

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Medical Procedures Unit Equipment Replacement Project

Action
Requested: Approval to Proceed with Project

Background:

The Medical Procedures Unit (MPU) is located on level 2 of University Hospital. The faculty and staff provide significant support to the Hospital and Health Centers' Gastroenterology, Heart Failure and Cardiac Transplant Programs.

The project consists of the replacement of equipment in two procedure rooms and a shared control room. The first procedure room includes the replacement and upgrade of radiographic equipment used specifically to perform endoscopic retrograde cholangiopancreatography (ERCP) procedures. The current equipment is approximately eleven years old, and uses conventional chemical film processing, which is an environmental health concern. The ERCP equipment will be replaced with digital imaging technology to provide superior image quality, eliminate chemical film processing, and address issues regarding film storage and chemical waste reduction.

The second procedure room includes the replacement of cardiac catheterization equipment. Patients from the heart failure and the cardiac transplant programs have diagnostic right-heart catheterizations and cardiac biopsies post-transplantation scheduled in the MPU. The existing cardiac catheterization equipment has required increasing maintenance and repairs, with adverse effects on patient schedules.

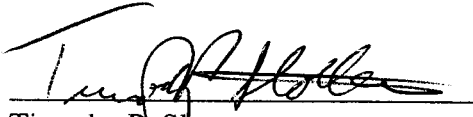
Approximately 950 gross square feet will be renovated, including the architectural, mechanical and electrical work necessary to accomplish the improvements. A Certificate of Need (CoN) is required for the cardiac catheterization replacement project. There will be no impact on parking from this project.

The estimated cost of the project is \$2.4 million, with approximately \$1.7 million for equipment. The construction cash flow may be provided, all or in part, from tax-exempt debt secured by a pledge of Hospital Gross Revenues. Initially, the project may be financed by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. The project will be completed in the winter of 2004.

APPROVED BY THE REGENTS ON
DEC 12 2002

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers (UMHHC) Medical Procedures Unit Equipment Replacement Project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Timothy P. Slottow
Interim Chief Financial Officer



Lazar J. Greenfield
Interim Executive Vice President
for Medical Affairs

December 2002