

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-8769

UVA Health Outpatient Imaging Gainesville

**Establish a Specialized Center for
Outpatient CT Services
with One CT Unit
in Planning District 8**

(6) _____ (6) Other LLC Identify (6) _____

See Attachment I.E.6 – Certificate and Articles of Restatement, Amended and Restated Articles of Organization, and Fictitious Name Certificate.

(7) _____ (6) State (7) _____

(8) _____ (8) County (8) _____

(9) _____ (9) City (9) _____

(10) _____ (10) City/County (10) _____

(11) _____ (11) Hospital Authority or Commission (11) _____

(12) _____ (12) Other _____ Identify (12) _____

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

- (1) _____ Fee simple title held by the applicant
- (2) _____ Option to purchase held by the applicant
- (3) _____ leasehold interest for not less than _____ years
- (4) X _____ Renewable lease, **10-year initial term**, renewable every 5 years (**two 5-year renewal options**)
- (5) _____ Other _____ Identify

See Attachment I.F – Lease Documentation.

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.**

UVA Outpatient Imaging Centreville, LLC, d/b/a UVA Health Outpatient Imaging Gainesville (“Imaging Gainesville”), is a wholly owned subsidiary of UVA Prince William Health System (“PWHS”).

PWHS is comprised of UVA Prince William Medical Center (“PWMC”), UVA Haymarket Medical Center (“HAMC”), UVA Health Outpatient Imaging Centreville (“Imaging Centreville”), and a network of other outpatient offices and services in Planning District (“PD”) 8. PWHS is a wholly owned subsidiary of UVA Community Health, Inc. (“UVACH”).

UVACH, in turn, is a wholly owned subsidiary of The Rector and Visitors of the University of Virginia on behalf of its Medical Center (“UVAMC”); University Hospital and a number of the Medical Center’s outpatient clinics are located in PD 10.

Collectively, the various facilities and services operated by UVAMC and UVACH are referred to herein as “UVA Health.”

(a) In the case of proprietary corporation also attach: **Not applicable.**

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

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

UVA Outpatient Imaging Centreville, LLC d/b/a UVA Health Outpatient Imaging Gainesville, is a limited liability company. It does not have a board of directors or officers. The name and address of the registered agent are as follows:

**CT Corporation System
4701 Cox Rd. Suite 285
Richmond, VA 23219**

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

Not applicable.

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

See Response to Section I.G above.

J. If the operator is other than the owner, attach a list of the names(s) and addresses of the operator(s) of the medical care facility project. In the case of a corporate operator, specify the name and address of the Registered Agent. In the case of the partnership operator, specify the name and address of the general or managing partner.

Not applicable.

- K. If the operator is other than the owner, attach an executed copy of the contract or agreement between the owner and the operator of the medical care facility.

Not applicable.

SECTION II

ARCHITECTURE AND DESIGN

A. Location of the Proposed Project

- 1. Size of site: 10.01 acres
- 2. Located in Prince William County / PD 8
City/County/Planning District

3. Address or directions 7454 Limestone Drive, Gainesville, Virginia 20155

4. Has site been zoned for type of use proposed:

Yes (attach copy of zoning or use permit)

See Attachment II.A.4 – Zoning Documentation.

No

If no, explain status _____

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

- (1) _____ New construction
- (2) Remodeling/modernization of an existing facility
- (3) _____ No construction or remodeling/modernization
- (4) Other establishment of specialized center for Computed Tomography (“CT”) services in PD 8

C. Design of the facility

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

Imaging Gainesville does not itself have a long-range plan. However, the proposed facility will be a vital and integral part of UVACH and will support UVA Health’s mission, vision, values, and long-range plan.

UVA Health’s mission is transforming health and inspiring hope for all Virginians and beyond. Its vision is to be the nation’s leading public academic health system while transforming patient care, research, education, and engagement within the

diverse communities it serves. At UVA Health facilities, “patients are first in everything we do.” UVA Health’s three strategic goals are (i) cultivating healthy communities and belonging for all, (ii) strengthening its foundation, and (iii) expanding its excellence and enabling discoveries for better health. Those goals are supported by key initiatives, which include improving easy access to care, providing superior patient outcomes and value-based care, and resource stewardship. These goals also envision expanding access to outpatient care across UVACH’s service area, supporting outpatient care locations with an infrastructure focused on population health and clinical performance, and continuously improving efficiency and effectiveness to enhance affordability for patients.¹

As described further below, Imaging Gainesville will offer access to lower-cost, high-quality imaging services for UVACH’s patients in western PD 8 and is fully consistent with UVA Health’s strategic plan.

- (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 Imaging Gainesville outpatient diagnostic facility will be conveniently located in Gainesville, in western Prince William County, a key part of Imaging Centreville’s and UVACH’s primary service areas (“PSAs”). The location is easily accessible to patients residing in Gainesville and the surrounding areas, where there are currently no existing freestanding outpatient imaging facilities. Indeed, the imaging center will be the first freestanding non-hospital-based outpatient imaging center in the western part of PD 8, where some 20% of the PD’s population resides. Attesting to the scarcity of convenient low-cost outpatient imaging options in western PD 8, in 2023, Gainesville-area patients received 4,470 CT outpatient scans at PWMC and 3,490 outpatient scans at HAMC – i.e., at busy and congested hospitals operating higher-cost resources.

As an institutional need-based off-site expansion of high CT volumes at PWMC and HAMC, the facility will decompress demand on busy hospital resources. It will also provide a more convenient, accessible, and lower-cost outpatient option for many patients who currently receive outpatient CT scans at UVACH hospitals. The project will significantly increase residents’ access to lower-cost CT imaging, offering such services far below the costs and charges associated with hospital-based services. At the same time, however, Imaging Gainesville will be part of UVACH, supported by radiologists who are members of the faculty of the University of Virginia School of Medicine.

The design of the imaging facility will enhance patient comfort and privacy while optimizing access and patient and staff flow. The proposed facility will also have ample space for additional complementary services such as wrap-around services

¹ [Attachment II.C.1 – UVA Health 2022-2032 Strategic Plan](#), also available at [uvahealth-strategicplan-2022-32.pdf](#).

focused on women's health, including a dedicated breast imaging center. Consistent with UVACH's long-range plan (see Response to Section II.C.1 above), the project will facilitate access to high-quality, lower-cost imaging services and improve the efficiency, effectiveness, accessibility, continuity, and coordination of diagnostic services and medical care for UVACH's Northern Virginia patients.

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

The proposed facility is conveniently and centrally located in Prince William County, with ready access to major highways, including Routes 29 and 619 as well as I-66. Public bus services are provided by Prince William County Transit.

- (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 proposed CT service will be in an outpatient imaging facility of ample and appropriate size, shape, contour, and location for the proposed use. The site is appropriately zoned; the building is supported by ample parking for patient and staff and by necessary utilities, 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.

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

The project will be located in existing space within an existing office building; no new construction or engineering will be necessary but rather only remodeling. The space will be designed in compliance with all applicable local, state, and federal requirements for energy efficiency and consumption and will reflect design features and systems that minimize cost and maximize energy efficiency and conservation while optimizing patient throughput and comfort.

D. Describe and document in detail how the facility will be provided with water, sewer and solid waste services. Also describe power source to be used for heating and cooling purposes. Documentation should include, but is not limited to:

- (1) Letters from appropriate governmental agencies verifying the availability and adequacy of utilities,
- (2) National Pollution Discharge Elimination System permits,

- (3) Septic tank permits, or
- (4) Receipts for water and sewer connection and sewer connection fees.

See **Attachment II.D – Utilities Documentation.**

E. Space tabulation – (show in tabular form)

1. If Item #1 was checked in II-B, specify:
 - a. The total number of square feet (both gross and net) in the proposed facility.
 - b. The total number of square feet (both gross and net) by department and each type of patient room (the sum of the square footage in this part should equal the sum of the square footage in (a) above and should be consistent with any preliminary drawings, if available).
2. If Item #2 was checked in II-B, specify:
 - a. The total number of square feet (both gross and net) by department and each type of patient room in the existing facility.
 - b. The total number of square feet (both gross and net) to be added to the facility.
 - c. The total number square feet (both gross and net) to be remodeled, modernized, or converted to another use.
 - d. The total number of square feet (both gross and net) by department and each type of patient room in the facility upon completion. (The sum of square footage in this part should equal the sum of the square footages in parts (a) and (b) above and should be consistent with any preliminary drawings, if available. (The department breakdown should be the same as in (a) above.)

See **Attachment II.E.2 – Space Tabulation.**

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

Imaging Gainesville will be designed and constructed to optimize patient access, privacy, and comfort. The freestanding center will have ample parking, reception, and waiting areas and will accommodate CT services as well as a broad range of other imaging services such as MRI,² x-ray, mammography, dexagram, and ultrasound. All space in the new center will meet manufacturer equipment requirements. The co-location of the proposed CT service with other outpatient

² See COPN Request No. VA-8768.

imaging modalities (such as a dedicated breast imaging center) will improve patient access and facilitate the timely and efficient delivery of outpatient care.

- F. Attach a plot plan of the site which includes at least the following:
1. The courses and distances of the property line.
 2. Dimensions and location of any buildings, structures, roads, parking areas, walkways, easements, right-of-way or encroachments on the site.

See Attachment II.F – Plot Plan.

- G. Attach a preliminary design drawing drawn to a scale of not less than 1/16”-1’0” showing the functional layout of the proposed project which indicates at least the following:
1. The layout of each typical functional unit.
 2. The spatial relationship of separate functional components to each other.
 3. Circulatory spaces (halls, stairwells, elevators, etc.) and mechanical spaces.

See Attachment II. G – Preliminary Drawing.

H. Construction Time Estimates

The time estimates below assume a November 2024 decision on this Certificate of Public Need (“COPN”) application.

- | | | |
|----------------------------|---------------------------|--------------------------|
| 1. Date of Drawings: | Preliminary <u>4/2025</u> | Final <u>6/2025</u> |
| 2. Date of Construction: | Begin <u>7/2025</u> | Completion <u>3/2026</u> |
| 3. Target Date of Opening: | <u>4/2026</u> | |

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.

As part of the integrated health system of UVA Health, UVACH operates two community hospitals in PD 8, PWMC and HAMC, as well as the Imaging Centreville outpatient diagnostic imaging center and an integrated network of primary and specialty care clinics throughout Northern Virginia. Each of the hospitals offers community hospital services, to include comprehensive inpatient and outpatient services, a wide range of specialty services such as cancer care, cardiology, primary care, orthopedics, a birthing center, women’s services, and 24/7 emergency care. Along with Imaging Centreville, these facilities offer needed care primarily for residents of Prince William County but also the surrounding communities.

UVACH’s CT services in PD 8 are highly utilized. In 2023, PWMC’s two CT units operated at 163% of the State Medical Facilities Plan’s (“SMFP’s”) threshold of 7,400 procedures per scanner. HAMC, with one CT, operated at 235%. Collectively, the hospital CT units operated at 187%. The imaging services at PWMC and HAMC accommodate routine outpatient CT scans as the schedule allows. Particularly given the high scan volumes at the hospitals, this is often challenging, with inpatients and emergency patients frequently requiring priority imaging, resulting in delays for scheduled outpatients.

Notably, while Imaging Centreville’s utilization is lower, that does not reflect a lack of need for the unit or a lack of demand for services in UVACH’s PSA. See Responses to Sections III.G, IV.E (12 VAC 5-230-80) for additional information. Even including Imaging Centreville, overall, 2023 utilization for the three UVACH facilities and their four CT scanners in PD 8 was 145%, indicating an institutional need for additional CT capacity.

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Table 1: 2020-2023 Utilization for UVACH PD 8 CT Units

CT Utilization	CT Units	2020³	2021⁴	2022⁵	2023⁶	2023 Utilization Percentage
PWMC	2	19,334	23,716	12,720	24,064	163%
HAMC	1	12,197	14,665	8,298	17,360	235%
Imaging Centreville	1	1,359	1,249	1,306	1,444	20%
Total	4	32,800	39,630	22,324⁷	42,868	145%

A key component of UVACH’s mission is to serve the western portions of PD 8 and to bring community-based academic medicine to the diverse and growing population of the service area. This population, which comprises 20% of the PD’s overall population, includes a significant number of indigent and underinsured patients. Imaging Gainesville will be the first freestanding imaging center in the western region of PD 8. This new facility will allow UVACH to continue to address the growing demand for high-quality, lower-cost outpatient imaging services in PD 8 delivered by radiologists on the faculty of the University of Virginia School of Medicine, using imaging protocols implemented across UVA Health, to ensure consistent diagnostic testing and improve quality and outcomes. For many patients residing in the Gainesville PSA who currently receive CT imaging at PWMC or HAMC, the facility will be a welcome lower-cost option for UVACH outpatient services within their community. At the same time, the project will address the institutional needs of PWMC and HAMC for additional CT inventory to serve their patients, expanding to a convenient off-site location in an underserved part of the UVACH service area rather than on the busy inpatient-focused hospital campuses. The proposed CT services will be complemented by a variety of other diagnostic modalities.

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

UVACH strives to provide the best patient care possible, as measured by various metrics of quality, safety, cost effectiveness, and the patient experience. To achieve these goals, its facilities and the care provided at these facilities must be operationally efficient and flexible to accommodate the ever-increasing demand for healthcare services in an ever-changing healthcare environment. Imaging Gainesville will be an integral part of UVA Health and its UVACH affiliates,

³ Calendar year end 12/31/2020.

⁴ Calendar year end 12/31/2021.

⁵ In 2022, PWMC and HAMC shifted from calendar year reporting (1/1-12/31) to fiscal year reporting (7/1-6/30) to align with UVA Medical Center’s reporting framework. As a result, 2022 VHI-reported utilization for PWMC and HAMC reflects only a half year of CT utilization. Imaging Centreville did not make a similar change and still reports on a calendar year basis.

⁶ Reflects calendar year end 12/31/2023 for Imaging Centreville and fiscal year end 6/30/2023 for PWMC and HAMC.

⁷ 2022 utilization appears lower because, as discussed in note 4, only six months’ worth of utilization was reported for PWMC and HAMC.

allowing the provision of imaging services to UVACH’s patients at the location that is the best fit for the patient, supporting the provision of the right care at the right time close to the patients’ home, with the added benefit of the academic expertise and experience that UVA radiologists will provide.

Patients of Imaging Gainesville will also be the beneficiaries of the UVA Health One Team/United on Access initiative (“United on Access”). This initiative, which was launched in 2021 across UVA Health, is designed to connect patients to the appropriate care providers via standardized approaches and practices. Since January 2024, United on Access has added 1,000 new patient visits for UVACH, with 63% of these patients able to book appointments within 14 days. With the new United on Access systems in place and actively assisting both new and returning patients, Imaging Gainesville will be able to offer access to diagnostic services via protocols and processes uniformly used throughout UVA Health. This will support consistent scheduling, financial clearance, testing, referrals, and reporting of outcomes and will provide the best possible patient experience.

With respect to patient information maintained in electronic medical records, all Imaging Gainesville scans will be fully integrated with UVA Health patient health records. In particular, the proposed imaging services will utilize UVA Health’s information system resources, such as the Picture Archive Communication System (“PACS”), tele-radiology, as well as transcription services, to ensure continuity of patient care through a common medical record number. Viewing images and reports is likewise accomplished via the UVA Health electronic medical record.

C. What procedures are utilized in quality care assessment?

Imaging Gainesville will adopt policies and procedures that are consistent with, and complementary to, the standards and guidelines used throughout UVA Health facilities. These policies and procedures cover all areas of medical operations and support the highest level of prevailing clinical medical standards in the areas of infection control, adverse contrast agent reaction management, patient care, safety management (education and environment), hazard surveillance and communication, fire safety, emergency preparedness, quality assurance procedures for equipment, radiation safety, systems contingency plans, and employee training and competence.

All clinical personnel (physicians, nurses, and technicians) providing services at Imaging Gainesville will be evaluated to ensure appropriate and current professional licensure and education. Prior to employment, a criminal background check will be performed. All clinical personnel are required to participate in new employment orientation which covers all relevant areas such as human resources, policies and procedures, including HIPAA confidentiality standards, and all clinical and emergency policies. All clinical personnel will be required to review equipment modality operational manuals and written clinical protocol standards and to have all necessary orientations to equipment. Equipment and pharmaceuticals will be maintained to allow for appropriate response to all medical emergencies, in accordance with the policies and procedures governing such emergencies.

Imaging Gainesville will deliver imaging services to its patients and the community with the skill, respect, and sensitivity that each deserves. UVACH encourages the provision of the highest quality of healthcare services and the promotion of the health and well-being of each of our patients. It provides patients access to necessary and appropriate healthcare services in compliance with all applicable laws, regulations, and standards, including state and federal legislation regarding patients' rights. As part of its efforts to continue our high quality of care, UVACH tracks report turnaround time, infection control, medication management, patient satisfaction, and patient falls, and verifies the correct patient and procedure performed in compliance with The Joint Commission's National Patient Safety Guidelines. In addition, all CT units operated by UVACH and its subsidiaries are accredited by the American College of Radiology.⁸

The delivery of CT services at Imaging Gainesville will be under the direct, on-site supervision of University of Virginia board-certified radiologists. Technologists are registered by the appropriate certifying organization and the Commonwealth of Virginia when required. Each staff member will have at least 40 hours of documented instruction in CT imaging and instrumentation, interpretation, and clinical application of CT images prior to the initiation of any services.

- 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.

A total of 16 FTE staff are required to operate the facility. UVACH expects to recruit two new FTEs for operation of the CT unit (and two new FTEs for operation of the MRI unit proposed in COPN Request No. VA-8768); the remaining 12 FTEs needed for the imaging facility will initially be redeployed from nearby PWMC/HAMC. UVACH does not expect such redeployment to have any impact on hospital operations at PWMC or HAMC because staffing decisions will be made collaboratively by operations managers across PWHS per a joint assessment of the needs of each facility. As utilization at Imaging Gainesville increases, UVACH expects that recruitment of new employees specifically for this new facility may be needed. Several UVA education programs provide training in positions needed for the facility, and UVACH works closely with those programs on placement opportunities. Thus, UVACH does not anticipate any significant challenges in staffing the proposed facility.

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

See Attachment III.E – Facilities and Services to be Provided.

- F. Program

⁸ See Attachment III.K.2 – Accreditation Information.

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

Imaging Gainesville, while owned by PWHS/UVACH, will be operated as an Independent Diagnostic Testing Facility (“IDTF”), not as a hospital outpatient department.

_____ 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) _____

PWMC and HAMC.

_____ 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)

With a patient’s consent to release, Imaging Gainesville will have the ability to send a patient’s imaging studies electronically to any local hospital, tertiary care center, and/or physician practice.

_____ No

4. Outpatient services are (will be) available from 8 a.m. to 4:30 p.m. 5 days of week.

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

In addition to CT services offered at PWMC and HAMC, CT services are provided in the proposed Imaging Gainesville PSA at Imaging Centreville, Centreville/Clifton

Imaging Center (Centreville), Fair Oaks Imaging Center (Fairfax), and Inova Fair Oaks Hospital (Fairfax).

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.

The proposed services will be available to all clinically appropriate patients upon appropriate referral without regard to the patients' ability to pay or payment source, consistent with UVACH's charity care policies.

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.

CT utilization at PWMC and HAMC has historically been high and growing. The tables below show utilization data reported by VHI for the period 2020-2022 and internal reporting for FY23, for each of PWMC and HAMC (Table 2) and Imaging Centreville (Table 3).

Table 2: 2020-2023 Utilization for PWMC (2 CTs) and HAMC (1 CT)

Year	PWMC		HAMC	
	CT Procedures	%	CT Procedures	%
2020 - Year end 12/31/2020	19,334	131%	12,197	165%
2021 - Year end 12/31/2021	23,716	160%	14,665	198%
2022 - Year end 6/30/2022 ⁹	12,720	86%	8,298	112%
2023 - Year end 6/30/2023	24,064	163%	17,360	235%

Comparatively lower utilization at Imaging Centreville in recent years is largely attributable to the transition of ownership interest in this facility and a changing perspective on how best to serve the needs of the patients of UVACH. In 2021, UVACH became the sole owner and operator of Novant Health UVA Health System services and facilities. This prompted a strategic reassessment of how UVACH could most effectively bring academic medicine to PD 8 and advance its clinical,

⁹ See *supra* note 5.

teaching, and research missions in this region, while expanding care for the indigent and Medicaid populations. As that reassessment has progressed, Imaging Centreville has emerged as a vital component of UVACH’s overall plan to enhance its services in this part of PD 8. In particular, anticipated expansion of cancer care, primary care, and orthopedic and urology services in the vicinity of Imaging Centreville is expected to increase the demand for CT imaging in the Imaging Centreville PSA, and thus to increase utilization of CT services within the next two years.

Table 3: 2020-2023 Utilization for Imaging Centreville (1 CT)

Year	CT Procedures
VHI - Year end 12/31/2020	1,359
VHI - Year end 12/31/2021	1,249
VHI - Year end 12/31/2022	1,306
Internal Data year end 12/31/2023	1,444

The projected CT utilization of Imaging Gainesville has been conservatively modeled on a modest shift of volumes from PWMC and HAMC – a total of approximately 1,400 CT scans in year 1. Some patients are also expected to transition from Imaging Centreville and other UVA imaging facilities in Culpeper and Charlottesville, reflecting patients’ preference for a closer and more affordable option. Overall, in projecting CT utilization at Imaging Gainesville, UVACH considered multiple factors, including, but not limited to, the following:

- Historical CT volumes and growth trends at PWMC, HAMC, Imaging Centreville as well as utilization in the broader service area;
- The historical role of PWMC, HAMC, and Imaging Centreville in meeting demand for CT imaging in the service area;
- Historical and projected population growth in the service area;
- Anticipated demand for CT services in the service area; and
- Reimbursement trends driving demand for outpatient diagnostic services from hospital-based to freestanding, lower-cost facilities.

Integrating these assumptions and considerations, Table 4 below reflects projected utilization of the proposed CT unit at Imaging Gainesville over its first two years of operation.

Table 4: Imaging Gainesville Projected CT Utilization

Year	Projected CT Procedures
Year 1 (FY26)	1,814
Year 2 (FY27)	2,722

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).

See **Attachment III.H – Staffing.**

- 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.

Please see response to Section III.D.

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

Requiring only two (2) new FTEs for the operation of the proposed CT unit and a total of 16 FTEs for the entire facility (with two additional new FTEs to be hired for the operation of the MRI¹⁰ and the remaining 12 FTEs to be leveraged from PWMC and HAMC as needed), Imaging Gainesville’s staffing needs are minimal and are not expected to impact staffing at other facilities in PD 8.

- 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 to Imaging Gainesville as The Joint Commission does not accredit IDTFs. Documentation of PWMC’s and HAMC’s most recent accreditation information is provided at Attachment III.K.2 – Accreditation Information.

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

See **Attachment III.K.3 – Medical Staff Roster.**

¹⁰ Proposed per COPN Request No. VA-8768.

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).

See **Attachment III.K.4 – Letter of Commitment.**

SECTION IV PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY NEED

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

UVACH is keenly aware of the needs of the population in western PD 8. In 2021, UVACH became the sole owner and operator of the various facilities formerly joint-ventured with Novant Health and UVA Health. This resulted in a strategic reassessment of how UVACH and its community health components could most effectively bring academic medicine to PD 8 and advance its clinical, teaching, and research missions in this region and better serve the indigent and Medicaid populations in PD 8. This reassessment has highlighted the lack of freestanding imaging options for UVACH patients residing in western PD 8 and that area's particular need for lower-cost outpatient imaging options.

At the same time, the acute-focused CT services offered by UVACH hospitals that serve many outpatients residing there are highly utilized and in need of expansion. In 2023, the three CT units at PWMC and HAMC averaged utilization at 187%. The off-site expansion of those busy CT services to a new freestanding facility in western PD 8 represents an important step in improving access to much-needed care.

Specifically, this application proposes to establish an outpatient imaging center with CT services in PD 8 at 7454 Limestone Drive, Gainesville, Virginia. This new facility will be situated between PWMC and HAMC. And while owned by UVACH, it will not be operated as a hospital department. Instead, it will be operated as an IDTF. This new facility, to be known as UVA Health Outpatient Imaging Gainesville, will be the first IDTF in the western portion of PD 8, where approximately 20% of the PD's population resides. It will provide a lower-cost, closer-to-home option for patients residing in that area who today undergo CT studies at PWMC or HAMC but would more appropriately be imaged in the outpatient setting, or who have to travel to reach what is currently the nearest IDTF at Imaging Centreville.

1. UVACH has a calculated institutional need for the project.

UVACH's CT services in PD 8 are highly utilized and in need of expansion. PWMC has two CTs, which in FY2023 performed 24,064 scans, or 163% of the SMFP threshold of 7,400 procedures per scanner. HAMC, with one CT, performed 17,360 scans, or 235% of the threshold. Even including the comparatively lower volumes at Imaging Centreville (1,444 in 2023),¹¹ the overall utilization in FY23 for the three

¹¹ As previously mentioned, Imaging Centreville reports its utilization to VHI on a calendar year basis, whereas PWMC's and HAMC's fiscal year is 7/1/-6/30. Imaging Centreville performed 1,444 CT procedures during CY 2023. For comparison, UVACH assessed Imaging Centreville's CT utilization for the fiscal year period 7/1/22-6/30/23, arriving at 1,441 CT procedures, substantially similar to the facility's utilization during the calendar year.

facilities and UVACH’s four CTs in PD 8 is 145% of the SMFP standard. Since 2020, CT volumes at UVACH have increased by 30%. UVACH clearly has an institutional need for additional capacity.

Table 5: 2020-2023 UVACH CT Utilization in PD 8

Year	CT Units	CT Procedures	Average CT Procedures per Scanner	Percentage of SMFP Standard
2020	4	32,890	8,223	111%
2021	4	39,630	9,908	134%
2022¹²	4	22,324	5,581	75%
2023	4	42,868	10,717	145%

2. There is a geographic need for UVACH’s proposal.

There is also a discrete need for freestanding imaging services in the Gainesville area. The closest CT services to Gainesville are located at two UVACH inpatient hospitals: PPMC and HAMC. There are no outpatient imaging services located within ten miles of Gainesville, with the closest freestanding imaging facility being Imaging Centreville 10 miles away. The dearth of outpatient imaging facilities in western PD 8 is illustrated by the map of existing CT services in PD 8 below:

[Space intentionally left blank.]

¹² See supra note 5.

Facility	Driving Distance
Inova Fair Oaks Hospital	16.0 miles
Insight Imaging - Fairfax/Medical Imaging Center of Fairfax	17.1 miles
Inova Fairfax MRI Center	24.9 miles

In FY2023, patients residing in the proposed Imaging Gainesville PSA received 4,470 outpatient CT scans at PWMC and 3,490 outpatient CT scans at HAMC. Imaging Gainesville – the first freestanding outpatient imaging center in that PSA – will significantly improve access and mitigate the need for accessing outpatient scans in the more acute and costly hospital setting, allowing patients to receive needed care closer to home in a lower-cost facility.

3. There is a need for better financial access to CT services in the proposed PSA.

As discussed above, the closest imaging services to the Gainesville-area population are located at PWMC and HAMC, UVACH’s two acute care community hospitals in PD 8. Neither hospital represents the optimal or preferable setting for patients seeking outpatient services that are close to home and lower cost. Indeed, charges for outpatient CT scans at an inpatient facility can be as much as 300% higher than the charges associated with the same services at a freestanding outpatient facility. Hospital-based and acute care settings not only have higher charges and costs but also are, for many patients, more difficult to physically navigate.

Table 7: Comparison of Hospital-Based v. IDTF Charges for CT Services

CT Procedure by CPT Code	HAMC charge ¹³ (self pay)	IDTF charge
74177 Abd/Pelvis with contrast	\$3,902.00	\$2,020.00
74176 Abd/Pelvis without contrast	\$2,891.00	\$1,750.00
70496 Angiography Head	\$3,145.00	\$1,540.00
72126 C-Spine with contrast	\$3,280.00	N/A
72125 C-spine without contrast	\$2,071.00	\$890.00
70450 Head/Brain without contrast	\$1,936.00	\$700.00
72132 L-spine with contrast	\$2,943.00	N/A
70491 Neck with contrast	\$2,882.00	\$900.00

¹³ HAMC was selected for this comparison because it is the hospital physically closest to the proposed imaging facility at Gainesville. Charges for self-pay patients were selected because they are typically lower than charges for insured patients. The IDTF column reflects charges submitted to insurers.

CT Procedure by CPT Code	HAMC charge¹³ (self pay)	IDTF charge
72193 Pelvis with contrast	\$2,892.00	\$1,000.00
71275 CTA Chest with and without contrast	\$3,850.00	\$1,760.00

The Centers for Medicare and Medicaid Services (“CMS”) has implemented site-neutral payment policies designed to reduce or eliminate reimbursement differentials for certain healthcare services, including radiology, based on site of service. In addition, some private payors, including Anthem, Cigna, and UnitedHealth, have in recent years implemented similar reimbursement policies, restricting payment for outpatient imaging performed at hospitals. Cumulatively, these CMS and private payors trends have driven more imaging volume to IDTFs and have increased the need for appropriate lower-cost outpatient sites of care. Moreover, because Imaging Gainesville will be committed to treating patients regardless of their ability to pay, the increased access to care also increases opportunities for patients with financial needs so that they too can obtain the healthcare services they require.

There are no reasonable alternatives to Imaging Gainesville that would meet the needs of the population in a less costly, more efficient, or more effective manner. Imaging Gainesville will be the first freestanding imaging center and the first local lower-cost alternative to hospital-based imaging in the western part of PD 8.

4. There is a clinical need for UVACH’s project.

Imaging Gainesville will bring academically focused yet low-cost imaging services and expertise closer to the western Prince William community, co-located with a range of specialty and subspecialty radiologists. The facility would be a full-service freestanding imaging center offering not only CT services but also comprehensive diagnostic services such as MRI,¹⁴ x-ray, ultrasound, and fluoroscopy. With this new facility, UVACH will address the growing demand for high-quality, lower-cost imaging services in PD 8. Professional services will be delivered by radiologists on the faculty of the University of Virginia School of Medicine and using imaging protocols implemented across UVA Health, ensuring consistent diagnostic testing and high-quality outcomes.

Imaging Gainesville will also be co-located with several additional wrap-around services focused on women’s health, including a dedicated breast imaging center. These services will create a centralized location for women to receive care in an easily accessible outpatient setting. UVACH has long recognized the demand for expanded women’s imaging services in western PD 8, and the project will enhance access to such services by offering accessible and affordable CT studies.

¹⁴ Proposed per COPN Request No. VA-8768.

UVACH also anticipates the expansion of primary care, urology, and orthopedic services as additional specialty and subspecialty providers are added at various UVACH facilities in PD 8. Indeed, UVACH has recently added six primary care providers. These new hires have increased the staffing of these crucially needed services from 30 in 2023 to 36 in 2024, and UVACH plans to nearly double the number of primary care providers in 2025. With further growth also expected in other UVACH service lines, imaging needs are similarly expected to increase.

Finally, the project is important to support UVACH's cancer services and cancer patients. UVACH has expanded its existing cancer services with the addition of new providers, and oncology patients frequently need CT studies for their care. For these patients, convenient access to outpatient imaging in Gainesville would be highly beneficial. To illustrate, between April 1, 2023, and March 31, 2024, 577 oncology patients had CT studies at either PWMC or HAMC, requiring them to navigate an inpatient hospital setting and parking and face extended wait times and other challenges associated with outpatient access in the inpatient setting. Of that number, roughly 165 (about 29%) live within five (5) miles of the proposed Imaging Gainesville location, and approximately 357 (about 62%) live within ten (10) miles of the proposed location. Imaging Gainesville will be a welcome and attractive alternative to inpatient hospital imaging for these patients.

5. Conclusion.

Collectively, these factors – high utilization at PWMC and HAMC; lack of low-cost outpatient imaging options in western PD 8; significant volumes of indigent/underinsured patients in the PSA; comparative charge data; and clinical considerations – underscore the need for Imaging Gainesville and the value that it will bring to the community. Alongside a variety of other diagnostic modalities, the proposed CT unit will substantially enhance access to lower-cost outpatient-focused imaging services in the currently underserved western part of PD 8.

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.)

See **Attachment IV.B.1 – Imaging Gainesville PSA Map.**

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

See **Attachment IV.B.2 – Imaging Gainesville Projected Patient Origin.**

- ### **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.

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

A list of CT facilities in PD 8 (hospital/hospital-based and freestanding) is included as Attachment IV.C.2 – CT Facilities in PD 8. While several applications for CT services are currently pending review, none seek to establish CT services in the proposed Imaging Gainesville PSA.¹⁵

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

Existing CT facilities in PD 8 do not address the need for the proposed UVACH project. While the area is currently served by PWMC (2 CT units), HAMC (1 CT unit), and Imaging Centreville (1 CT unit), the collective utilization of these UVACH scanners exceeds 145% of the SMFP threshold. None of the other existing CT services in PD 8 can meet the institutional need for additional UVACH inventory to serve existing UVACH patients. Additionally, there are currently no freestanding outpatient imaging services in the western part of PD 8, where approximately 20% of the PD's population resides. In short, UVACH has an institutional need for additional capacity, supported by a public need for better access to lower-cost outpatient imaging services in the currently underserved proposed PSA.

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

None of the existing CT providers in PD 8 can meet the need for UVACH's proposal today, and none can do so in five years. UVACH's existing CT services are currently overutilized. Given the substantial population residing in the proposed PSA – approximately 20% of PD 8's total population, or roughly 512,000 people – the lack of low-cost outpatient imaging services in this part of the PD, and the continuing growth anticipated in the service area, none of the existing facilities will be able to meet the need for UVACH's project in five years. Imaging Gainesville will be ideally positioned to address this need. It will provide a lower cost, convenient option supported by the University of Virginia School of Medicine radiologists and dedicated to outpatient imaging services.

- 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.

¹⁵ COPN Request No. VA-8757, IFRC, Establish CT Service in Woodbridge, Virginia, and COPN Request No. VA-8761, StoneSprings Hospital Center, Establish a CT service in Fairfax County, Virginia.

UVACH has an institutional need for additional CT capacity, exacerbated by a public need for better access to lower-cost freestanding outpatient imaging services in the currently underserved western PD 8. With UVACH’s existing CT services collectively operating at 145% in 2023, an additional CT unit is necessary to better serve UVACH patients. At present, residents who need outpatient CT imaging must go to either PWMC or HAMC and utilize busy hospital resources associated with higher charges and greater accessibility challenges or travel further from home to a freestanding center in Centreville or beyond. Imaging Gainesville will improve the delivery of more affordable CT services in western PD 8, which currently lacks freestanding imaging services.

See also Response to Section IV.A above.

- 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.

See Attachment IV.E – Statement of Consistency with the SMFP.

- 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.

See Response to Section III.G.

- G. Coordination and Affiliation with Other Facilities.

Describe any existing or proposed formal agreements or affiliations to share personnel, facilities, services or equipment. (Attach copies of any formal agreements with another health or medical care facility.)

Imaging Gainesville will be part of UVA Health’s integrated health care delivery system. In the event that an Imaging Gainesville patient requires clinical care, Imaging Gainesville will arrange for transport to the nearest and most clinically appropriate 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).

See Attachment IV.H.1 – Map of Existing Providers and Proposed Project.

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

See **Attachment IV.H.2 – Letters of Support.**

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

See **Attachment IV.H.3 – Notification Letters.**

SECTION V

FINANCIAL DATA

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

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

Not applicable.

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

 X Yes No

If yes, specify program Virginia Health Information
Provide a copy of report(s) which provide(s) the basis for comparison.

See Attachment V.B - 2022 EPICS Reports for PWMC, HAMC, and Imaging Centreville.

- 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)

Only the CT component of the planned facility is subject to COPN review and approval. The CT service will require approximately 15% of the entire Imaging Gainesville space (to include designated CT space and all imaging-related support and common spaces.) The total project costs have been allocated to the CT project accordingly.

Part I – Direct Construction Costs

1.	Cost of materials	\$ <u> 468,025¹⁶ </u>
2.	Cost of labor	\$ _____
3.	Equipment included in construction contract	\$ _____

¹⁶ Reflects 15% of design & fit-out costs + medical equipment design & fit costs + contingency.

4.	Builder's overhead	\$ _____
5.	Builder's profit	\$ _____
6.	Allocation for contingencies	\$ _____
7.	Sub-total (add lines 1 thru 6)	\$ <u>468,025</u>

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

8.	a. <u>CT</u>	\$ <u>600,000</u>
	b. <u>Information Technology</u>	\$ <u>40,347</u>
	c. <u>Furniture and fixtures</u>	\$ <u>44,382</u>
	d. _____	\$ _____
	e. _____	\$ _____
9.	Sub-total (add lines 8a thru 8e)	\$ <u>684,729</u>

Part III – Site Acquisition Costs

10.	Full purchase price	\$ _____
11.	For sites with standing structures	\$ _____
	a. purchase price allocable to structures	\$ _____
	b. purchase price allocable to land	\$ _____
12.	Closing costs	\$ _____
13.	If leasehold, lease expense over entire term of lease	\$ <u>539,349¹⁷</u>
14.	Additional expenses paid or accrued:	
	a. _____	\$ _____
	b. _____	\$ _____
	c. _____	\$ _____

¹⁷ Reflects 15% of the first 10 years of the leasehold based on an apportionment of the total space of the facility to be utilized for the CT service.

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

Part IV – Site Preparation Costs

16. Earth work \$ _____

17. Site utilities \$ _____

18. Roads and walks \$ _____

19. Lawns and planting \$ _____

20. Unusual site conditions:

a. _____

\$ _____
\$ _____

b. _____

21. Accessory structures \$ _____

22. Demolition costs \$ _____

23. Sub-total (add lines 16 thru 22) \$ _____

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

24. _____ \$ _____

25. _____ \$ _____

26. _____ \$ _____

27. _____ \$ _____

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

Part VI – Architectural and Engineering Fees

29. Architect’s design fee \$ **\$13,449¹⁸**

30. Architect’s supervision fee \$ _____

31. Engineering fees \$ _____

32. Consultant’s fees \$ _____

¹⁸ Reflects apportioned percentage (15%) of total cost for project management and architect.

33. Sub-total (add lines 29 thru 32) \$ 13,449

Part VII – Other Consultant Fees (List each separately)

34. a. _____ \$ _____

b. _____ \$ _____

c. _____ \$ _____

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

Part VIII – Taxes During Construction

36. Property taxes during construction \$ 3,550

37. List other taxes:

a. _____ \$ _____

b. _____ \$ _____

38. Sub-total (add lines 36 thru 37b) \$ 3,550

Part IX-A – HUD Section 232 Financing

39. Estimated construction time(in months) _____

40. Dollar amount of construction loan \$ _____

41. Construction loan interest rate _____%

42. Estimated construction loan interest costs \$ _____

43. Term of financing (in years) _____

44. Interest rate on permanent loan _____%

45. FHA mortgage insurance premium \$ _____

46. FHA mortgage fees \$ _____

47. Financing fees \$ _____

- 48. Placement fees \$ _____
- 49. AMPO (non-profit only) \$ _____
- 50. Title and recording fees \$ _____
- 51. Legal fees \$ _____
- 52. Total interest expense on permanent mortgage loan \$ _____
- 53. Sub-total Part IX-A HUD Section 232 Financing (add lines 42, 45, 46, 47, 48, 49, 50 and 51) \$ _____

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

(Circle selected method of financing)

- 54. Method of construction financing (construction loan, proceeds of bond sales, if other, specify) _____
If construction is to be financed from any source other than bond sale proceeds, answer question 56 through 58. Otherwise, proceed to question 59.
- 55. Estimated construction time (in months) _____
- 56. Dollar amount of construction loan \$ _____
- 57. Construction loan interest rate _____%
- 58. Estimated construction loan interest cost \$ _____
- 59. Nature of bond placement (direct, underwriter, if other, specify) _____
- 60. Will bonds be issued prior to the beginning of construction? _____ Yes _____ No
- 61. If the answer to question 60 is yes, how long before (in months)? _____
- 62. Dollar amount of bonds expected to be sold prior to the beginning of construction \$ _____
- 63. Will principal and interest be paid during construction or only interest? _____

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

Part IX_C – Conventional Mortgage Loan Financing

81.	Estimated construction time (in months)	_____	
82.	Dollar amount of construction loan	\$ _____	
83.	Construction 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)	\$ _____	
88.	Feasibility study	\$ _____	
89.	Finder's fee	\$ _____	
90.	Legal fees	\$ _____	
91.	Insurance	\$ _____	
92.	Other fees (list each separately)		
	_____	\$ _____	
93.	_____	\$ _____	
94.	Total permanent mortgage loan interest expense (in dollars)	\$ _____	
95.	Sub-total Part IX_C (add lines 84 & 88 thru 93)	\$ _____	

Financial Data Summary Sheet

96.	Sub-total Part I	Direct Construction Cost (line 7)	\$ <u>468,025</u>
97.	Sub-total Part II	Equipment not included in construction contract (line 9)	\$ <u>684,729</u>
98.	Sub-total Part III	Site Acquisition Costs (line 15)	\$ <u>539,349</u>
99.	Sub-total Part IV	Site Preparation Cost (line 23)	\$ _____

100.	Sub-total Part V	Off-Site Costs (line 28)	\$ _____
101.	Sub-total Part VI	Architectural and Engineering fees (line 33)	\$ <u>13,449</u>
102.	Sub-total Part VII	Other Consultant fees (line 35)	\$ _____
103.	Sub-total Part VIII	Taxes During Construction (line 38)	\$ <u>3,550</u>
104.	Sub-total Part IX-A	HUD-232 Financing (line 53)	\$ _____
105.	Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	\$ _____
106.	Sub-total Part IX-C	Conventional Loan Financing (line 95)	\$ _____
107.	TOTAL CAPITAL COST (lines 96 thru 106)		<u>\$1,709,102</u>
108.	Percent of total capital costs to be financed _____%		
109.	Dollar amount of long term mortgage (line 107 x 108)		\$ _____
110.	Total Interest Cost on Long Term Financing		\$ _____
	a.	HUD-232 Financing (line 53)	\$ _____
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 79)	\$ _____
	c.	Conventional Loan Financing (line 94)	\$ _____
111.	Anticipated Bond discount		
	a.	HUD-232 Financing (line 53)	\$ _____
	b.	Industrial Development Authority Revenue & General Revenue Bond Financing (line 70)	\$ _____
	c.	Conventional Loan Financing (line 87)	\$ _____
112.	TOTAL CAPITAL AND FINANCING COST (ADD LINES 107, 110a, b or c AND 111a, b or c)		<u>\$1,709,102</u>
D.	1.	Estimated costs for new construction (excluding site acquisition costs)	\$ _____

2.	Estimated costs of modernization and renovation (excluding site acquisition costs)	\$ _____
E.	Anticipated Sources of Funds for Proposed Project	<u>Amount</u>
1.	Public Campaign	\$ _____
2.	Bond Issue (Specify Type) _____	\$ _____
3.	Commercial Loans	\$ _____
4.	Government Loans (Specify Type) _____	\$ _____
5.	Grants (Specify Type) _____	\$ _____
6.	Bequests	\$ _____
7.	Private Foundations	\$ _____
8.	Endowment Income	\$ _____
9.	Accumulated Reserves	<u>\$1,709,102</u>
10.	Other (Identify) _____	\$ _____

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

The proposed project will be funded through accumulated reserves.

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

Not applicable; the project is not being financed and thus will not impact the cost of care provided in the imaging center.

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.

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

See Attachment V.H.2 – Audited Financial Statements.

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

See Attachment V.H.3 – Pro Forma.

SECTION VI ASSURANCES

I hereby assure and certify that:

- a. The work on the proposed project will be initiated within the period of time set forth in the Certificate of Public Need; and
- b. completion of the proposed project will be pursued with 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.

<small>DocuSigned by:</small>	
<u>Erik Shannon</u>	<u>8700 Sudley Road</u>
Signature of Authorizing Officer	Address – Line 1
<hr/>	
<u>Erik Shannon</u>	<u>Address – Line 2</u>
Type/Print Name of Authorizing Officer	Address – Line 2
<u>Chief Executive Officer, UVA Community Health</u>	<u>Manassas, VA</u>
Title of Authorizing Officer	City/State/Zip
<u>571-284-1161</u>	<u>20110</u>
Telephone	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.**



May 29, 2024

Karen Shelton, MD, FACOG
State Health Commissioner
Virginia Department of Health
109 Governor Street
Richmond, Virginia 23219

Dear Dr. Shelton:

I am the Chair of University of Virginia's Department of Radiology and Medical Imaging, and a Professor of Radiology and Neurosurgery at the University of Virginia School of Medicine. I wholeheartedly support UVA Health Outpatient Imaging Gainesville's COPN application to establish an imaging facility with CT and other imaging services. There is a tremendous need for such a facility in the Gainesville area to better serve patients in this region.

Should this application be approved, the new facility will be staffed by members of the Department's Community Division, as well as by other UVA sub-specialty radiologists who provide image interpretation for abdominal, thoracic, breast, musculoskeletal, neuroradiology and pediatric radiology.

As a board-certified diagnostic and interventional neuroradiologist who has practiced for over twenty five years, I know that patients do not want to travel long distances to get the imaging that they need, nor do they (or their insurers) want to incur the higher costs of hospital- based imaging services. UVA Health Outpatient Imaging Gainesville will address both of these concerns: it will be community based, and, as an IDTF (Independent Diagnostic Testing Facility), it will provide a lower cost option than hospital-based imaging. An additional benefit of UVA Health Outpatient Imaging Gainesville will be its affiliation with the University of Virginia and its radiologists, who will offer professional services with expertise and perspective that only academic medicine can provide.

The quality of care and range of services to be offered at UVA Health Outpatient Imaging Gainesville, coupled with its proximity to communities in Prince William County and its relative affordability, will make this facility a highly desirable place for patients in PD8 to get medical imaging. I respectfully request that you approve UVA Health Outpatient Imaging Gainesville's application, and I thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "C P Derdeyn".

Colin P. Derdeyn, MD
Professor and Chair,
Department of Radiology and Medical Imaging

April 18, 2024

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

Dear Dr. Shelton:

I am Adam Winick MD FSIR and I am the Vice Chair of the Department of Radiology and Medical Imaging at the University of Virginia in charge of the Community Division. Since we established our program in November of 2017, I have worked in our northern market to establish/implement our workflow and operationalize our coverage of the Radiology services for Prince William, Haymarket and Culpeper Hospitals. I wholeheartedly support UVA Outpatient Imaging Gainesville's COPN application to establish CT services as an integral part of a full range of services to be offered in this new imaging facility in Gainesville. There is a tremendous need for free standing, lower cost imaging capacity to better serve patients in this region.

Should this application be approved, please be advised that UVA Outpatient Imaging Gainesville will be staffed by the University of Virginia's Department of Radiology Faculty on site, as well as by UVA sub-specialty radiologists who provide specialized reads for abdominal, thoracic, breast, musculoskeletal, neuroradiology and pediatric radiology remotely from Charlottesville.

I have been a physician for over 34 years, and I am a board-certified Interventional Radiologist. I frequently see patients in our office in Haymarket from the greater Gainesville community with complex conditions requiring CTs. These patients generally do not want to travel long distances to get the imaging that they need, nor do they (or their insurers) want to incur the higher costs of hospital-based imaging services. UVA Outpatient Imaging Gainesville will address both of these concerns: it will be community based, and as an IDTF (Independent Diagnostic Testing Facility), it will provide a lower cost option than hospital-based imaging. An additional benefit of UVA Outpatient Imaging Gainesville is its affiliation with the University of Virginia and its radiologists, who will provide the professional services at this IDTF; this academic affiliation, which will bring high quality, skill and expertise to our community, will also help to facilitate the best outcomes for my patients.

The quality of care and range of services that will be offered at UVA Outpatient Imaging Gainesville, its proximity to Prince William and Haymarket Medical Centers and the neighboring communities, and its relative affordability, will make this facility a highly desirable place for my patients to get their CTs. I respectfully request that you approve UVA Outpatient

Imaging Gainesville's application, and I thank you for your consideration of this important application.

Sincerely,

Adam

Adam B. Winick MD FSIR
Associate Professor of Radiology and Medical Imaging
Vice Chair, Community Radiology Division
The University of Virginia Health System

Statement of Consistency with the State Medical Facilities Plan

Article 1 - Criteria and Standards for Computed Tomography

12 VAC 5-230-90. 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.

Although CT services are available within 30 minutes driving time of 95% of the population of PD 8, there is nonetheless a public and institutional need for UVACH's proposal.¹ The proposed Imaging Gainesville facility will allow UVACH to expand its highly utilized CT inventory in PD 8 and bring a broad range of outpatient imaging services to an underserved part of western PD 8. Indeed, the majority of CT services is located in eastern PD 8.² The proposed imaging center will be located in the westernmost part of PD 8, home to approximately 20% of the PD's population yet currently lacking convenient lower-cost options to hospital-based imaging. For those residents, the nearest outpatient imaging services outside of the hospital settings of PWMC and HAMC are at least ten miles away.

12 VAC 5-230-100. 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 site may be disregarded in computing the average utilization of CT scanners in such health planning district.

UVACH proposes here an institutional need-based expansion of its existing CT inventory in PD 8. As such, the above provision does not apply to the project. Nonetheless, in the interest of completeness, UVACH provides here its response to the above section.

The inventory and utilization of authorized CT units in PD 8 is difficult to determine with certainty due to apparent reporting irregularities. Per 2022 VHI data, with some adjustments to inventory and utilization, there appear to be 58 operational units in PD 8. These 58 units provided a total of 550,314 CT procedures in 2022, at an average utilization of 128% and indicating a need for 16 units. Based on COPN approval history, the Division of Certificate of Public Need ("DCOPN") inventory spreadsheet, recent DCOPN and Health Systems Agency of Northern Virginia staff reports, and provider web pages, UVACH conservatively determined an additional 19 CT units not yet reflected in the VHI data, for a

¹ See COPN Application, Section IV.A.

² See Map of Existing CT Facilities in PD 8, COPN Application at 23.

total of 77 authorized units. Based on this inventory, there appears to be a calculated surplus of three CT units in the PD. See Attachment IV.C.2 – CT Facilities in PD 8.

Notably, this surplus does not account for the dearth of lower-cost outpatient imaging options in the western part of PD 8, the high utilization of UVACH’s CT services in PD 8 and its institutional need to expand. Furthermore, the Commissioner has historically recognized that a calculated “existing surplus has limited relevance in reviewing such [institutional-need based expansion] projects.”³

B. Existing CT scanners used solely for simulation with radiation therapy treatment shall be exempt from the utilization criteria of this article when applying for a COPN. In addition, existing CT scanners used solely for simulation with radiation therapy treatment may be disregarded in computing the average utilization of CT scanners in such health planning district.

Not applicable.

12 VAC 5-230-110. 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.

UVACH proposes here the off-site expansion of its busy CT services. Collectively, UVACH’s four CT units in PD 8, three of which are located at community hospitals, are highly utilized, with average utilization at 145% of the SMFP threshold in FY23. PWMC’s two CTs operated at 163% and HAMC’s one CT operated at 235%. Thus, UVACH clearly has an institutional need for additional capacity.

2020-2023 UVACH CT Utilization in PD 8

Year	CT Units	CT Procedures	Average CT Procedures per Scanner	Percentage of SMFP Standard
2020	4	32,890	8,223	111%
2021	4	39,630	9,908	134%
2022 ⁴	4	22,324	5,581	75%
2023	4	42,868	10,717	145%

³ Adjudication Officer’s Recommendation re COPN Request Nos. VA-8409 and -8413, at 11.

⁴ In 2022, PWMC and HAMC shifted from calendar year reporting (1/1-12/31) to fiscal year reporting (7/1-6/30) to align with UVA Medical Center’s reporting framework. As a result, 2022 VHI-reported utilization for PWMC and HAMC reflects only a half year of CT utilization. Imaging Centreville did not make a similar change and still reports on a calendar year basis.

Rather than implementing additional inventory at PWMC or HAMC, however, UVACH proposes to place this needed capacity at a separate location, a new freestanding outpatient imaging center, in UVACH's primary service area for CT services – specifically in Gainesville, squarely in an underserved area of PD 8. Given the high utilization of UVACH's existing CT services, approval of a CT at Gainesville is unlikely to negatively impact other providers. The freestanding low-cost services to be offered at Imaging Gainesville will provide patients with more timely and efficient access to care, particularly needed and valuable given the reimbursement landscape.

12 VAC 5-230-120. Adding or expanding mobile CT services.

A. Proposals for mobile CT scanners shall demonstrate that, for the relevant reporting period, at least 4,800 procedures were performed and that the proposed mobile unit will not significantly reduce the utilization of existing CT providers in the health planning district.

B. Proposals to convert authorized mobile CT scanners to fixed site scanners shall demonstrate that, for the relevant reporting period, at least 6,000 procedures were performed by the mobile scanner and that the proposed conversion will not significantly reduce the utilization of existing CT providers in the health planning district.

Not applicable.

12 VAC 5-230-130. Staffing.

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

All CT services to be provided at Imaging Gainesville will be provided under the supervision of radiologists with faculty appointments at the University of Virginia School of Medicine. All of these radiologists are appropriately trained and credentialed to direct and supervise the proposed CT services.

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.

UVACH, composed of PWMC, HAMC, and Imaging Centreville, has demonstrated an institutional need for the establishment of a new imaging facility with CT services based on the following factors:

- **Collectively, the four CTs within UVACH in PD 8 – three hospital CTs and one outpatient CT – have exceeded the SMFP utilization threshold. Average utilization reached 145% per scanner in 2023. PWMC's scanners operated at 163%, and HAMC's unit operated**

at 235%. Additional capacity is necessary to ensure timely access to needed studies for patients.

- **The establishment of an accessible, lower-cost IDTF option in western PD 8 will enhance the patient experience across all UVACH facilities and beyond. Currently, patients from the proposed service area receive their CT studies primarily from UVACH hospitals – PWMC or HAMC – or Imaging Centreville, at least 10 miles and often more than 25 minutes away. There are no low-cost imaging options in the proposed PSA or the western part of PD 8.**
- **Continuing to send patients to an inpatient facility for hospital-based services is not a reasonable alternative and does not reflect sound stewardship of health care resources. Even if PWMC or HAMC had ample capacity, the charges for a CT study at an inpatient facility can be as much as 300% higher than for a CT scan performed at an outpatient facility. Thus, for patients who do not need the expensive resources of a hospital CT scan, imaging in an inpatient setting is suboptimal and impairs financial accessibility.**
- **UVACH is expanding access to outpatient care and specialty services across its service area and supporting outpatient care locations with adequate infrastructure to enhance quality, efficiency, and effectiveness. Expansion of those services, including outpatient cancer services and women’s health services, will further drive the need for CT scanning, best performed in an outpatient setting.**

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.

PWMC and HAMC do not have underutilized CT services; each hospital’s CT services operate significantly above the SMFP’s threshold. While Imaging Centreville has lower utilization, reallocation of its only CT unit to Imaging Gainesville is not a reasonable alternative. Imaging Centreville serves not only Gainesville but also Fairfax County, characterized by a growing population, infrastructure inadequacies, and traffic congestion, all impairing access to health care services. The Commissioner approved the facility in 2015 as a relocation of Vienna Diagnostic Imaging, recognizing that it would better meet the public need previously met in Vienna.⁵ That need remains. Although the facility’s utilization is lower, it is not representative of lacking demand but rather reflects the facility’s ongoing transition following UVACH’s acquisition of Novant Health UVA Health System’s assets and the associated management and operational changes, including the transition of electronic medical records systems and the related lack of integration with referring physicians. UVACH anticipates resolving those issues and optimizing the facility’s efficiency and utilization within the year. In addition, UVACH is implementing a range of outpatient clinics in space adjacent to the Imaging Centreville facility. In particular, anticipated expansion of cancer care, primary care, and orthopedic and urology services in the vicinity of Imaging

⁵ COPN No. VA-04470 issued 5/29/2015.

Centreville is expected to increase the demand for CT imaging in the Imaging Centreville PSA, and thus are projected to increase utilization of CT services within the next two years. Notably, Imaging Centreville's CT volumes have increased by nearly 16% since 2021.

COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND



IAN T. LOVEJOY
8665 SUDLEY ROAD
BOX 195
MANASSAS, VIRGINIA 20110

COMMITTEE ASSIGNMENTS:
COUNTIES, CITIES AND TOWNS
COMMUNICATIONS, TECHNOLOGY
AND INNOVATION

TWENTY-SECOND DISTRICT

May 1, 2024

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

RE: UVA Outpatient Imaging Gainesville

Dear Dr. Shelton:

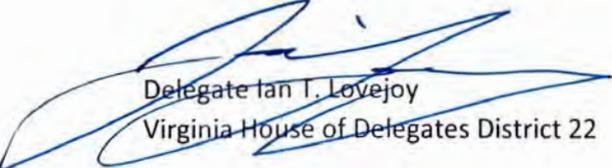
I write to express my wholehearted support for the COPN application of UVA Outpatient Imaging Centreville LLC to establish a free-standing CT service at 7454 Limestone Drive, Gainesville, Virginia. This new CT would be located within a new, full-service imaging center.

There is a great need for such a facility in the Gainesville area. I am a member of the Virginia House of Delegates in District 22, which is comprised of much of Western Prince William County, and I have seen firsthand the diverse and changing needs of the Gainesville community, and I understand the important role that UVA Outpatient Imaging Gainesville will play in their healthcare.

This new facility will be the first free standing imaging facility offering CT services in the Gainesville area. It will greatly benefit residents seeking a lower cost alternative to hospital-based imaging that is also closer to home, with the added benefit of professional care provided by radiologists affiliated with the University of Virginia. I fully support the introduction of this new resource to our community, and I respectfully request that you approve this project.

Thank you for your consideration of this letter. Please let me know if you have any questions.

Thank you,


Delegate Ian T. Lovejoy
Virginia House of Delegates District 22



May 1, 2024

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

RE: UVA Outpatient Imaging Gainesville

Dear Dr. Shelton:

I write to express my wholehearted support for the COPN application of UVA Outpatient Imaging Centreville LLC to establish a free-standing CT service at 7454 Limestone Drive, Gainesville, Virginia.

This new CT would be located within a new, full-service imaging center and will be the first free-standing imaging facility offering CT services in the Gainesville area. It will greatly benefit residents seeking a lower cost alternative to hospital-based imaging that is also closer to home, with the added benefit of professional care provided by radiologists affiliated with the University of Virginia.

I fully support the introduction of this new resource to our community, and I respectfully request that you approve this project.

Thank you for your consideration of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Shorter".

Christopher J. Shorter
Prince William County Executive



May 1, 2024

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

RE: UVA Outpatient Imaging Gainesville

Dear Dr. Shelton:

I write to express my wholehearted support for the COPN application of UVA Outpatient Imaging Centreville LLC to establish a free-standing CT service at 7454 Limestone Drive, Gainesville, Virginia. This new CT would be located within a new, full-service imaging center.

There is a great need for such a facility in the Gainesville area. As the Brentsville District Supervisor in Prince William County, I have seen firsthand the diverse and changing needs of the Gainesville community, and I understand the important role that UVA Outpatient Imaging Gainesville will play in their healthcare.

This new facility will be the first free standing imaging facility offering CT services in the Gainesville area. It will greatly benefit residents seeking a lower cost alternative to hospital-based imaging that is also closer to home, with the added benefit of professional care provided by radiologists affiliated with the University of Virginia. I fully support the introduction of this new resource to our community, and I respectfully request that you approve this project.

Thank you for your consideration of this letter. Please let me know if you have any questions.

Thank you,

Tom Gordy

Supervisor Tom Gordy
Brentsville Magisterial District



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

April 22, 2024

Dear Dr. Shelton:

I am writing to express our support for the COPN application of UVA Outpatient Imaging Centreville LLC to establish a CT service at 7454 Limestone Drive, Gainesville, Virginia. This new CT would be located within a new, full-service imaging center.

There is a great need for such a facility in the Gainesville area. I am the President & CEO of the Prince William Chamber of Commerce. We are the largest Chamber in the Commonwealth representing over 1,400 businesses and 100,000 employees. I have seen firsthand the diverse and changing needs of the Gainesville community, and I understand the important role that UVA Outpatient Imaging Gainesville will play in their healthcare.

This new facility will be the first free standing imaging facility offering CT services in the Gainesville area. It will greatly benefit residents seeking a lower cost alternative to hospital-based imaging that is also closer to home, with the added benefit of professional care provided by radiologists affiliated with the University of Virginia. I fully support the introduction of this new resource to our community, and I respectfully request that you approve this project.

Thank you for your consideration of this letter. Please let me know if you have any questions.

Thank you,

A handwritten signature in black ink, appearing to read "RS", is written over a white background.

Robert Sweeney
President & CEO
Prince William Chamber of Commerce

9733 Buchanan Loop; Manassas, VA 20110

www.pwchamber.org | info@pwchamber.org | (703) 368-6600

April 25, 2024

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

Dear Dr. Shelton:

I am Stanley Washington, M.D., a Vascular and Interventional Radiologist and Chairman of Radiology at UVA Prince William and Haymarket Medical Centers. I wholeheartedly support UVA Outpatient Imaging Gainesville's COPN application to establish CT services as an integral part of a full range of services to be offered in this new imaging facility in Gainesville. There is a tremendous need for free standing, lower cost imaging capacity to better serve patients in this region.

I have been a physician for over 19 years, and I am a board-certified radiologist. I frequently see patients from the greater Gainesville community with complex conditions requiring CTs. These patients generally do not want to travel long distances to get the imaging that they need, nor do they (or their insurers) want to incur the higher costs of hospital-based imaging services. UVA Outpatient Imaging Gainesville will address both of these concerns: it will be community based, and as an IDTF (Independent Diagnostic Testing Facility), it will provide a lower cost option than hospital-based imaging. An additional benefit of UVA Outpatient Imaging Gainesville is its affiliation with the University of Virginia and its radiologists, who will provide the professional services at this IDTF; this academic affiliation, which will bring high quality, skill and expertise to our community, will also help to facilitate the best outcomes for my patients.

The quality of care and range of services that will be offered at UVA Outpatient Imaging Gainesville, its proximity to Prince William and Haymarket Medical Centers and the neighboring communities, and its relative affordability, will make this facility a highly desirable place for my patients to get their CTs. I respectfully request that you approve UVA Outpatient Imaging Gainesville's application, and I thank you for your consideration of this important application.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stanley Washington, M.D.', with a stylized flourish at the end.

Stanley Washington, M.D

April 15, 2024

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

Dear Dr. Shelton:

I wholeheartedly support UVA Outpatient Imaging Gainesville's COPN application to establish CT services as an integral part of a full range of services to be offered in this new imaging facility in Gainesville. There is a tremendous need for free standing, lower cost imaging capacity to better serve patients in this region.

I have been a Radiologist with UVA for 12 years, and I am a board-certified radiologist. I frequently see patients from the greater Gainesville community with complex conditions requiring CTs. These patients generally do not want to travel long distances to get the imaging that they need, nor do they (or their insurers) want to incur the higher costs of hospital-based imaging services. UVA Outpatient Imaging Gainesville will address both of these concerns: it will be community based, and as an IDTF (Independent Diagnostic Testing Facility), it will provide a lower cost option than hospital-based imaging. An additional benefit of UVA Outpatient Imaging Gainesville is its affiliation with the University of Virginia and its radiologists, who will provide the professional services at this IDTF; this academic affiliation, which will bring high quality, skill and expertise to our community, will also help to facilitate the best outcomes for my patients.

The quality of care and range of services that will be offered at UVA Outpatient Imaging Gainesville, its proximity to Prince William and Haymarket Medical Centers and the neighboring communities, and its relative affordability, will make this facility a highly desirable place for my patients to get their CTs. I respectfully request that you approve UVA Outpatient Imaging Gainesville's application, and I thank you for your consideration of this important application.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Hanley".

Mike Hanley, MD
University of Virginia

Via email: COPN@vdfh.virginia.gov

May 1, 2024

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

RE: UVA Outpatient Imaging Gainesville

Dear Dr. Shelton:

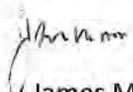
I am a family practice physician and have been practicing for 23 years. I am currently a member of the medical staffs at UVA Prince William Medical Center and UVA Haymarket Medical Center and maintain an office in Haymarket .

I write to express my wholehearted support for the COPN application of UVA Outpatient Imaging Centreville LLC to establish a free- standing CT service in Gainesville, Virginia. This new CT would be located within a new, full-service imaging center that would also include MRI. There is a great need for such a facility in the Gainesville area, and it will greatly benefit my patients who need accurate diagnoses and treatment plans.

Importantly, this new facility will be the first IDTF in the Gainesville area. For my patients who are seeking imaging services closer to home, with radiologists affiliated with the University of Virginia, this new center will offer a high quality, lower cost alternative to hospital based imaging. I fully support the introduction of this new resource to our community, and I respectfully request that you approve this project.

Thank you for your consideration of this letter. Please let me know if you have any questions.

Sincerely,


James Min, MD

Via email: COPN@vdh.virginia.gov

May 1, 2024

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

RE: UVA Outpatient Imaging Gainesville

Dear Dr. Shelton:

I am a family practice physician and have been practicing for 11 years. I am currently a member of the medical staffs at UVA Prince William Medical Center and UVA Haymarket Medical Center and maintain an office in Haymarket.

I write to express my wholehearted support for the COPN application of UVA Outpatient Imaging Centreville LLC to establish a free-standing CT service in Gainesville, Virginia. This new CT would be located within a new, full-service imaging center that would also include MRI. There is a great need for such a facility in the Gainesville area, and it will greatly benefit my patients who need accurate diagnoses and treatment plans.

Importantly, this new facility will be the first IDTF in the Gainesville area. For my patients who are seeking imaging services closer to home, with radiologists affiliated with the University of Virginia, this new center will offer a high quality, lower cost alternative to hospital based imaging. I fully support the introduction of this new resource to our community, and I respectfully request that you approve this project.

Thank you for your consideration of this letter. Please let me know if you have any questions.



Karen Siford MD

Via email: COPN@vdh.virginia.gov

May 1, 2024

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

RE: UVA Outpatient Imaging Gainesville

Dear Dr. Shelton:

I am a family practice physician of osteopathic medicine and have been practicing for 3.5 years. I am currently a member of the medical staffs at UVA Prince William Medical Center and UVA Haymarket Medical Center and maintain an office in Haymarket.

I write to express my wholehearted support for the COPN application of UVA Outpatient Imaging Centreville LLC to establish a free-standing CT service in Gainesville, Virginia. This new CT would be located within a new, full-service imaging center that would also include MRI. There is a great need for such a facility in the Gainesville area, and it will greatly benefit my patients who need accurate diagnoses and treatment plans.

Importantly, this new facility will be the first IDTF in the Gainesville area. For my patients who are seeking imaging services closer to home, with radiologists affiliated with the University of Virginia, this new center will offer a high quality, lower cost alternative to hospital based imaging. I fully support the introduction of this new resource to our community, and I respectfully request that you approve this project.

Thank you for your consideration of this letter. Please let me know if you have any questions.



Eric Neb, DO

Via email: COPN@vdh.virginia.gov

May 1, 2024

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

RE: UVA Outpatient Imaging Gainesville

Dear Dr. Shelton:

I am a family practice nurse practitioner and have been practicing for 6 years. I am currently a member of the medical staffs at UVA Prince William Medical Center and UVA Haymarket Medical Center and maintain an office in Haymarket.

I write to express my wholehearted support for the COPN application of UVA Outpatient Imaging Centreville LLC to establish a free-standing CT service in Gainesville, Virginia. This new CT would be located within a new, full-service imaging center that would also include MRI. There is a great need for such a facility in the Gainesville area, and it will greatly benefit my patients who need accurate diagnoses and treatment plans.

Importantly, this new facility will be the first IDTF in the Gainesville area. For my patients who are seeking imaging services closer to home, with radiologists affiliated with the University of Virginia, this new center will offer a high quality, lower cost alternative to hospital based imaging. I fully support the introduction of this new resource to our community, and I respectfully request that you approve this project.

Thank you for your consideration of this letter. Please let me know if you have any questions.

Sincerely,

Vivian Nahawale FNP-C

Pro Forma

UVA Imaging Gainesville – CT
Projected Income & Expense – Years 1 & 2

	<u>Yr 1</u>	<u>Yr 2</u>
Total Annual CT Volume	1,814	2,722
Revenue	\$535,248	\$798,858
<i>Charity Care</i>	<i>(\$14,077)</i>	<i>(\$21,010)</i>
<i>Bad Debt Expense</i>	<i>(\$29,439)</i>	<i>(\$43,937)</i>
Total Net Revenues	\$491,732	\$733,911
Expenditures		
Total Personnel Related	\$214,597	\$309,449
Supplies	\$61,926	\$92,779
Facility Related	\$29,649	\$73,288
Depreciation & Amortization	\$86,497	\$86,497
Purchased Services & Other	\$132,265	\$127,985
Total Expenses	\$524,934	\$689,998
Net Income	(\$33,202)	\$43,913

Notes:

Charity Care: 2.63%

Bad Debt Expense: 5.50%

Total Personnel Related: Includes clinical and administrative staff compensation, incentives, and benefits

Supplies: Includes radiological related supplies and office and general supplies

Facility Related: Includes information services and equipment and rent (including CAM, taxes, insurance, and utilities)

Depreciations & Amortization: Straight line depreciation over useful life of construction and medical equipment costs

Purchased Services & Other: Includes billing fees, marketing costs, insurance, and contracted services

**Virginia Department of Health
Office of Licensure and Certification
Division of Certificate of Public Need**

COPN Request No. VA-8769
UVA Outpatient Imaging Centreville, LLC d/b/a
UVA Health Outpatient Imaging Gainesville
Planning District 8
Establish a Medical Care Facility with one CT
scanner

**Supplemental Questions / Discussion Points
Consolidated List of Questions with Health Systems Agency of Northern Virginia
(HSANV)**

*The following questions are keyed to the **Roman numeral sections and letter and number-designated subsections** of the Certificate of Public Need (COPN) application form. Questions are further identified by a **number in parentheses** when there is more than one question for a particular subsection of the application form.*

SECTION I: FACILITY ORGANIZATION AND IDENTIFICATION

No questions.

SECTION II: ARCHITECTURE AND DESIGN

No questions.

SECTION III: SERVICE DATA

No questions.

**SECTION IV: PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY
NEED**

1. Please provide complete recent (2022 and/or 2023) CT patient origin by zip code for each of the UVA facilities operated in PD 8.

See 2023 UVACH CT Patient Origin by Facility and ZIP – Response to Completeness Question IV.A.

2. Are there plans or a likelihood that UVA Health Outpatient Imaging Gainesville will be syndicated, offering minority interests to physician investors?

The applicant is wholly owned by UVA Prince William Health System, which is a wholly owned subsidiary of UVA Community Health, Inc. No physician ownership in the facility is anticipated, and there are no plans to syndicate the facility.

SECTION V: FINANCIAL DATA

No questions.

VI: ASSURANCES

No questions.

MISCELLANEOUS

No questions.

Supplement to COPN Request No. VA-8769: Statement of Consistency with the Eight Statutory Considerations.

**COPN Request No VA-8769
UVA Health Outpatient Imaging Gainesville
Establish a Specialized Center for Outpatient CT Services
with One CT Unit in Planning District 8**

Statement of Consistency with the Eight Statutory Considerations

1. The extent to which the proposed service or facility will provide or increase access to needed services for residents of the area to be served, and the effects that the proposed service or facility will have on access to needed services in areas having distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to care;

UVACH's proposal serves two primary purposes: (i) to expand CT capacity to address high utilization of its existing services in PD 8 and (ii) to establish a more accessible outpatient site of care in western Prince William County, squarely within UVACH's PSA but in a part of PD 8 with comparatively poor access to outpatient imaging.¹ In addressing these purposes, UVACH's proposal will improve geographic, financial, and clinical access to much-needed imaging services.

UVACH's CT services in PD 8 are highly utilized and in need of expansion. PWMC's two CT units reached 163% of the SMFP threshold in FY23. HAMC's single CT scanner operated at 235% of the threshold. Even including the comparatively lower volumes at Imaging Centreville, the overall FY23 utilization for the three UVACH facilities and their four CTs in PD 8 was 145%. CT volumes at UVACH have increased by 30% since 2020. UVACH has a demonstrated institutional need to expand CT capacity to improve access to, and availability of, CT services for its existing patients.

Rather than placing this additional capacity at the busy hospital locations, UVACH seeks to locate the proposed CT unit at Imaging Gainesville in western Prince William County. This part of PD 8 is a longstanding, important, and growing part of the UVACH service area and home to approximately 20% of PD 8's total population. Yet geographic and financial access to outpatient imaging services in that area is limited by the lack of lower-cost freestanding imaging options. For residents of the proposed Imaging Gainesville PSA, the closest CT services are located at PWMC and HAMC, two UVACH acute care hospitals; the closest lower-cost freestanding imaging facility is Imaging Centreville, ten miles away.

Implementing the proposed additional CT unit at Imaging Gainesville, a new imaging center in western Prince William County, will allow UVACH to decant appropriate outpatient volumes from PWMC and HAMC, addressing UVACH's institutional need for additional CT inventory. For outpatients residing in the Imaging Gainesville PSA who currently receive CT studies at PWMC or HAMC but could benefit from services in the freestanding outpatient setting, and for many PSA residents traveling to Imaging Centreville, the facility will offer a lower-cost option for UVACH outpatient services at a more accessible location. In brief, Imaging Gainesville will substantially improve geographic and financial access to outpatient CT services.

¹ Defined terms have the same meaning as set forth in the COPN application.

Additionally, the project will also meet the service area population's clinical needs. Imaging Gainesville will bring academically focused imaging services and expertise closer to the western Prince William community, co-located with a range of specialty and subspecialty radiologists on the faculty of the University of Virginia School of Medicine. Alongside CT services, the facility will offer comprehensive diagnostic services such as MRI,² x-ray, ultrasound, and fluoroscopy. Imaging Gainesville will also be co-located with several additional wrap-around services focused on women's health, including a dedicated breast imaging center, reflecting UVACH's recognition of the growing demand for expanded women's imaging services in western PD 8. Finally, the proposed facility will support UVACH's expanded cancer services and its planned expansion of primary care, urology, and orthopedic services at various UVACH facilities in the Imaging Gainesville PSA and PD 8.

2. The extent to which the project will meet the needs of the residents of the area to be served, as demonstrated by each of the following:

(i) the level of community support for the project demonstrated by citizens, businesses, and governmental leaders representing the area to be served;

The Imaging Gainesville project has garnered significant support from elected and other government officials, community members, and physicians. Additionally, UVA radiologists who will staff the facility and other community physicians have expressed strong support for the project. Letters of support for the proposed facility have emphasized the dearth of affordable outpatient imaging services in the service area, the higher costs of hospital-based services, and the benefits of the facility's affiliation with UVA Health.

See COPN Application, Attachment IV.H.2, Letters of Support.

(ii) the availability of reasonable alternatives to the proposed service or facility that would meet the needs of the population in a less costly, more efficient, or more effective manner;

There are no reasonable alternatives to UVACH's Imaging Gainesville proposal that would meet the needs of the population in a less costly, more efficient, or more effective manner. From an accessibility, efficiency, and operational standpoint, the status quo is not sustainable and does not meet UVACH patients' needs for a more accessible, lower-cost, freestanding UVACH option in western Prince William County. With average FY23 utilization at 145% of the SMFP's threshold, UVACH's existing CT services in PD 8 are insufficient to meet high and growing demand. In addition to facing capacity constraints, UVACH patients residing in western PD 8 also lack lower-cost local options for CT services. Imaging Gainesville would offer these patients affordable imaging services closer to home at a freestanding location.

Further, while Imaging Centreville has lower utilization, reallocation of its only CT unit to Imaging Gainesville is likewise not a reasonable alternative. First, relocating the scanner would leave that facility without a CT scanner. Second, although the facility's utilization is lower, it is

² Proposed per COPN Request No. VA-8768.

not representative of lacking demand. Rather, recent volumes reflect the facility's ongoing transition-related challenges following UVACH's acquisition of Novant Health UVA Health System's assets. In addition, Imaging Centreville's CT volumes have increased by nearly 16% since 2021 and are projected to grow substantially in the near future as UVACH expands its outpatient medical services throughout Northern Virginia.

Finally, none of the other existing CT services in PD 8 can meet the institutional need for additional UVACH inventory to serve existing UVACH patients. Indeed, there are currently no freestanding outpatient imaging services in the western part of PD 8. Imaging Gainesville will be the first freestanding imaging center and the first low-cost alternative to hospital-based imaging in the western part of PD 8.

(iii) any recommendation or report of the regional health planning agency regarding an application for a certificate that is required to be submitted to the Commissioner pursuant to subsection B of § [32.1-102.6](#);

The HSANV report has not yet been issued.

(iv) any costs and benefits of the project;

The Imaging Gainesville proposal generates numerous patient care, accessibility, and operational benefits. In brief, the project will:

- Decompress high UVACH system-wide CT utilization in PD 8;
- Serve as the first freestanding imaging center in western PD 8, home to approximately 20% of PD 8's population and a key part of the UVACH service area;
- Increase access to lower-cost CT studies for outpatients who would otherwise seek imaging at PWMC or HAMC, facing higher costs and charges and the inconveniences inherent to hospital-based imaging environments, or travel to Imaging Centreville or other freestanding facilities further away;
- Provide a comprehensive diagnostic imaging center site for UVACH outpatients;
- Facilitate patient care, enhance patient and provider convenience, and support operational efficiencies that will benefit patients and the greater community;
- Provide complementary imaging services for patients seeking care at UVACH's growing number of outpatient clinics offering cancer care, primary care, orthopedic, and urology services, including in space adjacent to the Imaging Centreville facility and throughout Northern Virginia;
- Offer academic expertise and experience via its affiliation with the academic medical center and through radiologists who are members of the faculty of the University of Virginia School of Medicine; and
- Provide enhanced opportunities for medical education and clinical research.

At \$1,709,102, the capital costs of the project are modest and will be funded from UVACH accumulated reserves.

(v) the financial accessibility of the project to the residents of the area to be served, including indigent residents; and

The project will significantly improve financial access to CT services for residents of the area to be served. As the first IDTF in the Imaging Gainesville PSA, the facility will offer imaging services at a fraction of the charges associated with hospital-based services. Particularly as CMS and private payors increasingly restrict reimbursement for outpatient imaging performed in the hospital setting, this lower-cost local option will meet the needs of the underserved PSA population. In addition, Imaging Gainesville will be committed to treating all patients in need of services. The proposed services will be available to all clinically appropriate patients upon appropriate referral without regard to the patients' ability to pay or payment source, consistent with UVA Health's charity care policies.

(vi) at the discretion of the Commissioner, any other factors as may be relevant to the determination of public need for a project;

UVACH's request seeks to add CT capacity based on existing high utilization of its four CT scanners in PD 8. Those four scanners serve thousands of UVACH patients residing in western PD 8 – an area where there are currently no freestanding imaging services. The proposal is a reasonable, efficient, and cost-effective approach to providing needed service capacity while establishing a new site of care in an underserved part of UVACH's PSA. The project is expected to have no impact on existing CT providers in PD 8, seeking simply to address an institutional need to better serve existing patients.

3. The extent to which the application is consistent with the State Medical Facilities Plan;

See COPN Application, Attachment IV.E, Statement of Consistency with the SMFP.

4. The extent to which the proposed service or facility fosters institutional competition that benefits the area to be served while improving access to essential health care services for all persons in the area to be served;

The project will enhance beneficial competition and improve access to essential services in PD 8 by establishing the first freestanding diagnostic imaging facility in western PD 8, an area home to approximately 512,000 residents yet comparatively underserved in outpatient imaging services. Expanding UVACH's highly utilized CT services will provide much-needed capacity to meet current and growing demand, enable more effective and efficient management of UVACH's daily CT patient loads, and ensure that all persons in its service area have access to care. It will also offer UVACH patients in the Imaging Gainesville PSA an important alternative access point for comprehensive outpatient imaging in a low-cost, outpatient-focused setting away from the hospital campus – an option not currently available within the PSA.

5. The relationship of the project to the existing health care system of the area to be served, including the utilization and efficiency of existing services or facilities;

UVACH's project responds to existing UVACH patients' needs and demands and will improve access to care for those patients without adversely impacting existing providers. In FY23, the three CT units at PWMC and HAMC averaged utilization at 187%. Overall FY23 utilization for UVACH's four CTs in PD 8 reached 145% of the SMFP standard, reflecting an institutional need for additional capacity. The project proposes to meet that institutional need by expanding UVACH's CT imaging services to a new site in a way that will complement and enhance care delivery in the existing health care system in PD 8, and particularly in western Prince William County, an area that currently lacks low-cost imaging options. Although there are other imaging providers in PD 8, none can address UVACH's institutional need for additional CT capacity. At the same time, none will be adversely affected by UVACH's proposal. The projected CT utilization of Imaging Gainesville has been conservatively modeled on a modest shift of volumes from PWMC and HAMC, with some additional patients expected to transition from other UVA Health facilities, reflecting patients' preference for a closer and more affordable option. In short, the project will provide an important addition to the existing health care delivery network in PD 8 – for patients, payors, and other stakeholders alike.

6. The feasibility of the project, including the financial benefits of the project to the applicant, the cost of construction, the availability of financial and human resources, and the cost of capital;

The project requires a modest capital expenditure of \$1,709,102 (of which approximately \$468,000 is for direct construction). The project is financially feasible and will be paid for from accumulated reserves. There are no financing costs.

As part of a comprehensive diagnostic center planned for Imaging Gainesville, the proposed CT services will be complemented by MRI services³ and a full range of non-reviewable complementary diagnostic imaging services. The proposed facility will also have ample space for additional complementary services such as wrap-around services focused on women's health, including a dedicated breast imaging center. This will allow UVACH to design the project in the most cost-effective and efficient manner, avoiding space constraints and operational and construction disruptions associated with expanding CT services at PWMC or HAMC.

Moreover, UVACH does not anticipate any difficulty in staffing the proposed facility. The project will require only two new FTEs for operation of the CT unit; UVACH will fill other necessary positions by redeploying existing staff from other UVACH facilities. As utilization at Imaging Gainesville increases, UVACH expects that staffing needs will likewise increase. Several UVA education programs provide training in positions needed for the facility, and UVACH works closely with those programs on placement opportunities. In short, UVACH expects to secure human resources for the proposed project without any measurable challenges.

7. The extent to which the project provides improvements or innovations in the financing and delivery of health services, as demonstrated by: (i) the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services; (ii) the potential for provision of services on an outpatient basis; (iii) any

³ Proposed per COPN Request No. VA-8768.

cooperative efforts to meet regional health care needs; and (iv) at the discretion of the Commissioner, any other factors as may be appropriate; and

Although UVACH's proposal will not introduce new technology, it will enhance the quality and cost effectiveness of services by establishing the first IDTF in western Prince William County. This facility will provide a lower-cost outpatient imaging option that will facilitate the provision of services on an outpatient basis by offering patients local access to outpatient imaging services in an outpatient-focused, non-hospital freestanding setting.

Imaging Gainesville will be efficiently designed to accommodate not only the proposed CT unit but also proposed MRI services and the full spectrum of complementary non-reviewable diagnostic services and will be complemented by additional wrap-around services on site. This integration of services will offer greater efficiency of consolidated operations, specific clinical benefits arising from the close cooperation between various co-located providers, and beneficial competition.

Imaging Gainesville will be part of UVACH and UVA Health, engaged in many cooperative efforts throughout the region to meet the health care needs of its patients and providing community-based health care in partnership with the University of Virginia academic medical center. As such, the facility will be supported by radiologists who are members of the faculty of the University of Virginia School of Medicine and will use imaging protocols implemented across UVA Health to ensure consistent diagnostic testing and improve quality and outcomes. Imaging Gainesville will implement an innovative model of comprehensive imaging services that delivers high-quality services in a lower-cost setting in an underserved area of PD 8. Collectively, these features will optimize patient access, facilitate the delivery of outpatient imaging services, and enhance the timeliness, integration, and efficiency of care.

8. In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served, (i) the unique research, training, and clinical mission of the teaching hospital or medical school, and (ii) any contribution the teaching hospital or medical school may provide in the delivery, innovation, and improvement of health care for citizens of the Commonwealth, including indigent or underserved populations.

UVA Health has a tripartite mission to provide research, training, and clinical care to benefit the citizens of the Commonwealth. Imaging Gainesville will be an integrated and integral part of UVA Health. As such, it will lend support to the University of Virginia's teaching and research missions and help to ensure access to high-quality services for all patients, regardless of their ability to pay.