

Contact: Joan Racki

REGISTER OF UNIVERSITY OF IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider recommending approval of the following actions for the **Chronic Pain Clinic and Breast Imaging Center Relocations – 4 PFP** project, a major capital project as defined by Board policy:

1. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachment A);
2. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
3. Authorize permission to proceed with project planning and the selection of Bergland & Cram Architects of Mason City, IA as the design professional for the project.

Executive Summary:

The University requests permission to proceed with the **Chronic Pain Clinic and Breast Imaging Center Relocations – 4 PFP** project which would relocate two ambulatory clinical services, the Chronic Pain Clinic and the Breast Imaging Center, to level 4 of the Pomerantz Family Pavilion (PFP). The Chronic Pain Clinic, currently located on level 5 of the John Pappajohn Pavilion (JPP), would be relocated to free-up the space to develop four replacement inpatient operating rooms that would be constructed adjacent to the existing Main Operating Room Suite on level 5 of John Colloton Pavilion. The Breast Imaging Center, currently located on level 3 of JPP, would be relocated to accommodate development of a connecting walkway to UI Children's Hospital and to provide the Breast Imaging Center with the space for additional and new imaging technologies. These two clinical facilities would be operated independently but would share several staff support areas.

The Chronic Pain Clinic would be developed in approximately 10,400 gross square feet of shell space adjacent to space that is currently being developed as an addition to the Ambulatory Surgery Center (ASC) on level 4 PFP. The Breast Imaging Center would be developed in approximately 5,600 square feet of the same shell space adjacent to the area in which the Chronic Pain Clinic would be developed. The estimated project cost of \$4.3 million, exclusive of furniture and equipment, would be funded by University Hospitals Building Usage Funds.

The University also requests a waiver of the design professional selection process and the selection of Bergland & Cram Architects to provide design services for the project. Bergland & Cram was selected through the architectural selection process in December 2012, for the Chronic Pain Clinic project; since that time, the Breast Imaging Center was added to the project due to the adjacencies of the two clinics. The use of the same architectural firm for both components would result in cost savings, especially since Bergland & Cram has already developed design plans for the Chronic Pain Clinic.

Details of the Project:

Chronic Pain Clinic and Breast Imaging Center Relocations – 4 PFP

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		Oct. 2013	Requested
Initial Review and Consideration of Capital Project Evaluation Criteria		Oct. 2013	Receive Report
Selection of Design Professional (Bergland & Cram Architects; Mason City)		Oct. 2013	Requested

Relocation of the Chronic Pain Clinic is required to provide space for new inpatient operating rooms on level 5 of JPP, adjacent to the existing Main Operating Room (MOR) suite. (The Board granted permission to proceed with the MOR Suite Operating Room Replacement project in August 2013.)

Relocating the Chronic Pain Clinic to level 4 PFP would also put it in close proximity to the ASC, which would facilitate the Department of Anesthesia's ability to efficiently provide anesthetic services for the Chronic Pain Clinic and the ASC.

In addition to providing for development of the level 3 connecting link to the UI Children's Hospital, relocation of the Breast Imaging Center would also provide needed space for the growth of this service. It would provide space to accommodate new imaging technology, including digital mammography, and to address the needs of a growing patient population.

Chronic Pain Clinic and Breast Imaging Center Relocations – 4 PFP
Evaluation Criteria

Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission / Strategic Plan: Completion of this project will contribute to UI Hospitals and Clinics' efforts in meeting all elements of the UI Health Care mission, "Changing Medicine, Changing Lives." It will greatly enhance the UI Hospitals' capabilities for delivering superb patient care, innovative educational programs and facilitating pioneering discoveries. The project is also supportive of each of the six major goals that have been established in UI Health Care's Strategic Plan for FY 2010-2013 by providing the facilities that are required to assist UI Health Care's efforts 1) to provide world class healthcare services to optimize health for everyone, 2) to advance world class discovery through excellence and innovation in biomedical and health services research, 3) to develop world class health professionals and scientists through excellent, innovative and humanistic educational curricula for learners at every stage, 4) to foster a culture of excellence that values, engages and enables our workforce, 5) to create an environment of inclusion where individual differences are respected and all feel welcome, and 6) to optimize a performance-driven business model that assures financial success.

Other Alternatives Explored: The possibility of using space north of the Main OR Suite was initially explored as a site for constructing additional OR's. Doing so would have necessitated relocating some or all of the Pathology Laboratories on the 5th Floor of the Carver Pavilion. In addition, because the space between the 5th Floor and the 6th Floor slabs is approximately two feet less than that within the Main OR Suite, it would have been necessary to also relocate laboratories on the 6th Floor so that that area could be used as a mechanical space to provide adequate HVAC for OR's constructed on the 5th Floor and meet other utility needs as well. It was ultimately determined that using any of the Pathology space would necessitate relocating the entire laboratory. Due to the cost of relocating the main Pathology Laboratories and the lack of suitable space in which to locate them, this option was not pursued. The area to the south of the present OR's provided a more attractive alternative since the distance between the 5th and 6th Floor slabs in the Pappajohn Pavilion is the same as that in the Main OR Suite and thus no encroachment would be necessary on the 6th level of Pappajohn. In addition there are a number of different services located on the 5th Floor of the Pappajohn Pavilion and thus they could be relocated in increments as needed to provide growth for the MOR Suite on a phased basis. For that reason, the south area which houses the Chronic and Acute Pain Services was selected since it would minimize the movement of clinical units to accommodate needed replacement OR's at this time.

Impact on Other Facilities and Square Footage: This project will not result in the abandonment or demolition of existing facilities. As previously noted, replacement inpatient operating rooms will be developed in the existing Chronic Pain Clinic space and the space now occupied by the Breast Imaging Center will be reconfigured to support the level 3 connecting link between UIHC and the new UI Children's Hospital.

Financial Resources for Construction Project: The project will be funded with University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care plus hospital net earnings from paying patients. No state capital appropriated dollars will be involved.

Financial Resources for Operations and Maintenance: The source of funds to cover the associated operating and maintenance costs will be hospital operating revenues derived from providing patient care services.

External Forces Justifying Approval: The demand for surgical services continues to increase and, as previously mentioned, the age and condition of the oldest operating rooms in the Main OR Suite, those located in Main OR–East, will necessitate taking them out of service once the new operating rooms are completed. The replacement operating rooms are necessary to meet current and future demand for contemporary surgical services.

Requirements for chronic pain services in Iowa are expected to increase 4% annually between 2012 and 2017. The UIHC Chronic Pain Clinic has seen volumes increase an average of 9% per year over the last two years. Recent pain clinic closures in Iowa have resulted in decreased overall capacity and an increase in patient referrals from throughout UIHC's service area. Increased industry and federal scrutiny of pain medicine and the over-prescription of opioid medications have resulted in an increase in volume to tertiary pain medicine programs that have the required expertise to care for these patients. The new clinical space will be designed to provide an environment conducive for all levels of pain intervention and will accommodate the anticipated future growth in patient volume.

With population health and management at the center of future healthcare reform, preventive and screening services take on a pivotal role in identifying at-risk patients. Providing convenient access to these screening services, such as mammograms, is a key strategy to keeping patients healthy and providing necessary medical interventions as early as possible. Reports from the CDC and Iowa Department of Public Health indicate that only approximately 75% of women self-report that they are compliant with the recommended bi-annual breast cancer screening recommendations. Rates are substantially lower for women who say that they don't have a primary care provider or don't have health insurance. The Accountable Care Act (ACA) will influence all three of these factors by increasing the number of insured patients and providing incentives to primary care providers to perform preventive care and screening. Though the full impact of the ACA has yet to be seen, the UIHC Breast Imaging Center has experienced an average growth of 3.3% in patient visits over the past three years, and it is anticipated the annual rate of growth will continue to increase. This growth rate exceeds the estimated market growth rate of 1% per year.

The project's design will meet all building codes and standards, as well as the most recently published 2010 Edition of the Guidelines for Design and Construction of Hospital and Healthcare Facilities, published by the Facility Guidelines Institute. These guidelines regulate hospital licensing and construction in Iowa and most other states and are used by Medicare and the Joint Commission to develop new regulations and standards. The design will also meet Health Insurance Portability and Accountability Act (HIPAA) requirements for patient privacy and confidentiality.