

VR 355-30-000

COMMONWEALTH OF VIRGINIA

APPLICATION FOR A
MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED
(CHAPTER 4, ARTICLE 1:1 OF TITLE 32.1,
SECTIONS 32.1-102.1 THROUGH 32.1-102.11 OF
THE CODE OF VIRGINIA OF 1950, AS AMENDED)

OUTPATIENT FACILITIES

revised 12/10/92

All applicants are reminded that a determination of Public Need results from a consideration of the factors identified in §32.1-102.3.B of the Virginia Medical Care Facilities Certificate of Public Need law.

Prior to completing the application forms, applicants are encouraged to contact the Division of Resources Development of the State Health Department and the appropriate Regional Health Planning Agency (RHPA) concerning existing community health resources and the projected need for the proposed project. Of particular importance is a discussion of the required information necessary to complete the application. Copies of the appropriate State and RHPA plans and policies will be made available upon request.

The Division of Resources Development and the RHPA's may be contacted at the following addresses and telephone numbers:

Virginia Department of Health (804) 786-7463
Division of Resources Development
Main Street Station, Suite 105
1500 East Main Street
Richmond, Virginia 23219

Northwestern Virginia Health Systems Agency (804) 977-6010
Blue Ridge Hospital
Charlottesville, Virginia 22901

Health Systems Agency of Northern Virginia (703) 573-3100
7245 Arlington Boulevard, Suite 300
Falls Church, Virginia 22042

Southwest Virginia Health Systems Agency (703) 981-1822
3100A Peters Creek Road, N.W.
Roanoke, Virginia 24019

Central Virginia Health Planning Agency (804) 233-6206
P.O. Box 24287
Richmond, Virginia 23224

Eastern Virginia Health Systems Agency (804) 461-4834
18 Koger Executive Center, Suite 232
Norfolk, Virginia 23502

INSTRUCTIONS FOR COMPLETING ESTIMATED CAPITAL COSTS SECTION OF THE
CERTIFICATE OF NEED APPLICATION

General Instructions

1. Questions should be answered only in space provided.
2. If additional space is required, attach a separate sheet. Be sure, however, to identify your answer with the correct question number.
3. Unless otherwise indicated, answer all questions by supplying dollar (\$) amounts.
4. In certain instances, an expenditure may not be planned. In such cases, answer by placing a zero (0) in the appropriate space.
5. Proper completion of this section of the application should enable the applicant to meaningfully evaluate the costs of constructing a medical care facility and assess if such a financial commitment can realistically be undertaken.

INSTRUCTIONS FOR COMPLETING SECTION V, PART I -
DIRECT CONSTRUCTION COSTS

Answers to questions in this section should reflect planned expenditures for the construction of the primary structure(s) and all permanently affixed equipment. This includes construction materials (line 1) and labor (line 2) and equipment included in the construction contract which will be permanently attached to the structure (line 3). Examples of the latter include: life support systems, communications systems, central vacuuming, etc. Builder's overhead (line 4) is that portion of the builder's total overhead expenses allowable to the proposed facility and builder's profit (line 5), net earnings from the construction contract. Allocation for contingencies (line 6) is the dollar amount held in reserve for unanticipated construction expenses.

INSTRUCTIONS FOR COMPLETING SECTION V, PART II -
EQUIPMENT NOT INCLUDED IN CONSTRUCTION CONTRACT

List and price each piece of depreciable equipment not supplied as part of the construction contract (lines 8a through 8e). This generally includes equipment not permanently affixed to the structure. Examples include x-ray equipment, beds, freezers, etc.

INSTRUCTIONS FOR COMPLETING SECTION V, PART III -
SITE ACQUISITION COSTS

Supply the acquisition price of the proposed facility site (line 10). If more than one use is planned for the site, include only that portion of the total purchase price which is allowable to the land area which will be occupied by the proposed facility. If a structure(s) currently stands on the proposed facility site and it is anticipated that this structure(s) will be used as part of the proposed facility portion, the total purchase between the value of the existing structure(s) and the value of the raw land (lines 11a and 11b), provide closing costs on line 12. These include legal fees, title

INSTRUCTIONS FOR COMPLETING SECTION V, PART IX-A -
HUD SECTION 232 FINANCING

If it is expected that the proposed facility will be financed with HUD Section 232 Financing, complete and submit this section or otherwise complete either Section IX-B or IX-C. Regardless of the method of financing selected, applicants might choose to complete each of the facility financing sections. Such an exercise would permit a true comparison of the relative costs of the different methods of financing and in so doing, permit the applicant to select the least costly alternative. It is requested, however, that in submitting a Certificate of Need application, the applicant include financial data only for that financing alternative he finally selects.

On line 39 estimate the number of months required to complete construction of the proposed facility. On line 40 supply the dollar amount of the construction loan. The construction loan interest rate should be supplied on line 41 and the total interest on the construction loan for the entire construction period on line 42.

The term, in years, of the permanent mortgage loan should be provided on line 43 and the mortgage interest rate on line 44. FHA mortgage insurance (line 45) premiums equal 0.5% of the outstanding loan balance per year. Mortgage fees (line 46), for example, include examination and inspection fees and are charged at a rate of \$8 per \$1,000 of mortgage value. Financing fees (line 47) are charged by the bank and may be as high as 2% of the loan. The placement fee (line 48) is a FNMA charge and is equal to 1½% of the loan value. The AMPO (line 49) is a reserve to make the project operational and is available to non-profit sponsors only. Up to 2% of the loan balance can be allocated to the AMPO. Title and recording fees should be supplied on line 50 and legal fees on line 51. Total mortgage interest to be paid on the permanent mortgage loan should be estimated from a book or mortgage tables and written on line 52.

INSTRUCTIONS FOR COMPLETING SECTION V, PART IX-B -
INDUSTRIAL DEVELOPMENT AUTHORITY REVENUE AND GENERAL OBLIGATION BOND FINANCING

If it is expected that the proposed facility will be financed from the sale of industrial revenue or general obligation bonds, complete and submit this section. Otherwise, complete either Section IX-A or Section IX-C.

Specify the source of all construction capital on line 54. If construction is to be financed from the proceeds of a bond sale, do not answer questions on lines 55 through 58. If construction, however, is to be financed by a separate construction loan, answer questions 56, 57 and 58. How many months will it take to complete construction of the facility (line 55)? Provide the dollar amount of the construction loan on line 56 and the construction loan interest rate on line 57. Total interest costs on the construction loan should be supplied on line 58.

On line 59 identify the nature of the bond placement, e.g., direct, underwriter, etc. Will bonds be issued before construction begins (line 60)? If yes, how many months before construction is started will the bonds be issued (line 61)? What is the dollar value of the bonds that are expected to be sold prior to the beginning of construction (line 62)? For bonds sold

fees, etc. If the site is to be leased rather than purchased, provide the annual leasehold on line 13. All other expenses already paid or accrued should be itemized separately on lines 14a through 14c.

INSTRUCTIONS FOR COMPLETING SECTION V, PART IV -
SITE PREPARATION COSTS

Supply financial data for site preparation work related solely to the proposed facility site or that portion of the total site which is to be occupied by the proposed facility. Earth work (line 16) refers primarily to land contouring. Site utilities (line 17) include the costs of installing water, electric and gas utilities. Roads and walks (line 18), lawns and planting (line 19) and unusual site conditions (lines 20a and 20b) refer to expenditures for on-site work only. Accessory structures (line 21) refer to unattached structures which are to be used in support of the primary facility; examples include garage, club house, etc. Demolition costs (line 22) are those costs incurred in clearing standing structures from the proposed facility site.

INSTRUCTIONS FOR COMPLETING SECTION V, PART V -
OFF-SITE COSTS

Include only off-site construction costs for free standing structures which are to be used in support of the primary facility (lines 24 through 27). Examples might include off-site bus depots, clinics, extension of utilities to site, modification of highways for safe entrance, etc.

INSTRUCTIONS FOR COMPLETING SECTION V, PART VI -
ARCHITECTURAL AND ENGINEERING FEES

Include on line 29 the architect's design fee and on line 30 the fee for supervising the implementation of the design. Engineering fees (line 31) include engineering design expenses. Consultant fees (line 32) refer only to architectural and engineering consultant fees.

INSTRUCTIONS FOR COMPLETING SECTION V, PART VII -
OTHER CONSULTANT FEES

All consultant fees except for architectural and engineering consultant fees should be itemized separately on lines 34a through 34c.

INSTRUCTIONS FOR COMPLETING SECTION V, PART VIII -
TAXES DURING CONSTRUCTION

Property taxes to be paid during the construction period should be listed on line 36. For multiple use sites, include only that portion of the total property tax allocable to the proposed facility site. Any other taxes to be paid during construction should be itemized on lines 37a and b. These, for example, might include permit fees, utility taxes, etc.

prior to or during construction, will interest and principal be paid or only interest (line 63)? Finally, what is the estimated pre-construction bond interest expense (line 64)? How many months after construction begins is it expected that the last bond will have been sold (line 65)? What is the estimated bond interest expense during construction (line 66)? The percentage of total construction which will be financed from the bond issue should be supplied on line 67. The expected annual interest rate, anticipated term and expected bond discount should be supplied on lines 68, 69, and 70, respectively. Legal costs, printing costs, placement fees, feasibility study costs, insurance fees, title and recording fees and other fees should be given on lines 71 through 77c, respectively. Debt service reserve, \$200,000 should be written on line 78. Life time bond should be estimated on line 79.

INSTRUCTIONS FOR COMPLETING SECTION V, PART IX-C -
CONVENTIONAL MORTGAGE LOAN FINANCING

If it is expected that the proposed facility will be financed with a conventional mortgage loan, complete and submit this section. Otherwise, complete either Section IX-A or Section IX-B.

Estimate the number of months required to complete construction on line 81, the dollar amount of the construction loan on line 82 and the construction loan interest rate on line 83. Total construction loan interest costs should be estimated on line 84. The terms of the permanent long term mortgage should be supplied on lines 85 through 87. On line 85 estimate the term of the loan; on line 86, its interest rate and the mortgage discount on line 87. Estimate on lines 88 through 93 the costs for a feasibility study, finder's fees, legal fees, insurance and other fees respectively. Finally, on line 94 from a book of mortgage tables, estimate total interest for the permanent mortgage loan (line 94).

INSTRUCTIONS FOR COMPLETING THE FINANCIAL DATA SUMMARY SHEET

The Financial Data Summary Sheet provides a summary of total construction and financing costs. Financial data for lines 96 through 106 and 110 can be found by referring to the referenced line numbers. Lines 96 through 103 provide a summary of direct construction costs as previously compiled in Sections I through VIII. Depending on the method of financing anticipated, the applicant should supply financial data for either lines 104, 105, or 106. These financing cost sub-totals represent construction costs and permanent loan financing fees for the selected method of financing. Total construction costs (line 107), therefore, equal the sum of lines 96 through 106. Line 108 asks for the percent of total construction costs which will be financed. The dollar value of the long-term mortgage (line 109), therefore, can be derived by multiplying line 107 times line 108. Total long-term financing interest costs should be supplied for the anticipated method of financing on line 110a, b, or c. The anticipated bond discount, for the selected method of financing, should be supplied on lines 111a, b, or c. Finally, total project costs (line 112), the total of construction costs, financing fees and discounts, are the total of lines 107, 110a, b, or c and 111a, b, or c.

SECTION I

FACILITY ORGANIZATION AND IDENTIFICATION

A.

Official Name of Facility

Address

City

State

Zip

Telephone

B.

Legal Name of Applicant

Address

City

State

Zip

C.

Chief Administrative Officer

Name

Address

City

State

Zip

Telephone

D.

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

Name

Address

City

State

Zip

Telephone

- G. Attach a list of names and addresses of all owners or persons having a financial interest of five percent (5%) or more in the medical care facility.
- (a) In the case of a proprietary corporation also attach:
- (1) A list of the names and addresses of the board of directors of the corporation.
 - (2) A list of the officers of the corporation.
 - (3) The name and address of the registered agent for the corporation.
- (b) In the case of a non-profit corporation also attach:
- (1) A list of the names and addresses of the board of directors of the corporation.
 - (2) A list of the officers of the corporation.
 - (3) The name and address of the registered agent for the corporation.
- (c) In the case of a partnership also attach:
- (1) A list of names and addresses of all partners.
 - (2) The name and address of the general or managing partner.
- (d) In the case of other types of ownership, also attach such documents as will clearly identify the owner.
- H. List all subsidiaries wholly or partially owned by the applicant.
- I. List all organizations of which the applicant is a wholly or partially owned subsidiary.
- J. If the operator is other than the owner, attach a list of the name(s) and address(es) of the operator(s) of the medical care facility project. In the case of a corporate operator, specify the name and address of the Registered Agent. In the case of the partnership operator, specify the name and address of the general or managing partner.
- K. If the operator is other than the owner, attach an executed copy of the contract or agreement between the owner and the operator of the medical care facility.

SECTION II

ARCHITECTURE AND DESIGN

A. Location of the Proposed Project

1. Size of site: _____ acres
2. Located in _____ City/County/Planning District
3. Address or directions _____

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

_____ Yes (attach copy of zoning or use permit)

_____ No

If no, explain status _____

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

- (1) _____ New construction
- (2) _____ Remodeling/modernization of an existing facility
- (3) _____ No construction or remodeling/modernization
- (4) _____ Other _____ (Identify)

C. Design of the facility

1. Does the facility have a long range plan? If yes, attach a copy.
2. Briefly describe the proposed project with respect to location, style and major design features, and the relationship of the current proposal to the long range plan.
3. Describe the relationship of the facility to public transportation and highway access.
4. Relate the size, shape, contour, and location of the site to such problems as future expansion, parking, zoning, and the provision of water, sewer, and solid waste services.
5. If this proposal is to replace an existing facility, specify what use will be made of the existing facility after the new facility is completed.
6. Describe any design features which will make the proposed project more efficient in terms of construction costs, operating costs, or energy conservation.

- D. Describe and document in detail how the facility will be provided with water, sewer, and solid waste services. Also describe power source to be used for heating and cooling purposes. Documentation should include, but is not limited to:
- (1) Letters from appropriate governmental agencies verifying the availability and adequacy of utilities,
 - (2) National Pollution Discharge Elimination System permits,
 - (3) Septic tank permits, or
 - (4) Receipts for water and sewer connection fees.
- E. Space tabulation - (show in tabular form)
1. If Item #1 was checked in II-B, specify:
 - a. The total number of square feet (both gross and net) in the proposed facility.
 - b. The total number of square feet (both gross and net) by department and each type of patient room (the sum of the square footage in this part should equal the sum of the square footage in (a) above and should be consistent with any preliminary drawings, if available).
 2. If Item #2 was checked in II-B, specify:
 - a. The total number of square feet (both gross and net) by department and each type of patient room in the existing facility.
 - b. The total number of square feet (both gross and net) to be added to the facility.
 - c. The total number of square feet (both gross and net) to be remodeled, modernized, or converted to another use.
 - d. The total number of square feet (both gross and net) by department and each type of patient room in the facility upon completion. (The sum of the square footage in this part should equal the sum of the square footages in parts (a) and (b) above and should be consistent with any preliminary drawings, if available). (The department breakdown should be the same as in (a) above.)
 3. Specify design criteria used or rationale for determining the size of the total facility and each department within the facility.
- F. Attach a plot plan of the site which includes at least the following:
1. The courses and distances of the property line.
 2. Dimensions and location of any buildings, structures, roads, parking areas, walkways, easements, right-of-way or encroachments on the site.

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

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

H. Construction Time Estimates

1. Date of Drawings: Preliminary _____ Final _____
2. Date of Construction: Begin _____ Completion _____
3. Target Date of Opening: _____

SECTION III

SERVICE DATA

- A. In brief narrative form describe the kind of services now provided and (and/or) the kind of services to be available after completion of the proposed construction or equipment installation.
- B. Describe measures used or steps taken to assure continuity of care.
- C. What procedures are utilized in quality care assessment?
- D. Describe the plan for obtaining additional medical, nursing and paramedical personnel required to staff the project following completion and identify the sources from which such personnel are expected to be obtained.
- E. Facilities and Services to be Provided (Check)

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

	<u>Existing</u>	<u>This Project To be Added</u>	<u>This Project to be Discontinued</u>
17. Medical Rehabilitation outpatient	_____	_____	_____
18. Psychiatric Service outpatient	_____	_____	_____
emergency services	_____	_____	_____
consultation	_____	_____	_____
19. Clinical Psychology	_____	_____	_____
20. Outpatient Emergency Service	_____	_____	_____
21. Social Service	_____	_____	_____
22. Family Planning Service	_____	_____	_____
23. Genetic Counseling Service	_____	_____	_____
24. Abortion Service	_____	_____	_____
25. Pediatric Service	_____	_____	_____
26. Obstetric Service	_____	_____	_____
27. Gynecological Service	_____	_____	_____
28. Home Care Service	_____	_____	_____
29. Speech Pathology Service	_____	_____	_____
30. Audiology Service	_____	_____	_____
31. Paramedical Training Program	_____	_____	_____
32. Dental Service	_____	_____	_____
33. Podiatric Service	_____	_____	_____
34. Pre-Admission Testing	_____	_____	_____
35. Pre-Discharge Planning	_____	_____	_____
36. Multiphasic Screening	_____	_____	_____
37. Other (Identify)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

F. Program

1. Is (will) this outpatient facility (be) a department, unit or satellite of a hospital?
 Yes (Give name of hospital) _____
 No

2. Is this outpatient facility affiliated with or does it have a transfer agreement with a hospital?
 Yes (Give name of hospital) _____
 No

3. Is (will) there (be) an arrangement whereby medical records can readily be transferred between this outpatient facility and an inpatient facility(ies)?
 Yes (Give name of facility) _____
 No

4. Outpatient services are (will be) available from _____ a.m. to _____ p.m. _____ days of the week.

5. Does (will) the facility operate scheduled clinics?
 Yes (Attach clinic schedule list)
 No

6. Are there other organized outpatient services in your primary service area?
 Yes No

7. The outpatient facility is (will be) staffed:
 - (a) Only by physicians on call: Yes No
 - (b) By full time physicians: Yes No
 - (c) By physicians who limit their practice to this outpatient service? Yes No

8. State specifically any limitations or restrictions for participation in the services of the facility.

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

H. Staffing of Existing and/or Proposed Facility

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

	Current		Additional	NEEDED
	Full Time	Vacant Positions	Full Time	TOTAL
Total Number of Full-time staff	_____	_____	_____	_____
Administration-Business Office	_____	_____	_____	_____
Registered Nurses	_____	_____	_____	_____
Licensed Practical Nurses	_____	_____	_____	_____
Nurses Aides, Orderlies and Attendants	_____	_____	_____	_____
Registered Medical Records Librarian	_____	_____	_____	_____
Registered Pharmacists	_____	_____	_____	_____
Laboratory Medical Technologists	_____	_____	_____	_____
ADA Dieticians	_____	_____	_____	_____
Radiologic Technologists	_____	_____	_____	_____
Occupational Therapists	_____	_____	_____	_____
Physical Therapists	_____	_____	_____	_____
Psychologists	_____	_____	_____	_____
Psychiatric Social Workers	_____	_____	_____	_____
Recreational Therapists	_____	_____	_____	_____
Inhalation Therapists	_____	_____	_____	_____
Medical Social Workers	_____	_____	_____	_____
Other Health Professionals (Identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
All Other Personnel (Exclude Physicians and Dentists)	_____	_____	_____	_____

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

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

K. Attach the following information or documents:

1. Copy of most recent licensing report from State Agency (existing facilities, excluding public health centers).
2. Current accreditation status and copy of latest accreditation report from Joint Commission on Accreditation of Hospitals (existing facilities excluding public health centers).
3. Roster of medical staff (existing facilities). Indicate their specialty, Board Certification, Board eligibility, and staff privileges (active, associate, etc.).
4. Copies of letters of commitment or statement of intent from physicians indicating they will staff the proposed new facility or service upon completion (existing and proposed facilities).

SECTION IV PROJECT JUSTIFICATION AND IDENTIFICATION OF COMMUNITY NEED

- A. Please provide a comprehensive narrative description of the proposed project.
- B. Identification of Community Need
1. Describe the geographic boundaries of the facility's primary service area. (Note: Primary service area may be considered to be geographic area from which 75% of patients are expected to originate.)
 2. Provide patient origin, discharge diagnosis or utilization data appropriate for the type of project being proposed.
- C.
1. Is (are) the service(s) to be offered presently being offered by any other existing facility(ies) in the Health Planning Region?
 2. If yes,
 - a. Identify the facility(ies)
 - b. Discuss the extent to which the facility(ies) satisfy(ies) the current demand for the service(s)
 - c. Discuss the extent to which the facility(ies) will satisfy the demand for services in five years.
- D. Discuss how the project will fill an unmet need in the delivery of health care in the service area including, where applicable, geographic barriers to access.
- E. Discuss the consistency of the proposed project with applicable Regional Health Plan, State Health Plan, State Medical Facilities Plan, or other plans promulgated by State agencies.
- F. Show the method and assumptions used in determining the need for additional beds, new services or deletion of service in the proposed project's service area.
- G. Coordination and Affiliation with Other Facilities.
- Describe any existing or proposed formal agreements or affiliations to share personnel, facilities, services or equipment. (Attach copies of any formal agreements with another health or medical care facility.)

H. Attach copies of the following documents:

1. A map of the service area indicating:
 - a. Location of the proposed project.
 - b. Location of other existing medical facilities (by name, type (hospital, nursing home, outpatient clinic, etc.) and number of beds in each inpatient facility).
2. Any material which indicates community and professional support for this project; i.e. letter of endorsement from physicians, community organizations, local government, Chamber of Commerce, medical society, etc.
3. Letters to other area facilities advising of the scope of the proposed project.

SECTION V

FINANCIAL DATA

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

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

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

___ Yes ___ No

If yes, specify program _____ and provide a copy of report(s) which provide(s) the basis for comparison.

C. Estimated Capital Costs

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

Part I - Direct Construction Costs

- 1. Cost of materials \$ _____
- 2. Cost of labor \$ _____
- 3. Equipment included in construction contract \$ _____
- 4. Builder's overhead \$ _____
- 5. Builder's profit \$ _____
- 6. Allocation for contingencies \$ _____
- 7. Sub-total (add lines 1 thru 6) \$ _____

Part II - Equipment Not Included in Construction Contract
(List each separately)

- 8. a. _____ \$ _____
- b. _____ \$ _____
- c. _____ \$ _____
- d. _____ \$ _____
- e. _____ \$ _____
- 9. Sub-total (add lines 8a thru 8e) \$ _____

Part III - Site Acquisition Costs

- 10. Full purchase price \$ _____
- 11. For sites with standing structures \$ _____
 - a. purchase price allocable to structures \$ _____
 - b. purchase price allocable to land \$ _____
- 12. Closing costs \$ _____
- 13. If leasehold, annual rent \$ _____
- 14. Additional expenses paid or accrued:
 - a. _____ \$ _____
 - b. _____ \$ _____
 - c. _____ \$ _____
- 15. Sub-total (add lines 10 thru 14c) \$ _____

Part IV - Site Preparation Costs

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

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

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

Part VI - Architectural and Engineering Fees

- 29. Architect's design fee \$ _____
- 30. Architect's supervision fee \$ _____
- 31. Engineering fees \$ _____
- 32. Consultant's fees \$ _____
- 33. Sub-total (add lines 29 thru 32) \$ _____

Part VII - Other Consultant Fees (List each separately)

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

Part VIII - Taxes During Construction

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

Part IX-A - HUD Section 232 Financing

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

43. Term of permanent financing (in years) _____
44. Interest rate on permanent loan _____%
45. FHA mortgage insurance premium \$ _____
46. FHA mortgage fees \$ _____
47. Financing fees \$ _____
48. Placement fees \$ _____
49. AMPO (non-profit only) \$ _____
50. Title and recording fees \$ _____
51. Legal fees \$ _____
52. Total interest expense on permanent mortgage loan \$ _____
53. Sub-total Part IX-A HUD Section 232 Financing (add lines 42, 45, 46, 47, 48, 49, 50 and 51) \$ _____

Part IX-B - Industrial Development Authority Revenue and General Obligation Bond Financing
(Circle selected method of financing)

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

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

Part IX-C - Conventional Mortgage Loan Financing

81. Estimated construction time (in months) _____
82. Dollar amount of construction loan \$ _____
83. Construction loan interest rate _____%
84. Estimated construction loan interest cost (in dollars) \$ _____
85. Term of long term financing (in years) _____
86. Interest rate on long term loan _____%
87. Anticipated mortgage discount (in dollars) \$ _____
88. Feasibility study \$ _____
89. Finder's fee \$ _____
90. Legal fees \$ _____
91. Insurance \$ _____
92. Other fees (List each separately)
- _____ \$ _____
93. _____ \$ _____
94. Total permanent mortgage loan interest expense (in dollars) \$ _____
95. Sub-total Part IX-C (add lines 84 & 88 thru 93) \$ _____

Financial Data Summary Sheet

96. Sub-total Part I	Direct Construction Costs (line 7)	\$ _____
97. Sub-total Part II	Equipment not included in construction contract (line 9)	\$ _____
98. Sub-total Part III	Site Acquisition Costs (line 15)	\$ _____
99. Sub-total Part IV	Site Preparation Costs (line 23)	\$ _____
100. Sub-total Part V	Off-Site Costs (line 28)	\$ _____
101. Sub-total Part VI	Architectural and Engi- neering Fees (line 33)	\$ _____
102. Sub-total Part VII	Other Consultant Fees (line 35)	\$ _____
103. Sub-total Part VIII	Taxes During Construction (line 38)	\$ _____
104. Sub-total Part IX-A	HUD-232 Financing (line 53)	\$ _____
105. Sub-total Part IX-B	Industrial Development Authority Revenue & General Revenue Bond Financing (line 80)	\$ _____
106. Sub-total Part IX-C	Conventional Loan Financing (line 95)	\$ _____
107.	TOTAL CAPITAL COSTS (LINES 96 THRU 106)	\$ _____
108.	Percent of total capital costs to be financed _____%	
109.	Dollar amount of long-term mortgage (line 107 x line 108) \$ _____	
110.	Total Interest Cost on Long-Term Financing	\$ _____
	a. HUD-232 Financing (line 53)	\$ _____
	b. Industrial Development Authority Revenue & General Revenue Bond Financing (line 79)	\$ _____
	c. Conventional Loan Financing (line 94)	\$ _____

111. Anticipated Bond discount

a. HUD-232 Financing (line 53) \$ _____

b. Industrial Development Authority Revenue &
General Revenue Bond Financing (line 70) \$ _____

c. Conventional Loan Financing (line 87) \$ _____

112. **TOTAL CAPITAL AND FINANCING COSTS**
(ADD LINES 107, 110a, b or c AND 111a, b or c) \$ _____

D. 1. Estimated costs for new construction (excluding
site acquisition costs) \$ _____

2. Estimated costs of modernization and renovation
(excluding site acquisition costs) \$ _____

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

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

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

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

1. The existing and/or proposed room rate schedule, by type of accommodation.
2. The audited annual financial statements for the past two (2) years of the existing facility or if a new facility without operating experience, the financial state of the owner(s). Audited financial statements are required, if available.
3. Copy of the proposed facility's estimated income, expense and capital budget for the first two years of operation after the proposed project is completed.

SECTION VI

ASSURANCES

I hereby assure and certify that:

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

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

Signature of Authorizing Officer	Address - Line 1
Type/Print Name of Authorizing Officer	Address - Line 2
Title of Authorizing Officer	City, State and Zip
Telephone Number	Date

Copies of the request should be sent to:

- A. Virginia Department of Health
 Division of Resources Development
 Main Street Station, Suite 105
 1500 East Main Street
 Richmond, Virginia 23219
 (Send two copies)

- B. The Regional Health Planning Agency which serves the area where the project will be located.
 (Send one copy)