

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 – 102.12 OF

THE CODE OF VIRGINIA OF 1950, AS AMENDED)

OUTPATIENT FACILITIES

COPN Request No. VA- 8728

IFRC, LLC

**Establish CT Services at Fairfax Radiology of Springfield
Through the Acquisition of One CT Unit**

September 29, 2023

SECTION I FACILITY ORGANIZATION AND IDENTIFICATION

A. IFRC, LLC d/b/a Fairfax Radiology Center of Springfield

Official Name of Facility

5501 Backlick Road

Address

Springfield

City

VA

State

22151

Zip

(703) 698-4485

Telephone

B. IFRC, LLC

Legal Name of Applicant

8260 Willow Oaks Corporate Drive, Suite 750

Address

Fairfax

City

Virginia

State

22031

Zip

C. Chief Administrative Officer

Lance Boyd, Acting CEO

Name

8260 Willow Oaks Corporate Drive, Suite 750

Address

Fairfax

City

Virginia

State

22031

Zip

(703) 698-4444

Telephone

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

Paul Dreyer, Sr. Director, Strategic Planning, Inova Health System

Name

8095 Innovation Park Drive

Address

Fairfax

City

Virginia

State

22031

Zip

(703) 403-7598

N/A

Telephone

Facsimile

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

Will the facility be operated by the owner? Yes _____ No X _____

Owner of the Facility

(Check one)

(1) _____

(2) _____

(3) _____

(4) X _____

Proprietary

(1) Individual

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

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

(4) Other _____ Identify

Operator of Facility

(Check one)

(1) _____

(2) _____

(3) _____

(4) X _____

The owner is IFRC, LLC ("IFRC"). Please see Attachment A for a copy of IFRC's articles of organization.

The operator is Fairfax Radiology Centers, LLC ("FRC, LLC"). Please see Attachment B for a copy of FRC, LLC's articles of organization.

Non-Profit

(5) _____

(5) Corporation-attach copy of Articles of Incorporation and Certificate of Incorporation

(5) _____

(6) _____

(6) Other _____ Identify

(6) _____

Governmental

(7) _____

(6) State

(7) _____

(8) _____

(8) County

(8) _____

(9) _____

(9) City

(9) _____

(10) _____

(10) City/County

(10) _____

(11) _____ (11) Hospital Authority or Commission (11) _____

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 12.75 years
 (4) _____ Renewable lease, renewable every _____ years
 (5) _____ Other

See Attachment C for a copy of the lease for the Backlick Road space. The lease term is 12 years and 10 months (154 months total). The estimated lease commencement date is September 1, 2024, and the estimated lease expiration date is June 30, 2037. The term of the lease may be extended for an additional two (2) five-year renewal options through June 30, 2047.

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.

IFRC is a Virginia limited liability company with two members (i.e., owners):

Inova Health Care Services (Majority Owner)
8095 Innovation Park Dr
Fairfax, Virginia 22031

Fairfax Radiological Consultants, PLLC (Minority Owner)
8260 Willow Oaks Corporate Office Drive, Suite 750
Fairfax, VA 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.

IFRC is a Virginia limited liability company. Its board members are set forth below. Board members appointed by Inova may be reached at the Inova Health Care Services address set forth above and board members appointed by Fairfax Radiological Consultants, PLLC may be reached at the Fairfax Radiological Consultants, PLLC address set forth above.

Toni Ardabell, MSN, Chief of Clinical Enterprise Operations, Inova (chair)
Alice Pope, MBA, CPA, Chief Financial Officer, Inova
Susan Carroll, President of Inova Loudoun Hospital and Senior VP, Inova
David Spinosa, MD, Fairfax Radiological Consultants, PLLC
Patrick Oliverio, MD, Fairfax Radiological Consultants, PLLC
Sean Mcleary, Administrator, Clinical Platforms and VP, Professional Services, Inova
Edward Greenberg, MD, Fairfax Radiological Consultants, PLLC

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

As reflected above, IFRC is a Virginia limited liability company. Its officers are as follows:

**Lance Boyd, Acting Chief Executive Officer
Kim Masters, Chief Operating Officer
Alice Pope, Secretary/Treasurer**

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

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

- (b) In the case of a non-profit corporation also attach: **Not Applicable.**

- (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

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

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

- (d) In the case of other types of ownership, also attach such documents as will clearly identify the owner. **Not Applicable.**

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

Not Applicable. IFRC has no subsidiaries.

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

IFRC is owned by Inova Health Care Services and Fairfax Radiological Consultants, PLLC, each of which are members.

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.

The manager/operator of IFRC's Springfield imaging facility is Fairfax Radiology Centers, LLC ("FRC, LLC"). As discussed herein, IFRC intends to relocate its Springfield facility from its existing location on Alma Lane to a new location on Backlick Road and, in connection with the relocation, to establish CT services. FRC, LLC will remain the manager/operator of the facility following its relocation. FRC, LLC's address is as follows:

**Fairfax Radiology Centers, LLC
8260 Willow Oaks Corporate Drive
Suite 750
Fairfax, VA 22031
Attention: Lance Boyd**

FRC, LLC's registered agent is CT Corporation System:

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

- J. 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.

IFRC is planning to relocate its existing outpatient imaging center in Springfield at 5510 Alma Lane to 5501 Backlick Road and, pursuant to this COPN application, to establish CT services at the Backlick Road site through the acquisition of one CT unit. The space lease for the Alma Lane site ends September 30, 2024. Subject to timely COPN approval, the CT is anticipated to be operational at the new Backlick Road site by October 1, 2024.

Imaging services at the Springfield facility are, and will remain under, the management/operation of FRC, LLC following the relocation of the site. Please see Attachment D for a copy of the Administrative Services Agreement between IFRC, LLC and FRC, LLC. Note: Some items were redacted as they are confidential in nature but do not affect compliance with this item.

SECTION II

ARCHITECTURE AND DESIGN

A. Location of the Proposed Project

1. Size of site: 3.884 acres
2. Located in Fairfax County / PD 8 City/County/Planning District
3. Address or directions: 5501 Backlick Rd., Springfield, VA 22151
4. Has site been zoned for type of use proposed:

X Yes The property/complex is zoned for C-2 (Commercial). C-2 is predominantly for non-retail commercial uses, such as offices, financial institutions, and other similar uses. It is intended to provide for those types of uses in a low-intensity manner so they can serve as a transition between higher intensity uses and residential uses. The subgroup “Office” is defined as “A building or portion of a building used for professional, executive, management, financial, research, or administrative business or activities. An office may also include an artist’s studio, research and experimentation in a laboratory, and medical or dental services.” See Attachment E – 5501 Backlick Road Zoning Map.

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 **Establishment of CT services through the acquisition of one CT unit.**

C. Design of the facility

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

IFRC's plans are guided by FRC's mission, vision and values as set forth in Attachment F.

FRC's mission is:

FRC exists to provide exceptional access to world-class, patient-centered radiological care, for every patient, every time.

FRC's vision is:

To be the first choice of every patient and referring physician in our growing community.

FRC's values are:

Respect, Trust, Compassion, and Innovation.

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

The proposed project involves the establishment of CT services through the acquisition of one CT unit.

IFRC plans to relocate its existing Springfield imaging center 0.3 miles from 5510 Alma Lane to 5501 Backlick Road. The current Alma Lane facility is located in an aged building and space is cramped, even for the existing complement of imaging services. IFRC currently offers screening mammography, x-ray, and dexa at its Alma Lane site, and upon relocation to the larger Backlick Road facility space, would expand the scope of services offered to include CT services (subject to COPN approval) and ultrasound.

IFRC intends to relocate its Springfield imaging center no later than September 2024, when the space lease for the Alma Lane site ends. Expanding the size of the facility through relocation to the new site, combined with a more comprehensive service offering, will enhance access to care, continuity of care, and the patient experience. This project directly aligns with FRC's vision to provide exceptional access to world-class, patient-centered radiological care, for every patient, every time.

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

The Backlick Road site is conveniently located close to major throughfares and local roads including Interstates 95 and 395. It provides quick access to the Beltway via Braddock Road, and two Metro stations (Franconia-Springfield and Van Dorn Street). There is a bus stop right in front of the building (at the corner of Backlick Road and Leesville Boulevard) serviced by multiple bus lines, including (i) Fairfax Connector Route 322, which travels between the Franconia-Springfield Metro and VRE Station to the Van Dorn Metro, (ii) Fairfax Connector Route 401, which travels between the Franconia-Springfield Metro and VRE to the Tysons Corner Metro station, (iii) Metro bus line 17B Kings Park, which travels between the Pentagon and Burke Centre, and (iv) Metro bus line 17M, which travels between the Pentagon and North Springfield.

- (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 Backlick Road site includes ample free covered and surface parking for patients, visitors, and staff, including handicapped parking optimally adjacent to the entrance door. A full building renovation was completed in Q3 2021 so the building has been updated and modernized and is even equipped with free electric car charging stations. Both building ownership and management is on-site. The property is zoned for C-2 (Commercial). See Attachment E – 5501 Backlick Road Zoning Map.

Adequate public utilities currently exist on site, including water, sewer, and solid waste services.

- (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.

IFRC intends to relocate its existing Springfield imaging facility 0.3 miles from the current Alma Lane site to 5501 Backlick Road. The space lease for the Alma Lane location expires September 30, 2024, at which time the space will be returned to the lessor.

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

The Backlick Road space utilizes energy saving features consistent with local building ordinances, including occupancy sensor-controlled lighting in support areas. The renovations necessary for buildout of the space will be compliant with local energy calculation requirements and specifications for high efficiency mechanical equipment.

- 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. The entire suite that will house the imaging center will be conditioned with a new, dedicated rooftop HVAC unit and variable air volume (VAV)

conditioning system. The CT scan room specifically will be equipment with a dedicated VAV unit with humidity control. The project does not require additional utility services. The water/sewer service and electrical capacity has been evaluated by the professional services provider to determine the adequacy of the mechanical, electrical, and plumbing (MEP) systems as part of the due diligence at the site. Please see Attachment H for a letter from Aitken-Sadlik Architects evidencing the availability of utilities at the site.

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.

Item #1 was not checked; however, the total square footage leased by IFRC for the imaging facility at the new Backlick Road site is 7,182.7 gross square feet (6,246.4 net square feet) of which 1,008 gross square feet (877 net square feet) will be dedicated to the proposed CT unit and an additional 825 gross square feet (717.4 net square feet) will be attributed to common areas related to the CT unit. The remainder of the space will be utilized for mammography, dextra, ultrasound and x-ray as well as for the common areas, which will include reception, waiting area, offices, restrooms, break room and storage space.

- 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. There are no patient rooms. The CT unit will be located in a dedicated outpatient setting. The facility will continue to offer co-located imaging services as described in Section II.C.2 above. The incremental space attributable to the CT comprises a total of 1,594.4 square feet as noted above in subsection 1.a.

2. If Item #2 was checked in II-B, specify: **Not Applicable**

- 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.)

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

The CT service will comply with existing state and federal guidelines and regulations. The design was developed with input from clinicians and experts in health facilities design. A test fit was completed to create the space to optimally accommodate the CT unit in compliance with the CT equipment vendor specifications and all FGI and other regulatory requirements.

- 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 G.

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

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

Please see Attachment I. The incremental space attributable to the CT comprises a total of 1,594.4 square feet as noted above in subsection 1.a.

- H. Construction Time Estimates

1. Date of Drawings: Preliminary 8/11/23 Final est 10/5/23
2. Date of Construction: Begin COPN approval + 1 month
Completion est COPN approval + 4 months
3. Target Date of Opening: October 1, 2024

SECTION III

SERVICE DATA

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

Pursuant to this COPN Request No. VA-8728, IFRC proposes to establish CT services at its relocated Springfield imaging facility through the acquisition of one CT unit. As discussed in Section II of this COPN application, IFRC plans to relocate its existing Springfield imaging center 0.3 miles from the current Alma Lane site to 5501 Backlick Road and, in connection with the relocation, to expand the scope of services to include CT (subject to COPN approval) and ultrasound, in addition to the mammography, x-ray and dextra scanning that IFRC already offers at the current Springfield location.

IFRC proposes to establish CT services at the relocated Springfield imaging facility to address high and growing demand for CT services at its existing CT sites and to improve access to CT services for its patient population that resides in and near Springfield. In 2022, IFRC performed more than 9,800 CT procedures at its existing CT sites on patients who reside in its Springfield facility's primary service area ("PSA"). Placement of a CT unit at IFRC's Springfield facility is expected to address capacity constraints at IFRC's other CT sites by establishing an additional access point at a location near where many of its CT patients reside.

IFRC currently operates a total of 8 CT units (and is COPN-approved for an 9th)¹ at 7 locations in PD 8. In 2022, IFRC's 8 existing CT units performed a total of 58,383 CT procedures, placing utilization at 99% of the SMFP utilization standard of 7,400 procedures per unit. CT volume is increasing, and based on annualized August 2023 year-to-date data, IFRC's CT units are on pace to perform 62,508 CT procedures in 2023, placing utilization at 106% of SMFP standard. The additional CT unit approved for IFRC's Arlington Boulevard location (see footnote 1) will not be sufficient to address IFRC's capacity constraints across its CT imaging sites, particularly as volume continues to grow; based on annualized August year-to-date utilization data, IFRC's CT units, including the 9th COPN-approved CT unit, are expected to operate at 97% of the SMFP utilization standard in 2023.

Importantly, in addition to IFRC's need for additional CT capacity, there is also a computational need for additional CT capacity in PD 8. In its July 19, 2023 DCOPN staff report on COPN Request Nos. VA-8700 and VA-8703, DCOPN calculated a need for 9 additional CT scanners in PD 8. Approval of IFRC's COPN Request No. VA-8728 will address IFRC's need and a planning district need for additional capacity and, importantly, will do so without harming other providers because the project is designed to served IFRC's existing patient population.

CT is a widely utilized, essential diagnostic imaging modality. A CT produces high-resolution images of the inside of the body that can help diagnose a variety of

¹ In August 2023, the Commissioner issued COPN No. VA-04855, authorizing IFRC to add a second CT unit to its Fairfax Radiology Center of Prosperity imaging facility located at 8503 Arlington Boulevard in Fairfax, Virginia.

conditions and injuries, such as brain aneurysms, stroke, tumors, joint abnormalities caused by trauma or repetitive injuries, disk abnormalities in the spine, or bone infections. It combines a series of X-ray images taken from different angles around the body and uses computer processing to create cross-sectional images (i.e., slices) of the bones, blood vessels and soft tissues inside the body providing more detailed information than plain X-rays do.

CT is frequently ordered and used for the detection, staging and follow-up treatment of cancer and to monitor the effectiveness of treatment. It is also used to detect and monitor heart disease, lung nodules, and liver masses and to plan medical, surgical or radiation treatment. CT angiography may be ordered to assess a person's risk of heart disease or detect damage to blood vessels in the form of aneurysms or blockages. Prior to the exam, the blood vessels are injected with dye to make the flow of blood through the body more visible. For these populations, being able to schedule timely diagnostic imaging is very important.

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

Continuity of care has always been, and remains, a priority for Inova Health Care Services and Fairfax Radiology Consultants, PLLC, which own IFRC. IFRC employs several mechanisms and technologies that facilitate the inclusion of patients, referring physicians and other care providers in our processes, making IFRC staff and radiologists valuable members of the patient care team. Measures and steps to assure continuity of care include, without limitation, the following:

Record Continuity

IFRC maintains a physician portal connecting to the EMR which provides all members of the patient care teams access to pertinent patient information such as diagnostic images, radiologist reports and other pertinent information from past visits. That portal is accessible 24/7.

IFRC has the ability to securely send images and reports electronically to external EMRs.

Clinician/Patient Continuity

In addition to the physician portal, IFRC patients have access to a patient portal where they can securely view their images and the radiologist's reports.

The radiologist uses a "call center" that facilitates connecting the referring physicians to the radiologist for patient consultation.

- C. What procedures are utilized in quality care assessment?

IFRC has adopted protocols and procedures used across the enterprise. These protocols and procedures are designed to ensure quality of care and incorporate the concepts and functions of continuous quality improvements. Examples are as follows:

Patient Safety

All CT units are inspected annually by a physicist and receive regularly scheduled preventative maintenance several times per year. In addition, IFRC contracts with a physicist who serves as the certified Radiation Safety Officer (“RSO”). The RSO has specialized training in CT safety, risk factors and emergency response and works with staff and site managers to develop and implement safety protocols. Any deficiencies are handled by the equipment vendor for correction and reported to the Patient Safety Committee.

The Patient Safety Committee is composed of a multidisciplinary team. The Committee is headed by the Chief Operating Officer and is comprised of clinical directors, site managers and technology specialists. This crossover of departments ensures that everyone who could be involved in a radiation producing area is represented.

Quality of Radiologist and Technologist

Fairfax Radiological Consultants, PLLC, staffs IFRC’s facilities, including the Springfield facility, and will continue to staff the facility following the establishment of CT services. The practice is comprised of a diversified group of radiologists who are board certified in many areas of expertise. The technologists are all licensed by the Virginia Department of Health and certified by the applicable governing organization (which varies by modality) and annual competency assessments ensure their ability to perform procedures and carry out safe patient care.

- D. Describe the plan for obtaining additional medical, nursing and paramedical personnel required to staff the project following completion and identify the sources from which such personnel are expected to be obtained.

Please see the response to Section III.I.

- E. Facilities and Services to be Provided (Check)

The response set forth below reflects the addition of CT unit to the proposed site. Approval requested will result in the acquisition of 1 CT unit.

	<u>Existing</u>	<u>This Project To be Added</u>	<u>This Project to be Discontinued</u>
1. Outpatient Surgery	_____	_____	_____
2. Post Operative Recovery Room	_____	_____	_____
3. Pharmacy with full-time pharmacists	_____	_____	_____
part-time pharmacists	_____	_____	_____

4.	Diagnostic Radio- logical Services			
	x-ray	<u>X</u>	<u> </u>	<u> </u>
	radioisotope	<u> </u>	<u> </u>	<u> </u>
	CT scanning	<u> </u>	<u>X</u>	<u> </u>
5.	Therapeutic Radio- logical Services	<u> </u>	<u> </u>	<u> </u>
	Specify Source(s) or Type(s) or Equipment Used	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.	Clinical Pathology Laboratory	<u> </u>	<u> </u>	<u> </u>
7.	Blood Bank	<u> </u>	<u> </u>	<u> </u>
8.	Electroencephalo- graphy	<u> </u>	<u> </u>	<u> </u>
9.	Electrocardiography	<u> </u>	<u> </u>	<u> </u>
10.	Ultrasonography	<u> </u>	<u>X</u>	<u> </u>
11.	Respiratory Therapy	<u> </u>	<u> </u>	<u> </u>
12.	Renal Dialysis	<u> </u>	<u> </u>	<u> </u>
	chronic outpatient	<u> </u>	<u> </u>	<u> </u>
	home dialysis training	<u> </u>	<u> </u>	<u> </u>
13.	Alcoholism Service	<u> </u>	<u> </u>	<u> </u>
14.	Drug Addiction Service	<u> </u>	<u> </u>	<u> </u>
15.	Physical Therapy Department	<u> </u>	<u> </u>	<u> </u>
16.	Occupational Therapy Department	<u> </u>	<u> </u>	<u> </u>
17.	Medical Rehabilitation			

18.	outpatient Psychiatric Service	_____	_____	_____
	outpatient	_____	_____	_____
	emergency service	_____	_____	_____
19.	Clinical Psychology	_____	_____	_____
20.	Outpatient Emergency Service	_____	_____	_____
21.	Social Service	_____	_____	_____
22.	Family Planning Service	_____	_____	_____
23.	Genetic Counseling Service	_____	_____	_____
24.	Abortion Service	_____	_____	_____
25.	Pediatric Service	_____	_____	_____
26.	Obstetric Service	_____	_____	_____
27.	Gynecological Service	_____	_____	_____
28.	Home Care Service	_____	_____	_____
29.	Speech Pathology Service	_____	_____	_____
30.	Audiology Service	_____	_____	_____
31.	Paramedical Training Program	_____	_____	_____
32.	Dental Service	_____	_____	_____
33.	Podiatric Service	_____	_____	_____
34.	Pre-Admission Testing	_____	_____	_____
35.	Pre-Discharge Planning	_____	_____	_____
36.	Multiphasic			

37.	Screening	_____	_____	_____
	Other (Identify)	_____	_____	_____
	Mammography	<u> X </u>	_____	_____
	Dexa scan	<u> X </u>	_____	_____
		_____	_____	_____

F. Program

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

_____ Yes (Give name of hospital) _____

 X No

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

 X Yes (Give name of hospital)

Inova Fairfax Hospital, Inova Fair Oaks Hospital, Inova Alexandria Hospital, Inova Mount Vernon Hospital, and Inova Loudoun Hospital

_____ No

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

 X Yes (give name of facility)

Medical records can be shared with any Inova hospital

_____ No

4. Outpatient services are (will be) available from: **Monday through Friday 7 AM to 5 PM, and Saturday 8 AM to 4 PM.**

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

_____ Yes (Attach clinic schedule list)

 X No

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

 X Yes _____ No

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

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

7. State specifically any limitations or restrictions for participation in the services of the facility. **Not Applicable; any appropriately licensed physician can refer a patient to the imaging facility.**

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

Projected CT procedure volume for the proposed Springfield CT unit is set forth below.

	Historical			Projected		
	2021	2022	2023	2024	Year 1 2025	Year 2 2026
Procedures	-	-	-	554	2,625	4,500
% of SMFP Utilization	0%	0%	0%	7%	35%	61%

H. Staffing of Existing and/or Proposed Facility

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

The staffing set forth below is specific to the proposed CT unit.

	Current Full Time	Vacant Positions	Additional Needed Full Time	TOTAL
Total number of Full-time staff	<u>0</u>	_____	<u>5.5</u>	<u>5.5</u>
Administration-				
Business Office	<u>0</u>	_____	<u>1.5</u>	<u>1.5</u>
Registered Nurses	_____	_____	_____	_____
Licensed Practical				
Nurses, Nurses Aides,				
Orderlies/Attendants	<u>0</u>	_____	<u>1</u>	<u>1</u>

Registered Medical Records Librarian	_____	_____	_____	_____
Registered Pharmacists	_____	_____	_____	_____
Laboratory Medical Technologists	_____	_____	_____	_____
ADA Dieticians	_____	_____	_____	_____
Radiologic Technologists	<u>0</u>	_____	<u>3</u>	<u>3</u>
Occupational Therapists	_____	_____	_____	_____
Physical Therapists	_____	_____	_____	_____
Psychologists	_____	_____	_____	_____
Psychiatric Social Workers	_____	_____	_____	_____
Recreational Therapists	_____	_____	_____	_____
Inhalation Therapists	_____	_____	_____	_____
Medical Social Workers	_____	_____	_____	_____
Other Health Professionals, Identify	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
All Other Personnel (Exclude Physicians and Dentists)	_____	_____	_____	_____

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

Fairfax Radiology Centers, LLC (“FRC, LLC”), which manages/operates IFRC’s imaging services, recruits for all positions internally and has three recruiters dedicated to clinical recruitment. Additionally, FRC, LLC

- **Maintains a formal in-house CT Technologist training program**
- **Partners with outside educational institutions**
- **Maintains a float pool of CT Technologists to cover vacancies and employee absences.**

Additional components of FRC, LLC's recruitment program include:

- **Posting open positions internally**
- **Placing special advertisements strategically in Indeed and other national job search engines**
- **An employee referral bonus program**

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

Due to the limited nature of the staffing needs (1.5 FTE administration/business office, 1 LPN, and 3.0 FTE CT Technologists), no impact on other facilities in the service area is anticipated. CT Technologist continues to be a desirable career advancement opportunity internally from X-ray and other technologist positions.

K. Attach the following information or documents:

1. Copy of most recent licensing report from State Agency (existing facilities, excluding public health centers). **Not Applicable**
2. Current accreditation status and copy of latest accreditation report from Joint Commission on Accreditation of Hospitals (existing facilities excluding public health centers). **Not Applicable**
3. Roster of medical staff (existing facilities). Indicate their specialty, Board Certification, Board eligibility and staff privileges (active, associate, etc.).

Please see Attachment Q. Fairfax Radiological Consultants, PLLC is contracted to provide professional interpretation of the CT scans.

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

Please see Attachment J.

SECTION IV

**PROJECT JUSTIFICATION AND IDENTIFICATION OF
COMMUNITY NEED**

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

IFRC proposes to establish CT services at its relocated Springfield imaging facility through the acquisition of one CT unit. In 2022, IFRC's 8 existing CT units (located at 7 sites) performed 58,383 procedures, placing average utilization at 99% of SMFP standard of 7,400 procedures per unit. In 2023, based on August 2023 YTD annualized data, volume is expected to grow to 62,508 procedures, placing utilization of the 8 existing IFRC CT units at 106% of SMFP standard.

Physicians refer to IFRC because they recognize that their patients will have the highest quality interpretation of studies performed by board-certified, fellowship-trained radiologists who are subspecialized within areas of expertise. As a result, IFRC's current CT locations have become increasingly busy, resulting in the need for additional capacity in order for IFRC patients to have their CT studies performed in a timely manner. Although IFRC's Prosperity imaging facility on Arlington Boulevard recently received COPN approval for a second CT unit (see footnote 1), the additional unit will not be sufficient to address IFRC's capacity constraints across its CT imaging sites, particularly as volume continues to grow; based on annualized August 2023 YTD utilization data, IFRC's CT units, including the 9th COPN-approved CT unit, are expected to operate at 97% of the SMFP utilization standard in 2024.

Importantly, the CT unit IFRC proposes for its Springfield facility will have cardiac imaging capabilities. IFRC currently offers cardiac CT at 2 of its facilities – Lansdowne and Prosperity (Arlington Boulevard). Wait times for a cardiac CT at either facility currently average 23 to 29 days against a target of 10 days. Utilization of IFRC's CT services is expected to continue to grow as the population continues to grow and clinical applications for CT continue to expand. Establishment of CT services at IFRC's Springfield location will address increasing demand for general diagnostic and cardiac CT imaging among IFRC's patient population.

With the addition of a CT with cardiac capability at the Springfield location, this will afford a total of three IFRC's facilities with cardiac CT services geographically dispersed to optimally provide the service in an outpatient setting across PD8: 1) in the north/west corridor at Lansdowne, 2) in the central region at Prosperity, and 3) in the south/east corridor at Springfield. This will provide the necessary geographic coverage to allow IFRC's patients to receive this high-demand service in a timely manner in an outpatient setting without having to wait for long times to get an appointment and have to travel farther outside of their own communities. This is a better solution for IFRC's patient population than would have been the case had the 2nd CT at Prosperity that was recently approved also have been a cardiac CT.

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 L for the Springfield imaging facility's primary service area calculated using 2022 patient origin data. No change in the PSA is expected in connection with the facility's 0.3-mile relocation from Alma Lane to Backlick Road.

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

Please see Attachment L for for the Springfield imaging facility's primary service area calculated using 2022 patient origin data.

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

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

2. If Yes,

- a. Identify the facility(ies)

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

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

The facilities that provide CT services in PD 8 are listed in Attachment K-1 and in the table that follows below. Please note that last year, IFRC determined that it had underreported CT volume to VHI for several years due to an error in the internal report used to identify CT procedures for reporting to VHI (which had qualifiers that omitted relevant CPT procedure-based codes from the count). IFRC was able to submit corrections for 2021 procedure volume to VHI but was unable to submit corrections for 2019 and 2020 because the deadline for those corrections had already passed. The VHI table below reflects the corrected volume for IFRC facility CT procedures for 2019 through 2021.

PD8 CT Procedures Capacity - VHI Data

Hospital	Location	Units	Total CT Procedures			2021 Utilization (as % of SMFP)
			2019	2020	2021	
Inova Alexandria Hospital ¹	Alexandria City	4	44,933	39,335	45,944	155%
Inova Fair Oaks Hospital	Fairfax County	3	33,010	29,171	34,828	157%
Inova Fairfax Hospital	Fairfax County	6	90,161	94,661	112,482	253%
Inova Loudoun Hospital Center ²	Loudoun County	3	43,722	40,277	51,676	233%
Inova Mount Vernon Hospital	Fairfax County	2	19,763	17,186	20,977	142%
Novant Health UVA Health System ³	Prince William County	3	34,174	31,531	38,381	173%
Reston Hospital Center	Fairfax County	4	29,278	27,344	32,315	109%
Sentara Northern Virginia Medical Center (NVCH)	Prince William County	2	22,073	21,728	26,169	177%
StoneSprings Hospital Center	Loudoun County	1	6,872	6,548	8,182	111%
Virginia Hospital Center	Arlington County	3	38,997	38,869	47,231	213%
Hospital Subtotal	PD8	31	362,983	346,650	418,185	182%
IRMC - Tysons MRI and Imaging Ctr (Fairfax MRI Center - Tysons)	Fairfax County	1	2,559	2,845	3,524	48%
IRMC - Fairfax Pet/CT Center	Fairfax County	1	1,734	1,797	2,103	28%
IFRC: Woodburn DX Center	Fairfax County	2	12,281	11,347	12,178	82%
IFRC: Reston Imaging Center	Fairfax County	1	5,918	5,397	6,300	85%
IFRC: Centreville DX Center	Fairfax County	1	6,680	5,946	6,462	87%
IFRC: Prosperity Center	Fairfax County	1	9,155	7,268	8,212	111%
IFRC: Fairfax Diagnostic Imaging Ctr	Fairfax County	1	5,243	4,541	6,430	87%
IFRC: Lansdowne Imaging Center	Loudoun County	1	6,968	2,718	6,091	82%
IFRC: Sterling Imaging Center	Loudoun County	1	2,745	2,549	4,670	63%
Fair Oaks Imaging Center (Reston Radiology Associates)	Fairfax County	1	2,060	1,955	2,605	35%
Inova HealthPlex - Lorton	Fairfax County	1	6,347	6,165	7,504	101%
Inova HealthPlex - Springfield	Fairfax County	1	14,444	12,830	16,679	225%
Inova HealthPlex - Ashburn	Loudoun County	1	5,673	5,787	8,092	109%
Inova Emergency Care- Fairfax City	Fairfax County	1	3,147	2,870	4,039	55%
Kaiser Permanente (Multiple Sites)		3	34,290	29,366	35,422	160%
Medical Imaging Center of Fairfax (InSight)	Fairfax County	1	3,798	4,134	4,299	58%
Medical Imaging Center of Arlington (InSight)	Fairfax County	1	0	0	199	3%
Metro Region PET Center	Fairfax County	1	1,839	2,158	2,815	38%
Orthopaedic Foot and Ankle Center of Washington	Fairfax County	1	87	205	168	2%
Sentara Advanced Imaging - Lake Ridge	Prince William County	1	7,779	7,576	8,941	121%
Sentara Advanced Imaging - Lorton	Fairfax County	1	0	0	2	0%
Sentara Advanced Imaging - Springfield	Fairfax County	1	0	2	0	0%
Tysons Diagnostic Imaging (Novant)	Fairfax County	1	1,214	1,036	1,064	14%
Vienna Diagnostic Imaging (Novant)	Fairfax County	1		1,359	1,249	17%
Washington Radiology Associates - Lakeside	Fairfax County	1	2,298	2,299	2,299	31%
Outpatient Imaging Center Subtotal	PD8	28	136,259	122,150	151,347	73%
Total CT Scanners	PD8	59	499,242	468,800	569,532	130%

¹ Includes three (3) CT units at Inova Alexandria Hospital and one (1) unit listed as Inova Imaging Center - Mark Center

² Includes two(2) CT units at the Inova Loudoun Hospital campus and one (1) unit at the Cornwall campus

³ Includes Manassas and Haymarket

IFRC's CT procedure volume grew 16% from 2021 to 2022 and an additional 7% from 2022 to August 2023 YTD annualized.

Facility	# CTs	Procedures			% of State Medical Facility Plan		
		2021	2022	Aug 2023 YTD Annualized	2021	2022	Aug 2023 YTD Annualized
WOODBURN DX CENTER	2	12,178	13,410	13,323	82%	91%	90%
RESTON IMAGING CENTER	1	6,300	7,096	7,974	85%	96%	108%
CENTREVILLE DX CENTER	1	6,462	8,445	9,795	87%	114%	132%
PROSPERITY CENTER	1	8,212	9,152	9,470	111%	124%	128%
FAIRFAX DIAGNOSTIC IMAGING CTR	1	6,430	6,237	6,954	87%	84%	94%
LANDSDOWNE IMAGING CENTER	1	6,091	8,235	8,583	82%	111%	116%
STERLING IMAGING CENTER	1	4,670	5,808	6,410	63%	78%	87%
	8	50,343	58,383	62,508	85%	99%	106%

¹ In August 2023, the Commissioner issued COPN No. VA-04855, authorizing IFRC to add a second CT unit to its Fairfax Radiology Center of Prosperity imaging facility located at 8503 Arlington Boulevard in Fairfax, Virginia.

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

This project proposes to establish CT services at IFRC's relocated Springfield imaging facility. As discussed in this COPN application, IFRC's existing CT imaging sites are heavily utilized, and volume is continuing to grow. Furthermore, there currently are few options in PD 8 for cardiac CT in the outpatient setting. Wait times for cardiac CT at the 2 existing IFRC sites with cardiac CT capabilities currently average 23 to 29 days. Cardiac CT is increasingly being used in the diagnosis of heart disease and care planning for cardiac patients. The technology is superior to other types of imaging because it provides the ability to see blood vessels of tumors and other abnormal blood vessels that may be of concern.

Placement of a CT unit with cardiac CT capability at IFRC's Springfield imaging facility is expected to address general diagnostic and cardiac CT capacity constraints at IFRC's other existing CT sites by establishing an additional access point at a location near where many of its CT patients reside. As discussed in Section III.A above, in 2022, IFRC performed more than 9,800 CT procedures at its existing CT sites on patients who reside in its Springfield facility's PSA.

Because the proposed project involves IFRC's existing patient population and is intended to address IFRC's CT capacity constraints, IFRC does not expect the CT unit at its Springfield imaging facility to negatively impact other existing CT providers in PD 8.

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

As discussed in [cite Sections] of this COPN application, IFRC's CT services are heavily utilized. IFRC's ability to provide its patient population with timely access to CT services (whether general diagnostic or cardiac CT) is already challenged, with longer wait times due to capacity constraints. These challenges are expected to increase as clinical demand for CT services (particularly cardiac CT) continues to grow and the population continues grow. Without the added CT capacity, IFRC will increasingly be stretched to support the needs of patient population for CT services.

While IFRC expects expanded clinical applications for CT, IFRC conservatively projects CT services volume will grow at a rate consistent with population growth (1.3%).

The table below (sourced from a DCOPN staff report on COPN Request No. VA-8632) shows projected population growth in PD 8 through 2030. As DCOPN noted, “the population of PD 8 as a whole was expected to increase approximately 16% for the period ending in 2020 and approximately 14% for the period ending in 2030, rates nearly double that of the statewide average.

With regard to the 65 and older age cohort, Weldon-Cooper projects a much more rapid increase (Table 4). Specifically, Weldon-Cooper projects an increase of approximately 56% for the period ending in 2020 and approximately 38% for the period ending in 2030. This is significant, as this age group uses medical care resources, including diagnostic services, at a rate much higher than the rest of the population.”

Table 4. Population Projections for PD 8, 2010-2030

Table 4. Population Projections for PD 8, 2010-2030

Locality	2010	2020	% Change 2010-2020	Avg Ann % Change 2010-2020	2030	% Change 2020- 2030	Avg Ann % Change 2020-2030
Arlington	139,966	166,261	18.79%	1.69%	182,067	9.51%	0.91%
Fairfax County	207,627	249,298	20.07%	1.80%	274,339	10.04%	0.96%
Loudoun	22,565	25,047	11.00%	1.02%	26,397	5.39%	0.53%
Prince William	1,081,726	1,162,504	7.47%	0.71%	1,244,025	7.01%	0.68%
Alexandria City	12,332	14,988	21.54%	1.92%	17,032	13.64%	1.29%
Fairfax City	312,311	430,584	37.87%	3.18%	554,808	28.85%	2.57%
Falls Church City	37,821	43,099	13.96%	1.28%	46,332	7.50%	0.73%
Manassas City	14,273	17,086	19.71%	1.77%	20,284	18.72%	1.73%
Manassas Park City	402,002	478,134	18.94%	1.71%	571,844	19.60%	1.81%
Total PD 8	2,230,623	2,587,000	15.98%	1.46%	2,937,128	13.53%	1.28%
PD 8 65+	192,589	300,491	56.03%	4.44%	413,269	37.53%	3.24%
Virginia	8,001,024	8,655,021	8.17%	0.77%	9,331,666	7.82%	0.76%
Virginia 65+	976,937	1,352,448	38.44%	3.22%	1,723,382	27.43%	2.45%

Source: U.S. Census, Weldon Cooper Center Projections (August 2019) and DCOPN (interpolations)

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

The establishment of CT services at IFRC’s Springfield location will provide enhanced access to time-critical diagnostic services. Physicians refer patients to IFRC because they recognize that their patients will have the highest quality care by board-certified, fellowship trained, radiologists subspecialized in

interpreting the studies within their area of expertise. As a result, IFRC's current CT locations have become increasingly busy, resulting in the need for additional capacity in order for IFRC patients to have their CT studies performed in a timely manner.

In 2022, IFRC performed more than 9,800 CT procedures at its existing CT sites on patients who reside in its Springfield facility's PSA. Placement of a CT unit at IFRC's Springfield facility is expected to address capacity constraints at IFRC's other CT sites by establishing an additional access point at a location near where many of its CT patients reside.

- 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.

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.

Approval of this project is necessary to support current and future demand for IFRC's CT services. Wait times for CT services at IFRC's existing sites currently average 3 to nearly 4 weeks. As the 65+ age group increases, the prevalence of cardiovascular disease is also expected to increase, resulting in increasing demand, in particular, for cardiac CT.

Springfield CT Utilization:

	Historical			Projected		
	2021	2022	2023	2024 (4 mos)	Year 1 2025	Year 2 2026
Procedures	-	-	-	554	2,625	4,500
% of SMFP Utilization	0%	0%	0%	7%	35%	61%

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.

IFRC currently provides CT services on 8 units at 7 imaging center locations in PD 8. In 2022, IFRC's 8 existing CT units performed 58,383 procedures,

placing average utilization at 99% of SMFP standard of 7,400 procedures per unit. In 2023, based on August 2023 YTD annualized data, volume is expected to grow to 62,508 procedures, placing utilization of the 8 existing IFRC CT units at 106% of SMFP standard. There is no excess capacity within IFRC.²

Facility	# CTs	Procedures			% of State Medical Facility Plan		
		2021	2022	Aug 2023 YTD Annualized	2021	2022	Aug 2023 YTD Annualized
WOODBURN DX CENTER	2	12,178	13,410	13,323	82%	91%	90%
RESTON IMAGING CENTER	1	6,300	7,096	7,974	85%	96%	108%
CENTREVILLE DX CENTER	1	6,462	8,445	9,795	87%	114%	132%
PROSPERITY CENTER	1	8,212	9,152	9,470	111%	124%	128%
FAIRFAX DIAGNOSTIC IMAGING CTR	1	6,430	6,237	6,954	87%	84%	94%
LANSDOWNE IMAGING CENTER	1	6,091	8,235	8,583	82%	111%	116%
STERLING IMAGING CENTER	1	4,670	5,808	6,410	63%	78%	87%
	8	50,343	58,383	62,508	85%	99%	106%

¹ In August 2023, the Commissioner issued COPN No. VA-04855, authorizing IFRC to add a second CT unit to its Fairfax Radiology Center of Prosperity imaging facility located at 8503 Arlington Boulevard in Fairfax, Virginia.

12VAC5-230-90. Travel time.

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

CT services are generally available within 30 minutes driving time one way under normal conditions of 95% of the population in PD 8 – traffic patterns, road construction and congestion, however, can have a significant impact on travel time for patients living in the high-density areas of Northern Virginia. The proposed project will establish CT services at IFRC’s relocated imaging facility in Springfield.

12VAC5-230-100. Need for new fixed site or mobile service.

A. No new fixed site or mobile CT service should be approved unless fixed site CT services in the health planning district performed an average of 7,400 procedures per existing and approved CT scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing providers in the health planning district. The utilization of existing scanners operated by a hospital and serving an area distinct from the proposed new service site may be disregarded in computing the average utilization of CT scanners in such health planning district.

IFRC proposes the addition of CT services due to institutional need and importantly, in addition to IFRC’s need for additional CT capacity, there is

² Although IFRC’s Prosperity imaging facility on Arlington Boulevard recently received COPN approval for a second CT unit (see footnote 1), the additional unit will not be sufficient to address IFRC’s capacity constraints across its CT imaging sites, particularly as volume continues to grow; based on annualized August year-to-date utilization data, IFRC’s CT units, including the 9th COPN-approved CT unit, are expected to operate at 97% of the SMFP utilization standard in 2023.

also a computational need for additional CT capacity in PD 8. In its July 19, 2023 DCOPN staff report on COPN Request Nos. VA-8700 and VA-8703, DCOPN calculated a need for 9 additional CT scanners in PD 8. Approval of IFRC's COPN Request No. VA-8728 will address IFRC's need, and a planning district need for additional capacity and, importantly, will do so without harming other providers because the project is designed to served IFRC's existing patient population

12VAC5-230-110. Expansion of fixed site service.

Proposals to expand an existing medical care facility's CT service through the addition of a CT scanner should be approved when the existing services performed an average of 7,400 procedures per scanner for the relevant reporting period. The commissioner may authorize placement of a new unit at the applicant's existing medical care facility or at a separate location within the applicant's primary service area for CT services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

As illustrated in the table above, IFRC currently operates 8 CT units at 7 imaging center locations in PD 8. In 2022, the 8 existing units operated at 99% of the SMFP standard, and in 2023 (based on August YTD annualized data) the units are expected to operate at 106% of the SMFP standard. Although the Commissioner recently approved the addition of a second CT unit at IFRC's Prosperity imaging facility on Arlington Boulevard (see footnotes 1 and 2), the additional unit will not be sufficient to address IFRC's capacity constraints across its CT imaging sites, particularly as volume continues to grow; based on annualized August 2023 YTD annualized data, IFRC's CT units, including the 9th COPN-approved CT unit, are expected to operate at 97% of the SMFP utilization standard in 2023.

Without the CT capacity proposed for the Springfield CT, IFRC will become even more capacity constrained at its existing sites. Because the proposed project is intended to serve IFRC's existing patient population by addressing capacity constraints at IFRC's existing sites and establishing an access point for CT services at a location where a substantial number of IFRC patients reside, IFRC does not expect the CT unit at its Springfield imaging facility to negatively impact other existing CT providers in PD 8.

12VAC5-230-130. Staffing.

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

IFRC's CT services are and will remain under the direct supervision of certified and trained radiologists.

- F. Show 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.

As set forth in Sections III.G and IV.E above, IFRC projects the CT unit proposed for its relocated Springfield imaging facility will perform 2,625 CT procedures in the first full calendar year (2025) of operation and 4,500 CT procedures in the second full year (2026) of operation.

The methodology used to project CT volume for the Springfield location is based on evaluation of the CT procedure volume at other IFRC facilities originating from the Springfield imaging facility's PSA, coupled with expected population growth, plus pent-up demand due for CT services based on IFRC's existing backlog. In 2022, IFRC's existing CT facilities performed CT procedures on more than 9,800 procedures originating from its Springfield facility's PSA. By placing a CT unit at IFRC's Springfield location, IFRC expects to decompress CT volume at its existing sites and improve access to its Springfield PSA population patients by establishing a point of access for CT services closer to where a large portion of its patient population resides. IFRC will be able to reduce wait times and meet the increasing need for CT services driven by population growth and expanding clinical applications for diagnosis of cancer and heart disease, in particular.

- G. Coordination and Affiliation with Other Facilities. **Not Applicable**

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.)

- H. Attach copies of the following documents:

1. A map of the service area indicating:
 - a. Location of 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 K-2 for the locations of other existing providers of CT services in PD 8.

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 P-1 through P-4.

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

Please see Attachment N.

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 **All of IFRC's facilities with COPN-regulated services participate in, and report utilization to VHI**

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

IFRC will continue to participate in VHI and report CT utilization for all locations including for its Springfield facility CT services upon approval of the COPN.

- C. Estimated Capital Costs

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

Part I – Direct Construction Costs

1.	Cost of materials	\$ 214,400
2.	Cost of labor	\$ 321,600
3.	Equipment included in construction contract	\$ ___ N/A
4.	Builder's overhead	\$ 38,355
5.	Builder's profit	\$ 34,732
6.	Allocation for contingencies	\$ 22,000
7.	Sub-total (add lines 1 thru 6)	\$ 631,087

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

8.	a. CT Unit	\$1,833,016
	b. Furnishings	\$ 12,000
	c. Signage	\$ 700
	d. Capital lease interest expense	\$ 404,362
	See capital lease amortization schedule at Attachment M.	
	e. _____	\$
9.	Sub-total (add lines 8a thru 8e)	\$2,318,023
	* CT to be leased over 6 years; at conclusion the CT will be owned.	
	Capital lease interest expense included on line d is for CT related	

Part III – Site Acquisition Costs

10.	Full purchase price	\$ _____ 0 _____
11.	For sites with standing structures	\$ _____ 0 _____
	a. purchase price allocable to structures	\$ _____ 0 _____
	b. purchase price allocable to land	\$ _____ 0 _____
12.	Closing costs	\$ _____ 0 _____
13.	If leasehold, lease expense for the entire term of the initial lease	\$ 899,893
14.	Additional expenses paid or accrued:	
	a. _____	\$ _____ 0 _____
	b. _____	\$ _____ 0 _____
	c. _____	\$ _____ 0 _____
15.	Sub-total (add lines 10 thru 14c)	\$ 899,893

Part IV – Site Preparation Costs

16.	Earth work	\$ _____ 0 _____
17.	Site utilities	\$ _____ 0 _____

- | | | |
|-----|----------------------------------|------------------|
| 18. | Roads and walks | \$ _____ 0 _____ |
| 19. | Lawns and planting | \$ _____ 0 _____ |
| 20. | Unusual site conditions: | |
| | a. _____ | \$ _____ 0 _____ |
| | b. _____ | \$ _____ 0 _____ |
| 21. | Accessory structures | \$ _____ 0 _____ |
| 22. | Demolition costs | \$ _____ 0 _____ |
| 23. | Sub-total (add lines 16 thru 22) | \$ _____ 0 _____ |

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

- | | | |
|-----|----------------------------------|------------------|
| 24. | _____ | |
| 25. | _____ | \$ _____ 0 _____ |
| 26. | _____ | \$ _____ 0 _____ |
| 27. | _____ | \$ _____ 0 _____ |
| 28. | Sub-total (add lines 24 thru 27) | \$ _____ 0 _____ |

Part VI – Architectural and Engineering Fees

- | | | |
|-----|----------------------------------|----------------------------|
| 29. | Architect's design fee | \$ 24,585 |
| 30. | Architect's supervision fee | \$ included in 29. |
| 31. | Engineering fees | \$ included in 29. |
| 32. | Consultant's fees | \$ including in 29. |
| 33. | Sub-total (add lines 29 thru 32) | \$ 24,585 |

Part VII – Other Consultant Fees (List each separately)

- | | | |
|-----|----------|------------------|
| 34. | a. | \$ _____ |
| | b. _____ | \$ _____ 0 _____ |
| | c. _____ | \$ _____ 0 _____ |

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

Part VIII – Taxes During Construction

36. Property taxes during construction \$_____0_____

37. List other taxes:

a. _____ \$_____0_____

b. _____ \$_____0_____

38. Sub-total (add lines 36 thru 37b) \$_____0_____

Part IX-A – HUD Section 232 Financing

39. Estimated construction time (in months) _____0_____

40. Dollar amount of construction loan \$_____0_____

41. Construction loan interest rate _____%

42. Estimated construction loan interest costs \$_____0_____

43. Term of financing (in years) _____0_____

0

44. Interest rate on permanent loan _____%

45. FHA mortgage insurance premium \$_____0_____

46. FHA mortgage fees \$_____0_____

47. Financing fees \$_____0_____

48. Placement fees \$_____0_____

49. AMPO (non-profit only) \$_____0_____

50. Title and recording fees \$_____0_____

51. Legal fees \$_____0_____

52. Total interest expense on permanent mortgage loan \$_____0_____

53. Sub-total Part IX-A HUD Section 232 Financing (add lines 42, 45, 46, 47, 48, 49, 50 and 51) \$_____0_____

Part IX-B – Industrial Development Authority Revenue and General
Obligation Bond Financing (Circle selected method of financing)

54. Method of construction financing (construction loan, proceeds of bond sales, if other, specify)

If construction is to be financed from any source other than bond sale proceeds, answer question 56 through 58. Otherwise, proceed to question 59.

55. Estimated construction time (in months) _____
56. Dollar amount of construction loan \$ _____ 0 _____
57. Construction loan interest rate _____ %
58. Estimated construction loan interest cost \$ _____ 0 _____
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 \$ _____ 0 _____
63. Will principal and interest be paid during construction or only interest? _____
64. Bond interest expense prior to the beginning of construction (in dollars) \$ _____ 0 _____
65. How many months after construction begins will last bond be sold? _____
66. Bond interest expense during construction \$ _____ 0 _____
67. What percent of total construction will be Financed from bond issue? \$ _____ 0 _____
68. Expected bond interest rate _____ %

69.	Anticipated term of bond issued (in years)	_____
70.	Anticipated bond discount (in dollars)	_____0_____
71.	Legal costs	\$_____0_____
72.	Printing costs	\$_____0_____
73.	Placement fee	\$_____0_____
74.	Feasibility study	\$_____
75.	Insurance	\$_____0_____
76.	Title and recording fees	\$_____0_____
77.	Other fees (list each separately)	
	a. _____	\$_____
	b. _____	\$_____
	c. _____	\$_____
78.	Sinking fund reserve account (Debt Service Reserve)	\$_____0_____
79.	Total bond interest expenses (in dollars)	\$_____0_____
80.	Sub-total Part IX_B (add lines 58, 64, 66, 71, 72, 73, 74, 75, 76, 77a, b, c and 78)	\$_____0_____

Part IX_C – Conventional Mortgage Loan Financing

81.	Estimated construction time (in months)	_____
82.	Dollar amount of construction loan	
83.	Construction loan interest rate	_____%
84.	Estimated construction loan interest cost (in dollars)	\$_____
85.	Term of long term financing (in years)	_____
86.	Interest rate on long term loan	_____%
87.	Anticipated mortgage discount (in dollars)	\$_____0_____

88.	Feasibility study	\$ _____ 0 _____
89.	Finder's fee	\$ _____ 0 _____
90.	Legal fees	\$ _____ 0 _____
91.	Insurance	\$ _____ 0 _____
92.	Other fees (list each separately)	
	_____	\$ _____ 0 _____
93.		\$ _____
94.	Total permanent mortgage loan interest expense (in dollars)	\$ _____ 0 _____
95.	Sub-total Part IX_C (add lines 84 & 88 thru 93)	\$ 0

Financial Data Summary Sheet

96.	Sub-total Part I	Direct Construction Cost (line 7)	\$ 631,007
97.	Sub-total Part II	Equipment not included in construction contract (line 9)	\$2,318,023
98.	Sub-total Part III	Site Acquisition Costs (line 15)	\$ 899,893
0			
99.	Sub-total Part IV	Site Preparation Cost (line 23)	\$ _____ 0 _____
100.	Sub-total Part V	Off-Site Costs (line 28)	\$ _____ 0 _____
101.	Sub-total Part VI	Architectural and Engineering fees (line 33)	\$ 24,585
102.	Sub-total Part VII	Other Consultant fees (line 35)	\$
103.	Sub-total Part VIII	Taxes During Construction (line 38)	\$ _____ 0 _____
104.	Sub-total Part IX-A	HUD-232 Financing (line 53)	\$ _____ 0 _____
105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	\$ _____ 0 _____
106.	Sub-total Part IX-C	Conventional Loan Financing (line 95)	\$ _____

107.	TOTAL CAPITAL COST (lines 96 thru 106)	\$3,873,508
108.	Percent of total capital costs to be financed	60%
	Note: IFRC intends to acquire the CT unit through a capital lease with the vendor.	
	This percentage reflects that portion of capital costs related to the capital lease for the CT unit.	
109.	Dollar amount of long term mortgage (line 107 x 108)	\$
N/A - See Note at #108 above		
110.	Total Interest Cost on Long Term Financing	\$_____0_____
	a. HUD-232 Financing (line 53)	\$_____0_____
	b. Industrial Development Authority Revenue & General Revenue Bond Financing (line 79)	\$_____0_____
	c. Conventional Loan Financing (line 94)	\$_____0_____
111.	Anticipated Bond discount	
	a. HUD-232 Financing (line 53)	\$_____0_____
	b. Industrial Development Authority Revenue & General Revenue Bond Financing (line 70)	\$_____0_____
	c. Conventional Loan Financing (line 87)	\$_____0_____
112.	TOTAL CAPITAL AND FINANCING COST (ADD LINES 107, 110a, b or c AND 111a, b or c)	\$3,873,508
D.	1. Estimated costs for new construction (excluding site acquisition costs)	\$__
	2. Estimated costs of modernization and renovation (excluding site acquisition costs)	\$
E.	Anticipated Sources of Funds for Proposed Project	Amount
	1. Public Campaign	\$_____0_____
	2. Bond Issue (Specify Type) _____	\$_____0_____
	3. Commercial Loans	\$__1,833,016_____
	4. Government Loans (Specify Type)_____	\$_____0_____

5.	Grants (Specify Type) _____	\$ _____ 0 _____
6.	Bequests	\$ _____ 0 _____
7.	Private Foundations	\$ _____ 0 _____
8.	Endowment Income	\$ _____ 0 _____
9.	Accumulated Reserves	\$ _____
10.	Other	
	a) Operating Revenue	\$ <u>1,746,227</u>
	b) Tenant Improvement Allowance for remainder	\$ <u>70,461</u>

The amount of tenant improvement allowance noted is based on the CT related buildout allocable portion only

- 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 construction/buildout costs associated with this project will be funded from operations. The CT equipment will be leased from the vendor pursuant to a capital lease whereby IFRC will own the equipment at the end of the lease term.

- 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 construction/buildout costs associated with this project will be funded from operations. The CT equipment will be acquired via the equipment vendor pursuant to a capital lease whereby at the end of the term, IFRC will own the equipment. Please see Attachment T for a copy of the equipment quote for the CT unit. The establishment of CT services at IFRC's Springfield imaging facility is not expected to impact the cost of providing care. Please see Attachment M for a copy of the requested amortization schedule.

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

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

Not applicable. The acquisition of the CT unit will be for an outpatient facility that does not provide inpatient services.

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

Please see Attachment R for the most recent audited financial statements for IFRC, LLC.

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 S for the pro forma.

SECTION VI

ASSURANCES

I hereby assure and certify that:

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

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



Signature of Authorizing Officer

Inova Health System

Address – Line 1

Paul Dreyer

Type/Print Name of Authorizing Officer

8095 Innovation Park Drive

Address – Line 2

Senior Director, Strategic Planning

Title of Authorizing Officer

Fairfax, Virginia 22031

City/State/Zip

September 29, 2023

Date

(703) 403-7598

Telephone Number

Copies of this request should be sent to:

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

FRC of Springfield Acquisition of 1 CT Unit		
Financial Projections	CT Only	
	<u>Year 1</u>	<u>Year 2</u>
Amounts in \$000's Statement of Revenues and Expenses		
Total CT Scans	2,625	4,500
Gross Patient Revenue	4,297	7,367
Deductions from Patient Revenue		
Contractual/Other Discounts	3,380	5,763
Charity Discounts	(28)	(50)
Total Deductions from Revenue	3,352	5,714
Total Operating Revenue	945	1,653
Operating Expenses		
Salaries, Wages and Benefits	269	277
Supplies	27	46
Purchased Services		38
Bad Debt (above in Op Rev)	-	-
Depreciation and Amortization	236	236
Indirect Expense- Occupancy	37	37
Other Expense	344	499
Debt (Financing Expense)	112	94
Total Operating Expenses	1,025	1,228
Excess of Revenue Over Expenses	(80)	425

Note that IFRC is subject to Inova's Charity Care Policies.