REPORT OF THE
DEPARTMENT OF HEALTH

ANNUAL REPORT ON THE STATUS OF VIRGINIA'S MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED PROGRAM

TO THE GOVERNOR AND THE GENERAL ASSEMBLY OF VIRGINIA

COMMONWEALTH OF VIRGINIA
RICHMOND
2005

Table of Contents

i
Executive Summary iii
Preface 1
SUMMARY OF THE STATE HEALTH COMMISSIONER'S ACTIONS AND OTHER COPN PROGRAM ACTIVITY DURING FISCAL YEAR 2005 1
Project Review 1
Decisions 1
Adjudication 3
Judicial Review 3
Certificate Surrenders 5
Significant Changes 5
Competitive Nursing Home Review 5
Timeliness Of COPN Application Review 6
Legislation 6
Regulation 7
FIVE-YEAR SCHEDULE FOR ANNUAL PROJECT CATEGORY ANALYSIS 7
Overview 7
PROJECT CATEGORY ANALYSES 8
Radiation Therapy 10
Lithotripsy 15
Obstetrical Services 17
Neonatal Special Care 19
Effectiveness of the COPN Application Review Procedures for FY 2005 Project Categories . 22
Other Data Relevant to the Efficient Operation of COPN Program 22
Accessibility of Regulated Health Care Services by the Indigent 22
Relevance of COPN to Quality of Care Rendered by Regulated Facilities 24
Equipment Registration 24
Appendix A 26
Appendix B 27
Appendix C 30
Appendix D 32
Appendix E 33
Appendix F 34
Appendix G 35
Appendix H 42
Appendix I 47

Executive Summary

This annual report to the Governor and the General Assembly of Virginia on the status of Virginia's Certificate of Public Need (COPN) program has been developed pursuant to § 32.1-102.12 of the *Code of Virginia*. The report is required to address the activities of the program in the previous fiscal year; review the appropriateness of continued regulation of at least three specific project categories; and to discuss the issues of access to care by the indigent, quality of care within the context of the program, and health care market reform. A copy of the enabling *Code* section is reproduced at Appendix A. This report includes data for the most recent fiscal year (FY 2005).

Program activity for the period covered in this report includes the issuance of 118 decisions. The State Health Commissioner authorized 107 projects with a total expenditure of $831,359,094 and denied 11 projects with proposed capital expenditures of $38,661,380. Appendix D summarizes the authorization decisions. Additional program activities are described in the "Summary of the State Health Commissioner's Actions" beginning on page 1.

The following project categories are analyzed in this report: radiation therapy, lithotripsy, obstetrical services and neonatal special care. The section on project analysis addresses the history of COPN regulation for these project categories, the nature of the specific services, the current state of the service in the Commonwealth and three potential options for the future of each of the categories with a recommended action.

The Virginia Department of Health (VDH) recommends initiating a request for application-like process similar to that used for the regulation of nursing homes for radiation therapy services and neonatal special care. Finally, VDH recommends deregulation of lithotripsy and obstetrics from the requirement to obtain a COPN.

Applicants that have not demonstrated a historical commitment to charity care, consistent with other providers in their health service area, may have a "condition" to provide some level of indigent care placed upon any COPNs they are awarded. Compliance with the conditions to provide indigent care remains relatively poor but has improved. Historically, many conditioned COPN holders have either not reported their compliance with conditions or have reported that they have been unable, for various reasons, to reach the required level of indigent care. Language for the "conditioning" of COPNs is now being augmented to include the second type of condition allowed in the *Code*, namely that the applicant facilitate access through the development and operation of primary health care services for special populations. A guidance document was issued to clarify the conditioning process and provide definition to the elements of a condition. These initiatives helped remove the barriers to compliance most often cited by facility managers as their reason for failing to satisfy indigent care conditions.

During FY 05 the application review process was completed as directed by the *Code*. There were no delays in receiving recommendations from regional health planning agencies that adversely affected timely decision making.

Preface

This 2005 annual report to the Governor and the General Assembly of Virginia on the status of Virginia's Certificate of Public Need (COPN) program has been developed pursuant to § 32.1-102.12 of the *Code of Virginia*. It includes data for the most recent fiscal year (2005). A copy of the enabling *Code* section is provided in Appendix A.

The COPN program is a regulatory program administered by the Virginia Department of Health (VDH). The program was established in 1973. The law states the objectives of the program are: (i) promoting comprehensive health planning to meet the needs of the public; (ii) promoting the highest quality of care at the lowest possible cost; (iii) avoiding unnecessary duplication of medical care facilities; and (iv) providing an orderly procedure for resolving questions concerning the need to construct or modify medical care facilities. In essence, the program seeks to contain health care costs while ensuring financial and geographic access to quality health care for Virginia citizens at a reasonable cost. The current regulatory scope of the COPN program is shown in Appendix B.

The statute establishing Virginia's COPN program is found in Article 1 of Chapter 5 of Title 32.1 of the *Code* (§ 32.1-102.1 et seq.). The State Health Commissioner (Commissioner) authorizes capital projects regulated within the COPN program prior to implementation. The Commissioner must be satisfied that the proposed project meets public need criteria. The *Code* specifies 20 factors (Appendix C) that must be considered in the determination of public need.

SUMMARY OF THE STATE HEALTH COMMISSIONER'S ACTIONS AND OTHER COPN PROGRAM ACTIVITY DURING FISCAL YEAR 2005

Project Review

Decisions

During FY05, the Division of Certificate of Public Need (DCOPN), which assists the Commissioner in administering the COPN program, received 204 letters of intent to submit COPN requests and 142 applications for COPNs. There were seven applications withdrawn by applicants during the year. The balance of letters of intent and applications are those for which the appropriate review cycles have crossed fiscal years. Letters of intent are required of all persons intending to become applicants for COPNs. These letters describe the proposed project in enough detail to enable DCOPN to batch the project in an appropriate review cycle based on the information, and provide the applicant with the appropriate COPN application package for the proposed project. A letter of intent will lapse if a COPN application is not submitted within a year of the time the letter of intent was submitted.

Table 1 summarizes COPN review activity for FY 2005. Graph 1 puts this activity in historical context. The Commissioner issued 118 decisions on applications to establish new medical care facilities or modify existing medical care facilities. One hundred seven of these decisions were to approve or conditionally approve, for a total authorized capital expenditure of

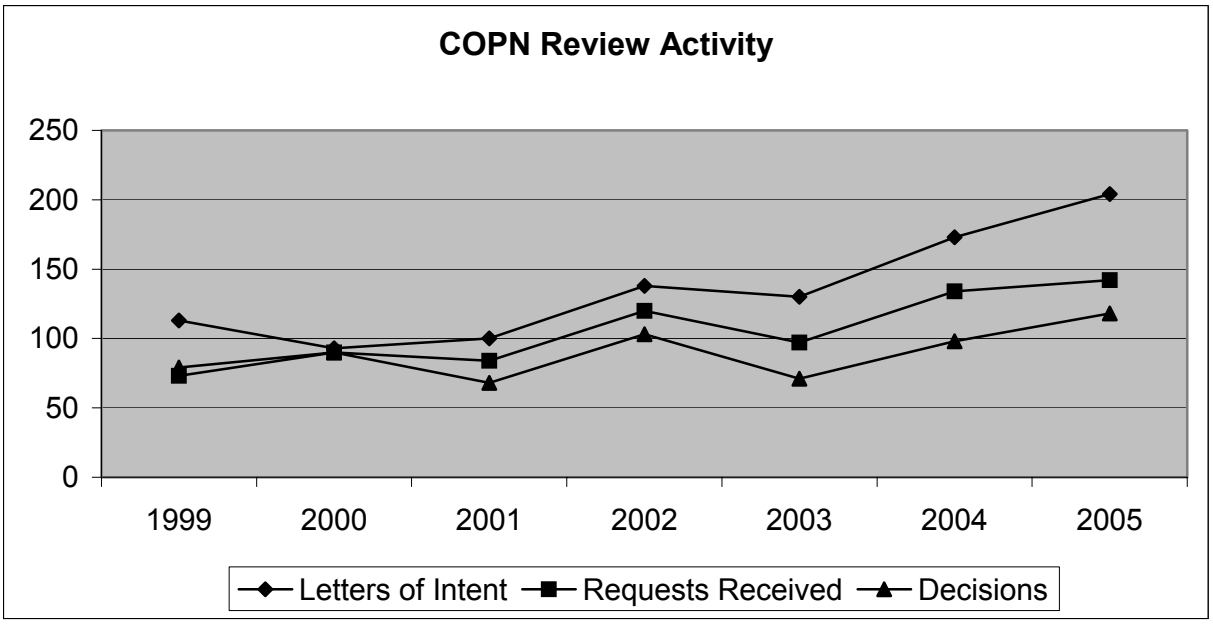
$831,359,094. Eleven requests were denied. These eleven denied projects had proposed total capital expenditures of $38,661,380. COPN decisions in FY05 are profiled in Appendix D.

Table 1. COPN Activity Summary

Fiscal Year	Total Letters of Intent Received	Total COPN Applications Received	Applications Withdrawn	Approvals	Denials	Appeals to Circuit Court	Determined to be Not Reviewable
2005	204	142	24	107	11	8	0

The number of decisions does not equal the number of requests due to review cycles overlapping the fiscal year.
Source: DCOPN

Graph 1



Source: DCOPN

In addition to assisting the Commissioner in the administration of the COPN program, DCOPN provides written recommendations addressing the merits of approval or denial of COPN applications. The DCOPN provides advisory reports on all completed applications that are not subsequently withdrawn.

COPN reports and recommendations are also provided to the Commissioner by the regional health planning agencies. The regional health planning agencies are not-for-profit corporations that receive state funding to conduct regional health planning and to provide an independent recommendation to assist the Commissioner in the COPN decision process. The regional health planning agencies conduct public hearings and make recommendations to the Commissioner concerning the public's need for proposed projects in their respective regions. The five health planning regions in Virginia are shown on the map in Appendix E.

Adjudication

If the DCOPN or one of the regional health planning agencies recommends denial of a COPN project, or if requested by any person seeking to demonstrate good cause, an informal fact-finding conference (IFFC) is held. The IFFC is the central feature of an informal adjudication process that serves as an administrative appeal prior to final decisions on projects by the Commissioner. These conferences, conducted in accordance with the Administrative Process Act, are held to provide the applicant an opportunity to submit information and testimony in support of a project application. An IFFC is also held when two or more requests are competing to provide the same or similar services in the same jurisdiction and one or more of the requests are recommended for denial. Another purpose for IFFCs is to permit persons opposed to a project, who have shown good cause, to voice their concerns.

There were 42 COPN applications heard before a VDH Adjudication Officer at 22 individual IFFCs in FY05. Twenty-three of the COPN requests warranting an IFFC were approved in FY05. Eleven requests were denied after the IFFC. Seven projects heard in an IFFC in FY05 still have decisions pending and will be resolved in the Fall of 2005.

Table 2 illustrates the types of projects that were forwarded to an IFFC in FY05.

Table 2 Projects at IFFC in FY05

Project Type	Approved	Denied	Pending	Total
Establish/Relocate/Replace Hospital	1	1	1	3
Add Hospital Beds	0	1	0	1
Medical Rehabilitation Services	2	1	0	3
Magnetic Resonance Imaging	10	5	0	15
Computed Tomography Services	4	3	0	7
Positron Emission Tomography Services	6	1	0	7
Radiation Therapy / Establish Comprehensive Cancer Care Center	1	3	0	4
Establish Outpatient Surgery Hospital	1	0	4	5
Add Operating Rooms	0	1	2	3
Organ Transplant Program	1	0	0	1
Cardiac Catheterization	2	0	0	2
TOTAL	28	16	7	51

Several COPN requests included several different project types within the same application.

Source: DCOPN

Judicial Review

COPN decision challenges are not limited to administrative appeals. Once an applicant has exhausted his administrative remedies, he can take his claim to state court for judicial review. Eight decisions were appealed in FY05, from four competing review batches involving a total of nine COPN requests, and a single separate request.

The Sheltering Arms Corporation appealed the June 2003 denial of its request to establish a 28-bed rehabilitation hospital on the campus of the Bon Secours St. Francis Medical Center in Planning District 15. CJW Medical Center also appealed the denial of its competing request to

add 10 medical rehabilitation beds to an existing inpatient medical rehabilitation program at the Johnston-Willis campus of the CJW Medical Center, also in Planning District 15. Subsequent resubmissions of the requests for a rehabilitation hospital on the Bon Secours St. Francis Medical Center campus and the addition of medical rehabilitation beds on the Johnston-Willis campus of CJW Medical Center were both approved and those decisions were appealed.

In FY 04 Loudoun Healthcare and the Health Systems Agency of Northern Virginia each appealed the decision to approve the replacement and relocation of Northern Virginia Community Hospital as the Broadlands Regional Medical Center in Loudoun County. Loudoun Healthcare has also appealed the approval of Inova Health Systems' request to add 33 beds at Inova Fair Oaks Hospital and the denial of Loudoun Healthcare's request to establish a 33-bed acute care hospital in Leesburg. All three appealed decisions were for competing requests in Planning District 8. In February 2005 the Circuit Court of Loudoun County ordered that the three decisions be set aside and remanded to the State Health Commissioner for reconsideration following a re-opening of the record and a new informal fact-finding conference. Following the Court's order the State Health Commissioner re-opened the record, supplemented the record with all relevant material, caused an informal fact-finding conference to be held and, on May 13, 2005, issued a COPN to Northern Virginia Community Hospital to relocate as the Broadlands Regional Medical Center, a COPN to Inova Fair Oaks Hospital to add 33 beds and denied Loudoun Healthcare's request to establish a 33-bed hospital in Leesburg.

In June 2005 Loudoun Healthcare appealed the Circuit Court's order for remand consideration to the Virginia Court of Appeals. Loudoun Healthcare appealed the decisions granting a COPN to Northern Virginia Community Hospital to relocate as the Broadlands Regional Medical Center, a COPN to Inova Fair Oaks Hospital to add 33 beds and denying Loudoun Healthcare's request to establish a 33-bed hospital in Leesburg to the Circuit Court of Loudoun County in July 2005.

Chatham Health Investors has appealed the non-acceptance of a request for a new 120-bed nursing home. Smith Packett Med-Com had requested the new nursing home with beds to be transferred from another facility. However, DCOPN had determined that the beds no longer existed at the other facility, so that the request constituted the addition of nursing facility beds within a planning district, and since it was not filed in response to a Request for Applications, it could not be accepted.

Medicorp Health System and Sheltering Arms Rehabilitation Hospital appealed the December 2004 approval of a request by the Rehabilitation Hospital of Fredericksburg, Inc., to establish a 40-bed medical rehabilitation hospital in Planning District 16 and the denial of a similar competing request filed jointly by Medicorp Health System and Sheltering Arms Rehabilitation Hospital.

CJW Medical Center appealed the denial of its petition for good cause in the request by Bon Secours Richmond Health System for the introduction of stereotactic radiosurgery at Bon Secours St. Mary's Hospital. The Bon Secours Richmond Health System's request was denied.

Bon Secours Richmond Health System appealed the Commissioner's February 2005 denial of their COPN request to introduce stereotactic radiosurgery at Bon Secours St. Mary's Hospital.

All of these appeals are still pending with the court.

Chesapeake General Hospital appealed the decision to approve two competing requests to establish a specialized center for radiation therapy, computed tomography (CT) imaging and positron emission tomography (PET) imaging in Planning District 20. These types of facilities are typically known as comprehensive cancer care centers. Chesapeake General Hospital was successful in gaining certificate of public need approval for the addition of radiation therapy equipment in the same review cycle as the two competing requests whose decisions are being appealed. Chesapeake General Hospital decided not to pursue this and the appeal was dismissed.

Certificate Surrenders

Infrequently, an applicant awarded a COPN may have reasons to surrender it. A typical reason is the applicant's inability to proceed with the project. In FY05 six certificates were surrendered: (a) a certificate from 1999 to establish a nursing facility in Planning District 17 was surrendered because the applicant's plans for the service changed; (b) a certificate was surrendered for a mobile cardiac catheterization service in Planning District 8 because the applicant's plans for the service changed, and (c) four certificates for intermediate care facilities for the mentally retarded in Planning Districts 2, 6, 10, and 13 were surrendered because the Code of Virginia no longer requires a COPN for that type of facility and the applicant elected to not maintain the COPN.

Significant Changes

A significant change results when there has been any alteration, modification, or adjustment to a reviewable project for which a COPN approval has been issued. To be considered a significant change, the alteration, modification, or adjustment must change the site, increase the authorized capital expenditure by 10% or more, change the service proposed to be offered, or extend the schedule for completion of the project beyond three years (36 months) from the date of certificate issuance or beyond the time period approved by the Commissioner at the date of certificate issuance.

The Commissioner reviewed three requests for significant changes in FY05. One of the significant changes was for a time extension beyond the three-year generic time limit or the time authorized on the certificate, one request was to change the scope of services authorized and one request was to change the authorized site for the project. All three requests were authorized.

Competitive Nursing Home Review

Beginning in 1988, a general prohibition on the issuance of COPNs that would increase the supply of nursing home beds in the Commonwealth, commonly known as the "nursing home bed

moratorium," was imposed. Effective July 1, 1996 the moratorium was replaced with an amended process governing COPN regulation of increases in nursing home bed supply (*Code of Virginia* §32.1-102.3:2). The new process requires the Commissioner to issue, at least annually in collaboration with Virginia's Department of Medical Assistance Services, a Request for Applications (RFA) that will target geographic areas for consideration of increased bed supply and establish competitive review cycles for the submission of applications.

In February 2005 a statewide RFA for 24 Medicaid-certified nursing facility beds dedicated to the provision of complex, high-acuity care to pediatric patients was issued. In May 2005 a single application was received for the 24-beds. The review for the request is underway and a decision will be made in FY 2006.

In February 2005 a statement was also issued stating that no Planning District met the three criteria set forth in the *State Medical Facilities Plan* for determining a need to add nursing facility bed capacity and therefore no applications for additional nursing facility beds would be accepted to serve the general population.

Timeliness Of COPN Application Review

As a result of legislative changes in 1999 and 2000, all COPN recommendations by DCOPN must be completed by the 70th day of the review cycle. Review cycles begin on the 10th day of each month. In FY04 all COPN applications were reviewed within the statutory limit. A flow chart illustrating COPN timelines as a result of these and other bills can be found at Appendix F. The flow chart identifies the time periods within which VDH is to perform certain COPN functions.

The *Code* also specifies that the Commissioner has 90 days to render a decision. Failure to do so results in a deemed approval of the request. In FY 2005, all of the Commissioner's decisions were rendered within this time period.

Although the timeliness for COPN application review represents a success, there remain opportunities for improvement in the timeliness of action on significant change requests. DCOPN's response to registrations and extensions are generally on time, which represents a substantial improvement over recent years. Response to significant change requests continues to improve toward a response goal of 45-days, but there are also opportunities to improve the timeliness of responses with many responses still taking 60 or more days.

Legislation

In the 2005 session of the General Assembly, there were three bills that addressed some aspect of the COPN program. There was no central theme to the types of bills considered during the session.

Table 3 COPN Bills in the 2005 Session of the Virginia General Assembly

Bill	Patron	Topic in Relation to COPN	Status
HB 2243	Del. O'Bannon	Allows a representative of the regional health planning agency (RHPA) responsible for the review of a request for a certificate of public need to speak in support of the project at any informal fact finding conference when the RHPA recommended approval of the request.	Passed
HB 2316	Del. Hogan	Allows nursing homes to increase the number of beds in a planning district, irrespective of the results of a needs assessment determination that no additional beds were needed, evidenced by Requests for Applications issued by the Board of Health, by relocating the beds from a nursing home meeting certain broad criteria in another planning district.	Passed
HB. 2369	Del. Hurt	Requires the State Health Commissioner to issue a Request for Applications and to accept applications for 60 nursing home beds to be built within 3 miles of the county seat, or within the county seat, of Pittsylvania County.	Passed

Source: Virginia Legislative Information System

Regulation

The State Medical Facilities Plan (SMFP) is being reviewed and revised with the assistance of an advisory committee consisting of industry representatives from the Virginia Health Care Association, Virginia Healthcare and Hospital Association, the academic medical centers, the Medical Society of Virginia, and the Virginia Association of Regional Health Planning Agencies. The revised SMFP has been approved by the Department of Planning and Budget and the Governor's Office and was open to public comment in early FY 2005. The revised SMFP is expected to go before the State Board of Health in the Fall of 2005.

FIVE-YEAR SCHEDULE FOR ANNUAL PROJECT CATEGORY ANALYSIS

Overview

For purposes of understanding the pattern of change in supply of many types of medical care facilities and services in Virginia since 1973, the year of the COPN program's inception, it is useful to understand that the program's 31 years can be segmented into three distinct periods. These periods can be characterized as regulatory, non-regulatory, and return to regulation. Those periods are: 1) 1973 to 1986, a period of relatively consistent regulation; 2) 1986 to 1992, a period of dramatic deregulation; and 3) 1992 to the present, a period in which Virginia not only revived COPN regulation but also began, in 1996, a process of review and consideration of the scope of the new regulatory environment.

Between 1973 and the mid-1980s, there was an effort, with mixed results, to ground COPN decision-making in established plans and standards of community need, based on an assumption that controlling the supply of medical care facilities and equipment is a viable strategy for aiding in the containment of medical care costs. Increases in the supply of medical care facilities in Virginia during this period were, in most cases, gradual and tended to be in balance with population growth, aging of the population, and increases in the population's use of emerging technological advances in medical diagnosis and treatment.

Beginning around 1986 and through 1992, there was a period of "de facto" (1986 to mid-1989) and formal (mid-1989 to mid-1992) deregulation. Few proposed non-nursing home projects were denied during this period, followed by the actual deregulation of most non-nursing home project categories. There was a growth of most specialized diagnostic and treatment facilities and services that were deregulated.

On July 1, 1992, Virginia "re-regulated" in response to the perceived excesses of the preceding years of deregulation, however no process had been set up to evaluate whether there were actually any service capacity excesses. Re-regulation brought the scope of COPN regulation on non-nursing home facilities and services to a level similar to that in place prior to 1989. Project review standards were updated and tightened and a more rigorous approach was taken to controlling growth in the supply of new medical care facilities and the proliferation of specialized services.

In recent years, VDH has taken an incremental approach to reviewing COPN regulation in response to legislative initiatives, by de-emphasizing regulation of replacement and smaller, non-clinically related expenditures, and focusing COPN regulation on new facilities development, new services development, and expansion of service capacity.

As a result of legislation passed during the 2000 session of the General Assembly, the Joint Commission on Health Care (JCHC) developed a plan for the phased deregulation of COPN in a manner that preserved the perceived positive aspects of the program. Due to the high cost of implementing the plan, it failed to gain General Assembly support in the 2001 session and was not enacted. No action was taken regarding the plan in any subsequent session of the General Assembly.

In accordance with section 32.1-102.12 of the *Code*, VDH has established a five-year schedule for analysis of all project categories within the current scope of COPN regulation that provides for analysis of at least three project categories per year. The five-year schedule is shown in Appendix G.

PROJECT CATEGORY ANALYSES

Section 32.1-102.12 of the *Code* provides guidance concerning the content of the project analysis. It requires VDH to consider the appropriateness of continuing the certificate of public need program for each of the project categories. It also mandates that, in reviewing the project categories, VDH address:

- The review time required during the past year for various project categories;
- The number of contested or opposed applications and the categories of these proposed projects;
- The number of applications upon which the health systems agencies (regional health planning agencies) have failed to act in accordance with the timelines of Section 32.1-

102.B of the *Code*, and the number of deemed approvals from the Department because of their failure to comply with the timelines required by statute; and

- Any other data determined by the Commissioner to be relevant to the efficient operations of the program.

Section 32.1-102.12 of the *Code* requires VDH to consider at least three COPN project categories. For FY 2005, the project categories are: radiation therapy, lithotripsy, obstetrical services and neonatal special care. The following list is the specific project definitions for the categories considered in this report:

- Establishment of a specialized center or clinic or that portion of a physician's office; developed for the provision of radiation therapy, including gamma knife surgery;
- Introduction into an existing medical care facility of any new radiation therapy, including gamma knife surgery, service;
- Addition by an existing medical care facility of equipment for the provision of radiation therapy, including gamma knife surgery;
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of lithotripsy;
- Introduction into an existing medical care facility of any new lithotripsy service;
- Addition by an existing medical care facility of equipment for the provision of lithotripsy;
- Establishment of an outpatient maternity hospital (non-general hospital birthing center);
- Introduction into an existing medical care facility of any new obstetrical service; and
- Introduction into an existing medical care facility of any new neonatal special care service.

In addition to the JCHC comprehensive plan for deregulation of the COPN program that has already been presented to the General Assembly, another option for the modification of the program is presented below as an alternative for each of the services reviewed. The option, which would require legislative approval, expands the current concept of a request for applications (RFA) by applying a prospective need analysis to the regulated service and accepting COPN applications for only those services proposed in locations identified in the RFA. These targeted RFAs would limit COPN review to just those services and areas in which an identified public need exists, potentially stimulating development in some areas and limiting submission of more speculative applications elsewhere.

As the following discussions will note, the majority of COPN requests are approved. This does not imply that the COPN process is ineffective at limiting the number of new services or capital expenditures. Indications are that, for the most part, applicants are only submitting requests for projects that meet the criteria for approval and that the number of speculative requests has declined. While impossible to quantify, the presence of the deterrent effect of COPN on the development of duplicative, speculative or un-necessary services is generally accepted.

Radiation Therapy

The SMFP defines radiation therapy as a "clinical specialty in which ionizing radiation is used for treatment of cancer, often in conjunction with surgery or chemotherapy or both of these treatment methods. The predominant form of radiation therapy involves an external source of radiation whose energy is focused on the diseased area." It includes megavoltage radiation therapy, stereotactic radiosurgery, as well as gamma knife procedures.

Gamma knife is further defined as "a stereotactic radiosurgical instrument with cobalt 60 sources arrayed in a semicircular arc so that they may be very precisely focused and the radiation dose may be very precisely distributed, permitting treatment in neurosurgical cases where the site is inaccessible or otherwise unsuitable for other invasive methods." Stereotactic radiosurgery is defined as "a noninvasive therapeutic procedure in which narrow beams of radiant energy are directed at the treatment target in the head so as to produce tissue destruction, using computerized tomography (CT), radiography, magnetic resonance imaging (MRI), and angiography for localization." These definitions were developed over thirteen years ago.

Substantial advances have been made in radiation therapy technology and its application to the treatment of cancer. When the proprietary name gamma knife was included as a technology that required COPN authorization it was the only form of stereotactic radiosurgery available. Several additional forms of stereotactic radiosurgery have entered clinical practice in the last few years. All forms of stereotactic radiosurgery are typically reviewed under the gamma knife standards.

The hybridizing and combining of technologies, as well as the introduction of multifunction radiation therapy machines has presented a challenge for the assessment of these technologies. It would appear that, given the current development of radiation therapy equipment, the technology should be broken out into at least three separate categories: (1) Conventional radiation therapy, (2) stereotactic radiotherapy, and (3) stereotactic radiosurgery. The distinguishing characteristics of the modalities is in the use of imaging machines such as computed tomography (CT) and the resulting precision with which the radiation can be delivered to the tumor, with a resulting variance in the number of treatment sessions required. The following is an overview of terms commonly associated with radiation therapy and stereotactic radiosurgery technology.

Conventional Radiation Therapy – A low dose of radiation commonly given over 10-35 treatments via a linear accelerator. Also known as fractionated radiotherapy. Radiation therapy may or may not utilize an enhanced targeting device.

Intensity Modulated Radiation Therapy (IMRT) – A type of 3-dimensional conformal radiation therapy that uses computer-generated images to show the size and shape of a tumor. Thin beams of radiation of different intensities are aimed at the tumor from many angles. IMRT is enhanced conventional radiation therapy in that it is not as spatially precise as radiosurgery. Because it is imprecise, a full course of IMRT treatment is typically administered over 20 – 30+ treatments sessions.

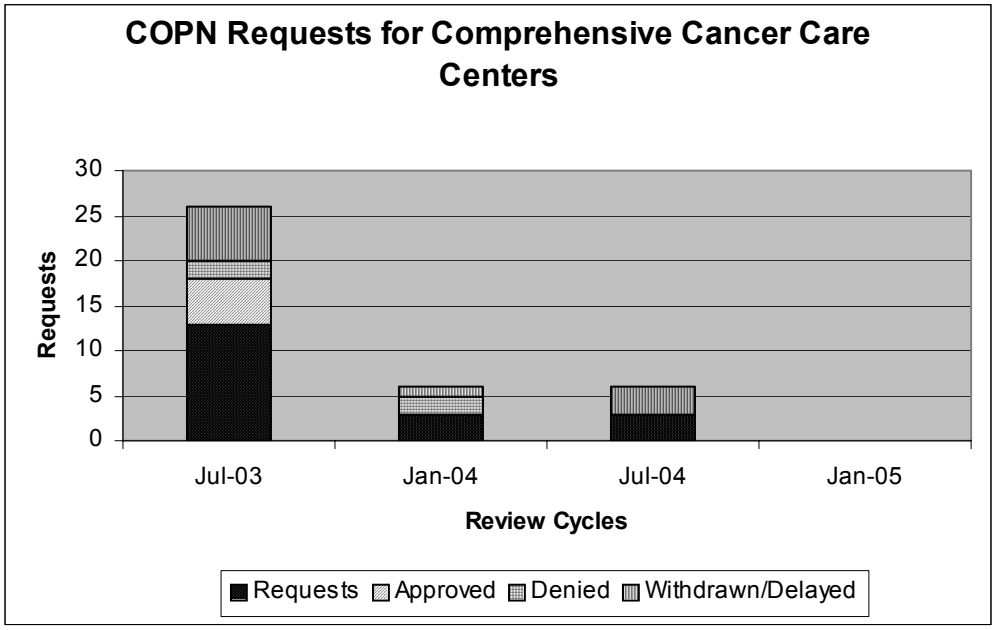
Stereotactic Radiotherapy – A more precisely administered course of radiation beams, delivered based on a detailed plan developed from CT images, that is completed in between one and five treatment sessions.

Image Guided Radiation Therapy (IGRT) – A linear accelerator based three dimensional tumor targeting and tracking system, similar to missile technology, that non-invasively pinpoints tumor targets at the time of a radiation therapy treatment. IGRT is a radiotherapy system designed to track and verify the location of a tumor, and enable automatic compensation for tumor movement.

Stereotactic Radiosurgery – A radiation therapy technique for brain tumors (generally) that uses a rigid head frame that is attached to the skull. The frame is used to help aim high-dose radiation beams directly at the tumors and not at normal brain tissue. This procedure does not involve open surgery and is referred to as surgery only because it is completed in a single treatment session, like surgery. All gamma knife therapy is stereotactic radiosurgery, but not all stereotactic radiosurgery is gamma knife.

In 2003 legislation was passed by the General Assembly that allowed the concurrent review of requests for diagnostic imaging equipment and radiation therapy equipment in the same radiation therapy batch review cycle. As was expected, this resulted in a flurry of COPN requests to establish what are commonly referred to as comprehensive cancer care centers. In the first review cycle for these centers thirteen requests were received for centers in two Health Planning Regions. Two additional requests were received from competing applicants seeking to expand their programs. Five of the centers were approved, as well as the two expansion requests, two were denied, three withdrew and three have deferred review to a cycle in FY 06. Since that initial cycle six additional requests to establish comprehensive cancer care centers have been submitted, one was approved, two were denied and three were withdrawn from consideration.

Graph 2



Source: Division of Certificate of Public Need

In the last five years there have been fifty COPN requests for radiation therapy. Table 4 summarizes the types of projects requested and the disposition of those requests.

Table 4 Radiation Therapy COPN Requests FY 2001 – FY 2005

	Total Requests	Approved	Denied	Withdrawn /Delayed	Pending
Add radiation therapy equipment	10	9	1	0	0
Introduce radiation therapy services into an existing medical care facility	7	3	1	2	1
Introduce stereotactic radiosurgery into an existing medical care facility	3	2	1	0	0
Establish a specialized center for radiation therapy	28	10	4	11	3
Establish a specialized center for stereotactic radiosurgery	1	0	0	0	1
Miscellaneous	1	1	0	0	0
Total	**50**	**25**	**7**	**13**	**5**

Source: Division of Certificate of Public Need

This represents a five-year authorized capital outlay for radiation therapy services of $95 million and a denial of $37 million worth of projects that were determined to be un-necessary and/or duplicative.

Table 5 Authorized Virginia Radiation Therapy Providers

	PD		PD
Southwest Virginia Regional Cancer Center	1	Bon Secours St. Francis Medical Center	15
Clinch Valley Medical Center	2	Bon Secours St. Mary's Hospital	15
Johnston Memorial Hospital, Inc	3	CJW Medical Center at Johnston-Willis	15
New River Valley Cancer Care Center at Pulaski Community Hospital	4	Virginia Commonwealth University Health System - Stony Point	15
Alleghany Regional Hospital	5	Virginia Commonwealth University Health System	15
Carilion Cancer Center of Western Virginia / Carilion Roanoke Memorial Hospital	5	Virginia Commonwealth University Health System - Hanover Medical Park	15
Carilion Roanoke Memorial Medical Center	5	Henrico Doctors' Hospital-Forest	15
Lewis Gale Regional Cancer Center	5	Richmond Radiation Oncology Center	15
Augusta Medical Center	6	Commonwealth Cancer Institute	15
Rockingham Memorial Hospital	6	Mary Washington Hospital	16
Winchester Medical Center	7	Mid-Rivers Cancer Center, L.L.C.	17
Associates in Radiation Oncology	8	Riverside Radiation Therapy Centers, LLC	18
HCA Reston Hospital Center	8	CHS-Southside Regional Medical Center	19
Inova Alexandria Hospital	8	Bon Secours DePaul Medical Center	20
Inova Fairfax Hospital	8	Bon Secours Maryview	20
Loudoun Hospital Center	8	Chesapeake General Hospital	20
Potomic Radiation Oncology Center	8	Louise Obici Memorial Hospital	20
Prince William - Fauquier Cancer Center	8	Sentara Healthcare & Virginia Oncology, Virginia Beach	20
Virginia Hospital Center	8	Sentara Healthcare & Virginia Oncology, Lake Wright	20
Martha Jefferson Hospital	10	Sentara Norfolk General Hospital	20
University of Virginia	10	Sentara Virginia Beach General Hospital	20
The Cancer Center at Virginia Baptist Hospital	11	Riverside Regional Medical Center	21
Center for Radiation Oncology at Danville Regional Medical Center	12	Sentara CarePlex	21
Ravenel Oncology Center at Memorial Hospital of Martinsville & Henry County	12	Williamsburg Radiation Therapy Center, Inc.	21
		Shore Memorial Hospital	22

Stereotactic Radiosurgery	PD
Carilion Cancer Center of Western Virginia	5
Lewis Gale Medical Center	5
Inova Fairfax Hospital	8
University of Virginia	10
Danville Regional Medical Center	12
CJW Medical Center at Johnston-Willis	15
Sentara Norfolk General Hospital	20
Riverside Regional Medical Center	21

There is at least one provider of radiation therapy services in every planning district except for three, Planning Districts 9, 13, and 14. These three planning districts account for 4.2% of the State's population. The SMFP calls for radiation therapy services to be within one hour's drive under normal driving conditions for 95% of the population. The majority of Planning District 9 lives within an hour of radiation therapy services in Planning Districts 6, 7, 8, 10, and 16. It is

also estimated that most of the populations of Planning Districts 13 and 14 live with an hour's drive of services in Planning Districts 10, 11, 12, 15 and 19. Given this distribution of services, greater than 95% of Virginia's population does live within an hour's drive of a radiation therapy provider, though there are small pockets within individual planning districts that are not within an hour's drive.

Appropriateness of Continuing COPN for Radiation Therapy Services

The COPN experience concerning radiation therapy services supports a contention that the program is appropriate for these services. The presence of a COPN program is thought to serve as a deterrent to speculative requests. The number of withdrawn requests tends to support this idea. It must be further presumed that absent the tempering effect of a COPN program these and otherwise un-requested projects would be carried forth, resulting in, potentially, gross duplication of services. One of the goals of the COPN program is the promotion of comprehensive health planning to meet the needs of the public. Planning that results in the decision to not pursue the development of a service is the successful meeting of that goal. However, there are alternatives to consider.

Options:

No Change: Continue applying the COPN program to the establishment of new medical care facilities for radiation therapy and gamma knife (stereotactic radiosurgery) and the addition of equipment for radiation therapy and gamma knife at existing programs as currently mandated. Ongoing efforts to review, and where appropriate, update the SMFP, will address necessary changes to the review criteria. Modification of the Code of Virginia to clarify that stereotactic radiosurgery is what is intended by "gamma knife" is also suggested. All key stakeholders would likely support this option.

Minimal Change: In collaboration with the hospital industry, physicians, consumers and advocates, VDH could produce a comprehensive assessment of the State's needs for the various facilities and service capacity subject to COPN regulation, and by way of a targeted RFA, publicize the locations where a demonstrated need for new or additional facilities/capacity exists as a means of stimulating interest in requesting authorization for development of the service. Most providers, except some providers seeking competitive advantage despite actual public need, would likely support this option.

Deregulation: Support efforts outside the comprehensive JCHC plan to deregulate radiation therapy and gamma knife services. It is doubtful key stakeholders would support this option.

RECOMMENDATION: Expand the Request for Applications (RFA) process to include the establishment of facilities and addition of equipment for radiation therapy and gamma knife® services based on a collaborative review with affected parties to determine the need for, and location of, such additional facilities and services. This would meet the planned need for new or expanded services in appropriate planning districts in a market competitive manner and improve access.

Lithotripsy

The Code of Virginia establishes that a COPN is required to either introduce "lithotripsy" into an existing medical care facility, establish a medical care facility for "lithotripsy" or add equipment for "lithotripsy." The SMFP defines "lithotripsy" under the term "extracorporeal shock wave lithotripsy (ESWL)" as "a noninvasive procedure that uses shock waves produced outside the body to fragment matter, such as stones that occur in the kidney or upper urinary tract (renal stones)."

ESWL developed for the non-invasive treatment of kidney, or renal, stones. Early machines, some of which are still in use, were large and required the patient to get into a warm water bath. Newer technology is portable and patients lie on a treatment table, avoiding the need for a large water tank. The technology works by using sound waves, generated outside the body, to pulverize or shatter the stones so they can pass out of the body more easily.

In the late 1980's ESWL began to be used for the treatment of stones in the gall bladder. While effective in some patients, the expense and the apparent lack of long-term success of biliary lithotripsy caused this therapy to not gain wide favor and laparoscopic cholecystectomy (surgery) remains the treatment of choice.

Around the turn of the century ESWL began to be applied to the treatment of heel spurs, tennis elbow and golfers elbow. Unlike its use in the treatment of renal and gall stones, orthopedic lithotripsy does not shatter anything. The real mechanism behind why it works remains unknown. While very different in what it does and how it is applied, orthopedic lithotripsy has been reviewed under COPN since the technology is essentially the same, externally applied sound waves, as for renal and gall stones, and is a form of ESWL or lithotripsy, as listed in the Code of Virginia.

The average cost of lithotriptor equipment recently authorized is $339,000. Most services in Virginia are mobile, with a single piece of equipment serving several hospitals. There are nine authorized mobile lithotriptor providers serving Virginia.

There are 67 authorized lithotripsy sites in Virginia. Over 80% of the sites are served by mobile providers. All five orthopedic lithotripsy sites utilize mobile vendors.

Table 6 Authorized Lithotripsy Sites in Virginia

	PD			PD
Renal Lithotripsy				
Lee County Community Hospital	1		Carilion Roanoke Community Hospital	12
Norton Community Hospital	1		Carilion Roanoke Memorial Hospital	12
Wellmont-Lonesome Pine Hospital	1		Danville Memorial Hospital	12
Russell County Medical Center	2		Memorial Hospital of Martinsville and Henry County	12
Johnston Memorial Hospital	3		Piedmont Day Surgery Center, Inc	12
Twin County Community Hospital	3		Community Memorial Health Center	13
Montgomery Regional Hospital	4		Southside Community Hospital	14
Pulaski Community Hospital	4		Hanover Medical Park	15
Alleghany Regional Hospital	5		Lee Davis Medical Center	15
Carilion Bedford Memorial Hospital	5		Richmond Memorial Hospital	15
Carilion Health Systems, Inc.	5		Urosurgical Center of Richmond	15
Lewis-Gale Hospital	5		Virginia Commonwealth University Health System	15
Augusta Hospital Corporation	6		Mary Washington Hospital	16
Rockingham Memorial Hospital	6		Rappahannock General Hospital	17
Winchester Medical Center, Inc.	7		Riverside Regional Medical Center Lithotripsy Center	18
Inova Alexandria Hospital	8		Riverside Tappahannock Hospital	18
Inova Fair Oaks Hospital	8		John Randolph Medical Center	19
Inova Fairfax Hospital	8		Southside Regional Medical Center	19
Kaiser Permanente Falls Church	8		Bon Secours Depaul Medical Center	20
Northern Virginia Community Hospital	8		Chesapeake General Hospital	20
Potomac Hospital	8		Children's Hospital of the King's Daughters	20
Prince William Hospital	8		Lithotripsy Center of Hampton Roads, Inc.	20
Reston Hospital Center	8		Louise Obici Memorial Hospital	20
Virginia Hospital Center	8		Sentara Norfolk General	20
Culpeper Regional Hospital	9		Sentara Virginia Beach General Hospital	20
Fauquier Hospital	9		Sentara Virginia Beach General Hospital	20
Martha Jefferson Hospital	10		Southampton Memorial Hospital	20
Virginia Kidney Stone Foundation	10		Bon Secours Mary Immaculate Hospital	21
Bedford County Memorial Hospital	11		Riverside Walter Reed Hospital	21
Lynchburg General Hospital	11		Sentara Health/Hope Medical Center	21
Virginia Baptist Hospital	11		Sentara Williamsburg Community Hospital	21

Orthopedic Lithotripsy	**PD**
Inova Franconia-Springfield Healthplex	8
Dr. Marc Jay Pinsky	15
New Age Foot and Ankle Surgery	15
Foot Care of Hampton Roads	20
Ambulatory Foot and Ankle Center	21

Source: DCOPN

Since 2000 there have been 27 requests for COPN authorization for lithotripsy. Ten of those requests were for orthopedic lithotripsy and one was for biliary lithotripsy. Virginia Commonwealth University Health System's request for a biliary lithotriptor was authorized and three years later the applicant surrendered the COPN and the service was discontinued.

Fourteen of the requests for renal lithotripsy were authorized, one request was withdrawn by the applicant and one decision is pending. Three of the orthopedic lithotripsy requests were approved, four were withdrawn or delayed by the applicants and two are pending a decision. All decisions regarding lithotripsy in the last five years have been for approval.

Appropriateness of Continuing COPN for Lithotripsy

The COPN experience concerning lithotripsy suggests that the program is no longer appropriate for this service. The cost of the technology and the ready availability and acceptability of mobile technology leaves little to be gained by continuing to require COPN authorization for lithotripsy. Unlike with radiation therapy, the withdrawn requests for lithotripsy do not represent a substantial savings to the marketplace. Utilization of the equipment is fairly low, and the availability of the service at a site one day every couple of weeks, as is the common practice with this mobile service, is adequate to meet the needs of patients, and makes the purchase of a machine for each provider site unattractive. The deterrent effect of COPN on speculative lithotripsy requests is probably of little consequence. However, there are alternatives to consider.

Options:
No Change: Continue applying the COPN program to the establishment of new sites for lithotripsy and the addition of lithotripsy equipment as currently mandated. Ongoing efforts to review, and where appropriate, update the SMFP, will address necessary changes to the review criteria to accommodate evolving uses for the technology. Key stakeholders would likely be neutral to this option.

Minimal Change: In collaboration with the hospital industry, physicians, consumers and advocates, VDH could produce a comprehensive assessment of the State's needs for the various facilities and service capacity subject to COPN regulation and by way of a targeted RFA, publicize the locations where a demonstrated need for new or additional facilities/capacity exists as a means of stimulating interest in requesting authorization for development of the service. Key stakeholders would likely be neutral to this option.

Deregulation: Support efforts outside the comprehensive JCHC plan to deregulate lithotripsy. Existing providers of mobile lithotripsy will likely oppose it.

RECOMMENDATION: Support efforts to deregulate COPN as it applies to lithotripsy.

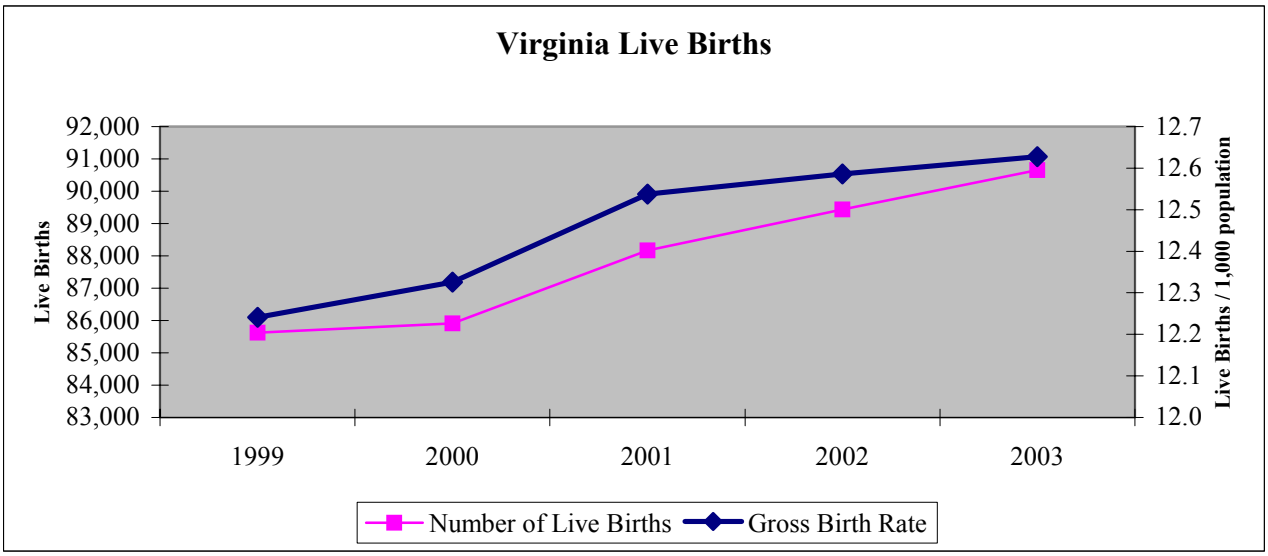
Obstetrical Services

In 2001 sixty-five Virginia general acute care hospitals (79%) offered inpatient obstetric services. Another fourteen hospitals near the state line in Tennessee and West Virginia also offer obstetric services and are regularly accessed by Virginia residents. By 2005 six (9%) Virginia hospitals had closed their obstetric programs. Each of the closed programs had delivered less than 255 babies in their last year of operation (range 58 – 254 deliveries) and each closed

program was located at a hospital in an area designated as rural. Two new hospital obstetrical services have been authorized, one scheduled to open in the Fall of 2005 and the other in 2007. Both of the new services are part of new general acute care hospitals that replace hospitals that did not previously offer obstetrics. Neither new service is in a rural area.

Statewide data reported to Virginia Health Information shows, as expected, a steady rise in the number of live births in Virginia. The annual gross birth rate (births per 1,000 population) of 0.78% slightly exceeds the 0.5% annual growth in the population of child-bearing age. According to the *Report of the Governor's Work Group on Rural Obstetrical Care*, October 2004, prior to the closing of the six obstetric programs women in the locales served by those centers traveled between 0 and 19 miles to deliver their babies. This is the same distance expected for women in the localities of the two new obstetric programs due to open in the next two years. The closure of the six programs will result in travel distances for hospital obstetric care to increase for the women formerly served by five of those services to between 25 and 45 miles.

Chart 3



Source: Virginia Health Information and Virginia Department of Health

The *Report of the Governor's Work Group on Rural Obstetrical Care* found access to care to be one of the six policy areas that could be influenced to improve the status of obstetrical care in Virginia. None of the five specific recommendations outlined in the report aimed at improving access to care involved Certificate of Public Need. They did call for the allocation of over a half million dollars in general funds for programs to improve access.

Since FY 2000 there have been four requests for new or expanded obstetric services. Two of the requests were to include obstetrics in relocated replacement hospitals, one was to add obstetric beds to an existing service, and one was to re-introduce obstetric services at a hospital that had previously had to discontinue the service. All four requests were approved. Russell

County Medical Center, the facility that requested re-introduction of the service in 1999, discontinued obstetric services again in 2005.

Appropriateness of Continuing COPN for Obstetrics

Denial of COPN has not been a factor in inhibiting access to obstetric care in Virginia. If obstetrics is retained as a COPN reviewable service, additional changes in support of the recommendations of the Governor's Workgroup, such as utilization of telemedicine, should be considered. The urban and suburban market appears to be well served with regard to obstetrical care. There has been little interest in the further development of obstetrical services in rural areas, which is where, if anywhere, the service remains in short supply. Given the recommendations of the Governor's Workgroup, e.g., the clear need for improved access and the continued growth in need, there would be no role for the Certificate of Public Need program in limiting the development of the service, particularly in rural areas.

Options:
No Change: Continue applying the COPN program to obstetric services as currently mandated. Ongoing efforts to review, and where appropriate, update the SMFP, will address necessary changes to the review criteria. Key stakeholders would likely be neutral to this option.

Minimal Change: The current draft revision of the SMFP proposes relaxing the infant delivery volume criteria necessary to obtain a COPN for obstetric services in urban and suburban areas to a level that is still higher than that of 66% if the Virginia hospitals still delivering babies. Key stakeholders would likely be neutral to this option.

Deregulation: Support efforts outside the comprehensive JCHC plan to deregulate obstetric services. Key stakeholders would likely be supportive of this option.

RECOMMENDATION: Support efforts to deregulate COPN as it applies to obstetrical services. This is the same recommendation that was made in 2000.

Neonatal Special Care

The Code of Virginia requires COPN authorization to introduce neonatal special care into any existing medical care facility. Neonatal special care is defined in the SMFP as "care for infants in one or more of the eight patient categories identified by the Perinatal Services Advisory Board in its 'Guidelines for Neonatal Special Care.' " The *Statewide Perinatal Services Plan*, prepared by the State Perinatal Service Advisory Board in May 1988, was never adopted by the Board of Health.

The proposed revision to the SMFP that is expected to be presented to the Board of Health in the Fall of 2005 presents a definition of neonatal special care of "care for infants in one or more of the three service levels designated in 12 VAC 5-410-443 of the "Rules and Regulations for the Licensure of Hospitals, i.e., intermediate level newborn services, specialty level newborn services, or subspecialty level newborn services." This reference to the licensure regulations

provides consistency across offices within VDH and it is consistent with the idea that neonatal special care is any level above general well baby care.

In November 2004 the American Academy of Pediatrics published a policy statement in the journal *Pediatrics*. This policy statement advocated national adoption of a standardized set of levels of neonatal care with standardized definitions. The policy statement presented three levels of care, basic, specialty and sub-specialty, with specialty subdivided based on the availability of mechanical ventilation, and sub-specialty subdivided into three sub-levels based on the severity of illness. The first three levels/sublevels presented in the policy statement correspond closely with the first three levels in Virginia's license regulations, basic or general; specialty IIA or intermediate; and specialty IIB or specialty. Virginia does not further subdivide the highest level presented by the American Academy of Pediatrics, the subspecialty level.

Neonatal special care is a service that has typically been established as a regional service, recognizing that with effective maternal and neonatal transport programs not every facility providing obstetric services needs the expense of a capital and labor-intensive specialty or sub-specialty neonatal special care unit. A well-trained and experienced staff is critical to the success of these programs. Regionalization of this service concentrates patients at the most appropriate sites, which in turn creates the most experienced staff. The American Academy of Pediatrics also continues to advocate the regionalization of neonatal care in order to optimize the care and outcomes of all newborn infants.

No requests for neonatal special care were reviewed in FY 2005. No request for a COPN for neonatal special care has been received in at least 13 years. During the 1989 to 1992 period of deregulation five of the thirteen authorized neonatal special care sites were opened through the registration process then in place. Three programs, Inova Fairfax Hospital, the University of Virginia Medical Center and the Virginia Commonwealth University Health System, have neonatal special care programs that opened in the early 1980's or earlier. One program was exempted from COPN review in the late 1980's. The record is not clear on the origin of the four remaining authorized programs.

Table 7 Authorized Neonatal Special Care Providers in Virginia

Provider	Planning District
Carilion Roanoke Community Hospital	5
Inova Fairfax Hospital	8
Loudoun Hospital Center	8
Reston Hospital Center	8
Virginia Hospital Center	8
University of Virginia Medical Center	10
Bon Secours St. Mary's Hospital	15
Chippenham Medical Center	15
Henrico Doctors Hospital - Forrest	15
Virginia Commonwealth University Health	15
Mary Washington Hospital	16
Children's Hospital of Kings Daughters	20
Sentara Virginia Beach General Hospital	20

Appropriateness of Continuing COPN for Neonatal Special Care

Denial of COPN requests has not been a factor in inhibiting access to neonatal special care in Virginia. There does not appear to be a general difficulty in accessing the appropriate level of neonatal special care. Authorized centers are well distributed across the state based on population density and an adequate network of transportation programs exist to safely move newborn infants to a facility offering the appropriate level of care. Some reports have recently surfaced that a number of intermediate level nurseries have opened in Virginia without COPN authorization. These reports will be investigated and appropriate sanctions, including fines and injunctive relief, will be sought if it is found that these units opened in violation of the Code of Virginia. Many hospitals see the availability of intermediate care, in addition to the basic well baby nursery, as being required from the standpoint of marketing their obstetrics service. The competition for obstetric patients, particularly in urban and suburban areas, has resulted in heightened efforts for neonatal special care to support the obstetrics program. Given the seeming interest in the intermediate level of neonatal special care, and the potential harm that may result from the undermining of the overall neonatal special care system that an inappropriate proliferation of intermediate, or any level, of neonatal special care would create, continued regulation under COPN is appropriate.

Options:
No Change: Continue applying the COPN program to neonatal special care as currently mandated. Ongoing efforts to review, and where appropriate, update the SMFP will address necessary changes to the review criteria. Current providers of neonatal special care services would probably support this option. There would probably be opposition from facilities that seek to provide neonatal special care at the intermediate level, or who have already developed that level of service as an extension of this basic level of care.

Minimal Change: In collaboration with the hospitals, physicians, consumers and advocates, VDH could produce a comprehensive assessment of the State's needs for neonatal special care services and by way of a targeted RFA publicize the locations where a demonstrated need for new or higher levels of neonatal special care exist as a means of stimulating interest in requesting authorization for development of the service. Current providers of neonatal special care services would probably be neutral to this option. There would probably be no opposition.

Deregulation: Support efforts outside the comprehensive JCHC plan to fully deregulate neonatal special care services. It is expected there would be no resulting proliferation of providers at the specialty and sub-specialty levels, but that there very well may be at the intermediate level. Current providers of ICF/MR services would probably be neutral to supportive of this option. There would probably be no opposition.

RECOMMENDATION**: **Expand the Request for Applications (RFA) process to include the establishment neonatal special care services based on a collaborative review with affected parties to determine the need for, and location of, such additional facilities and services. This would meet the planned need for new or expanded services in appropriate planning districts in a market competitive manner and improve access.

Effectiveness of the COPN Application Review Procedures for FY 2005 Project Categories

The statute defining the contents of this study requires an analysis of the effectiveness of the application review procedures used by the regional health planning agencies and VDH. An analysis of effectiveness must detail the review time required during the past year for various project categories. To ensure consistency the project categories, for purposes of this document, are the same project categories that were selected for review during FY 2005. The statute also dictates that this report address the number of contested or opposed applications and the project categories of these contested or opposed projects. Information concerning all contested or opposed COPNs for FY 2005 can be found under the section entitled "Judicial Review" as well as the section labeled "Adjudication." Finally, the statute requires the report to identify the number of projects automatically approved from the regional health planning agencies because of their failure to comply with the statutory timelines.

The application review process was completed in a timely manner as dictated by the *Code*. There were no requests automatically considered as recommended for approval from a regional health planning agency or DCOPN due to their failure to act in accordance with statutory timelines in FY 2005. At no time did delays occur in receipt of a recommendation from a regional health planning agency such that there was an impact in DCOPN's ability to make a recommendation or in the Commissioner's ability to make a decision. Where appropriate, projects were authorized, but more importantly, projects were denied and prevented from proceeding when there was no need for the project demonstrated. This avoided duplication of services and costs without adversely impacting access to care.

Other Data Relevant to the Efficient Operation of COPN Program

The final consideration in the analysis of project categories is that the Commissioner include any other data he determines to be relevant to the efficient operation of the COPN program. Nationally, the debate continues as to the usefulness of COPN, with no clear conclusions drawn. Local governments, without the benefit of, or with only a weak, state certificate of need program are taking or considering actions to limit health care growth in their jurisdictions.

Accessibility of Regulated Health Care Services by the Indigent

One of the 20 factors considered in the COPN process is whether the indigent have access to health care services. Applicants that have not demonstrated a historical commitment to charity care, consistent with other providers in their health service area, may have a "condition" to provide some level of charity care placed upon any COPNs they are awarded.

Prior to 2002 most conditioned COPNs included a requirement to report compliance with the condition for three years. The language used for most conditions on COPNs since 2002 has dropped the three-year reporting requirement in favor of an annual reporting requirement over the life of the service.

Beginning in June 2002, the DCOPN began recommending that the certificate language for the "conditioning" of COPNs be augmented to include the second type of condition allowed in the *Code*, namely that the applicant facilitate the development and operation of primary care for special populations. This added condition requirement allows an applicant a further opportunity for meeting the conditions placed on a COPN. Facilities that are unable to meet the conditioned requirement to provide service directly as charity care to the indigent can meet the obligation by supporting, including by direct monetary support, the development and operation of primary care through safety net providers such as the free clinics or community health centers. COPN holders opting to meet their condition obligation in this manner do so by making their contribution to the Virginia Association of Free Clinics, the Virginia Health Care Foundation, and/or the Virginia Primary Care Association, Inc., each of which has a memorandum of understanding with the Virginia Department of Health to distribute all such funds received. In FY 2005 eight hospitals, systems and freestanding facilities contributed $2,124,819 in additional funds toward primary care for the underserved as a way to complete their conditioned COPN obligation.

In March 2004 a Guidance Document was issued to provide direction for compliance with indigent care and primary care conditions on COPNs. This Guidance Document established a definition of indigent that includes individuals whose household income is at or below 200% of the Federal non-farm poverty level (prior practice had defined indigent as 100% of the Federal non-farm poverty level). It also provided a simplified mechanism for COPN holders to report compliance with conditions.

In FY 2005 69 COPNs were issued with a condition for the performance of a certain level of charity, indigent and/or primary care. This represents 64.5% of all COPNs issued in FY 2005. The table presented in Appendix H lists all COPNs issued in FY 2005 with a condition that the applicant provide free or reduced cost care for the indigent and facilitate the development and operation of primary care for special populations.

Failure to comply with obligations accepted as conditions on the receipt of a COPN can have negative consequences for providers. There are provisions for fines, revocation of the COPN, and conditioning the issuance or renewal of a facility license for failure to meet the obligations of the condition. The Guidance Document already discussed was developed, at least in part, to help providers meet their agreed upon conditions when, for a host of legitimate reasons, they could not meet the condition through the provision of the conditioned service.

Attachment I is a cumulative list of COPNs that were issued conditioned on the performance of a certain level of charity, indigent and/or primary care. There are a total of 255 projects authorized with such conditions, a 37% increase over last year. Table 8 is a display of the types of facilities with conditions.

Table 8

Type of Facility	Number with Conditioned COPNs
General Hospitals	63
Health Care Systems	13
Outpatient Surgical Hospitals	20
Diagnostic Imaging Centers	30
Nursing Homes	3
Radiation Therapy / Cancer Treatment Centers	6
Miscellaneous Facilities	3

Source: DCOPN

There are 61 active COPN projects, those that are operational and have annual reporting requirements or with remaining time on the three-year reporting requirement. For FY 2005 only 19 active COPN projects, (31.1%), reported compliance with conditions. While still low, it is a substantial improvement over the 14% that were in compliance in FY 2004. Non-reporting facilities are being contacted with reminders and those failing to meet their conditioned obligation are being reminded of the options in the Guidance Document. The Office of the Attorney General has been alerted to the pending possibility of the need for enforcement action.

Relevance of COPN to Quality of Care Rendered by Regulated Facilities

One of the features attributed to the COPN program is its goal of assuring quality by instituting volume thresholds. One study from the University of California at San Francisco concluded that there is scientific evidence supporting the contention that, for some procedures or diagnoses, higher hospital volume is associated with lower patient mortality. Other studies refute any correlation between COPN programs and quality of services rendered. However, there is little dispute about the relationship between quality and patient volume in open-heart surgery, cardiac catheterization and organ transplant services. By using COPN to limit the number of service providers, patient care is concentrated in centers where the service volume is maintained at a high level, which statistically allows for better patient outcomes. There is an intuitive logic to the idea that the more of a certain kind of care that is delivered the more successful the provider would be in providing it, and hence, the better the outcome for the patient.

Equipment Registration

The legislation defining the scope of this report requires an analysis of equipment registrations, including the type of equipment, whether the equipment is an addition or a replacement, and the equipment costs.

In FY05, there were twenty-two equipment replacement registrations (Table 9) and fifteen to register capital expenditures in excess of $1 million (Table 10). All registered expenditures appeared to be appropriate to the mission of the facility and to the life cycle of the equipment being replaced.

Table 9 Equipment Registrations

Project Type	Number of Registrations	Capital Expenditure
Replace cardiac catheterization equipment	2	$1,952,063
Replace angiography equipment	2	$3,027,361
Replace lithotripsy equipment	2	$534,526
Replace miscellaneous radiology equipment	1	$2,657,000
Replace PET equipment with PET/CT	2	$2,772,561
Replace MRI Equipment	4	$7,269,613
Replace computed tomography equipment	8	$7,349,535
Replace linear accelerator	1	$1,821,006
TOTAL	22	$27,383,665

Table 10 Capital Expense Registrations

Project Type	Number of Registrations	Capital Expenditure
Hospital renovations	10	$30,188,445
Outpatient center renovations	1	$3,611,648
Nursing Home renovations	1	$4,213,245
Build a medical office building	1	$3,686,407
Major software/computer upgrades	2	$5,871,433
TOTAL	15	$47,571,178

Appendix A

§ 32.1-102.12. Report required.

The Commissioner shall annually report to the Governor and the General Assembly on the status of Virginia's certificate of public need program. The report shall be issued by October 1 of each year and shall include, but need not be limited to:

1. A summary of the Commissioner's actions during the previous fiscal year pursuant to this article;

2. A five-year schedule for analysis of all project categories, which provides for analysis of at least three project categories per year;

3. An analysis of the appropriateness of continuing the certificate of public need program for at least three project categories in accordance with the five-year schedule for analysis of all project categories;

4. An analysis of the effectiveness of the application review procedures used by the health systems agencies and the Department required by § 32.1-102.6 which details the review time required during the past year for various project categories, the number of contested or opposed applications and the project categories of these contested or opposed projects, the number of applications upon which the health systems agencies have failed to act in accordance with the timelines of § 32.1-102.6 B, and the number of deemed approvals from the Department because of their failure to comply with the timelines required by § 32.1-102.6 E, and any other data determined by the Commissioner to be relevant to the efficient operation of the program;

5. An analysis of health care market reform in the Commonwealth and the extent, if any, to which such reform obviates the need for the certificate of public need program;

6. An analysis of the accessibility by the indigent to care provided by the medical care facilities regulated pursuant to this article and the relevance of this article to such access;

7. An analysis of the relevance of this article to the quality of care provided by medical care facilities regulated pursuant to this article; and

8. An analysis of equipment registrations required pursuant to § 32.1-102.1:1, including the type of equipment, whether an addition or replacement, and the equipment costs.

(1997, c. 462; 1999, cc. 899, 922.)

Appendix B

12VAC5-220-10. Definitions.

"Medical care facility" means any institution, place, building, or agency, at a single site, whether or not licensed or required to be licensed by the board or the State Mental Health, Mental Retardation and Substance Abuse Services Board, whether operated for profit or nonprofit and whether privately owned or operated or owned or operated by a local governmental unit, (i) by or in which facilities are maintained, furnished, conducted, operated, or offered for the prevention, diagnosis or treatment of human disease, pain, injury, deformity or physical condition, whether medical or surgical, of two or more nonrelated mentally or physically sick or injured persons, or for the care of two or more nonrelated persons requiring or receiving medical, surgical, or nursing attention or services as acute, chronic, convalescent, aged, physically disabled, or crippled or (ii) which is the recipient of reimbursements from third party health insurance programs or prepaid medical service plans. For purposes of this chapter, only the following medical care facility classifications shall be subject to review:

1. General hospitals.

2. Sanitariums.

3. Nursing homes.

4. Intermediate care facilities, except those intermediate care facilities established for the mentally retarded that have no more than 12 beds and are in an area identified as in need of residential services for people with mental retardation in any plan of the Department of Mental Health, Mental Retardation and Substance Abuse Services.

5. Extended care facilities.

6. Mental hospitals.

7. Mental retardation facilities.

8. Psychiatric hospitals and intermediate care facilities established primarily for the medical, psychiatric or psychological treatment and rehabilitation of alcoholics or drug addicts.

9. Specialized centers or clinics or that portion of a physician's office developed for the provision of outpatient or ambulatory surgery, cardiac catheterization, computed tomographic (CT) scanning, gamma knife surgery, lithotripsy, magnetic resonance imaging (MRI), magnetic source imaging (MSI), positron emission tomographic (PET) scanning, radiation therapy, nuclear medicine imaging, except for the purpose of nuclear cardiac imaging, or such other specialty services as may be designated by the board by regulation.

10. Rehabilitation hospitals.

11. Any facility licensed as a hospital.

The term “medical Care facility” shall not include any facility of (i) the Department of Mental Health, Mental Retardation and Substance Abuse Services; (ii) any nonhospital substance abuse residential treatment program operated by or contracted primarily for the use of a community services board under the Department of Mental Health, Mental Retardation and Substance Abuse Services Comprehensive Plan; (iii) an intermediate care facility for the mentally retarded that has no more than 12 beds and is in an area identified as in need of residential services for people with mental retardation in any plan of the Department of Mental Health, Mental Retardation and Substance Abuse Services; (iv) a physician's office, except that portion of the physician's office described above in subdivision 9 of the definition of "medical care facility"; or (v) the Woodrow Wilson Rehabilitation Center of the Virginia Department of Rehabilitative Services. “ Medical care facility shall also not include that portion of a physician’s office dedicated to providing nuclear cardiac imaging.

"Project" means:

1. The establishment of a medical care facility.

2. An increase in the total number of beds or operating rooms in an existing or authorized medical care facility.

3. Relocation at the same site of 10 beds or 10 percent of the beds, whichever is less, from one existing physical facility to another in any two-year period; however, a hospital shall not be required to obtain a certificate for the use of 10% of its beds as nursing home beds as provided in §32.1-132;

4. The introduction into any existing medical care facility of any new nursing home service, such as intermediate care facility services, extended care facility services or skilled nursing facility services, regardless of the type of medical care facility in which those services are provided;

5. Introduction into an existing medical care facility of any new cardiac catheterization, computed tomography (CT) scanning, gamma knife surgery, lithotripsy, magnetic resonance imaging (MRI), magnetic source imaging (MSI), medical rehabilitation, neonatal special care services, obstetrical services, open heart surgery, positron emission tomographic (PET) scanning, psychiatric, organ or tissue transplant service, radiation therapy, nuclear medicine imaging, except for the purpose of nuclear cardiac imaging, substance abuse treatment, or such other specialty clinical services as may be designated by the Board by regulation, which the facility has never provided or has not provided in the previous 12 months;

6. The conversion of beds in an existing medical care facility to medical rehabilitation beds or psychiatric beds;

7. The addition by an existing medical care facility of any medical equipment for the provision of cardiac catheterization, computed tomography (CT) scanning, gamma knife surgery, lithotripsy, magnetic resonance imaging (MRI), magnetic source imaging (MSI), open heart surgery, positron emission tomographic (PET) scanning, radiation therapy, or other specialized service designated by the board by regulation. Replacement of existing medical equipment shall not require a certificate of public need; or

8. Any capital expenditure of $5 million or more, not defined as reviewable in subdivisions 1 through 7 of this definition, by or in behalf of a medical care facility. However, capital expenditures between $1 million and $5 million shall be registered with the commissioner pursuant to regulations developed by the Board.

Appendix C

§ 32.1-102.3. Certificate required; criteria for determining need.

B. In determining whether a public need for a project has been demonstrated, the Commissioner shall consider:

1. The recommendation and the reasons therefor of the appropriate health planning agency.
2. The relationship of the project to the applicable health plans of the Board and the health planning agency.
3. The relationship of the project to the long-range development plan, if any, of the person applying for a certificate.
4. The need that the population served or to be served by the project has for the project, including, but not limited to, the needs of rural populations in areas having distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to care.
5. The extent to which the project will be accessible to all residents of the area proposed to be served and the effects on accessibility of any proposed relocation of an existing services or facility.
6. The area, population, topography, highway facilities and availability of the services to be provided by the project in the particular part of the health service area in which the project is proposed, in particular, the distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to care.
7. Less costly or more effective alternate methods of reasonably meeting identified health service needs.
8. The immediate and long-term financial feasibility of the project.
9. The relationship of the project to the existing health care system of the area in which the project is proposed; however, for projects proposed in rural areas, the relationship of the project to the existing health care services in the specific rural locality shall be considered.
10. The availability of resources for the project.
11. The organizational relationship of the project to necessary ancillary and support services.
12. The relationship of the project to the clinical needs of health professional training programs in the area in which the project is proposed.
13. The special needs and circumstances of an applicant for a certificate, such as a medical school, hospital, multidisciplinary clinic, specialty center or regional health service provider, if a substantial portion of the applicant's services or resources or both is provided to individuals not residing in the health service area in which the project is to be located.

14. The special needs and circumstances of health maintenance organizations. When considering the special needs and circumstances of health maintenance organizations, the Commissioner may grant a certificate for a project if the Commissioner finds that the project is needed by the enrolled or reasonably anticipated new members of the health maintenance organization or the beds or services to be provided are not available from providers which are not health maintenance organizations or from other health maintenance organizations in a reasonable and cost-effective manner.

15. The special needs and circumstances for biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages.

16. In the case of a construction project, the costs and benefits of the proposed construction.

17. The probable impact of the project on the costs of and charges for providing health services by the applicant for a certificate and on the costs and charges to the public for providing health services by other persons in the area.

18. Improvements or innovations in the financing and delivery of health services which foster competition and serve to promote quality assurance and cost effectiveness.

19. In the case of health services or facilities proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities in the area similar to those proposed, including, in the case of rural localities, any distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to care.

20. The need and the availability in the health service area for osteopathic and allopathic services and facilities and the impact on existing and proposed institutional training programs for doctors of osteopathy and medicine at the student, internship, and residency training levels.

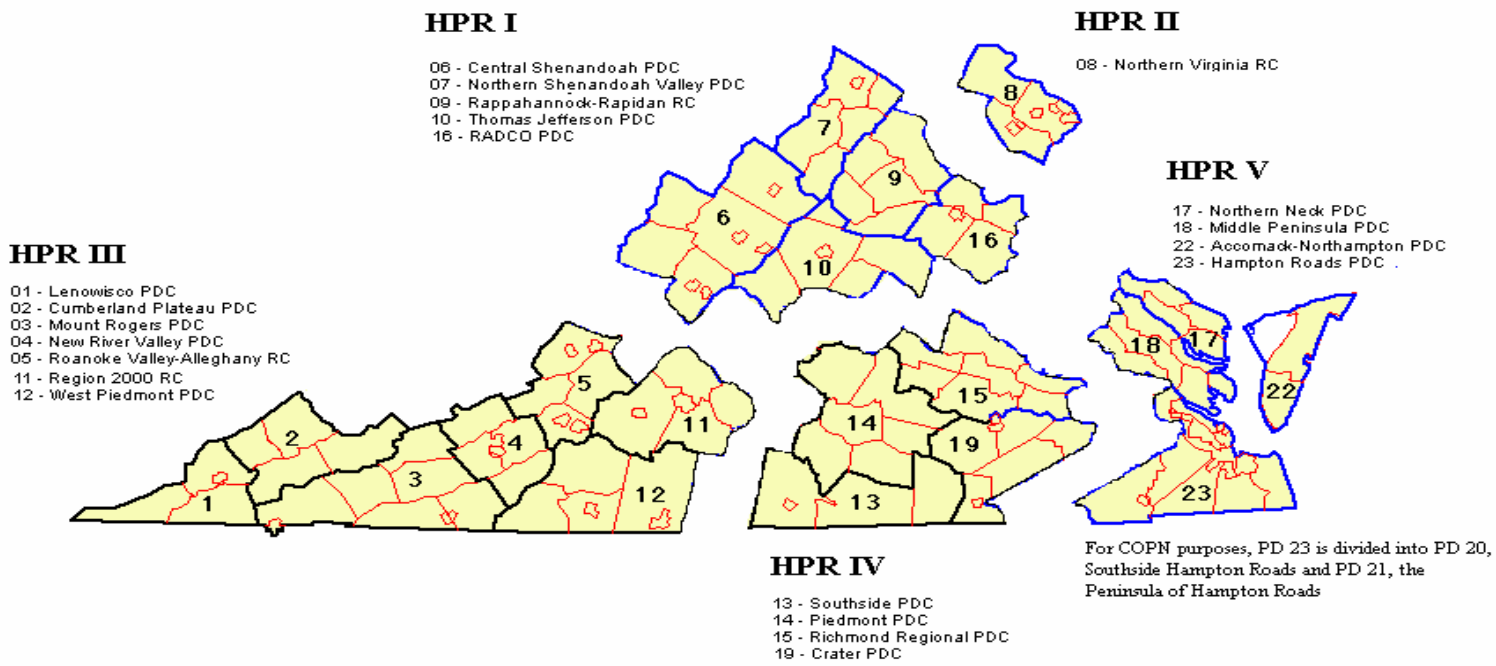
Appendix D

Authorized COPN Requests in Fiscal Year 2005

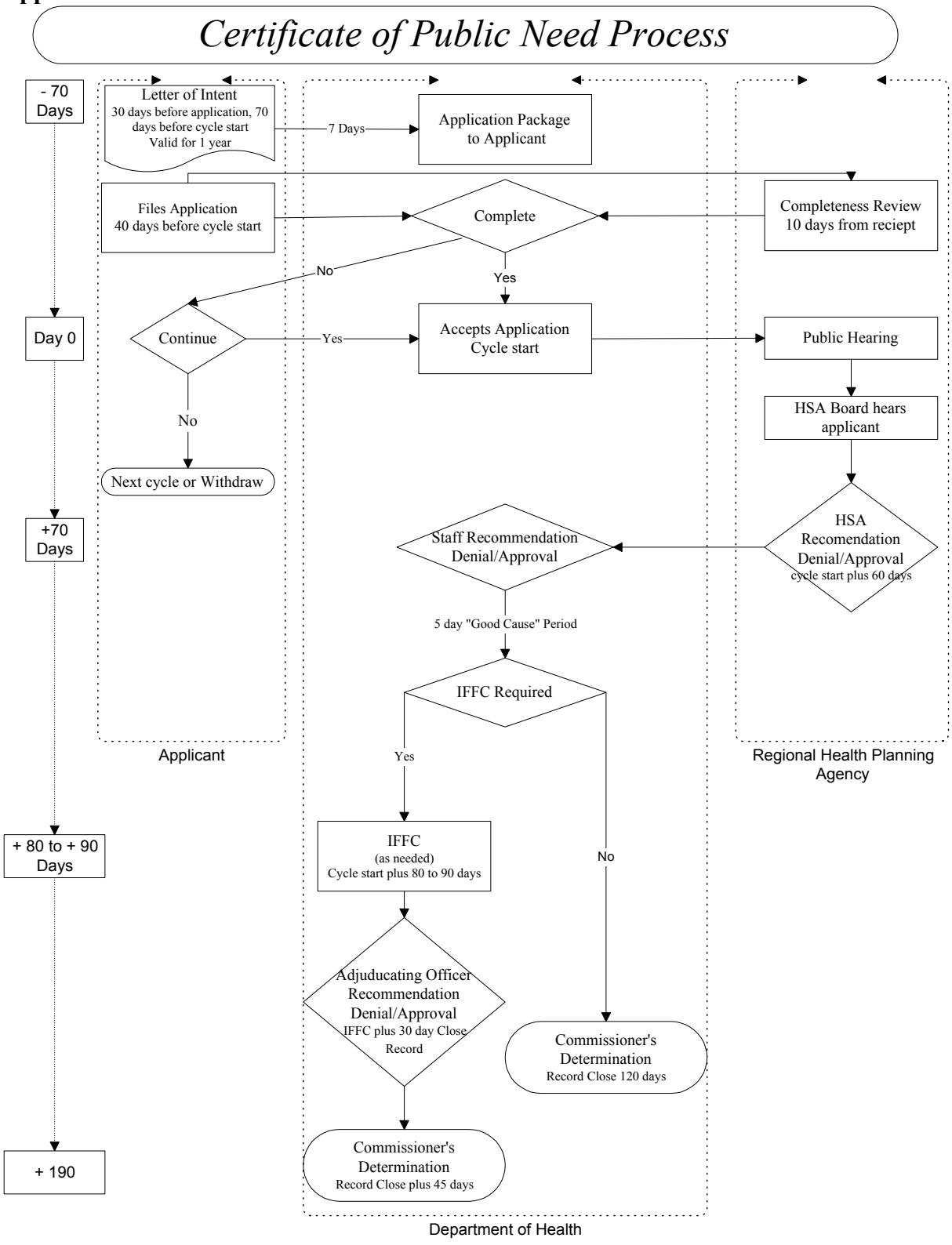
Project Categories	Number of Projects	Capital Costs
Batch Group A General hospitals, obstetrical services, neonatal special care services	14	
Subtotal		**$634,115,731**
Batch Group B Open heart surgery, cardiac catheterization, ambulatory surgery centers, operating room additions, transplant services	18	
Subtotal		**$50,683,467**
Batch Group C Psychiatric facilities, substance abuse treatment, mental retardation facilities	5	
Subtotal		**$1,189,073**
Batch Group D Diagnostic imaging	56	
Subtotal		**$92,334,534**
Batch Group E Medical rehabilitation	4	
Subtotal		**$9,815,820**
Batch Group F Gamma knife surgery, lithotripsy, radiation therapy, comprehensive cancer care centers	6	
Subtotal		**$15,409,302**
Batch Group G Nursing home beds, capital expenditures	4	
Subtotal		**$29,811,167**
COPN Program Total	**107**	**$831,359,094**

Appendix E

Virginia's Health Planning Regions
Virginia's Planning Districts



Appendix F


Certificate of Public Need Process
- 70 Days
Day 0
+70 Days
+ 80 to + 90 Days
+ 190
Letter of Intent
30 days before application, 70 days before cycle start
Valid for 1 year
7 Days
Application Package to Applicant
Files Application
40 days before cycle start
Complete
Completeness Review
10 days from reciept
No
Yes
Continue
Yes
Accepts Application
Cycle start
Public Hearing
No
Next cycle or Withdraw
HSA Board hears applicant
HSA Recomendation Denial/Approval
cycle start plus 60 days
Staff Recommendation Denial/Approval
5 day "Good Cause" Period
IFFC Required
Yes
No
IFFC
(as needed)
Cycle start plus 80 to 90 days
Adjuducating Officer Recommendation Denial/Approval
IFFC plus 30 day Close Record
Commissioner's Determination
Record Close 120 days
Commissioner's Determination
Record Close plus 45 days
Applicant
Regional Health Planning Agency
Department of Health

Appendix G

FIVE YEAR PROJECT CATEGORY GROUPING FOR ANNUAL REPORTS ON THE STATUS OF CERTIFICATE OF PUBLIC NEED

Ninth Annual Report - 2005

Group 4 Radiation therapy, lithotripsy, obstetrical services and neonatal special care

- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of radiation therapy, including gamma knife surgery
- Introduction into an existing medical care facility of any new radiation therapy, including gamma knife surgery, service
- Addition by an existing medical care facility of equipment for the provision of radiation therapy, including gamma knife surgery
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of lithotripsy
- Introduction into an existing medical care facility of any new lithotripsy service
- Addition by an existing medical care facility of equipment for the provision of lithotripsy
- Establishment of an outpatient maternity hospital (non-general hospital birthing center)
- Introduction into an existing medical care facility of any new obstetrical service
- Introduction into an existing medical care facility of any new neonatal special care service

Tenth Annual Report – 2006

Group 5 Psychiatric services, substance abuse treatment services and miscellaneous capital expenditures

- Establishment of a sanitarium
- Establishment of a mental hospital
- Establishment of a psychiatric hospital
- Establishment of an intermediate care facility established primarily for the medical, psychiatric or psychological treatment and rehabilitation of alcoholics or drug addicts
- Introduction by an existing medical care facility of any new psychiatric service
- Introduction by an existing medical care facility of any new substance abuse treatment service
- Conversion of beds in an existing medical care facility to psychiatric beds
- Any capital expenditure of five million dollars or more, not defined as reviewable in subdivisions 1 through 7 of the definition of "project," by or in behalf of a medical care facility

Eleventh Annual Report - 2007

Group 1 General hospitals, general surgery, specialized cardiac services and organ and tissue transplantation

- Establishment of a general hospital
- Establishment of an outpatient surgical hospital or specialized center or clinic or that portion of a physician's office developed for the provision of outpatient or ambulatory surgery
- An increase in the number of operating rooms in an existing medical care facility
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of cardiac catheterization

- Introduction into an existing medical care facility of any new cardiac catheterization service
- Addition or replacement by an existing medical care facility of equipment for the provision of cardiac catheterization
- Introduction into an existing medical care facility of any new open heart surgery service
- Addition by an existing medical care facility of equipment for the provision of open heart surgery
- Introduction into an existing medical care facility of any new organ or tissue transplantation service

Twelfth Annual Report – 2008

Group 2 Diagnostic Imaging

- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of computed tomography (CT)
- Introduction by an existing medical care facility of any new CT service
- Addition by an existing medical care facility of CT equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of magnetic resonance imaging (MRI)
- Introduction by an existing medical care facility of any new MRI service
- Addition by an existing medical care facility of MRI equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of magnetic source imaging (MSI)
- Introduction by an existing medical care facility of any new MSI service
- Addition by an existing medical care facility of MSI equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of nuclear medicine imaging
- Introduction by an existing medical care facility of any new nuclear medicine imaging service
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of positron emission tomography (PET)
- Introduction by an existing medical care facility of any new PET service
- Addition by an existing medical care facility of PET equipment

Thirteenth Annual Report – 2009

Group 3 Medical Rehabilitation, long-term care hospital services, nursing home services and mental retardation facilities

- Establishment of a medical rehabilitation hospital
- Introduction by an existing medical care facility of any new medical rehabilitation service
- Conversion of beds in an existing medical care facility to medical rehabilitation beds
- Establishment of a long-term care hospital
- Establishment of a nursing home
- Establishment of an extended care facility
- Introduction by an existing medical care facility of any new nursing home service, such as intermediate care facility services, extended care facility services, or skilled nursing facility services, regardless of the type of medical care facility in which those services are provided

Group 4 Radiation therapy, lithotripsy, obstetrical services and neonatal special care

- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of radiation therapy, including gamma knife surgery
- Introduction into an existing medical care facility of any new radiation therapy, including gamma knife surgery, service
- Addition by an existing medical care facility of equipment for the provision of radiation therapy, including gamma knife surgery
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of lithotripsy
- Introduction into an existing medical care facility of any new lithotripsy service
- Addition by an existing medical care facility of equipment for the provision of lithotripsy
- Establishment of an outpatient maternity hospital (non-general hospital birthing center)
- Introduction into an existing medical care facility of any new obstetrical service
- Introduction into an existing medical care facility of any new neonatal special care service

Project Categories Presented in the First Eight Years of Annual Reports (1997 – 2004)

First Annual Report – 1997

Group 1 General Hospitals, general surgery, specialized cardiac services and organ and tissue transplantation

- Establishment of a general hospital
- Establishment of an outpatient surgical hospital or specialized center or clinic or that portion of a physician's office developed for the provision of outpatient or ambulatory surgery
- An increase in the number of operating rooms in an existing medical care facility
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of cardiac catheterization
- Introduction into an existing medical care facility of any new cardiac catheterization service
- Addition or replacement by an existing medical care facility of equipment for the provision of cardiac catheterization
- Introduction into an existing medical care facility of any new open heart surgery service
- Addition or replacement by an existing medical care facility of equipment for the provision of open heart surgery
- Introduction into an existing medical care facility of any new organ or tissue transplantation service

Second Annual Report – 1998

Group 2 Diagnostic Imaging

- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of computed tomography (CT)
- Introduction by an existing medical care facility of any new CT service
- Addition or replacement by an existing medical care facility of CT equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of magnetic resonance imaging (MRI)
- Introduction by an existing medical care facility of any new MRI service
- Addition or replacement by an existing medical care facility of MRI equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of magnetic source imaging (MSI)
- Introduction by an existing medical care facility of any new MSI service
- Addition or replacement by an existing medical care facility of MSI equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of nuclear medicine imaging
- Introduction by an existing medical care facility of any new nuclear medicine imaging service
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of positron emission tomography (PET)
- Introduction by an existing medical care facility of any new PET service
- Addition or replacement by an existing medical care facility of PET equipment

Third Annual Report – 1999

Group 3 Medical Rehabilitation, long-term care hospital services, nursing home services and mental retardation facilities

- Establishment of a medical rehabilitation hospital
- Introduction by an existing medical care facility of any new medical rehabilitation service
- Conversion of beds in an existing medical care facility to medical rehabilitation beds
- Establishment of a long-term care hospital
- Establishment of a nursing home
- Establishment of an intermediate care facility
- Establishment of an extended care facility
- Introduction by an existing medical care facility of any new nursing home service, such as intermediate care facility services, extended care facility services, or skilled nursing facility services, regardless of the type of medical care facility in which those services are provided
- Establishment of a mental retardation facility

Fourth Annual Report – 2000

Group 4 Radiation therapy, lithotripsy, obstetrical services and neonatal special care

- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of radiation therapy, including gamma knife surgery
- Introduction into an existing medical care facility of any new radiation therapy, including gamma knife surgery, service
- Addition or replacement by an existing medical care facility of equipment for the provision of radiation therapy, including gamma knife surgery
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of lithotripsy
- Introduction into an existing medical care facility of any new lithotripsy service
- Addition or replacement by an existing medical care facility of equipment for the provision of lithotripsy
- Establishment of an outpatient maternity hospital (non-general hospital birthing center)
- Introduction into an existing medical care facility of any new obstetrical service
- Introduction into an existing medical care facility of any new neonatal special care service

Fifth Annual Report - 2001

Group 5 Psychiatric services, substance abuse treatment services and miscellaneous capital expenditures

- Establishment of a sanitarium
- Establishment of a mental hospital
- Establishment of a psychiatric hospital
- Establishment of an intermediate care facility established primarily for the medical, psychiatric or psychological treatment and rehabilitation of alcoholics or drug addicts
- Introduction by an existing medical care facility of any new psychiatric service
- Introduction by an existing medical care facility of any new substance abuse treatment service
- Conversion of beds in an existing medical care facility to psychiatric beds
- Any capital expenditure of five million dollars or more, not defined as reviewable in subdivisions 1 through 7 of the definition of "project," by or in behalf of a medical care facility

Sixth Annual Report - 2002

Group 1 General hospitals, general surgery, specialized cardiac services and organ and tissue transplantation

- Establishment of a general hospital
- Establishment of an outpatient surgical hospital or specialized center or clinic or that portion of a physician's office developed for the provision of outpatient or ambulatory surgery
- An increase in the number of operating rooms in an existing medical care facility
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of cardiac catheterization
- Introduction into an existing medical care facility of any new cardiac catheterization service
- Addition by an existing medical care facility of equipment for the provision of cardiac catheterization
- Introduction into an existing medical care facility of any new open heart surgery service
- Addition by an existing medical care facility of equipment for the provision of open heart surgery
- Introduction into an existing medical care facility of any new organ or tissue transplantation service

Seventh Annual Report - 2003

Group 2 Diagnostic Imaging

- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of computed tomography (CT)
- Introduction by an existing medical care facility of any new CT service
- Addition by an existing medical care facility of CT equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of magnetic resonance imaging (MRI)
- Introduction by an existing medical care facility of any new MRI service
- Addition by an existing medical care facility of MRI equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of magnetic source imaging (MSI)
- Introduction by an existing medical care facility of any new MSI service
- Addition by an existing medical care facility of MSI equipment
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of nuclear medicine imaging.
- Introduction by an existing medical care facility of any new nuclear medicine imaging service
- Establishment of a specialized center or clinic or that portion of a physician's office developed for the provision of positron emission tomography (PET)
- Introduction by an existing medical care facility of any new PET service
- Addition by an existing medical care facility of PET equipment

Eighth Annual Report - 2004

Group 3 Medical rehabilitation; long-term care hospital services, nursing home services and mental retardation facilities

- Establishment of a medical rehabilitation hospital
- Introduction by an existing medical care facility of any new medical rehabilitation service

- Conversion of beds in an existing medical care facility to medical rehabilitation beds
- Establishment of a long-term care hospital
- Establishment of a nursing home
- Establishment of an intermediate care facility
- Establishment of an extended care facility
- Introduction by an existing medical care facility of any new nursing home service, such as intermediate care facility services, extended care facility services, or skilled nursing facility services, regardless of the type of medical care facility in which those services are provided
- Establishment of a mental retardation facility

Appendix H

Certificates of Public Need Issued With Conditions Requiring the Provision of Indigent Care and/or the Development and/or Operation of Primary Care For Underserved Populations in FY 2005

COPN #	Decision Date	Applicant/Project Location	Project	PD	Batch	Condition	Authorized Capital Cost
VA- 03855	10/15/2004	CHS-Southside Regional Medical Center	Addition of a Second Linear Accelerator	19/IV	F	1.8% Indigent / Primary Care	$0
VA- 03858	10/18/2004	Virginia Hospital Center	Introduce Mobile Lithotripsy Services	8/II	F	2.5% Indigent / primary care	$0
VA- 03859	10/14/2004	Alleghany Regional Hospital	Introduce Radiation Therapy Services	5/III	F	2.1% indigent / primary care	$5,468,144
VA- 03864	10/27/2004	Norton Community Hospital	Introduce PET Services, Mobile Site	1	D	2.1% indigent / primary care	$26,000
VA- 03865	10/27/2004	Montgomery Regional Hospital	Addition of 1 MRI Scanner and 1 CT Scanner	4	D	2.1% indigent / primary care	$6,397,000
VA- 03866	10/27/2004	Carilion New River Valley Medical Center	Introduce PET Services, Mobile Site and Add 1 MRI and 2 CT Scanners	4	D	2.1% indigent / primary care	$4,317,350
VA- 03903	2/7/2005	Lewis Gale Medical Center	Addition of one CT Scanner	5	D	2.3% indigent / primary care	$2,052,195
VA- 03904	2/7/2005	Lewis Gale Medical Center	Add CT Equipment for Radiation Therapy Simulation	5	D	2.3% indigent / primary care	$1,013,419
VA- 03906	2/10/2005	Odyssey IV, LLC, d/b/a the Center for Advanced Imaging	Addition of 1 MRI Scanner	5	D	2.3% indigent / primary care	$1,598,550
VA- 03929	5/3/2005	Lewis Gale Medical Center	Add One MRI Scanner	5	D	2.3% indigent / primary care	$3,165,663
VA- 03928	5/15/2005	Shenandoah Memorial Hospital	Capital Expenditure of More Than $5 Million (Expansion & Renovation)	7	A	2.8% indigent / primary care	$9,668,260
VA- 03842	8/9/2004	Northern Virginia Community Hospital	Introduce MRI Services	8	D	2.5% indigent / primary care	$1,674,780
VA- 03843	8/9/2004	Loudoun Hospital Center	Introduce MRI at the Western Loudoun Medical Center Campus	8	D	2.5% indigent / primary care	$1,854,625
VA- 03844	8/9/2004	Northern Virginia Imaging Limited Partnership	Addition of one CT Scanner	8	D	2.5% Indigent / primary care	$1,114,870
VA- 03845	8/9/2004	Virginia Hospital Center Arlington Health System	Addition of one CT Scanner	8	D	2.5% indigent / primary care	$1,375,000
VA- 03846	8/9/2004	Loudoun Hospital Center	Establish a Specialized Center for CT Imaging	8	D	2.5% indigent / primary care	$1,497,892
VA- 03847	8/9/2004	Inova Health System	Add 1 CT Scanner to Inova Fairfax Hospital's CT Services to be Located at the Inova Reston Emergency Care Center	8	D	2.5% indigent / primary care	$1,999,813
VA- 03848	8/9/2004	Inova Health System	Addition of one CT Scanner at Inova Fairfax Hospital	8	D	2.5% indigent / primary care	$1,831,557
VA- 03851	8/16/2004	Virginia Hospital Center Arlington Health System	Introduce Positron Emission Tomography Imaging (mobile)	8	D	2.5% Indigent / primary care	$455,500
VA- 03852	8/16/2004	PET of Reston LP	Establish a Specialized Center for Positron Emission Tomography Imaging Services	8	D	2.5% Indigent / primary care	$0

COPN #	Decision Date	Applicant/Project Location	Project	PD	Batch	Condition	Authorized Capital Cost
VA- 03877	12/15/2004	Inova Health System	Establish a 4 OR Outpatient Surgical Hospital (on Behalf of Northern Virginia Surgery II, LLC)	8	B	2.7% indigent / primary care	$9,987,858
VA- 03890	1/11/2005	Loudoun Hospital Center	Introduce Cardiac Catheterization Services	8	B	2.5% Indigent / primary care	$2,991,250
VA- 03911	2/24/2005	Associates in Radiology Oncology, P.C.	Introduce CT Equipment for Radiation Therapy Simulation	8	D	2.7% indigent / primary care	$737,600
VA- 03912	2/24/2005	Virginia Hospital Center	Add CT Equipment for Radiation Therapy Simulation	8	D	2.7% indigent / primary care	$1,274,000
VA- 03913	2/24/2005	Reston Hospital Center	Add one CT Scanner	8	D	2.7% indigent / primary care	$1,970,800
VA- 03917	2/24/2005	Potomac Inova Health Alliance	Establish a Specialized Center for PET (Mobile Site) Imaging.	8	D	2.7% indigent / primary care	$0
VA- 03918	2/24/2005	Potomac Inova Health Alliance	Establish a Specialized Center for CT (Fixed) Imaging.	8	D	2.7% indigent / primary care	$1,363,980
VA- 03920	3/17/2005	Washington Radiology Associates, P.C.	Establish a Specialized Center for MRI and CT Imaging (Fairfax)	8	D	2.7% indigent / primary care	$1,525,100
VA- 03921	3/17/2005	Inova Health System	Introduce MRI Services at Reston Emergency Care Center	8	D	2.7% indigent / primary care	$3,275,564
VA- 03923	4/7/2005	Washington Radiology Associates, P.C.	Establish a Specialized Center for MRI and CT Imaging (Sterling)	8	D	2.7% indigent / primary care	$1,425,100
VA- 03924	4/8/2005	Inova Health System	Add One Fixed PET/CT Scanner at Inova Fairfax Hospital	8	D	2.7% indigent / primary care	$3,592,500
VA- 03931	5/13/2005	Northern Virginia Community Hospital, LLC	Establish a 164-Bed General Acute Care Hospital with New OB Service	8	A	1.37% Indigent / primary care	$167,250,160
VA- 03932	5/13/2005	Inova Health System	Add 33 Acute Care Beds at Inova Fair Oaks Hospital	8	A	1.37% Indigent / primary care	$8,753,258
VA- 03841	7/30/2004	Martha Jefferson Hospital	Addition of a Cardiac Catheterization Laboratory	10	B	2.7% indigent / primary care	$0
VA- 03876	12/16/2004	Osteopathic Surgical Centers, LLC	Establish an Outpatient Surgical Hospital (Charlottesville)	10	B	3.0% indigent / primary care	$468,227
VA- 03934	6/15/2005	Memorial Hospital of Martinsville and Henry County	Add One Cardiac Catheterization Laboratory	12	B	2.3% indigent / primary care	$2,692,000
VA- 03834	7/14/2004	Chippenham and Johnston-Willis Hospitals	Addition of Medical Rehabilitation beds at the Johnston-Willis Hospital Campus	15	E	1.6% indigent / primary care	$40,950
VA- 03861	10/7/2004	Short Pump Imaging, LLC	Establish a Specialized Center for MRI Imaging	15	D	1.6% indigent / primary care	$2,280,871
VA- 03862	10/7/2004	Chesterfield Imaging, LLC	Establish a Specialized Center for MRI Imaging	15	D	1.6% indigent / primary care	$1,967,871

COPN #	Decision Date	Applicant/Project Location	Project	PD	Batch	Condition	Authorized Capital Cost
VA- 03872	11/15/2004	Bon Secours-St. Mary's Hospital of Richmond, Inc.	Capital Expenditure of $5M or More (New Construction Increasing Number of Private Patient Rooms)	15	A	1.8% indigent / primary care	$25,677,412
VA- 03873	11/15/2004	Chippenham & Johnston-Willis Hospitals, Inc	Capital Expenditure of $5M or More (New Construction Patient Rooms and Parking Deck)	15	A	1.8% indigent / primary care	$51,053,502
VA- 03898	2/15/2005	Short Pump Imaging, LLC	Establish a Specialized Center for CT Imaging	15	D	2.2% indigent / primary care	$1,677,087
VA- 03899	2/15/2005	Chesterfield Imaging, LLC	Establish a Specialized Center for CT Imaging	15	D	2.2% indigent / primary care	$1,468,348
VA- 03900	2/15/2005	Chippenham & Johnston-Willis Hospitals, Inc	Add CT Equipment for Radiation Therapy Simulation at the Johnston-Willis Campus	15	D	2.2% indigent / primary care	$926,240
VA- 03901	2/15/2005	Bon Secours Richmond Community Hospital	Replace Mobile MRI Service with Fixed MRI Equipment	15	D	2.2% indigent / primary care	$996,100
VA- 03902	2/15/2005	Virginia Physicians, Inc.	Relocate CT and MRI Services	15	D	2.2% indigent / primary care	$304,000
VA- 03935	6/15/2005	Atrium Surgery Center, LP	Establish an Outpatient Surgical Hospital	15	B	2.2% indigent / primary care	$6,069,755
VA- 03936	6/15/2005	Tuckahoe Surgery Center, LP	Establish a 4-OR Outpatient Surgical Hospital	15	B	2.2% indigent / primary care	$8,757,782
VA- 03849	8/18/2004	Cancer Center of Central Virginia, LLC	Introduce CT Equipment for Radiation Therapy Simulation	16	D	2.7% Indigent / primary care	$333,755
VA- 03880	12/8/2004	Rehabilitation Hospital of Fredericksburg, Inc.	Establish a 40-Bed Medical Rehabilitation Hospital	16	E	3.0% indigent / primary care	$3,182,875
VA- 03907	2/15/2005	Medical Imaging of Fredericksburg, LLC	Introduce Computed Tomography Services	16	D	2.8% indigent / primary care	$1,555,285
VA- 03937	6/15/2005	Mary Washington Hospital, Inc.	Add One Cardiac Catheterization Lab	16	B	2.8% indigent / primary care	$2,434,500
VA- 03831	7/15/2004	Rappahannock General Hospital	Introduce Inpatient Psychiatric Services -10 Beds	17	C	1.8% Indigent / Primary Care	$87,000
VA- 03875	12/15/2004	Riverside Walter Reed Hospital	Addition of 1 Operating Room	18	B	2.2% indigent / primary care	$972,500
VA- 03874	12/15/2004	Petersburg Hospital Company, LLC d/b/a Southside Regional Medical Center	Establishment of a General Acute Care Hospital through the Replacement and Relocation of Southside Regional Medical Center	19	A	1.8% indigent / primary care 1st 2 yrs then average in effect at 3rd yr	$110,460,770
VA- 03879	11/24/2004	Rehabilitation Hospital of Petersburg, Inc. (Rehabilitation Hospital of Petersburg, Virginia, Inc.)	Establish a Medical Rehabilitation Hospital	19	E	3.0% indigent / primary care	$2,975,395
VA- 03839	8/15/2004	First Meridian Medical Corporation t/a MRI and CT Diagnostics	Addition of Third Magnetic Resonance Imaging Unit	20	D	1.8% indigent / primary care	$2,864,867
VA- 03850	7/30/2004	Sentara Bayside Hospital	Introduce Cardiac Catheterization Services	20	B	2.2% Indigent / primary care	$2,143,700
VA- 03888	1/5/2005	Sentara Hospitals	Introduce PET/CT Services - Mobile Site - Sentara Virginia Beach General Hospital	20	D	1.78% indigent / primary care	$0
VA- 03892	1/27/2005	Atlantic Eye Consultants, P.C.	Establish an Outpatient Surgical Hospital	20	B	2.2% indigent / primary care	$779,800

COPN #	Decision Date	Applicant/Project Location	Project	PD	Batch	Condition	Authorized Capital Cost
VA- 03893	1/27/2005	Virginia Beach Eye Center	Establish a 1-OR Outpatient Surgical Hospital	20	B	2.2% Indigent / primary care	$262,200
VA- 03896	2/15/2005	Sentara Leigh Hospital	Add One CT Scanner	20	D	2.2% indigent / primary care	$1,495,000
VA- 03919	3/7/2005	First Hospital Corporation of Virginia Beach d/b/a Virginia Beach Psychiatric Center	Add 24 Psychiatric Beds at Kempsville Center	20	C	1.28% indigent / primary care	$230,300
VA- 03860	10/15/2004	Riverside Regional Medical Center	Introduce Stereotactic Radiosurgery Services	21	F	2.2% Indigent / primary care	$5,389,785
VA- 03870	11/15/2004	Riverside Health System	Establish a Long Term Acute Care Hospital at Riverside Rehabilitation Institute	21	A	1.8% indigent / primary care	$528,390
VA- 03884	1/15/2005	Riverside Regional Medical Center	Relocate two Operating Rooms from Riverside Surgery Center-Warwick to a Location in Hampton	21	B	2.2% Indigent / primary care	$7,134,560
VA- 03886	1/5/2005	Sentara Hospitals	Introduce PET/CT Services - Mobile Site - Sentara Williamsburg Community Hospital	21	D	1.78% indigent / primary care	$0
VA- 03889	2/15/2005	Sentara CarePlex Hospital	Add One (4th) CT Scanner	21	D	2.2% indigent / primary care	$1,850,000

Appendix I
Cumulative List of Certificates of Public Need Issued With Conditions Requiring the Provision of Indigent Care and/or the Development and/or Operation of Primary Care For Underserved Populations as of June 30, 2005

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Active Conditioned COPNs with Expired Reporting Requirements						
Lucy Corr Nursing Home	Replace Nursing Home & Add 30 Beds	15	VA-03085	1/6/1993	subsidize Charity care	No Report Required
The Retreat Hospital	Establish an Outpatient Surgical Hospital	15	VA-03088	1/25/1993	2% charity care	No Report Required
Urosurgical Center of Richmond	Establish an Outpatient Surgical Hospital	15	VA-03090	2/22/1993	2% charity care	**YES**
Lewis-Gale Medical Center	Replacement of a CT Scanner	5	VA-03184	8/18/1994	1.3% charity care	No Report Required
Culpeper Hospital and Fauquier Hospital	Replacement MRI	9	VA-03221	3/28/1995	1.8% charity care	No Report Required
Lewis-Gale Hospital	Replace Radiation Therapy Equipment	5	VA-03245	10/6/1995	charity care at the median,	No Report Required
Royal Medical Health Services	Replace MRI unit		VA-03252	11/8/1995	1.22% charity care	No Report Required
Columbia/HCA Retreat Hospital	Replacement of a CT Scanner	15	VA-03272	4/16/1996	1.2% charity care	No Report Required
UVA/HEALTHSOUTH L.L.C.	Establish 50-bed freestanding. med. rehab. hosp.	10	VA-03277	5/17/1996	Care to all patients	No Report Required
Johnston-Willis Hospital	Convert 20 med/surg beds to 10 med rehab beds	15	VA-03279	5/24/1996	1 med rehab bed set aside for charity care	No Report Required
McGuire Medical Group (now Virginia Physicians, Inc.)	Replace CT scanner	15	VA-03283	6/3/1996	1% charity	No Report Required
Community Memorial HealthCenter	Introduce ESWL services thru contract	13	VA-03303	9/5/1996	3% charity care	No Report Required
St. Mary's Hospital of Richmond, now Bon Secours St. Mary's Hospital	Addition of a Third Cardiac Catheterization Laboratory	15	VA-03309	10/30/1996	1.7% charity care	**YES**
Russell County Medical Center	Provide lithotripsy services	2	VA-03310	11/22/1996	1.8% charity Care	No Report Required
St. Mary's Hospital of Richmond, now Bon Secours St. Mary's Hospital	Replace SPECT Equipment	15	VA-03315	12/21/1996	1.7% charity care	**YES**
Martha Jefferson Hospital	Establish Cardiac Catheterization Service	10	VA-03330	3/8/1997	charity care without regard for ability to pay	No Report Required
HEALTHSOUTH Medical Center	Replacement of CT System	15	VA-03335	4/17/1997	1.7% charity care	No Report Required
Sentara Leigh Hospital	Replace MRI Equipment	20	VA-03342	6/5/1997	2% charity care	No Report Required
SMT Mobile X Corporation	Add Magnetic Resonance Imaging Equipment		VA-03346	7/28/1997	Various % indigent care based on location	No Report Required
Community Memorial HealthCenter	Replacement of CT Equipment	13	VA-03349	8/29/1997	2.7% charity care	No Report Required
Chesterfield Community Healthcare Center, Inc. d/b/a Ironbridge Medical Park ASC	Establish an Outpatient Surgical Hospital	15	VA-03354	8/27/1997	2.3% charity care	No Report Required
MRI & CT Diagnostics	Replacement of MRI Equipment	20	VA-03356	9/25/1997	2% charity care	No Report Required

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Columbia Henrico Doctors' Hosp.	Replacement of Computed Tomography	15	VA-03360	9/30/1997	1.7% charity care	No Report Required
Buchanan General Hospital	Replace CT Equipment	2	VA-03367	11/21/1997	1.9% charity care	No Report Required
Columbia Lewis-Gale Medical Center	Replace Cardiac Catheterization Equipment & Construction of New Cath Lab	5	VA-03375	1/20/1998	1.93% charity care	No Report Required
Reston Hospital Center	Replace CT Equipment	8	VA-03376	3/2/1998	1.7% charity care	No Report Required
Sentara Leigh Hospital	Replacement of a cardiac cath lab	20	VA-03378	2/18/1998	1.7% charity care	No Report Required
Children's Hospital of the Kings Daughters	Introduce MRI Services	20	VA-03389	4/8/1998	1.7% charity care	No Report Required
Rockingham Memorial Hospital	Replacement of MRI Equipment	6	VA-03400	6/30/1998	1.8% charity care	No Report Required
SMT Mobile X Corporation	Addition of MRI Equipment at Memorial Hospital, Martinsville & Henry County	12	VA-03408	9/14/1998	2.0% charity care	No Report Required
Williamsburg Community Hospital	Replace CT Equipment	21	VA-03421	1/8/1999	1.2% charity care	No Report Required
Columbia Retreat Hospital & John Randolph Medical Center	Replace mobile Cardiac Catheterization equipment	15/19	VA-03422	1/6/1999	1.7% charity care @ 200% of poverty level	No Report Required
Bon Secours St. Mary's Hospital	Increase in Total Operating Rooms	15	VA-03424	2/3/1999	1.0% charity care	**YES**
Hospital Authority of the City of Petersburg, Southside Regional Medical Center	Introduce MRI Services	19	VA-03428	3/2/1999	1.7% charity care	No Report Required
Sentara Leigh Hospital	Add CT Equipment		VA-03435	4/8/1999	1.3% charity care	No Report Required
Covenant Woods/Richmond Home for Ladies	Establish a Nursing Home in Hanover County	15	VA-03437	4/19/1999	Assistance subsidy of at least $230,000 annually	No Report Required
Surgi Center of Central Virginia	Add OR	15	VA-03454	7/23/1999	2% charity care	No Report Required
IMI of Arlington	Establish a Facility for MRI	8	VA-03456	8/13/1999	1.9% indigent care	No Report Required
Prince William Hospital	Add CT Equipment	8	VA-03458	8/16/1999	1.9% charity care	No Report Required
Bathe County	Add CT Equipment	6	VA-03461	8/25/1999	2.0% charity care	No Report Required
Williamsburg Community Hospital	Establish a Specialized Center for CT Services	21	VA-03469	11/8/1999	1.2% charity care	No Report Required
Guild Lithotripsy	Establish Mobile Lithotripsy Services	15	VA-03473	11/2/1999	Contract clause for 21.1% charity care	No Report Required
Management Services d/b/a Positron Emission Tomography Institute of Hampton Roads, LLC	Establish a Facility for PET	20	VA-03490	2/9/2000	1.4% charity care	No Report Required
Inova Franconia Springfield Medical Center	Introduce CT services	8	VA-03497	2/3/2000	1.2% charity care	No Report Required
Medical College of Virginia Hospitals	Introduction of PET	15	VA-03505	2/9/2000	accept all referral from all Dr's	No Report Required
Sentara Healthcare	Add mobile CT for use at Sentara Leigh Hospital	20	VA-03507	2/9/2000	1.4% charity care	No Report Required

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
The Surgery Center of Lynchburg	Establish an Outpatient Surgical Hospital w/3 ORs	11	VA-03509	2/9/2000	3.0% charity care	No Report Required
Chippenham & Johnston-Willis Hospitals, Inc	Add CT Equipment at Johnston-Willis Hospital	15	VA-03532	8/9/2000	0.9% charity care	No Report Required
Sentara Healthcare	Introduce MRI at Sentara Bayside Hospital	20	VA-03534	8/9/2000	1.4% charity care	No Report Required
Martha Jefferson Hospital	Establish an Outpatient Surgical Hospital	10	VA-03549	1/8/2001	2.0% charity care	No Report Required
Riverside Regional Medical Center	Capital expenditure for trauma services facility	21	VA-03559	3/12/2001	1.2% charity care	No Report Required
Loudoun Hospital Center	Add CT Equipment at Lansdowne Campus	8	VA-03564	3/27/2001	2.3% charity care	No Report Required
Southampton Memorial Hospital	Capital Expenditure in Excess of $5 million to Expand and Renovate the Hospital	20	VA-03571	5/15/2001	1.2% charity,	No Report Required
		Total	**53**			

Active Conditions (Completed Conditioned COPNs with a Requirement to Teport Compliance)

Dickenson County Med. Ctr.	Replace Computed Tomography (CT)	2	VA-03358	9/18/1997	1.9% charity care	No
Richmond Medical Commons, LLC	Establish an Outpatient Surgical Hospital (Replace Richmond Eye & Ear Hospital)	15	VA-03472	11/5/1999	2.3% charity care	No
Sentara Virginia Beach General Hospital	Establish a facility for nuclear medicine imaging	20	VA-03488	2/4/2000	2.0% charity care	No
Chesapeake General Hospital	Add CT	20	VA-03504	2/9/2000	1.4% charity care	No
Sentara Healthcare	Establish a Facility for CT in Newport News	21	VA-03508	2/9/2000	1.4% charity care	No
Greensville Memorial Hospital	Replacement facility	19	VA-03527	6/12/2000	charity care @ 2.1%	**YES**
MRI of Reston	Add MRI Equipment	8	VA-03536	8/8/2000	Charity care @ 1.2%	No
Chippenham & Johnston-Willis Hospitals, Inc	Capital expenditure at Johnston-Willis Hospital	15	VA-03545	11/30/2000	0.9% indigent care	No
Chippenham & Johnston-Willis Hospitals, Inc	Capital expenditure for Chippenham Medical Center	15	VA-03546	11/30/2000	0.9% indigent care	No
Danville Regional Health System	Establish Open-Heart Surgical Services	12	VA-03550	1/8/2001	2.0% indigent care	**YES**
Winchester Medical Center	Addition of a CT Scanner	7	VA-03551	2/9/2001	2.0% charity care	No
Bon Secours Hampton Roads	Capital Expenditure in Excess of $5 M to Expand and Renovate Mary Immaculate Hospital	21	VA-03570	5/15/2001	1.2% charity,	**YES**
Columbia Healthcare of Southwest Virginia	Introduce Mobile PET services at 5 sites	III	VA-03576	5/11/2001	1.4% charity care	No

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Loudoun Hospital Center	Introduce MRI Services at the Lansdowne Campus	8	VA-03583	6/25/2001	1.9% charity care,	No
Fairfax Radiology Centers	Add CT Equipment	8	VA-03592	8/16/2001	1.90%	**YES**
Martha Jefferson Hospital	Introduce Mobile PET	10	VA-03593	8/16/2001	1.80%	No
Martha Jefferson Hospital	Add a MRI Unit	10	VA-03598	10/15/2001	1.6%charity care	**YES**
First Hospital Corporation of Virginia Beach	Add 10 Psychiatric Beds	20	VA-03621	1/14/2002	1.2% charity care	No
Danville Regional Medical Center	Addition of 3 ORs	12	VA-03632	1/30/2002	free or reduce to 200%	**YES**
First Meridian Medical Corporation t/a MRI and CT Diagnostics	Addition of Magnetic Resonance Imaging Equipment	20	VA-03633	2/12/2002	1.3% charity care	No
Sentara Healthcare	Addition of MRI Equipment at Sentara Leigh Hospital	20	VA-03634	2/12/2002	1.3% charity care	No
Rockingham Memorial Hospital	Addition of a 2nd MRI	6	VA-03636	2/12/2002	1.3% charity care	No
Centra Health	Addition of MRI Equipment at Lynchburg General Hospital	11	VA-03637	2/12/2002	1.4% charity care	No
MRI of Reston LP	Add MRI Equipment	8	VA-03639	2/12/2002	1.9% charity	No
Loudoun Hospital Center	Add 23 beds	8	VA-03647	2/26/2002	Charity care - sliding scale 125%-250% FPL	No
Lewis-Gale Medical Center	Addition of Radiation Therapy Equipment	5	VA-03656	4/15/2002	1.36% charity care	No
Inova Health System	Introduce Mobile Lithotripsy	8	VA-03657	4/12/2002	Fair Oaks & vendor provide 1.4% charity care	No
CDL Medical Technologies, Inc	Establish a Mobile PET Imaging Service	I	VA-03660	4/12/2002	1.2% charity care,	No
Virginia Imaging, LLC (Heart Imaging Center of Virginia)	Establish a Specialized Center for Computed Tomography Imaging Services	15	VA-03664	4/17/2002	2.0% charity care/outreach/education/reporting	**YES**
Williamsburg Community Hospital	Add 1 OR	21	VA-03671	6/15/2002	1.7% charity/primary care	No
Bon Secours St. Mary's Hospital	Add 6 ORs	15	VA-03673	6/15/2002	2.1% charity/primary care	No
Roanoke Ambulatory Surgery Center, LLC	Establish a 3 General OR Outpatient Surgical Hospital	5	VA-03674	6/12/2002	1.5% charity/primary care	No
Roanoke Cardiac Catheterization Center, LLC, now Carilion Roanoke Memorial Hospital	Establish a Specialized Center for Cardiac Catheterization	5	VA-03675	6/12/2002	1.5% charity/primary care	No
Danville Regional Medical Center	Introduce PET Imaging Services Through a Mobile Provider	III	VA-03680	8/15/2002	1.5% charity/primary care	**YES**
Medical Imaging of Fredericksburg, LLC	Addition of a second MRI Scanner	16	VA-03681	8/15/2002	2.2% charity/primary care	No

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Mary Washington Hospital	Addition of 2 CT Scanners	16	VA-03682	8/15/2002	2.2% charity/primary care	No
Inova Health System	Addition of an MRI Scanner	8	VA-03684	8/13/2002	1.4% charity/primary care	No
Virginia Hospital Center	Addition of a 2nd MRI	8	VA-03685	8/13/2002	1.4% charity/primary care	**YES**
Winchester Radiologists, PC, Winchester Open MRI, LLC	Addition of Computed Tomography Imaging Equipment	7	VA-03688	8/14/2002	2.0% charity/primary care	No
University of Virginia Health System	Establish a Specialized Center for MRI (2 MRI Scanners) and CT (2 CT Scanners)	10	VA-03689	8/16/2002	8.3% charity/primary care	**YES**
Martha Jefferson Hospital	Addition of a Linear Accelerator	10	VA-03694	10/15/2002	2.2% Indigent / primary care	**YES**
Falls Church Lithotripsy	Addition of Mobile Lithotripsy Equipment	8	VA-03695	10/15/2002	Indigent / primary care - diff % in each HPR	**YES**
Southwest Virginia Regional Open MRI Center	Establish a Specialized Center for MRI Services	5	VA-03701	10/8/2002	2% indigent care	No
Urosurgical Center of Richmond	Establish an Outpatient Surgical Hospital	15	VA-03709	12/18/2002	1.7% charity / primary care	No
Warren Memorial Hospital	Introduce Mobile MRI Services	7	VA-03715	2/14/2003	1.9% charity/indigent care	**YES**
Halifax Regional Hospital, Inc.	Introduce Mobile PET Services	IV	VA-03716	2/15/2003	1.6% charity/indigent care	**YES**
Community Radiology of Virginia, Inc.	Introduce PET Imaging Services Through a Mobile Provider	III	VA-03717	2/11/2003	5.0% charity/indigent care	**YES**
Culpeper Regional Hospital	Introduce Mobile Renal Lithotripsy	9	VA-03725	4/15/2003	1.9% indigent / primary care	No
Peninsula Surgery Centers II, LLC	Establish an Outpatient Surgical Hospital	21	VA-03729	4/16/2003	1.8% indigent / primary care	No
Riverside Regional Medical Center	Establish Fixed CT Services and Introduce Mobile MRI Services at an Existing Medical Care Facility	21	VA-03733	5/27/2003	1.8% indigent / primary care	No
Williamsburg Community Hospital	Introduce MRI Services into an Existing Medical Care Facility	21	VA-03734	5/27/2003	1.8% indigent / primary care	No
Williamsburg Community Hospital	Introduce CT Services into an Existing Medical Care Facility	21	VA-03735	5/27/2003	1.8% indigent / primary care	No
Roanoke Valley Center for Sight, L.L.C.	Addition of 1 General Operating Room	5	VA-03737	6/15/2003	1.6% charity / indigent care	**YES**
Buford Road Imaging, L.L.C.	Introduce CT Services into an Existing Medical Care Facility	15	VA-03748	8/15/2003	1.6% indigent / primary care	No
Urosurgical Center of Richmond - South	Establish a Specialized Center for CT	15	VA-03749	8/15/2003	1.7% indigent / primary care	No
Fairfax Radiology Consultants, P.C.	Introduce CT Services into an Existing Medical Care Facility	8	VA-03751	8/15/2003	1.9% indigent / primary care	**YES**
The Skin Cancer Surgery Center	Establish an Outpatient Surgical Hospital	8	VA-03756	8/20/2003	1.4% indigent / primary care	No

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Falls Church Lithotripsy, L.L.C.	Add 3 Sites (podiatric) for Mobile Lithotripter (ortho)	V	VA-03759	10/15/2003	1.8% charity / indigent care	**YES**
The Center for Advanced Imaging	Addition of 1 CT Scanner	5	VA-03779	2/15/2004	1.6% Indigent / primary care	No
Bon Secours Mary Immaculate Hospital	Introduce Lithotripsy Services	21	VA-03798	4/15/2004	1.8% Indigent / Primary Care	No
Falls Church Lithotripsy, L.L.C.	Establish Multiple Mobile Orthopedic Lithotripter Sites	V	VA-03800	4/15/2004	1.8% Indigent / Primary Care	**YES**
		Total	**61**			

Pending Conditioned COPNs (Not Yet Completed / No Compliance Report Expected)

HCA Health Services of Virginia, Inc, d/b/a Reston Hospital Center	Capital Expenditure for Hospital Renovation & Expansion	8	VA-03470	11/10/1999	indigent care	No Report Required
Riverside Radiation Therapy Centers, LLC	Establish a Specialized Center for Radiation Therapy Services	18	VA-03599	10/15/2001	1.2% charity	No Report Required
Norton Community Hospital	Capital Expenditure of $5M or More to for Renovation and Expansion	1	VA-03607	12/6/2001	1.4% charity care	No Report Required
Augusta Medical Center	Establish a Radiation Therapy Service	6	VA-03613	12/3/2001	1.60%	No Report Required
Fairfax Surgery Center	On-site Replacement of a Medical Care Facility	8	VA-03615	12/20/2001	Sliding scale charity care	No Report Required
Central Virginia Hospital, LLC	Add Psychiatric Beds at Henrico Doctors Hospital	15	VA-03622	1/11/2002	29 days/month free care	No Report Required
Chippenham & Johnston-Willis Hospitals	Capital Expenditure of $5M or More to Construct a Specialized Center and Introduce Gamma Knife Services	15	VA-03629	1/8/2002	0.8% outpatient services, 1.5% Gamma Knife	No Report Required
Potomac Hospital Corporation of Prince William	Add CT Equipment at Potomac Hospital Campus	8	VA-03641	2/12/2002	1.9% charity care	No Report Required
Bon Secours Memorial Regional Medical Center & Memorial Ambulatory Surgical Center, LLC	Establish an Outpatient Surgical Hospital w/ 6 ORs	15	VA-03645	2/7/2002	charity care at 2% Gross Patient Revenue	No Report Required
Loudoun Healthcare	Add 8 ORs	8	VA-03648	2/26/2002	Charity care - sliding scale 125%-250% FPL	No Report Required
Surgical Care Affiliates, Inc., now Regional Surgical Services, LLC	Establish an Outpatient Surgical Hospital	2	VA-03652	2/28/2002	charity care at 3% Gross Patient Revenue	No Report Required
Prince William Hospital	Capital Expenditure of More Than $5 M	8	VA-03670	6/10/2002	1.4% charity / primary care	No Report Required

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Pratt Medical Center	Addition of a MRI Scanner and a CT Scanner at an Outpatient Diagnostic Center	16	VA-03683	8/15/2002	2.2% charity/primary care	No Report Required
Loudoun Hospital Center	Addition of a CT Scanner	8	VA-03686	8/13/2002	1.4% charity/primary care	No Report Required
Prince William Hospital and Fauquier Hospital	Establish a Specialized Center for Radiation Therapy Services	8	VA-03697	10/18/2002	1.4% indigent/primary care	No Report Required
Loudoun Hospital Center	Introduction of Radiation Therapy into an Existing Medical Care Facility	8	VA-03698	10/18/2002	1.4% indigent/primary care	No Report Required
Bon Secours Virginia HealthSource, Inc.	Establish a Specialized Center for Radiation Therapy Services	15	VA-03699	10/28/2002	1.7% indigent / primary care	No Report Required
Lewis-Gale Medical Center, LLC	Addition of a second MRI Scanner	5	VA-03700	10/8/2002	1.5% indigent care	No Report Required
Lewis-Gale Medical Center	Capital Expenditure of More Than $5 M	5	VA-03704	11/8/2002	1.4% charity/primary care	No Report Required
Williamsburg Community Hospital	Establish a General Hospital	21	VA-03706	11/15/2002	1.8% charity/primary care	No Report Required
Potomac Hospital	Add 30 Acute Care Beds	8	VA-03708	11/14/2002	1.4%charity/primary care	No Report Required
Bon Secours Richmond Health System	Add 4 ORs at St. Francis Medical Center	15	VA-03710	12/18/2002	1.7% charity / primary care	No Report Required
Bon Secours Richmond Health System, Bon Secours St. Francis Medical Center	Establish a 130 bed acute care hospital, replace Bon Secours Sturat Circle Hospital	15	VA-03713	1/28/2003	3% charity care	No Report Required
Chesapeake General Hospital	Addition of Second Cardiac Cath Lab	20	VA-03724	3/19/2003	1.8% charity / primary care	No Report Required
Sentara Healthcare	Establish Mobile Renal Lithotripsy Services	V	VA-03726	4/16/2003	1.8% charity / primary care	No Report Required
Memorial Hospital of Martinsville and Henry County	Establish a 4-OR Outpatient Surgical Hospital	12	VA-03727	4/9/2003	1.7% charity/primary care	No Report Required
Winchester Medical Center	Capital Expenditure of More Than $5 M	7	VA-03730	5/15/2003	1.9% charity / primary care	No Report Required
Henrico Doctors' Hospital-Parham	Capital Expenditure of More Than $5 M	15	VA-03731	5/20/2003	1.6% charity / primary care	No Report Required
Sentara Healthcare (VA Beach Gen.)	Capital Expenditure of More Than $5 M	20	VA-03732	5/19/2003	1.8% charity / primary care	No Report Required
Lewis-Gale Medical Center	Addition of Cardiac Cath Equipment	5	VA-03736	6/15/2003	1.6% charity / primary care	No Report Required
Bon Secours Memorial Regional Medical Center	Addition of 3rd Cardiac Catheterization Laboratory	15	VA-03738	6/16/2003	1.6% charity / indigent care	No Report Required
Riverside Behavioral Center dba Peninsula Behavioral Center	Transfer 60 Psychiatric Beds from Riverside Regional Medical Center	21	VA-03741	7/21/2003	1.8% charity care	No Report Required
Loudoun Hospital Center	Addition of Psychiatric Beds	8	VA-03744	7/18/2003	1.4% charity / primary care	No Report Required
Pulaski Community Hospital	Addition of a Second Linear Accelerator	4	VA-03753	8/6/2003	1.6% indigent / primary care	No Report Required
Riverside Regional Medical Center	Capital Expenditure of More Than $5 Million	21	VA-03754	8/8/2003	1.8% charity / primary care	No Report Required

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Carilion New River Valley Medical Center	Establish an OSH with 3 ORs & 1 Minor Procedure Room	4	VA-03757	8/28/2003	1.9% charity / primary care	No Report Required
Inova Health System	Introduce MRI at an Existing Medical Care Facility (Inova Emergency Care Center: Franconia/Springfield)	8	VA-03761	10/23/2003	regional average charity care	No Report Required
Lee Regional Medical Center	Introduce Cardiac Catheterization Services	1	VA-03765	12/15/2003	1.6% indigent / primary care	No Report Required
Bon Secours St. Mary's Hospital and a To-Be-Established LLC	Establish an Outpatient Surgical Hospital	15	VA-03768	1/15/2004	1.6% indigent / primary care	No Report Required
The Center for Cosmetic Laser & Dermatologic Surgery	Establish an Outpatient Surgical Hospital	8	VA-03776	1/28/2004	1.4% indigent / primary care	No Report Required
Alleghany Regional Hospital	Replace Mobile MRI with a Fixed MRI	5	VA-03778	2/15/2004	1.6% Indigent / primary care	No Report Required
MRI of Reston, L.P.	Addition of a 4th MRI Scanner	8	VA-03782	2/10/2004	1.9% Indigent / primary care	No Report Required
Inova Health System	Add a 4th MRI at Inova Fairfax Hospital MRI Center	8	VA-03783	2/10/2004	1.9% Indigent / primary care	No Report Required
Virginia Oncology Associates	Establish a Cancer Care Center in Norfolk, Including a Linear Accelerator, a CT and Mobile PET	V	VA-03784	2/4/2004	1.8% Indigent / primary care	No Report Required
Sentara Healthcare	Establish a Cancer Care Center Including a Linear Accelerator, a CT, PET, in VA Beach	V	VA-03785	2/4/2004	1.8% Indigent / primary care	No Report Required
Riverside Regional Medical Center	Establish a Cancer Care Center Including 2 Linear Accelerator, a CT, in Newport News	V	VA-03786	2/4/2004	1.8% Indigent / primary care	No Report Required
Chesapeake General Hospital	Addition of a Second Linear Accelerator	V	VA-03788	2/4/2004	1.8% Indigent / primary care	No Report Required
Williamsburg Radiation Therapy Center, Inc.	Addition of a Second Linear Accelerator	V	VA-03789	2/4/2004	1.8% Indigent / primary care	No Report Required
Sentara Leigh Hospital	Establish a Specialized Center for CT Imaging (Mobile Site)	20	VA-03790	2/16/2004	1.8% Indigent / primary care	No Report Required
Bon Secours St. Mary's Hospital	Addition of a 4th Cardiac Cath Lab	15	VA-03791	2/27/2004	1.6% indigent / primary care	No Report Required
Henrico Doctors' Hospital-Forrest	Addition of a 4th Cardiac Cath Lab	15	VA-03792	2/27/2004	1.6% indigent / primary care	No Report Required
Chippenham & Johnston-Willis Hospitals	Addition of a Cardiac Cath Lab	15	VA-03795	3/19/2004	1.6% indigent / primary care	No Report Required
Bon Secours St. Francis Medical Center	Introduction of Cardiac Cath Services	15	VA-03796	3/19/2004	1.6% indigent / primary care	No Report Required
Mid-Rivers Cancer Center, L.L.C.	Establish a Specialized Center for Radiation Therapy Services	17/V	VA-03797	4/15/2004	1.8% Indigent / Primary Care	No Report Required

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Falls Church Lithotripsy, L.L.C.	Establish Multiple Mobile Orthopedic Lithotripter Sites	IV	VA-03799	4/15/2004	1.8% Indigent / Primary Care	No Report Required
Inova Health System	Introduce Lithotripsy Services at the Franconia-Springfield Healthplex	8	VA-03801	4/15/2004	2.5% Indigent / primary care	No Report Required
Children's Hospital of The King's Daughters	Establish an Outpatient Surgical Hospital	21	VA-03805	4/26/2004	charity care	No Report Required
Sentara CarePlex	Relocation of an Outpatient Surgical Hospital	21	VA-03806	4/26/2004	1.8% Indigent / primary care	No Report Required
Bon Secours Mary Immaculate Hospital	Establish an Outpatient Surgical Hospital	21	VA-03807	4/26/2004	1.8% Indigent / primary care	No Report Required
Hampton Roads Orthopaedics & Sports Medicine	Establish a Specialized Center for MRI Imaging	21	VA-03808	4/27/2004	3.6% indigent / primary care	No Report Required
Loudoun Hospital Center	Add Intensive Care Beds at Lansdowne Campus	8	VA-03811	5/15/2004	2.5% Indigent / primary care	No Report Required
R Joy LLC and R Joy II LLC (Eye Surgery Limited and/or Beach Surgicenter for Eyes)	Establish an Outpatient Surgical Hospital	20	VA-03815	5/17/2004	2.0% indigent / primary care	No Report Required
Chesapeake General Hospital	Establish an Outpatient Surgical Hospital	20	VA-03816	5/17/2004	1.8% Indigent / primary care	No Report Required
Norton Community Hospital	Introduce Mobile Cardiac Cath Services	1	VA-03820	6/15/2004	1.8% Indigent / Primary Care	No Report Required
Winchester Medical Center	Addition of a Cardiac Cath Lab	7	VA-03821	6/21/2004	3.8% Indigent / primary care	No Report Required
Virginia Eye Consultants, Inc.	Establish an Outpatient Surgical Hospital	20	VA-03823	6/14/2004	2.2% Indigent / primary care	No Report Required
Rockingham Memorial Hospital	Addition of a Cardiac Cath Lab	6	VA-03824	6/21/2004	2.7% Indigent / primary care	No Report Required
Memorial Hospital of Martinsville and Henry County	Convert up to 20 Med/Surg Beds to Medical Rehabilitation (15 beds approved)	12	VA-03825	6/2/2004	2.0% indigent / primary care	No Report Required
Medical Imaging of Fredericksburg, LLC	Introduce PET/CT Hybrid Services and Addition of MRI Equipment	I 16	VA-03826	6/9/2004	1.1% indigent / primary care	No Report Required
Commonwealth Radiology, P.C.	Establish a Specialized Center for CT and MRI Imaging	15	VA-03828	6/23/2004	1.6% indigent / primary care	No Report Required
Richmond West End Diagnostic Imaging, L.L.C.	Relocate and Add one MRI to an Existing Service	15	VA-03829	6/23/2004	2.0% indigent / primary care	No Report Required
Virginia Cancer Institute, Inc.	Introduce CT Services	15	VA-03830	6/23/2004	1.6% indigent / primary care	No Report Required
Rappahannock General Hospital	Introduce Inpatient Psychiatric Services -10 Beds	17	VA-03831	7/15/2004	1.8% Indigent / Primary Care	No Report Required
Chippenham and Johnston-Willis Hospitals	Addition of Medical Rehabilitation beds at the Johnston-Willis Hospital Campus	15	VA-03834	7/14/2004	1.6% indigent / primary care	No Report Required

Appendix I **Applicant/Project Location**	**Project**	**PD**	**COPN #**	**Decision Date**	**Conditions**	**Condition Met in FY 05?**
First Meridian Medical Corporation t/a MRI and CT Diagnostics	Addition of Third Magnetic Resonance Imaging Unit	20	VA-03839	8/15/2004	1.8% indigent / primary care	No Report Required
Martha Jefferson Hospital	Addition of a Cardiac Cath Lab	10	VA-03841	7/30/2004	2.7% indigent / primary care	No Report Required
Northern Virginia Community Hospital	Introduce MRI Services	8	VA-03842	8/9/2004	2.5% indigent / primary care	No Report Required
Loudoun Hospital Center	Introduce MRI at the Western Loudoun Medical Center Campus	8	VA-03843	8/9/2004	2.5% indigent / primary care	No Report Required
Northern Virginia Imaging LP	Addition of one CT Scanner	8	VA-03844	8/9/2004	2.5% Indigent / primary care	No Report Required
Virginia Hospital Center	Addition of one CT Scanner	8	VA-03845	8/9/2004	2.5% indigent / primary care	No Report Required
Loudoun Hospital Center	Establish a Specialized Center for CT Imaging	8	VA-03846	8/9/2004	2.5% indigent / primary care	No Report Required
Inova Health System	Add 1 CT Scanner to Inova Fairfax Hospital's CT Services to be Located at the Inova Reston Emergency Care Center	8	VA-03847	8/9/2004	2.5% indigent / primary care	No Report Required
Inova Health System	Addition of one CT Scanner at Inova Fairfax Hospital	8	VA-03848	8/9/2004	2.5% indigent / primary care	No Report Required
Cancer Center of Central Virginia, LLC	Introduce CT Equipment for Radiation Therapy Simulation	16	VA-03849	8/18/2004	2.7% Indigent / primary care (for rad tx)	No Report Required
Sentara Bayside Hospital	Introduce Cardiac Catheterization Services	20	VA-03850	7/30/2004	2.2% Indigent / primary care	No Report Required
Virginia Hospital Center	Introduce PET Imaging	8	VA-03851	8/16/2004	2.5% Indigent / primary care	No Report Required
PET of Reston LP	Establish a Specialized Center for Positron Emission Tomography Imaging Services	8	VA-03852	8/16/2004	2.5% Indigent / primary care	No Report Required
Norton Community Hospital	Introduce PET Services, Mobile Site	1	VA-03853	8/24/2004	2.1% indigent / primary care	No Report Required
CHS-Southside Regional Medical Center	Addition of a Second Linear Accelerator	19/IV	VA-03855	10/15/2004	1.8% Indigent / Primary Care	No Report Required
Virginia Hospital Center	Introduce Mobile Lithotripsy Services	8/II	VA-03858	10/18/2004	2.5% Indigent / primary care	No Report Required
Alleghany Regional Hospital	Introduce Radiation Therapy Services	5/III	VA-03859	10/14/2004	2.1% indigent / primary care	No Report Required
Riverside Regional Medical Center	Introduce Stereotactic Radiosurgery Services	21	VA-03860	10/15/2004	2.2% Indigent / primary care	No Report Required
Short Pump Imaging, LLC	Establish a Specialized Center for MRI Imaging	15	VA-03861	10/7/2004	1.6% indigent / primary care	No Report Required
Chesterfield Imaging, LLC	Establish a Specialized Center for MRI Imaging	15	VA-03862	10/7/2004	1.6% indigent / primary care	No Report Required
Montgomery Regional Hospital	Addition of 1 MRI Scanner and 1 CT Scanner	4	VA-03865	10/27/2004	2.1% indigent / primary care	No Report Required

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Carilion New River Valley Medical Center	Introduce PET Services, Mobile Site and Add 1 MRI and 2 CT Scanners	4	VA-03866	10/27/2004	2.1% indigent / primary care	No Report Required
Riverside Health System	Establish a Long Term Acute Care Hospital at Riverside Rehabilitation Institute	21	VA-03870	11/15/2004	1.8% indigent / primary care	No Report Required
Bon Secours-St. Mary's Hospital of Richmond, Inc.	Capital Expenditure of $5M or More (New Construction Increasing Number of Private Patient Rooms)	15	VA-03872	11/15/2004	1.8% indigent / primary care	No Report Required
Chippenham & Johnston-Willis Hospitals, Inc	Capital Expenditure of $5M or More (New Construction Patient Rooms and Parking Deck)	15	VA-03873	11/15/2004	1.8% indigent / primary care	No Report Required
Petersburg Hospital Company, LLC d/b/a Southside Regional Medical Center	Establishment of a General Acute Care Hospital through the Replacement and Relocation of Southside Regional Medical Center	19	VA-03874	12/15/2004	1.8% indigent / primary care 1st 2 yrs then average in effect at 3rd yr	No Report Required
Riverside Walter Reed Hospital	Addition of 1 Operating Room	18	VA-03875	12/15/2004	2.2% indigent / primary care	No Report Required
Osteopathic Surgical Centers, LLC	Establish an Outpatient Surgical Hospital (Charlottesville)	10	VA-03876	12/16/2004	3.0% indigent / primary care	No Report Required
Inova Health System	Establish a 4 OR Outpatient Surgical Hospital (on Behalf of Northern Virginia Surgery II, LLC)	8	VA-03877	12/15/2004	2.7% indigent / primary care	No Report Required
Rehabilitation Hospital of Petersburg, Inc.	Establish a Medical Rehabilitation Hospital	19	VA-03879	11/24/2004	3.0% indigent / primary care	No Report Required
Rehabilitation Hospital of Fredericksburg, Inc.	Establish a 40-Bed Medical Rehabilitation Hospital	16	VA-03880	12/8/2004	3.0% indigent / primary care	No Report Required
Riverside Regional Medical Center	Relocate two Operating Rooms from Riverside Surgery Center-Warwick to a Location in Hampton	21	VA-03884	1/15/2005	2.2% Indigent / primary care	No Report Required
Sentara Hospitals	Introduce PET/CT Services - Mobile Site - Sentara Williamsburg Community Hospital	21	VA-03886	1/5/2005	1.78% indigent / primary care	No Report Required
Sentara Hospitals	Introduce PET/CT Services - Mobile Site - Sentara Virginia Beach General Hospital	20	VA-03888	1/5/2005	1.78% indigent / primary care	No Report Required
Sentara CarePlex Hospital	Add One (4th) CT Scanner	21	VA-03889	2/15/2005	2.2% indigent / primary care	No Report Required
Loudoun Hospital Center	Introduce Cardiac Catheterization Services	8	VA-03890	1/11/2005	2.5% Indigent / primary care	No Report Required
Atlantic Eye Consultants, P.C.	Establish an Outpatient Surgical Hospital	20	VA-03892	1/27/2005	2.2% indigent / primary care	No Report Required

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Virginia Beach Eye Center	Establish a 1-OR Outpatient Surgical Hospital	20	VA-03893	1/27/2005	2.2% Indigent / primary care	No Report Required
Sentara Leigh Hospital	Add One CT Scanner	20	VA-03896	2/15/2005	2.2% indigent / primary care	No Report Required
Short Pump Imaging, LLC	Establish a Specialized Center for CT Imaging	15	VA-03898	2/15/2005	2.2% indigent / primary care	No Report Required
Chesterfield Imaging, LLC	Establish a Specialized Center for CT Imaging	15	VA-03899	2/15/2005	2.2% indigent / primary care	No Report Required
Chippenham & Johnston-Willis Hospitals, Inc	Add CT Equipment for Radiation Therapy Simulation at the Johnston-Willis Campus	15	VA-03900	2/15/2005	2.2% indigent / primary care	No Report Required
Bon Secours Richmond Community Hospital	Replace Mobile MRI Service with Fixed MRI Equipment	15	VA-03901	2/15/2005	2.2% indigent / primary care	No Report Required
Virginia Physicians, Inc.	Relocate CT and MRI Services	15	VA-03902	2/15/2005	2.2% indigent / primary care	No Report Required
Lewis Gale Medical Center	Addition of one CT Scanner	5	VA-03903	2/7/2005	2.3% indigent / primary care	No Report Required
Lewis Gale Medical Center	Add CT Equipment for Radiation Therapy Simulation	5	VA-03904	2/7/2005	2.3% indigent / primary care	No Report Required
Odyssey IV, LLC, dba the Center for Advanced Imaging	Addition of 1 MRI Scanner	5	VA-03906	2/10/2005	2.3% indigent / primary care	No Report Required
Medical Imaging of Fredericksburg, LLC	Introduce Computed Tomography Services	16	VA-03907	2/15/2005	2.8% indigent / primary care	No Report Required
Associates in Radiology Oncology, P.C.	Introduce CT Equipment for Radiation Therapy Simulation	8	VA-03911	2/24/2005	2.7% indigent / primary care	No Report Required
Virginia Hospital Center	Add CT Equipment for Radiation Therapy Simulation	8	VA-03912	2/24/2005	2.7% indigent / primary care	No Report Required
Reston Hospital Center	Add one CT Scanner	8	VA-03913	2/24/2005	2.7% indigent / primary care	No Report Required
Potomac Inova Health Alliance	Establish a Specialized Center for PET (Mobile Site) Imaging.	8	VA-03917	2/24/2005	2.7% indigent / primary care	No Report Required
Potomac Inova Health Alliance	Establish a Specialized Center for CT (Fixed) Imaging.	8	VA-03918	2/24/2005	2.7% indigent / primary care	No Report Required
First Hospital Corporation of Virginia Beach d/b/a Virginia Beach Psychiatric Center	Add 24 Psychiatric Beds at Kempsville Center	20	VA-03919	3/7/2005	1.28% indigent / primary care	No Report Required
Washington Radiology Associates, P.C.	Establish a Specialized Center for MRI and CT Imaging (Fairfax)	8	VA-03920	3/17/2005	2.7% indigent / primary care	No Report Required
Inova Health System	Introduce MRI Services at Reston Emergency Care Center	8	VA-03921	3/17/2005	2.7% indigent / primary care	No Report Required

Appendix I Applicant/Project Location	Project	PD	COPN #	Decision Date	Conditions	Condition Met in FY 05?
Washington Radiology Associates, P.C.	Establish a Specialized Center for MRI and CT Imaging (Sterling)	8	VA-03923	4/7/2005	2.7% indigent / primary care	No Report Required
Inova Health System	Add One Fixed PET/CT Scanner at Inova Fairfax Hospital	8	VA-03924	4/8/2005	2.7% indigent / primary care	No Report Required
Shenandoah Memorial Hospital	Capital Expenditure of More Than $5 Million (Expansion & Renovation)	7	VA-03928	5/15/2005	2.8% indigent / primary care	No Report Required
Lewis Gale Medical Center	Add One MRI Scanner	5	VA-03929	5/3/2005	2.3% indigent / primary care	No Report Required
Lewis Gale Medical Center	Add One MRI Scanner	5	VA-03929	5/3/2005	2.3% indigent / primary care	No Report Required
Northern Virginia Community Hospital, LLC	Establish a 164-Bed General Acute Care Hospital with New OB Service	8	VA-03931	5/13/2005	1.37% Indigent / primary care	No Report Required
Inova Health System	Add 33 Acute Care Beds at Inova Fair Oaks Hospital	8	VA-03932	5/13/2005	1.37% Indigent / primary care	No Report Required
Memorial Hospital of Martinsville and Henry County	Add One Cardiac Cath Lab	12	VA-03934	6/15/2005	2.3% indigent / primary care	No Report Required
Atrium Surgery Center, LP	Establish an Outpatient Surgical Hospital	15	VA-03935	6/15/2005	2.2% indigent / primary care	No Report Required
Tuckahoe Surgery Center, LP	Establish a 4-OR Outpatient Surgical Hospital	15	VA-03936	6/15/2005	2.2% indigent / primary care	No Report Required
Mary Washington Hospital, Inc.	Add One Cardiac Catheterization Lab	16	VA-03937	6/15/2005	2.8% indigent / primary care	No Report Required
		Total	**141**			
Total Conditioned COPNs			**255**			
Active Conditioned COPNs with Expired Reporting Requirements			**53**	**20.8% of all conditioned COPNs**		
Total Active Conditioned COPNs			**61**	**23.9% of all conditioned COPNs**		
Active Conditioned COPNs in Compliance with Their Requirements			**19**	**31.1% of active conditioned COPNs**		
Conditioned COPNs Pending Project Completion and/or Completion of 1st Yr of Service			**141**	**55.3% of all conditioned COPNs**		

Source: Division of Certificate of Public Need