

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Health
University Hospital South Renovation

Action Requested: Approval of Project

Background:

The adult inpatient hospitals of University of Michigan Health have consistently experienced high patient demand, experiencing occupancy rates of 90% and greater. This high demand has led to capacity constraints and creative uses of hospital inpatient capacity elsewhere, including at Trinity Health Ann Arbor. Through a collaborative arrangement, many of U-M Health's emergency patients who require an inpatient stay, are admitted to an inpatient service (26 bed unit) located at Trinity Health Ann Arbor. Due to increasing demand of patients seen at Trinity Health, Trinity's leadership has provided notice to regain access to its 26-bed unit, starting in October 2024 and completed by April 2025. As a result, U-M Health has developed a renovation plan of previously used clinical space in its University Hospital South facility on level five, currently used for non-clinical purposes. The renovation will create an observation patient unit of 26 beds, offsetting the loss of capacity at Trinity Health Ann Arbor.

The estimated cost of the project is \$18 million. Funding will be provided from University of Michigan Health resources. The construction cash flow may be provided, all or in part, by bond proceeds or increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Board of Regents. The architectural firm of Integrated Design Solutions will design the project. Construction is scheduled to be completed in the spring of 2025.

We recommend that the Board of Regents approve the University Hospital South Renovation project as described and authorize issuing the project for bids and awarding the construction contracts providing that bids are within the approved budget.

Respectfully submitted,



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