The University of Michigan Regents Communication

Request for Action

Subject: University of Michigan Health- Sparrow Clinton Expansion and Ambulatory Project

Action Requested: Authorization to proceed with project

Background:
University of Michigan Health - Sparrow Clinton is a critical access hospital with a long-standing commitment to providing high-quality, community-based care to the residents of Clinton County and surrounding communities. University of Michigan Health – Sparrow Clinton has experienced sustained growth in outpatient and inpatient volumes and increasing demand for specialty services. These indicators, reinforced by the Community Health Needs Assessment and service-line performance data, demonstrate that the hospital's current footprint has reached functional capacity.

University of Michigan Health -Sparrow Clinton is seeking approval to construct 19,000 square feet of hospital space, renovate 42,000 square feet of hospital and medical office space and build a new 22,000 square foot ambulatory center. The estimated cost of the project is $62,000,000 with a construction timeline of approximately 37 months. Funding will be provided from University of Michigan Health- Sparrow resources. The construction cash flow may be provided, all or in part, by bond or note proceeds, secured by a pledge of General Revenues, and authorized by the Board of Regents. This proposal has been reviewed and recommended for approval by the University of Michigan Health Board. Certificates of Need will be required from the State of Michigan.

We recommend the Board of Regents approve the University of Michigan Health – Sparrow Clinton Expansion and Ambulatory Project and any regulatory steps necessary to effectuate the project.

Respectfully submitted,

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