-art scanner is needed to serve its diagnostic CT patients better and more efficiently.

Board & Staff Questions, Discussion

In response to questions, Norby stated that

- WNM has no history of advertising or otherwise promoting its diagnostic CT service. It does not anticipate a significant increase in the service volume it has had in recent years and will not attempt to increase service volumes.
- WNM did not file a COPN application to acquire a CT scanner when it began to perform diagnostic CT scans because there was no way for a PET-CT service such as WNM to do so.
- WNM initiated its diagnostic CT service under an "agreement" and with the knowledge and support of HSANV. Challenged on this claim, Norby acknowledged that there was (is) no such written agreement or any other memorialization of the arrangement. He insisted that it was a "gentleman's agreement" between the agency (Montgomery) and WNM (Norby). The parties agreed to disagree on this point.

Public Comment

There was no public comment on the WNM application other than statements of support included in the application.

IFRC Presentation

Jessica Parker, Senior Director, Strategy and Planning, Inova Health System, introduced herself and others representing the applicant: Patrick Oliverio, MD, Chairman, Diagnostic Radiology, Inova Fairfax Hospital, and Justin Zakia, CEO, Fairfax Radiology Centers.

Parker, Oliverio and Zakia discussed the nature and structure of the proposal and the reasons for replacing the IFRC CT scanner and relocating the imaging center in which it is housed. Among other factors, they emphasized:

- The IFRC scanner is near the end of its useful life and must to be replaced.
- The building in which the imaging center is now located has a number of structural problems that make efficient diagnostic imaging operations difficult. The service is to be moved to an appropriate location.
- The proposal is inventory neutral. It will not result in an increase in regional CT scanning services or capacity.
- Projected capital costs are reasonable, within the range seen for similar projects locally and statewide.
- There would be no change in the primary service area. Relocation of the service, about 1.3 miles from the current site, will not affect demand at or use of other CT services.
- Replacement and relocation of the dated scanner is consistent with applicable provisions of the Virginia State Medical Facility Plan (SMFP).

Board & Staff Questions, Discussion

In response to questions IFRC representatives stated:

- Though Inova Health Care Services is the senior partner in the IFRC joint venture, the imaging center is not a department of an Inova hospital. Its costs and charges are not hospital based. They are set and negotiated separately, independently.

Public Comment

There was no public comment other than the letters of support submitted as a part of the application.

Reston Hospital Center Presentation

Thomas Stallings, Counsel, Reston Hospital Center (RHC), presented the application. The topics and substance of the RHC argument are summarized in the slides Stallings referenced (Attachment 1). Among other factors and considerations, he stated:

- According to the most recent Virginia certificate of public need (COPN) report on CT scanning in PD 8 (Northern Virginia) there is a need for one scanner in the region.
- The distribution of existing CT services, and demography indicate that eastern Prince William County is the appropriate location for that needed CT service.
- Reston Hospital Center, which provides excellent CT scanning and emergency medical care, is the appropriate service provider to establish the needed services.

- The proposed location is in an area of Prince William County that is underserved in terms of CT services and emergency medical services.
- The project would improve access to CT services and emergency medical care in eastern Prince William.
- The project is endorsed by the Prince William County Fire and Rescue service.

Board & Staff Questions, Discussion

In response to questions, Stallings stated that

- The CT service that would be placed at the Woodbridge facility would be a hospital based service with Reston Hospital Center charges.
- RHC has not developed an estimate of the number emergency department residents that may need to be admitted to a hospital. Nor has it determined where they would be admitted or how they would get to the admitting hospital.

Public Comment

Jessica Parker, Senior Director, Strategy and Planning, Inova Health System, spoke in opposition to the proposal. She stated in abbreviated form the basic facts and arguments that indicate the project is inconsistent with applicable COPN regulations and would be contrary to the public interest. These and related concerns are presented in detail in Inova's written opposition to the project (Attachment 2).

Kathy Johnson, RN, PhD, CEO, Sentara Northern Virginia Hospital Center, spoke in opposition to the proposal. She focused on the inconsistency of the project with COPN regulations and on the potential negative effects of the Reston Hospital Center project at SNVMC. These concerns are presented in detail in Sentara's written testimony (Attachment 3).

Loudoun Medical Group Presentation

Nathan Mortier, Counsel, Loudoun Medical Group (LMG), introduced himself Matt Mathias, Loudoun Medical Group, and Christine Tran, MD, Loudoun Medical Group. Mortier, Mathias and Tran discussed the composition of LMG, basic elements of the proposal, and the reasons for seeking authorization to establish a CT service now. A summary of their presentation is attached (Attachment 4). Among other considerations, they indicated that:

- LMG has grown into a large multispecialty medical group with more than 100 physicians serving approximately 250,000 people, principally residents of Loudoun County and Fairfax County.
- The group established an imaging center in a Lansdowne medical office building in 2021 with a number diagnostic imaging services not subject to COPN regulation. CT scanning would complement and supplement these other diagnostic imaging services.
- LMG does not have a CT scanner, but there is sufficient demand among the constituent medical groups to use a scanner efficiently.
- CT scanning offered at LMG would be less costly than the services now used by most LMG patients.
- Offering CT scanning in the location proposed would reduce geographic and economic barriers to care for many LMG patients.
- The project is consistent with the Virginia State Medical Facility Plan (SMFP).

Board & Staff Questions, Discussion

In response to questions, Mortier stated that

- LMG does not have a CT scanner, or any other COPN regulated equipment, at any of its practice locations.
- Though it has substantial unused capacity and freestanding facility costs and charges, LMG does not routinely refer patients to the Fair Oaks Imaging Center (FOIC) which is owned and operated by Reston Radiology Consultants, the radiology group that would provide professional radiology services at the Lansdowne CT service. The FOIC service is not seen as being conveniently located for LMG patients.

Public Comment

There was no public comment other than letters of support submitted with the application.

Final (Summary) Presentations

Woodburn Nuclear Medicine

Eric Norby stated that the applicant did not think there was a need to make additional comment.

IFRC

Jessica Parker restated the basic elements of, and rationale for, the IFRC project and offered to answer additional questions.

Reston Hospital Center

Tom Stallings summarized the RHC perspective and argument for the project. He disputed the Sentara Northern Virginia Medical Center and Inova Health System criticism of the proposal, and suggested that attention and discussion should focus on the support of the project by the Loudoun County Fire and Rescue service.

Loudoun Medical Group

Nathan Mortier said LMG is enthusiastic about the potential of developing an in house CT service to meet the needs of its patients.

Staff Recommendations

Based on the information presented in the agency staff report on the applications, on the testimony presented earlier by WNM, IFRC, RHC and LMG representatives, and on the public testimony submitted and presented, Montgomery recommended approval of the IFRC application and denial of the RHC application.

Noting the absence of evidence of a regional need for additional scanner capacity, coupled with substantial unused capacity in freestanding CT services which operate at about 60% of nominal planning

capacity, he recommended that the WNM and LMG applications be withdrawn or deferred until there is evidence of a regional need for additional CT capacity. If not withdrawn or deferred, he recommended that they be denied.

Board Deliberation and Votes

Woodburn Nuclear Medicine, COPN Request VA-8624

Pam Kincheloe offered a motion to recommend approval of the application. Patrice Lepczyk seconded the motion. The motion passed by a vote of six in favor (Carrasco, Cook, Kincheloe, Kimmel, Lepczyk, West) and three (Fonseca, Patterson, Lawrence) opposed.

IFRC, COPN Request VA-8633

Michelle Kimmel offered a motion to recommend approval of the application. Pamela Kincheloe seconded the motion. The motion passed by a vote of nine in favor (Carrasco, Cook, Fonseca, Kimmel, Kincheloe, Lawrence, Lepczyk, Patterson, West) and none opposed.

Reston Hospital Center, COPN Request VA-8635

Michelle Kimmel offered a motion to recommend denial of the application. Sally Patterson seconded the motion. The motion passed by a vote of eight in favor (Carrasco, Cook, Fonseca, Kimmel, Kincheloe, Lawrence, Patterson, West) and one (Lepczyk) opposed

Loudoun Medical Group, COPN Request VA-8639

Pam Kincheloe offered a motion to recommend approval of the application. Linda Cook seconded the motion. The motion passed by a vote of six in favor (Carrasco, Cook, Kincheloe, Kimmel, Lepczyk, West) and three (Fonseca, Patterson, Lawrence) opposed.

V. Other Business

The next HSANV board meeting was set for Monday, June 27, 2022.

VI. Adjourn

Fonseca adjourned the meeting 9:35 P.M.

Respectfully submitted,



Dean Montgomery

Attachments (4)