

**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 – 102.11 OF**

**THE CODE OF VIRGINIA OF 1950, AS AMENDED)**

---

<b>HOSPITALS</b>
------------------

**Inova Health Care Services d/b/a Inova Fair Oaks Hospital**

**Add 2 General Purpose Operating Rooms**

**January 29, 2024**

## SECTION I FACILITY ORGANIZATION AND IDENTIFICATION

### A. Inova Fair Oaks Hospital

Official Name of Facility

3600 Joseph Siewick Drive

Address

<u>Fairfax</u>	<u>VA</u>	<u>22033</u>
City	State	Zip

703-391-3600

Telephone

### B. Inova Health Care Services d/b/a Inova Fair Oaks Hospital

Legal Name of Applicant

8095 Innovation Park Drive

Address

<u>Fairfax</u>	<u>VA</u>	<u>22031</u>
City	State	Zip

### C. Chief Administrative Officer

Raj Chand, President, Inova Fair Oaks Hospital

Name

3600 Joseph Siewick Drive

Address

<u>Fairfax</u>	<u>VA</u>	<u>22033</u>
City	State	Zip

703-391-3600

Telephone

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

Jessica Parker, Senior Director, Strategy and Planning, Inova Health System

Name

8095 Innovation Park Drive

Address

<u>Fairfax</u>	<u>Virginia</u>	<u>22031</u>
----------------	-----------------	--------------

<b>City</b>	<b>State</b>	<b>Zip</b>
<b><u>703-517-9320</u></b>	<b><u>N/A</u></b>	<b><u>Jessica.Parker@inova.org</u></b>
Telephone	Facsimile	E-mail

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

Will the facility be operated by the owner? Yes **X** No \_\_\_\_\_

Owner of the Facility (Check one)	Proprietary	Operator of Facility (Check one)
--------------------------------------	-------------	-------------------------------------

(1) _____	(1) Individual	(1) _____
-----------	----------------	-----------

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

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

(4) _____	(4) Other _____ Identify	(4) _____
-----------	--------------------------	-----------

**Non-Profit**

(5) <u><b>X</b></u>	(5) Corporation-attach copy of Articles of Incorporation and Certificate of Incorporation	(5) <u><b>X</b></u>
---------------------	---	---------------------

**Please see Attachment A.**

(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) \_\_\_\_\_

(12) \_\_\_\_\_ (12) Other \_\_\_\_\_ Identify (12) \_\_\_\_\_

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

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

**Please see Attachment B.**

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.

**Inova Fair Oaks Hospital (“IFOH”) is owned by Inova Health Care Services, a 501(c)(3) Virginia nonstock corporation. The sole member of Inova Health Care Services is the Inova Health System Foundation, which is also a 501(c)(3) Virginia nonstock corporation. The corporate address for Inova Health Care Services is as follows:**

**Inova Health Care Services  
 8095 Innovation Park Dr.  
 Fairfax, Virginia 22031**

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

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

**Not applicable.**

(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

**Please see Attachment C for the names of the Inova Health Care Services Board members. Please direct any questions to Board members at the following address:**

**c/o Nena Jaspers**

**8095 Innovation Park Drive  
Fairfax, VA 22031**

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

**The Inova Health Care Services Board is charged with governance of all Inova hospitals.**

**The names and officers are attached in Attachment C.**

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

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

- (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.

**Not applicable.**

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

**Not applicable.**

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

**Please see Attachment D for a comprehensive corporate organizational chart for the Inova Health System.**

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

**Inova Health System Foundation d/b/a Inova Health System.**

- 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: 61.82 acres
2. Located in **Fairfax County / Planning District (“PD”) 8**  
City/County/Planning District
3. Address or directions **3600 Joseph Siewick Drive, Fairfax, VA, 22033**
4. Has site been zoned for type of use proposed:  
  
☒ Yes (attach copy of zoning or use permit) **See Attachment E.**  
☐ No  
 If no, explain status \_\_\_\_\_

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

- (1) \_\_\_\_\_ New construction
- (2) \_\_\_\_\_ Remodeling/modernization of an existing facility
- (3) \_\_\_\_\_ No construction or remodeling/modernization
- (4) ☒ Other **Addition of two general purpose operating rooms (“GPORs”)**

### C. Design of the facility

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

**Long range planning is guided by the mission, vision, and values of Inova Health System, set forth in Attachment F.**

**Inova Health System’s mission is:**

**To provide world-class healthcare – every time, every touch – to each person in every community we have the privilege to serve.**

**Our Vision is:**

**To be among the leading health systems in the nation.**

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

**The proposed project involves the addition of two (2) GPORs at IFOH. IFOH is currently authorized for twelve (12) GPORs. The proposed project would increase the facility's COPN-authorized GPORs to fourteen (14) GPORs.**

**The proposed GPORs will be established through renovation of two (2) existing procedure rooms within the existing surgery department (the Surgical Suite).**

**Please see Attachment G for the location of the existing twelve (12) GPORs and the proposed two (2) GPORs.**

**This project is consistent with the Inova Health System mission and vision identified above. This project furthers Inova's commitment to excellence in patient care by improving access to surgical services to the IFOH patient population.**

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

**The IFOH campus is conveniently located with respect to public transportation. Situated approximately two miles from the Route 50 – Route 66 interchange, the facility is easily accessible via the Fairfax County Parkway. The Fairfax County Department of Transportation augments public transportation near the IFOH campus through the Fairfax Connector bus service, promoting ready access to commuters throughout Northern Virginia.**

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

**The site conforms to all current applicable land development ordinances, regulations, and standards. The site is already well-served by ample parking adjacent to the building, water, sewer, and waste services. No zoning changes are required for this project.**

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

**Not applicable.**

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



**The proposed project involves the renovation of existing space rather than new construction. Existing space within the existing Surgical Suite will be renovated and re-purposed for two (2) new GPORs. The renovation will include a new energy efficient air handling unit, new lighting, new low VOC materials, and new hand washing stations.**

- 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:

**All major utilities, including water, sewer, solid waste, power, and HVAC capacity are provided and in use on-site. The proposed project will not have a material impact on utility usage and no modifications to the existing utilities are required to accomplish the proposed addition of two (2) GPORs. Please see Attachment H for copies of recent utility bills at Inova Fair Oaks Hospital.**

- (1) Letters from appropriate governmental agencies verifying the availability and adequacy of utilities,
  - (2) National Pollution Discharge Elimination System permits,
  - (3) Septic tank permits, or
  - (4) Receipts for water and sewer connection and sewer connection fees.
- 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).
  2. If Item #2 was checked in II-B, specify:
    - a. The total number of square feet (both gross and net) by department and each type of patient room in the existing facility.
    - b. The total number of square feet (both gross and net) to be added to the facility.
    - c. The total number square feet (both gross and net) to be remodeled, modernized or converted to another use.

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

**Please see Attachment I.**

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

**The Facility Guidelines Institute for Healthcare Facilities 2022 was utilized in the design criteria for the proposed additional GPORs.**

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

1. The courses and distances of the property line.
2. Dimensions and location of any buildings, structures, roads, parking areas, walkways, easements, right-of-way or encroachments on the site.

**Please see Attachment J.**

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

**Please see Attachment K.**

- H. Construction Time Estimates

1. Date of Drawings: Preliminary 12/13/2023 Final 7/30/2024
2. Date of Construction: Begin 12/1/2024 Completion 5/1/2025
3. Target Date of Opening: 6/1/2025

## SECTION III

## SERVICE DATA

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

**Inova Fair Oaks Hospital is a 174-bed community hospital serving the growing suburbs in western Fairfax, western Prince William, and eastern Loudoun counties. IFOH has numerous award-winning clinical programs in addition to being named one of the nation's 100 Top Hospitals® by Truven Health Analytics, part of IBM Watson Health™. IFOH has also been recognized by the American College of Surgeons (ACS) for its commitment to ensuring that all patients receive optimal surgical care, through their Quality Verification Program (QVP), Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP), Commission on Cancer (CoC), and the National Accreditation Program for Breast Centers (NAPBC).**

**IFOH presently maintains a complement of twelve (12) heavily utilized GPORs. In 2022, the most recent year for which surgical utilization data is publicly available from VHI, IFOH's twelve (12) GPORs operated at 130% of the State Medical Facilities Plan ("SMFP") standard (an average of 1,600 hours per GPOR). The GPORs were even busier in 2023, with preliminary data for the year reflecting utilization at 142% of the SMFP standard. To ensure timely access to surgical services for its patient population, IFOH seeks COPN approval for two (2) additional GPORs.**

		2022	2023 (internal preliminary data)
<b>Total # of ORs</b>		12	12
<b>Total Surgical Procedures</b>	<b>IP</b>	2,737	3,025
	<b>OP</b>	8,389	9,724
	<b>Total</b>	<b>11,126</b>	<b>12,749</b>
<b>Total Hours</b>	<b>IP</b>	7,368	8,228
	<b>OP</b>	17,542	19,118
	<b>Total</b>	<b>24,910</b>	<b>27,436</b>
<b>Available Hours</b>		19,200	19,200
<b>% of SMFP</b>		130%	142%
<b>GPOR Deficit</b>		<b>3.6</b>	<b>5.1</b>

**In order to accommodate two (2) additional GPORs within the existing surgical suite, this project proposes to renovate and re-purpose existing procedure rooms and adjacent support space. The procedural cases currently taking place in the two (2) procedure rooms will transition to other existing ambulatory space within the hospital or other Inova-affiliated facilities. The**

existing support space will be able to absorb the surgical volume associated with these two (2) additional GPORs.

Increasing the complement of GPORs by two (2) will enable IFOH to decompress its existing twelve (12) heavily utilized GPORs.

- B. Specify the historical and projected utilization of the facility using the following format:

Past Three Years (2023 is not available)			Projected Two Years Following Completion	
2020	2021	2022	2026	2027

1. Inpatient Data

Total Licensed Beds	174	174	174	174	174
Total Patient Days	33,921	35,894	37,058	38,964	39,456
Total Occupancy %	53%	57%	58%	61%	62%
Total Discharges	9,729	10,398	10,772	11,326	11,469
Average Length of Stay	3.5	3.5	3.4	3.4	3.4

2. By major Inpatient Services

**a. Medical/Surgical**

Beds	118	127	127	127	127
Patient Days	25,012	25,029	26,546	27,911	28,264
Occupancy %	58%	54%	57%	60%	61%
Discharges	6,652	6,490	6,804	7,154	7,244
Average Length of Stay	3.8	3.9	3.9	3.9	3.9

**c. Obstetric**

Beds	44	35	35	35	35
Patient Days	5,616	7,561	7,286	7,661	7,757
Occupancy %	35%	59%	57%	60%	61%
Discharges	2,815	3,696	3,703	3,893	3,943
Average Length of Stay	2.0	2.0	2.0	2.0	2.0

**f. ICU (Adult)**

Beds	12	12	12	12	12
Patient Days	3,293	3,304	3,226	3,392	3,435
Occupancy %	75%	75%	74%	77%	78%
Discharges	262	212	265	279	282
Average Length of Stay	12.6	15.6	12.2	12.2	12.2

**Patient discharges are expected to grow at a 1.26% per year, consistent with the rate of population growth of Planning District 8. Average length of stay by service is projected to remain unchanged from 2022.**

- C. State assumptions and show methodology used to calculate projections for two years following completion of the proposed project.

The table below illustrates the historical and projected utilization of IFOH's GPORs.

Actual			Projections	
2021	2022	2023 (internal preliminary data)	Year 1 2026	Year 2 2027

**Surgical Procedures**

Inpatient	2,399	2,737	3,025	3,141	3,180
Outpatient	8,159	8,389	9,724	10,096	10,223
<b>Total</b>	<b>10,558</b>	<b>11,126</b>	<b>12,749</b>	<b>13,237</b>	<b>13,404</b>

**Surgical Hours**

Inpatient	6,533	7,368	8,228	8,543	8,651
Outpatient	17,305	17,542	19,118	19,850	20,100
<b>Total</b>	<b>23,838</b>	<b>24,910</b>	<b>27,346</b>	<b>28,393</b>	<b>28,751</b>

<b>Approved GPORs</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
-----------------------	-----------	-----------	-----------	-----------	-----------

<b>% of SMFP</b>	<b>124%</b>	<b>130%</b>	<b>142%</b>	<b>148%</b>	<b>150%</b>
------------------	-------------	-------------	-------------	-------------	-------------

<b>GPOR Deficit/Surplus</b>	<b>2.9</b>	<b>3.6</b>	<b>5.1</b>	<b>5.7</b>	<b>6.0</b>
-----------------------------	------------	------------	------------	------------	------------

IFOH's surgical cases are projected to increase 1.26% per year, consistent with the rate of population growth in Planning District 8. Hours per case are projected to remain unchanged, constant with 2023 actual hours per case.

The table below shows the projected population growth in Planning District 8 between 2022 and 2030.

**Planning District 8 Population Projections**

County / City	2022	2030	2022-2030	CAGR
Alexandria City	158,128	176,403	18,275	1.38%
Arlington County	241,283	265,794	24,511	1.22%
Fairfax City	24,003	25,358	1,355	0.69%
Fairfax County	1,139,755	1,201,420	61,665	0.66%
Falls Church City	14,566	16,741	2,175	1.75%
Loudoun County	431,006	522,016	91,010	2.42%
Manassas City	42,626	47,039	4,413	1.24%
Manassas Park City	17,277	19,876	2,599	1.77%
Prince William County	490,325	554,344	64,019	1.55%
<b>Total</b>	<b>2,558,969</b>	<b>2,828,991</b>	<b>270,022</b>	<b>1.26%</b>

*Source: Weldon Cooper, 2022 estimates published on 1/30/2023; 2030 projections produced by the Demographics Research Group of the Weldon Cooper Center for Public Services, July 2022*

## D. Existing and/or Proposed Bed Complement

**IFOH's total bed complement will not be impacted by this project.**

## 1. Hospitals

	<b>Distribution of Existing Licensed Beds</b>	<b>Total Beds to be Built, Remodeled</b>	<b>Total Beds to be Lost or Removed from Service</b>	<b>Total Beds After Construction</b>
Adult Medical/Surgical	127	0	0	127
Adult Critical Care	12	0	0	12
Obstetric	35	0	0	35
Pediatric	0	0	0	0
Psychiatric Adult	0	0	0	0
<b>Total Beds</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>174</b>
Neonatal Intensive Care	19	0	0	19
Other Newborn Bassinets	32	0	0	32

## 2. Nursing Home

N/A

## 3. Bed Assignment

	<b>Distribution of Existing Licensed Beds</b>	<b>Total Beds to be Built, Remodeled</b>	<b>Total Beds to be Lost or Removed from Service</b>	<b>Total Beds After Construction</b>
One Bed Rooms	174	0	0	174
Two Bed Rooms	0	0	0	0
Three Bed Rooms	0	0	0	0
Four Bed Rooms	0	0	0	0
Other (Specify)	0	0	0	0
<b>TOTAL</b>	<b>174</b>			<b>174</b>

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

<b><i>Inova Fair Oaks Hospital</i></b>		This Project to be Added	This Project to be Discontinued	This Project to be Expanded or Renovated
1. Post-Operative Recovery Room	<b>X</b>			
2. Intensive Care Unit				

<i><b>Inova Fair Oaks Hospital</b></i>	Existing	This Project to be Added	This Project to be Discontinued	This Project to be Expanded or Renovated
Cardiac				
3. Open Heart Surgery Facilities				
4. Pharmacy with full-time pharmacists	<b>X</b>			
with part-time pharmacists				
5. Diagnostic Radiological Services x-ray	<b>X</b>			
ultrasonography	<b>X</b>			
Radioisotope	<b>X</b>			
CT scanning	<b>X</b>			
MRI scanning	<b>X</b>			
6. Therapeutic Radiological Services Brachytherapy	<b>X</b>			
Specify Source(s) Used				
teletherapy				
Specify Source(s) or Type(s) of Equipment Used				
7. Clinical Pathology Laboratory	<b>X</b>			
8. Organ Bank				
9. Blood Bank	<b>X</b>			
10. Electroencephalography	<b>X</b>			
11. Electrocardiography	<b>X</b>			
12. Respiratory Therapy	<b>X</b>			
13. Premature Nursery	<b>X</b>			
14. Self-Care Unit				
15. Skilled Nursing or Long-Term Nursing				
16. Renal Dialysis Acute				
Chronic				
Inpatient				
Outpatient				
home dialysis training				
17. Burn Care Unit				
18. Physical Therapy Department	<b>X</b>			
19. Occupational Therapy	<b>X</b>			
20. Medical Rehabilitation Inpatient				

<b><i>Inova Fair Oaks Hospital</i></b>		This Project to be Added	This Project to be Discontinued	This Project to be Expanded or Renovated
Outpatient				
21. Tuberculosis Unit				
22. Psychiatric Services Inpatient				
Outpatient				
partial hospitalization program				
emergency services	<b>X</b>			
foster and/or home care				
Consultation				
23. Clinical Psychology				
24. Organized Outpatient Department				
25. Outpatient Surgery	<b>X</b>			
26. Social Work Department	<b>X</b>			
27. Family Planning Service				
28. Genetic Counseling Service				
29. Abortion Services inpatient	<b>X</b>			
Outpatient				
30. Pediatric Department				
31. Obstetric Unit	<b>X</b>			
32. Alcoholic & Detoxification Department	<b>X</b>			
33. Home Care Department				
34. Speech Pathology Services	<b>X</b>			
35. Audiology Services				
36. Hospital Auxiliary	<b>X</b>			
37. Volunteer Service Department	<b>X</b>			
38. Paramedical Training Program				
39. Emergency Department	<b>X</b>			
40. Dental Services (oral surgery)	<b>X</b>			
41. Podiatric Services	<b>X</b>			
42. Pre-Admission Testing	<b>X</b>			
43. Pre-Discharge Planning	<b>X</b>			
44. Multiphasic Screening				
45. Other (Identify) Surgical Services	<b>X</b>			<b>X</b>



- F. Staffing of Existing and/or Proposed Facility  
In the following categories, indicate the number of full time equivalent personnel (at least 35 hours per week).

**The staffing reflected in the table below includes the staffing of the existing twelve (12) GPORs at IFOH plus the existing two (2) procedure rooms. The staff supporting the procedures in the two (2) existing procedure rooms will be transitioned to support the two (2) proposed GPORs. IFOH will not need to hire any additional staff for this project.**

	Current		Additional	NEEDED
	Full Time	Vacant Positions	Full Time	Total
<u>Total number of Full-time staff</u>	<u>152</u>	<u>9</u>	<u>0</u>	<u>161</u>
Registered Nurses (OR RN)	<u>44</u>	<u>0</u>	<u>0</u>	<u>44</u>
Surgical Tech	<u>21</u>	<u>4</u>	<u>0</u>	<u>25</u>
Orderlies (OR aides and Equipment Tech)	<u>11</u>	<u>0</u>	<u>0</u>	<u>11</u>
Sterile Processing Techs	<u>35</u>	<u>5</u>	<u>0</u>	<u>40</u>
PeriAnesthesia RNs	<u>34</u>	<u>0</u>	<u>0</u>	<u>34</u>
PeriAnesthesia Techs	<u>7</u>	<u>0</u>	<u>0</u>	<u>7</u>

- G. 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.

**The addition of the two (2) GPORs does not require additional staffing.**

**As a matter of course, IFOH benefits from Inova Health System's organized efforts for obtaining personnel, which include:**

- **Recruiting initiatives targeted at labor pools which have historically been underutilized in the health care industry (e.g., minorities, seniors, retired military personnel, etc.), and in geographic areas well outside Northern Virginia, expanding the pool of available workers, without draining resources from other facilities.**
- **Initiatives to bolster the size and quality of the health services labor pool in Northern Virginia over the long-term by promoting health care career paths among area youth, benefitting all area health care**

**providers with a vibrant and enthusiastic labor pool.**

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

**The addition of the two (2) GPORs does not require additional staffing.**

**The staffing requirements for the additional GPORs are not expected to have an impact on the staffing of the other facilities in the service area.**

- I. Attach the following information or documents

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

**Please see Attachment L.**

2. Existing Facilities- Attach copy(ies) of letter of endorsement from the medical staff organization indicating the medical need for the proposed project.

**Please see Attachment M.**

3. Copy of most recent licensing report from State Agency (existing facilities).

**Please see Attachment N for a copy of IFOH's most recent hospital licensing report from the Virginia Department of Health.**

4. Current accreditation status and copy of the latest accreditation report from the Joint Commission on Accreditation of Hospitals (existing facilities).

**Please see Attachment O.**

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

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

**Inova Fair Oaks Hospital is a 174-bed community hospital serving the growing suburbs in western Fairfax, western Prince William, and eastern Loudoun counties. IFOH has numerous award-winning clinical programs in addition to being named one of the nation's 100 Top Hospitals® by Truven Health Analytics, part of IBM Watson Health™. IFOH has also been recognized by the American College of Surgeons (ACS) for its commitment to ensuring that all patients receive optimal surgical care, through their Quality Verification Program (QVP), Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP), Commission on Cancer (CoC), and the National Accreditation Program for Breast Centers (NAPBC).**

**IFOH presently maintains a complement of twelve (12) heavily utilized GPORs. In 2022, the most recent year for which surgical utilization data is publicly available from VHI, IFOH's twelve (12) GPORs operated at 130% of the SMFP standard (an average of 1,600 hours per GPOR). The GPORs were even busier in 2023, with preliminary data for the year reflecting utilization at 142% of the SMFP standard. To ensure timely access to surgical services for its patient population, IFOH seeks COPN approval for two (2) additional GPORs.**

		2022	2023 (internal preliminary data)
<b>Total # of ORs</b>		12	12
<b>Total Surgical Procedures</b>	<b>IP</b>	2,737	3,025
	<b>OP</b>	8,389	9,724
	<b>Total</b>	<b>11,126</b>	<b>12,749</b>
<b>Total Hours</b>	<b>IP</b>	7,368	8,228
	<b>OP</b>	17,542	19,118
	<b>Total</b>	<b>24,910</b>	<b>27,436</b>
<b>Available Hours</b>		19,200	19,200
<b>% of SMFP</b>		130%	142%
<b>GPOR Deficit</b>		<b>3.6</b>	<b>5.1</b>

**In order to accommodate two (2) additional GPORs within the existing surgical suite, this project proposes to renovate and re-purpose existing procedure rooms and adjacent support space. The procedural cases currently taking place in the two (2) procedure rooms will transition to other existing ambulatory space within the hospital or other Inova-affiliated facilities. The existing support space will be able to absorb the surgical volume associated with these two (2) additional GPORs.**

**Increasing the complement of GPORs by two (2) will enable IFOH to decompress its existing twelve (12) heavily utilized GPORs.**

**B. Identification of Community Need**

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

**Please see Attachment P for a map of IFOH's 2022 primary service area (PSA) for surgical services. In 2022, IFOH's surgical services PSA was comprised of the zip codes set forth below.**

Zip Code	City	County	State	Cases	% of Total	Cumulative %
22030	Fairfax	Fairfax City	VA	522	4.7%	4.7%
20120	Centreville	Fairfax County	VA	464	4.2%	8.9%
22033	Fairfax	Fairfax County	VA	458	4.1%	13.0%
20171	Herndon	Fairfax County	VA	329	3.0%	15.9%
20121	Centreville	Fairfax County	VA	291	2.6%	18.6%
20151	Chantilly	Fairfax County	VA	259	2.3%	20.9%
22015	Burke	Fairfax County	VA	243	2.2%	23.1%
20110	Manassas	Manassas City	VA	223	2.0%	25.1%
20155	Gainesville	Prince William County	VA	211	1.9%	27.0%
20111	Manassas	Prince William County	VA	206	1.9%	28.8%
22193	Woodbridge	Prince William County	VA	200	1.8%	30.6%
20152	Chantilly	Loudoun County	VA	200	1.8%	32.4%
22003	Annandale	Fairfax County	VA	199	1.8%	34.2%
20148	Ashburn	Loudoun County	VA	190	1.7%	35.9%
20109	Manassas	Prince William County	VA	187	1.7%	37.6%
22191	Woodbridge	Prince William County	VA	184	1.6%	39.2%
22192	Woodbridge	Prince William County	VA	181	1.6%	40.9%
22032	Fairfax	Fairfax County	VA	179	1.6%	42.5%
20147	Ashburn	Loudoun County	VA	179	1.6%	44.1%
20124	Clifton	Fairfax County	VA	174	1.6%	45.6%
20191	Reston	Fairfax County	VA	170	1.5%	47.2%
20169	Haymarket	Prince William County	VA	167	1.5%	48.7%
20105	Aldie	Loudoun County	VA	161	1.4%	50.1%
22031	Fairfax	Fairfax County	VA	153	1.4%	51.5%
20170	Herndon	Fairfax County	VA	153	1.4%	52.9%
22124	Oakton	Fairfax County	VA	149	1.3%	54.2%
20136	Bristow	Prince William County	VA	144	1.3%	55.5%
20164	Sterling	Loudoun County	VA	138	1.2%	56.8%
22039	Fairfax Station	Fairfax County	VA	127	1.1%	57.9%
20112	Manassas	Prince William County	VA	125	1.1%	59.0%
22153	Springfield	Fairfax County	VA	123	1.1%	60.1%
20176	Leesburg	Loudoun County	VA	123	1.1%	61.2%
22180	Vienna	Fairfax County	VA	116	1.0%	62.3%
20165	Sterling	Loudoun County	VA	114	1.0%	63.3%
22152	Springfield	Fairfax County	VA	112	1.0%	64.3%
20187	Warrenton	Fauquier County	VA	106	0.9%	65.2%
22182	Vienna	Fairfax County	VA	101	0.9%	66.2%
22042	Falls Church	Fairfax County	VA	97	0.9%	67.0%
20190	Reston	Fairfax County	VA	87	0.8%	67.8%
22079	Lorton	Fairfax County	VA	86	0.8%	68.6%
22181	Vienna	Fairfax County	VA	79	0.7%	69.3%
22554	Stafford	Stafford County	VA	73	0.7%	69.9%
22150	Springfield	Fairfax County	VA	72	0.6%	70.6%
22315	Alexandria	Fairfax County	VA	71	0.6%	71.2%
22304	Alexandria	Alexandria City	VA	71	0.6%	71.9%
20175	Leesburg	Loudoun County	VA	71	0.6%	72.5%
22101	Mc Lean	Fairfax County	VA	71	0.6%	73.2%
22204	Arlington	Arlington County	VA	70	0.6%	73.8%
22043	Falls Church	Fairfax County	VA	69	0.6%	74.4%
22066	Great Falls	Fairfax County	VA	69	0.6%	75.0%

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

**Please see Attachment Q for a listing of IFOH's 2022 surgical patients by zip code.**

- C.
  1. Is (are) the services(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)

	Facility Name	Authorized GPORs
1	Inova Alexandria Hospital	11
2	Inova Fair Oaks Hospital	12
3	Inova Fairfax Hospital	47
4	Inova Loudoun Hospital	10
5	Inova Mount Vernon Hospital	7
6	UVA Health Haymarket Medical Center	4
7	UVA Health Prince William Medical Center	4
8	Reston Hospital Center (HCA)	15
9	Sentara Northern Virginia Medical Center	9
10	Stone Spring Medical Center (HCA)	6
11	Virginia Hospital Center	14
<b>Total Hospital GPORs</b>		<b>139</b>
12	Fairfax Surgical Center	6
13	Haymarket Surgery Center	2
14	HealthQare Services ASC, LLC	2
15	Inova Ambulatory Surgery Center at Lorton	2
16	Inova Loudoun Ambulatory Surgery Center	5
17	Inova Surgery Center at Franconia-Springfield	5
18	Kaiser - Tysons ASC	7
19	Kaiser - Woodbridge ASC	4
20	Lake Ridge Ambulatory Surgery Center	1
21	McLean Ambulatory Surgery, LLC	3
22	Northern VA Eye Center	2
23	Northern Virginia Surgery Center	4
24	Pediatric Specialists of Virginia	2
25	Prince William Ambulatory Surgery Center	4
26	Reston Surgery Center	6
27	StoneSprings Surgery Center	2
29	VHC Edison LLC (Ortho VA JV)*	4
30	Inova Oakville Ambulatory Surgery Center	3
<b>Total ASC GPORs</b>		<b>64</b>
<b>Total Operating and Reporting GPORs - PD8</b>		<b>203</b>

\* Did not submit EPICS report in 2022

Sources: 2021 VHI EPICs report, Inova Health System internal record keeping and HSANV Records. Note: Inova Health System calculates 203 COPN-authorized GPORs in PD 8, whereas DCOPN identifies 204 COPN-authorized GPORs in its Inventory of Equipment and Services dated April 15th, 2022. The discrepancy is attributable to two factors. First, DCOPN's Inventory of Equipment and Services lists 17 GPORs at Reston Hospital Center rather than 15 GPORs (consistent with HSANV records and Inova Health System's internal record keeping). Second, DCOPN's Inventory of Equipment does not include 1 additional GPOR authorized at McLean Ambulatory Surgery Center on June 12, 2023.

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

**In 2022 (the most recent year for which surgical utilization data is publicly available), the 203 COPN-authorized GPORs in PD 8 experienced an average utilization of 90% of the SMFP standard of 1,600 hours per GPOR.**

**COPN Request No. VA-8746, however, is proposed based on an institutional-specific need for additional GPOR capacity at IFOH. In 2022, IFOH's twelve (12) GPORs operated at 130% of the SMFP utilization standard. Utilization in 2023 was similarly high, with preliminary 2023 utilization data reflecting that the twelve (12) GPORs operated at 142% of the SMFP standard.**

**The addition of two (2) GPORs at IFOH will enable the hospital to decompress utilization of its existing twelve (12) GPORs and ensure timely access to its surgical services for its patient population now and in the future.**

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

**Population data published by the Weldon Cooper Center for Public Service on January 30, 2023, project 10.6% growth between 2022 and 2030 for PD 8, or a compound annual growth rate of 1.26% per year.**

**As the population continues to grow in Northern Virginia, the demand for surgical services will continue to increase. The addition of two (2) GPORs will enable the hospital to decompress utilization of its existing twelve (12) GPORs and ensure timely access to its surgical services for its patient population now and in the future.**

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

**Please see the responses to Section IV.A and Section IV.C.2.c above. The addition of two (2) GPORs at IFOH will address an institutional-specific need for additional GPOR capacity at the hospital.**

- 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.



*Part IV: General Surgical Services*

12VAC5-230-490. 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.*

**Surgical services are available in PD 8 within 30 minutes of 95% of the population. COPN Request No. VA-8746 is proposed based on IFOH's institution-specific need to expand.**

12VAC5-230-500. Need for new service.

- A. *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, procedures rooms or VDH-designated trauma services, shall be determined as follows:*

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

*Where:*

*ORV = the sum of total inpatient and outpatient general purpose operating room visits in the health planning district in the most recent five years for which general purpose operating room utilization data has been reported by VHI; and*

*POP = the sum of total population in the health planning district as reported by a demographic entity as determined by the commissioner, for the same five-year period as used in determining ORV.*

*PROPOP = the projected population of the health planning district five years from the current year as reported by a demographic program as determined by the commissioner.*

*AHORV = the average hours per general purpose operating room visit in the health planning district for the most recent year for which average hours per general purpose operating room visits have been calculated as reported by VHI.*

*FOR = future general purpose operating rooms needed in the health planning district five years from the current year.*

*1600 = available service hours per operating room per year based on 80% utilization of an operating room available 40 hours per week, 50 weeks per year.*

**Not applicable. This project proposes to expand an existing surgical service; it does not propose to establish a new surgical service. However, in the interest of completeness, this provision is being addressed.**

**The most recent five-year period for which VHI published surgery use data are available is the period from 2018-2022. Please see the table below for the values and applicable sources used in the formula resulting in a need for 188 GPORs in PD 8 in 2029.**

<b>Formula Variable</b>	<b>Value</b>	<b>Source</b>	<b>Attachment</b>
<b>ORV (2018-2022)</b>	<b>737,487</b>	<b>VHI</b>	<b>Attachment R</b>
<b>POP (2018-2022)</b>	<b>12,692,628</b>	<b>Weldon Cooper Center for Public Service</b>	<b>Attachment S</b>
<b>PROPOP (2029)</b>	<b>2,793,738</b>	<b>Weldon Cooper Center for Public Service</b>	<b>n/a</b>
<b>AHORV (2022)</b>	<b>1.85</b>	<b>VHI</b>	<b>Attachment T</b>
<b>FOR = ((737,487/12,692,628) x (2,793,738) x 1.85)/1,600 = 188</b>			
<b>COPN Authorized GPORs = 203</b>			
<b>GPORs Needed by 2029 = 188</b>			
<b>Surplus = 15 GPORs</b>			

- B. Projects involving the relocation of existing operating rooms within a health planning district may be authorized when it can be reasonably documented that such relocation will: (i) improve the distribution of surgical services within a health planning district ; (ii) result in the provision of the same surgical services at a lower cost to surgical patients in the health planning district; or (iii) optimize the number of operations in the health planning district that are performed on an outpatient basis.*

**Not applicable.**

**2VAC5-230-510. Staffing.**

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

**All surgical services at IFOH are under the direction of board-certified physicians. The same will be true of the proposed surgical services expansion.**

12VAC5-230-80. When Institutional Expansion Needed.

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

**IFOH has an institution-specific need for additional GPOR capacity based on its high surgical utilization. In 2022, the most recent year for which surgical utilization data is publicly available from VHI, IFOH's twelve (12) GPORs operated at 130% of the SMFP standard (an average of 1,600 hours per GPOR). Surgical volumes at the facility increased in 2023 with preliminary 2023 data indicating IFOH's twelve (12) GPORs operated at 142% of the SMFP standard.**

**As the population continues to grow in PD 8, particularly in the western and southern suburbs, the demand for surgical services will continue to increase. In the absence of additional GPOR capacity, utilization of IFOH's GPORs is projected to reach 150% of the SMFP standard by 2027. Approval of two (2) additional GPORs at IFOH is necessary to add much-needed surgical capacity to support existing and future demand for IFOH's surgical services.**

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

**In 2022, the Inova Health System authorized GPORs operated at an average utilization of 106% of the SMFP standard. When accounting for only those GPORs that were operational in 2022, the average utilization increases to 113% of the SMFP standard.**

**Individually, each Inova hospital and ambulatory surgery center – with the notable exception of the Inova Ambulatory Surgery Center at Lorton (“Lorton ASC”) – either operated above the SMFP standard or would operate at or above the SMFP if it were to surrender a GPOR in connection with the proposed addition of two (2) GPORs at IFOH. The Lorton ASC received authorization to add one (1) GPOR in 2021 and faced significant delays in ramping up volumes due to the unavailability of anesthesia coverage that started during the COVID-19 pandemic and impacted Inova generally. As the anesthesia coverage issue has improved, Inova has begun**

transitioning appropriate ambulatory cases from Inova Fairfax Hospital to the Lorton ASC. In 2023, the Lorton ASC performed 342 surgical cases in the facility's 2 GPORs (average hours/case for Inova affiliated ASCs is roughly 1.57 hours) and an additional 595 gastroenterology procedures in the special procedure rooms. As reflected in COPN Request No. VA-8548 to recommence using the second GPOR at the Lorton ASC (approved July 8, 2021 pursuant to COPN No. VA-04747), the 2 GPORs at the Lorton ASC are critical to Inova's ability to decompress the highly utilized Inova Fairfax Hospital GPORs. As a result, relocation of GPOR capacity is not a reasonable alternative.

Facility Name	Authorized GPORs	Total Cases	Total Hours	% of SMFP
Inova Alexandria Hospital	11	7,118	18,314	104%
Inova Fair Oaks Hospital	12	11,126	24,910	130%
Inova Fairfax Hospital	47	32,641	88,407	118%
Inova Loudoun Hospital <sup>1</sup>	10	6,562	15,838	99%
Inova Mount Vernon Hospital	7	4,513	11,475	102%
<b>Total Hospital GPORs</b>	<b>87</b>	<b>61,960</b>	<b>158,944</b>	<b>114%</b>
Inova Ambulatory Surgery Center at Lorton <sup>2</sup>	2	2	4	0%
Inova Loudoun Ambulatory Surgery Center	5	5,415	8,580	107%
Inova Surgery Center at Franconia-Springfield	5	4,096	6,821	85%
McLean Ambulatory Surgery, LLC <sup>3</sup>	3	1,851	4,894	102%
Northern Virginia Surgery Center	4	4,381	4,974	78%
Inova Oakville Ambulatory Surgery Center <sup>4</sup>	3			
<b>Total ASC GPORs</b>	<b>22</b>	<b>15,745</b>	<b>25,273</b>	<b>72%</b>
<b>Total GPORs</b>	<b>109</b>	<b>77,705</b>	<b>184,217</b>	<b>106%</b>

**Source:** 2022 VHI EPICs report and Inova Health System internal record keeping.

<sup>1</sup> Inova Loudon Hospital had 8 operational GPORs in 2022. 2 additional ORs authorized in 2021.

<sup>2</sup> 2nd OR at the Inova Ambulatory Surgery Center at Lorton was approved in 2021.

<sup>3</sup> McLean Ambulatory Surgery Center had 2 operational GPORs in 2022. 1 additional OR was authorized in 2023.

<sup>4</sup> The three authorized ORs at Inova Oakville Ambulatory Surgery Center are under construction.

- F. Show how 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.

**Please see Section III.C.**

- 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.)

**Inova Health System is a broad-based, regional healthcare system and provides a comprehensive and coordinated range of acute, ambulatory, and tertiary services.**

**Pediatric Specialists of Virginia, LLC (“PSV”), a non-profit private pediatric medical group, is a 50-50 joint venture between Inova and Children’s National Medical Center. PSV provides a variety of pediatric specialties including gastroenterology, hematology oncology, and orthopedics. Please see Attachment U for legal documentation of the joint venture.**

H. Attach copies of the following documents:

1. A map of the service area indicating:
  - a. Location of the proposed project.
  - b. Location of other existing medical facilities (by name, type, hospital, nursing home, outpatient clinic, etc.) and number of beds in each inpatient facility).

**Please see Attachment V.**

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

**Please see Attachment W.**

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

**Please see Attachment X for letters to other area facilities.**

**SECTION V****FINANCIAL DATA**

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

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

**This question requires the disclosure of confidential and proprietary information.**

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

  **X**   Yes \_\_\_\_\_ No

If yes, specify program   **VHI**  

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

**All Inova Health System facilities participate in VHI. See Attachment Y for a copy of IFOH's EPICS submissions for 2021 and 2022.**

- 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	<b><u>\$ 650,000</u></b>
2.	Cost of labor	<b><u>\$ 700,000</u></b>
3.	Equipment included in construction contract	<b><u>\$ 50,000</u></b>
4.	Builder's overhead	<b><u>\$ 450,000</u></b>
5.	Builder's profit	<b><u>\$ 250,000</u></b>
6.	Allocation for contingencies	<b><u>\$ 139,600</u></b>
7.	Sub-total (add lines 1 thru 6)	<b><u>\$2,239,600</u></b>

**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. Major Equipment	<b><u>\$3,206,712</u></b>
	b. Minor Equipment	<b><u>\$152,897</u></b>
	c. Information Systems	<b><u>\$75,000</u></b>
	d. _____	\$ _____
	e. _____	\$ _____
9.	Sub-total (add lines 8a thru 8e)	<b><u>\$3,434,609</u></b>

**Part III – Site Acquisition Costs (Not Applicable)**

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

**Part IV – Site Preparation Costs (Not Applicable)**

16.	Earth work	\$ _____
-----	------------	----------

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

Part V – Off-site Costs (List each separately) **(Not Applicable)**

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

Part VI – Architectural and Engineering Fees

29.	Architect's design fee	<b><u>\$158,741</u></b>
30.	Architect's supervision fee	<b><u>\$17,000</u></b>
31.	Engineering fees	<b><u>\$99,000</u></b>
32.	Consultant's fees	<b><u>\$87,065</u></b>
33.	Sub-total (add lines 29 thru 32)	<b><u>\$361,806</u></b>

Part VII – Other Consultant Fees (List each separately)

34.	a. Programmer	<b><u>\$100,000</u></b>
	b. Project Management	<b><u>\$70,686</u></b>



c. \_\_\_\_\_ \$ \_\_\_\_\_

35. Sub-total (add lines 34a thru 34c) **\$170,686**

**Part VIII – Taxes During Construction (Not Applicable)**

36. Property taxes during construction \$ \_\_\_\_\_

37. List other taxes:

a. \_\_\_\_\_ \$ \_\_\_\_\_

b. \_\_\_\_\_ \$ \_\_\_\_\_

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

**Part IX-A – HUD Section 232 Financing (Not Applicable)**

39. Estimated construction time( in months) \_\_\_\_\_

40. Dollar amount of construction loan \$ \_\_\_\_\_

41. Construction loan interest rate \_\_\_\_\_%

42. Estimated construction loan interest costs \$ \_\_\_\_\_

43. Term of financing (in years) \_\_\_\_\_

44. Interest rate on permanent loan \_\_\_\_\_%

45. FHA mortgage insurance premium \$ \_\_\_\_\_

46. FHA mortgage fees \$ \_\_\_\_\_

47. Financing fees \$ \_\_\_\_\_

48. Placement fees \$ \_\_\_\_\_

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

50. Title and recording fees \$ \_\_\_\_\_

51. Legal fees \$ \_\_\_\_\_

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

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

Part IX-B – Industrial Development Authority Revenue and General  
Obligation Bond Financing (Not Applicable)

(Circle selected method of financing)

54. Method of construction financing (construction loan, proceeds  
of bond sales, if other, specify) \_\_\_\_\_  
If construction is to be financed from any source other than bond sale  
proceeds, answer question 56 through 58. Otherwise, proceed to question  
59.
55. Estimated construction time (in months) \_\_\_\_\_
56. Dollar amount of construction loan \$ 0 \_\_\_\_\_
57. Construction loan interest rate N/A %
58. Estimated construction loan interest cost \$ 0 \_\_\_\_\_
59. Nature of bond placement (direct, underwriter,  
if other, specify) \_\_\_\_\_
60. Will bonds be issued prior to the beginning  
of construction? \_\_\_\_\_ Yes X No
61. If the answer to question 60 is yes,  
how long before in months? \_\_\_\_\_
62. Dollar amount of bonds expected to be  
sold prior to the beginning of construction \$ \_\_\_\_\_
63. Will principal and interest be paid  
during construction or only interest? \_\_\_\_\_
64. Bond interest expense prior to the  
beginning of construction(in dollars) \$ \_\_\_\_\_
65. How many months after construction  
begins will last bond be sold? \_\_\_\_\_
66. Bond interest expense during construction \$ \_\_\_\_\_
67. What percent of total construction will be  
financed from bond issue? \$ \_\_\_\_\_

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

**Part IX C – Conventional Mortgage Loan Financing (Not Applicable)**

81. Estimated construction time (in months) \_\_\_\_\_
82. Dollar amount of construction loan \$ \_\_\_\_\_
83. Construction interest rate \_\_\_\_\_%
84. Estimated construction loan interest cost  
(in dollars) \$ \_\_\_\_\_

85. Term of long term financing (in years) \_\_\_\_\_
86. Interest rate on long term loan \_\_\_\_\_%
87. Anticipated mortgage discount (in dollars) \$ \_\_\_\_\_
88. Feasibility study \$ \_\_\_\_\_
89. Finder's fee \$ \_\_\_\_\_
90. Legal fees \$ \_\_\_\_\_
91. Insurance \$ \_\_\_\_\_
92. Other fees (list each separately)
- \_\_\_\_\_ \$ \_\_\_\_\_
93. \_\_\_\_\_ \$ \_\_\_\_\_
94. Total permanent mortgage loan interest expense (in dollars) \$ \_\_\_\_\_
95. Sub-total Part IX\_C (add lines 84 & 88 thru 93) \$ \_\_\_\_\_

Financial Data Summary Sheet

- |      |                     |  |                           |
|------|---------------------|--|---------------------------|
| 96.  | Sub-total Part I    | Direct Construction Cost (line 7)                        | <b><u>\$2,239,600</u></b> |
| 97.  | Sub-total Part II   | Equipment not included in construction contract (line 9) | <b><u>\$3,434,609</u></b> |
| 98.  | Sub-total Part III  | Site Acquisition Costs (line 15)                         | <b><u>\$0</u></b>         |
| 99.  | Sub-total Part IV   | Site Preparation Cost (line 23)                          | <b><u>\$0</u></b>         |
| 100. | Sub-total Part V    | Off-Site Costs (line 28)                                 | <b><u>\$0</u></b>         |
| 101. | Sub-total Part VI   | Architectural and Engineering fees (line 33)             | <b><u>\$361,806</u></b>   |
| 102. | Sub-total Part VII  | Other Consultant fees (line 35)                          | <b><u>\$170,686</u></b>   |
| 103. | Sub-total Part VIII | Taxes During Construction (line 38)                      | <b><u>\$0</u></b>         |
| 104. | Sub-total Part IX-A | HUD-232 Financing (line 53)                              | <b><u>\$0</u></b>         |

105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	<u><b>\$0</b></u>
106.	Sub-total Part IX-C	Conventional Loan Financing (line 95)	<u><b>\$0</b></u>
107.	<b>TOTAL CAPITAL COST</b> (lines 96 thru 106)		<u><b>\$6,206,701</b></u>
108.	Percent of total capital costs to be financed <u>  <b>0</b>  </u> %		
109.	Dollar amount of long term mortgage (line 107 x 108)		<u><b>\$0</b></u>
110.	Total Interest Cost on Long Term Financing		<u><b>\$0</b></u>
	a.	HUD-232 Financing (line 53)	<u><b>\$0</b></u>
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 79)	<u><b>\$0</b></u>
	c.	Conventional loan Financing (line 94)	<u><b>\$0</b></u>
111.	Anticipated Bond discount		
	a.	HUD-232 Financing (line 53)	<u><b>\$0</b></u>
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 70)	<u><b>\$0</b></u>
	c.	Conventional Loan Financing (line 87)	<u><b>\$0</b></u>
112.	<b>TOTAL CAPITAL AND FINANCING COST</b> <b>(ADD LINES 107, 110a, b or c AND 111a, b or c)</b>		<u><b>\$6,206,701</b></u>
D.	1.	Estimated costs for new construction (excluding site acquisition costs)	<u><b>\$0</b></u>
	2.	Estimated costs of modernization and renovation (excluding site acquisition costs)	<u><b>\$0</b></u>
E.	Anticipated Sources of Funds for Proposed Project		<u>Amount</u>
	1.	Public Campaign	<u><b>\$0</b></u>
	2.	Bond Issue (Specify Type) _____	<u><b>\$0</b></u>
	3.	Commercial Loans	<u><b>\$0</b></u>

4. Government Loans (Specify Type)\_\_\_\_\_ **\$0**
5. Grants (Specify Type)\_\_\_\_\_ **\$0**
6. Bequests **\$0**
7. Private Foundations **\$0**
8. Endowment Income **\$0**
9. Accumulated Reserves **\$6,206,701**
10. Other (Identify)\_\_\_\_\_ **\$0**

- 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 project will be funded through accumulated reserves of Inova Health System.**

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

**The proposed project will be funded through accumulated reserves and, as such, there is no debt service costs associated with the project. Inova does not expect the capital costs associated with the project to impact the cost of care at IFOH.**

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

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

**This project will not impact the IFOH room rate schedule.**

Room Type	Room Charge
HC PRIVATE ROOM MED/SURG/GYN	\$ 1,868.00

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

**See Attachment Z for the most recent audited financial statements for Inova Health System.**

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

**See Attachment AA.**

**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 reasonable 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.

Jessica K. Parker

Signature of Authorizing Officer

Inova Health System

Address – Line 1

Jessica Parker

Type/Print Name of Authorizing Officer

8095 Innovation Park Drive

Address – Line 2

Senior Director, Strategy & Planning

Title of Authorizing Officer

Fairfax, VA 22031

City/State/Zip

January 29, 2024

Date

703-517-9320

Telephone Number

**Copies of this request should be sent to :**

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



**Inova Fair Oaks Hospital**  
**Addition of Two General Purpose Operating Rooms**

	IFOH Surgical Services (GPORs) without Project		Project Only		IFOH Surgical Services (GPORs) + Project	
Financial Projections	2026	2027	2026	2027	2026	2027
<b>Amounts in \$000s</b>						
<b>Statement of Revenue and Expenses</b>						
Gross Patient Revenue	\$ 419,532	\$ 440,509	\$ 16,059	\$ 22,625	\$ 435,591	\$ 463,133
Deductions from Patient Revenue						
Contractual/Other Discounts	\$ 232,078	\$ 248,877	\$ 8,884	\$ 12,782	\$ 240,961	\$ 261,660
Charity Deductions	\$ 10,069	\$ 10,572	\$ 385	\$ 543	\$ 10,454	\$ 11,115
Bad Debt	\$ 4,195	\$ 4,405	\$ 161	\$ 226	\$ 4,356	\$ 4,631
Total Deductions from Revenues	\$ 246,342	\$ 263,855	\$ 9,430	\$ 13,552	\$ 255,771	\$ 277,406
<b>Net Patient Revenue</b>	<b>\$ 173,190</b>	<b>\$ 176,654</b>	<b>\$ 6,629</b>	<b>\$ 9,073</b>	<b>\$ 179,820</b>	<b>\$ 185,727</b>
Operating Expenses						
Salaries, Wages, and Benefits	\$ 43,750	\$ 45,500	\$ 1,675	\$ 2,337	\$ 45,424	\$ 47,837
Supplies	\$ 42,138	\$ 43,823	\$ 1,613	\$ 2,251	\$ 43,751	\$ 46,074
Purchased Services	\$ 9,561	\$ 9,943	\$ 366	\$ 511	\$ 9,927	\$ 10,454
Depreciation & Amortization	\$ 4,161	\$ 4,327	\$ 159	\$ 222	\$ 4,320	\$ 4,550
Indirect Expenses	\$ 15,524	\$ 16,145	\$ 594	\$ 829	\$ 16,119	\$ 16,975
Other Expenses	\$ 5,791	\$ 6,023	\$ 222	\$ 309	\$ 6,013	\$ 6,332
<b>Total Operating Expenses</b>	<b>\$ 120,925</b>	<b>\$ 125,762</b>	<b>\$ 4,629</b>	<b>\$ 6,459</b>	<b>\$ 125,554</b>	<b>\$ 132,221</b>
<b>Excess of Revenue Over Expenses</b>	<b>\$ 52,265</b>	<b>\$ 50,892</b>	<b>\$ 2,001</b>	<b>\$ 2,614</b>	<b>\$ 54,266</b>	<b>\$ 53,506</b>
<i>Inpatient Surgical Cases</i>	<i>3,025</i>	<i>3,025</i>	<i>116</i>	<i>155</i>	<i>3,141</i>	<i>3,180</i>
<i>Outpatient Surgical Cases</i>	<i>9,724</i>	<i>9,724</i>	<i>372</i>	<i>499</i>	<i>10,096</i>	<i>10,223</i>
<b>Total Surgical Cases</b>	<b>12,749</b>	<b>12,749</b>	<b>488</b>	<b>655</b>	<b>13,237</b>	<b>13,404</b>

Expected Payor Mix <sup>1</sup>	
Medicare	33.25%
Medicaid	10.78%
Commercial	53.40%
Self-Pay	1.58%
Charity	1.00%
<b>TOTAL</b>	<b>100.00%</b>

<sup>1</sup> Inova Fair Oaks Hospital is owned by Inova and thus would fall under Inova's system-wide charity care condition.

**Pro Forma Assumptions:**

- Annual inflation estimates: gross charge per case = 5%, net revenue per case = 2%, all expenses 4%