

**Health Systems Agency of Northern Virginia
Board of Directors Meeting
May 11, 2026**

Members Present

Ana Alvarez
Patricia Deitos, RN
Pamela Kincheloe, RN, Chairperson
Patrice Lepczyk
Anitha Raj
Douglas Samuelson
Robert Sharpe
James Smith, MD

Staff Present

Ann McFeeley
Dean Montgomery

Guests (Partial List)

Michael Delac, CMPE, Chief Operating Officer, Fairfax Colon & Rectal Surgery Center
Renee Flynn, RN, Clinical Director, Fairfax Colon Rectal Surgery Center
Kimberly Matzie, MD, Fairfax Colon Rectal Surgery Center
Jessica Parker, Director, Strategy and Planning, Inova Health System
Betsy Reilly, Business Analyst, JHU Healthcare
Lawrence Stern, MD, Fairfax Colon Rectal Surgery Center

I. Call to Order

Pam Kincheloe, RN, Chairperson, Health Systems Agency of Northern Virginia (HSANV), called the meeting to order at 7:30 PM. She welcomed guests and reviewed the agenda.

Kincheloe stated that, among other matters, the board would consider a certificate of public need (COPN) application from Fairfax Colon & Rectal Surgery Center (FCRSC) to establish an outpatient surgical hospital (ambulatory surgery center) in Fairfax County (COPN Request VA-8833).

II. Previous Minutes

The board approved minutes of the April 13, 2026, meeting.

III. COPN Application: Fairfax Colon & Rectal Surgery Center (COPN Request VA-8833)

Conflict of Interest Query

Kincheloe followed HSANV conflict of interest procedures to determine whether any member had a conflict of interest on the FCRSC application. No conflicts were declared, alleged, or otherwise identified.

Fairfax Colon Rectal Surgery Center Health Presentation

Michael Delac, Chief Operating Officer, Fairfax Colon Rectal Surgery Center (FCRSC), introduced himself and other FCRSC representatives: Lawrence Stern, MD, Renee Flynn, RN, Kimberly Matzie, MD. Delac summarized the application, focusing on key elements and considerations, including:

- Fairfax Colon Rectal Surgery Center has served the region, as an unlicensed specialty surgery center, for seventeen years. It has eight surgeons, other clinical staff, and a large patient base that generates thousands of surgery cases annually.
- The center must relocate when the lease on its offices expires later this year. The practice has acquired a nearby office building that is being converted into a surgery facility with two operating rooms, associated support space, and medical offices.
- With COPN authorization, FCRSC plans to license the facility as an outpatient surgical hospital with two operating rooms and then obtain Medicare certification.
- Licensure and Medicare certification will permit the center to serve a wider array of patients and receive higher payments (reimbursement) for most, if not all, of its surgery cases.
- Medicare certification will expand access to care among FCRSC's patient population.
- Though Medicare certification with increase payment to FCRSC, the conversion will reduce costs for many who now are referred to local hospitals for surgeries that can be provided in the lower cost surgery center.
- The conversion will permit enhanced patient convenience and permit FCRSC surgeons to work more efficiently.
- Existing outpatient surgery centers/services are not readily available to FCRSC surgeons and their patients.
- Capital costs are reasonable, within the range seen for similar projects locally and statewide.
- The conversion will not affect other services negatively.

Aspects of the application emphasized by Delac are attached (Attachment 1).

Board & Staff Questions, Discussion

In response to questions Delac, Stern, Matzie, and Flynn stated or otherwise indicated that:

- FCRSC now has one operating room and one procedure room. The proposal is for two licensed operating rooms and one procedure room, which will be built to licensed operating room standards.
- The real estate arm of FCRS has purchased the building to house the surgery center (and related medical offices). The project is underway and should be completed soon.
- FCRSC surgeons do not have shares or other interests in any other surgery service. The proposed location of the service is within a mile of the current site. There will be no noticeable change in the center's service area.
- Two-thirds or more of FCRSC's current and prospective patient population are colonoscopy patients. These patients are now treated appropriately in unlicensed procedure rooms.

- Beyond Medicare certification and higher reimbursement, difficulty in getting convenient block time in existing ambulatory surgery centers is a major reason for the project.
- FCRSC surgeons have affiliations with several local acute care hospitals.

Public Comment

Paul Savoca, MD, a founder and former member of FCRSC, submitted a critique of the application, noting the economic implications of the proposal and recommending that it not be approved. Dr. Savoca's statement is attached (Attachment 2). FCRSC's response to Savoca's criticism also is attached (Attachment 3). Both statements were considered by HSANV Board and staff.

Applicant Final Summary

Delac thanked the board for its consideration of the application. He noted the discussion had been lengthy and detailed and declined to make an additional statement. He and other FCRSC representatives offered to answer any additional questions reviewers might have.

Staff Recommendation, COPN Request VA-8833

Montgomery reviewed the concerns about the application identified in the staff report. He noted the inconsistency with the public need provisions of the plan, that between two-thirds and three-fourths of FCRSC's patients receive colonoscopies and can be served appropriately in unlicensed procedure rooms in multiple settings, and that replacement of the unlicensed center with a licensed Medicare certified center will increase cost to the public substantially. The project is likely to benefit the applicant far more than the public.

Unnecessary increased costs notwithstanding, Montgomery acknowledged the applicant's arguments concerning limited, and in some cases restricted, access to existing surgery centers, and the project is not unlike several authorized conversions of specialty unlicensed office-based surgeries to licensed surgery centers locally and statewide. Based on these considerations, and on the potential public benefits of the replacement/conversion, he recommended approval of the application.

Montgomery responded to questions from board members.

Board Deliberation and Vote, COPN Request VA-8833

James Smith offered motion to recommend approval of the FCRSC application (COPN Request, VA-8833). Douglas Samuelson seconded the motion. The motion passed by a vote of seven in favor (Deitos, Kincheloe, Lepczyk, Raj, Samuelson, Sharpe, Smith) and none opposed, with one abstention (Alvarez).

IV. Disposition of Recently Reviewed COPN Applications

Montgomery reviewed with the board recent COPN application case decisions, focusing on those where HSANV and Virginia DCOPN staff recommendations differed. They discussed the elements of projects that had not been approved, how the applicants reacted to the denials, and HSANV's role and actions to deal with the situation.

Montgomery also reported that the conditions attached to the agency recommendation on the recent Loudoun VA PropCo COPN application to add 24 nursing home beds were satisfied within HSANV's 60-day review period. He noted that the question of whether beds to be transferred from The View are encumbered as an element of the project to replace the residential community to which they are attached remains unclear.

V. Other Business

The current COPN application volume is such that two board meetings will be necessary in June. June 8 and June 15 were chosen as tentative meeting dates.

VI. Adjourn

Kincheloe adjourned the meeting at 9:15 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dean Montgomery". The signature is written in a cursive, flowing style.

Dean Montgomery

Attachments (3)