

**DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT  
AUGUST 2006**

**CON REVIEW: HG-RC-0606-013**

**AMORY HMA, INC., D/B/A GILMORE MEMORIAL REGIONAL MEDICAL CENTER  
RELOCATION OF WOMEN'S SERVICES AND EXPANSION OF FACILITY**

**CAPITAL EXPENDITURE: \$25,968,932**

**LOCATION: AMORY, MONROE COUNTY, MISSISSIPPI**

**STAFF ANALYSIS**

**I. PROJECT SUMMARY**

**A. Applicant Information**

Amory HMA, Inc., d/b/a Gilmore Memorial Regional Medical Center (GMRMC), is a wholly owned subsidiary of Health Management Associates, Inc. (HMA), a for-profit business corporation that purchased GMRMC from Gilmore Health Systems on December 1, 2005. Gilmore Memorial Regional Medical Center is a 95-bed acute care facility governed by a 9-member Board of Directors, accredited by the Joint Commission on the Accreditation of Healthcare Organizations, and licensed by the Mississippi Department of Health (MDH).

The occupancy rates, average lengths of stay (ALOS), and the Medicaid utilization rates for GMRMC are as follows for the three most recent fiscal years:

**Gilmore Memorial Regional Medical Center  
Utilization Data**

<b>Year</b>	<b>Occupancy Rate (%)</b>	<b>ALOS (Days)</b>	<b>Medicaid Utilization Rate (%)</b>
2003	53.26	5.17	18.73
2004	53.37	4.80	25.51
2005	37.60	3.81	23.34

**Source:** Division of Health Facilities Licensure and Certification, MDH.

**B. Project Description**

Gilmore Memorial Regional Medical Center proposes to replace the current Women's Center within a new hospital expansion planned and designed in compliance with the latest standards of care and service. The applicant states that the GMRMC Women's Center Expansion project will be a two-story addition located at the northwest side of the hospital, incorporating a new main hospital entrance connecting to the established main public corridor, and a new walk-in emergency entrance connecting directly to emergency admissions. The project entails the following:

- **First Floor:** The project will integrate the new main entrance, the new walk-in emergency entrance, and associated reception, waiting, security, restrooms and vending. A common two-story lobby area will introduce natural light at the center of the main public areas with direct patient and visitor access to a new consolidated Patient

Admissions Department, new elevator lobby, new gift shop, new Outpatient Women's Center, and new Neonatal Intensive Care Unit (NICU). The new Outpatient Women's Center will establish a focused outpatient service for women's diagnostic, treatment, and therapy programs. The new NICU will replace and upgrade the current six-bassinette NICU program in compliance with the latest standards, providing NICU parents and staff with 24 hour a day, 7 day a week security monitored access, shared with the new walk-in emergency access and reception, and establishing a direct NICU patient access via dedicated corridors and elevators from the Birthing Center on the second floor. The total number of beds on the floor is six NICU beds.

The first floor also incorporates an area of new infill construction between the addition and the existing building adjacent to the current Women's Center. This space adjoins the Clinical Lab for potential future growth, and the existing Nursery and NICU which are proposed to be renovated to become the new physicians' lounge and physicians' work areas. The remainder of the infill area will accommodate Hospitalists offices (staff physicians), Medical Records (currently located in smaller, less accessible space within the hospital), and public/patient access to a future Endoscopy Suite (proposed future re-use of the existing Birthing Center).

- **Second Floor:** The Second Floor of the GMRMC Women's Center Expansion will house the new Women's Birthing Center, a 10-bassinette Holding Nursery plus one (1) Infant Isolation Room, a 13-bed private Postpartum Patient Unit (infant/mother coupling/rooming in concept within an area controlled by an infant security system), 5-bed private OB/GYN patient area (part of the Postpartum Unit for Antepartum and GYN patients that could serve as overflow "swing" beds for the Pediatrics Unit), and a 10-bed Private Pediatrics Patient Unit. The Women's Birthing Center will consist of two (2) C-Section Operating Rooms with two (2) Observation/Recovery bays, two (2) Labor/Exam/Recovery Rooms, four (4) Labor/Delivery/Recovery Rooms (LDRs), and a 2-bed private Antepartum Patient area (large enough to serve LDRPs for high-risk mothers). The total number of beds on the floor is 30.
- **Future Provisions:** The building is designed to allow for potential vertical expansion up to three stories to accommodate future medical/surgical patient bed replacement with private patient rooms; planned for potential horizontal expansion to the east for possible reconstruction and upgrades at the center of the hospital to accommodate future growth of Radiology and other ancillary and support functions at the First Floor; and the extension of Patient Bed Units on the upper floor(s).

**A breakdown of the square footage requirements for new construction and renovation is as follows:**

Area	New Construction	Renovation
First	28,763	
Second	26,552	
Canopies	1,000	
Penthouse	1,728	
<b>Total</b>	<b>58,043</b>	<b>870</b>

The applicant states that the final objectives of the proposed project are as follows:

- To improve the physical environs for women's and children's services;
- To enable the applicant to provide the most modern design features and technology as well as an operationally efficient facility for its patients, clinical staff, and physicians;
- To improve patient flow and emergency access; and
- To bring major components of the hospital into compliance with the most recent design, fire protection, and life safety codes.

Gilmore Memorial Regional Medical Center projects five additional full-time equivalent personnel at an annual cost of \$217,854. However, the applicant states that these additional personnel are not required as a result of this project.

The applicant states that there will be no increase in charges resulting from this project. Increases in costs will mostly be a reflection of added depreciation. There will be no financing costs associated with this proposal nor will there be any increase in staffing costs, according to the applicant. The applicant projects that the increased fixed costs associated with this project will be offset by increased patient volume and revenue.

The MDH Division of Health Facilities Licensure and Certification has approved the site for the proposed project. The applicant expects to obligate funds for this project by December 2007.

## II. TYPE OF REVIEW REQUIRED

This project is reviewed in accordance with Section 41-7-191, subparagraphs (1) (c) and (j), Mississippi Code of 1972, Annotated, as amended, and duly adopted rules, procedures, plans, criteria and standards of the Mississippi Department of Health.

In accordance with Section 41-7-197(2) of the Mississippi Code 1972, Annotated, as amended, any affected person may request a public hearing on this project within 20 days of publication of the staff analysis. The opportunity to request a hearing expires on September 5, 2006.

## III. CONFORMANCE WITH THE STATE HEALTH PLAN AND OTHER ADOPTED CRITERIA AND STANDARDS

### A. State Health Plan (SHP)

The *FY 2006 State Health Plan* contains criteria and standards which an applicant is required to meet prior to undertaking major construction, renovation, expansion, capital improvements, replacement of health care facilities, and addition of hospital beds. This application is in substantial compliance with applicable criteria and standards.

#### **SHP Criterion 1 – Need**

The applicant states that currently, many women choose not to have their babies at GMRMC because of the age and condition of the existing Women's Center. The applicant submits that because of the condition of the existing facility, obstetrical care at GMRMC is fragmented. The applicant's discussion of need includes, but is not limited to, the following inadequacies at the facility:

- The postpartum unit is located in an isolated area away from labor and delivery and pediatrics.
- Patient rooms are very small and are mixed between semi-private and private rooms.
- Originally constructed in the late 1970s, the postpartum unit is very institutional in appearance and is not consistent with modern standards of family centered delivery.
- The nurses' station is undersized and there is inadequate storage for equipment and linen.
- Neither the postpartum patient rooms nor the nurses' station have emergency power.
- The labor and delivery area, also constructed in the late 1970s, is very undersized. The unit contains one private labor and delivery room and one semi-private room.
- The HVAC system is outdated and cannot adequately cool the unit.
- The birthing rooms (LDR), constructed 17 years ago, are small, worn, and outdated. The LDRs cannot reasonably accommodate the patient and family members. The HVAC system does not cool or heat effectively.
- The well-baby nursery is very institutional and not conducive to the mother-baby care concept practiced at GMRMC. The nursery is too small and poorly designed based on today's standards.
- The Neonatal Intensive Care Unit (NICU) is also undersized and has poor lighting and poor sound abatement.
- The existing C-section rooms are inadequately sized and lack sufficient storage space for equipment and supplies.
- The Women's Center is currently located on the ground floor of GMRMC and has very limited security because of its location proximal to a public access corridor where it is difficult to limit access and enforce security measures.

#### **SHP Criterion 2 – Bed Service Transfer/Reallocation/Relocation**

This project involves the relocation of obstetrical services, gynecological services, pediatrics, and neonatal specialty care from their existing location to a newly constructed, two-story addition adjacent to the current facility. The applicant certifies that the project will meet all regulatory and licensure requirements for these areas.

#### **SHP Criterion 3 – Uncompensated Care**

Gilmore Memorial Regional Medical Center affirmed that it has and will continue to provide a reasonable amount of indigent/charity care, as described in the *Plan*.

#### **SHP Criterion 4 – Reasonable Cost**

**Cost per Square Foot:** The cost of this project is \$386.64 per square foot for new construction and \$265.27 per square foot for renovated space. The cost of this project exceeds the median cost of \$190 for hospital construction projects listed in the *Means Construction Cost Data, 2006 Edition*.

The applicant submitted a letter from HHCP Architects, PA, indicating that the new addition incorporates a filing system for the hospital that is greatly needed. Also, a new Main Entrance is being planned along with the new Lobby and Admission's Department that expands the scope from a standard Women's Center. A new Emergency Department Entrance, Waiting Room, Triage, and PBS system will also be apart of this design because of the new addition's proximity to the existing Emergency Department, according to the applicant.

HHCP Architects, P.A. also indicates that the impact of Hurricane Katrina recovery efforts on the region's labor and materials cost is not accurately depicted into the figures stated in R.S. Means. It is pointed out that some of the material costs that have been affected are steel prices, which have surged 25% and copper prices have increased by 18%.

#### **SHP Criterion 5 – Floor Area Specifics**

The applicant states that the floor area of the project conforms to national norms.

- a. **Gross Square Footage:** The project includes 58,043 square feet of new construction and 870 square feet of renovation. The applicant indicates that HMA facilities exceed the state and national norms due to their patient care standards, which are above the typical healthcare standards. According to the applicant, this quality is what makes HMA the leader in the healthcare services industry through the nation.
- b. **Architectural Restraints:** The applicant submits that the existing architectural design for the facility did not take future growth into consideration; therefore, site constraints dictated the location of the new Women's Center Addition. According to the architects, the new addition had to increase the size of the Electrical and Mechanical Rooms to make the Women's Center self sufficient by providing a new emergency generator, chillers, cooling towers, mechanical equipment, and an electrical transformer. All these items have gross square footage implications, as well as additional costs associated with a self sufficient addition, according to the architects.
- c. **Special considerations:** The architects state that the new addition's ground floor height must align with the existing ground floor; therefore, the new addition requires special consideration for deeper structural footings, as well as retaining walls and exterior steps and ramps to accommodate differences in site grading heights.

#### **SHP Criterion 6 – Renovation versus Replacement**

According to the *Means Construction Cost Data, 2006 Edition*, the average cost to construct a 95 bed hospital ranges from \$12,065,000 to \$25,840,000. The capital expenditure for this project is \$25,968,932, which includes 58,043 square feet of new construction and only 870 square feet of renovation. The renovation cost of this project cannot be compared to the cost of a replacement facility since renovation encompasses only 870 square feet of space.

#### **SHP Criterion 7 – Specific Service Need**

The application involves expansion of space in the obstetrical service and neonatal special care areas. However, no new services will be offered. The applicant documented in the application its compliance with the service specific criteria for each of these services.

The applicant affirmed that it has and will continue to provide care to the medically indigent. It further states that HMA has agreed that it will, in the operation of GMRMC, maintain the admission policies, as they pertain to medically indigent persons, of the previous owners.

The applicant further affirmed that it will record and maintain, at a minimum, the following information regarding charity care and care to the medically indigent and make it available to the MDH within 15 business days of request:

- a. source of patient referral;
- b. utilization data e.g., number of indigent admissions, number of charity admissions, and inpatient days of care;
- c. demographic/patient origin data;
- d. cost/charges data; and
- e. any other data pertaining directly or indirectly to the utilization of services by medically indigent or charity patients which the Department may request.

**B. General Review (GR) Criteria**

Chapter 8 of the *Mississippi Certificate of Need Review Manual, 2000 Revision*, addresses general criteria by which all CON applications are reviewed. This application is in substantial compliance with general review criteria.

**GR Criterion 1 – Consistency with the State Health Plan**

The application is in substantial compliance with *the FY 2006 State Health Plan*.

**GR Criterion 2 - Long Range Plan**

The applicant submits that the proposed expansion, renovation, and service relocation are consistent with the long range plans of GMRMC. These plans include the development of a modern and comprehensive system of care provided through the establishment of centers of excellence at the facility. The applicant states that the proposed expansions and renovations will complement those plans.

**GR Criterion 3 – Availability of Alternatives**

Gilmore Memorial Regional Medical Center states that there are no more effective or less costly alternatives to this project. The applicant submits that the existing physical plant in which women's and children's services are provided does not contain sufficient space to adequately accommodate current demand and physical limitations and the attendant disruption in patient care that would result makes it impracticable to renovate. Furthermore, as part of the purchase agreement with Gilmore Health Systems, the applicant states that HMA has agreed to invest at least \$18.5 million in facility improvements that must include a new women's center. The applicant submits that in addition to addressing a community need, this proposal is evidence of HMA's commitment to the citizens of Monroe County and its obligations to Gilmore Health Systems.

The applicant submits that growing consumer awareness about inpatient and outpatient hospital care has had profound effects on the manner in which hospital services are provided as well as the design and use of hospital facilities. Due to the dated and inadequate design

of portions of GMRMC, the applicant states that the facility is unable to accommodate the provision of 21<sup>st</sup> century inpatient and outpatient obstetrical/gynecological care or meet the expectations of consumers. The objectives stated by the applicant for the proposed project include, but are not limited to improving public access into the facility, improving access to walk-in emergency traffic, providing greater separation of public and patient areas in emergency room, and providing greater privacy during admission and intake procedures.

#### **GR Criterion 4 - Economic Viability**

Financial projections indicate net incomes of \$132,626 for the first year, \$430,766 for the second year, and \$897,288 for the third year after completion of the project.

The charges proposed are comparable with charges proposed by other acute care facilities. The applicant submits that there will be no changes in the charges per patient day resulting from this project.

The applicant's level of utilization is comparable with other acute care facilities in the state. The average occupancy rate for acute care facilities in the state is 47.12 percent.

The application contained a letter signed by the hospital's chief financial officer attesting to the financial feasibility of the project. In addition, the application contained a letter signed by the senior vice president and chief financial officer of Health Management Associates, Inc. endorsing the project.

#### **GR Criterion 5 - Need for the Project**

- a. **Access by Population Served:** The applicant indicates that the hospital provides health care services to any individual who comes to it in need of such services regardless of age, creed, sex, race, or ability to pay.
- b. **Relocation of Services:** This application proposes only the relocation of services within the facility.
- c. **Current and Projected Utilization of Like Facilities in the Area:** The average occupancy rate of facilities in the state is 47.12 percent. The applicant's occupancy rate of 37.60 percent is slightly lower than the average.
- d. **Probable Effect on Existing Facilities in the Area:** The project proposes to construct a two-story women's center for the expansion and enhancement of existing services. No new services are being proposed by the applicant. Therefore, no significant effect is anticipated on existing facilities in the area.
- e. **Community Reaction:** The application contains 12 letters of support for the project from physicians and community organizations and leaders.

#### **GR Criterion 6 - Access to the Facility or Service**

- a. **Medically Underserved Population:** Gilmore Memorial Regional Medical Center documented that all residents of the patient service area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women,

handicapped persons, and the elderly have access to the services provided by the hospital.

- b. Performance in Meeting Federal Obligations:** The applicant submits that GMRMC has no obligations under any federal regulations requiring provisions of uncompensated care, community service, or access by minority/handicapped persons.
- c. Unmet Needs to be Served by Applicant:** The applicant submits the following amounts and percentages of historical/projected gross patient revenue provided or to be provided to the medically indigent patients for the past two years and for the first two years of this project:

	Gross Patient Revenue (percent of)	Gross Patient Revenue (dollar amount)
Historical Year 2004	0.8%	\$ 456,649
Historical Year 2005	0.4%	355,362
Projected Year 1	3.3%	2,999,075
Projected Year 2	3.2%	\$ 3,231,608

- d. Means of Access.** The applicant submits that 90% of residents of Monroe County reside within a 60 minute travel boundary of GMRMC, and that the hospital is accessible within 60 minutes to significant portions of other counties encompassing the hospital's Secondary Service Area.

#### **GR Criterion 7 - Information Requirement**

Gilmore Memorial Regional Medical Center affirmed that it will record and maintain the information required by this criterion and make it available to the Mississippi Department of Health within 15 business days of request.

#### **GR Criterion 8 - Relationship to Existing Health Care System**

Gilmore Memorial Regional Medical Center is located in Perinatal Planning Area IV, wherein there are located four hospitals that offer obstetrical services. These facilities are: Oktibbeha County Hospital (Oktibbeha County), Baptist Memorial Hospital-Golden Triangle (Lowndes County), Gilmore Memorial Regional Medical Center (Monroe County), and Clay County Medical Center Corporation (Clay County). According to the applicant, Gilmore Memorial Regional Medical Center conducts more deliveries among residents of Monroe, Chickasaw, and Itawamba counties than any of the other providers in the area.

The applicant submits that failure to implement this project will result in significant adverse results. The most obvious adverse result, according to the applicant, would be a failure of HMA, Inc. to meet its contractual obligations as set forth in the purchase agreement between HMA, Inc. and Gilmore Health System. However, the practical result would be a decline in the quality of care as the physical plant continues to deteriorate due to age.

#### **GR Criterion 9 - Availability of Resources**

Gilmore Memorial Regional Medical Center submits that it currently offers a full range of services to women and children and has sufficient staff to accommodate any initial changes in patient volume resulting from the improvements described in this application.

#### **GR Criterion 10 – Relationship to Ancillary or Support Services**

The applicant states that GMRMC offers a full range of ancillary services. The applicant does not anticipate any increase in charges resulting from this project, no financing costs, nor any increase in staffing costs. It states that increases in costs will mostly be a reflection of added depreciation. The applicant further states that there may be some improvement in cost containment resulting from a more efficient facility design and more efficient mechanical systems.

#### **GR Criterion 11 – Health Professional Training Programs**

The applicant states that GMRMC serves as a clinical training site for students training in a number of health professions.

#### **GR Criterion 14 - Construction Projects**

- a. **Cost Estimate:** The application contains a cost estimate prepared by HHCP Architects, PA.
- b. **Schematic Drawing:** The application contains a schematic drawing of the proposed project.
- c. **Space Allocations:** The applicant submits that space will conform to applicable local and state licensing standards.
- d. **New Construction Projects:** This project includes the construction of a two-story women's center.
- e. **Cost per Square Foot:** The project will cost \$386.64 per square foot for new construction and \$265.27 per square foot for renovation. The cost of the project is high when compared to hospital construction projects listed in the *Means Construction Cost Data, 2006*. The applicant submits, however, that Means does not take into consideration the impact of Hurricane Katrina recovery efforts in the cost of labor and materials.

#### **GR Criterion 16 - Quality of Care**

Gilmore Memorial Regional Medical Center is in compliance with the *Minimum Standards for the Operation of Mississippi Hospitals*, according to the Division of Health Facilities Licensure and Certification, MDH. The facility is accredited by the Joint Commission on Accreditation of Health Care Organizations.

**IV. FINANCIAL FEASIBILITY**

**A. Capital Expenditure Summary**

The total estimated capital expenditure is allocated as follows:

	Item	Cost	Percent of Total
a.	Construction Cost -- New	\$16,783,525	64.63
b.	Construction Cost -- Renovation	195,750	.75
c.	Capital Improvements	0	0
d.	Total Fixed Equipment Cost	0	0
e.	Total Non-Fixed Equipment Cost	3,283,100	12.64
f.	Land Cost	0	0
g.	Site Preparation Cost	2,190,182	8.43
h.	Fees (Architectural, Consultant, etc.)	985,750	3.80
i.	Contingency Reserve	2,517,528	9.69
j.	Capitalized Interest	0	0
	Other	13,097	.06
<b>i.</b>	<b>Total Proposed Capital Expenditure</b>	<b>\$25,968,932</b>	<b>100.00</b>

The above capital expenditure is proposed for 58,043 square feet of new construction at a cost of \$386.64 per square foot and 870 square feet of renovation at \$265.27 per square foot (see Attachment 2). The project's cost is above the upper 25% of the range of construction costs of projects listed in the *Means Construction Cost Data, 2006 edition*. The *Means Construction Cost Data* lists the costs for hospital construction to range from \$155 to \$288 per square foot.

**B. Method of Financing**

The applicant submits that the project will be funded with cash provided by HMA, the parent corporation. The application contained a letter signed by the senior vice president and chief financial officer of HMA stating its intent to finance the project.

**C. Effect on Operating Cost**

Gilmore Memorial Regional Medical Center's three-year projected operating statement is presented at Attachment 1.

**D. Cost to Medicaid/Medicare**

Based on the applicant's projections, the cost to third party payors the first year of operation is as follows:

<b>Patient Mix</b>	<b>Utilization Percentage</b>	<b>First Year Expenses</b>
Medicaid	30	\$673,491
Medicare	7	151,876
Other	63	<u>1,433,410</u>
<b>Total</b>	<b><u>100</u></b>	<b><u>\$2,258,777</u></b>

Gilmore Memorial Regional Medical Center projects 3.3% care to the medically indigent.

**V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES**

The Division of Medicaid was provided a copy of this application for review and comment. However, no comments were submitted by the Division.

**VI. CONCLUSION AND RECOMMENDATION**

This project is in substantial compliance with the criteria and standards for the construction and renovation projects as contained in the *FY2006 State Health Plan*; the *Mississippi Certificate of Need Review Manual, Revised 2000*; and duly adopted rules, procedures and plans of the Mississippi Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by Amory HMA, Inc. d/b/a Gilmore Memorial Regional Medical Center for the Relocation of Women's Services and Expansion of the Facility.

**Attachment 1**

Gilmore Memorial Regional Medical Center Three-Year Operating Statement (Project Only)			
	Year 1	Year 2	Year 3
<b>Revenue</b>			
Patient Revenue:			
Inpatient	\$ 1,151,629	\$ 1,955,030	\$ 2,927,069
Outpatient	<u>1,107,148</u>	<u>1,527,598</u>	<u>2,037,474</u>
<b>Gross Patient Revenue</b>	<b>\$ 2,258,777</b>	<b>\$ 3,482,628</b>	<b>\$ 4,964,543</b>
Charity Care	45,839	71,645	103,149
Deductions from Revenue	<u>762,953</u>	<u>1,349,738</u>	<u>2,118,029</u>
<b>Net Patient Revenue</b>	<b><u>\$1,449,985</u></b>	<b><u>\$ 2,064,245</u></b>	<b><u>\$ 2,743,365</u></b>
<b>Expenses</b>			
Operating Expenses:			
Salaries	\$ 174,283	\$293,306	\$ 399,417
Benefits	43,571	73,326	99,854
Supplies	73,580	125,723	182,108
Services	12,263	26,220	38,517
Depreciation	998,946	1,089,759	1,089,759
Interest	0	0	0
Other	<u>14,716</u>	<u>25,145</u>	<u>36,422</u>
<b>Total Expenses</b>	<b><u>\$ 1,317,359</u></b>	<b><u>\$ 1,633,479</u></b>	<b><u>\$ 1,846,077</u></b>
<b>Net Income (Loss)</b>	<b><u>\$ 132,626</u></b>	<b><u>\$ 430,766</u></b>	<b><u>\$ 897,288</u></b>
<b>Assumptions</b>			
Inpatient days	491	814	1,144
Outpatient days	1,253	1,431	1,615
Procedures	152	179	206
Charge per outpatient day	\$884	\$ 1,068	\$ 1,262
Charge per inpatient day	\$ 2,345	\$ 2,402	\$ 2,559
Charge per procedure	\$ 14,860	\$ 19,456	\$ 24,100
Cost per inpatient day	\$ 2,683	\$ 2,007	\$ 1,614
Cost per outpatient day	\$ 1,051	\$ 1,141	\$ 1,143
Cost per procedure	\$ 8,667	\$ 9,126	\$ 8,962

<b>Attachment 2</b>			
<b>Computation of Construction and Renovation Cost</b>			
<b>Cost Component</b>	<b>Total</b>	<b>New Construction</b>	<b>Renovation</b>
New Construction Cost	\$16,783,525	\$16,783,525	
Renovation Cost	\$195,750		\$195,750
Total Fixed Equipment Cost			
Total Non-Fixed Equipment Cost	\$3,283,100	\$3,283,100	
Land Cost	\$0	\$0	
Site Preparation Cost	\$2,190,182	\$2,190,182	
Fees (Architectural, Consultant, etc.)	\$985,750	\$975,893	\$9,858
Contingency Reserve	\$2,517,528	\$2,492,353	\$25,175
Capitalized Interest		\$0	\$0
Other	\$13,097	\$13,097	\$0
<b>Total Proposed Capital Expenditure</b>	<b>\$25,968,932</b>	<b>\$25,955,052</b>	<b>\$230,783</b>

Square Footage	<b>58,913</b>	58,043	870
<i>Allocation Percent</i>		99.00%	1.00%

<b>Costs Less Land, Non-Fixed Eqt. &amp; Other</b>	<b>\$22,672,735</b>	<b>\$22,441,952</b>	<b>\$230,783</b>
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<b>Cost Per Square Foot</b>	<b>\$384.85</b>	<b>\$386.64</b>	<b>\$265.27</b>
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\*Source: FY 2006 State Health Plan