

Virginia Hospital Center

Comprehensive Facilities and Business Plan

The following elements include a set of preliminary questions for which the County requires answers. These bullets are not intended to limit the response.

Business Plan Components

1. What is the health care model being pursued by Virginia Hospital Center over the next 20 years?

Virginia Hospital Center has served Arlington and the surrounding area for 71 years. Our commitment to patient-centered, quality care has earned the Hospital national recognition. We have been named one of America's 100 Top Hospitals for the third year in a row, and we're the only hospital in the Metro DC region to be so honored.

This distinction means that, on average, our patients have a shorter length of stay, fewer complications and lower mortality rates than similar patients at other hospitals. We strive to optimize our patients' experience and to achieve the best possible outcomes. And these efforts were both enhanced and validated when earlier this year we became the only hospital in the region to be selected to be a part of the Mayo Clinic Care Network.

Our ability to provide Arlington County and the surrounding communities with nationally recognized healthcare value has been the result of efficient operations, attracting world-renown expertise and smart stewardship of our financial resources. Our successful continuation of this healthcare model will be critical in the hospital world of the future; a future that will be built on healthcare value and the effective management of population health.

- 1.1. What lines of business do you intend to pursue on your existing/expanded campus?

We will continue to provide the highest quality healthcare on an expanded campus. An effort will be made to consolidate services in a way that offers patients and their families a convenient, efficient, one-stop healthcare experience. Although time has not yet allowed us to develop definitive plans for campus expansion, an example of how the expansion might enhance our healthcare delivery would be centralizing ambulatory/outpatient services in an easily accessible part of the expanded campus. Another example could be bringing together all of our maternal, infant and child health services, including obstetrical care, in one easy to access setting. In addition to providing efficient access and operations for our patients, it would allow Virginia Hospital Center to address the capacity constraints that we experience today. In 2014, we exceeded optimum occupancy in obstetrics 64% of days and in our medical/surgical units it was 68% of the time (see Attachment A).

- 1.2. What lines of business will you pursue off-campus?

It is most cost-effective and efficient for our community if we pair patient care at our current location and on the Edison Street site. This strategy also enables us to provide the highest quality patient experience. Any healthcare expansion off-campus would likely follow our current model of care which is focused on the growth of our

VHC Physician Group practices. With a spotlight on meeting the community's need for primary care, the growth of our physician group has been geared toward placing physician practices in our surrounding communities, where they are near to residents' homes or workplaces and thus easily accessible.

1.3. What lines of business that you currently pursue will you discontinue?

At this point, we do not intend to discontinue any of the healthcare services currently provided at Virginia Hospital Center. We are an advanced acute care facility and the only services which we don't offer are organ transplants and burn care, both of which are handled by a single facility or a few regional ones.

2. How does this model meet the comprehensive health care needs of Arlington residents?

In 2014, 77% of Arlington residents who received inpatient hospital treatment received it at Virginia Hospital Center. The community's reliance on Virginia Hospital Center was even more pronounced with obstetric deliveries: 83% of Arlingtonians who gave birth did so at the Hospital.

Virginia Hospital Center will continue to offer all of the medical and surgical acute care services that we currently offer today. We are one of the only hospitals in the Washington/DC metro region to provide inpatient rehab services, and one of the few hospitals that have not only continued to offer mental health and substance abuse services, but also expanded those programs in both the inpatient and outpatient settings.

As noted by Arlington County Planning Department statistics and Metropolitan Council of Governments (MCOG) population projections, Arlington County population is forecasted to continue to grow. MCOG projects that the County will experience a 6% increase in population over the next 5 years. In addition, the Arlington Public Schools are expected to have significant increases throughout the K-12 grade levels for the next 5 years – Elementary (8%), Middle School (28%), and High School (28%) – see Attachment B.

These forecasts, coupled with our current space constraints, indicate the need to expand the Hospital's service capacity in order to meet the mounting healthcare needs of Arlington County. The Hospital's comprehensive complement of inpatient and outpatient services is uniquely positioned to meet the changing demographics of Arlington County. This includes the increasing population over the age of 65, and the expansion of younger populations which have a greater need for ambulatory (outpatient) services.

We have established ourselves as the best "value" provider of healthcare in the region – a result of being nationally recognized for providing the highest quality care, at a low cost and with industry leading levels of patient satisfaction. This distinction means Arlington County's residents and businesses get the highest level of healthcare value. A high level of healthcare value is especially important as this era of healthcare reform continues to evolve and the growth in healthcare services must be done efficiently, effectively and in a manner that ensures the best patient outcomes.

3. How does the Mayo Clinic relationship affect/enhance that model?

Virginia Hospital Center's clinical collaboration with Mayo Clinic, through the Mayo Clinic Care Network, is a perfect example of the Hospital's ongoing efforts to provide exceptional healthcare value to Arlington County. The Mayo Clinic Care Network was established to promote physician collaboration among independent organizations interested in improving the delivery of healthcare. Nationally, as hospitals and healthcare systems continue to move to a more efficient healthcare delivery model, the Mayo Clinic Care Network illustrates how technology and clinical relationships can deliver expert care to patients close to their homes (versus patients having to travel to receive superlative specialty care) and at no additional cost to the patient or their physician.

Mayo Clinic is selective in their collaborations and their relationship with Virginia Hospital Center distinguishes the clinical expertise that we can provide to residents and employers within Arlington County. No other hospital in the Mid-Atlantic has this unique relationship, and affords the community the opportunity to receive access to nationally acclaimed care without ever leaving their neighborhood and at no additional cost.

4. What gaps in care does this model create (e.g., trauma, mental health) for Arlington residents?

We do not believe the model of healthcare at Virginia Hospital Center creates gaps in care for the communities we serve. Virginia Hospital Center has strong partners for instances in which a rare area of expertise or highly specialized environment is needed for an extended period to ensure the best patient outcomes. These partnerships include our relationship with Mayo Clinic, Children's National Medical Center (neonatal intensive care) and Georgetown University School of Medicine. There is a seamless network of care for any condition or medical need that our patients may experience, and our collaborative partnerships ensure that industry-leading care will be accessible to all the communities we serve, and likely right at Virginia Hospital Center. Should a patient's situation require that care be transferred to another hospital, Virginia Hospital Center has formal arrangements in place to ensure that the transfer takes place in a seamless, convenient way for the patient; and in a manner that does not compromise the quality or continuity of care.

Virginia Hospital Center is an acute care facility and has invested in providing the community a level of medical sophistication and expertise that is not found in community hospitals. The Hospital has nationally recognized centers of excellence in cardiovascular surgery, neurosurgery, cancer care, stroke care, emergency medicine and breast health, to name a few. However, Virginia Hospital Center's ability to continue to provide that advanced level of healthcare is closely tied to our ability to expand to meet the healthcare needs of the growing community. The Edison Street property represents that much-needed capacity.

As noted earlier, Virginia Hospital Center has expanded the mental health and substance abuse services we provide for Arlington county and our surrounding communities. This includes a unique partnership with Arlington County Mental Health Services. Expansion of the Hospital's campus will allow us to further this partnership and allow us to even better address the mental health needs of our community.

5. How are these gaps being filled by other health care service providers?

The only services not offered at Virginia Hospital Center are transplant surgery and burn care. The need for these services is infrequent enough that they can be efficiently covered through a regional approach. At present, transplant services are covered by Inova Fairfax Hospital and a few hospitals in the District. Burn care services are covered by Washington Hospital Center in the District.

Virginia Hospital Center has trauma capabilities but we are not a designated trauma center. We receive and stabilize trauma or burn patients for transfer to a designated with those specialty capabilities. There is no intent, or need, at this point, to add those capabilities at Virginia Hospital Center.

6. Describe how your business model will drive the need for more space and/or reconfigured facilities?

Arlington and the region will continue to grow. According to the Northern Virginia Regional Commission, the first round of 2010 census data provides a glimpse of the extraordinary population growth over the last decade. Some key findings include:

- **A population increase of 415,230 – an average gain of almost 42,000 per year**
- **A growth rate of 23 percent, surpassing a previous decennial record of 360,000 added during the 1980's**
- **The population growth this decade is equivalent to adding a number that exceeds the 2010 population count for Prince William County**
- **Nationally, the population growth figure exceeds the population increase recorded in 35 of the 50 U.S. states; and**
- **Two-thirds of the population growth of the Washington metropolitan region settled on the Virginia side of the Potomac River.**

coupled with our current space constraints – indicate a need to expand the Hospital's service capacity in order to meet the growing healthcare needs of Arlington County. Also as previously noted, the Hospital's comprehensive complement of inpatient and outpatient services is uniquely positioned to meet the changing demographics of Arlington County. This includes the increasing population over the age of 65, as well as the growth of the younger populations which have a greater need for ambulatory (outpatient) services.

In addition to allowing the Hospital to expand to meet the increasing healthcare needs of our community, our acquisition of the Edison Street property would also enable the Hospital to address the advancing age of many of the Hospital buildings that were built more than 50 years ago.

- 6.1. Please include any phasing related to expanding or discontinuing current needs.

Although there are no plans for discontinuation of any current services, there would likely be phasing involved in the expansion of the Hospital campus; however, at this time it is too early in our planning process to have formal phasing plans.

- 6.2. What external approvals are required to pursue/expand various lines of business?

In addition to the County site planning process, the Hospital would also need to get approval through Virginia's Certificate of Public Need (COPN) process. The COPN process is required of any healthcare provider that seeks to add "reviewable medical care facility projects, replacement of existing medical equipment and/or capital expenditures" that exceed a certain financial threshold. "Reviewable" projects include hospital beds, imaging equipment, operating rooms, new hospitals, etc.

The COPN process requires that requests be reviewed at both the local/regional level and the State level. This allows for review of the projects and verification of need through a public hearing process at the local level (review by consumer/provider representatives that represent all the localities of Northern Virginia), ultimately leading to a decision of acceptance or denial by Virginia's Commissioner of Health.

Facilities Plan Components

1. In developing this portion of the plan, please include all property/facilities that are located on or immediately adjacent to the existing campus.

The Hospital campus is made up of 4 different addresses and at least 9 different buildings that vary in age. The main hospital has the address of 1625 N. George Mason Dr. and is the newest building, constructed in 2004. The next building address is 1635 N. George Mason Dr. which was built in 1995 and is a Medical Office Building that has a condominium arrangement with several physician owners of space within the building. A similar arrangement exists in the 1715 N. George Mason Dr. building (built in 1983). It too is a Medical Office Building condominium with many physician owners of space. In both buildings, the Hospital is the majority owner. The last building on the campus with a property address is the 1701 N. George Mason Dr. building (built in 1973) which houses primarily the Hospital's Women and Infant Health services.

The remaining buildings on the campus do not have separate property addresses. Some are connected to the other main campus buildings while some are stand-alone. Those buildings and their dates of construction are as follows (See Attachment C):

- The 1957 building (which is where our Neonatal Intensive Care Unit [NICU] resides)
- The 1988 building (includes our pharmacy and loading dock)
- The 1963 building (includes surgical services and cafeteria)
- The 1982 building (the Hospital Conference Center & Auditorium)
- The 1957 building (the Hospital Outpatient Clinic)
- The 2003 building (the Hospital power plant operations)

The Hospital owns 4 residentially zoned parcels that are adjacent to the Hospital campus along 16th Street. Two of the parcels, 5114 and 5122 N. 16th St., have had the houses removed to create green space and what is referred to as "the Healing Gardens" – part of the site plan approval process that enabled County Board approval of the 2004 expansion of the main Hospital building. The other two parcels (5130 and 5138 N. 16th St.) remain as rental houses leased to County residents.

2. Please explain how the current hospital facilities do not serve your needs as specifically as possible.

Virginia Hospital Center is committed to providing the highest quality of care possible and ensuring that patients have the best experience possible. To achieve this goal, we must ensure that adequate physical space is available and services are co-located in a manner that offers patients one-stop healthcare. The current and expected patient volume and the anticipated growth in the region demand that we plan for expansion. Acquisition of the Edison Street Site is an appropriate and logical strategy for addressing the need to expand. Our commitment to high-quality, patient-oriented care is a benefit to Arlingtonians and to the surrounding region. In fact, it is one of the most important benefits that a community could aspire to offer.

More specifically, we have 3 immediate capacity needs that are severely hampered by our current campus and the lack of additional space to expand – inpatient capacity, parking and easily accessible outpatient services. In addition to the immediate capacity concerns, we are also faced with concerns over the age of some of the campus buildings and the need to replace them. With no available land or FAR and operating daily with a patient volume that is well above industry standard ratios, we have no “empty chair” in which to be able to replace some of our older buildings. Expanding the Hospital’s campus would allow us to address these immediate and long-term capacity concerns, and allow the Hospital the space to address the healthcare needs of the County for the next 20 years and beyond.

3. If the existing campus facilities were reconfigured, would they meet the Hospital Center's needs over the next 20 years? If not, why not?

Reconfiguration of the existing campus would not meet the healthcare needs of the community for the next 20 years. Current capacity constraints and the fact that the Hospital site has no additional Floor Area Ratio (FAR), severely impact the Hospital’s immediate ability to meet our community’s healthcare needs. In the near future, our landlocked campus will be further compressed as the population continues to grow and age, requiring additional resources and space. We would employ the same interdisciplinary, comprehensive approach to ensure that any new expansion of the Hospital campus maximized available space in a way that supported the delivery of healthcare services and gave patients the best possible experience.

Our interest in and our urgency regarding the Edison Street property is based on the current capacity constraints we are experiencing and with an eye toward the process and length of time that is required when seeking approval for expanded services. In addition to the County’s site planning process, and neighborhood involvement, we would also have to go through Virginia’s Certificate of Public Need (COPN) process.

The combination of the County’s site planning process, the State’s COPN requirements and the logistics of managing the Hospital’s planning process concurrent with maintaining existing operations 24/7/365, means that completing an expansion project will take years. We have mapped out the estimated timeline from acquisition of the Edison site to the completion of a new hospital expansion which we project would take 10 years before the new project would be open for use (see Attachment D). While capacity constraints drive the urgency today, our interest in the Edison Street property is also a factor in our long-term planning of campus facilities; these investments are viewed on a 50-year timeline.

4. To the extent that a reconfiguration of the existing campus will not meet your needs, for what specific uses/facilities would you need expansion space?

As noted earlier, we have not gotten to the point in our planning/strategic process to have identified the specific service line expansion or phasing that would happen in an expansion of the campus. Our current capacity constraints have been most noticeable with regard to our medical/surgical and obstetric services. These are areas that will continue to tap our capacity given population forecasts and the aging of the populations we serve.

As technology continues to impact the healthcare world, we will most certainly see the persistent shift of care to the ambulatory/outpatient setting. We will need the space and flexibility to address that shift and to ensure that Virginia Hospital Center maintains a high standard of excellence in delivering ambulatory/outpatient care in an efficient and cost-effective manner. With no available space on the existing campus, we have no “empty chair” in which to address the need for expansion of services or the ability to replace buildings and resources that have exceeded their useful life.

5. How does the phasing of your business plan elements dovetail with your need for additional land/facilities? When do you anticipate needing the additional land/facilities? What is your phasing plan?

As noted above, our business planning evaluation hasn’t gotten to a level of formalizing a phasing plan; however, our preliminary assessments and current capacity constraints point to an urgent need to expand the Hospital campus. In order to continue to provide Arlington and the region with the highest quality, patient-centric healthcare at a convenient location, it is critical that Virginia Hospital Center gain ownership of the Edison Street site as soon as possible.

Given our current capacity constraints (68% of the days in 2014 exceeding optimum occupancy; see Attachment A) and the County and State timelines for approval, we need to secure additional land/facilities as soon as possible. Our conservative forecasts, factoring in only the projected population growth of the County, estimate that we will need a minimum of 85 beds in 5 years and a minimum of 130 beds over the next 15 years.

6. How would you propose to enhance the environmental condition of the existing hospital campus and any expansion thereof? Would you daylight the existing stream? How would you handle storm water runoff?

Although it is too early for us to have formulated the specifics of our plan, we have enhanced and will continue to enhance the environmental condition of the entire Hospital campus. Over the years we have engaged in a proactive dialogue with the Civic Associations and communities that surround the Hospital to ensure that we augment the appearance and livability of the neighborhood we reside in. We will encourage that ongoing dialogue as we proceed through the County site planning process and in the years that follow.

Our efforts to date have included and will continue to include the following “green” initiatives:

- **A comprehensive energy reduction effort based on a PEPCO audit – efforts included automatic shut-offs, new energy efficient equipment and lighting.**
 - **The Hospital has joined the U.S. Green Building Council.**
 - **Utilization of clean fuels (natural gas) versus oil to fire the Hospital’s boilers.**
 - **Hospital-wide recycling efforts for paper, cardboard, bottles/cans and oils.**
 - **A waste reduction effort utilizing our ChemClave sanitizer and grinder for regular and medical waste.**
 - **Campus siting for public transportation – ART Bus subsidy, bike station and future site for BikeShare program.**
 - **Water efficiency measures that include the installation of a new underground storm water retention system.**
 - **Elimination of medical mercury products.**
 - **Conversion of all tube type televisions to energy efficient flat screens.**
 - **Conversion to energy efficient CFL lightbulbs.**
7. How would you enhance the way the edges of the existing hospital campus and/or any expansion space relate to the adjacent community?

Virginia Hospital Center expects to engage the community in a site planning process that will likely identify possible enhancements and opportunities for our current site as well as the Edison Street site.

8. How do you propose to handle access to the existing hospital campus and/or any expansion space? Will you relocate service uses to the interior of the campus?

These decisions will be determined once a site plan is created for the Edison Street site. We are committed to ensuring that our current site and the Edison Street site flow together and create an attractive, unified campus.

9. Aside from the hospital itself, how do you propose to integrate community benefits into the programming of the existing and/or expanded site (e.g., open space, playgrounds, affordable housing)?

Virginia Hospital Center has historically provided a multitude of community benefits that range from health and wellness education to exercise, and we are very willing to consider integrating other community benefits on the site which will not preclude the long-term use of the site for future strategic community healthcare needs. We would expect a discussion of potential community benefits to evolve from the site planning process.

10. What design principles do you intend to follow for the existing and/or expanded site that will create a cohesive vision? Do you have preliminary designs that indicate the level of height and massing that the hospital will be seeking to meet your needs?

We don’t have preliminary designs at this time but it is our expectation that the Edison Street site, when developed, will integrate nicely with our current site and be a positive and attractive addition to the surrounding neighborhoods.

Virginia Hospital Center is familiar with the County’s site planning process and understands the need to address traffic, parking and other potential impacts that may

result from the development of the Edison Street site. And as we have demonstrated in the past, we understand the need to work with our neighbors and other stakeholders to mitigate any undesirable impact of future development.

11. How will you reintroduce the street grid into this super block? How will you enhance internal as well as external circulation for vehicles, pedestrians, bicycles, etc.?

Again, given the infancy of our request for site expansion, this isn't something that we have formally developed. We see this as an important component of our site planning process with both the County and community.

Other VHC Sites

1. What are your long term plan for your Carlin Springs site and the existing services? What are your plans for any other property/assets you own in the County?

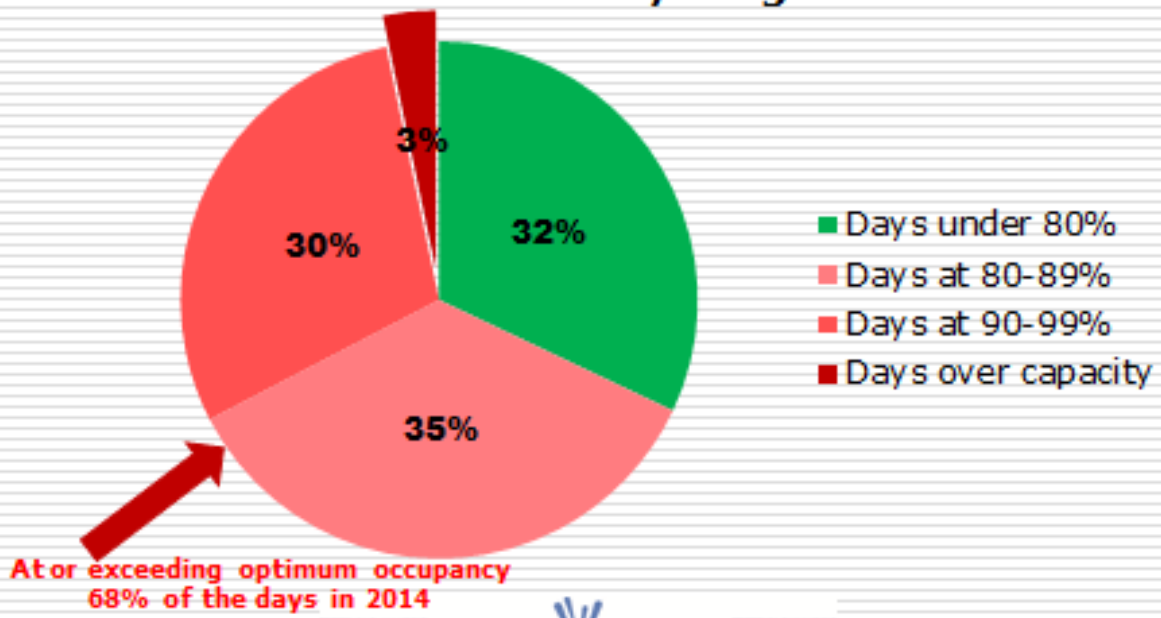
As we indicated in our letter to Chairman Hynes, we have offered the option to swap any of the land parcels the Hospital owns as part of our interest in acquiring the Edison Street property. Long-term plans to meet the County's healthcare needs for the future can more efficiently be served with campus expansion to the Edison Street property. Our long-term plans for the Carlin Springs site and the other property owned by the Hospital remain flexible based on the interest of the County and their evaluation of the existing property assets of Virginia Hospital Center.

Virginia Hospital Center
Comprehensive Facilities and Business Plan

Attachment A

Virginia Hospital Center
Capacity Crunch

Med/Surg - 2014

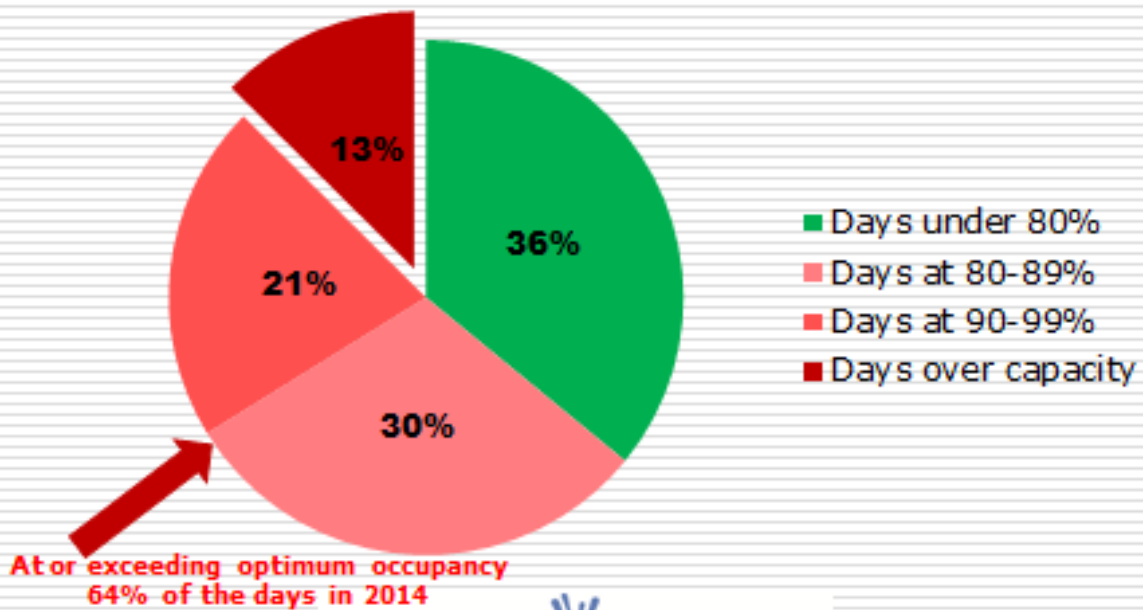


Virginia Hospital Center
Comprehensive Facilities and Business Plan

Attachment A

Virginia Hospital Center
Capacity Crunch

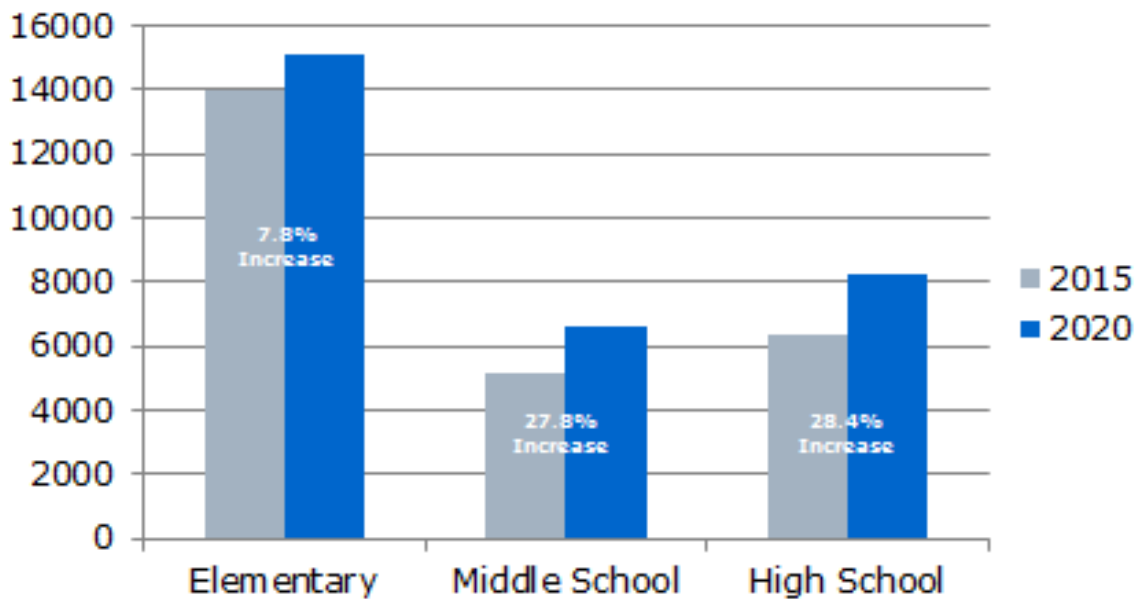
Obstetrics – 2014



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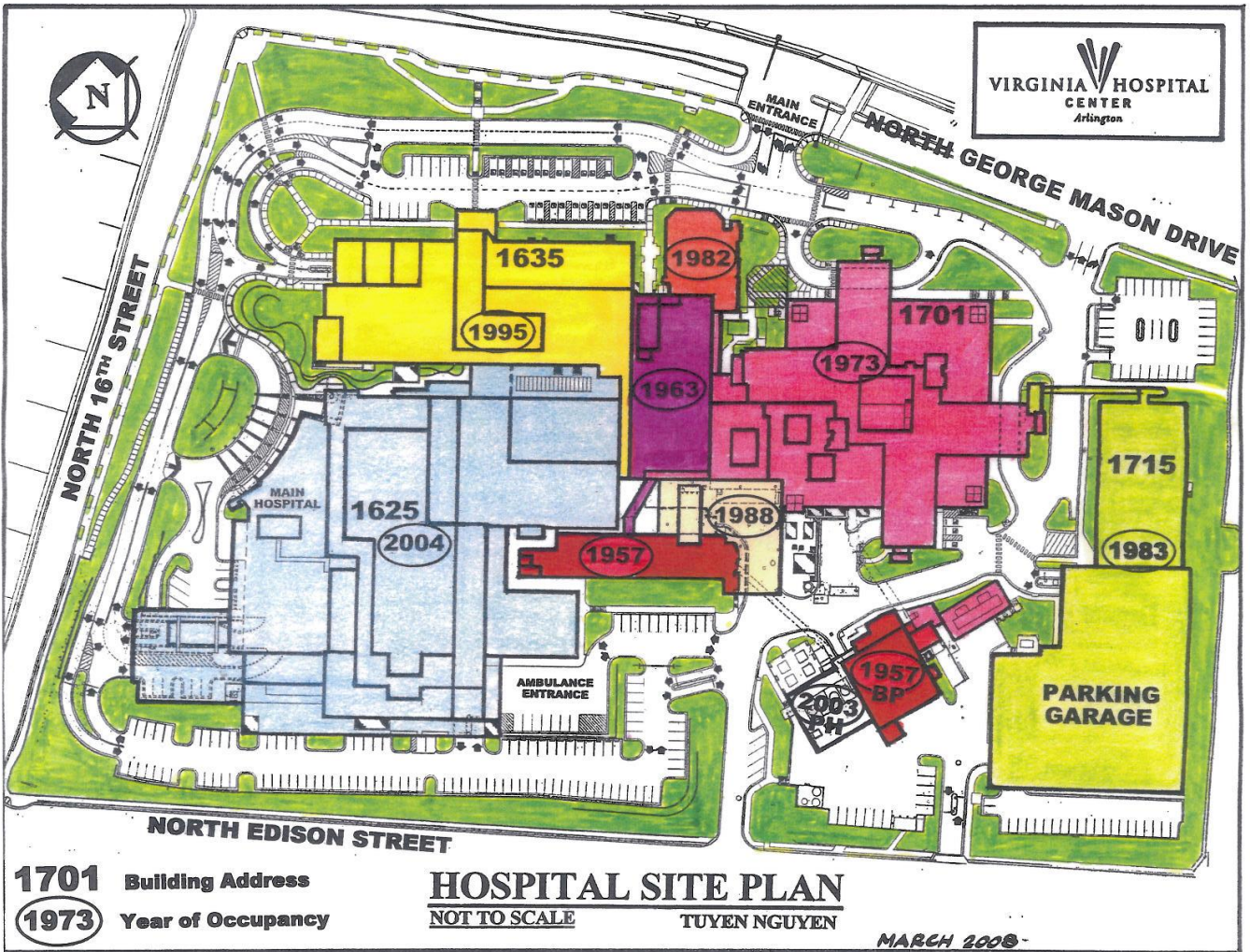
Attachment B

School Projections



Virginia Hospital Center Comprehensive Facilities and Business Plan

Attachment C



Virginia Hospital Center Comprehensive Facilities and Business Plan

Attachment D

Bed Availability Planning Approval & Construction

