

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-8886

INSIGHT HEALTH CORP., DBA RAYUS RADIOLOGY

PLANNING DISTRICT 8

ESTABLISH A SPECIALIZED CENTER FOR MRI SERVICES.

MARCH 31, 2026

All applicants are reminded that a determination of Public Need results from a consideration of the factors identified in §32.1 – 102.3.B of the Virginia Medical Facilities Certificate of Public Need law.

Prior to completing the application forms, applicants are encouraged to contact the Division of Certificate of Public Need of the State Health Department and the appropriate Regional Health Planning Agency (RHPA) (if one is currently designated by the Board of Health to serve the area where the project would be located), concerning existing community health resources and the projected need for the proposed project. Of particular importance is a discussion of the required information necessary to complete the application. Copies of the appropriate State and RHPA (if one is currently designated by the Board of Health to serve the area where the project would be located) plans and policies will be made available upon request.

The Division of Public Need and the RHPA may be contacted at the following addresses, telephone and facsimile numbers:

Virginia Department of Health	(804) 367-2126
Division of Certificate of Public Need	(804) 527-4501-F
9960 Mayland Drive – Suite 401	
Henrico, Virginia 23233	

Health Systems Agency of Northern Virginia	(703) 573-3100
7245 Arlington Blvd, Suite 300	(703) 573-1276-F
Falls Church, Virginia 22042	

SECTION I FACILITY ORGANIZATION AND IDENTIFICATION

RAYUS Radiology – Manassas MRI

Official Name of Facility

9480 Innovation Drive

Address

Manassas

City

VA

State

20110

Zip

703-591-8020

Telephone

B. **Insight Health Corp., d/b/a Rayus Radiology**

Legal Name of Applicant

5775 Wayzata Blvd, Ste 400

Address

St. Louis Park

City

MN

State

55416

Zip

C. Chief Administrative Officer

Sami Abbasi, CEO

Name

5775 Wayzata Blvd, Ste 400

Address

St. Louis Park

City

MN

State

55416

Zip

(952) 543-6500

Telephone

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

Robert Harrison Gibbs, Esquire

Name

428 McLaws Circle, Ste 200

Address

Williamsburg

City

VA

State

23185

Zip

(757) 707-9196

Telephone

(757) 259-9201

Facsimile

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) _____ **X** _____

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

(3) _____ **X** _____

See Exhibit I.E.

(4) _____

(4) Other _____ Identify (4) _____

Non-Profit

(5) _____

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

(5) _____

(6) _____

(6) Other _____ Identify (6) _____

(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) _____

(12) _____ (12) Other _____ Identify (12) _____

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

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

See Exhibit I.F. for Request for Proposal.

See Exhibit I.F.1 for Rent Schedule.

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.

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

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

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

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

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

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

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

See Exhibit I.G.

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

See Exhibit I.H.

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

- **Insight Health Corp. is a wholly owned subsidiary of Insight Health Services Corp.**
- **Insight Health Services Corp. is a wholly owned subsidiary of Insight Health Services Holdings Corp.**
- **Insight Health Services Holdings Corp. is a wholly owned subsidiary of Diagnostic Services Holdings, Inc.**

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: 7.0913 acres
2. Located in Manassas / Prince William County / PD 8
3. Address or directions 9480 Innovation Dr, Manassas, VA 20110
4. Has site been zoned for type of use proposed:

 ___X___ Yes (attach copy of zoning or use permit)

 _____ No

 If no, explain status _____

See Exhibit II.A.

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) _____ Other _____ (Identify)

C. Design of the facility

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

Insight Health Corp. dba RAYUS Radiology does not have a formal long-range plan. However, this project is consistent with RAYUS Radiology's mission to provide convenient, state-of-the-art imaging services to the patients and physicians it serves with the goal of providing advanced imaging capability and producing premium image resolution for its patients and physicians served. Through its current three imaging facilities, RAYUS Radiology has gained the trust of many area physicians by using experienced radiologists, Board-certified by the American College of Radiology (ACR), whose objective is to provide prompt, accurate MRI interpretation.

RAYUS Radiology has provided MRI imaging services to PD 8 for over 20 years, including Prince William County. RAYUS Radiology seeks to continue serving the

patients and physicians who have relied on its facilities over the years in a more convenient location, while also relieving the volume pressure experienced at all three RAYUS Radiology sites.

- (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.**

LOCATION

The establishment of MRI imaging services with one MRI unit at 9480 Innovation Drive, Manassas will better serve existing patients and providers by locating premium MRI imaging services in a more convenient location. This part of Prince William County near Manassas has few MRI providers and no free-standing facilities. The Manassas location will also draw current RAYUS Radiology patients and referring physicians who have historically traveled primarily to Fairfax or Woodbridge facilities for care. By locating the MRI at the Manassas site, RAYUS Radiology reduces the current and projected excess volume at the Woodbridge and Fairfax MRI centers without imposing the burden of traveling to a more distant center, such as RAYUS Radiology - Fairfax.

RAYUS Radiology's proposed location at 9480 Innovation Drive will also better serve the growing elderly populations in the Cities of Manassas and Manassas Park.

STYLE

The proposed facility will be located on the ground floor of 9480 Innovation Drive, a single-story facility. The facility will occupy 7,545 net square feet of rentable space, adequate to accommodate one MRI unit and to meet the service and privacy needs of patients accessing the MRI unit and office. The location of RAYUS Radiology – Manassas will be adjacent to sufficient, immediately-accessible parking.

MAJOR DESIGN FEATURES

The building at 9480 Innovation Drive backs against Prince William Parkway and is accessible from Innovation Drive. The location offers close parking for patients. It also provides ground-level access with no stairs or elevators to patients with mobility issues. Based on the floor plan, RAYUS Radiology - Manassas will offer enhanced patient flow and convenience. The design meets ACR requirements for patient flow and MRI room separation.

RELATIONSHIP TO THE LONG-RANGE PLAN

As the operator of three freestanding MRI facilities within PD 8, which are among the few outpatient diagnostic imaging facilities recognized and accredited by ACR, RAYUS Radiology has a responsibility to the patients of its referring physicians to continue to offer services without interruption. The proposed project will allow RAYUS Radiology to continue providing the high level of service that patients and

referring physicians have come to expect, while also allowing RAYUS Radiology - Woodbridge and RAYUS Radiology - Fairfax to meet an increasing demand for MRI services in their service areas.

By allowing RAYUS Radiology to locate additional MRI services already offered to its growing patient pool, RAYUS Radiology will be able to provide more timely imaging to its patients in this rapidly growing area without significant negative impact on existing providers.

The proposed project is consistent with RAYUS Radiology's institutional commitment to accessible and timely service at all its locations by relieving the congestion and subsequent scheduling delays experienced at all three RAYUS facilities in the planning district. RAYUS Radiology continues to see increased patient volumes with its 5 fixed MRI scanners because of PD 8's growing population, especially in Prince William County, and the continued population growth south of PD 8 along the I-95 and US-15 corridors. Already exceeding Virginia's regulatory capacity threshold, all three RAYUS facilities will benefit from the proposed project's location west of its Woodbridge center and south of its Fairfax MRI facility.

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

Although the proposed location is situated in a designated business zone in Prince William County, it will be closer to the Cities of Manassas and Manassas Park, as well as the developing suburbs of southern and western Prince William County. The facility is easily accessible with ample parking and easy access from Prince William Parkway State Hwy 234 via University Boulevard. Likewise, the major north-south artery of Nokesville Road Hwy lies to the south and exits onto Prince William Parkway near the proposed project, and just to the north, Expressway I-66 interchanges with Prince William Parkway before the interstate reaches Gainesville, Virginia.

See Exhibit II.C.D.

The Potomac and Rappahannock Transportation Commission (PRTC) offer OmniRide as a public transport system in the Prince William and Manassas area, including OmniRide Express, which connects Prince William County and the Cities of Manassas and Manassas Park to major employment centers, and OmniRide Metro Express, which connects commuters directly to metro stations. Although the proposed location is not immediately accessible through these lines, additional transport is available via the OmniRide Connect Microtransit Service, which allows riders in the Manassas Park and Quantico/Dumfries/Triangle areas to book personalized rides. Passengers are picked up at designed locations and delivered to their requested destination. Fees for the service are currently waived but will cost \$2.00 per passenger when OmniRide resumes collecting fares.

- (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.

Water, sewer, and solid waste services are already available at the site. The site is properly zoned as a Planned Business District, which includes Medical Care Facilities such as the one proposed.

Additionally, the project shall be located in 7,545 net square feet in a single-story building, making it easier for patients with mobility issues to access imaging services. The proposed project makes use of an existing building, requiring renovation instead of substantial construction costs, lowering the overall capital expenditures. This makes the project comparable to an expansion at one of RAYUS Radiology's existing buildings, especially at RAYUS Radiology's – Woodbridge facility, which recently had to expand into a neighboring building just to add CT services due to space and lease restrictions.

The proposed site also plays host to other health care providers, such as Virginia Cancer Specialists. Nevertheless, the building also has existing unleased space, which could allow for future expansion, should that be deemed necessary, which would again require only remodeling and additional shielding of the walls.

- (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.

By leasing an existing commercial building, the proposed project will have limited construction costs compared to building an entirely new facility. The MRI equipment will be placed in an existing space, which will only require minor remodeling and additional radiation shielding around the scanner. The rest of the facility will be split between patient and administrative space. The design is efficient and incorporates Class A materials with the proposed pragmatic suite layout.

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

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

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

Adequate public utilities currently exist on-site, including water, sewer, and solid waste services in addition to heating and cooling equipment. The project will not require additional utility services.

See Exhibit I.F. for detailing of utility providers for location.

D. Space tabulation – (show in tabular form)

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

Not applicable.

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

See Exhibit II.E.

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

The size of the facility and the space for the new MRI unit is based on RAYUS Radiology's experience in developing and operating similar imaging facilities. The space needed is appropriate for the expected utilization, MRI equipment specifications, local, state, and federal regulations, current Facilities Guideline Institute design standards, and other requirements. The location is already built and

will only require slight remodeling and shielding to the existing office space in which the MRI unit will be placed. The center will be designed to accommodate multiple imaging modalities, including MRI, x-ray, and ultrasound. All rooms comply with equipment manufacturer requirements.

E. 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 Exhibit II.F.

F. 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 Exhibit II.G.

G. Construction Time Estimates

1. Date of Drawings: Preliminary **March 2026** Final **Oct 2026**
2. Date of Construction: Begin **Nov 2026** Completion **March 2027**
3. Target Date of Opening: **March 2027**

The foregoing assumes a COPN issued for the project on or before September 8, 2026.

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.

RAYUS Radiology is a leading national subspecialty provider for advanced diagnostic and interventional radiology services, offering efficient, high-quality radiology at more than 143 imaging centers across the U.S. Through its prior operations as Center for Diagnostic Imaging (CDI), RAYUS Radiology has provided imaging services, including MRI scanning, to Northern Virginia for over 30 years. RAYUS Radiology currently offers MRI services at three diagnostic imaging centers (Alexandria, Fairfax, and Woodbridge) in PD 8, which include ready access to other imaging modalities.

RAYUS Radiology – Manassas intends to acquire and install a Siemens Magnetom Altea Magnetic Imaging System. The Magnetom Altea’s new 1.5T Open Bore system will help reduce the risk of “patient anxiety and claustrophobia” with its short and open design (157 cm total system length cover-to-cover and 70 cm Open Bore Design). The system comes with a whole body superconductive Zero Helium Boil-Off 1.5T magnet, uses weight optimized magnet technology based on 3T and 7T magnet designs, and models an “Actively Shielded water-cooled Siemens gradient system” to improve performance time. It comes with 4TIM or 4th generation total imaging matrix (TIM), which improves speed and image quality, making the patient experience faster, less complicated, and a better experience than slower machines. The TIM software allows excellent head-to-toe imaging for:

- **Neuro**
- **Angio**
- **Cardiac**
- **Body**
- **Oncology**
- **Breast**
- **Ortho**
- **Pediatric**
- **Scientific Studies**

In 2025, RAYUS Radiology - Woodbridge acquired a similar Siemens Magnetom Altea MRI Scanner. Thus, the Woodbridge medical director and staff are fully familiar with the capabilities of the Siemens equipment, and they will bring that knowledge to Manassas.

Due to general proximity, RAYUS Radiology - Manassas will share the existing medical director with RAYUS Radiology – Woodbridge, allowing for coordination of services. RAYUS Radiology seeks COPN approval of an MRI at the proposed Manassas site to address the heavy MRI utilization at all three PD 8 facilities, but

especially Fairfax and Woodbridge. Patient wait time for an MRI currently is more than one week, and MRI utilization in PD 8 and RAYUS sites exceeds the regulatory threshold for expansion based on overall planning district and institutional need. Moreover, the three northern Virginia RAYUS sites have reached or are approaching near-functional capacity. The addition of an MRI addresses both PD 8's overall need and RAYUS's institutional needs for additional capacity to meet patient demand. The additional MRI will also have minimal impact on competing imaging centers because the Manassas facility will serve current RAYUS Radiology patients, just closer to their home.

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

Like its existing MRI facilities, RAYUS Radiology - Manassas will follow the company's standard registration policies and work with patients and physicians to schedule patients within a week of the MRI request. Prior to the patient's arrival, RAYUS Radiology - Manassas will coordinate with the patient's insurer to address any preauthorization requirements.

See Exhibit III.B for registration forms used.

Prior to the patient's departure from the facility, and either before or after completion of the patient's MRI examination, RAYUS Radiology - Manassas's staff will communicate to the patient (or the responsible party) how the facility will deliver results of the exam to the referring physician.

The standard procedure is as follows:

1. Interpretations are done immediately following the exam. RAYUS Radiology - Manassas will use Merative's Merge PACS system, which it uses at its other locations. The Merge PACS system allows authorized physicians to login from a remote webpage and send MRI images via e-mail as a PDF file, and provides a full resolution for viewing and storage of images in Digital Imaging and Communications in Medicine (DICOM) format, which ensures interoperability with providers outside RAYUS Radiology.
2. All STAT requests and urgent findings are communicated immediately via telephone to the attending physician by the radiologist to ensure the patient receives prompt care.
3. Radiology reports are transcribed within four hours of the exam, and a final hard copy of the report is e-mailed and, if necessary, mailed to the referring physician within 12-24 hours of the examination's completion.
4. RAYUS Radiology - Manassas will also send actual films of the examination to those referring physicians who request them. When requested by the

referring physician, a copy of the film and/or CD may be given to the patient (or responsible party) at the time of service, if necessary.

This process ensures timely diagnosis and treatment and is a more effective alternative for the patients and physicians served at RAYUS Radiology facilities than MRI services at other locations in PD 8. Referring physicians have learned to trust and appreciate the timely and accurate response provided by RAYUS Radiology, especially the quick turnaround time due to implementation of the PACS system. Any questions or circumstances falling outside of the above procedures are handled on a case-by-case basis or by whatever necessary measures to ensure timely response and continuity of care.

C. What procedures are utilized in quality care assessment?

See Exhibit III.C for RAYUS Radiology's quality assurance policy.

RAYUS Radiology is accredited by the American College of Radiology at its other facilities and will seek accreditation for the Manassas location. As an ACR accredited facility, RAYUS Radiology will follow the ACR standards for quality control and improvement. RAYUS Radiology also uses computer-based protocols and internal and external communication pathways to ensure quality diagnostic outcomes.

As addressed under the quality plan narrative of this application, RAYUS Radiology – Arlington participates in a multi-faceted quality program, which includes:

- Adherence to accrediting body standards (e.g., the American College of Radiology), as well as federal quality programs and specific commercial contractor requirements;
- Continuous assessment of radiologists through the current case peer review and mentoring program;
- Overall assessment through the development of, review of, and updates to clinical guidelines and center policies and procedures to ensure best practices;
- Peer-to-peer mentoring of radiologists and technologists throughout RAYUS Radiology's nationwide network;
- Annual center safety surveys, including comparative data rankings with other centers in its national network;
- Data rankings for patient-service related measures, such as wait times, report turn-around times, patient satisfaction, and referring physician satisfaction;
- Continuous quality improvement initiatives, such as educational efforts with all center radiologists and referring clinicians regarding appropriate utilization to ensure the appropriate testing at the right time, relying on the work of the RAYUS Radiology's Quality Institute's federally-qualified Provider Led Entity for specific guidance.

See Attachment III.C for additional information.

- 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.

Unlike its existing imaging centers, RAYUS Radiology will have to hire new staff members for the Manassas facility, although early on it expects to obtain additional staff from RAYUS Radiology's Woodbridge and Fairfax facilities, including their MRI teams. This will ensure continuity of procedures and care. RAYUS Radiology normally recruits the additional personnel locally through newspaper advertisements, local school recruitment, and word-of-mouth. Personnel at other RAYUS facilities, including those in Arlington, Fairfax, and Woodbridge, will have the opportunity to transfer to the RAYUS Radiology – Manassas facility if openings arise.

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

	<u>Existing</u>	<u>This Project To be Added</u>	<u>This Project to to be Discontinued</u>
1. Outpatient Surgery	_____	_____	_____
2. Post Operative Recovery Room	_____	_____	_____
3. Pharmacy with full-time pharmacists	_____	_____	_____
part-time pharmacists	_____	_____	_____
4. Diagnostic Radio- logical Services			
x-ray	_____	<u>X</u>	_____
radioisotope	_____	_____	_____
CT scanning	_____	_____	_____
MRI scanning	_____	<u>X</u>	_____
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			
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)	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

G. Program

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

_____ Yes (Give name of hospital) _____

 X No **RAYUS Radiology – Manassas is and will continue to be operated as an Independent Diagnostic Testing Facility (“IDTF”).**

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

_____ Yes (Give name of hospital) _____

 X No

RAYUS Radiology is neither affiliated with a hospital, nor does it specifically transfer patients requiring urgent care. RAYUS Radiology’s documented procedure as to the transfer of patients requiring urgent care is to immediately call an emergency medical response team.

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

 X Yes (give name of facility)

Any inpatient facility requesting records may receive them upon authorized request.

_____ No

Outpatient services are (will be) available from, initially, 8am to 8pm Monday-Friday and 8am-4pm Saturday while volume ramps up. Thereafter, hours will mirror other RAYUS Radiology MRI centers that operate in PD 8 from 6am-11pm Monday-Friday, 8am-4pm Saturday and Sunday.

Unlike most of its competitors, RAYUS Radiology operates seven days a week and late on weeknights. This shows dedication to accommodating their patients’ busy schedules and ensuring access and shortened wait times, consistent with RAYUS Radiology’s goal of scanning within 3 days of a referral, including time for preauthorization.

4.

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

_____ Yes (Attach clinic schedule list)

☒ No

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

☒ Yes ☐ No

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

(a) Only by physicians on call: ☐ Yes ☒ No

(b) By full time physicians: ☒ Yes ☐ No

(c) By physicians who limit their practice to this outpatient service? ☒ Yes ☐ No

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

There are no limitations or restrictions on use of the facility if patients are appropriate candidates for MRI imaging. If patients are unable to pay due to medical indigency or financial hardship, these patients are provided with free or reduced cost MRI scans. RAYUS Radiology accepts referrals of such patients from local physicians, Neighborhood Health, the Mother of Mercy Free Clinic, and the Prince William Area Free Clinic. The Manassas location will reduce travel time for many of these referrals who live west of Woodbridge.

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

See Exhibit III.H.

Exhibit III.H shows the projected volume for 2026, 2027, and 2028 based on the historic data for the last 3 years of 2023, 2024, and 2025. RAYUS Radiology's existing three facilities expect significant growth in PD 8, especially as the planning district's 65+ elderly population grows faster than the general population. Over the next three years, all three of RAYUS Radiology's MRI centers will have enough case volume to support a new MRI. The first table in Exhibit III.H. projects the total case volumes if this project is not approved.

The second table in Exhibit III.H combines RAYUS Radiology's projected utilization with expected case transfers from current RAYUS patients near the Manassas projected primary service area. See Exhibit IV.B.2 for the primary service area. RAYUS Radiology identified from its 2025 patient origin data the zip codes of its patients that would seek MRI services at RAYUS Radiology - Manassas. The zip code areas are 20108, 20109, 20110, 20111, 20112, 20136, 20155, 20169, 20119, and 20181

and 20182. Some patients may also travel from 22193 and 22192. All three of RAYUS Radiology's MRI Centers in PD 8 would send some patients to a new MRI in Manassas. However, the proposed project would open excess capacity across centers.

The Year One and Year Two projections in Exhibit III.H are based on the number of RAYUS Radiology patients who received services in 2025 and live within the targeted zip codes. RAYUS Radiology allowed for a small ramp-up period in Year One. Instead of 2,754 patients seen in 2025 from these zip codes, it conservatively forecasts that 2,198 will be served in the first year at the proposed Manassas location.

Approval of the MRI center at RAYUS Radiology – Manassas reduces excess volume and will shorten wait times across all RAYUS MRI centers, consistent with RAYUS Radiology's goal of scanning within 3 days of a referral, including time for preauthorization. The proposed project will relieve some of the pressure currently faced by all three RAYUS Radiology MRIs more effectively than by just approving an extra MRI at only one of the existing RAYUS locations. Although the projected volume of cases is a linear approximation, they do not include the likelihood of current and future RAYUS Radiology patients choosing to travel to Manassas for MRI imaging to take advantage of shorter wait times. The forecasted 2,198 scans for 2027 (YR 1) and 3,701 scans for 2028 (YR 2) for RAYUS Radiology – Manassas are therefore conservative.

I. Staffing of Existing and/or Proposed Facility

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

	Current		Additional	Needed
	Full Time	Vacant Positions	Full Time	TOTAL
Total number of Full-time staff	_____	_____	<u>3</u>	<u>3</u>
Administration-Business Office	_____	_____	<u>1</u>	<u>1</u>
Registered Nurses	_____	_____	_____	_____
Licensed Practical Nurses, Nurses Aides, Orderlies/Attendants	_____	_____	_____	_____
Registered Medical Records Librarian	_____	_____	_____	_____
Registered Pharmacists	_____	_____	_____	_____

Laboratory Medical Technologists	_____	_____	_____	_____
ADA Dieticians	_____	_____	_____	_____
Radiologic Technologists	_____	_____	<u> 2 </u>	<u> 2 </u>
Occupational Therapists	_____	_____	_____	_____
Physical Therapists	_____	_____	_____	_____
Psychologists	_____	_____	_____	_____
Psychiatric Social Workers	_____	_____	_____	_____
Recreational Therapists	_____	_____	_____	_____
Inhalation Therapists	_____	_____	_____	_____
Medical Social Workers	_____	_____	_____	_____
Other Health Professionals, Identify	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
All Other Personnel (Exclude Physicians and Dentists)				

- J. 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.

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

RAYUS Radiology does not expect a significant negative impact on other facilities in PD 8. As explained above, RAYUS Radiology – Manassas intends to recruit new staff through advertisements and other recruiting practices. In the initial stages, it will need to rely on existing experienced RAYUS Radiology personnel, who are familiar

with the company's operations. The company will also provide employees with an opportunity to transfer from another RAYUS Radiology location.

L. Attach the following information or documents:

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

Not applicable.

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

Not applicable; the Joint Commission does not accredit IDTFs. However, RAYUS Radiology has American College of Radiology accreditation on equipment as required.

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

Not applicable for new project.

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 Exhibit III.K.4.

SECTION IV PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY NEED

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

RAYUS Radiology seeks to introduce one MRI unit at 9480 Innovation Drive, Manassas, Virginia, a location that falls within the current service areas for RAYUS Radiology's Fairfax and Woodbridge MRI facilities, to address its institutional need for an additional MRI scanner in PD 8, especially in an area where many patients must travel longer distances and encounter longer wait times. RAYUS Radiology intends the new MRI site to accommodate the significant MRI scan growth at its existing PD 8 facilities over the last several years. The project will allow RAYUS Radiology to decrease current wait times caused by excess utilization, while also meeting an institutional need for on-site MRI capacity expansion at its Fairfax and Woodbridge facilities. Current waiting times for MRIs at RAYUS PD 8 facilities are more than a week. The proposed MRI, located farther west and just outside the City of Manassas in Prince William County, will offer convenient outpatient imaging services to the current RAYUS Radiology primary service area and to a growing number of patients and referring physicians in western Prince William County and the northern parts of PD 9.

The recent trend in utilization at RAYUS Radiology exceeds experience; however, the Arlington and Woodbridge MRI centers have experienced utilization above the 5,000 scans per unit SMFP threshold for each of the last 5 years, and Fairfax for the last 3 years. In the meantime, other nearby providers' volumes have also increased, reflecting the continued population growth in PD 8. The population of elderly residents 65+ in PD 8 and, especially, RAYUS Radiology – Manassas' proposed service area, is growing at a much faster rate than the planning district's general population. As a result, RAYUS Radiology does not forecast a slowdown in cases. Following steady growth trends in PD 8, all three RAYUS Radiology MRI centers will continue to far exceed the 5,000 scan per unit threshold. All three facilities would be eligible for expansion under an institutional standard. The addition of this proposed MRI in Manassas will address the company-wide institutional need for additional capacity to meet patient demand and should be approved on that basis.

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.)

RAYUS Radiology - Manassas' primary service area is in central and western Prince William County, the Cities of Manassas and Manassas Park, and southern Fairfax County. It will also offer freestanding MRI imaging services to residents of northern PD 9 as part of its secondary service area. The service areas are calculated using current RAYUS Radiology patients, especially those who sought MRI imaging at

RAYUS Radiology's Woodbridge and Fairfax facilities. The proposed location is intended to overlap its primary service areas with the other RAYUS Radiology MRI centers to relieve their MRI utilization.

See Exhibit IV.B.1. for Primary Service Area maps. These maps reflect the primary service area for RAYUS Radiology's three existing facilities and the projected primary service area for RAYUS Radiology – Manassas based on 2025 referral patterns.

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

See Exhibit IV.B.2. The primary service area is calculated using 2025 patient origin data by zip code. The anticipated primary service area includes the Cities of Manassas and Manassas Park, and Prince Williams County west and southwest of Manassas, as well as a secondary service area of northern Fauquier County. The zip code areas are 20108, 20109, 20110, 20111, 20112, 20136, 20155, 20169, 20119 and 20181, 20182. Some patients may also travel from 22193 and 22192.

- 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)

See Exhibit IV.C.2.a. for Inventory of Authorized MRI Units in PD 8.

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

Although this proposed project is based on the current institutional demand of RAYUS Radiology's MRI facilities, the existing MRI imaging facilities in PD 8 do not fully meet the demand for MRI services in PD 8. Overall, utilization of MRI in PD 8 exceeds the 5,000 scan per MRI threshold. The proposed project would address those demands and is consistent with the SMFP. Currently, there are gaps in services within the planning district which the proposed project will address. One of those gaps is the local lack of freestanding non-hospital-affiliated imaging providers in central and western Prince William County.

Almost half of PD 8's MRI scanners are in hospitals and emergency rooms. Hospital and emergency room MRI facilities frequently focus on emergency cases, hospital inpatients, and outpatient services delivered near their related hospital and affiliated health system physicians. This encourages referrals within a closed health system

practice and often results in higher hospital-based imaging costs. Moreover, most MRI scanners are located to the north of RAYUS Radiology’s proposed location. Additionally, the Kaiser facilities’ scanners are also restricted to Kaiser members.

Though all MRI sites in PD 8 are within the SMFP travel standards, noted traffic congestion in PD 8 supports more localized imaging services for patients to utilize. Most people want to seek care close to home. There were six approved MRI units in 2024, with only 5 open and operating near the proposed location. 3 MRI facilities were hospital-based, and 3 were free-standing. Moreover, UVA Health operates 5 out of the 6 approved MRI units. See Table IV.C.2.b.

With UVA Health owning 5 out of the 6 approved MRI centers located in the applicant’s proposed primary service area, there is a significant lack of institutional competition.

Table IV.C.2.b. Nearby MRI Sites with Local Utilization Data (2024)

Facility Name	Total Stationary Units	Total MRI Procedures	Procedures Per Unit	Utilization
Inova / Fairfax Radiology Ctr of Centerville	1	8,194	8,194	163.9%
UVA Health Haymarket Medical Center	1	4,808	4,808	96.2%
UVA Health Prince William Medical Center	2	5,559	2,780	55.6%
UVA Outpatient Imaging Centreville	1	6,914	6,914	138.3%
UVA Outpatient Imaging Gainesville	1	Approved, not operational during 2024.		

Source: VHI Data (2024), DCOPN Records¹

Although the proposed project is not inventory neutral, it meets RAYUS Radiology’s institutional need to decompress its current facilities, which all have exceeded their scanning capacity in a way that shortens wait times and makes imaging accessible to the public when needed. This is especially true for RAYUS Radiology – Woodbridge, whose 2 MRI scanners are already 130% above capacity with the internal 2025 numbers.

RAYUS Radiology will improve competition without significantly impacting the volume of its competitors because its patient and physician pool will be drawn from those who already use RAYUS imaging centers.

Based on population growth, existing providers of MRI scanners in Prince William County and Manassas will not be able to readily meet community need for MRI scans locally, and they will not reduce the excess utilization at RAYUS Radiology facilities.

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

¹ 2024 utilization data is unavailable for Woodburn Nuclear Medicine & Metro Region PET Center.

According to U.S. Census data and Weldon Cooper Center Provisional Projections, the localities where RAYUS Radiology operates its three existing facilities are fast-growing areas within PD 8. While PD 8's general population is projected to grow by 6.7% between 2020 and 2030, the localities that RAYUS Radiology – Manassas will serve are projected to grow by 9.4% for the same period. This localized growth increase demonstrates the need for a freestanding MRI unit in this area to adequately meet the growing demand while offering RAYUS patients and referring physicians a closer facility and shorter expected wait times than the RAYUS MRI centers they have been using.

See Exhibit IV.C.2.c. for Projected Population Growth for PD 8, 2020 – 2030.

Importantly, the projected growth of the 65+ population in PD 8 and the fundamental localities of Prince William County and the Cities of Manassas and Manassas Park surpasses the general population growth. Between 2020 and 2030, the 65+ population is expected to increase by 50.99% in Manassas, 71.63% in Manassas Park, and 60.73% in Prince William County. This exceeds the projected growth for all of PD 8 of 40.77%, and the much lower percentage of 30.87% for the state. A 2013 study published in BMC Med Imaging found that “older people tended to have higher rates of imaging use, with average MRI/CT utilization rates of approximately . . . 240 per 1,000 persons for age . . . 65+ years, . . .”² Because of the aging of PD8 and the geographic area RAYUS Radiology – Manassas intends to serve, utilization will continue to rise across all RAYUS facilities.

While all three RAYUS Radiology MRI facilities experience longer wait times and higher scanning numbers, RAYUS Radiology – Woodbridge will continue to serve a growing population. Not only is Woodbridge one of the fastest growing suburbs in the nation, but work has recently begun on the Quartz District, a development that will bring 1,000 new condominiums and townhomes, a shopping center, and more to the area of Prince William Parkway and Minnieville Road in Woodbridge. The expected population influx spurred by this development is not reflected in the general census data and estimates, but it will ensure that RAYUS Radiology – Woodbridge's MRI will remain above capacity. Relieving the current and future pressure of Woodbridge alone justifies the proposed project on an institutional need basis.

See Exhibit IV.C.2.c.i. for Prince William Times Article, July 17, 2025.

- 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.

There are no identifiable geographic barriers to MRI imaging access in PD 8 other than traffic congestion, which increases travel time and limits access to certain services. By adding an MRI scanner institutionally at a separate location, the proposed project will increase access to these necessary services and limit the need for patients to travel longer distances to other RAYUS Radiology locations within the

² <https://pmc.ncbi.nlm.nih.gov/articles/PMC4222739/>

planning district. RAYUS Radiology – Manassas will be located just off Prince William Parkway, which makes accessing the facility convenient. Several major roads can also be utilized to reach the facility from various parts of Prince William County and the surrounding cities.

This service will also meet financial barriers to care. The proposed project will continue to operate as an independent diagnostic treatment facility, with patient and payor payments at significantly lower rates than hospital-based services.

Currently Prince William County has only one conveniently located freestanding outpatient MRI center not affiliated with a hospital. Insurance companies have begun to only cover outpatient, non-emergency imaging services in freestanding centers. The MRI unit at RAYUS Radiology – Manassas would provide an affordable and cost-effective alternative.

- 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.

STATE MEDICAL FACILITIES PLAN:

Section 32.1-102.1:3 of the Code of Virginia defines a project, in part as the “Establishment of a medical care facility described in subsection A.” A medical care facility includes “Any specialized center or clinic or that portion of a physician's office developed for the provision of ...magnetic resonance imaging (MRI)...” A project is also defined as “The addition by an existing medical care facility described in subsection A of any new medical equipment for the provision of... magnetic resonance imaging (MRI)...”

RAYUS Radiology seeks approval of its proposed project in Manassas based on high PD 8 MRI utilization. Moreover, RAYUS seeks approval under 12VAC5-230-80 based on its institutional need to reduce large scan volumes at its three PD 8 facilities, create future capacity (especially in Woodbridge to address population growth in that part of PD 8), and reduce patient wait times that now exceed RAYUS Radiology’s goal of a scan within 3 days of the referral. Furthermore, the Manassas MRI will primarily obtain patients from those who have historically traveled farther to use RAYUS Radiology’s Woodbridge and Fairfax MRIs, creating little negative impact on existing providers.

REQUIRED CONSIDERATIONS -- § 32.1-102.3(B), OF THE CODE OF VIRGINIA

In determining whether a public need exists for a proposed project, the following factors shall be taken into account when applicable.

1. *The extent to which the proposed service or facility will provide or increase access to needed services for residents of the area to be served, and the effects that the*

proposed service or facility will have on access to needed services in areas having distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to care.

Other than traffic and distance, there are no unique geographical barriers to be overcome in this part of PD 8.

However, PD 8 remains a large and fast-growing area of Virginia, estimated to grow to almost 2.8 million people, adding 170,923 people between 2020 and 2030. This projected growth rate of 6.70% for PD 8 is a third of Virginia's overall projected growth across all planning districts in the current decade (Exhibit IV.C.2.c). The projected growth rate in Prince William County, where the proposed project is located, is 10.95%, higher than the Virginia and PD 8 growth rates. The same can be said for the nearby City of Manassas Park, which forecasts a growth rate of 9.09%. Prince William County is projected to add over 52,779 people during the 2020 to 2030 decade. More importantly, PD 8 and Prince William County will see their 65+ population grow at a significantly faster pace as young people move out of the Planning District due to work and housing costs. The 65+ population is projected to grow faster than the overall population, about 40.77%, in PD 8 during the same decade, compared with 30.87% across Virginia. See Exhibit IV.C.2.c. In Prince William County, 65+ population is expected to grow at a rate of 60.73%, with Manassas Park seniors increasing by 71.63% and the smaller, more commercial/industrial city of Manassas increasing by 50.99%. See Exhibit IV.C.2.c. This 65+ group utilizes advanced imaging services at a higher rate than younger age cohorts.³

See Exhibit IV.E.1.a JAMA Article

Likewise, poverty rates in PD 8 are lower in each locality than that of Virginia (9.8%), with Prince William County's being 6.6%, indicating few socio-economic barriers to address (Table IV.E.1.a). However, the nearby Cities of Manassas and Manassas Park have some of the higher poverty rates for the planning district with 9.1% and 7.3%, respectively.

³ JAMA, Trends in Use of Medical Imaging in US Health Care Systems and in Ontario, Canada, 2000-2016, *Rebecca Smith-Bindman, et al.*

Table IV.E.1.a Poverty Rates in PD 8

Locality	% in Poverty
Alexandria City	7.5%
Arlington County	8.0%
Fairfax City	7.8%
Fairfax County	6.0%
Falls Church City	4.6%
Loudoun County	4.3%
Manassas City	9.1%
Manassas Park City	7.3%
Prince William County	6.6%
PD 8	6.2%
Virginia	9.8%

Source: United States Census Bureau, 2024 Small Area Income and Poverty Estimates

RAYUS Radiology is committed to treating all patients in need of service without regard to their ability to pay or their payor source. RAYUS maintains charity care conditions on its other MRI facilities. RAYUS Radiology – Woodbridge, in the company’s most recently approved project, accepted a 2.63% charity care condition, which is the average for Health Planning Region II, which covers PD 8.

RAYUS Radiology also participates in all commercial plans and Virginia Medicaid. Its adoption of a simple flat fee for patients who want to pay cash, either because they are uninsured or underinsured with high deductibles, ensures the proposed project is affordable to the citizens of PD 8. See Exhibit IV.E.2.b.

The proposed facility is centrally located in Prince William County with ready access to major highways, including Prince William Parkway State Hwy, 234 Nokesville Road, and I-66. There are also available community bus routes and ride share options that can assist patients.

See Exhibit IV.E.1.b

- The extent to which the proposed project will meet the needs of people in the area to be served, as demonstrated by each of the following: (i) the level of community support for the proposed project demonstrated by people, businesses, and governmental leaders representing the area to be served; (ii) the availability of reasonable alternatives to the proposed project that would meet the needs of people in the area to be served in a less costly, more efficient, or more effective manner; (iii) any recommendation or report of the regional health planning agency regarding an application for a certificate that is required to be submitted to the Commissioner pursuant to subsection B of § 32.1-102.6; (iv) any costs and benefits of the proposed project; (v) the financial accessibility of the proposed project to people in the area to be served, including indigent people; and (vi) at*

the discretion of the Commissioner, any other factors as may be relevant to the determination of public need for a proposed project.

- (i) **RAYUS Radiology enjoys a broad range of community support from referring physicians, free clinics, and its patients. The company has been a leading provider of freestanding outpatient imaging services for over 20 years in PD 8. During that time, providers have turned to their facilities when timely and cost-effective imaging is needed.**

See Exhibit IV.H.2 for letters of support.

- (ii) **There are no reasonable alternatives to RAYUS Radiology's proposed project that would meet the needs of people in the area to be served in a less costly, more efficient, or more effective manner. As previously discussed, RAYUS Radiology has an institutional need to expand its MRI services.**

As noted in Exhibit IV.E.2.a., for 2024, the most recent year for which VHI data is available, the 5 MRI units at RAYUS Radiology's 3 centers totaled 30,910 scans for a utilization rate of 123.6% of the SMFP standard. RAYUS Radiology does not have any underutilized capacity that would be appropriate for reallocation. All the applicants' MRI centers are well utilized, and there is no single RAYUS Radiology facility that needs another MRI more than the others. Accordingly, the status quo is not a reasonable alternative to the proposed project.

Furthermore, 41% of the MRI scanners in PD 8 are owned by or in partnership with hospitals or emergency departments. Another 34% of PD 8's MRI scanners are owned by or in partnership with one of the area hospitals, combining for 75% of all PD 8 MRI scanners. Moreover, of all the existing CT scanners near the location of the proposed project, 83% are owned by one hospital - UVA Health. See Table IV.C.2.b.

RAYUS Radiology's proposed project would introduce beneficial institutional competition that would increase patient choice for MRI providers in PD 8, most significantly in south and western areas of the planning district. Review of 2024 MRI utilization data in Exhibit IV.E.2.a. and patient origin information in the Primary Service Area map shows no evidence that the proposed location would significantly reduce the utilization of existing providers in the area. For all the above reasons, no alternatives exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

- (iii) **Currently, there is no report or recommendation available from the regional health planning agency.**

- (iv) **The benefits of RAYUS Radiology - Manassas to the community outweigh the costs.**

The projected capital costs of the proposed project are \$3,028,420, approximately 25% of which represent direct construction costs. RAYUS Radiology's proposed site development and renovation work would be self-financed through RAYUS Capital. The equipment would be financed through a third party and not the manufacturer. The MRI, injector, necessary fixtures and IT equipment and services is projected to cost about \$1,480,659.

There are also numerous benefits of the proposed project. It will improve accessibility of MRI imaging to the proposed service area, bringing the facility closer to the patients, reducing excess utilization—which reduces wait times at all RAYUS Radiology MRI centers—and offering free or reduced costs for the uninsured and underinsured, respectively.

RAYUS Radiology has an institutional specific need to expand its existing MRI service. In 2024, RAYUS Radiology's 5 MRI units at its 3 centers combined for 30,910 scans for a utilization rate of 123.6% of the SMFP standard. RAYUS Radiology does not have any underutilized capacity that would be appropriate for reallocation. All its MRI centers are well utilized and there is no one RAYUS Radiology facility that needs another MRI more than the others. Accordingly, the status quo is not a reasonable alternative to the proposed project.

The proposed location of an MRI in Manassas will promote continuity of care and benefit patients and physicians alike who are already utilizing RAYUS Radiology facilities. Offering an MRI at a site close to Fairfax and Woodbridge will reduce travel times and improve wait times at all four RAYUS Radiology facilities. As proposed, it will allow physicians to read patient scans faster, assisting with a quick and accurate understanding of the patient's condition before deciding on the appropriate treatment plan or any additional procedures, often when time is of the essence. By releasing the pressure of excess utilization, RAYUS Radiology - Manassas offers a more streamlined process, improving the relationship between the physician, radiologist, and patient. Physicians will be able to refer patients to the nearest comprehensive, low-cost center, and patients will benefit from the option to have necessary scans performed with the same provider that they have trusted with their previous care.

RAYUS Radiology ensures that its imaging services are cost effective, accessible without regard to ability to pay, and require as little wait

time as possible. It does this by staying open later and on weekends. It also participates in all commercial plans, Medicare, and Virginia Medicaid. Its adoption of a simple flat fee for patients who want to pay cash, either because they are uninsured or underinsured with high deductibles, ensures that the proposed project is affordable to the citizens of PD 8. This is because RAYUS Radiology provides considerably lower self-pay rates than its competitors, including UVA Health's Prince William Medical Center. See Exhibit IV.E.2.b. With rising insurance costs, high-deductible plans, and more citizens losing subsidized coverage, access to a lower cash rate means that a patient may obtain a needed MRI when their insurance would not cover it.

RAYUS Radiology also accepts referrals of such patients from local physicians, Neighborhood Health, the Mother of Mercy Free Clinic, and the Prince William Area Free Clinic. The Manassas location will reduce travel time for many referrals who live west of Woodbridge.

Finally, RAYUS Radiology is committed to treating all patients in need of service without regard to their ability to pay for services or their payor source. RAYUS maintains charity care conditions on its other MRI facilities. RAYUS Radiology – Woodbridge in the company's most recently approved project accepted a 2.63% charity care condition, which is the average for Health Planning Region II, which covers PD 8.

See Exhibit IV.E.2.b. for Self-Pay Comparison.

(v) Not applicable.

3. *The extent to which the proposed project is consistent with the State Health Services Plan.*

Not applicable.

4. *The extent to which the proposed project fosters institutional competition that benefits the area to be served while improving access to essential health care services for all people in the area to be served.*

Review of Table IV.C.2.b shows a lack of freestanding non-hospital-affiliated MRI providers in the area around the proposed location. With UVA Health owning 5 of the 6 approved MRI centers, there is a significant lack of institutional competition. This also applies to the broader PD 8, with 41% of the MRI scanners in PD owned by or in partnership with hospitals. Another 34% of PD 8's MRI scanners are owned by or are in partnership with one of the area hospitals, combining for 75% of all PD 8 MRI scanners.

RAYUS Radiology's proposed project would introduce beneficial institutional competition that would increase patient choice for MRI providers in PD 8, and more importantly, in southern and western areas of the planning district. Review of 2024 MRI utilization data in Exhibit IV.E.2.a. and patient origin information in the Primary Service Area map shows no evidence that the proposed location would significantly reduce the utilization of existing providers in the area. For all the above reasons, no alternatives exist that would meet the needs of the people in the area to be served in a less costly, more efficient, or more effective manner.

- 5. *The relationship of the proposed project to the existing health care system of the area to be served, including the utilization and efficiency of existing services or facilities.***

See Exhibit IV.E.2.a. for 2024 PD 8 MRI Utilization Data.

This application and corresponding exhibits demonstrate an overall need for at least 1 MRI in PD 8. Moreover, this is an institutional need for an additional MRI unit at a location beneficial to all RAYUS Radiology MRI centers. The applicant has also shown that it is not feasible to transfer an MRI unit from one of its existing facilities or locate a new MRI scanner at an existing facility because of the minimal impact it would have system-wide. Furthermore, because the project is based on an institutional need to serve the same or similar patients already receiving MRI imaging from RAYUS Radiology, the proposed project is not likely to have a significant negative impact on existing providers of MRI services in PD 8.

The Year One projections in Exhibit III.H are based on the number of RAYUS Radiology patients who received services in 2025 and live within the targeted zip codes.

- 6. *The feasibility of the proposed project, including the financial benefits of the proposed project to the applicant, the cost of construction, the availability of financial and human resources, and the cost of capital.***

The project would use an existing one story building, which can easily be remodeled from a basic office layout into an imaging facility. As a one story building built on a slab, the floor does not require reinforcing. The cost of adding shielding, interior walls, and fixtures are the primary cost. Moreover, total capital cost \$3,028,420 is reasonable for the addition of an MRI to PD 8.

See Exhibit IV.E.6 for Capital Cost Comparison

- 7. *The extent to which the proposed project provides improvements or innovations in the financing and delivery of health care services, as demonstrated by (i) the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services; (ii) the potential for provision of health care services on an outpatient basis; (iii) any cooperative efforts to meet regional***

health care needs; and (iv) at the discretion of the Commissioner, any other factors as may be appropriate.

This proposed project will provide improvements or innovations in the delivery of health services as demonstrated by the introduction of innovative technology that promotes quality or cost effectiveness. RAYUS Radiology – Manassas plans to install a Siemens Magnetom Altea Magnetic Imaging System. The Magnetom Altea is the new 1.5T Open Bore system. It comes with a whole body superconductive Zero Helium Boil-Off 1.5T magnet, uses weight optimized magnet technology based on 3T and 7T magnet designs, and models an “Actively Shielded water-cooled Siemens gradient system” to improve performance time. It comes with 4TIM or 4th generation total imaging matrix (TIM) which improves speed and image quality, making the patient experience faster, less complicated, and a better experience than slower machines. This scanner is designed to put patients at greater ease. The innovative TIM 4G technology simplifies and shortens preparation and scanning, delivering patient satisfaction.

Regarding the provision of health care services on an outpatient basis, RAYUS Radiology – Manassas will offer MRI services on an outpatient basis, offering diagnostic services at a lower cost than its inpatient and outpatient competitors. See Exhibit IV.E.2.b.

8. *In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served, (i) the unique research, training, and clinical mission of the teaching hospital or medical school and (ii) any contribution the teaching hospital or medical school may provide in the delivery, innovation, and improvement of health care services for citizens of the Commonwealth, including indigent or underserved populations.*

RAYUS Radiology conducts clinical trial diagnostic and interventional imaging services for sponsors, academic institutions, community physicians, and private research companies with the highest levels of quality and efficiency. It also has its own dedicated research team that brings years of radiology and dedicated study expertise, clearly distinguishing it as a leader in the clinical research space. Since 2022, RAYUS Radiology has been the imaging provider for over 1,200 research studies and partnered in over 500 active clinical research trials.

RAYUS Radiology has affiliation agreements with academic programs across the country for student clinical rotations. As one of the largest providers of diagnostic and interventional radiology in the United States, it offers hundreds of potential placement options that cover a range of treatment settings, including its Northern Virginia sites.

12VAC5-230-80. WHEN INSTITUTIONAL EXPANSION NEEDED.

- A. Notwithstanding any other provisions of this chapter, the commissioner may grant approval for the expansion of services at an existing medical care facility in a health planning district with an excess supply of such services when the proposed expansion can be justified on the basis of a facility's need having exceeded its current service capacity to provide such service or on the geographic remoteness of the facility.***
- 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.***
- C. This section is not applicable to nursing facilities pursuant to § 32.1-102.3:2 of the Code of Virginia.***
- D. Applicants shall not use this section to justify a need to establish new services***

For the reasons set out above, RAYUS Radiology's proposed MRI for Manassas is designed to address clear institutional need at the company's three northern Virginia facilities. An additional MRI scanner at only one RAYUS facility would address the volume at only one facility and do little to decompress the increasing volume at the remaining two. Furthermore, there are significant building restrictions at the RAYUS Radiology – Woodbridge which limit expansion at that location.

This application is consistent with the Commissioner's approval of COPN VA-04327 (Request No.: VA97808) authorizing Inova Alexandria Hospital to expand MRI services to an off-site location under institutional need. In making his decision, the Commissioner relied on the hearing officer's recommendation that the Inova Alexandria Hospital was necessary to relieve the excess utilization on the hospital's two MRIs, while also serving a benefit being off campus. Likewise, RAYUS Radiology has an institutional need for additional MRI capacity. However, that need is found at all three existing imaging facilities in the planning district. The addition of one MRI scanner to any of the three facilities would address the institutional need at that facility, but it would not address the high utilization at all three RAYUS Radiology MRI centers. The location of RAYUS Radiology – Manassas into the other three center's service areas means that it will be able to reduce the load at each facility better than if added at only one.

The site in Prince William County was selected because of the steady growth in that part of PD 8 and its proximity to RAYUS Radiology – Woodbridge where recent nearby development adds to the region's growth and has significantly increased

utilization at the Woodbridge center. The proposed site will also serve patients currently traveling to RAYUS Radiology – Fairfax. See Exhibit III.H.

For the reasons above and throughout the application, RAYUS Radiology – Manassas should be approved based on instructional need alone.

STATE MEDICAL FACILITIES PLAN ARTICLE 2. CRITERIA AND STANDARDS FOR MAGNETIC RESONANCE IMAGING

12VAC5-230-140. 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.

The current MRI locations in PD 8 have been found in prior COPN reviews to satisfy this criterion. Only portions of sparsely populated areas of Western Loudoun are currently in excess of 30 minutes' travel time from MRI services.

See Exhibit IV.E.8. for 30-Minute Drive Time Map.

12VAC5-230-150. 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 districts.

Despite underutilized MRI scanners in the planning district, there are enough MRIs under the SMFP's need formula. The standard is further not applicable following the recent issuance of COPN VA-4969 to IRMC, LLC d.b.a Prosperity MRI Center introducing a new MRI scanner into an existing medical care facility located in Fairfax.

12VAC5-230-160. 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 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.

RAYUS Radiology's proposed project meets the expansion criterion. RAYUS seeks approval based on the institutional need of its three existing facilities in Alexandria, Fairfax, and Woodbridge under 12VAC5-230-80, and the expansion proposed by this

application will be at a separate location within the primary service area of the Woodbridge and Fairfax sites.

Each of its facilities show high MRI scan volumes with the two biggest increases projected at Fairfax and Woodbridge, indicating that an additional MRI at RAYUS Radiology – Manassas would serve that growth and not significantly impact the utilization of existing providers. Existing physician referral patterns and patient preference will result in over 3,000 patients visiting the new RAYUS proposed Manassas location. Moreover, the additional MRI would allow all the RAYUS Radiology facilities to better serve the needs of their own patients and physicians who are inconvenienced by current high utilization, not to mention PD8 congested roads and highways.

RAYUS Radiology further requests the Commissioner approve its application as an expansion from its existing facilities to a new site within their primary service area pursuant expansion under 12VAC5-230-160. See the below calculation. Expansion under this regulation recognizes RAYUS Radiology’s institutional need to expand to a new location as the best way to address the high utilization at its three existing MRI center in the planning district.

CALCULATED NEEDED MRI UNITS IN RAYUS PD 8 FACILITIES

Calculated Needed MRI Units = 30,910 (2024 MRI procedures) ÷ 5,000 = 6.2
(60) MRI units needed
RAYUS Units = 5 MRI Units
Deficit = 1 MRI Unit

12VAC5-230-170. Adding or expanding mobile MRI services.

A. Proposals for mobile MRI scanners shall demonstrate that, for the relevant reporting period, at least 2,400 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing MRI providers in the health planning district.

B. Proposals to convert authorized mobile MRI scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, 3,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing MRI providers in the health planning district.

Not applicable.

12VAC5-230-180. Staffing.

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

RAYUS Radiology – Manassas shall meet this standard based on the prior performance of its exiting MRI centers. MRI services will be under the supervision

of board certified and fellowship trained radiologists. The Association of Alexandria Radiologists, PC currently is responsible for supervising and reading the MRI services provided at RAYUS Radiology – Woodbridge. AAR has agreed to continue to provide these services at RAYUS RADIOLOGY – Woodbridge. See Exhibit III.K.4.

- 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.

Not applicable.

- 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.)

RAYUS Radiology has no formal agreements or affiliations to share personnel, facilities, services or equipment with any providers outside the company.

- 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).

See Exhibit IV.H.1.

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

See Exhibit IV.H.2.

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

See Exhibit IV.H.3.

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.

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 VHI

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

C. Estimated Capital Costs

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

Part I – Direct Construction Costs

1.	Cost of materials	\$ <u>656,916</u>
2.	Cost of labor	\$ <u>Included in #1</u>
3.	Equipment included in construction contract	\$ <u> </u>
4.	Builder's overhead	\$ <u>52,255</u>
5.	Builder's profit	\$ <u>37,325</u>
6.	Allocation for contingencies	\$ <u> </u>
7.	Sub-total (add lines 1 thru 6)	\$ <u>746,496</u>

Part II – Equipment Not Included in Construction Contract

If leasehold, lease expense over entire term of lease

(List each separately)

8.

- | | | |
|----|---|----------------------------|
| a. | <u>MRI Equipment</u> | \$ <u>1,350,000</u> |
| b. | <u>MRI Injector</u> | \$ <u>30,000</u> |
| c. | <u>Fixtures & Furniture</u> | \$ <u>32,569</u> |
| d. | <u>Ancillary IT Equipment & Services</u> | \$ <u>68,000</u> |
| 9. | Sub-total (add lines 8a thru 8e) | \$ <u>1,480,659</u> |

Part III – Site Acquisition Costs

- | | | |
|-----|---|--------------------------|
| 10. | Full purchase price | \$ _____ |
| 11. | For sites with standing structures | \$ _____ |
| | a. purchase price allocable to structures | \$ _____ |
| | b. purchase price allocable to land | \$ _____ |
| 12. | Closing costs | \$ _____ |
| 13. | If leasehold, lease expense over entire term of lease | \$ <u>303,001</u> |
| 14. | Additional expenses paid or accrued: | |
| | a. _____ | \$ _____ |
| | b. _____ | \$ _____ |
| | c. _____ | \$ _____ |
| 15. | Sub-total (add lines 10 thru 14c) | \$ <u>303,001</u> |

Part IV – Site Preparation Costs

- | | | |
|-----|--------------------------|-------------------------|
| 16. | Earth work | \$ _____ |
| 17. | Site utilities | \$ <u>66,330</u> |
| 18. | Roads and walks | \$ _____ |
| 19. | Lawns and planting | \$ _____ |
| 20. | Unusual site conditions: | |

- a. **MRI Shielding** \$ **125,000**
- b. **Exterior Building Signage** \$ **18,000**

21. Accessory structures \$ _____
22. Demolition costs \$ _____
23. Sub-total (add lines 16 thru 22) \$ **209,330**

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

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

Part VI – Architectural and Engineering Fees

29. Architect's design fee \$ **18,662**
30. Architect's supervision fee \$ _____
31. Engineering fees \$ **18,662**
32. Consultant's fees \$ **\$3,000**
33. Sub-total (add lines 29 thru 32) \$ **40,325**

Part VII – Other Consultant Fees (List each separately)

34. a. **COPN Counsel** \$ **100,000**
- b. _____ \$ _____
- c. _____ \$ _____
35. Sub-total (add lines 34a thru 34c) \$ **100,000**

Part VIII – Taxes During Construction

36. Property taxes during construction \$ **148,609**
37. List other taxes:
- a. _____ \$ _____
- b. _____ \$ _____
38. Sub-total (add lines 36 thru 37b) \$ **148,609**

Part IX-A – HUD Section 232 Financing

39. Estimated construction time(in months) _____
40. Dollar amount of construction loan \$ _____
41. Construction loan interest rate _____%
42. Estimated construction loan interest costs \$ _____
43. Term of financing (in years) _____
44. Interest rate on permanent loan _____%
45. FHA mortgage insurance premium \$ _____
46. FHA mortgage fees \$ _____
47. Financing fees \$ _____
48. Placement fees \$ _____
49. AMPO (non-profit only) \$ _____
50. Title and recording fees \$ _____
51. Legal fees \$ _____
52. Total interest expense on permanent mortgage loan \$ _____
53. Sub-total Part IX-A HUD Section 232 Financing (add lines 42, 45, 46, 47, 48, 49, 50 and 51) \$ _____

Part IX-B – Industrial Development Authority Revenue and General
Obligation Bond Financing

(Circle selected method of financing)

54. Method of construction financing (construction loan, proceeds of bond sales, if other, specify) _____
If construction is to be financed from any source other than bond sale proceeds, answer question 56 through 58. Otherwise, proceed to question 59.
55. Estimated construction time (in months) _____
56. Dollar amount of construction loan \$ _____
57. Construction loan interest rate _____%
58. Estimated construction loan interest cost \$ _____
59. Nature of bond placement (direct, underwriter, if other, specify) _____
60. Will bonds be issued prior to the beginning of construction? _____ Yes _____ No
61. If the answer to question 60 is yes, how long before (in months)? _____
62. Dollar amount of bonds expected to be sold prior to the beginning of construction \$ _____
63. Will principal and interest be paid during construction or only interest? _____
64. Bond interest expense prior to the beginning of construction(in dollars) \$ _____
65. How many months after construction begins will last bond be sold? _____
66. Bond interest expense during construction \$ _____
67. What percent of total construction will be financed from bond issue? \$ _____
68. Expected bond interest rate _____%

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

Part IX_C – Conventional Mortgage Loan Financing

81. Estimated construction time (in months) _____
82. Dollar amount of construction loan \$ _____
83. Construction 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) \$ _____

Financial Data Summary Sheet

96. Sub-total Part I Direct Construction Cost (line 7) \$ **746,496**
97. Sub-total Part II Equipment not included in
construction contract (line 9) \$ **1,480,659**
98. Sub-total Part III Site Acquisition Costs (line 15) \$ **303,001**
99. Sub-total Part IV Site Preparation Cost (line 23) \$ **209,330**
100. Sub-total Part V Off-Site Costs (line 28) \$ _____
101. Sub-total Part VI Architectural and Engineering
fees (line 33) \$ **40,325**
102. Sub-total Part VII Other Consultant fees (line 35) \$ **100,000**
103. Sub-total Part VIII Taxes During Construction (line 38) \$ **148,609**
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)		\$ <u>3,028,420</u>
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)		\$ <u>3,028,420</u>
D.	1.	Estimated costs for new construction (excluding site acquisition costs)	\$ _____
	2.	Estimated costs of modernization and renovation (excluding site acquisition costs)	\$ _____
E.	Anticipated Sources of Funds for Proposed Project		<u>Amount</u>
	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 construction/renovation costs associated with this project will be funded from RAYUS Radiology's assets. The MRI equipment will be purchased from the vendor pursuant to a third party financing the purchase.

See Exhibit V.H.3 for feasibility, and See Exhibit IV.E.6 for Capital Cost Comparisons.

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.

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

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

Not applicable.

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.

RAYUS Radiology does not audit at the market level. See Exhibit V.H.2. for the financial profile of the Fairfax, Arlington, and Woodbridge facilities, 2023 – 2025.

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

See Exhibit V.H.3.

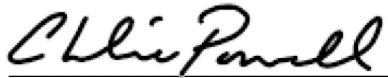
SECTION VI

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

5775 Wayzata Blvd

Address – Line 1

Charlie Powell

Type/Print Name of Authorizing Officer

Ste 400

Address – Line 2

Chief Operating Officer

Title of Authorizing Officer

St. Louis Park, MN 55416

City/State/Zip

(952) 543-6500

Telephone

3/27/2026

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.**

Revised 02/24/2015