

**COMMONWEALTH OF VIRGINIA**

**APPLICATION FOR A**

**MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED**

**SECTIONS 32.1 – 102.1 THROUGH 32.1 – 102.11 OF**

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

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<b>HOSPITALS</b>
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**COPN Request No. VA-8744**

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

**&**

**South Arlington, LLC**

**Establishment of an Acute Care Hospital with 146 Beds**  
**(50 Inpatient Medical Rehabilitation Beds and 96 Mental Health Beds)**  
**Planning District 8**

**January 2, 2024**

## SECTION I

## FACILITY ORGANIZATION AND IDENTIFICATION

- A. **VHC Health Wellness and Behavioral Health Hospital (“Wellness Hospital”)**  
Official Name of Facility

**601 South Carlin Springs Road**

Address

**Arlington**

City

**VA**

State

**22204**

Zip

**(703) 558-5000**

Telephone

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

**1701 N. George Mason Drive**

Address

**Arlington**

City

**VA**

State

**22205**

Zip

**and**

**South Arlington, LLC**

Legal Name of Applicant

**1701 N. George Mason Drive**

Address

**Arlington**

City

**VA**

State

**22205**

Zip

- C. Chief Administrative Officer

**Christopher T. Lane**

Name

**1701 N. George Mason Drive**

Address

**Arlington**

City

**VA**

State

**22205**

Zip

**(703) 558-5000**

Telephone

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

**Adrian Stanton**

Name

**1701 N. George Mason Drive**

Address

**Arlington**

City

**VA**

State

**22205**

Zip

**(703) 558-6319**

Telephone

**[ASTanton@vhchealth.org](mailto:ASTanton@vhchealth.org)**

E-mail

**and**

**Jamie Baskerville Martin**

Name

**Williams Mullen, 200 South 10<sup>th</sup> St., Suite 1600**

Address

**Richmond**

City

**VA**

State

**23219**

Zip

**(804) 420-6407**

Telephone

**(804) 420-6507**

Facsimile

**[jbmartin@williamsmullen.com](mailto:jbmartin@williamsmullen.com)**

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) **X**

(4) Other **LLC** Identify (4) **X**

**See Attachment I.E.4—Organizational Documents for South Arlington, LLC.**

Non-Profit

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

**See Attachment I.E.5—Corporate Documents for VHC Health.**

- (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 (11) \_\_\_\_\_  
Commission
- (12) \_\_\_\_\_ (12) Other \_\_\_\_\_ Identify (12) \_\_\_\_\_

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

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

**As reflected in Attachment I.F—Ownership Documentation, VHC Health is in the process of acquiring the site from Arlington County.**

**Based on the current timeline, ownership will transition from the County to VHC Health after the project goes through the Arlington County Site Plan Review Process per Administrative Regulation 4.1 of the Arlington County Zoning Ordinance. This process requires detailed analysis, public engagement, and compliance with various policies and ordinances. At the completion of the County review process, the County and VHC Health will**

finalize the purchase of a 5.8-acre portion of the Carlin Springs site. The letter of intent between VHC Health and Arlington County at Attachment I.F explains the process for VHC Health's acquisition of the site at fair market value.

- 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.

**South Arlington, LLC, is owned by Virginia Hospital Center Arlington Health System d/b/a VHC Health, a Virginia non-stock non-profit corporation. VHC Health is contemplating owning the Wellness Hospital through the South Arlington, LLC, entity that is a co-applicant in this application. VHC Health would contribute to South Arlington, LLC, the beds to be relocated from VHC to the Wellness Hospital.**

- (a) In the case of proprietary corporation also attach: **Not applicable.**
- (1) A list of the names and addresses of the board of directors of the corporation.
  - (2) A list of the officers of the corporation.
  - (3) The name and address of the registered agent for the corporation.

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

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

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

<b>Officers:</b>	<b>Christopher T. Lane</b>	<b>President/CEO</b>
	<b>Alexander Eremia</b>	<b>Vice President</b>
	<b>John Nguyen</b>	<b>Treasurer</b>
	<b>Andre Collins</b>	<b>Secretary</b>
	<b>Dan Knise</b>	<b>Vice Chairman</b>
	<b>Russell McWey, MD</b>	<b>Chairman</b>

<b>Registered agent:</b>	<b>Alexander Eremia, Esquire</b>
	<b>Vice President</b>
	<b>General Counsel</b>
	<b>1701 N. George Mason Drive</b>
	<b>Arlington, VA 22205</b>

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

- (1) A list of the names and addresses of all partners.
  - (2) The name and address of the general or managing partner.
- (d) In the case of other types of ownership, also attach such documents as will clearly identify the owner.

**VHC Health is the sole member of South Arlington, LLC.**

**The managers of South Arlington, LLC, are:**

**Christopher T. Lane  
John Nguyen**

**The registered agent of South Arlington, LLC, is:**

**Alexander Eremia, Esquire  
1701 N. George Mason Drive  
Arlington, VA 22205**

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

**South Arlington, LLC, has no subsidiaries.**

**The VHC Health subsidiaries are identified at Attachment I.H—List of Subsidiaries.**

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

**South Arlington, LLC, is a wholly owned subsidiary of VHC Health. VHC Health is not a subsidiary of any entity or organization.**

- 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: **5.8 acres**
2. Located in **Arlington County, PD 8** City/County/Planning District
3. Address or directions **601 South Carlin Springs Road**  
**Arlington, VA 22204**
4. Has site been zoned for type of use proposed:  
  
☒ Yes (attach copy of zoning or use permit)  
☐ No

If no, explain status \_\_\_\_\_

**See Attachment II.A.4—Zoning Documentation.**

**The site is located in a Special Development Zoning District. This zoning classification allows for the development of an inpatient hospital upon approval of a use permit and a site plan. VHC Health is currently working with Arlington County on a site plan and use permit application for review by the Arlington County Site Plan Review Committee (“SPRC”); submission of the application is expected in early 2024.**

## 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 \_\_\_\_\_ (Identify)

**Establishment of a new hospital licensed as an acute care hospital with 146 beds comprised of 96 mental health beds<sup>1</sup> (42 to be relocated from Virginia**

<sup>1</sup> The State Medical Facilities Plan (“SMFP”) assesses the need for mental health beds based on combined data for psychiatric beds and substance abuse beds; there are no separate provisions or formulas for psychiatric beds and substance abuse beds. 12 VAC 5-230-860. Accordingly, throughout its application materials, VHC Health collectively refers to psychiatric beds and substance abuse beds as mental health beds.

**Hospital Center (“VHC”) and 54 new beds) and 50 medical rehabilitation beds (20 to be relocated from VHC and 30 new beds).**

**C. Design of the facility.**

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

**The full VHC Health long-range plan is proprietary but, in brief, its goals are to (i) provide the highest quality clinical care; (ii) achieve the highest levels of patient satisfaction; (iii) provide state-of-the-art facilities and equipment; (iv) innovate in the use of information technology; (v) invest in the professional growth and development of its people; (vi) manage resources prudently; and (vii) serve the health care needs of the community. This includes a combination of acute care and ambulatory care efforts to meet the current and future needs of VHC and its patients – including the expansion of VHC’s busy mental health and rehabilitation services.**

**The need for additional mental health resources has been long recognized by the community, including Arlington County, local and state agencies, and various other key stakeholders. VHC Health’s strategic plan addresses numerous behavioral health challenges plaguing Northern Virginia, including crisis care, substance use disorder support, workforce development, service delivery innovation, and the challenges faced by law enforcement. The plan incorporates evidence-based models from across the country and prioritizes care for vulnerable populations, including youth. VHC Health’s goal is to develop an effective therapeutic response for individuals who are in mental health crises to ensure they receive appropriate high-quality services as soon as possible, in the least restrictive setting possible, and as close to home as possible. A related priority is to ensure access to the most appropriate care by contributing to a more robust community mental health care system that supports the entire continuum of care.**

**In fact, for VHC, ensuring adequate access to mental health services for its patients has been a recurring priority. In its 2018 review of the site plan for VHC’s Outpatient Pavilion – a new facility consolidating most hospital outpatient services on a parcel adjacent to the hospital and acquired by VHC Health from Arlington County via a land swap arrangement – Arlington County specifically recognized that need. Specifically, the County required VHC to submit a Certificate of Public Need (“COPN”) application for the addition of psychiatric beds and to implement intensive outpatient behavioral health services and emergency behavioral health services. In the fall of 2021, with the support of Arlington County and other stakeholders, VHC Health**



submitted an application to add 16 inpatient psychiatric beds at the hospital.<sup>2</sup> The Commissioner recognized the need for the proposed beds and, on February 7, 2022, approved the project.<sup>3</sup> The additional beds were to be implemented in hospital space previously occupied by outpatient services – services relocated to the Outpatient Pavilion in July 2023 – and space currently housing VHC’s existing psychiatric beds.<sup>4</sup>

Since then, however, the need for the full continuum of mental health resources has continued to grow. Most recently, VHC Health’s 2022 Community Health Needs Assessment reiterated the community need for expanded inpatient psychiatric and substance abuse capacity as the #1 significant health need in the service area. The needed continuum for behavioral health care services calls not only for expanded adult inpatient psychiatric services but also for specialized inpatient services for adolescents and expanded complementary services such as IOP and partial hospitalization program (“PHP”) services. Indeed, inpatient care represents only one component of a well-functioning continuum of care for most health conditions – a continuum that must include comprehensive and accessible high-quality treatment and services before, during, and after acute illness episodes. In mental health, this breadth of services is essential to minimize the need for hospitalization, maintain the effect of inpatient treatment, facilitate the challenging transition from inpatient to outpatient, support the short- and long-term stabilization of patients following discharge, and reduce the need for admissions and the risk of care disengagement, symptom exacerbation, and catastrophic outcomes.

As VHC Health has continued to engage in extensive discussions and collaboration with stakeholders (including Arlington County officials, the local Community Service Board (“CSB”), local advocacy groups, and patients) for the past five years, the urgency of that need has become increasingly apparent. There is a tremendous shortage of local mental health beds and treatment options for all patients – adolescents, adults, and geriatric patients. However, the congested and landlocked VHC hospital campus lacks the space to accommodate the full continuum of needed mental health care services efficiently and effectively. As VHC Health has explored alternative approaches to meeting the community’s multifold needs, it has determined that expanding and centralizing mental health services at a new hospital

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<sup>2</sup> COPN Request No. VA-8586.

<sup>3</sup> COPN No. VA-04773.

<sup>4</sup> While VHC Health remains committed to developing the 16 beds approved per COPN No. VA-04773, pending review of this COPN application (which seeks to relocate those not-yet-implemented beds along with 26 of VHC’s existing mental health beds and all of its rehabilitation beds), VHC Health has paused implementation of COPN No. VA-04773.

facility away from the VHC campus would meet the community need for a diverse and comprehensive range of behavioral health resources in the optimal and most efficient way.

At the same time, VHC's medical rehabilitation beds are highly utilized and in need of expansion. VHC Health's 2022 Community Health Needs Assessment noted several related priority health care needs, including a need for expanded cardiac, pulmonary, stroke, brain injury, and complex neurological rehabilitation services. Again, however, VHC lacks the space to accommodate additional rehabilitation beds on the hospital campus. Co-location of medical rehabilitation services with mental health services at a new facility away from the VHC campus is particularly synergistic and will offer numerous benefits, including (i) elimination of duplication of common clinical ancillary and operational support services and spaces; (ii) elimination of duplication of general administrative and operational functions such as materials management, supplies, and administrative staff; (iii) integration of complementary medical care and psychosocial elements for both medical rehabilitation and behavioral health plans of care; and (iv) collaborative opportunities for cross-disciplinary clinical access for all patients at the proposed Wellness Hospital, optimizing use of scarce health care and human resources.

In brief, the establishment of the proposed hospital will support critical components of the VHC Health long-range plan. The project will significantly enhance VHC's ability to meet the growing inpatient needs of its behavioral health patients and medical rehabilitation patients and provide them with timely access to high-quality care close to home.

- (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 design and scope of the project are the result of extensive discussions and collaboration with stakeholders (including Arlington County officials, the local CSB, local advocacy groups, and patients), clinical and support staff, and VHC Health leadership. Those discussions sought to determine the optimal and most efficient way to meet the multifactorial needs of the community for mental health services and for medical rehabilitation resources at VHC. Based on a range of considerations, VHC Health and Arlington County determined that those needs would be most comprehensively, effectively, and efficiently met at the proposed new Wellness Hospital, to be located just 2.4 miles and less than 10 minutes from the VHC campus, squarely in VHC's service area. This new facility will allow

VHC not only to implement needed additional inpatient psychiatric beds for adults but also, for the first time, provide specialized inpatient and expanded outpatient psychiatric adolescent services. At the same time, VHC will retain a 14-bed mental health unit at the hospital to provide psychiatric services for medically compromised patients with acute medical issues (generally expected to be geriatric patients), augmenting the spectrum of mental health services for all its patients. Additionally, the expanded inpatient medical rehabilitation services at the Wellness Hospital will better meet the rehabilitation needs of VHC's patients and its service area community.

The proposed beds and services will be located in a new to-be-constructed hospital, to be licensed as a general hospital. The beds will be housed in single and double-occupancy rooms. Clinically, availability of private and semi-private rooms within the proposed facility is critical to allow VHC Health the flexibility to treat patients according to acuity, diagnosis, and related needs. For many behavioral health patients, having a roommate is considered therapeutically beneficial.<sup>5</sup> Double occupancy behavioral health patient rooms mitigate loneliness, increase patient safety, and offer an easily accessible source of social support. For patients who are more appropriately treated in single-occupancy rooms (such as patients with safety concerns or infectious diseases), the facility's bed complement will offer VHC the flexibility to use semi-private rooms as private rooms as needed.

The details and overall design of the facility have been refined for best-practices, efficient patient and staff flow, and excellent service. Upon arrival at the Wellness Hospital, patients will be guided to the Assessment Department (the intake point) for initial evaluation and will then be escorted to their designated Nursing Unit for admission. Nursing units in the new facility will follow the 2018 Facility Guidelines Institute's Guidelines for Design and Construction of Hospitals ("FGI Guidelines") with all code-mandated patient care spaces. Per FGI Guidelines, the facility will have general activity rooms, quiet activity/group therapy rooms, consultation rooms, comfort/sensory rooms, and an array of staff workspaces for physicians, nurses, social workers, activity therapists, recreational therapists, and mental health technicians to support the full interdisciplinary team serving patients. The Wellness Hospital will also have a fitness center available for supervised use by inpatients,

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<sup>5</sup> See, e.g., James M. Hunt & David M. Sine, Common Mistakes in Designing Psychiatric Hospitals: An Update (The Facility Guidelines Institute 2015); Ellen Taylor & Terri Zborowsky, Reducing Injury and Harm: An Issue Brief on Safety for Behavioral & Mental Health (The Center for Health Design, 2016 & updated 2019).

offering an outlet and opportunity for connection with both peers and staff. In addition, each unit at the Wellness Hospital will have its own designated outdoor space with a covered patio where patients can move about freely and decompress. A “discharge room” will allow patients and families to practice for the transition home with the support of a registered nurse, therapists, and physicians.

The facility’s units will be arranged in an open floor concept to facilitate monitoring and supervision of patients throughout the facility by staff, with clear views throughout therapy units and patient-occupied spaces. Appropriately placed windows and doors with glass insert panels will increase visibility throughout the facility. Nurse stations and live feed cameras will further enhance patient safety. Handrails, patient lifts, and portable patient lifts will accommodate patients with mobility restrictions. Every element of the patient care environment (such as toilet accessories, door hardware, and mechanical and electrical devices) will be appropriate for use in a behavioral health environment and ensure patient and staff safety. The facility will use both ligature-free and ligature-resistant materials, with appropriately weighted furniture for safety, and will utilize the newest technology (such as proximity readers) to keep patients safe and facilitate more efficient staffing.

More broadly, design of the facility incorporates the wellness benefits of nature and reflects best practices in behavioral health facility design to offer new ways to enrich the experience of patients who are often among society’s most vulnerable. Specifically, the hospital space will be designed to instill hope and humanize and destigmatize the mental health care environment. Consistent with current trends in modern mental health facility design, design of the hospital will use biophilic design approaches, underscoring that behavioral health is not a scary or distant discipline. Easily accessible outdoor space, natural light, and fresh air, as well as indoor spaces designed to bring nature inside (through windows, expansive views, natural materials, textures, colors, and art) will support therapeutic treatments and reduce patients’ risk of isolation and disconnection. Outdoor space will incorporate the scenic easement, a resource protection area, and the Long Branch Nature Center located on the property and its park-like features. The campus design will help patients live healthy, more vibrant lives and contribute to the recovery of the patients served – for example by allowing rehabilitation patients to practice different levels and obstacles outdoors. Overall, the care environment will convey that the hospital is a therapeutic place where positive change occurs, uplifting patients and offering quality care that reflects the values of the community.

The co-location of psychiatric services with medical rehabilitation services at the proposed hospital is particularly complementary and synergistic. The special needs of post-acute medical rehabilitation patients and psychiatric patients are similar in many regards. Often, they require longer-term care, focus on physical, functional, psychological, and social recovery (as opposed to the acute care setting where the focus is on diagnosis and survival), and are connected. For example, mental health conditions such as anxiety and depression can be a pre-existing condition in patients with stroke and can be caused by complex injuries that require prolonged rehabilitation away from home. Medical rehabilitation patients and psychiatric patients also benefit disproportionately from biophilic design and access to nature and outdoor spaces.

In brief, development of the Wellness Hospital is consistent with VHC Health's strategic master plan, which seeks to address urgent community needs and match resources to current and future capacity requirements.

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

The proposed hospital will be located centrally in Arlington County, a suburb of Washington, D.C. The facility will be directly off of South Carlin Springs Road, on a parcel that previously housed VHC Health's urgent care center and is familiar to many VHC patients. The surrounding area is a mix of various types of developments. Major highway access is provided by Route 244 (Columbia Pike), Route 50 (Arlington Boulevard), and Route 7 (Leesburg Pike), which connect to I-66 to the north and/or I-395 to the south. The site's accessibility is augmented by public transportation, including bus services. There are two bus stops adjacent to the proposed Wellness Hospital campus. Additionally, Washington Metropolitan Area Transportation provides handicapped paratransit.

- (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.

VHC Health does not anticipate any problems with the size, shape, contour, and location of the site. The proposed hospital will be located on a 5.8-acre site previously housing VHC Health's urgent care center. That building, constructed in 1959, was no longer fit for use and has been demolished; the proposed Wellness Hospital will be located in a newly constructed building on the site. The large vacant lot allows for significant setbacks and optimal location of the

proposed facility on the lot. The site is already served by water, sewer, electricity, and other utility services; as demonstrated at Attachment II.D—Documentation of Utilities, those utilities are sufficient to support the proposed project. There will be ample parking to support the hospital and ample space to accommodate any needed future expansion.

- (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.

The proposal does not seek to replace an existing facility *in toto* but does seek to relocate beds from an existing facility, allowing modern and adequate space for rehabilitation and behavioral health services and beds. Specifically, 62 of the 146 beds proposed for the new facility will be relocated from VHC (including 42 of VHC's 56 authorized mental health beds and all 20 of its authorized medical rehabilitation beds). The 14 inpatient psychiatric beds that will remain at VHC will provide specialized psychiatric services to patients who have underlying acute medical conditions. Many of these patients are anticipated to be geriatric and disproportionately affected by extensive and higher-acuity medical needs and comorbidities. These patients' need for the hospital's other acute care inpatient services will be ideally met at VHC, a full-service acute care hospital with a comprehensive range of diagnostic, surgical, and other acute care services.

Following establishment of the Wellness Hospital, VHC Health will renovate and remodel the space that currently houses VHC's inpatient psychiatric services to develop these 14 modern single patient rooms to optimally accommodate medically compromised psychiatric patients. The remaining space vacated by the relocation of mental health and medical rehabilitation beds to the Wellness Hospital will be adapted for other uses consistent with VHC Health's long-term plan. Specifically, the space vacated by the relocation of VHC's existing medical rehabilitation beds will be used to expand VHC's adjacent and busy labor and delivery department. The space vacated by VHC's other mental health beds, located centrally on the VHC campus, will be used to expand areas for ancillary support services that have historically lacked the opportunity to expand. This includes materials management, warehouse functions, and safety and security – services that support the entire VHC campus.

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

VHC Health's proposal seeks to establish a new hospital facility with sufficient space to accommodate the rehabilitation and behavioral health needs of the community now and into the foreseeable future. This approach offers significant cost savings.

- Operational and Clinical Care Delivery:*** The Wellness Hospital is designed to maximize staff efficiency and optimize patient care delivery. The development of a separate hospital enables VHC Health to create an environment most conducive to system efficiency and patient outcomes for the two relevant service lines. Designated medical rehabilitation patient room wings for stroke and traumatic brain injury patients will allow nurses to care for these special patient populations more effectively and efficiently. A complete therapy suite on the first floor, plus therapy spaces for a brain injury unit on the second floor, will provide convenient access for the entire patient population. The Wellness Hospital's designated yet flexible specialty behavioral health units (currently anticipated to consist of 12 beds each) will facilitate specialty care and can more effectively and efficiently treat more targeted patient populations (such as adolescents), supplying greater efficiency in both bed placement and staffing. The flexibility offered by these units will help lower operating costs and optimize occupancy, as finding a bed in a unit serving the appropriate patient cohort will be more efficient.
- Energy Conservation:*** The proposed relocation of VHC's existing beds from an aging building will allow for improved energy efficiency through the use of more modern construction and systems. The Wellness Hospital will implement a number of green initiatives and various energy-efficient technologies and strategies. For example, the lighting fixtures and electrical systems employed throughout the facility will meet or exceed the requirements of the International Energy Code. Interior lighting will offer dimmable or multilevel lighting for over 90% of staff occupied spaces. Furthermore, 100% of patient sleeping rooms will have lighting controls accessible from the patient's bed. The facility's mechanical and automated systems will follow the requirements for energy conservation. HVAC systems will optimize thermal comfort in both staff and patient areas and will incorporate high efficiency air filtration on recirculated air to enhance indoor air quality to promote occupants' comfort and well-being. Exhaust systems will be designated as part of preventive strategies for interior cross-contamination. Plumbing fixtures will be in accordance with reduced indoor potable water consumption requirements. All installed toilets, urinals, private lavatory faucets, and showerheads will have low-flow rates to assist with reduced water consumption.

- ***Co-location Efficiencies:*** Additionally, the facility's co-location of psychiatric and medical rehabilitation services will generate economies of scale with regard to the proposed beds' operation. For example, the psychiatric and medical rehabilitation beds will share existing resources, including various support services, housekeeping, meals services, building maintenance services, as well as many other general operational supports. These efficiencies will help reduce the operational costs of the project and enhance patients' timely access to needed inpatient psychiatric and rehabilitation services. In addition, development of a facility to house both service lines offers significant cost savings as compared to the development of two separate facilities.

- D. Describe and document in detail how the facility will be provided with water, Sewer and solid waste services. Also describe power source to be used for heating and cooling purposes. Documentation should include, but is not limited to:
- (1) Letters from appropriate governmental agencies verifying the availability and adequacy of utilities,
  - (2) National Pollution Discharge Elimination System permits,
  - (3) Septic tank permits, or
  - (4) Receipts for water and sewer connection and sewer connection fees.

**See Attachment II.D—Documentation of Utilities.**

- 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).

**See Attachment II.E.1—Space Tabulation.**

2. If Item #2 was checked in II-B, specify: **Not applicable.**
  - a. The total number of square feet (both gross and net) by department and each type of patient room in the existing facility.



- b. The total number of square feet (both gross and net) to be added to the facility.
  - c. The total number square feet (both gross and net) to be remodeled, modernized or converted to another use.
  - d. The total number of square feet (both gross and net) by department and each type of patient room in the facility upon completion. (The sum of square footage in this part should equal the sum of the square footages in parts (a) and (b) above and should be consistent with any preliminary drawings, if available. (The department breakdown should be the same as in (a) above.
3. Specify design criteria used or rationale for determining the size of the total facility and each department within the facility.

**All aspects of the proposed Wellness Hospital will comport with the requirements of (i) the FGI Guidelines; (ii) the Virginia Hospital Standards for Patient, Support, and Diagnostic Services; (iii) the Virginia Department of Behavioral Health and Developmental Services (“DBHDS”) guidelines; and (iv) the standards of the Centers for Medicare and Medicaid Services. See also Section II.C.6.**

**Additionally, VHC Health has been working with key stakeholders and has participated in ongoing discussions with Arlington County officials, the Arlington Mental Health Alliance, and the Arlington County CSB to gauge the need for inpatient psychiatric resources in the service area and the best way to meet that need – including the design of the project. These discussions have included regular meetings, data collection activities, and assessments of psychiatric utilization. VHC Health’s design plan for the proposed hospital will likewise undergo extensive review and discussion with the above stakeholders to ensure that the proposed beds are implemented to optimally meet patient needs. These stakeholders’ feedback will be a key component in the County review process referenced in Section II.A.4.**

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

**See Attachment II.G—Preliminary Design Drawing.**

H. Construction Time Estimates

1. Date of Drawings: Preliminary **July 2024**  
Final **January 2025**
2. Date of Construction: Begin: **October 2025**  
Completion: **August 2027**
3. Target Date of Opening: **September 2027**

**(All dates are based on COPN issuance in June 2024.)**

## 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.

**For nearly 80 years, VHC, a not-for-profit independent community hospital and the only acute care hospital in Arlington County, has been providing high-quality, low-cost care to the residents of Arlington County and nearby communities. Today, VHC is a 530,000-square foot tertiary-level facility, trauma center, and academic medical center affiliated with the Georgetown University School of Medicine. The hospital is approved for 453 beds<sup>6</sup> and offers comprehensive and highly specialized health care services, including inpatient medical-surgical, adult intensive care, pediatric, obstetric, medical rehabilitation, and other complementary services. It provides open heart surgery services, neonatal intensive care services, and certified Comprehensive Stroke Center services, and operates Arlington County's only acute care hospital-based mental health unit.**

**In this application, VHC Health proposes to address two key health care needs facing VHC, its patients, and the service area community: the need for expanded mental health services and the need for additional inpatient medical rehabilitation bed capacity. The demand for VHC's existing mental health beds is high – so high that VHC is unable to accommodate that demand on a daily basis. At the same time, VHC's patients have a need for other essential behavioral health services, including adolescent inpatient psychiatric services and a full range of complementary outpatient mental health services. Similarly, occupancy of VHC's medical rehabilitation beds has long exceeded the threshold for expansion.**

**The VHC hospital campus footprint simply lacks the space to accommodate the needed additional beds and services and all the support spaces associated with those beds. Accordingly, VHC Health proposes to meet the identified needs by relocating the majority of VHC's existing mental health beds and services and all its existing medical rehabilitation beds from the busy and congested VHC campus to a new hospital facility. The proposed Wellness Hospital, to be established approximately 10 minutes from VHC, will house mental health beds and medical rehabilitation beds relocated from VHC and will provide space to accommodate much-needed expansions of those services, including critical specialized adolescent inpatient psychiatric services and outpatient behavioral health services. The project will enhance**

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<sup>6</sup> The Commissioner approved 44 additional medical-surgical beds per COPN No. VA-04563 in March 2017, and 43 additional medical-surgical beds per COPN No. VA-04724 in November 2020. In addition, in February 2022, the Commissioner approved the addition of 16 psychiatric beds per COPN No. VA-04773.

patients' access to needed care, improve VHC's admission flexibility, and promote continuity of care for patients by allowing them to receive acute care and needed step-down treatment right in their home community. The project will also meet the need for critical facility and unit upgrades at VHC, placing its mental health and medical rehabilitation services in a modern, amply sized new hospital. Indeed, there is no other option for increasing VHC's inpatient mental health and rehabilitation bed capacity to meet current and future demand. While VHC Health has recently obtained approval to add 16 additional psychiatric beds at the hospital and remains committed to meeting the corresponding need, implementing that small-scale expansion at VHC does not adequately meet the community's need for VHC's services and comprehensive behavioral health care services. Specifically, that project does not allow for sufficient mental health bed capacity, diversification of specialized beds and units (for example, units dedicated to adolescent patients), establishment of a specialized unit to treat medically compromised patients with acute mental health needs, and the co-location of VHC's expanded mental health services, including comprehensive outpatient services, and with expanded inpatient rehabilitation services within one modern facility.

#### **Existing and Proposed VHC Health Mental Health Services**

VHC is currently licensed for 40 mental health beds, including 18 adult psychiatric beds and 22 substance abuse beds.<sup>7</sup> Within its existing secure mental health unit, VHC offers inpatient treatment to stabilize patients' behavioral health and meet their emotional, physical, social, and spiritual needs while also addressing their medical comorbidities. The unit treats patients suffering from serious psychiatric illness such as anxiety, bipolar disorders, depression, obsessive compulsive disorders, schizophrenia, and substance use disorders. VHC employs various modalities to provide patients with the care they need, including individual and group therapy, electroconvulsive therapy, family therapy, sensory modulation therapy, and a variety of other treatments. VHC's psychiatric patients receive care from a multi-disciplinary team of providers that includes psychiatrists, psychologists, nurse practitioners, medical physicians, behavioral health nurses, mental health technicians, social workers, licensed professional counselors, physical therapists, occupational therapists, and art therapists.

VHC's existing mental health beds have long been highly utilized and have historically exceeded the SMFP's 75% occupancy threshold. In 2021, average occupancy of VHC's 40 mental health beds was 76.1% and 75.2% in 2022<sup>8</sup> (calculated as a fraction of 100% occupancy) – despite extensive co-

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<sup>7</sup> As noted, an additional 16 inpatient psychiatric beds were approved per COPN No. VA-04773 in February 2022; those beds are not yet operational.

<sup>8</sup> The published 2022 VHI data reflect an error in VHC's psychiatric bed patient days. The correct patient days for 2022 are 10,986 as noted here.

rooming challenges and temporarily closed patient rooms (due to implementation of anti-ligature requirements). (Calculated as a fraction of the SMFP's occupancy threshold of 75%, VHC's mental health bed occupancy exceeded 100% in 2022.) The occupancy of VHC's 18 psychiatric beds – 82.2% in 2021 and 80.9% in 2022, again calculated as a fraction of 100% occupancy – is even higher, exacerbated by the fact that, as a practical matter, VHC is not able to use all of those beds, located largely in semi-private rooms, for all patients every day due to co-rooming compatibility issues. Additionally, psychiatric bed capacity in 2021 and 2022 was limited while VHC Health updated VHC's psychiatric patient rooms to comply with anti-ligature requirements (resulting in the temporary closure of one patient room (i.e., two beds) at a time for several weeks). Patients who cannot be accommodated at VHC must wait for prolonged periods of time and/or seek care at different facilities in PD 8 or leave the region entirely. In the 12-month period ending June 2020, 516 patients were referred to other facilities due to lacking available beds at VHC, and 625 patients in the 12-month period ending June 2021.

<b>VHC Mental Health Bed Occupancy<sup>9</sup></b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022<sup>10</sup></b>
<b>Total Acute Care Mental Health Beds</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>Patient days</b>	<b>11,258</b>	<b>11,681</b>	<b>11,763</b>	<b>11,113</b>	<b>10,986<sup>11</sup></b>
<b>Occupancy</b>	<b>77.1%</b>	<b>80.0%</b>	<b>80.6%</b>	<b>76.1%</b>	<b>75.2%</b>
<b>Adult Acute Psychiatric Beds</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>Patient days</b>	<b>5,429</b>	<b>5,749</b>	<b>5,495</b>	<b>5,398</b>	<b>5,314</b>
<b>Occupancy</b>	<b>82.6%</b>	<b>87.5%</b>	<b>83.6%</b>	<b>82.2%</b>	<b>80.9%</b>
<b>Substance Abuse Beds</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
<b>Patient days</b>	<b>5,829</b>	<b>5,932</b>	<b>6,268</b>	<b>5,715</b>	<b>5,672</b>
<b>Occupancy</b>	<b>72.6%</b>	<b>73.9%</b>	<b>78.1%</b>	<b>71.2%</b>	<b>70.6%</b>

<sup>9</sup> Occupancy percentages are calculated as a percentage of 100% utilization, not as fraction of the SMFP's mental health bed occupancy threshold of 75%. As the table indicates, VHC's utilization has consistently surpassed the SMFP's occupancy threshold of 75%. 12 VAC 5-230-860.

<sup>10</sup> As previously indicated, the Commissioner approved the addition of 16 psychiatric beds at VHC in February 2022; those beds have not yet been implemented.

<sup>11</sup> Throughout this application, references to VHC's 2022 mental health bed occupancy are based on the corrected 2022 data.

In this application, VHC Health proposes to relocate and expand VHC's busy mental health services by establishing a new hospital with a total of 146 beds, including 96 mental health beds. The proposed Wellness Hospital will operate a state-of-the-art full-service behavioral health program with a patient-centered focus to ensure the safest, most therapeutic environment for care, with expanded specialized and age-appropriate units and therapeutic spaces. Designated behavioral health units for specialty care (currently anticipated to consist of 12 beds each) will more effectively and efficiently provide care tailored to the needs of particular patient populations while at the same time affording VHC Health significant flexibility. The units can be used for specific age cohorts, create separation to chemical dependency units, and allow for isolation in case of infectious diseases.

The Wellness Hospital will have a general adult unit with dedicated case management to identify and address social determinants of mental health, homelessness, food and medication security and resource identification. Cognitive Behavioral Therapy ("CBT"), Applied Behavior Analysis ("ABA") Therapy, and Dialectical Behavioral Therapy ("DBT") will be the primary treatment modalities. IOP and PHP will mirror the inpatient programs and will augment the treatment continuum. The IOP and PHP services will also offer vocational training to reestablish patients more seamlessly back into their community. These programs will be tailored to specific patient age groups and behaviorally disruptive patient populations.

In addition, the new pediatric and adolescent unit will offer:

- board-certified child and adolescent psychiatrists and board-certified pediatricians and psychologists available for psychiatric testing;
- board-certified behavioral analyst for patients with autism or disabilities;
- a DBT adherent program for trauma-informed therapy;
- educational services, coordinated with patient's home school districts;
- expressive and recreational therapies for increased engagement by younger patients;
- a behaviorally disruptive unit for the treatment of patients with autism spectrum disorders that will be guided by ABA principles and highly structured behavioral modification plans with an incentive program to solicit increased levels of participation and decreased maladaptive behaviors from patients.

In addition, the proposed Wellness Hospital will provide adolescent IOP services, adult IOP services, adult recovery and wellness IOP services, and adult PHP services. Notably, 14 inpatient psychiatric beds will remain at VHC and will provide psychiatric services to medically compromised patients with acute psychiatric and acute medical care needs.

Collectively, these services will significantly enhance access to the full spectrum of mental health services for all patients: not only to inpatient

services but also to critical outpatient services that will help mitigate the need for admissions and offer needed post-discharge care for patients, supporting stabilization of patients following their release from the hospital and their long-term recovery. Particularly for adolescents, the Wellness Hospital will be an important addition to the care continuum available within the VHC Health system.

#### **Existing and Proposed VHC Health Medical Rehabilitation Services**

VHC's inpatient medical rehabilitation unit provides care to patients with amputations, broken bones or other orthopedic injuries, spinal cord injuries or disorders, joint replacement, cancer, brain injury, stroke, heart conditions or heart surgery, lung conditions, and neurological conditions such as Parkinson's, multiple sclerosis, or Guillain-Barre Syndrome. Rehabilitative care focuses on balance, cognitive and communication skills, endurance, flexibility, coordination, mobility, strength, and self-care tasks. The rehabilitation center is accredited by CARF International – the Commission on Accreditation of Rehabilitation Facilities, an international accreditation organization that focuses on provider commitment to continually enhance the quality of services and programs.

VHC currently operates 20 medical rehabilitation beds. Those beds have long operated above the SMFP's 80% occupancy threshold for expansion. Indeed, at times, VHC has to turn away inpatient rehabilitation patients due to capacity constraints. In 2023, VHC has lacked capacity to accommodate approximately 5-6 patients seeking inpatient medical rehabilitation services per month.

<b>VHC Rehab Bed Occupancy</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Medical Rehabilitation Beds</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Patient days</b>	<b>6,673</b>	<b>6,472</b>	<b>6,631</b>	<b>6,900</b>	<b>6,604</b>
<b>Occupancy</b>	<b>91.4%</b>	<b>88.7%</b>	<b>90.8%</b>	<b>94.5%</b>	<b>90.5%</b>

In short, VHC has a long-standing need to expand its existing medical rehabilitation beds. However, as noted above, the VHC campus simply lacks the space to accommodate additional beds and the necessary support services in an efficient and effective manner. Accordingly, VHC Health has determined that relocating and expanding VHC's inpatient rehabilitation services to a new hospital away from the hospital campus, yet squarely in the historical VHC service area, would be the most effective and efficient approach to meeting its patients' needs. The proposed Wellness Hospital will

contain a total of 50 medical rehabilitation beds, including 20 beds relocated from VHC and 30 new beds.

The Wellness Hospital will operate a full-service rehabilitation program designed with a patient-centered focus to ensure the safest, most therapeutic environment for care. This modern facility will be specifically designed for patients with neurological conditions including stroke, acquired brain injury, traumatic and non-traumatic spinal cord injuries, multiple sclerosis, and Parkinson's as well as other rehabilitation conditions.

The main therapy suite will include a therapy gym, infrastructure for state-of-the-art patient care technology and therapy equipment, rooms for multiple therapy protocols, private therapy rooms, a cooking therapy room, an Activities of Daily Living ("ADL") therapy suite/apartment,<sup>12</sup> and cutting-edge rehabilitation equipment (such as the Bionik InMotion Arm for Neurological Rehabilitation for robotic assisted shoulder and elbow therapy, a Smart car and Ekso Bionics EksoGT, the first FDA-cleared exoskeleton for stroke and spinal cord injury rehabilitation).

Fifty all-private rooms and specialty care rooms will enhance care delivery. The Brain Injury and Neurological unit will be secured for patient safety and will have a dedicated therapy gym and dining area customized to meet the needs of this patient population, which is often sensitive to light, color, noise, and other environmental stimuli. The unit's design will provide an optimal healing environment that enables clinical staff to more effectively care for the unique complex needs of rehabilitation patients. The proposed hospital will also have a large therapy gym with a full spectrum of equipment for physical, occupational, and speech therapy. The outdoor courtyard adjacent to the therapy suite allows for therapy to take place outdoors, highly beneficial for practicing activities such as maneuvering sidewalks and uneven terrain, gardening, transferring into vehicles and other therapeutic activities. In addition, the green outdoor space incorporated throughout the facility and campus design will promote healing, adjustment to disability, and transition back to the community.

**See also Response to Section IV.A.**

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

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<sup>12</sup> This independent living apartment will allow patients to practice daily living skills such as cooking, bathing, laundry, and transferring in and out of a regular bed. The apartment will also include other common household items and appliances patients can practice using to build strength, skills, and confidence to return to daily activities and enhance independence upon discharge and return to home.



**The Wellness Hospital will be a new facility; it does not have historical utilization. The projected utilization for the first two full calendar years of operation is provided below.**

		Past <u>Three Years</u>			<u>Projected Two Years Following Completion</u>	
		2020	2021	2022	2028	2029
1.	Inpatient Data					
	Total Licensed Beds	_____	_____	_____	146	146
	Total Patient Days	_____	_____	_____	22,220	35,648
	Total Occupancy %	_____	_____	_____	41.7%	66.9%
	Total Discharges	_____	_____	_____	2,706	4,080
	Total Discharge Days	_____	_____	_____	22,220	35,648
	Average Length of Stay	_____	_____	_____	8.2	8.7
2.	By major Inpatient Services					
a.	Medical/Surgical Beds	_____	_____	_____	0	0
b.	Pediatric Beds	_____	_____	_____	0	0
c.	Obstetric Beds	_____	_____	_____	0	0
d.	<b>Psychiatric Beds</b>	_____	_____	_____	96	96
	Psychiatric Patient					
	Days	_____	_____	_____	13,956	22,776
	Psychiatric Occupancy %	_____	_____	_____	39.8%	64.8%
	Psychiatric Discharges	_____	_____	_____	2,008	3,037
	Psychiatric Discharge					
	Days	_____	_____	_____	13,956	22,776
	Average Length of Stay	_____	_____	_____	7.0	7.5
e.	Long-Term Care					
f.	ICU – (Identify)					
	Beds	_____	_____	_____	0	0
f.	CCU – (Identify)					
h.	Other					
	<b>Rehabilitation</b>					
	Beds	_____	_____	_____	50	50
	Patient Days	_____	_____	_____	8,274	12,775
	Occupancy %	_____	_____	_____	45.3%	69.8%
	Discharges	_____	_____	_____	699	1,032
	Discharge Days	_____	_____	_____	8,274	12,775
	Average Length of Stay	_____	_____	_____	11.8	12.4

In addition, in the interest of a comprehensive response, VHC Health provides below the historical and projected utilization of mental health beds and rehabilitation beds at VHC.

		<u>Past Three Years</u>			<u>Projected Two Years Following Completion</u>	
		2020	2021	2022	2028	2029
a.	Psychiatric Beds	56	56	56	14	14
	<b>(Operational Beds)</b>	<b>40</b>	<b>40</b>	<b>40</b>		
	Psychiatric Patient					
	Days	11,763	11,113	10,986 <sup>13</sup>	2,483	3,495
	Psychiatric Occupancy %	80.6%	76.1%	75.2%	48.6%	68.4%
	Psychiatric Discharges	1,040	1,086	1,006	273	376
	Psychiatric Discharge					
	Days	11,621	11,113	11,133	2,482	3,495
	Average Length of Stay	911.2	10.2	11.1	9.1	9.3
b.	Rehabilitation Beds					
	Beds	20	20	20	0	0
	Patient Days	6,631	6,900	6,604	—	—
	Occupancy %	90.8%	94.5%	90.5%	—	—
	Discharges	510	530	498	—	—
	Discharge Days	7,046	6,978	6,585	—	—
	Average Length of Stay	13.8	13.2	13.2	—	—

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

**VHC Health has projected utilization of VHC's beds, and the need for the proposed additional beds, based on a range of factors, including:**

- (i) VHC's historical psychiatric bed and medical rehabilitation bed utilization and demand;**
- (ii) the acuity of psychiatric and medical rehabilitation inpatients receiving inpatient care at VHC;**
- (iii) the number of patients unable to be accommodated at VHC due to insufficient bed capacity (including mental health patients voluntarily seeking care and patients on Temporary Detention Orders ("TDOs") and medical rehabilitation patients);**
- (iv) the growing demand of psychiatric patients on VHC's emergency department;**
- (v) the various demands of defined age groups for age-appropriate specialized psychiatric services; and**
- (vi) demographic factors, including population growth and aging in VHC's service area.**

<sup>13</sup> Corrected 2022 data.

## D. Existing and/or Proposed Bed Complement

**The proposed bed complement for the Wellness Hospital is provided below.**

1. <u>Hospitals</u>	Distribution Of Existing Licensed Beds	Total Beds to be Built	Total Beds To be Lost or Removed from Service	Total Beds After Construction (Should equal sum of Columns 1, 2 and 3)
Medical/Surgical	_____	_____	_____	_____
Obstetrical	_____	_____	_____	_____
Pediatric	_____	_____	_____	_____
<b>Psychiatric</b>	_____	<b>96</b>	_____	<b>96</b>
Intensive/Coronary Care	_____	_____	_____	_____
Long-Term/Extended Care	_____	_____	_____	_____
Self-Care	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____
<b>Inpatient Rehab</b>	_____	<b>50</b>	_____	<b>50</b>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>TOTAL</b>	_____	<b><u>146</u></b>	_____	<b><u>146</u></b>
Newborn Bassinets	_____	_____	_____	_____
2. <u>Nursing Home Units</u>				
<b>N/A</b>				
Skilled Care	_____	_____	_____	_____
Intermediate Care	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>TOTAL</b>	_____	_____	_____	_____
3. <u>Bed Assignment</u>				
One Bed Rooms	_____	<b>50</b>	_____	<b>50</b>
Two Bed Rooms	_____	<b>96</b>	_____	<b>96</b>
Three Bed Rooms	_____	_____	_____	_____

Four Bed Rooms	_____	_____	_____	_____
Other ( Specify)	_____	_____	_____	_____
TOTAL	_____	<b>146</b>	_____	<b>146</b>

As noted above, VHC is currently authorized for 453 beds, including 56 mental health beds and 20 medical rehabilitation beds. The proposed Wellness Hospital will be comprised of 146 beds, including 96 mental health beds and 50 medical rehabilitation beds. 42 of the proposed mental health beds and 20 of the proposed medical rehabilitation beds will be relocated from VHC, leaving VHC with a total authorized bed capacity of 391.

E. Facilities and Services to be Provided (Check)

**VHC:**

	<u>Existing</u>	<u>This Project To be Added</u>	<u>This Project to be Discontinued</u>	<u>This Project to be Expanded Renovated</u>
1. Post Operative Recovery Room	<u><b>X</b></u>	_____	_____	_____
2. Intensive Care Unit Cardiac	<u><b>X</b></u>	_____	_____	_____
3. Open Heart Surgery Facilities	<u><b>X</b></u>	_____	_____	_____
4. Pharmacy with full-time pharmacists	<u><b>X</b></u>	_____	_____	_____
with part-time pharmacists	_____	_____	_____	_____
5. Diagnostic Radiological Services				
x-ray	<u><b>X</b></u>	_____	_____	_____
ultrasonography	<u><b>X</b></u>	_____	_____	_____
radiosotope	<u><b>X</b></u>	_____	_____	_____
<b>CT scanning</b>	<u><b>X</b></u>	_____	_____	_____
<b>PET/CT scanning</b>	<u><b>X</b></u>	_____	_____	_____
<b>MRI</b>	<u><b>X</b></u>	_____	_____	_____
6. Therapeutic				

	Radiological Services				
	Brachytherapy	<u>X</u>			
	Specify Source(s) Used				
	Teletherapy				
	Specify Source(s) or				
	Type(s) of Equipment Used				
7.	Clinical Pathology				
	Laboratory	<u>X</u>			
8.	Organ Bank				
9.	Blood Bank	<u>X</u>			
10.	Electroencephalo-				
	graphy	<u>X</u>			
11.	Electrocardiology	<u>X</u>			
12.	Respiratory Therapy	<u>X</u>			
13.	Premature Therapy	<u>X</u>			
14.	Self-Care Unit				
15.	Skilled Nursing or				
	Long-Term Nursing				
16.	Renal Dialysis				
	acute	<u>X</u>			
	chronic				
	inpatient				
	outpatient				
	home dialysis				
	training				
17.	Burn Care Unit				
18.	Physical Therapy				
	Department	<u>X</u>			
19.	Occupational Therapy	<u>X</u>			
20.	Medical Rehabilitation				
	inpatient	<u>X</u>		<u>X</u>	
	outpatient	<u>X</u>			
21.	Tuberculosis Unit				
22.	Psychiatric Services				
	inpatient	<u>X</u>			
	outpatient	<u>X</u>			
	partial hospitali-				
	zation program				
	emergency services				
	foster and/or				
	home care				
	consultation				
23.	Clinical Psychology				
24.	Organized Outpatient				
	Department				
25.	Outpatient Surgery	<u>X</u>			

26.	Social Work	<u>X</u>	_____	_____	_____
27.	Department				
27.	Family Planning	<u>X</u>	_____	_____	_____
	Service				
28.	Genetic Counseling	<u>X</u>	_____	_____	_____
	Service				
29.	Abortion Services		_____	_____	_____
	inpatient		_____	_____	_____
	outpatient		_____	_____	_____
30.	Pediatric Department	<u>X</u>	_____	_____	_____
31.	Obstetric Service	<u>X</u>	_____	_____	_____
32.	Alcoholic & Detoxi		_____	_____	_____
	fication Department	<u>X</u>	_____	_____	_____
33.	Home Care Depart-		_____	_____	_____
	ment				
34.	Speech Pathology		_____	_____	_____
	Services	<u>X</u>	_____	_____	_____
35.	Audiology Services	<u>X</u>	_____	_____	_____
36.	Hospital Auxiliary	<u>X</u>	_____	_____	_____
37.	Volunteer Service		_____	_____	_____
	Department	<u>X</u>	_____	_____	_____
38.	Paramedical Training		_____	_____	_____
	Program	<u>X</u>	_____	_____	_____
39.	Emergency Depart-		_____	_____	_____
	ment	<u>X</u>	_____	_____	_____
40.	Dental Services		_____	_____	_____
41.	Podiatric Services	<u>X</u>	_____	_____	_____
42.	Pre-Admission		_____	_____	_____
	Testing	<u>X</u>	_____	_____	_____
43.	Pre-Discharge		_____	_____	_____
	Planning	<u>X</u>	_____	_____	_____
44.	Multiphasic		_____	_____	_____
	Screening		_____	_____	_____
45.	Other (Identify)	<u>X</u>	_____	_____	_____

### Wellness Hospital:

	<u>Existing</u>	<u>This Project To be Added</u>	<u>This Project to be Discontinued</u>	<u>This Project to be Expanded Renovated</u>
8. Post Operative Recovery Room	_____	_____	_____	_____

9.	Intensive Care Unit Cardiac	_____	_____	_____	_____
10.	Open Heart Surgery Facilities	_____	_____	_____	_____
11.	Pharmacy with full-time pharmacists	_____	<b>X</b>	_____	_____
	with part-time pharmacists	_____	_____	_____	_____
12.	Diagnostic Radiological Services				
	x-ray	_____	_____	_____	_____
	ultrasonography	_____	_____	_____	_____
	radiosotope	_____	_____	_____	_____
13.	Therapeutic Radiological Services				
	Brachytherapy	_____	_____	_____	_____
	Specify Source(s) Used				
	Teletherapy				
	Specify Source(s) or Type(s) of Equipment Used				
14.	Clinical Pathology				
	Laboratory	_____	_____	_____	_____
8.	Organ Bank	_____	_____	_____	_____
9.	Blood Bank	_____	_____	_____	_____
10.	Electroencephalo- graphy	_____	_____	_____	_____
11.	Electrocardiology	_____	_____	_____	_____
12.	Respiratory Therapy	_____	<b>X</b>	_____	_____
13.	Premature Therapy	_____	_____	_____	_____
14.	Self-Care Unit	_____	_____	_____	_____
17.	Skilled Nursing or Long-Term Nursing	_____	_____	_____	_____
18.	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>X</b>	_____	_____
	outpatient	_____	_____	_____	_____
21.	Tuberculosis Unit	_____	_____	_____	_____
23.	Psychiatric Services	_____		_____	_____
	inpatient	_____	<b>X</b>	_____	_____
	outpatient	_____	<b>X</b>	_____	_____
	partial hospitali- zation program	_____	<b>X</b>	_____	_____
	emergency services	_____	_____	_____	_____
	foster and/or home care	_____	_____	_____	_____
	consultation	_____	<b>X</b>	_____	_____
23.	Clinical Psychology	_____	<b>X</b>	_____	_____
24.	Organized Outpatient	_____		_____	_____
	Department	_____	_____	_____	_____
25.	Outpatient Surgery	_____	_____	_____	_____
30.	Social Work	_____	_____	_____	_____
	Department	_____	_____	_____	_____
31.	Family Planning Service	_____	_____	_____	_____
32.	Genetic Counseling Service	_____	_____	_____	_____
33.	Abortion Services	_____	_____	_____	_____
	inpatient	_____	_____	_____	_____
	outpatient	_____	_____	_____	_____
30.	Pediatric Department	_____	_____	_____	_____
31.	Obstetric Service	_____	_____	_____	_____
35.	Alcoholic & Detoxi- fication Department	_____	<b>X</b>	_____	_____
36.	Home Care Depart- ment	_____	_____	_____	_____
37.	Speech Pathology Services	_____	<b>X</b>	_____	_____
35.	Audiology Services	_____	_____	_____	_____
36.	Hospital Auxiliary	_____	_____	_____	_____
40.	Volunteer Service	_____	_____	_____	_____
	Department	_____	_____	_____	_____
41.	Paramedical Training Program	_____	_____	_____	_____
42.	Emergency Depart- ment	_____	_____	_____	_____
40.	Dental Services	_____	_____	_____	_____
41.	Podiatric Services	_____	_____	_____	_____



45.	Pre-Admission Testing	_____	_____	_____	_____
46.	Pre-Discharge Planning	_____	<b>X</b>	_____	_____
47.	Multiphasic Screening	_____	_____	_____	_____
45.	Other (Identify)	_____	_____	_____	_____

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).

**VHC Staffing:**

	<u>Current</u>		<u>Additional</u>	<u>NEEDED</u>
	<u>Full Time</u>	<u>Vacant Positions</u>	<u>Full Time</u>	<u>Total</u>
<u>Total number of Full-time staff</u>	<b>2,991</b>	<b>224.7</b>		<b>3,215.7</b>
Administration-Business Office	<b>586.7</b>	<b>24.5</b>		<b>611.2</b>
Registered Nurses	<b>937.5</b>	<b>89.3</b>		<b>1026.8</b>
Licensed Practical Nurses	<b>8.9</b>	<b>2.0</b>		<b>10.9</b>
Nurses Aides, Orderlies and Attendants	<b>108.4</b>	<b>24.6</b>		<b>133.0</b>
Registered Pharmacists	<b>31.9</b>	<b>32.5</b>		<b>64.4</b>
Laboratory Medical Technologists	<b>86.7</b>	<b>9.5</b>		<b>96.2</b>
ADA Dieticians	<b>6.4</b>	<b>1.0</b>		<b>7.4</b>
Radiologic Technologists	<b>104.6</b>	<b>9.5</b>		<b>114.1</b>
Occupational Therapists	<b>12.8</b>	<b>1.5</b>		<b>14.3</b>
Physical Therapists	<b>47.2</b>	<b>1.0</b>		<b>48.2</b>
Psychologists	<b>1.3</b>	<b>0.5</b>		<b>1.8</b>
Psychiatric Social Workers	<b>40.8</b>	<b>2.0</b>		<b>42.8</b>
Recreational Therapists	_____	_____	_____	_____
Inhalation Therapists	_____	_____	_____	_____
Medical Social Workers	_____	_____	_____	_____
Other Health Professionals (Identify)	_____	_____	_____	_____
All Other Personnel (Exclude Physicians and Dentists)	<b>1,017.8</b>	<b>26.8</b>		<b>1,044.6</b>
<b>(includes environmental, IT services, nutrition, engineering, safety, and security services and various other support services)</b>				

The 14-bed unit remaining at VHC does not require COPN authorization. However, in the interest of transparency, VHC Health provides here the contemplated staffing for that unit, as follows:

- Charge nurse (1.0 full-time equivalent (“FTE”) employees);
- Psychiatric registered nurse (12.6 FTE);
- Clinical technician (8.4 FTE);
- Social worker (2.6 FTE); and
- Unit clerk (1.6 FTE).

VHC Health anticipates that some of VHC’s existing mental health staff will choose to transfer to the Wellness Hospital, while others (especially those with extensive experience working with medically compromised patients) may wish to remain at the main VHC hospital.

**Wellness Hospital:**

	<u>Current</u>		<u>Additional</u>	<u>NEEDED</u>
	<u>Full</u>	<u>Vacant</u>	<u>Full</u>	
	<u>Time</u>	<u>Positions</u>	<u>Time</u>	<u>Total</u>
<u>Total number of Full-time staff</u>	<b>0</b>	<b>0</b>	<b>296.3</b>	<b>296.3</b>
Administration-Business Office	<b>0</b>	<b>0</b>	<b>55.5</b>	<b>55.5</b>
Registered Nurses	<b>0</b>	<b>0</b>	<b>57.4</b>	<b>57.4</b>
Licensed Practical Nurses	<b>0</b>	<b>0</b>	<b>10.3</b>	<b>10.3</b>
Nurses Aides, Orderlies and Attendants	<b>0</b>	<b>0</b>	<b>79.8</b>	<b>79.8</b>
Registered Pharmacists	<b>0</b>	<b>0</b>	<b>5.8</b>	<b>5.8</b>
<b>(and technicians)</b>				
Laboratory Medical Technologists	<b>0</b>	<b>0</b>		
ADA Dieticians	<b>0</b>	<b>0</b>	<b>10.0</b>	<b>10.0</b>
<b>(and aides)</b>				
Radiologic Technologists	<b>0</b>	<b>0</b>		
Occupational Therapists	<b>0</b>	<b>0</b>	<b>9.9</b>	<b>9.9</b>
<b>(and technicians)</b>				
Physical Therapists	<b>0</b>	<b>0</b>	<b>9.9</b>	<b>9.9</b>
<b>(and technicians)</b>				
Psychologists	<b>0</b>	<b>0</b>		
Psychiatric Social Workers	<b>0</b>	<b>0</b>	<b>13.5</b>	<b>13.5</b>
Recreational Therapists	<b>0</b>	<b>0</b>	<b>3.0</b>	<b>3.0</b>
Inhalation Therapists	<b>0</b>	<b>0</b>	<b>1.1</b>	<b>1.1</b>
Medical Social Workers	<b>0</b>	<b>0</b>		
Other Health Professionals				
(Identify)	<b>0</b>	<b>0</b>		
<b>Speech Therapists</b>	<b>0</b>	<b>0</b>	<b>3.0</b>	<b>3.0</b>

**Intake and Needs Assessment**

<b>Specialists</b>	<b>0</b>	<b>0</b>	<b>16.1</b>	<b>16.1</b>
<b>Housekeeping</b>	<b>0</b>	<b>0</b>	<b>17.5</b>	<b>17.5</b>
<b>Maintenance</b>	<b>0</b>	<b>0</b>	<b>3.5</b>	<b>3.5</b>
All Other Personnel (Exclude Physicians and Dentists)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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 anticipated additional staffing needed to support the Wellness Hospital is 296.3 FTEs. Notably, all existing staff currently supporting VHC's existing mental health and medical rehabilitation services will be afforded the choice of transferring to the Wellness Hospital, located just 2.4 miles and less than 10 minutes from the VHC campus. The convenience of the proposed state-of-the-art facility, its accessibility, ample parking, and smaller, more focused care environment, along with opportunities for specialized learning and training related to rehabilitation and mental health make the Wellness Hospital an attractive location for many existing staff members residing in the service area. VHC Health anticipates that the majority of VHC's existing medical rehabilitation and mental health staff will transfer to the Wellness Hospital.**

**VHC Health does not anticipate any significant issues filling the remaining needed positions. As a preliminary matter, VHC Health has devoted considerable effort and resources toward strengthening physician, nurse, and clinical staff retention and recruitment, particularly during the ongoing nationwide health care staffing shortage, and it has enjoyed considerable success. Specifically, VHC Health has continued to pursue innovative approaches to compensation and benefits and to invest in various workplace safety initiatives and has effectively managed costs to offset the rising costs of labor. Further, VHC Health is closely affiliated with numerous educational and training facilities in Northern Virginia and the District of Columbia, including:**

- Marymount University;**
- Northern Virginia Community College;**
- George Mason University;**
- Georgetown University;**
- George Washington University;**
- James Madison University;**
- Catholic University;**
- Shenandoah University;**
- Stratford University; and**
- Chamberlain University.**

In addition to those affiliations, VHC Health participates in a variety of initiatives with various partners that support VHC Health’s recruitment and training efforts, including Virginia Commonwealth University, Arlington County, Friends of Nursing Foundation, the National Institute of First Assists, and the Foundation Poyant Fund. Overall, VHC Health collaborates with more than 300 accredited psychiatry programs nationwide and plans to work with those partner programs to hire the necessary staff for the new hospital. (Recently, those affiliations helped VHC Health hire an adolescent psychiatrist.) Additionally, in 2022, VHC became the first hospital in the D.C. Metro area to become a Practice Transition Accreditation Program – a national certification awarded by the American Nurses Credentialing Center (“ANCC”) for meeting global standards that transition new graduate registered nurses through their first twelve months of practice. Further, VHC has achieved Magnet status – a recognition by the ANCC that helps patients identify hospitals with satisfied nurses and exceeding certain quality of care benchmarks.

Moreover, the co-location of medical rehabilitation services with behavioral health services will allow for cross-training of nurses and therapists, shared support staff (including administrative, dietary, and plant operations staff), and integration of interdisciplinary plans of care. Additional needed personnel will be recruited through customary channels, including the internet and print advertising, and the many schools with which VHC Health is affiliated. Given its ongoing staff recruitment and retention efforts and successes, **VHC Health does not anticipate any significant issues with recruiting that number of staff.**

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

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

**See Attachment III.I.1—VHC Medical Staff Roster.**

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

**See Attachment III.I.2—Letter of Endorsement.**

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

**Copies of VHC's Virginia Department of Health facility license and the DBHDS programmatic license for 2023 are attached. See Attachment III.I.3—License Documentation. VHC has submitted the license renewal applications but has not yet received the renewed licenses.**

**VHC is accredited by The Joint Commission, whose accreditation materials are attached, and therefore the Virginia Department of Health does not conduct annual licensure inspections (or issue annual licensure reports) at the facility.**

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

**See Attachment III.I.4—VHC Accreditation Documentation.**

## SECTION IV PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY NEED

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

The proposed project seeks to address the high demand for VHC’s existing mental health beds and medical rehabilitation beds – demand that VHC’s current capacity is unable to meet on a daily basis and that cannot optimally be met on the VHC campus due to space limitations. Specifically, Virginia Hospital Center Arlington Health System d/b/a VHC Health and South Arlington, LLC<sup>14</sup> (collectively, the “applicants” or “VHC Health”) propose to relocate the majority of VHC’s highly utilized mental health services and medical rehabilitation services to the Wellness Hospital, a new hospital to be established 10 minutes from the existing VHC campus. The proposed Wellness Hospital will accommodate not only VHC’s existing mental health beds and services and its medical rehabilitation beds but also much-needed expansions of those beds and services. These expansions will allow the Wellness Hospital to establish critical complementary services historically not available at VHC – including dedicated specialized adolescent inpatient psychiatric services – and expanded adolescent IOP services. In short, the project will significantly enhance patients’ access to needed care, improve VHC’s admission flexibility, and promote continuity of care for patients by allowing them to receive needed inpatient treatment in their home community.

### Institutional Need for Expansion of VHC’s Mental Health Services

VHC’s existing mental health beds have long been highly utilized and have historically exceeded the SMFP’s 75% occupancy threshold. In 2021, average occupancy of VHC’s 40 mental health beds was 76.1% and 75.2% in 2022.

VHC Mental Health Bed Occupancy <sup>15</sup>	2018	2019	2020	2021	2022 <sup>16</sup>
Total Acute Care Mental Health Beds	40	40	40	40	40
Patient days	11,258	11,681	11,763	11,113	10,986
Occupancy	77.1%	80.0%	80.6%	76.1%	75.2%

<sup>14</sup> VHC Health is contemplating owning the Wellness Hospital through the South Arlington, LLC, entity that is a co-applicant in this application and that is further described in Section I. VHC Health would contribute to South Arlington, LLC, the beds to be relocated from VHC to the Wellness Hospital.

<sup>15</sup> Occupancy percentages are calculated as a percentage of 100% utilization, not as fraction of the SMFP’s mental health bed occupancy threshold of 75%.

<sup>16</sup> Corrected 2022 data.

The occupancy of VHC’s psychiatric beds – 82.2% in 2021 and 80.9% in 2022 – is particularly high, exacerbated by (and despite) the fact that, as a practical matter, VHC is not able to use all of those beds for all patients every day. Specifically, because all of the existing 18 psychiatric beds are located in semi-private rooms, VHC is at times unable to accommodate certain patients (including voluntary patients and those with TDOs) because of various co-rooming compatibility issues such as the patients’ age, gender, acuity, psychiatric diagnosis, aggressive behavior, and medical comorbidities. In short, while co-rooming can be clinically beneficial in some cases, it is not always appropriate. Particularly given VHC’s limited inventory of psychiatric beds, compatibility challenges often functionally limit VHC’s practical capacity. In addition, in 2021 and 2022, patient rooms were temporarily out of service to allow updates necessary to ensure compliance with non-ligature requirements, further suppressing utilization by taking one room (i.e., two beds) out of service for several weeks at a time. Nonetheless, VHC’s psychiatric beds have long operated at or above the SMFP’s occupancy threshold of 75%.

VHC Psychiatric Bed Occupancy	2018	2019	2020	2021	2022
Acute Psychiatric Beds	18	18	18	18	18
Patient days	5,429	5,749	5,495	5,398	5,314
Occupancy	82.6%	87.5%	83.6%	82.2%	80.9%

Numerous other indicia of need illustrate the need for VHC Health’s project. In 2021, VHC saw a 54% increase in mental health-related emergency department visits compared to 2020. In fact, demand for crisis-related psychiatric services grew so quickly that the hospital had to turn away nearly 20% of people seeking help. The need for behavioral health services has continued to grow throughout 2022, with another 4,000 individuals unable to receive treatment due to a lack of sufficient resources or bed availability.<sup>17</sup> The lack of adequate mental health bed capacity at VHC is detrimental to the delivery, timeliness, quality, and continuity of care and the patient experience. Without appropriate and sufficient capacity at VHC, growing numbers of patients of all ages (including adolescents and geriatric patients) must wait exceedingly long for access to an inpatient bed at VHC, must be boarded in the busy emergency room for days (with law enforcement present if the patient is on a TDO), or must be sent to hospitals further from their homes, which can be extremely burdensome. By way of illustration, in the 12-month period ending June 2020, VHC had to refer a total of 516 patients

<sup>17</sup> Virginia Hospital Center Emergency Department Struggles to Keep Up Due to Increases in Mentally Ill Patient Visits. The Washington Times. Retrieved from <https://www.washingtontimes.com/news/2022/mar/22/virginia-hospital-center-emergency-department-struggle/>.

to other facilities due to lacking appropriate beds, including 269 patients on TDOs. In the 12-month period ending June 2021, the number of patients unable to be accommodated at VHC increased to 625 patients, including 329 TDO patients.

The transfer of mental health patients to a different facility outside of the community because of insufficient bed capacity at VHC is often associated with additional waits of several days. Patients on TDOs must be accompanied by law enforcement during those waits, which requires extensive police resources.<sup>18</sup> In addition, the transfer process is quite cumbersome, necessitating multiple steps, including medical clearance, psychiatric screening and evaluation, insurance authorization, and arranging for transportation. Patients on TDOs are transported by law enforcement, increasing the burden on local police departments. See Attachment IV.H.2 for relevant letters of support. Once a patient is admitted at a distant hospital, families often cannot regularly engage and collaborate with care providers on important matters related to the patient's care because of the distance.

The resulting delays in care can have dramatic exacerbating effects on the patients' condition, most of whom arrive at VHC experiencing a crisis. With each day of delay, recovery becomes more and more challenging for these patients. Prolonged waits, devoid of the specialized psychiatric care urgently needed by patients, can lead to a deterioration of their mental state, potentially intensifying symptoms like paranoia, anxiety, or depressive thoughts. Delays also impede patients' immediate recovery and can erode their trust in the healthcare system, making them hesitant to seek timely help in the future. The experience of poor access to care can reinforce feelings of isolation and stigmatization. Every hour of delay represents a missed opportunity to provide compassionate, specialized care that could significantly alter the trajectory of patients' recovery and overall wellbeing. In addition, admission outside of the patient's community makes it more difficult to arrange post-discharge outpatient care – an essential complement to behavioral health hospitalization.

The particularly acute need for adolescent mental health services is undisputed. That need encompasses both inpatient and outpatient services. Historically, VHC has lacked the bed capacity to operate specialized adolescent psychiatric beds; effective December 29, 2023, VHC secured conditional DBHDS licensure of adolescent IOP services. Even with that important addition, adolescent patients suffering from complicated psychiatric issues require access to the full spectrum of mental health services. Other services generally are highly utilized or distant, significantly

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<sup>18</sup> See Attachment IV.H.2—Letters of Support (in particular, letters of support from Arlington Police Department Chief Charles Penn and Deputy Chief Wayne Vincent discussing the law enforcement challenges associated with TDO patients when appropriate beds are not available).



undermining access for Arlingtonians. The proposed Wellness Hospital would allow VHC Health to implement a specialized inpatient unit for adolescent patients as well as the full spectrum of appropriately sized related outpatient services, dramatically enhancing access to care for its young patients.

Further, as local advocates have recognized, patients with mental illness are often considered “high utilizers” of health care resources; many have repeat admissions. For those patients, being able to return to the same facility under the care of the same clinicians can be decisive in their decision to seek inpatient care and thus in their recovery. In fact, some of those repeat patients have indicated that they only feel safe at VHC and would not go to any other hospital. Unable to access beds at VHC, those patients must wait, often for weeks, with nowhere to go, and some forego care altogether. In extreme cases, the lack of access to timely and appropriate local care can have catastrophic consequences, with patients ending up homeless or in jail.

In brief, when a psychiatric bed is not available to a patient in need of acute care psychiatric services, acutely ill patients deteriorate, families and caregivers buckle under stress, the emergency department overfills, and the burden on patients, the health care system, and local emergency response system grows. From a geographic, financial, logistics, and availability perspective, accessing behavioral health services at distant facilities outside of the community is challenging, can disrupt communication, coordination, and the continuity of care, and can undermine the effectiveness of the patient’s support system. Without timely and convenient access to necessary resources to address and manage their symptoms in a timely manner, these patients’ crises escalate, and their long-term prognoses worsen.

### **Community Need for VHC’s Mental Health Services**

The need to expand VHC’s mental health services is particularly acute given the growing demand for behavioral health care in the community. Since the pandemic and the associated economic recession, the community’s mental health has declined. According to the Arlington County Community Health Needs Assessment (2020), 21% of adults reported suffering from mental health concerns. With the emergence of the COVID-19 pandemic, Arlington County experienced a significant rise in mental health issues, with the County’s Department of Human Services reporting a 43% increase in clients seeking services between April 2020 and March 2021.<sup>19</sup> Utilization of emergency mental health services has similarly increased substantially. Between 2019 and 2022, the number of emergency patients served increased by 12% and the number of mental health-related phone calls to emergency services increased by 75%. More people are experiencing anxiety and depression; there is also an increase in substance abuse (especially opioids

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<sup>19</sup> See *id.*; see also National Survey on Drug Use (2021).

and Fentanyl). For example, there were 10 opioid overdoses in Arlington in 2014 and 10 in 2015, and four fatal overdoses each year. Those numbers have climbed dramatically in recent years, rising to:

- 74 overdoses and 20 fatal overdoses in 2020;
- 92 overdoses and 28 fatal overdoses in 2021; and
- 87 overdoses and 17 fatal overdoses in 2022.<sup>20</sup>

The number of overdoses in the community likely would be even higher without ongoing prevention and harm reduction efforts coordinated by the Arlington Addiction Recovery Initiative, Arlington’s opioid and other addictions taskforce comprised of stakeholders from across the County (including VHC Health).

In short, overdoses in the community have increased ninefold in the past decade. April 2023 data indicate 20.8% of Arlington adults self-report excessive alcohol consumption,<sup>21</sup> a rate higher than the state average of 16.9% reported by the CDC Behavioral Risk Factor Surveillance System.<sup>22</sup> Additionally, the use rate of mental health beds and the volume of mental health bed patient days in PD 8 has consistently increased since 2018.

PD 8 Utilization	2018	2019	2020	2021	2022 <sup>23</sup>
Mental Health Bed Patient Days	104,535	118,530	121,661	132,834	136,521
PD 8 Mental Health Bed Use Rate	0.0415	0.0467	0.0477	0.0521	0.0533

Despite urgent need, the National Institute of Mental Health reports that only about one-third of Arlington’s population is receiving the behavioral health and substance use treatment it needs.<sup>24</sup> According to a 2019 survey, only 26% of Arlington’s high school students reported they “most of the time or always” get the kind of help they need, and nearly 14% of high schoolers have seriously considered attempting suicide.

Notably, the growing demand for mental health services at VHC and in the community generally is illustrative of general statewide and national trends

<sup>20</sup> Arlington County Department of Human Services.

<sup>21</sup> [www.healthierarlington.org](http://www.healthierarlington.org).

<sup>22</sup> CDC Behavioral Risk Survey 6. Nunn, C. (2022, March); Arlington County, 2020 Community Health Needs Assessment, DBHDS; The Economic and Human Cost of Mental Health Disorders in Virginia (2016).

<sup>23</sup> See Attachment IV.E—SMFP Compliance, Exhibit A—Data for Mental Health Bed Need Calculation.

<sup>24</sup> National Institute of Mental Health. “Only a Third of Arlingtonians Get the Mental Health Help They Need.” Mental Health America, 8 Feb. 2021, [www.mahnational.org/only-third-arlingtonians-get-mental-health-help-they-need](http://www.mahnational.org/only-third-arlingtonians-get-mental-health-help-they-need)).

and the behavioral health care crisis facing Virginians that “has gone from bad to worse” as “[t]he number of individuals seeking behavioral health care treatment has steadily increased amidst the ongoing COVID-19 pandemic.”<sup>25</sup> Nationwide, one in eight emergency department visits involve mental health or substance use disorders. A Treatment Advocacy Center assessment of psychiatric bed availability has ranked Virginia 49<sup>th</sup> among all states, with 18.2 beds per 100,000 people; the organization considers a minimum of 50 beds per 100,000 people necessary to provide minimally adequate treatment for individuals with severe mental illness.<sup>26</sup> According to the 2023 State of Mental Health in America ranking by Mental Health America, a comparative foundation for understanding the prevalence of mental health concerns and issues of access by state, Virginia ranked 48<sup>th</sup> in the youth ranking (nearly last in the country).<sup>27</sup> (States with rankings 39-51 indicate that youth have a higher prevalence of mental illness and lower rates of access to care.) Virginia Governor Glenn Youngkin has sponsored a three-year plan to transform behavioral health in Virginia. A key component of the “Right Help, Right Now” plan is development of more capacity for behavioral health patients.<sup>28</sup> Governor Youngkin’s proposed 2025-2026 Biennial Budget continues to invest in behavioral health, with nearly \$94 million requested for various behavioral health-related projects such as Comprehensive Psychiatric Emergency Programs (“CPEPs”) and comprehensive crisis systems.<sup>29</sup>

### **Overview of VHC Health’s Earlier Mental Health Planning and Efforts**

The lack of adequate mental health resources in the community has long been a priority for VHC Health. Recognizing the demonstrated need for mental health services, VHC Health has worked to expand its outpatient and inpatient spectrum of those services and continues to make significant investments in people, programming, and the delivery of care.

For example, over the past five years, VHC Health collaborated with the Arlington County Department of Health Services, the Arlington County CSB, and the Mental Health Alliance to develop and provide funding for the creation of the Diversion First program – a pilot program to divert Arlington children and adolescents in psychiatric crisis from psychiatric hospitalization, residential treatment, and the juvenile justice treatment. The program supplies clinician resources to provide crisis services, pre-screening, and intensive care coordination. The goal of the program is to keep young patients in the community with their families by intervening at crisis points when youth present at VHC or the CSB’s Crisis Intervention Center. As

<sup>25</sup> Letter dated July 21, 2021, from Connaughton to Howell et al.

<sup>26</sup> <https://www.treatmentadvocacycenter.org/browse-by-state/virginia>.

<sup>27</sup> [https://mhanational.org/issues/2023/ranking-states#youth\\_data](https://mhanational.org/issues/2023/ranking-states#youth_data).

<sup>28</sup> <https://mhanational.org/issues/2023/mental-health-america-access-care-data>.

<sup>29</sup> <https://www.governor.virginia.gov/newsroom/news-releases/2023/december/name-1019260-en.html>.

another important step to a more robust community mental health care system that supports the entire continuum of care, VHC has also operationalized a CPEP according to the guidelines of the Virginia DBHDS. VHC's CPEP serves as a starting point for acute mental health cases, facilitates rapid evaluation to ensure immediate attention and appropriate treatment, and offers dedicated staffing, improved patient care, and enhanced patient outcomes.

In addition, over the past seven years, VHC Health has collaborated with Arlington County officials, the local CSB, local advocacy groups, the Health Systems Agency of Northern Virginia, patients, and VHC Health leadership and staff on meeting the long-identified need for better access to VHC's inpatient psychiatric services. This planning process recognized that VHC, historically configured to house both inpatient and outpatient services, simply lacked the space to accommodate additional beds. The first step toward increasing VHC's inpatient capacity thus necessitated the relocation of all outpatient services out of the hospital building to the Outpatient Pavilion, a new outpatient building on the VHC campus; the space vacated within the hospital could then accommodate additional inpatient beds.

Throughout the County's site plan approval process for the Outpatient Pavilion, the need for expanded psychiatric services at VHC remained a primary concern for VHC Health, the community, and stakeholders. Indeed, recognizing the urgency of this long-standing need, County officials incorporated the expansion of VHC's psychiatric services (and related outpatient services) into the site plan approval as Condition #66. In August 2021, VHC Health filed a COPN application to add 16 psychiatric beds at VHC. The beds were to be located in space freed up by relocating outpatient services from the main hospital building to the Outpatient Pavilion. The Commissioner approved the project in February 2022.<sup>30</sup> With the Outpatient Pavilion becoming operational in June 2023, the implementation of the 16 additional psychiatric beds could begin in earnest.

However, as VHC Health and the stakeholder group refocused on the addition of the approved psychiatric beds at VHC, it became increasingly apparent that what VHC's patients really needed – not only better access to adult inpatient psychiatric services but also adolescent inpatient psychiatric services and the full complement of ambulatory care, including expanded IOP services and PHP services – simply could not be accommodated optimally on the crowded hospital campus. With the need for all those services growing more acute by the day, and following close collaboration with Arlington County and discussions with other agencies and stakeholders, VHC Health decided that relocating and expanding VHC's busy psychiatric services to a new hospital away from the hospital campus, yet squarely in the

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<sup>30</sup> COPN No. VA-04773.

historical VHC service area, would be the most effective and efficient approach.

### **Overview of Mental Health Services Proposed For Wellness Hospital**

In this application, VHC Health proposes to establish a new hospital that will house a comprehensive mental health program encompassing IOP services, PHP services, and inpatient psychiatric beds, and will allow VHC to offer specialized mental health services to adult patients as well as adolescents and medically compromised patients. The proposed Wellness Hospital will house a total of 146 beds, including 96 mental health beds (42 relocated from VHC and 56 new beds), to be organized in specialized units designed to optimally treat certain patient populations. Notably, 14 inpatient psychiatric beds will remain at VHC and will provide psychiatric services to medically compromised patients requiring not only inpatient psychiatric care but also complex medical services.

The beds proposed for the Wellness Hospital will be implemented in semi-private and private rooms. In behavioral health, both private rooms and semi-private rooms play an important role; ample capacity and flexibility to adopt a hybrid approach is critical to ensure that patient needs are met based on diagnosis and acuity. All of VHC's 18 operational beds are currently located in nine semi-private rooms. This has historically hamstrung VHC's ability to fully utilize its beds given commonplace co-rooming incompatibilities (for example patient's age, gender, acuity, psychiatric diagnosis, aggressive behavior, and medical comorbidities). At the same time, however, semi-private rooms can offer valuable social support and therapeutic advantages and can be more appropriate for certain patients than private rooms. Proposing 96 mental health beds (significantly more than VHC has historically operated), to be located in semi-private rooms, VHC Health's ability to appropriately place patients in such rooms will dramatically increase. At the same time, the proposed bed complement will provide VHC with much-needed flexibility to utilize some semi-private rooms as private rooms as needed to house patients for whom the private setting is more appropriate and to accommodate a blend of patient conditions and treatment protocols.

In addition, the proposed Wellness Hospital will provide:

- Adolescent IOP services;
- Adult IOP services;
- Adult recovery and wellness IOP services; and
- Adult PHP services.

By way of background, IOP services offer specialized mental health evaluation, treatment planning, and integrated evidence-based care to patients who do not require the intensive level of care of inpatient,

residential, or PHP services but require more intensive services than outpatient services and would benefit from the structure and safety available in a facility setting. The services are “intensive” due to the intensive schedule of treatment (typically 10 hours per week), but “outpatient” given that the patient goes home each night. IOP treatment typically includes individual therapy and group therapy sessions, life skills classes, and support groups. Adult recovery and wellness IOP services, in particular, focus on addiction and substance abuse, help patients address the causes of addiction and substance abuse, learn the coping strategies and skills to secure and maintain a job, connect to peers, and build healthy relationships. The goal of IOP services is to offer symptom reduction and crisis and safety planning to promote stability and independent living in the community, thus reducing the need for a more acute level of care.

PHP programs, on the other hand, provide mental health services for patients who require intensive, highly coordinated, structured, and interdisciplinary ambulatory treatment in an environment of greater intensity than intensive outpatient services, but in a less restrictive setting than inpatient care, while living in the comfort of their own home. Programming typically includes several hours of psychotherapeutic services per day, five days per week.

Collectively, these innovative services will significantly enhance access to the full spectrum of psychiatric care for all patients: not only to inpatient services but also to critical outpatient services that will ultimately help mitigate the need for admissions and provide needed post-discharge care for patients, supporting effective stabilization of patients following their release from the hospital and their long-term recovery. Indeed, such co-location is particularly synergistic and beneficial, alleviating the current fragmentation of care for mental health patients that can lead to patient non-compliance with post-discharge care instructions, undermine recovery, delay medication management, and exacerbate symptoms, increasing the need for acute mental health services, intensifying the current bed shortage, and increasing the costs of care. A new facility providing comprehensive behavioral health services under one roof will help prevent gaps in care to facilitate long-term provider connections and recovery. Increased engagement with community-based support and early intervention programs can also reduce the financial burden on the health care system and the criminal justice system, increase compliance with clinical recommendations, and potentially reduce the need for inpatient psychiatric hospitalizations and improving overall patient outcomes.

Particularly for adolescents, the Wellness Hospital will be an important addition to the VHC Health care continuum available in PD 8, offering – for the first time – access to specialized adolescent psychiatric beds and the full range of adolescent outpatient services. A well-integrated range of mental

health services will significantly improve timely access to needed care and support young patients as they travel along the continuum of mental health services, thus enhancing outcomes for patients and the overall health of VHC's patient population.

#### **Need for Expansion of VHC's Medical Rehabilitation Services**

VHC currently operates 20 medical rehabilitation beds. Those beds have long operated above the SMFP's 80% occupancy threshold for expansion. In 2023, VHC has lacked capacity to accommodate approximately 5-6 patients seeking inpatient medical rehabilitation services per month. Its per-bed medical rehabilitation patient days are among the highest of any acute care hospital in the PD, second (by a miniscule number of patient days) only to Inova Fairfax Hospital, yet it has the lowest inventory of authorized medical rehabilitation beds.

<b>VHC Rehab Bed Occupancy</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Medical Rehabilitation Beds</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Patient days</b>	<b>6,673</b>	<b>6,472</b>	<b>6,631</b>	<b>6,900</b>	<b>6,604</b>
<b>Occupancy</b>	<b>91.4%</b>	<b>88.7%</b>	<b>90.8%</b>	<b>94.5%</b>	<b>90.5%</b>

In addition, the number of medical rehabilitation bed days in PD 8 has steadily increased since 2018, as has the medial rehabilitation bed use rate.

<b>PD 8 Medical Rehabilitation Bed Utilization:<sup>31</sup></b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Medical Rehabilitation Bed Patient Days</b>	<b>47,848</b>	<b>52,913</b>	<b>55,412</b>	<b>60,457</b>	<b>60,916</b>
<b>PD 8 Medical Rehabilitation Bed Use Rate</b>	<b>0.0188</b>	<b>0.0209</b>	<b>0.0217</b>	<b>0.0237</b>	<b>0.0238</b>

In short, VHC has a long-standing institutional need to expand its existing medical rehabilitation beds. However, as previously discussed, the VHC campus simply lacks the space to accommodate those beds and necessary support services and spaces in an efficient and effective manner. Accordingly, VHC Health has determined that relocating and expanding VHC's inpatient rehabilitation services to a new hospital away from the hospital campus, yet squarely in the historical VHC service area, would be the most effective and efficient approach to meeting its patients' needs. The proposed Wellness Hospital will contain a total of 50 medical rehabilitation beds, including 20 beds relocated from VHC and 30 new beds.

<sup>31</sup> Attachment IV.E—SMFP Compliance, Exhibit B—Data for Rehabilitation Bed Need Calculation.

### **Community Need for VHC’s Medical Rehabilitation Services**

While VHC has an institutional need to expand its inventory of medical rehabilitation beds, existing facilities in PD 8 are similarly highly utilized. Per 2022 Virginia Health Information (“VHI”) data, existing medical rehabilitation beds in PD 8 operated at average occupancy of 87.8%, exceeding the SMFP’s 80% occupancy threshold. Inova Fairfax Hospital, the closest provider of inpatient medical rehabilitation services, reported occupancy approaching 91% in 2022. Additional beds have recently been approved at Encompass Health and Reston Hospital Center based on each facility’s respective institutional need. Those beds are not yet reflected in the 2022 VHI data; however, even accounting for those beds, 2022 patient days would result in average occupancy of 75%. Accounting for the patient day volumes projected by Encompass Health and Reston Hospital Center in the respective applications, average occupancy of authorized medical rehabilitation beds in the PD would be 83%.<sup>32</sup> Within the PSA, acute medical rehabilitation discharges are projected to increase by 12.3% between 2022 and 2027.

Notably, the Division of Certificate of Public Need (“DCOPN”) has recognized that rehabilitation hospitals and departments with larger operating capacities are better able to create specialized clinical programs and units that cannot be created in smaller hospital-based units and typically have lower costs.<sup>33</sup> Illustrating the benefits of specialized rehabilitation facilities, nationally, transfers from acute care hospitals to rehabilitation hospitals are on the rise, while discharges of rehabilitation patients from general acute care hospitals are declining.<sup>34</sup>

### **Summary of the Proposed Wellness Hospital**

Establishment of the proposed Wellness Hospital affords VHC Health a unique and important opportunity to meet its psychiatric and medical rehabilitation patients’ needs in a comprehensive, efficient, and convenient manner. First and foremost, relocation of the majority of VHC’s existing mental health and all its medical rehabilitation services to a new, amply sized facility will provide the space necessary to expand those highly utilized inpatient services in a modern, state-of-the-art facility. Just as importantly, it will also permit implementation of the full spectrum of critical mental health outpatient services, to include IOP and PHP services.

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<sup>32</sup> COPN Request No. VA-854, COPN Application at 11 (projecting 8,432 patient days in year 1); COPN Request No. VA-8605, COPN Application at 12 (projecting 24,383 patient days in year 1).

<sup>33</sup> DCOPN Staff Report re COPN Request No. VA-8677 at 11.

<sup>34</sup> 2020-2022 MedPAR data.



With additional bed capacity available, residents of the VHC Health service area will have better access to inpatient services close to home. This will improve the ability of families and friends to provide support to their loved ones who need inpatient rehabilitation or mental health services. On the mental health side, additional and expanded outpatient programs will support mental health patients' transition to outpatient treatment programs, allowing patients to return to the same facility for important post-discharge care, thus optimizing the efficiency and effectiveness of the entire behavioral health care spectrum. This in turn will help maintain the effect of inpatient treatment, support the short- and long-term stabilization of patients following discharge, and reduce the risk of care disengagement, symptom exacerbation, and catastrophic outcomes. On the medical rehabilitation side, a state-of-the-art facility with expanded bed capacity will allow VHC Health to optimally address its patients' growing need for specialized care for neurological conditions including stroke, acquired brain injury, traumatic and non-traumatic spinal cord injuries, multiple sclerosis, and Parkinson's as well as other rehabilitation conditions. The facility's modern design will accommodate not only needed additional beds but numerous features critical to the successful long-term rehabilitation of patients (including infrastructure for modern technology and equipment and extensive outdoor space).

Notably, although the Wellness Hospital will operate only mental health beds and medical rehabilitation beds, patients of the facility will have access to all of the services offered by VHC. For access, continuity, and coordination of care purposes, the Wellness Hospital will be no different than a facility on the VHC campus. VHC's clinicians will conduct regular screenings at the Wellness Hospital for medical services needed by those patients (such as audiology, podiatry, orthotics, radiology, or extensive laboratory services) and will be referred for those necessary services to VHC (or other facilities). But for the separate location of VHC and the Wellness Hospital, only 2.4 miles away, there will be extensive integration of services among the two facilities.

In short, given the urgency, scope, and depth of the need for mental health care and medical rehabilitation services, the proposed Wellness Hospital is the most effective, efficient, and appropriate response. The facility will allow VHC Health to address the entire continuum of behavioral health, from baseline therapy to intensive therapy to partial hospitalization and inpatient services, and to expand VHC's bed capacity to meet patient demand.

## **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 primary service area for VHC includes Arlington County, Falls Church City, Alexandria City, and portions of Fairfax County. The primary service area for the proposed Wellness Hospital is anticipated to be the same. See Attachment IV.H.1 – Maps of Service Area and Existing Facilities.

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

**See Attachment IV.B.2 – Patient Origin Data.**

- 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)

**Mental Health Facilities:**

**PD 8 facilities operating psychiatric beds include the following general acute care hospitals and psychiatric hospitals:**

**General acute care hospitals:**

- Inova Fairfax Hospital in Falls Church (adult, pediatric, and substance abuse beds)
- Inova Loudoun Hospital in Leesburg (Loudoun County) (adult beds)
- Inova Mount Vernon Hospital in Alexandria (adult beds)
- UVA Health Prince William Medical Center in Manassas (“PVMC”) (adult beds)
- HCA StoneSprings Hospital Center in Dulles (Loudoun County) (adult beds)
- Virginia Hospital Center (adult and substance abuse beds)

**Psychiatric hospitals:**

- Dominion Hospital in Falls Church (adult and pediatric beds)

- **North Spring Behavioral Healthcare (“NSBH”) in Leesburg (Loudoun County) (pediatric beds)**

**Medical Rehabilitation Facilities:**

**PD 8 facilities operating medical rehabilitation beds include the following general acute care hospitals and rehabilitation hospitals:**

**General acute care hospitals:**

**Inova Fairfax Hospital in Falls Church  
Inova Mount Vernon Hospital in Alexandria  
HCA Reston Hospital Center in Reston  
Virginia Hospital Center**

**Rehabilitation hospitals:**

**Encompass Health Rehabilitation Hospital of Northern Virginia (“Encompass Health”) in Aldie (Loudoun County)**

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

**The application is predicated on a demonstrated institutional need for additional psychiatric and medical rehabilitation bed capacity at VHC – a need that none of the existing providers in PD 8, all of whom are likewise robustly utilized, can meet.**

**Collectively, despite VHC’s significant co-rooming limitations and temporary closure of beds to implement anti-ligature requirements, its 18 existing psychiatric beds and 22 existing substance abuse beds operated at 75.2% in 2022. Occupancy of VHC’s 18 psychiatric beds reached 80.9% in 2022. Indeed, among all PD 8 acute care hospitals operating psychiatric beds, VHC had the second-highest volume of mental health patient days in 2015-2022. VHC routinely lacks capacity to accommodate all patients in need of inpatient psychiatric services presenting at its doors. The lack of adequate capacity is particularly concerning given that VHC is the only acute care hospital in Arlington County and operates the County’s only hospital-based psychiatric unit.**

**Similarly, VHC’s 20 existing medical rehabilitation have long operated above 90% occupancy, significantly above the**

SMFP's threshold for expansion. In 2021, those beds operated at 94.5% and 90.5% in 2022.

None of the other existing facilities providing mental health and/or medical rehabilitation services in PD 8 can satisfy that VHC-specific institutional need. The proposed facility is necessary to allow VHC Health to better serve its existing patients right in their community where they already receive other services – a factor important to the monitoring of care and patient status, preventing rehospitalization, and ensuring the continuity and integration of community resources. The project will meet a growing need for acute psychiatric and medical rehabilitation services in VHC's service area and will allow implementation of essential outpatient services – such as IOP and PHP services – further augmenting the spectrum of care for mental health patients.

Moreover, existing providers of inpatient mental health services and inpatient medical rehabilitation services are likewise highly utilized. Mental health beds in PD 8 operate above the SMFP's threshold, with average occupancy of staffed beds at 83.1% in 2022 (based on 450 staffed beds, including all NSBH beds) and average occupancy of licensed beds at 80.8%.<sup>35</sup> Dominion Hospital, a psychiatric hospital and the closest facility to VHC, reported adult occupancy of nearly 102% in 2021 and 98.4% in 2022. Even accounting for additional not-yet-operational psychiatric beds in the PD (i.e., a total of 499 beds, including all NSBH beds),<sup>36</sup> average 2022 mental health bed occupancy would be 75%, meeting the SMFP's threshold.<sup>37</sup> Similarly, existing pediatric psychiatric beds in PD 8 are highly utilized, with average occupancy at 81% in 2022.<sup>38</sup> Importantly, given various capacity and compatibility limitations experienced by mental health providers and the widespread and broadly recognized shortage of mental health beds in PD 8 and throughout Virginia, it does not appear that the SMFP's occupancy threshold accurately captures the need for additional beds in the PD.

Likewise, other providers of inpatient medical rehabilitation services operated at an average occupancy rate of 87.5% in 2022; including VHC, average occupancy was 87.8%. Even

<sup>35</sup> See Attachment IV.E—SMFP Compliance, Exhibit A—Data for Mental Health Bed Need Calculation.

<sup>36</sup> Id.

<sup>37</sup> 12 VAC 5-230-860.

<sup>38</sup> See Attachment IV.E—SMFP Compliance, Exhibit A—Data for Mental Health Bed Need Calculation.

accounting for a total of 32 additional medical rehabilitation beds that have been approved but are not yet operational (i.e., based on a total of 222 beds),<sup>39</sup> 2022 utilization in the PD would exceed 73%.

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

None of the existing facilities can meet VHC's institutional need for additional beds currently, and none will be able to do so in five years. As discussed above, existing facilities offering inpatient psychiatric and/or inpatient medical rehabilitation services are robustly utilized. At the same time, the sustained demand for VHC's psychiatric beds is exacerbated by the ongoing and widespread psychiatric bed shortage and is anticipated to continue to grow. The number of patients that seek psychiatric admission at VHC but cannot be accommodated due to insufficient bed capacity is increasing, as is the number of medical rehabilitation patients that cannot be admitted at VHC due to insufficient capacity. Approval of the proposed beds is critical to ensure that VHC Health can meet its patients' need for VHC's inpatient psychiatric and medical rehabilitation services now and in the near 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.

VHC is the only acute care hospital in Arlington County, the only independent community hospital in PD 8, and an academic medical center. It operates a Level 2 Trauma Center, a certified Comprehensive Stroke Center, and Arlington County's only acute care hospital-based mental health unit. Its strategic plan emphasizes expanding access to behavioral health services and community-based treatment services in Northern Virginia. VHC Health's service area is home to a highly diverse patient population. In 2021, VHC Health provided \$50.6M in charity care and financial assistance. In partnership with the community, VHC Health works closely with local organizations to ensure that underserved populations receive excellent clinical care and supportive psychosocial services to address social determinants of health.

Unequivocally, VHC Health plays an important role in the community. However, VHC lacks appropriate capacity to meet the needs of many patients who seek and require its services – particularly psychiatric and

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<sup>39</sup> This includes 20 medical rehabilitation beds approved for Encompass Health per COPN No. VA-04784 issued 3/14/2022 and 12 additional medical rehabilitation beds approved for Reston Hospital Center per COPN No. VA-04742 issued 3/15/2021.

medical rehabilitation patients. VHC also lacks the space to accommodate the necessary service expansions and allow the implementation of comprehensive mental health services desperately needed by the community. Accordingly, VHC Health proposes to meet its patients' needs at the Wellness Hospital, a new hospital to be located 10 minutes from VHC.

The Wellness Hospital will accommodate VHC's existing mental health and medical rehabilitation beds, much-needed expansions of those beds, and additional outpatient services not currently available in the community. It will allow VHC Health to accommodate more patients who seek acute inpatient psychiatric treatment or inpatient medical rehabilitation services. Many patients must currently be referred to other and often distant facilities because of insufficient capacity at VHC and must encounter excessive waits and arduous transfer processes to access needed treatment. The proposal will also allow VHC Health to implement modern and appropriately sized specialized adolescent inpatient psychiatric services. Additionally, it will allow VHC Health to expand and strengthen its outpatient psychiatric services and provide adolescent IOP services, adult IOP services, and PHP services.

Overall, establishment of the Wellness Hospital will improve the availability and accessibility of services for psychiatric and medical rehabilitation patients and the quality of care for patients who require inpatient treatment to begin as soon as possible. It will allow VHC Health to keep more patients requiring its inpatient psychiatric services in a local treatment setting. Additionally, it will ensure the continuity and integration of care and reduce delays and stress associated with travel to distant facilities. The additional beds will enhance VHC Health's admission flexibility and its ability to accommodate appropriate patients in private rooms and reduce the number of admission denials based on the unavailability of an appropriate bed. At the same time, the proposal will reduce the stress and demands on law enforcement associated with the transport of patients subject to TDOs.

In brief, the project is necessary to ensure that all patients seeking VHC Health's services receive such care in a timely and efficient manner. This is particularly important given that VHC is a key low-cost provider in PD 8, with its 2020 net revenue per adjusted admission (i.e., the average dollar amount expected to be collected per admission) being second-lowest among all existing PD 8 acute care hospitals.<sup>40</sup> The proposed Wellness Hospital would offer the same low-cost services as VHC.

- 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.

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<sup>40</sup> 2021 VHI Hospital Industry Report, Hospital and Ambulatory Indicators.

**See Attachment IV.E – SMFP Compliance.**

- 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.

**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.)

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

- **Georgetown University School of Medicine:** For more than 50 years, VHC Health has provided clinical education experiences to Georgetown University School of Medicine students, and many VHC Health physicians also serve as professors at the school.
- **Medstar Georgetown University and Medstar Washington Hospital Center:** As an affiliate of the Medstar facilities' graduate medical education residency programs, VHC hosts clinical training rotations for Medstar's internal medicine, obstetrics/gynecology, general surgery, and pediatric residents.
- **Kaiser Permanente:** In 2010, Kaiser selected VHC as its "core" hospital for medical-surgical services in Northern Virginia, and VHC became a Kaiser Premier Hospital – a designation based on a third-party evaluation of safety and quality metrics.
- **Children's National Medical Center:** In 2012, VHC Health and the Children's National Medical Center joined together to provide more advanced care in VHC's neonatal unit. Under this arrangement, the Children's National Medical Center neonatology team manages VHC's Level III nursery. Children's National Medical Center was ranked 5<sup>th</sup> in the nation in the U.S. News & World Report's 2023-2024 "Best Children's Hospital" ranking and 2<sup>nd</sup> for neonatology services.
- **McLean Tysons Orthopedic Surgery Center:** Furthering its commitment to excellent orthopedic services, VHC Health,

through its joint venture with local orthopedic surgeons, has developed the McLean Tysons Orthopedic Surgery Center, VHC's only outpatient surgical hospital.

H. Attach copies of the following documents:

1. A map of the service area indicating:

**See Attachment IV.H.1 – Maps of Service Area and Existing Facilities.**

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).

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 Attachment IV.H.2 – Letters of Support. Given the sensitive and personal nature of many behavioral health issues, many letter-writers wished to remain anonymous.**

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.

**The Wellness Hospital will be a new facility and has not yet negotiated rates with commercial payors. Moreover, per diem rates in contracts are proprietary and subject to contractual confidentiality provisions. For information regarding VHC Health's charges, costs, and productivity/utilization, please refer to Attachment V.B—VHI 2022 VHI EPICS Report. VHC Health anticipates that rates for the Wellness Hospital will be generally consistent with VHC's rates. Medicare reimbursement for the Wellness Hospital is anticipated to be based on the Case-Mix Group ("CMG") payment system for medical rehabilitation services and the Prospective Payment System for mental health services.**

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

  **X**   Yes            No

If yes, specify program **Virginia Health Information**

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

**VHC participates in Virginia Health Information reporting, as will the Wellness Hospital. See Attachment V.B—VHC 2022 VHI EPICS Report.**

- C. Estimated Capital Costs

**The capital costs outlined below reflect the entirety of the Wellness Hospital and all services to be provided at the facility – COPN-reviewable inpatient services as well as certain outpatient services not subject to COPN review. Although only the bed components of the proposed facility are reviewable, VHC Health provides here the comprehensive capital costs for the entire proposed facility in the interest of transparency and comprehensiveness.**

**Assuming that VHC Health's application is approved, VHC Health would not implement at VHC the 16 additional psychiatric beds approved for VHC**

**per COPN No. VA-04773 with capital costs of \$12,663,650. Rather, those beds would be relocated to and implemented at the Wellness Hospital. While development of the 14 mental health beds to remain at VHC and serve medically compromised mental health patients will require some renovations, the costs associated with those renovations are significantly less than the approved costs per COPN No. VA-04773 (approximately 46%), representing a cost savings of nearly \$7 million.**

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>\$56,882,013</b>
2.	Cost of labor	<b>\$34,343,857</b>
3.	Equipment included in construction contract	<b>\$16,098,683</b>
4.	Builder’s overhead	<b>\$5,339,077</b>
5.	Builder’s profit	<b>\$4,523,873</b>
6.	Allocation for contingencies	<b>\$10,306,594</b>
7.	Sub-total (add lines 1 thru 6)	<b>\$127,494,097</b>

Part II – Equipment Not Included in Construction Contract

(List each separately) If leasehold, lease expense for the entire term of the initial lease

<b>15.</b>	<b>a.</b>	<b>Mental health – furniture, fixtures, and equipment</b>	<b>\$2,000,000</b>
	<b>b.</b>	<b>Rehabilitation – furniture, fixtures, and equipment</b>	<b>\$3,700,000</b>
	<b>c.</b>	<b>IT</b>	<b>\$4,500,000</b>
	<b>e.</b>	_____	\$ _____
	<b>f.</b>	_____	\$ _____

9.	Sub-total (add lines 8a thru 8e)	<b>\$10,200,000</b>
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**Part III – Site Acquisition Costs**

10.	Full purchase price	<b>\$5,000,000<sup>41</sup></b>
11.	For sites with standing structures	\$ _____
	a. purchase price allocable to structures	\$ _____
	b. purchase price allocable to land	\$ _____
12.	Closing costs	<b>\$195,000</b>
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)	<b>\$5,195,000</b>

**Part IV – Site Preparation Costs**

16.	Earth work	<b>\$3,319,625</b>
17.	Site utilities	<b>\$1,952,500</b>
18.	Roads and walks	<b>\$717,055</b>
19.	Lawns and planting	<b>\$630,000</b>
20.	Unusual site conditions:	

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<sup>41</sup> As reflected in Attachment I.F—Ownership Documentation, VHC Health is in the process of acquiring the site from Arlington County. The site will consist of 5.8 acres, to be priced at fair market value. While the acquisition process is currently underway, VHC Health's best estimate of the approximate purchase price, given available information, is \$5,000,000.

a.	_____	\$ _____
b.	_____	\$ _____
21.	Accessory structures	\$ _____
22.	Demolition costs	\$ _____
23.	Sub-total (add lines 16 thru 22)	<b>\$6,439,180</b>

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

24.	<b>Impact, utility, and tap fees</b>	<b>\$400,000</b>
25.	<b>State permit and review fees</b>	<b>\$50,000</b>
26.	_____	\$ _____
27.	_____	\$ _____
28.	Sub-total (add lines 24 thru 27)	<b>\$450,000</b>

Part VI – Architectural and Engineering Fees

29.	Architect's design fee	<b>\$3,240,464</b>
30.	Architect's supervision fee (included above)	\$ _____
31.	Engineering fees	<b>\$3,000,000</b>
32.	Consultant's fees	<b>\$140,000</b>
33.	Sub-total (add lines 29 thru 32)	<b>\$6,380,464</b>

Part VII – Other Consultant Fees (List each separately)

34.	a. <b>Materials testing and inspections</b>	<b>\$90,000</b>
	b. <b>Geotech/environmental engineer</b>	<b>\$30,000</b>
	c. <b>Surveyor</b>	<b>\$20,000</b>
	d. <b>Developer/owner's representative</b>	<b>\$5,217,492</b>
35.	Sub-total (add lines 34a thru 34c)	<b>\$5,357,492</b>

Part VIII – Taxes During Construction

- |     |                                    |                  |
|-----|------------------------------------|------------------|
| 36. | Property taxes during construction | <b>\$120,000</b> |
| 37. | List other taxes:                  |                  |
|     | a. <b>Deed and mortgage tax</b>    | <b>\$7,000</b>   |
|     | b. _____                           | \$ _____         |
| 38. | Sub-total (add lines 36 thru 37b)  | <b>\$127,000</b> |

Part IX-A – HUD Section 232 Financing

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

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

(Circle selected method of financing)

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

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

Part IX\_C – Conventional Mortgage Loan Financing

81. Estimated construction time (in months) \_\_\_\_\_
82. Dollar amount of construction loan \$ \_\_\_\_\_
83. Construction 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>\$127,494,097</b> |
| 97.  | Sub-total Part II   | Equipment not included in construction contract (line 9) | <b>\$10,200,000</b>  |
| 98.  | Sub-total Part III  | Site Acquisition Costs (line 15)                         | <b>\$5,195,000</b>   |
| 99.  | Sub-total Part IV   | Site Preparation Cost (line 23)                          | <b>\$6,439,180</b>   |
| 100. | Sub-total Part V    | Off-Site Costs (line 28)                                 | <b>\$450,000</b>     |
| 101. | Sub-total Part VI   | Architectural and Engineering fees (line 33)             | <b>\$6,380,464</b>   |
| 102. | Sub-total Part VII  | Other Consultant fees (line 35)                          | <b>\$5,357,492</b>   |
| 103. | Sub-total Part VIII | Taxes During Construction (line 38)                      | <b>\$127,000</b>     |
| 104. | Sub-total Part IX-A | HUD-232 Financing (line 53)                              | \$ _____             |



105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	\$ _____
106.	Sub-total Part IX-C	Conventional Loan Financing (line 95)	\$ _____
107.	<b>TOTAL CAPITAL COST (lines 96 thru 106)</b>		<b>\$161,643,233</b>
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.	<b>TOTAL CAPITAL AND FINANCING COST (ADD LINES 107, 110a, b or c AND 111a, b or c)</b>		\$ _____
D.	1.	Estimated costs for new construction (excluding site acquisition costs)	\$ _____
	2.	Estimated costs of modernization and renovation (excluding site acquisition costs)	\$ _____
E.	Anticipated Sources of Funds for Proposed Project		<u>Amount</u>
	1.	Public Campaign	\$ _____
	2.	Bond Issue (Specify Type) _____	\$ _____

- |     |                                       |          |
|-----|---------------------------------------|----------|
| 3.  | Commercial Loans                      | \$ _____ |
| 4.  | Government Loans (Specify Type) _____ | \$ _____ |
| 5.  | Grants (Specify Type) _____           | \$ _____ |
| 6.  | Bequests                              | \$ _____ |
| 7.  | Private Foundations                   | \$ _____ |
| 8.  | Endowment Income                      | \$ _____ |
| 9.  | Accumulated Reserves                  | \$ _____ |
| 10. | Other (Identify) _____                | \$ _____ |

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

**The proposed project will be financed from accumulated reserves.**

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

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

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

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

**The Wellness Hospital will be a new facility; thus, approved room rates for the hospital are not yet available. However, the existing VHC room rates are provided below; the room rates of the Wellness Hospital are expected to align with VHC's rates.**

**VHC Average Inpatient Room Board Charges, 2023**

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

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

**See Attachment V.H.2—VHC Health Audited Financial Statements.**

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

**See Attachment V.H.3—Pro Forma.**

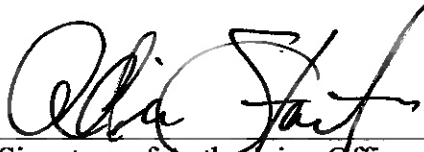
## SECTION VI

## 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 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.



Signature of Authorizing Officer

1701 N. George Mason Dr.

Address – Line 1

Adrian Stanton

Type/Print Name of Authorizing Officer

Address – Line 2

Vice President

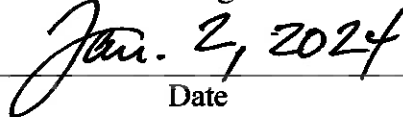
Real Estate Acquisition and Development

VHC Health

Title of Authorizing Officer

Arlington, VA 22205

City/State/Zip



Date

703-558-6319

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.**



1701 N. George Mason Drive • Arlington, VA 22205  
703.558.5000 • [vhchealth.org](http://vhchealth.org)

December 20, 2023

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

**RE: COPN Request No. VA-8744  
Virginia Hospital Center Arlington Health System d/b/a VHC Health  
& South Arlington, LLC  
Establishment of Acute Care Hospital with 146 Beds  
(50 Inpatient Medical Rehabilitation Beds and 96 Mental Health Beds)  
Planning District 8**

Dear Dr. Shelton:


I write as President of the Medical Staff of Virginia Hospital Center ("VHC") to express our support for, and endorsement of, VHC Health's request to establish the Wellness Hospital, a new hospital to house 96 mental health beds (including 42 relocated from VHC) and 50 medical rehabilitation beds (including 20 relocated from VHC). The proposed hospital will meet VHC Health's institutional need for additional bed capacity which cannot be accommodated within the hospital or on the crowded hospital campus. The new facility is necessary to allow VHC to meet the inpatient behavioral health and rehabilitation needs of its service area and ensure that patients seeking VHC Health's services receive needed care in a timely and efficient manner right in their home community.

VHC operates the only acute care hospital-based mental health unit in Arlington County. Our 40 licensed behavioral health beds (18 psychiatric and 22 substance abuse) have long exceeded the State Medical Facilities Plan's occupancy threshold of 75% occupancy. Similarly, VHC's existing inpatient medical rehabilitation services are overutilized. The insufficient bed capacity significantly impairs the delivery of needed care for VHC's psychiatric and rehabilitation patients, most of whom experience extensive delays before an appropriate bed at a different facility can be located. Many are boarded in VHC's emergency department for several days before they can be transferred. Additionally, the transfer process can be quite cumbersome for patients, necessitating multiple steps and increasing the burden on patients and their families. Patients admitted at facilities outside of their community experience additional challenges in coordinating and accessing post-discharge care, an essential complement to behavioral health and rehabilitative hospitalization. Unequivocally, VHC and its patients have a compelling need for additional mental health and medical rehabilitation bed capacity, as recognized by Arlington County, the local Community Service Board, local advocates, and other stakeholders.

Unfortunately, the existing VHC building and the congested VHC campus lack space to accommodate the needed number of additional beds and support services. Located only 10 minutes from VHC, the proposed hospital will allow VHC to expand its inpatient mental health and medical rehabilitation services, support those beds with all necessary ancillaries, and implement expanded outpatient behavioral health services, dramatically increasing patients' access to the full continuum of care. In doing so, the proposed project will support the Medical Staff's commitment to ensuring high-quality care. The Medical Staff fully supports and endorses VHC's proposal and will enthusiastically staff the proposed facility and all its proposed beds.

Thank you for your consideration of VHC Health's proposal. Please let me know of any questions.

Sincerely,



---

John "J.J." Sverha, M.D.  
President of the Medical Staff  
VHC Health

Attachment III.I.3. VHC License Information



# COMMONWEALTH of VIRGINIA

Department of Health

Office of Licensure and Certification

Colin M. Greene, MD, MPH  
State Health Commissioner

TTY 7-1-1 OR  
1-800-828-1120

9960 Mayland Drive, Suite 401  
Henrico, Virginia 23233-1485  
Fax (804) 527-4502

January 23, 2023

Administrator  
VHCHealth  
1701 North George Mason Drive  
Arlington, Virginia 22205

Dear Administrator:

Enclosed is Hospital License Number **H-1912** to operate the above-named hospital from the period beginning January 1, 2023, and ending December 31, 2023, for a total physical bed capacity of **453** beds.

Any changes occurring during the approved licensure period which affect the accuracy of the information provided on the licensure application form must be reported, in writing, to the Office of Licensure and Certification

The Office will send a license renewal letter to every licensed hospital prior to the expiration date of the current license. Failure to receive a reminder letter, however, does not release a hospital from the requirements of license renewal.

Should you have any questions regarding the requirements of hospital licensure, please call Breana Frisby at (804) 367-2104.

Sincerely,

Kimberly Beazley, Director

DIRECTOR  
(804) 367-2102

ACUTE CARE  
(804) 367-2104

COPN/MCHIP/PRA  
(804) 367-2126

**VDH** VIRGINIA  
DEPARTMENT  
OF HEALTH  
*To protect the health and promote the  
well-being of all people in Virginia.*  
[www.vdh.virginia.gov](http://www.vdh.virginia.gov)

COMPLAINTS  
1-800-955-1819

LONG TERM CARE  
(804) 367-2100





**Commonwealth of Virginia  
Virginia Department of Health**

General Hospital License Number: **H-1912**

*In accordance with the provisions of Title 32.1, Chapter 5,  
Article 1, of the Code of Virginia 1950, as amended.*

**Virginia Hospital Center – Arlington Health System**  
(Operator)

is Authorized to Operate,

**VHCHealth**

(Name of Organization)

a General Hospital located at:

**1701 North George Mason Drive, Arlington, Virginia 22205**

**Total Bed Capacity Limited to 453**

**Effective Date: 1/1/2023 Expiration Date 12/31/2023**

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**Colin M. Greene, MD, MPH**  
State Health Commissioner

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**Kimberly F. Beazley, Director**  
Office of Licensure & Certification

# Commonwealth of Virginia

Department of Behavioral Health and Developmental Services

*Pursuant to the provisions of Title 37.2, Code of Virginia  
and  
The Rules and Regulations  
of the*

**DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES**

*A License is hereby granted to*

VIRGINIA HOSPITAL CENTER ARLINGTON HEALTH SYSTEM  
1701 NORTH GEORGE MASON DRIVE  
ARLINGTON, VA 22205

*to maintain and operate*

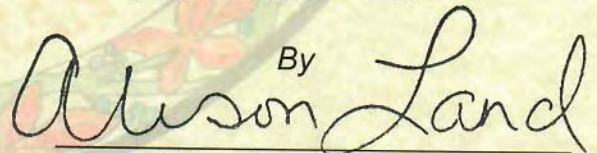
SEE ADDENDUM FOR LISTING OF LICENSED SERVICES

**LICENSE AS:** A PROVIDER OF MENTAL HEALTH AND SUBSTANCE ABUSE  
**SERVICES**  
**STIPULATIONS:**

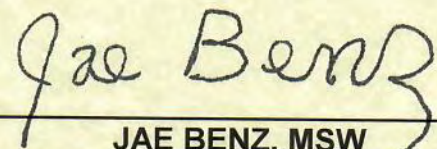
*This TRIENNIAL license is for the period beginning OCTOBER 31, 2020 through  
OCTOBER 30, 2023 subject however to revocation for justifiable cause.*

**License Number: 279**

By



**ALISON G. LAND, FACHE  
COMMISSIONER**



**JAE BENZ, MSW  
DIRECTOR, OFFICE OF LICENSING**





# VIRGINIA HOSPITAL CENTER ARLINGTON HEALTH SYSTEM

## Licensed Services

1. *Licensed As: ASAM Level 2.1: Substance Abuse Intensive Outpatient service for adults*  
*Stipulations:*

Service License Number	Type of License	Effective Date	Expiration Date
279-02-035	Conditional	07/01/2021	12/31/2021

**Locations:** 1 BHU - Carlin Springs  
601 South Carlin Springs Road  
Arlington, VA 22205  
Bed Capacity: 0 Child/Adol. Beds: 0  
Effective Date: 07/01/2021

2. *Licensed As: A mental health inpatient psychiatric service for adults.*  
*Stipulations: This service may accept involuntary admissions*

Service License Number	Type of License	Effective Date	Expiration Date
279-04-001	Triennial	07/01/2021	10/30/2023

**Locations:** 1 Behavioral Health & Recovery  
1701 North George Mason Drive  
Arlington, VA 22205  
Bed Capacity: 18 Child/Adol. Beds: 0  
Effective Date: 02/27/2012

3. *Licensed As: ASAM Level 3.7: Substance Abuse Medically Monitored Intensive Inpatient for adults*  
*Stipulations:*

Service License Number	Type of License	Effective Date	Expiration Date
279-04-015	Conditional	07/01/2021	12/31/2021

**Locations:** 1 Behavioral Health Unit  
1701 North George Mason Drive  
Arlington, VA 22205  
Bed Capacity: 17 Child/Adol. Beds: 0  
Effective Date: 07/01/2021

**COPN Request No. VA-8744**

**Virginia Hospital Center Arlington Health System d/b/a VHC Health & South Arlington, LLC (collectively “VHC Health”)**

**Establishment of an Acute Care Hospital with 146 Beds**

**(50 Inpatient Medical Rehabilitation Beds and 96 Mental Health Beds)**

**Planning District 8**

#### **Attachment IV.E – SMFP Compliance**

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

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

**Virginia Hospital Center (“VHC”) has a demonstrated and longstanding institutional need for expanded mental health bed capacity and additional medical rehabilitation bed capacity, having long exceeded its current service capacity to provide those services.**

**VHC’s 40 existing acute mental health beds are highly utilized and have operated above the State Medical Facilities Plan’s (“SMFP’s”) 75% occupancy threshold for several years. Occupancy reached 76.1% in 2021 and 75.2% in 2022,<sup>1</sup> despite extensive co-rooming challenges (due to insufficient capacity, unit design, and co-rooming compatibility issues) and temporarily closed patient rooms (due to implementation of anti-ligature requirements).**

**Of all the Planning District (“PD”) 8 acute care hospitals operating mental health beds, VHC had the second-highest volume of adult mental health patient days in 2015-2022. The average occupancy of its 18 psychiatric beds was even higher, at 82.2% in 2022 and 80.9% in 2022. These high utilization levels make it exceedingly difficult to accommodate existing patient demand within VHC’s complement of semi-private psychiatric beds, and the number of patients whom VHC is unable to accommodate is substantial. In the 12-month period ending June 2020, 516 patients were referred to other facilities due to VHC’s lacking bed capacity, and 625 patients in the 12-month period ending June 2021. VHC has a particular need to better serve its adolescent patients; in fact, access to specialized adolescent inpatient psychiatric beds is extremely challenging for young patients in the community. Additionally, VHC’s mental health patients have a need for diversified and expanded outpatient mental health services, including intensive outpatient (“IOP”) services and partial hospitalization (“PHP”) services – i.e., a need for the full spectrum of behavioral health care services, critical to long-term recovery following discharge and reducing the need for admissions in the first place.**

---

<sup>1</sup> The published 2022 VHI data reflect an error in VHC’s psychiatric bed patient days. The correct patient days for 2022 are 10,986; the occupancy calculation is based on 40 operational beds.

Similarly, VHC's 20 existing medical rehabilitation beds are overutilized and have long and consistently surpassed the SMFP's occupancy threshold of 80%. In 2022, occupancy reached 90.5%. On a weekly basis, VHC has to turn away acute rehabilitation patients due to capacity constraints – turning away an average of nearly six patients per month. VHC's per-bed medical rehabilitation patient days are among the highest of any acute care hospital in the PD, second (by a miniscule number of patient days) only to Inova Fairfax Hospital, yet it has the lowest inventory of authorized medical rehabilitation beds.

Unequivocally, additional capacity is necessary to allow VHC to meet existing and unmet patient needs for inpatient mental health and medical rehabilitation services. However, the existing VHC facility and campus lack appropriate space to accommodate the needed additional beds and support services, and to meet VHC patients' need for a broader range of expanded outpatient services. Particularly given patients' need for a comprehensive spectrum of mental health services, including IOP and PHP services, and the benefits of integrating those services within one easily accessible facility, VHC Health has determined that centralizing and expanding most of VHC's mental health services, alongside expanded medical rehabilitation services, at a new hospital to be built 10 minutes from VHC, represents the most effective and efficient response. As the population in VHC's service area continues to grow and age, the already high demand for inpatient mental health and medical rehabilitation services at VHC will only increase. Approval of the proposed VHC Health Wellness and Behavioral Health Hospital ("Wellness Hospital") would allow VHC to better accommodate its patients' current utilization, better manage continuing growth in demand, and meet VHC's institutional need in the most efficient and effective manner.

At the same time, there does not appear to be an excess supply of mental health beds or medical rehabilitation beds in PD 8; in fact, based on VHC Health's calculations pursuant to the SMFP need formulas and other indicia of need in PD 8, there is a need for additional mental health beds and medical rehabilitation beds in PD 8.<sup>2</sup>

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

**Not applicable; VHC is not part of a health system and has no other facilities from which beds of any type could be relocated.**

**See also VHC Health's responses regarding Sections 12 VAC 5-230-860.E and 12 VAC 5-230-820 for a discussion of VHC's inability to convert VHC's other licensed beds to psychiatric beds and/or medical rehabilitation beds.**

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

**Not applicable; VHC is not a nursing facility.**

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<sup>2</sup> See VHC Health's Response to Section 12 VAC 5-230-860.

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

**Not applicable; VHC Health is not proposing the establishment of new Certificate of Public Need (“COPN”) reviewable services but rather the relocation and off-site expansion of existing inpatient psychiatric services and medical rehabilitation services. However, even if considered as proposing the establishment of a new service (rather than the relocation and off-site expansion of existing services), the proposal is generally consistent with the SMFP, as discussed further herein.**

---

12 VAC 5-230-570. Expansion or relocation of services.

A. Proposals to relocate beds to a location not contiguous to the existing site should be approved only when:

1. Off-site replacement is necessary to correct life safety or building code deficiencies;

As noted, the existing mental health and medical rehabilitation units at VHC cannot be expanded at VHC to accommodate the needed additional beds and ancillary services due to lacking space. Even setting aside space limitations, the building housing the units is the oldest building on the campus, constructed in 1957, and it suffers from a variety of associated outdated features and deficiencies. These include not only structural deficiencies (including aged ductwork and inefficient energy systems) but also design issues (such as small patient rooms precluding family members from being part of their loved one’s care and a gym that can accommodate only five patients at one time). Remedying those issues through modernization to accommodate a modern and expanded rehabilitation unit would be cost-prohibitive and extremely disruptive to patient care. Moreover, the building is located centrally on the campus, with other hospital buildings attached to it over time. This makes it very difficult to replace or otherwise modernize the building without significant impact on the operation of the other surrounding buildings. In addition, the units lack access to green outdoor space due to its location. The most efficient, effective, and least costly alternative is to replace most of VHC’s existing mental health beds and all its medical rehabilitation beds at an off-site facility that can also accommodate additional bed capacity and expanded and new complementary outpatient programs.

2. The population currently served by the beds to be moved will have reasonable access to the beds at the new site, or to neighboring inpatient facilities;

The proposed facility will ensure reasonable access for VHC’s service area population and will enhance access for many patients who currently seek VHC’s mental health or medical rehabilitation services but who cannot be accommodated due to insufficient bed capacity. For those patients, access is currently significantly impaired. Without appropriate and sufficient capacity at VHC, growing numbers of patients of all ages (including adults, adolescents, and seniors) must wait exceedingly long for access to an inpatient bed at VHC, must often be boarded in the busy emergency room for days (with law enforcement present if the patient is on a temporary detention order (“TDO”)), or must be sent to hospitals further from their homes, which can be extremely burdensome. The resulting delays in care



can have dramatic exacerbating effects on the patients' condition. With each day of delay, recovery becomes more and more challenging for these patients.

VHC Health anticipates that the vast majority of VHC's mental health patients and all rehabilitation patients will transfer to the new Wellness Hospital, to be located just 2.4 miles and less than 10 minutes from the VHC campus, yet squarely in the historical VHC service area. Locating comprehensive mental health and rehabilitation services within one state-of-the-art facility away from the congested VHC campus will significantly enhance access for patients. The Wellness Hospital will allow integration of complementary medical care and psychosocial elements for both medical rehabilitation and behavioral health plans of care and collaborative opportunities for cross-disciplinary clinical access for all patients, optimizing use of scarce health care and human resources.

Importantly, although the Wellness Hospital will operate only mental health beds and medical rehabilitation beds, patients of the facility will have access to all of the services offered by VHC. For access, continuity, and coordination of care purposes, the Wellness Hospital will be no different than a facility on the VHC campus. VHC's clinicians will conduct regular screenings at the Wellness Hospital for medical services needed by those patients (such as audiology, podiatry, orthotics, radiology, or extensive laboratory services) and will refer patients for those necessary services to VHC (or other facilities). But for the separate location of VHC and the Wellness Hospital, only 2.4 miles away, there will be extensive integration of services among the two facilities.

Notably, 14 inpatient psychiatric beds will remain at VHC and will provide specialized psychiatric services to medically compromised patients – i.e., patients with significant acute care medical needs and anticipated to be primarily geriatric patients. Those patients disproportionately suffer from higher-acuity medical needs and comorbidities and thus will be ideally treated at VHC. Following establishment of the Wellness Hospital, VHC will renovate and remodel its existing inpatient psychiatric unit to house 14 modern single patient rooms that will optimally accommodate psychiatric patients requiring extensive medical services, likewise enhancing access to needed specialized services for those patients.

3. The number of beds to be moved off-site is taken out of service at the existing facility;

VHC Health seeks to establish the proposed Wellness Hospital with a total of 96 mental health beds (42 to be relocated from VHC and 54 new beds) and 50 medical rehabilitation beds (20 to be relocated from VHC and 30 new beds). The beds proposed for relocation will be taken out of service at VHC, leaving the hospital with 14 psychiatric beds (to offer specialized psychiatric services to medically-compromised patients). VHC will not have any medical rehabilitation beds.

4. The off-site replacement of beds results in:

- a. A decrease in the licensed bed capacity;
- b. A substantial cost savings, cost avoidance, or consolidation of underutilized facilities; or
- c. Generally improved operating efficiency in the applicant's facility or facilities; and

The proposed expansion will largely consolidate VHC's existing mental health and medical rehabilitation services in a new modern facility that can accommodate much-needed additional bed capacity as well as expanded outpatient services and will improve optimal

utilization of existing and proposed resources. Currently, VHC's existing mental health beds are located in nine semi-private rooms. The size and design of the unit has historically thwarted VHC's ability to fully utilize its 18 psychiatric beds, given commonplace co-rooming incompatibilities (for example patients' age, gender, acuity, psychiatric diagnosis, aggressive behavior, and medical comorbidities). At the same time, however, semi-private rooms can offer valuable social support and therapeutic advantages and can be more appropriate for certain patients. Proposing 96 mental health beds (significantly more than VHC has historically operated) to be located in semi-private rooms and organized in flexible pods, VHC's ability to appropriately place patients in appropriate rooms will dramatically increase. At the same time, the proposed bed complement will provide VHC with much-needed flexibility to utilize semi-private rooms as private rooms to house patients for whom the private setting is more appropriate and to accommodate a diverse mix of patient conditions and treatment protocols. This flexibility will help lower operating costs and optimize occupancy, as finding a bed in a unit serving the appropriate patient cohort will be more efficient.

Additionally, the proposed relocation and off-site expansion of VHC's highly utilized mental health and medical rehabilitation services to the proposed Wellness Hospital will result in measurable cost savings and improved efficiency at the Wellness Hospital and at VHC. These include savings in construction costs and operating costs. The development of a facility to house both service lines offers significant cost savings as compared to the development of two separate facilities. There will also be economies of scale with regard to the proposed beds' operation. For example, the psychiatric and medical rehabilitation beds will share existing resources, including various support services, housekeeping, meals services, building maintenance services, and other general operational supports. These efficiencies will help reduce the operational costs of the project and enhance patients' timely access to needed services.

5. The relocation results in improved distribution of existing resources to meet community needs.

The proposed hospital will be located centrally in Arlington County, directly off of South Carlin Springs Road, on a parcel that previously housed VHC's urgent care center and is familiar to many VHC patients. The facility will provide patients convenient access to needed services in close proximity to VHC (i.e., 2.4 miles and less than 10 minutes from the VHC campus). At the same time, the proposal will eliminate the need for most VHC patients in need of mental health or medical rehabilitation services to navigate the busy and congested VHC campus alongside many other acute patients and outpatients. Together with the proposed expansion, the relocated beds will be able to meet community needs much more effectively and efficiently.

B. Proposals to relocate beds within a health planning district where underutilized beds are within 30 minutes driving time one way under normal conditions of the site of the proposed relocation should be approved only when the applicant can demonstrate that the proposed relocation will not materially harm existing providers.

As a preliminary matter, VHC Health does not believe that there are any underutilized mental health or rehabilitation beds in PD 8. In 2022, all existing providers of inpatient medical rehabilitation services operated in excess of the relevant SMFP occupancy threshold



of 80%. Similarly, all existing providers of inpatient mental health services within 30 minutes of the proposed Wellness Hospital reported occupancy at or exceeding 75%, with average PD-wide occupancy at 80.8% based on licensed beds and 83.1% based on staffed beds.<sup>3</sup> For facilities that operate all or most of their psychiatric beds in semi-private rooms (particularly smaller psychiatric units), co-rooming challenges can limit optimal utilization of such beds, artificially suppressing utilization despite significant unmet demand. Indeed, the shortage of mental health beds has long been recognized.<sup>4</sup>

More importantly, VHC Health's project seeks to improve accessibility and availability for existing patients and patients who currently seek inpatient mental health or medical rehabilitation services at VHC but cannot be admitted due to insufficient bed capacity and thus must face significant delays and/or seek care at distant facilities outside of the community. The project is not anticipated to materially harm any existing provider.

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## Part XII

### Mental Health Services

#### Article 1

#### Acute Psychiatric and Acute Substance Abuse Disorder Treatment Services

##### 12 VAC 5-230-840. Travel time.

Acute psychiatric and acute substance abuse disorder treatment services should be available within 60 minutes driving time one way under normal conditions of 95% of the population using mapping software as determined by the commissioner.

Acute care mental health services are generally located within 60 minutes' driving time for the majority of PD 8's population. However, VHC's (and other PD 8 providers') robust occupancy, combined with limited inventories of semi-private beds and patient placement challenges due to medical and psychiatric diagnoses, gender, acuity, patient safety, and other concerns, and the traffic conditions in Northern Virginia, render 60-minute access to inpatient psychiatric services for VHC's patients increasingly difficult.

VHC has an institutional need for additional mental health beds and services. In Arlington County, VHC operates the only acute care hospital-based adult mental health unit; VHC does not currently operate any specialized adolescent psychiatric beds. Due to its high occupancy levels, beds are often unavailable to patients presenting at VHC in need of inpatient psychiatric services. Patients must wait exceedingly long for access to an inpatient bed at VHC and must be boarded in the busy emergency room; hundreds of psychiatric patients annually must be sent to hospitals far away from patients' homes. Accessing psychiatric beds at other, often distant providers is exceedingly burdensome for patients and their families and undermines the continuity and integrity of care and the post-discharge care process.

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<sup>3</sup> See Exhibit A—Data for Mental Health Bed Need Calculation.

<sup>4</sup> See COPN Application, Section IV.A, at 38.

Moreover, other facilities' existing psychiatric beds are often not available within 60 minutes to patients in need of acute psychiatric care. Per 2022 Virginia Health Information ("VHI") data, existing mental health beds in PD 8 are highly utilized, with average occupancy at 80.8% based on licensed reported beds and 83.1% based on staffed beds. Dominion Hospital, a psychiatric hospital and the closest facility to VHC, reported adult occupancy exceeding 90.5% and overall occupancy at 78.2% in 2022. Other facilities that are nearest to VHC likewise are highly utilized. For example, Inova Fairfax Hospital's mental health bed occupancy reached 86.2%; Inova Mount Vernon Hospital's psychiatric beds operated at 74.9% occupancy in 2022. While UVA Health Prince William Medical Center's ("PWMC's") utilization may fall below the SMFP's occupancy threshold, that facility reported only 181 days' worth of utilization in 2022 and is 45 minutes from the proposed Wellness Hospital. Even accounting for additional not-yet-operational psychiatric beds in the PD and including North Spring Behavioral Healthcare's ("NSBH's") 85-87 residential treatment beds, misreported as psychiatric beds (i.e., based on a total of 499 mental health beds), average 2022 mental health bed occupancy would be 75%.<sup>5</sup>

**2022 Acute Psychiatric and SA Treatment Bed Total Patient Days in PD 8:**

Facility	2022 Patient Days	2022 Reported Beds	2022 occupancy
Dominion Hospital	33,107	116	78.2%
Inova Fairfax Hospital	25,499	81	75.4%
Inova Loudoun Hospital	6,609	22	82.3%
Inova Mount Vernon Hospital	8,201	30 <sup>6</sup>	74.9%
NSBH <sup>7</sup>	41,707	127	91.4%
PWMC	5,679 <sup>8</sup>	30	51.9%
HCA StoneSprings Hospital Center	4,733	17	76.3%
Virginia Hospital Center	10,986 <sup>9</sup>	40 <sup>10</sup>	75.2%
<b>TOTAL (Operational/Licensed Beds)</b>	<b>136,521</b>	<b>463</b>	<b>80.8%</b>
<b>TOTAL (Reporting and Authorized Beds)</b>	<b>136,521</b>	<b>499</b>	<b>75.0%</b>
<b>TOTAL (Staffed Beds)</b>	<b>136,521</b>	<b>450</b>	<b>83.1%</b>

<sup>5</sup> See Exhibit A.

<sup>6</sup> 20 additional beds authorized per COPN No. VA-04774.

<sup>7</sup> NSBH reports residential treatment beds and patient days as psychiatric beds and patient days; only 40 of its beds are authorized psychiatric beds.

<sup>8</sup> PWMC reported 2,816 psychiatric patient days in 2022 based on 181 days' worth of 2022 utilization (rather than a full year); annualized patient days for 365 days are 5,679.

<sup>9</sup> Based on corrected 2022 patient days and 40 operational beds.

<sup>10</sup> 16 additional beds authorized per COPN No. VA-04773.

**With regard to 12 VAC 5-230-850, the Division of Certificate of Public Need (“DCOPN”) has repeatedly noted that:**

**[F]ew existing psychiatric facilities meet the criteria and standards set forth in 12 VAC 5-230-850. While some facilities may allocate a specific number of beds for community services boards’ patients, the identification of the number of unreimbursed patient days to be provided to indigent patients who are not Medicaid recipients, the minimum number of Medicaid-reimbursed days, the minimum number of unreimbursed patient days to be provide[d] to local [Community Service Boards (“CSBs”)], and a description of the methods to be utilized in implementing the indigent patient service plan, have not been addressed by DCOPN in recent reviews.<sup>11</sup>**

**DCOPN has also recognized that the standard “has not been regarded by DCOPN or the State Health Commissioner as a primary reason for approving or disapproving inpatient psychiatric bed projects.”<sup>12</sup> Nonetheless, VHC Health provides below its responses to 12 VAC 5-230-850, illustrating its general compliance with the provision.**

**A. Existing and proposed acute psychiatric and acute substance abuse disorder treatment providers shall have established plans for the provision of services to indigent patients that include:**

- 1. The minimum number of unreimbursed patient days to be provided to indigent patients who are not Medicaid recipients;**
- 2. The minimum number of Medicaid-reimbursed patient days to be provided, unless the existing or proposed facility is ineligible for Medicaid participation;**
- 3. The minimum number of unreimbursed patient days to be provided to local community services boards; and**
- 4. A description of the methods to be utilized in implementing the indigent patient service plan and assuring the provision of the projected levels of unreimbursed and Medicaid-reimbursed patient days.**

**VHC Health’s mission is to provide high-quality care to all patients regardless of their ability to pay for services or the payment source. VHC’s provision of acute psychiatric inpatient services to indigent patients is implemented under a robust charity care policy, which ensures that those services are, and will continue to be, financially available to all of VHC’s patients, including uninsured, underinsured, and indigent patients. Under that policy, services needed by uninsured patients with incomes at or below 200% of the federal poverty guidelines are provided free of charge. Further, VHC offers discounts for all medically necessary care for all uninsured (i.e., self-pay) patients who do not qualify for free care under its financial assistance policy and offers flexible payment plans to all its patients.**

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<sup>11</sup> DCOPN Staff Report re COPN Request No. VA-8496 dated June 22, 2020, at 11; see also DCOPN Staff Report re COPN Request No. VA-8398 dated December 19, 2018, at 12; DCOPN Staff Report re COPN Request No. VA-8367 dated June 19, 2018, at 12.

<sup>12</sup> DCOPN Staff Report re COPN Request Nos. VA-7956 and -7960 dated December 19, 2012, at 16.

**Medicaid and Emergency Medicaid coverage is available for many low-income patients who might otherwise qualify for charity care. Based on VHC's historical payor mix, VHC Health projects 45.0% of the Wellness Hospital's inpatient behavioral health discharges to be Medicaid patients and 3.5% to be unreimbursed by Medicaid, Medicare, or commercial insurance plans. Notably, VHC has a long history of working with the Arlington County CSB. While, given the dynamic and growing demand for psychiatric services, it is difficult to predict with specificity a certain number of days to be provided to CSBs, VHC Health commits to serving all patients without regard to their ability to pay or payment source, and accordingly will provide care per CSB request without regard to reimbursement status of patients – at VHC and at the proposed Wellness Hospital.**

**As a key low-cost provider in PD 8, VHC has a unique responsibility to ensure that patients can continue to access its services – including its inpatient psychiatric services – in a timely and efficient manner and that it has adequate capacity to meet its patients' needs. This application is critical to enable VHC to fulfill that responsibility.**

B. Proposed acute psychiatric and acute substance abuse disorder treatment providers shall have formal agreements with the appropriate local community services boards or behavioral health authority that:

1. Specify the number of patient days that will be provided to the community service board;
2. Describe the mechanisms to monitor compliance with charity care provisions;
3. Provide for effective discharge planning for all patients, including return to the patient's place of origin or home state if not Virginia; and
4. Consider admission priorities based on relative medical necessity.

**VHC is an existing provider of acute psychiatric services. Although VHC has no formal agreement with the local CSB, it routinely receives and accepts referrals of patients on TDOs from the CSB. Notably, the proposed Wellness Hospital will be subject to the same arrangements with the local CSBs as is VHC and will be covered by VHC's system-wide charity care condition of 3%.**

C. Providers of acute psychiatric and acute substance abuse disorder treatment serving large geographic areas should establish satellite outpatient facilities to improve patient access where appropriate and feasible.

**The proposed Wellness Hospital epitomizes improved patient access to off-campus facilities, including for outpatient care. In addition to providing space for much-needed additional mental health beds, the Wellness Hospital will enable VHC to provide a comprehensive spectrum of expanded outpatient services, to include adolescent IOP services, adult IOP services, adult recovery and wellness IOP services, and adult PHP services.**

12 VAC 5-230-860. Need for new service.

VHC Health does not propose here the establishment of a new service but rather the relocation and expansion of existing services at an off-site location. With its 40 mental health beds operating at 75.2% of the SMFP's occupancy threshold in 2022, and its 18 psychiatric beds operating at 80.9%, VHC has an institutional need to expand its inpatient mental health beds pursuant to 12 VAC 5-230-80. Notably, the practical capacity of VHC's small complement of 18 semi-private psychiatric bed rooms is significantly restrained due to co-rooming challenges and, in 2021 and 2022, was further limited due to the temporary closure of patient rooms for anti-ligature updates. In short, VHC Health believes that this provision does not apply to VHC Health's proposal. Nonetheless, in the interest of completeness, VHC Health provides here its need calculations.

The SMFP's five-year need calculation yields a surplus of 10 mental health beds in PD 8 based on authorized and reporting beds; based on staffed beds, there is a calculated need for 39 additional mental health beds. Notably, the SMFP's formula does not correspond to recent utilization, widely experienced bed shortages, and numerous other indicia of an acute and growing public need for additional inpatient mental health resources. Various VHI reporting inaccuracies further impede an accurate calculation. Offering an alternative (and likely more accurate) calculation based on 2022 data alone, VHC Health has calculated a need for 41-90 additional mental health beds (even accounting for all of NSBH's residential treatment beds). See below for that calculation. Considering high average occupancies across all mental health beds in PD 8 (83.1% based on staffed beds, 80.8% based on reported beds, and 75% based on all authorized beds, even including all of NSBH's beds), the longstanding unequivocal shortage of beds in the PD and across the Commonwealth, VHC's documented institutional need, and precedent approving institutional need-based bed additions despite a calculated surplus of beds in the PD, VHC Health's application meets a public need for additional beds.

A. The combined number of acute psychiatric and acute substance abuse disorder treatment beds needed in a health planning district with existing acute psychiatric or acute substance abuse disorder treatment beds or both will be determined as follows:

$$((UR \times PROPOP)/365)/.75$$

Where:

UR = the use rate of the health planning district expressed as the average acute psychiatric and acute substance abuse disorder treatment patient days per population reported for the most recent five-year period; and

PROPOP = the projected population of the health planning district five years from the current year as reported in the most recent published projections by a demographic entity as determined by the Commissioner of the Department of Mental Health, Mental Retardation and Substance Abuse Services.

For purposes of this methodology, no beds shall be included in the inventory of psychiatric or substance abuse disorder beds when these beds (i) are in facilities operated by the Department of Mental Health, Mental Retardation and Substance Abuse Services; (ii) have been converted to other uses; (iii) have been vacant for six months or more; or (iv) are not currently staffed and

cannot be staffed for acute psychiatric or substance abuse disorder patient admissions within 24 hours.

The SMFP's need determination formula for mental health beds is based on combined data for psychiatric beds and substance abuse beds; there are no separate formulas for psychiatric beds and substance abuse beds and no separate consideration of adolescent, adult, and geriatric needs. Accordingly, VHC Health has calculated the need based on combined acute psychiatric and substance abuse bed utilization.

Considering all authorized and reporting beds results in a calculated surplus of 10 mental health beds.<sup>13</sup> Notably, this calculation includes 87 residential treatment beds historically reported as psychiatric beds at NSBH; excluding those beds from the PD inventory would yield a need for 77 additional mental health beds.

**Authorized Acute Psychiatric and Substance Abuse ("SA") Treatment Beds: 2018-2022**

$$\frac{((614,081^{14} / 12,713,347) \times 2,770,032) / 365}{0.75} = 489$$

COPN-authorized psychiatric/SA beds and all NSBH beds: 499

Net need for/surplus of psychiatric/SA beds: 10-bed surplus

Excluding beds not currently staffed in accordance with the above SMFP provision (i.e., based on a total of 450 staffed mental health beds reported in 2022), there is a need for 39 additional mental health beds.

Importantly, the SMFP's need calculation formula does not appear to capture the actual need in the PD. Indeed, based on VHC's experience, access to mental health beds in PD 8 is extremely challenging. Particularly since the pandemic and the associated economic challenges, the community's mental health has declined. The demand for inpatient behavioral health services, the use rate of mental health beds, and the volume of mental health bed patient days in PD 8 has consistently increased since 2018. Between 2018 and 2022, mental health bed patient days increased by 31%; since then, demand for mental health services has continued to grow and is projected to continue to do so in the near future.

PD 8 Utilization	2018	2019	2020	2021	2022
Mental Health Bed Patient Days	104,535	118,530	121,661	132,834	136,521 <sup>15</sup>
PD 8 Mental Health Bed Use Rate	0.0415	0.0467	0.0477	0.0521	0.0533

<sup>13</sup> NSBH reports residential treatment beds as psychiatric beds, complicating application of the formula.

<sup>14</sup> See Exhibit A.

<sup>15</sup> Id.

To illustrate, VHC Health has calculated the need based on 2022 alone (mirroring the one-year need calculation established by the SMFP for medical rehabilitation beds). Pursuant to that calculation, there is a need for 41 additional mental health beds in the PD, even including all of NSBH's beds. Excluding NSBH's 87 residential treatment beds from the inventory yields a calculated need for 128 additional mental health beds.

**Authorized Acute Psychiatric and SA Treatment Beds: 2022**

$$\frac{((136,521^{16} / 2,558,969) \times 2,770,032) / 365}{0.75} = 540$$

COPN-authorized psychiatric/SA beds and all NSBH beds: 499

Net need for/surplus of psychiatric/SA beds: 41-bed need

Focusing again only on staffed mental health beds, the calculation indicates a need for 90 additional mental health beds.

VHC Health also consulted supplementary need determination methodologies in an attempt to quantify the undisputed need for additional beds in PD 8 and in the PSA. For example, based on a PSA population of 2,106,628 and the nationally recognized minimum benchmark of 40 mental health beds per 100,000 population,<sup>17</sup> VHC Health calculated a need for 843 mental health beds in the PSA – a net need of 344 additional beds in the PSA than are currently authorized in PD 8 (499, including all NSBH beds). While PD 8 use rates can at times appear lower than national averages, historical utilization is high and growing. In fact, demand is so high that actual utilization and use rates are likely depressed, particularly given limited bed inventories and challenges associated with semi-private occupancy of beds. Importantly, in this application, VHC Health proposes the addition of only 54 new mental health beds to the PD's inventory.

The growing demand for mental health services at VHC and in the community generally is evidenced not only by growing inpatient utilization but also by a variety of other metrics, including an increase in substance abuse, fatal overdoses, and the utilization of emergency mental health services. Data evidencing high bed occupancy, lengthy boarding and waits for available beds, substantial deflections, and overall lack of timely access, experienced by patients and providers every day, further corroborate the acuity of the mental health need in PD 8. This is a need long recognized by Arlington County officials, the local CSB, the Arlington Mental Health Alliance, local advocacy groups, and patients – as noted in the several letters of support accompanying this application – as well as Virginia regulatory agencies and other stakeholders. According to a 2019 survey, only 26% of Arlington's high school students reported they "most of the time or always" get the kind of help they need, and nearly 14% of high schoolers have seriously considered attempting suicide. A Treatment Advocacy Center assessment of psychiatric bed availability has ranked Virginia 49<sup>th</sup> among all states, with 18.2 beds per 100,000 people (while a minimum of 40-50 beds per 100,000 people is considered necessary to provide minimally adequate treatment for

<sup>16</sup> Id.

<sup>17</sup> [https://www.treatmentadvocacycenter.org/storage/documents/the\\_shortage\\_of\\_publichospital\\_beds.pdf](https://www.treatmentadvocacycenter.org/storage/documents/the_shortage_of_publichospital_beds.pdf).

individuals with severe mental illness). According to the 2023 State of Mental Health in America ranking by Mental Health America, a comparative foundation for understanding the prevalence of mental health concerns and issues of access by state, Virginia ranked 48<sup>th</sup> in the youth ranking (nearly last in the country). (States with rankings 39-51 indicate that youth have a higher prevalence of mental illness and lower rates of access to care.) Virginia Governor Glenn Youngkin has sponsored a three-year plan to transform behavioral health in Virginia. A key component of the “Right Help, Right Now” plan is development of more capacity for behavioral health patients.<sup>18</sup> Governor Youngkin’s proposed 2025-2026 Biennial Budget continues to invest in behavioral health, with nearly \$94 million requested for various behavioral health-related projects such as Comprehensive Psychiatric Emergency Programs and comprehensive crisis systems.<sup>19</sup>

Moreover, the Commissioner has approved the institutional need-based addition of psychiatric beds even in the face of a calculated surplus of beds in a PD. For example, in 2017, the Commissioner approved the proposal by Inova Health Care Services for Inova Fairfax Hospital to add 29 behavioral health beds (22 psychiatric beds and 7 substance abuse beds) despite a calculated surplus of 33 acute psychiatric beds.<sup>20</sup> The Commissioner determined that “although there is no apparent numerical need for additional acute inpatient psychiatric beds in PD 8, the project would improve accessibility, availability, and delivery of appropriate inpatient behavioral health services (including substance abuse inpatient treatment) in PD 8 and parts of contiguous planning districts. ... The applicant has justified the proposed 29-bed addition based on an institutional-specific need.”<sup>21</sup> Similarly, in 2022, the Commissioner approved the addition of 16 psychiatric beds at VHC despite DCOPN’s calculation of a 43-bed surplus in the PD.<sup>22</sup>

In short, VHC has an urgent need to expand its psychiatric bed capacity, with existing psychiatric beds operating at 80.9% in 2022, and overall acute mental health bed occupancy at 75.2%. While VHC Health believes that there is an urgent need for its proposed additional beds in the community, even if the Commissioner were to calculate an excess of beds in PD 8, VHC Health’s proposal comports with the SMFP as well as recent COPN precedent, and it fully warrants approval.

#### **See Exhibit A – Data For Mental Health Bed Need Calculations.**

B. Subject to the provisions of 12 VAC 5-230-70, no additional acute psychiatric or acute substance abuse disorder treatment beds should be authorized for a health planning district with existing acute psychiatric or acute substance abuse disorder treatment beds or both if the existing inventory of such beds is greater than the need identified using the above methodology.

**Per the above-described methodologies, VHC Health has calculated a need for additional mental health beds in PD 8. Importantly, even setting aside any calculated PD-wide need for**

<sup>18</sup> See Application Section IV.A at 42-44.

<sup>19</sup> <https://www.governor.virginia.gov/newsroom/news-releases/2023/december/name-1019260-en.html>.

<sup>20</sup> COPN No. VA-04545 issued January 31, 2017; DCOPN Staff Report re COPN Request No. VA-8259 at 16.

<sup>21</sup> Letter from Levine to Rolfes dated January 31, 2017, re COPN No. VA-04545.

<sup>22</sup> COPN No. VA-04773; DCOPN Staff Report re COPN Request No. VA-8586 at 16.



psychiatric beds, VHC has a demonstrated institutional need for additional bed capacity. The Commissioner and DCOPN have previously recognized that an institutional need for additional beds can justify approval even when there is a calculated surplus of beds in the PD.<sup>23</sup> Moreover, VHC Health's application for the proposed additional acute mental health beds and the Wellness Hospital has been developed in collaboration with Arlington County officials as well as local advocates, the Arlington Mental Health Alliance, and the Arlington County CSB. All these stakeholders recognize the need for additional beds at VHC and in the community and the benefits of locating VHC's mental health resources at the proposed Wellness Hospital.

Preference may also be given to the addition of acute psychiatric or acute substance abuse beds dedicated for the treatment of geriatric patients in health planning districts with an excess supply of beds when such additions are justified on the basis of the specialized treatment needs of geriatric patients.

As discussed above, VHC Health believes that there is a calculated need for additional mental health beds in PD 8; accordingly, the provision technically does not apply. Notably, VHC Health's proposal retains 14 existing psychiatric beds at the hospital, to be converted to a specialized psychiatric bed unit that will provide psychiatric services to medically compromised patients. VHC Health anticipates that the unit will likely serve primarily geriatric psychiatric patients who are more likely to have acute medical co-morbidities. (The remainder of VHC's adult psychiatric beds and substance abuse beds, the much-needed expansions of those beds, the addition of adolescent psychiatric beds, and critical complementary outpatient mental health programs such as IOP services and PHP services, will be housed in the new Wellness Hospital.)

C. No existing acute psychiatric or acute substance disorder abuse treatment beds should be relocated unless it can be reasonably projected that the relocation will not have a negative impact on the ability of existing acute psychiatric or substance abuse disorder treatment providers or both to continue to provide historic levels of service to Medicaid or other indigent patients.

In this application, VHC Health proposes the relocation of the majority of VHC's mental health beds from the VHC hospital building to a new hospital, to be established 10 minutes away and squarely within VHC's longstanding primary service area. By increasing the number of behavioral health beds operated by VHC, the proposal will expand VHC's ability to serve Medicaid patients.

D. The combined number of acute psychiatric and acute substance abuse disorder treatment beds needed in a health planning district without existing acute psychiatric or acute substance abuse disorder treatment beds will be determined as follows: *[text omitted for brevity]*

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<sup>23</sup> See, e.g., COPN No. VA-04545 issued January 31, 2017, and DCOPN Staff Report re COPN Request No. VA-8259 at 16 (Commissioner's approval of 29 behavioral health beds at Inova Fairfax Hospital despite a calculated surplus of 33 beds); COPN Nos. VA-04773 and -04774 issued February 7, 2022, and DCOPN Staff Report re COPN Request Nos. VA-8586 and 8566 at 16 (approving 16 psychiatric beds at VHC and 20 psychiatric beds at Inova Mount Vernon Hospital despite a calculated surplus of 36 beds); DCOPN Staff Report re COPN Request No. VA-8495 at 15; DCOPN Staff Report re COPN Request No. VA-8438 at 11; DCOPN Staff Report re COPN Request No. VA-8363 at 12, 15.

**Not applicable; this section addresses planning districts without any acute psychiatric beds.**

E. Preference may be given to the development of needed acute psychiatric beds through the conversion of unused general hospital beds. Preference will also be given to proposals for acute psychiatric and substance abuse beds demonstrating a willingness to accept persons under temporary detention orders (TDO) and that have contractual agreements to serve populations served by community services boards, whether through conversion of underutilized general hospital beds or development of new beds.

**Given the high utilization of VHC's other types of beds, VHC does not have any unused bed capacity that could be easily converted to psychiatric beds, and instead proposes here the addition of new beds. VHC's existing medical-surgical beds are highly overutilized and have necessitated the two-fold expansion of VHC's medical-surgical bed inventory.<sup>24</sup> Conversion of any of those additional (and much-needed) medical-surgical beds would exacerbate the need for additional medical-surgical beds at VHC, as recently recognized by the Commissioner. VHC also does not have underutilized beds in other bed categories that could be easily converted to psychiatric beds to effectively and efficiently address VHC's need for additional psychiatric beds. Conversions of any of those beds would likely immediately surge above sustainable levels, approximating or exceeding applicable SMFP expansion thresholds and sabotaging the patients who currently rely on those beds. Applications to replenish the beds converted to psychiatric beds would be necessary in short order. In brief, conversion of any of VHC's other beds to psychiatric beds does not present a sustainable and durable solution to VHC's high and growing psychiatric bed utilization.**

Finally, VHC has an agreement with the local CSB and routinely receives and accepts referrals of patients on TDOs from the CSB. VHC's TDO admissions were 247 in 2019, 255 in 2020, 265 in 2021, 140 in 2022, and 245 in 2023. Due to insufficient psychiatric bed capacity, however, VHC is often unable to accommodate all patients, including patients on TDOs. For example, between July 2019-June 2020, VHC had to refer a total of 516 patients to other facilities due to unavailable appropriate beds, including 269 patients on TDOs. Between July 2020 and June 2021, the number of patients unable to be accommodated at VHC increased to 625 patients, including 329 TDO patients. The proposed bed addition is critically necessary to ensure that all patients presenting at VHC in need of inpatient mental health services have timely access to an inpatient bed. In brief, VHC Health's proposal fully qualifies for the preference established in this Section.

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## Part XI. Medical Rehabilitation

### 12 VAC 5-230-800. Travel time.

Medical rehabilitation services should be available within 60 minutes driving time one way under normal conditions of 95% of the population of the health planning district using mapping software as determined by the commissioner.

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<sup>24</sup> Specifically, 44 additional medical-surgical beds were approved per COPN No. VA-04563 in March 2017, and 43 additional medical-surgical beds were approved per COPN No. VA-04724 in November 2020.

Although medical rehabilitation services may generally be located within 60 minutes' driving time for the majority of PD 8's population, their geographic location does not ensure 60-minute access given their high utilization. VHC, in particular, has an institutional need for additional medical rehabilitation beds, operating at 90.5% occupancy in 2022. Due to its high occupancy levels, medical rehabilitation beds are often unavailable to patients presenting at VHC in need of inpatient rehabilitation services. On average, VHC lacks adequate bed capacity to accommodate nearly six medical rehabilitation patients every month. Accessing medical rehabilitation beds at other, often distant providers is challenging for patients and their families and can undermine continuity of care and the post-discharge care process.

Moreover, other facilities' existing medical rehabilitation beds are often not available within 60 minutes to patients in need of acute rehabilitative care. Per 2022 VHI data, existing medical rehabilitation beds in PD 8 are highly utilized, with average occupancy at 87.8%, exceeding the SMFP's 80% occupancy threshold. Inova Fairfax Hospital, the closest provider of inpatient medical rehabilitation services, reported occupancy approaching 91% in 2022. Additional beds have recently been approved at Encompass Health and Reston Hospital Center based on those facilities' institutional need. Those beds are not yet reflected in the 2022 VHI data; however, even accounting for those beds, 2022 patient days would result in average occupancy of 75%. (Notably, neither is in VHC's primary service area. Encompass Health is in Aldie, in Loudoun County, approximately 30 miles from VHC and even farther from much of its service area.) Even accounting for the patient day volumes projected by Encompass Health and Reston Hospital Center in the respective applications, average occupancy of authorized medical rehabilitation beds in the PD would be 83%.<sup>25</sup>

**2022 Medical Rehabilitation Bed Utilization in PD 8:<sup>26</sup>**

<b>Facility</b>	<b>2022 Patient Days</b>	<b>2022 Beds</b>	<b>2022 occupancy<sup>27</sup></b>
<b>Encompass Health</b>	<b>20,543</b>	<b>60<sup>28</sup></b>	<b>93.8%</b>
<b>Inova Fairfax Hospital</b>	<b>8,300</b>	<b>25</b>	<b>91.0%</b>
<b>Inova Mount Vernon Hospital</b>	<b>19,576</b>	<b>67</b>	<b>80.0%</b>
<b>HCA Reston Hospital Center</b>	<b>5,893</b>	<b>18<sup>29</sup></b>	<b>89.7%</b>
<b>Virginia Hospital Center</b>	<b>6,604</b>	<b>20</b>	<b>90.5%</b>
<b>TOTAL (Reported Beds)</b>	<b>60,916</b>	<b>190</b>	<b>87.8%</b>
<b>TOTAL (Authorized Beds)</b>	<b>60,916</b>	<b>222</b>	<b>75.2%</b>

**In short, VHC has a compelling institutional need – a need that cannot be met by other providers – to improve access to inpatient medical rehabilitation services for its patients and**

<sup>25</sup> COPN Request No. VA-854, COPN Application at 11 (projecting 8,432 patient days in year 1); COPN Request No. VA-8605, COPN Application at 12 (projecting 24,383 patient days in year 1).

<sup>26</sup> 2018-2022 VHI Data (Bed Utilization).

<sup>27</sup> Based on operational beds.

<sup>28</sup> 20 additional beds approved per COPN No. VA-04784.

<sup>29</sup> 12 additional beds approved per COPN No. VA-04742.

**to ensure efficient and effective care delivery that allows patients to receive needed treatment in their home community in a timely manner.**

12 VAC 5-230-810. Need for new service.

**With its 20 existing medical rehabilitation beds operating at 90.5% of the SMFP's occupancy threshold in 2022, VHC has an institutional need to expand its inpatient medical rehabilitation services. Accordingly, this section is not applicable to VHC Health's proposal to add and relocate rehabilitation beds. Nonetheless, VHC Health provides here its responses to the provisions below for completeness purposes. Those provisions indicate that there is also a calculated PD-wide need for additional medical rehabilitation beds in PD 8. In short, even if considered as proposing the establishment of a new service (rather than the relocation and off-site expansion of existing services), the proposal is generally consistent with the SMFP provisions of this section.**

A. The number of comprehensive and specialized rehabilitation beds shall be determined as follows:

$$((UR \times PROPOP)/365)/.80$$

Where:

UR = the use rate expressed as rehabilitation patient days per population in the health planning district as reported by VHI; and

PROPOP = the most recent projected population of the health planning district five years from the current year as published by a demographic entity as determined by the commissioner.

B. Proposals for new medical rehabilitation beds should be considered when the applicant can demonstrate that:

1. The rehabilitation specialty proposed is not currently offered in the health planning district; and

**VHC has a demonstrated institutional need for additional medical rehabilitation beds, and existing beds in the PD are highly utilized. Although the scope of rehabilitation specialties offered by other providers is difficult to ascertain, the Wellness Hospital will be specifically designed for patients with neurological conditions including stroke, acquired brain injury, traumatic and non-traumatic spinal cord injuries, multiple sclerosis, and Parkinson's as well as other rehabilitation conditions. The state-of-the-art facility will incorporate cutting-edge rehabilitation equipment (such as the Bionik InMotion Arm for Neurological Rehabilitation for robotic assisted shoulder and elbow therapy, a Smart car and Ekso Bionics EksoGT, the first FDA-cleared exoskeleton for stroke and spinal cord injury rehabilitation).**

2. There is a documented need for the service or beds in the health planning district.

**Based on 2022 VHI data and 222 authorized beds (only 170 of which were reported in 2022), there is a calculated need for 4 additional rehabilitation beds in PD 8.**

$\frac{((60,916 / 2,558,969) \times (2,770,032)) / 365}{0.80}$	= 226
COPN-authorized medical rehabilitation beds:	222
Additional medical rehabilitation bed need:	4 beds needed

Alternatively, adjusting the calculation to reflect the patient days projected for the additional beds approved in the PD based on provider-specific institutional need (beds not yet reported in 2022) results in a calculated need for 27 additional rehabilitation beds in PD 8.<sup>30</sup>

$\frac{((67,295 / 2,558,969) \times (2,770,032)) / 365}{0.80}$	= 249
COPN-authorized medical rehabilitation beds:	222
Additional medical rehabilitation bed need:	27 beds needed

Notably, DCOPN has previously recognized that the SMFP formula, predicated on an overall use rate, likely understates the actual need for medical rehabilitation beds. Specifically, DCOPN has stated that:

The existing SMFP methodology for determining the need for medical rehabilitation beds in a planning district is predicated on using the general population as the base for calculating the use rate. ... Nonetheless, an update of the SMFP methodology that considers an age breakdown separating the age 15-64 population and the age 65-plus population for determining the use rate for medical rehabilitation beds is a more credible methodology when the age of the patients (i.e., age 65+) that predominately use medical rehabilitation services is considered. Accordingly, the need for medical rehabilitation beds in a planning district may be understated...

[D]etermination of the need for medical rehabilitation beds based on a use-rate predicated on the entire population understates rehabilitation bed need in a planning district. Instead, the need for such beds should be based on a combined use-rate for the population age 15-64 and age 65+. It is important to recognize that the older adult population utilizes these services at a much higher utilization rate than a younger population cohort. The proposed use rate calculation is a credible approach to determining the need for medical rehabilitation beds in a given geographical area.<sup>31</sup>

Moreover, the Commissioner has historically approved institutional need-based expansions despite a calculated surplus of beds in the PD.<sup>32</sup>

<sup>30</sup> See Exhibit B—Data for Medical Rehabilitation Bed Need Calculations.

<sup>31</sup> DCOPN Staff Report re COPN Request Nos. VA-8167, 8168, and 8169 (August 19, 2015); see also DCOPN Staff Report re COPN Request No. VA-8605 (February 22, 2022).

<sup>32</sup> See, e.g., COPN No. VA-04784; COPN No. VA-04835.

12 VAC 5-230-820. Expansion of services.

No additional rehabilitation beds should be authorized for a health planning district in which existing rehabilitation beds were utilized with an average annual occupancy of less than 80% in the most recently reported year.

Preference may be given to a project to expand rehabilitation beds by converting underutilized medical/surgical beds.

**VHC Health's application is predicated on an institutional need to expand its medical rehabilitation beds – beds that operated at 90.5% occupancy in 2022. Moreover, existing and operational medical rehabilitation beds in PD 8 operated at an average occupancy rate of 87.8% in 2022. Thus, VHC Health's project fully comports with this provision.**

**Given the high utilization of VHC's other types of beds, VHC does not have any unused bed capacity that could be easily converted to medical rehabilitation beds, and instead proposes here the addition of new beds. VHC's existing medical-surgical beds are highly overutilized and have necessitated the two-fold expansion of VHC's medical-surgical bed inventory.<sup>33</sup> Conversion of any of those additional (and much-needed) medical-surgical beds would exacerbate the need for additional medical-surgical beds at VHC, as recently recognized by the Commissioner. VHC also does not have underutilized beds in other bed categories that could be easily converted to medical rehabilitation beds to effectively and efficiently address VHC's need for additional capacity. Conversions of any of those beds would likely immediately surge above sustainable levels, approximating or exceeding applicable SMFP expansion thresholds and sabotaging the patients who currently rely on those beds. Applications to replenish the beds converted to medical rehabilitation beds would be necessary in short order. In brief, conversion of any of VHC's other beds to rehabilitation beds does not present a sustainable and durable solution to VHC's high and growing medical rehabilitation bed utilization.**

12 VAC 5-230-830. Staffing.

Medical rehabilitation facilities should be under the direction or supervision of one or more qualified physicians.

**All medical rehabilitation services provided by Wellness Hospital will be under the direction or supervision of one or more qualified physicians on the VHC medical staff.**

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<sup>33</sup> Specifically, 44 additional medical-surgical beds were approved per COPN No. VA-04563 in March 2017, and 43 additional medical-surgical beds were approved per COPN No. VA-04724 in November 2020.

**Exhibit A – Data For Mental Health Bed Need Calculations**

**2018-2022 Mental Health Use Rate:**

UR Calculation	2018-2022 Psychiatric and SA Treatment Beds	2022 Psychiatric and SA Treatment Beds
Total Patient Days	614,081	136,521
Total Population <sup>34</sup>	12,713,347	2,558,969
Utilization Rate	0.0483	0.0533

**2018-2022 Acute Psychiatric and SA Treatment Bed Total Patient Days in PD 8:**

Facility	2018	2019	2020	2021	2022	2022 Reported Beds	2022 occupancy	5-year total
Dominion Hospital	31,961	32,968	30,626	34,628	33,107	116	78.2%	163,290
Inova Fairfax Hospital	16,601	20,263	22,328	26,094	25,499	81	86.2%	110,785
Inova Loudoun Hospital	5,201	5,856	6,633	6,563	6,609	22	82.3%	30,862
Inova Mount Vernon Hospital	7,994	8,805	8,654	9,429	8,201	30	74.9%	43,083
North Spring Behavioral Healthcare <sup>35</sup>	25,964	31,468	33,754	37,800	41,707	127	90.0%	170,693
UVA Health Prince William Medical Center <sup>36</sup>	5,556	7,489	7,903	6,570	5,679	30	51.9%	33,197
HCA StoneSprings Hospital Center				637	4,733	17	76.3%	5,370
Virginia Hospital Center	11,258	11,681	11,763	11,113	10,986 <sup>37</sup>	40	75.2%	56,801
<b>TOTAL</b>	<b>104,535</b>	<b>118,530</b>	<b>121,661</b>	<b>132,834</b>	<b>136,521</b>	<b>463</b>	<b>80.8%</b>	<b>614,081</b>

<sup>34</sup> Weldon Cooper Center, Intercensal Estimates for Virginia, Counties, and Cities: 2010-2020 and 2020-2022, published January 30, 2023 (data for Counties of Arlington, Fairfax, Loudoun, and Prince William and Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park).

<sup>35</sup> NSBH reports residential treatment beds and patient days as psychiatric beds and patient days; only 40 of its reported beds are COPN-authorized psychiatric beds.

<sup>36</sup> PWMC reported 2,816 psychiatric patient days in 2022 based on 181 days' worth of 2022 utilization (rather than a full year). See VHI 2022 Bed Utilization Report, Bed Utilization Tab, Row 377, Column G. Annualized patient days for 365 days are 5,679.

<sup>37</sup> The published 2022 VHI data reflect an error in VHC's psychiatric bed patient days. The correct patient days for 2022 are 10,986.

**2018-2022 Acute Psychiatric and SA Treatment Bed Total Patient Days in PD 8:<sup>38</sup>**

Facility	Type of Beds	2018	2019	2020	2021	2022	5-year total
Dominion Hospital	Pediatric	18,031	16,989	15,124	17,505	17,244	84,893
Dominion Hospital	Adult	13,930	15,979	15,502	17,123	15,863	78,397
Inova Fairfax Hospital	Adult	10,110	9,971	10,789	13,972	14,228	59,070
Inova Fairfax Hospital	Pediatric	1,384	4,042	4,536	5,104	4,389	19,455
Inova Fairfax Hospital	SA	5,107	6,250	7,003	7,018	6,882	32,260
Inova Loudoun Hospital	Adult	5,201	5,856	6,633	6,563	6,609	30,862
Inova Mount Vernon Hospital	Adult	7,994	8,805	8,654	9,429	8,201	43,083
North Spring Behavioral Healthcare	Pediatric	25,964	31,468	33,754	37,800	41,707	170,693
UVA Health Prince William Medical Center	Adult	5,556	7,489	7,903	6,570	5,679	33,197
HCA StoneSprings Hospital Center	Adult				637	4,733	5,370
Virginia Hospital Center	Adult	11,258	11,681	11,763	11,113	10,986	56,801
<b>TOTAL</b>		<b>104,535</b>	<b>118,530</b>	<b>121,661</b>	<b>132,834</b>	<b>136,521</b>	<b>614,081</b>

**Mental Health Beds in PD 8:**

Facility	Bed Type	2022 VHI-reported Beds	2022 Operational Beds	COPN-Authorized Beds and All NSBH Beds	COPN-Authorized Beds
Dominion Hospital	Adult	48	48	48	48
Dominion Hospital	Pediatric	68	68	68	68
Inova Fairfax Hospital	Adult	41	41	41	41
Inova Fairfax Hospital	Pediatric	15	15	15	15
Inova Fairfax Hospital	SA	25	25	25	25
Inova Loudoun Hospital	Adult	22	22	22	22
Inova Mount Vernon Hospital	Adult	30	30	50 <sup>39</sup>	50 <sup>40</sup>
NSBH	Pediatric	127	127	127	40
PWMC	Adult	30	30	30	30
Virginia Hospital Center	Adult	56 <sup>41</sup>	40	56	56
HCA StoneSprings Hospital Center	Adult	17	17	17	17
<b>TOTAL</b>		<b>479</b>	<b>463</b>	<b>499</b>	<b>412</b>

<sup>38</sup> Supra notes 31-33.

<sup>39</sup> 20 additional beds authorized per COPN No. VA-04774.

<sup>40</sup> 20 additional beds authorized per COPN No. VA-04774.

<sup>41</sup> Includes 16 additional beds authorized per COPN No. VA-04773; these beds are not yet operational.



**Historical Population Data 2018-2022 and 2028 Projections:**

	<b>Total Population<sup>42</sup></b>
<b>2022</b>	<b>2,558,969</b>
<b>2021</b>	<b>2,547,686</b>
<b>2020</b>	<b>2,549,839</b>
<b>2019</b>	<b>2,537,498</b>
<b>2018</b>	<b>2,519,355</b>
<b>Total</b>	<b>12,657,429</b>

<b>2028</b>	<b>2,770,032<sup>43</sup></b>
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<sup>42</sup> Weldon Cooper Center, Intercensal Estimates for Virginia, Counties, and Cities: 2010-2020 and 2020-2022.

<sup>43</sup> Weldon Cooper Center, Population Projections for Virginia and its Localities, 2030-2050, July 2022 (calculated based on 2020-2030 compound annual growth rate) (data for Counties of Arlington, Fairfax, Loudoun, and Prince William and Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park).

**Exhibit B – Data for Medical Rehabilitation Bed Need Calculations**

**2022 Medical Rehabilitation Use Rate:**

UR Calculation	2022 Data
Total Patient Days	60,916
Population <sup>44</sup>	2,558,969
Utilization Rate	0.0238

**2022 Medical Rehabilitation Bed Patient Days in PD 8:<sup>45</sup>**

Facility	2022 Patient Days (per VHI)	Projected Patient Days
Encompass Health	20,543	24,383 <sup>46</sup>
Inova Fairfax Hospital	8,300	
Inova Mount Vernon Hospital	19,576	
HCA Reston Hospital Center	5,893	8,432 <sup>47</sup>
Virginia Hospital Center	6,604	
TOTAL	60,916	67,295

**2022 Medical Rehabilitation Beds in PD 8:**

Facility	Beds (per VHI)	COPN-Authorized Beds
Encompass Health	60	80 <sup>48</sup>
Inova Fairfax Hospital	25	25
Inova Mount Vernon Hospital	67	67
HCA Reston Hospital Center	18	30 <sup>49</sup>
Virginia Hospital Center	20	20
TOTAL	190	222

**Historical Population Data: 2022 and 2028 Projections:**

	2022	2028
Population	2,558,969	2,770,032 <sup>50</sup>

<sup>44</sup> Weldon Cooper Center, Intercensal Estimates for Virginia, Counties, and Cities: 2020-2022.

<sup>45</sup> 2021 VHI Data (Bed Utilization).

<sup>46</sup> COPN Request No. VA-8605, COPN Application at 12.

<sup>47</sup> COPN Request No. VA-8540, COPN Application at 11.

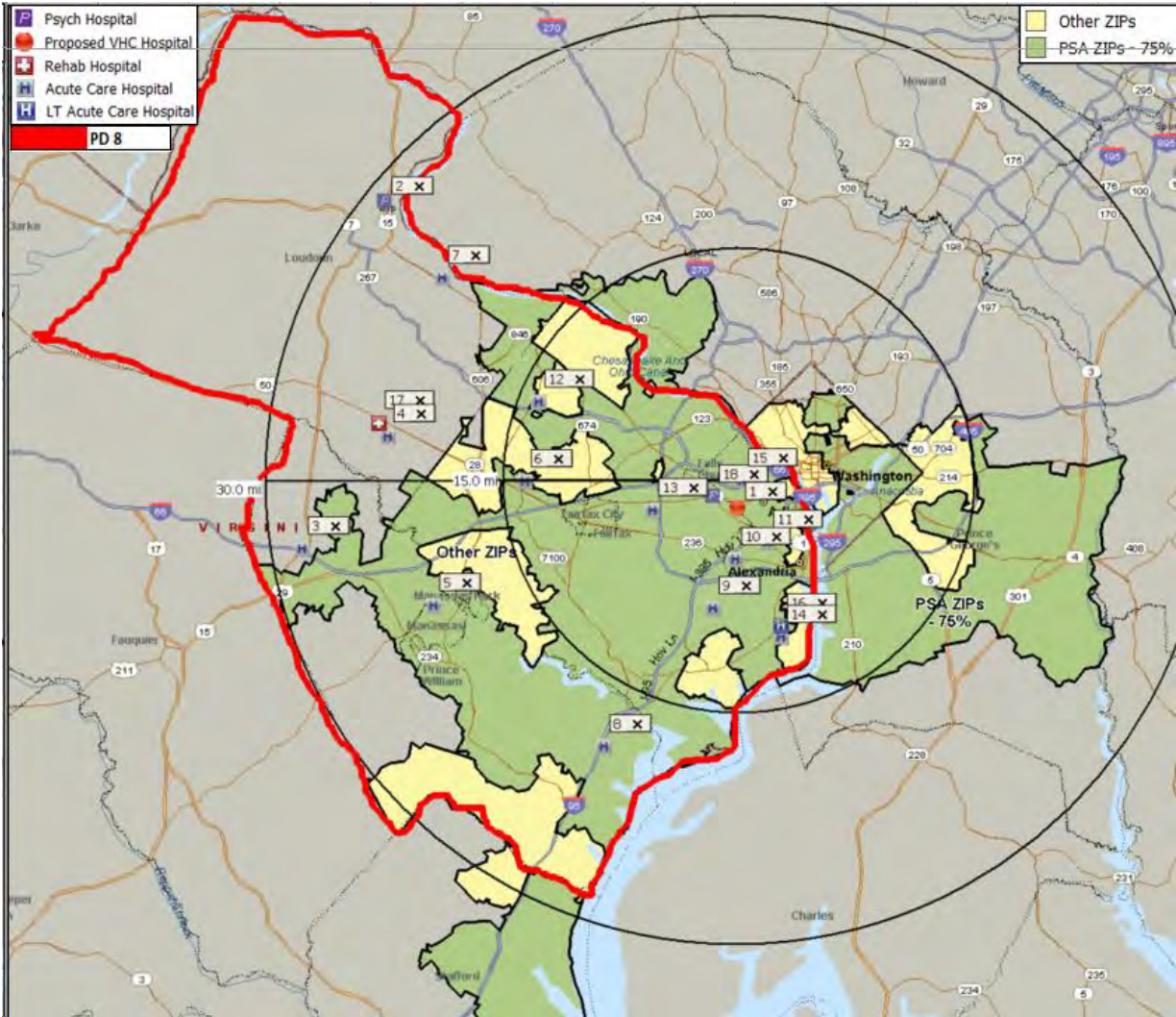
<sup>48</sup> 20 additional beds approved per COPN No. VA-04784.

<sup>49</sup> 12 additional beds approved per COPN No. VA-04742.

<sup>50</sup> Weldon Cooper Center, Population Projections for Virginia and its Localities, 2030-2050, July 2022 (calculated based on 2020-2030 CAGR) (data for Counties of Arlington, Fairfax, Loudoun, and Prince William and Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park).

## Attachment IV.H.1. Maps of PSA and Existing Facilities

COPN Request No. VA-8744; Attachment IV.H.1  
Maps of Service Area and Existing Facilities<sup>1</sup>

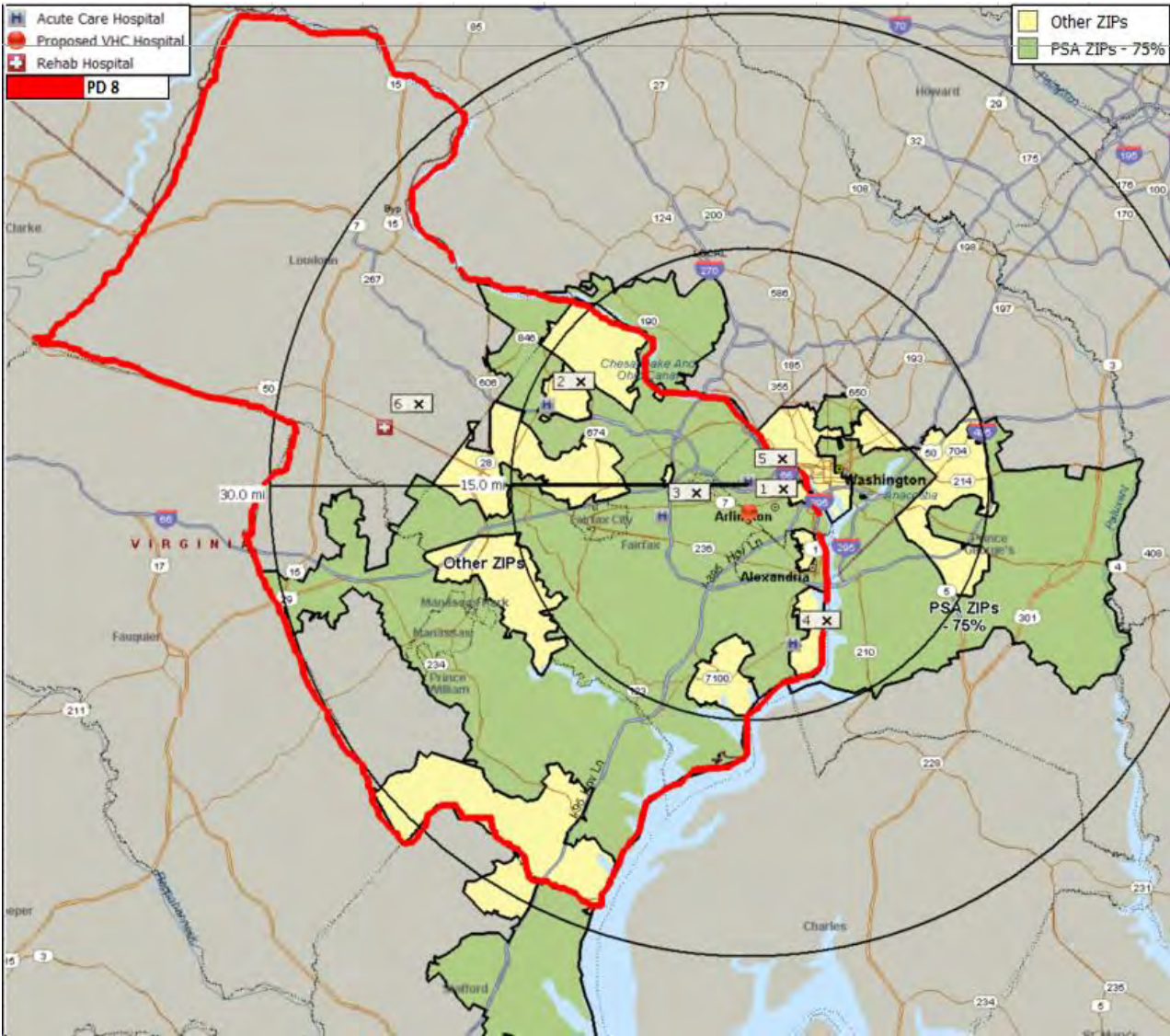


Hospital Facility	Type
1 Proposed VHC Health Wellness Hospital ●	acute
2 North Spring Behavioral Healthcare	psych
3 UVA Health Haymarket Medical Center	acute
4 HCA StoneSprings Hospital Center	acute
5 UVA Health Prince William Medical Center	acute
6 Inova Fair Oaks Hospital	acute
7 Inova Loudoun Hospital	acute
8 Sentara Northern Virginia Medical Center	acute
9 Inova Springfield Hospital (approved)	acute
10 Inova Landmark Hospital (approved)	acute
11 Inova Alexandria Hospital (approved for relocation)	acute
12 HCA Reston Hospital Center	acute
13 Inova Fairfax Hospital	acute
14 Inova Mount Vernon Hospital	acute
15 VHC	acute
16 Inova Mount Vernon Hospital LTACH	LTACH
17 Encompass Health	rehab
18 Dominion Hospital	psych

<sup>1</sup> The above map illustrates all acute care hospitals and freestanding rehabilitation hospitals and mental health hospitals in PD 8. In PD 8, mental health beds in the acute care hospital setting are available only at Inova Fairfax Hospital, Inova Loudoun Hospital, Inova Mount Vernon Hospital, UVA Health Prince William Medical Center, HCA StoneSprings Hospital Center, and VHC. Medical rehabilitation services in the acute care setting are available only at Inova Fairfax Hospital, Inova Mount Vernon Hospital, HCA Reston Hospital Center, and VHC. The circles reflect the 15- and 30-mile radii around VHC.

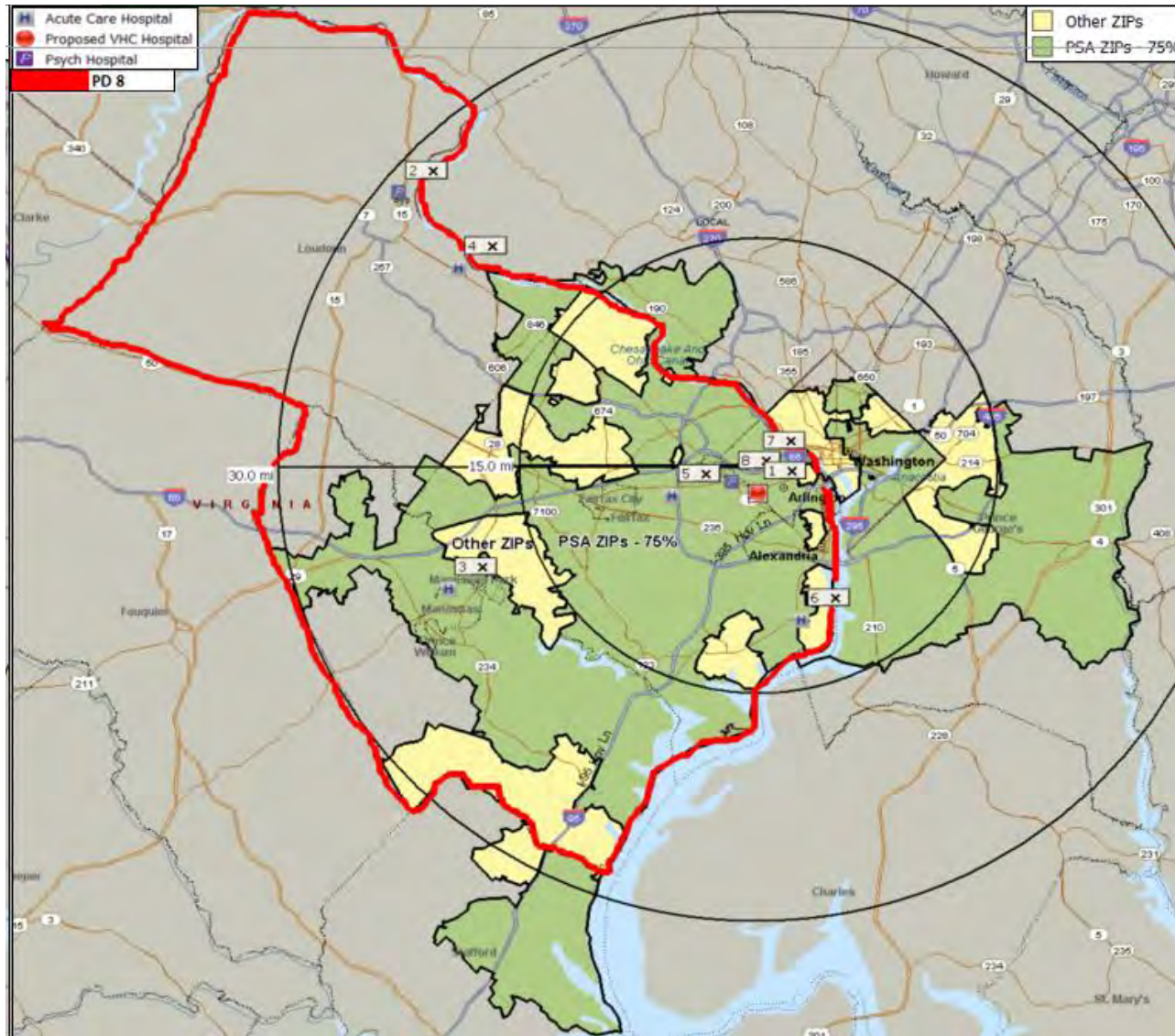


Map of Service Area and Existing Facilities (Medical Rehabilitation Beds Only)



Hospital Facility		Type
1	Proposed VHC Health Wellness Hospital ●	acute
2	HCA Reston Hospital Center	acute
3	Inova Fairfax Hospital	acute
4	Inova Mount Vernon Hospital	acute
5	VHC	acute
6	Encompass Health	rehab

### Map of Service Area and Existing Facilities (Mental Health Beds Only)



	Hospital Facility	Type
1	Proposed VHC Health Wellness Hospital ●	acute
2	North Spring Behavioral Health	psych
3	UVA Health Prince William Medical Center	acute
4	Inova Loudoun Hospital	acute
5	Inova Fairfax Hospital	acute
6	Inova Mount Vernon Hospital	acute
7	VHC	acute
8	Dominion Hospital	psych

## Attachment IV.H.2. Letters of Support



COUNTY MANAGER'S OFFICE  
Mark J. Schwartz

2100 Clarendon Boulevard, Suite 302, Arlington, VA 22201  
Phone: 703-228-3120 | Fax: 703-228-3218 TTY: 703-228-4611  
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December 21, 2023

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

**RE: COPN Request No. VA-8744  
Virginia Hospital Center Arlington Health System d/b/a VHC Health  
& South Arlington, LLC  
Establishment of Acute Care Hospital with 146 Beds  
(50 Inpatient Medical Rehabilitation Beds and 96 Mental Health Beds)  
Planning District 8**

Dear Dr. Shelton:

On behalf of the residents of Arlington County, and in my capacity as the County Manager for Arlington County, I write to express support for VHC Health's request to establish a new hospital for mental health and medical rehabilitation services in South Arlington. This proposal will allow VHC to expand its highly utilized mental health and rehabilitation bed capacity and implement a full range of complementary mental health outpatient programs at a modern facility – a critical need for Arlington residents with psychiatric or substance abuse illness.

Virginia has long struggled with a shortage of psychiatric services. As the number of individuals seeking behavioral health treatment in the wake of the pandemic has consistently increased, this crisis is only projected to get worse. The need for behavioral health hospitalizations, mental health-related emergency department visits, and outpatient behavioral health services is on the rise – in Northern Virginia and across the Commonwealth – and contributes to overcrowding of beds and emergency departments, long wait lists, fragmentation of care across distant providers, poor patient outcomes, and poor community health.

For Arlington County's residents, VHC and its acute care hospital-based mental health unit – the only such unit in the County – is a key access point for behavioral health care. Its 40 mental health beds have historically been highly utilized, with occupancy at or above the relevant regulatory threshold – despite significant limitations on its practical capacity due to co-rooming challenges associated with operating a relatively small number of beds in semi-private rooms. Routinely, patients must be referred to other (often distant) facilities due to lacking available



appropriate beds or must be boarded for extended periods until a bed becomes available. The delays and burdens associated with the lack of timely behavioral health services in the community are extremely detrimental to patients experiencing a mental health crisis, can increase costs of care, and can lead to catastrophic outcomes. In addition, this lack of sufficient mental health capacity puts a significant strain on County support systems like our Police Department, Sheriff and Department of Human Services.

Arlington County has long worked with VHC and numerous other key stakeholders to meet the urgent and growing need for expanded behavioral health services at the hospital and within our County infrastructure. Our planning has been hamstrung by the limited space available on the VHC campus. In 2021, VHC, with our support, proposed to add 16 beds at the hospital – a project that required relocation of outpatient services from the hospital building to a new outpatient facility on a parcel adjacent to the hospital and acquired by VHC from Arlington County via a land swap arrangement. However, the community's need continues to grow and demands not only a larger complement of beds but also specialized beds for certain patient populations (such as adolescents) and extensive outpatient services, including intensive outpatient and partial hospitalization services. In addition, VHC has a growing need to expand its medical rehabilitation bed capacity, long operating above capacity. The only feasible approach for VHC to meet the long-identified needs for better access to its behavioral health and rehabilitation services is to do so off-site.

In this application, VHC proposes to do just that. Specifically, VHC seeks to establish a second hospital in Arlington County, just 2.4 miles from the main hospital campus and squarely within its historical service area. This hospital would house all of VHC's medical rehabilitation beds and all but 14 of VHC's authorized mental health beds, along with substantial expansions of bed capacity (to include specialized adolescent psychiatric beds and adolescent substance abuse beds) and a comprehensive range of expanded outpatient services. (The 14 beds remaining at VHC would serve medically-compromised, largely elderly patients who require access to acute care medical services.) Services provided at the new facility will be closely integrated with VHC's services, ensuring seamless coordination and access to VHC's full spectrum of care as may be necessary. (In that regard, the proposed hospital will be no different than a building on the VHC campus, just 10 minutes away.) Establishment of the new hospital also makes excellent use of the Carlin Springs site, incorporating existing green space into the design – a redevelopment that will benefit VHC's patients, the County, and VHC's entire service area.

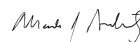
Sharing VHC's commitment to the community and meeting its needs, Arlington County has been an active participant throughout VHC's planning of the proposed hospital. This will continue as they proceed through Arlington County's review process. We endorse their COPN request, as it represents a tremendous opportunity for our community to address the shortage of local mental health beds and treatment options for adolescent, adult, and elderly patients. The new hospital will offer, for the first time in our community, inpatient and outpatient adolescent mental health services. Co-location with an expanded rehabilitation unit with specialized beds for patients with brain and spinal cord injuries, stroke, and other neurological conditions will further offer

various synergies and efficiencies, for patients and VHC alike. On behalf of Arlington County residents, I respectfully request that you approve VHC's proposal.

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

Sincerely,

DocuSigned by:



Mark J. Schwartz  
County Manager

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



CHARLES A. PENN  
CHIEF OF POLICE

## **ARLINGTON COUNTY POLICE DEPARTMENT**

ARLINGTON COUNTY COURTHOUSE

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DEPUTY CHIEF

WAYNE A. VINCENT  
DEPUTY CHIEF

December 26, 2023

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

**RE: COPN Request No. VA-8744  
Virginia Hospital Center Arlington Health System d/b/a VHC Health  
& South Arlington, LLC  
Establishment of Acute Care Hospital with 146 Beds**

Dear Dr. Shelton:

In my capacity as the Chief of the Arlington County Police Department, I write in support of the above-referenced Certificate of Public Need application.

As you know, there is a severe shortage of mental health beds in Virginia. In Arlington County and throughout the Commonwealth, patients in need of inpatient mental health services wait, often for days, for available beds, while their needs increase and their symptoms worsen. Untreated mental health conditions often lead to functional impairments, reduced productivity, and negative impacts on relationships and social functioning, fueling violence, crime, substance abuse, and domestic abuse. Substance abuse further compounds those issues, affecting employment, education, and overall community health and safety.

Without appropriate and sufficient capacity at Virginia Hospital Center, growing numbers of patients of all ages must wait exceedingly long for access to an inpatient bed at VHC, must be boarded in the busy emergency room for days, or must be sent to hospitals further from their homes. Throughout those waits and transfers, patients on Temporary Detention Orders ("TDOs") must remain in the custody of law enforcement while social workers call every hospital in the state searching for an available bed. Once a bed is located, police must transport the patient there – often a commitment of several hours. Indeed, law enforcement organizations spend a substantial portion of their time responding to and transporting individuals with mental health needs on TDOs to emergency departments, hospitals, or jails. There is also a lack of appropriate outpatient services in the community, which can lead to care disengagement, symptom exacerbation, increased need for hospitalization, and catastrophic outcomes – all of which increase the risk of law enforcement involvement. In short, the lack of needed services in the community pulls officers away from important duties and increases the costs of care significantly.

The acute shortage of mental health beds and services has prompted the Arlington County Police Department and other law enforcement agencies, local Arlington County government officials, the Department of Human Services and Community Services Board, and VHC Health to work together on a solution. We have explored numerous alternative approaches to meeting the community's needs. Ultimately, VHC and the stakeholder group decided that centralizing and expanding VHC's mental health services at a new hospital facility away from the VHC campus yet fully integrated with VHC and its acute care services would meet the community need for a diverse and comprehensive range of behavioral health services in the most effective and efficient way.

Additional local bed inventory would not only dramatically improve access to needed inpatient care for mental health patients but also allow more timely admission within the community and reduce the time officers spend waiting on admissions. Further, implementation of expanded mental health outpatient services under the same roof will improve access to needed post-discharge outpatient care in a familiar and convenient setting right in the community. Such co-location will enhance the integration and coordination of post-discharge care, key to successful inpatient treatment. This in turn will reduce the calls for service that result from patient non-compliance with treatment and medication regimens.

In short, I believe that VHC Health's project is critical not only to the patients who desperately need appropriate behavioral health interventions but to the entire community.

Thank you for your consideration of this request. I respectfully request that you approve VHC's proposal.

Sincerely,



Charles A. Penn  
Chief of Police

Arlington County Police Department

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

# SENATE OF VIRGINIA

**BARBARA A. FAVOLA**  
31ST SENATORIAL DISTRICT  
PART OF ARLINGTON, FAIRFAX, AND  
LOUDOUN COUNTIES

2319 18TH STREET NORTH  
ARLINGTON, VIRGINIA 22201-3506  
(703) 835-4845  
DISTRICT31@SENATE.VIRGINIA.GOV



COMMITTEE ASSIGNMENTS:  
REHABILITATION AND SOCIAL SERVICES, CHAIR  
AGRICULTURE, CONSERVATION AND  
NATURAL RESOURCES  
LOCAL GOVERNMENT  
TRANSPORTATION  
RULES

December 27, 2023

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

**RE: COPN Request No. VA-8744  
Virginia Hospital Center Arlington Health System d/b/a VHC Health  
& South Arlington, LLC  
Establishment of Acute Care Hospital with 146 Beds  
(50 Inpatient Medical Rehabilitation Beds and 96 Mental Health Beds)  
Planning District 8**

Dear Dr. Shelton:

I write in support of the above-referenced Certificate of Public Need application by VHC Health to expand its mental health and medical rehabilitation bed capacity at a new hospital away from the busy and crowded VHC main campus. I believe this expansion is urgently needed to ensure that VHC can continue to provide timely and effective care to its patients.

Starting in January, my entire senate district will be contained within Arlington County. Therefore, Virginia Hospital Center's main campus and the above mentioned Medical Rehabilitation and Mental Health Center will be contained within my district. As an advocate for the community and particularly for improved access to health care services for my constituents, I recognize that access to mental health services is integral to comprehensive health care and a healthy Virginia. Yet, patients in Northern Virginia and across the Commonwealth have long faced extensive psychiatric bed shortages and significant delays and obstacles in accessing needed care. I enthusiastically support expanding access to out-patient and in-patient mental health services at affordable rates and ending the historical stigma attached to the need for mental health services.

I was thrilled to learn of VHC Health's proposal to implement expanded mental health and medical rehabilitation services at a new hospital dedicated to those services. VHC and its patients have a critical need for additional mental health beds and medical rehabilitation beds. The hospital has



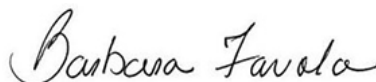
maintained a high occupancy rate and increasing demands for in-patient care over the past several years, leading to overcrowding of beds, boarding of patients in the emergency department and other hospital areas, and an increased emergency department walk-out rate. Often, patients face extensive delays in accessing needed care and must travel to other facilities outside of the community.

VHC is the only acute care hospital in Arlington County, the only independent non-profit community hospital not affiliated with a larger health care system in the Northern Virginia Health Planning Region, and an academic medical center. It has a strong patient base in its service area. Its commitment to quality care and excellent patient service have earned it a stellar reputation among the Northern Virginia acute care providers, and patients increasingly rely on its low-cost inpatient services. Yet, VHC's current inventory of authorized beds is simply insufficient to ensure that all its patients have timely access to an appropriate mental health or rehabilitation bed.

At the same time, VHC's main campus lacks adequate space to accommodate additional beds, much less a diverse range of comprehensive and appropriately sized mental health services in a modern and streamlined facility. The proposed off-site expansion locating mental health and medical rehabilitation services at a new hospital only 2.4 miles and 10 minutes from the VHC main campus is essential to allow VHC to meet the increasing daily demands of its service area patients. The subject facility will provide excellent accessibility to the service area and ensure that timely and appropriate services are conveniently available within the community.

Thank you for your consideration of VHC's application and for your ongoing efforts to expand access and capacity to much needed mental health services.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Favola".

Senator Barbara Favola

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



COMMONWEALTH OF VIRGINIA  
HOUSE OF DELEGATES  
RICHMOND

PATRICK A. HOPE  
POST OFFICE BOX 3148  
ARLINGTON, VIRGINIA 22203

FORTY-SEVENTH DISTRICT

COMMITTEE ASSIGNMENTS:  
COURTS OF JUSTICE  
HEALTH, WELFARE AND INSTITUTIONS  
PUBLIC SAFETY

December 22, 2023

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

**RE: COPN Request No. VA-8744  
Virginia Hospital Center Arlington Health System d/b/a VHC Health  
& South Arlington, LLC  
Establishment of Acute Care Hospital with 146 Beds  
(50 Inpatient Medical Rehabilitation Beds and 96 Mental Health Beds)  
Planning District 8**

Dear Dr. Shelton,

As a member of the House of Delegates representing the 1st District, I am writing in support of the request by VHC Health to expand the mental health and medical rehabilitation bed inventory of Virginia Hospital Center at a new facility only 10 minutes away.

As you may know, the 1st District is entirely in Arlington County. For residents of Arlington County, and the surrounding communities, VHC is a key provider of inpatient services, including inpatient mental health services and inpatient medical rehabilitation services. VHC is the only acute care inpatient hospital in Arlington County and the only independent community hospital in the entire Northern Virginia Health Planning Region. It operates Arlington County's only acute care hospital-based mental health unit. Its high and continually growing utilization attests to the vital role VHC has historically played in this community and the excellent quality of care and patient services it provides. In fact, both its mental health beds and its medical rehabilitation beds have long operated in excess of the applicable regulatory occupancy thresholds.

Although VHC is a critical resource for the residents of Arlington County and beyond, it has been challenging for VHC Health to accommodate needed service capacity on the congested hospital campus. The hospital is located in the middle of a residential

neighborhood. There is no available space within the VHC hospital building that would allow an appropriate expansion of those beds. There is also no further space to expand or build out the hospital to meet the community's need for expanded mental health and medical rehabilitation resources; the campus is effectively landlocked and maxed out on density under the applicable zoning rules.

A long-term solution demands a modicum of additional beds and expanded services within a modern patient-friendly facility to meet patients' growing needs and provide much-needed flexibility to provide needed care to patients based on their diagnosis and acuity. To ensure that VHC can continue effectively and efficiently serving my constituents and other patients in its service area, approval of the proposed hospital is critically necessary.

I also support VHC's efforts to minimize costs and maximize efficiencies, economies of scale, and other benefits by co-locating mental health services with medical rehabilitation services – both related to the implementation of the proposed facility as well as its operation. In brief, the proposed off-site bed expansion is not only critically needed to support present and growing demand at the hospital and within the community, it also reflects responsible health care planning and stewardship of scarce health care dollars.

Thank you for your consideration of this request. I respectfully request that you approve VHC's proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Hope", with a stylized, flowing script.

Delegate Patrick Hope  
Virginia House of Delegates – 1st District

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





CHARLES A. PENN  
CHIEF OF POLICE

**ARLINGTON COUNTY POLICE DEPARTMENT**  
ARLINGTON COUNTY COURTHOUSE  
1425 NORTH COURTHOUSE ROAD  
ARLINGTON, VA 22201  
PHONE (703) 228-4040  
[police@arlingtonva.us](mailto:police@arlingtonva.us)



J. DARRIN CASSEDY  
DEPUTY CHIEF

LATASHA CHAMBERLAIN  
DEPUTY CHIEF

DAVID GIROUX  
DEPUTY CHIEF

WAYNE A. VINCENT  
DEPUTY CHIEF

December 29, 2023

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

**RE: COPN Request No. VA-8744  
Virginia Hospital Center Arlington Health System d/b/a VHC Health  
& South Arlington, LLC  
Establishment of Acute Care Hospital with 146 Beds**

Dear Dr. Shelton:

In my capacity as the Deputy Chief of the Arlington County Police Department, I write in support of the above-referenced Certificate of Public Need application.

In Arlington County, much like the rest of the Commonwealth of Virginia and our nation, we are struggling with a shortage of mental health services. Our resources for mental health services can't match the need for care and this puts a tremendous strain on our community, health providers and other support services like police and other County staff. In many cases this leads to having our police men and women having to come off the street to sit with patients in hospital emergency departments as everyone works to find the appropriate care and rooms for these individuals in crisis. This stress on our mental health services impacts our inpatient and outpatient network of care.

I know that I speak for my fellow officers when I say that we were elated to hear of the discussions between Arlington County and VHC to create a new, freestanding facility to care for individuals suffering from mental health issues. From day one both parties had the same desires and resolute to find solutions to this growing crisis. It is also comforting to know that the solutions we are partnering on are being done right here in Arlington so that the services are available and accessible in the communities where we live and work. I believe this facility will serve as a springboard to other services and treatment options that will benefit our community. There is already talk of how to leverage the ties to the County Nature Center, which sits adjacent to the proposed site of the Wellness Hospital.

This facility will house both inpatient and outpatient services to address mental health and substance abuse illness. These services provide ties to the mental health and

substance abuse services that the County provides, and serve to strengthen the community network of care and support for those that deal with these illnesses. It is the strength of that entire network that becomes the safety net for our community, and as a key component in that community network, we (ACPD) strongly support VHC Health's project. It is critical not only for those in need, but also to the entire community.

Thank you for your consideration of this request. I respectfully request that you approve VHC's proposal.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Vincent".

Wayne Vincent  
Deputy Chief of Police  
Arlington County Police Department

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

January 2 2024

State Health Commissioner  
Virginia Department of Health  
109 Governor St., 13<sup>th</sup> Floor  
Richmond, VA 23219

Dear Dr. Shelton

*Letter of Support for VHC Health's COPN for the proposed Carlin Springs Wellness and Behavioral Health Hospital, Arlington, Virginia:*

I am writing in strong support of VHC's recently submitted COPN request for additional beds for the proposed Carlin Springs Wellness and Behavioral Health Hospital in Arlington Virginia. I am a longtime Arlington resident and was a member of the Arlington Community Services Board (ACSB) from 2010 to 2019. Starting in 2015 I became one of the leaders of a community-led effort to encourage VHC to expand inpatient beds and other mental health services in Arlington.

I am absolutely delighted – as are my fellow stakeholders-- that VHC 's leadership has evolved in their thinking over these years and come to embrace the need for VHC to provide the same high quality and comprehensive coverage in their behavioral health services as they do in their physical health services. For this reason, we enthusiastically support VHC's recent COPN request, which is part of a comprehensive program of inpatient and outpatient services that are currently lacking and desperately needed in our community.

I recognize that this is a substantial request for new beds on top of the previous COPN request for 16 additional beds, that was approved in 2022.

It is justified for the following reasons:

- The previous request was based on statistics that were collected pre-COVID and therefore did not include the spike in mental health emergencies that resulted from COVID and its aftermath.
- The methodology we used at the time of the 2022 request for 16 beds was based on statistics concerning the unmet demand for beds for **involuntary** admissions. We did not have statistics for the unmet demand for **voluntary** admissions, so we were unable to include them in the 2022 request. However, we know that voluntary admissions form an

important segment of overall demand, and it is fair to assume that the rising acuity of patients that have been admitted involuntarily results, at least in part, from the fact that patients can't find beds when they are ready to seek help voluntarily.

- The ongoing crisis at the state psychiatric hospitals makes it imperative that community hospitals take on a larger share of the burden of providing necessary mental health services for the community.
- VHC is the community hospital for Arlington County, which has historically had a higher rate of individuals with serious mental illness than neighboring jurisdictions. To the extent possible, it is far more effective to serve them in the community, rather than sending them to distant parts of the state.
- VHC is now planning to provide behavioral health services to adolescents, a vitally important population that has a high demand for mental health services. Reaching out to young people at an early stage in their illness and providing appropriate treatment can change their life trajectory.

This request for additional beds is part of a comprehensive program of services that includes improvements in the emergency department, better-designed behavioral health facilities for adults and adolescents, expanded inpatient programs, a partial hospitalization program for adults, and IOPs for adults and adolescents. I believe the addition of these services will be a game-changer for individuals seeking mental health treatment in Arlington County and I respectfully request that VHC's COPN application be approved in full.

Sincerely,



Judith Deane  
5533 N. 17<sup>th</sup> Street  
Arlington, VA 22205

cc:

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

James and Sheila Mack  
3615 38<sup>th</sup> St N.  
Arlington, VA 22207

Virginia Hospital Center

Dear Sir or Madam:

The purpose of this letter is to urge VHC Health to include in its expansion *additional beds for psychiatric care.*

The need clearly is great. During my 13 years as a member of the Arlington Community Services Board, including 3 years as Chair, I heard innumerable stories of Arlingtonians who were unable to find psychiatric beds at the Virginia Hospital Center and consequently forced either to wait, or to send their loved ones out of the area for care.

We all know that treatment of psychiatric illnesses is more successful when family is nearby and involved. My wife Sheila Mack volunteered as an auxiliary with the VHC. She noted that VHC professional staff frequently complained that there were insufficient VHC psychiatric beds. In addition, she was for many years involved with the Arlington Chapter of the National Alliance for Mental Illness (NAMI). During her long tenure with NAMI, she heard numerous accounts from families that they had to go downstate, or out of state, to secure treatment for their mentally ill family members.

With its ongoing expansion VHC Health has a once in a lifetime opportunity to rectify this psychiatric bed shortage.

Sincerely, James and Sheila Mack

To Whom it May Concern,

Thank you for the opportunity to write in support of additional beds in the psychiatric unit at Virginia Hospital Center.

My daughter, who was raised and lived in Arlington, struggled with depression and self-medication through substance abuse for much of her late teen-age and early twenties years. Eventually, she courageously overcame these problems, had a lovely daughter, was married, and was active as a community volunteer.

Then, about five years ago, the depression returned with a vengeance. Her medication stopped working and she spiraled down. She tried to voluntarily admit herself to VHC, but there were no available beds, and she eventually wound up in a Maryland facility. To see her meant long, exhausting commutes. She was discharged in a few weeks, doing better. But what was best of all was being with her young daughter again.

However, the turn around was short lived. The new treatment stopped working within a few months and she slipped into depression again. What kept her going was her deep concern for her daughter. She knew where she was happening to her and was desperate to find effective treatment. We were able to get her in to see a couple practitioners over the next few months who tried new treatments, but nothing worked. Deeply depressed and utterly hopeless, she began talking of suicide. We convinced her to go to VHC to be voluntarily admitted. But again, there was no bed available. VHC tried to find a bed for her in Virginia but to no avail. We tried calling everywhere we could find out about on short notice in Virginia and out of state, with the same result. A few nights later, she climbed up the highest structure she could find, jumped, and died. She left behind her beloved daughter and husband as well as her loving, extended family.

Unfortunately, the aftermath of my daughter's death has had its own anguish.

Her husband began to have substance abuse and his own mental health problems after my daughter's death. Of course, I love my granddaughter and still love my daughter. I know my daughter would not want her dear child to be in the situation she is in right now. She would want me to continue to fight for her. But grandparents do not have strong legal rights in Virginia. A legal battle to gain custody failed. Also, my retirement finances have been drained from helping to pay for my late-daughter's treatments and the legal fees. It seems I am running out of options.

Please approve the additional beds at VHC to help keep tragedies like mine from happening to other families.

Sincerely,

A still-grieving mother in Arlington

Dear Sir or Madam,

Six times since 2014 my family and I have found ourselves in a mental health crisis and have sought the urgent need for "a bed." During that time, my older brother (34 years old) and twin brother (30 years old) have been hospitalized involuntarily due to psychotic episodes. **Of those six times, three of them have been made more stressful and difficult due to lack of "psychiatric beds" at VHC. What does this mean? It means every day for weeks at a time my family has driven the 95 miles one way, 190, round-trip to visit with our loved ones for the 60 minute visiting hour.** For a week in 2016 I took emergency unpaid leave from work and moved in with a friend in the Richmond area so I could be with my brothers to support them and to take the stress of the commute off my 64-year-old parents. Please move forward with the expansion of adding more beds at VHC.

**- member of the VHC working group, before January 8, 2021.**



**COPN Request No. VA-8744**  
**Attachment V.H.3 - Pro Forma**  
**Wellness Hospital**

<b>Projected Utilization</b>	<b>Year 1</b>	<b>Year 2</b>
Mental Health Discharges	2,008	3,037
Medical Rehabilitation Discharges	699	1,032
<b>Total Discharges</b>	<b>2,707</b>	<b>4,069</b>
Mental Health Patient Days	13,956	22,776
Medical Rehabilitation Patient Days	8,274	12,775
<b>Total Patient Days</b>	<b>22,230</b>	<b>35,551</b>
Mental Health Occupancy	39.8%	64.8%
Medical Rehabilitation Occupancy	45.3%	69.8%
Mental Health Outpatient Visits	4,176	6,525
<b>Revenue</b>		
<b>Total Gross Patient Revenue</b>	<b>\$56,500,859</b>	<b>\$93,063,633</b>
Contractual Discounts	\$24,611,912	\$39,009,957
Charity Care	\$1,695,026	\$2,791,909
Bad Debt	\$631,361	\$1,100,316
<b>Net Patient Revenue</b>	<b>\$29,562,560</b>	<b>\$50,161,452</b>
<b>Expenses</b>		
Salaries, Wages, Benefits	\$ 22,606,643	\$ 30,432,873
Clinical Ancillary Services	\$ 595,710	\$ 992,785
Pharmaceuticals & Patient Care Supplies	\$ 585,620	\$ 907,990
Other Supplies and Expenses	\$ 1,996,042	\$ 2,679,145
Professional Fees	\$ 790,520	\$ 1,210,918
Food	\$ 338,559	\$ 520,614
Overhead, Housekeeping, Maintenance	\$ 2,155,419	\$ 3,623,501
Depreciation	\$ 5,113,349	\$ 5,118,750
Taxes	\$ 1,201,347	\$ 1,745,094
<b>Total Expenses</b>	<b>\$ 35,383,208</b>	<b>\$ 47,231,671</b>
<b>Net Income</b>	<b>(\$5,820,649)</b>	<b>\$2,929,781</b>
	<b>-19.7%</b>	<b>5.8%</b>



**Assumptions:**

1. Gross and net revenue for the proposed services are based on historical VHC revenue for mental health and medical rehabilitation patients.
2. Charity care reflects VHC's system-wide charity care condition of 3.0%.
3. Bad debt is based on historical experience for behavioral health and medical rehabilitation services.
4. Allocated expenses are based on VHC's cost accounting system and include facility costs, billing and collection costs, departmental and hospital administration, and general service costs.
5. Depreciation for the facility is based on a 40 year useful life and depreciation for equipment is based on a 7 year useful life.
6. The payor mix anticipated for the mental health services is as follows:

<b>Payor</b>	<b>Percentage</b>
Medicare	23.50%
Medicaid	45.00%
Commercial	28.00%
Charity	3.00%
Self Pay	0.50%
Total	100.00%

7. The payor mix anticipated for the medical rehabilitation services is as follows:

<b>Payor</b>	<b>Percentage</b>
Medicare	70.00%
Medicaid	4.50%
Commercial	22.00%
Charity	3.00%
Self Pay	0.50%
Total	100.00%