

RQ00A
University of Maryland Medical System

***Trauma and Critical Care, and Emergency Medicine Services
Expansion Project (Baltimore City)***

General Obligation Bonds \$10,000,000

Summary of Recommended Bond Actions

1. Trauma, Critical Care, and Emergency Medicine Services Expansion Project

Approve.

Bill Text: Provide a grant to the University of Maryland Medical System to assist in the construction and equipping of the University of Maryland Medicaid Center – Trauma, Critical Care, and Emergency Medicine Services Expansion project.

Program Description: Construct and equip a patient care building to connect to, and expand upon, the R Adams Cowley Shock Trauma Center (STC) and the Weinberg Building. The new structure will house critical care services, including emergency medicine and trauma surgery, as well as inpatient trauma and surgical intensive care units. The fiscal 2013 allowance of \$10 million in general obligation (GO) bond funding is on top of \$35 million in GO bonds previously appropriated.

Project Analysis

Background

The building that houses STC was built in 1987 and was designed to accommodate 3,500 patients annually. In fiscal 2011, the University of Maryland Medical System (UMMS) treated approximately 8,400 shock trauma patients. By fiscal 2016, UMMS estimates that the number of individuals treated will increase to 9,344 patients and will require 139 trauma beds. The current facility only has 115 trauma beds, and additional space is needed to accommodate the influx of patients. The Trauma, Critical Care, and Emergency Medicine Services Expansion project will add 48 trauma beds but will also require the abolition of trauma beds in other parts of STC, resulting in a net increase of 24 new trauma beds.

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Due to the high level of trauma and specialty care offered at STC, annual admissions have doubled since it was opened 20 years ago. One of the factors contributing to the increase in demand for services at STC is the increase in interhospital transfers. A decline in the availability of specialized physicians, as well as a decline in the capability of providing trauma care to critically injured patients in other local hospitals, has caused an influx of patients being transferred to STC.

Additionally, UMMS anticipates that the demand for surgical cases will continue to increase and will require additional operating rooms. UMMS currently has 6 operating rooms that are undersized and cannot accommodate the staff and medical equipment required for modern surgical procedures and anticipates the need for 12 operating rooms to meet the growing demand at the hospital through fiscal 2016. As a result, UMMS plans to demolish 4 of the existing operating rooms that do not have sufficient space and build 10 new operating rooms.

The project will also include additional emergency room space to accommodate a higher number of emergency room visits and will be adjacent to the existing Weinberg Emergency Department. In fiscal 2010, adult and pediatric emergency room visits totaled 66,136. By 2015, UMMS estimates that the number of emergency room visits will increase to 79,373, a 20% increase.

Finally, the project scope for the Trauma, Critical Care, and Emergency Medicine Services Expansion project includes the construction and equipping of a new helipad, for which the use of federal funds is planned.

Funding Update

The total cost of the project is expected to be \$160 million with a State commitment of \$50 million. **Exhibit 1** shows the uses of funds and distribution of source funding for the project.

Exhibit 1
Capital Funding Uses and Sources
Fiscal 2013-2014
(\$ in Thousands)

	<u>Prior</u> <u>Authorization</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Uses of Funds				
Acquisition	\$4,312	\$0	\$0	\$4,312
Design	10,600	0	0	10,600
Construction	69,450	26,000	8,000	103,450
Equipment	9,638	22,000	10,000	41,638
Total	\$94,000	\$48,000	\$18,000	\$160,000
Sources				
State GO Bonds	\$35,000	\$10,000	\$5,000	\$50,000
UMMS Operating	2,853	1,250	2,000	6,103
UMMS Debt and Fundraising	53,750	30,250	7,000	91,000
Federal	2,397	6,500	4,000	12,897
Total	\$94,000	\$48,000	\$18,000	\$160,000

GO: general obligation

UMMS: University of Maryland Medical System

Source: University of Maryland Medical System

Comments

The fiscal 2013 request for the Trauma, Critical Care, and Emergency Medicine Services Expansion project represents the penultimate State funding request, with the final \$5 million anticipated in fiscal 2014. Even at this relatively late stage of the capital funding process, a number of points should be noted.

- Construction costs have risen by just over \$7.4 million since the fiscal 2012 presentation of this project. UMMS attributes this to additional project scope and a significant change in major mechanical equipment (heating, ventilation, and air conditioning and electrical capacity) after the approval of the guaranteed maximum price. After a review of needs for clinical equipment, furniture, and information technology infrastructure, UMMS has been able to offset the increase in construction costs through savings in equipment.

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- As shown in Exhibit 1, the project relies on almost \$13.0 million in federal funds. To date, only \$2.5 million has been secured. While UMMS continues to look for additional federal funds, the Department of Legislative Services assumes that any shortfall in federal funds will be made up through UMMS operating reserves or other source.
- As of December 2011, UMMS fundraising had secured \$10.0 million in pledges/payments toward the \$35.0 million target for this project. UMMS target is \$18.0 million by June 2012 and \$30.0 million by June 2013.

GO Bond Recommended Actions

1. Approve.