COPN REQUEST NO. VA-8735
Virginia Hospital Center Arlington Health System
d/b/a VHC Health

Establish a Specialized Center for CT and MRI Imaging Services in Planning District 8

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Attachment V.H.3. Pro Forma

4. Correspondence Dated September 29, 2023, Regarding Check For Application Fee

WILLIAMS MULLEN

Direct Dial: 804.420.6407
jbmartin@williamsmullen.com

October 2, 2023

Via Electronic Mail (COPN@vdh.virginia.gov)

Mr. Erik O. Bodin, III
Director, Division of Certificate of Public Need
Virginia Department of Health
9960 Mayland Drive, Suite 401
Richmond, Virginia 23233

Re: COPN Request No. VA-8735
Virginia Hospital Center Arlington Health System d/b/a VHC Health
Expansion of CT and MRI Services via
Establishment of a Specialized Center for CT and MRI Imaging Services
in Planning District 8

Dear Mr. Bodin:

Enclosed please find an electronic copy of the above-referenced Certificate of Public Need application. If you would like a hard copy of the application materials, please let me know; we are glad to provide one. A check representing the filing fee was sent by FedEx to the Division of Certificate of Public Need on September 29, 2023. A copy of the check is attached.

Thank you very much for your review of this application. Please let me know if you have any questions.

Sincerely,

Jamie B. Martin

Enclosures

cc: Mr. Dean Montgomery, Executive Director, Health Systems Agency of Northern Virginia
Mr. Adrian Stanton, Vice President, Real Estate Acquisition and Development, VHC Health

103575919

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-8735

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

Expansion of CT and MRI Services via
Establishment of a Specialized Center for CT and MRI Imaging Services
in Planning District 8

SECTION I **FACILITY ORGANIZATION AND IDENTIFICATION**

A. **VHC Health Outpatient Imaging Center**
Official Name of Facility

1760 Old Meadow Road
Address

McLean	**Virginia**	**22102**
City	State	Zip

(703) 558-6104
Telephone

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

1701 N. George Mason Drive
Address

Arlington	**VA**	**22205**
City	State	Zip

C. Chief Administrative Officer

Christopher T. Lane
Name

1701 N. George Mason Drive
Address

Arlington	**VA**	**22205**
City	State	Zip

(703) 558-5000
Telephone

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

Adrian Stanton
Name

1701 N. George Mason Drive
Address

Arlington	**VA**	**22205**
City	State	Zip

(703) 558-6319 **AStanton@vhchealth.org**
Telephone E-mail

and

Jamie Baskerville Martin
Name

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

Richmond **VA** **23219**
City State Zip

(804) 420-6407 **(804) 420-6507** **jbmartin@williamsmullen.com**
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 (Check one)	Proprietary	Operator of Facility (Check one)
(1)	(1) Individual	(1)
(2)	(2) Partnership-attach copy of Partnership Agreement and receipt showing that agreement has been recorded	(2)
(3)	(3) Corporate-attach copy of Articles of Incorporation and Certificate of Incorporation	(3)
(4)	(4) Other_____Identify	(4)
	Non-Profit	
(5) **X**	(5) Corporation-attach copy of Articles of Incorporation and Certificate of Incorporation	(5) **X**

See Attachment I.E--Articles of Incorporation.

(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) ___**X**_____ Fee simple title held by the applicant
(2) _____ Option to purchase held by the applicant
(3) _____ leasehold interest for not less than _____ years
(4) _____ Renewable lease, renewable every _____ years
(5) _____ Other _____Identify

See Attachment I.F—Ownership Documentation.

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

Virginia Hospital Center Arlington Health System d/b/a VHC Health ("VHC Health"), a Virginia non-stock corporation, is Virginia Hospital Center's ("VHC's") sole owner and will be the sole owner of the VHC Health Outpatient Imaging Center.

(a) In the case of proprietary 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.

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

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

VHC Health has one class of members, which consists of all voting members of the Board of Directors. The Board of Directors is identified at Attachment I.G—Board of Directors. The officers and registered agent are as follows:

Officers:	**Christopher T. Lane**	**President/CEO**
	Alexander Eremia	**Vice President**
	John Nguyen	**Treasurer**
	Andre Collins	**Secretary**
	Dan Knise	**Vice Chairman**
	Russell McWey, MD	**Chairman**
Registered agent:	**Alexander Eremia, Esquire** **Vice President** **General Counsel** **1701 N. George Mason Drive** **Arlington, VA 22205**	

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

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

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

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

<u>See</u> Attachment I.H—List of VHC Health Subsidiaries.

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

None.

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: **2.685** acres

2. Located in **Fairfax County** /Planning District **8**

3. Address or directions **1760 Old Meadow Road, McLean, VA 22102**

4. Has site been zoned for type of use proposed:

_X_ Yes (attach copy of zoning or use permit)

_____ No

If no, explain status.

The site is zoned C-3, Office District, which allows medical office uses by right subject to certain limitations. The contemplated uses of the site are considered offices. The building is already in use as a medical office.

See Attachment II.A.4—Zoning Information.

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

(1) _____ New construction

(2) _____X_____ Remodeling/modernization of an existing facility

(3) _____ No construction or remodeling/modernization

(4) _____X_____ Other **establishment of specialized center for Computed Tomography ("CT") services and Magnetic Resonance Imaging ("MRI") services**

C. Design of the facility

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

VHC Health's long range plan is proprietary but, in brief, the plan centers on VHC Health's goals to (i) provide the highest quality clinical care; (ii) achieve the highest levels of patient satisfaction; (iii) provide state-of-the-art facilities and equipment; (iv) innovate in the use of information technology; (v) invest in the professional growth and development of VHC Health's clinicians and staff; (vi) manage VHC Health's resources prudently; and (vii) serve the healthcare needs of the community.

VHC Health operates VHC, the only remaining independent community hospital in Planning District ("PD") 8. VHC has served the communities of Arlington County, Falls Church, McLean, and other western Fairfax County suburbs for nearly 80 years. Since its inception, the hospital has grown alongside its growing service area community as VHC Health has pursued a combination of acute care and ambulatory care efforts to meet the current and future needs of the facility and its patients. Those efforts have sought to:

- **Balance inpatient and outpatient services to comprehensively serve VHC Health patients. On one hand, continuing improvements in care delivery models, technological innovations, reimbursement pressures from payors, and patient satisfaction considerations continue to drive the shift of lower-acuity care to outpatient settings. Accordingly, tertiary-level facilities such as VHC Health must evolve away from the traditional singular focus on complex acute care services to furnish more patient-centric care across a variety of appropriate settings. On the other hand, today's inpatients often suffer from more complex conditions and comorbidities which may have been fatal years ago and often have greater medical, physical, and psychosocial needs that require longer and often more frequent hospital stays and more efficient utilization of hospital resources.**

- **Decompress the congested hospital campus. While VHC is a critical resource for the residents of Arlington County and beyond, it has been challenging for VHC Health to accommodate needed service capacity on the congested hospital campus. The hospital is located in the middle of a residential neighborhood. Historically, the hospital building has housed all of the hospital's inpatient services and nearly all of its outpatient services, lacking space for any additional service capacity within the building. As part of a much-needed campus expansion, VHC Health has recently opened the Outpatient Pavilion on the VHC campus, a new outpatient facility which will consolidate and streamline most outpatient services on the campus and vacate space within the hospital to support previously-approved expansions of inpatient services. There is, however, no further space to expand or build out the hospital to meet the community's need for a comprehensive outpatient imaging center; the campus is effectively landlocked and maxed out on density under the applicable zoning rules.**

- **Diversify accessible lower-cost care options for VHC Health patients. VHC Health recognizes the need to better serve its growing service area and bring community-centered, top-quality medical care closer to the neighborhoods where patients and their families live. In December 2019, VHC Health received Certificate of Public Need ("COPN") approval to establish its first off-campus outpatient surgical hospital**

(or ambulatory surgery center, "ASC") through the relocation of four operating rooms from VHC to VHC Health's new outpatient campus in McLean, the community adjoining Arlington to the west.[1] The McLean Tysons Orthopedic Surgery Center opened in November 2022; prior to the ASC's approval, VHC was the only hospital in the region lacking this important outpatient care option. In addition, in 2022, VHC Health obtained COPN approval to establish its first off-campus diagnostic imaging service – specifically, its first CT service - co-located with its first freestanding emergency department in Falls Church.[2] Such appropriate alternative settings to hospital-based services are critically important – clinically, from a care delivery perspective, and for cost management purposes.

This application, proposing the establishment of CT and MRI services at the McLean location, is the next and critically necessary step in VHC Health's continuing efforts to decompress the hospital campus, expand its outpatient service offering, and provide more accessible sites of care for its patients consistent with its long-range plan.

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

The project involves the expansion of VHC Health's highly utilized CT and MRI services through the establishment of the VHC Health Outpatient Imaging Center, VHC Health's first full-service off-campus diagnostic imaging service (and only its second off-campus CT imaging location). The proposed facility will decompress utilization on the crowded hospital campus, freeing up hospital capacity for high-acuity complex and severely injured patients. At the same time, the project will offer patients appropriate for outpatient imaging a lower-cost, more accessible, and more convenient imaging option.

The project's location in McLean supports excellent and convenient access for many VHC Health patients. About seven miles from VHC and squarely within VHC's primary service area ("PSA"), the proposed imaging facility will be co-located with VHC Health's only off-campus ASC, numerous VHC Health specialty physician offices (including cardiology, gastroenterology, obstetrics and gynecology, urology, and primary care), and other physician practices (including orthopedics). Many of the VHC Health patients already served at this site require diagnostic imaging services for accurate diagnosis and treatment. Many other VHC outpatients currently receiving diagnostic imaging services at the hospital campus reside in the proposed facility's immediate service area. The project is accessible right off the Beltway and via multiple forms of public transportation.

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[1] COPN No. VA-04689, issued December 16, 2019.
[2] COPN No. VA-04775, issued February 7, 2022.

The design of the imaging facility, dedicated exclusively to outpatient imaging, will similarly facilitate timely and streamlined access to the proposed CT and MRI services. The existing space can be cost-efficiently adapted for the proposed uses and to optimize patient and staff flow; the building is served by abundant parking. As such, the project will offer many VHC Health patients a more convenient and accessible option right within their home community, significantly improving access to care for all of VHC Health's patients – inpatients, emergency patients, and outpatients alike – consistent with VHC Health's long range plan.

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

The proposed site is conveniently accessible by public transportation and major roadways serving Northern Virginia. The facility is located less than a mile from the Capital Beltway (I-495) and easily accessible through the interchange at I-495 and Route 123 (Dolley Madison Boulevard). The McLean Metro Station is only 0.5 miles away. The Fairfax Connector, the public bus system that services the region, has two bus routes which cover the proposed location and connect to other public transportation systems like the Metro Rail Silver Line; the nearest bus stop is approximately 0.2 miles (a 5 minute walk) away.

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

The proposed imaging facility will be located in an existing building that is well-sized and will not require any new construction or engineering but rather only remodeling. The site is already zoned for the proposed medical use, has convenient and easily accessible parking, and is already served by ample water, sewer, and solid waste services to support the project. The site offers excellent ingress and egress.

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

Not applicable.

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

The remodeling necessary to implement the project will adhere to the latest building codes, guidelines, and best practices, and is designed to minimize costs in all areas of construction. Energy conservation goals will be achieved by using sustainable materials and methods, such as LED lighting systems. The

project will apply LEED components within the mechanical, electrical, and plumbing systems to limit operating costs and enhance efficiency. These components include plumbing fixtures and faucets with low water flow features and high-efficiency LED lighting systems with dimming controls. Occupancy sensor controls will be used to further reduce energy consumption when spaces are not occupied.

Further, the simultaneous establishment of CT and MRI services at the VHC Health Outpatient Imaging Center, along with various other imaging services, offers unique opportunities for efficient design, implementation, staffing, and operation. The resulting efficiencies will benefit patients at the VHC campus (by freeing up CT and MRI capacity for higher-acuity inpatients and other patients who require the resources of a hospital campus) and at the VHC Health outpatient care center in McLean (by providing VHC Health's lower-acuity outpatients with convenient on-site access to comprehensive diagnostic imaging services).

Additionally, co-location of the proposed imaging services with a broad range of other outpatient services will offer numerous efficiencies and enhance the continuity, coordination, and integration of care for patients.

In brief, the project reflects a cost-effective and efficient approach to improving access to two invaluable diagnostic tools for all of VHC Health's patients.

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.

The project involves the renovation and remodeling of space within an existing building. All utilities necessary to support the proposed project are currently available and adequate.

<u>See also</u> Attachment II.D—Utilities Documentation.

E. Space tabulation – (show in tabular form)

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

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

2. If Item #2 was checked in II-B, specify:

   a. The total number of square feet (both gross and net) by department and each type of patient room in the existing facility.
   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.)

   <u>See</u> Attachment II.E.2—Space Tabulation. The entire VHC Health Outpatient Imaging Center will consist of 18,345 gross SF and 16,521 net SF.

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

   The project will utilize space within an existing building to accommodate the proposed CT and MRI services, thus minimizing construction costs and generating operational efficiencies. The imaging space will be designed to be consistent with manufacturers' requirements and recommendations for operation of the CT and MRI units. The necessary renovations and remodeling of the space will adhere to the Facilities Guidelines Institute's Guidelines for Design and Construction of Hospitals and Outpatient Facilities and the Virginia Uniform Statewide Building Code. Further, design of the diagnostic imaging facility will conform to the four zones of screening and access protocols identified in the American College of Radiology's Guidance Document for Safe MR Practices. The co-location of the CT and MRI modalities with other outpatient services will optimize patient access, facilitate the delivery of outpatient imaging services, and enhance the timeliness, integration, and efficiency of care. The space will optimize patient access, flow, and comfort and ensure a high-quality patient experience.

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

1. The courses and distances of the property line.

2. Dimensions and location of any buildings, structures, roads, parking areas, walkways, easements, right-of-way or encroachments on the site.

See Attachment II.F—Plot Plan.

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

1. The layout of each typical functional unit.

2. The spatial relationship of separate functional components to each other.

3. Circulatory spaces (halls, stairwells, elevators, etc.) and mechanical spaces.

See Attachment II.G—Preliminary Design Drawing.

H. Construction Time Estimates

1.	Date of Drawings:	Preliminary	**September 19, 2023**
		Final	**July 22, 2024**
2.	Date of Construction:	Begin	**July 29, 2024**
		Completion	**June 9, 2025**
3.	Target Date of Opening:		**June 16, 2025**

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.

For nearly 80 years, VHC, a not-for-profit independent community hospital and the only hospital in Arlington County, has been providing care to the residents of Arlington County and nearby communities. Today, VHC is a 530,000-square foot tertiary-level facility and academic medical center affiliated with the Georgetown University School of Medicine. The hospital is approved for 453-beds[3] and offers comprehensive and highly specialized health care services, including inpatient medical-surgical, adult intensive care, pediatric, obstetric, medical rehabilitation, and other complementary services. It provides open heart surgery services and neonatal intensive care services, is a Level 2 Trauma Center and a certified Comprehensive Stroke Center, and operates Arlington County's only acute care hospital-based mental health unit.

Although VHC is a critical resource for residents of Arlington County and beyond, it has been challenging for VHC to accommodate needed service capacity on the congested hospital campus, which occupies an entire block in a residential area. Historically, the hospital building has housed all of the inpatient services and nearly all of its outpatient services, lacking space to accommodate any additional service capacity within the building. As part of its efforts to bring community-centered, top-quality medical care closer to where its patients live, in 2022 VHC Health opened its first off-campus ASC, located in McLean (the town in Fairfax County which adjoins Arlington County to the west), with four operating rooms relocated from the hospital. Also in 2022, the Commissioner approved VHC Health's first off-campus CT service, to be co-located with its first freestanding emergency department in Falls Church, a longstanding part of VHC's service area to the southwest. Alongside VHC's 17 separate locations throughout Northern Virginia which provide a range of primary and specialty care and immediate care services, these COPN-authorized off-campus sites offer VHC Health's patients much-needed and important options for care outside of the hospital setting and will decompress the busy hospital campus somewhat. In July 2022, the Outpatient Pavilion, a new outpatient care center, became operational on the VHC hospital campus, consolidating most hospital outpatient services in one centralized and dedicated outpatient location on the campus, thereby freeing up some space within the hospital footprint to accommodate previously approved bed additions.

The need for VHC's imaging services, however, is strong and continues to grow. In particular, in 2021, CT utilization of the three CT units operational at VHC reached 212.8% of the utilization threshold established by the State Medical Facilities Plan

[3] **The Commissioner approved 44 additional medical-surgical beds per COPN No. VA-04563 in March 2017, and 43 additional medical-surgical beds per COPN No. VA-04724 in November 2020. In addition, in February 2022, the Commissioner approved the addition of 16 psychiatric beds per COPN No. VA-04773.**

("SMFP"). Even accounting for the two units not reflected in the 2021 Virginia Health Information ("VHI") data (i.e., the 4th CT unit approved for the VHC hospital campus in 2017[4] and the CT unit approved for the VHC Health freestanding emergency department), average utilization based on 2021 scans was 127.7%. Notably, demand for VHC's CT services continues to grow, reaching average utilization of 141.3% in 2022 and 156.9% in 2023 (annualized based on January – August 2023 data and five authorized CT units).

Similarly, MRI utilization at VHC is high. In 2021, the three MRI units operational at the hospital operated at 105.0%, increasing to 112.1% in 2022. Even based on four approved MRI units (i.e., including the 4th MRI unit approved for the VHC hospital campus in 2017[5]), 2022 utilization was 84.1%, increasing further to 92.1% in 2023 (again, based on January – August 2023 data).

For many VHC patients, access to advanced imaging services is critical. Since its inception, the hospital has established numerous centers of excellence, providing highly specialized clinical care which often depends on timely access to high-quality MRI and/or CT services. Some of these centers of excellence include:

- **Neuroscience and Acute Stroke Unit. The unit offers comprehensive neurology and neurosurgery services and relies heavily on advanced diagnostics and operative technologies for the treatment of a broad range of medical problems, including aneurysms, vascular malformations, infections, tumors, complex spinal reconstruction, and traumatic injuries. The hospital operates a dedicated neurosurgery operating room; its staff includes multiple spine specialists, a skull base tumor specialist, a neuro-otologist, a cerebrovascular specialist, and a neuroradiologist. Further, the hospital has been designated as a Comprehensive Stroke Center by The Joint Commission, bringing together the full range of specialists and specialized service needed by stroke patients in a single location.**

- **Trauma: In March 2022, VHC obtained Level II Trauma Center designation. In association with George Washington University Medical Faculty Association, key features of the Trauma Center include specialists in traumatic surgery available 24/7, operating rooms staffed around the clock, and a dedicated surgical intensive care unit. The availability of advanced diagnostic imaging services is a requirement for Trauma Center designation.**

- **Orthopedics: VHC Health is a regional leader in orthopedic treatment, diagnosis, and rehabilitation. Its providers continually strive for excellence, performing more than 5,000 orthopedic procedures in 2022, including joint fusion, fracture fixation, tendon repair and lengthening, bone grafts, and spine surgery. The Hospital's Total Joint Replacement Program, focusing on knee, hip, shoulder, and elbow replacement, has been continuously recognized for**

[4] COPN No. VA-04548.
[5] COPN No. VA-04547.

its excellent interdisciplinary approach to patient care by The Joint Commission' Gold Seal of Approval for Total Joint Replacement since 2009. Orthopedic patients have a particularly high need for diagnostic imaging, including for diagnosis and pre-surgical staging.

- **<u>Cancer Care</u>: VHC provides comprehensive cancer services to Northern Virginia patients, including medical oncology, radiation oncology, nuclear medicine, infusion services, reconstructive surgery, and various other services. Many of these have been important "firsts" in Northern Virginia – including VHC's establishment of Intensity Modulated Radiation Therapy ("IMRT") services in 2004 and its implementation of the Cyberknife Robotic Radiotherapy System. Advanced diagnostic imaging services are a key component of cancer care and are critical for diagnosis, staging, and treatment monitoring.**

- **<u>Women's and Infant Health</u>: The VHC Health Women's and Infant Health Center of Excellence provides comprehensive childbirth, gynecological, neonatal, and related services. VHC's specialty-level nursery is operated in partnership with Children's National Health System. The women's health program includes urogynecology and pelvic surgery program, the Da Vinci XI Surgical System, and a dedicated women's imaging center. The Center for Breast Health at VHC became the first breast center in Virginia and the D.C. Metro area to be accredited by the American College of Surgeons' National Accreditation Program for Breast Centers. Particularly with recent changes to the U.S. Food and Drug Administration's ("FDA's") mammography standards, as discussed further below, the demand for women's imaging services has been growing.**

- **<u>Cardiology & Cardiovascular Surgery</u>: In 1964, VHC established the first coronary care unit in the D.C. Metro area. Approximately 30 years ago, VHC began one of the area's first cardiac rehabilitation programs. More recently, the hospital was recognized as (i) an Aetna Institute of Quality for Cardiac Care in Cardiac Medical Intervention, Cardiac Rhythm, and Cardiac Surgery; (ii) a CareFirst BlueCross BlueShield Blue Distinction Center for Cardiac Care; and (iii) a United Healthcare Premium Cardiac Specialty Center. For many cardiac conditions and presentations, advanced imaging plays an increasingly important role.**

The existing high CT and MRI volumes impede timely access and scheduling for all of VHC's patients. There is, however, no further space to expand or build out the hospital to meet the community's need for a comprehensive outpatient imaging center; the campus is effectively landlocked and has met the density threshold under the applicable zoning rules. Moreover, patient origin data suggests that significant numbers of VHC's outpatients and outpatient scans originate in the greater McLean area, long a part of VHC's PSA. Accordingly, VHC Health has determined that siting the needed imaging units at an off-campus location centrally within a key part of its

service area would most effectively and efficiently meet the need for additional imaging capacity at VHC. By decanting appropriate outpatient CT and MRI utilization from the hospital, the VHC Health Outpatient Imaging Center will free up capacity on the VHC campus, thus also improving access for inpatients and higher-acuity and severely injured patients and complex outpatients who will continue to undergo imaging studies on the hospital campus.

<u>See also</u> Response to Section IV.A.

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

VHC Health ensures continuity of care across its care delivery settings. The VHC Health Outpatient Imaging Center, to be operated by VHC and supported by VHC's radiology team, will implement proven policies, protocols, and procedures, as well as regulatory requirements, to ensure continuity of care in the diagnostic imaging setting and beyond. The proposed facility will be fully integrated with VHC Health's existing clinical services and will implement VHC Health's system-wide electronic health record, EPIC. Records will be supplied to other providers as necessary for appropriate follow-up and continuity of care and as permitted by applicable health records privacy laws. This integration will allow patients to transfer seamlessly between VHC Health care settings and will enhance the coordination of care for patients. Further, all imaging sites report to a single Director who directly reports to VHC Health's Senior Vice President of Hospital Operations and Chief Nurse Executive. This oversight ensures consistency in policies, protocols and procedures across sites and supports continuity of care.

C. What procedures are utilized in quality care assessment?

The VHC Health Outpatient Imaging Center quality care assessment protocols and procedures will be consistent with VHC Health's Quality Assurance and Performance Improvement Plan. Updated annually, this plan is used as a guide to design, measure, set goals for, assess, improve, and sustain organizational performance. Key dimensions of care focus on the effectiveness of care, patient- and family-centeredness, and the efficiency, safety, and timeliness of care delivered. Those factors drive VHC's collaborative quality care assessment process supported by the VHC Health Board of Directors, administration, management, medical staff, employees, and volunteers, as well as patients and their families, the community, and external partners.

Notably, the high quality of care offered by VHC Health has earned it a stellar reputation and a variety of recognitions and awards. To name just a few, these include:

- **U.S. News & World Report's 2023-2024 "Best Hospital" rankings - 5th in Virginia and 4th in the D.C./Maryland/Virginia area;**

- **Outstanding Hospital for Patient Experience by Healthgrades for the 11th consecutive year (2022);**
- **Centers for Medicare and Medicaid Services' Overall Hospital Quality Four Star Rating for 2023; and**
- **Hospital Safety Score of "A" for fall 2022 Leapfrog Hospital Safety Grade rating (VHC Health's 21st consecutive "A" score), making it one of 30 hospitals in the nation and only six in Virginia to have earned that safety score.**

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.

VHC Health has worked hard to strengthen physician, nurse, and clinical staff retention and recruitment, particularly during the ongoing nationwide health care staffing shortage. Specifically, VHC Health has continued to pursue innovative approaches to compensation and benefits and to invest in various workplace safety initiatives, and has effectively managed costs to offset the rising costs of labor. Further, VHC Health is closely affiliated with numerous educational and training facilities in Northern Virginia and the District of Columbia, including Marymount University, Northern Virginia Community College, George Mason University, Georgetown University, George Washington University, James Madison University, Catholic University, Shenandoah University, Stratford University, and Chamberlain University. In addition to those affiliations, VHC Health participates in a variety of initiatives with various partners that support VHC Health's recruitment and training efforts, including Virginia Commonwealth University, Arlington County, Friends of Nursing Foundation, the National Institute of First Assists, and the Foundation Poyant Fund. In 2022, VHC Health became the first hospital in the D.C. Metro area to become a Practice Transition Accreditation Program – a national certification awarded by the American Nurses Credentialing Center ("ANCC") for meeting global standards that transition new graduate registered nurses through their first twelve months of practice. Further, VHC Health has achieved Magnet status – a recognition by the ANCC which helps patients identify hospitals with satisfied nurses and exceeding certain quality of care benchmarks.

The anticipated additional staffing needed to support the VHC Health Outpatient Imaging Center, including CT and MRI services and all other planned non-reviewable diagnostic services, is 23 full-time employees ("FTEs"). Personnel will be recruited through customary channels, including the internet and print advertising, and the many schools with which VHC Health is affiliated. For many staff living west of the VHC hospital campus, the VHC Health Outpatient Imaging Center will offer an attractive work location. Additionally, the ambulatory care setting and the associated hours of operation will similarly provide a desirable workplace setting for some staff. Given its ongoing staff recruitment and retention efforts and successes, VHC Health does not anticipate an issue with recruiting that number of staff. Moreover, VHC Health anticipates cross-training CT and MRI techs to serve both modalities and ensure efficient utilization of human resources.

E. Facilities and Services to be Provided (Check)

		Existing	This Project To be Added	This Project to to be Discontinued
1.	Outpatient Surgery			
2.	Post Operative Recovery Room			
3.	Pharmacy with			
	full-time pharmacists			
	part-time pharmacists			
4.	Diagnostic Radio-logical Services			
	X-ray		**X**	
	Radioisotope		**X**	
	CT scanning		**X**	
	MRI scanning		**X**	
	Bone densitometry		**X**	
	Echocardiogram		**X**	
	SPECT/nuclear		**X**	
	Mammography		**X**	
5.	Therapeutic Radio-logical Services Specify Source(s) or Type(s) or Equipment Used			
6.	Clinical Pathology Laboratory			
7.	Blood Bank			
8.	Electroencephalo-graphy			
9.	Electrocardiography			
10.	Ultrasonography		**X**	

11.	Respiratory Therapy	_____	_____	_____
12.	Renal Dialysis			
	chronic outpatient	_____	_____	_____
	home dialysis training	_____	_____	_____
13.	Alcoholism Service	_____	_____	_____
14.	Drug Addiction Service	_____	_____	_____
15.	Physical Therapy Department	_____	_____	_____
16.	Occupational Therapy Department	_____	_____	_____
17.	Medical Rehabilitation outpatient	_____	_____	_____
18.	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 Screening	_____	_____	_____
37.	Other (Identify)	_____	_____	_____

F. Program

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

_**X**_____ Yes (Give name of hospital) **Virgnia Hospital Center**

_____ No

The proposed VHC Outpatient Imaging Center will be fully owned by VHC Health and will be operated as part of VHC Health as an Independent Diagnostic Testing Facility (not as a hospital outpatient department).

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

_**X**_____ Yes (Give name of hospital) __**VHC Health**

_____ 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 hospital) __**VHC Health**

_____ No

The VHC Health Outpatient Imaging Center will transfer medical records to other providers as necessary for appropriate follow-up and continuity of care in accordance with applicable health records privacy laws, either electronically or via courier.

4. Outpatient services are (will be) available from _____ a.m. to _____ p.m. _____ days of week.

Monday-Friday 7 am – 9 pm (14 hours daily)
Saturday-Sunday 7 am – 5 pm (10 hours daily)

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

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

VHC Health's mission is to provide high-quality care to all patients regardless of their ability to pay for services or the payment source. There will be no restrictions or limitations for participation in the proposed CT and MRI imaging services; the VHC Health Outpatient Imaging Center will accept all clinically appropriate patients regardless of payor status or referring physician.

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.

(i) Historical Utilization

VHC Health Historical CT Utilization:

CT Utilization	2021	2022	2023 (ann.)[6]
CT Procedures	47,231	52,263	58,052
Average Utilization (3 Reporting Units)	212.8%	235.4%	261.5%
Average Utilization (5 Authorized Units)	127.7%	141.3%	156.9%
Units Needed	6.4	7.1	7.8

VHC Health Historical CT Utilization (by scan type):

CT Utilization	2021	2022	2023 (ann.)	Units Needed
Total CT Procedures	47,231	52,263	58,052	7.8
Inpatient	8,670	8,760	9,737	1.3
Outpatient[7]	38,561	43,503	48,315	6.5

VHC Health Historical MRI Utilization:

MRI Utilization	2021	2022	2023 (ann.)[8]
MRI Procedures	15,746	16,811	18,410
Average Utilization (3 Reporting Units)	105%	112.1%	122.7%
Average Utilization (4 Authorized Units)	78.7%	84.1%	92.1%

[6] **Based on January – August 2023 data. Historically, VHC's CT utilization has experienced an 11-17% increase between the first and the second half of the year. Here, VHC Health has conservatively accounted for an average 5.5% monthly increase in September-December 2023 vs. January-June 2023.**

[7] **Includes emergency department scans.**

[8] **Based on January – August 2023 data. Historically, VHC's MRI utilization has experienced a 26-30% increase between the first and the second half of the year. Here, VHC Health has conservatively accounted for an average 13% monthly increase in September-December 2023 vs. January-June 2023.**

VHC Health Historical MRI Utilization (by scan type):

MRI Utilization	2021	2022	2023 (ann.)
Total MRI Procedures	15,746	16,811	18,410
Inpatient	3,330	3,311	3,628
Outpatient[9]	12,416	13,500	14,782

(ii) Projected Utilization

In projecting utilization at the VHC Health Outpatient Imaging Center, VHC Health considered several factors, as summarized briefly below.

- **VHC's existing high CT and MRI utilization;**
- **Historical CT and MRI demand of VHC Health's outpatients;**
- **Historical volumes of time-intensive MRI studies;**
- **Increasing demand for imaging services by patients of VHC's growing centers of excellence (for example, growing demand for breast MRI studies due to changing FDA mammography guidance);**
- **VHC's service area and patient origin data;**
- **Patient choice and scheduling preferences; and**
- **Population growth and aging in the VHC Health service area.**

VHC believes that its utilization projections are highly conservative and likely understate the need for the proposed facility.

Projected Utilization at VHC Health Outpatient Imaging Center:

Projected Utilization	Units	Year 1	Year 2
CT Scans	1	5,304	5,616
CT Utilization	1	71.7%	75.9%
MRI Scans	1	4,000	4,250
MRI Utilization	1	80.0%	85.0%

[9] **Includes emergency department scans.**

H. Staffing of Existing and/or Proposed Facility

The staffing identified below reflects all services to be provided at the proposed VHC Health Outpatient Imaging Center – i.e., CT and MRI services as well as certain non-reviewable diagnostic services (including ultrasound, x-ray, echocardiogram, mammography, SPECT, and bone densitometry services). Although only the CT and MRI components of the proposed facility are reviewable, VHC provides here the staffing requirements for the entire proposed facility in the interest of transparency and comprehensiveness.

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

	Current Full Time	Additional Vacant Positions	Additional Full Time	Needed TOTAL
Total number of Full-time staff	_____	_____	**23.0**	**23.0**
Administration-Business Office	_____	_____	**8.0**	**8.0**
Registered Nurses **(Radiation Safety Nurse)**	_____	_____	**1.0**	**1.0**
Licensed Practical Nurses, Nurses Aides, Orderlies/Attendants	_____	_____	_____	_____
Registered Medical Records Librarian	_____	_____	_____	_____
Registered Pharmacists	_____	_____	_____	_____
Laboratory Medical Technologists	_____	_____	_____	_____
ADA Dieticians	_____	_____	_____	_____
Radiologic Technologists	_____	_____	**13.0**	**13.0**
Occupational Therapists	_____	_____	_____	_____

Physical Therapists	_____	_____	_____	_____
Psychologists	_____	_____	_____	_____
Psychiatric Social Workers	_____	_____	_____	_____
Recreational Therapists	_____	_____	_____	_____
Inhalation Therapists	_____	_____	_____	_____
Medical Social Workers	_____	_____	_____	_____
Other Health Professionals, Identify	_____	_____	_____	_____
Tech Aide	_____	_____	**1.0**	**1.0**

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.

See Response to Section III.D.

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

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

K. Attach the following information or documents:

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

   A copy of VHC's 2023 license is attached. See Attachment III.K.1—2023 VHC License. VHC is accredited by The Joint Commission, whose accreditation materials are attached at Attachment III.K.2, and therefore Virginia does not conduct annual licensure inspections (or issue annual licensure reports) at the facility.

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

See Attachment III.K.2—VHC Accreditation Documentation.

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

See Attachment III.K.3—VHC Medical Staff Roster.

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

See Attachment III.K.4—Letter of Commitment.

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

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

VHC Health has a demonstrated need for additional CT and MRI capacity to serve current demand and to decompress its highly utilized CT and MRI services on the hospital campus. Similarly, its patients have a need for better access to CT and MRI services, better access to appropriate services at off-campus sites within the PSA, and better access to lower-cost outpatient imaging options. To meet those needs, VHC Health proposes here to expand VHC's CT and MRI services at an off-campus location – VHC Health's first off-campus comprehensive outpatient imaging center. The proposed facility will be located squarely within VHC's longstanding PSA and will be co-located with VHC Health's only off-campus ASC, numerous VHC Health specialty physician offices (including cardiology, gastroenterology, obstetrics and gynecology, urology, and primary care), and other physician practices (including orthopedics). The proposal will significantly enhance access for VHC's CT and MRI patients, offering outpatients an important lower-cost alternative for comprehensive diagnostic imaging services away from the busy hospital campus. This will decompress existing services and support the efficient and effective delivery of care for all patients.

1. <u>Overview of VHC and Its Diagnostic Imaging Services</u>

Until recently, the VHC main hospital has housed all of the hospital's inpatient services and nearly all of its outpatient services, including CT and MRI services (with three CT units and three MRI units). The diagnostic services located at the hospital have historically served the full spectrum of patients – i.e., inpatients, emergency patients, and outpatients, all with varying acuity and scheduling needs. This broad range of clinical needs and demands, exacerbated by VHC's growing CT and MRI utilization, has created significant clinical and logistical challenges. VHC has outgrown the single-site model of care to timely meet the competing needs of VHC's patients.

At the same time, it has been challenging for VHC Health to accommodate needed service capacity on the hospital campus. The recently opened Outpatient Pavilion has consolidated most hospital outpatient services in one centralized and dedicated outpatient location on the campus, freeing up some space within the hospital building for essential hospital services. With the Outpatient Pavilion's opening, one additional MRI unit and one additional CT unit, approved in 2017, became operational on the VHC campus.[10] There is, however, no further space to expand or build out the hospital campus to meet the community's need for a comprehensive outpatient imaging center; as illustrated in the photograph below, the campus is congested and effectively landlocked. <u>See also</u> Attachment IV.A.1 – VHC Campus Map.

[10] **COPN Nos. VA-04547 and -04548.**

VHC Hospital Campus

Moreover, while all of VHC Health's imaging services are currently concentrated on the hospital campus, VHC Health's patients have an increasing need for more accessible and convenient lower-cost care options away from the busy hospital campus. The Commissioner recognized as much in approving VHC Health's first off-campus diagnostic imaging service in February 2022 – a CT unit to be co-located with VHC's first freestanding emergency department (and an urgent care center) in Falls Church and to serve emergency patients and scheduled outpatients.[11] Despite substantial outpatient MRI demand, VHC does not currently offer an off-campus outpatient option for MRI patients; all MRI services remain concentrated on the hospital campus. The proposed facility would be VHC's first off-campus MRI service and VHC Health's first off-campus comprehensive outpatient diagnostic imaging facility.

2. <u>VHC Health Has an Institutional Need to Expand Its Highly Utilized CT and MRI Services</u>

Despite recently operationalized and/or approved inventory, VHC Health has a continuing institutional need for additional CT and MRI capacity. In 2021, its three operational CT scanners reached 212.8% of the utilization threshold established by the State Medical Facilities Plan ("SMFP") and 235.4% in 2022.[12] Even based on VHC's five authorized units, VHC's average utilization in 2022 exceeded 141% and 156% in 2023. In short, VHC has a calculated need for a total of 7.8 CT units. In this application, VHC Health proposes to add one CT unit to its current complement of

[11] **COPN No. VA-04775.**
[12] **Annualized based on January – August 2023 data per methodology discussed earlier.**

five authorized scanners. Even with the proposed sixth CT unit, VHC's average utilization would be at 117.8% based on 2022 utilization and 130.7% based on annualized 2023 utilization (i.e., not accounting for population growth, any limitations associated with the existing units' capacity, etc.). In PD 8, VHC provides substantially more CT scans than any other hospital provider except for Inova Fairfax Hospital.[13]

CT Utilization	2021	2022	2023 (ann.)[14]
CT Procedures	47,231	52,263	58,052
Average Utilization (3 Reporting Units)	212.8%	235.4%	261.5%
Average Utilization (5 Authorized Units)	127.7%	141.3%	156.9%

Similarly, VHC Health has a demonstrated institutional need for additional MRI capacity. Based on four authorized MRI units and 2023 utilization,[15] average MRI utilization at VHC is at 92.1% of the SMFP threshold. On the one hand, nearly 80% of VHC's MRI utilization is by outpatients, justifying three MRI units. On the other hand, in its role as an academic medical center and a certified Comprehensive Stroke Center, VHC serves a high-acuity patient population; many of those emergency patients and inpatients require more time-intensive MRI studies (due to additional sequences necessary to appropriately diagnose and treat many complex conditions). Similarly, the imaging of geriatric, claustrophobic, and obese patients with numerous comorbidities can require additional time. Occasionally, scans have to be aborted and rescheduled and VHC's physicians must make complex decisions as to potential calming mechanisms to be employed to allow a particular patient to successfully complete the study. Various specialty MRI studies likewise take longer (such as cardiac and breast MRI studies). However, reported utilization does not account for the length of counted procedures but rather just the procedure count. For example, between January – June 2023, VHC received an average of 61 outpatient orders for MRI studies per workday, yet despite its existing MRI units' extended operating hours, it only had 53 available exam slots per day. Thus, VHC lacked capacity to provide at least eight outpatient MRI studies per day. Effectively, VHC's MRI services are operating at full capacity and are in need of expansion. Notably, VHC's MRI utilization is fourth highest among PD 8's existing providers.[16]

MRI Utilization	2021	2022	2023 (ann.)
MRI Procedures	15,746	16,811	18,410
Average Utilization (3 Reporting Units)	105%	112.1%	122.7%
Average Utilization (4 Authorized Units)	78.7%	84.1%	92.1%

[13] 2021 VHI Diagnostic Imaging Utilization Data.
[14] Annualized based on January – August 2023 data per methodology discussed earlier.
[15] Id.
[16] 2021 VHI Diagnostic Imaging Utilization Data.

To accommodate demand, VHC has long offered CT and MRI services during extended hours and on weekends. For example, CT services are available 9 am – 3 pm on weekends and MRI services are available 7 am – 5 pm. Nonetheless, the high demand for VHC's CT and MRI services regularly creates back-ups during peak imaging hours (11 am – 9 pm). Current outpatient scan appointment wait times can range up to several weeks; further, outpatient scheduled scans are often delayed or rescheduled due to unanticipated inpatient or emergency needs (such as stroke and trauma patients). As the demand for outpatient CT and MRI imaging increases, these delays can significantly undermine the delivery of care. For example, with the recent changes to the FDA mammography imaging guidelines in light of the impact of breast density on the accuracy of mammography,[17] the volume of breast MRI studies is rapidly rising. Notably, breast MRI imaging is time-sensitive – not only because a potential breast cancer diagnosis may be at stake but also because the MRI appointment must be coordinated with the patient's menstrual cycle to optimize the study's accuracy. Breast MRI studies are also particularly lengthy and require longer appointment slots. The current wait times for a breast MRI appointment can range up to 24 days. As VHC Health has expanded its Women's Health program, adding 33 physician and advanced practice providers since 2019, those volumes are anticipated to continue to grow. Wait times for prostate MRI scans, which require particular MRI technology, currently range up to 27 days.

Additionally, imaging hours must at times be extended late into the evening to accommodate inpatients added or rescheduled throughout the day. Overutilization also increases the risk that all of VHC's units will be in use when the need for an emergency or urgent scan arises, decimating the already limited redundancy of imaging units at VHC – redundancy particularly important at a busy academic medical center, Comprehensive Stroke Center, and Level II Trauma Center such as VHC. The resulting delays in diagnostic imaging can undermine timely diagnosis and treatment, particularly for higher-risk patients, and can impact length of stay, outcomes, and patient satisfaction. At the same time, the overextension of staff increases labor costs and creates staff retention challenges.

3. **<u>VHC Health's Patients Have a Need for More Accessible and Less Costly Outpatient Imaging Options</u>**

As noted above, VHC Health's MRI services currently remain concentrated on the hospital campus where they continue to serve the full range of VHC Health's patients. Thus, VHC Health's patients do not have a more accessible and convenient off-campus alternative to on-campus MRI imaging available to them. Indeed, although VHC is a critical resource for residents of Falls Church, Arlington, McLean (the town bordering Arlington to the west), and other areas of Fairfax County and the only independent community hospital in PD 8, it lacks this important option for outpatient MRI services. And while the Commissioner recently approved VHC Health's first off-

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[17] Per a March 2023 FDA rule, facilities that provide mammography must include the breast density on the mammography report. https://www.fda.gov/news-events/press-announcements/fda-updates-mammography-regulations-require-reporting-breast-density-information-and-enhance.

campus CT service, that service will be co-located with a freestanding emergency department and urgent care center. Nearly 60% of its projected utilization is anticipated to be by emergency patients; only approximately 16% of VHC's outpatient CT volumes (and 9% of its overall CT volume) is anticipated to decant to that facility.[18] In short, VHC Health's patients have a compelling need for the proposed establishment of VHC Health's first off-campus comprehensive outpatient diagnostic imaging center.

In fact, based on 2021 data, approximately 22% of VHC's CT patients and 23% of VHC's MRI patients originate in the PSA for the proposed VHC Health Outpatient Imaging Center. In 2021, these patients represented 25.4% of VHC's outpatient CT scans and 26.5% of its outpatient MRI scans. Notably, the proportion of VHC's diagnostic imaging patients from the proposed PSA is lower than its overall proportion of patients from that area, representing the lack of more conveniently located, lower-cost VHC option for comprehensive imaging in the area.

The proposed VHC Health Outpatient Imaging Center will provide an important and currently unavailable option for those patients. The diversification of VHC Health's sites of care responds not only to patient care delivery and patient satisfaction considerations but also to patient demands for lower-cost settings and reimbursement pressures from payors, all of which continue to drive the shift of lower-acuity care to outpatient settings. Although VHC Health will own and operate the proposed facility, allowing patients to access academic medicine services at a dedicated outpatient facility, it will not be reimbursed at hospital-based outpatient rates but rather at lower freestanding rates. Commercial payor reimbursement is expected at one-third of current hospital-based rates; Medicare reimbursement is likewise substantially lower than in the hospital setting. Thus, the project will significantly improve access to lower-cost imaging options for VHC Health patients. At the same time, the project will obviate the need for VHC Health patients to exit the VHC Health system to obtain more convenient and accessible outpatient imaging services.

4. **<u>Locating the Proposed CT and MRI Units at the VHC Health Outpatient Imaging Center Will Optimize Access and Care Delivery in the Most Cost-Efficient and Effective Manner</u>**

Establishment of VHC Health's first off-campus comprehensive imaging center will enhance availability, decompress utilization of the busy hospital campus, and deliver the appropriate level of care in the appropriate setting. Offering significant numbers of VHC patients originating in the proposed PSA a convenient, low-cost, outpatient imaging option will increase the efficiency of care delivery and enhance the continuity, coordination, and integration of care. In doing so, the project will significantly reduce the costs of care for patients.

At the same time, the proposal to establish both CT and MRI services, along with the full range of non-reviewable diagnostic services, at the VHC Health Outpatient

[18] **COPN Request No. VA-8559, Application at 32.**

Imaging Center presents a unique opportunity to design and implement these much-needed expansions in a cost-effective and efficient manner. Consolidating the establishment of all services generates substantial cost savings (in terms of construction and equipment costs) as compared to sequential implementation and avoids operational and construction disruptions associated with later additions. Moreover, operationalizing all modalities at the same time will allow VHC Health capitalize on cross-training techs and administrative staff and ensure efficient facility design, operations, and staffing.

5. Summary

In sum, the proposal reflects a cost-effective and efficient approach to improving access to two invaluable diagnostic tools for all of VHC Health's patients. Establishment of the proposed freestanding outpatient diagnostic imaging center with CT and MRI services in an integral part of VHC Health's PSA will provide much-needed additional capacity, enhancing timely and adequate access for all of VHC's CT and MRI patients. From a clinical, operational, and cost management perspective, the project represents an important complement to VHC's existing hospital-based services. Approval of the proposal will enable VHC Health to offer its patients in need of outpatient imaging services a more accessible, cost-effective, and outpatient-focused model of care.

B. Identification of Community Need

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

The PSA for VHC includes Arlington County, Falls Church City, and parts of Alexandria City and Fairfax County. See Attachment IV.B.1(i)—VHC Service Area Map.

The PSA for the proposed diagnostic imaging center is provided at Attachment IV.B.1(ii)—Proposed Primary Service Area Map.

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

See Attachment IV.B.2—VHC Patient Origin for CT & MRI Services.

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.

2. If Yes,

a. Identify the facility(ies)

<u>See</u> Attachment IV.E—Consistency with SMFP, Exhibits A (Existing and Authorized CT Units) and B (Existing and Authorized MRI Units).

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

In this application, VHC Health seeks to meet VHC's institutional need for additional CT and MRI capacity by establishing VHC Health's first off-campus comprehensive diagnostic imaging facility. The project will decompress high volumes on the hospital campus while providing VHC Health's patients with a lower-cost alternative to hospital services. None of the existing providers of CT and MRI services in PD 8 can meet this VHC-specific need in a less costly or more effective manner.

Similarly, VHC Health's recently operationalized and/or approved units likewise do not meet the continuing need for additional inventory and more convenient and diversified treatment settings. Indeed, VHC Health's MRI services remain concentrated on the VHC campus. Those existing services are highly utilized; there is no underutilized MRI capacity which could be relocated to the proposed facility. Indeed, given the acuity and complexity of many of VHC's imaging patients and hence the complexity and time-intensity of the studies they require, relocation of one MRI unit from the VHC campus would likely quickly generate a need for a backfill MRI on the campus, despite the projected shift of significant outpatient volumes from the hospital campus to the VHC Health Outpatient Imaging Center. Moreover, relocation from the hospital would further reduce the already limited redundancy of MRI units at the hospital – redundancy necessary to minimize the risk that all existing units will be in use when a critical, high-acuity patient requires MRI imaging on an emergency or urgent basis and particularly important at a busy academic medical center and Comprehensive Stroke Center such as VHC. <u>See also</u> Attachment IV.E—Compliance with SMFP.

Similarly, VHC's CT services are substantially overutilized. While in 2022, VHC Health obtained approval to establish its first off-campus CT service, that CT will be co-located with VHC Health's first freestanding emergency department and an urgent care center; nearly 60% of its projected utilization is anticipated to be by emergency patients and only approximately 16% of VHC's outpatient CT volumes (and 9% of its overall CT volume) is anticipated to decant to that facility.[19] Further, the VHC Health Emergency & Imaging Center does not offer MRI services or the full spectrum of outpatient imaging

[19] COPN Request No. VA-8559, Application at 32.

services. Moreover, that facility is to be located in Falls Church, southwest of VHC, while the proposed VHC Health Outpatient Imaging Center will be located to the northwest of VHC and will primarily serve patients in the western part of VHC's service area. In short, the VHC Health Emergency & Imaging Center is not a practical or reasonable alternative to the proposal.

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

None of the existing providers of CT and MRI services in PD 8 can meet the present need for VHC's proposal, and none will be able to do so in five years. VHC's existing CT and MRI services are currently overutilized. Given the continuing growth in the service area, demand is only anticipated to grow further. Consistent with VHC Health's long-range plan, the proposal will significantly enhance VHC Health's ability to meet the growing needs of all its patients and provide them with timely access to high-quality care in appropriate settings away from the congested hospital campus.

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.

VHC Health has a compelling need to expand its highly utilized CT and MRI services and to decant some of its utilization away from the busy hospital campus. Its existing units are highly utilized. Based on five authorized CT units (including one approved, not-yet-operational CT scanner at the VHC Emergency and Imaging Center), its average utilization was 141.3% in 2022 and 156.9% in 2023.[20] Based on 2023 volumes alone, VHC Health has a calculated need for 2.8 additional CT units.[21] Based on four authorized MRI units, VHC's 2022 utilization reached 84.1%, and 92.1% in 2023.[22] Notably, those MRI scan volumes do not account for the fact that many MRI studies needed by complex inpatients and emergency patients often require multiple sequences and thus take more time. On average, VHC receives at least eight outpatient MRI orders per workday over its service capacity – i.e., eight orders that it cannot accommodate. In addition, the demand for MRI services is increasing. For example, breast MRI volumes have been steadily rising following FDA rule changes enacted in March 2023. Those scans are particularly lengthy and require longer appointment slots; the average wait times for those appointments currently range up to 24 days. Wait times for prostate MRI scans, which only one of VHC's scanners can perform, extend up to 27 days. In short, both modalities are essentially operating at or above full capacity. Such high utilization makes it clinically and logistically

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[20] Annualized based on January-August 2023 data per methodology discussed previously.
[21] See Section III.G of the application for further discussion of VHC's CT utilization.
[22] **Annualized based on January-August 2023 data per methodology discussed previously.**

challenging to timely meet the competing needs of all of VHC Health's patients and results in delayed access to care. Delays, in turn, can undermine timely diagnosis and treatment and can impact length of stay, outcomes, and patient satisfaction.

To meet the identified need for additional CT and MRI capacity, VHC Health is developing the VHC Health Outpatient Imaging Center, its first off-campus comprehensive outpatient diagnostic imaging center. The proposed facility will house VHC Health's first off-campus MRI unit and only its second off-campus CT unit, alongside the full range of other, non-reviewable diagnostic services. Locating the units at the VHC Health Outpatient Imaging Center will decompress the high utilization of VHC's CT and MRI utilization away from the hospital campus. More than 25% of VHC's outpatient CT scans and 26% of its outpatient MRI scans currently originate within the proposed facility's projected PSA; many more patients obtain services from other providers due to the lack of a more accessible, lower-cost outpatient in-system option. By alleviating VHC's high and growing CT and MRI utilization on the hospital campus, the project will enhance access for VHC's higher-acuity and severely injured patients who require the resources of a hospital campus. It will also offer VHC Health's outpatients a crucial off-campus option for conveniently accessible and lower-cost imaging 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.

<u>See</u> Attachment IV.E—Consistency with SMFP.

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.

<u>See</u> Section III.G—Projected Utilization.

G. Coordination and Affiliation with Other Facilities.

Describe any existing or proposed formal agreements or affiliations to share personnel, facilities, services or equipment. (Attach copies of any formal agreements with another health or medical care facility.)

VHC Health participates in a variety of collaborative arrangements with other providers. These include:

- **<u>Georgetown University School of Medicine</u>: For more than 50 years, VHC Health has provided clinical education experiences to Georgetown University School of Medicine students, and many VHC Health physicians also serve as professors at the school.**

- **<u>Medstar Georgetown University and Medstar Washington Hospital Center</u>: As an affiliate of the Medstar facilities' graduate medical education residency programs, VHC hosts clinical training rotations for Medstar's internal medicine, obstetrics/gynecology, general surgery, and pediatric residents.**

- **<u>Kaiser Permanente</u>: In 2010, Kaiser selected VHC as its "core" hospital for medical-surgical services in Northern Virginia, and VHC became a Kaiser Premier Hospital – a designation based on a third-party evaluation of safety and quality metrics.**

- **<u>Children's National Medical Center</u>: In 2012, VHC Health and the Children's National Medical Center joined together to provide more advanced care in VHC's neonatal unit. Under this arrangement, the Children's National Medical Center neonatology team manages VHC's Level III nursery. Children's National Medical Center was ranked 5th in the nation in the U.S. News & World Report's 2023-2024 "Best Children's Hospital" ranking and 2nd for neonatology services.**

- **<u>McLean Tysons Orthopedic Surgery Center</u>: Furthering its commitment to excellent orthopedic services, VHC Health, through its joint venture with local orthopedic surgeons, has developed the McLean Tysons Orthopedic Surgery Center, VHC's only outpatient surgical hospital.**

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).

   <u>See</u> Attachment IV.H.1—Maps of Existing CT and MRI Facilities.

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

   <u>See</u> Attachment IV.H.2—Letters of Support.

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

   <u>See</u> Attachment IV.H.3—Notification Letters.

SECTION V **FINANCIAL DATA**

It will be the responsibility of the applicant to show sufficient evidence of adequate financial resources to complete construction of the proposed project and provide sufficient working capital and operating income for a period of not less than one (1) year after the date of opening:

A. Specify the per diem rate for all existing negotiated reimbursement contracts and proposed contracts for patient care with state and federal governmental agencies, Blue Cross/Blue Shield Plans, labor organizations such as health and welfare funds and membership associations.

Per diem rates in contracts are proprietary and subject to contractual confidentiality provisions; however, the chart below lists VHC Health's publicly available reimbursement arrangements. For information regarding comparisons of VHC Health's charges, costs and productivity/utilization, please refer to Attachment V.B—VHI 2022 VHI EPICS Report.

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

B. Does the facility participate in a regional program which provides a means for facilities to compare its costs and operations with similar institutions?

___**X**___ Yes _____ No

If yes, specify program **Virginia Health Information**
Provide a copy of report(s) which provide(s) the basis for comparison.

See Attachment V.B—VHC 2022 VHI EPICS Report.

C.-E. 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 capital costs outlined below reflect the entirety of the VHC Health Outpatient Imaging Center and all services to be provided at the facility – i.e., COPN-reviewable CT and MRI services as well as certain non-reviewable diagnostic services (including ultrasound, x-ray, echocardiogram, mammography, SPECT, and bone densitometry services). Although only the CT and MRI components of the proposed facility are

reviewable, VHC provides here the comprehensive capital costs for the entire proposed facility in the interest of transparency and comprehensiveness.

Part I – Direct Construction Costs

1.	Cost of materials	**$ 2,558,776**
2.	Cost of labor	**$ 2,010,467**
3.	Equipment included in construction contract	**$ 310,708**
4.	Builder's overhead	**$ 609,232**
5.	Builder's profit	**$ 304,616**
6.	Allocation for contingencies	**$ 304,616**
7.	Sub-total (add lines 1 thru 6)	**$ 6,098,415**

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. **Fixed CT Unit**	$**1,430,000**
	b. **Fixed MRI Unit**	$**2,360,000**
	c. **Other Diagnostic Equipment**	$**231,735**
	d. **Other Minor Equipment**	$**685,000**
	e. _____	$_____
9.	Sub-total (add lines 8a thru 8e)	$**4,706,735**

Part III – Site Acquisition Costs[23]

10.	Full purchase price	$_____
11.	For sites with standing structures	$_____
	a. purchase price allocable to structures	$_____
	b. purchase price allocable to land	$_____

[23] Not applicable; VHC Health owns the building at 1760 Old Meadow Road in its entirety.

12. Closing costs $_____

13. If leasehold, lease expense for the entire term of the initial lease $_____

14. Additional expenses paid or accrued:

a. _____ $_____

b. _____ $_____

c. _____ $_____

15. Sub-total (add lines 10 thru 14c) $**0**

Part IV – Site Preparation Costs

16. Earth work $_____

17. Site utilities $_____

18. Roads and walks $_____

19. Lawns and planting $_____

20. Unusual site conditions:

a. _____ $_____

b. _____ $_____

21. Accessory structures $_____

22. Demolition costs $_____

23. Sub-total (add lines 16 thru 22) $**0**

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

24. _____ $_____

25. _____ $_____

26. _____ $_____

27. _____ $_____

28. Sub-total (add lines 24 thru 27) $**0**

Part VI – Architectural and Engineering Fees

29. Architect's design fee $**688,157**

30. Architect's supervision fee $**76,755**

31. Engineering fees $**167,200**

32. Consultant's fees $**36,808**

33. Sub-total (add lines 29 thru 32) $**968,920**

Part VII – Other Consultant Fees (List each separately)

34. a. _____ $_____

b. _____ $_____

c. _____ $_____

35. Sub-total (add lines 34a thru 34c) $**0**

Part VIII – Taxes During Construction

36. Property taxes during construction $_____

37. List other taxes:

a. _____ $_____

b. _____ $_____

38. Sub-total (add lines 36 thru 37b) $**0**

Part IX-A – HUD Section 232 Financing

39. Estimated construction time(in months) _____

40. Dollar amount of construction loan $_____

41. Construction loan interest rate _____%

42. Estimated construction loan interest costs $_____

43. Term of financing (in years) _____

44. Interest rate on permanent loan _____%

45. FHA mortgage insurance premium $_____

46. FHA mortgage fees $_____

47. Financing fees $_____

48. Placement fees $_____

49. AMPO (non-profit only) $_____

50. Title and recording fees $_____

51. Legal fees $_____

52. Total interest expense on permanent mortgage loan $_____

53. Sub-total Part IX-A HUD Section 232 Financing (add lines 42, 45, 46, 47, 48, 49, 50 and 51) $**0**

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

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

_____

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

55. Estimated construction time (in months) _____

56. Dollar amount of construction loan $_____

57. Construction loan interest rate _____%

58. Estimated construction loan interest cost $_____

59. Nature of bond placement (direct, underwriter, if other, specify)

_____

60. Will bonds be issued prior to the beginning of construction? _____ Yes _____ No

61. If the answer to question 60 is yes, how long before (in months)? _____

62. Dollar amount of bonds expected to be sold prior to the beginning of construction $_____

63. Will principal and interest be paid during construction or only interest? _____

64. Bond interest expense prior to the beginning of construction(in dollars) $_____

65. How many months after construction begins will last bond be sold? _____

66. Bond interest expense during construction $_____

67. What percent of total construction will be Financed from bond issue? $_____

68. Expected bond interest rate _____%

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) $**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) $_____

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) $**0**

Financial Data Summary Sheet

96.	Sub-total Part I	Direct Construction Cost (line 7)	**$ 6,098,415**
97.	Sub-total Part II	Equipment not included in construction contract (line 9)	**$ 4,706,735**
98.	Sub-total Part III	Site Acquisition Costs (line 15)	$_____
99.	Sub-total Part IV	Site Preparation Cost (line 23)	$_____
100.	Sub-total Part V	Off-Site Costs (line 28)	$_____
101.	Sub-total Part VI	Architectural and Engineering fees (line 33)	**$ 968,920**
102.	Sub-total Part VII	Other Consultant fees (line 35)	$_____
103.	Sub-total Part VIII	Taxes During Construction (line 38)	$_____
104.	Sub-total Part IX-A	HUD-232 Financing (line 53)	$_____
105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	$_____
106.	Sub-total Part IX-C	Conventional Loan Financing (line 95)	$_____

107. TOTAL CAPITAL COST (lines 96 thru 106) **$ 11,774,070**

108. Percent of total capital costs to be financed $_____

109. Dollar amount of long term mortgage (line 107 x 108) $_____

110. Total Interest Cost on Long Term Financing $_____
a. HUD-232 Financing (line 53) $_____

b. Industrial Development Authority Revenue & General Revenue Bond Financing (line 79) $_____
c. Conventional Loan Financing (line 94) $_____

111. Anticipated Bond discount

a. HUD-232 Financing (line 53) $_____

b. Industrial Development Authority Revenue & General Revenue Bond Financing (line 70) $_____

c. Conventional Loan Financing (line 87) $_____

112. TOTAL CAPITAL AND FINANCING COST (ADD LINES 107, 110a, b or c AND 111a, b or c) **$ 11,774,070**

D. 1. Estimated costs for new construction (excluding site acquisition costs) **$ 6,098,415**

2. Estimated costs of modernization and renovation (excluding site acquisition costs) $_____

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

F. Describe in detail the proposed method of financing the proposed project, including the various alternatives considered. Attach any documents which indicate the financial feasibility of the project.

The proposed project will be financed from VHC Health's accumulated reserves.

G. Describe the impact the proposed capital expenditure will have on the cost of providing care in the facility. Specify total debt service cost and estimated debt service cost per patient day for the first two (2) years of operation. (Total debt service cost is defined as total interest to be paid during the life of the loan (s). Estimate debt service cost per patient day by dividing estimated total patient days for year one into amount of debt service for that year. Repeat for year two.) Please attach an amortization schedule showing how the proposed debt will be repaid.

Not applicable. The project will be financed from accumulated reserves.

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

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

The existing room rates are as follows:

Average Inpatient Room Board Charges, 2023

Day Type	Charge
ICU/CCU	$2,699
Nursery Level I	$2,857
Nursery Level II	$3,641
Nursery Level III	$4,444
Psychiatric	$1,290
Rehab	$1,290
Routine - General	$1,737
Routine - Intermediate Care	$1,722

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.

<u>See</u> Attachment V.H.2—VHC Health Audited Financial Statements.

3. Copy of the proposed facility's estimated income, expense and capital budget for the first two years of operation after the proposed project is completed.

<u>See</u> Attachment V.H.3—Pro Forma.

The Pro Forma submitted at Attachment V.H.3 reflects all services to be provided at the proposed VHC Health Outpatient Imaging Center – i.e., COPN-reviewable CT and MRI services as well as certain non-reviewable

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	1701 North George Mason Dr. Address – Line1
Chris Lane Type/Print Name of Authorizing Officer	Address – Line 2
President & CEO Title of Authorizing Officer	Arlington, VA 22205 City/State/Zip
(703) 558-5000 Telephone	September 29, 2023 Date

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.**

SPACE TABULATION (SECTION II-E)

Virginia Hospital Center
VHC Imaging Renovation
Level 4

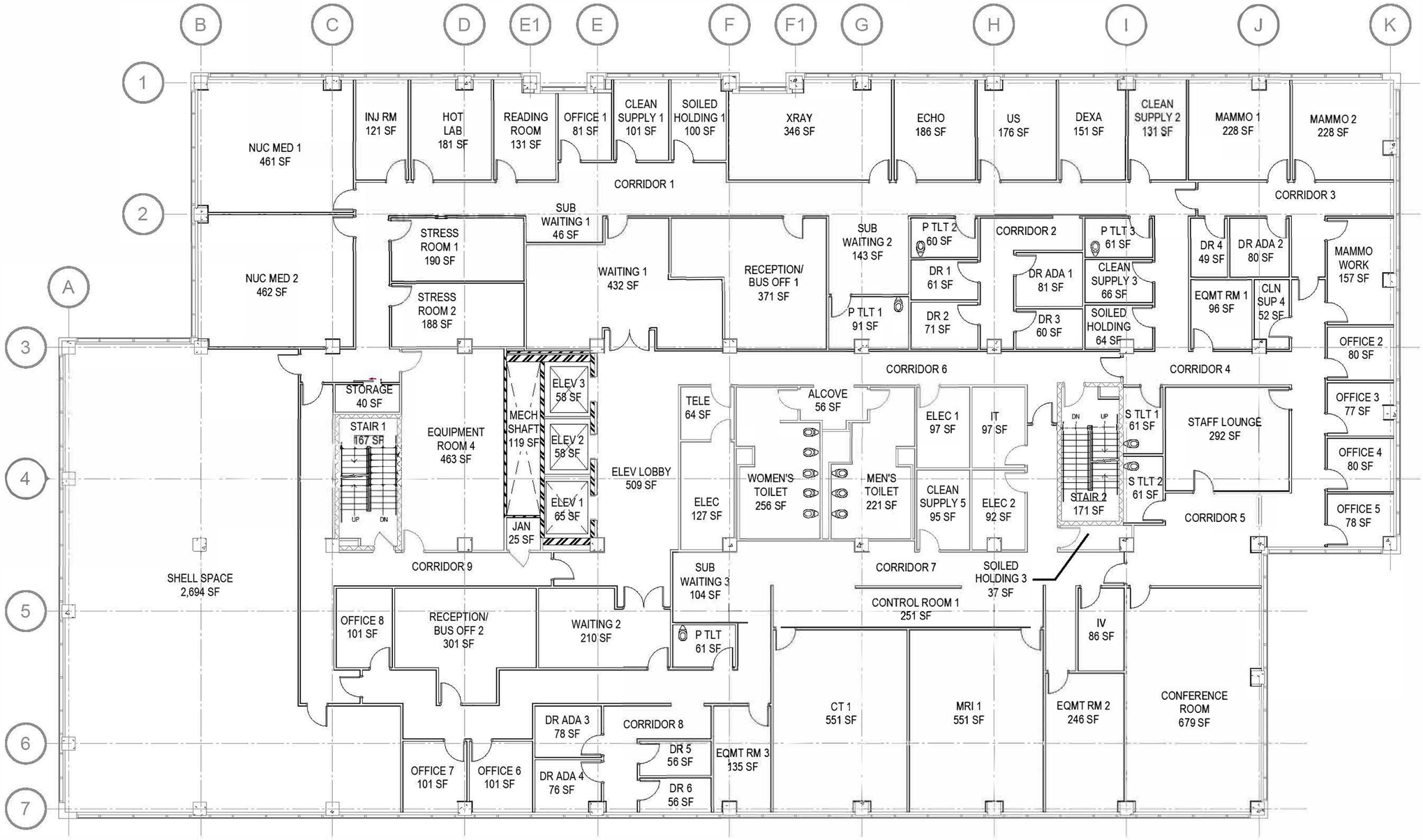
Item E2c - Total Number of SqFt (Gross and Net) by Department for each type of patient room
September 19, 2023

4th Floor - 1760 Old Meadow Road

Room/Space Description	Qty	Room Net SF	Room Gross SF		Extended Net SF	Extended Gross SF
Nuc Med 1	1	461	479		461	676
Nuc Med 2	1	462	483		462	678
Injection Room	1	121	128		121	177
Hot Lab	1	181	194		181	265
Reading Room	1	131	144		131	192
Office 1	1	81	94		81	119
Clean Supply 1	1	101	108		101	148
Soiled Holding 1	1	100	108		100	147
Xray	1	346	368		346	507
Echo	1	186	195		186	273
Ultrasound	1	176	189		176	258
Dexa 1	1	151	162		151	221
Clean Supply 2	1	131	141		131	192
Mammo 1	1	228	241		228	334
Mammo 2	1	228	238		228	334
Mammo Work	1	157	169		157	230
Office 2	1	80	86		80	117
Office 3	1	77	86		77	113
Office 4	1	80	86		80	117
Office 5	1	78	84		78	114
Dressing Room 4	1	49	55		49	72
Dressing Room ADA 2	1	80	87		80	117
Clean Supply 4	1	52	62		52	76
Eqmt Room 1	1	96	104		96	141
Patient Toilet 3	1	61	67		61	89
Clean Supply 3	1	66	73		66	97
Soiled Holding 2	1	64	74		64	94
Dressing Room 1	1	61	68		61	89
Dressing Room 2	1	71	78		71	104
Dressing Room 3	1	60	67		60	88
Dressing Room ADA 1	1	81	89		81	119
Patient Toilet 2	1	60	67		60	88
Patient Toilet 1	1	91	103		91	133
Sub Waiting 2	1	143	148		143	210
Reception/Business Office 1	1	371	392		371	544
Waiting 1	1	432	456		432	634
Sub Waiting 1	1	46	48		46	67
Stress Room 1	1	190	203		190	279
Stress Room 2	1	188	203		188	276
Storage	1	40	50		40	59
Equipment Room 4	1	463	490		463	679
Janiter Closet	1	25	30		25	37
Electrical 1	1	97	105		97	142
Electrical 2	1	92	104		92	135

IT	1	97	105		97	142
Clean Supply 5	1	95	104		95	139
Staff Toilet 1	1	61	69		61	89
Staff Toilet 2	1	61	69		61	89
Staff Lounge	1	292	306		292	428
Soiled Holding 3	1	37	47		37	54
Conference Room	1	679	699		679	996
MRI 1	1	551	570		551	808
CT 1	1	551	570		551	808
IV	1	86	95		86	126
Eqmt Room 2	1	246	258		246	361
Eqmt Room 3	1	135	147		135	198
Control Room 1	1	251	260		251	368
Sub Waiting 3	1	104	108		104	153
Patient Toilet 4	1	61	68		61	88
Waiting 2	1	210	224		210	309
Reception/Business Office 2	1	301	317		301	442
Office 8	1	101	109		101	149
Dressing Room 5	1	56	62		56	83
Dressing Room 6	1	56	60		56	83
Dressing Room ADA 3	1	78	85		78	115
Dressing Room ADA 4	1	76	85		76	112
Office 6	1	101	108		101	149
Office 7	1	101	110		101	149
Totals: Extended Net / Extended Gross (dept gross)					**10,922**	**16,027**
					Extened Net	
Corridors 1	1	810	873		810	
Corridors 2	1	146	164		146	
Corridors 3	1	194	211		194	
Corridors 4	1	230	248		230	
Corridors 5	1	246	267		246	
Corridors 6	1	357	390		357	
Corridors 7	1	1,141	1,232		1,141	
Corridors 8	1	135	148		135	
Corridors 9	1	469	520		469	
Tele	1	64	70		64	
Elec	1	127	141		127	
Alcove	1	56	101		56	
Women's Toilet	1	256	286		256	
Men's Toilet	1	221	251		221	
Public Elevator Lobby	1	509	546		509	
Stair 1	1	167	194		167	
Stair 2	1	171	196		171	
Elev 1	1	65	87		65	
Elev 2	1	58	67		58	
Elev 3	1	58	68		58	
Mech Shaft	1	119	135		119	
Totals Dept Gross / Overall Gross:		5,599	6,195		**16,521**	**18,345**
					Dept Gross	**Overal Floor Gross SF**

Note 1: Extended Gross area includes the entire floor less elevators, stairways and shafts typicaly part of Building Gross.
Each individual space is grossed up to include proportionate amount of corridor, passageway, lobbies and common space
Overall floor gross includes stairs, shafts and elevators



LEVEL 4
VHC IMAGING RENOVATION
9/19/2023 1/16" = 1'-0"

ATTACHMENT II-G

NVRC
Northern Virginia Radiology Consultants, P.L.L.C.

Radiologists

Bonnie S. Ahn, MD
Ali Alikhani, MD
Ahmad M. Garada, MD
Joseph Gorodenker, MD
Michael C. Jay, MD
Sandhya Jupalli, MD
Judith Kaplan, MD
Rohit Koppula, MD
George Kuo, MD
Christian R. Malalis, MD
Russell E. McWey, MD
Sarah D. Mezban, MD
Anna Moreland, MD
Ivan Petrovitch, MD
Claude G. Raphael, MD
Matthew F. Sandusky, MD
Frederick J. Schwab, MD
Jingyu Zhou, MD
Deon A. Gomes, PA-C

Virginia Hospital Center
1701 N. George Mason Dr.
Arlington, VA 22205-3610

Phone: 703.558.6730/6151
Fax: 703.558.5410

September 20, 2023

Karen Shelton, M.D., FACOG
State Health Commissioner
Virginia Department of Health
109 Governor Street
Madison Building, 13th Floor
Richmond, VA 23219

RE: **COPN Request No. VA-8735**
Virginia Hospital Center Arlington Health System d/b/a VHC Health
Expansion of CT and MRI Services via
Establishment of a Specialized Center for CT and MRI Services
Planning District 8

Dear Dr. Shelton:

I write as Chief of Medical Imaging at Virginia Hospital Center ("VHC") on behalf of the VHC Medical Staff to express our full commitment to provide all necessary physician-related services for the proposed VHC Health Outpatient Imaging Center in McLean, Virginia, including for the CT and MRI services proposed for the facility. For many year our physicians have provided CT and MRI at VHC, and we are excited to provide these services at VHC's first off-campus comprehensive outpatient diagnostic imaging facility. The proposed facility will be, fully integrated with VHC's existing clinical services, ensuring the continuity and quality of care.

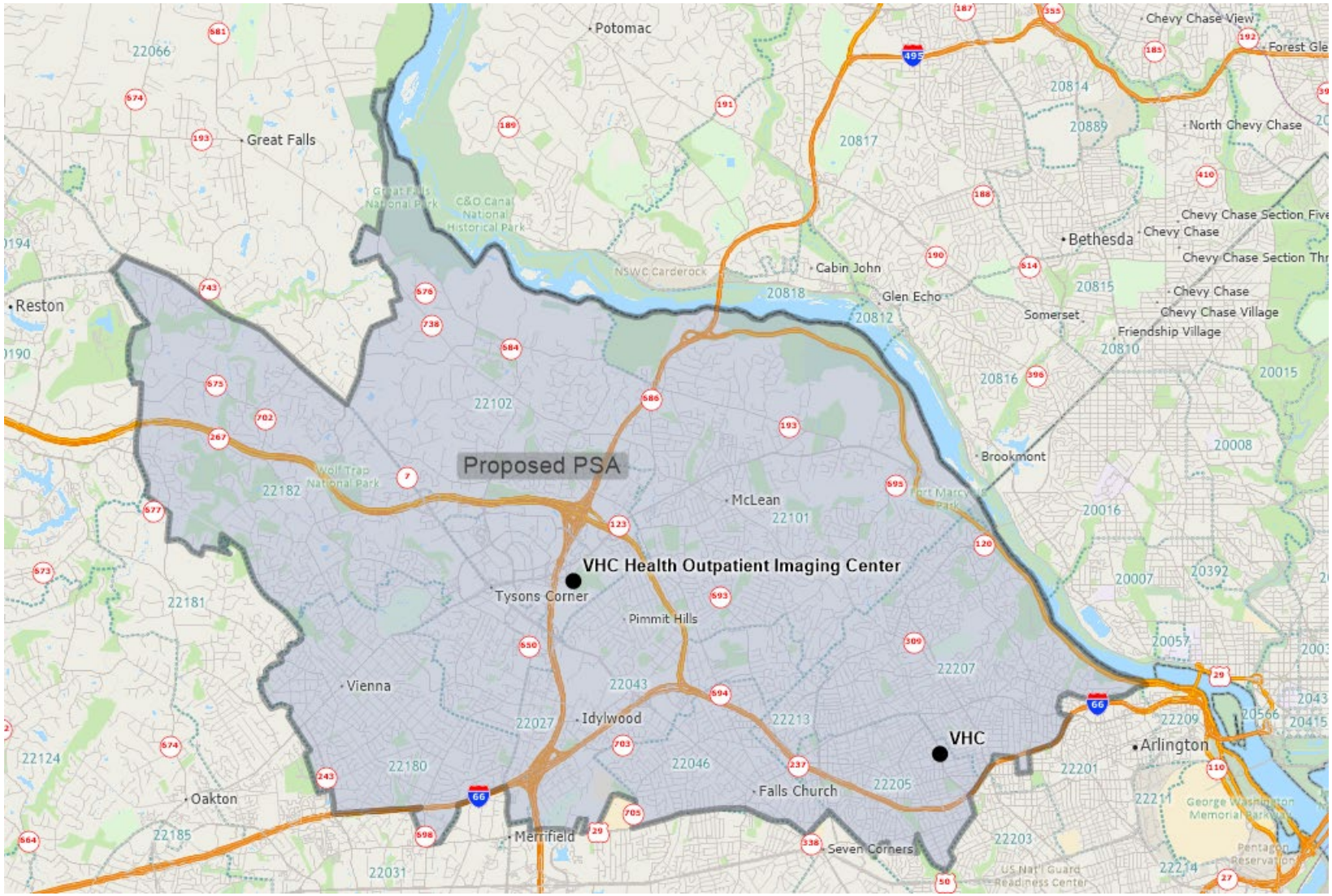
Thank you for your review of this application. Please let me know of any questions.

Sincerely,

Russell McWey, M.D.
Chief of Medical Imaging
Director of Interventional Radiology
Virginia Hospital Center

Virginia Hospital Center
Service Area

COPN Request No. VA-8735
Attachment IV.B.1(ii) – Proposed Primary Service Area,
VHC Health Outpatient Imaging Center



VHC Health
CT Exams
Patient Origin 2022

Zip Code	City/Town/County	CT Exams	Pct Total	Cumm Pct
22204	Arlington	6,186	11.8%	11.8%
22207	Arlington	3,987	7.6%	19.5%
22203	Arlington	3,254	6.2%	25.7%
22201	Arlington	2,865	5.5%	31.2%
22205	Arlington	2,379	4.5%	35.7%
22202	Arlington	2,165	4.1%	39.8%
22101	McLean	1,881	3.6%	43.4%
22041	Falls Church	1,698	3.2%	46.7%
22206	Arlington	1,511	2.9%	49.6%
22046	Falls Church	1,219	2.3%	51.9%
22209	Arlington	1,058	2.0%	53.9%
22042	Falls Church	912	1.7%	55.7%
22044	Falls Church	883	1.7%	57.4%
22304	Alexandria	822	1.6%	58.9%
22043	Falls Church	734	1.4%	60.3%
22003	Annandale	721	1.4%	61.7%
22314	Alexandria	709	1.4%	63.1%
22102	McLean	542	1.0%	64.1%
22302	Alexandria	517	1.0%	65.1%
22312	Alexandria	457	0.9%	66.0%
22311	Alexandria	413	0.8%	66.8%
22191	Prince William	399	0.8%	67.5%
22015	Burke	350	0.7%	68.2%
22305	Alexandria	349	0.7%	68.9%
22193	Woodbridge	347	0.7%	69.5%
22150	Springfield	332	0.6%	70.2%
20744	Prince Georges	316	0.6%	70.8%
22301	Alexandria	308	0.6%	71.4%
22306	Alexandria	307	0.6%	71.9%
22310	Alexandria	300	0.6%	72.5%
22030	Fairfax	299	0.6%	73.1%
22309	Alexandria	289	0.6%	73.6%
22180	Vienna	274	0.5%	74.2%
22031	Fairfax	255	0.5%	74.6%
22213	Arlington	247	0.5%	75.1%
22152	Springfield	245	0.5%	75.6%
22315	Alexandria	235	0.4%	76.0%
22182	Vienna	230	0.4%	76.5%
22032	Fairfax	229	0.4%	76.9%
22192	Woodbridge	211	0.4%	77.3%

VHC Health
CT Exams
Patient Origin 2022

Zip Code	City/Town/County	CT Exams	Pct Total	Cumm Pct
22151	Springfield	197	0.4%	77.7%
22079	Lorton	193	0.4%	78.1%
22153	Springfield	193	0.4%	78.4%
20020	Washington DC	191	0.4%	78.8%
20002	Washington DC	178	0.3%	79.1%
20019	Washington DC	176	0.3%	79.5%
22033	Fairfax	158	0.3%	79.8%
20745	Prince Georges	153	0.3%	80.1%
20003	Washington DC	150	0.3%	80.4%
20748	Prince Georges	148	0.3%	80.6%
22303	Alexandria	147	0.3%	80.9%
20147	Ashburn	140	0.3%	81.2%
20170	Herndon	136	0.3%	81.4%
22066	Great Falls	136	0.3%	81.7%
20032	Washington DC	135	0.3%	82.0%
20735	Prince Georges	134	0.3%	82.2%
20164	Sterling	131	0.3%	82.5%
20011	Washington DC	121	0.2%	82.7%
20171	Herndon	121	0.2%	82.9%
20747	Prince Georges	121	0.2%	83.2%
20191	Reston	118	0.2%	83.4%
20746	Prince Georges	116	0.2%	83.6%
20110	Manassas	114	0.2%	83.8%
22124	Oakton	113	0.2%	84.1%
20109	Manassas	111	0.2%	84.3%
22039	Fairfax	111	0.2%	84.5%
20024	Washington DC	108	0.2%	84.7%
20120	Centreville	107	0.2%	84.9%
22307	Alexandria	107	0.2%	85.1%
20111	Manassas	105	0.2%	85.3%
20001	Washington DC	103	0.2%	85.5%
20112	Manassas	94	0.2%	85.7%
20009	Washington DC	93	0.2%	85.8%
20772	Prince Georges	93	0.2%	86.0%
20155	Prince William	92	0.2%	86.2%
22554	Stafford	92	0.2%	86.4%
20603	Prince Georges	88	0.2%	86.5%
22025	Prince William	82	0.2%	86.7%
20165	Sterling	81	0.2%	86.9%
20105	Loudoun	79	0.2%	87.0%

VHC Health
CT Exams
Patient Origin 2022

Zip Code	City/Town/County	CT Exams	Pct Total	Cumm Pct
22308	Alexandria	79	0.2%	87.2%
20190	Reston	78	0.1%	87.3%
22181	Vienna	78	0.1%	87.5%
20148	Loudoun	76	0.1%	87.6%
20743	Prince Georges	76	0.1%	87.7%
22026	Prince William	74	0.1%	87.9%
20008	Washington DC	73	0.1%	88.0%
20007	Washington DC	71	0.1%	88.2%
20121	Centreville	69	0.1%	88.3%
20176	Loudoun	68	0.1%	88.4%
22172	Prince William	67	0.1%	88.6%
20016	Washington DC	66	0.1%	88.7%
20774	Prince Georges	64	0.1%	88.8%
20854	Potomac, MD	64	0.1%	88.9%
20169	Prince William	63	0.1%	89.0%
20136	Prince William	61	0.1%	89.2%
20151	Chantilly	60	0.1%	89.3%
20175	Loudoun	60	0.1%	89.4%
22407	Spotsylvania	60	0.1%	89.5%
20607	Prince Georges	59	0.1%	89.6%
20152	Chantilly	58	0.1%	89.7%
20018	Washington DC	57	0.1%	89.8%
22556	Stafford	57	0.1%	89.9%
20785	Prince Georges	54	0.1%	90.1%
All Other Zips		5,203	9.9%	100.0%
Total 2022		**52,296**		

VHC Health
MRI Exams
Patient Origin 2022

Zip Code	City/Town/County	MRI Exams	Pct Total	Cumm Pct
22207	Arlington	1,524	9.1%	9.1%
22204	Arlington	1,396	8.3%	17.4%
22201	Arlington	926	5.5%	22.9%
22203	Arlington	827	4.9%	27.8%
22205	Arlington	735	4.4%	32.1%
22101	McLean	657	3.9%	36.0%
22202	Arlington	523	3.1%	39.2%
22206	Arlington	464	2.8%	41.9%
22041	Falls Church	428	2.5%	44.5%
22314	Alexandria	381	2.3%	46.7%
22046	Falls Church	348	2.1%	48.8%
22304	Alexandria	339	2.0%	50.8%
22209	Arlington	329	2.0%	52.8%
22042	Falls Church	280	1.7%	54.4%
22003	Annandale	272	1.6%	56.0%
22043	Falls Church	267	1.6%	57.6%
22044	Falls Church	229	1.4%	59.0%
22302	Alexandria	213	1.3%	60.3%
22102	McLean	185	1.1%	61.4%
22312	Alexandria	167	1.0%	62.3%
22310	Alexandria	158	0.9%	63.3%
22311	Alexandria	137	0.8%	64.1%
22306	Alexandria	136	0.8%	64.9%
22150	Springfield	132	0.8%	65.7%
22301	Alexandria	130	0.8%	66.5%
22309	Alexandria	130	0.8%	67.2%
22191	Woodbridge	129	0.8%	68.0%
22193	Woodbridge	128	0.8%	68.8%
22305	Alexandria	128	0.8%	69.5%
20744	Prince Georges	119	0.7%	70.2%
22213	Arlington	118	0.7%	70.9%
22015	Burke	111	0.7%	71.6%
22030	Fairfax	107	0.6%	72.2%
22182	Vienna	107	0.6%	72.9%
22152	Springfield	105	0.6%	73.5%
22032	Fairfax	103	0.6%	74.1%
22315	Alexandria	93	0.6%	74.7%
22180	Vienna	91	0.5%	75.2%
22151	Springfield	88	0.5%	75.7%
22031	Fairfax	83	0.5%	76.2%

VHC Health
MRI Exams
Patient Origin 2022

Zip Code	City/Town/County	MRI Exams	Pct Total	Cumm Pct
22153	Springfield	83	0.5%	76.7%
22079	Lorton	72	0.4%	77.1%
22192	Woodbridge	71	0.4%	77.6%
20735	Prince Georges	65	0.4%	77.9%
20003	Washington DC	62	0.4%	78.3%
20002	Washington DC	61	0.4%	78.7%
20147	Loudoun	61	0.4%	79.0%
22303	Alexandria	61	0.4%	79.4%
20170	Herndon	60	0.4%	79.8%
22033	Fairfax	60	0.4%	80.1%
20171	Herndon	59	0.4%	80.5%
20120	Centreville	58	0.3%	80.8%
20748	Prince Georges	58	0.3%	81.1%
20191	Reston	57	0.3%	81.5%
22307	Alexandria	56	0.3%	81.8%
20175	Loudoun	55	0.3%	82.1%
20020	Washington DC	53	0.3%	82.5%
22308	Alexandria	51	0.3%	82.8%
20111	Manassas	50	0.3%	83.1%
20164	Loudoun	50	0.3%	83.4%
20190	Reston	50	0.3%	83.7%
20745	Prince Georges	50	0.3%	84.0%
20747	Prince Georges	50	0.3%	84.3%
22066	Great Falls	48	0.3%	84.5%
22124	Oakton	48	0.3%	84.8%
22554	Stafford	48	0.3%	85.1%
20110	Manassas	46	0.3%	85.4%
20109	Manassas	44	0.3%	85.6%
20105	Loudoun	43	0.3%	85.9%
20112	Manassas	42	0.2%	86.1%
20009	Washington DC	40	0.2%	86.4%
20165	Loudoun	40	0.2%	86.6%
22025	Dumfries	39	0.2%	86.9%
22039	Fairfax	39	0.2%	87.1%
20155	Gainesville	38	0.2%	87.3%
22181	Vienna	37	0.2%	87.5%
20007	Washington DC	36	0.2%	87.7%
20746	Prince Georges	36	0.2%	88.0%
20001	Washington DC	34	0.2%	88.2%
20024	Washington DC	33	0.2%	88.4%

VHC Health
MRI Exams
Patient Origin 2022

Zip Code	City/Town/County	MRI Exams	Pct Total	Cumm Pct
20011	Washington DC	32	0.2%	88.5%
20169	Haymarket	32	0.2%	88.7%
20176	Loudoun	31	0.2%	88.9%
20016	Washington DC	29	0.2%	89.1%
20136	Bristow	29	0.2%	89.3%
20121	Centreville	26	0.2%	89.4%
20187	Warrenton	26	0.2%	89.6%
20772	Prince Georges	26	0.2%	89.7%
20152	Chantilly	25	0.1%	89.9%
20603	Prince Georges	25	0.1%	90.0%
20743	Prince Georges	25	0.1%	90.2%
All Other Zip Codes		1,653	9.8%	100.0%
MRI Totals		**16,826**		

COPN Request No. VA-8735

Virginia Hospital Center

Expansion of CT and MRI Services via the Establishment of a Specialized Center for CT and MRI Imaging Services in Planning District 8

Attachment IV.E – SMFP Compliance

12 VAC 5-230-80. When Institutional Expansion Needed.

A. Notwithstanding any other provisions of this chapter, the Commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.

In this application, VHC proposes to establish its first off-campus comprehensive outpatient diagnostic imaging center, the VHC Health Outpatient Imaging Center. In addition to CT and MRI services, the facility will provide the full range of diagnostic services – including non-reviewable services such as ultrasound, x-ray, echocardiogram, mammography, SPECT, and bone densitometry services. The imaging facility will be located in VHC Health's comprehensive outpatient care center in McLean, co-located with VHC Health's only off-campus ASC, numerous VHC Health specialty physician offices (including cardiology, gastroenterology, obstetrics and gynecology, urology, and primary care), and other physician practices (including orthopedics). The proposed facility is critically important for VHC to ensure access to lower-cost diagnostic imaging services for its growing patient population in a variety of appropriate settings.

VHC has a demonstrated institutional need to expand its CT and MRI scanning capacity. Its existing units are highly utilized. Based on five authorized CT units (including one approved, not-yet-operational CT scanner at the VHC Health Emergency and Imaging Center), its average utilization was 141.3% in 2022 and 156.9% in 2023.[1] Based on 2023 volumes alone, VHC has a calculated need for 2.8 additional CT units.[2] Based on four authorized MRI units, VHC's 2022 utilization reached 84.1%, and 92.1% in 2023.[3] Notably, those MRI scan volumes do not account for the extended time necessary for many MRI studies needed by complex inpatients and emergency patients which often require multiple sequences. Indeed, VHC has more requests for MRI services each day than it has appointment slots. In short, both modalities are essentially operating at or above full capacity; the proposed expansion can be justified on the basis of VHC's need having exceeded its current service capacity to provide CT and MRI services on the hospital campus.

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[1] Based on January – August 2023 data. Historically, VHC's CT utilization has experienced an 11-17% increase between the first and the second half of the year. Here, VHC Health has conservatively accounted for an average 5.5% monthly increase in September-December 2023 vs. January-June 2023.

[2] See Section III.G of the application for further discussion of VHC's CT utilization.

[3] Based on January – August 2023 data. Historically, VHC's MRI utilization has experienced a 26-30% increase between the first and the second half of the year. Here, VHC Health has conservatively accounted for an average 13% monthly increase in September-December 2023 vs. January-June 2023.

VHC's continuously high and growing CT and MRI utilization makes it challenging to meet the often-competing needs of its various patient populations. It impedes timely access to needed imaging, undermines optimal care delivery, delays needed care, and frustrates patients and providers. The proposed additional units will be located at the VHC Health Outpatient Imaging Center, VHC's first off-campus comprehensive outpatient diagnostic imaging facility. Thus, the project will not only increase the availability of VHC's imaging services but also decompress VHC's busy hospital campus, improve access for patients who will continue to obtain studies on the hospital campus, and provide VHC's outpatients a much-needed lower-cost alternative to on-campus care. The proposed expansion of VHC's existing CT and MRI services to an off-site location within VHC's longstanding service area is consistent with the SMFP, including 12 VAC 5-230-110 and -160 which specifically permit such expansion at a separate site.

B. If a facility with an institutional need to expand is part of a health system, the underutilized services at other facilities within the health system should be reallocated, when appropriate, to the facility with the institutional need to expand before additional services are approved for the applicant. However, underutilized services located at a health system's geographically remote facility may be disregarded when determining institutional need for the proposed project.

Not applicable. VHC does not operate underutilized CT units. Even based on five CT authorized units, VHC's average CT utilization reached 141.3% in 2022 and 156.9% in 2023. Based on 2023 data, VHC has a calculated need for not just one but 2.8 CT units. Similarly, VHC does not operate underutilized MRI units. Based on four approved MRI scanners, 2022 average utilization was 84.1%, increasing to 92.1% in 2023. There are no underutilized MRI scanners within the VHC Health system; reallocation of even just one MRI unit from the hospital campus would in short order create a need to backfill the MRI (even accounting for the projected shift of outpatients), because of the disproportionate time demands of many MRI studies needed by VHC's complex inpatients and other patients and the continually growing demand for outpatient MRI studies (for example, breast MRI). Moreover, relocation from the hospital would further reduce the already limited redundancy of MRI units at the hospital – redundancy necessary to minimize the risk that all existing units will be in use when a critical, high-acuity patient requires MRI imaging on an emergency or urgent basis and particularly important at a busy academic medical center and Comprehensive Stroke Center such as VHC.

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

Not applicable; VHC is not a nursing facility.

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

Not applicable; VHC seeks an institutional need-based expansion of its existing and highly utilized CT and MRI services. Consistent with Sections 12 VAC 5-230-110 and -160 below, VHC proposes to site this much-needed expansion at a separate, off-campus location within the applicant's primary service area.

Part II, Diagnostic Imaging Services

Article 1
Criteria and Standards for Computed Tomography

12 VAC 5-230-90. 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.

Although CT services are generally available within 30 minutes for 95% of the Planning District 8 population, the proposal is necessary to meet VHC Health's demonstrated institutional need for additional CT inventory and its need to better serve patients in the proposed service area.

In 2021, approximately 22% of VHC's CT patients and 23% of VHC's MRI patients originated in the proposed PSA for the proposed VHC Health Outpatient Imaging Center. Those patients comprise 25.4% of VHC's outpatient CT scans and 26.5% of its outpatient MRI scans. Notably, the proportion of VHC's diagnostic imaging patients from the proposed PSA is lower than its overall proportion of patients from that area, representing the lack of a more conveniently located, lower-cost VHC Health option for comprehensive imaging in the area. Not infrequently, VHC patients who require CT or MRI services obtain those services at other facilities because of the timeliness challenges of accessing those services on the VHC hospital campus. While sometimes another provider might make sense for a particular patient, when a patient wishes to stay within the VHC Health system, the lack of timely and convenient options offered by VHC Health can be challenging for the timely implementation of treatment plans and for care coordination and continuity. Indeed, lacking sufficient capacity to meet all VHC patients' competing demands can delay access to CT imaging and needed care, impede predictable and reliable scheduling, and strain resources.

VHC proposes to locate the much-needed additional CT unit at the VHC Health Outpatient Imaging Center. The VHC Health Outpatient Imaging Center will be VHC's first off-campus comprehensive outpatient imaging service and will house VHC's second off-campus CT scanner (alongside its first off-campus MRI unit). The project will expand VHC's highly utilized CT inventory, augment and decompress existing campus-based services, provide needed capacity for higher-acuity patients who require on-campus studies, and provide outpatients with a much-needed and convenient lower-cost alternative to campus-based services. For VHC Health patients in the growing McLean community and other Fairfax County areas, the project will be an important complement to the services existing on the VHC campus.

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.

VHC Health proposes the institutional need-based expansion of VHC's existing CT services at a separate location within the VHC primary service area, consistent with Section 12 VAC 5-230-110. Accordingly, VHC Health believes the above Section is not applicable to its proposal. Nonetheless, in the interest of comprehensiveness, VHC Health provides its assessment of the above provision below.

Although the inventory and utilization of authorized CT units in PD 8 is challenging to ascertain with certainty due to apparent reporting irregularities, VHC Health has, based on historical VHI reporting, COPN approval history, the DCOPN inventory spreadsheet, recent DCOPN and HSANV staff reports, and provider web pages, determined that there is a total of 72 authorized CT units in PD 8. See Exhibit A. According to 2021 VHI data, there are 60 operational CT units in PD 8 with average utilization of 130.8%; even accounting for VHC Health's various conservative adjustments (as reflected in Exhibit A), average utilization in 2021 was 126.5%,[4] significantly exceeding the SMFP's utilization threshold. Even accounting for 12 additional authorized CT units not reported in the VHI data (i.e., based on 72 units), average utilization based on 2021 CT volumes was 104%, indicating a need for an additional four CT scanners in PD 8.

2021 general-purpose CT scans:	**561,624**
Authorized CT units:	**72**
Average utilization per authorized unit:	**104%**
Units needed:	**75.9**
Net need for additional CT units:	**3.9**

B. Existing CT scanners used solely for simulation with radiation therapy treatment shall be exempt from the utilization criteria of this article when applying for a COPN. In addition, existing CT scanners used solely for simulation with radiation therapy treatment may be disregarded in computing the average utilization of CT scanners in such health planning district.

Not applicable.

12 VAC 5-230-110. 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

[4] It appears that the Kaiser Permanente Tysons Corner facility and its two authorized CT units were duplicated in the 2021 VHI data under the name of Kaiser Permanente Tysons Corner Surgery Center, inflating the inventory of CT scanners (by 2 units) and the overall CT volumes in PD 8 (by 19,128 scans). VHC Health has corrected this apparent error in this analysis.

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.

VHC's CT services are highly utilized and have consistently exceeded the SMFP's threshold for expansion. In 2021, the three operational CT units at the hospital operated at 212.8% of capacity, increasing to 235.4% in 2022 and 261.5% in 2023.[5] Even accounting for the recently operationalized fourth CT unit at the Outpatient Pavilion and the not-yet-operational unit approved for VHC's freestanding emergency department (i.e., based on five authorized CT units), average utilization reached 127.7% in 2021, 141.3% in 2022, and 156.9% in 2023.[6] In brief, VHC Health has a demonstrated and compelling need for additional CT inventory. The proposed expansion is needed to allow VHC Health to accommodate patients seeking its services in a more timely manner, enhance prompt and convenient access to CT studies, mitigate the currently significant delays in imaging, and thus support faster diagnosis and treatment plan adoption and improve outcomes and the patient experience.

Unequivocally, VHC significantly exceeds the SMFP's threshold for expansion. In this application, VHC Health seeks to locate the much-needed additional CT unit at an off-campus location within its longstanding primary service area for CT services. Specifically, VHC Health has determined that the most efficient and effective location for the proposed additional CT unit is at the VHC Health Outpatient Imaging Center, to be located less than 15 minutes from the hospital campus in an easily accessible and growing part of VHC's service area. The VHC Health Outpatient Imaging Center will be VHC Health's first off-campus full-service diagnostic imaging facility, providing not only CT but also MRI services and a variety of other outpatient diagnostic services. Additionally, the imaging center will be co-located with VHC Health's comprehensive outpatient care center, including VHC Health's only off-campus ASC, numerous VHC Health specialty physician offices (including cardiology, gastroenterology, obstetrics and gynecology, urology, and primary care), and other physician practices (including orthopedics).

The project is unlikely to significantly reduce the utilization of existing providers in PD 8, given that VHC Health's proposal is based on an institutional need for additional capacity and seeks to serve existing patients. Moreover, VHC Health conservatively calculated a PD-wide need for 3.9 additional CT units. Accordingly, VHC Health does not believe that its proposal will have any significant impact on existing CT providers in the proposed service area. Rather, VHC Health's project will decompress the high utilization of VHC's existing CT scanners, enhancing access and availability for all patients served on the campus. In addition, it will establish a more accessible and convenient off-campus imaging option for lower-cost CT services and balance and meet the needs of all VHC patients in the most appropriate and accessible setting. None of the existing providers of CT services in PD 8 can meet this compelling and multi-factorial institutional need, and none will be significantly impacted by the project.

12VAC5-230-120. Adding or expanding mobile CT services. (Text omitted for brevity.)

[5] Annualized based on January-August 2023 data per earlier-discussed methodology.
[6] See Section III.G of the application for further discussion of VHC's CT utilization.

Not applicable.

12VAC5-230-130. Staffing.

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

The proposed CT services will be under the direction or supervision of one or more board-certified radiologists who are active members of VHC's medical staff.

Article 2
Criteria and Standards for Magnetic Resonance Imaging

12 VAC 5-230-140. Travel time.

MRI 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.

Although MRI services are generally available within 30 minutes for 95% of the Planning District 8 population, the proposal is necessary to meet VHC's demonstrated institutional need for additional MRI inventory. Lacking sufficient capacity to meet all its patients' competing demands can delay access to MRI imaging and needed care, impede predictable and reliable scheduling, and strain resources. VHC proposes to locate the much-needed additional MRI unit at the VHC Health Outpatient Imaging Center, part of VHC Health's comprehensive outpatient care center in McLean. The VHC Health Outpatient Imaging Center will be VHC's first off-campus comprehensive outpatient imaging service and will house VHC's first off-campus MRI; all of VHC's MRI services are currently concentrated on the hospital campus. The project will expand VHC's highly utilized MRI inventory, augment and decompress existing campus-based services, provide needed capacity for higher-acuity patients who require on-campus studies, and provide outpatients with a convenient lower-cost alternative to campus-based services. For VHC patients in the growing service area west of VHC's Arlington campus, the project will be an important complement to the services existing on the VHC campus.

Indeed, in 2021, approximately 22% of VHC's CT patients and 23% of VHC's MRI patients originated in the proposed PSA for the proposed VHC Health Outpatient Imaging Center. Those patients comprise 25.4% of VHC's outpatient CT scans and 26.5% of its outpatient MRI scans. Notably, the proportion of VHC's diagnostic imaging patients from the proposed PSA is lower than its overall proportion of patients from that area, representing the lack of a more conveniently located, lower-cost VHC Health option for comprehensive imaging in the area. Not infrequently, VHC patients who require CT or MRI services obtain those services at other facilities because of the timeliness challenges of accessing those services on the VHC hospital campus. While sometimes another provider might make sense for a particular patient, when a patient wishes to stay within the VHC Health system, the lack of timely and convenient options offered by VHC Health can be challenging for the timely

implementation of treatment plans and for care coordination and continuity. Indeed, lacking sufficient capacity to meet all VHC patients' competing demands can delay access to MRI imaging and needed care, impede predictable and reliable scheduling, and strain resources.

12 VAC 5-230-150. Need for new fixed site service.

No new fixed site MRI services should be approved unless fixed site MRI services in the health planning district performed an average of 5,000 procedures per existing and approved fixed site MRI scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site MRI 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 MRI scanners in such health planning district.

VHC Health proposes the institutional need-based expansion of its existing MRI services at a separate location within the VHC primary service area, consistent with Section 12 VAC 5-230-160. Accordingly, VHC Health believes the above Section is not applicable to its proposal. Nonetheless, in the interest of comprehensiveness, VHC Health provides its assessment of the above provision below.

Although the inventory and utilization of authorized MRI units in PD 8 is challenging to ascertain with certainty due to apparent reporting irregularities, VHC Health has, based on historical VHI reporting, COPN approval history, recent DCOPN and HSANV staff reports, the DCOPN inventory spreadsheet, and provider web pages, determined that there is a total of 58 authorized MRI units in PD 8. See Exhibit B. According to 2021 VHI data, there are 52 operational MRI units in PD 8 with average utilization of 91%, approaching the SMFP's utilization threshold. Accounting for 6 additional authorized MRI units not reported in the VHI data (i.e., based on 58 units), average utilization based on 2021 MRI volumes was 81%, indicating a surplus of nearly 11 MRI scanners in PD 8.

2021 general-purpose MRI scans:	**235,631**
Authorized MRI units:	**58**
Average utilization per authorized unit:	**81.3%**
Units needed:	**47.1**
Net surplus of MRI units:	**10.9**

Notably, despite the calculated surplus, VHC Health has a demonstrated institutional need to expand its existing MRI service capacity, as discussed below. As the Commissioner has previously recognized, a calculated "existing surplus has limited relevance in reviewing such [institutional-need based expansion] projects."[7]

12 VAC 5-230-160. Expansion of fixed site service.

Proposals to expand an existing medical care facility's MRI services through the addition of an MRI scanner may be approved when the existing service performed an average of 5,000 MRI procedures per scanner during the relevant reporting period. The commissioner may authorize

[7] **Adjudication Officer's Recommendation re COPN No. VA-8409 and -8413, at 11.**

placement of the new unit at the applicant's existing medical care facility, or at a separate location within the applicant's primary service area for MRI services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

VHC's MRI services are highly utilized and have effectively reached the SMFP's threshold for expansion. In 2021, the three operational MRI units at the hospital operated at 105% capacity, increasing to 112.1% in 2022 and 122.7% in 2023. Accounting for the recently operationalized fourth MRI unit on the VHC campus, average utilization reached 84.1% in 2022 and 92.1% in 2023.[8] Notably, as a Level II Trauma Center, an academic medical center, and a certified Comprehensive Stroke Center, VHC serves a high-acuity patient population; many of those emergency patients and inpatients require more time-intensive MRI studies (for example, due to additional sequences necessary to appropriately diagnose and treat many complex conditions). Effectively, VHC's MRI services are operating at full capacity, with operating hours extended long into the evening and weekends to meet demand, and that demand continues to grow. For example, the need for breast MRI services, particularly time-sensitive due to the need for coordination with the patient's menstrual cycle and also particularly time-intensive, has grown significantly. The current wait times for a breast MRI appointment can range up to 24 days. Wait times for prostate MRI scans, which require particular MRI technology, currently range up to 27 days. In brief, VHC Health has a demonstrated need for additional MRI inventory. The proposed expansion is necessary to allow VHC Health to accommodate patients seeking its services in a more timely manner, enhance prompt and convenient access to MRI studies, mitigate the currently significant delays in imaging, and thus support faster diagnosis and treatment plan adoption and improve outcomes and the patient experience.

VHC Health seeks to locate the proposed additional MRI unit at an off-campus location within its longstanding primary service area for MRI services. The VHC Health Outpatient Imaging Center will be located less than 15 minutes from the hospital campus in an easily accessible and growing part of VHC's service area. The VHC Health Outpatient Imaging Center will provide not only MRI and CT services but also a variety of other diagnostic services. Notably, the imaging facility will be located in VHC Health's comprehensive outpatient care center, co-located with VHC Health's only off-campus ASC, numerous VHC Health specialty physician offices (including cardiology, gastroenterology, obstetrics and gynecology, urology, and primary care), and other physician practices (including orthopedics).

The project is unlikely to significantly reduce the utilization of existing providers in PD 8, given that VHC Health's proposal is based on an institutional need for additional capacity and seeks to serve existing patients. Accordingly, VHC Health does not believe that its proposal will have any significant impact on existing MRI providers in the proposed service area. Rather, VHC Health's project will decompress the high utilization of VHC's existing MRI units, enhancing access and availability for all patients served on the campus. In addition, it will establish a more accessible and convenient off-campus imaging option for lower-cost MRI services and balance and meet the needs of all VHC patients in the most appropriate and accessible setting. None of the existing providers of MRI services in PD 8

[8] **See Section III.G of the application for further discussion of VHC's MRI utilization.**

can meet this compelling and multi-factorial institutional need, and none will be significantly impacted by the project.

12 VAC 5-230-170. Adding or expanding mobile MRI services. (Text omitted for brevity.)

Not applicable.

12 VAC 5-230-180. Staffing.

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

The proposed MRI services will be under the direction or supervision of one or more board-certified radiologists who are active members of VHC's medical staff.

Exhibit A: PD 8 CT Inventory

Facility	CT Units per 2021 VHI Data	CT Units not reported by VHI	Total CT Units	2021 CT Scans	2021 Utilization Percentage[9]
Fairfax ENT and Facial Plastic Surgery	1		1	533	7.2%
IFRC - Centreville / Clifton Imaging Center	1		1	6,462	87.3%
IFRC - Fairfax Diagnostic Imaging Center	1		1	6,430	86.9%
IFRC – Fairfax Radiology Center of Reston-Herndon[10]	1		1	6,300	85.1%
IFRC - Fairfax MRI and Imaging Center at Tysons	1		1	3,524	47.6%
IFRC - Prosperity Imaging Center[11]	1	1	2	8,212	55.5%
IFRC - Woodburn Diagnostic Center	2		2	12,178	82.3%
IFRC – Landsdowne[12]	1		1	6,091	82.3%
IFRC – Fairfax Radiology Center of Sterling (Inova Partnership)	1		1	4,670	63.1%
Inova Alexandria Hospital[13]	3	1	4	41,411	139.9%
Inova Ashburn HealthPlex	1		1	8,092	109.4%
Inova Fair Oaks Hospital	3		3	34,828	156.9%
Inova Fair Oaks Imaging Center	1		1	2,605	35.2%
Inova Fairfax Medical Campus[14]	7	1	8	112,482	190.0%
Inova Imaging Center-Mark Center	1		1	4,533	61.3%
Inova Lorton HealthPlex	1		1	7,504	101.4%
Inova Imaging Center – Leesburg	1		1	12,289	166.1%
Inova Loudoun Hospital[15]	2	1	3	39,387	177.4%
Inova Mount Vernon Hospital	2		2	20,977	141.7%
Inova Oakville Ambulatory Center[16]		1	1		
Inova Springfield HealthPlex	1		1	16,679	225.4%
Inova Springfield Hospital[17]		1	1		

[9] Calculated based on number of authorized units.
[10] To be relocated per COPN No. VA-04798, issued 8/22/2022.
[11] COPN No. VA-04855, issued 8/30/2023, approved one additional CT unit for the facility.
[12] Reported as Radiology Imaging Associates at Lansdowne in 2021 VHI data.
[13] COPN No. VA-04793, issued 7/8/2022, authorized the addition of one fixed CT scanner at the relocated Inova Alexandria Hospital (Landmark).
[14] The seven CT units reported on the Inova Fairfax Medical Campus in the 2021 VHI data include five on the main campus, one a the Inova Center for Personalized Health on the hospital campus, and one at the Inova Fairfax Emergency Care Center. See, e.g. COPN Request No. VA-8596, COPN Application at 11. An eighth CT unit was approved per COPN No. VA-04777 issued 2/7/2022 (for the Inova Center for Personalized Health).
[15] COPN No. VA-04830, issued 2/9/2023, authorized Inova Loudoun Hospital to add one CT scanner for a complement of three CT scanners on the hospital campus and a total of five CT units operated by Inova Loudoun Hospital (including one at the Inova Imaging Center – Leesburg and one at the Inova Ashburn HealthPlex).
[16] Authorized per COPN No. VA-04776, issued 2/7/2022.
[17] COPN No. VA-04832, issued 3/24/2023, authorized the addition of one new CT scanner at Inova Springfield Hospital.

Insight Imaging - Fairfax / Medical Imaging Center of Fairfax	1		1	4,299	58.1%
Insight Imaging - Arlington	1		1	199	2.7%
Kaiser Permanente - Reston Medical Center	1		1	5,252	71.0%
Kaiser Permanente - Woodbridge Medical Center	1		1	10,952	148.0%
Kaiser Permanente - Tysons Corner Medical Center[18]	2		2	19,218	129.9%
Lakeside @ Loudoun Tech Center 1[19]		1	1		0.0%
Loudoun Medical Group[20]		1	1		0.0%
Metropolitan ENT & Facial Plastic Surgery[21]		1	1		0.0%
Metro Region PET Center[22]	1		1	2,815	38.0%
UVA Health Haymarket Medical Center	1		1	14,665	198.2%
UVA Health Prince William Medical Center	2		2	23,716	160.2%
UVA Health Imaging Centreville/Vienna Diagnostic Imaging	1		1	1,249	16.9%
Orthopaedic Foot and Ankle Center of Washington	1		1	168	2.3%
Reston Hospital Center[23]	4		4	32,315	109.2%
Reston Hospital Center – Tysons Corner Emergency Center[24]		1	1		
Sentara Advanced Imaging Center - Lake Ridge	1		1	8,941	120.8%
Sentara Advanced Imaging Center – Springfield/Alexandria	1		1		
Sentara Advanced Imaging Center – Century Building	1		1	2	0.0%
Sentara Northern Virginia Medical Center	3	-1[25]	2	26,169	176.8%
Stone Springs Hospital Center[26]	1	1	2	8,182	55.3%
Tysons Corner Diagnostic Imaging	1		1	1,064	14.4%
Virginia Hospital Center	3	1	4	47,231	159.6%
VHC Emergency and Imaging Center[27]		1	1		

[18] Kaiser Permanente – Tysons Corner Medical Center is authorized for a total of two CT units; the second CT unit was approved per COPN No. VA-04507 (issued 2/26/2016) and became operational in December 2016 but has not been consistently reported. See DCOPN Staff Report re COPN Request No. VA-8468 at 4; HSANV Staff Report re COPN Request No. VA-8503 at 4 (reflecting a total of four authorized Kaiser Permanente CT units). Notably, 2021 VHI data appears to reflect an erroneous entry for Kaiser Permanente Tysons Corner Surgery Center, inflating the inventory of CT scanners (by 2 units) and the overall CT volumes in PD 8 (by 19,128 scans) (corrected in this analysis).
[19] The facility was not reported in the 2021 VHI data.
[20] COPN No. VA-04799, issued 8/22/2022, authorizes Loudoun Medical Group, P.C., to establish an imaging center with one fixed CT unit.
[21] The facility was not reported in the 2021 VHI data.
[22] COPN No. VA-04797, issued 8/22/2022, authorizes Metro Region PET Center (Woodburn Nuclear Medicine) to add one fixed site CT scanner and discontinue use of its PET/CT unit for diagnostic CT scanning.
[23] Per COPN No. VA-04554, issued 2/21/2017, Reston Hospital Center obtained authorization to relocate one of its four CT units to the Tysons Corner Emergency Center, which became operational in June 2022. In October 2022, the Commissioner approved the addition of one CT unit at Reston Hospital Center, bringing the total of scanners at that facility back to four (COPN No. VA-04810, issued 10/24/2022).
[24] COPN No. VA-04554, issued 2/21/2017.
[25] Reflects the Century Building CT, reported separately here but included under Sentara Northern Virginia Medical Center in the VHI data.
[26] COPN No. VA-04778, issued 2/7/2022, authorized StoneSprings Hospital Center to add a second CT unit.
[27] Authorized per COPN No. VA-04775, issued 2/7/2022.

TOTAL	**60**	**12**	**72**		
TOTAL OPERATIONAL CT UNITS	**60**			**561,624**	126.5%
TOTAL AUTHORIZED CT UNITS			**72**	**561,624**	104.0%

Exhibit B: PD 8 MRI Inventory

Facility	MRI Units per 2021 VHI Data	MRI Units not reported by VHI	Total MRI Units	2021 MRI Scans	2021 Utilization Percentage[28]
FRC - Fairfax MRI Center at Reston[29]	1	1	2	6,161	61.6%
FRC - Fairfax MRI and Imaging Center at Tysons (FRC-Inova JV)[30]	2	-1	1	9,937	198.7%
FRC - Sterling	1		1	4,040	80.8%
Inova Alexandria Hospital[31]	2		2	8,563	85.6%
Inova Arlington MRI Center (Inova Imaging Center of Ballston)	1		1	3,372	67.4%
Inova Fair Oaks Hospital	2		2	7,259	72.6%
Inova Centreville MRI Center[32]		1	1		
Inova Fairfax Hospital	3		3	15,869	105.8%
Inova Fairfax MRI Center (Inova Center for Personalized Health)[33]	6		6	33,994	113.3%
Inova Imaging Center-Mark Center	1		1	3,265	65.3%
Inova Lorton HealthPlex	1		1	2,360	47.2%
Inova Imaging Center – Leesburg	1		1	2,209	44.2%
Inova Loudoun Hospital	1		1	5,917	118.3%
Inova Mount Vernon Hospital	1		1	5,116	102.3%
Inova Springfield HealthPlex[34]	1		1	3,745	74.9%
Insight Imaging - Arlington	2		2	7,451	74.5%
Insight Imaging - Fairfax / Medical Imaging Center of Fairfax	1		1	4,236	84.7%
Insight Imaging - Woodbridge	2		2	8,349	83.5%
Kaiser Permanente - Reston Medical Center[35]	1		1	5,844	116.9%
Kaiser Permanente - Woodbridge Medical Center[36]	1	1	2	5,587	55.9%
Kaiser Permanente - Tysons Corner Medical Center	2		2	13,726	137.3%

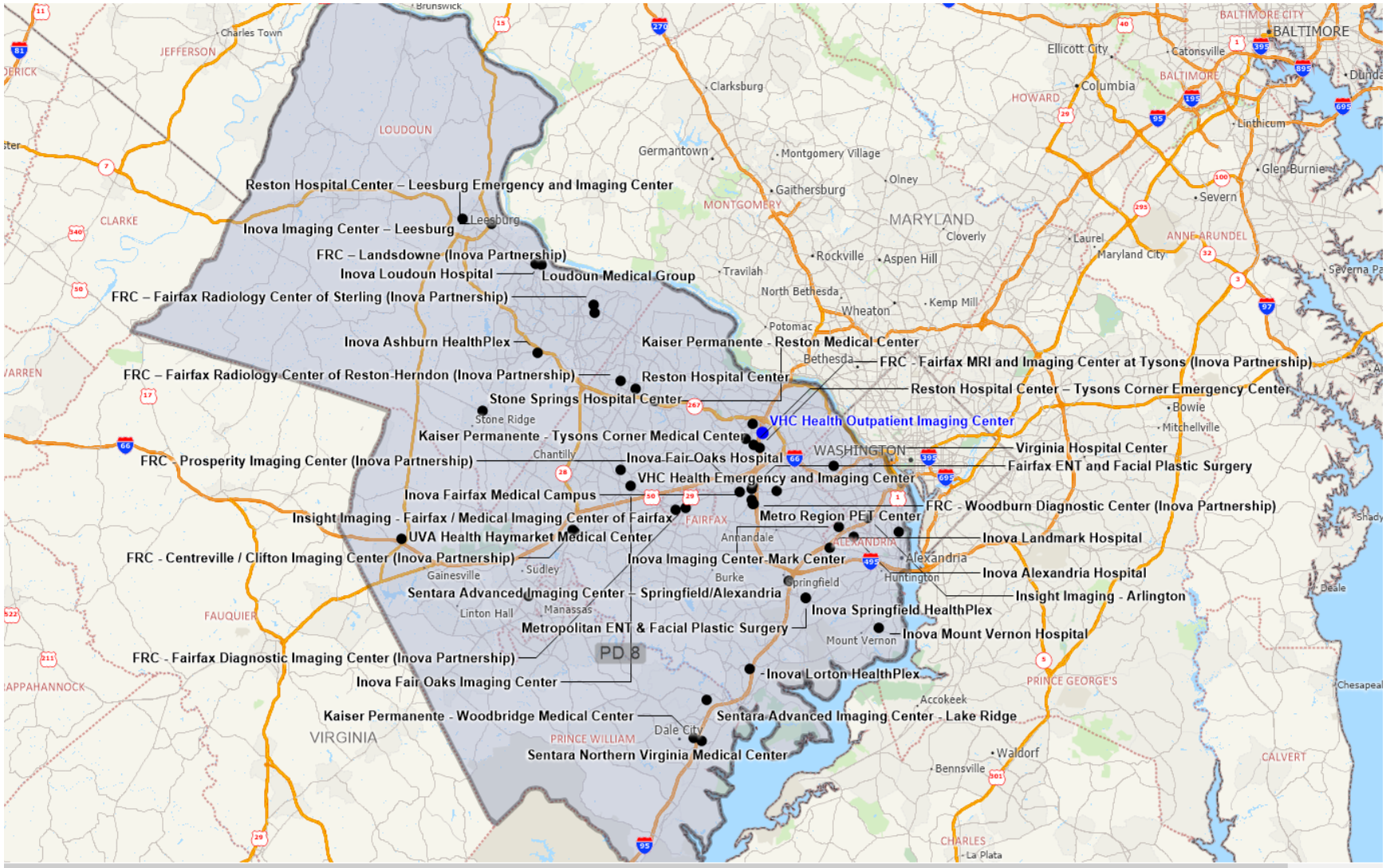
[28] Calculated based on number of authorized units.
[29] The existing MRI is to be relocated per COPN No. VA-04800 issued 8/22/2022; a second MRI for the relocated facility was approved per VA-04829, issued 2/9/2023.
[30] Per COPN No. VA-04751, issued 8/16/2021, one of the facility's units is to be relocated to the Inova Centreville MRI Center.
[31] COPN No. VA-04793, issued 7/8/2022, authorized one MRI scanner at the relocated Inova Alexandria Hospital (Landmark), to be relocated from Inova Alexandria Hospital.
[32] Approved per COPN No. VA-04751, issued 8/16/2021.
[33] Per VA-04572, issued 8/15/2017, Inova Fairfax Hospital was approved to add a ninth MRI unit. It appears this unit has been implemented at the Inova Center for Personalized Health on the hospital campus.
[34] Inova Springfield Hospital has been approved per COPN No. VA-04832 with one MRI to be relocated from the adjacent Inova Springfield HealthPlex and one MRI to be relocated from Inova Alexandria Hospital.
[35] 2021 VHI data appears to reflect an erroneous entry for Kaiser Permanente Tysons Corner Surgery Center, duplicating the MRI utilization of the Kaiser Permanente – Reston Medical Center.
[36] COPN No. VA-04700, issued 2/18/2020, authorized the relocation of the Kaiser Permanente Woodbridge facility and the addition of a second MRI unit.

Lakeside @ Loudoun Tech Center 1[37]		1	1		
MRI of Reston	4		4	20,128	100.6%
Radiology Imaging Associates at Landsdowne	2		2	7,727	77.3%
Reston Hospital Center	1		1	3,959	79.2%
Sentara Advanced Imaging Center - Lake Ridge	1		1	2,351	47.0%
Sentara Northern Virginia Medical Center	1		1	3,867	77.3%
Stone Springs Hospital Center	1		1	1,831	36.6%
Tysons Corner Diagnostic Imaging	2		2	6,381	63.8%
UVA Health Haymarket Medical Center	1		1	4,683	93.7%
UVA Health Prince William Medical Center	2		2	6,092	60.9%
UVA Health Imaging Centreville/Vienna Diagnostic Imaging[38]	1	1	2	5,866	58.7%
Virginia Hospital Center	3	1	4	15,746	78.7%
Washington Radiology Associates[39]		1	1		
TOTAL	**52**	**6**	**58**	**235,631**	
TOTAL OPERATIONAL MRI UNITS	**52**			**235,631**	**90.6%**
TOTAL AUTHORIZED MRI UNITS			**58**	**235,631**	**81.3%**

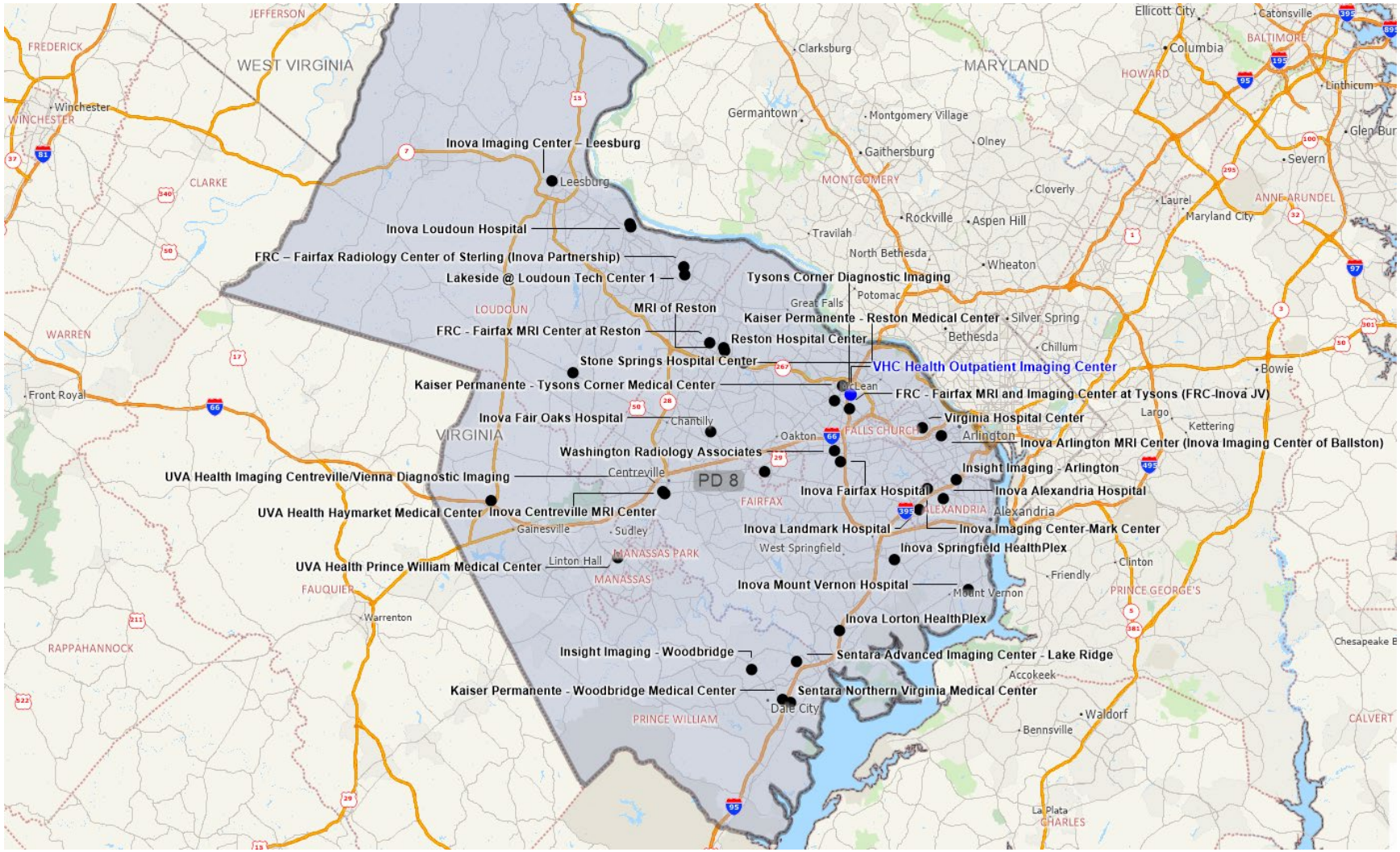
[37] The facility was not reported in the 2021 VHI data.
[38] COPN No. VA-04752, issued August 16, 2021, authorized the addition of a second MRI unit at the facility.
[39] The facility was not reported in the 2021 VHI data.

Attachment IV.H.1 - Maps of Existing CT and MRI Facilities in PD 8

COPN Request No. VA-8735
Attachment IV.H.1 – Existing CT Facilities in PD 8



COPN Request No. VA-8735
Attachment IV.H.1 – Existing MRI Facilities in PD 8



Attachment IV.H.2 - Letters of Support

September 27, 2023

Karen Shelton, M.D.
State Health Commissioner
Virginia Department of Health
109 Governor Street, 13th Floor
Richmond, VA 23219

RE: COPN Request No. VA-8735
Virginia Hospital Center Arlington Health System d/b/a VHC Health
Expansion of CT and MRI Services via
Establishment of a Specialized Center for CT and MRI Services
Planning District 8

Dear Dr. Shelton:

I write on behalf of Cigna Healthcare ("Cigna") to express our support for the above-referenced Certificate of Public Need application, VHC Health's ("VHC") proposal to establish its first off-campus full-service diagnostic imaging facility with CT and MRI services.

As the health benefits provider for many insured lives in Virginia, we provide guidance to our customers in support of their health care journey, empowering them with the information and insight they need to make the best choices for improving their health and vitality. As an important health insurer seeking to deliver accessible and affordable health care solutions for our enrollees, Cigna is committed to promoting better care and outcomes while reducing overall health care costs. With continuing emphasis on the delivery of high quality care in the most appropriate settings at lower costs, the availability of options for lower-cost imaging services is increasingly important for Cigna and our patients.

Having VHC, the only remaining independent community hospital in Northern Virginia and one of the lowest-cost providers in the region, in our network has been critical to our mission in that market and a critical option for our patients. Yet historically, all of VHC's services have been concentrated at the hospital and currently remain centralized on the crowded and congested hospital campus. The proposed expansion of VHC's highly utilized CT and MRI services to an off-campus, lower-cost location will strengthen VHC's ability to serve our patients in VHC's longstanding service area. The new facility will be VHC Health's first off-campus full-service diagnostic imaging facility, with CT and MRI services and a comprehensive array of other

diagnostics (and only its second approved off-campus CT service). Approval of the project will dramatically enhance the availability and geographic and logistic accessibility of diagnostic imaging services for patients while also offering access to a lower-cost setting.

On behalf of our members, we respectfully request your approval of VHC Health's application. Thank you for your consideration of Cigna's letter.

Sincerely,

Kristen Matella

Kristen Matella, MPA
AVP, Network Management
Cigna Healthcare
(804) 580-1627

cc: Mr. Adrian Stanton, V.P., Real Estate Acquisition and Development, VHC Health
Mr. Erik O. Bodin, III, Director, Division of Certificate of Public Need
Mr. Dean Montgomery, Executive Director, Health Systems Agency of Northern Virginia

NVRC
Northern Virginia Radiology Consultants, P.L.L.C.

September 20, 2023

Radiologists

Bonnie S. Ahn, MD
Ali Alikhani, MD
Ahmad M. Garada, MD
Joseph Gorodenker, MD
Michael C. Jay, MD
Sandhya Jupalli, MD
Judith Kaplan, MD
Rohit Koppula, MD
George Kuo, MD
Christian R. Malalis, MD
Russell E. McWey, MD
Sarah D. Mezban, MD
Anna Moreland, MD
Ivan Petrovitch, MD
Claude G. Raphael, MD
Matthew F. Sandusky, MD
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Virginia Hospital Center
1701 N. George Mason Dr.
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Karen Shelton, M.D.
State Health Commissioner
Virginia Department of Health
109 Governor Street, 13th Floor
Richmond, VA 23219

RE: COPN Request No. VA-8735
Virginia Hospital Center Arlington Health System d/b/a VHC Health
Expansion of CT and MRI Services via
Establishment of a Specialized Center for CT and MRI Services
Planning District 8

Dear Dr. Shelton:

I write to express my support for VHC Health's above-referenced request to establish an off-campus specialized center for CT and MRI services.

As Chief of Medical Imaging and a 36-year member of the VHC Medical Staff, I experience on a daily basis the high demand on the imaging resources of Virginia Hospital Center ("VHC"). This high demand is extremely challenging for VHC Health patients and staff and can impair the delivery of timely high-quality care. As a trusted community hospital, an academic medical center, a certified Comprehensive Stroke Center, and a Level II Trauma Center, VHC must serve a broad range of needs and demands. Many of our patients require CT or MRI imaging; for many, the timely delivery of CT and MRI services is essential. Many require scans of particularly lengthy duration – utilization which is not captured in a simple count of scan volumes. During peak hours, there are regular backlogs, frustrating patient flow and throughput and undermining care delivery. Outpatients currently wait several weeks for available appointments; once scheduled, outpatient studies must frequently be rescheduled or delayed to accommodate more urgent inpatients and emergency patients. Additionally, imaging hours must at times be extended late into the evening to accommodate inpatients added or rescheduled throughout the day. The high and growing CT and MRI utilization impairs VHC's ability to meet all its patients competing needs on the hospital campus. Unequivocally, VHC Health and its patients are in need of additional CT and MRI imaging capacity.

VHC Health patients also have a compelling need for a more diverse care-setting offering that will allow them to access appropriate levels of care in the appropriate setting away from the crowded hospital campus. VHC Health's first off-campus CT unit, co-located with a freestanding emergency center (also its first) and

an urgent care center, is scheduled to become operational in early 2025; until then, all of VHC Health's diagnostic imaging services remain concentrated on the hospital campus. As the shift of lower-acuity care to appropriate lower-cost outpatient settings continues, it is VHC Health's responsibility to ensure the necessary resources and infrastructure to provide its patients with timely access to excellent and affordable care. (At the same time, there is no room on the VHC campus to expand diagnostic imaging services; the campus is congested and landlocked and cannot accommodate additional services.)

The proposed facility will be VHC Health's first off-campus comprehensive imaging center. The additional CT and MRI units will be co-located with other imaging modalities such as x-ray, ultrasound, mammography, and a variety of other diagnostics. The proposal will improve access to indispensable components of many VHC Health patients' care in a convenient, patient-friendly, lower-cost setting dedicated to outpatients and away from the crowded hospital campus. The project will also improve access for patients who need to be treated on the hospital campus by decompressing the high CT and MRI utilization on campus. Improved access to diagnostic imaging leads to earlier detection, diagnosis, and treatment, enhancing health, patient comfort, and outcomes. On behalf of my entire department, I strongly support this proposal and respectfully request your approval.

Thank you for the opportunity to share my support. Please let me know of any questions.

Sincerely,

Russell McWey, M.D.
Chief of Medical Imaging
Director of Interventional Radiology
Virginia Hospital Center

cc: Mr. Adrian Stanton, V.P., Real Estate Acquisition and Development, VHC Health
Mr. Erik O. Bodin, III, Director, Division of Certificate of Public Need
Mr. Dean Montgomery, Executive Director, Health Systems Agency of Northern Virginia

VHC Health Outpatient Imaging Center
McLean, Virginia
Attachment V.H.3 - Pro Forma

		Year 1	Year 2
Total Gross Patient Revenue		**$ 15,742,404**	**$ 20,754,204**
Contractual Allowances		8,500,898	11,207,270
Bad Debt Allowances		472,272	622,626
Charity Allowances		472,272	622,626
Net Patient Service Revenue		**6,296,961**	**8,301,682**
	Bone Density	214,523	243,126
	CT	1,260,175	1,360,989
	SPECT	747,224	1,714,879
	Echo	342,570	396,011
	Mammo	725,416	838,581
	Nuclear Med	467,221	1,072,272
	Ultrasound	393,616	455,020
	Xray	159,789	184,716
	MRI	1,986,427	2,036,087
Total Operating Revenue		**$ 6,296,961**	**$ 8,301,682**
Salaries & Wages - Non Provider		$ 2,170,639	$ 2,235,759
Salaries & Wages - Radiologists		924,914	952,661
Employee Benefits		325,596	335,364
Supplies Expense		102,522	131,183
Repairs & Maintenance		446,000	657,158
Professional Fees		-	-
Other Operating Expenses		188,909	249,050
Depreciation		1,214,950	1,214,950
Interest Expense		436,712	422,791
Total Operating Expenses		**$ 5,810,243**	**$ 6,198,916**
Operating Income		**$ 486,719**	**$ 2,102,766**

VHC Health Outpatient Imaging Center
McLean, Virginia
Attachment V.H.3 - Pro Forma Assumptions

1. This Pro Forma covers all services to be provided at the proposed VHC Health Outpatient Imaging Center – i.e., CT and MRI services as well as certain non-reviewable diagnostic services (including ultrasound, x-ray, echocardiogram, mammography, SPECT, and bone densitometry services). Although only the CT and MRI components of the proposed facility are reviewable, VHC provides here the comprehensive Pro Forma for the entire proposed facility in the interest of transparency and comprehensiveness.

2. Gross revenues reflect projected utilization as summarized below:

Modality	**Year 1**	**Year 2**
CT	5,304	5,616
MRI	4,000	4,250
Bone Density	4,680	5,200
SPECT	1,426	3,209
Echo	1,560	1,768
Mammo	6,240	7,072
Nuclear Med	1,109	2,496
Ultrasound	3,120	3,536
Xray	3,900	4,420

3. Charity care reflects VHC's system-wide charity care condition of 3.0%.

4. Bad debt has been conservatively estimated at 3.0%.

5. Depreciation is based on the anticipated life of new equipment.

6. Other Operating Expenses include primarily janitorial services, revenue cycle, and human resources.