VHC Health pitches 146-bed behavioral health and rehab hospital in Arlington



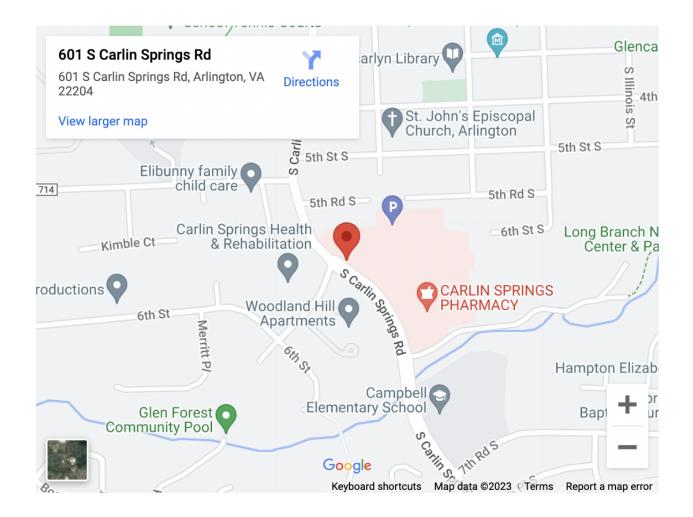
By <u>Sara Gilgore</u> – Staff Reporter, Washington Business Journal Dec 7, 2023



VHC Health's new behavioral health and rehab facility would be located a few miles south of Virginia Hospital Center in Arlington, pictured here. COURTESY PHOTO

Nearly a year after revealing initial plans to establish a behavioral health and rehabilitation facility in Arlington, VHC Health has disclosed more details about the project: It wants to build a 146-bed acute-care hospital to provide psychiatric and addiction treatment.

The nonprofit health system submitted a letter of intent Monday to the Virginia Department of Health indicating it will apply for a certificate of public need for the hospital at 601 S. Carlin Springs Road. Certificates of public need are required to establish new health care facilities in the state.



The inpatient beds would include 96 for behavioral health and 50 for medical rehabilitation, according to the letter, which was addressed to Dr. Karen Shelton, the health department's commissioner, and signed by Adrian Stanton, VHC's vice president of real estate acquisition and development.

Of the 96 behavioral health beds, 72 would be earmarked for acute psychiatric care and 24 for "acute substance abuse treatment," the letter reads. Fifty-four of the beds would be new, with 42 moving to the new space from the existing Virginia Hospital Center. The 50 rehabilitation beds would include 30 new beds and 20 from the existing hospital.

The health system's board of directors also voted Wednesday to start negotiations with an undisclosed partner, Stanton told me. They're in "early stages" of talks, Stanton said, adding that the prospective partner "has extensive behavioral health experience" and "will collaborate with us to provide quality health care and enhance the patient experience." VHC expects to share more information in early 2024, he said.

The project, expected to cost \$135 million, requires VHC to buy back a 5.8-acre property it previously sold to Arlington County a few miles south of its existing hospital campus. The

system would need to complete the county review and approval process before it could purchase the land, Stanton said.

VHC is looking to lock in all approvals by the end of 2024 and break ground "soon after," either at the end of 2024 or early 2025, Stanton said. Construction would take 12 to 18 months.

The timeline has been delayed from original estimates because of rising construction and building costs, Stanton told me earlier this month.

VHC has not yet named an architect or other project team members.

When VHC announced the concept in January, it billed the project as a "Rehabilitation and Behavioral Wellness Facility" with both inpatient and outpatient services. At that time, VHC said the new building would house three separate 24-bed inpatient behavioral health units: one for adults, another for adolescents, and a third for "recovery and wellness," for a total of 72 behavioral health beds.

Shifting beds to the new space would free up more room at the system's 453-bed flagship hospital, as VHC also looks to reshuffle its services: It opened an outpatient pavilion over the summer, and moved all outpatient services from the hospital to that new building. It's now backfilling the recently vacant space, with plans to add more medical-surgical beds within the next year — part of a \$40 million expansion there.

VHC is advancing this project at a critical time for behavioral health, with demand for such care far exceeding the supply amid the opioid drug crisis.

Behavioral health services exist elsewhere in the region, though inpatient options are few and far between. Northern Virginia has Dominion Hospital, a psychiatric facility owned by HCA Healthcare, and Inova Health System, which recently expanded its inpatient behavioral health capacity at its Mount Vernon hospital, and also provides that care on its Fairfax and Loudoun hospital campuses.

Other health systems are similarly investing in behavioral health, including Luminis Health, whose Prince George's County hospital recently opened a 16-bed inpatient psychiatric unit and outpatient behavioral health pavilion. New facilities slated to deliver in the coming years, such as Adventist Healthcare's Fort Washington Medical Center and Cedar Hill Regional Medical Center in D.C., have said they expect to include capacity for behavioral health services.