A. 1. Cardiology Practices at HUP and PMC $10,643,000

This authorization is for several related projects at HUP and PMC in response to the recent recruitment of a number of Cardiologists from the former AHERF system. Drs. Brozena and Jessup, nationally recognized leaders in the field of cardiac transplantation and heart failure, and Drs. Marchlinski, Gottlieb and Callans, representing one of the top five academic and clinical electrophysiology programs in the country, will relocate their programs to HUP and PMC over the next several months. The projected patient volume increases from these programs will require significant facilities modifications on both campuses over the next several years. Included in this funding are the following specific projects:

- **Cardiac Catheterization Lab Renovations at PMC** $6,000,000
  A renovation and equipment upgrade for the existing cardiac catheterization (cath) and electrophysiology (EP) labs at PMC was already in planning based on the recruitment of the Waxman group. With the recent recruitments from AHERF, additional catheterization and electrophysiology facilities will be required to accommodate the projected expanded volume. In the long run, this plan will consolidate all diagnostic and treatment activity in the Wright Saunders building, with related support for outpatient activities in the PHI building.

- **Heart Failure Unit on Cupp 4 East at PMC** $2,000,000
  This funding will allow the creation of a 16 bed Heart Failure/Transplant unit with 11 additional adjacent beds for complex medical cases on Cupp 4 East on the PMC campus. The proposed unit will be designed to meet UNOS criteria to appropriately accommodate long term heart failure/transplant patients. It is anticipated that this project will be complete within 16 weeks.

- **Acute Rehabilitation Patient Care Unit at PMC (Design Only)** $854,000
  In order to create a dedicated Heart Failure/Transplant unit on the HUP campus, it is necessary to relocate the existing acute Rehab unit from HUP to PMC. This funding will allow design for this unit to proceed in anticipation of capital funding for construction in FY 2000.

- **Outpatient Practice Space on Penn Tower 17 and 18 (Design Only)** $550,000
  With the incremental volume from these programs projected for the HUP campus, it is proposed that the consolidated outpatient cardiology practice space as well as related faculty and administrative office space be relocated to two contiguous floors of Penn Tower. (Temporary incremental outpatient practice and faculty office space has already been established in a portion of Penn Tower 6.) This funding will allow the design for this space to proceed in anticipation of capital funding for construction in FY 2000.
A.1. Cardiology Practices at HUP and PMC (continued)

- Relocation of Medical Center Development $500,000
  Medical Center Development offices are proposed to relocate to leased space in 3535 Market Street in a move related to meeting the needs of the expanded electrophysiology program at HUP. New EP labs and a procedure room are proposed to be built on Founders 9 in the area currently housing a portion of the Cardiology Division administrative and faculty offices. It will be necessary to relocate these offices to Penn Tower 4 in space currently housing Medical Center Development prior to the completion of the consolidated outpatient practice, administrative and faculty office space on Penn Tower 17 and 18. This project is consistent with the long-term plan to utilize more of Penn Tower for clinically related programs.

- CCU Alterations at PMC $320,000
  Miscellaneous renovations are proposed for the CCU on the PMC campus including upgrades to the nurse's station and enhancements for increased patient privacy and infection control.

- EP Lab Renovations on Founders 9 at HUP (Design Only) $312,000
  Because of space constraints in the existing catheterization lab on Founders 8 (CCU adjacent on one side and the CICU adjacent on the other side), new EP Lab facilities are proposed for space on Founders 9 which currently houses a portion of the Division of Cardiology administrative and faculty offices. This funding will allow the design of two EP labs, a procedure room and consolidated outpatient procedure support space for the combined EP and Cath programs in anticipation of capital funding for construction in FY 2000.

- Miscellaneous Items $107,000
  Other items requiring capital funding in this fiscal year to support the Cardiology recruitments are the following: PC's for faculty offices and design for modifications to the existing cath lab on Founders 8.

A.2. Booth Practices at PAH $7,000,000

This authorization is for a compilation of several interrelated projects at Pennsylvania Hospital (PAH) related to the relocation of the Drs. Booth, Bartolozzi and Balderston Orthopaedics practice to PAH. These projects are time critical and are necessary to begin prior to their relocation to PAH. Included in this funding are the following specific projects:

- Office Space Renovations $3,105,000
  This funding will create offices which will be rented to the Booth practice at fair market value. These are the primary offices of the Booth practice: clinical offices will be on the first floor of Cathcart, and administrative offices will be on the first floor of Preston and on the eighth floor of Preston.
University of Pennsylvania Health System – Health Services Component
FY 1999 Capital Budget Itemization Narrative (continued)

A.2. Booth Practices at PAH (continued)

- Relocations $1,003,000
  There are several functions that need to be relocated to assemble sufficient space to accommodate the Booth practice. Admissions needs to be moved from the first floor of the Carthcart, to the outpatient lab that needs to be reconfigured to accept the Admission function. Nursing Education will be relocated from the first floor of Preston to the Carriage House. Case Cart Holding, as well as two labs, are being relocated to another location on the eighth floor of Preston.

- Laminar Flow Hoods $962,000
  Laminar flow hoods need to be purchased and installed in the OR’s in which the Booth practice physicians are going to operate. They are integral to their method of practice and important to their outcomes. Another change under this line item is moving the sterilizer in the OR to create a space for a patient hold area.

- Reconfigure Schiedt 7 $368,000
  PAH plans to make certain improvements in the medical/surgical floor primarily used for orthopedics. These include new finishes, new nurses’ stations and the correction of some DOH deficiencies. At this time the 7th floor of Schiedt is occupied by orthopaedic offices, physical medicine offices and on-call rooms. As part of this project they are being relocated to other locations.

- Miscellaneous Items $1,562,000
  Other items required in anticipation of the relocation of the Booth practice are: audio visual equipment ($300,000), computer equipment ($250,000), VIP rooms ($240,000), radiological equipment ($212,000), OR and Anesthesia equipment ($170,000), minor equipment items for the patient care units ($30,000) as well as physical, occupational, and respiratory therapy equipment ($10,000).

A.3. Hematology/Oncology Practice at PAH $1,673,000

  This funding request is for renovating and equipping approximately 10,000 square feet of space to integrate four hematology/oncology physicians relocating their practices to PAH from Graduate Hospital with the existing two oncology physicians. This combined program will be the foundation of a comprehensive Cancer Center at Pennsylvania Hospital.

A 4. OB Chair at PAH $228,000

  This funding request is for renovating office and practice space to accommodate Dr. Kack Ludmir, who has accepted the positions of Chairman of the Department of Obstetrics and Gynecology at Pennsylvania Hospital and Vice Chairman of the Department of Obstetrics and Gynecology of the University of Pennsylvania Health System. Dr. Ludmir is expected to help develop a Maternal Fetal Medicine program at Pennsylvania Hospital.
B.1. Year 2000 Compliance at PAH $9,676,000

This authorization is for a compilation of several interrelated projects at Pennsylvania Hospital (PAH) to bring the Patient Accounting, Order Communication and Medical Records Information Systems as well as the related computer network and desktop PCs into Year 2000 (Y2K) compliance. In regards to the Patient Accounting, Order Communication and Medical Records Information Systems, these projects are estimated to cost $3,511,000, $700,000 and $140,000, respectively. These projects can not be delayed because the system will start to suffer Y2K related disruptions starting in January 1999. The current target date for completion if these projects is March of 1999. Since the PAH computer network and end user devices are not Y2K compliant and they are not configured in a manner that will allow them to fully utilize the functions of the new Patient Accounting and Order Communications Information Systems, it is necessary to make significant upgrades and replacements prior to March 1999. These projects are estimated to cost $4,550,000 and $775,000, respectively.

B.2. Enterprise Radiology Information System Replacement $1,200,000

The Health System currently has three different Radiology Information Systems (RIS) at HUP, PMC and PAH which all require substantial investments to upgrade them for Year 2000 Compliance. Rather than just upgrading these existing systems, management is proposing the replacement of all three systems with a common system. This funding will allow the Health System to partner with HUP’s current RIS vendor (IDX) to develop an enterprise wide RIS suited to the Health System’s needs.

B.3. Physician Billing System Upgrade for CCA/CPUP $1,167,000

This funding is to allow the installation of an upgraded version of the IDX application software that is the primary outpatient billing and scheduling information system utilized by both CPUP and CCA. This project will correct the current Y2K problem as well as allow for an expanded number so users that is necessary due to health system growth. This project also includes the funding to purchase and install additional hardware (mostly hard disk drives) and an upgraded version of the base operation software (MUMPS). The additional hardware is necessary to support both the parallel processing of both applications until the upgrade is complete as well as the ongoing expansion of the system. The upgrading of the base operating system is necessary because the upgraded application software does not run on our current version of the base operating system. Phase I, which cost an estimated $495,000 was funded from the FY 1998 capital budget, is now near complete. Funding for Phase II must be authorized immediately to enable the system to be updated without experiencing significant Year 2000 problems.
University of Pennsylvania Health System – Health Services Component  
FY 1999 Capital Budget Itemization Narrative (continued)

C.1. Arteriography System $200,000

$900,000 is currently approved for the purchase and installation of an Arteriography System for Phoenixville Hospital. This supplement is necessary because the original capital budget did not include sufficient funding to cover the full cost to install the equipment. Phoenixville’s current Arteriography System is broken and out of service, making this an emergent request in order to continue to provide Arteriography services.

D. Managed Care Information Systems $1,000,000

The University of Pennsylvania Health System currently accepts full-risk capitation for approximately 175,000 lives. Medical management (pre-certifications, admission reviews, concurrent review, etc.) is the principle mechanism for managing the clinical care and the resulting financial exposure for this population. Currently, all of these activities are performed by the payers, who have little incentive to ensure optimal efficiency since they are no longer financially at risk for this population. UPHS has submitted an application to both Aetna U.S. Healthcare and Keystone Health Plan East to perform delegated medical management. In order to obtain approval by either payer, UPHS must be able to satisfy specific operational and information system requirements, the latter of which will not be possible with our current systems. Successful execution of the UPHS managed care strategy requires that UPHS purchase and implement a comprehensive case management system suitable to perform the medical management function for those lives for which we are at risk. This system must include sufficient functionality for UPHS to receive delegated clinical review from the payers. In addition, a companion managed care data warehouse must be implemented which will support the analysis and reporting necessary for successful risk management and clinical improvement initiatives.

E. Other Items Less Than $500,000 and Greater Than $100,000 $4,334,000

This funding request is for various other items costing less than $500,000 and greater than $100,000. Some of the major items are the following: relocation and renovations for the Hamilton Pediatrics CCA practice, an automated transcription system for HUP Radiology, continued funding for sprinkler system upgrades at HUP, telephone system upgrade at various CCA practices, relocation of the Bucks County OB/GYN CCA practice to St. Mary’s Hospital, the relocation of Penn Care at Home from space that will be leased to SmithKline at PMC, equipment for the network integration of PAH with the Health System’s primary network.

F. Other Items $100,000 or Less $6,000,000

This funding request is consistent with past practices of providing the Health System senior management with the flexibility to address unanticipated circumstances. This funding will be utilized primarily to fund equipment and projects costing $100,000 and less.