

ZA00E
Miscellaneous Grant Programs

Johns Hopkins Medicine – Cardiovascular and Critical Care Tower (Baltimore City)

| | | | |
|---------------------------------|---------------------|------------------------|----------------|
| General Obligation Bonds | \$5,500,000 | Recommendation: | Approve |
| Nonbudgeted | \$81,300,000 | | |

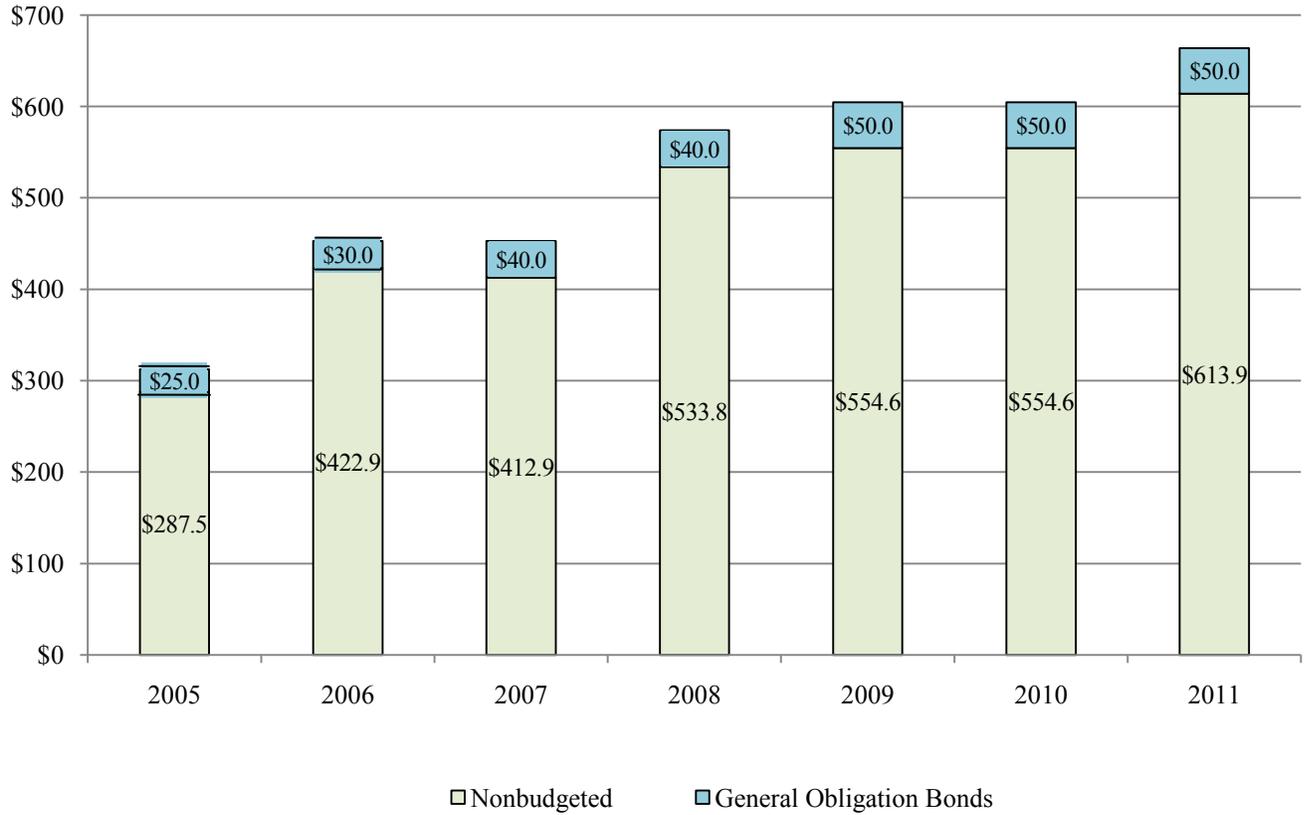
Bill Text: Provide a grant to the Board of Trustees of the Johns Hopkins Health System to prepare detailed plans, construct, and equip the Cardiovascular and Critical Care Tower on the Johns Hopkins East Baltimore Campus, subject to the requirement that the grantee provide an equal and matching fund for this purpose. Notwithstanding the provisions of Section 1(5) of this Act, the matching fund may consist of funds expended prior to the effective date of this Act.

Program Description: This project will construct a 962,709 gross square foot Cardiovascular and Critical Care Tower for adult patients on the Johns Hopkins East Baltimore Campus. The total project cost is estimated at \$663.9 million, which is a 9.0% increase in the estimated cost of the project from one year ago. The State’s support for the project is programmed at \$50.0 million (7.5% of the total). The project is part of a 10-year master plan effort by Johns Hopkins for the East Baltimore Campus, originally estimated in 2003 to cost \$1.2 billion. Funding from Johns Hopkins Medicine includes a mix of cash from operations, debt, and fundraising which is reflected as nonbudgeted funds in the authorization summary. Johns Hopkins Medicine is on track with its fundraising goals as 97.0% of funds for the project have been raised, and all debt has been issued to finance the project.

The 2011 *Capital Improvement Program* (CIP) provides another \$5.5 million of general obligation bond funding for the project in fiscal 2012, which will complete the State’s commitment to the project. Johns Hopkins advises construction of the Cardiovascular and Critical Care Tower is on schedule and will be completed in July 2012. However, the Cardiovascular and Critical Care Tower will begin to house patients in April 2012 as some work can be completed post-occupancy.

As shown in **Exhibit 1**, the State’s total commitment to the Cardiovascular and Critical Care Tower has grown from \$25.0 million in the 2005 CIP to \$50.0 million in the 2011 CIP. Over the same period of time, the total estimated cost of the project has increased by 112.4%. Increased costs can be attributed to higher than anticipated design costs and modifications to the proposed scope of the project.

Exhibit 1
Cost of the Johns Hopkins Medicine Cardiovascular and Critical Care Tower
By Funding Source
2005-2011 CIP
(\$ in Millions)



CIP: *Capital Improvement Program*

Source: Governor's Budget Books, Fiscal 2012

Project Analysis

Overview

The new facility is planned to have 355 beds. Although this does not represent an increase over the existing number of beds, the new facility will provide a private room for each bed, and it will replace existing bed spaces that are not useable due to configuration problems. The facility also will have 20 operating rooms as well as a variety of procedure suites to support various hospital programs. These programs include the Adult Emergency Departments, Acute Care Program, Critical Care Program, Obstetrics, Interventional and Surgical Services Program, Non-Invasive Diagnostic and Treatment Program, and Non-Invasive Imaging Program.

Improvements Would Replace Outdated Facilities

Johns Hopkins reports that the existing cardiovascular and critical care functions are located in aging and obsolete buildings. The configuration of many spaces makes it difficult to maintain a sterile environment, and operating rooms are too small to accommodate the needs for modern medical equipment and staff. Two operating rooms were closed for three years due to inadequate space; one of these rooms has reopened but only for minor procedures.

Furthermore, Johns Hopkins reports that electrical and plumbing systems are outdated; elevators often are out of service; and the heating, ventilation, and air conditioning system is inadequate. Waiting areas for patients and family members are insufficient, as are private interview spaces for medical staff to meet with patients and families.

The new facility will address these problems with a modern operating suite, decentralized nursing work stations, and spaces that provide better privacy for patients and families. Clinical research and education functions will be co-located to improve efficiency. Information technology upgrades will improve clinicians' access to patient records and patient-nurse communications.

Prior Authorization and Capital Improvement Program

**Authorization Uses
(\$ in Millions)**

| Fund Uses | <i>Prior Authorization</i> | <i>2012 Request</i> | <i>2013 Estimate</i> | <i>2014 Estimate</i> | <i>2015 Estimate</i> | <i>2016 Estimate</i> |
|------------------|---------------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Planning | \$75.873 | \$18.600 | \$0.930 | \$0.000 | \$0.000 | \$0.000 |
| Construction | 445.292 | 49.600 | 12.400 | 0.000 | 0.000 | 0.000 |
| Equipment | 36.448 | 18.600 | 6.200 | 0.000 | 0.000 | 0.000 |
| Total | \$557.613 | \$86.800 | \$19.530 | \$0.000 | \$0.000 | \$0.000 |

**Authorization Sources
(\$ in Millions)**

| Fund Uses | <i>Prior Authorization</i> | <i>2012 Request</i> | <i>2013 Estimate</i> | <i>2014 Estimate</i> | <i>2015 Estimate</i> | <i>2016 Estimate</i> |
|------------------|---------------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| GO Bonds | \$44.500 | \$5.500 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Nonbudgeted | 513.113 | 81.300 | 19.530 | 0.000 | 0.000 | 0.000 |
| Total | \$557.613 | \$86.800 | \$19.530 | \$0.000 | \$0.000 | \$0.000 |

GO Bond Recommended Actions

1. Approve.