

Scope, cost expanding for High Point Regional project; price tag now \$78 million

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High Point Regional Health has reworked its plans for a comprehensive expansion and renovation of its surgical and cardiology units, a move that comes five years after the project was announced and adds more than \$20 million to its cost.



The changes that push the project's budget to \$77.9 million include shifting the location of the third-floor expansion that will provide more space for surgical and cardiology services and the decision to overhaul all 10 of the hospital's 10 operating rooms instead of just six.

"That third floor is almost 30 years old, so it's renovating all the operating rooms to make them bigger in size and to accommodate new technology and equipment," said High Point

Regional President and CEO Ernie Bovio.

The hospital first applied for a certificate of need from the state for the project in 2011, a process required under state law for multimillion-dollar capital investments by health care providers.

At that time, the project as envisioned carried a price tag of \$56.3 million, and called for a first phase that included overhauling the High Point hospital's power and HVAC infrastructure.

After an extended review process by state regulators and delays stemming from financial challenges High Point Regional was experiencing at the time, the first phase was started in fall 2013. Rentenbach Constructors of Greensboro, the general contractor for the project, completed that first phase this spring.

David Murray, director of facilities management for High Point Regional, said plans for the next phase shifted in large part to avoid disruption during construction.

The original plans called for the construction of a three-story vertical expansion over the loading dock at the rear of the hospital to provide the new space needed to expand surgical and cardiology services.

"We backed up and looked at that," Murray said. "We really started looking at that plan and it didn't make sense going up over that loading dock."

That design would cause extensive disruptions to the loading dock and require more new construction, Murray said.

Instead, the project will proceed with the construction of new space above the two-story emergency department next to the existing operating suites on the third floor.

"It made the flow a lot better," Murray said.

Plans call for the relocation of the day hospital, endoscopy and bronchoscopy rooms, with that space to be renovated for the consolidation of cardiology services.

"Right now our EP (electrophysiology) labs and cath labs are split, with the operating rooms in between," Bovio said.

Plans now call for the renovation of close to 75,000 square feet and the construction of 28,000 new square feet.

Including the additional four operating rooms in the renovation plans is a large part of what has driven the overall cost up, Murray said.

About \$11 million of the increase in cost is from the purchase or lease of new equipment, with Murray saying that jump is due to the addition of more operating rooms to the renovation.

Once complete, High Point Regional will be able to provide some services, such as minimally invasive cardiac work, that it now has to refer out to other facilities, Bovio said.

High Point Regional's certificate of need application indicates that the cost increase will be covered by contributions from UNC Health Care, the Chapel Hill-based health system that acquired High Point Regional in 2013.

Rentenbach is expected to complete the project by March 2019, with surgical and cardiology staff anxiously awaiting that date, Bovio said.

"We got them involved in these changes, and they were involved in some of the design," Bovio said. "They've been very patient."