

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- 8755

Inova Reston MRI Center, LLC

Expansion of MRI Services Through Addition of One MRI Unit

April 1, 2024

SECTION I FACILITY ORGANIZATION AND IDENTIFICATION

- A. **Inova Reston MRI Center, LLC d/b/a Tysons MRI and Imaging Center**
 Official Name of Facility
- 7799 Leesburg Pike, Suite 104S**
 Address
- | | | |
|----------------------------|------------------------|---------------------|
| <u>Falls Church</u> | <u>Virginia</u> | <u>22043</u> |
| City | State | Zip |
- (703) 893-2820**
 Telephone
- B. **Inova Reston MRI Center, LLC**
 Legal Name of Applicant
- 8260 Willow Oaks Corporate Drive, Suite 750**
 Address
- | | | |
|-----------------------|------------------------|---------------------|
| <u>Fairfax</u> | <u>Virginia</u> | <u>22031</u> |
| City | State | Zip |
- C. Chief Administrative Officer
Lance Boyd, CEO
 Name
- 8260 Willow Oaks Corporate Drive, Suite 750**
 Address
- | | | |
|-----------------------|------------------------|---------------------|
| <u>Fairfax</u> | <u>Virginia</u> | <u>22031</u> |
| City | State | Zip |
- | | |
|------------------------------|-------------------|
| <u>(703) 698-4444</u> | <u>N/A</u> |
| Telephone | Facsimile |
- D. Person(s) to whom questions regarding application should be directed:
Carol Burchett, Chief Strategy Officer, Fairfax Radiology Centers, LLC
 Name
- 8260 Willow Oaks Corporate Drive, Suite 750**
 Address
- | | | |
|-----------------------|------------------------|---------------------|
| <u>Fairfax</u> | <u>Virginia</u> | <u>22031</u> |
| City | State | Zip |
- | | |
|------------------------------|-------------------|
| <u>(703) 698-4444</u> | <u>N/A</u> |
| Telephone | Facsimile |

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

Will the facility be operated by the owner? Yes____ 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 Inova Reston MRI Center, LLC (“IRMC”). Please see Attachment A-1 for IRMC’s Articles of Organization and Attachment A-2 for IRMC’s Certificate of Organization

The operator is Fairfax Radiology Centers, LLC (FRC, LLC). Please see Attachment B for Fairfax Radiology Centers, LLC’s Articles of Organization.

Non-Profit

(5) _____

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

(5) _____

(6) _____

(6) Other_____Identify

(6) _____

Governmental

(7) _____

(7) State

(7) _____

(8) _____

(8) County

(8) _____

(9) _____

(9) City

(9) _____

(10) _____

(10) City/County

(10) _____

(11) _____

(11) Hospital Authority or

(11) _____

Commission

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
 (4) _____ Renewable lease, renewable every _____ years
 (5) _____ Other

See Attachment C-1 for a copy of the ninth amendment to the lease which sets forth a seven-year lease extension to run from April 1, 2027 to March 31, 2034 (immediately following the current lease end date of March 31, 2027). The original lease can be found at Attachment C-2. Amendments 1-8 of the lease can be found at Attachments C-3 and C-4.

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.

IRMC 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 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.

IRMC 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.

Toni Ardabell, MSN, MBA, Chief of Clinical Enterprise Operations, Inova

Alice Pope, MBA, CPA, Chief Financial Officer, Inova

Susan Carroll, President of Inova Loudoun Hospital and Senior VP, Inova

David Spinoso, MD, Fairfax Radiological Consultants, PLLC

Patrick Oliverio, MD, Fairfax Radiological Consultants, PLLC (Chair)

Sean McCleary, 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, IRMC 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
Alice Pope, Secretary/Treasurer**

- (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. IRMC has no subsidiaries.

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

IRMC 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 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**

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

**CT Corporation System
4702 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, IRMC proposes to expand MRI services at its existing Tysons imaging facility through the addition of a second (2nd) MRI unit. Subject to timely COPN approval, the second (2nd) MRI unit is expected to be operational by March 31, 2025.

Imaging services are and will remain under the management/operation of FRC, LLC. Please see Attachment D for a copy of the Administrative Services Agreement between IRMC, 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: 3.56 acres
2. Located in **Fairfax County / PD8** City/County/Planning District
3. Address or directions: **7799 Leesburg Pike, Suite 104S, Falls Church, VA 22043**
4. Has site been zoned for type of use proposed:

X Yes **The property/complex is zoned for C-4 General Commercial Zone, High Intensity Office. In accordance with Section 4102.4.R of the Fairfax County Zoning Ordinance, medical care facilities are permitted in a C-4 zone via code SE (Special Exception). See Attachment E - 7799 Leesburg Pike Falls Church Zoning.**

 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 **Expansion of MRI Services through the addition of a second (2nd) MRI unit.**

C. Design of the facility

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

IRMC'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.

**FRC, 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 expansion of MRI services at an existing multi-modality imaging facility, Tysons MRI and Imaging Center ("Tysons"), located at 7799 Leesburg Pike, Suite 104S, Falls Church, VA 22043.

The project, which is proposed based on the Tysons facility's institution-specific need, would add one (1) MRI unit, bringing the total complement of MRI units at the facility to two (2). In addition to MRI services, the Tysons facility also offers CT services as well as other imaging services that are not subject to COPN regulation, including X-ray.

Physicians refer to IRMC because they recognize that their patients will have the highest quality interpretation of studies performed by board-certified, fellowship-trained radiologists who are subspecialized within areas of expertise. As a result, Tysons's MRI service has become increasingly busy with procedural volume far exceeding the SMFP utilization standard, resulting in the need for additional capacity at the site in order for patients to have their studies performed in a timely manner.

Prior to 2023, there were two (2) MRI units at the Tysons facility. At the end of 2022, in connection with COPN approval to expand MRI services at IRMC's Centreville imaging facility through the relocation and replacement of an MRI unit from Tysons, one (1) of the two (2) MRI units at the Tysons facility was decommissioned. Accordingly, the Tysons facility currently is limited to the provision of MRI services on one (1) MRI unit. IRMC's Centreville facility, prior to the relocation, lacked an MRI unit, requiring patients who lived in Centreville to travel to another IRMC facility outside of the community to obtain MRI services. The urgent need at the Centreville facility was validated by the speed with which that MRI unit exceeded the SMFP threshold. In 2023, during the Centreville MRI unit's first year of operation, MRI procedures totaled 6,802 or 136% of the SMFP utilization standard.

The same pattern of rapid growth in MRI utilization that occurred at the Centreville facility also occurred at the Tysons facility from 2022 to 2023. Prior to the relocation of the MRI unit, the Tysons facility's two (2) MRI units performed 10,217 MRI procedures, placing utilization at 102% of the SMFP standard of 5,000 MRI procedures per year. In 2023, volume on the one (1) remaining MRI unit at the Tysons facility grew to 6,601 MRI procedures, placing utilization at 132% of SMFP standard.

The additional MRI unit is urgently needed because of the scheduling backlog for MRI services that currently exists at the Tysons facility. Wait times for

the one (1) existing MRI unit at the Tysons facility are considerable. Patients waiting for MRI services at Tysons have an average wait time of 17 to 21 days.

With only one (1) MRI unit at the Tysons facility, wait times for an MRI appointment have become increasingly longer with patients having to travel farther away from their facility of choice. This is a significant dissatisfier for both patients and referring physicians with radiologists and management at the Tysons facility consuming energy and time managing the backlog and communicating with referring physicians wanting to get patients in sooner.

Adding a second (2nd) MRI unit at the Tysons facility will improve access to IRMC's patient population by reducing the backlog and improving the patient experience through greater efficiency and reduced wait times. Furthermore, as the Tysons facility site has accommodated two (2) MRI units before, the facility already has the space available to support an additional MRI unit, providing an easy and economical path to expanding capacity at the site.

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

The Tysons facility is conveniently located on Route 7 directly off of Exit 47 of the Capital Beltway (I-495) heading eastbound towards Falls Church. There is a Washington Metro bus stop just .1 mile east of the Tysons facility on Route 7 on bus line 2A. The West Falls Church metro station is an 8-minute bus ride from the Tysons facility on bus line 28A. The Tysons metro station is a 6-minute bus ride heading west from the Tysons facility on bus line 2A.

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

The development encompassing the existing building where the Tysons facility is located consists of two (2) 11-story towers (north and south towers). The development zoning district is C-4 General Commercial Zone, High Intensity Office and the land use designation is general medical/high rise office. See Attachment G for Site Plan.

The Tysons facility is located in the south tower on the main level with entry through a shared lobby. The property has ample parking available for patients, visitors, and staff including handicapped parking optimally adjacent to the entrance door. In addition, there is a shared parking garage for general parking. IRMC patients receive free parking via parking ticket validation at IRMC's front desk. Adequate public utilities currently exist on site, including water, sewer, and solid waste services.

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

Not Applicable. This project proposes the expansion of MRI services at an existing imaging facility.

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

The addition of a second (2nd) MRI unit at the Tysons facility will be undertaken within space already leased by IRMC for the imaging facility. The expansion of MRI services therefore will not result in any additional lease expenses. Moreover, the existing space utilizes energy saving features consistent with local building ordinances, including occupancy sensor-controlled lighting in support areas. The renovations necessary for buildout of the space 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 does not require additional utility services, but work will include the replacement of the remote chiller and related glycol piping and a new dedicated split cooling system, costs of which are included in the budget. The water/sewer service and electrical capacity has 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 site. Please see Attachment H.

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.

Item #2 was not checked; however, the space within the existing imaging center space that will be dedicated to the second (2nd) MRI unit consists of 1,457 gross square feet (1,178 net square feet).
 - b. The total number of square feet (both gross and net) to be added to the facility.

The MRI unit will be located at the existing imaging facility at Tysons. The center has one (1) COPN approved MRI scanner in place as well as an X-ray, which is not subject to COPN regulation, as well as one (1) other previously approved COPN modality: CT.

The total square footage leased by IRMC for the Tysons facility is 7,412 gross square feet (5,993 net square feet). The incremental MRI dedicated space comprises 1,457 gross square feet and 1,178 net square feet as noted above in subsection 2.a. There is adequate space within the existing footprint of the facility; therefore, total square footage will not need to be increased. Please refer to Attachments I-1 and I-2 for more information.
 - 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.

The proposed second (2nd) MRI unit is to be located in an existing, operational imaging center. A test fit was completed and the dedicated space for the second (2nd) MRI unit will be 1,457 gross square feet (1,178 net square feet) in compliance with the vendor specifications and all Facility Guidelines Institute (FGI) and other regulatory 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 Attachment G.

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 (for 2nd MRI unit)

1. Date of Drawings: **Preliminary 3/19/2023 Final 8/1/2023**
2. Date of Construction: **Begin 10/1/2024 Completion 3/31/2025**
3. Target Date of Opening: **4/15/2025**

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.

This COPN request proposes to expand the existing MRI services at IRMC's Tysons imaging facility through the addition of one (1) MRI unit, which would bring the facility's total MRI complement to two (2) MRI units. The project is proposed to address an institution-specific need for additional access to MRI services.

Prior to 2023, there were two (2) MRI units at the Tysons facility. At the end of 2022, in connection with COPN approval to expand MRI services at IRMC's Centreville imaging facility through the relocation and replacement of an MRI unit from Tysons, one (1) of the two (2) MRI units at the Tysons facility was decommissioned. Accordingly, the Tysons facility currently is limited to the provision of MRI services on one (1) MRI unit. IRMC's Centreville facility, prior to the relocation, lacked an MRI unit, requiring patients who lived in Centreville to travel to another IRMC facility outside of the community to obtain MRI services. The urgent need at the Centreville facility was validated by the speed with which that MRI unit exceeded the SMFP threshold. In 2023, during the Centreville MRI unit's first year of operation, MRI procedures totaled 6,802 or 136% of the SMFP utilization standard.

The same pattern of rapid growth in MRI utilization that occurred at the Centreville facility also occurred at the Tysons facility from 2022 to 2023. Prior to the relocation of the MRI unit, the Tysons facility's two (2) MRI units performed 10,217 MRI procedures, placing utilization at 102% of the SMFP standard of 5,000 MRI procedures per year. In 2023, volume on the one (1) remaining MRI unit at the Tysons facility grew to 6,601 MRI procedures, placing utilization at 132% of SMFP standard.

An MRI 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 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.

MRI 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 and liver masses, and to plan medical, surgical or radiation treatment. MRI angiography also may be used to assess a person's risk of heart disease or detect damage to blood vessels in the form of aneurysms or blockages. During some MRI exams, the blood vessels are injected with contrast to make the flow of blood through the body more visible. For suspected cancer or heart disease cases, being able to schedule timely diagnostic imaging is very important.

The additional MRI unit is urgently needed because of the scheduling backlog for MRI services that currently exists at the Tysons facility. With only one (1) MRI unit at the Tysons facility, wait times for an MRI appointment have become increasingly longer, on average 17 to 21 days. The additional MRI unit will improve access to the IRMC patient population by reducing substantial scheduling backlogs for MRI services at the site, and improve the patient experience, providing greater efficiency and reduced wait times.

The Tysons imaging facility already has one (1) COPN approved MRI scanner in place as well as an X-ray, which is not subject to COPN regulation, as well as one (1) other previously approved COPN modality: CT.

In accordance with 12VAC5-230-160, Expansion of fixed site service, the location at Tysons is well above the 5,000 required procedures per unit to request an additional MRI unit.

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

The proposed expansion of the existing MRI services will not interrupt continuity of care at the Tysons facility. Pursuant to COPN approval, the second (2nd) MRI unit at Tysons would be installed during non-business hours.

Continuity of care has always been, and remains, a priority for Inova Health Care Services and Fairfax Radiology Consultants, which own IRMC. IRMC employs several mechanisms and technologies that facilitate the inclusion of patients, referring physicians and other care providers in our processes, making IRMC 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

IRMC 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.

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

Clinician/Patient Continuity

In addition to the physician portal, IRMC 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?

IRMC has adopted protocols and procedures used across its facilities. 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 MRI units are inspected annually by a physicist and receive regularly scheduled preventative maintenance several times per year. In addition, we employ a certified Magnetic Resonance Safety Officer (“MRSO”). The MRSO has specialized training in MRI safety, risk factors and emergency response and works with staff and site managers to develop and implement safety protocols. Any deficiencies are handled by 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 FRC’s 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 an MRI’s four safety zones is represented. In addition, this committee reports to the FRC Board of Directors Quality and Patient Safety Committee, which is chaired by an FRC, PLLC physician leader and Board member. The MRI four safety zones consist of: Zone I: Freely Accessible: All areas freely accessible to the general public without supervision. Zone II: Notice: Still a public area, but the interface between unregulated Zone I and the strictly controlled Zones III and IV. MR safety screening typically occurs here under supervision. Zone III: Caution: An area near the magnet room where the fringe, gradient, or RF magnetic fields are sufficiently strong to present a physical hazard to unscreened patients and personnel. Zone IV: Danger: Synonymous with the MR magnet room itself. Has the highest field (and greatest risk) and from which all ferromagnetic objects must be excluded.

Quality of Radiologist and Technologist

Fairfax Radiological Consultants, PLLC staffs the existing Tysons facility and will continue to staff the facility following the expansion of MRI services. The practice is comprised of a diversified group of radiologists who are board certified in many areas of expertise. The technologists are all licensed by the Virginia Department of Health and certified by the applicable governing organization (which varies by modality) 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.

Fairfax Radiology Centers (FRC, LLC), which manages/operates IRMC’s imaging services, recruits for all positions internally and has two recruiters dedicated to clinical recruitment. Additionally, we

- Have a formal in-house MRI Tech training program
- Partner with outside educational institutions
- Maintain a float pool of Technologists to cover vacancies and employee absences.

Additional components of our 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 tech staffing shortage, recruitment and retention initiatives are a significant focus of the organization's operational 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 an incremental MRI unit to the proposed site. Approval requested will result in the expansion of existing MRI services at the site from one (1) MRI unit to two (2) MRI units.

	<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	_____	_____	_____
MRI scanning	___ X ___	___ 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	_____	_____	_____
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) CT	<u> X </u>	_____	_____
		_____	_____	_____
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 6 AM to 10:30 PM, and Saturday and Sunday 7 AM to 4 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

8. 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 the 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.

In evaluating MRI volume for purposes of COPN Request No. VA-8632, it was discovered that MRI procedure volume had been underreported to VHI for multiple years. Following the discovery, VHI was contacted and 2021 volumes were corrected. However, per VHI rules, VHI was unable to accept corrected MRI procedure volumes for years prior to 2021. The table below reflects the correct MRI procedure volume for the Tysons imaging facility for years 2021-2023.

	Historical			Projected		
	2021	2022	2023	2024	Year 1 2025	Year 2 2026
# MRI Units	2	2	1	1	2	2
Procedures	9,937	10,217	6,601	6,948	8,200	8,800
% of SMFP Utilization	99%	102%	132%	139%	82%	88%
Patient Visit Count	8,583	8,698	5,677	5,975	7,052	7,568

Projected Year 1 (2025) and Year 2 (2026) assumes approval of the second (2nd) MRI unit; the projected volumes cannot be accommodated on the existing one (1) MRI unit without the addition of a second (2nd) MRI unit.

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).

	Current Full Time	Vacant Positions	Additional Needed Full Time	TOTAL
Total number of Full-time staff	<u>5.7</u>	<u>1</u>	<u>6.2</u>	<u>12.9</u>
Administration-Business Office	<u>2</u>	<u>0</u>	<u>1</u>	<u>3</u>
Radiologic Technologists	<u>3.7</u>	<u>1</u>	<u>5.2</u>	<u>9.9</u>

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.

Fairfax Radiology Centers (FRC, LLC) which manages/operates IRMCs imaging services, recruits for all positions internally and has two recruiters dedicated to clinical recruitment. Additionally, FRC, LLC

- Recently hired an experienced Recruitment Manager
- Has a formal in-house MRI Tech training program
- Partners with outside educational institutions
- Maintains a float pool of Technologists to cover vacancies and employee absences.

Additional components of the 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.

We do not anticipate any impact on other facilities in the service area as MRI 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 the MRI scans. This coverage is consistent with the current services and would continue with the additional MRI.

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.

IRMC proposes to expand MRI services at its Tysons facility, based on institution-specific need, to provide enhanced access to a critical diagnostic imaging service.

Prior to 2023, there were two (2) MRI units at the Tysons facility. At the end of 2022, in connection with COPN approval to expand MRI services at IRMC's Centreville imaging facility through the relocation and replacement of an MRI unit from Tysons, one (1) of the two (2) MRI units at the Tysons facility was decommissioned. Accordingly, the Tysons facility currently is limited to the provision of MRI services on one (1) MRI unit. IRMC's Centreville facility, prior to the relocation, lacked an MRI unit, requiring patients who lived in Centreville to travel to another IRMC facility outside of the community to obtain MRI services. The urgent need at the Centreville facility was validated by the speed with which that MRI unit exceeded the SMFP threshold. In 2023, during the Centreville MRI unit's first year of operation, MRI procedures totaled 6,802 or 136% of the SMFP utilization standard.

The same pattern of rapid growth in MRI utilization that occurred at the Centreville facility also occurred at the Tysons facility from 2022 to 2023. Prior to the relocation of the MRI unit, the Tysons facility's two (2) MRI units performed 10,217 MRI procedures, placing utilization at 102% of the SMFP standard of 5,000 MRI procedures per year. In 2023, volume on the one (1) remaining MRI unit at the Tysons facility grew to 6,601 MRI procedures, placing utilization at 132% of SMFP standard.

With only one (1) MRI unit, the Tysons facility is projected to perform 6,948 MRI procedures in 2024, placing utilization at 139% of the SMFP standard. Without the additional capacity and with continued population growth and growth in the use of MRI services to support expanded clinical criteria, IRMC will be unable to meet its patient population's need for MRI services at the Tysons facility.

Physicians refer to IRMC because they recognize that their patients will have the highest quality interpretation of studies performed by board-certified, fellowship-trained radiologists who are subspecialized within areas of expertise. As a result, IRMC's current MRI service at Tysons has become increasingly busy with procedural volume on its existing one (1) MRI unit exceeding the SMFP utilization standard. IRMC must expand MRI services at the site in order to provide the service to its patients in a timely manner.

MRI services are a critical imaging tool and accurate and prompt diagnosis and treatment is essential to patient care. Wait times for the one (1) existing MRI unit at the Tysons facility are considerable. Patients waiting for MRI services at Tysons have an average wait time of 17 to 21 days. Hours of operation have already been extended to the maximum extent reasonably possible, with the facility operating Monday through Friday from 6:00 AM to 10:30 PM, and Saturday and Sunday from 7 AM to

4 PM. Despite those extended hours, wait times for elective MRI procedures persist as noted above. Timeliness is critical to patient care. Many patients are waiting for a diagnostic appointment to rule out or diagnose disease that will require further diagnosis, such as biopsy, following the diagnostic study.

By increasing capacity through the addition of a second (2nd) MRI unit, wait times will decrease and will lead to an improved patient experience allowing the next phase of care to proceed in a timely manner and reduce patient anxiety, which can be significant.

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 primary service area for the MRI service. No change in the primary service area is projected.

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

Please see Attachment L for 2023 patient origin data for the Tysons MRI volume.

- 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, MRI services are currently offered at other facilities in PD 8.

2. If Yes,

- a. Identify the facility(ies)

The facilities that provide MRI services in PD 8 are listed in Attachment K and in the table that follows below. Please note in 2021 we discovered that our VHI data submissions had been understated for years due to an error in the internal report used to identify procedures for reporting to VHI which had qualifiers that caused an omitting of relevant CPT procedure-based codes from the count. Both the VHI table and the one that follows it reflect the corrected volume for IRMC MRI procedures for 2021. However, as discussed above, 2021 is the last year for which VHI accepted corrections.

PD8 MRI Diagnostic Scanner Utilization - VHI Data					
Hospital	Location	Units	Total MRI Procedures		2022 Utilization (as % of SMFP)
			2021	2022	
Inova Alexandria Hospital ¹	Alexandria City	3	11,828	12,148	81%
Inova Fair Oaks Hospital	Fairfax County	2	7,259	7,395	74%
Inova Fairfax Hospital & MRI Center ²	Fairfax County	9	49,863	52,445	117%
Inova HealthPlex - Lorton ³	Fairfax County	1	2,360	3,415	68%
Inova HealthPlex - Springfield	Fairfax County	1	3,745	3,584	72%
Inova Loudoun Hospital Center ⁴	Loudoun County	2	8,126	7,798	78%
Inova Mount Vernon Hospital	Fairfax County	1	5,116	5,233	105%
UVA Health System ⁵	Prince William County	3	10,775	5,401	36%
Reston Hospital Center	Fairfax County	1	3,959	4,058	81%
Sentara Northern Virginia Medical Center (NVCH) ⁶	Prince William County	1	3,867	4,262	85%
StoneSprings Hospital Center	Loudoun County	1	1,831	1,723	34%
Virginia Hospital Center	Arlington County	3	15,746	16,811	112%
Hospital Subtotal	PD8	28	124,475	124,273	89%
FRC of Ballston	Arlington County	1	3,372	4,500	90%
IRMC Tysons MRI and Imaging Center	Fairfax County	2	9,937	10,217	102%
IRMC Reston-Herndon MRI	Fairfax County	1	6,161	6,336	127%
FRC (Radiology Imaging Associates) of Lansdowne	Loudoun County	2	7,727	11,421	114%
Kaiser Permanente - Fairfax/Tysons Corner	Fairfax County	1	13,726	12,922	258%
Kaiser Permanente - Reston	Fairfax County	1	5,844	5,153	103%
Kaiser Permanente - Woodbridge	Prince William County	1	5,587	5,552	111%
Medical Imaging Center of Arlington (InSight)	Arlington County	2	7,451	9,938	99%
Medical Imaging Center of Fairfax (InSight)	Fairfax County	1	4,236	4,640	93%
Medical Imaging Center of Woodbridge (InSight)	Prince William County	2	8,349	10,436	104%
MRI of Reston (Reston Radiology Consultants)	Fairfax County	4	20,128	18,408	92%
FRC of Sterling	Loudoun County	1	4,040	3,794	76%
NV Doctors MRI (now Virginia MRI) ⁷	Arlington County	0	0	0	-
Sentara Advanced Imaging - Lake Ridge	Prince William County	1	2,351	2,172	43%
Tysons Diagnostic Imaging (Novant)	Fairfax County	2	6,381	14,369	144%
Vienna Diagnostic Imaging (Novant) ⁸	Fairfax County	1	5,866		0%
Washington Radiology Associates - Fairfax	Fairfax County	1	-	4,706	94%
UVA OP Imaging Centreville	Fairfax County	1	-	6,531	131%
Outpatient Imaging Center Subtotal	PD8	25	111,156	131,095	105%
Total MRI Scanners	PD8	53	235,631	255,368	96%

¹ Includes two (2) MRI units at Inova Alexandria Hospital and one (1) unit listed as Inova Imaging Center - Mark Center

² Includes five (5) MRI units at Outpatient MRI Center and three (3) units on the Inova Fairfax Hospital campus

³ Authorized in 2016; not operational in 2017.

⁴ Includes one MRI unit at the Inova Loudoun Hospital campus and one MRI unit at the Cornwall campus

⁵ Includes Manassas and Haymarket

⁶ Predecessor hospital (NVCH) closed in 2006; SHCC opened December 7, 2015

⁷ Bought out of bankruptcy in 2012; acquired by Inova Health Services in 2016; not operational in 2017, being moved to Ballston

⁸ Now doing business as MRI Imaging of Virginia

Both the table above and the table below reflect corrected MRI procedure volume for IRMC's imaging sites for 2021.

Facility	Procedures			% of SMFP		
	2021	2022	2023	2021	2022	2023
TYSONS MRI AND IMAGING CENTER	9,937	10,217	6,601	99%	102%	132%
RESTON-HERNDON MRI	6,161	6,336	6,982	123%	127%	140%
CENTREVILLE MRI CENTER	-	-	6,802			136%
TOTAL	16,098	16,553	20,385	107%	110%	136%
# of MRIs						
TYSONS MRI AND IMAGING CENTER	2	2	1			
RESTON-HERNDON MRI	1	1	1			
CENTREVILLE MRI CENTER	0	0	1			
Total	3	3	3			
Note: Reston-Herndon received COPN approval in 2023 to add a 2nd MRI. Go Live for that magnet was Q1 2024.						

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

The project proposes to expand MRI at IRMC's Tysons facility through the addition of a second (2nd) MRI unit based on the facility's institution-specific need. Increasing MRI capacity at Tysons will reduce wait times and improve access, and thereby improve the IRMC patient experience. The additional MRI unit is needed both to reduce current wait times and avoid lengthening wait times as the population continues to grow and age in PD 8 and, more specifically, in the Fairfax region. According to the Healthcare Advisory Board's Imaging Market Estimator, the annual expected growth rate for outpatient MRI in PD8 for 2024-2029 is 2.4%.

MRI volume is growing in musculoskeletal, brain MRI and MR angiography, and head/neck MRI and head/neck MR angiography consistent with the joint and neurological diseases inherent in an aging population. In addition, IRMC has experienced increasing requests for MRI of the abdomen (especially liver and pancreatic imaging) as well as for MR Enterography (examination of the small bowel). In addition, there are increasing requests to obtain MRI examinations of all types of patients with indwelling, non-cardiac electronic devices (e.g., sleep apnea treatment devices, deep brain stimulating devices in Parkinsons disease, and electronic stimulating devices for spinal pain relief). All the aforementioned indications for MRI require or are best done with a 1.5T which is the machine type that will be acquired upon COPN approval for the 2nd MRI at Tysons.

Because the proposed project involves IRMC's own patient base and IRMC's institution-specific need for additional MRI services, IRMC does not expect the expansion of MRI services at its Tysons facility to negatively impact other existing MRI providers in PD 8.

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

As discussed in Sections II.C.2, III.A and IV.A, MRI volume at IRMC's Tysons facility substantially exceeds the SMFP utilization standard. The ability to provide timely access to MRI services to the facility's patients is already challenged with longer wait times due to capacity constraints. Factoring in the growing expanded clinical applications for MRI and the impact of population growth, IRMC will no longer be able to support additional MRI volume at the Tysons facility without additional MRI capacity.

IRMC projects the demand for MRI services will continue to grow, exceeding population growth. Growth in MRI service is expected to exceed population growth due to the expanded clinical application of MRI as described in Section IV.C.2.b above.

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

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.

Expansion of IRMC's MRI services at Tysons will improve access to time-critical diagnostic imaging services. Referring physicians refer to IRMC because they recognize that their patients will have the highest quality care by board-certified, fellowship trained, radiologists subspecialized in interpreting the studies within their area of expertise.

Utilization of the Tysons facility's existing one (1) MRI unit substantially exceeds the SMFP utilization standard. Wait times for the existing one (1) MRI unit (a 3T unit) at the Tysons facility are considerable; on average 17 to 21 days, depending on whether the procedure is to be performed with or without contrast. Hours of operation have already been extended to the maximum extent reasonably possible, with the facility operating Monday through Friday from 6 AM to 10:30 PM, and Saturday and Sunday from 7 AM to 4 PM. Despite those extended hours, wait times for elective MRI procedures persist as noted above. Timeliness is critical to patient care. Many patients are waiting for a diagnostic appointment to rule out or diagnose disease that will require further diagnosis, such as biopsy, following the diagnostic study.

Increasing capacity through the addition of a second (2nd) MRI unit will decrease wait times and improve the patient experience and reduce patient anxiety. Many patients are waiting for a diagnostic appointment to rule out cancer or set treatment plans for another serious disease. If these patients are not able to be evaluated quickly and then have their downstream medical care performed in a timely manner, then surgery and/or neoadjuvant

chemotherapy will be delayed at a time when the goal is to shorten the time from diagnosis to treatment.

- 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.

12VAC5-230-80. 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.

IRMC has an institutional need for a second (2nd) MRI unit at its Tysons facility. As discussed in Section III.G above, in evaluating MRI volume for purposes of COPN Request No. VA-8632, it was discovered that MRI procedure volume had been underreported to VHI for multiple years. Following the discovery, VHI was contacted and 2021 volumes were corrected. However, per VHI rules, VHI was unable to accept corrected MRI procedure volumes for years prior to 2021. The table below reflects the correct MRI procedure volume for the Tysons imaging facility for the years 2021-2023.

Tysons MRI Utilization:

	Historical			Projected		
	2021	2022	2023	2024	Year 1 2025	Year 2 2026
# MRI Units	2	2	1	1	2	2
Procedures	9,937	10,217	6,601	6,948	8,200	8,800
% of SMFP Utilization	99%	102%	132%	139%	82%	88%
Patient Visit Count	8,583	8,698	5,677	5,975	7,052	7,568

Projected Year 1 (2025) and Year 2 (2026) includes having the second (2nd) MRI unit; the projected volumes cannot be accommodated on the existing one (1) MRI unit without the addition of the second (2nd) MRI unit.

As the population continues to grow and age in PD 8 and more specifically at Tysons, the need for MRI services will continue to increase (to include the expanding clinical application as described in Section IV.C.2.b). Approval of this project is necessary to support current and future demand for MRI services at the Tysons facility, as demonstrated by existing procedural volumes well in excess of the SMFP standard.

B. If a facility with an institutional need to expand is part of a health system, the underutilized services at other facilities within the health system should be reallocated, when appropriate, to the facility with the institutional need to expand

before additional services are approved for the applicant. However, underutilized services located at a health system's geographically remote facility may be disregarded when determining institutional need for the proposed project.

In addition to the one (1) MRI unit at the Tysons facility, IRMC owns MRI imaging centers in Reston-Herndon and Centreville. In 2021, IRMC's combined MRI units operated at 107% of SMFP standard. In 2022, the combined MRI units operated at 110% of SMFP standard and, in 2023, utilization of IRMC's combined MRI units increased to 136% of SMFP standard. There is no excess capacity within IRMC available for reallocation to Tysons; reallocation of MRI services from either Reston-Herndon or Centreville would eliminate access to MRI service at the site.

Facility	Procedures			% of SMFP		
	2021	2022	2023	2021	2022	2023
TYSONS MRI AND IMAGING CENTER	9,937	10,217	6,601	99%	102%	132%
RESTON-HERNDON MRI	6,161	6,336	6,982	123%	127%	140%
CENTREVILLE MRI CENTER	-	-	6,802			136%
TOTAL	16,098	16,553	20,385	107%	110%	136%
# of MRIs						
TYSONS MRI AND IMAGING CENTER	2	2	1			
RESTON-HERNDON MRI	1	1	1			
CENTREVILLE MRI CENTER	0	0	1			
Total	3	3	3			
Note: Reston-Herndon received COPN approval in 2023 to add a 2nd MRI. Go Live for that magnet was Q1 2024.						

12VAC5-230-140. Travel time.

MRI 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

MRI 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, often have a substantial impact on patients living in the high-density areas of Northern Virginia.

12VAC5-230-150. Need for new fixed site service.

No new fixed site MRI services should be approved unless fixed site MRI services in the health planning district performed an average of 5,000 procedures per existing and approved fixed site MRI scanner during the relevant reporting period and the proposed new service would not significantly reduce the utilization of existing fixed site MRI 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 site may be disregarded in computing the average utilization of MRI scanners in such health planning district.

Not Applicable. IRMC proposes the expansion of existing MRI services due to institutional need.

12VAC5-230-160. Expansion of fixed site service.

Proposals to expand an existing medical care facility's MRI services through the addition of an MRI scanner may be approved when the existing service performed an average of 5,000 MRI procedures per scanner during the relevant reporting period. The commissioner may authorize placement of the new unit at the applicant's existing medical care facility, or at a separate location within the applicant's primary service area for MRI services, provided the proposed expansion is not likely to significantly reduce the utilization of existing providers in the health planning district.

The proposed project is consistent with this standard. In 2022, when the Tysons facility had two (2) MRI units, 10,217 MRI procedures were performed, placing utilization at 102% of SMFP standard. In 2023, with one (1) MRI unit, 6,601 MRI procedures were performed, placing utilization at 132% of SMFP standard. Because the proposed project involves IRMC's existing patient population and is intended to address IRMC's MRI capacity constraints, the addition of a second (2nd) MRI unit at the Tysons imaging facility is not expected to negatively impact other existing MRI providers in PD 8.

12VAC5-230-180. Staffing.

MRI services should be under the direct supervision of one or more qualified physicians.

IRMC's MRI 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.

This project is to address institutional need for additional MRI capacity at IRMC's Tysons imaging facility. Utilization of the facility's existing one (1) MRI unit substantially exceeds the SMFP utilization standard for MRI services. Volume is expected to continue to grow based on expanding clinical applications for MRI and projected population growth, but IRMC cannot meet the projected demand for MRI services without additional MRI capacity at the Tysons site.

	Historical			Projected		
	2021	2022	2023	2024	Year 1 2025	Year 2 2026
# MRI Units	2	2	1	1	2	2
Procedures	9,937	10,217	6,601	6,948	8,200	8,800
% of SMFP Utilization	99%	102%	132%	139%	82%	88%
Patient Visit Count	8,583	8,698	5,677	5,975	7,052	7,568

Projected Year 1 (2025) and Year 2 (2026) includes having the second (2nd) MRI unit; the projected volumes cannot be accommodated on the existing one (1) MRI unit without the addition of the second (2nd) MRI unit.

As reflected in the chart above, IRMC projects the two (2) MRI units at the Tysons facility will perform 8,200 MRI procedures in the first full year following installation of the second (2nd) MRI unit and 8,800 MRI procedures in the second year, which is 88% of SMFP standard.

The projected MRI volume is based on expected population growth, plus the expanding clinical applications as described in section IV.C.2b. IRMC MRI volume at Tysons is already artificially constrained as evidenced by increasing wait times. With an incremental MRI unit, IRMC will be able to significantly reduce the wait time for an appointment as well as meet the increasing need for MRI services as a result of population growth and the utilization of MRI as an enhanced diagnostic tool for cancer patients and significantly increased use of MRI for clinical rule out of other diseases.

Without the second (2nd) MRI unit, IRMC has no other opportunity to expand capacity and will quickly reach a point at which it is unable to accommodate additional volume on its existing one (1) MRI unit. Hours of operation are already Monday through Friday from 6 AM to 10:30 PM, and Saturday and Sunday from 7 AM to 4 PM.

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 for the locations of other existing providers of MRI 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 IRMC's facilities participate in VHI**

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

IRMC will continue to participate in VHI and report MRI utilization for its Tysons facility MRI services. As discussed in prior sections of this COPN application, IRMC determined that it had underreported MRI volume and submitted a correction to the EPICS submission prior to the deadline to fix an understatement of IRMC's procedure volume for 2021. Please see Attachment O for a copy of IRMC's 2022 EPICS submission (identifying MRI procedural volume of 10,217).

- 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	\$ 287,518
2.	Cost of labor	\$ 431,278
3.	Equipment included in construction contract	\$ N/A
4.	Builder's overhead	\$ 73,125
5.	Builder's profit	\$ 31,677
6.	Allocation for contingencies	\$ 57,600

7. Sub-total (add lines 1 thru 6) **\$ 881,198**

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. MRI Unit **\$ 1,250,049**

b. Furnishings **\$ 1,500**

c. Signage **\$ 800**

d. Capital lease interest expense **\$ 241,569**

See capital lease amortization schedule at Attachment M.

e. _____ **\$**

9. Sub-total (add lines 8a thru 8e) **\$1,493,918**

* MRI to be leased over 6 years; at conclusion the MRI will be owned.
Capital lease expense is on line d.

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 **\$ no incremental lease expense**

14. Additional expenses paid or accrued:

a. _____ **\$ _____ 0 _____**

b. _____ **\$ _____ 0 _____**

c. _____ **\$ _____ 0 _____**

15. Sub-total (add lines 10 thru 14c) **\$ 0**

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	\$ 45,800
30.	Architect's supervision fee	\$ included in 29.
31.	Engineering fees	\$ included in 29.
32.	Consultant's fees	\$ including in 29.
33.	Sub-total (add lines 29 thru 32)	\$ 45,800

Part VII – Other Consultant Fees (List each separately)

34.	a. _____	\$ _____ 0 _____
	b. _____	\$ _____ 0 _____
	c. _____	\$ _____ 0 _____

35.	Sub-total (add lines 34a thru 34c)	\$	0
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Part VIII – Taxes During Construction

36.	Property taxes during construction	\$	0
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37. List other taxes:

a. \$ 0

b. _____ \$ 0

38.	Sub-total (add lines 36 thru 37b)	\$	0
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Part IX-A – HUD Section 232 Financing

39.	Estimated construction time (in months)	0
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40.	Dollar amount of construction loan	\$	0
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41.	Construction loan interest rate	%
-----	---------------------------------	---

42.	Estimated construction loan interest costs	\$	0
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43.	Term of financing (in years)	0
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44.	Interest rate on permanent loan	%
-----	---------------------------------	---

45.	FHA mortgage insurance premium	\$	0
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46.	FHA mortgage fees	\$	0
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47.	Financing fees	\$	0
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48.	Placement fees	\$	0
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49.	AMPO (non-profit only)	\$	0
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50.	Title and recording fees	\$	0
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51. Legal fees	\$ 0
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52.	Total interest expense on permanent mortgage loan	\$	0
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53.	Sub-total Part IX-A HUD Section 232 Financing (add lines 42, 45, 46, 47, 48, 49, 50 and 51)	\$	0
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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 _____ %
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 ☒ 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) _____
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)	\$ 881,198
97.	Sub-total Part II	Equipment not included in construction contract (line 9)	\$1,493,198
98.	Sub-total Part III	Site Acquisition Costs (line 15)	\$ _____ 0 _____
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)	\$ 45,800
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)		\$2,420,196
108.	Percent of total capital costs to be financed		52%

Note: IRMC intends to acquire the MRI unit through a capital lease with the vendor.
This percentage reflects that portion of capital costs related to the capital lease for the MRI unit.

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)	\$2,420,196
D.	1. Estimated costs for new construction (excluding site acquisition costs)	\$
	2. Estimated costs of modernization and renovation (excluding site acquisition costs)	\$_____0_____
E.	Anticipated Sources of Funds for Proposed Project	Amount
1.	Public Campaign	\$_____0_____
2.	Bond Issue (Specify Type) _____	\$_____0_____
3.	Commercial Loans	\$1,250,049
4.	Government Loans (Specify Type) _____	\$_____0_____
5.	Grants (Specify Type) _____	\$_____0_____
6.	Bequests	\$_____0_____
7.	Private Foundations	\$_____0_____

8.	Endowment Income	\$ _____ 0 _____
9.	Accumulated Reserves	\$ _____
10.	Other	\$1,170,147

- 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 costs associated with this project will be funded from operations. The MRI equipment will be leased from the vendor pursuant to a capital lease whereby, at the end of the lease term, IRMC will own the MRI unit.

- 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 costs associated with this project will be funded from operations. The MRI equipment will be leased from the vendor pursuant to a capital lease whereby, at the end of the lease term, IRMC will own the MRI unit. See equipment quote at Attachment T. Addition of MRI capacity is not expected to impact the cost of providing care. See Attachment M for amortization schedules for information on debt service.

- 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. IRMC's Tysons facility 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 audited financial statements for the most recent two (2) years for Inova Reston MRI Center, 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.



Signature of Authorizing Officer

Inova Health System

Address – Line 1

Paul Dreyer

Type/Print Name of Authorizing Officer

8095 Innovation Park Drive

Address – Line 2

Senior Director, Strategic Planning

Title of Authorizing Officer

Fairfax, Virginia 22031

City/State/Zip

April 1, 2024

Date

(703) 403-7598

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.**

IRMC Tysons MRI Addition of 1 MRI							
Financial Projections	Projected Without 2nd MRI		2nd MRI Only		Current + 2nd MRI		
	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	
Amounts in \$000's Statement of Revenues and Expenses							
Total CT Scans		7,020	7,100	1,180	1,700	8,200	8,800
Gross Patient Revenue		18,682	18,894	3,140	4,524	21,822	23,418
Deductions from Patient Revenue							
Contractual/Other Discounts		(12,647)	(12,791)	(2,126)	(3,063)	(14,773)	(15,854)
Charity Discounts		(211)	(214)	158	228	(53)	14
Total Deductions from Revenue		(12,858)	(13,005)	(1,967)	(2,835)	(14,826)	(15,840)
Total Operating Revenue		5,823	5,890	1,173	1,689	6,996	7,578
Operating Expenses							
Salaries, Wages and Benefits		859	885	651	671	1,510	1,556
Supplies		117	123	34	36	151	158
Purchased Services		328	328		45	328	373
Bad Debt (above in Op Rev)		-	-	-	-	-	-
Depreciation and Amortizations		294	294	272	272	566	566
Indirect Expense- Occupancy		89	92	-	-	89	92
Other Expense		1,382	1,395	283	397	1,664	1,793
Debt (Financing Expense)				59	61	59	61
Total Operating Expenses		3,068	3,116	1,299	1,482	4,367	4,598
Excess of Revenue Over Expenses		2,755	2,774	(126)	207	2,629	2,981

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