

## Combined Three Year Capital Request Summary

Request	2014 & Prior	Approved 2015	Unapproved 2015	2016	2017	Estimated Total Project	Notes
Notre Dame Parking Deck/Loading Dock Site	7,014,054	5,500,000					10485
Room Refresh	138,424	111,000					10567
Parking Deck Restoration	84,659	507,820					10560
Penthouse Expansion	63,029	871,703					10586
Powerhouse and Primary Power	417,650	1,489,018					10589
Level II Nursery			2,115,000				
Arthrex Tower			135,000				
Large C-Arm for Pain Clinic			150,000				
Intermediate ICU				1,900,000			
Cancer Center (incl relocating services, IT, signage)				6,000,000			
Move OP Services to MOB				640,000			
Renovation costs-backfill for services moving to MOB				3,400,000			
Reconstruction of interior driveway				1,000,000			
EBUS for Thoracic				154,000			
Mobile Health Clinic				35,000			
Cysto Table and Room Renovation				650,000			
Renovate/convert LTAC to med/surg unit					2,980,000		
MOB Connector				1,000,000			
40 Med /Surg Beds			480,000				
Digital Portable Unit (2003)			180,000				
Renovate 16 patient rooms incl. bathrooms			335,000	335,000			
Q-11858 Endo Choice Fuse			200,000				
GE AMX Portable (1999)				108,000			
Gen Radiology Rm-SCS (2006)				110,000			
US Unit-SCS (2006)				140,000			
General X-Ray CR Room - EC (2003)				230,000			
General X-Ray CR Room (1998)				230,000			
Hybrid OR				700,000			
P-Tube System Upgrade				1,600,000			
CT Scanner (2007)				1,600,000			
Café Remodel				3,108,000			
XI Robot Upgrade					750,000		
GE AMX Portable (2003)					108,000		
GE Mammo Unit (2007)					330,000		
Mammo Unit-SCS (2007)					330,000		
Electronic Security Systems			121,000				
Neonatal Resuscitation for Delivery Rooms			140,000				
Home Care Homebase System				1,500,000			
Move EMU to 2nd Floor				200,000			
EC Renovations				3,000,000			
Additional mammo units				500,000			
2nd MRI and renovation				3,500,000			
Design fees for replacement for current parking deck					400,000		
OR renovations					10,000,000		
Discretionary and Infrastructure		6,998,477		12,100,000	12,250,000		
Previously Approved		2,066,483		1,500,000			

# Beaumont

## HEALTH

### Beaumont Hospital, Grosse Pointe

#### Request for Capital

#### LTACH Backfill: \$2.94 million

#### February 15, 2016

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### Introduction

The Grosse Pointe Hospital is requesting \$2.94 million in capital dollars to renovate an inpatient nursing unit, where the Select Specialty ("Select") LTACH is currently located. The request includes \$1.9M for construction, \$850K for equipment, and \$190K for furniture. In terms of cash flow, the funding for this project is not needed until July 2016.

Capital funding is required to renovate the inpatient nursing unit that has been leased by Select and occupied as a 30-bed LTACH for the past five years. This unit has not been renovated in over 65 years and is in desperate need of improvements to the infrastructure, functionality, and finishes. Since that unit has been occupied by Select, work orders have been placed routinely to address infrastructure and equipment issues. The renovations will correct ongoing infrastructure issues, bring the unit up to similar standards that exist throughout the rest of the hospital, and make this unit ready for occupancy by a Vibra LTACH or as a private-bed med/surg unit.

### Issues and Comments

#### Importance of Renovations - Facility & Operations

Because of the issues with infrastructure (plumbing or electrical), when one room on the LTACH unit is closed for repairs, this often results in three to four rooms being taken offline – an adjoining room within the LTACH unit, plus an additional one to two rooms in the hospital's telemetry unit located directly below the LTACH unit. Renovating the unit will minimize room shut downs for the future occupant and for Beaumont's busiest unit in the hospital – its telemetry unit.

#### Importance of Renovations – Perception & Competition

Our experience over the past five years has clearly shown that the public viewed the Select LTACH as "Beaumont", and not as a separate hospital run by Select. In addition, Select will be moving its LTACH to the St. John Hospital, 2 ½ miles away, which will feature private rooms and amenities that reflect today's standards. For these reasons, the renovations are essential in ensuring that we project a favorable image of Beaumont to the public and remain competitive with St. John Hospital and their future Select LTACH unit.

### **Management Recommendation**

Beaumont Grosse Pointe's administrative team recommends funding the LTACH Backfill project to address the infrastructure and equipment issues associated with the current LTACH unit. Taking advantage of the time the unit is vacant will allow the hospital to renovate the unit quickly, and with minimal disruption to patients, as well as prepare this unit, so it is ready to operate as another LTACH or med/surg unit.

<b>Cash Flow</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
1 <sup>st</sup> Quarter	\$ 0	\$590,000	
2 <sup>nd</sup> Quarter	0	0	
3 <sup>rd</sup> Quarter	850,000	0	
4 <sup>th</sup> Quarter	1,500,000	0	
<b>Annual Totals</b>	<b><u>\$2,350,000</u></b>	<b><u>\$590,000</u></b>	<b><u>\$2,940,000</u></b>

Although this may not be a typical assumption for an economic justification, it is important to note that the LTACH unit generated over \$7 million of revenue during the five-year lease term. A portion of those monies (\$2.94M) are now being requested to renovate this 65 year old unit.