

High Point Regional plans \$56.3 million in upgrades, expansion

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High Point Regional Health System has asked the state to sign off on \$56.3 million in construction work that includes the renovation and expansion of the hospital's operating rooms and upgrades to its building infrastructure.

It's the latest big-ticket project in what's becoming a building boom for Triad health systems as the economy begins to rebound.

High Point Regional plans to spend \$31.5 million on a three-story, 33,000-square-foot expansion to create a larger, more modern suite of 11 operating rooms. The expansion is coupled with an overhaul of building infrastructure units such as boilers, chillers, air handlers and electrical systems expected to cost \$24.8 million.

"We have renovated over the years internally," said Darrell Deaton, High Point Regional's vice president of planning and information. "The primary bank of our surgical suite is really unchanged from where it was 25 years ago."

At the time the suite's operating rooms were built, 400 square feet was the standard, though operating rooms today now average 600 square feet to accommodate more and larger equipment, Deaton said.

Five operating rooms will be built in new space and the existing operating room space will be renovated to create larger rooms, all on the third floor of the hospital. The project doesn't propose adding operating rooms, which would require additional state approval.

In space currently occupied by operating rooms, the hospital will build a hybrid operating room with more than 1,000 square feet that will also function as a catheterization lab.

"We'll be able to perform cardiac procedures with advanced imaging, but can also do open surgical procedures," Deaton said.

Overall, about 49,000 square feet of space will be renovated, including the relocation of three catheterization labs to space adjacent to the suite of operating rooms. New space on the first and second floors of the hospital below the new operating rooms will be used to accommodate future growth for support services.

No new employees are expected to be added as a result of the expansion, Deaton said.

High Point Regional should receive word from the state Division of Health Service Regulation by the end of October about whether the project can proceed. The state regulates most major health care capital projects through the certificate of need process, which is designed to keep health care costs down and avoid unnecessary duplication of services.

Assuming the project is approved, construction could start in early 2012 and be completed by June 2014. Deaton said the process of selecting a contractor likely won't begin until High Point Regional hears from the state.

High Point Regional's planned expansion comes when construction crews are already engaged around the Triad on other large capital investments by health systems.

Cone Health is in the midst of a \$200 million expansion at its Moses H. Cone Memorial Hospital and the \$18.9 million emergency department expansion at Wesley Long Community Hospital. Wake Forest Baptist Medical Center has proposed a \$4.8 million expansion of its emergency department and a \$38.7 million surgery center adjacent to the medical center, though neither has received state approval at this point. Both Wake Forest Baptist and Novant Health recently laid out plans for new medical complexes in western Forsyth and eastern Davie counties.

"These hospitals have a need to make sure that their facilities and their equipment are state of the art," said David Meyer, managing partner with Keystone Planning Group. "That's really what the expectation of the consumers is, as well as the physicians."

Meyer's Durham-based health care consulting company helps its clients navigate the certificate of need process, and he said health systems have scaled back their capital plans some during the tight economy, but not as much as other sectors.

The construction industry has leaned on the medical sector during the recession, in large part because the long-term planning process for large-scale medical projects makes them less likely to be affected by the ups and downs of the economy.

"I don't think the hospitals and major medical have been hit as hard because their projects were in the works five or six years ago," said Doug Carlson, president and CEO of the Carolinas Chapter of the Associated Builders and Contractors. "You don't see as much of a dip when the economy tanks quickly."

Deaton said the scheduling of this expansion wasn't affected by the economy as much as by a current renovation project under way on the fourth floor of the hospital that needs to be completed before this next project can start.

The expansion and renovation was laid out in the master facility plan completed several years ago, and the health system's been able to stick to that schedule, Deaton said.

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