THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers
Magnetic Resonance Imaging Scanner Project

Action Requested: Approval to Proceed with Project, Approval of Site, and Authorization to
Appoint an Architect

Background:

At the June 1997 meeting, the Regents authorized the submission of an
application to the State to acquire a third magnetic resonance imaging (MRI) scanner for the
Hospitals and Health Centers. The authorization was based on data that indicated long patient
wait times up to four weeks to obtain this diagnostic exam and scheduling of patients from
5:00 a.m. to 2:00 a.m. The patient volumes met State thresholds to validate the need for an
additional scanner. The proposal in June 1997 included an assumption that the facility to
house the MRI scanner would be adjacent to the existing imaging center at the East Ann
Arbor site. Initial cost projections were $7.8 million. The State issued its approval for the
additional scanner in August 1998.

The placement of the facility at the East Ann Arbor site is considered ideal
based on its outpatient focus. Approximately 75% of the patients receiving MRI scans are
outpatients. With the increasing shift from inpatient to outpatient care, the education of
medical residents in this setting is important to career development. The addition will not
eliminate any of the existing ample parking. Convenient parking access and proximity to the
main health care facilities are additional benefits of placement at the East Ann Arbor site.
Attached are two drawings which show how the addition will be sited and connected to the
one-story Mammography facility. Consistent with the master facility plan for the East Ann
Arbor site, the overall footprint of these two facilities will equal the area of each of the other
three pods that form the Primary Care Facility. Our plan is to design this addition to duplicate
the architectural elements that characterize the Mammography facility.

We recommend Albert Kahn Associates, Inc. as the architect for this project.

APPROVED BY THE REGENTS ON FEB 18 1999
The initial project assumptions were revised, leading to a new cost estimate of $6.7 million, a reduction of $1.1 million. Funding will be provided from Hospitals and Health Centers' reserves.

We recommend the Regents approve the Magnetic Resonance Imaging Scanner project, the proposed site, and the appointment of Albert Kahn Associates, Inc. as the architect.

Respectfully submitted,

Robert Kasdin
Executive Vice President
and Chief Financial Officer

Gilbert S. Omenn
Executive Vice President
and Chief Executive Officer,
University of Michigan Health System

February 1999

Attachments