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January 30, 2024

ELECTRONIC SUBMISSION VIA EMAIL (COPN@VDH.VIRGINIA.GOV)

Virginia Department of Health
Division of Certificate of Public Need
9960 Mayland Drive, Suite 401
Henrico, Virginia 23233

Re: District Hospital Partners, L.P.
Certificate of Public Need to Establish an Ambulatory Surgery Center to Include Three Operating Rooms in Planning District 8 (COPN Request No. VA-8751)

Dear DCOPN Staff:

On behalf of my client, District Hospital Partners, L.P. ("DHP"), enclosed please find an electronic copy of an application for a Certificate of Public Need ("COPN") to establish an ambulatory surgery center with three (3) operating rooms in Planning District 8. We will separately send via FedEx a check for the COPN application fee, totaling $20,000.00. If approved, the addition of an ambulatory surgery center at the new Wellness Center at West Falls will provide residents with access to critical procedure and surgical services within an academic medicine continuum of care.

Thank you for your consideration of this request. Should you have any questions, please feel free to contact me at 202-282-5828 or asidhu@winston.com.

Sincerely,

Amandeep S. Sidhu

Enclosures

cc: Dean Montgomery, Executive Director, Health Systems Agency of Northern Virginia
Kimberly Russo, CEO, GWU Hospital

District Hospital Partners, L.P.

COPN Request No. VA-8751

Application for Certificate of Public Need to Establish an Ambulatory Surgery Center at The West Falls Church Regional Health Center

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

SECTION I **FACILITY ORGANIZATION AND IDENTIFICATION**

A. The West Falls Church Regional Health Center
Official Name of Facility

7171 Cardinal Lane
Address

Falls Church VA 22043
City State Zip

Not yet assigned
Telephone

B. District Hospital Partners, L.P.
Legal Name of Applicant

900 23rd Street NW
Address

Washington DC 20037
City State Zip

C. Chief Administrative Officer

Kimberly Russo
Name

900 23rd Street NW
Address

Washington DC 20037
City State Zip

202-715-4016
Telephone

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

Kimberly Russo
Name

900 23rd Street NW

Addrests

Washington	D.C.	20037
City	State	Zip

202-715-4016	N/A
Telephone	Facsimile

E. Type of Control and Ownership (Complete appropriate section for both owner and operator.)
Will the facility be operated by the owner? Yes__X___ No_____

Owner of the Facility (Check one)	Proprietary	Operator of Facility (Check one)
(1) _____	(1) Individual	(1) _____
(2) _____X_____	(2) Partnership-attach copy of Partnership Agreement and receipt showing that agreement has been recorded	(2) ____X_____
(3) _____	(3) Corporate-attach copy of Articles of Incorporation and Certificate of Incorporation	(3) _____
(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) _____
	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) _____

***See* Attachment I.E.2-1 (DHP Articles of Formation). *See also* Attachments I.E.2-2 (DHP Certificate of Good Standing) and I.E.2-3 (DHP Certificate of Clean Hands).**

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 _*See below*_____ years
(5) _____ Other _____Identify

***See* Attachment I.F.4 (Letter of Intent between Trammell Crow and DHP, reflecting the terms of the property lease that includes a 16-year initial term followed by the option to extend the lease for three consecutive 10-year periods).**

Note: DHP considers Attachment I.F.4 to be a highly confidential and propriety business document and, therefore, respectfully requests that it be excluded from the public record and/or exempted from disclosure in response to a public records request.

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.

***See* Attachment I.G.c. (DHP Partnership Structure).**

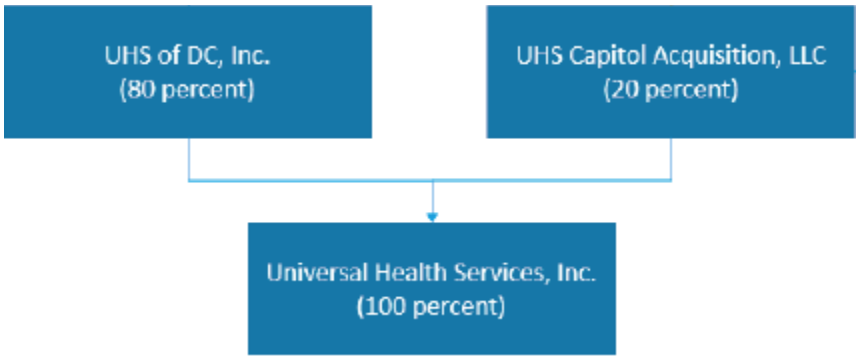
(d) In the case of other types of ownership, also attach such documents as will clearly identify the owner.

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

***See* Attachment I.H. (List of DHP subsidiaries).**

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

DHP is a wholly owned subsidiary of Universal Health Services, Inc ("UHS"). The graphic below reflects DHP's ownership structure.



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: 0.47 acres

2. Located in City of Falls Church City/County/Planning District

3. Address or directions _7171 Cardinal Lane, Falls Church, VA 22043_____
_____

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 project site is located in a B-2 zone, which permits medical office uses by right. *See* Falls Church Code, Ch. 48, Art. IV, Sec. 48-486(a)(3).

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

(1) _____X_____ New construction

(2) _____ 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.

District Hospital Partners, L.P. ("DHP"), a wholly-owned subsidiary of UHS, owns and operates The George Washington University Hospital ("GWUH") and several outpatient facilities in Washington, DC. DHP has entered into various agreements with The George Washington University ("GWU") and GW Medical Faculty Associates, Inc. ("MFA") to facilitate the provision of high-quality, academic medicine to patients throughout the Washington, DC metropolitan region. DHP aims for GWUH to be the destination in the region for highly complex and routine coordinated care in a clinical setting that is patient centered and leverages academic medicine and innovative technology, specifically in cardiac, transplantation, neurosciences, orthopedics, and cancer.

Consistent with this vision, DHP plans to expand into Northern Virginia through the development of a comprehensive and integrated delivery system of care with an academic foundation. DHP's plan to expand beyond the

District is driven, in part, by the fact that a growing number of GWUH patients live and work in Northern Virginia and, therefore, will benefit greatly from having access to the high-quality, academic medicine they experience in Washington, DC in a more convenient outpatient setting. As reflected in this application, approximately 10,000 of GWUH's existing patients live in zip codes in the primary service area for the proposed project. *See* Attachment II.C.1 (Zip Code Analysis).

Establishing the West Falls Church Regional Health Center ("the Center") is an integral part of DHP's vision for the future of health care delivery to its existing and future patients. The Center will include a full-service outpatient facility that will include an ambulatory surgery center, diagnostic imaging (one CT scanner and one MRI scanner, subject to a separate review), and medical office space for multiple primary and specialty care practices.

(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 Center, including the proposed ambulatory surgery center ("ASC") included in this certificate of public need ("COPN") application, will be located at West Falls, a vibrant new mixed-use, transit-oriented development in Falls Church, Virginia. West Falls will include housing (apartment and condominiums), senior living, a hotel (Home2 Suites by Hilton), a grocery store, restaurants, shops, The Commons (a central outdoor common area), and The Wellness Center.

The Wellness Center at West Falls is designed as a speculative multi-tenant medical office building that will serve as an outpatient medical hub for the West Falls Church community (a dedicated building for medical offices and outpatient services). The six-story building includes a public-facing ground level with suites for retail and urgent care tenants and a gracious lobby with various seating areas, kitchenette, and a feature stair to encourage use of the staircase. The typical façade features large-punched windows inset in white and gray precast panels with terracotta colored accent panels. Considering the building's relationship to the neighboring high school and middle school, along with the future multi-family and senior housing in the West Falls development, this project will provide increased access to medical services for the growing community.

DHP was selected by Trammell Crow Company to be one of the anchor tenants for The Wellness Center at West Falls following a competitive bidding process that included several prominent health systems in the region. DHP is excited about the prospect of developing the Center on this site because it aligns directly with the long-range plan of expanding the GWUH brand of academic

medicine to Northern Virginia on a site that is ideally situated near major vehicular transportation arteries in the region and public transportation.

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

Public transportation is provided by municipal bus service along the Route 7 Corridor and by the West Falls Church Metro Train Station adjacent to the West Falls Development.

(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.

No future expansion is within the plan.

(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.

Trammell Crow Company designed typical floors in the Wellness Center to appeal to both small and full-floor tenants, with a slightly offset core and largely column-free suites. This building is on track to receive LEED Gold certification. Key features that will improve the building's performance are the facades having less than 40 percent glazing, low-flow plumbing fixtures, LED lighting on timers, and an efficient HVAC system. The cast-in-place concrete used slag in the mix to reduce the carbon footprint of the building. Through the use of precast panels with multiple punched windows, the precast sizes were maximized and erection cost was minimized.

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,

***See* Attachment II.D.1-1 (letter from Fairfax Water re availability and adequacy of water) and Attachment II.D.1-2[1] (letter from City of Falls Church re availability and adequacy of sanitary sewer conveyance service).**

(2) National Pollution Discharge Elimination System permits,

(3) Septic tank permits, or

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

The base building HVAC system is provided by air cooled chillers and DOAH units with natural gas for heating. The building is designed as LEED Gold and includes energy efficient equipment and fixtures.

E. Space tabulation – (show in tabular form)

1. If Item #1 was checked in II-B, specify:

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

   The Ambulatory Surgery Center will total 12,623 square feet. ***See* Attachment II.E.1 (Site Plan).**

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

[1] Attachment II.D.1-2 references 7124 Leesburg Pike. This was the address for the old George Mason High School and associated Lot, which was demolished prior to the development of the West Falls Project. The City of Falls Church established new addresses for the lots in March 2022, changing the address from 7124 Leesburg Pike to 7171 Cardinal Lane. Please see Attachment II.D.1-3 (March 2022 Emails with City of Falls Church Officials) and Attachment II.D.1-4 (Cardinal Lane Building Permit) for confirmation of this change.

drawings, if available. (The department breakdown should be the same as in (a) above.)

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

Programming and design work sessions were conducted between DHP and the architect, which resulted in a room-by-room space allocation program to meet DHP's operational needs.

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.E.-1 (Site Plan) and Attachment II.G.-1 (The Wellness Center at West Falls Brochure).**

H. Construction Time Estimates

1. Date of Drawings: Preliminary _August 2024 Final _September 2025

2. Date of Construction: Begin October 2025__ Completion _July 2026___

3. Target Date of Opening: ___September 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.

DHP seeks COPN approval to establish a new ASC that will include three surgery suites and two procedure rooms in Planning District 8 ("PD 8"). The proposed ASC will be located at The Wellness Center at West Falls, 7171 Cardinal Lane, Falls Church, VA 22043, and will be part of The West Falls Church Regional Health Center ("the Center"), a full-service outpatient facility that will include the ASC, diagnostic imaging (one CT scanner and one MRI scanner, subject to separate review), and medical office space for multiple primary and specialty care practices.

DHP aims to expand community access and availability to crucial diagnostic procedures and surgical services, ultimately improving health outcomes for patients across the DMV. The establishment of a continuum of care—including additional ASCs—is integral to this goal. DHP seeks to establish Centers of Excellence for Cardiovascular Services, Oncology, Neurosciences, Orthopedics, and General Surgery at the Center, bringing top-quality, academic medicine to residents of PD 8 in a convenient setting and timely manner, at lower costs to both the patient and healthcare system.

DHP—through GWUH—currently performs outpatient surgical procedures across the specialties of Pain Management, Gastroenterology, Ophthalmology, Orthopedics, Gynecology/OB, Urology, Neurology, Cardiovascular, Colon/Rectal, ENT, and General Surgery. GWUH served approximately 18,638 surgical services patients in 2023 across these specialties and has seen an average growth trend of approximately 4.5 percent in its surgical services population across the past five years alone. Specifically, GWUH has experienced a year-over-year growth trend of approximately 20 percent in Cardiology/Vascular and 10 percent in Ophthalmology, demonstrating the increased need for Cardiovascular and Ophthalmology procedure space in the ASC.

DHP has developed a comprehensive plan projecting expected growth in volume by specialty, specialist provider recruitment needs, and primary care provider recruitment needs. DHP's core specialty mix will ultimately be centered around Digestive Disease Disorders (Gastroenterology diagnostic & screening and colon/rectal procedures), which represents over 50 percent of the intended facility use. OB/GYN, Urology, Neurology/Pain, Orthopedics, and a blend of other specialties will comprise the remaining procedure mix (namely, Ophthalmology, ENT, Cardio/Vascular, and General Surgery).

DHP plans to complete the buildout of the facility in full, readying the facility for incoming providers and surgical services demand. DHP has already commenced the recruitment process to identify qualified specialists and primary care providers to meet the community's needs.

***See* Attachment III.A. at 6 (A&M Deck).**

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

DHP, a wholly-owned subsidiary of UHS, owns and operates GWUH, a regional medical center that offers primary, secondary, and tertiary level care to patients. These services include emergency, special diagnostic, medical-surgical inpatient care, social services, home care, holistic care, and other support services. As a regional academic medical center, DHP has appropriate facilities and resources to ensure continuity of care and coordination of services with area hospitals and other service providers in order to provide a full array of services necessary to give the most appropriate level and scope of health care service for the patient. Additionally, written policies and procedures for internal communication and service coordination, as well as for referral of patients for different or additional services, including procedures for carrying out referrals, is a standard practice that will be emulated at the Center. The Center will maintain patient records to ensure that continuity of care is facilitated. Patient records will include, at minimum, written summaries of the care rendered and their current care data and status. The medical records and information systems will enable staff and personnel to transfer health information easily, either physically or electronically, from one service provider to another.

In emergency situations, or when inpatient care is required, patients at the Center will be transported to GWUH Main Hospital or another area acute care hospital, such as Inova Fairfax Hospital, Reston Hospital Center, or Virginia Hospital Center. GWUH Main Hospital has an agreement with LifeStar Response for the transport of patients to the Emergency Department, which will be extended as necessary to include the Center. *See* Attachment III.B.-1 (LifeStar Response Service Agreement) and Attachment III.B.-2 (LifeStar Response Amended Agreement).

C. What procedures are utilized in quality care assessment?

DHP follows the principles outlined by the Joint Commission for Continuous Quality Improvement ("Joint Commission") at GWUH and will do the same at the Center. The Joint Commission prescribes a management approach that includes the continuous study and improvement of the processes of providing healthcare services to meet the needs of individuals. The Performance Improvement Plan, which includes monitoring and evaluation activities that address patients served by GWUH, will be further extended to the Center as part of the DHP network of services in the National Capital Region.

The plan includes both clinical and non-clinical areas of operations. Responsibility and accountability for the success of the plan is placed on the hospital leaders, individual staff members and physicians. It is designed to measure the level of excellence of care and service; identify areas for improvement and provide a methodology for planning and implementing change; and assist in the achievement of organization-wide goals. Issues addressed include customer service, quality of care, utilization of resources, regulatory issues, and financial performance.

Leadership at GWUH, including the Board of Trustees, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Medical Director, Chief Nursing Officer, other executive administrators, department directors and managers, and leaders of the medical departments and divisions are responsible for ensuring hospital-wide performance improvement which will be further extended to the Center. GWUH leadership regularly assesses its involvement and effectiveness in achieving this goal by evaluating objective data and allocating resources as needed to improve performance – principles that will be extended to the Center.

The performance improvement process is integrated into the daily functions of GWUH and will be extended to the Center. Integration and education begins at employee orientation and continues on an ongoing basis through staff and management meetings. The Hospital Quality Council ("HQC") is the vehicle through which the GWUH CEO performs oversight of the Performance Improvement Program for the Board of Trustees. The HQC is the central authority for directing the implementation and management of the Performance Improvement Plan. The HQC reports to the Board, through the CEO and/or the Medical Director. The Chief Operating Officer is the CEO's designee on the HQC. The Center – including the ASC – would become a component of review through the quality council governance structure.

All medical care that is provided to patients at the Center – including ambulatory surgery services – will be overseen and coordinated by a Medical Director assigned to the facility in order to assure the quality of the care. Individualized care plans will be developed to serve all patients throughout the continuum with referrals outside of the services in the event it is necessary to achieve the best outcome for the patient.

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.

An organizational website for the Center, with a career section, will be launched approximately six months prior to the pre-determined start date for staff. This will include "pre-start" time for training and orientation. This career site will mirror the UHS template, including, but not limited to:

1) **Key facets of business and employee groups needed (*i.e.*, RNs, Physical Therapists, etc.);**
2) **Benefits offered;**
3) **Organizational culture; and**
4) **Location benefits.**

A recruitment marketing plan for the Center will be developed approximately three months prior to the launch of the career site. This plan will drive prospective candidates to the career site to apply. The plan will include social media, in-person hiring events, virtual hiring events, and optimization of positions on the Internet. In

addition, community groups and schools will be contacted, and existing scholarship programs from GWUH (for RNs and Techs, to name a few) will be launched. All employees at the Center, including the staffing support for the ASC, will be drawn from the local community in Northern Virginia and nearby communities in the region.

Moreover, with GWUH as the primary teaching hospital for the GWU School of Medicine and other health professional graduate programs, DHP will leverage its position as one of the preeminent academic medical health systems in the region to enhance recruitment of top talent. DHP will include professional development programs for its employees at the Center as an extension of the programs that are offered to its employees at GWUH and other facilities in the District.

E. Facilities and Services to be Provided (Check)

		Existing	This Project To be Added	This Project to to be Discontinued
1.	Outpatient Surgery	_____	____X_____	_____
2.	Post Operative Recovery Room	_____	_____	_____
3.	Pharmacy with			
	full-time pharmacists	_____	_____	_____
	part-time pharmacists	_____	_____	_____
4.	Diagnostic Radio-logical Services			
	x-ray	_____	_____	_____
	radioisotope	_____	_____	_____
	CT scanning	_____	_____	_____
5.	Therapeutic Radio-logical Services Specify Source(s) or Type(s) or Equipment Used	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

6.	Clinical Pathology Laboratory	_____	_____	_____
7.	Blood Bank	_____	_____	_____
8.	Electroencephalography	_____	_____	_____
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)	_____	_____	_____
		_____	_____	_____
		_____	_____	_____
		_____	_____	_____

F. Program

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

___X_____ Yes (Give name of hospital) _GWUH_____

_____ No

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

___X_____ Yes (Give name of hospital) _GWUH_____ _____

_____ No

3. Is (will) there (be) an arrangement whereby medical records can readily be transferred between this outpatient facility and an inpatient facility (ies)?
___X_____ Yes (give name of facility)___GWUH__ _____

_____ No

This outpatient location will be integrated within the GWUH Electronic Medical Record, so records can be readily transferred between the outpatient and inpatient facilities within the GWUH health system.

4. Outpatient services are (will be) available from _7_ a.m. to _5_ p.m.
____5_____ days of week (Monday – Friday).

Extended or nontraditional hours will be considered based on demand and patient needs.

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

____X___ Yes (Attach clinic schedule list)

_____ No

DHP's proposed ASC will initially have a daily schedule with operating hours of 7:00 am to 5:00 pm.

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

Physicians generally do not limit their schedules to one ASC.

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

The Center will not have any limitations or restrictions for participation. However, patients with low co-morbidities are generally the ones eligible to undergo procedures in an ASC setting, so patients with high degree of co-morbidity may not be eligible, based on medical necessary and clinical judgment. Treatment will be provided consistent with our overall non-discrimination policy, to include low-income and indigent patients.

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.

This application seeks COPN approval for new ambulatory surgery services at a new outpatient facility. Accordingly, there is no historical and/or project utilization statistics. However, GWUH experiences consistent demand in core outpatient surgical departments that currently occupy critical inpatient space within GWUH Main Hospital. These patients are eligible for procedures in an ASC environment based on Medicare authorization for such procedures and/or ASC classification and personal health criteria.

GWUH Outpatient Surgical Services Demand

	Historical Volume						*Projected Volume (proposed ASC)*					
Specialty	2018	2019	2020	2021	2022	2023*	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	% Total
Gastroenterology	5,742	8,087	6,193	7,964	5,439	4,759	369	1,192	1,933	2,953	3,387	54%
OB/GYN	1,167	1,844	1,449	1,742	1,006	1,198	78	252	409	625	716	11%
Urology	1,026	1,409	1,222	1,428	1,568	1,304	66	213	346	528	606	10%
Neuro/Pain	1,883	2,850	2,357	2,605	2,362	2,174	61	196	317	484	556	9%
Orthopedics	2,033	2,267	2,125	2,436	1,926	1,956	51	166	270	412	472	8%
Ophthalmology	753	977	827	1,188	1,080	1,105	22	70	113	173	199	3%
ENT	1,270	1,643	1,354	1,527	1,486	1,459	15	48	77	118	135	2%
General & Plastics	2,421	3,445	2,902	3,498	3,894	4,078	11	36	59	90	103	2%
Cardiology/Vascular	257	284	345	355	519	605	7	23	37	56	64	1%
Grand Total	16,552	22,806	18,774	22,743	19,280	18,638	680	2,196	3,561	5,439	6,239	100%

*annualized October 2023 YTD

						Average
Normalized Growth	37.8%	-17.7%	21.1%	-15.2%	-3.3%	4.5%

The new ASC will benefit current and future GWUH patients by limiting wait times from referral to scheduled procedure. ASC space will be designated for lower-acuity, ambulatory patients that do not require inpatient services, freeing critical bed space for emergent patient needs. Shifting non-emergent, diagnostic, elective, minor

surgeries and procedures to the ASC will also reduce costs for patients. Notably, GWUH data indicates that over 99 percent of GWUH patients maintain an ASA classification between I and III, indicating lower acuity and eligibility for consideration of surgical services within the ASC environment. *See* Attachment III.A. at 7 (A&M Deck).

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H. Staffing of Existing and/or Proposed Facility

DHP will hire and/or pull from existing faculty at GWUH a board-certified surgeon to serve as the Medical Director for the ASC, along with additional support staff.

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				7.5 (Y1) 22 (Y5)	7.5 (Y1) 22 (Y5)
Administration-Business Office	Administrator			1 (Y1)	1 (Y1)
Registered Nurses				1 (Y5)	1 (Y5)
	Director of Nursing			1 (Y1) 1 (Y5)	1 (Y1) 1 (Y5)
Licensed Practical Nurses, Nurses Aides, Orderlies/Attendants	Nurse (operating room)			1 (Y1) 4.5 (Y5)	1 (Y1) 4.5 (Y5)

	Surgical Tech		1 (Y1) 4.5 (Y5)	1 (Y1) 4.5 (Y5)
	Pre-Op/PACU RN		2 (Y1) 5.5 (Y5)	2 (Y1) 5.5 (Y5)
	Orderly		0 (Y1) 1 (Y5)	0 (Y1) 1 (Y5)
	Sterile Processing		0.5 (Y1) 2 (Y5)	0.5 (Y1) 2 (Y5)
Registered Medical Records Librarian			0	0
Registered Pharmacists			0	0
Laboratory Medical Technologists			0	0
ADA Dieticians			0	0
Radiologic Technologists			0 0	0 0
Occupational Therapists			0 0	0 0
Physical Therapists			0 0	0 0
Psychologists			0	0
Psychiatric Social Workers			0	0
Recreational Therapists			0	0
Inhalation Therapists			0	0
Medical Social Workers			0	0

Other Health Professionals, Identify:	Front Desk	1 (Y1) 1.5 (Y5)	1 (Y1) 1.5 (Y5)
	Supply Chain	0 (Y1) 1 (Y5)	0 (Y1) 1 (Y5)
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.

As patient demand dictates need, staff and physicians will allocate time appropriately to the new ASC, and block schedules will be adjusted to accommodate patient preference in surgical site. While services are initially being outfitted with existing GWUH providers and staff, DHP will continue its existing recruitment and sourcing efforts strategies, which include leveraging out-of-state recruitment efforts, local recruitment efforts, and importantly, local school and society relationships, which result in placement of qualified, emerging specialists, primary care physicians, advanced practice providers ("APPs"), and nursing staff.

The new ASC staffing model was developed both by applying internal staffing benchmarks obtained from GWUH's existing expertise in the ASC space and by considering national benchmarks. In addition, local supervisory requirements and physician-to-staff ratios were applied when planning utilization of APPs.

DHP intends to establish a self-sustaining platform, recruiting from external markets which will naturally result in organic, internal referrals. Historical reputation and excellence in care will drive external referrals for diagnostic and screening procedures and surgical care, generating the need for DHP to subsequently conduct external market searches for specialty providers to enter the PD8 market to provide care in a deficit space.

DHP's intended volume and staffing plan includes the phased hiring and onboarding of nurses, surgical technicians, general technicians, administrative staff, primary care providers, anesthesiologists, and specialist providers/surgeons.

Staff	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Administrator	1.0	1.0	1.0	1.0	1.0
DON	1.0	1.0	1.0	1.0	1.0
OR Nurse	1.0	2.0	2.4	3.5	4.5
Pre-Op/PACU RN	2.0	3.0	3.4	4.5	5.5
Surgical Tech (in room)	1.0	2.0	2.4	3.5	4.5
Sterile Processing	0.5	1.0	2.0	2.0	2.0
Orderly	0.0	1.0	1.0	1.0	1.0
Supply Chain	0.0	0.0	1.0	1.0	1.0
Front Desk	1.0	1.0	1.0	1.5	1.5
Anesthesia (Outsourced)	-	-	-	-	-
Total Staff	7.5	12.0	15.2	19.0	22.0

Expertise in development, execution, and ongoing operation of effective block schedule, rounding, and call schedule management is being applied to the new facility for continuity of provider and patient experience as services are expanded.

The ASC environment boasts workforce-friendly hours of operation, requiring limited to no weekend, call, holiday, or nighttime work, providing an appealing alternative to clinicians, staff, and providers who desire a more consistent schedule and traditional Monday through Friday working hours. Staffing and hiring for the new ASC, from prior experience, should prove beneficial and welcome to community members, offering a new environment in which to practice medicine and/or provide care for patients.

Over a five-year period, DHP plans to build its primary care physician pool to 47 providers and its specialist provider pool to 26 providers to service the Center. According to research published by the Robert Graham Center, Virginia is projected to need 727 additional primary care providers by 2030 based on 2020 health trends.[2] The community should prepare now to meet growing, projected demand in the future and not overwhelm the health system, creating severely inflated long-term cost and havoc on the health system, impacting provider retention through even further increased provider burnout healthcare provider shortages. According to a two-year study, PCPs refer at a rate of 1.9% to specialists.[3]

[2] Robert Graham Center, *Virginia: Projecting Primary Care Physician Workforce*, available at https://www.graham-center.org/content/dam/rgc/documents/maps-data-tools/state-collections/workforce-projections/Virginia.pdf.

[3] Lindsey M. Philpot, et al., *Effect of Integrated Gastroenterology Specialists in a Primary Care Setting: A Retrospective Cohort Study*, J. Gen Intern. Med. 36(5): 1279-1284 (2021), available at https://pubmed.ncbi.nlm.nih.gov/33219446/.

Specialist FTEs	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Neurology / Pain	1	1	1	2	2
Gastroenterology	1	4	7	10	13
Orthopedics	1	1	1	1	2
ENT	1	1	1	1	1
General Surgery	1	1	1	1	1
Urology	1	1	1	2	2
OB/GYN	1	1	2	2	3
Ophthalmology	1	1	1	1	1
Cardio/Vascular	1	1	1	1	1
Total Specialist FTEs	9	12	16	21	26

***See* Attachment III.A. at 8-9.**

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

No impact is expected to occur relative to other facilities.

K. Attach the following information or documents:

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

   ***See* Attachment III.K.1. (DHP Hospital License).**

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. (Letter from Joint Commission renewing accreditation for services under the Comprehensive Accreditation Manual for Hospitals).**

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 (Medical staff roster, including all providers, the status of their privileges, and their specialties).**

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).

   Consistent with the operating and academic affiliation agreements between DHP (d/b/a GWUH) and MFA, MFA intends to provide staffing of physicians and other health care providers at the Center.

***See* Attachment III.K.4. (Letter from Dean B. Bass, CEO MFA to K. Russo, CEO GWUH).**

Note: DHP considers Attachment III.K.4. to be a highly confidential and propriety business document and, therefore, respectfully requests that it be excluded from the public record and/or exempted from disclosure in response to a public records request.

SECTION IV PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY NEED

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

Overview

DHP seeks COPN approval to establish an ASC with three operating rooms and two procedure rooms as part of its new Center in PD 8. DHP, a wholly-owned subsidiary of UHS, owns and operates GWUH, a 395-bed tertiary care academic medical center located in downtown Washington, DC. Featuring a Level I Trauma Center and a Level III NICU, GWUH offers clinical expertise in a variety of areas including cardiac, cancer, neurosciences, women's health, and advanced surgery, including robotic and minimally invasive surgery.

The Center will be a comprehensive ambulatory care facility located at The Wellness Center at West Falls, 7171 Cardinal Lane, Falls Church, VA 22043, in PD 8. The Center will offer an extensive array of primary and specialty care services, diagnostic imaging (one CT and one MRI, subject to separate COPN review), and ambulatory surgery services. Ambulatory surgery is a critical part of DHP's goal of providing full-service access to care at the Center – clinically integrated with GWUH, DHP's flagship academic medical center in Washington, DC.

The proposed ambulatory surgery suite will be located at The Wellness Center at West Falls. It will occupy 12,623 square feet of space. The ASC will provide outpatient surgical services access to a broader geographical footprint, allowing delivery of care to patients when they need it, where they need it, and in a cost-conscious manner. Movement of traditionally provisioned inpatient surgical services approved by CMS for performance in an ASC will add layers of value to the community, its patients, providers, healthcare workers, and the health care system, generally.

Identified Need

Through evaluation of historical operating room, surgical procedure, and visit time data acquired from VHI, DHP identified a future state deficit in availability of operating rooms required to meet the needs of PD 8's growing population. Historical and projected surgical services and population growth trends indicate an overall surgical services deficit of 20 rooms by 2027, driving the need for immediate identification of ASC space to stabilize and prepare PD 8 for the future.

Proper planning through buildout of space and recruitment of qualified healthcare providers will position PD 8 for long-term community health, cost control, and readiness for emergent and urgent healthcare needs. *See* Attachment III.A. at 11.

DHP's Proposed Solution

DHP intends to meet PD 8's growing need for surgical services by establishing an ASC with three operating rooms and two procedure rooms in West Falls Church. The ASC will be part of GWUH's continuum of care and will expand community access to crucial procedure and surgical services, ultimately improving health outcomes for residents of PD 8 and beyond.

Establishing comprehensive healthcare services within the Falls Church community will support VDH's Strategic Plan by providing convenient access to care at lower costs to patients and the healthcare system. ASCs represent one of the core components of lower cost care, of which one core component is the continued addition of ASCs.

DHP plans to establish Centers for Excellence for Cardiovascular Services, Oncology, Neurosciences, Orthopedics and General Surgery, providing care to residents of PD 8 and the surrounding areas in a convenient setting and timely manner, and at a lower cost to the patient and health system.

DHP plans to complete the buildout of the facility in full, readying the facility for incoming providers and surgical services demand. DHP has already started the recruitment process to identify qualified specialists and primary care providers to meet the community's needs. *See* Attachment III.A. at 12.

DHP's Historical Information

DHP—through GWUH providers—currently serves approximately 18,638 patients through the provision of outpatient surgical procedures across the specialties of Pain Management, Gastroenterology, Ophthalmology, Orthopedics, Gynecology/OB, Urology, Colon/Rectal, ENT, Cardiovascular,

Neurology, and General Surgery. Approximately 14.2 percent of these patients, or 2,651, are Virginians, originating from PD 8.

2023* GWUH Outpatient Surgical Services

Patient Origination Study

Specialty	PD8	% of Total	Total
Cardiology/Vascular	48	0.3%	605
ENT	529	2.8%	1,459
Neuro/Pain	131	0.7%	2,174
OB/GYN	110	0.6%	1,198
Urology	184	1.0%	1,304
Gastroenterology	496	2.7%	4,759
Orthopedics	233	1.2%	1,956
Ophthalmology	146	0.8%	1,105
General & Plastics	774	4.2%	4,078
Grand Total	**2,651**	**14.2%**	**18,638**

**annualized October 2023 YTD patient encounters*

DHP has developed a comprehensive plan for the proposed ASC in West Falls Church, projecting expected growth in volume by specialty, specialist provider recruitment needs, and primary care provider recruitment needs. DHP's core specialty mix will ultimately be centered around Digestive Disease Disorders (Gastroenterology diagnostic & screening and colon/rectal procedures), which represents over 50 percent of the facility's intended use. OB/GYN, Urology, Neurology/Pain, Orthopedics, and a blend of other specialties will comprise the remaining procedure mix (namely, Ophthalmology, ENT, Cardio/Vascular, and General Surgery).

Importantly, DHP has experienced year-over-year growth of approximately 20 percent in Cardiology/Vascular and 10 percent in Ophthalmology, demonstrating the need to plan for increased demand for Cardiovascular and Ophthalmology procedural space in order to meet the growing heart and eye care demands of the general population. *See* Attachment III.A. at 7, 13.

Benefits of the Proposed ASC

Patients in and around PD 8 will experience a number of benefits from the proposed ASC.

1. ***Improved Quality, Safety, and Health Outcomes through Timely & Convenient Access***

DHP aims to guide patients to the most appropriate treatment setting for their needs, treating lower acuity patients in an ASC while reserving immediate access for patients requiring emergent or inpatient treatment. The ASC environment has increasingly become the preferred location for care delivery

by both patients and physicians. The results of surgical care in ASCs indicate higher levels of patient satisfaction due to:

- **Convenience of access;**
- **Availability of surgical appointment times;**
- **Timely completion of surgical procedures;**
- **Lower rates of post-procedure hospitalization, incident, and infection; and**
- **Enhanced capability to provide continuity of care and care coordination as an extension of primary or specialty service provider.**

It is anticipated that PD 8 will be underserved in outpatient surgical suite availability by year 2027 based on data from the PD 8 census and existing operating room availability. DHP's proposed ASC will address this service gap, creating health system savings and efficiencies, supporting the state's expectation of responsible, measured growth.

According to a 2021 Leapfrog Group publication regarding patient preference and satisfaction in ASCs versus hospital outpatient departments ("HOPDs"), patients report higher satisfaction in ASCs across four key areas: (1) Facilities & Staff; (2) Communications About Procedure; (3) Overall Rating of Facility; and (4) Patient Willingness to Recommend Facility to Friends & Family.[4] *See* Attachment III.A. at 14.

2. *Lowered Risk of Patient Revisits*

Studies also point to a lower risk of patient revisits following surgical care within an ASC. A May 2023 article from the *Medical Care Journal* noted that "rates of revisits and complications for ASC patients were far lower than for closely matched HOPD patients."[5] The increase in risk of 30-day revisits among HOPD patients versus ASC patients exceeds four percent, demonstrating the added safety an ASC procedure affords compared to an HOPD. *See* Attachment III.A. at 15.

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[4] The Leapfrog Group, *What Patients Think About Their Hospitals and Ambulatory Surgery Centers: An Analysis of Patient Experience Surveys*, available at https://www.leapfroggroup.org/sites/default/files/Files/Patient%20Experience%20Report_Final.pdf.

[5] Jeffrey H. Silber MD, PhD, et al. *The Safety of Performing Surgery at Ambulatory Surgery Centers Versus Hospital Outpatient Departments in Older Patients With or Without Multimorbidity*, Medical Care 61(5), 328-337 (2023), available at https://journals.lww.com/lww-medicalcare/abstract/2023/05000/the_safety_of_performing_surgery_at_ambulatory.10.aspx (hereinafter "The Safety of Performing Surgery at Ambulatory Surgery Centers").

3. Improved Quality of Life, Mortality Rates, and Long-Term Health Outcomes for Residents of PD 8

PD 8's highest growth age bracket is the 55+ community. This age group demands increased access to key outpatient surgical services to minimize long-term health complications, increase quality of life, and decrease mortality rates. ASCs have become an increasingly popular venue for performance of critical surgical services in the following areas:

1. **Undiagnosed colorectal cancer can be prevented through screening colonoscopies, offering life-saving prevention or treatment of colon cancer through timely, early detection and removal of polyps at the Medicare approved age for a screening colonoscopy.**

2. **GI complaints can be quickly assessed & treated through diagnostic endoscopic procedures.**

3. **Coronary artery disease can be treated through application of stents & performance of diagnostic procedures.**

4. **Cataract disease can be corrected through outpatient cataract surgery.**

5. **Total joint replacements and other orthopedic surgeries are approved for the outpatient setting.**

***See* Attachment III.A. at 17.**

4. *Cost Containment*

Virginia's most recent State Health Assessment (2022) specifically identifies the need for outpatient care options to continue the downward trend in reducing delays in medical care due to cost. The proposed ASC directly supports this plan and will provide patients with critical access to preventative and outpatient services in a low-cost setting. *See* Attachment III.A. at 21.

5. Economic Growth and Service Offerings

The addition of the proposed ASC will also provide desirable jobs with sought-after work hours and schedules in a desirable work environment, offering residents of PD 8 local options for work. GWUH has already initiated strategic recruitment initiatives around out-of-market recruitment for high-demand positions, such as clinician specialists, to preserve existing market supply of services.

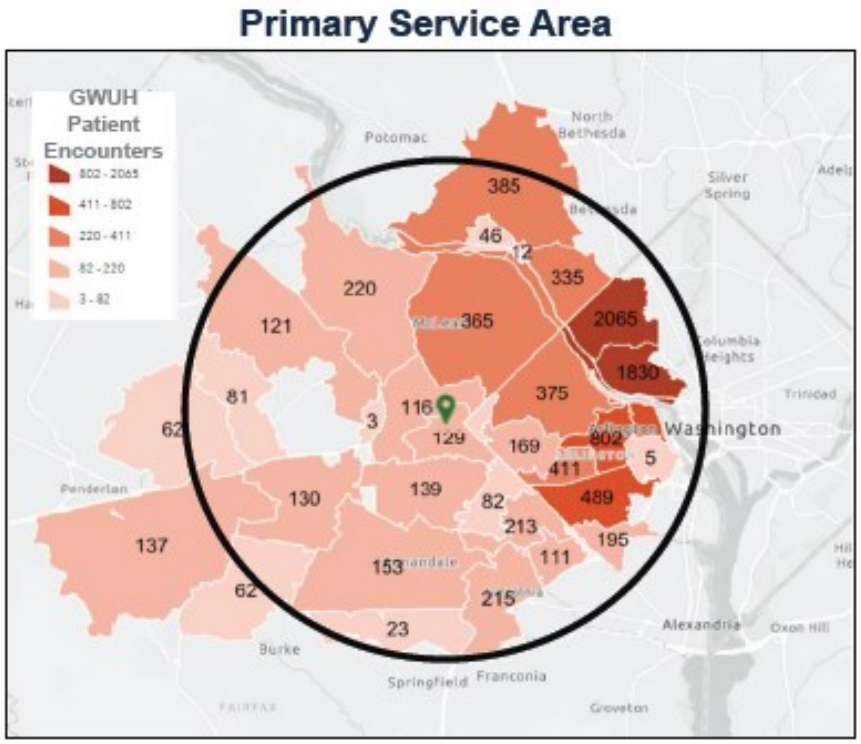
GWUH has a strong reputation for effective clinician utilization and block schedule management among its existing specialists and will carry forward the

existing practice and governance around utilization and schedule fill rates, led by the Assistant Chief Nursing Officer of GWUH. GWUH's experience in running an ASC and leveraging central services for multi-site operations provides the organization with competitive advantage around expertise in cross-utilization and flexing staff and clinicians to effectively meet patient demand peaks and valleys. *See* Attachment III.A. at 22.

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 map below depicts the proposed ASCs primary service area ("PSA").



Zip codes represent GWUH patients within & outside of PD8

***See* Attachment III.A. at 28.**

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

Approximately 14 percent of GWUH's total outpatient surgical volume is being delivered to PD 8 residents. DHP's investment in the proposed ASC brings existing surgical service demand to the residents of PD 8.

The addition of the proposed ASC reduces tension on neighboring facilities and increases accessibility to high-demand surgical services for PD 8 residents. The new ASC will reach nearly 2 million PD 8 residents (79% of the population), demonstrating DHP's recognition of Virginia's "travel time" regulatory provisions and providing enhanced focus on serving PD 8 patients in a low-cost, convenient, and high-quality manner.

PD8 Facilities & Patient Drive-Time Assessment

Facility	Residents with <30 min drive time		Net New Patient Service Capability	Residents with >30 min drive time	
	#	%		#	%
The Wellness Center at Falls Church	1,986,325	79%	1,986,325	538,429	21%
Kaiser Permanente Tysons Corner Surgery Center	1,883,188	75%	103,137	641,566	25%
Inova Fairfax Medical Campus	1,868,977	74%	117,348	655,777	26%
VHC Ambulatory Surgery Center	1,849,465	73%	136,860	675,289	27%
Fairfax Surgical Center	1,800,106	71%	186,219	724,648	29%
Pediatric Specialists of Virginia	1,706,920	68%	279,405	817,834	32%

***See* Attachment III.A. at 33.**

Approximately 66,000 existing GWUH patients are within a 30-minute drive time of the proposed ASC, equaling 69 percent of GWUH's previous six-year provision rate. The proposed facility will improve ease of access for PD 8 residents and for 90 percent of GWUH's patient population. By moving these cases to the Center, procedure wait times and surgical risk can be even further reduced.

GWUH Existing Patient Outpatient Surgical Services*
Patient Drive Time Study

Existing GWUH patients residing in PD8	2,651

Travel Time	Current	Proposed	Impact
< 30 Minute	1,961	2,351	390
% of Total	*74%*	*89%*	*15%*
> 30 Minute	690	300	-390
% of Total	*26%*	*11%*	*-15%*

**Annualized Oct YTD 2023 Patient Encounters*

***See* Attachment III.A. at 35.**

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)

Existing PD8 Surgical Services Providers

Parent Company	Operating Rooms
Inova Health System	111
HCA Virginia Health System	33
Other	28
Kaiser Permanente	14
Sentara Health	9
University of Virginia Medical Center	8
USPI	6
Private	5
PD8 Total	**214**

***See* Attachment III.A. at 33.**

Facility Name	Address	City	State	Zip Code	Facility Type
Fairfax Surgical Center	10730 Main Street	Fairfax	VA	22030	Ambulatory Surgical Hospital
Haymarket Surgery Center	15195 Heathcote Blvd	Haymarket	VA	20169	Ambulatory Surgical Hospital
HealthQare Services ASC, LLC	1005 Glebe Road	Arlington	VA	22201	Ambulatory Surgical Hospital
Inova Alexandria Hospital	4320 Seminary Road	Alexandria	VA	22304	Acute Hospital
Inova Ambulatory Surgery Center at Lorton, LLC	9321 Sanger Street	Lorton	VA	22079	Ambulatory Surgical Hospital
Inova Fair Oaks Hospital	3600 Joseph Siewick Drive	Fairfax	VA	22033	Acute Hospital
Inova Fairfax Hospital	3300 Gallows Road	Falls Church	VA	22042	Acute Hospital
Inova Loudoun Ambulatory Surgery Center, LLC	44035 Riverside Parkway	Leesburg	VA	20176	Ambulatory Surgical Hospital
Inova Loudoun Hospital	44045 Riverside Parkway	Leesburg	VA	20176	Acute Hospital
Inova Mount Vernon Hospital	2501 Parker's Lane	Alexandria	VA	22306	Acute Hospital
Inova Surgery Center @ Franconia-Springfield	6355 Walker Lane	Alexandria	VA	22310	Ambulatory Surgical Hospital
Kaiser Permanente - Woodbridge Surgery Center (AKA Caton Hill Center)	13285 Minnieville Road	Woodbridge	VA	22192	Ambulatory Surgical Hospital
Kaiser Permanente Tysons Corner Surgery Center	8008 Westpark Drive	McLean	VA	22102	Ambulatory Surgical Hospital
Lake Ridge Ambulatory Surgery Center, LLC	12825 Minnieville Road	Woodbridge	VA	22192	Ambulatory Surgical Hospital
McLean Ambulatory Surgery Center, LLC	7601 Lewinsville Road	McLean	VA	22102	Ambulatory Surgical Hospital
Northern Virginia Eye Surgery Center, LLC	2710 Prosperity Avenue	Fairfax	VA	22031	Ambulatory Surgical Hospital
Northern Virginia Surgery Center	3620 Joseph Siewick Drive	Fairfax	VA	22033	Ambulatory Surgical Hospital
Pediatric Specialists of Virginia Ambulatory Surgery Center	3023 Hamaker Ct.	Fairfax	VA	22031	Ambulatory Surgical Hospital
Prince William Ambulatory Surgery Center	8644 Sudley Road	Manassas	VA	20110	Ambulatory Surgical Hospital
Reston Hospital Center	1850 Town Center Parkway	Reston	VA	20190	Acute Hospital
Reston Surgery Center	1860 Town Center Drive	Reston	VA	20190	Ambulatory Surgical Hospital
Sentara Northern Virginia Medical Center	2300 Opitz Boulevard	Woodbridge	VA	22191	Acute Hospital
Stone Springs Ambulatory Surgery Center	24570 Medical Dr	Dulles	VA	20166	Ambulatory Surgical Hospital
Stone Springs Hospital Center	24440 Stone Springs Blvd	Dulles	VA	20166	Acute Hospital
UVA Health Haymarket Medical Center	15225 Healthcote Blvd	Haymarket	VA	20169	Acute Hospital
UVA Health Prince William Medical Center	8700 Sudley Road	Manassas	VA	20110	Acute Hospital
Virginia Hospital Center	1701 N. George Mason Drive	Arlington	VA	22205	Acute Hospital

***See* Attachment III.A. at 56.**

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

Virginia averages 11.6 operating rooms per 100,000 residents and 3.5 procedure rooms for the same 100,000 population. However, PD 8, consistent with findings driven by the deficit identified through completing the required formula for determining community need, is most limited in its surgical services accessibility to its residents, falling short by a total of 4 rooms per 100,000 residents, further supporting GWUH's proposed solution to serve residents of PD 8 by bringing a much needed service to the community.

Health Planning Region	Population	ORs per 100,000 pop	Procedure Rooms per 100,000 pop	OP Surgical Procedures per 100,000 pop	Outpatient Visits per 100,000 pop
1 - Northwestern	1,405,850	12.2	2.9	7,875	8,802
2 - Northern	2,545,650	8.4	2.7	7,244	7,613
3 - Southwestern	1,330,048	12.6	4.3	11,174	10,985
4 - Central	1,504,999	15.0	4.1	12,529	11,918
5 - Eastern	1,897,072	11.9	4.0	9,108	10,295
Virginia Total	**8,683,619**	**11.6**	**3.5**	**9,271**	**9,654**

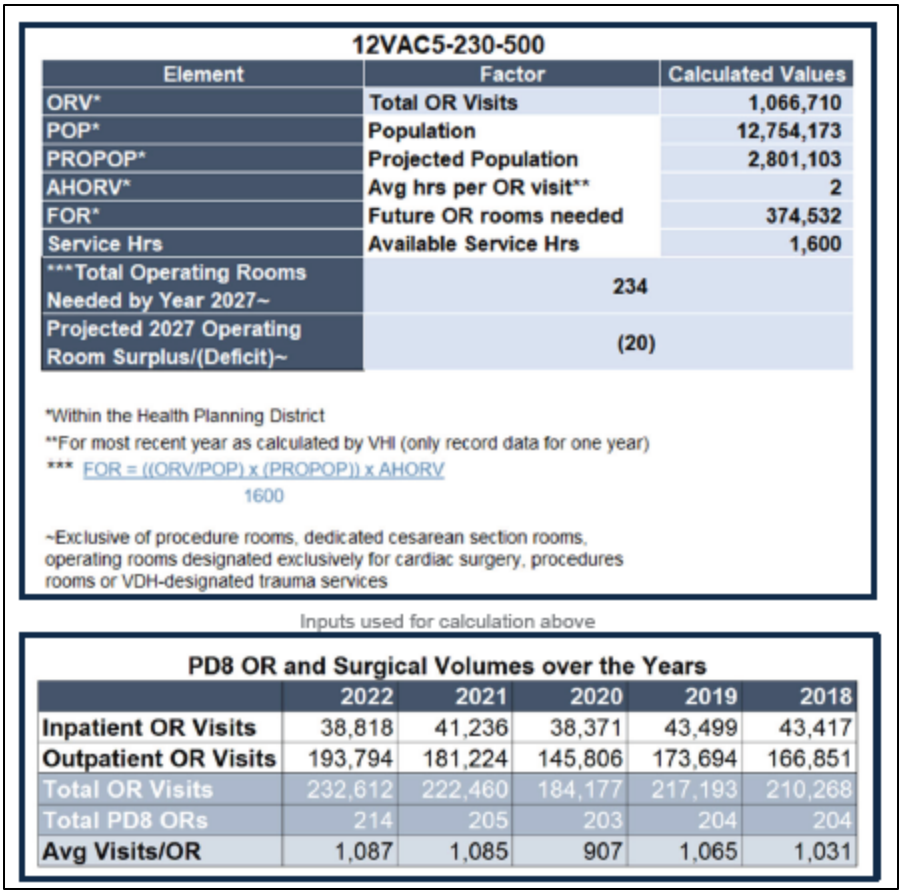
Source: U.S. Census Bureau 2022 population estimates by county; Virginia Department of Health COPN authorized service/equipment inventory

Furthermore, lesser capacity to accommodate resident surgical services needs is decreasing Virginia's overall operating room availability per capita.

PD 8's representation of 29 percent of the entire Virginia population places an even further sense of urgency around the need to right-size surgical services availability within this health planning district. ***See*** **Attachment III.A. at 44.**

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

Historical and projected operating room trends suggest that by 2027, there will be a deficit of 20 operating room in PD 8. DHP's proposed ASC will bridge this gap by providing PD 8 with an additional three operating rooms and two procedure rooms.



12VAC5-230-500

Element	Factor	Calculated Values
ORV*	Total OR Visits	1,066,710
POP*	Population	12,754,173
PROPOP*	Projected Population	2,801,103
AHORV*	Avg hrs per OR visit**	2
FOR*	Future OR rooms needed	374,532
Service Hrs	Available Service Hrs	1,600
***Total Operating Rooms Needed by Year 2027~	234	
Projected 2027 Operating Room Surplus/(Deficit)~	(20)	

*Within the Health Planning District

**For most recent year as calculated by VHI (only record data for one year)

*** FOR = ((ORV/POP) x (PROPOP)) x AHORV / 1600

~Exclusive of procedure rooms, dedicated cesarean section rooms, operating rooms designated exclusively for cardiac surgery, procedures rooms or VDH-designated trauma services

Inputs used for calculation above

PD8 OR and Surgical Volumes over the Years

	2022	2021	2020	2019	2018
Inpatient OR Visits	38,818	41,236	38,371	43,499	43,417
Outpatient OR Visits	193,794	181,224	145,806	173,694	166,851
Total OR Visits	232,612	222,460	184,177	217,193	210,268
Total PD8 ORs	214	205	203	204	204
Avg Visits/OR	1,087	1,085	907	1,065	1,031

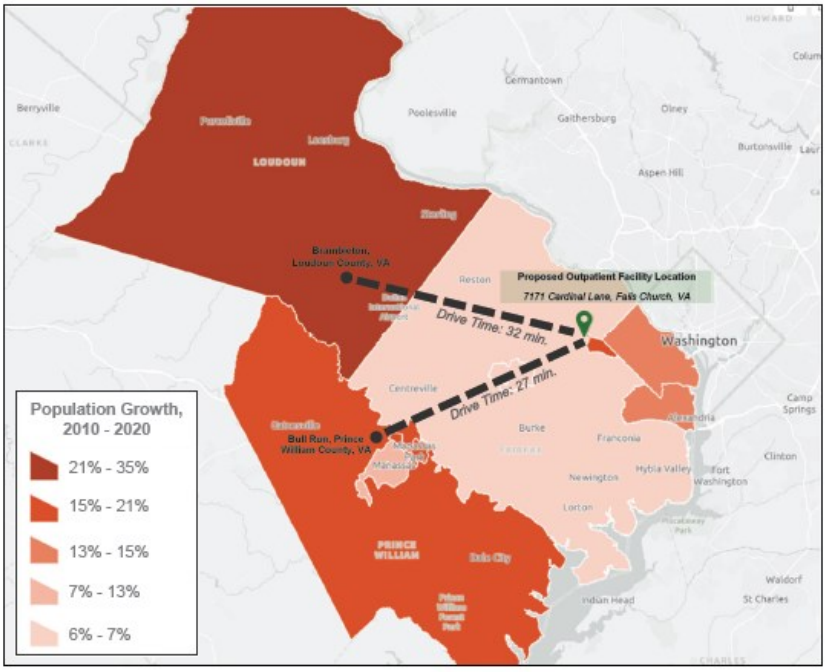
***See* Attachment III.A. at 43.**

While the overall population growth in PD 8 in the past decade has been relatively modest, at 1.3 percent, the 55+ demographic age band has experienced combined growth of nearly 23 percent. Each 5-year tier within the 55+ age band outpaced the overall (and individual age group growth rates under age 54) by nearly double of the 0-54 age bracket. The highest growth was seen in age bands 70-74 years (6.4 percent) and 75-79 years (5.6 percent). The aging demographic validates GWUH's proactive approach to buildout of the ASC, in which critical surgical services can be conveniently and safely provided at a lower cost, preventing long-term high-cost impacts to the economy and patients.

Age Group	2010	2020	Annual Growth
Total population	2,230,623	2,550,377	1.3%
45 to 49 years	180,015	181,071	0.1%
50 to 54 years	161,907	174,141	0.7%
55 to 59 years	132,992	165,070	2.2%
60 to 64 years	109,140	137,818	2.4%
65 to 69 years	70,109	104,672	4.1%
70 to 74 years	44,723	83,227	6.4%
75 to 79 years	31,487	54,538	5.6%
80 to 84 years	22,960	33,193	3.8%
85 years and over	23,310	31,071	2.9%

***See* Attachment III.A. at 50**

Additionally, the most significant population growth in Northern Virginia is occurring in the outer-ring suburbs of Prince William and Loudoun Counties, and the Cities of Manassas and Manassas Park. While Northern Virginia's population as a whole grew 14 percent from 2010 to 2020, the populations of Loudoun County, Prince William County, and Manassas Park City grew 35 percent, 21 percent, and 20 percent, respectively. This accelerated growth in the outer-ring suburbs will continue to increase the volume of healthcare needs in PD 8.



***See* Attachment III.A. at 47.**

The proposed ASC will provide improved access to care to this growing area, providing an alternative to care sites in Washington, D.C.

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.

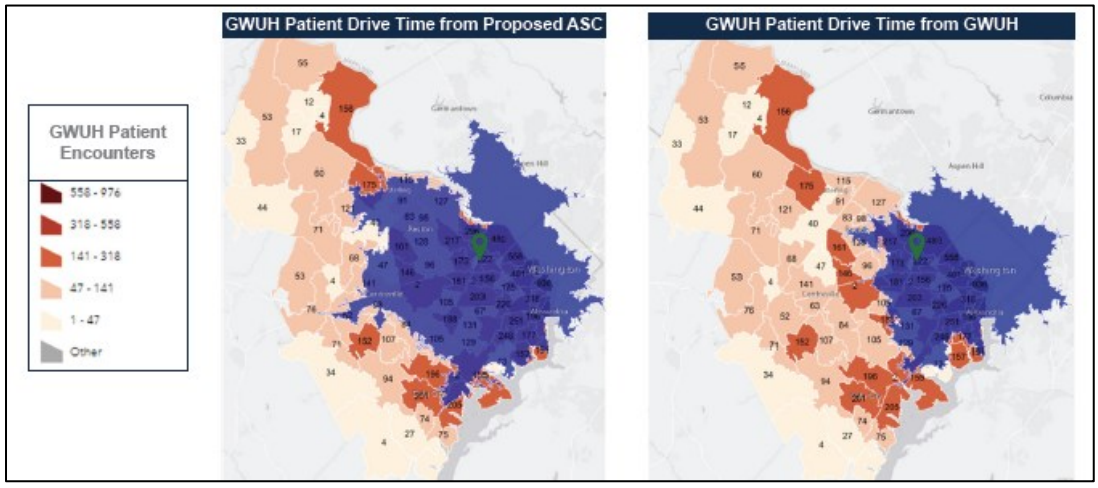
2,651 current GWUH patients reside within PD 8. These patients are choosing to travel into the heart of Washington, D.C. to receive care, which often poses a significant inconvenience due to factors such as traffic, tolls, and limited parking. The chart below compares drive times of GWUH patients who reside within PD 8 to GWUH Main Hospital versus the proposed ASC.

GWUH Existing Patient Outpatient Surgical Services*
Patient Drive Time Study

Existing GWUH patients residing in PD8	2,651		
Travel Time	**Current**	**Proposed**	**Impact**
< 30 Minute	1,961	2,351	390
% of Total	*74%*	*89%*	*15%*
> 30 Minute	690	300	-390
% of Total	*26%*	*11%*	*-15%*

**Annualized Oct YTD 2023 Patient Encounters*

390 existing GWUH patients (18 percent) will experience an improvement in facility accessibility with GWUH's proposed addition of the ASC.
Blue indicates 30-minute drive time from specified origin.



***See* Attachment III.A. at 49.**

For these existing GWUH patients, the opportunity to receive outpatient services at the Center would offer significantly improved convenience and access. This is especially important because many patients receiving care at GWUH—whether inpatient or outpatient—are high acuity and/or complexity. Indeed, 27 percent of GWUH's patients residing in the proposed ASC's PSA are Medicare patients and nine percent are Medicaid patients. *See* Attachment III.A. at 48.

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.

Required Considerations

Criteria 1: The extent to which the proposed project will provide or increase access to health care services for people in the area to be served and the effects that the proposed project will have on access to health care services in areas having distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to health care.

As discussed in Section IV. A.-D., above, DHP's proposed ASC will provide residents of PD 8 with a more convenient, cost-effective option for outpatient surgical care within an academic setting.

With respect to PD 8 patients generally, historical and projected operating room trends suggest that by 2027, there will be a deficit of 20 operating room in PD 8. *See* Attachment III.A. at 4. DHP's proposed ASC will bridge this gap by providing PD 8 with an additional three operating rooms and two procedure rooms.

With respect to GWUH patients, specifically, an estimated 2,651 (14.2 percent of GWUH's total surgical services volume) is being delivered to PD 8 residents within Washington, D.C. based GWUH facilities. Approximately 2,351 existing GWUH patients are within a 30-minute drive of the proposed ASC, improving access for 18 percent (390 patient lives) of GWUH's existing patient population. This improved access and convenience is of particular value for the 27 percent Medicare and 9 percent Medicaid GWUH patients currently residing in the PSA, as this demographic of patient can experience access barriers related to transportation, where convenience of access to care vastly improves health outcomes. *See* Attachment III.A. at 33, 48, 49.

Criteria 2: 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 the 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 the 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) Community Support

DHP is pleased to have the support of local government officials, other providers in the region, and existing patients who reside in PD 8. The following letters of support are enclosed with this application:

- **Mayor and Deputy Mayor of City of Falls Church, Virginia**
- **PrimeDoc (primary care provider)**
- **Existing GWUH patients who reside in the proposed service area.**

***See* Attachment IV.E.-1 (Letter of Support from Mayor and Deputy Mayor); Attachment IV.E.-2 (Letter of Support from PrimeDoc); Attachment IV.E.-3 (Letters of support from PD 8 residents).**

For existing GWUH patients who reside in the PSA, improved access and convenience is important for maintaining continuity of care, especially for high-need groups. Many patients receiving care at GWUH—whether inpatient or outpatient—do so because of high acuity and/or complexity. Improving ease of access for these patients is critical to effectively managing their conditions. For example, patients who have experienced a stroke or are battling conditions such as cancer or COPD may have restricted mobility and endurance, making the proposed ASC a much more convenient option.

Additionally, 27 percent of GWUH patients who reside in the PSA are Medicare patients. Improved ease of access and convenience is also important for the aging population, who often experience transportation-related barriers to receiving essential care.

Similarly, 9 percent of GWUH patients who reside in the PSA are Medicaid patients. Improved ease of access and convenience will also benefit low-income individuals and individuals with disabilities. *See* Attachment III.A. at 48.

(iv) Benefits of Proposed Project – Improved Patient Outcomes

A May 2023 study published by the *Medical Care Journal* found that "[t]he rates of revisits and complications for ASC patients were far lower for closely matched HOPD patients."[6] The increase in risk of 30-day revisits among HOPD patients versus ASC patients exceeds 4 percent, demonstrating the added safety an ASC procedure affords compared to an HOPD procedure.

The November 29, 2023 issue of *Becker's ASC Review* outlined the top ASC deficiencies in 2023. Notably, DHP has demonstrated advanced proficiency in these areas through its prior successful integration of an ASC into the GWUH health system.

ASC Deficiencies	GWUH's Demonstrated Excellence & Capability
Documentation	GWUH's expertise in monitoring patient records, medications, allergies, sensitivities and history are directly transferrable from GWUH's existing operation, immediately minimizing this area of deficiency seen throughout the industry. Policies, procedures, protocols, training and controls are in place, and providers and staff are equipped with capabilities to effectively manage patient documentation and record-keeping.
Infection Control	GWUH's infection control measures and performance around preventing, reporting and monitoring infection rate provides substantial benefit to the new ASC through pre-existing protocols and reporting mechanisms for effective monitoring, training and review of incidence.
Quality of Care	GWUH is committed to monitoring, tracking & reporting quality metrics and adhering to standards established for the ASC setting. GWUH takes medication reconciliation seriously and engages pharmacy experts to check expiration dates and inventory on a regular basis, monitoring and advising the ASC on protocol and procedure.
Credentialing, Privileges and Peer Review	WUH providers undergo a rigorous credentialing process and have clearly delineated, role-based privileges appropriately assigned based on level of training and proficiency. Providers are regularly reviewed by peers and monitored by an internal governing body. Qualifications, certifications, licensure and training requirements are carefully monitored to ensure no lapse in provider credentials or qualifications.
Emergency Preparedness	GWUH has extensive protocols in place to cover a wide range of emergency preparedness and regularly participates in drills, training & exercises to ensure staff and providers are equipped for any circumstance. Examples of training protocols include natural disaster training, fire hazard, equipment safety, and active shooter protocol.
Pharmaceutical Services	GWUH engages pharmaceutical experts to support protocol development, training and monitoring of storage and documentation related to controlled substances and drugs. Staff are regularly engaged and equipped with tools and resources necessary to meet standards and comply with regulations.

***See* Attachment III.A. at 16.**

(*v) Financial Accessibility*

The 2022 Virginia State Health Assessment specifically identified the need for outpatient care options to continue to reduce delays in medical care due to cost. In a recent *Beckers* article titled, "5 numbers on HOPD vs. ASC costs," the disparity between HOPD and ASC reimbursement was highlighted as a leadership frustration.[7] The article notes five cost differentiators between HOPDs and ASCs:

1. **Medical procedures can cost as much as 58 percent more at HOPDs when compared to a physician office or ASC, according to an analysis**

[6] The Safety of Performing Surgery at Ambulatory Surgery Centers.
[7] Becker's ASC Review, *5 Numbers on HOPD vs. ASC Costs*, available at https://www.beckersasc.com/asc-coding-billing-and-collections/5-numbers-on-hopd-vs-asc-costs.html.

by Blue Health Intelligence, the Blue Cross Blue Shield Association's data analytics company.

2. **Colonoscopy screenings cost 32 percent more in a hospital than an ASC, according to the same analysis.**

3. **Diagnostic colonoscopies cost 58 percent more and cataract surgery costs 56 percent more.**

4. **More than 80 percent of HOPD cardiovascular procedures could be allowed in ASCs from Medicare's covered procedure list inclusion, according to a report from Cardiovascular Business.**

5. **The average cost of a knee arthroscopy with cartilage removal at an ASC is $3,412, compared to $5,226 at an HOPD, according to data from Sidecar Health's care price calculator.**

The proposed ASC directly supports this plan and provides critical access to patients for preventative and outpatient surgical services in a low-cost setting.

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

SMFP Standards for General Surgical Services

15VAC5-230-490. Travel time.
Surgical services should be available within 30 minutes driving time one way under normal conditions for 95% of the population of the health planning district using mapping software as determined by the commissioner.

According to 2020 United States Census Bureau data, 2.55 million residents occupy PD 8. The proposed ASC provides convenient access to surgical services for nearly 2 million patients, providing 79 percent of PD 8 residents with access to surgical services within a convenient, 30-minute drive. *See* Attachment III.A. at 29.

PD8 Facilities & Patient Drive-Time Assessment*

Facility	Residents with <30 min drive time		Net New Patient Service Capability	Residents with >30 min drive time	
	#	%		#	%
The Wellness Center at Falls Church	1,986,325	79%	1,986,325	538,429	21%
Kaiser Permanente Tysons Corner Surgery Center	1,883,188	75%	103,137	641,566	25%
Inova Fairfax Medical Campus	1,868,977	74%	117,348	655,777	26%
VHC Ambulatory Surgery Center	1,849,465	73%	136,860	675,289	27%
Fairfax Surgical Center	1,800,106	71%	186,219	724,648	29%
Pediatric Specialists of Virginia	1,706,920	68%	279,405	817,834	32%

*Population Data from Census ACS 5-Year Estimates (2022)

Moreover, approximately 2,651 existing GWUH PD 8 residents commute to Washington, D.C. for their surgical needs within a GWUH facility. Only 1,961 of these residents (74 percent) have access to a GWUH facility within a 30-minute drive time. The proposed facility places their trusted GWUH providers and surgical care needs conveniently within a 30-minute drive of their homes and increases this access to an additional 390 existing GWUH patients, boosting GWUH's 30-minute drive time access to 89 percent of GWUH's PD 8 patient population.

GWUH Existing Patient Outpatient Surgical Services*
Patient Drive Time Study

Existing GWUH patients residing in PD8	2,651

Travel Time	Current	Proposed	Impact
< 30 Minute	1,961	2,351	390
% of Total	*74%*	*89%*	*15%*
> 30 Minute	690	300	-390
% of Total	*26%*	*11%*	*-15%*

*Annualized Oct YTD 2023 Patient Encounters

***See* Attachment III.A. at 33, 35.**

15VAC5-230-500. Need for new service.
The combined number of inpatient and outpatient general purpose surgical operating rooms needed in a health planning district, exclusive of procedure rooms, dedicated cesarean section rooms, operating rooms designated exclusively for cardiac surgery, procedure rooms or VDH-designated trauma services, shall be determined as follows: $FOR = \frac{((ORV/POP) \times (PROPOP)) \times AHORV}{1600}$

As described above, historical and projected surgical services and population growth trends indicate that PD 8 will experience an overall surgical services

deficit of 20 rooms by 2027, driving the need for immediate identification of ASC space to stabilize and prepare PD 8 for the future.

DHP worked directly with various source data owners to acquire and obtain critical data points necessary to complete the formula required for determining a "Need for New Service" as defined by Virginia Administrative Code 12VAC5-230-500. Core data sources included *Virginia Health Information* and the *United States Census Bureau*. *See* Attachment III.A. at 3.

Through evaluation of historical operating room, surgical procedure, and visit time data acquired from *Virginia Health Information*, DHP identified a future state deficit in availability of operating rooms required to meeting PD 8's growing population's needs. Proper planning through buildout of space and recruitment of qualified healthcare providers to meet this growing demand for surgical services will position PD 8 for community health, cost control, and readiness for emergent and urgent healthcare needs.

VHI Reported Rms (Planning District 8)				
Year	Operating	Exclusive Use	Procedure	Total
2022	214	1	70	**285**
2021	205	7	69	**281**
2020	203	6	64	**273**
2019	204	6	63	**273**
2018	204	6	61	**271**

		VHI-Provided Historical Data					Future	Calculated Values					
Element	Factor	2022	2021	2020	2019	2018	2027	ORV	POP	PROPOP	AHORV	FOR	Service Hrs
ORV*	Inpatient OR Visits	38,818	41,236	38,371	43,499	43,417		205,341					
	Outpatient OR Visits	193,794	181,224	145,806	173,694	166,851		861,369					
	Total OR Visits	232,612	222,460	184,177	217,193	210,268		**1,066,710**					
POP*	**Population**	2,619,630	2,584,772	2,550,377	2,516,440	2,482,954			**12,754,173**				
PROPOP*	**Projected Population**						2,801,103			**2,801,103**			
AHORV*	**Avg hrs per OR visit****										**2**		
FOR*	**Future OR rooms needed**						**374,532**					**374,532**	
Service Hrs	**Available Service Hrs**												**1,600**

*Within the Health Planning District

**For most recent year as calculated by VHI (only record data for one year)

~Exclusive of procedure rooms, dedicated cesarean section rooms, operating rooms designated exclusively for cardiac surgery, procedures rooms or VDH-designated trauma services

*** FOR = ((ORV/POP) x (PROPOP)) x AHORV / 1600

***Total Operating Rooms Needed by Year 2027~ 234

Projected 2027 Operating Room Surplus/(Deficit)~ (20)

***See* Attachment III.A. at 4.**

15VAC5-230-510. Staffing.
Surgical services should be under the direction or supervision of one or more qualified physicians.

As discussed in Section III.H. above, DHP will hire a board-certified surgeon to serve as the Medical Director of the ASC.

Criteria 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.

Based on the information contained in this application, DHP respectfully submits that the proposed project will foster institutional competition that will benefit PD 8 residents and improve access to high-quality academic medicine in Northern Virginia.

Criteria 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.

Based on the information contained in this application, DHP respectfully submits that the proposed project will meet the needs of its existing GWUH patients who live in PD 8 and complement the existing array of surgical services in the region.

Criteria 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.

As reflected in Section V, the proposed project entails a total capital expenditure of $32,041,435.19, funded entirely from the accumulated reserves of DHP and UHS.

Criteria 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; and

As described throughout this application, DHP respectfully submits that this project will result in more cost-effective and efficient care for its existing and future patients in PD 8. The entire purpose of this project is to bring the high-quality academic medicine that patients in the region have come to know and appreciate from downtown Washington, DC to their community in Northern Virginia. DHP was very excited to be selected by the developer of West Falls to be one of the anchor tenants for the Wellness Center and is eager to bring the innovative and integrated model of academic medicine from GWUH to the Falls Church community.

Criteria 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 for citizens of the Commonwealth, including indigent or underserved populations.

DHP's GWUH is the primary teaching hospital for the GWU School of Medicine & Health Sciences and other health professional graduate programs at GWU. The proposed ASC at the Center will be part of a comprehensive suite of outpatient services that represent the future of comprehensive primary care and complex specialty care being delivered in a convenient, outpatient setting. Relatedly, the GW Medical Faculty Associates ("MFA") intends to provide staffing of physicians and other health care providers at the Center. *See* Attachment III.K.4. (Letter from Dean B. Bass, CEO MFA to K. Russo, CEO GWUH).

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.

DHP worked directly with various source data owners to acquire and obtain critical data points necessary to complete the formula required for determining a "Need for New Service" as defined by the Virginia Code 12VAC5-230-500. Core data sources included Virginia Health Information and the US Census Bureau. The SMFP calculation conducted by GWUH indicates that PD 8 will experience a deficit of 20 operating rooms by 2027 based on existing rate of OR visits, population growth trends, hours required per OR visit, and available service hours. GWUH's proposed buildout of the ASC bridges critical service gaps created by the growing population. Proper planning through buildout of space and recruitment of qualified healthcare providers to meet this growing demand for surgical services will position PD8 for community health, cost control and readiness for emergent and urgent healthcare needs.

12VAC5-230-500

Element	Factor	Calculated Values
ORV*	Total OR Visits	1,066,710
POP*	Population	12,754,173
PROPOP*	Projected Population	2,801,103
AHORV*	Avg hrs per OR visit**	2
FOR*	Future OR rooms needed	374,532
Service Hrs	Available Service Hrs	1,600
***Total Operating Rooms Needed by Year 2027~	234	
Projected 2027 Operating Room Surplus/(Deficit)~	(20)	

*Within the Health Planning District

**For most recent year as calculated by VHI (only record data for one year)

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

~Exclusive of procedure rooms, dedicated cesarean section rooms, operating rooms designated exclusively for cardiac surgery, procedures rooms or VDH-designated trauma services

2023* GWUH Outpatient Surgical Services

Patient Origination Study

Specialty	PD8	% of Total	Total
Cardiology/Vascular	48	0.3%	605
ENT	529	2.8%	1,459
Neuro/Pain	131	0.7%	2,174
OB/GYN	110	0.6%	1,198
Urology	184	1.0%	1,304
Gastroenterology	496	2.7%	4,759
Orthopedics	233	1.2%	1,956
Ophthalmology	146	0.8%	1,105
General & Plastics	774	4.2%	4,078
Grand Total	**2,651**	**14.2%**	**18,638**

**annualized October 2023 YTD patient encounters*

PD8 Facilities & Patient Drive-Time Assessment*

Facility	Residents with <30 min drive time		Net New Patient Service Capability	Residents with >30 min drive time	
	#	%		#	%
The Wellness Center at Falls Church	1,986,325	79%	1,986,325	538,429	21%
Kaiser Permanente Tysons Corner Surgery Center	1,883,188	75%	103,137	641,566	25%
Inova Fairfax Medical Campus	1,868,977	74%	117,348	655,777	26%
VHC Ambulatory Surgery Center	1,849,465	73%	136,860	675,289	27%
Fairfax Surgical Center	1,800,106	71%	186,219	724,648	29%
Pediatric Specialists of Virginia	1,706,920	68%	279,405	817,834	32%

*Population Data from Census ACS 5-Year Estimates (2022)

GWUH Existing Patient Outpatient Surgical Services*
Patient Drive Time Study

Existing GWUH patients residing in PD8	2,651

Travel Time	Current	Proposed	Impact
< 30 Minute	1,961	2,351	390
% of Total	*74%*	*89%*	*15%*
> 30 Minute	690	300	-390
% of Total	*26%*	*11%*	*-15%*

*Annualized Oct YTD 2023 Patient Encounters

***See* Attachment III.A. at 7, 33, 35, 53.**

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.)

The primary affiliation for the Center will be with GWUH. This affiliation will serve as the only academic medical provider in the primary service area. In the case of emergencies, patients will transfer via EMS to higher-level care. GWUH has transfer agreements with other area hospitals, including Reston Hospital Center and Sentara Northern Virginia Medical Center, and will extend these transfer agreements as necessary to cover the Center. *See* Attachments IV.G.-1 (Reston Hospital Center transfer agreement) and Attachment IV.G.-2 (Sentara transfer agreement).

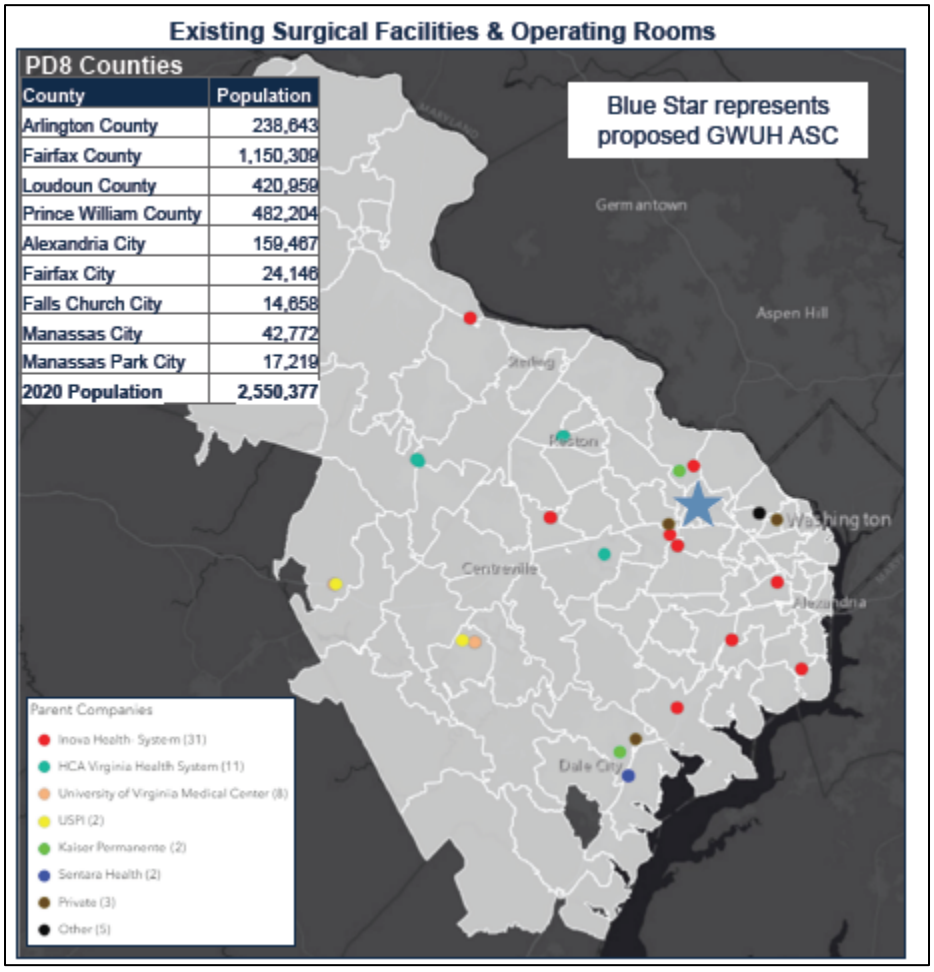
H. Attach copies of the following documents:

1. A map of the service area indicating:

a. Location of proposed project.

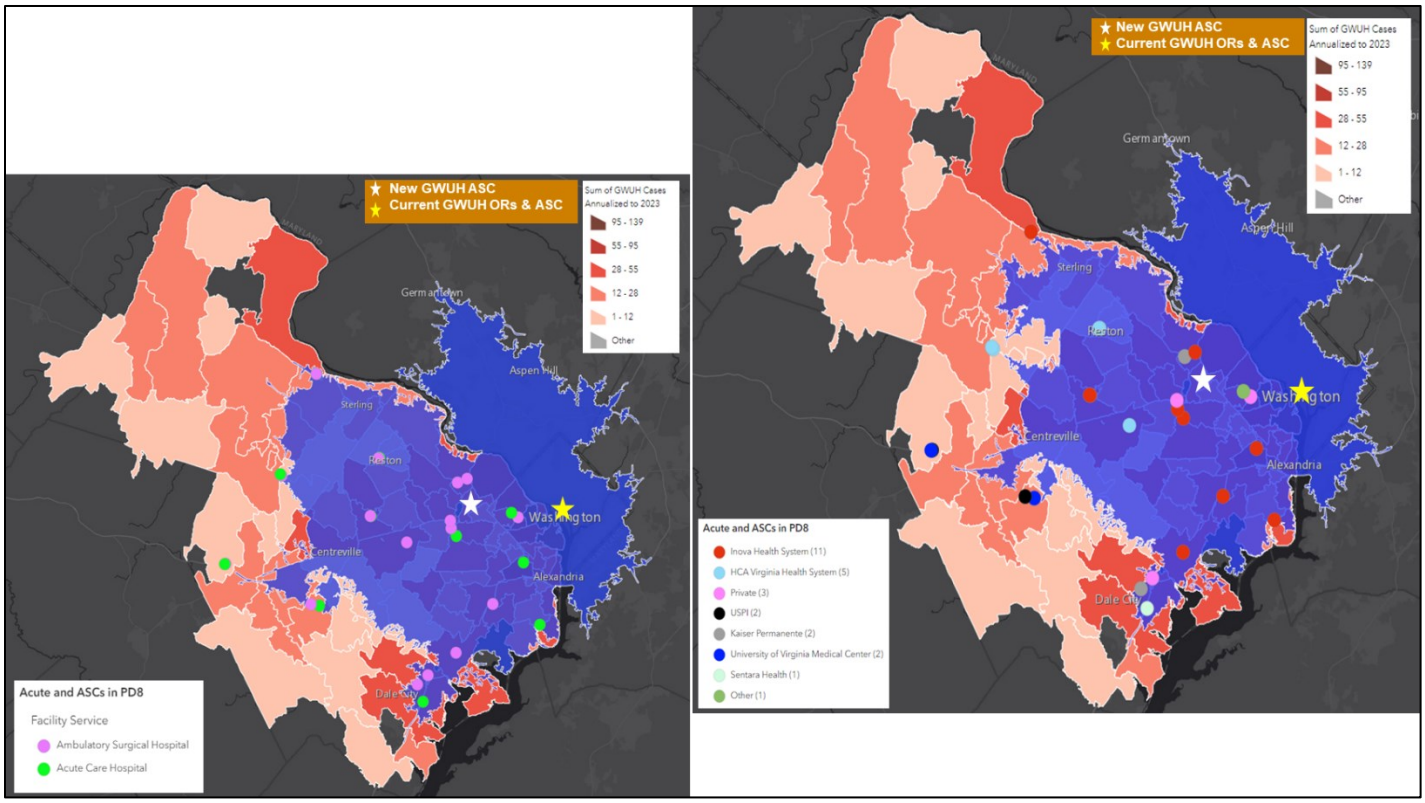
b. Location of other existing medical facilities (by name, type (hospital, nursing home, outpatient clinic, etc.) and number of beds in each inpatient facility).

The map below depicts the location of the new, proposed ASC in relation to the other surgical facilities in PD 8.



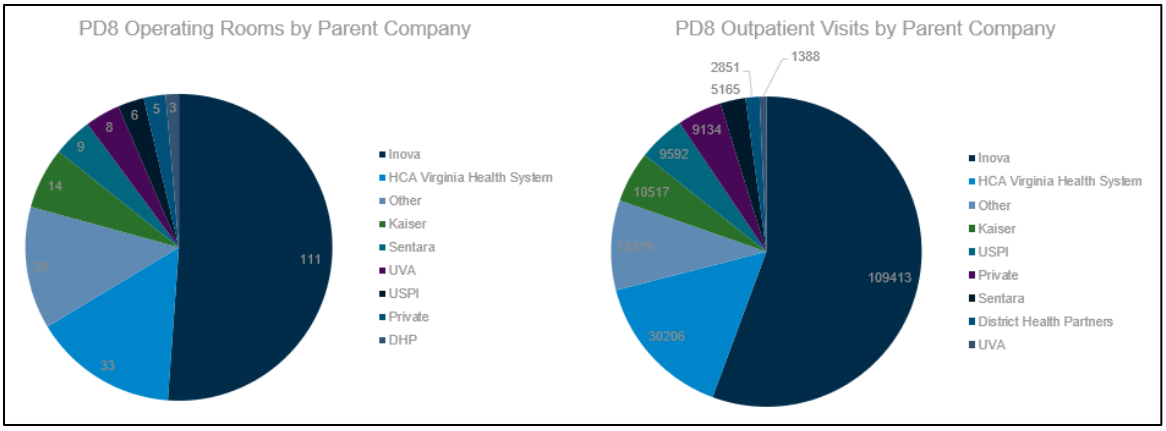
***See* Attachment III.A. at 28.**

Representation of GWUH current and proposed facilities, layering in existing patient density and neighboring facilities, is depicted in the map below:



***See* Attachment III.A. at 36.**

Facility Name	Address	City	State	Zip Code	Facility Type
Fairfax Surgical Center	10730 Main Street	Fairfax	VA	22030	Ambulatory Surgical Hospital
Haymarket Surgery Center	15195 Heathcote Blvd	Haymarket	VA	20169	Ambulatory Surgical Hospital
HealthQare Services ASC, LLC	1005 Glebe Road	Arlington	VA	22201	Ambulatory Surgical Hospital
Inova Alexandria Hospital	4320 Seminary Road	Alexandria	VA	22304	Acute Hospital
Inova Ambulatory Surgery Center at Lorton, LLC	9321 Sanger Street	Lorton	VA	22079	Ambulatory Surgical Hospital
Inova Fair Oaks Hospital	3600 Joseph Siewick Drive	Fairfax	VA	22033	Acute Hospital
Inova Fairfax Hospital	3300 Gallows Road	Falls Church	VA	22042	Acute Hospital
Inova Loudoun Ambulatory Surgery Center, LLC	44035 Riverside Parkway	Leesburg	VA	20176	Ambulatory Surgical Hospital
Inova Loudoun Hospital	44045 Riverside Parkway	Leesburg	VA	20176	Acute Hospital
Inova Mount Vernon Hospital	2501 Parker's Lane	Alexandria	VA	22306	Acute Hospital
Inova Surgery Center @ Franconia-Springfield	6355 Walker Lane	Alexandria	VA	22310	Ambulatory Surgical Hospital
Kaiser Permanente - Woodbridge Surgery Center (AKA Caton Hill Center)	13285 Minnieville Road	Woodbridge	VA	22192	Ambulatory Surgical Hospital
Kaiser Permanente Tysons Corner Surgery Center	8008 Westpark Drive	McLean	VA	22102	Ambulatory Surgical Hospital
Lake Ridge Ambulatory Surgery Center, LLC	12825 Minnieville Road	Woodbridge	VA	22192	Ambulatory Surgical Hospital
McLean Ambulatory Surgery Center, LLC	7601 Lewinsville Road	McLean	VA	22102	Ambulatory Surgical Hospital
Northern Virginia Eye Surgery Center, LLC	2710 Prosperity Avenue	Fairfax	VA	22031	Ambulatory Surgical Hospital
Northern Virginia Surgery Center	3620 Joseph Siewick Drive	Fairfax	VA	22033	Ambulatory Surgical Hospital
Pediatric Specialists of Virginia Ambulatory Surgery Center	3023 Hamaker Ct.	Fairfax	VA	22031	Ambulatory Surgical Hospital
Prince William Ambulatory Surgery Center	8644 Sudley Road	Manassas	VA	20110	Ambulatory Surgical Hospital
Reston Hospital Center	1850 Town Center Parkway	Reston	VA	20190	Acute Hospital
Reston Surgery Center	1860 Town Center Drive	Reston	VA	20190	Ambulatory Surgical Hospital
Sentara Northern Virginia Medical Center	2300 Opitz Boulevard	Woodbridge	VA	22191	Acute Hospital
Stone Springs Ambulatory Surgery Center	24570 Medical Dr	Dulles	VA	20166	Ambulatory Surgical Hospital
Stone Springs Hospital Center	24440 Stone Springs Blvd	Dulles	VA	20166	Acute Hospital
UVA Health Haymarket Medical Center	15225 Healthcote Blvd	Haymarket	VA	20169	Acute Hospital
UVA Health Prince William Medical Center	8700 Sudley Road	Manassas	VA	20110	Acute Hospital
Virginia Hospital Center	1701 N. George Mason Drive	Arlington	VA	22205	Acute Hospital



***See* Attachment III.A. at 56-57.**

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* Attachments IV.E.-1 (Letter of Support from Mayor), IV.E.-2 (Letter of Support from PrimeDoc), and IV.E.-3 (Letters of Support from Residents).**

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

   ***See* 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.

   Estimated Rates were based on actual average Medicare reimbursement rates utilized within other UHS ambulatory assets in the surrounding markets. We do not currently have contracted rates in Virginia, however we would not expect these rates

to vary significantly in what our contracted rates are at our other sites, as there is limited variation in rates amongst the UHS sites.

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

_____ Yes ___X___ No

If yes, specify program _____
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	$ 4,753,462.09
2.	Cost of labor	$ 3,802,769.67
3.	Equipment included in construction contract	$ 950,692.42
4.	Builder's overhead	$ 703,588.12
5.	Builder's profit	$ 271,317.89
6.	Allocation for contingencies	$ 861,512.27
7.	Sub-total (add lines 1 thru 6)	$ 11,343,342.46

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. ASC - FFE	$ 6,015,765.00
	b.	$
	c.	$
	d.	$
	e.	$

9.	Sub-total (add lines 8a thru 8e)	$ 6,015,765.00

Part III – Site Acquisition Costs

10.	Full purchase price	$ 0.00
11.	For sites with standing structures	$ 0.00
	a. purchase price allocable to structures	$ 0.00
	b. purchase price allocable to land	$ 0.00
12.	Closing costs	$ 0.00
13.	If leasehold, lease expense for the entire term of the initial lease	$ 10,249,935.00
14.	Additional expenses paid or accrued:	
	a. Operating Expense and Real Estate Taxes (Real estate taxes during estimated 8-month construction period excluded here, but included in Part VIII, Line 36)	$ 3,588,551.00
	b. _____	$
	c. _____	$
15.	Sub-total (add lines 10 thru 14c)	$ 13,838,486.00

Part IV – Site Preparation Costs

16.	Earth work	$ 0.00
17.	Site utilities	$ 0.00
18.	Roads and walks	$ 0.00
19.	Lawns and planting	$ 0.00
20.	Unusual site conditions:	
	a. _____	$ 0.00
	b. _____	$ 0.00

21.	Accessory structures	$ 0.00
22.	Demolition costs	$ 0.00
23.	Sub-total (add lines 16 thru 22)	$ 0.00

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

24.	_____	$ 0.00
25.	_____	$ 0.00
26.	_____	$ 0.00
27.	_____	$ 0.00
28.	Sub-total (add lines 24 thru 27)	$ 0.00

Part VI – Architectural and Engineering Fees

29.	Architect's design fee	$ 364,855.82
30.	Architect's supervision fee	$ 103,261.08
31.	Engineering fees	$ 110,145.15
32.	Consultant's fees	$ 110,145.15
33.	Sub-total (add lines 29 thru 32)	$ 688,407.21

Part VII – Other Consultant Fees (List each separately)

34.	a. Construction Testing	$ 61,697.70
	b. Commissioning	$ 56,088.82
	c. _____	$
35.	Sub-total (add lines 34a thru 34c)	$ 117,786.52

Part VIII – Taxes During Construction

36.	Property taxes during construction	$ 37,648.00
37.	List other taxes:	
	a. _____	$ 0.00

	b. _____	$ 0.00
38.	Sub-total (add lines 36 thru 37b)	$ 37,648.00

Part IX-A – HUD Section 232 Financing

39.	Estimated construction time(in months)	0.00
40.	Dollar amount of construction loan	$ 0.00
41.	Construction loan interest rate	0 %
42.	Estimated construction loan interest costs	$ 0.00
43.	Term of financing (in years)	0.00
44.	Interest rate on permanent loan	0 %
45.	FHA mortgage insurance premium	$ 0.00
46.	FHA mortgage fees	$ 0.00
47.	Financing fees	$ 0.00
48.	Placement fees	$ 0.00
49.	AMPO (non-profit only)	$ 0.00
50.	Title and recording fees	$ 0.00
51.	Legal fees	$ 0.00
52.	Total interest expense on permanent mortgage loan	$ 0.00
53.	Sub-total Part IX-A HUD Section 232 Financing (add lines 42, 45, 46, 47, 48, 49, 50 and 51)	$ 0.00

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)

Accumulated reserves of DHP and UHS.

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) 8

56. Dollar amount of construction loan $ 0.00

57. Construction loan interest rate 0 %

58. Estimated construction loan interest cost $ 0.00

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

_____

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

61. If the answer to question 60 is yes, how long before (in months)? Not applicable

62. Dollar amount of bonds expected to be sold prior to the beginning of construction $ 0.00

63. Will principal and interest be paid during construction or only interest? 0.00

64. Bond interest expense prior to the beginning of construction(in dollars) $ 0.00

65. How many months after construction begins will last bond be sold? 0.00

66. Bond interest expense during construction $ 0.00

67. What percent of total construction will be Financed from bond issue? $ 0.00

68. Expected bond interest rate 0 %

69. Anticipated term of bond issued (in years) 0.00

70. Anticipated bond discount (in dollars) 0.00

71. Legal costs $ 0.00

72. Printing costs $ 0.00

73. Placement fee $ 0.00

74. Feasibility study $ 0.00

75. Insurance $ 0.00

76. Title and recording fees $ 0.00

77. Other fees (list each separately)

a. _____ $ 0.00

b. _____ $ 0.00

c. _____ $ 0.00

78. Sinking fund reserve account (Debt Service Reserve) $ 0.00

79. Total bond interest expenses (in dollars) $ 0.00

80. Sub-total Part IX_B (add lines 58, 64, 66, 71, 72, 73, 74, 75, 76, 77a, b, c and 78) $ 0.00

Part IX_C – Conventional Mortgage Loan Financing

81. Estimated construction time (in months) 0.00

82. Dollar amount of construction loan $ 0.00

83. Construction loan interest rate 0 %

84. Estimated construction loan interest cost (in dollars) $ 0.00

85. Term of long term financing (in years) 0.00

86. Interest rate on long term loan 0 %

87. Anticipated mortgage discount (in dollars) $ 0.00

88. Feasibility study $ 0.00

89.	Finder's fee	$ 0.00
90.	Legal fees	$ 0.00
91.	Insurance	$ 0.00
92.	Other fees (list each separately)	
	_____	$ 0.00
93.	_____	$ 0.00
94.	Total permanent mortgage loan interest expense (in dollars)	$ 0.00
95.	Sub-total Part IX_C (add lines 84 & 88 thru 93)	$ 0.00

Financial Data Summary Sheet

96.	Sub-total Part I	Direct Construction Cost (line 7)	$ 11,343,342.46
97.	Sub-total Part II	Equipment not included in construction contract (line 9)	$ 6,015,765.00
98.	Sub-total Part III	Site Acquisition Costs (line 15)	$ 13,838,486.00
99.	Sub-total Part IV	Site Preparation Cost (line 23)	$ 0.00
100.	Sub-total Part V	Off-Site Costs (line 28)	$ 0.00
101.	Sub-total Part VI	Architectural and Engineering fees (line 33)	$ 688,407.21
102.	Sub-total Part VII	Other Consultant fees (line 35)	$ 117,786.52
103.	Sub-total Part VIII	Taxes During Construction (line 38)	$ 37,648.00
104.	Sub-total Part IX-A	HUD-232 Financing (line 53)	$ 0.00
105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	$ 0.00
106.	Sub-total Part IX-C	Conventional Loan Financing	

(line 95) $ 0.00

107. TOTAL CAPITAL COST (lines 96 thru 106) $ 32,041,435.19

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) $_____

D. 1. Estimated costs for new construction (excluding site acquisition costs) $_____

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

E. Anticipated Sources of Funds for Proposed Project Amount

1. Public Campaign $_____

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	$ 32,041,435.19
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 funded entirely through the accumulated reserves of DHP and UHS.

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.

As the project will be funded entirely through accumulated reserves and will not involve any debt obligations, the proposed capital expenditure will have no impact on the cost of providing care in the facility.

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.

1. 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.

   ***See* Attachments V.H.2-1 (2021 UHS Annual Report) and V.H.2-2 (2022 UHS Annual Report).**

2. 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* Attachment V.H.3 (Pro Forma).**

SECTION VI **ASSURANCES**

I hereby assure and certify that:

a. The work on the proposed project will be initiated within the period of time set forth in the Certificate of Public Need; and

b. completion of the proposed project will be pursued with diligence; and

c. the proposed project will be constructed, operated and maintained in full compliance with all applicable local, State and Federal laws, rules, regulations and ordinances.

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

Signature of Authorizing Officer

Kimberly Russo
Type/Print Name of Authorizing Officer

CEO, GW Hospital
Title of Authorizing Officer

202-715-4016
Telephone

The George Washington University Hospital
Address – Line1

900 23rd Street NW
Address – Line 2

Washington, DC 20037
City/State/Zip

January 30, 2024
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.

Attachment V.H.3

West Falls - ASC Pro-forma

Volume and Rate Assumptions:

Volumes were derived from a surgeries to visits ratio based on internal physician benchmark data for all specialists. OP surgical cases volume, capture rate, procedure mix and payor mix were determined using an analysis of OP Surgical Services of like facilities in the surrounding areas. We applied the CMS Fee schedule for ASC rates to the expected procedures to establish baseline rates. We analyzed the reimbursement relationship of various payor groups and for OP Services at the aforementioned like facilities to establish inflator rates by payor group. Expenses were calculated utilizing the expected cost structure of like facilities in the surrounding area, with the lease expense based on the square footage of the ASC space. Lastly, we assumed the annual reimbursement and inflation factors to be in-line with historical reimbursement and inflation rates from our internal benchmark data.

	Year 1	Year 2	Year 3	Year 4	Year 5
Surgeries	680	2,196	3,561	4,939	6,239
Gross Revenue	12,025	42,718	76,197	116,251	161,535
Contractual Allowance	(10,522)	(37,715)	(67,836)	(104,297)	(145,966)
Net Revenue	**1,503**	**5,002**	**8,362**	**11,955**	**15,569**
Bad Debt	(15)	(50)	(84)	(120)	(156)
Net Patient Revenue	**1,488**	**4,952**	**8,278**	**11,835**	**15,413**
Salaries	790	1,158	1,401	1,782	2,130
Registry					
Benefits	174	255	308	392	469
Supplies	476	1,599	2,696	3,889	5,109
Physician Expenses	126	421	704	1,006	1,310
Purchased Services	30	99	166	237	308
Lease	779	797	816	836	855
Maintenance		100	103	109	119
Other	30	99	166	237	308
Total Operating Costs	**2,405**	**4,528**	**6,359**	**8,487**	**10,610**