

MINUTES OF THE
PLANNING AND DEVELOPMENT COMMITTEE
of the
BOARD OF GOVERNORS
UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Meeting: Wednesday, August 15, 1979
11:30 a.m., Dining Room III

Present: Harry Atwood, Chairman
Dr. John Tiede
John H. Westerman
Ms. Cheri Perlmutter
Ms. Margaret Sandberg
Clint Hewitt
Ms. Jeanne Givens
Tom Jones
Virgil Moline
Dr. Paul Winchell

Absent: Dr. Paul Quie
Dr. Michael Eisenberg
Dr. Joseph Resch
Mrs. Timothy Vann

Guests: Al Hanser
Dr. William Krivit
Dr. Gene Gedgudas
Thomas Stone

Staff: Johnelle Foley
Donna Ahlgren

1. Certificate of Need Request for CT Scanner

Mr. Atwood reminded the members of the Planning and Development Committee that the proposed CT Scanner, Department of Diagnostic Radiology, was approved as a part of the University Hospital's capital budget for 1979-80. However, according to policy, any item requiring Certificate of Need is reviewed for final approval before submission of the request for the Certificate. Chairman Atwood asked Dr. Eugene Gedgudas to inform the Committee of the proposal to purchase this equipment.

Dr. Gedgaudas reviewed the Health Board criteria for CT Scanners and indicated that the University Hospitals' request meets each of the requirements. Dr. Gedgaudas then reviewed the University's leadership role in development of this technology and described the advantages of the new equipment. A primary advantage will be a major decrease in time required for each examination. He also predicted an increased volume in workload with the improved equipment. Following a discussion of the advantages of acquisition of this equipment, it was moved and approved that University Hospitals proceed with submission of a Certificate of Need proposal for the CT Scanner.

2. Pediatric Department Programs

Mr. Atwood requested that Dr. Krivit and Ms. Ahlgren inform the committee of the pediatric programs under development. Ms. Ahlgren stated that the Bed Allocation Committee had been working for some time to appropriate space for two pediatric programs, bone marrow transplantation and a specialized unit for care of acutely ill patients. Stations 40 and 41 have now been assigned to Pediatrics to accommodate these programs.

Dr. William Krivit, Chief of Pediatrics, described the need for these programs and provided an overview of their function. The Bone Marrow Transplantation Program is currently housed in inadequate facilities on Station Heart 3 East and will be relocated to Station 41 where adequate space will be provided. The Station 40 unit will provide an opportunity to consolidate acutely ill pediatric patients in one area where staffing efficiencies may be realized and quality care consistently provided. This unit will accommodate seven patients.

Ms. Ahlgren reported that remodeling costs are estimated at \$11,000 for the Bone Marrow Transplantation Unit and \$40,000 for the Station 40 unit. There was discussion regarding the source of funds for this remodeling, and it was indicated that these units were not included in the 1979-80 capital budget. Mr. Atwood requested that the Committee be provided an analysis of options for financing these units, including an evaluation of possible reassignment of priorities in the existing budget versus a direct addition of funds to the capital budget.

It was moved and approved that the Planning and Development Committee support and encourage the development of these units, and prior to implementation, the Committee receive details of financing options for the remodeling and equipment requirements of the units.

3. Long Range Planning Process

Mr. Atwood asked Mr. Westerman to update the Committee on University planning efforts. Mr. Westerman indicated that the University has begun a long-range planning effort, with emphasis on several levels within the

University structure. Major issues for the future, e.g., role of the University, student enrollment, faculty potential, etc., are being addressed. A parallel planning process within the Health Sciences is also under way; the impacts of external planning by agencies such as the Metropolitan Health Board must be considered as well. The Committee then discussed the options for appropriate mechanisms for strategic planning by the Board of Governors. Organizational options, assuring appropriate assignment of responsibility, will be developed under Mr. Hanser's leadership and communicated to the Board members in the near future.

4. Reduction of Licensed Bed Capacity

Mr. Tom Jones described the efforts of the Metropolitan Health Board to reduce licensed hospital beds in the Twin City area and indicated the need for the University to cooperate in this endeavor. Following an analysis of the current bed complement, the management staff recommended the reduction of 121 licensed beds. Mr. Jones indicated that this reduction would have no impact on current operations and is consistent with Metropolitan Health Board policy.

It was moved and approved that the Board of Governors accept the recommendation to reduce licensed beds by 121, consistent with the recommendations and schedule established by the Metropolitan Health Board.

5. Renewal Project Update

Mr. Atwood requested an update on the progress of the Renewal Project. Ms. Ahlgren stated that the State Designer Selection Board, the state agency responsible for selection of the program consultant and the architects for the Project, has distributed Requests for Proposals to more than 800 firms throughout the country. Responses are to be submitted August 23 for consideration. University staff will have an opportunity to review the proposals and provide input to the selection process. Final selection of the program consultant is scheduled for September 24, and for architects, October 1. An update of the process will be provided to the Committee at the next meeting. Ms. Ahlgren also indicated that internal program planning efforts with medical staff and hospital departments are under way and proceeding on schedule.

There being no further business before the Planning and Development Committee, the meeting adjourned at approximately 1:15 p.m.

Respectfully submitted,



Donna Nehls Ahlgren

Note: Board members who wish to tour the Pediatric units should meet at 10:30 a.m., September 19, in Dining Room III, prior to the meeting of the Planning and Development Committee.

The tour of the Distribution Center will be held in conjunction with the October Board of Governors meeting.

MINUTES OF THE
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BOARD OF GOVERNORS
UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Meeting: Wednesday, September 19, 1979
11:30 a.m., Dining Room III

Present: Harry Atwood, Chairman
Mrs. Timothy Vann
Dr. John Tiede
John H. Westerman
Ms. Cherie Perlmutter
Mrs. Jeanne Givens
Tom Jones
Robert Dickler

Guests: Dr. Krivit
Dr. Brown
Ms. Ahlgren
Ms. Wieb
Mr. Kujawa
Mr. Sawyers

Chairman Atwood opened the meeting at approximately 12:00 and noted that the October meeting of the Planning and Development Committee would include a tour of the new University Hospitals and Clinics Distribution Center. It was suggested to the Committee that the members convene at the Distribution Center at approximately 10:30 for a tour and orientation to the facility. It was then proposed that this would be completed at approximately 11:30 and that the Committee could reconvene back at the hospital around noon to complete the business of the Planning and Development Committee. This proposal was deemed acceptable by members of the Committee, and it was agreed that all members of the Committee should assume individual responsibility for providing their own transportation to the Distribution Center. It was also agreed that all board members should be invited to join the Committee on its tour.

Chairman Atwood then noted the documents which had been distributed to the Board of Governors regarding the Minnesota Association of Public Teaching Hospitals proposed reorganization. He noted that there had been a meeting the previous day of the MAPTH organization and that minor adjustments had been made to the proposed bylaws. He wished to determine whether there were any concerns within the Committee which should be pursued prior to full discussion by the Board of Governors at their board meeting

later that day. No concerns were expressed by members of the Committee, and it was agreed that the full board should discuss this item and consider it for approval.

Chairman Atwood then asked Mr. Dickler to provide the Committee with an update on the Renewal Project. Mr. Dickler informed the Committee that program consultant selection would be occurring on September 24 and architect selection on October 8. In addition, progress was being made in initiating a search process for construction management firm through the University resources and it was anticipated that requests for proposals would be mailed within the next several weeks to instate and appropriate national firms. It was also noted that the internal programming effort is continuing and that the Renewal Project Executive Coordinating Committee has approved a tentative draft of a planning, coordinating, and decision-making structure for all aspects of the Renewal Project. It was agreed that this draft would be provided to members of the Committee as an addendum to the minutes.

Mr. Dickler then noted that discussions had occurred several months previously regarding the establishment of ongoing communication mechanisms between the Board of Regents and the Board of Governors regarding the Renewal Project. He noted that he had recently spoken with the secretary of the Board of Regents who had suggested that since no key issues needed to be discussed jointly by the Board of Governors and Board of Regents that an update letter might be appropriate with an invitation for a meeting at a future date. This was discussed by Chairman Atwood and members of the Planning & Development Committee, and it was agreed that such a letter should be formulated after the selection of architects. Mr. Dickler agreed to draft the memorandum in mid-October.

The Planning & Development Committee then asked Mr. Tom Jones to introduce the discussion on the Hospital Laboratory Project. Mr. Jones noted that this project had been included in the long-range capital plan and that it was now before the Committee for review and possible approval so that a Certificate of Need application could be submitted to the Metropolitan Health Board. It was noted by Mr. Jones that the intent of this project was to maintain the quality of laboratory medicine and pathology activity within the University Hospitals by providing an acceptable physical environment for those activities. The proposed project will provide adequate space for present and short-term work load and that future expansion in accord with the Renewal Project will meet long-range requirements of the department through the remainder of the century and into the 21st century.

The project will involve an approximate expenditure of 7.4 million dollars and will provide an increment of approximately 15 thousand net square feet. It was noted that while the 7.4 million dollar initial cost seems to be high that it is actually a \$350,000 incremental cost to the annual budget and that it is less than a 2% annual increase to the Laboratory Medicine budget the first year of completion of the project. In response to a question Mr. Jones noted that this project has been discussed with the Health Board in an initial fashion and that University Hospital staff feels it meets all guidelines for approval.

Dr. Brown then noted that the overall level of activity within Laboratory Medicine and Pathology continues to increase on a yearly basis and that the type of activity occurring within the department also continues to increase in complexity. Dr. Brown noted specifically that the major emphasis in this project relates to expanded facilities for virology, immunology, and genetics which reflect a change in patient care occurring within University Hospitals and dramatic work load increases within those laboratory units. Dr. Brown also noted the inadequacy of the present physical facilities to accommodate present activity, expansion, and any necessary renovation.

The Committee then reviewed a slide presentation which demonstrated the physical facility problems which are being faced within Laboratory Medicine and Pathology. Concurrently Ms. Wieb noted some of the personnel, quality, and patient care problems arising from the inadequacy of the present physical facilities.

The Committee then reviewed overall floor plans for this project including the second floor of Mayo and the fifth, seventh, and 15th floors of the Philips-Wangensteen Building. A number of questions were asked by the Committee relating to the specifics of the project as well as the relationship of this project and the Renewal Project. It was noted that this development is intended to be permanent and that the facilities will not be replaced by the Renewal Project although some reconfiguration will occur at that time.

It was then moved by Ms. Vann and seconded by Dr. Tiede that the Committee provide initial approval to the proposal and that further review occur in October and that full board approval be sought in October. This motion was discussed briefly and was passed unanimously by the Committee. Mr. Westerman also noted that the representatives from the Hospital and Laboratory Medicine and Pathology should be prepared to discuss the community case against the project so that the Committee would be fully aware of any issues which might arise within the Certificate of Need process.

The Planning & Development Committee then discussed a memorandum developed by Mr. Dickler regarding the 1979/80 annual equipment and remodeling budget (attached). Mr. Dickler outlined the budget as it was approved by the Board of Governors for 1979/80 and noted that it had been kept \$150,000 below the long-range financial plan objective of 3.5 million dollars because a number of needs had not been clearly identified in spring, 1979 and the impact of the Unit H project cancellation had not been fully determined.

Mr. Dickler then outlined the studies which have occurred since that time and the proposed list of remodeling and equipment purchases which are necessary for the support of program reconfigurations and short-term alleviation of problems in the Pediatric, ICU and OR/PAR facilities. The recommendations contained in the memo were then reviewed and discussed by the Committee.

No action was taken on the memo and the Committee then turned to a more specific discussion of Station 40 and 41 remodeling which had been discussed the previous month. Additional detail regarding these projects was distributed to the Committee (see attached) and Dr. Krivit noted that the modifications in Station 40 and 41 would help alleviate congestion and inappropriate patient placement problems on all pediatric stations.

After some discussion it was determined by the Committee that the proposed modifications to Stations 40 and 41 totaling \$109,000 should be approved by the Committee and it was moved and unanimously agreed. It was also agreed by the Committee that action should be withheld on increasing the overall 1979/80 capital budget and Mr. Dickler and Ms. Ahlgren were asked to provide additional information including the result of the re-assessment of the already approved 1979/80 annual equipment and remodeling budget at the October committee meeting.

The Committee then dealt briefly with several informatons regarding University and external planning developments. Mr. Dickler noted that the Hospitals had appeared before the overall University Planning Committee chaired by Dr. Magrath, and that Mr. Westerman had presented on behalf of the Hospitals. Committee members present at that presentation characterized it as highly successful in orienting central University representatives to the issues being faced by the Hospitals over the coming decade and the need for involvement regarding discussion and selections of appropriate options for the Hospital over the next several years. It was also noted that a letter had been submitted to the Metropolitan Health Board regarding our agreement to maintain at least 121 licensed beds out of service for the foreseeable future. It was noted that no committment had been made to delicense these beds since that request had not been contained in the Metropolitan Health Board plan at this time. It was agreed a copy of that letter would be appended to the minutes.

The Planning and Development Committee, having no further business before it, adjourned at approximately 1:20 p.m.

Respectfully submitted,



Robert M. Dickler

RMD/kc

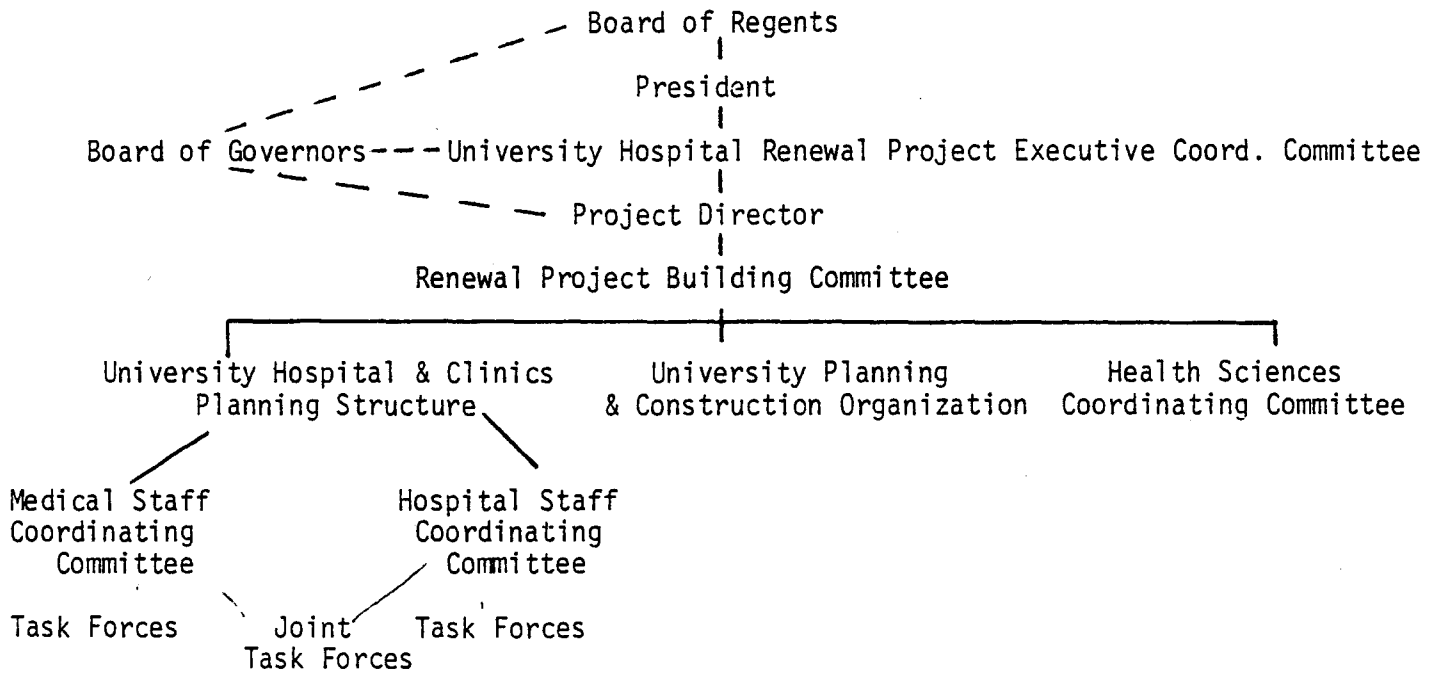
enclosures

University Hospitals Renewal Project
"Planning, Coordinating, and Decision-Making Structure"

The planning and construction process for the University Hospitals Renewal Project requires the ability to expedite decision-making, assign accountability, and gain inputs from many segments of the University. The project, because of its scope and importance, impacts virtually all management levels in the University, Health Sciences, and Hospital as well as the Board of Regents and University Hospitals Board of Governors. Clear identification of each levels responsibility is, therefore, imperative if decisions are to be made effectively and in accordance with predetermined planning and construction schedules.

The intent of this document is to identify a structure which meets these requirements. Attachment "A" outlines the proposed structure while attachments "B" thru "G" elaborate on the function, membership, etc. of the components in that structure which are specifically created for the Renewal Project. The Board of Regents, President, and University Hospitals Board of Governors would exercise, in relation to the project, their normal responsibilities for review, authorization, and approval.

Planning, Coordinating, and Decision-Making Structure Outline



University Hospital Renewal Project Executive Coordinating Committee

Description

The Renewal Project Executive Coordinating Committee is appointed by, and responsible to, the President for overall coordination of all internal and external Renewal Project activities and decisions. It will meet at least monthly and receive reports from the Renewal Project Building Committee, Project Director, Public Relations Consultant, and other parties as necessary and appropriate.

Membership on the Coordinating Committee will be ex-officio and the chairman of the Committee will be the University Vice-President for Finance.

Functions

1. Provide overall coordination for the Renewal Project
2. Function as the Renewal Project "owner" on planning, design, and construction of the facility
3. Approve and coordinate public relations and communication efforts
4. Obtain necessary approvals, after appropriate internal review, from external agencies
5. Develop and, after appropriate approvals, implement financing strategies
6. Review ongoing activities of Building Committee and other parties and task forces and resolve issues and questions referred by these groups
7. Identify issues for resolution; determine process for resolution

Membership

University Vice President for Finance - Chairman	(Donald Brown)
University Vice President for Health Sciences	(Lyle French)
University Vice President for Institutional Relations	(Stanley Kegler)
Chairman, University Hospital Board of Governors	(Albert Hanser)
General Director, University Hospitals & Clinics	(John H. Westerman)
Chief of Staff, University Hospitals & Clinics	(Paul Quie)
Project Director, University Hospitals Renewal Project Director (Staff)	(Robert Dickler)

Project Director
University Hospital Renewal Project

Description

The Project Director position will provide overall coordination for the Renewal Project on behalf of the Executive Coordinating Committee.

The Project Director will be designated by the General Director of University Hospitals with the concurrence of the Executive Coordinating Committee.

Functions

1. To act as staff for, and the agent of, the Executive Coordinating Committee in all internal and external Renewal Project activities
2. To act as chairman of Renewal Project Building Committee and to communicate the conclusions of that Committee to the Executive Coordinating Committee
3. To identify issues requiring Coordinating Committee review and action and to propose mechanisms for issue resolution

University Hospital Renewal Project Building Committee

Description

The Building Committee is appointed by the Executive Coordinating Committee and is responsible for coordination and supervision of all planning, design, and construction activities. Membership on the Committee is Ex-Officio and the Project Director chairs the committee. Architect and Engineer, Programming, and Construction Management Consultants are responsible to the Executive Coordinating Committee through the Building Committee as are all other internal groups and consultants involved in planning, design, and/or construction. The committee will meet at least weekly throughout the duration of the project.

Functions

1. Provide overall coordination and approval of planning, design, and construction activities
2. Assure appropriate coordination, and expeditious resolution of process and responsibility issues, with University departments and external agencies on design, planning and construction activities (i.e. utilities, roads, waste disposal, code compliance, etc.)
3. Resolve, and if necessary refer to the Executive Steering Committee, planning, design, and construction issues
4. Monitor the project time schedule and expedite the process as necessary
5. Monitor project budget and resolve issues as necessary
6. Identify problems in the construction process and resolve with the appropriate internal or external parties

Membership

Project Director - Chairperson (Robert M. Dickler)

(see attachment "C")

University Asst. Vice-President for Physical Planning (Clint Hewitt)

Responsible for development and monitoring of all contracts, coordination with overall University planning, and coordination with external non-health care planning and approval agencies.

University Director of Engineering and Construction (Paul Kopietz)

Responsible for allocation of University construction and engineering resources for Renewal Project, identification and finalization of University role in design and construction, coordination with University Physical Plant, and code compliance

Asst. Vice-President for Health Sciences (Cherie Perlmutter)

Responsible for assuring coordination with Health Sciences Master Plan, resolution of Health Sciences Space Allocation issues, and identification of potential legislative concerns.

Coordinator - Health Sciences Planning Office (Paul Maupin)

Responsible for coordination of Renewal Project with other Health Sciences construction activities and consultations on facility interface requirements.

Director - Hospital Planning Office (Donna Ahlgren)

Responsible for development of Hospital programmatic and planning statements, coordination of Hospital resources, and coordination of project with ongoing operations.

Staff Support

Architect and Engineering Firm

Program Consultant

Construction Manager

University Hospitals and Clinics Planning Structure

Description

The University Hospitals & Clinics Planning Structure will be composed of a Medical Staff Coordinating Committee and a Hospital Staff Coordinating Committee. These Committees will be responsible for the development of programmatic statements, planning criteria, and design comment during the initial phase of the project. Regular meetings of the Committees and their task forces will occur through schematic plan development at which time the committees will meet as required for consultation and issue resolution. Activities of the committees and their separate and joint task forces will be coordinated through periodic meeting of the chairpersons and representatives from the Hospital planning office. Both Committees and all task forces will receive staff support from the Hospital Planning Office and appropriate external consultants. The Committees will be appointed by the General Director and task forces by the respective chairpersons.

Medical Staff Coordinating Committee

Functions

1. Provide input regarding issues, concerns and planning process
2. Appoint task forces and ad hoc groups to develop recommendations for programs and facility needs, and resolve identified issues
3. Review and approve recommendations developed by groups, planning staff and individual departments
4. Make recommendations to Board of Governors and/or Building Committee for major policy and priority issues
5. Coordinate activities with Medical Staff/Hospital Staff counterpart. Appoint joint task forces as required

Membership

Roby Thompson, Co-Chairman
Bob Goltz, Co-Chairman
John Najarian
Thomas Ferris
William Krivit
Eugene Gedgaudas
Paul Winchell
Barbara Tebbitt
Donna Ahlgren (staff)

Tentative Task Forces

	<u>Chairman</u>	<u>Staff</u>
Psychiatry	Dr. Hausman	D. Ahlgren
Labor & Delivery	Dr. Williams	C. Forsman
Operating Rooms	Dr. Thompson	G. Kujawa
Pediatrics	Dr. Clawson	D. Ahlgren

(Note: Departmental Task Forces for PM&R, Labs, Diagnostic Radiology, and Therapeutic Radiology are now organized and functioning.)

Hospital Staff Coordinating Group

Functions

1. Provide input regarding issues, concerns and planning process
2. Appoint task forces and ad hoc groups to develop recommendations for programs and facility needs, and resolve identified issues
3. Review and approve recommendations developed by groups, planning staff and individual departments
4. Make recommendations to Board of Governors and/or Building Committee for major policy and priority issues

5. Coordinate activities with Medical Staff/Hospital Staff counterpart
 Appoint joint task forces as required

Membership

Don Van Hulzen - Chairman
 Dick Pierson
 Merle McGrath
 Al Dees
 Greg Hart
 Johnelle Foley
 Ed Howell
 Barb. Peickert
 Elisabeth White
 Donna Ahlgren (staff)

Tentative Task Forces

	<u>Chairman</u>	<u>Staff</u>
Information Systems	Al Dees	Lee Larson
Communication Systems	M. McGrath	Lee Larson
Transport Systems	E. Howell	Lee Larson
Employees Services	E. White	K. Ewing-Juul
Family/Visitor Services	J. Foley	K. Ewing-Juul

Tentative Joint Medical and Hospital Staff Coordinating Committee Task Forces

	<u>Chairman</u>	<u>Staff</u>
Interior Design	J. Foley	Karen Ewing-Juul
Bed Module	Dr. Paul Winchell	Donna Ahlgren
Intensive Care Units	Dr. Shelly Chou	Cindy Forsman
Bed Assignments	Bed Allocation Committee as then constituted.	Donna Ahlgren

Health Sciences Coordinating Committee

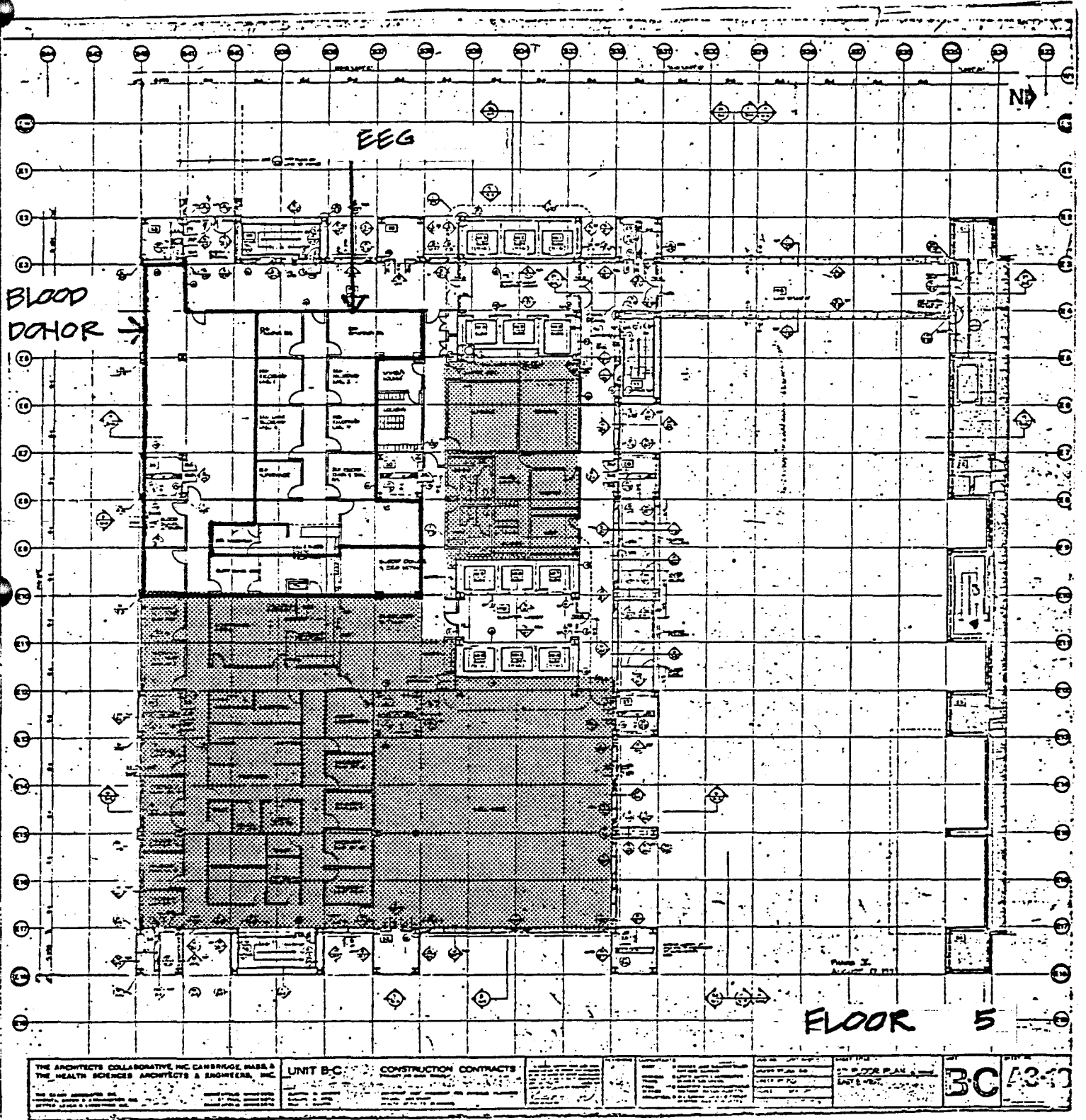
Description

The Health Sciences Coordinating Committee will provide input during initial planning and design regarding the present and anticipated activities of academic units in the Hospital clinical facilities.

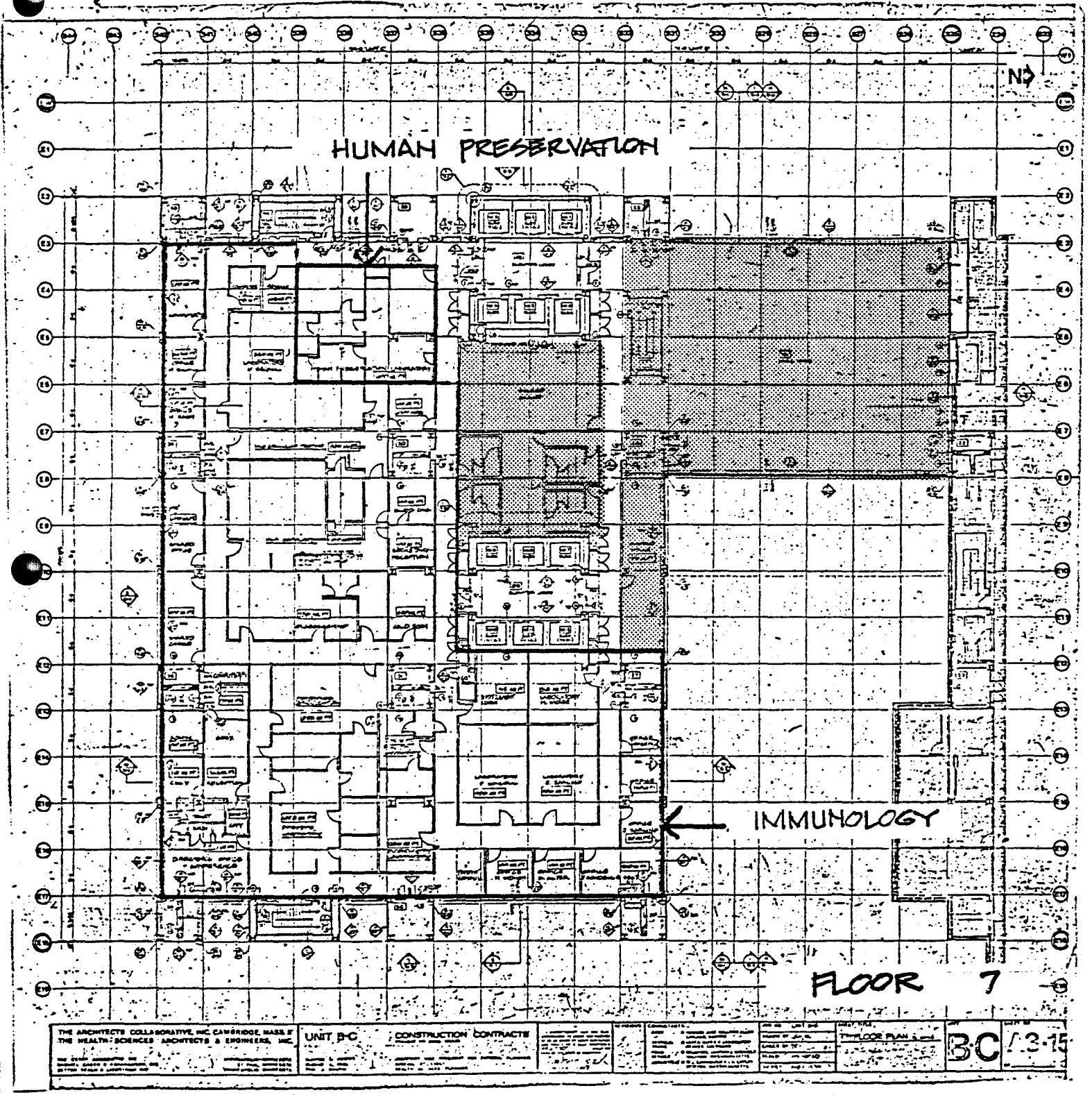
The Coordinating Committee and chairperson will be appointed by the Deans and Directors and will be provided staff assistance by the Hospital Planning Office. The Coordinating Committee will meet regularly through the programming period and will be available for consultation subsequent to that phase of activity.

Functions

1. To provide information on current and anticipated utilization of clinical facilities in conjunction with all levels of academic programs
2. To identify special requirements of clinical educational programs
3. To assist the Hospital in developing Certificate of Need documents and information requested during internal and external reviews
4. To provide additional input and consultation as necessary



9/10/79



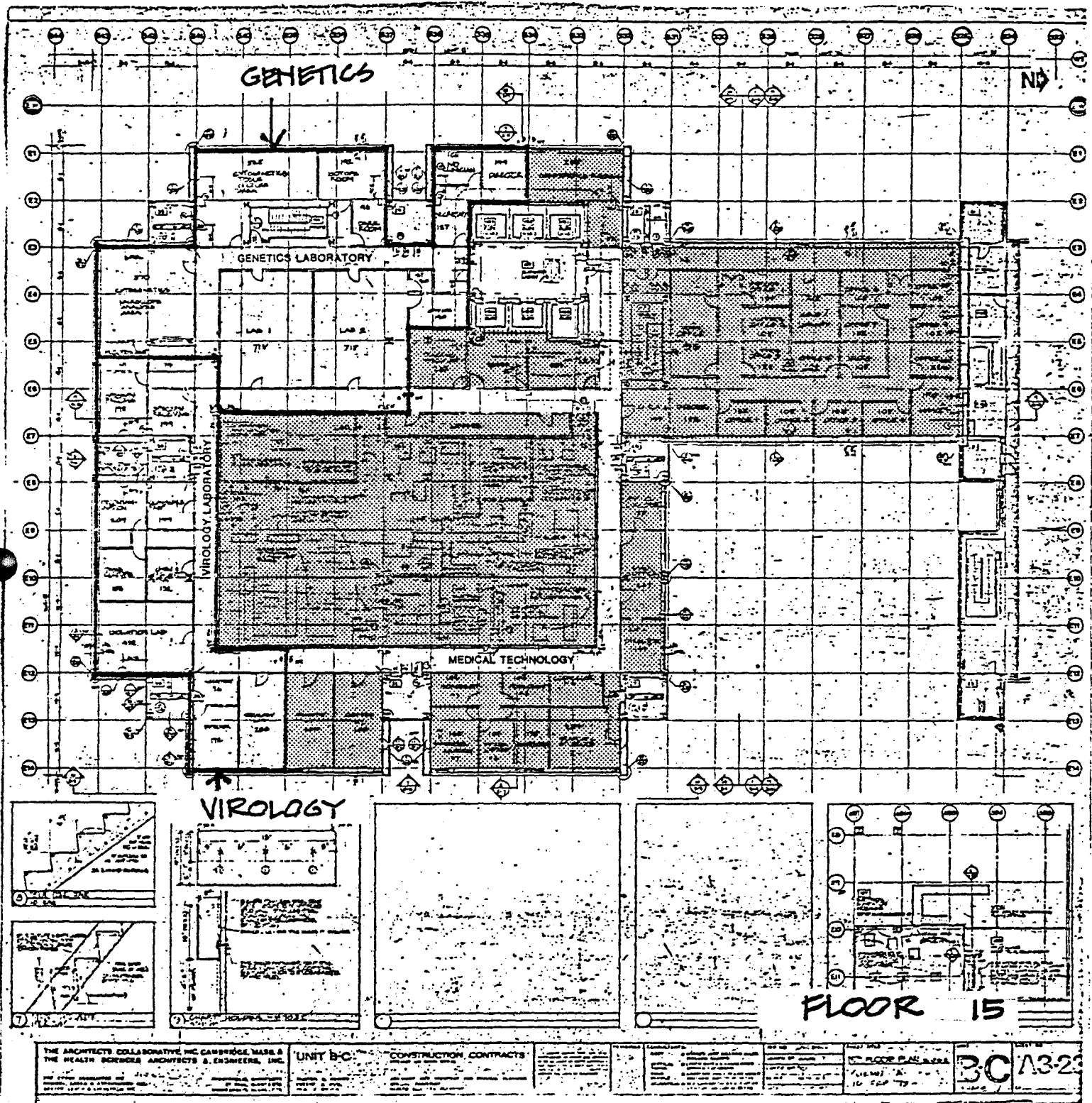
HUMAN PRESERVATION

IMMUNOLOGY

FLOOR 7

<p>THE ARCHITECTS COLLABORATIVE, INC. CAMBRIDGE, MASS. & THE HEALTH SCIENCES ARCHITECTS & ENGINEERS, INC.</p>	<p>UNIT B-C</p>	<p>CONSTRUCTION CONTRACTS</p>	<p>DATE: 9/10/79</p>	<p>SCALE: AS SHOWN</p>	<p>NO. OF SHEETS: 15</p>	<p>FLOOR PLAN 3-15</p>	<p>BC / 3-15</p>
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9/10/79



GENETICS

GENETICS LABORATORY

VIROLOGY LABORATORY

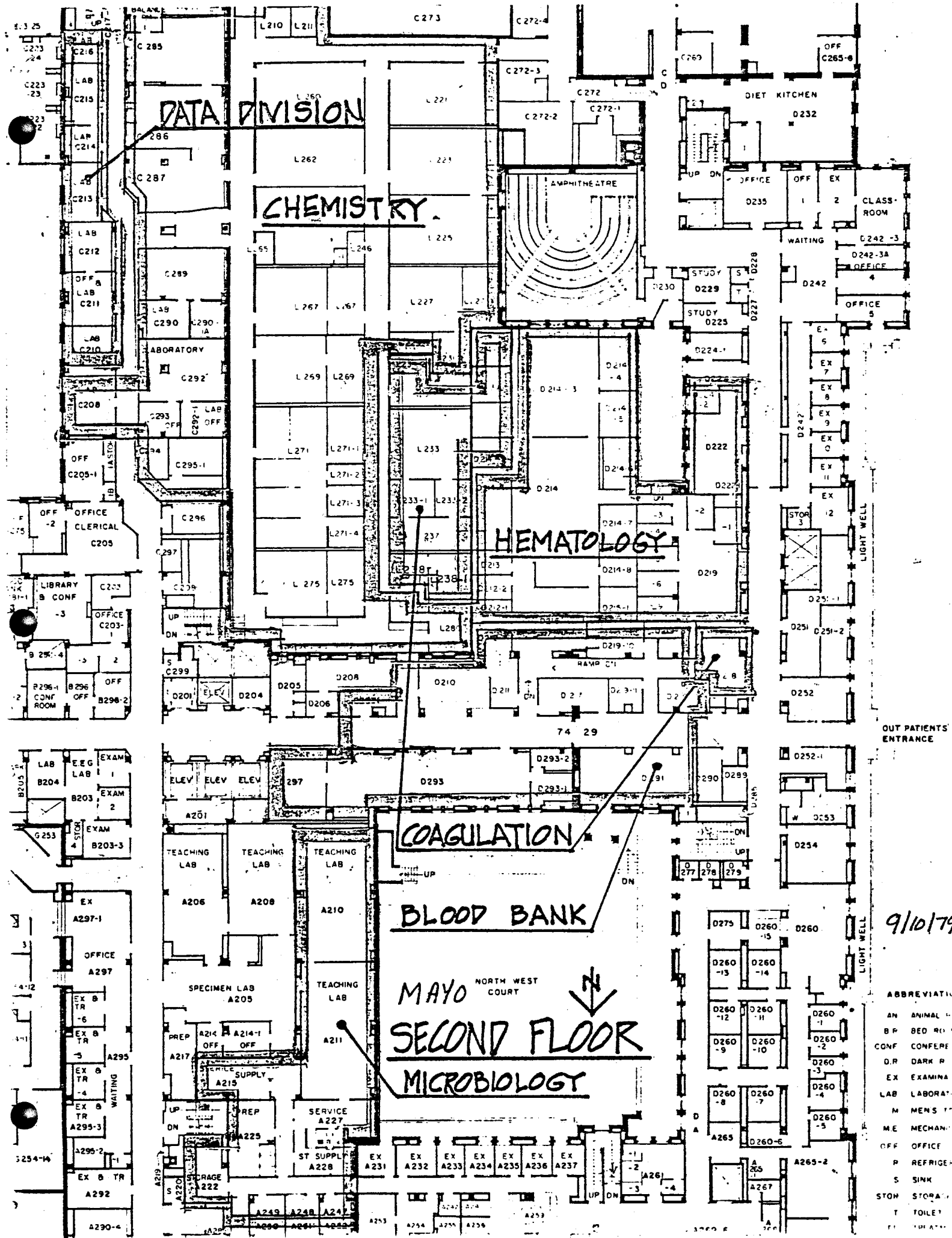
MEDICAL TECHNOLOGY

VIROLOGY

FLOOR 15

<p>THE ARCHITECTS COLLABORATIVE, INC. CAMBRIDGE, MASS. & THE HEALTH SCIENCES ARCHITECTS & ENGINEERS, INC.</p>	<p>UNIT B-C</p>	<p>CONSTRUCTION CONTRACTS</p>	<p>DATE: 10/10/79</p>	<p>PROJECT NO. 9110179</p>	<p>FLOOR PLAN AREA</p>	<p>30 A32</p>
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9110179



DATA DIVISION

CHEMISTRY

HEMATOLOGY

COAGULATION

BLOOD BANK

MAYO NORTH WEST COURT
SECOND FLOOR
MICROBIOLOGY

OUT PATIENTS ENTRANCE

9/10/79

- ABBREVIATIONS
- AN ANIMAL
 - BR BED ROOM
 - CONF CONFERENCE
 - D.R. DARK ROOM
 - EX EXAMINATION
 - LAB LABORATORY
 - M MENS TOILET
 - ME MECHANICAL
 - OFF OFFICE
 - P REFRIGERATOR
 - S SINK
 - STOR STORAGE
 - T TOILET
 - TR TRASH



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

MEMO

TO: Board of Governors Planning & Development Committee
FROM: Robert M. Dickler *RD*
SUBJECT: 1979/80 Annual Equipment and Remodeling Budget
DATE: September 18, 1979

In May/June, 1979, the Board of Governors Planning & Development Committee reviewed and approved a \$3,354,460 Equipment and Remodeling Budget for 1979/80. This approved budget was deliberately limited to approximately \$150,000 below the long-range financial plan objective of 3.5 million dollars because the following remodeling and equipment needs had not been sufficiently defined in Spring, 1979:

- (A) Facility and equipment requirements for patient care programs in bone marrow transplant, the care of acutely ill pediatric patients, and the care of acutely ill septic patients.
- (B) The impact of not proceeding with the Unit H project on the short-term remodeling and equipment needs of Pediatrics, OR/PAR, and the Surgical Intensive Care Unit.

During the past three months studies have been undertaken in all of the above areas which have resulted in the following preliminary cost estimates:

- A) Remodeling of Station 40 to permit the consolidation of care programs for acutely ill pediatric patients - \$86,000 (\$56,000 remodeling and \$30,000 equipment).
- B) Remodeling of Station 41 to permit consolidation and expansion of the pediatric and adult bone marrow transplant programs - \$23,000 (remodeling only).
- C) Remodeling of three rooms adjacent to Station 44 to accommodate septic patients who require intensive care - \$30,000 (remodeling only).
- D) Acquisition of centralized monitoring equipment for, and minor remodeling (including electrical upgrading) of, the Surgical Intensive Care Unit - \$63,000 (\$50,000 equipment and \$13,000 remodeling).
- E) Development of storage space adjacent to the Operating Rooms through deck enclosure and conversion of the

Respiratory Care Unit facility to a second PAR facility -
\$75,000 (remodeling).

In addition to these proposed modifications, some reallocations of space to alleviate congestion in the Unit H project elements is occurring and will occur over the next several months. These reallocations of space can occur with little or no remodeling costs.

The remodeling and equipment costs identified above total \$277,000. It is the recommendation of the Hospital Staff that the Board of Governors, through the Planning & Development Committee, authorize these projects and that financing be achieved through the following mechanisms:

- (1) An increase of the approved 1979/80 Capital Budget to 3.50 million dollars.
- (2) Allocation of the \$100,000 contingency budget contained in the original authorization to these projects.
- (3) Authorization for the hospital staff to reprioritize and/or delay items approved in the 1979/80, or earlier budgets where funds have been escrowed, to assure completion of the projects noted above without exceeding the overall limit of 3.5 million dollars.

It should be noted that a re-evaluation of all approved capital items is being undertaken in relation to the approval of the Renewal Project, the impending demolition of Powell Hall, and the budgetary requirements detailed above.

We look forward to discussing these recommendations with you on September 19, 1979.

RMD/kc

Summary of Remodeling Requirements

Station 40

1. Development of Rooms B461, B463, and B464 to house seven beds in a single, open room.
 - a. Removal of existing partitions, doors, casework and plumbing fixtures.
 - b. Construction of new partitions.
 - c. Installation of casework to provide a nursing station area.
 - d. Installation of new vinyl asbestos flooring.
 - e. Installation of a suspended ceiling.
 - f. Installation of wall-mounted shelving at each bed.
 - g. General painting of the room.
2. Installation of one air, vacuum and oxygen outlet at each of 11 beds in unit.
3. Installation of five duplex electrical outlets at each of 11 beds in unit; two of the five outlets will be on emergency power.
4. Installation of general room lighting; high-intensity lights will be provided by portable units.
5. Completion of necessary mechanical and electrical work to accommodate the above.

Station 41

1. Modifications to patient rooms including shelving, windows in corridor doors, radiator covers, wall mounting of equipment e.g. oloscopes.
2. Modification of nurse call system.
3. Installation of lockers and conversion of present bathroom/shower room to lounge.
4. Relocation of corridor doors to appropriately define station limits.
5. Installation of medical air, emergency power, and vacuum systems at each bed.

Septic Unit - 3 beds

1. Conversion of four bed ward to two single rooms.
2. Installation of corridor door to separate unit from existing station.

Septic Unit cont.

3. Installation of ventilation system to one room to provide appropriate air flow for isolation.
4. Minor modifications to patient rooms and support spaces.

Station 44

1. Upgrading of electrical system and provision of additional outlet.
2. Installation of shelving and modifications of storage areas.

OR/PAR

1. Construction of storage area on existing deck adjacent to PAR area.
2. Modification of existing storage areas to accommodate offices.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

MEMO

TO: Lyle A. French, M.D. - Vice President for Health Sciences

FROM: John H. Westerman, General Director *John H Westerman*
University Hospitals and Clinics

SUBJECT: Long Range Planning

DATE: July 24, 1979

In accord with your request of June 18, 1979, we are enclosing University Hospitals and Clinics long-range planning materials.

Since University Hospitals and Clinics has been pursuing a long-range effort for a number of years, the materials available at the present time are in varying states of completion and conformance with the documentation structure requested. More specifically:

- The Mission and Goals for University Hospitals and Clinics are those developed by the Board of Governors and approved by the Board of Regents in February, 1979.
- The planning assumptions are an update of the planning assumptions which have been utilized by University Hospitals and Clinics for several years. To the extent appropriate, these assumptions have been cross-referenced with the President's and Health Sciences planning assumptions. These assumptions should be viewed as a draft statement.
- The objectives enclosed relate generically but not specifically to the Mission and Goals statement for the Hospital. These objectives were developed in a different planning context as part of a five-year prospectus approved by the Board of Governors in early 1979. It is our intent to restructure and modify these objectives so that they relate specifically to the approved goals over the coming months.
- No specific critique of the President's statement or the Health Sciences Mission, Goals and Objectives has been developed at this time. Where appropriate, the Hospital's planning assumptions have been related to the President's statement and Health Sciences planning assumptions. The University planning assumptions are not directly related to the planning environment in which the hospital operates. Health Sciences Mission, Goals, and Objectives apply to University Hospitals and Clinics as well as other clinical sites. The distinguishing University Hospitals and Clinics role is related to the number of students, the efforts at integrating health sciences education, and the role in developmental programs that translate investigation findings to patient programs.

-Finally, a description of the Hospitals' planning process is enclosed.

As you are already aware, the external environment impacting upon University Hospitals and Clinics is changing very rapidly and recent changes in reimbursement regulations have the potential for substantially reducing the Hospitals reimbursement and effecting our ability to fulfill our present Mission and to proceed with University Hospitals Renewal Project. These implications are described more completely in Assumption III and will be a major factor in our ongoing planning efforts.

Please feel free to contact us if we can provide any additional information.

rmd/kc

enc.

cc: Johnelle Foley ✓
Robert Dickler

February, 1979

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

STATEMENT OF MISSION AND GOALS

PREAMBLE

The University of Minnesota Hospitals and Clinics has many different responsibilities and goals. The primary mission of the institution is rooted in the early recognition by the University of Minnesota Medical School of a need for a clinical teaching environment. In the early 1900's, the Minnesota Legislature determined that this need be met by the University of Minnesota Hospitals and Clinics. (As provided in Laws of Minnesota, 1907, Chapter 80, and as perpetuated in Minnesota Statute, Chapter 158, first enacted in 1921.)

The Legislative mandate underlies the Hospitals' role in providing health care services, programs of education and research, and referral relationships with other health care providers and institutions in the State of Minnesota. In this role, University of Minnesota Hospitals and Clinics serves various constituent groups by making health care services available to all residents of Minnesota, to those of the upper Midwest region, and in the case of some more specialized service programs, by serving as a national resource. Its programs of education, research, continuing education, and patient and community health education, developed in conjunction with the units of the University of Minnesota Health Sciences (the Medical School, School of Nursing, College of Pharmacy, School of Dentistry, and School of Public Health), serve students, faculty, its own medical and professional staff, many other practicing health care deliverers, and the general public. Further, the research conducted in association with University Hospitals benefits both providers and recipients of health care services nationally and internationally.

The University of Minnesota Hospitals and Clinics is obligated to the people of Minnesota to fulfill its special role as a health care resource for the state. Thus, the Board of Governors of the University of Minnesota Hospitals and Clinics, on behalf of the Board of Regents, representing the people of Minnesota, set forth this statement of mission and corresponding goals which has been developed to meet the unique responsibilities of this institution.

MISSION

The responsibilities of the University of Minnesota Hospitals and Clinics require that its mission be uniquely broad, allowing it to serve as a principal medical and health care resource for the State of Minnesota. Elements of its mission must also permit the institution to provide a wide range of specialized health care delivery programs designed to advance quality health care.

In this pursuit:

- University Hospitals and Clinics provides patient care services which respond to local, State, and in some instances, national needs.
- University Hospitals and Clinics is an integral part of the Health Sciences Center of the University of Minnesota. Through its multiple health care programs, University Hospitals and Clinics will provide an environment for the clinical education of Health Sciences students; continuing education for its medical staff and other health practitioners; and, in the course of patient care, health education in the areas of preventive care, and in personal management of patients' own health.
- University Hospitals and Clinics provides a distinctive environment for the advancement of bio-medical research and technological development, as well as innovations in the delivery of medical care and health services.
- University Hospitals and Clinics also fulfills a role in education for health services management. In this role, it will serve as a Statewide and national resource for the management of the health delivery system.

GOALS

- I. **PATIENT CARE:** Services for the sick and convalescing to give comfort, assist in recovery, and maintain health.
 - A. To offer sensitive, quality patient care programs at the lowest possible cost.
 - B. To provide innovative primary and preventive care programs and models, both within the University setting and at other sites and to provide well functioning, specialized and advanced or tertiary care for patients of referring physicians.

- C. To provide well organized modern medical care services for ambulatory patients not requiring hospitalization, thus promoting the appropriate use of health care resources, and to provide emergency medical services consistent with the developing regional referral emergency medical services consistent with the developing regional referral emergency care network and the educational needs of the institution.
- D. To provide programs of home health care and other outreach services as alternative and less costly methods for providing medical care.
- E. To assure quality health care delivery 24 hours a day, 7 days a week through a highly specialized medical and professional staff.

II. EDUCATION: programs for students, faculty, staff, practitioners and others interested in learning, teaching, practicing, maintaining and using health skills.

- A. To participate in and develop health care programs in support of the educational objectives of the Health Sciences Units.
- B. To provide patient education programs as a means of helping patients become involved in the process of improving their health status.
- C. To support continuing education programs for health care professionals both within the Hospital and throughout the State of Minnesota.
- D. To participate in the dissemination of community health education information to health professionals throughout the State.
- E. To expose students to a wide variety of management experiences both in internal Hospital operations and external health policy.

III. RESEARCH: projects and programs which support the commitment of the University Health Sciences as a major research resource for the State and nation in bio-medical and clinical research.

- A. To encourage and support the medical staff and other health professionals in research inquiries and investigations.
- B. To recognize the relationship between a variety of investigative programs so that research findings can be used for patient care.

In pursuit of all these goals, University of Minnesota Hospitals and Clinics strives to provide leadership through the development of model programs. These model programs serve as examples for individuals and institutions in the health care field and stimulate the planning for and improvement of the health care system. Excellence, therefore, is sought in these patient care, education and research models so that they may be shared with confidence. Thus, University of Minnesota Hospitals and Clinics attempts to provide a health care services environment for Health Sciences students, practitioners, and clinical investigators which will be of benefit to all other health care programs in Minnesota. In respect to this, University of Minnesota Hospitals and Clinics will serve as a resource to public groups studying health issues and policy and will participate fully in local, State, and national health systems planning. University of Minnesota Hospitals and Clinics will continue to provide a governance model which reflects the public accountability of a Statewide health care resource.

University of Minnesota Hospitals and Clinics

Planning Assumptions

I. Service Role and Demand

- A. University Hospitals and Clinics will continue to function as a specialized tertiary care referral center for the upper Midwest, and where appropriate, as a national referral center.
- B. Increasing regulation of the health system and diminishing inpatient care requirements will increase the competition from other health care facilities in specialized care areas.
- C. Population growth patterns and service delivery modalities will stabilize the level of inpatient activity (volume - but not type and intensity of care) and expand the scope of care provided in ambulatory care facilities.
- D. Involvement and participation in alternative delivery systems (i.e. HMO's, consortiums, etc.) will be required to maintain the present role and to provide opportunities for growth in total programs.

II. Health Sciences Role

- A. University Hospital and Clinics will continue to serve as a major educational support unit for the Health Sciences (and other units) of the University of Minnesota and will continue as the major state resource for implementing the results of biomedical and other research efforts.
- B. The Hospitals and Clinics service programs and existing structure will be effected, primarily in ambulatory care activities, by changes in health care personnel, increasing emphasis on preventative health care and health care education, and the increasing health problems of the aged, (see Health Sciences Assumptions IB-2, IC, ID, IE, and IG).
- C. The Hospitals and Clinics scope of activity will be effected only minimally by changes in overall Health Sciences or University enrollment unless greater than anticipated changes occur (see President's enrollment projections and Health Sciences Assumptions II C, IV C-1, and IV C-2). Minimal impact is foreseen since the number of students has less impact than the service requirements of the population and the nature of their educational programs in terms of required clinical and training experience.

III. Income, Reimbursement, Operations Financing and Inflation

- A. The ability and willingness of third-party payors (including government) and patients to pay for services will affect the type and scope of service which are made available by University Hospital and Clinics.
- B. Increasing restriction on reimbursement, which will provide insufficient reimbursement for the present scope of activity, will:
 - 1) Require a modification in the present mission and goals of the Hospitals and Clinics and/or
 - 2) a restructuring of financial support for educations, research and professional training programs traditionally supported by the Hospitals (Health Sciences Assumptions IF, IIB-2, and II B-3) and/or
 - 3) an increase in non-patient care sources of funding to meet high priority service objectives which are not financed by marketplace funding sources.
- C. The inflation rate in health care delivery will continue to exceed the overall University and economic rates due to changes in delivery modalities; the labor intensive nature of the industry; a high dependence on petroleum products for energy, drug, supplies, etc.; and increasing levels of consumer expectations.

IV. Productivity and Staffing

- A. Productivity, as noted by the President will be the subject of increasing scrutiny due to economic, volume, and other pressures.
- B. Available mechanisms for the measurement of productivity are of diminishing value due to their emphasis on simplistic proxy variables such as patient days, visits, number of procedures, etc. Alternative mechanisms must be developed to reflect the intensity and complexity of care and the impact of educational and research programs for exceptions in relation to developing reimbursement criteria.
- C. Increasing emphasis will be placed by funding and regulatory agencies on the impact of changing roles for health care professionals and other personnel which could impact both Hospital structures and health sciences training programs (Health Sciences Assumption IVB-2).

V. Technological Change

- A. Health care delivery programs will continue their dependence on technological advances to improve the quality, efficiency, and results of service programs.

- B. University Hospital and Clinics will continue to serve as a major resource for the University and State in biomedical research requiring the testing, development, and evaluation of high technology patient care.
- C. Technology advancements will result in increasing costs of care per admission due to changes in the complexity and sophistication of care.

VI. External Planning and Regulations

- A. External planning and regulations have an impact on the Hospital's and Clinics role as a patient care unit, a Health Sciences educational resource, and a site for support of clinical and development of high technology medical care (Health Sciences Assumption IIIC-2).
- B. While plans and regulations relating to equal access to health care and the redistributions of health personnel (Health Sciences Assumptions IA and IB-1) will impact the Hospital's and Clinics the activities of the health systems planning structure (Health Sciences Assumption IIIC-1) will have a more fundamental impact.
- C. It is unclear at the present time if planning and regulations (including financial) will continue to move toward a public utility model or will attempt to bring about a more competitive delivery system. In addition, the status and nature of NHI is unclear. Whatever direction is selected and outcomes achieved, the potential implication for the Hospitals' and Clinics is significant and significant resources will be required to monitor, input and evaluate these activities.

VII. Facilities

- A. The present facilities are inadequate and require upgrading through a major capital program of remodeling and new construction (Renewal Project).
- B. While short term remodeling will still be necessary its scope will be minimized. Ongoing equipment upgrading and acquisitions will continue and reflect to changing health care technology.
- C. Capital expenditures of all types will receive extensive scrutiny and will become increasingly difficult reflecting concerns regarding health care costs and excess capacity within the system.

OBJECTIVES

Operations Planning Objectives - 1979

Priority

1. To develop an overall operations plan at the Operations Group level which will provide direction and support to departmental plans and objectives. 1
2. To assess the strengths and weaknesses in the current Plan of Organization and to enhance the role for managers at all levels within the University Hospitals. 1
3. To re-evaluate the role of personnel management within the University Hospitals including job classifications, compensation, labor relations, and policy recommendations. 2
4. To gain closer surveillance over the purchase, distribution, and use of all Hospital supplies and materials through the development of a one-year and five-year plan for Materials Services. 3
5. To continue development of the computer assisted Hospital information system as conversion to the new Burrough 6800 equipment is completed. 2
6. To implement the decisions fo the Board of Governors related policies addressing cost concerns through the prioritizing of new program requests based on financial feasibility and through the study of possible retrenchments and re-allocations to meet budget objectives. 1

Capital Planning Objectives - 1979

1. To catalyze and to aid in coordination of review activities with University, local, and state agencies so that the schedule for major capital projects will be met as closely as possible. 1
2. To organize, orient, and schedule internal planning task forces so that their actions complement the planning schedule. 1
3. To complete recruitment, training, and development of internal planning staff so that the response to planning requirements reaches the highest professional level. 1

Financial Planning Objectives - 1979Priority

- | | | |
|----|---|---|
| 1. | To implement the future pricing concept required for debt service amortization, i.e., implement a rate structure equivalent to Medicare costs with parity achieved by June 30, 1983. | 1 |
| 2. | To define the least expensive appropriate financial strategy for financing University Hospitals' physical facility requirements. | 1 |
| 3. | To develop cost containment programs to keep both inpatient and outpatient care rates as low as possible by achieving staffing ratios which will result in improved productivity. | 1 |
| 4. | To maintain 1979-80 budgeting increases at levels consistent with voluntary control effort standards. | 2 |
| 5. | To define appropriate management systems to identify educational and research costs, to obtain the proper funding source for these costs and to develop management systems which will enhance University Hospitals' cost containment efforts. | 2 |
| 6. | To develop methods to "redistribute" existing appropriations and support to areas capable of sustaining and enhancing growth in numbers of patients so that the Health Sciences mission will be accomplished. | 2 |
| 7. | To develop strategies to "adjust" teaching program methods to best utilize existing internal and external revenue sources. | 2 |

External Activities and Planning Objectives - 1979

- | | | |
|----|--|---|
| 1. | Minnesota Association of Public Teaching Hospitals (MAPTH) | |
| A. | To identify, and allocate, appropriate resources to support the study process which will be initiated in early 1979. | 2 |
| B. | To provide leadership in identifying, and developing MAPTH positions on major planning issues being pursued in the Metropolitan area. | |
| 2. | Shared Services and Contracts | |
| A. | To initiate contact with all hospitals and institutions in the Metropolitan area with whom potential exists for cooperation and sharing. | 2 |
| B. | To identify, if at all possible, institutions with whom further discussions are indicated and to initiate such discussion. | |

- | | <u>Priority</u> |
|---|-----------------|
| 3. Rural Hospital Cooperatives | |
| A. To assess, and if appropriate implement, a further expansion of the hospitals involved in the Rural Cooperative Program. | 2 |
| B. To restructure the relationships between University Hospitals and Clinics and existing cooperatives to assure stable and financially feasible relationships. | |
| 4. Northwest Hennepin Health Project | |
| A. To develop five additional sites for student placement. | 3 |
| B. To develop a day care program at a senior high rise. | |
| C. To determine and finalize the long-term financial commitments required of University Hospitals and Clinics to support the project. | |
| 5. Community Services | |
| A. Development of a program to increase the visibility of the program. | 3 |
| B. To assess, and if necessary, restructure the outstate coordinator system. | |
| 6. Community-University Health Care Center | |
| A. To increase the number of OB referrals to University Hospitals. | 3 |
| B. Seek and secure additional funding sources for the adult program (including patient fees). | |
| 7. Neighborhood Clinics | |
| A. To assess and prioritize financial support to clinics for utilization in potential retrenchment efforts. | 3 |
| 8. Childbearing - Childrearing Center | |
| A. To increase activity levels to 240 deliveries and 1,200 childrearing outpatient visits annually. | 2 |
| B. To evaluate the breast diagnostic clinic pilot program. | |
| 9. Home Health Department | |
| A. To increase activity to 1,200 visits/year | 2 |
| B. To evaluate the Dying Child Program | |

Responses to Attachment #4

Planning: Structures and Processes

A Status Report

Name of Support Unit: University of Minnesota Hospitals and Clinics

1. Has any individual or group(s) been designated as responsible for "planning"? If so, please indicate the title of the individual or list the name of the group(s) and describe its composition. (If answer is "No", please skip to question #9.)

Responsibility for planning in University Hospitals and Clinics has recently been assigned to the Planning and Development Committee of the Board of Governors. Prior to June of 1979, that committee was known as the Facilities Committee, and the Executive Committee of the Board held responsibility for overall planning. It was felt that the Facilities Committee had been inappropriately named in that it by necessity dealt with more than brick and mortar planning. Further, the Executive Committee did not have the time to devote to general long-range planning. The new arrangement is now in the developmental stages and as it becomes more clearly defined, planning activities occurring at other levels within the institution may also be impacted.

Currently, the Planning and Development Committee is composed of members of the Board of Governors, representatives of the Medical Staff, staff from the Hospital's management team, and representatives from the University Central Administration's and Health Sciences' planning offices. It is anticipated that the composition of the Planning and Development Committee may be revamped as the Committee's charge is clarified.

2. If a group, how often does it meet?

The Planning and Development Committee of the Board of Governors meets once a month.

3. How are members of this group selected (e.g., elected, appointed) and by whom?

The Bylaws of the Board of Governors of the University Hospitals and Clinics defines the current composition of the Planning and Development Committee. Board representatives are appointed by the Chairman of the Board of Governors who also designates the Chairman of the Committee from the Board representatives. Of the two Medical Staff representatives, one is appointed by the Chief of Staff and one is appointed by the Chief of

the Council of Chiefs of Clinical Services, the management staff representatives are appointed by the Hospitals' General Director and the Central Administration and Health Sciences representatives are appointed by the appropriate Vice-Presidents.

4. Briefly describe the types of activities which are the responsibilities of this individual/group.

It is anticipated that the Planning and Development Committee of the Board of Governors will serve as the final approval body for all planning activities which have hospital-wide implications. The Committee will also closely monitor external planning activities such as those occurring with the Minnesota Association of Public Teaching Hospitals and the Metropolitan Health Board. Furthermore, the Committee will begin to formulate strategies for the future of University Hospitals and Clinics. These strategies will serve as the focal point for Board discussions in the months to come.

5. Does the individual/group responsible for planning have advisory or decision-making authority? Please explain. Please provide a statement of charge to the group if appropriate.

The Planning and Development Committee as a Committee of the Board of Governors, is advisory in that all matters dealt with by the Committee are taken to the full Board of Governors as recommendations for final action and on to the Board of Regents for final approval when appropriate. The charge to the Committee will be revamped and stated in the Board of Governors' Bylaws as an amendment to the section currently dealing with the Facilities Committee.

6. Does this individual or group have staff support? If so, how many staff members and at what level?

The Planning and Development Committee of the Board of Governors is staffed by the two Hospital Administrative staff members on the Committee as well as by other support staff (secretarial, etc.) as deemed necessary.

7. Is the "planning group" directly involved in preparing the annual budget or biennial request? Please explain.

The Board of Governors Planning and Development Committee is directly involved with the development of the Hospitals' capital budget. It is not directly involved with the preparation of the operating budget as that task is part of the charge to the Finance Committee of the Board of Governors. The Planning and Development Committee's indirect involvement, however, is

viewed as most important as programmatic and facilities planning activities occur throughout the organization and are filtered through committees to the Planning and Development Committee. The Planning and Development Committee works closely with and meets jointly with the Finance Committee to determine the degree of impact the various planning activities have on budget decisions and considerations.

8. List other groups who consult with the planning individual/group on a regular basis.

Because of the size of its work force and its varied and extensive mission, planning for University Hospitals and Clinics must occur at many different levels and in many different arenas of the institution. Much planning is handled within the individual departments of the Hospitals. There also exists a planning staff office which ties together programmatic and facilities needs. Of considerable importance is the Medical Staffs' participation in planning as their perspective brings the institution in touch with future trends in health care delivery. Planning by the Medical Staff occurs primarily through the Medical Staff-Hospital Council, the Council of Chiefs of Clinical Services, the Program Review Committee of the Clinical Chiefs, and the Hospital Planning Steering Committee, the last of which is a body which attempts to tie together internal planning before it goes on for Board level consideration through the Planning and Development Committee.

9. List any reports or analytical studies which have been undertaken on behalf of planning in your unit (in the last two years).

Although more extensive than that which was requested, the following chronological listing of planning documents for University Hospitals and Clinics outlines a solid history of conscientious planning for the institution:

1. FUTURE PLANNING FOR THE HEALTH SCIENCES - PART I. "Preliminary Report on Roles, Objectives, and Program." January, 1966.
2. A SPACE UTILIZATION REPORT. MEDICAL AND DENTAL FACILITIES. James A. Hamilton Associates. September, 1966.
3. FUTURE PLANNING FOR THE HEALTH SCIENCES. PART II. "Program, Personnel, and Space Projections." October, 1966.
4. FUTURE PLANNING FOR THE HEALTH SCIENCES. PART III. "Subcommittee Program and Space Reports." February, 1967.
5. FUTURE PLANNING FOR THE HEALTH SCIENCES. PART III. "University Hospitals Supplement." February, 1968.

6. LONG RANGE MASTER PLANNING - SITE DENSITY STUDY. The Architects Collaborative, Cambridge, Massachusetts. May, 1970.
7. PROPOSED MATERIALS HANDLING PLAN FOR UNIVERSITY OF MINNESOTA HEALTH SCIENCES CENTER EXPANSION. The Architects Collaborative Inc.; Chas. T. Main Inc. July, 1970.
8. REPORT ON BASIC ELECTRICAL SERVICE SYSTEMS FOR HEALTH SCIENCES BUILDINGS. University of Minnesota Office of Physical Planning. June, 1971.
9. REPORT OF THE PLANNING COMMITTEE FOR THE UNIVERSITY CHILDREN'S CENTER. August, 1971.
10. REPORT ON AIR CONDITIONING SYSTEMS FOR HEALTH SCIENCES BUILDINGS. University of Minnesota. Office of Physical Planning. September, 1971.
11. TRAFFIC ACCESS AND PARKING PLAN FOR HEALTH SCIENCES AREA. Bather, Ringrose, Wolsfeld, Inc. May, 1972.
12. AN ENVIRONMENTAL HEALTH AND SAFETY EVALUATION OF THE USE OF THE UNIVERSITY HOSPITALS BUILDING 29 AND 74 AS A CLINICAL CARE FACILITY. Department of Environmental Health and Safety. University of Minnesota. July, 1973.
13. UNPUBLISHED DEPARTMENTAL CLINICAL FACILITY REPORTS. Clinical Departments Medical School. Dental School. School of Nursing. School of Public Health. College of Pharmacy. August, 1973.
14. FUNCTIONAL FACILITIES EVALUATION OF UNIVERSITY OF MINNESOTA HOSPITALS. Technical Paper No. I. Herman Smith Associates. November, 1974.
15. ATTEMPTS TO REPROGRAM THE MAYO HOSPITAL - DEFICIENCIES AND COST OPTIONS FOR UNIVERSITY OF MINNESOTA HOSPITALS. Technical Paper No. 2. Herman Smith Associates. November, 1974.
16. A REPLACEMENT HOSPITAL FOR THE MAYO COMPLEX OF THE UNIVERSITY OF MINNESOTA HOSPITALS. Technical Paper No. 3. Herman Smith Associates. November, 1974.
17. RECOMMENDATIONS OF THE PLANNING COMMITTEE FOR CLINICAL FACILITIES. Dr. Richard Varco, Chairman. February, 1975.
18. PLANNING REPORT, DESIGN CONCEPT, JACKSON, OWRE, MILLARD, LYON. Fall, 1975.
19. INTERIM REPORT - UNIT K FEASIBILITY STUDY: POST ANESTHESIA RECOVERY, SURGICAL INTENSIVE CARE, PEDIATRICS. University of Minnesota. November, 1976.

20. FACILITIES REPORT FOR SCHOOL OF NURSING AND COLLEGE OF PHARMACY. January, 1977.
 21. REPORT OF HOSPITAL MAYO VACATED SPACE TASK FORCE - CLINICAL LABORATORIES, DIAGNOSTIC RADIOLOGY. Dr. Robert Goltz, Chairman. September, 1977.
 22. UNIVERSITY OF MINNESOTA HOSPITALS LONG-TERM DEBT CAPACITY EVALUATION. Ernst and Ernst. August, 1978.
 23. SCHOOL OF PUBLIC HEALTH FACILITIES. Hoskins, Scott, Taylor. March, 1979.
 24. UNIT H SCHEMATIC DESIGN AND CONSTRUCTION COST ESTIMATES. Ellerbe. March, 1979.
 25. UNIT H REASSESSMENT. Internal Document. March, 1979.
 26. UNIVERSITY HOSPITALS ANNUAL PLANS, 1975, 1976, 1977 and 1978.
 27. BOARD OF GOVERNORS' STRATEGIC PLANNING TASK FORCE REPORT 1978
 28. UNIVERSITY HOSPITALS' FIVE YEAR PROSPECTUS 1979
-
10. Include other comments which would assist the Planning Council in understanding how planning occurs within this support unit.
-
-
11. Specify a person who could act as a liaison with the Planning Council if more information is desired.

Name: Johmelle Foley

Title: Assistant Director

Phone: 373-8965

JMW

UNIVERSITY HOSPITALS AND CLINICS

The planning documents provided by the University Hospitals and Clinics were extracted from long-range planning materials that the University Hospitals and Clinics has developed and updated.

It's broad mission, speaks to a unique role in serving as a principal medical and health care resource for the State. The mission statement addresses the University Hospitals and Clinics' responsibility to provide:

- patient care services
- clinical education environment
- research (biomedical and health delivery)
- a model for health services management

Patient care goals speak to:

- sensitive, quality patient care at the lowest possible cost 24 hours a day, 7 days a week and
- development of models and programs in primary care and preventive care and the provision of specialized care, ambulatory care, emergency care and home health care

Query 1: These goals do not seem to differ from those of other hospitals. Is the intent of the planning to develop a unique role - or to develop a mission similar to other hospitals?

Education goals address:

- education of the health professional students, patient education, continuing education, community health education, and health care policy and management experiences

Query 2: With regard to the educational objective which indicates that the University Hospitals and Clinics participates and develops health care programs in support of the collegiate educational objectives, what process is used to have the collegiate units determine health care programs that are needed in the educational programs? To what extent do the collegiate units participate in the University Hospitals and Clinics planning?

Planning Assumptions - The assumptions were related, to the extent possible, to the University and Health Sciences' assumptions. It is noted that the environment in which the University Hospitals and Clinics must do its planning and must operate differs significantly from "academic" unit planning and operation.

Query 3: Within the context of the current University planning effort, what is the role of the University Hospitals and Clinics as a part of the University? Aside from the "community" context, how does the presence of University Hospitals and Clinics enrich the University and in what ways is the University Hospitals and Clinics enriched by being a part of the University?

In what appears to be the critical planning element, University Hospitals and Clinics assumes that external planning and regulation; specifically the activities of the health systems planning, will have a more fundamental impact on the Hospital than any internal planning. Further, the University Hospitals and Clinics anticipate diminishing inpatient care demand that will increase competition from other hospitals.

Query 4: Given the seriousness of this assumption, what is your concept of the related direction external planning is likely to take in the next twenty years, particularly as it affects University based hospitals? Will there be a continued unique role for university hospitals? Are there contingency plans being developed? At what risk is the University as a result of the anticipated directions external planning is likely to take?

Query 5: What objective does the University Hospitals and Clinics hope to achieve as a result of the Minnesota Association of Public Teaching Hospitals? How does the University Hospitals and Clinics expect to balance its unique role as the State's general hospital; a Health Science's major teaching resource; a major research resource of the University with its role as a member of MAPTH?

Financial planning assumptions indicate increasing restriction on reimbursement coupled with problems of inflation, and a labor intensive industry. The assumptions suggest that these factors will require the University Hospitals and Clinics to take one of three alternatives.

- modify its mission
- restructure its financial support for education and research or,
- increase its funds, from sources other than patient care, in order to carry out its existing scope of activities in education, research and service.

Query 6: The financial planning objectives address all three alternatives but do not indicate which direction is likely, or what contingency planning is being done to accommodate a different course. What are the pros and cons of the three alternatives?

Query 7: How are reimbursement methods changing? What is the impact of these changes on University Hospitals and Clinics?

In addition to the financial planning objectives mentioned above, one objective suggests a "redistribution of existing appropriations and support to areas capable of sustaining and enhancing growth in numbers of patients".

Query 8: What are the implications of this redistribution to areas now supported by the appropriations? What are the patient service and fiscal implications of the competitive model versus the public utility model of health care delivery?

Clearly, the University Hospitals and Clinics' top priority relates to the Renewal Project. The objectives speak only to the preliminary planning to be accomplished in 1979.

Comment 9: The scope of the project was not defined in this document. The second draft will be significantly strengthened by attention to this high priority area.

Query 10: What steps are being taken within the planning process of the University Hospitals and Clinics and the University to deal with the concerns regarding health care costs and excess capacity as noted in the assumptions?

The University Hospitals and Clinics objectives are divided into operations, capital, financial and external activities. All are short range, with an indication that all of the objectives would be addressed in 1979. (It is noted that the University Hospitals and Clinics intends to modify this part of its planning effort in order to more specifically relate to its goals.)

UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S E
Minneapolis, Minnesota 55455

September 4, 1979

Ms. Coral Houle, Chairperson
Metropolitan Health Board
Metro Council
300 Metro Square Bldg.
St. Paul, MN 55101

Dear Ms. Houle:

The intent of this letter is to inform you that University Hospitals and Clinics concurs with the Metropolitan Health Board recommendation that University Hospitals not place into operation a substantial number of its licensed beds prior to consultation and discussion with the Metropolitan Health Board. We are, therefore, committing at this time that as of January 1, 1980, that University Hospitals will continue to keep out of service 121 licensed beds of its current license capacity. This number differs slightly from your recommended 127 beds due to changes in the census over the past year and recalculation of the appropriate number utilizing the Metropolitan Health Board's suggested formula.

I hope you will feel free to contact me if you have any questions or concerns regarding this commitment. We look forward to continuing to work with the Metropolitan Health Board in the coming months on issues related to the current capacity and spectrum of services available within the Metropolitan health care system.

Yours truly,



John H. Westerman
General Director
University Hospitals & Clinics

kc

cc Dr. French
Dave Preston



UNIVERSITY OF MINNESOTA

Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

October 5, 1979

TO: PLANNING AND DEVELOPMENT COMMITTEE, BOARD OF GOVERNORS

Michael Eisenberg, M.D.
Jeanne Givens
Clint Hewitt
Cheri Perlmutter
Joseph Resch, M.D.
John Tiede
Timothy Vann
Virgil Moline

John Westerman
Paul Winchell, M.D.
Margaret Sandberg

Staff
Bob Dickler

FROM: Harry Atwood, Chairman

The October meeting of the Planning and Development Committee will be held:

Wednesday, October 17, 1979
12:00 Noon
Dining Room III
University Hospitals

The agenda for the meeting is enclosed. Please return the enclosed postcard stating whether you can or cannot attend the meeting.

HA/sds

Enclosures

REMINDER----- TOUR OF HOSPITALS' DISTRIBUTION CENTER
WEDNESDAY, OCTOBER 17, 1979
10:30 A.M. (See enclosed map)

PLANNING AND DEVELOPMENT COMMITTEE

Board of Governors

October 17, 1979

12:00 Noon

Hospital Dining Room III

Agenda

- I. Tour of Hospitals' Distribution Center
883 29th Ave. S. E.
10:30 A.M.
(See enclosed map)
- II. 12:00 noon Planning & Development Committee convenes
Dining Room III, University Hospitals
- III. Approval of September 19, 1979 Minutes of Meeting
- IV. Laboratory Medicine & Pathology Remodeling Project
- V. Proposed Adjustment to 1979-80 Capital Budget
- VI. Renewal Project Up-date
- VII. Other
- VIII. Adjournment



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

October 5, 1979

TO: Planning and Development Committee
FROM: Tom Jones
SUBJ: Clinical Laboratories Certificate of Need

The architects have now completed schematic cost development. The project estimate is \$7,461,461, an increase of \$69,082 over the preliminary figures used at the September 19 meeting. Expense budget increase the first year of operation is \$345,472, remaining as a 2% increase in the laboratory budget.

Regarding potential community opposition: The project is urgently needed to provide adequate facilities for a function described as a "core service" in the Metropolitan Health Systems Plan. A core service is that which is expected to be provided at each institution.

Laboratory location fits well with the long range physical development plan. Space can be provided at a cost considerably less than that of new construction since shelled space completion and remodeling of contiguous open space is the architectural solution.

The logic of this specific plan should receive little opposition. However, opposition could develop regarding issues such as the size and scope of University Hospitals' program (and requiring adequate laboratory service for these programs).

The relationship of this project to the Renewal Project will be discussed by the Health Board. Attempts to suggest that approval of the laboratories' program is tantamount to approval of the Renewal Project might catalyze community opposition. Obviously, the response is that the laboratory plan can stand alone and is essential to mission accomplishment with or without Renewal Project completion.

Although the initial capital expense appears large, the expense budget impact is quite small. The continuing thrust of our presentation will

be that the project is essential to maintain the quality of a core hospital service. University of Minnesota Hospitals and Clinics has a clear, continuing, and important role in the health care system of the metropolitan area, state, region, and nation.

MINUTES OF THE
PLANNING AND DEVELOPMENT COMMITTEE
of the
BOARD OF GOVERNORS

Meeting: Wednesday, November 14, 1979

Present: Mr. Atwood, Chairman
Ms. Sandberg
Mr. Westerman
Dr. Tiede
Mr. Dickler
Ms. Perlmutter

Absent: Ms. Givens
Ms. Vann
Dr. Resch
Dr. Eisenberg
Mr. Hewitt
Dr. Winchell
Mr. Moline

Guests: Mr. Hanser
Ms. Foley
Mr. Cannamore
Mr. Olson

Mr. Atwood called the meeting to order at approximately 12:00 and distributed a copy of a letter sent by himself and Chairman Hanser to the Chairman of the Board of Regents. Mr. Atwood noted that this letter was in relationship to the Board of Governors commitment to keep the Board of Regents continually updated regarding the Renewal Project and that no response had been received from the Regents regarding the invitation for the provision of additional information or meeting at a later date. Dr. Tiede then noted that he had seen Chairman Moore at a recent meeting and that she was very enthusiastic regarding the Renewal Project and looked forward to discussions regarding it at a later date.

Mr. Atwood then accepted a motion for the approval of the October 17 minutes which was seconded. It was noted by Chairman Atwood that the minutes should be corrected to reflect that the September meeting of the Planning and Development Committee occurred on September 19 and not September 9, 1979. With this modification the minutes were approved.

Mr. Atwood then introduced the long-range planning topic by reminding the Committee members that the Hospital had commitments to update and modify several long-range plans. These documents include the

Long-Range submittal to the Metropolitan Health Board as well as the submittal to Central University Administration. Chairman Atwood then asked Mr. Dickler to hand out material related to these long-range plan updates and to comment on the process.

Mr. Dickler noted that the materials distributed to the Committee members contained the goals and objective sections from both of the plans discussed by Mr. Atwood. The intent of distributing them at this time was to provide Committee members with an opportunity to review these materials in detail prior to the December meeting of the Board of Governors. Since both of these plans should be finalized in December it was noted that the Committee will probably be asked to approve a final formulation of these documents at their December meeting. Additional materials as well as updated copies of goals and objectives will be distributed to the Committee members prior to the December meeting for their review. The additional documents to be distributed will include the addendum which deals with specialty services requested by the Metropolitan Health Board.

The Committee then briefly discussed the nature of the addendum and Mr. Dickler reviewed each of the specialty areas and the probable response which would be formulated within the addendum. It was noted that there are other portions of the Metropolitan Health Board plan which are being updated but are not being distributed at this time since they are primarily technical in nature. After some discussion it was also agreed that copies of these goals and objectives should be distributed to the full Board and all members of the Board should be requested to provide their input after reviewing these materials to Mr. Dickler's office within the next several weeks.

Mr. Atwood then noted that an addition to the agenda was an information item relating to the possible modification of certain building names within the Hospital complex. More specifically it was noted by Mr. Dickler and Mr. Westerman that Dr. Kennedy had requested that the Masonic Memorial Hospital be renamed the Masonic Cancer Center to facilitate his working relationship with the Masons and the acquisition of additional funding. This request had been discussed by both the Council of Chiefs of Clinical Services and the Medical Staff Hospital Council who, as of this time, have respectively recommended that the Masonic Memorial Hospital be renamed the Masonic Memorial Hospital and Cancer Center and the Masonic Cancer Center. These proposals are now being discussed by the Executive Committee of the Board of Governors and it is administration's hope that any firm recommendation can be delayed until the completion of master zoning for the Renewal Project since such programming might effect the overall function of facilities within the Hospital complex. It was noted that this item had been discussed by the Joint Conference Committee the previous night and would be discussed to some degree at the Board of Governors meeting later that day.

Mr. Atwood then asked Mr. Dickler to discuss the potential modification of the 1979/1980 Capital Budget and noted to the Committee members that this was an action item for today's agenda. Mr. Dickler then distributed a memorandum relating to a possible modification of the 1979/1980 budget and noted that a reevaluation of the 1978/79 and 1979/80 budgets had been undertaken in accord with the Committee's request during the September Committee meeting. The result of that

review has been the elimination of approximately \$86,000 in approved budget items which can be made available for the additional budget items noted in the Committee discussion in September, 1979 (see attached).

The Committee members discussed this proposal at some length and the staff recommendation that the 1979/80 Capital Budget be expanded to 3.5 million dollars. In response to questions it was stated that most of the items eliminated related to previously approved remodeling projects in Powell Hall or minor remodeling projects which had a lower priority than the additional projects noted within the Capital Budget modification request. It was also noted that the increase of the 1979/80 Capital Budget to 3.5 million dollars would not adversely effect the overall long-range financing strategy for the Renewal Project since that was identified as the maximum amount available for the 1979/80 budget in the Ernst and Ernst studies. After some further discussion it was the feeling of the members present at the Committee meeting that the budget modification proposal should be brought before the full Board of Governors for their consideration and potential approval.

Mr. Atwood then asked Mr. Dickler to update the Committee on the Renewal Project and to introduce the representatives of the program consultant and architect/engineering firms to the full Committee members. Mr. Dickler then introduced Mr. Merlin Olson from Robert Douglass Associates and Mr. Ron Cannamore from the Ellerbe Associates/HOK joint venture and stated that their comments would represent this month's update regarding the Renewal Project progress.

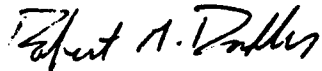
Mr. Olson then thanked the Committee for this opportunity to appear before them and provided Committee members with background regarding Robert Douglass Associates as well as his personal background in consulting and university hospital developmental programs. He stated that the schedule which Robert Douglass is attempting to meet is a very rigorous one and that the cooperation being received from all members of the Hospital and medical staff is outstanding. He noted that there would be a number of major decision items which would be forthcoming in the coming months with master zoning being the primary issue which needs to be resolved before the programming effort can be completed. In response to a question, Mr. Olson elaborated on some of the issues and the charge from administration to identify institutional issues which need to be resolved both in relationship to the Renewal Project and the institution's long-range plan. Committee members encouraged Mr. Olson to feel free to identify any issues or concerns which the consultants felt were relevant to the Hospital and to make sure that these were addressed by the proper parties within the institution.

Mr. Cannamore then commented to the Board briefly on the involvement of Ellerbe Associates in the previous Unit H project for which he was the project director. He then noted that the combined experience of Ellerbe Associates and Hellmuth, Obata and Kassabaum provided the University with a unique set of resources and as complete a spectrum of experience in major university hospital development projects as exists within the United States. He noted that the architectural engineering firms are beginning to establish a work program for their activity in the Renewal Project and have been participating with the program consultants in the initial programming meetings. It was Mr. Cannamore's feeling that the initiation of schematic development

could occur by early 1980 and that the preliminary schematics could be completed by early summer, 1980.

Mr. Atwood and other members of the Committee thanked the representatives from these two firms for coming to the Committee and encouraged them to identify any issues and concerns which they felt the Board of Governors could be helpful in resolving over the coming months. There being no further business before the Committee it adjourned at approximately 1:15 p.m.

Respectfully submitted,



Robert M. Dickler

RMD/kc

attachment



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

MEMO

TO: Board of Governors Planning and Development Committee
FROM: Robert M. Dickler *RMD*
SUBJECT: 1979/80 Annual Equipment and Remodeling Budget
DATE: November 12, 1979

At the September, 1979 meeting of the Planning and Development Committee consideration was given to a series of recommendations which would increase the 1979/80 Capital Budget from \$3.354 to \$3.5 million dollars, allocate the contingency fund to specific projects, and authorize the hospital staff to reprioritize and/or delay items approved in the 1979/80 and earlier budgets. The Committee requested at that time that the reassessment of previously approved budgets be undertaken prior to taking formal action on these recommendations.

A review of 1978/79 and 1979/80 budgets has indicated that \$86,443 of approved budget items could and should be eliminated (1978/79 - \$48,110; 1979/80 - \$38,333). Those savings are primarily associated with minor remodeling projects which were approved prior to the initiation of the Renewal Project and an acceleration of the time schedule for Powell Hall demolition and replacement facilities for Mayo Complex adult medical/surgical facilities.

These budget modifications indicate that an increase of the 1979/80 budget to \$3.5 million dollars would permit the completion of the projects identified in the September 18, 1979 memorandum (attached) and still provide approximately \$55,000 for contingencies. We, therefore, recommend that the Board of Governors authorize an increase in the 1979/80 Capital Budget to \$3.5 million dollars.

Thank you for your consideration of this recommendation.

RMD/kc

attachment



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

MEMO

TO: Board of Governors Planning & Development Committee
FROM: Robert M. Dickler *RD*
SUBJECT: 1979/80 Annual Equipment and Remodeling Budget
DATE: September 18, 1979

In May/June, 1979, the Board of Governors Planning & Development Committee reviewed and approved a \$3,354,460 Equipment and Remodeling Budget for 1979/80. This approved budget was deliberately limited to approximately \$150,000 below the long-range financial plan objective of 3.5 million dollars because the following remodeling and equipment needs had not been sufficiently defined in Spring, 1979:

- (A) Facility and equipment requirements for patient care programs in bone marrow transplant, the care of acutely ill pediatric patients, and the care of acutely ill septic patients.
- (B) The impact of not proceeding with the Unit H project on the short-term remodeling and equipment needs of Pediatrics, OR/PAR, and the Surgical Intensive Care Unit.

During the past three months studies have been undertaken in all of the above areas which have resulted in the following preliminary cost estimates:

- A) Remodeling of Station 40 to permit the consolidation of care programs for acutely ill pediatric patients - \$86,000 (\$56,000 remodeling and \$30,000 equipment).
- B) Remodeling of Station 41 to permit consolidation and expansion of the pediatric and adult bone marrow transplant programs - \$23,000 (remodeling only).
- C) Remodeling of three rooms adjacent to Station 44 to accommodate septic patients who require intensive care - \$30,000 (remodeling only).
- D) Acquisition of centralized monitoring equipment for, and minor remodeling (including electrical upgrading) of, the Surgical Intensive Care Unit - \$63,000 (\$50,000 equipment and \$13,000 remodeling).
- E) Development of storage space adjacent to the Operating Rooms through deck enclosure and conversion of the

Respiratory Care Unit facility to a second PAR facility -
\$75,000 (remodeling).

In addition to these proposed modifications, some reallocations of space to alleviate congestion in the Unit H project elements is occurring and will occur over the next several months. These reallocations of space can occur with little or no remodeling costs.

The remodeling and equipment costs identified above total \$277,000. It is the recommendation of the Hospital Staff that the Board of Governors, through the Planning & Development Committee, authorize these projects and that financing be achieved through the following mechanisms:

- (1) An increase of the approved 1979/80 Capital Budget to 3.50 million dollars.
- (2) Allocation of the \$100,000 contingency budget contained in the original authorization to these projects.
- (3) Authorization for the hospital staff to reprioritize and/or delay items approved in the 1979/80, or earlier budgets where funds have been escrowed, to assure completion of the projects noted above without exceeding the overall limit of 3.5 million dollars.

It should be noted that a re-evaluation of all approved capital items is being undertaken in relation to the approval of the Renewal Project, the impending demolition of Powell Hall, and the budgetary requirements detailed above.

We look forward to discussing these recommendations with you on September 19, 1979.

RMD/kc



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

February 12, 1980

TO: PLANNING AND DEVELOPMENT COMMITTEE, BOARD OF GOVERNORS

Michael Eisenberg, M.D.
Jeanne Givens
Clint Hewitt
Cheri Perlmutter
Joseph Resch, M.D.
John Tiede
Timothy Vann

Virgil Moline
John Westerman
Paul Winchell, M.D.
Margaret Sandberg
Staff
Robert Dickler

FROM: Harry Atwood, Chairman

The February 1980 meeting of the Planning & Development Committee will be held:

Wednesday, February 20, 1980
11:30 A.M.
Dining Room III
University Hospitals

The agenda for the meeting is enclosed.

HA/sds

Enclosures



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

DRAFT

February 15, 1980

Mr. Malcolm P. Mitchell
Executive Director
Metropolitan Health Board
300 Metro Square Building
7th and Robert Street
St. Paul, MN 55101

Dear Mr. Mitchell:

This is written to request a waiver from the requirement for review under Minnesota Certificate of Need law and also non-substantive Federal Capital Expenditure (1122) review for a computer facility remodeling project and also acquisition of additional computer hardware by the University of Minnesota Hospitals and Clinics. The total capital costs are estimated at \$792,000. This capital expenditure is less than three percent (actually 0.7%) of the 1979 University Hospitals' annual operating budget. The expenditure is for services not related to direct patient care as defined by applicable law and regulation.

Three projects are included in this request:

1. Renovation of lounge and storage facilities on the first floor of the Childrens Rehabilitation Building at the University of Minnesota to provide adequate space, electrical, and mechanical support for the main hospital computer system. Estimated cost is \$400,000. This proposal is the most cost effective of acceptable alternatives.
2. Additional hardware purchase for the hospitals' clinical laboratory data processing system to provide computer support to the microbiology and blood bank divisions. Estimated cost is \$212,000. Cost savings payback time is four years.
3. Purchase of a computerized system to support the Electrocardiography Laboratory. Estimated cost is \$180,000. Payback is estimated at five years.

RENOVATION OF CHILDRENS REHABILITATION
CENTER TO ACCOMODATE THE MAIN HOSPITAL COMPUTER

University Hospitals' main computer is located in Powell Hall. This installation has been in existence since 1970, the date when the Hospitals began operation of its first medium sized administrative data processing computer system. Since 1970, 32 different applications have been added, and nearly 80% of all operating systems are on-line and real time. They are supported by 75 remote terminals located throughout the Hospitals.

Main components include:

Patient Processing Systems

- Patient Index
- Active Patient Files
- Inpatient Appointment System
- Admissions
- Patient Census
- Patient Billing
- Accounts Receivable

Financial Systems

- Inventory Control
- Payroll Manhour Reporting
- Financial Reporting
- Property Management
- Capital Expenditures

Patient Services Systems

- Radiology Registration and Charging
- Pharmacy Reporting System
- Pharmacy Formulary
- Outpatient Pharmacy
- Inpatient Pharmacy
- Outpatient Data Entry
- Outpatient Appointment Reporting
- Outpatient Census Reporting and Statistics
- Length of Stay
- Medical Record History Data Base
- Doctor Master
- Programmed Operating Room Information System
- Nursing Utilization Management Information System
- Operating Room Information System
- Cysto Room Information System

Miscellaneous Systems

- Data Communication System
- Computer Utilization
- Hospital Telephone Directory
- Project Control System
- User Courtesy Billing

The present site in Powell Hall is space limited. It contains 2,336 net square feet. Major projects now under development include a complete revision of the patient accounting/billing system, enhancement and expansion of the Radiology registration and patient charging system, implementation of a Respiratory Therapy billing and workload scheduling system and upgrading of the Pharmacy's inpatient and outpatient support systems. All projects are cost beneficial (supplementing machine for man at lower cost) or are required for external reporting or reimbursement purposes. These projects will require an additional 440 square feet for location of hardware components by January, 1981.

Future applications, to be completed by the mid-1980's, include inpatient/outpatient result reporting and unit of service request initiation from individual nursing units and clinics. Anticipated future total space requirements resulting from present system growth and introduction of new applications is projected at 3700 NSF, an increase of 1400 NSF. The immediate requirement for a 20% increase in space by January, 1981 and reasonable projections for future space needs catalyzed a review of alternatives for future expansion.

Expansion at the Powell Hall site was first considered but rejected. A new construction addition south of the present facility and a major expansion of air-conditioning and electrical capacity would require an expenditure preliminarily estimated at \$350,000. Additionally, if the major bed replacement facility plans are approved, Powell Hall would be torn down.

Offsite installations were explored but rejected. \$150,000 annual incremental operating costs would be incurred by the need for 5 FTE additional personnel to operate a remote facility, and equipment lease and transportation costs associated with offsite operation.

The recommended solution, the lower level of Children's Rehab Center, has the advantages of on-site location, a building of 1964 construction and space which is large, open and readily convertible (now used as lounge and storage facilities). Renovation costs are estimated at \$400,000 which includes general construction of walls, ceilings, raised flooring, and the upgrading of air-conditioning and electrical systems. This project would provide a center equipped to serve the hospitals adequately over the next 20 years.

EXPANSION OF THE LABORATORY COMPUTER SYSTEM

A Medlab Computer System was installed in the clinical laboratories at the University of Minnesota Hospitals in the early 1970's. This system has served the laboratories well and supports the data processing needs of the chemistry, hematology, coagulation, and outpatient divisions representing 75% of all tests. The rapid growth of result reporting has required the system to expand to its maximum capacity.

Two additional laboratory divisions, Microbiology and Blood Bank, can benefit from automated data handling. Purchase of an additional \$212,000 module is proposed to augment the basic system. This addition is cost beneficial with a "payback" in four years.

Cost

Estimated Purchase Price	\$212,000
Monthly Maintenance	1,318
Total 4 Year Cost	\$275,264

Benefit

Estimated Annual Personnel Savings	\$ 68,149
Projected 4 Year Cost Savings	272,596

Additionally, the data available from the Microbiology and Blood Bank module will permit enhancement of the hospitals' quality assurance program in the areas of comprehensive infection control (Microbiology) and ongoing blood product usage review (Blood Bank).

COMPUTER SUPPORT TO THE
ELECTROCARDIOGRAPHY LABORATORY

- The University of Minnesota Hospitals and Clinics' ECG Laboratory performs approximately 24,000 electrocardiograms and related tests annually for both inpatients and outpatients. When a test is completed, the data is manually logged, cut and mounted in a standard format; interpreted and signed by a cardiologist; then typed and microfiched. The microfiche is attached to a keypunch card, coded with the appropriate patient data, and filed in a storage cabinet. This basic system has been in operation since 1967.

A detailed cost/benefit analysis of the present system was recently completed. The result of this analysis was a recommendation to replace the present manual system with the installation of a computerized electrocardiogram and vector cardiogram management system. A computerized system would produce a final project which would eliminate the need for cutting and pasting, and provide a typewritten interpretation with all the measurements necessary for preliminary diagnosis based on parameters established by the cardiologist. The detail analysis demonstrated that the total cost of the system (\$230,000) including hardware, software, remodeling, and installation would be offset by direct dollar savings in personnel, equipment, and supplies over a five year period.

Cost

Computer Hardware & Maintenance	\$150,000
Computer Software & Interpretive Program	50,000
Remodeling & Installation	<u>30,000</u>
Total Cost	\$230,000

Benefit

Personnel Savings (5 yrs)	\$142,900
Reduced Supply Cost (5 yrs)	63,000
Reduced Equipment Replacement Cost	<u>41,400</u>
	\$247,300

In addition to the direct dollar savings, many qualitative benefits should be realized such as improved accuracy of output, faster preliminary diagnoses and the ability to make statistical comparisons.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

April 7, 1980

TO: PLANNING AND DEVELOPMENT COMMITTEE-BOARD OF GOVERNORS

Leonard Bienias	John Westerman
Al France	Michael Eisenberg
Jeanne Givens	Joseph Resch
Margaret Sandberg	Cheri Perlmutter
Lawrence Weaver	Clint Hewitt
Paul Winchell	
Robert Dickler	

FROM: Harry Atwood, Chairman

The April 1980, meeting of the Planning and Development Committee will be held:

11:30 A.M.
Wednesday, April 16, 1980
Hospital Dining Room III
University Hospitals

The agenda for the meeting is enclosed. Please return the enclosed postcard stating whether you can or cannot attend the meeting.

HA/sds

Enc.

MINUTES OF THE
BOARD OF GOVERNORS

PLANNING AND DEVELOPMENT COMMITTEE

Meeting: Wednesday, March 19, 1980

Present: Mr. Atwood, Chairman
Mr. Bienias
Ms. Sandberg
Ms. Givens
Mr. France
Dr. Winchell
Mr. Hewitt
Mr. Westerman
Mr. Dickler

Absent: Ms. Vann
Dr. Tiede
Dr. Eisenberg
Ms. Perlmutter
Dr. Quie
Mr. Moline

Guests: Mr. Hanser
Ms. Foley
Mr. Moore
Mr. Werft
Ms. Ahlgren

The Planning and Development Committee was called to order by Chairman Atwood at approximately 12:00 and a motion was accepted and approved by the Committee to adopt the minutes of the February 20, 1980 meeting. Mr. Atwood then asked Mr. Dickler to provide the Committee with an update and report on the University Hospital Renewal Project.

Mr. Dickler initiated the Renewal Project update report by noting that meetings had been held with several groups during the previous month and asked Mr. Westerman to report upon a meeting with representatives from the State Medical Society, Hennepin County Medical Society, Ramsey County Medical Society, Minnesota Hospital Association, and Foundation for Health Care Evaluation.

Mr. Westerman reported that representatives from these organizations had formed an ad hoc group to discuss the proposed Veterans Administration project. The University representatives in attendance at this meeting included Dr. Thompson, Dr. Winchell, Ms. Ahlgren, Mr. Dickler, and Mr. Westerman. The University presentation during this meeting consisted of a review of the history of the Health Sciences Master Plan and the Hospital Renewal Project and a brief outline of the scope and intent

of the Renewal Project. Questions and concerns discussed with the ad hoc committee included the possibility of the VA relocating to the University campus, the possibility of the VA relocating to the University campus, the possibility of University Hospitals relocating to the Veterans Administration site, the participation of University Hospital Medical Staff in county and state medical society activities, and a general concern regarding the VA's participation in the local health planning process. Mr. Westerman noted that it was evident that this ad hoc committee was going to attempt to have each of their organizations take a firm stand in favor of the Veterans Administration participating, and being bound by, the local health planning review process. It was also noted that this group did not seem particularly opposed to the University project but felt that the University project was critical to having a substantive impact on the VA planning process.

Mr. Dickler then reported that a similar meeting had been held, in cooperation with the Council of Community Hospitals, with representatives from the metropolitan area hospitals. Present at this meeting were Mr. Westerman, Dr. Goltz, Mr. Hanser, and Mr. Dickler. The formal presentation at this meeting was very similar to that used with the ad hoc VA group mentioned above, but there were relatively few questions from the metropolitan area hospital representatives. Mr. Dickler and Mr. Westerman both noted that they could not detect during the meeting, or subsequent to the meeting, any organized opposition from the metropolitan area hospitals to the University project but also noted that only about one-third to one-half of the hospitals were represented at this meeting.

An additional meeting which occurred was before the Senate Finance Committee Subcommittee on Education on March 10, 1980. Present for this presentation were Dr. French, Mr. Kegler, Mr. Westerman, Mr. Fearing, and Mr. Dickler. The intent of this presentation was to review the University Hospital Renewal Project and to explain the proposed financing schema for utilization of state general obligation bonds. It was the impression of those present that, in general, the proposal was well received but that no specific action was or could be taken by the committee until a bill is generated within the House of Representatives. It was noted that the House had not scheduled a hearing at this time and that any definitive action regarding the bonding proposal was unlikely during the 1980 legislative session.

Mr. Atwood then reported on the Renewal Project update presented to the Board of Regents at their March 14, 1980 meeting. The bulk of this presentation and subsequent questions revolved around a review of the master zoning schema previously reviewed and endorsed by the Planning and Development Committee. Mr. Atwood reported that the Regents did not seem to have any major concerns which emanated from the master zoning proposal and that the majority of questions related to the community wide concerns regarding the Veterans Administration project and the discussions with the legislature for bonding authority. In general it was the feeling of the representatives from the University Hospitals that the Regents were comfortable with the plans and progress of the Renewal Project and were looking forward to further updates during the coming months.

Finally, the Committee heard reports regarding the compliance with the ongoing Renewal Project development schedule and a projection of future activities which would be occurring within the coming months. It was noted that the planning team anticipated that updated cost estimates and square footage projections would be available for Committee review during their April, 1980 meeting and that block schematics and initial certificate of need information should be available for the May, 1980 meeting.

The Committee then turned its attention to an initial review of the 1980/81 capital budget. Ms. Donna Ahlgren reviewed a preliminary compilation of that budget (see attached) and noted that the budget was within the general parameters approved previously for the long-range capital plan. Both equipment and remodeling requests were reviewed in some detail and the Committee was asked to review the proposed budget over the next several weeks and to forward any questions or comments they had to either Ms. Ahlgren or Mr. Dickler. It was noted that this item would be up for approval by the Committee and the Board during their April, 1980 meeting.

The Committee then briefly discussed the waiver proposal to the Metropolitan Health Board for computer equipment and facility remodeling. It was noted that the finalized waiver letter had not been submitted to the Metropolitan Health Board so that additional computer equipment needs, which had been previously identified within the long range capital plan, could be incorporated within the same waiver letter. A copy of the long range capital needs flow chart (see attached) was briefly discussed by the Committee, and Mr. Dickler reported that a finalized waiver letter and review schedule with the Metropolitan Health Board should be available for the April, 1980 meeting of the Board of Governors.

Mr. Atwood then noted that he would not be present at the full Board of Governors meeting and asked Ms. Givens to report on behalf of the Committee. There being no further business before the Committee it adjourned at approximately 1 p.m.

Respectfully submitted,


Robert M. Dickler

RMD/kc

attachments

UNIVERSITY OF MINNESOTA
HOSPITALS AND CLINICS

Proposed Annual Equipment
and Renovation Budget

Fiscal Year 1980-81

Submitted to Board of
Governors Planning &
Development Committee
March 20, 1980.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

March 20, 1980

TO: Planning and Development Committee, Board of Governors
Harvey Atwood, Chairman

FROM: Hospital Planning and Operating Staff

SUBJECT: Proposed Annual Equipment and Renovation Budget, Fiscal Year 1980-81

The proposed annual equipment and renovation budget has been prepared by hospital department heads and operating administrators for your review. This budget is consistent with the long range financial plan of University of Minnesota Hospitals which establishes objectives for equipment expenditures at \$3,200,000 and renovation expenditures at \$360,000 for fiscal year 1980-81.

The budget, as proposed, includes:

Equipment:	\$3,183,218
Renovation	383,575

Analysis of each component of the capital budget is provided on the attached pages.

attachments

SUMMARY OF CAPITAL EQUIPMENT BUDGET

Equipment Items of \$10,000 or more	\$ 1,410,799
Equipment Items of less than \$10,000	1,375,184
Certificate of Need Equipment Items	150,000
Equipment Associated with New Programs	97,235
Contingency - 1980-81 Fiscal Year	150,000
	<hr/>
TOTAL	\$ 3,183,218

The following attachments include:

- Attachment 1: Equipment Budget by Department
- Attachment 2: Equipment Requiring Certificate of Need
- Attachment 3: Equipment Items of \$10,000 or more
- Attachment 4: Summary of Approved New Programs

EQUIPMENT BUDGET BY DEPARTMENT

The equipment budget as allocated by hospital department is shown below. These totals include the Certificate of Need items.

<u>DEPARTMENT</u>	<u>EQUIPMENT BUDGET AMOUNT</u>
Administration	\$ 2,500
Anesthesiology	34,625
Bio-Medical Engineering	4,100
Building Systems	-
Chemical Dependency	7,850
Clinical Psychology	1,500
Computer Services	188,191
Environmental Services	24,750
Financial Accounting/Budget	690
Home Health	800
Labs	736,947
Maintenance/Operations	450
Materials Services	95,491
Medical Records	18,820
Nursing	136,230
Nutrition	4,690
Operating Room	194,675
Outpatient	84,836
Patient Accounting	9,872
Patient Monitoring	269,500
Patient Relations	-
Personnel/Payroll	3,800
Pharmacy	11,720
Psych	5,725
Psych (OPD)	3,450
Public Relations	1,745
Radiation Therapy	110,588
Radiology	821,148
Rehab	53,749
Respiratory Care	105,680
Rural Co-Op	700
Social Service	1,160
Volunteer Services	-
	<hr/>
TOTAL	\$ 2,935,983

EQUIPMENT REQUIRING CERTIFICATE OF NEED

One item requiring Certificate of Need approval is included in the 1980-81 equipment budget.

The Department of Diagnostic Radiology, Nuclear Medicine Section requests Emission Computerized Tomography, \$150,000.

This item is an addition to an existing system which will upgrade the system by changing the camera stand of the G.E. Large Field of View Camera and add electronic components. These modifications will result in the ability to utilize new technology involving techniques of emission tomography for diagnosis of disease. This technique is expected to be a standard part of the practice of Nuclear Medicine within one-two years; purchase of the equipment at this time permits Nuclear Medicine to maintain its role of evaluation and development of new techniques in the field.

EQUIPMENT ITEMS OF \$10,000 OR MORE

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Labs	Instrument interface Board	\$ 12,880	To provide funding for potential purchase given favorable evaluation of potential use.
	Spectrophotometer	18,940	To replace existing outmoded equipment.
	Microscope	26,000	To provide equipment to meet increased workload demand and provide better quality equipment.
	Microscope with Phase Contrast and Camera	13,000	To provide capability to observe, analyze and make permanent record of chromosomes of cells from human tumors.
	Centrifugal Analyzer	58,000	To provide capability to perform fibronectin assays, new procedure.
	Abbott ABA/100	20,000	To provide capability for enzyme immunoassay which have greater stability to reagents and eliminate problems of handling radioactive wastes.
	Computing Spectrophotometer	11,800	To provide capability to perform newly developed assays in coagulation laboratory.
	Inverted phase fluorescent microscope	18,000	To provide capability for new technique for developing results of tissue typing.
	CS Irradiator	41,000	To provide capability to irradiate cells for cell typing.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Labs (Continued)	Liquid Scintillation Counter	\$ 21,000	To provide equipment for counting all tests done with radioactive tritium.
	Continuous Flow Cell Separator	28,000	To provide capability to separate white cells from blood for cell donation or therapy.
	Arrhythmia analyzer, auto computer and system tester	15,000	To provide capability to produce produce 24 hour electrocardiogram for review in 3 minutes, reducing technician time and increasing volume capability.
	Tissue Processor	10,500	To replace existing equipment which requires frequent repair.
	Fluorescent Phase Contrast Microscope	11,248	To replace existing equipment which is dysfunctional.
	Titertek Multiscan	10,500	To provide ability to do ALISA test on viral antigens.
	18 Channel EEG Machine	18,900	To replace machine purchased in 1965, which is outdated and difficult to service.
	Co-oximeter	10,700	To provide equipment to measure oxygen saturation and oxygen tension in pediatric patients.
	Lab Glassware Dishwasher	12,000	To replace existing, dysfunctional equipment.
	Computer Terminals	32,890	To purchase equipment previously leased, enhance cost effectiveness.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
OAD/Computer Center	Data Communication Equipment	\$ 35,389	To expand data communication system to outpatient clinics.
		11,384	To Financial Accounting.
		37,968	To Pharmacy satellites.
	Burroughs System Upgrade: Local Memory	22,660	To expand computer system to include data communication system.
	Desk Data Banks	38,400	To support implementation of Pharmacy Unit Dose Computerized System.
Operating Rooms/	Novamatrix Transcutaneous Monitor	13,500	To provide continuous, non-invasive monitoring of blood gas levels.
	Ocutome Vetrectomy Console	12,000	To replace existing equipment which is requiring excessive maintenance and repair.
	Electro-Hydraulic O.R. Table	15,000	To continue replacement program begun in 1977; replaces obsolete table.
Outpatient Clinics	Colonoscope/Light Source	11,000	To replace existing, dysfunctional equipment.
Patient Monitoring	Patient Monitoring equipment	10,000	To expand monitoring capability in Operating Rooms.
	Blood gas analyzer	25,000	To replace existing outdated equipment.
Radiology	2 Portable Radiographs	66,000	To replace existing, dysfunctional equipment.
	3 Film Processors	49,500	To replace existing processors which have exceeded useful life; one for Department of Radiology, and one in Operating Rooms. One in VCHH.
	3 Video Tape Recorders	36,000	To replace existing recorders which are dysfunctional.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PROJECT</u>
Radiology (continued)	Video Desk Recorder	\$ 18,000	To replace dysfunctional equipment in Heart Cath Lab.
	Video Tape Recorder	12,000	To replace dysfunctional equipment in Heart Cath Lab
	Video Recorder	18,000	To replace obsolete equipment in Radiology Room, OR
	Remote Controlled Imaging System	99,400	To upgrade existing equipment and extended useful life. NOTE: Cost is overestimated, per recent departmental information from vendor.
	Pediatric Imaging System	50,000	To upgrade existing equipment and extended useful life.
	Magnification Radiography	50,000	To provide state of the art equipment for diagnostic procedures.
	Magnification Mammography	52,000	To provide state of the art equipment for diagnostic procedures.
	Ultrasound Imager	10,000	To provide state of the art equipment for diagnostic procedures.
	Diagnostic Ultrasound Unit	36,500	To replace existing equipment and upgrade technology.
	Patient Moving Device	10,650	To pilot test equipment which mechanically transfers patients from bed to litter, minimizing patient and employee risk.
	Scintillation Camera Tomography	25,000	To upgrade existing equipment and increase useful life.
	Collimators/Imager	20,000	To expand diagnostic technology in Nuclear Medicine.
	LAD Table Attachment	35,000	To upgrade function of existing table, Heart Cath Lab.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Radiology (continued)	Subtraction Disc Recorder	\$ 18,000	To provide state of the art equipment for the department.
	Portable fluoroscopy Unit	25,000	To refurbish existing equipment and avoid need to replace it.
Rehab Center	Budgeport Vertical Milling Machine with attachments	10,850	To expand Rehab program's services
	Evoked Response EMG System	14,000	To replace existing, dysfunctional equipment.
	Handicapped Modified Van	14,300	To provide vehicle for training and evaluation of driving skills of the handicapped.
Respiratory Care	2 Transcutaneous oxygen and carbon dioxide units	26,000	To provide on-line assessment of respiratory gas monitoring for pediatric patients.
Therapeutic Radiology	Treatment Planning Computer	80,000	To replace existing system which is outdated and mechanically deficient.
	50 KU Mobile Contact Superficial endo-therapy application	22,440	To provide treatment capability for patients with superficial carcinoma of the rectum.
	TOTAL	\$1,410,799	

Attachment 4

III SUMMARY OF APPROVED NEW PROGRAMS - FISCAL YEAR 1980-81

<u>DEPARTMENT</u>	<u>PROGRAM</u>	<u>COSTS</u>
Pharmacy	Parenteral Nutrition Service	\$ 1,850
Nursing	Health Education Learning Resources Center	3,458
Personnel	AVIES (Audio-Visual & Instructional Equipment Service)	6,927
Cysto-Lab-OR's	Urodynamics Laboratory	60,000
Patient Monitoring	Peripheral Circulatory Assessment Lab	25,000
	TOTAL	<hr/> \$ 97,235

SUMMARY OF REMODELING/RENOVATION BUDGET

Renovation Projects of \$10,000 or more (7)	\$200,000
Renovation Projects of less than \$10,000 (82)	<u>183,575</u>
TOTAL	\$383,575

The attachments:

Attachment 5: Remodeling/Renovation Budget
by Department

Attachment 6: Remodeling/Renovation Projects of
\$10,000 or more

REMODELING/RENOVATION BUDGET BY DEPARTMENT

The remodeling/renovation budget, as allocated by hospital department, is shown below. No requested projects will require Certificate of Need review.

<u>DEPARTMENT</u>	<u>TOTAL</u>
Administration	
Anesthesiology	
Bio-Medical Engineering	
Building Systems	\$ 129,900
Chemical Dependency	
Clinical Psychology	
Computer Services	46,450
Environmental Services	
Financial Accounting/Budget	
Home Health	
Labs	75,000
Maintenance/Operations	
Materials Services	1,000
Medical Records	
Nursing	65,000
Nutrition	2,780
Operating Room	10,300
Outpatient	39,420
Patient Accounting	3,437
Patient Monitoring	
Patient Relations	256
Personnel/Payroll	
Pharmacy	
Psych	
Psych(OPD)	
Public Relations	
Radiation Therapy	950
Radiology	
Rehab	2,291
Respiratory Care	
Rural Co-Op	
Social Service	
Volunteer Services	5,000
	<hr/>
TOTAL	\$ 383,575

REMODELING/RENOVATION PROJECTS OF \$10,000 OR MORE

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>COST</u>
Building Systems	Construction of additional corridor on 1st floor Mayo to meet requirements of fire management program	\$ 75,000
Hospital Laboratories	Development of coagulation laboratory in available Mayo space; not included in major labs renovation project	40,000
Nursing Services	Conversion of space to accommodate food preparation/storage facility.	12,500
OAD/Computer Center	Installation of electrical service and air conditioning system for EKG computer.	30,000
Operating Rooms	Development of available space in BC 5th floor link for office/storage/locker area for O.R.	10,000
Outpatient Clinics	Modification of clinic area to meet needs of new otophysiology clinic.	10,000
Outpatient Clinics	Installation of gaskets around room doors and transoms to provide sound attenuation. Pilot project will be conducted to assure if installation meets objectives.	22,500

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
SUMMARY OF PROJECTED CAPITAL NEEDS
AS OF 1/1/80

	Hospital Obligation	Funded in Prior Years	Amount Remaining to be Funded	Fiscal 79-80	Fiscal 80-81	Fiscal 81-82	Fiscal 82-83	Fiscal 83-84	Fiscal 84-85	Fiscal 85-86	Fiscal 86-87	Fiscal 87-88	Fiscal 88-89	Fiscal 89-90
Recurring Capital Needs														
Equipment	\$48,905,835		\$48,905,835	\$3,005,835	\$ 3,200,000	\$ 3,400,000	\$ 3,600,000	\$ 3,900,000	\$ 4,200,000	\$ 4,500,000	\$ 5,000,000	\$5,500,000	\$6,000,000	\$6,600,000
Remodeling	<u>3,126,125</u>		<u>3,126,125</u>	<u>591,125</u>	<u>360,000</u>	<u>325,000</u>	<u>300,000</u>	<u>275,000</u>	<u>250,000</u>	<u>225,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
	\$52,031,960		\$52,031,960	\$3,596,960	\$ 3,560,000	\$ 3,725,000	\$ 3,900,000	\$ 4,175,000	\$ 4,450,000	\$ 4,725,000	\$ 5,200,000	\$5,700,000	\$6,200,000	\$6,800,000
Short Term Support Projects														
Unit B/C Phase II	\$ 1,787,828	\$1,770,869	\$ 16,959	\$ 16,959										
Warehouse	1,520,261	1,447,761	72,500	72,500										
Life Safety	4,285,037	4,073,174	211,863	211,863										
Lab Computer	350,000	-0-	350,000		350,000									
Computer Hardware	4,485,000	428,849	4,056,151	442,435	660,287	694,787	709,787	634,787	432,859	481,209				
Mayo Remodeling, Lab, Rad.	9,000,000		9,000,000	1,050,000	6,290,000	1,660,000								
Linear Accelerator	1,500,000	680,000	820,000	307,500	512,500									
Computer Space	1,000,000		1,000,000	400,000	600,000									
Data Div. Computer	520,000		520,000	520,000										
Expanded Unit B/C	<u>1,500,000</u>		<u>1,500,000</u>		<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>						
	\$25,948,126	\$8,400,653	\$17,547,473	\$3,021,257	\$ 8,412,787	\$ 2,854,787	\$ 1,209,787	\$ 1,134,787	\$ 432,859	\$ 481,209				
Major Facility Replacement														
Renewal Project														
New Construction	\$180,881,870		\$180,881,870	\$2,050,000	\$ 7,364,340	\$47,752,093	\$63,137,843	\$50,182,094	\$ 3,445,500	\$ 6,950,000				
Remodeling	40,133,130		40,133,130					2,973,130	12,386,667	12,386,667	12,386,666			
Other	<u>580,000</u>		<u>580,000</u>	<u>580,000</u>										
	\$221,595,000		\$221,595,000	\$2,630,000	\$ 7,364,340	\$47,752,093	\$63,137,843	\$53,155,224	\$15,832,167	\$19,336,667	\$12,386,666			
Grand Total	\$299,575,066	\$8,400,653	\$291,174,433	\$9,248,217	\$19,337,127	\$54,331,880	\$68,247,630	\$58,465,011	\$20,715,026	\$24,542,876	\$17,586,666	\$5,700,000	\$6,200,000	\$6,800,000

Combined Unit H/MSR
Early Construction
Analysis for 1/28/80.

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: April 16, 1980

Present: Mr. Hewitt
Ms. Sandberg
Dean Weaver
Mr. France
Dr. Winchell
Mr. Westerman
Mr. Dickler

Absent: Mr. Atwood
Ms. Givens
Dr. Eisenberg
Ms. Perlmutter
Mr. Bienias

Guests: Mr. Pierson
Mr. Herman
Mr. Herrick
Ms. Foley
Ms. Ahlgren

Mr. France called the meeting of the Planning and Development Committee to order at approximately 12:00 p.m. noting that in the absence of the Chairman and Vice-Chairman he had been asked to chair the Committee meeting. He then asked for a motion to approve the minutes of the March 19, 1980 meeting, and a motion was made and the minutes were approved without correction by the Committee.

Mr. France then asked Mr. Dickler to provide the Committee with an update on the Renewal Project. Mr. Dickler began his report by summarizing the external activities which had been occurring in relationship to the Minneapolis VA Hospital proposal. Mr. Dickler reported that the Metropolitan Health Board was continuing their A-95 review hearings on the Minneapolis VA project and anticipated a public hearing on the project on the evening of April 30, 1980. In addition, a hearing had been held in Washington the previous week by the staff of the Senate Committee on Veterans Affairs, and Mr. Dickler had attended on behalf of the University. In general, none of these hearings and meetings were revealing any definitive motion towards a relocation of the VA Hospital to the University campus or a mandate that substantial service reconfiguration occur between the two institutions. Mr. Dickler did note that such mandates may be forthcoming by the April 30 meeting or within the congressional hearings in May. No specific questions

have been directed to the University at this time by any of the committees and boards considering this proposal.

In response to a question, Mr. Dickler also stated that he personally felt it would be inadvisable for the Board of Governors to adopt a firm position regarding the Veterans Administration Hospital at the present time. Reasoning behind this suggestion included the continuing discussions which are occurring in the community and a lack of focus within the community regarding possible arrangements between the Veterans Administration and the University which would be acceptable and deemed appropriate by external parties as well as the University and the VA.

Mr. Dickler then reported that several meetings had occurred regarding the Renewal Project including a presentation by Mr. Hewitt and himself to the Southeast Minneapolis Political Action Committee and a presentation to Health Sciences students. Neither of these sessions indicated any impending problems from either group and in general no substantive discussion occurred beyond the formal presentation.

Mr. Dickler then reported on the planning status of the Renewal Project and noted that there are three areas of concern which have arisen since the past meeting. The first is that on the basis of new information from the Strategic Options Study the overall bed size and configuration of beds needs to be adjusted within the Renewal Project. Second, that the mass of services which have been proposed for certain floors within the Renewal Project may exceed the space available on those floors and therefore require certain modifications to the master zoning plan as well as to the scope of the overall construction project. Finally, due to inflationary pressures the cost of the Renewal Project continues to escalate with the latest cost estimate indicating that the project now has an estimated cost of \$229 million dollars.

Mr. Hewitt and Mr. Dickler both then reported that these types of difficulties and issues arising in a project of this magnitude are not unusual and that they are a reflection of both the pace of the project and its overall complexity. Mr. Dickler did believe that by the next meeting of the Planning and Development Committee several alternative proposals would be available for Committee consideration regarding bed configuration and overall building configuration.

Mr. France then asked Ms. Donna Ahlgren to review with the Committee the proposed 1980-81 annual equipment and remodeling budget. Ms. Ahlgren distributed a revised capital budget for 1980-81 and noted that reductions had been realized over the past month in the costs of both remodeling and equipment. It was also noted that both components are now below the budgeted amount in the long-range financing plan adopted by the Board of Governors. Ms. Ahlgren then reviewed the budget proposal in some detail and responded to questions from Committee members. Following this discussion it was moved and approved that the 1980-81 annual equipment and remodeling budget be recommended to the Board of Governors, and this motion was approved unanimously by the members present.

Next Mr. France asked Mr. Dickler to update the Committee regarding the computer facilities and equipment waiver letters which the Committee

had discussed over the past several months. Mr. Dickler distributed copies of three waiver letters which related to computer equipment purchase and remodeling and noted that the only substantive change from the draft letters the Committee reviewed several months previously was the inclusion of approximately \$1 million dollars of main computer equipment purchase for the Hospital computer center. Mr. Dickler then asked Mr. Pierson and his colleagues to briefly comment upon the long-range plan for computer equipment acquisition.

Mr. Pierson and Mr. Herrick then noted that the acquisition of additional computer equipment had been part of the long-range plan discussed by the Board of Governors several years previously and was a reflection of the growing use of on-line computer systems and the need for additional storage capacity. The proposed computer equipment envisioned the replacement of the main computer with a new dual processing computer. While this replacement could possibly be delayed for several months beyond the proposed date it was deemed appropriate to implement the equipment changeover in conjunction with the remodeling and construction of a new computer center in the basement of the Rehabilitation Center.

The Committee then discussed at some length the capabilities of the new computer system and what type of studies had been done regarding alternative computer equipment configurations and utilization of alternative computer and non-computer management information systems within the Hospital. It was suggested by Mr. Westerman and other members of the Committee that a review of the current Operations Analysis long-range plan, with some specific discussion regarding the alternative computer equipment configurations which had been studied, be undertaken at the next meeting. After some further discussion a motion was made and approved to submit the waiver letters to the Metropolitan Health Board.

Finally, Mr. France asked Mr. Westerman if he had any items he wished to review with the Planning and Development Committee. Mr. Westerman then briefly reported on the University Hospital Study Consortium, the University Hospital Executive Council meeting, and the Association of Academic Health Centers meeting. He noted that in relationship to all of these meetings that the studies proposed through the University Hospital Study Consortium were beginning to gain additional support and have some clear focus and study parameters developed. It was his feeling that actual development of the study process and the realization of study results should begin shortly with an overall time frame of two to three years. It was urged by members of the Committee that these studies and their results be pursued as vigorously as possible so that they could be utilized in appropriate local and national forums.

There being no further business before the Planning and Development Committee it adjourned at approximately 1:00 p.m.

Respectfully submitted,


Robert M. Dickler

RMD/kc



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

May 13, 1980

TO: PLANNING AND DEVELOPMENT COMMITTEE-BOARD OF GOVERNORS

Leonard Bienias	John Westerman
Al France	Michael Eisenberg
Jeanne Givens	Joseph Resch
Margaret Sandberg	Cheri Perlmutter
Lawrence Weaver	Clint Hewitt
Paul Winchell	
Robert Dickler	

FROM: Harry Atwood, Chairman

The May, 1980, meeting of the Planning and Development Committee will be held:

11:30 A.M.
May 21, 1980
Hospital Dining Room III
University Hospitals

The agenda for the meeting is enclosed. Please return the enclosed postcard stating whether you can or cannot attend the meeting.

HA/sds

Enc.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

May 6, 1980

To: Planning and Development Committee
From: Robert Dickler *RD*
Subject: Information System Long Range Plan

To follow-up on the discussion at last month's meeting on the proposed computer hardware upgrade, there will be a report at the May 21, 1980 meeting on the Hospital's computerized Information System development. The following attachments are enclosed for your review prior to the next meeting:

- Attachment I - System Growth 1970-74
- Attachment II - Over View Chart I
- Attachment III - System Growth 1970-80
- Attachment IV - Hardware Upgrades
- Attachment V - On-Line Activity
- Attachment VI - UMHC Information System Goal Statement

Please contact me if you have questions about this information prior to the meeting.

RD/GS

SYSTEM GROWTH

	<u>On-Line</u>	<u>Computer System</u>
1970 - Patient Accounting Accounts Receivable Medical Records		2500
1971 - Payroll Manhour Reporting		
1972 - Outpatient Appointment Reporting Outpatient Census Reporting Hospital Telephone Directory Accounts Receivable Rewrite		
1973 - Doctor Master Financial Reporting Outpatient Pharmacy *		3500
1974 - Inpatient Appointments		

OVER VIEW

CHART I

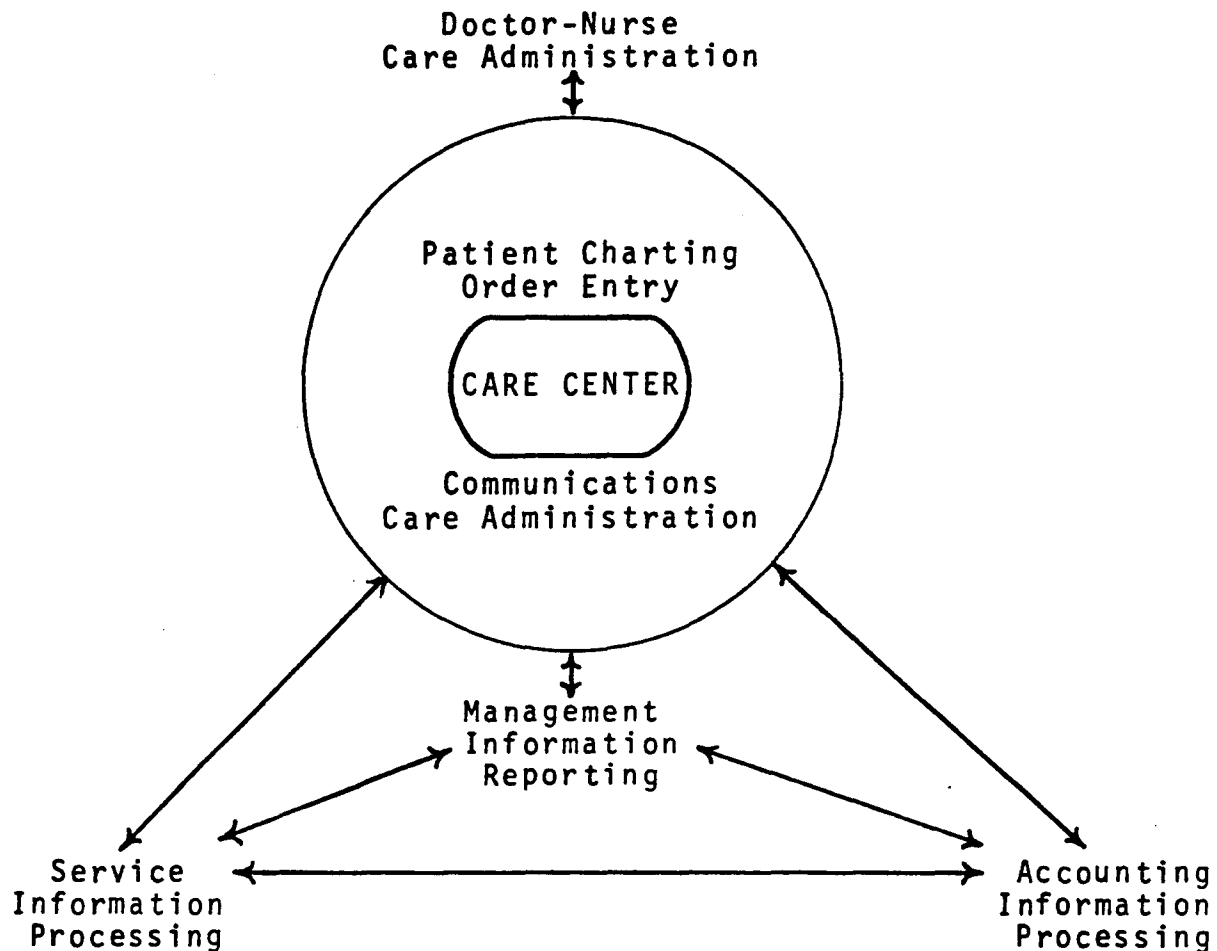
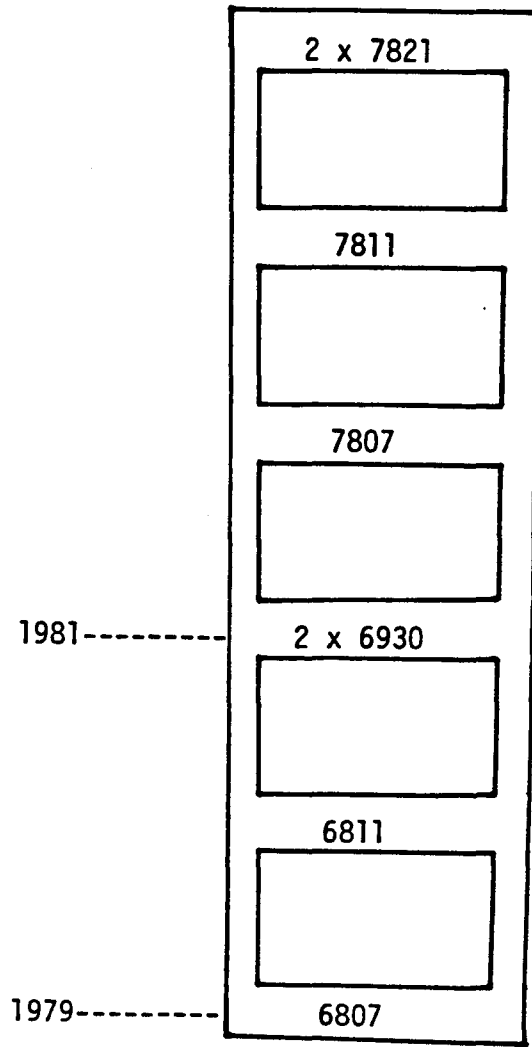
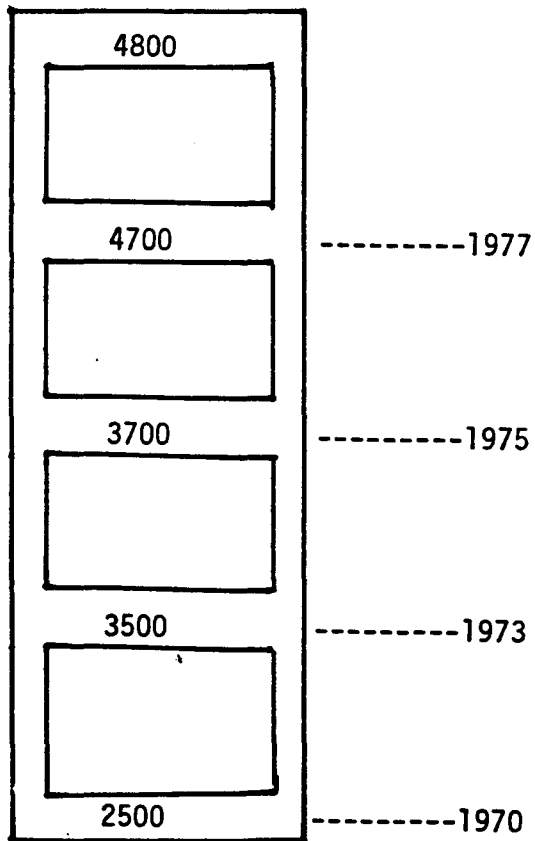


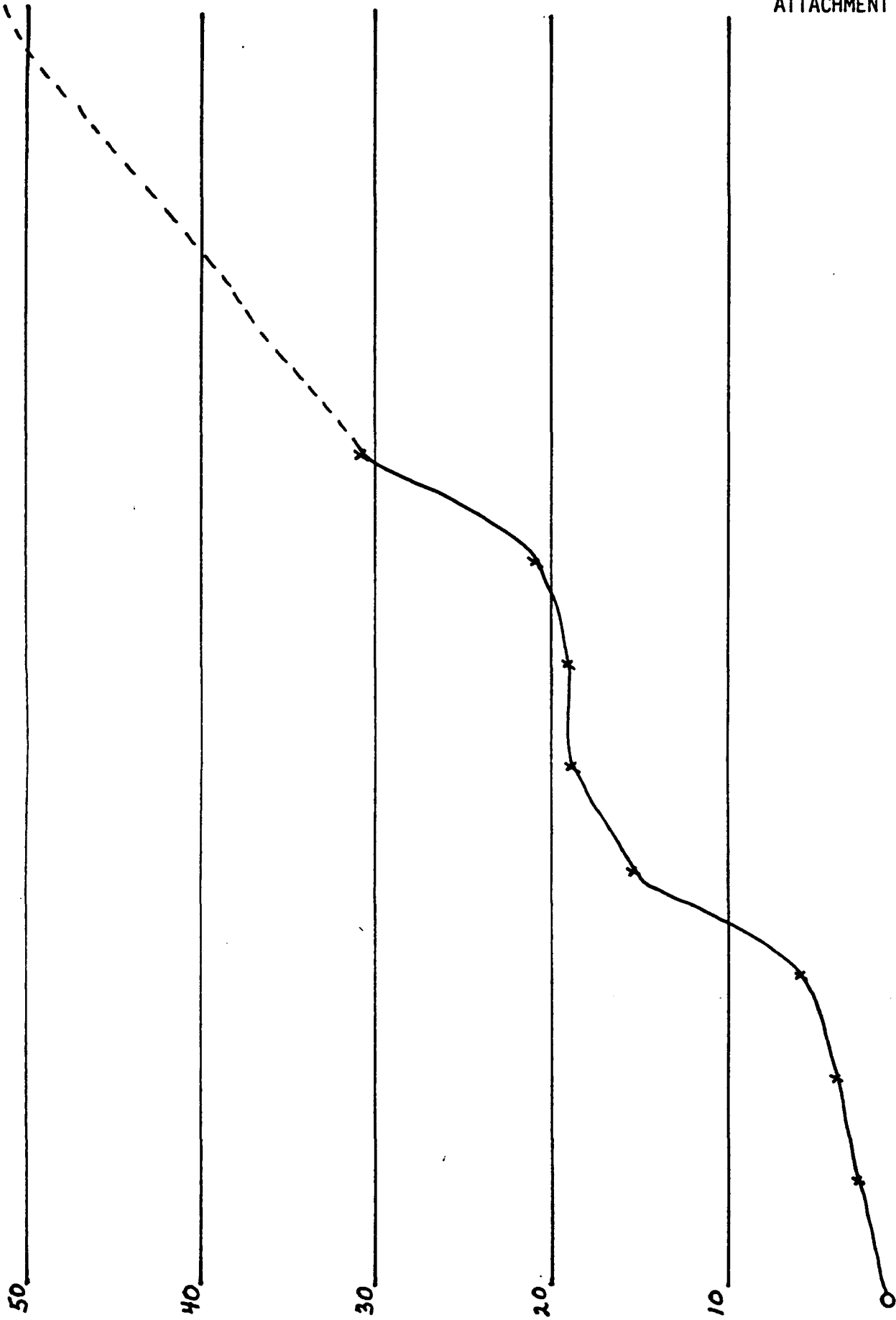
Chart I describes a complete hospital communications and information system. All major activity is centered around the Care Center (nursing station, clinic, etc.) where doctors, nurses, and para-medical personnel will have automated access to the patients chart, patients results, care administration instructions, and care planning tools. In addition order entry and communications will be entered at the Care Center and automatically communicated to the proper service area and the patient billing-accounting functions. Once services or procedures are complete, results will be automatically communicated to the Care Center. A management information reporting system will be integrated with the Care Center, service, and accounting modules so that day to day management information will be available on a continuing basis.

SYSTEM GROWTH

		<u>On-Line</u>	<u>Computer System</u>
1970	- Patient Accounting Accounts Receivable Medical Records		2500
1971	- Payroll Manhour Reporting		
1972	- Outpatient Appointment Reporting Outpatient Census Reporting Hospital Telephone Directory Accounts Receivable Rewrite		
1973	- Doctor Master Financial Reporting Outpatient Pharmacy *		3500
	Pharmacy Formulary Pharmacy Reporting Property Management Data Communications System		
1974	- Inpatient Appointments Nurse Utilization *		
	Patient Location Project Control		
1975	- Length of Stay Reporting Patient Billing Revision. *		3700
	Operating Room Info System Patient Index *		
1976	- Capital Expenditures Active Patient Files Inpatient Pharmacy. *		
	Revised Pharmacy Reporting Radiology Registration & Charging. *		
1977	- Admission. *		4700
	Medical Records Rewrite Outpatient Data Entry. *		
	Third Party Logs Production Scheduling		
1978	- Conversion to Large System Data Communications System Data Base Management		
1979	- Medical Records Rewrite Physical Medicine and Rehabilitation. *		6800
	Warehouse Distribution Center *		
	Magnetic Media Library		
1980	- Respiratory Care *		
	Radiology Rewrite *		
	Interface to Laboratory System. *		

HARDWARE UPGRADES





(000)

ON-LINE ACTIVITY

1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984

UMHC INFORMATION SYSTEM GOAL STATEMENT

To implement administrative, financial, and clinical systems which will assist the University of Minnesota Hospitals and Clinics in maintaining its role as a major health care institution.

To implement systems in a cost effective manner utilizing state-of-the-art information management techniques.

- .Perform the enhancements or acquire the replacement modules to maximize the quality and effectiveness of existing departmental systems.
- .Provide improved management control and reporting capabilities for the Hospitals and Clinics.
- .Develop or acquire responsive systems to support additional functional areas or application needs of the Hospitals and Clinics.
- .Develop or acquire systems which support the information needs of the Care Center and ancillary departments.

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: May 21, 1980

Present: Mr. Atwood
Ms. Sandberg
Dr. Winchell
Mr. Westerman
Mr. Dickler

Absent: Mrs. Givens
Dr. Eisenberg
Mr. Hewitt
Mr. France
Dean Weaver
Mr. Bienias

Guests: Mr. Herman
Mr. Herrick
Ms. Foley
Mr. Waugh
Ms. Ahlgren

Chairman Atwood called the meeting to order at approximately 12:00 p.m. and noted that Dr. Resch had resigned as a member of the Planning and Development Committee. Chairman Atwood also noted that Dr. Najarian had nominated Dr. Joseph Buckley, Professor and Head of the Department of Anesthesiology, to take Dr. Resch's place, and it was anticipated that Dr. Buckley would join the Committee at their June meeting. Chairman Atwood then asked for a motion to approve the minutes of the April 16, 1980 meeting, and without discussion the minutes were moved and approved. Chairman Atwood then asked Mr. Dickler to provide the Committee with an update regarding both the external and internal developments relating to the Renewal Project.

Mr. Dickler began his remarks by reviewing a number of activities which had been occurring within the external community. It was noted that the Metropolitan Health Board had completed its A95 review of the Veterans Administration Medical Center proposal and that their recommendations included the possible consolidation of Renal Transplantation and Radiation Therapy activities at the University Hospital. In response to this recommendation a preliminary meeting has taken place between the University and Veterans Administration representatives, and various aspects of those consolidation recommendations are currently being investigated.

Mr. Dickler then commented that a meeting would occur on June 24 with representatives from the Metropolitan Health Board to discuss the Hospital's Long Range Plan and more specifically the specialty service areas of Neonatal Intensive Care, Obstetric Services, Radiation Therapy, and Open Heart Surgery. This meeting with Health Board representatives is part of the overall Health Board consideration of specialty areas within the Metropolitan area, and it is anticipated that further meetings will occur with this group in relationship to Psychiatry and various issues emanating from the University Hospital Renewal Project.

Mr. Dickler then discussed a number of meetings which are being scheduled with representatives from the metropolitan area to brief them on the Renewal Project. It is anticipated that further meetings will occur with outstate planning agencies, media, and business representatives in middle or late summer. Finally, it was also noted that meetings with the metropolitan business community will probably be scheduled in middle or late June of this year to also provide them background information regarding the Renewal Project.

Mr. Dickler then discussed several aspects of the internal planning process for the University Hospital Renewal Project. The first item covered was the most recent meetings of the Executive Coordinating Committee at which several decisions were made regarding bed configurations and cost caps for the Renewal Project. In reference to bed configuration Mr. Dickler discussed the trend projections resulting from the strategic options study and the determination by the Executive Coordinating Committee that the trend line B should be considered the maximum planning guideline for bed configurations and that trend line C should be considered the minimum trend line for planning bed configurations. These parameters determine that the Renewal Project should contain the ability to accommodate a flexible number of beds which has resulted in bed modules which have a capacity range of 25 to 30 beds depending on the utilization of certain rooms as either single or double accommodations. It was noted that this approach had been discussed preliminarily with Metropolitan Health Board staff since it was an atypical approach to the development of bed configurations for major capital projects. Preliminary reaction of Metropolitan Health Board staff indicated interest in the concept but a feeling that further information and discussion would be required prior to any recommendations by staff to the Metropolitan Health Board.

The Executive Coordinating Committee had also determined that the Renewal Project should be limited to an expenditure of \$222 million dollars at the inflation rates utilized for cost projections in January of 1980. It was noted that the inflation rates have been increased since January, 1980 to reflect the overall change within the economy and that current cost estimates indicated that the Renewal Project would cost \$225.5 million dollars at January inflation rates and \$232.5 million dollars at March inflation rates.

Mr. Dickler then explained that while the \$225.5 million dollar figure exceeded the cost limitation by three and one-half million dollars that no cost cutting mechanisms were presently being implemented to reduce the scope or components of the project. Rather, it might be more appropriate to quantify the cost estimates that result from the schematic design process to determine whether a problem actually

exists in relationship to the cost of the Renewal Project and if so, to take action at that time on an overall basis to affect whatever reductions are necessary. Several members of the Planning and Development Committee expressed concern regarding these cost limitations and also noted that the trend projections utilized may still be optimistic looking to the future. It was noted that if dramatic reductions were experienced in relationship to the inpatient population of University Hospitals that certain components of the existing complex such as Masonic Hospital could be reduced in size or totally closed to make the necessary adjustments.

The Planning and Development Committee then reviewed the preliminary block schematics developed by the design team on which the most recent cost estimates are based. Mr. Dickler noted that the conceptual layout of the new construction portion of the Renewal Project had changed substantially since master zoning due to a combination of more refined programming, more indepth architectural studies, and the need to develop some uniformity in the perimeter of the building and relationships between floors. The Committee then reviewed the proposed new construction block schematics on a floor by floor basis and asked a number of questions in relationship to those plans.

In response to a question from Mr. Atwood it was noted that approval from the Committee was not being sought at the present time and that the block schematics would be presented again at the June meeting along with block schematics of the proposed remodeling portions of the project. It was also hoped that, if appropriate, full Board review should occur in June so that presentation of this material could be accommodated at the July Board of Regents meeting.

Mr. Atwood then asked Mr. Westerman to comment upon the 1980/81 capital budget and its relationship to the overall budgetary reduction activities occurring within the Hospital. Mr. Westerman reviewed the activities which had occurred since the last Board of Governors meeting and noted that a number of alternative strategies had been developed to deal with the disparity between revenue and expense within the present budget. The analysis during the past month had determined that it would be inadvisable to reduce the capital budget at this time and to transfer the cost of the capital items to the 1981/82 budget. He did note, however, that reductions in the 1980/81 capital budget might be necessary if other cost reduction and revenue production recommendations were not totally successful in balancing the budget of the Hospital.

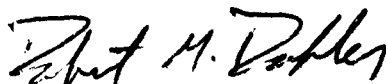
Finally, Chairman Atwood called upon Mr. William Herrick to review the Operations and Analysis Department long-range plan and the information system planning which had occurred within the Hospital over the past ten years. Mr. Herrick reviewed the materials which had been previously distributed to the Board of Governors and commented that the acquisition of additional computer equipment was tied to the continuing expansion of information systems with the Hospital on a planned basis.

May 21, 1980

In response to questions Mr. Herrick stated that the new equipment would be purchased rather than leased and that purchase of the equipment resulted from a determination that the new equipment configuration had a useful life of from seven to ten years. Several Committee members expressed interest in the calculations which led to a purchase rather than lease option, and it was agreed that this would be presented at a future Committee meeting.

There being no further business before the Planning and Development Committee it adjourned at approximately 1:20 p.m.

Respectfully submitted,



Robert M. Dickler

RMD/kc

Table VI
 University of Minnesota Hospitals & Clinics
 Volumes of Service
 Projections

<u>Admissions</u>	<u>1978/79</u>	<u>1979/80</u>	<u>A</u>	<u>B</u>	<u>C</u>
Med Surg	15337	15553	18865	16400	14290
Pediatrics	3432	3180	3600	3300	2625
Subtotal	18769	18733	22465	19700	16915
Obstetrics	1070	1164	1600	1400	800
Subtotal	19839	19897	24065	21100	17715
Psych	476	468	510	470	440
PM&R	281	254	305	260	230
Subtotal	20596	20619	24880	21830	18385
Newborn	904	963	1500	1200	700
Total	21500	21582	26380	23030	19085
 <u>Patient Days</u>					
Med Surg	129046	133715	162220	140560	128130
Pediatrics	35161	34399	36000	34650	31500
Subtotal	164207	168114	198220	175210	159630
Obstetrics	5917	5998	7100	7000	4600
Subtotal	170124	174112	205320	182210	164230
Psych	16926	16852	16150	16100	13850
PM&R	8119	8624	9895	8240	7230
Subtotal	195169	199588	231365	206550	185310
Newborn	4590	4731	7500	6000	3500
Total	199759	204319	238865	212550	188810
 <u>Length of Stay</u>					
Med Surg	8.4	8.6	8.6	8.6	9.0
Pediatrics	10.2	10.8	10.0	10.5	12.0
Subtotal	8.7	9.0	8.8	8.9	9.4
Obstetrics	5.5	5.2	4.4	5.0	5.75
Subtotal	8.6	8.8	8.5	8.6	9.3
Psych	35.6	36.0	31.7	34.3	31.5
PM&R	28.9	34.0	32.4	31.7	31.4
Subtotal	9.5	9.7	9.3	9.5	10.1
Newborn	5.1	4.9	5.0	5.0	5.0
Total	9.3	9.5	9.1	9.2	9.9

Table VII
Projection A
Inpatient Services

	<u>Admissions</u>	<u>Patient Days</u>	<u>ALOS</u>
<u>Medical</u>			
Medicine	4940	43800	8.9
Neurology	1200	12000	10.0
Dermatology	125	1625	13.0
Epilepsy	100	3100	31.0
Family Practice	100	600	6.0
Radiation Therapy	45	230	5.1
CRC	400	1680	4.2
Subtotal	6910	63035	9.1
<u>Surgical</u>			
Surgery	4500	49500	11.0
Urology	975	7605	7.8
Gynecology	1550	9920	6.4
Neurosurgery	1275	11315	8.9
Orthopedics	925	7865	8.5
Ophthalmology	1125	5960	5.3
Otolaryngology	1400	6300	4.5
Dentistry	205	720	3.5
Subtotal	11955	99185	8.3
Med/Surg Subtotal	18865	162220	8.6
<u>Obstetrics</u>	1600	7100	4.4
<u>Pediatrics</u>	3600	36000	10.0
Acute Subtotal	24065	205320	8.5
Psychiatry Adult	400	11200	28.0
Psychiatry Child	110	4950	45.0
Psych Total	510	16150	31.7
Subtotal	24575	221470	9.0
PM & R Adult	230	6670	29.0
PM & R Child	75	3225	44.3
Subtotal	24880	231365	9.4
Newborn	1500	7500	5.0
Total	26380	238865	9.1

Table VIII
Projection B
Inpatient Services

	<u>Admissions</u>	<u>Patient Days</u>	<u>ALOS</u>
<u>Medical</u>			
Medicine	4000	35600	8.9
Neurology	925	9250	10.0
Dermatology	115	1495	13.0
Epilepsy	95	2945	31.0
Family Practice	60	420	7.0
Radiation Therapy	35	175	5.0
CRC	400	1680	4.2
Subtotal	5630	51565	9.2
<u>Surgical</u>			
Surgery	4000	44000	11.0
Urology	925	7400	8.0
Gynecology	1400	8400	6.0
Neurosurgery	1200	10585	8.8
Orthopedics	850	7225	8.5
Ophthalmology	1000	5300	5.3
Otolaryngology	1200	5400	4.5
Dentistry	195	685	3.5
Subtotal	10770	88995	8.3
Med/Surg Subtotal	16400	140560	8.6
<u>Obstetrics</u>	1400	7000	5.0
<u>Pediatrics</u>	3300	34650	10.5
Acute Subtotal	21100	182210	8.6
<u>Psychiatry</u>			
Adult	370	10360	28.0
Child	100	4500	45.0
Psych Total	470	16100	34.3
Subtotal	21570	198310	9.2
<u>Phy Med & Rehab</u>			
Adult	210	6090	29.0
Child	50	2150	43.0
Subtotal	21830	206550	9.5
Newborn	1200	6000	5.0
Total	23030	212550	9.2

Table IX
Projection C
Inpatient Services

	<u>Admissions</u>	<u>Patient Days</u>	<u>ALOS</u>
<u>Medical</u>			
Medicine	3500	33250	9.5
Neurology	825	8250	10.0
Dermatology	90	1170	13.0
Epilepsy	80	2480	31.0
Family Practice	40	280	7.0
Radiation Therapy	30	120	4.0
CRC	400	1680	4.2
Subtotal	4965	47230	9.5
<u>Surgical</u>			
Surgery	3500	40250	11.5
Urology	875	7175	8.2
Gynecology	1225	7950	6.5
Neurosurgery	1000	8800	8.8
Orthopedics	775	6975	9.0
Ophthalmology	800	4400	5.5
Otolaryngology	1000	4800	4.8
Dentistry	150	550	3.7
Subtotal	9325	80900	8.7
Med/Surg Subtotal	14290	128130	9.0
<u>Obstetrics</u>	800	4600	5.8
<u>Pediatrics</u>	2625	31500	12.0
Acute Subtotal	17715	164230	9.3
Psychiatry Adult	350	9800	28.0
Psychiatry Child	90	4050	45.0
Psych Total	440	13850	31.5
Subtotal	18155	178080	9.8
PM & R Adult	190	5510	29.0
PM & R Child	40	1720	43.0
Subtotal	18385	185310	10.1
Newborn	700	3500	5.0
Total	19085	188810	9.9

Table X

Existing Beds

	<u>June 30, 1979</u>	<u>April 4, 1980</u>
Regular Med/Surg	414	394
MICU/CCU	8	8
SICU/NICU	<u>21</u>	<u>21</u>
Subtotal	<u>443</u>	<u>423</u>
Bone Marrow	5	6
Organ Transplant	21	21
CRC	8	8
Epilepsy	<u>11</u>	<u>11</u>
Sub Med/Surg	<u>488</u>	<u>469</u>
Regular Peds	94	86
Peds ICU	---	10
Neo ICU	<u>24</u>	<u>24</u>
Peds Subtotal	<u>118</u>	<u>120</u>
Obstetrics	26	24
Sub General Acute	<u>632</u>	<u>613</u>
Psychiatry	<u>60</u>	<u>60</u>
Total	<u>692</u>	<u>673</u>
PM & R	40	40
Newborn	<u>20</u>	<u>20</u>
	<u>752</u>	<u>733</u>

Table XI
1990 Projection of Required Bed Range

	<u>Patient Day Range</u>	<u>ADC Range</u>	<u>Projected Occupancy</u>	<u>HSA Standard</u>	<u>Bed Range Required</u>
Regular Med Surg	104180-115273	285-315	85%	85%	335-371
Med ICU & CCU	2362-2578	6.5-7.0	70%	NA	10
Surg ICU & NICU	6533-7209	18.0-19.8	70%	NA	26-28
Subtotal	113095-125060				371-409
Bone Marrow ^{1.}	3500	9.6	80%	NA	12
Organ Transplant	9125	25	80%	NA	32
CRC	1680	4.6	85%	85%	8
Epilepsy	2480-2945	6.8-8.1	85%	85%	8-10
Subtotal Med Surg	128130-140560				431-471
Regular Pediatric	19045-219745	52-60	75%	75%	70-80
Peds ICU	2205-2426	6.0-6.6	70%	NA	9-10
Neonatal ICU	8500	23.3	80%	NA	29
Sub Peds	31500-34650				108-119
Obstetrics	4600-7000	12.6-19.2	70%	70%	18-28
Sub General Acute	164230-182210				557-618
Psych ^{2.}	13850-16100	38-44	63-73%	90%	40
Phy Med & Rehab	7230-8240	20-22.6	50-57%	NA	
Total	185310-206550	517-582	79-81%	80%	657-718
Newborn	3500-6000	9.6-16.4	80%	80%	12-21
GRAND TOTAL	188810-212550				

1. 1750 Adult, 1750 Pediatric patients

2. Pass days not currently counted account for 2000+ days or 6+ beds per day.



UNIVERSITY OF MINNESOTA
HOSPITALS AND CLINICS

Proposed Annual Equipment
and Renovation Budget

Fiscal Year 1980-81

Submitted to Board of
Governors Planning &
Development Committee
April 16, 1980



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

April 16, 1980

TO: Planning and Development Committee, Board of Governors
Harvey Atwood, Chairman

FROM: Hospital Planning and Operating Staff

SUBJECT: Proposed Annual Equipment and Renovation Budget, Fiscal Year 1980-81

The proposed annual equipment and renovation budget has been reviewed and revised by hospital department heads and operating administrators during the last month. This budget is consistent with the long range financial plan of University of Minnesota Hospitals which establishes objectives for equipment expenditures at \$3,200,000 and renovation expenditures at \$360,000 for fiscal year 1980-81.

3,560,000 - 136,000
The budget, as proposed, includes:

Equipment	<i>3,200,000</i>		
Renovation	\$3,070,435	<i>136,565</i>	
	353,575		
			<i>3,560,000</i>
			<i>3,424,010</i> - <i>136,000</i>

Analysis of each component of the capital budget is provided on the attached pages.

attachments

no certificate of need items

SUMMARY OF CAPITAL EQUIPMENT BUDGET

Equipment Items of \$10,000 or more	\$ 1,455,874
Equipment Items of less than \$10,000	1,369,176
Equipment Associated with New Programs	95,385
Contingency - 1980-81 Fiscal year	<u>150,000</u>
TOTAL	\$ 3,070,435

The following attachments include:

Attachment 1: Equipment budget by Department

Attachment 2: Equipment Items of \$10,000 or more

Attachment 3: Summary of Approved New Programs

EQUIPMENT BUDGET BY DEPARTMENT

The equipment budget as allocated by hospital department is shown below. These totals include the Certificate of Need items.

<u>DEPARTMENT</u>	<u>EQUIPMENT BUDGET AMOUNT</u>
Administration	\$ 2,500
Anesthesiology	34,625
Bio-Medical Engineering	4,100
Building Systems	-
Chemical Dependency	5,350
Clinical Psychology	1,500
Computer Services	188,191
Environmental Services	24,750
Financial Accounting/Budget	690
Home Health	800
Labs	736,947
Maintenance/Operations	450
Materials Services	95,491
Medical Records	18,820
Nursing	131,830
Nutrition	4,690
Operating Room	194,675
Outpatient	82,636
Patient Accounting	9,872
Patient Monitoring	336,075
Patient Relations	-
Personnel/Payroll	3,800
Pharmacy	11,720
Psych	5,745
Psych (OPD)	3,450
Public Relations	1,745
Radiation Therapy	110,588
Radiology	661,148
Rehab	39,449
Respiratory Care	111,553
Rural Co-Op	700
Social Service	1,160
Volunteer Services	-
	<hr/>
TOTAL	\$ 2,825,050

EQUIPMENT ITEMS OF \$10,000 OR MORE

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Labs	Instrument interface Board	\$ 12,880	To provide funding for potential purchase given favorable evaluation of potential use.
	Spectrophotometer	18,940	To replace existing outmoded equipment.
	Microscope	26,000	To provide equipment to meet increased workload demand and provide better quality equipment.
	Microscope with Phase Contrast and Camera	13,000	To provide capability to observe, analyze and make permanent record of chromosomes of cells from human tumors.
	Centrifugal Analyzer	58,000	To provide capability to perform fibronectin assays, new procedure.
	Abbott ABA/100	20,000	To provide capability for enzyme immunoassay which have greater stability to reagents and eliminate problems of handling radioactive wastes.
	Computing Spectrophotometer	11,800	To provide capability to perform newly developed assays in coagulation laboratory.
	Inverted phase fluorescent microscope	18,000	To provide capability for new technique for developing results of tissue typing.
	CS Irradiator	41,000	To provide capability to irradiate cells for cell typing.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Labs (Continued)	Liquid Scintillation Counter	\$ 21,000	To provide equipment for counting all tests done with radioactive tritium.
	Continuous Flow Cell Separator	28,000	To provide capability to separate white cells from blood for cell donation or therapy.
	Arrhythmia analyzer, auto computer and system tester	15,000	To provide capability to produce produce 24 hour electrocardiogram for review in 3 minutes, reducing technician time and increasing volume capability.
	Tissue Processor	10,500	To replace existing equipment which requires frequent repair.
	Fluorescent Phase Contrast Microscope	11,248	To replace existing equipment which is dysfunctional.
	Titertek Multiscan	10,500	To provide ability to do ALISA test on viral antigens.
	18 Channel EEG Machine	18,900	To replace machine purchased in 1965, which is outdated and difficult to service.
	Co-oximeter	10,700	To provide equipment to measure oxygen saturation and oxygen tension in pediatric patients.
	Lab Glassware Dishwasher	12,000	To replace existing, dysfunctional equipment.
	Computer Terminals	32,890	To purchase equipment previously leased, enhance cost effectiveness.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
OAD/Computer Center	Data Communication Equipment	\$ 35,389	To expand data communication system to outpatient clinics.
		11,384	To Financial Accounting.
		37,968	To Pharmacy satellites.
	Burroughs System Upgrade: Local Memory	22,660	To expand computer system to include data communication system.
	Desk Data Banks	38,400	To support implementation of Pharmacy Unit Dose Computerized System.
Operating Rooms/	Novamatrix Transcutaneous Monitor	13,500	To provide continuous, non-invasive monitoring of blood gas levels.
	Ocutome Vetrectomy Console	12,000	To replace existing equipment which is requiring excessive maintenance and repair.
	Electro-Hydraulic O.R. Table	15,000	To continue replacement program begun in 1977; replaces obsolete table.
Outpatient Clinics	Colonoscope/Light Source	11,000	To replace existing, dysfunctional equipment.
Patient Monitoring	Patient Monitoring equipment	10,000	To expand monitoring capability in Operating Rooms.
	Blood gas analyzer	25,000	To replace existing outdated equipment.
	Electronic amplifiers and components for optical recorders	21,675	To increase capability of optical recorders provided for pediatric patient care.
	Ohio Scientific Challenger computer	37,700	Permit calculation of physiological parameters from laboratory data.
Radiology	2 Portable Radiographs	66,000	To replace existing, dysfunctional equipment.
	3 Film Processors	49,500	To replace existing processors which have exceeded useful life; one for Department of Radiology, and one in Operating Rooms. One in VCHH.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Radiology (continued)	3 Video Tape Recorders	\$ 36,000	To replace existing recorders which are dysfunctional.
	Video Desk Recorder	18,000	To replace dysfunctional equipment in Heart Cath Lab.
	Video Tape Recorder	12,000	To replace dysfunctional equipment in Heart Cath Lab
	Video Recorder	18,000	To replace obsolete equipment in Radiology Room, OR
	Remote Controlled Imaging System	99,400	To upgrade existing equipment and extended useful life. NOTE: Cost is overestimated, per recent departmental information from vendor.
	Pediatric Imaging System	50,000	To upgrade existing equipment and extended useful life.
	Magnification Radiography	50,000	To provide state of the art equipment for diagnostic procedures.
	Magnification Mammography	52,000	To provide state of the art equipment for diagnostic procedures.
	Ultrasound Imager	10,000	To provide state of the art equipment for diagnostic procedures.
	Diagnostic Ultrasound Unit	36,500	To replace existing equipment and upgrade technology.
	Patient Moving Device	10,650	To pilot test equipment which mechanically transfers patients from bed to litter, minimizing patient and employee risk.
	Scintillation Camera Tomography	25,000	To upgrade existing equipment and increase useful life.
	Collimators/Imager	20,000	To expand diagnostic technology in Nuclear Medicine.
	LAD Table Attachment	35,000	To upgrade function of existing table, Heart Cath Lab.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Radiology (continued)	Subtraction Disc Recorder	\$ 18,000	To provide state of the art equipment for the department.
	Portable fluoroscopy Unit	25,000	To refurbish existing equipment and avoid need to replace it.
Rehab Center	Budgeport Vertical Milling Machine with attachments	10,850	To expand Rehab program's services.
	Evoked Response EMG System	14,000	To replace existing, dysfunctional equipment.
Respiratory Care	2 Transcutaneous oxygen and carbon dioxide units	26,000	To provide on-line assessment of respiratory gas monitoring for pediatric patients.
Therapeutic Radiology	Treatment Planning Computer	80,000	To replace existing system which is outdated and mechanically deficient.
	50 KU Mobile Contact Superficial endo-therapy application	22,440	To provide treatment capability for patients with superficial carcinoma of the rectum.
	TOTAL	<u>\$1,455,874</u>	

III SUMMARY OF APPROVED NEW PROGRAMS - FISCAL YEAR 1980-81

<u>DEPARTMENT</u>	<u>PROGRAM</u>	<u>COSTS</u>
Nursing	Health Education Learning Resources Center	\$ 3,458
Personnel	AVIES (Audio-Visual & Instructional Equipment Service)	6,927
Cyto-Lab-OR's	Urodynamics Laboratory	60,000
Patient Monitoring	Peripheral Circulatory Assessment Lab	25,000
	TOTAL	<hr/> \$ 95,385

SUMMARY OF REMODELING/RENOVATION BUDGET

Renovation Projects of \$10,000 or more (6)	\$ 170,000
Renovation Projects of less than \$10,000 (82)	<u>183,575</u>
TOTAL	\$ 353,575

The attachments:

- Attachment 4 : Remodeling/Renovation Budget
by Department
- Attachment 5 : Remodeling/Renovation Projects of
\$10,000 or more

REMODELING/RENOVATION BUDGET BY DEPARTMENT

The remodeling/renovation budget, as allocated by hospital department, is shown below. No requested projects will require Certificate of Need review.

<u>DEPARTMENT</u>	<u>TOTAL</u>
Administration	
Anesthesiology	
Bio-Medical Engineering	
Building Systems	\$ 129,900
Chemical Dependency	
Clinical Psychology	
Computer Services	16,450
Environmental Services	
Financial Accounting/Budget	
Home Health	
Labs	75,000
Maintenance/Operations	
Materials Services	1,000
Medical Records	
Nursing	65,000
Nutrition	2,780
Operating Room	10,300
Outpatient	39,420
Patient Accounting	3,437
Patient Monitoring	
Patient Relations	256
Personnel/Payroll	
Pharmacy	
Psych	
Psych(OPD)	
Public Relations	
Radiation Therapy	950
Radiology	
Rehab	2,291
Respiratory Care	
Rural Co-Op	
Social Service	
Volunteer Services	5,000
	<hr/>
TOTAL	\$ 353,575

REMODELING/RENOVATION PROJECTS OF \$10,000 OR MORE

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>COST</u>
Building Systems	Construction of additional corridor on 1st floor Mayo to meet requirements of fire management program.	\$ 75,000
Hospital Laboratories	Development of coagulation laboratory in available Mayo space; not included in major labs renovation project.	40,000
Nursing Services	Conversion of space to accommodate food preparation/storage facility.	12,500
Operating Rooms	Development of available space in BC 5th floor link for office/storage/locker area for O.R.	10,000
Outpatient Clinics	Modification of clinic area to meet needs of new otophysiology clinic.	10,000
Outpatient Clinics	Installation of gaskets around room doors and transoms to provide sound attenuation. Pilot project will be conducted to assure if installation meets objectives.	22,500

UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

April 4, 1980

Mr. Malcolm P. Mitchell
Executive Director
Metropolitan Health Board
300 Metro Square Building
7th and Roberts Street
St. Paul, Minnesota 55101

Dear Mr. Mitchell

This is written to request a waiver from the requirement for review under the Minnesota Certificate of Need Act and also non-substantive review under the Federal Capital Expenditure Program (section 1122) regarding the upgrading of computer hardware capability at the University of Minnesota Hospitals. The estimated cost is \$1,435,000. This cost represents 1.4% of the Hospitals' 1979 annual operating budget. The expenditure is for services not related to direct patient care as defined by applicable law and regulation.

The Hospitals' present system, Burroughs B-6807, is over utilized and needs replacement. This system is the sole supporting resource for more than 32 different computer applications (see Appendix 1). In addition the system provides on-line real time processing seven days a week and 21 hours per day for over 75 different computer communications devices.

Daily on-line transactions have increased to the present level of 20,000 messages which has caused an oversaturation, sometimes forcing users to wait inordinate amounts of time. Memory is the limiting resource of the present computer system and memory limits have been reached.

Applications which will increase the cost effectiveness of University Hospitals have been identified and are waiting final development and implementation. These include:

- Respiratory Care Billing and Workload Scheduling
- Radiology Registration and Patient Charging
- Nutrition and Diet Applications
- Laboratory Interface
- Data Entry
- Patient Accounting (a complete revision)
- Financial Reporting
- Pharmacy Unit Dose

The development of future systems applications can also be anticipated. In three to five years a transaction and result reporting system will be introduced in the outpatient clinics and nursing units. All projects are cost beneficial (supplementing machine for man at lower cost).

The additions of these applications will require an increase in daily on-line transactions and memory usage. As can be seen on Graphs 1 and 2, the growth of University Hospitals' computer system will soon exceed its reasonable capabilities. Future applications will increase the daily on-line transactions from 20,000 messages to over 44,000 messages by June of 1981. This is an increase of more than 125%. Memory usage (the most critical hardware resource) will increase from 520,000 words to over 720,000 words by June 1981. 520,000 represents the present system's capacity. Although additional add-on memory can be utilized, its limits are at 650,000 words which will be reached by July of this year. Extended memory can increase the limits further to 720,000; however, both extended and add-on memory require unacceptable system trade-offs.

University Hospitals plans to replace the current B-6807 computer system with the Burroughs 2 x B-6930 multiprocessor system. This system more than doubles memory capacity, provides for a backup plan, adequately handles the current and future needs, and provides for expansion and system upgrade as necessary. The 2 x B-6930 will require a capital expenditure of \$985,000.

The new computer system will require additional space. Space requirements for the 2 x B-6930 system totals 3100 n.s.f., an increase of 700 n.s.f. over that presently available in the Powell Hall facility. Alternative solutions to providing additional space were reviewed.

Expansion at the Powell Hall site was first considered but rejected. An addition south of the present facility and a major expansion of air-conditioning and electrical capacity would require an expenditure preliminarily estimated at \$315,000. An expenditure of this size seemed unjustifiable in a building of 1930 age and construction. Additionally, if the major bed replacement facility plans are approved, Powell Hall would be torn down.

Off-site installations were explored but rejected. Capital costs would be equally high and \$150,000 annual incremental operating costs would be incurred by the addition of five F.T.E. personnel to operate a remote facility plus equipment lease and transportation costs associated with the off-site operation.

The recommended solution, the lower level of Children's Rehabilitation Center, has the advantages of on-site location, a building of 1964 construction and space which is large, open, and readily convertible

4 April 1980

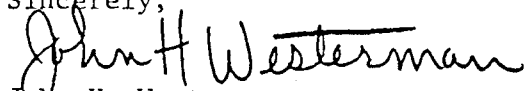
3 page

(now used as lounge and storage facilities). Renovation costs are estimated at \$450,000 which includes general construction of walls, ceilings, raised flooring, and the upgrading of air-conditioning and electrical systems. This project would provide a center equipped to serve the Hospitals adequately over the next 20 years.

The total capital cost of \$1,435,000 for the 2 x B-6930 system and its location to renovated facilities results in an annual new depreciation expense of \$160,300. This expense will be offset by reduced labor costs well in excess of this amount.

Thank you for considering this request.

Sincerely,



John H. Westerman
General Director
University of Minnesota
Hospitals & Clinics

JHW/db

APPENDIX 1

RENOVATION OF CHILDREN'S REHABILITATION CENTER TO ACCOMMODATE THE MAIN HOSPITAL COMPUTER

University Hospitals' main computer is located in Powell Hall. This installation has been in existence at this location since 1970, the date when the Hospitals began operation of its first medium sized administrative data processing computer system. Since 1970, 32 different applications have been added, and nearly 80% of all operating systems are on-line and real time. They are supported by 75 remote terminals located throughout the Hospitals.

Main applications include:

Patient Processing Systems

- Patient Index
- Active Patient Files
- Inpatient Appointment System
- Admissions
- Patient Census
- Patient Billing
- Accounts Receivable

Financial Systems

- Inventory Control
- Payroll Manhour Reporting
- Financial Reporting
- Property Management
- Capital Expenditures

Patient Services Systems

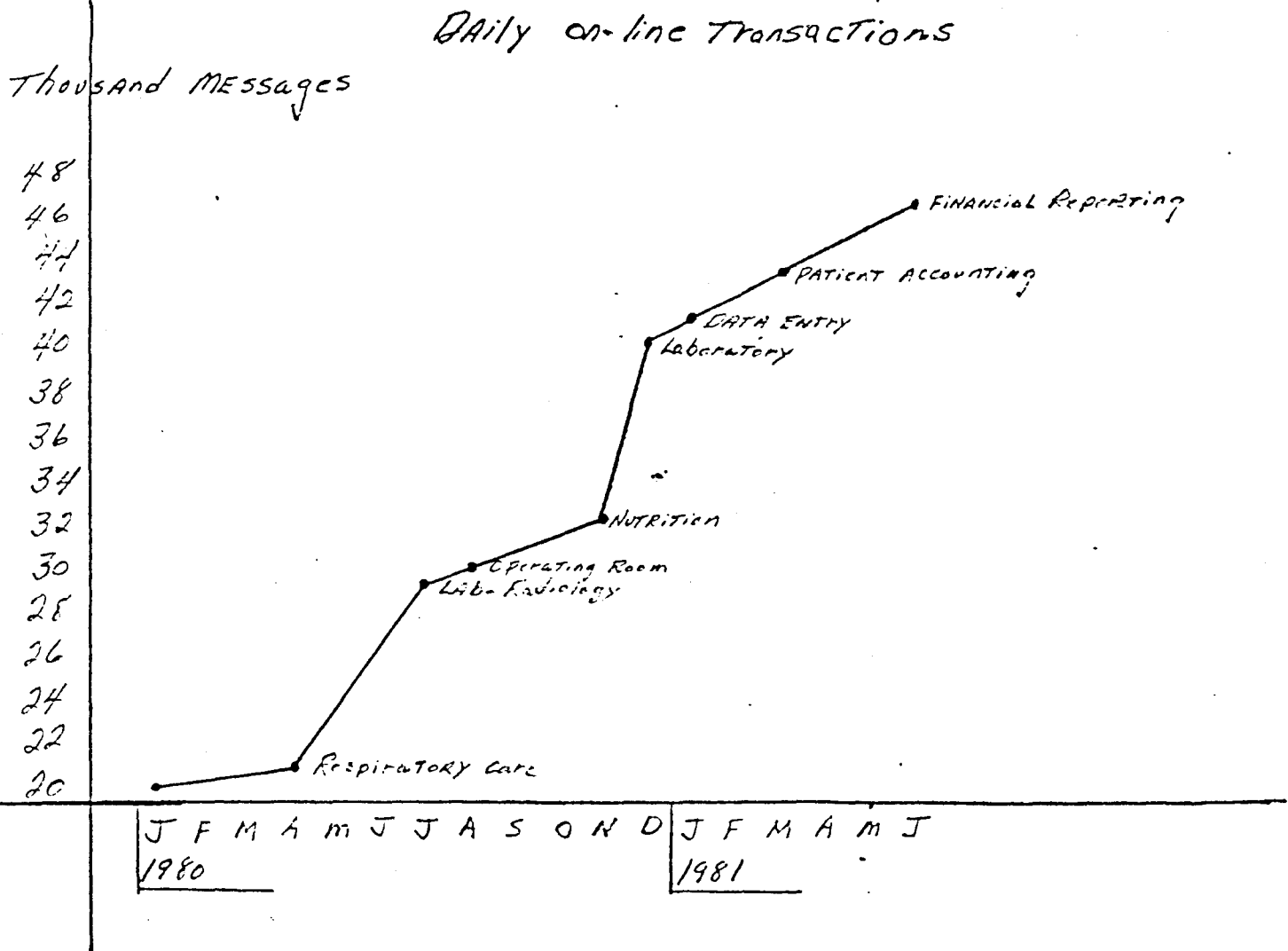
- Radiology Registration and Charging
- Pharmacy Reporting System
- Pharmacy Formulary
- Outpatient Pharmacy
- Inpatient Pharmacy
- Outpatient Data Entry
- Outpatient Appointment Reporting
- Outpatient Census Reporting and Statistics
- Length of Stay
- Medical Record History Data Base
- Doctor Master
- Programmed Operating Room Information System
- Nursing Utilization Management Information System
- Cysto Room Information System

Miscellaneous Systems

- Data Communication System
- Computer Utilization
- Hospital Telephone Directory
- Project Control System
- User Courtesy Billing

DAILY ON-LINE TRANSACTIONS

GRAPH 1

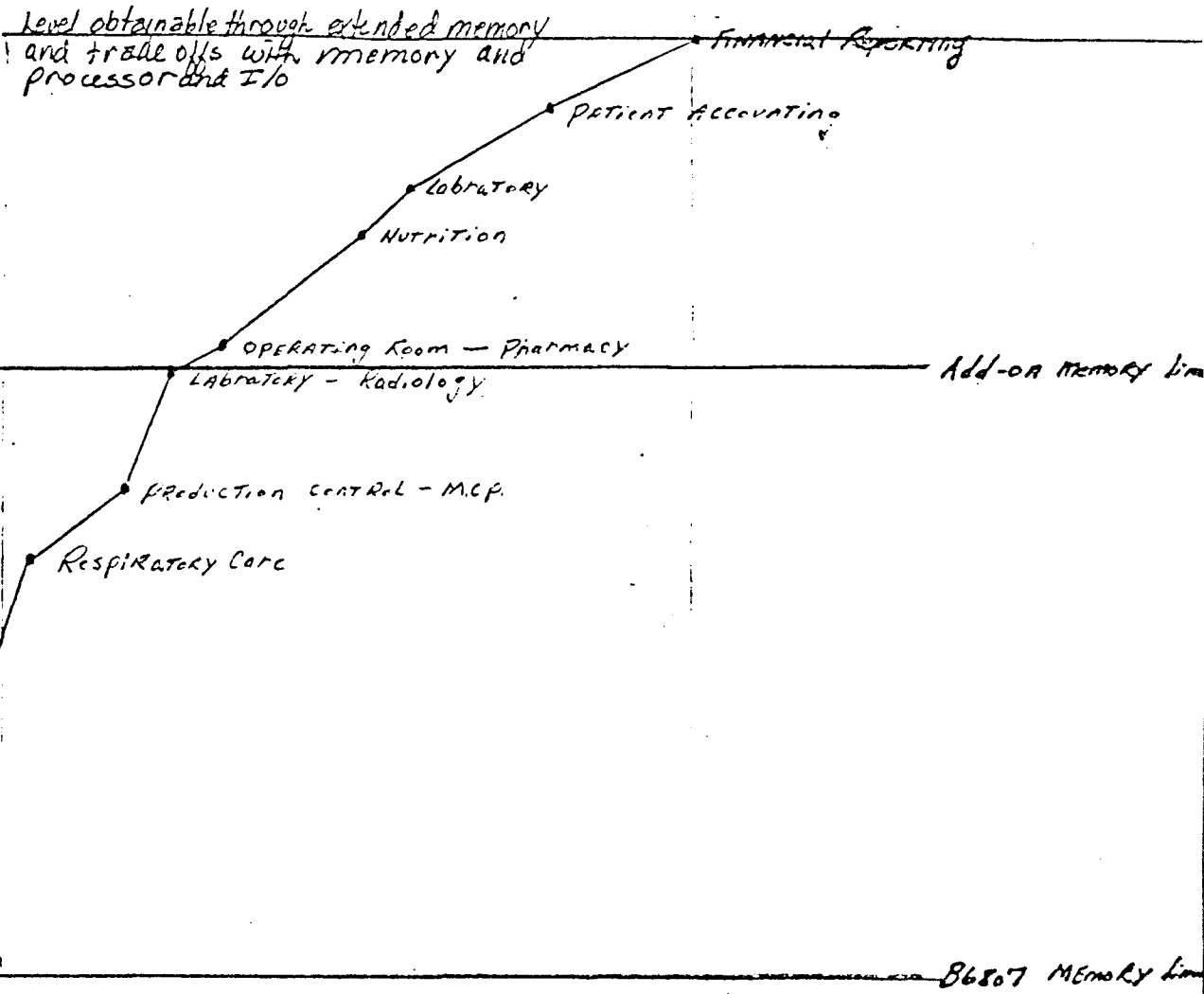


GRAPH 2

MEMORY Available
for additional
Applications and
Care Center
development

910
900
890
880
870
860
850
840
830
820
810
800
790
780
770
760
750
740
730
720
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520

Level obtainable through extended memory
and trade offs with memory and
processor and I/O



J F M A M J J A S O N D | J F M A M J
1980 | 1981



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

April 4, 1980

Mr. Malcolm P. Mitchell
Executive Director
Metropolitan Health Board
300 Metro Square Building
7th and Roberts Streets
St. Paul, Minnesota 55101

Dear Mr. Mitchell:

This is written to request a waiver from the requirement for review under the Minnesota Certificate of Need Act and also non-substantive Federal Capital Expenditure (1122) review for the purchase of computer support to the University of Minnesota Hospitals' Electrocardiography Laboratory. Hardware cost and installation is estimated at \$195,000.

This expenditure is less than 3% of the Hospitals' 1979 annual operating budget and is not related to direct patient care as defined by applicable law and regulation.

The University of Minnesota Hospitals and Clinics' ECG Laboratory performs approximately 24,000 electrocardiograms and related tests annually for both inpatients and outpatients. When a test is completed, the data is manually logged, cut and mounted in a standard format; interpreted and signed by a cardiologist; then typed and microfiched. The microfiche is attached to a keypunch card, coded with the appropriate patient data, and filed in a storage cabinet. This basic system has been in operation since 1967.

A detailed cost analysis of the present system was recently completed. The result of this analysis was a recommendation to replace the present manual system with the installation of a computerized electrocardiogram and vector cardiogram management system. A computerized system would produce a final project which would eliminate the need for cutting and pasting, and provide a typewritten interpretation with all the measurements necessary for preliminary diagnosis based on parameters established by the cardiologist. The analysis demonstrated that the total cost of the system including hardware, software, remodeling, and installation would be offset by direct dollar savings in personnel, equipment, and supplies over a five year period.

Mr. Malcolm Mitchell
4 April 1980
2 page

Cost

Computer Hardware & Maintenance	\$150,000
Computer Software & Interpretive Programs	50,000
Remodeling & Installation	<u>45,000</u>
Total Cost	\$245,000

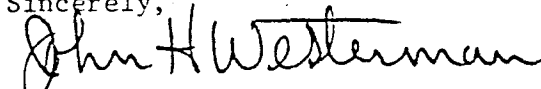
Benefit

Personnel Savings (5 years)	\$142,900
Reduced Supply Cost (5 years)	63,000
Reduced Equipment Replace Cost	<u>41,400</u>
Total Savings	\$247,300

In addition to the direct dollar savings, qualitative benefits should be realized such as improved accuracy of output, faster preliminary diagnoses reporting and the ability to make statistical comparisons.

Thank you for considering this request.

Sincerely,



John H. Westerman
General Director
University of Minnesota
Hospitals & Clinics

JHW/db



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

April , 1980

Mr. Malcolm P. Mitchell
Executive Director
Metropolitan Health Board
300 Metro Square Building
7th and Robert Street
St. Paul, Minnesota 55101

Dear Mr. Mitchell:

This is written to request a waiver from the requirement for review under the Minnesota Certificate of Need Act and also non-substantive Federal Capital Expenditure (1122) review for the purchase of additional computer capability for the University of Minnesota Hospitals clinical laboratories. The cost is estimated at \$212,000.

This expenditure is less than 3% of the Hospitals' 1979 annual operating budget and is not related to direct patient care as defined by applicable law and regulation.

A Medlab Computer System was installed in the clinical laboratories at the University of Minnesota Hospitals in the early 1970's. This system has served the laboratories well and supports the data processing needs of the chemistry, hematology, coagulation, and outpatient divisions. These divisions process 75% of all tests. The rapid growth of result reporting has required the system to expand to its maximum capacity.

Two laboratory divisions, Microbiology and Blood Bank, can benefit from automated data handling. Purchase of an additional \$212,000 module is proposed to augment the basic system and add these two laboratories. This addition is cost beneficial with a "payback" in four years.

Cost

Estimated Purchase Price	\$212,000
Yearly Maintenance	15,816
Total 4 Year Cost	\$275,264

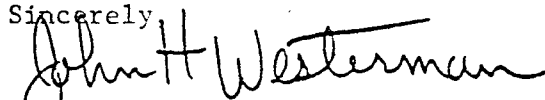
Benefit

Estimated Annual Personnel Savings	\$ 68,149
Projected 4 Year Cost Savings	272,596

The data available from the Microbiology and Blood Bank module will permit enhancement of the hospitals' quality assurance program through improvement in comprehensive infection control (Microbiology) reporting and ongoing blood product usage review (Blood Bank).

Thank you for considering this request.

Sincerely,



John H. Westerman
General Director
University of Minnesota
Hospitals & Clinics

JHW/db

MINUTES
PLANNING & DEVELOPMENT COMMITTEE
of the
Board of Governors
Wednesday, June 21, 1980
Dining Room III
11:30 A.M.

Present: Mr. Bienias
Mr. Westerman
Mr. Atwood
Ms. Perlmutter
Dr. Buckley
Dr. Winchell
Dean Weaver
Ms. Sandberg
Mr. Dickler

Absent: Mrs. Givens
Mr. Hewitt
Mr. France
Dr. Eisenberg

Guests: Mr. Waugh
Ms. Foley
Ms. Ahlgren
Mr. Hanser

Mr. Atwood called the Planning and Development Committee to order at approximately 12:00. Mr. Atwood recognized Dr. Joseph Buckley who is attending his first meeting of the Planning and Development Committee as the representative of the Council of Chiefs of Clinical Services. Mr. Atwood also recognized guests who were present in the room including Mr. Waugh from Ellerbe/HOK, Mr. Olson from Robert Douglass Associates, and Ms. Ahlgren from the Hospital Facilities Office. Mr. Atwood then asked for any comments on the minutes of the May 21, 1980 meeting and without modification those minutes were approved by the Planning and Development Committee.

Mr. Atwood then called upon Mr. Dickler to provide the Committee with an update on the University Hospital Renewal Project. Mr. Dickler initiated his comments by noting that a number of briefing sessions had been held with Metropolitan News Media over the last several weeks and that additional briefings were scheduled throughout the remainder of June. He commented that the briefings had generally gone well with initial questions from the news media relating to the reasons for these briefings and the problems the University anticipated during the regulatory review process. It was noted that Mr. Atwood and Mr. Westerman as well as a number of other individuals from the Board of Governors, Medical Staff, and Hospital Staff were participating in these briefing sessions.

It was also reported that briefing sessions were being scheduled during June and August with out-state HSA's and contact was being made with Board members and Board of Regents from those respective areas regarding potential news media and community-wide briefings in conjunction with those visits. Ms. Sandberg noted that a possible mechanism to conduct such briefings would be to utilize the existing boards of health throughout the State of Minnesota and also the medical consultants utilized by the State Department of Health.

It was then noted to the Committee that the project continues to be on schedule in relationship to planning and its schematic design should be completed by early August of 1980. Mr. Dickler then commented that a meeting was scheduled with the Metropolitan Health Board of June 24 to discuss the Renewal Project and that a hearing had been set up with the Senate Finance Committee Subcommittee on Education for July 17 to discuss the Renewal Project and its financing implications. A similar meeting with the House Appropriations Committee has not been scheduled but discussions are occurring with appropriate staff regarding the initiation of such an interim hearing.

Following this brief update regarding Renewal Project planning activities, Mr. Dickler then reviewed the block schematic plans for the University Hospital Renewal Project. The Committee reviewed the vertical cross-section of new construction as well as the block schematics developed for each floor of both new construction and remodeling as it relates to the Renewal Project. Following this lengthy review, the Committee discussed at length various implications of these block schematics and issues of concern to Committee members. Of specific note was the concern of Committee members that a provision be made for the development of a child care program, if such a program were deemed to be practical within or adjacent to the health sciences complex. Mr. Westerman noted that the child care programs are being pursued on an overall University basis but that specific Hospital efforts are also being investigated at the present time.

In response to a question from Mr. Atwood and other Committee members, Mr. Dickler, Ms. Ahlgren and Mr. Waugh then reviewed possible alterations to the block schematic and Renewal Project plans which could occur given certain mandates by the University, financial considerations, or the Metropolitan Health Board. The Committee discussed the financial and/or schedule implications of several types of modifications and agreed that an early discussion of total bed numbers with the Metropolitan Health Board at the June 24 meeting would be desirable to minimize the impact of changes in bed configuration on Renewal Project planning.

Following the discussion of the block schematics, it was moved by the Planning and Development Committee that the block schematics as presented be endorsed and forwarded to the full Board of Governors for their review and approval. After some discussion, this motion was approved unanimously by the Committee.

June 21, 1980

Finally the Committee reviewed some financial data related to computer acquisition in response to a question which was raised at the May Planning and Development Committee Meeting. In essence, this information illustrated that the decision to purchase the computer equipment was financially beneficial in relationship to either a cash acquisition or a lease arrangement. It was again noted that the purchase option had financial benefits only if the equipment was retained over a minimum of seven years from its initial acquisition.

The Committee discussed the potential need for a meeting during July of 1980 and agreed that the next meeting of the Committee would be in August unless it was determined by staff and Mr. Atwood that an interim session was required to deal with elements of the Renewal Project or other issues which might arise. There being no further business before the Committee it adjourned at approximately 1:00 p.m.

Respectfully submitted,



Robert M. Dickler

RMD/hg

UNIVERSITY OF MINNESOTA HOSPITALS
COMPUTER ACQUISITION ALTERNATIVES

	<u>Year</u> <u>1</u>	<u>Year</u> <u>2</u>	<u>Year</u> <u>3</u>	<u>Year</u> <u>4</u>	<u>Year</u> <u>5</u>	<u>Year</u> <u>6</u>	<u>Year</u> <u>7</u>	<u>Future</u> <u>Value</u>	<u>Present</u> <u>Value</u>
<u>Alternative 1</u> (Purchase Agreement) ¹									
Fixed Component (P/I)	\$ 259,092	\$259,092	\$259,092	\$259,092	\$259,092	\$259,092	\$259,092	\$1,813,644	\$1,458,824
Investment Earnings ³	(12,955)	(13,602)	(14,282)	(14,997)	(15,746)	(16,534)	(17,360)	(105,476)	(74,960)
Net Payout	\$ 246,137	\$245,490	\$244,810	\$244,095	\$243,346	\$242,558	\$241,732	\$1,708,168	\$1,383,864
<u>Alternative 2</u> (Cash Purchase)	\$1,458,824	-0-	-0-	-0-	-0-	-0-	-0-	N/A	\$1,458,824
<u>Alternative 3</u> (Lease Agreement) ²	\$ 352,356	\$387,592	\$426,351	\$468,986	\$515,885	\$567,474	\$624,222	\$3,342,866	\$2,041,366

¹ 84 mos (7 yr) agreement.

² 60 mos (5 yr) agreement with replacement at prevailing lease levels.

³ Assume 5% net investment income.

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: August 20, 1980

Present: Mr. Atwood, Chairman
Mr. Bienias
Dr. Buckley
Dr. Winchell
Ms. Givens
Mr. Westerman
Mr. France
Ms. Sandberg
Mr. Dickler

Absent: Dr. Eisenberg
Ms. Perlmutter
Mr. Hewitt
Dean Weaver

Guests: Mr. Werft
Dr. Waite
Dr. Holland
Dean Oliver
Dr. Tiede
Ms. Foley
Mr. Domaas
Mr. Hart

Mr. Atwood called the Planning and Development Committee to order at approximately 12:00 and asked for a motion to approve the minutes of the June Planning and Development Committee. The motion was made and seconded and approved unanimously by the members of the Committee.

Mr. Atwood then recognized the guests who were present at the meeting including Dean Oliver, Dr. Holland and Dr. Waite from the School of Dentistry, Dr. Tiede and Mr. Domaas from the Board of Governors and Dr. Kennedy from the Department of Medicine and the Masonic Memorial Oncology Center.

Mr. Atwood then asked Mr. Dickler to provide the Committee with an update on the Renewal Project. Mr. Dickler reported that four meetings had been held with outstate HSAs regarding the Renewal Project and that the reception had been positive at all of these meetings. He also noted that a letter of support for the Renewal Project would be forthcoming from the Duluth HSA. A final HSA meeting would be held in Grand Forks on the following day, and Ms. Pillsbury would be representing the Board of Governors at that meeting.

Mr. Dickler then noted that the schematic phase of planning had been completed and that schematic plans had been submitted along with outline specifications for the Renewal Project. In addition, a new cost estimate based on schematic design had been developed by Gilbane-Mortenson and continued to indicate that the project would cost approximately \$233 million dollars. It was also noted that a meeting would be held with the Education Division of the House Appropriations Committee to discuss the Renewal Project on August 27 and that the Certificate of Need should be submitted by this Friday, August 22 if approval was received from the Planning and Development Committee and the full Board of Governors at today's meetings.

Mr. Atwood then briefly reviewed the discussion which occurred at the Finance Committee earlier that morning regarding the Renewal Project. Mr. Atwood noted that the Finance Committee recognized that the ability of the Hospital to finance the Renewal Project was dependent upon a large number of assumptions which had been made in the financial feasibility studies undertaken by Ernst & Whinney and Dain Bosworth. While it was the Finance Committee's feeling that it would be appropriate to continue with the Certificate of Need process, they also felt that a worse case scenario should be studied in terms of both financing and its impact upon the scope of the Renewal Project. It was also the Finance Committee's intent to investigate the possibilities of private philanthropy or state appropriations which might be able to offset certain financial shortcomings which could result from adverse operational impacts over the coming years.

Mr. Atwood then called upon Mr. Werft to review the Certificate of Need application with the Planning and Development Committee. Mr. Werft briefly reviewed the Certificate of Need application and highlighted sections which had not been submitted to the Board of Governors prior to the meeting. Mr. Werft then outlined the review process which would be undertaken by the Metropolitan Health Board and noted that some comments regarding specific corrections that were required within the Certificate of Need had already been received from Mr. Atwood.

The Committee then discussed the Certificate of Need application and identified several other corrections which would be appropriate prior to its submittal to the Metropolitan Health Board. Following this discussion it was moved and seconded that the Planning and Development Committee recommend to the Board of Governors that the Certificate of Need application be submitted to the Metropolitan Health Board with

the minor corrections noted prior to and during the course of the meeting. This motion was unanimously approved by the Planning and Development Committee.

The Planning and Development Committee then undertook a review of the Certificate of Need application for the Masonic Oncology and Hospital Dentistry Clinic projects. Mr. Hart was called upon by Mr. Atwood to briefly review both of these projects.

Mr. Hart introduced the Hospital Dentistry Clinic by noting that the relocation of that clinic to the Phillips-Wangensteen Building had been an integral part of the initial plans for that facility. The proposal before the Board of Governors was a modification of the initial plan and would be limited to construction in the overpass portion of the facility on the seventh floor. He noted that the present facility is grossly inadequate and that the new facility would be a joint project between the School of Dentistry and the Hospital to accommodate the Hospital Dentistry Clinic, the General Practice Residency Program, and the Intramural Practice Program of the School of Dentistry.

Dean Oliver then commented on the project and its importance to the School of Dentistry and their commitment to finance half of the capital cost and to work with the Hospital in assuring that the clinic is viable on an ongoing basis. Dean Oliver explained the Intramural Practice Program of the School of Dentistry as well as the role of Dentistry in Hospital practice and the importance of that program for their residency program as well as the service programs of University Hospitals. Mr. Domaas then discussed the student support for this project and its importance to the ongoing training of dentistry students. Finally, in response to a question regarding what will happen to the existing Hospital Dentistry space, Mr. Dickler noted that it would be utilized by the School of Public Health to accommodate their overall space requirements. Following this discussion the Planning and Development Committee unanimously approved the Hospital Dentistry Clinic Program for submission to the Metropolitan Health Board.

Mr. Hart then briefly reviewed the Masonic Oncology Clinic and its present status within the basement of the Masonic Memorial Cancer Center and the plan to relocate it to the fifth floor of the Phillips-Wangensteen Building with an overpass to the Masonic Center. It was noted that this clinic was expanded rapidly over the past several years, and its present location was not adequate for the existing population or the accommodation of continued increases in clinic population over the coming years. Finally, Mr. Hart also noted that the Masons would be financing the total cost of the project, including the overpass, which is estimated to be approximately \$800,000.

Dr. Kennedy then briefly amplified on Mr. Hart's remarks and noted the evolution of outpatient treatment for cancer patients and the change in the Masonic Cancer Center from a facility to serve terminally ill patients to an ongoing treatment center. He also discussed the

August 20, 1980

ongoing role of the Masons of Minnesota and their continued support for the Oncology Program in the Masonic Cancer Center. Following this presentation and discussion it was unanimously moved and approved by the Planning and Development Committee that the Certificate of Need proposal for the Masonic Oncology Clinic be submitted to the Metropolitan Health Board.

There being no further business before the Planning and Development Committee it adjourned at approximately 1:15.

Respectfully submitted,



Robert M. Dickler

RMD/kc

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: September 17, 1980

Present: Mr. Atwood, Chairman
Mr. France
Mr. Bienias
Dr. Buckley
Mr. Hewitt
Ms. Sandberg
Ms. Givens
Mr. Westerman
Mr. Dickler

Absent: Dr. Eisenberg
Ms. Perlmutter
Dr. Winchell
Dean Weaver

Guests: Mr. Cannamore
Mr. Werft
Ms. Foley

Mr. Atwood called the Planning and Development Committee to order at approximately 9:30 a.m. Mr. Atwood initiated the meeting by apologizing for any inconvenience that the change in meeting time may have caused. He stated that the alteration was necessary due to the scheduling of Certificate of Need hearings with the Metropolitan Health Board. Mr. Atwood noted that the Planning and Development Committee would be meeting at the same time in October and that it would potentially meet at 9:30 a.m. in November as well depending upon the progress of the meetings with the Metropolitan Health Board.

Mr. Atwood then asked for any comment on the minutes of the August 20, 1980 meeting. There being no comments it was moved and approved unanimously by the Planning and Development Committee that the minutes be adopted.

Mr. Atwood then asked Mr. Dickler to provide the Committee with an update regarding the University Hospital Renewal Project. Mr. Dickler reported to the Committee on briefing sessions held with Mt. Sinai Hospital, Minneapolis Children's Hospital, United Hospitals, the Grand Forks HSA, and the Crookston health care community. It was noted that all of these meetings had been useful and beneficial and that the meeting

with the Grand Forks HSA produced some of the most sophisticated questions of all of the HSA briefings. It was also noted that a potential meeting with the Red Wing Kiwanis Club is being scheduled through Regent Casey's office.

Mr. Atwood then reported to the Committee on the Citizens League breakfast the previous morning at which time Mr. Westerman provided an overview of the University Hospital Renewal Project and responded to a variety of questions. In general Mr. Atwood reported that the Citizens League breakfast had gone very well but that a question had been raised by one participant regarding the possibility of preserving the Powell Hall facility due to its historic importance to a large number of former nursing students. The Committee discussed at some length the possibility of preserving portions of the Powell Hall facility and incorporating them into the University Hospital Renewal Project. Mr. Cannamore and Mr. Dickler agreed to pursue this but it was also suggested that a more appropriate setting for the continuation of the Powell Hall name and history would be in conjunction with Unit F since Powell Hall had been primarily a nursing school facility.

Mr. Dickler and Mr. Atwood then reported on the meeting held with the House Appropriations Committee/Education Subdivision on the University Hospital Renewal Project. They reported that the meeting was well-attended and that the discussion focused primarily on alternative methods and schemas for financing the University Hospital Renewal Project. In general it was their feeling that it was a good initial session and had identified a number of the issues which would have to be addressed during the forthcoming legislative session. It was also noted that all of the members in attendance stayed through the duration of the tour even though it lasted beyond the scheduled hour. Finally, in reference to the Renewal Project update, Mr. Dickler reported that investigations to determine a "worse case" scenario had been pursued in light of the discussions at the Finance and Planning and Development Committee during August. The financial analysis has now indicated that if the patient day projections drop to 189,000 that the Renewal Project would have to be curtailed by approximately \$15,000,000 or additional rate increases or borrowing incurred. Mr. Dickler reported that the internal planning team is now pursuing the identification of options which might be available to reduce the scope of the Renewal Project by \$15,000,000 as well as the consequences of exercising such options. It is anticipated at the current time that this option list will be available no later than the November meeting of the Planning and Development Committee and may be available in time for the October meeting.

The Committee did discuss at length the implications of developing option lists for the Hospital Renewal Project and the potential mis-interpretation by external parties of the necessity of items identified within the option list for completion within the Renewal Project. It was agreed by all parties that certain risks are entailed in pursuing such an option list but that prudent management and governance requires this effort. It was also agreed that an essential part of any option

list is an identification of the consequences to demonstrate that the project, in its current magnitude, cannot be modified without impact on the fulfillment of the total program for the Renewal Project or negatively impacting certain departments' growth and activity.

Mr. Atwood then asked that Mr. Dickler review the Certificate of Need process for the University Hospital Renewal Project. It was reported that the initial meeting had been held with Project Review Committee B of the Metropolitan Health Board on the previous Wednesday and that an additional meeting was scheduled for later in the day. These initial meetings are being primarily devoted to a series of formal presentations by University representatives to provide the Project Review Committee with background and overview information on the University Hospital Renewal Project. The initial meeting included presentations by President Magrath, Vice President French, Mr. Hanser, and Mr. Westerman. The September 17 meeting will include presentations by Ms. Tebbitt, Ms. Ahlgren, and Mr. Dickler.

The Committee was advised that the current schedule of the Metropolitan Health Board has the Health Board's recommendation being considered by the Metropolitan Council on December 4 which indicates that a public hearing on the Renewal Project would be held in mid-November. It is anticipated that the Project Review Committee meetings will last at least through October and it is hoped that the Project Review Committee and its staff will be developing specific issues and discussion papers to focus future meetings around.

Following this discussion regarding the Certificate of Need process Mr. Dickler reviewed with the Committee the project schedule and the completed schematic design documents. The Committee reviewed cross sections of the project as well as a perspective view and discussed the current cost estimate for the project which continues to be around \$233 million dollars. The Committee did suggest that investigations be undertaken to upgrade Harvard Street so that the location of the Hospital's main entrance on Harvard Street will not cause undue traffic congestion at a later date. Mr. Hewitt agreed to pursue this as part of the overall University traffic studies.

Mr. Atwood then called upon Mr. Werft to provide a report on the activities of the Hospital Planning Steering Committee. Mr. Werft explained that the Hospital Planning Steering Committee is an internal Hospital group which coordinates a variety of planning activities which would be of interest to the Planning and Development Committee. Currently the committee is discussing the investigation of potential arrangements with Fairview Hospital Corporation and Health Central Corporation. In addition, the committee is also discussing the progress of the University Hospital Consortium and its various studies and diagnostic related groups and their potential impact on Hospital reimbursement. Finally, Mr. Werft reported that the committee is also pursuing a variety of HMO contractual relationships with the Physicians Health Plan, HMO Minnesota, and other health maintenance organizations.

September 17, 1980

Mr. Atwood asked if Mr. Westerman had any comments or updates he'd like to provide the Committee. Mr. Westerman only commented that the overall strategy developed by the Board of Governors for a Certificate of Need seems to be working and that we have not yet received the types of questions which arose during the B/C Certificate of Need process regarding the role of University Hospitals in activities other than tertiary care.

There being no further business before the Planning and Development Committee it adjourned at approximately 11:00 a.m.

Respectfully submitted,



Robert M. Dickler

RMD/kc

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: October 15, 1980

Present: Mr. Atwood, Chairman
Ms. Givens
Mr. Hewitt
Ms. Perlmutter
Ms. Sandberg
Dean Weaver
Mr. Bienias
Mr. Dickler

Absent: Dr. Eisenberg
Mr. Westerman
Mr. France
Dr. Winchell
Dr. Buckley

Guests: Mr. Cannamore

Mr. Atwood called the Planning and Development Committee to order at approximately 10:00 a.m. at the offices of Ellerbe/HOK. Mr. Atwood thanked Mr. Cannamore for making the offices of the architects available for this meeting so that all members of the Planning and Development Committee could view the model that had been developed for the Renewal Project.

A motion was made by the Committee to approve the minutes of the September 17, 1980 meeting and without modification the minutes were approved unanimously by the Committee.

Mr. Atwood then asked Mr. Dickler to update the Planning and Development Committee on the Certificate of Need process for the University Hospital Renewal Project. Mr. Dickler distributed a copy of the anticipated schedule for the Renewal Project review by both the Metropolitan Health Board and the Metropolitan Council as well as a list of tentative issues identified by the Metropolitan Health Board for discussion by the Project Review Committee. The Committee discussed these tentative issues at length and expressed concern that additional specificity was not provided in relationship to any Health Board concerns. Mr. Dickler noted that the Project Review Committees had not focused as quickly as had been anticipated on specific issues and that some concern was developing relating to the adequacy of time available for review of committee recommendations at the November 5 meeting.

During the course of this discussion the Committee discussed concerns relating to the implied possibility of setting aside certain portions of the Renewal Project for review at a later date. The areas identified within the Health Board issue paper include both Psychiatry and Dialysis and the Committee noted that this could have a potentially negative impact on the financing for the project as well as the recruitment and retention of the new head of Psychiatry. The Committee offered a number of suggestions regarding input which should be provided to the Metropolitan Health Board including the ongoing modification of bed configurations within the Hospital and the types of internal review which have been undertaken prior to submission of the Renewal Project and the Certificate of Need Application. The Committee also noted that the potential delay in review of Psychiatry remodeling might raise serious questions regarding total configuration of the Renewal Project so that Variety Club Heart Hospital continued to be utilized in the most effective and efficient manner possible.

Following this discussion it was the Committee's conclusion that they should be actively involved in any final decisions by the University in modification of the Certificate of Need if this was deemed necessary by the Metropolitan Health Board. The Committee discussed the project presentation core team and felt that a special meeting of the Planning and Development Committee should be arranged if necessary to discuss any issues which might arise between the October and the November meetings of the Committee. In the interim, it was the Committee's feeling that the Project should proceed as a total package with the only viable modification at this time being the potential expansion of Neonatal Intensive Care in accord with Health Board concerns and recommendations.

The Committee then turned to a review of the design development process and the model. Mr. Cannamore outlined the overall process for development of a project such as the Renewal Project and noted that the phases of predesign and schematic design had already been completed and that the project was now entering the design development phase. Design development is a specific process relating to a clear identification of each room within the project and the requirements for utilities and other mechanical and electrical systems. Following the completion of design development, contract documents would be developed which would be followed by bidding, construction, award, and eventual occupancy.

The Committee then viewed the model of the Renewal Project and felt that the model provided the best perspective of the impact of the new construction portion of the project which had yet been made available. Recognizing that the model was still in a developmental stage they urged that at the completion of design development the model be made a permanent display and that it be presented to both the Board of Governors and Board of Regents and then placed in the lobby of the main hospital complex.

The Committee then reviewed several items relating to the Renewal Project including the possible relocation of Therapeutic Radiology from the basement to the first level of new construction, continuing

concerns expressed by a limited number of outside parties relating to the potential demolition of Powell Hall, and brief update on the relocation of Powell Hall occupants and the potential acquisition of a motel facility on the University campus. A question was raised by a member of the Committee relating to the role of the construction management firm and the processing of change orders within the Renewal Project. Mr. Hewitt noted the concern of the Committee and stated that he would respond to those specific concerns at a later date when the contract of the construction management firm had been finalized.

There being no further business before the Planning and Development Committee it adjourned at approximately 11:30 a.m. Mr. Atwood noted that the tentative schedule of the Renewal Project Certificate of Need indicated that the Committee could resume its normal meeting time and location during November and that this would be confirmed prior to the next meeting.

Respectfully submitted,



Robert M. Dickler

RMD/kc

**Schedule of Dates
and Agenda Topics**

University of Minnesota CON

December 4	Action by Metropolitan Council
December 1	Action by Human Resources Committee
November 24	Discussion by Human Resources Committee
November 19	Public Hearing (5:00 p.m.)
November 5	Action by Review Committee
October 29	Discussion of size as affected by need, historical trends, program requirements and programmatic volume projections. Further discussion on costs, psychiatry, dialysis, surgery, radiology (if necessary)
October 22	Discussion of potential issues in areas such as psychiatry, surgery, radiology, dialysis and PM&R
October 15	Discussion of costs plus state and Metro perspective

Health Board
of the
METROPOLITAN COUNCIL
Suite 300 Metro Square Building, Saint Paul, Minnesota 55101
291-6352

MEMORANDUM

October 8, 1980

TO: The University of Minnesota Hospitals Project Review Committee
FROM: Staff
SUBJECT: Outline of Potential Issues for this Review

1. Surgery

The University had 9,529 operations in 1978-79. According to Health Board guidelines for the number of operating rooms, this translates to a maximum of eight operating rooms. The University is proposing a total of 20 rooms. The University notes that its projections of rooms needed is based on:

- a. A 250-day work year compared to a 300-day work year in the Health Board guideline; and
- b. An average procedure time of 4 hours compared to 1.5 hours implicit in the Health Board guideline.

This review needs to take into account such differences. The University is proposing:

- . routine operating rooms;
- . a transplant OR;
- . an orthopedic OR;
- . a neurosurgery OR;
- . a radiology OR; and
- . a cardiovascular OR.

The review should examine historical trends of the number of procedures and "back-out" ambulatory procedures done at Unit B-C (if any) and procedures such as transplants which would have a dedicated OR to determine need for the number of rooms. The average procedure time of four hours described by the University should also be adjusted as necessary.

2. Radiology

The Health Board has guidelines which call for specific volume of radiology procedures per equipment unit. The historical trends at the University and projected programmatic volumes should be examined to see how the size of this department and its proposed number of equipment systems fit with those guidelines.

This should include the procedures and equipment located in the Department itself, the Surgical Suite, Cysto and Unit B-C.

3. Psychiatry

The Psychiatric Department will be relocated from its location in Mayo to the Variety Club Heart Hospital. This is part of the renovation phase of the renewal project. Renovation of Mayo and other buildings is not anticipated to commence until 1985.

Projections of psychiatric volume fall below Health Board guidelines. This particular service is currently in somewhat of a transition stage in that a new Departmental Chairwoman is anticipated to assume full time responsibility for the service in 1981. The combination of factors such as volume below Health Board guidelines, actual renovation to occur in 1985, a new departmental head in 1981 and service or program changes between now and 1985 due to the four-year time span and/or a change in medical/administrative direction lead to discussion of the potential for deleting this portion of the total project from this review at this time.

4. Dialysis

The project calls for the expansion of the kidney dialysis service. Presently the University has 10 stations used primarily for acute dialysis. The project would expand the service by adding 10-12 chronic dialysis stations. Chronic stations require certification by the Medicare program. The Certification process includes a review and recommendation by the Renal Network Coordinating Council.

The present HSP component calls for no more than 10 additional stations to be added to the system in 1980. Ten additional stations have already been recommended for approval by the Health Board and the Renal Network.

The dialysis expansion is, like psychiatry, also included in the renovation stage scheduled to commence in 1985. This portion of the project may also be separated from the current project and reviewed at a later date.

5. Total Size

Size is affected by projections of volume given historical data and trends and population projections as well as programmatic changes. Size will be analyzed from both perspectives and this will involve the proposed licensed complement, the concept of a range of operational beds and the private room concept.

6. Miscellaneous

In reviewing the application a number of questions have risen that can be resolved best on a staff-to-staff basis without burdening the Review Committee unless such questions lead to other issues. Examples include the increased space for Cystoscopy, Endoscopy, Central Education, etc.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

November 10, 1980

TO: PLANNING AND DEVELOPMENT COMMITTEE-BOARD OF GOVERNORS

Leonard Bienias	John Westerman
Al France	Michael Eisenberg
Jeanne Givens	Joseph Buckley
Margaret Sandberg	Cheri Perlmutter
Lawrence Weaver	Clint Hewitt
Paul Winchell	
Robert Dickler	

FROM: Harry Atwood, Chairman

The November meeting of the Planning and Development Committee will be held:

11:30 A.M.
November 19, 1980
Hospital Dining Room III
University Hospitals

The agenda for the meeting is enclosed. Please return the enclosed postcard stating whether you can or cannot attend the meeting.

HA/sds

Enc.

Planning & Development Committee

Board of Governors

11:30 A.M.

Wednesday, November 19, 1980

Hospital Dining Room 3

Agenda

- I. Approval of October 15, 1980 Minutes

- II. Renewal Project
 - A. Certificate of Need
 - B. Review of Cost Components
 - C. Project Update

- III. Hospital Planning Steering Committee Report

- IV. Motel/Hotel Developments

- V. Other

- VI. Adjournment



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

December 16, 1980

TO: Planning and Development Committee, Board of Governors

FROM: Donna Ahlgren, Associate Director

The current hospital remodeling/renovation projects are described on the attached pages. This listing includes all approved projects for this fiscal year and incomplete projects budgeted in previous fiscal years.

attachment

DA/ks

CURRENT HOSPITAL REMODELING/RENOVATION

PROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Bio Medical Engineering	Install vacuum & oxygen in work room	\$ 2,300	Project complete
Communication	Modify Information Desk in Mayo	1,000	Project complete
Computer Services	Remodel new space for Computer Room	360,000	Project under construction
Infection Control	Develop Infection Control Laboratory	88,000	Design complete
Hospital Laboratories	Remodel space for Labs Data Division	2,000 For Design	Design in process
	Install freezer alarm system for Immunopathology	650	Project in process
	Develop new autopsy entrance and modify ventilation	10,000	Project in process
	Install freezer alarm system for Labs in JOML	10,000	Project cancelled
	Develop blood drawing station in Outpatient Lab	6,750	Project under review
	Remodel EKG Lab in VCHH Room 174	2,000	Project under review
	Install two dishwashing sterilizers	17,000	Design complete
	Modify Medical Genetics Lab	650	Project under review
	Install intercom between Blood Bank and Operating Room	2,000	Project under review
Maintenance & Operations	Remodel public restrooms on 3rd floor Mayo for handicapped	15,000	Project in design
	Install central antenna system	24,000	Project in construction
	Install Kool Shades on Elliot Wing windows	27,000	Project complete

CURRENT HOSPITAL REMODELING/RENOVATIONPROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Maintenance & Operations	Install automatic doors between Masonic & Phillips/ Wangensteen Building	\$ 2,000	Project in process
	Develop a corridor on 1st floor of Mayo as required by the Fire Life Safety code	75,000	Project complete
Material Services	Remodel supply rooms on nursing stations	20,000	Project complete
	Move Material Services mini-computer from Powell Hall to Como warehouse	2,700	Project complete
Nursing	Develop a Septic Intensive Care Unit	30,000	Project in process
	Modify various Pediatric spaces	5,000	Project complete
	Install sink in Masonic I corridor	1,200	Project complete
	Remodel Kidney Dialysis Unit	14,500	Project in process
	Remodel Station 49 tub room	1,000	Project complete
	Install new overbed lights on Station 30	6,500	Project complete
	Remodel storage room on Station 35	3,000	Project complete
	Remodel supply room on Station 47	5,000	Project in process
	Remodel Station 55 medication room	5,000	Project in process
	Remodel Station 59 Report/Conference Room	7,500	Project complete
Install call light between Station 59 desk and nursery	1,500	Project complete	
Remodel seclusion rooms on Station 60	2,800	Project in process	
Install sliding doors to Station 62 lounge	1,000	Project cancelled	

CURRENT HOSPITAL REMODELING/RENOVATIONPROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Nursing (Continued)	Install new ceiling on Station 62	\$ 8,000	Project complete
	Develop patient lounges on Stations 30, 40, 41, 50, 55	15,000	Project complete
	Remodel Station 12 tub room	1,000	Project complete
	Install intercom on Station 35 and 55	4,500	Project under review
	Station 44 electrical upgrade	10,000	Project under review
	Install intercom in Masonic Hospital	-	Project under review
	Develop nourishment centers on Masonic Stations I, II, III	27,500	Project under review
Nutrition	Remodel Mayo Lobby & Coffee Shop as required by fire Life Safety code	50,000	Design in process
	Repair walls in dishwashing room in Mayo	10,400	Project under review
Outpatient Department	Develop space for an Endoscopy suite in Phillips/Wangensteen Bldg	8,500	Design complete
	Install water closet in Employee Health Service	2,000	Design complete/ project under review
	Modify main desk area in Employee Health Service	1,000	Project under review
	Remove partition in Emergency Room	1,500	Project cancelled by department
	Install oxygen and vacuum in Eye Clinic Treatment Room	1,500	Project complete
	Improve ventilation in the Light Treatment boxes in ENT Clinic	3,400	Design complete
	Install call lights in ER as required by code	1,500	Project in process
	Install new Emergency Room street sign	1,800	Project complete

CURRENT HOSPITAL REMODELING/RENOVATIONPROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Outpatient Department (Cont'd)	Remodel Emergency Room main office	\$ 5,500	Project in process
	Develop a faraday cage for clinical procedures in ENT Clinic	10,000	Project in construction
	Install tempered glass in all doors to treatment rooms	6,000	Project complete
Patient Accounting	Modify building services to 3 offices in Patient Accounting	3,400	Project complete
Patient Monitoring	Develop a new space for computer Patient Monitoring offices and work room	20,000	Project complete
Pharmacy	Remodel Central Pharmacy	69,700	Project under construction
	Develop Satellite Pharmacy on 5th floor of Mayo	8,000	Project complete
	Develop Satellite Pharmacy on 3rd floor of VCHH	7,000	Project in construction
	Develop Satellite Pharmacy on 4th Floor of Mayo	10,000	Project under review
	Develop Drug Information Center in Diehl Hall	5,000	Project under review
Physical Medicine & Rehabilitation	Remodel various rooms for PM&R treatment in Mayo, CHRC and Masonic	13,500	Project complete
Psychiatry	Remodel Child Psych, Station 64	23,000	Project in process
	Install cabinets in Clinical Psych	650	Project complete
Radiology - Diagnostic	Remodel various rooms for treatment in Mayo & VCHH	163,000	Project in process
	Miscellaneous modifications to treatment rooms and offices in Mayo	4,200	Project under review
Radiology - Therapeutic	Modify ventilation for Therapeutic Radiology Computer room	3,100	Project in process

CURRENT HOSPITAL REMODELING/RENOVATIONPROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Radiology - Therapeutic (Cont'd)	Develop new offices for Therapeutic Radiology in Phillips/Wangensteen Bldg.	\$ 25,000	Design in process
Volunteer Services	Remodel Volunteers Office in Mayo	1,500	Project complete

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: November 19, 1980

Present: Mr. Atwood, Chairman
Mr. Bienias
Mr. Westerman
Ms. Sandberg
Dr. Buckley
Dr. Winchell
Dean Weaver
Mr. Dickler

Absent: Ms. Givens
Dr. Eisenberg
Ms. Perlmutter
Mr. Hewitt
Mr. France

Guests: Mr. Allison
Ms. Foley
Mr. Baldwin
Mr. Diehl

Mr. Atwood convened the Planning and Development Committee at approximately 12:00 and requested a motion to approve the minutes of the October 15, 1980 meeting. The Committee moved and approved the minutes of the October meeting without modification.

Mr. Atwood then initiated the discussion on the Certificate of Need process for the University Hospital Renewal Project by commenting on the meetings which had been held over the past several weeks and the involvement of members of the Planning and Development Committee in formulating positions on tentative Health Board staff recommendations. He thanked the members of the Committee for participating in those discussions and asked Mr. Dickler to update the Committee on the most recent developments.

Mr. Dickler noted that the Project Review Committee had completed its deliberations and had recommended to the Metropolitan Health Board approval of the University Hospital Renewal Project with certain minor modifications. Those recommendations were distributed to the Committee and it was noted that the most objectionable recommendations relating to Psychiatry and Operating Rooms had been deleted by the committee during their deliberations.

The public hearing, which would be held that evening, would be followed by an Executive session of the Health Board at which time they would take a final vote on the Hospital Renewal Project and make their recommendation to the Metropolitan Council. The University opening comments had been developed and would be provided by President Magrath, Regent Unger, Mr. Hanser, Mr. Westerman, and Ms. Ahlgren. It was anticipated that there would be a limited amount of opposition and that some comments would be provided by the Citizen's League.

The Committee then discussed the Certificate of Need process after final Health Board action and reviewed the schedule which would have the Metropolitan Council Human Resources Committee review the project on November 24, Metropolitan Council review and action on December 4, and Commissioner of Health action upon the project prior to mid-January, 1981. It was generally agreed by the Committee that a favorable action by the Health Board would probably result in minimal controversy regarding the project for the remainder of the Certificate of Need review.

Mr. Atwood then reminded the Committee that they had asked several months ago that staff develop a preliminary list of possible deducts from the project to deal with both potential modifications during the Certificate of Need process as well as possible shortfalls during the construction process. Mr. Atwood also reminded the Committee that it was not their intent to take any action on these items at this time but rather to assure themselves and the Board that such actions could be taken if necessary when circumstances might dictate major adjustments to the project. Mr. Atwood then asked Mr. Dickler to review the memorandum developed by staff relating to the possible modifications to the project which could be exercised over the coming five to seven year period.

Mr. Dickler reviewed the attached memorandum and noted that the list concentrated on building systems and remodeling. It was noted, however, that deduct alternatives would be included in all new construction aspects of the project to assure the ability to comply with the tentative budget allocations which the Committee was operating under. The Committee reviewed the list briefly and agreed that some internal review of the list should occur but that no further delineation of these options should be pursued nor should these options be broadly discussed within the institution or externally.

In relationship to the overall project budget Mr. Atwood and Mr. Dickler noted that the \$6,000,000 line item which had initially been provided for a contribution to an expansion of the University heating plant would no longer be necessary and that this sum of money, while remaining in the budget, was now available for reduction of overall project cost or for utilization to offset possible modifications to the project or escalations in costs at future dates. It was also noted in the Committee that meetings were being held with staff from the Commissioner of Finance's office as well as the Senate and House committees regarding the proposed legislation and bond agreements for the Renewal Project and that University representatives would be briefly discussing the Renewal Project with the Governor's Executive Budget Committee the following day.

Mr. Atwood then called upon Mr. Westerman to provide the Committee with a report on the Hospital Planning Steering Committee activities. Mr. Westerman reported to the Planning and Development Committee that the Hospital Planning Steering Committee had devoted most of its energies over the past month to a review and discussion of the strategic action plan. Mr. Atwood noted that this action plan had been discussed by the Board's Executive Committee the previous day and would be discussed in general later that day at the full Board meeting.

Finally, Mr. Atwood asked Mr. Dickler to update the Committee on hotel/motel development. Mr. Dickler noted that the University Board of Regents had reviewed the consultants proposal and the development of both economy and first-class facilities on the University campus at their Physical Plant and Investment Committee the previous Thursday. This would be reviewed one more time by the Regents and it was anticipated that requests for proposals would be sent out to appropriate firms by early 1981. It was stressed that there is no assurance at this time that any actual development will occur but that the potential of such development seems to be greater than it has during any of the explorations which have occurred in the past.

Prior to adjournment the Committee did discuss the possibility of developing a no strike/no lockout clause for the Renewal Project. Mr. Bienias stressed that there were both advantages and disadvantages to such agreements and the Committee concurred that it should be pursued. Mr. Dickler noted that this question had been discussed on several occasions within the University and that the construction management firm was developing an initial document identifying both the advantages and disadvantages. In terms of final decision making process in relationship to a no strike/no lockout clause it was noted that this would be a University responsibility but that input from the Board of Governors Planning and Development Committee as well as potential involvement of appropriate members of the Board of Governors would certainly be pursued.

There being no further business before the Planning and Development Committee it adjourned at approximately 1:00.

Respectfully submitted,



Robert M. Dickler

RMD/kc



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

MEMO

TO: Board of Governors Planning and Development Committee
FROM: Robert Dickler
SUBJECT: Renewal Project Budget Reduction Options
DATE: November 18, 1980

During the August and September, 1980 Board of Governors Planning and Development and Finance Committee meetings the Board of Governors discussed the potential ramifications of "worse-case" admissions and patient day projections on the Renewal Project. At the conclusion of those discussions the Planning and Development Committee directed staff to prepare a preliminary list of potential deductions from the Project if the "worse-case" projections were viewed to be imminent at a later date.

The enclosed list of budget reduction options has been prepared by hospital and consultant staff for the committee's review and information. None of these options are being recommended by staff and, in fact, a decision to implement any of these options would negatively effect the approved project program, future program activities, and/or future operating costs. The specific disadvantages related to any option can be addressed in detail at the Board's request.

In reviewing these options the Committee will notice that no options are presented which would reduce the absolute scope of new construction. The limitation of the option list to renovation and building systems is a reflection of the future orientation of this study and the difficulty of modifying the design activity now being completed for new construction without negatively effecting the overall project schedule.

Finally, in reviewing these options, the committee should be aware of the following additional qualifications and limitations:

- 1) All cost estimates are preliminary and do not include non-building costs. A delineation of precise budgetary ramifications will require further study and reviews of design activity.
- 2) Certain options, such as reducing or eliminating educational space, may require additional modifications to departmental programs for internal support, educational, and conference space.

- 3) Many options incorporate part of other options. The options listed should therefore not be viewed as additive.
- 4) Certain potential options, such as elimination of future expansion capabilities, are not quantifiable at this time.

We will be reviewing this material with appropriate internal groups in the near future. We look forward to discussing this information with the committee.

BD/kc

enclosure

University Hospitals and Clinics Renewal Project
Budget Reduction Options

I. Building Systems	<u>Potential Reduction</u>
A. Eliminate Pneumatic Tube System	\$1,550,000
B. Eliminate Material Transport System	\$1,108,000
C. Eliminate Six Elevators - leave empty shaft space	\$1,018,000
D. Simplify Building Automation System	\$1,500,000
E. Eliminate Any New Air Conditioning in Mayo	\$3,000,000
F. Eliminate Expansion Capabilities for All Systems	Not quantifiable at this time
G. Reduce Equipment and Furnishing Budgets by X%	Not quantifiable at this time
 II. Renovation	
A. Eliminate or Reduce Education Department Space	
1) Eliminate	\$1,700,000
2) Reduce by 50%	\$ 850,000
B. PM & R	
1) Leave treatment area on seventh floor with no (minimal) remodeling	\$1,977,000
2) Leave treatment area on seventh floor with no (minimal) remodeling but remodel sixth floor for additional space requirements	\$1,046,000
3) Remodel sixth and seventh floor for PM & R treatment area	\$0
4) Eliminate Rehabilitation Day Program area	\$ 340,000
C. Psychiatry	
1) Leave Psychiatry in present location with no (minimal) remodeling	\$5,061,000
2) Remodel present Psychiatry areas but no additional space	\$2,591,000
3) Remodel same space on Mayo sixth floor as Variety Club	\$0
4) Same as "3" but start in January '82 and disrupt department activities	\$1,230,000
D. Eliminate Clinical Research Center Remodeling	\$1,200,000
E. Eliminate Day Care space in Mayo	\$19,000

	<u>Potential Reduction</u>
F. Move Cystoscopy into vacated Mayo O.R. area with no (minimal) remodeling	\$1,184,000
G. Eliminate Pharmacy Remodeling	\$1,460,000
H. Leave Cytology and Histology in Owre, reduce Surgical and Anatomical Pathology space by 50%, remodel space	\$329,000
I. Eliminate all first floor Mayo remodeling except Autopsy	\$3,728,000
J. Eliminate new link to Variety from Mayo	\$580,000
K. Eliminate all above grade links except Mayo to Unit J (fifth floor)	\$1,924,000
L. Eliminate fifth floor Unit J to Masonic link	\$350,000
M. Eliminate new Masonic elevators and upgrade existing elevators	\$752,000
N. Eliminate second Dialysis Unit	\$200,000 - 780,000
O. Eliminate Mayo lab remodeling	\$2,345,000

1 A bill for an act

2 relating to the University of Minnesota hospitals;
3 authorizing the sale of state bonds and loan of
4 the proceeds of the sale to the board of regents
5 of the University of Minnesota appropriating
6 money; amending Minnesota Statutes 1978, Chapter
7 158, by adding a section.

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

10 Section 1. Minnesota Statutes 1978, Chapter 158, is
11 amended by adding a section to read:

12 [158.20] [UNIVERSITY HOSPITALS BONDS.] Subdivision 2.
13 [PURPOSE AND APPROPRIATION.] For the purpose of providing
14 money to be loaned to the board of regents of the
15 University of Minnesota for the acquisition and betterment
16 of public land, buildings, and improvements of a capital
17 nature needed to provide facilities and services at the
18 University of Minnesota hospitals, including interest
19 during construction, the commissioner of finance shall sell
20 and issue bonds of the state of Minnesota in an aggregate
21 principal amount not to exceed \$250,000,000 for the prompt
22 and full payment of which, with interest thereon, the full
23 faith, credit, and taxing powers of the state are

1 irrevocably pledged. The proceeds of the bonds are
2 appropriated and shall be loaned to the board of regents of
3 the University of Minnesota and shall be available until
4 the purposes for which the bonds were authorized have been
5 accomplished or abandoned, and the appropriation of the
6 money shall not cancel. When the board of regents shall
7 certify to the commissioner of finance that the purposes of
8 an issue have been accomplished or abandoned, any
9 unexpended balance of the proceeds shall be transferred and
10 credited to the state bond fund. The bonds shall not be
11 subject to restrictions or limitations contained in any
12 other law.

13 Subd. 2. [ISSUANCE OF BONDS.] Upon request by
14 resolution of the board of regents of the University of
15 Minnesota the commissioner of finance shall sell and issue state
16 general obligation University of Minnesota hospitals bonds
17 in the aggregate amount requested, in one or more series,
18 upon sealed bids and upon the notice, at the price, in the
19 form and denominations, bearing interest at the rate or
20 rates, maturing in the amounts and on the dates, without
21 option of prepayment or subject to prepayment upon the
22 notice and at the times and prices, payable at the bank or
23 banks within or outside the state, with the provisions for
24 registration, conversion, and exchange and for the issuance
25 of notes in anticipation of the sale or delivery of
26 definitive bonds, and in accordance with the further
27 regulations, as the commissioner of finance shall
28 determine, subject to the approval of the attorney general,
29 but not subject to the provisions of sections 15.0411 to
30 15.0422. The bonds shall be executed by the commissioner
31 of finance and attested by the state treasurer under their
32 official seals. The signatures of the officers and any
33 appurtenant interest coupons and their seals may be

1 printed, lithographed, engraved, or stamped on the bonds,
2 except that each bond shall be authenticated by the manual
3 signature on its face of one of the officers or of an
4 officer of a bank designated by them as authenticating
5 agent. The commissioner of finance shall ascertain and
6 certify to the purchasers of the bonds the performance and
7 existence of all acts, conditions and things necessary to
8 make the bonds valid and binding general obligations of the
9 state of Minnesota, subject to the approval of the attorney
10 general.

11 Subd. 3. [EXPENSES.] All expenses incidental to the
12 sale, printing, execution, and delivery of bonds pursuant
13 to this section, including but not limited to actual and
14 necessary travel and subsistence expenses of state officers
15 and employees for the purposes, shall be paid in accord with
16 section 16A.64, subdivision 4.

17 Subd. 4. [LOAN TERMS.] Before issuing any bonds under
18 this section, the commissioner of finance shall receive
19 from the board of regents of the University of Minnesota
20 its written agreement to use the proceeds of the bonds for
21 the purposes described in subdivision 1, and to repay the
22 loan of the proceeds of the bonds and interest thereon.
23 Interest shall accrue on that portion of the bond proceeds
24 loaned to the board of regents from the date the funds are
25 transferred to the control of the regents of the University
26 of Minnesota and shall be payable annually on or before November 1,
27 commencing the first year following the transfer of
28 funds to the regents of University of Minnesota, through
29 1983. Commencing on or before November 1, 1984 and on or before
30 November 1 of each year thereafter the regents of the
31 University shall pay installments of principal and interest
32 on those terms provided in the regent's written agreement.
33 The board of regents of the University of Minnesota shall

1 be obligated to repay the loan only from the proceeds of the
2 bonds issued by the state and loaned to the regents of the
3 University of Minnesota or from the operating revenues and
4 nonoperating revenues including appropriated funds of the
5 University of Minnesota hospitals in excess of operating
6 expenses (exclusive of interest expense and provision for
7 depreciation) for the most recent fiscal year of the University
8 of Minnesota hospitals preceding the date on which the
9 installment is payable on the loan. If in any year the
10 installment of the loan paid is less than the installment
11 due, the deficiency together with interest thereon, shall
12 be payable with the next annual installment of the loan.
13 When the total amount paid by the board of regents of the
14 University of Minnesota equals the total amount of the
15 principal of and interest on the bonds, the loan shall be
16 satisfied and cancelled.

17 Subd. 5. [UNIVERSITY OF MINNESOTA HOSPITALS BOND ACCOUNT.]

18 The commissioner of finance shall maintain in the state
19 bond fund a separate bookkeeping account designated as the
20 University of Minnesota hospitals bond account to record
21 receipts and disbursements of money transferred to the fund
22 to pay University of Minnesota hospitals bonds and income
23 from the investment of the money, which income shall be
24 credited to the account in each fiscal year in an amount
25 equal to the approximate average return that year on the
26 funds invested from that account known as the debt service
27 fund, as determined by the commissioner of finance, times
28 the average balance in the account that year.

29 Subd. 6. [APPROPRIATIONS TO THE UNIVERSITY OF MINNESOTA
30 HOSPITALS BOND ACCOUNT.] All loan payments received from the
31 board of regents of the University of Minnesota hospitals
32 and all income from the investment of the proceeds from the
33 issuance of the bonds before that money is loaned to the

1 University shall be credited to the University of Minnesota
2 hospitals bond account. In order to reduce the amount of
3 taxes otherwise required to be levied, the commissioner of
4 finance shall transfer funds to that account as provided in
5 section 16A.65. In addition, the commissioner may issue
6 state refunding bonds as provided in section 16A.66, without
7 the approval of the executive council, in order to meet the
8 obligations of or retire the state general obligation University
9 of Minnesota hospitals bonds.

10 Subd. 7. [TAX LEVY.] On or before December 1 in each
11 year the state auditor shall levy on all taxable property
12 within the state whatever tax may be necessary to produce
13 an amount sufficient, with all money then and theretofore
14 credited to the University of Minnesota hospitals bond
15 account, to pay the entire amount of principal and interest
16 then and there due and principal and interest to
17 become due on or before July 1 in the second year thereafter
18 on University of Minnesota hospitals bonds, as provided in
19 section 16A.64, subdivision 6.

20 Sec. 2. [EFFECTIVE DATE.] This act is effective on
21 the day following its final enactment.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

Dear

As you are aware, the Metropolitan Council will be reviewing the University Hospitals Renewal Project Certificate of Need application, and associated Metropolitan Health Board findings and recommendations, at its December 4, 1980 meeting. During the Human Resources Committee meeting on November 24 several questions were raised that may not be adequately addressed in the materials forwarded to the Council by the Health Board. We would like to take this opportunity to briefly clarify the need for the project, the proposed financing structure, and the potential impact of HMO's and other market forces on University Hospitals and Clinics.

Need

The majority of University Hospitals inpatient care and support facilities are located in a series of buildings developed from 1911 to 1954. These facilities; because of their age, design, and structural configurations; are incapable of meeting contemporary standards for patient care delivery. Problems include inadequate mechanical, plumbing and electrical systems, inadequate patient room sizes and configurations, absence of support and storage facilities, and inappropriate functional relationships. There is a need to substantially increase the space available for patient care activity through a combination of new construction and remodeling. Indeed, almost all hospital functions are experiencing extreme space shortages as evidenced by the findings of external consultants, accreditation surveys and comparison with national standards.

Financing

The University of Minnesota will propose to the legislature and the Governor that the Renewal Project be financed through the sale of General Obligation Bonds which will be repaid by the University through patient care revenue. Initial discussions with the Governor (see attached letter) and legislative representatives have indicated interest in pursuing this proposal, after Certificate of Need review, due to its substantial savings in comparison to University Bonds. Debt capacity and financing studies through the Ernst & Whinney and Dain Bosworth have indicated that the project is financially feasible using either State General Obligation or University Bonds for debt financing.

Both the Renewal Project cost estimates and the operating cost estimates include inflationary increases through 1988. The escalation of patient rates through 1988 is primarily the result of inflation. The proportion of operating costs which will be required for debt service meet all appropriate financial guidelines. In 1981 dollars the relationship between operating costs and debt service expense is similar to that experienced by other hospitals which have recently undergone major capital programs.

Market Forces

During the Human Resources Committee discussion several questions regarding the impact of increased costs, HMO's, competitive forces, and manpower production were raised. These kind of uncertain variables were also present at other critical times in the hospital history. The development of a full time medical staff, the implementation of medicare-medicaid and the rapid increase in the output of highly trained medical specialists were all events that caused a major consideration of the size and kind of university hospital required. The critical mass represented in this application represents our best judgment based on historical trends and evaluation of market forces.

In developing projections of admissions and patient days through 1990 University Hospitals and Clinics has explored the potential aggregate impact of all current and foreseeable market forces on admissions and patient days. On the basis of this analysis, a series of projections were developed and the two lowest projections were utilized for fiscal, facility, and programmatic planning. The University Hospitals Renewal Project incorporates a flexible bed configuration. The Hospitals are committed to adjusting their bed configurations and associated operating costs in accord with fluctuations in patient census and acuity.

The Hospitals planning process has included discussions with most metropolitan hospitals, citizen and neighborhood groups, outstate HSA's, legislative representatives, and all other interested parties. A number of metropolitan and outstate hospitals and health organizations have indicated their support for the project and a list of those organizations is attached. Finally, in relationship to HMO's, University Hospitals and Clinics has developed an agreement for OB services with one HMO and is exploring agreements to interface with other HMO's as a tertiary care provider.

We appreciate your consideration of these comments and have included a summary of our Certificate of Need application for your review. We hope you will feel free to contact us to discuss any specific questions or concerns and, if you feel it is appropriate, to tour our facilities. Thank you for your interest and consideration of this matter.

Yours truly,

John H. Westerman
General Director

kc



STATE OF MINNESOTA

OFFICE OF THE GOVERNOR

ALBERT H. QUIE
GOVERNOR

ST. PAUL 55155

NOV 12 1980

October 30, 1980

Dr. C. Peter Magrath
President
University of Minnesota
202 Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455

Dear Dr. Magrath:

Thank you for your October 3 letter outlining the plans and progress on the Hospital Renewal Project.

Your proposal to fund the project through borrowing of State General Obligation Bonds appears to be a sound approach which should result in significant savings to the University and the users of the new facility.

In order to avoid any unnecessary delays in your planning schedule, we will review this project sometime during the November 20 budget hearing.

Sincerely yours,

A large, stylized handwritten signature of Albert H. Quie, consisting of a large 'A' and 'Q'.

ALBERT H. QUIE
GOVERNOR

cc:Wayne Burggraaff
AHQ:vvd

UNIVERSITY HOSPITALS AND CLINICS RENEWAL PROJECT
LETTERS OF SUPPORT

Abbott-Northwestern Hospital	Minneapolis, MN
Advancement of Health Services Through Cooperation	
Appleton Municipal Hospital and Nursing Home	Appleton, MN
Beltrami Health Center	Minneapolis, MN
Children's Health Center	Minneapolis, MN
Chippewa County-Montevideo Hospital	Montevideo, MN
Divine Providence Hospital and Home	Ivanhoe, MN
Fairview Community Hospitals	Minneapolis, MN
Fremont Community Health Services	Minneapolis, MN
Granite Falls Municipal Hospital and Manor	Granite Falls, MN
Health Central System	Minneapolis, MN
Hennepin County Medical Center	Minneapolis, MN
Johnson Memorial Hospital and Home	Dawson, MN
Kittson Memorial Hospital	Hallock, MN
Madison Hospital Association	Madison, MN
Mille Lacs Family Health Center	Isle, MN
Ortonville Area Health Services	Ortonville, MN
St. Paul Ramsey Medical Center	St. Paul, MN
Swift County-Benson Hospital	Benson, MN

Summary

University of Minnesota Hospitals and Clinics Renewal Project

Certificate of Need Application

I. Introduction

Since its establishment in 1911, the University of Minnesota Hospitals has developed into one of the preeminent University Hospitals in the United States. As part of the University of Minnesota Health Sciences Center, the Hospitals provide a broad range of health services and serve as a core facility for clinical education and research for the entire University.

The tripartite mission of service, education, and research distinguishes University Hospitals and Clinics from the vast majority of hospitals in the United States. Of over 6,000 hospitals in the country, approximately 400 serve as teaching hospitals. These 400 hospitals, furthermore, typically have very limited educational and research activities in comparison with the 64 university owned hospitals. In fact, it is the 64 university owned hospitals which serve as the core facilities for the majority of academic health centers in the United States.

It is the full spectrum of service, education, and research activities occurring within University Hospitals and Clinics and the University of Minnesota Health Sciences Center which permits the University to fulfill its mission in each of these areas. Thus, the service capabilities of University Hospitals are dependent on, and are a reflection of, the scope of faculty, student, and research activities occurring within the institution. Likewise, the scope of health sciences research at the University of Minnesota, which is one of the highest in the United States (over \$45 million dollars), is reflective of the sophisticated care programs and range of educational activities.

Commitment to excellence in patient care, education, and research has permitted University Hospitals and Clinics to offer an array of services, techniques, and treatments which is unsurpassed in the State of Minnesota and upper midwest region. In addition to being a full service hospital, University Hospitals have nationally recognized programs in such diverse areas as Bone Marrow Transplantation, Kidney Transplantation, Cystic Fibrosis, Anorexia Nervosa, Hemophilia, and Diabetes. These activities, and many others, can only develop within the total context of an academic health center.

The unique role and mission of University Hospitals, in relationship to other Twin Cities hospitals, is also reflected in patient origin and diagnostic profiles. Of the 21,641 admissions to University Hospitals in 1978-79 only 42.9% came from the seven county metropolitan area while 37.7% came from the rest of Minnesota and 19.4% from other states. While the most frequent diagnosis during 1977 in community hospitals was newborn delivery and care, the most prevalent diagnosis at University Hospitals was chemotherapy aftercare.

II. Need for the Renewal Project

To continue to fulfill its three interrelated roles of service to patients, education and research, University Hospitals must maintain an environment which meets the needs of today's health care delivery system. This environment depends, in large part, on the facilities available.

Like many other academic health centers, University Hospitals main facilities were developed in the early part of the 20th century when physical facility requirements were substantially different from contemporary standards. In essence, the majority of inpatient care and support facilities are both antiquated and overcrowded.

The existing main hospital complex (referred to as the Mayo Complex) was developed as a series of building programs from 1911 to 1954. The design of these facilities, as well as the structures themselves, prevent them from being remodeled or reconfigured to meet contemporary requirements. For instance, many of the mechanical, plumbing, and electrical systems are obsolete. Horizontal and vertical transportation systems are overutilized and inappropriately mix public, staff, patient, and materials traffic. Departments and services are located where space has been made available rather than in recognition of proximity, functional, and care requirements.

In addition to being antiquated, the overall hospital complex is severely space deficient. Most patient care areas and support departments are overcrowded and inefficient. There is almost a total absence of public areas, support space for education and staff activities, and inappropriate mixing of functions which should have separate and distinct facilities. For example, approximately 24% of all patient care rooms are deficient in space and approximately 12% do not have integral toilet facilities.

III. Capital Facilities Planning Process

The need to upgrade University Hospitals and Clinics physical facilities has been recognized and planned for since the mid-1960s.

The University Hospitals Renewal Project is an integral part of an overall Health Sciences Master Plan which was formalized and approved by the University and Legislature in the 1960s. The first phase of this plan concentrated on the development of expanded and renovated facilities for academic units as well as the Hospitals' outpatient clinics. These

facilities were given priority because of the substantial increase in health sciences educational programs, severely deficient facilities, and logistical complications.

In the mid 1970s active planning for Hospital facilities was initiated as phase I of the Health Sciences Master Plan was being completed. The University of Minnesota Board of Regents, through the University Hospitals Board of Governors, considered a variety of options for upgrading Hospital facilities. These included total replacement of existing facilities, renovation without new construction, a phased construction and renovation project, and a unified construction and renovation project. After lengthy consideration it was determined that the only viable option in terms of adequate upgrading of facilities, impact on current operations, and overall functional integration of facilities was the unified construction and renovation option. This unified program is the University Hospital Renewal Project.

In mid-1979 the University Board of Regents authorized the initiation of detailed planning for the Renewal Project. Since that time the Board of Governors of University Hospitals and Clinics have initiated an internal planning process and, through the University, acquired the services of program, architectural, and construction management consultants. A functional program for the project was completed in March, 1980 and schematic designs and cost estimates were completed in August, 1980. Submission of a Certificate of Need application to the Metropolitan Health Board is the next step in the project schedule which envisions new construction starting in July, 1981.

It should be noted that planning for the Renewal Project has recognized, and operated within, the parameters and guidelines of the Health Sciences

Master Plan, Statement of Mission and Goals for University Hospitals and Clinics, and the Metropolitan Health Board's Health System Plan. In addition the Renewal Project integrates, to the extent possible, all existing facilities and major renovation programs which have been undertaken over the past decade.

IV. Renewal Project Description

A. Area and Population to Be Served

University of Minnesota Hospitals and Clinics serves patients from throughout the nation and the world. Findings of its clinical research are published internationally. However, University Hospitals does define its primary service area for education, research and patient care as the state of Minnesota. Of the inpatients treated at the hospitals, 80% live in Minnesota.

The population of the state has been growing and is expected to continue to grow at least 0.7% annually. University Hospitals expects a stable demand for inpatient service over at least the next fifteen years.

Statewide, population trends show significant growth in the proportion of middle-aged and aged people. These two age groups are heavy users of inpatient hospital services. Projections indicate that these groups will represent more than half of the total growth of the metropolitan area population between 1980 and 1995.

B. Construction and Renovation

A new eleven story building, Unit J, will be constructed on the site where Powell Hall now stands. Powell Hall was built in 1933 and 1945 as a nurses' dormitory and is now totally outmoded for this purpose.

When it is completed, Unit J will contain the majority of acute-care patient services. These will include surgery suites, delivery rooms, nursing stations and diagnostic and treatment services for acute-care patients. The fifteen nursing stations will be built to a standard design which can adapt easily to different types of patient care. The standard design also contributes to efficiency.

Similar departments and functions will be grouped together in common areas. They will share support spaces such as conference rooms, family waiting rooms, and equipment storage areas. They will also share personnel in some support functions.

Several ancillary and support departments, such as laboratories, will be split between Unit J and the renovated main hospital complex (Mayo Complex). Unit J will include only those critical acute-care services necessary for direct inpatient support. The others will be in Mayo.

The existing Mayo complex building has fourteen floors used for hospital and academic space. The Renewal Project proposes to retain and renovate some space on five floors which will continue to be used by the hospitals for ancillary and support departments, Physical Medicine and Rehabilitation Treatment Center, Dialysis and Cystoscopy. The rest of this building will continue to be used for classrooms, offices and other academic space.

Variety Club Heart Hospital will be renovated to house psychiatric services. This building will have links to both Mayo and Unit J to provide convenient care for patients who have physical illnesses as well as needing psychiatric care.

The Renewal Project will not substantially affect Masonic Memorial Cancer Center, Children's Rehabilitation Center, or other Hospital facilities although the Clinical Research Center in Masonic will be expanded and renovated.

The total operating bed capacity of University Hospitals and Clinics, at the completion of the Renewal Project, will be a range of 653 - 713 beds. This represents a decrease in operating capacity from 1977 of over 56 beds. The Hospitals will also reduce its licensed capacity by over 120 beds.

Tunnels and bridges will link the five hospital buildings for efficient and separate movement of patients, staff, public and supplies. Unit J will also have separate elevator banks for these kinds of traffic.

C. Cost Estimates and Capital Financing

Initial planning for the Renewal Project indicates that 740,000 architectural gross square feet of new construction and 357,000 architectural gross square feet of renovation will be required. It is estimated, on the basis of these figures and other considerations, that the project will cost approximately \$114,000,000 for new construction, \$39,000,000 for remodeling, and \$79,500,000 for equipment, fees, site work, utilities, etc. for a total project cost of \$232.5 million dollars. These figures do not include the remodeling of vacated areas for other Health Sciences activities.

The University will seek permission from the State in early 1981 to finance the project by the sale of tax-exempt State of Minnesota General Obligation Bonds. The interest on these bonds is estimated to be 7% and will substantially reduce the interest expense in comparison with other bonding options. The bonds will be repaid by the University

of Minnesota from hospital resources. Debt service related to the project (the amount added to patient charges to repay part of these loans) will begin in 1986.

Two independent organizations, Ernst and Whinney, an accounting firm, and Dain Bosworth, an investment firm, have analyzed the University of Minnesota Hospitals and Clinics debt capacity and ability to generate revenue to repay loans. They report that the project is financially feasible.

D. Proposed Project Schedule

Submission of an Application for Certificate of Need to the Metropolitan Health Board at this time is in accord with the project's schedule of commencement and completion dates. Future dates on that schedule are:

Spring 1981	Demolition of Powell Hall
July 1981	New Construction Begins
Early 1985	Completion of New Construction
Summer 1985	Renovation Begins
Fall 1987	Completion and Occupancy of Renovated Areas

V. Description of Scope of Full Application Document

This document provides an overview and summary of University of Minnesota Hospitals and Clinics Application for Certificate of Need. The full application includes some 150 pages amplifying the points made in this summary. It includes charts, maps and other exhibits as well as a detailed Appendices.



UNIVERSITY OF MINNESOTA

Office of the President
202 Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455

November 19, 1980

John H. Westermann, Director
University Hospitals
B-313 Mayo


Dear John:

I'm writing to bring you up-to-date on the University's planning process and its timetable. As you will recall, we have been working for some time on responses to the planning documents submitted last winter. We have now completed preliminary planning memoranda for twenty-five collegiate units in the University and are sending those memoranda to the deans for their review and for further discussion. After consultation with the colleges, which we expect to complete by March 20, 1981, we will prepare final planning memoranda to be completed by summer of 1981. These memoranda will serve as the basis for the 1983-85 Biennial Request for which we will begin to make preparations during the fall of 1981.

University Hospitals are part of a second set of units for which we will be preparing planning memoranda. We expect now that the preliminary versions of those memoranda will be available by late March of 1981. Like the first set of memoranda, this second set will contain comments on your planning documents and an invitation to further discussion. We expect that those discussions will be completed by the end of May and that we will be able to finish the final planning memoranda for your unit by the end of the summer of 1981. These memoranda would be used in the preparation of the 1983-85 Biennial Request. I'm sure that you will be relieved to hear that no separate unit submissions will be required for the preparation of that Biennial Request. Instead, the plans and planning memoranda will provide the necessary information.

If you have any questions about the planning process, I would appreciate it if you would contact Vice President Hasselmo. Some information about the process will also be provided at the December 2 meeting of the Council of Academic Officers.

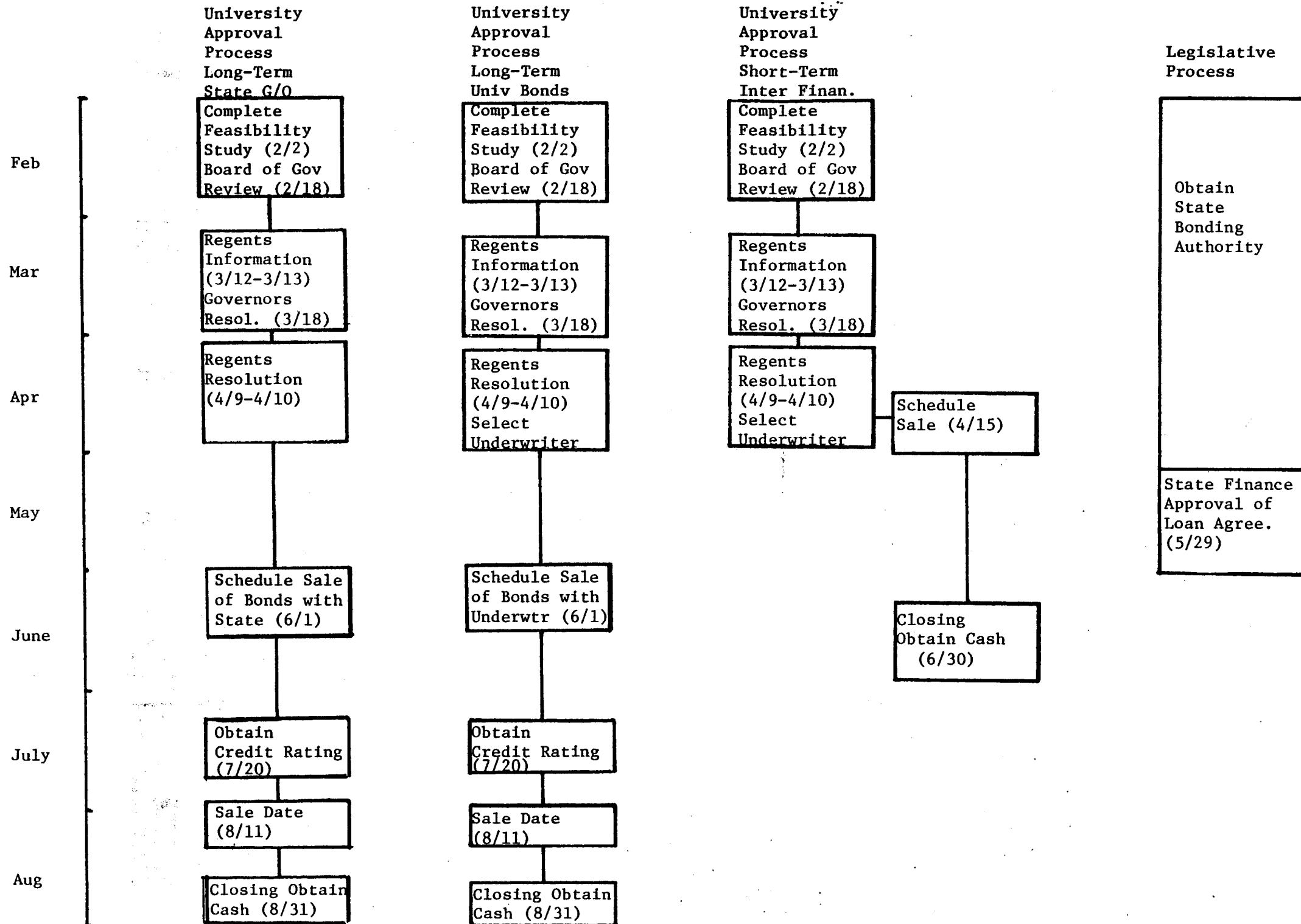
Cordially,


C. Peter Magrath
President

tla

cc: University Vice Presidents

**UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
PROCESSES TO OBTAIN RENEWAL FINANCING**





UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

March 9, 1983

TO: PLANNING AND DEVELOPMENT COMMITTEE, BOARD OF GOVERNORS

Jo-Anne Barr	Cheri Perlmutter
Leonard Bienias	C. Edward Schwartz
Joseph Buckley, M.D.	Lawrence Weaver
Dionisa Coates	Paul Winchell, M.D.
Don Erickson, M.D.	
Al Hanser	<u>Staff</u>
Clint Hewitt	Mark Koenig

FROM: Harry Atwood, Chairman

The March, 1983 meeting of the Planning and Development Committee will be held:

Wednesday, March 16, 1983
11:30 A.M.
Dining Room III
University Hospitals

The agenda for the meeting is enclosed. Please return the enclosed postcard stating whether you can or cannot attend the meeting.

HA/sds

Enclosure

Board of Governors
University of Minnesota Hospitals and Clinics
Planning and Development Committee
March 16, 1983

Agenda

- | | |
|---|---------------|
| I. <u>Minutes of meeting held February 16, 1983</u> | (Approval) |
| II. <u>Renewal Project Organizational Structure</u>
- Mr. Schwartz | (Approval) |
| III. <u>Renewal Project Progress Report</u>
- Mr. Koenig | (Information) |
| IV. <u>Administrative Organization Plan</u>
- Mr. Schwartz | (Information) |
| V. <u>Other</u> | (Information) |

Board of Governors
Planning and Development Committee
University of Minnesota Hospitals & Clinics

February 16, 1983

Minutes

CALL
TO
ORDER:

Chairman Atwood called the February 16, 1983 Planning and Development Committee meeting to order at 12:00.

Present: Harry Atwood
Jo-Anne Barr
Leonard Bienias
Joseph Buckley, M.D.
Dionisa Coates
Clint Hewitt
C. Edward Schwartz
Lawrence Weaver
Paul Winchell, M.D.

Absent: Don Erickson, M.D.
Al Hanser
Cheri Perlmutter

Staff: Mark Koenig
Ron Werft

Guests: Ken Merwin
Sally Pillsbury
Don Van Hulzen

APPROVAL
OF
MINUTES:

The minutes of the meeting held December 15, 1982 were approved as submitted.

CONSTRUCTION
PROGRESS
REPORT:

Mr. Mark Koenig reported on the Renewal Project progress presenting a summary of the bid awards the result of which was \$582,534 below estimate. Mr. Koenig also presented a summary of change requests indicating that savings through deductions would be channeled into a priority list of expenditures. It was reported that no changes as of February 16th would impact the construction completion date of the Renewal Project.

In response to a question, Mr. Koenig reported that bids have been received from contractors with minority employees meeting the set-aside requirements of the University. Further discussion focused on the current interior design of the Unit J lobby. It was agreed that interior design recommendations would be presented to the Planning and Development Committee.

HOTEL/PARKING
UPDATE:

Mr. Clint Hewitt presented the plan of the corporation developing the hotel and parking facility on Washington Avenue. He reported that the facility would include three restaurants with a cafeteria seating 135 individuals. He added that the total 306 rooms would include approximately

116 economy rooms. He further indicated that the facility would include 10-15 meeting rooms, a 500 seat ballroom, and retail space.

Mr. Hewitt reported that a parking consultant would be hired within 3 weeks to identify the parking needs of the hotel and immediate University community. He indicated that an additional ramp was being planned to accommodate hotel patrons as well as other university needs.

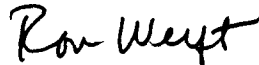
Mr. Hewitt reported that the details of the lease remained to be completed, that construction would start in June, and that the facility was planned for completion at the end of 1984.

In response to a question regarding access to the Hospitals, Mr. Hewitt indicated that cost of a ramp or tunnel were being estimated by the developer.

DEVELOPMENT
REPORT:

Mr. Ken Merwin reported on the progress of the Development Office indicating that funds donated through January total \$80,000. He indicated that the majority of these donations were in the form of memorials. Mr. Merwin further indicated that the University Hospitals was in the beginning stages of solicitation of funds for the Sports Medicine Institute planned for the 6th floor of the Phillips Wagensteen Building. He also indicated the Renewal Project presented sound basis for fund raising for University Hospitals.

Respectfully submitted,



Ron Werft
Executive Assistant
to the Board of Governors