

COMMONWEALTH OF VIRGINIA

APPLICATION FOR A

MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED

(CHAPTER 4, ARTICLE 1:1 OF TITLE 32.1,

SECTIONS 32.1 – 102.1 THROUGH 32.1 – 102.12 OF

THE CODE OF VIRGINIA OF 1950, AS AMENDED)

OUTPATIENT FACILITIES

COPN Request No. VA-8795

IFRC, LLC

**Establishment of a Specialized Center for CT Services
Through the Relocation of Existing Capacity**

December 2, 2024

SECTION I FACILITY ORGANIZATION AND IDENTIFICATION

A. IFRC, LLC d/b/a Fairfax Radiology Center of Ballston

Official Name of Facility

3833 North Fairfax Dr., Suite 110

Address

Arlington, Virginia 22203

City State Zip

(703) 698-4444

Telephone

B. IFRC, LLC

Legal Name of Applicant

8260 Willow Oaks Corporate Drive, Suite 750

Address

Fairfax Virginia 22031

City State Zip

C. Chief Administrative Officer

Lance Boyd, CEO

Name

8260 Willow Oaks Corporate Drive, Suite 750

Address

Fairfax Virginia 22031

City State Zip

(703) 698-4444

Telephone

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

Carol Burchett, Chief Strategy Officer, Fairfax Radiology Centers, LLC

8260 Willow Oaks Corporate Drive, Suite 750

Address

Fairfax Virginia 22031

City State Zip

(703) 698-4444

Telephone

N/A

Facsimile

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

Will the facility be operated by the owner? Yes _____ No X _____

Owner of the Facility
(Check one)

(1) _____

(2) _____

(3) _____

(4) X _____

Proprietary

(1) Individual

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

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

(4) Other _____ Identify

Operator of Facility
(Check one)

(1) _____

(2) _____

(3) _____

(4) X _____

The owner is IFRC, LLC (“IFRC”). Please see Attachment A for a copy of IFRC’s articles of organization.

The operator is Fairfax Radiology Centers, LLC (“FRC, LLC”). Please see Attachment B for a copy of FRC, LLC’s articles of organization.

Non-Profit

(5) _____

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

(6) _____

(6) Other _____ Identify

Governmental

(7) _____

(7) State

(7) _____

(8) _____

(8) County

(8) _____

(9) _____

(9) City

(9) _____

(10) _____

(10) City/County

(10) _____

(11) _____

(11) Hospital Authority or Commission

(11) _____

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

- (1) _____ Fee simple title held by the applicant
- (2) _____ Option to purchase held by the applicant
- (3) X leasehold interest for not less than 10 years, **6 months**
- (4) _____ Renewable lease, renewable every _____ years
- (5) _____ Other

IFRC currently leases the space occupied by Fairfax Radiology Center of Ballston (“IFRC Ballston”) from the building landlord, Ballston Medical Center, LLC. Please see Attachment C-1 for the original Deed of Lease between Inova Health Care Services and the landlord. Please see Attachment C-2 for the Assignment and Assumption Agreement between Inova Health Care Services and the landlord, assigning the original lease to IFRC. In connection with the proposed project, IFRC plans to expand into space within the building immediately adjacent to the existing leased space. Please see Attachment C-3 for the lease proposal between IFRC and the landlord for the additional space.¹

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.

IFRC is a Virginia limited liability company with two members (i.e., owners):

Inova Health Care Services (Majority Owner)
8095 Innovation Park Drive
Fairfax, Virginia 22031

Fairfax Radiological Consultants, PLLC (Minority Owner)
8260 Willow Oaks Corporate Office Drive, Suite 750
Fairfax, Virginia 22031

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

- (1) A list of the names and addresses of the board of directors of the corporation.

IFRC is a Virginia limited liability company. Its board members are set forth below. Board members appointed by Inova Health Care Services may be reached at the Inova Health Care Services address set forth above and board members appointed by Fairfax Radiological Consultants, PLLC may be reached at the Fairfax Radiological Consultants, PLLC address set forth above.

¹ IFRC is in discussions with the landlord and has every expectation that the landlord will lease the additional space to IFRC. If, however, the landlord does not agree to lease the additional space to IFRC, IFRC will undertake the project in the existing lease space covered by the Deed of Lease and associated assignment included as Attachments C-1 and C-2.

Patrick Oliverio, MD, Fairfax Radiological Consultants, PLLC (chair)
Toni Ardabell, MSN, MBA, Chief of Clinical Enterprise Operations, Inova
Rina Bansal, MD, President of Alexandria Hospital and Senior VP, Inova
Susan Carroll, President of Inova Loudoun Hospital and Senior VP, Inova
David Spinoso, MD, Fairfax Radiological Consultants, PLLC
Sean Mcleary, Administrator, Clinical Platforms and VP, Professional Services, Inova
Edward Greenberg, MD, Fairfax Radiological Consultants, PLLC

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

As reflected above, IFRC is a Virginia limited liability company. Its officers are as follows:

Lance Boyd, Chief Executive Officer
Kim Masters, Chief Operating Officer
Anna Toth, Chief Financial Officer

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

CT Corporation System
4701 Cox Road, Suite 285
Glen Allen, VA 23060

(b) In the case of a non-profit 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

(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. **Not Applicable.**

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

Not Applicable. IFRC has no subsidiaries.

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

IFRC is owned by Inova Health Care Services and Fairfax Radiological Consultants, PLLC, each of which are members.

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.

The operator of IFRC Ballston is FRC, LLC. Its address is as follows:

**Fairfax Radiology Centers, LLC
8260 Willow Oaks Corporate Drive, Suite 750
Fairfax, Virginia 22031
Attention: Lance Boyd, CEO**

FRC, LLC's registered agent is CT Corporation System:

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

- J. 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.

Pursuant to this COPN application, IFRC proposes to establish CT services at its IFRC Ballston imaging center located at 3833 North Fairfax Drive in Arlington, through the relocation and replacement of IFRC's existing CT unit at Fairfax Radiology Center of Sterling ("IFRC Sterling") located at 4 Pidgeon Hill Drive, Sterling, Virginia 20165. If approved, the CT unit would be operational at IFRC Ballston by December 2026.

FRC, LLC manages/operates both IFRC Sterling and IFRC Ballston. There will be no change in management/operation of the CT service in connection with the proposed project. Please see Attachment D for a copy of the Administrative Services Agreement between IFRC, LLC and FRC, LLC. Note: Some items were redacted as they are confidential in nature but do not affect compliance with this item.

SECTION II**ARCHITECTURE AND DESIGN****A. Location of the Proposed Project**

1. Size of site: 0.956 acres
2. Located in Arlington County / PD 8 City/County/Planning District
3. Address or directions: 3833 Fairfax Dr. Suite 110, Arlington, VA 22203
4. Has site been zoned for type of use proposed:

X Yes The property is zoned for C-2 Service Commercial-Community Business District Zoning, which includes medical office use. See Attachment E – Zoning Map.

 No

If no, explain status _____

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

- (1) New construction
- (2) Remodeling/modernization of an existing facility
- (3) No construction or remodeling/modernization
- (4) X Other **The establishment of a specialized center for Computed Tomography (“CT”) services at IFRC Ballston through the relocation and replacement of an existing CT unit currently located at IFRC Sterling.**

C. Design of the facility

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

IFRC’s plans are guided by FRC, LLC’s mission, vision and values as set forth in Attachment F.

FRC, LLC’s mission is:

FRC, LLC exists to provide exceptional access to world-class, patient-centered radiological care, for every patient, every time.

FRC, LLC’s vision is:

To be the first choice of every patient and referring physician in our growing community.

**IFRC, LLC's values are:
Respect, Trust, Compassion, and Innovation.**

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

The proposed project involves the establishment of CT services at an existing facility through the relocation and replacement of one (1) CT unit from IFRC Sterling, located at 4 Pidgeon Hill Drive, Sterling, Virginia 20165 to IFRC Ballston, located at 3833 North Fairfax Drive, Arlington, Virginia 22203. IFRC currently provides COPN-approved MRI services at IFRC Ballston, and services not subject to COPN regulation, including ultrasound and x-ray. The suite where IFRC Ballston is located will be expanded to make room for the CT unit as well as for an additional ultrasound and to consolidate x-ray services currently being provided in a separate space. Expanding the suite will be accomplished by leasing additional space adjacent to the current suite from the same landlord. The enlarged suite will be updated and modernized with a thoughtful layout and wayfinding and include the latest ADA-compliant features.

The establishment of CT services at IFRC Ballston is intended to serve existing IFRC patients who currently receive diagnostic imaging services at IFRC Ballston and at other IFRC facilities and improve the continuum of care for such patients. The establishment of CT services at IFRC Ballston is also intended to improve patient access to CT services in an area where traffic congestion is significant and can be a barrier to efficient travel, allowing IFRC's patients to receive care closer to home.

Expanding the diagnostic imaging modalities currently available in this geography will enhance access to care, continuity of care, and the patient experience for existing IFRC patients in the service area without adding to the inventory of COPN-authorized CT capacity in the planning district. This project directly aligns with IFRC's mission to provide exceptional access to world-class, patient-centered radiological care, for every patient, every time.

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

IFRC Ballston is conveniently located in Arlington County within one mile of two Interstate I-66 exits offering easy access to Interstate I-66 and the greater Washington, D.C. area. The WMATA Virginia Square Metro subway station is easily walkable within 1,000 feet of IFRC Ballston. In addition, IFRC Ballston is located along a busy commuting corridor and thoroughfare of high frequency regional bus lines.

- (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.

IFRC Ballston is located on the 1st floor of a 4-story office building on a 41,677 square foot lot zoned “C-2” as “Service Commercial-Community Business District.” The property includes a dedicated parking lot (with handicap accessible spaces) in addition to public parking on all adjacent streets.

The current suite will be renovated and expanded to incorporate adjacent space currently in use by another medical office use tenant who will be vacating the space. Due to the prior tenant vacating the adjacent suite, the proposed project is not expected to impact parking demand.

The CT unit will use available capacity in the building’s existing electrical distribution system and power service. Adequate public utilities currently exist on site, including water, sewer, and solid waste services. See Attachment G-1 and G-2 for Site Plan and Site Plan Supplement.

- (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 proposed project involves the relocation and replacement of an existing CT unit from IFRC Sterling, an imaging center located at 4 Pidgeon Hill Drive, Sterling, Virginia 20165, to IFRC Ballston.

The CT unit at IFRC Sterling is at the end of its useful life and, as the lease of the IFRC Sterling site ends February 2027, IFRC views the relocation and replacement of the CT unit to IFRC Ballston as the most efficient use of existing COPN-authorized resources.

IFRC Sterling will continue to operate all other imaging modalities that are currently offered at that site, including x-ray, mammography, DEXA and ultrasound until lease expiration in February 2027 at which point the location will be closed.

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

The expanded suite that will house IFRC Ballston will utilize energy saving features consistent with local building ordinances, including occupancy sensor-controlled lighting in support areas, and will be compliant with local energy calculation requirements and specifications for high efficiency mechanical equipment.

- 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.

Adequate public utilities currently exist on-site, including water, sewer and solid waste services, in addition to heating and cooling equipment. The project will not require additional utility services. The water/sewer service and electrical capacity have been evaluated by the professional engineer responsible for determining the adequacy of the mechanical, electrical, and plumbing (MEP) systems as part of the due diligence at the proposed site. Please see Attachment H- Utility Load Letter.

E. Space tabulation – (show in tabular form)

- 1. If Item #1 was checked in II-B, specify: **Not Applicable.**
 - a. The total number of square feet (both gross and net) in the proposed facility.
 - b. The total number of square feet (both gross and net) by department and each type of patient room (the sum of the square footage in this part should equal the sum of the square footage in (a) above and should be consistent with any preliminary drawings, if available).
- 2. If Item #2 was checked in II-B, specify:
 - a. The total number of square feet (both gross and net) by department and each type of patient room in the existing facility.
 - b. The total number of square feet (both gross and net) to be added to the facility.
 - c. The total number square feet (both gross and net) to be remodeled, modernized, or converted to another use.
 - d. The total number of square feet (both gross and net) by department and each type of patient room in the facility upon completion. (The sum of square footage in this part should equal the sum of the square footages in parts (a) and (b) above and should be consistent with any preliminary drawings, if available. (The department breakdown should be the same as in (a) above.)

Item #2 was not checked; however, space that will be dedicated to the CT unit consists of 1,071.8 gross square feet (932 net square feet) as well as an additional 623 gross square feet (542 net square feet) attributable to common areas related to the CT unit. The overall expanded suite space size will be 7,250 gross square feet (6,163 net square feet). The remainder of the suite will include the existing COPN-approved MRI as well as ultrasound (including expansion of one additional ultrasound) and the x-ray, which are not subject to COPN regulation.

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

The configuration and size of the space including the CT space was determined by FRC's architect to comply with manufacturer's requirements, operational needs, Facility Guidelines Institute (FGI) and other regulatory/code requirements.

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

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

Please see Attachments G-1 and G-2.

- G. Attach a preliminary design drawing drawn to a scale of not less than 1/16"-1'0" showing the functional layout of the proposed project which indicates at least the following:

1. The layout of each typical functional unit.
2. The spatial relationship of separate functional components to each other.
3. Circulatory spaces (halls, stairwells, elevators, etc.) and mechanical spaces.

Please see Attachment I.

- H. Construction Time Estimates

1. Date of Drawings: **Preliminary __11/13/24__ Final __5/1/25 (est.)__**
2. Date of Construction: Begin **October 1, 2025**
Completion **May 1, 2026**
3. Target Date of Opening: **June 2026**

SECTION III

SERVICE DATA

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

CT is a widely utilized, essential diagnostic imaging modality. A CT produces high-resolution images of the inside of the body that can help diagnose a variety of conditions and injuries, such as brain aneurysms, stroke, tumors, joint abnormalities caused by trauma or repetitive injuries, disk abnormalities in the spine, or bone infections. It combines a series of x-ray images taken from different angles around the body and uses computer processing to create cross-sectional images (i.e., slices) of the bones, blood vessels and soft tissues inside the body providing more detailed information than plain x-rays do.

CT is frequently ordered and used for the detection, staging and follow-up treatment of cancer and to monitor the effectiveness of treatment. It is also used to detect and monitor heart disease, lung nodules, and liver masses and to plan medical, surgical or radiation treatment.

The proposed project involves the inventory-neutral relocation and replacement of an existing CT unit within PD 8 located at 4 Pidgeon Hill Drive, Sterling, Virginia 20165 to IFRC Ballston located at 3833 North Fairfax Drive, Arlington, Virginia 22203. The establishment of CT services at IFRC Ballston is intended to serve existing IFRC patients who currently receive diagnostic imaging services at IFRC Ballston and at other IFRC facilities and improve the continuum of care for such patients. IFRC Ballston currently offers COPN-approved MRI services as well as services not subject to COPN approval, including x-ray and ultrasound, but it does not currently offer CT services. Relocating the CT service from IFRC Sterling to IFRC Ballston, where it will be co-located with other imaging modalities, will create a more comprehensive imaging specialty center that will greatly improve efficiency, coordination of care and convenience for IFRC patients. If approved, the placement of a CT unit at IFRC Ballston will provide a CT access point in an area on the eastern side of PD 8 where free-standing ambulatory imaging services are currently more limited for IFRC patients who reside there.

IFRC currently operates a total of 10 CT units (and is COPN-approved for an 11th at a new location in Woodbridge) at 9 locations in PD 8.² In 2022, IFRC's then 8 CT units performed a total of 58,378 CT procedures, placing utilization at 99% of the SMFP utilization standard of 7,400 procedures per unit. In 2023, IFRC's then 8 CT units performed 62,079 CT procedures, placing utilization at 105% of the SMFP utilization standard. IFRC placed its 9th CT unit into service at its Prosperity location

² In August 2024, the Commissioner issued COPN No. VA-04896, authorizing IFRC to establish a medical care facility with one (1) CT scanner at a new location in Woodbridge. This unit is not expected to be operational until the end of Q3.

(located on Arlington Boulevard in Fairfax) in late December 2023 (COPN No. VA-04855). IFRC placed its 10th CT unit into service at its Springfield location (5501 Backlick Road, Suite 305, Springfield, VA 22151) in September 2024 (COPN No. VA-04878). These two (2) units are primarily intended to address the need for more CT with cardiac CT angiography capability due to increasing demand for cardiac CT. Even with the CT units at the Springfield and Prosperity sites, IFRC's CT units are still expected to operate at 99% of the SMFP utilization standard in 2025.

As previously discussed, this project proposes the inventory-neutral relocation and replacement of the one (1) COPN-authorized CT unit from IFRC Sterling to IFRC Ballston. The CT unit at IFRC Sterling is at the end of its useful life because of its advanced age (purchased in 2005) and because it is lacking in several of the latest advancements, including dose reduction algorithms and AI enhanced imagery generation and reconstruction.

In addition to the operational and technological limitations of the current CT unit at IFRC Sterling, the IFRC Sterling facility lease expires in February 2027 and IFRC will vacate the space at such time. Therefore, IFRC views the relocation and replacement of the CT unit to IFRC Ballston as the most efficient use of IFRC's resources.³

IFRC does not anticipate the relocation and replacement of the IFRC Sterling CT unit to negatively impact current IFRC patients. The same imaging service modalities that are currently offered at IFRC Sterling (x-ray, DEXA, ultrasound, mammography, CT and MRI) are also offered at two facilities close to Sterling – Lansdowne (owned by IFRC) and Reston-Herndon (owned by IRMC for MRI and owned by IFRC for all other modalities). Although the imaging facilities in Lansdowne and Reston-Herndon historically have experienced heavy CT utilization of their own, IFRC expects the recent CT expansion at its Prosperity facility⁴, the recent establishment of CT services at IFRC's Springfield location⁵, and the establishment of CT services at an IFRC location in Woodbridge scheduled for the end of Q3 2025⁶ will provide for seamless redistribution of CT imaging to other IFRC sites. Given the proximity of the Lansdowne and Reston-Herndon imaging facilities to IFRC Sterling, coupled with the recent establishment or expansion of CT services at each of aforementioned locations, the IFRC Sterling patient population will continue to have ready access to CT services.

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

³ The MRI unit at IFRC Sterling was approved for relocation and replacement to a new IFRC imaging facility in Woodbridge in August 2024 pursuant to COPN No. VA-04895.

⁴ COPN No. VA-04855.

⁵ COPN No. VA-04873.

⁶ COPN No. VA-04896.

Continuity of care has always been, and remains, a priority for Inova Health Care Services and Fairfax Radiology Consultants, PLLC, which own IFRC. IFRC employs several mechanisms and technologies that facilitate the inclusion of patients, referring physicians and other care providers in IFRC's processes, making IFRC staff and radiologists valuable members of the patient care team. Measures and steps to assure continuity of care include, without limitation, the following:

Record Continuity

IFRC maintains a physician portal connecting to the EMR which provides all members of the patient care teams access to pertinent patient information such as diagnostic images, radiologist reports and other pertinent information from past visits. That portal is accessible 24/7.

IFRC has the ability to securely send images and reports electronically to external EMRs.

Clinician/Patient Continuity

In addition to the physician portal, IFRC patients have access to a patient portal where they can securely view their images and the radiologist's reports.

The radiologist uses a "call center" that facilitates connecting the referring physicians to the radiologist for patient consultation.

- C. What procedures are utilized in quality care assessment?

IFRC has adopted CT protocols and procedures used across IFRC facilities which will be implemented at the new CT at IFRC Ballston. These protocols and procedures are designed to ensure quality of care and incorporate the concepts and functions of continuous quality improvements. Examples are as follows:

Patient Safety

All CT units are inspected annually by a physicist and receive regularly scheduled preventative maintenance several times per year. In addition, IFRC employs two (2) certified Radiation Safety Officers ("RSO"). The RSOs have received specialized training in CT safety, risk factors and emergency response and work with staff and site managers to develop and implement safety protocols. Any deficiencies are handled by the equipment vendor for correction and reported to the Patient Safety Committee.

The Patient Safety Committee is composed of a multidisciplinary team. The Committee is headed by the Chief Operating Officer and is comprised of clinical directors, site managers and technology specialists. This crossover of departments ensures that everyone who could be involved in a radiation producing area is represented. In addition, the FRC, LLC Patient Safety Committee reports up to the

Quality and Safety Committee of the Board of Directors, which is chaired by an FRC, PLLC radiology physician leader.

Quality of Radiologist and Technologist

Fairfax Radiological Consultants, PLLC staffs all existing IFRC facilities, including IFRC Ballston. The practice is comprised of a diversified group of radiologists who are board certified in many areas of expertise. The technologists are certified by their governing organization and annual competency assessments ensure their ability to perform procedures and carry out safe patient care.

- D. Describe the plan for obtaining additional medical, nursing and paramedical personnel required to staff the project following completion and identify the sources from which such personnel are expected to be obtained.

Staff currently at the IFRC Sterling facility will be offered jobs at any location in which IFRC, LLC has vacancies, including the opportunity to transfer to the IFRC Ballston facility.

FRC, LLC, which manages/operates IFRC's imaging services, recruits for all positions internally and has two recruiters dedicated to clinical recruitment and recently hired a highly experienced professional recruitment manager. Additionally, FRC, LLC:

- **Has a formal in-house CT Tech training program**
- **Partners with outside educational institutions**
- **Maintains a float pool of Technologists to cover vacancies and employee absences.**

Additional components of FRC, LLC's recruitment program include:

- **Post open positions internally**
- **Place special advertisements strategically in Indeed and other national job search engines**
- **Employee referral bonus program**

Given the significant nationwide tech staffing shortage, recruitment and retention initiatives are a significant focus of the organization's operational and human resources leadership and related key performance indicators are part of the organization's strategic plan.

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

The response set forth below reflects the addition of one (1) CT unit to the proposed site. Approval will result in the acquisition of one (1) CT unit.

		<u>Existing</u>	<u>This Project To be Added</u>	<u>This Project to be Discontinued</u>
1.	Outpatient Surgery	_____	_____	_____
2.	Post Operative Recovery Room	_____	_____	_____
3.	Pharmacy with full-time pharmacists part-time pharmacists	_____ _____	_____ _____	_____ _____
4.	Diagnostic Radio- logical Services			
	x-ray	___ X ___	_____	_____
	radioisotope	_____	_____	_____
	CT scanning	_____	___ X ___	_____
	MRI scanning	___ X ___	_____	_____
5.	Therapeutic Radio- logical Services	_____	_____	_____
	Specify Source(s) or Type(s) or Equipment Used	_____	_____	_____
	_____	_____	_____	_____
6.	Clinical Pathology Laboratory	_____	_____	_____
7.	Blood Bank	_____	_____	_____
8.	Electroencephalo- graphy	_____	_____	_____
9.	Electrocardiography	_____	_____	_____
10.	Ultrasonography	___ X ___	___ X ___	_____
11.	Respiratory Therapy	_____	_____	_____
12.	Renal Dialysis			
	chronic outpatient	_____	_____	_____
	home dialysis training	_____	_____	_____
13.	Alcoholism Service	_____	_____	_____

14.	Drug Addiction Service	_____	_____	_____
15.	Physical Therapy Department	_____	_____	_____
16.	Occupational Therapy Department	_____	_____	_____
17.	Medical Rehabilitation outpatient	_____	_____	_____
18.	Psychiatric Service outpatient	_____	_____	_____
	emergency service	_____	_____	_____
19.	Clinical Psychology	_____	_____	_____
20.	Outpatient Emergency Service	_____	_____	_____
21.	Social Service	_____	_____	_____
22.	Family Planning Service	_____	_____	_____
23.	Genetic Counseling Service	_____	_____	_____
24.	Abortion Service	_____	_____	_____
25.	Pediatric Service	_____	_____	_____
26.	Obstetric Service	_____	_____	_____
27.	Gynecological Service	_____	_____	_____
28.	Home Care Service	_____	_____	_____
29.	Speech Pathology Service	_____	_____	_____
30.	Audiology Service	_____	_____	_____
31.	Paramedical Training Program	_____	_____	_____

- | | | | | |
|-----|---------------------------|-------|-------|-------|
| 32. | Dental Service | _____ | _____ | _____ |
| 33. | Podiatric Service | _____ | _____ | _____ |
| 34. | Pre-Admission
Testing | _____ | _____ | _____ |
| 35. | Pre-Discharge
Planning | _____ | _____ | _____ |
| 36. | Multiphasic
Screening | _____ | _____ | _____ |
| 37. | Other (Identify) | _____ | _____ | _____ |
| | Mammography | _____ | _____ | _____ |
| | Dexa scan | _____ | _____ | _____ |

F. Program

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

_____ Yes (Give name of hospital) _____

 X No

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

 X Yes (Give name of hospital)

Inova Fairfax Hospital, Inova Fair Oaks Hospital, Inova Alexandria Hospital, Inova Mount Vernon Hospital, and Inova Loudoun Hospital

_____ No

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

 X Yes (give name of facility)

Medical records can be shared with any Inova hospital

_____ No

4. Outpatient services are (will be) available from: **Monday through Friday 8:30 AM to 5 PM.**
5. Does (will) the facility operate scheduled clinics?
 _____ Yes (Attach clinic schedule list)
 _____ **X** No
6. Are there other organized outpatient services in your primary service area?
 _____ **X** Yes _____ No
7. The outpatient facility is (will be) staffed:
 (a) Only by physicians on call: _____ Yes _____ **X** No
 (b) By full time physicians: _____ **X** Yes _____ No
 (c) By physicians who limit their practice to this outpatient service? _____ Yes _____ **X** No
7. State specifically any limitations or restrictions for participation in the services of the facility. **Not applicable; any appropriately licensed physician can refer a patient to any IFRC imaging facility.**

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

Historical Utilization

The table below reflects the CT procedure volume for IFRC's CT imaging facilities for the years 2022-2023.

	Facility Name	# CTs	Procedures		% of State Medical Facility Plan	
			2022	2023	2022	2023
Centreville	CENTREVILLE DX CENTER	1	8,445	9,691	114%	131%
Prosperity	PROSPERITY CENTER	1	9,151	9,205	124%	124%
Lansdowne	LANSDOWNE IMAGING CENTER	1	8,234	8,710	111%	118%
Reston-Herndon	RESTON IMAGING CENTER	1	7,096	7,804	96%	105%
Fairfax City	FAIRFAX DIAGNOSTIC IMAGING CTR	1	6,237	6,942	84%	94%
Woodburn	WOODBURN DX CENTER	2	13,407	13,412	91%	91%
Sterling	STERLING IMAGING CENTER	1	5,808	6,315	78%	85%
IFRC Total		8	58,378	62,079	99%	105%

***Note: In August 2023, the Commissioner issued COPN No. VA-04855, authorizing IFRC to add a second CT unit to its Fairfax Radiology Center of Prosperity imaging facility located at 8503 Arlington Boulevard in Fairfax, Virginia. The 2nd CT unit was placed into operation at the end of December 2023, so the 2022 and 2023 procedure volumes above reflect only one (1) CT unit.**

***Note: In February 2024, the Commissioner issued COPN No. VA-04878, authorizing IFRC to establish CT services with one (1) CT unit at its Springfield location. The CT unit in Springfield was placed into operation in September 2024. In August 2024, the Commissioner issued COPN No. VA-04896, authorizing IFRC to establish a medical care facility with one (1) CT scanner at a new location in Woodbridge. This unit is not expected to be operational until the end of Q3 2025.**

Projected Utilization

In projecting utilization of the proposed CT to be relocated to IFRC Ballston, IFRC considered the following factors:

- **IFRC's existing high CT utilization and historical CT demand**
- **Referrals from primary care and specialty physicians in the vicinity of IFRC Ballston who already refer to IFRC**
- **Existing IFRC patients (including, without limitation, IFRC patients who receive other imaging services at IFRC Ballston in the applicable service area and patient origin data**
- **Patient choice and scheduling preferences**
- **Population growth and aging in the expected CT service area of IFRC Ballston.**

IFRC believes that its utilization projections are conservative and likely understate the actual utilization that will occur given IFRC's current patient procedural volume originating in IFRC Ballston's PSA.

Projected CT Utilization	Units	Year 1	Year 2
CT Scans	1	3,750	4,800
CT Utilization	1	50.7%	64.9%

H. Staffing of Existing and/or Proposed Facility

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

The staffing set forth below is specific to the proposed CT unit.

Current	Additional Needed		
Full	Vacant	Full	
Time	Positions	Time	TOTAL

Total number of Full-time staff	<u>0</u>	<u> </u>	<u>3.0</u>	<u>3.0</u>
Administration-				
Business Office	<u>0</u>	<u> </u>	<u>1.0</u>	<u>1.0</u>
Registered Nurses	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Licensed Practical				
Nurses, Nurses Aides,				
Orderlies/Attendants	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Registered Medical				
Records Librarian	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Registered Pharmacists	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Laboratory Medical				
Technologists	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ADA Dieticians	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Radiologic				
Technologists	<u>0</u>	<u> </u>	<u>2.0</u>	<u>2.0</u>
Occupational				
Therapists	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Physical Therapists	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Psychologists	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Psychiatric Social				
Workers	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Recreational				
Therapists	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Inhalation Therapists	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Medical Social				
Workers	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other Health				
Professionals, Identify	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

- I. Present a plan for obtaining all additional personnel required to staff the project following completion and identify the sources from which such personnel are expected to be obtained.

Staff currently at the IFRC Sterling facility will be offered jobs at any location in which IFRC, LLC has vacancies, including the opportunity to transfer to the IFRC Ballston facility.

FRC, LLC, which manages/operates IFRC's imaging services, recruits for all positions internally and has two recruiters dedicated to clinical recruitment and recently hired a highly experienced professional recruitment manager. Additionally, FRC, LLC:

- **Has a formal in-house CT Tech training program**
- **Partners with outside educational institutions**
- **Maintains a float pool of Technologists to cover vacancies and employee absences.**

Additional components of FRC, LLC's recruitment program include:

- **Post open positions internally**
- **Place special advertisements strategically in Indeed and other national job search engines**
- **Employee referral bonus program**

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

IFRC does not anticipate any impact on other facilities in the service area due to the limited nature of the staffing needs (1 FTE administration/business office, and 2.0 non-incremental FTE CT Technologists) and as CT Technologist continues to be a desirable career advancement opportunity internally from x-ray and other technologist positions.

- K. Attach the following information or documents:

1. Copy of most recent licensing report from State Agency (existing facilities, excluding public health centers). **Not Applicable.**
2. Current accreditation status and copy of latest accreditation report from Joint Commission on Accreditation of Hospitals (existing facilities excluding public health centers). **Not Applicable.**
3. Roster of medical staff (existing facilities). Indicate their specialty, Board Certification, Board eligibility and staff privileges (active, associate, etc.).

See attached medical roster at Attachment Q. Fairfax Radiological Consultants, PLLC is contracted to provide professional interpretation of CT scans at all IFRC facilities equipped with CT and will provide professional CT interpretation at IFRC Ballston as well.

4. Copies of letters of commitment or statement of intent from physicians indicating they will staff the proposed new facility or service upon completion (existing and proposed facilities).

Please see Attachment J.

SECTION IV

PROJECT JUSTIFICATION AND IDENTIFICATION OF
COMMUNITY NEED

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

IFRC proposes to establish CT services at its existing IFRC Ballston imaging facility through the relocation and replacement of an existing CT unit from its IFRC Sterling imaging center located at 4 Pidgeon Hill Drive, Sterling, Virginia 20165 to IFRC Ballston located at 3833 North Fairfax Drive, Arlington, Virginia 22203.⁷ The IFRC Sterling imaging facility is scheduled to close when the lease expires in February 2027.

IFRC currently operates a total of 10 CT units (and is COPN-approved for an 11th at a new location in Woodbridge) at 9 locations in PD 8.⁸ In 2022, IFRC's then 8 CT units performed a total of 58,378 CT procedures, placing utilization at 99% of the SMFP utilization standard of 7,400 procedures per unit. In 2023, IFRC's then 8 CT units performed 62,079 CT procedures, placing utilization at 105% of the SMFP utilization standard. IFRC placed its 9th CT unit into service at its Prosperity location (located on Arlington Boulevard in Fairfax) in late December 2023 (COPN No. VA-04855). IFRC placed its 10th CT unit into service at its Springfield location (5501 Backlick Road, Suite 305, Springfield, VA 22151 in September 2024 (COPN No. VA-04878). These two (2) units are primarily intended to address the need for more CT with cardiac CT angiography capability due to increasing demand for cardiac CT. Even with the CT units at the Springfield and Prosperity sites, IFRC's CT units are still expected to operate at 99% of the SMFP utilization standard in 2025.

As previously discussed, this project proposes the inventory-neutral relocation and replacement of the one (1) COPN-authorized CT unit from IFRC Sterling to IFRC Ballston. The CT unit at IFRC Sterling is at the end of its useful life because of its advanced age (purchased in 2005) and because it is lacking in several of the latest advancements, including dose reduction algorithms and AI enhanced imagery generation and reconstruction.

In addition to the operational and technological limitations of the current CT unit at IFRC Sterling, the IFRC Sterling facility lease expires in February 2027 and IFRC will vacate the space at such time. Therefore, IFRC views the relocation and replacement of the CT unit to IFRC Ballston as the most efficient use of IFRC's resources.⁹

⁷ In addition to the CT unit, IFRC also intends to increase the number of ultrasound units from one to two at IFRC Ballston. Ultrasound is not subject to COPN review.

⁸ In August 2024, the Commissioner issued COPN No. VA-04896, authorizing IFRC to establish a medical care facility with one (1) CT scanner at a new location in Woodbridge. This unit is not expected to be operational until the end of Q3.

⁹ The MRI unit at IFRC Sterling was approved for relocation and replacement to a new IFRC imaging facility in Woodbridge in August 2024 pursuant to COPN No. VA-04895.

IFRC does not anticipate the relocation and replacement of the IFRC Sterling CT unit to negatively impact current IFRC patients. The same imaging service modalities that are currently offered at IFRC Sterling (x-ray, DEXA, ultrasound, mammography, CT and MRI) are also offered at two facilities close to Sterling – Lansdowne (owned by IFRC) and Reston-Herndon (owned by IRMC for MRI and owned by IFRC for all other modalities). Although the imaging facilities in Lansdowne and Reston-Herndon historically have experienced heavy CT utilization of their own, IFRC expects the recent CT expansion at its Prosperity facility¹⁰, the recent establishment of CT services at IFRC's Springfield location¹¹, and the establishment of CT services at an IFRC location in Woodbridge scheduled for the end of Q3 2025¹² will provide for seamless redistribution of CT imaging to other IFRC sites. Given the proximity of the Lansdowne and Reston-Herndon imaging facilities to IFRC Sterling, coupled with the recent establishment or expansion of CT services at each of aforementioned locations, the IFRC Sterling patient population will continue to have ready access to CT services.

B. Identification of Community Need

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

Please see Attachment L for a map outlining the PSA for the proposed CT service. IFRC expects the proposed CT service PSA to be consistent with the PSA for IFRC Ballston, which includes select zip codes of Arlington, Alexandria, eastern Fairfax County, and Falls Church City, as well as other areas where patients in migrate most likely as commuters.

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

Please see Attachment L for October 2024 YTD CT patient origin data for IFRC patients who reside in the IFRC Ballston PSA.

- C. 1. Is (are) the service(s) to be offered presently being offered by any other existing facility(ies) in the Health Planning Region?**

Yes, CT services are currently offered at other facilities in PD 8.

¹⁰ COPN No. VA-04855.

¹¹ COPN No. VA-04873.

¹² COPN No. VA-04896.

2. If Yes,
 - a. Identify the facility(ies)

The facilities that provide CT services in PD 8 are listed in Attachment K-1.

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

The project proposes the inventory-neutral relocation and replacement of an existing CT unit within PD 8. The establishment of CT services at IFRC Ballston is intended to serve existing IFRC patients who currently receive diagnostic imaging services at IFRC Ballston and at other IFRC facilities and to improve the continuum of care for such patients. IFRC Ballston currently offers COPN-approved MRI services as well as services not subject to COPN approval, including x-ray and ultrasound, but it does not currently offer CT services. Relocating the CT service from IFRC Sterling to IFRC Ballston, where it will be co-located with other imaging modalities, will create a more comprehensive imaging specialty center that will greatly improve efficiency, and coordination of care and convenience for IFRC patients. If approved, the placement of a CT unit at IFRC Ballston will provide a CT access point in an area on the eastern side of PD 8 where free-standing ambulatory imaging services are currently more limited for IFRC patients who reside there.

CT is a widely utilized, essential diagnostic imaging modality. A CT produces high-resolution images of the inside of the body that can help diagnose a variety of conditions and injuries, such as brain aneurysms, stroke, tumors, joint abnormalities caused by trauma or repetitive injuries, disk abnormalities in the spine, or bone infections. It combines a series of x-ray images taken from different angles around the body and uses computer processing to create cross-sectional images (i.e., slices) of the bones, blood vessels and soft tissues inside the body providing more detailed information than plain x-rays do.

CT is frequently ordered and used for the detection, staging and follow-up treatment of cancer and to monitor the effectiveness of treatment. It is also used to detect and monitor heart disease, lung nodules, and liver masses and to plan medical, surgical or radiation treatment.

Because the proposed project is inventory neutral, involves IFRC's existing patient population and is intended to address IFRC's existing CT patient needs, IFRC does not expect the CT unit at IFRC Ballston to negatively impact other existing CT providers in PD 8.

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

IFRC projects the demand for CT services will continue to grow, exceeding population growth. Growth in CT services is expected to exceed population growth consistent with diseases of an aging population and as a result of lifestyle risk factor diseases. According to the Healthcare Advisory Board's Imaging Market Estimator, the annual expected growth rate for outpatient CT in PD 8 for 2024-2029 is 5.3%.

While the CT unit at IFRC Ballston will not be equipped with cardiac capabilities, CT volume is growing in CT angiography of all types, including significant volume in head/neck/brain angiography and abdominal/pelvic CT angiography, extremity musculoskeletal, and chest CT consistent with the joint and neurological diseases inherent in an aging population as well as lifestyle impact diseases. The increase in use of cardiac CTs has resulted in additional need for general diagnostic CT services.

The table below (sourced from Table 4 of the DCOPN Staff Report on COPN Request No. VA-8632) reflects projected population growth in PD 8 through 2030. As DCOPN noted in its DCOPN Staff Report on COPN Request No. VA-8632, *"the population of PD 8 as a whole was expected to increase approximately 16% for the period ending in 2020 and approximately 14% for the period ending in 2030, rates nearly double that of the statewide average."*

With regard to the 65 and older age cohort, Weldon-Cooper projects a much more rapid increase (Table 4). Specifically, Weldon-Cooper projects an increase of approximately 56% for the period ending in 2020 and approximately 38% for the period ending in 2030. This is significant, as this age group uses medical care resources, including diagnostic services, at a rate much higher than the rest of the population."

Table 4. Population Projections for PD 8, 2010-2030

Table 4. Population Projections for PD 8, 2010-2030

Locality	2010	2020	% Change 2010-2020	Avg Ann % Change 2010-2020	2030	% Change 2020-2030	Avg Ann % Change 2020-2030
Arlington	139,966	166,261	18.79%	1.69%	182,067	9.51%	0.91%
Fairfax County	207,627	249,298	20.07%	1.80%	274,339	10.04%	0.96%
Loudoun	22,565	25,047	11.00%	1.02%	26,397	5.39%	0.53%
Prince William	1,081,726	1,162,504	7.47%	0.71%	1,244,025	7.01%	0.68%

Alexandria City	12,332	14,988	21.54%	1.92%	17,032	13.64%	1.29%
Fairfax City	312,311	430,584	37.87%	3.18%	554,808	28.85%	2.57%
Falls Church City	37,821	43,099	13.96%	1.28%	46,332	7.50%	0.73%
Manassas City	14,273	17,086	19.71%	1.77%	20,284	18.72%	1.73%
Manassas Park City	402,002	478,134	18.94%	1.71%	571,844	19.60%	1.81%
Total PD 8	2,230,623	2,587,000	15.98%	1.46%	2,937,128	13.53%	1.28%
PD 8 65+	192,589	300,491	56.03%	4.44%	413,269	37.53%	3.24%
Virginia	8,001,024	8,655,021	8.17%	0.77%	9,331,666	7.82%	0.76%
Virginia 65+	976,937	1,352,448	38.44%	3.22%	1,723,382	27.43%	2.45%

Source: U.S. Census, Weldon Cooper Center Projections (August 2019) and DCOPN (interpolations)

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

IFRC is committed to ensuring continuity of care for patients by placing services closer to the communities in which IFRC patients live and who would otherwise have to drive outside their community in traffic-congested Northern Virginia.

The proposed project is inventory-neutral and involves the relocation of existing CT capacity within PD 8 from an existing IFRC site in Sterling. As previously discussed in Section III.A, the establishment of CT services at IFRC Ballston is intended to serve existing IFRC patients who currently receive diagnostic imaging services at IFRC Ballston and at other IFRC facilities and improve the continuum of care for such patients. IFRC Ballston currently offers COPN-approved MRI services as well as services not subject to COPN approval, including x-ray and ultrasound, but it does not currently offer CT services. Relocating the CT service from IFRC Sterling to IFRC Ballston, where it will be co-located with other imaging modalities, will create a more comprehensive imaging specialty center that will greatly improve efficiency, and coordination of care and convenience for IFRC patients. If approved, the placement of a CT unit at IFRC Ballston will provide a CT access point in an area on the eastern side of PD 8 where free-standing ambulatory imaging services are currently more limited for IFRC patients who reside there.

IFRC does not anticipate the relocation and replacement of the IFRC Sterling CT unit to negatively impact current IFRC patients. The same imaging service modalities that are currently offered at IFRC Sterling (x-ray, DEXA, ultrasound, mammography, CT and MRI) are also offered at two facilities close to Sterling – Lansdowne (owned by IFRC) and Reston-Herndon (owned by IRMC for MRI and owned by IFRC for all other modalities). Although the imaging facilities in Lansdowne and Reston-Herndon historically have experienced heavy CT utilization of their own, IFRC expects the recent CT expansion at its Prosperity facility¹³, the recent establishment of CT services

¹³ COPN No. VA-04855.

at IFRC's Springfield location¹⁴, and the establishment of CT services at an IFRC location in Woodbridge scheduled for the end of Q3 2025¹⁵ will provide for seamless redistribution of CT imaging to other IFRC sites. Given the proximity of the Lansdowne and Reston-Herndon imaging facilities to IFRC Sterling, coupled with the recent establishment or expansion of CT services at each of aforementioned locations, the IFRC Sterling patient population will continue to have ready access to CT services.

Relocation and replacement of the IFRC Sterling CT unit to IFRC Ballston will improve the overall geographic distribution of IFRC's existing COPN-authorized CT resources within PD 8 without adding to the inventory of COPN-authorized CT units in the planning district.

- 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.

12VAC5-230-90. Travel time.

CT services should be within 30 minutes driving time one way under normal conditions of 95% of the population of the health planning district using a mapping software as determined by the commissioner.

CT services are generally available within 30 minutes driving time one way under normal conditions of 95% of the population in PD 8 – traffic patterns, road construction and congestion, however, can have a significant impact on travel time for patients living in the high-density areas of Northern Virginia. The proposed project will establish CT services at IFRC Ballston through the relocation and replacement of the CT unit at IFRC Sterling. If approved, the placement of a CT unit at IFRC Ballston will provide a CT access point where one does not currently exist in the eastern area of PD 8 and create a more comprehensive imaging specialty center aimed at improving the quality, efficiency and convenience for patients.

12VAC5-230-100. Need for new fixed site or mobile service.

A. No new fixed site or mobile CT service should be approved unless fixed site CT services in the health planning district performed an average of 7,400 procedures per existing and approved CT scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing providers in the health planning district. The utilization of existing scanners operated by a hospital and serving an area distinct from the proposed new service

¹⁴ COPN No. VA-04873.

¹⁵ COPN No. VA-04896.

site may be disregarded in computing the average utilization of CT scanners in such health planning district.

Not Applicable. Establishment of a specialized center for CT services will be accomplished through the inventory neutral relocation of COPN-authorized capacity and therefore, approval of the project will not result in an increase in COPN-authorized CT units in PD 8.

12VAC5-230-110. Expansion of fixed site service.

Proposals to expand an existing medical care facility's CT service through the addition of a CT scanner should be approved when the existing services performed an average of 7,400 procedures per scanner for the relevant reporting period. The commissioner may authorize placement of a new unit at the applicant's existing medical care facility or at a separate location within the applicant's primary service area for CT services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

Not applicable. The proposed project does not involve the expansion of an existing CT service.

12VAC5-230-130. Staffing.

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

IFRC's CT services are and will remain under the direct supervision of certified and trained radiologists.

- F. Show the method and assumptions used in determining the need for additional beds, new services or deletion of service in the proposed project's service area.

Approval will not add any inventory to PD 8. This is an inventory-neutral request to relocate and replace an existing, COPN-approved CT unit from the current location at 4 Pidgeon Hill Drive, Sterling, Virginia 20165 to the already existing IFRC Ballston located at 3833 Fairfax Dr., Arlington, Virginia 22203.

- G. Coordination and Affiliation with Other Facilities. **Not Applicable.**

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.)

- H. Attach copies of the following documents:

1. A map of the service area indicating:

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

Please see Attachment K-2 for the locations of other existing providers of CT services in PD 8.

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

Please see Attachments P-1 through P-3.

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

Please see Attachment N.

SECTION V**FINANCIAL DATA**

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

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

This question requires the disclosure of confidential and proprietary information.

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

 X Yes No

If yes, specify program **All of IFRC's facilities with COPN-regulated services participate in and report utilization to VHI**

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

IFRC will continue to participate in VHI and report CT utilization for all locations including for its IFRC Ballston. Please see attached 2023 IFRC Ballston VHI report at Attachment O.

- C. Estimated Capital Costs

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

Part I – Direct Construction Costs

1.	Cost of materials	\$ 276,832
2.	Cost of labor	\$ 198,422
3.	Equipment included in construction contract	\$ N/A
4.	Builder's overhead	\$ 48,002
5.	Builder's profit	\$ 29,152
6.	Allocation for contingencies	\$ 39,000
7.	Sub-total (add lines 1 thru 6)	\$ 591,408

Part II – Equipment Not Included in Construction Contract
(List each separately) If leasehold, lease expense for the entire
term of the initial lease

8.	a. CT Unit	\$ 642,062
	b. Furnishings	\$ 16,250
	c. Signage	\$ 4,550
	d. Capital lease interest expense	\$ 124,077
	See capital lease amortization schedule at Attachment M.	
	e. _____	\$
9.	Sub-total (add lines 8a thru 8e)	\$ 786,939
	*CT to be leased over 6 years; at conclusion the CT will be owned.	
	Capital lease interest expense included on line d is CT related	

Part III – Site Acquisition Costs

10.	Full purchase price	\$ _____ 0 _____
11.	For sites with standing structures	\$ _____ 0 _____
	a. purchase price allocable to structures	\$ _____ 0 _____
	b. purchase price allocable to land	\$ _____ 0 _____
12.	Closing costs	\$ _____ 0 _____
13.	If leasehold, lease expense for the entire term of the initial lease (% related to CT space only)	\$ 1,178,580
14.	Additional expenses paid or accrued:	
	a. _____	\$ _____ 0 _____
	b. _____	\$ _____ 0 _____
	c. _____	\$ _____ 0 _____
15.	Sub-total (add lines 10 thru 14c)	\$ 1,178,580

Part IV – Site Preparation Costs

16.	Earth work	\$ _____ 0 _____
17.	Site utilities	\$ _____ 0 _____
18.	Roads and walks	\$ _____ 0 _____
19.	Lawns and planting	\$ _____ 0 _____
20.	Unusual site conditions:	
	a. _____	\$ _____ 0 _____
	b. _____	\$ _____ 0 _____
21.	Accessory structures	\$ _____ 0 _____
22.	Demolition costs	\$ _____ 0 _____
23.	Sub-total (add lines 16 thru 22)	\$ _____ 0 _____

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

24.	_____	
25.	_____	\$ _____ 0 _____
26.	_____	\$ _____ 0 _____
27.	_____	\$ _____ 0 _____
28.	Sub-total (add lines 24 thru 27)	\$ _____ 0 _____

Part VI – Architectural and Engineering Fees

29.	Architect's design fee	\$ 22,750
30.	Architect's supervision fee	\$ included in 29.
31.	Engineering fees	\$ 3,250
32.	Consultant's fees	\$ including in 29.
33.	Sub-total (add lines 29 thru 32)	\$ 26,000

Part VII – Other Consultant Fees (List each separately)

34. a. \$_____
- b. _____ \$_____ 0 _____
- c. _____ \$_____ 0 _____
35. Sub-total (add lines 34a thru 34c) \$_____

Part VIII – Taxes During Construction

36. Property taxes during construction \$_____ 0 _____
37. List other taxes:
- a. _____ \$_____ 0 _____
- b. _____ \$_____ 0 _____
38. Sub-total (add lines 36 thru 37b) \$_____ 0 _____

Part IX-A – HUD Section 232 Financing

39. Estimated construction time (in months) _____ 0 _____
40. Dollar amount of construction loan \$_____ 0 _____
41. Construction loan interest rate _____ %
42. Estimated construction loan interest costs \$_____ 0 _____
43. Term of financing (in years) _____ 0 _____
- 0
44. Interest rate on permanent loan _____ %
45. FHA mortgage insurance premium \$_____ 0 _____
46. FHA mortgage fees \$_____ 0 _____
47. Financing fees \$_____ 0 _____
48. Placement fees \$_____ 0 _____
49. AMPO (non-profit only) \$_____ 0 _____
50. Title and recording fees \$_____ 0 _____
51. Legal fees

\$ 0

52. Total interest expense on permanent mortgage loan

\$ 0

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

\$ 0

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

\$ 0

57. Construction loan interest rate

0%

58. Estimated construction loan interest cost

\$ 0

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

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

61. If the answer to question 60 is yes, how long before (in months)?

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

\$ 0

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

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

\$ 0

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

- | | | |
|-----|---|---------------|
| 66. | Bond interest expense during construction | \$_____0_____ |
| 67. | What percent of total construction will be
Financed from bond issue? | \$_____0_____ |
| 68. | Expected bond interest rate | _____ % |
| 69. | Anticipated term of bond issued (in years) | _____ |
| 70. | Anticipated bond discount (in dollars) | _____0_____ |
| 71. | Legal costs | \$_____0_____ |
| 72. | Printing costs | \$_____0_____ |
| 73. | Placement fee | \$_____0_____ |
| 74. | Feasibility study | \$_____ |
| 75. | Insurance | \$_____0_____ |
| 76. | Title and recording fees | \$_____0_____ |
| 77. | Other fees (list each separately) | |
| | a. _____ | \$_____ |
| | b. _____ | \$_____ |
| | c. _____ | \$_____ |
| 78. | Sinking fund reserve account
(Debt Service Reserve) | \$_____0_____ |
| 79. | Total bond interest expenses (in dollars) | \$_____0_____ |
| 80. | Sub-total Part IX_B (add lines 58, 64, 66,
71, 72, 73, 74, 75, 76, 77a, b, c and 78) | \$_____0_____ |

Part IX C – Conventional Mortgage Loan Financing

81. Estimated construction time (in months) _____6 months_____
82. Dollar amount of construction loan _____
83. Construction loan interest rate _____%
84. Estimated construction loan interest cost _____

(in dollars)	\$ _____
85. Term of long term financing (in years)	_____
86. Interest rate on long term loan	____ %
87. Anticipated mortgage discount (in dollars)	\$ _____ 0 _____
88. Feasibility study	\$ _____ 0 _____
89. Finder's fee	\$ _____ 0 _____
90. Legal fees	\$ _____ 0 _____
91. Insurance	\$ _____ 0 _____
92. Other fees (list each separately)	
_____	\$ _____ 0 _____
93.	\$ _____
94. Total permanent mortgage loan interest expense (in dollars)	\$ _____ 0 _____
95. Sub-total Part IX_C (add lines 84 & 88 thru 93)	\$ 0

Financial Data Summary Sheet

96.	Sub-total Part I	Direct Construction Cost (line 7)	\$ 591,408
97.	Sub-total Part II	Equipment not included in construction contract (line 9)	\$ 786,935
98.	Sub-total Part III	Site Acquisition Costs (line 15)	\$ 1,178,500
99.	Sub-total Part IV	Site Preparation Cost (line 23)	\$ _____ 0 _____
100.	Sub-total Part V	Off-Site Costs (line 28)	\$ _____ 0 _____
101.	Sub-total Part VI	Architectural and Engineering fees (line 33)	\$ 26,000
102.	Sub-total Part VII	Other Consultant fees (line 35)	\$
103.	Sub-total Part VIII	Taxes During Construction (line 38)	\$ _____ 0 _____

104.	Sub-total Part IX-A	HUD-232 Financing (line 53)	\$ _____ 0 _____
105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	\$ _____ 0 _____
106.	Sub-total Part IX-C	Conventional Loan Financing (line 95)	\$ _____
107.	TOTAL CAPITAL COST (lines 96 thru 106)		\$ 2,582,843
108.	Percent of total capital costs to be financed		42%
	Note: IFRC intends to acquire the CT unit through a capital lease with the vendor. This percentage reflects that portion of capital costs related to the capital lease for the CT Unit and financing for the buildout and other equipment via a commercial loan.		
109.	Dollar amount of long term mortgage (line 107 x 108)		\$ _____
N/A - See Note at #108 above			
110.	Total Interest Cost on Long Term Financing		\$ _____ 0 _____
	a.	HUD-232 Financing (line 53)	\$ _____ 0 _____
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 79)	\$ _____ 0 _____
	c.	Conventional Loan Financing (line 94)	\$ _____ 0 _____
111.	Anticipated Bond discount		
	a.	HUD-232 Financing (line 53)	\$ _____ 0 _____
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 70)	\$ _____ 0 _____
	c.	Conventional Loan Financing (line 87)	\$ _____ 0 _____
112.	TOTAL CAPITAL AND FINANCING COST (ADD LINES 107, 110a, b or c AND 111a, b or c)		\$ 2,582,843
D.	1.	Estimated costs for new construction (excluding site acquisition costs)	\$ _____
	2.	Estimated costs of modernization and renovation (excluding site acquisition costs)	\$ 617,408
E.	Anticipated Sources of Funds for Proposed Project		Amount

1.	Public Campaign	\$ <u>0</u>
2.	Bond Issue (Specify Type) _____	\$ <u>0</u>
3.	Commercial Loans	\$ 502,066 _____
4.	Government Loans (Specify Type) _____	\$ <u>0</u>
5.	Grants (Specify Type) _____	\$ <u>0</u>
6.	Bequests	\$ <u>0</u>
7.	Private Foundations	\$ <u>0</u>
8.	Endowment Income	\$ <u>0</u>
9.	Accumulated Reserves	\$ _____
10.	Other Tenant Improvement Allowance for remainder	<u>\$ 136,142</u>

The amount of tenant improvement allowance noted is based on the CT related buildout allocable portion only

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

The construction/buildout and other non-CT equipment costs associated with this project will be funded through a bank loan and tenant improvement allowance. The CT equipment will be leased from the vendor pursuant to a capital lease whereby IFRC will own the equipment at the end of the lease term.

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

The construction/buildout and other non-CT equipment costs associated with this project will be funded through a bank loan and tenant improvement allowance. The CT equipment will be acquired via the equipment vendor pursuant to a capital lease whereby at the end of the term, IFRC will own the equipment. Please see Attachment T for a copy of the equipment quote for the CT unit. The establishment of CT services at IFRC Ballston is not expected to impact the cost of providing care. Please see Attachment M for a copy of the requested amortization schedule.

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

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

Not Applicable. The IFRC Ballston is an outpatient facility and does not provide inpatient services.

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.

Please see Attachment R for the most recent audited financial statements for IFRC, LLC for the most recent two (2) years for IFRC, LLC.

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.

Please see Attachment S for the pro forma.

SECTION VI

ASSURANCES

I hereby assure and certify that:

- a. The work on the proposed project will be initiated within the period of time set forth in the Certificate of Public Need; and
- b. completion of the proposed project will be pursued with diligence; and
- c. the proposed project will be constructed, operated and maintained in full compliance with all applicable local, State and Federal laws, rules, regulations and ordinances.

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

Carol Burchett
Signature of Authorizing Officer

8260 Willow Oaks Dr. Suite 750
Address – Line 1

Carol Burchett
Type/Print Name of Authorizing Officer

Address – Line 2

Chief Strategy Officer
Title of Authorizing Officer

Fairfax, VA 22031
City/State/Zip

703-698-4444
Telephone

12/2/2024
Date

Copies of this request should be sent to:

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

IFRC Ballston		
1 CT		
Financial Projections	Projected	
	<u>Year 1</u>	<u>Year 2</u>
Amounts in \$000's		
Statement of Revenues and Expenses		
Total CT Scans	3,750	4,800
Gross Patient Revenue	3,642	4,801
Deductions from Patient Revenue		
Contractual/Other Discounts	(2,439)	(3,216)
Charity Discounts	(54)	(71)
Total Deductions from Revenue	(2,493)	(3,287)
Total Operating Revenue	1,149	1,515
Operating Expenses		
Salaries, Wages and Benefits	314	324
Supplies	60	79
Purchased Services	-	-
Bad Debt (above in Op Rev)	-	-
Depreciation and Amortization	156	156
Indirect Expense- Occupancy	91	94
Other Expense	343	438
Debt (Financing Expense)	72	61
Total Operating Expenses	1,035	1,151
Excess of Revenue Over Expenses	114	364

Note that IFRC is subject to Inova's Charity Care Policies.