

Friday, September 5, 2008

## **UMMS plots Shock Trauma expansion to meet demand**

Baltimore Business Journal - by Sue Schultz Staff

The **University of Maryland Medical System** plans to add a new building to Shock Trauma's downtown Baltimore campus to handle a greater influx of patients.

The state's top trauma center is projecting to treat more than 9,000 patients annually in five years, more than double the number the facility was built to handle.

"We are rapidly progressing with plans to deal with our very real needs," said Mark Wasserman, vice president of external affairs and development at the University of Maryland Medical System, which owns Shock Trauma.

The new four- to six-story structure — slated to be built at 650 W. Lombard St. next to Shock Trauma — could house an additional three to five operating rooms, more emergency room space, and training and research for the medical facility, he said.

The new building also could link Shock Trauma to the University of Maryland Medical Center to give patients and doctors easier access to both facilities.

Wasserman declined to comment on the potential cost of the new structure. He said the health system would seek state dollars to help build the project.

He said hospital officials haven't yet approached state lawmakers regarding the project or received approval from the UMMS board to build it.

An \$83 million renovation project is already under way at Shock Trauma to accommodate more growth.

That project includes the addition of 12 ICU beds, renovations to three floors of the medical facility and upgrades to six existing operating rooms.

UMMS is funding about \$43 million of the renovations and state bonds will cover an estimated \$40.5 million.

State lawmakers say state dollars for the new project will be tough to find.

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JOE SCHULTZ | STAFF  
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State lawmakers say state dollars for the new project will be tough to find.

"There's a need for it, but where we will find the funding is a challenge," said Sen. Thomas "Mac" Middleton, a Charles County Democrat and chairman of the Senate Finance Committee.

The limited capital resources may push other UMMS projects to the back burner to make room for expansion at Shock Trauma.

"Our first obligation is to keep pace with in-patient bed demands," Wasserman said. "We're focused on undertaking the master planning for the medical center and Shock Trauma."

The medical system scrapped plans to build a \$357 million ambulatory care center in downtown Baltimore this month.

The proposed eight-story facility planned for the corner of Lombard and Greene streets, was hailed as a massive 500,000-square-foot facility that would have pulled together outpatient services and diagnostic testing centers spread throughout 13 buildings on the hospital's sprawling medical campus.

The project was part of a controversial tug of war between the University of Maryland Medical System, which owns the hospital, and the University of Maryland School of Medicine, which would staff the new facility with its doctors.

Tensions boiled over at a UMMS board meeting Aug. 20 and led to the resignations of John Erickson, chairman of the UMMS board, and nine other members of the 27-person board.

Wasserman said the medical system could reuse the site in the future to expand the hospital. He said the site's 500-car parking garage will be used by patients and visitors.

The Maryland Pharmacists Association will move out of its offices by April 2009 to accommodate the new building at Shock Trauma, said Howard Schiff, executive director of the association. He said the health system bought the organization's 99-year lease on the property in June.

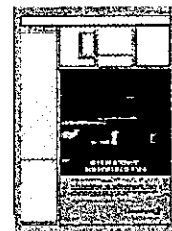
The organization, which has maintained offices, a museum and a library at

### FAST FACTS

The University of Maryland Medical System plans to construct a new building for Shock Trauma in downtown Baltimore.

The Shock Trauma expansion could house as many as five more operating rooms.

The cost of the facility is unclear, as well as how it would be funded.

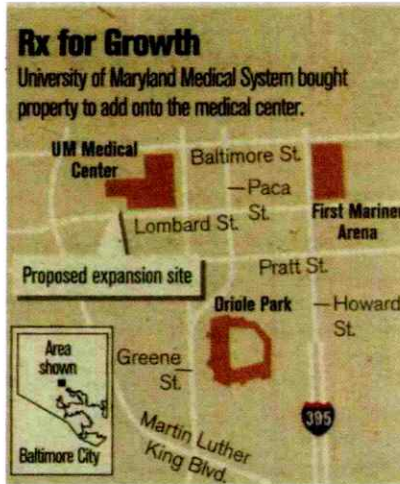


the site for 50 years, hasn't yet identified a new location, he said.

The group is considering sites in downtown Baltimore and outside the city.



**Middleton**



# Medical Center shifting building plans to expand trauma, inpatient centers

By Aaron Cahall  
Examiner Staff Writer

A concrete pad the size of a city block in downtown Baltimore marks a change in the University of Maryland Medical Center's long-planned project and a change in coming health care demands.

The pad on Lombard Street between Greene and Paca streets and the parking garage beneath it will be the only signs, for now, of a \$350 million outpatient tower abandoned by the hospital last month in favor of more critical needs.

Hospital officials told *The Examiner* this week that they have purchased a different lot and will expand the famed R Adams Cowley Shock Trauma Center and inpatient services.

A recent hospital study found an aging population would require greater intensive and specialty care needs, forcing the hospital to change its plans to meet that more critical need. "The need for inpatient beds would be greater than current capacity," said Jeffrey Rivest, president and chief executive officer of the University of Maryland Medical Center.

## Shifting gears

Above a 500-space garage, the hospital had planned to build an eight-story, 500,000-square-foot ambulatory care center that would have combined outpatient services offered across 13 different buildings.

The project was put on hold last

fall, though work has continued on the garage component. At the time, the medical system pointed to skyrocketing construction costs and concerns over a lower-than-expected increase in compensations for medical care.

Last month, the University of Maryland Medical System relinquished the key state approval needed to build the outpatient center, according to the Maryland Health Care Commission.

"It was an evolving decision," said Mark Wasserman, senior vice president of external affairs for the University of Maryland Medical System. "It became clearer and clearer as it moved into the spring that it was going to change, based on the pressures on inpatient services."

The Medical Center has about 700 beds and averages about 85 percent occupancy, high by industry standards, Rivest said. The hospital's study found that capacity would be inadequate to meet the demands of aging patients over the next few years, many of whom are funneled toward the medical center and its specialists from around the state.

Hospital building projects can take as long as a decade to complete, Rivest said, and the ambulatory care center had been in the works for between five and seven years when the study was complete.

But with construction costs rising and a fresh look at the hospital's needs in hand, the hospital decided to make a change.

## A vision on paper

To meet the coming demand, the hospital decided to expand its famed Shock Trauma Center. The Medical Center has acquired a small parcel of land on the corner of Lombard and Penn streets, including a small building that headquarters the Maryland Pharmacists Association, Rivest said.

The association is set to move out early next spring and the lot will be incorporated into the hospital's emergency room and Shock Trauma Center, adding new beds and more than 25 operating rooms between the two. A cost for the project has not been determined, Rivest said.

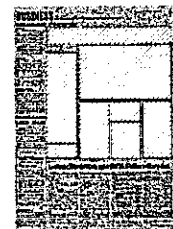
Though the ambulatory care center project is off the books, its site still serves an important purpose. The hospital-owned garage is an important placeholder for future projects in an area that has seen increased development, including the new Hilton Baltimore just two blocks away, Rivest said.

In the meantime, cars will park on the surface level of the garage site, which will be streetscaped to blend into the surrounding area.

Rivest said that at some point, the concrete foundation already laid at Lombard and Paca will be put to use to meet the never-ending demand for more space from many of the hospital's departments.

"The garage is set to host a building," Wasserman said. "Having that site sitting there ready for the next phase, that's an invaluable asset."

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Jeff Rivest, president and CEO of the University of Maryland Medical Center, discusses expansion plans for the institution.

KRISTINE BULS/EXAMINER





# U.Md. Medical System nixes \$350M hospital expansion

By Aaron Cahall  
 Examiner Staff Writer

The University of Maryland Medical System has dropped its plans to build a \$350 million hospital expansion in downtown Baltimore, state and hospital officials said Tuesday.

UMMS officials on Aug. 18 relinquished a key state certificate signing off on the eight-story ambulatory care center, said Pam Barclay, spokeswoman for the Maryland Health Care Commission, which regulates hospital building projects.

Medical system spokeswoman Joan Shnipper said in a statement that the project was slow to develop despite the system's overall growth in the last few years.

"Now we forecast a more immediate need for Shock Trauma expansion, emergency services and acute bed capacity," she said. "Consequently, we have reordered our long term facilities plan priorities to focus on these more immediate needs over the next three to five years. The [ambulatory care center] project will follow in a five to 10 year horizon."

Two days after it shelved plans for the center, UMMS board Chairman John Erickson resigned following a board meeting. While he said in a statement that he had been considering leaving for several weeks, media reports cited disagreements with the board over several issues, and a split between UMMS and the University of Maryland School of Medicine, which would have staffed the facility.

Michael Busch, a UMMS board member and also speaker of the House of Delegates, took over chair-



KRISTINE BULS/EXAMINER

The University of Maryland Medical System has dropped plans to build a \$350 million outpatient center at the corner of Lombard and Paca Streets in downtown Baltimore, state officials said Tuesday.

manship and could not be reached for comment Tuesday.

The 535,000-square-foot center, scheduled to open in 2011, would have combined outpatient services offered across 13 campus buildings.

Barclay said the state was in line to contribute more than \$125 million to the project, one of the larger hospital projects under way in Maryland. She said it's not known how much was actually spent for what was completed, and the commission has asked UMMS for a full accounting of funds spent.

A 500-car parking garage was the only part of the project actually built before construction was halted last year. At the time, UMMS officials blamed rising construction costs and lower-than-expected increases in reimbursements to hospitals for their care.

"The current economic circumstances, and the changing dynamics of health care, complicate these kind of developments," said Don Fry, president and chief executive officer of the Greater Baltimore Committee.

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the officials said

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## Stocks rise following durable goods report

**NEW YORK** - Wall Street posted a big advance after the government reported a larger-than-expected increase in orders for big-ticket manufactured goods that indicated the economy is stronger than many investors thought.

The Commerce Department said orders for durable goods jumped 1.3 percent in July compared with the previous month, led by a big gain in demand for commercial aircraft. That was well above the 0.1 increase expected by economists surveyed by Thomson/IFR.

Durable goods, which also include cars, appliances and machinery, are under scrutiny not only because they reflect business spending, but because they are also an indicator of consumer confidence. The July increase equaled a 1.3 percent rise in June; both months produced the strongest gains since a 4.1 percent leap back in December.

Light, sweet crude rose \$1.88 to settle at \$118.15 per barrel on the New York Mercantile Exchange on worries that Tropical Storm Gustav might hit the Gulf of Mexico installations.

## NEWS IN BRIEF

### Regional unemployment reaches 4.9 percent

The Baltimore metropolitan area's unemployment rate increased to 4.9 percent in July, up from 4.5 percent in June, according to estimates from the Bureau of Labor Statistics.

The number of unemployed persons in the region jumped to 70,400 in July, up from 68,900 in June, according to the BLS.

Maryland's unemployment rate was 4.6 percent in July, up from 4.2 percent in June.

Unemployment rates were higher in many areas, lower in 25 and unchanged in six.

The national unemployment rate in July was 6 percent, up from 4.9 percent a year earlier.

### Developer charged with writing illegal contracts

A Rockville-based home builder, Smart Development/Premiere Homes, has been charged with writing and taking advantage of contracts that contained illegal clauses that allowed the builder to

# UMMS looks to trauma, acute care for near future

"This may be another manifestation of that," said Stephen Johnson, interim executive director of the Maryland State Medical Society, also known as MedChl.

The medical system on Aug. 18 withdrew plans with state regulators to build a \$350 million ambulatory care center at its downtown Baltimore campus. In a statement to The

Journal, the state's leading newspaper, Johnson said, "For a variety of reasons including land acquisition, the [ambulatory care center] developed more slowly than expected. Now we forecast a more immediate need for Shock Trauma expansion, emergency services and acute bed capacity."

Shrigger and UMMS officials did not return subsequent calls for comment Wednesday.

Johnson said that outpatient reimbursement is worked out with individual insurance providers.

By Aaron Cabell  
Baltimore Staff Writer

As primary care doctors become increasingly scarce and with trauma care reimbursement surpassing that of some other services, one hospital system may be taking the safe bet.

The University of Maryland Medical System said this week it will favor acute care and trauma Trauma projects in the near future, after abandoning a \$350 million outpatient care center earlier this month.

A report earlier this month by the National Association of Community Health Centers found a shortage of basic primary care physicians around the country. The discipline often pays doctors and hospitals back less than other specialties, which hospital watchers speculated may have been behind UMMS' change in priorities.

But he added the Maryland Health Services Cost Review Commission regulates inpatient service costs.

"They're structured to provide a certain rate of return," Johnson said. "Where outpatient doesn't have that... your reimbursement based on what CareFirst [and others] will give you."

Other physicians said they've interest toward lucrative inpatient and trauma services but could not say whether that was a factor in UMMS' move.

"More of the hospitals are going to where the money is, rather than where the need is," said Dr. Ron Sroka, a longtime family practitioner in Crofton and president-elect of MedChl. "That's probably what's happening here, though I can't say with any degree of certainty at this point."

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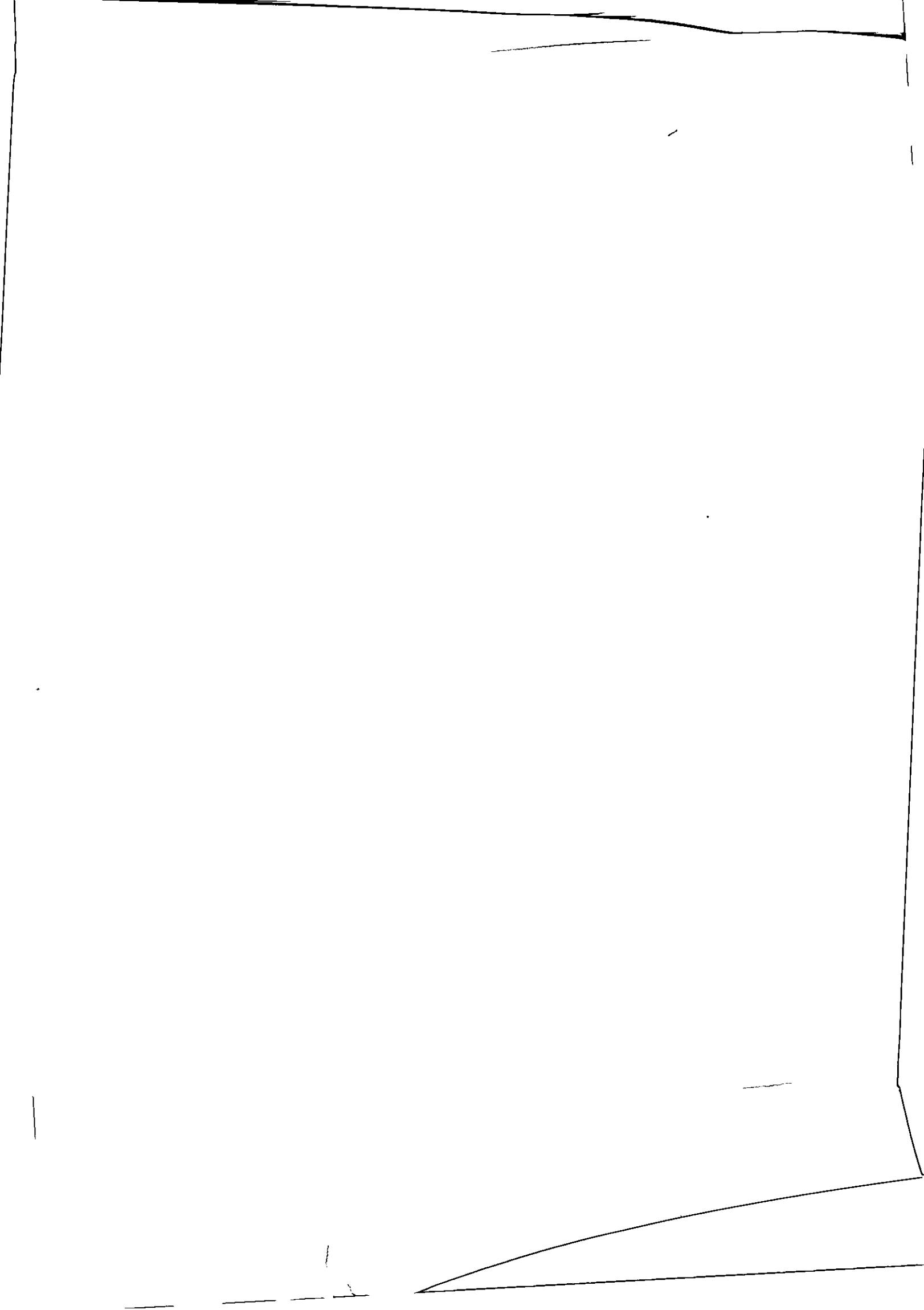
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## UMMS shelves expansion plan

BALTIMORE (AP) — The University of Maryland Medical System has shelved plans for a \$350 million hospital expansion in downtown Baltimore.

Medical system spokeswoman Joan Shnipper says the system has reordered its long term facilities plan. What was to be an eight-story ambulatory care center is now on hold. Shnipper says the more immediate issues include expansion at Shock Trauma, emergency services and acute bed capacity.

Plans for the building were shelved two days after UMMS board Chairman John Erickson resigned. Michael Busch, a UMMS board member and speaker of the House of Delegates, took over chairmanship. He could not be reached for comment Tuesday.

UMMS is affiliated with both Shore Health System, which operates the Memorial Hospital at Easton and Dorchester General Hospital in Cambridge, and Chester River Health System, which runs Chester River Hospital Center in Chestertown.

Information from: The  
Baltimore Examiner,  
[www.examiner.com](http://www.examiner.com).



