

# BOOM TIME



Construction on OhioHealth's  
Dublin Methodist Hospital

# Fierce competition among the Big Four healthcare providers has sparked \$2 billion in new construction, including a fancy new hospital in Dublin and a major rehab at Children's. A guide to who's building what—and why.

**U**nderstanding the fine print of that new Medicare plan may be easier than keeping track of all the new healthcare projects underway in and around the city. It's as if you need a tour guide to point out who is building what where. Well, consider this your lucky day. Let's imagine we're in a helicopter riding over Franklin County, starting in the northwest corner.

First, you'll notice quickly that Dublin isn't a bad place to be if you're sick. See OhioHealth's Dublin Health Center just beyond the Children's Hospital Urgent Care Center off of Avery-Muirfield Drive? Now

look behind it, where you can see the bright yellow hardhats of workers inside. That's OhioHealth's newest facility: Dublin Methodist Hospital, a 94-room, full-service hospital, the first of its kind in Central Ohio in decades.

Let's head south along Rt. 315. Of course, there's Riverside Methodist Hospital, another OhioHealth property. No construction crews here anymore, but see how far west the campus has spread in just the past few years? There are the recent additions to the McConnell Heart Hospital and all those new buildings for

**BY ALICE HOHL**

prostate care, surgeon training, radiation and oncology.

Next stop is Ohio State University's hospital complex with the cranes puncturing the skyline. There's \$1 billion worth of new work going on, including two towers taller than 10 stories. The Richard M. Ross Heart Hospital opened just a couple of years ago, but plans call for putting two more stories on top of it.

We'll continue south, going over another Children's Hospital Urgent Care and

ey, such as that recent \$50 million donation from Nationwide—said to be the largest single charitable gift in Central Ohio history. Can you guess what the new name will be? Right, Nationwide Children's Hospital.

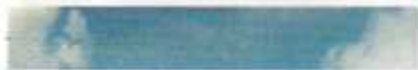
Time to head north, to Westerville and past Mount Carmel St. Ann's hospital. Notice that machine grading the soil at Cleveland Avenue and County Line Road? That's the site of one more Children's Hospital project: a \$3.4 million Sports

Medicine and Orthopedic Center geared for children who break their bones playing soccer, basketball or falling off their skateboards.

One last flyover, over to Rt. 23 and north into southern Delaware County. OhioHealth owns 105 acres about 10 miles north of Powell, and it's going to start building an outpatient center there next year. The idea is that perhaps one day it will be expanded into . . . another full-service hospital.



**NO WONDER HOSPITAL OFFICIALS ARE OUT RAISING MONEY, SUCH AS THAT RECENT \$50 MILLION DONATION FROM NATIONWIDE—SAID TO BE THE LARGEST SINGLE CHARITABLE GIFT IN CENTRAL OHIO HISTORY. CAN YOU GUESS WHAT THE NEW NAME WILL BE? RIGHT, NATIONWIDE CHILDREN'S HOSPITAL.**



COURTESY OHIO HEALTH | 121

an OhioHealth dialysis center before we reach Mount Carmel West. Those nearby rundown houses soon will be gone to perk up the neighborhood while improving the look of the hospital. We also should mention that Mount Carmel is building four outpatient centers across the county, from New Albany to Grove City.

Now we'll turn east toward downtown, past the Statehouse and near the Main Library. That jumble of orange barrels and plywood barricades is the area around Grant Medical Center, which demolished the 16-story Baldwin tower in 2004 so it can now build a 125,000-square-foot surgical and heart facility with 18 operating rooms.

Continuing east, we see Children's Hospital and its familiar blue neon sign. Everything looks the same, but just wait a few months, when work starts on a three-story building and a new parking garage. In 2008, they'll start replacing the main hospital, plus doing a lot more. We're talking \$743 million in construction costs from now until 2013. No wonder hospital officials are out raising mon-



Renderings show Dublin Methodist Hospital's entrance and interior as they should look when the facility is completed in 2007. OPPOSITE: A cylindrical tower marks the entrance to Grant Medical Center's not-yet-completed surgical and heart hospital.

DAN TRITTSCHERT



# OhioHealth

The last steel beams were erected early this spring to give form to the \$130 million Dublin Methodist Hospital, which will offer an emergency room, labor and delivery services, operating rooms and intensive-care unit.

**Other projects:** The \$59 million surgical and heart hospital at Grant Medical Center with 18 new operating rooms; the Westerville Outpatient Center with urgent care, a laboratory, radiology, imaging and two medical office buildings; the Delaware Health Center on Rt. 23 in southern Delaware County that could be expanded to a full-service hospital.

OhioHealth also recently completed a Women's Imaging Center at Doctors Hospital (formerly Doctors West) on West Broad Street. What used to be called Doctors North in Victorian Village has morphed into a combined outpatient center (operated by OhioHealth) and a long-term acute-care facility (run by Select Specialty Hospitals of Mechanicsburg, Pennsylvania). It's now called Victorian Village Health Center.

**Total cost:** \$257 million

**Timeline:** Most of the projects will be completed by 2007.

**Gee-whiz factor:** The 94-bed Dublin hospital will have all private rooms with views (some of courtyards and rooftop gardens). In addition to ICU patients being cared for by on-site staff, a remote camera and data system will provide backup monitoring by doctors and nurses at a separate facility.

**Y**es, there's a healthcare building boom going on in Central Ohio, adding about 2.8 million square feet of hospital, outpatient and office space and costing more than \$2 billion. More than 500 beds are projected to be added to the region's current count of 4,774. The additions, renovations and new buildings are happening mostly in the places you'd expect—in growing suburbs and on the existing campuses of large hospitals—and involve the area's Big Four healthcare players: OSU, OhioHealth, Mount Carmel and Children's.

Each is trying to retain and recruit market share, and all except Children's are bracing for the predicted onslaught of seniors who need tests, surgeries, pills and procedures. Middle-aged Baby Boomers are about to become officially Old, and at the same time, people are living longer. In short, there are going to be a lot more sick folks to tend to. In Ohio, patient admissions already are up from 119.9 per thousand people in 1999 to 128.7 per thousand in 2004, while beds per thousand residents are slightly down, from 3.0 to 2.9. In addition, Columbus was the only major Ohio city to gain population in recent years, even with its suburbs exploding. For example, Dublin's population nearly doubled between 1996 and 2006, according to the Mid-Ohio Regional Planning Commission, and census officials have named Delaware County as one of the fastest-growing counties in the nation.

The building boom is good news for patient convenience and choice. More facilities mean doctor appointments are closer to home, and the terrifying drive with a child in the middle of an asthma attack is shorter. It also means newer facilities, which include private rooms that resemble a hotel suite (with extras such as Internet access). "The consumer is king these days in many ways," says Mary Yost, vice president of public affairs at the Ohio Hospital Association. "We like exercising that kind of choice. It's not surprising that hospitals want to satisfy consumer desires just as other service providers do."

## All about competition

The fuel igniting this boom is competition, and it all started in the mid 1990s. Back then, hospitals here and across the state couldn't just build a new outpatient clinic or a maternity ward if they felt like it. They needed to go before a regulatory board to justify any major expenditures—even the purchase of a new MRI. The board could deny permission if its members deemed the service, equipment or building unnecessary.

But in 1995, the Ohio legislature ended



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**"The consumer is king these days in many ways."**

*—Mary Yost, vice president of public affairs at the Ohio Hospital Association*

what was called the Certificate of Need process. That effectively turned healthcare over to the whims of the marketplace. Although hospitals are not-for-profits, they are fiercely competitive. It's about operating profitably—especially when private insurers and the federal government are looking for ways to cut payments to hospitals in times of rising costs. So hospitals are putting services in places where people with money and insurance live, and investing in cardiac care (cash cow) and not burn centers (revenue drain). That's why bright, shiny outpatient centers—with labs, X-rays, CT scans, mammography, operating rooms and urgent care for some emergencies—dot the landscape in the suburbs. It also explains, according to critics, OhioHealth's building a new hospital in Dublin and why the New Albany Surgical Hospital wasn't built in, say, Groveport.

In fact, the New Albany Surgical Hospital (NASH) is a good example of life after the end of the regulatory board. When 25 or so Central Ohio doctors announced their plan to build a private facility, the Big Four lobbied politicians since no law or

**continued on page 129**



The Biomedical Research Tower will be the largest facility at Ohio State University, housing 180,000 square feet of space dedicated to studying genetic research, cancer cures and tissue engineering, among other things.

#### continued from page 60

government agency could stop its construction. Hospitals facing similar issues across the country did the same, and Congress enacted a federal moratorium on the building of private, so-called boutique hospitals (excluding NASH).

The main point of contention was the hospital's purpose: orthopedics, which is a huge revenue source for a healthcare facility. The Big Four use orthopedics as one way to offset the costs of money-losing services they have to provide for the poor since they're nonprofits. As David Blom, CEO of OhioHealth, said at the time about NASH, "This hospital will cherry-pick the most profitable patients and leave us with the least profitable ones."

Today, NASH has been in operation for two and a half years, the moratorium on specialty hospitals is set to expire in Au-

gust (opening up the market for more privates) and the nonprofits are calling in the heavy equipment to break ground, add new floors and build more rooms.

OhioHealth COO Robert Millen says it's virtually impossible to keep out specialty hospitals by aiming to corner a market. "If the for-profit hospitals come in, they'll come in whether we build facilities or not," he says. But Millen says not-for-profits must do what they can to survive in a competitive market—for the good of taxpayers. "In the cities where [specialty hospitals] have proliferated, a lot of hospitals have had to ask for subsidies from the taxpayers."

Many American cities have seen their inner-city hospitals decline or close as health systems move resources closer to affluent customers in the suburbs. That hasn't been the case in Columbus. Hospital officials say they are firmly rooted in their main campuses. For example:

## OSU

In August 2004, Ohio State University officials were celebrating the completion of the Richard M. Ross Heart Hospital. Less than a year later, they were announcing plans to add two floors to the facility. That \$32 million construction project is just one piece in a massive 15-year plan.

**Other projects:** A \$34 million digestive health center; a 12- to 14-story biomedical research tower; 10 stories of patient floors that will add 300 beds to the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and sit atop a new four-story diagnostic center.

**Timeline:** Staggered from now to 2020.

**Total cost:** \$1 billion.

**Gee-whiz factor:** The sheer scope of the project is enormous. A dedicated website, [operationgrow.osu.edu](http://operationgrow.osu.edu), has been set up to keep patients and staff updated on parking issues and construction progress.

# Mount Carmel

Mount Carmel East on East Broad Street recently added a dedicated heart center, renovated its emergency department and doubled the size of its maternity department. Space is now being cleared for the first of a group of medical and administrative offices across from the hospital campus called the Mount Carmel Medical Park.

**Other projects:** New signs, lighting and neighborhood improvements at and around Mount Carmel West; the first residence for students of the Mount Carmel College of Nursing at Mount Carmel West; adding more operating rooms and critical-care space at Mount Carmel St. Ann's.

The hospital system also plans to build four outpatient centers: New Albany Health and Wellness Family Practice, which includes a medical office building; Mill Run Outpatient Center, which will feature urgent care and outpatient rehabilitation; Grove City Ambulatory Center, with an imaging center and other outpatient services, and Arlingate (southwest of Upper Arlington), focusing on occupational health, injuries and rehabilitation.

**Future project:** No timeline or budget has been set, but Mount Carmel has talked about collaborating with Fairfield Medical Center in Lancaster to provide a full-service hospital in Canal Winchester. The project is likely to start out as an outpatient center and expand into a full-service hospital.

**Timeline:** The student residence hall and the outpatient centers are scheduled to be finished in 2007.

**Total cost:** \$114 million or more.

**Gee-whiz factor:** New CT scanners will be installed at all three Mount Carmel hospitals this year. The new scanners can analyze blood flow and distinguish blocked arteries from healthy ones without the need for cardiac catheterization.



Earthmovers grade the soil at the future site of the Mount Carmel Medical Park, a cluster of administrative and doctors' offices across East Broad Street from Mount Carmel East Hospital.

- Mount Carmel West is incorporating neighborhood revitalization into its renovations in Franklinton, buying and bulldozing dilapidated houses and installing landscaping, lighting and new signs.

- OhioHealth is moving its administrative offices downtown and also replacing Grant Medical Center's operating rooms and other areas with a new heart and surgical hospital. The system views Riverside and Grant as the main locations for high-level care. (The new Dublin Methodist Hospital, for example, will refer patients to the city for open-heart surgery.)

- Children's Hospital executives broached the question of moving the main campus and decided instead to reinvest, replacing its hospital at I-70 and Eighteenth Street with a new one. "We concluded this is a great location to be the hub of our services, and we continue to provide care in spokes out into the community," says Children's president Keith Goodwin.

Cathy Levine, executive director of the Universal Health Care Action Network of Ohio, is a longtime advocate for affordable healthcare. She says hospitals' claims that they are conveniently located to poor areas are overblown. "The hospital construction is going not only where the people are, but where the money is," she says. "I question whether building large hospitals in the suburbs is the best way to address the community's health needs." For example, she says: "There's a growing maldistribution of resources. We still don't have a hospital south of I-70" in Franklin County. Columbus Community Hospital



**"If the outcome is significantly better than 25 years ago, then it's not entirely fair to compare the price now to the price then."**

—Jeff Caswell of OSU's School of Public Health

# Children's Hospital

The 114-year-old pediatric institution is undergoing a massive makeover that, when completed, will add 1 million square feet to the hospital campus's 2 million square feet. It recently opened an \$80 million Clinical Expansion, which includes 14 new operating rooms, a new chapel, a family resource center, two heart catheterization labs and 28 more neonatal intensive care beds.

**Other projects:** Some of the current hospital will be converted into offices and research space.

Construction on a new main hospital will begin in 2008, featuring all-private patient rooms with extra space for parents to stay overnight. In addition, there will be a new emergency department. Plans also call for a third research building, a new parking garage, park space and a new building for some medical specialties, such as psychology and gastroenterology.

Children's also is building the Sports Medicine and Orthopedic Center in Westerville for treating children's sports injuries.

**Total cost:** \$743 million.

**Timeline:** The new main hospital will be finished in 2011 and the Westerville sports medicine center will open in 2007.

**Gee-whiz factor:** The new hospital will have all-electronic patient records, imaging and monitoring. There will be no film or paper patient records.



The view of Children's Hospital from the south has changed since the recent completion of its Clinical Expansion project.

(formerly Mercy and then St. Anthony's) on South High Street closed in May 2001. After that, south-side residents have had to travel downtown for care.

"Healthcare needs to be available where people are," says Yost of the Ohio Hospital Association. "As you have populations moving out into the suburbs, you tend to have healthcare services moving to where the population is, just as you have retail services and banking services."

## Who's paying?

When it comes to figuring out who's paying for all this building, you might have more fun trying to understand quantum physics. It's complicated stuff.

Some experts say we all pay in the form of higher hospital bills, health insurance premiums and taxes. "You'd have to be an idiot not to worry, when you see all the hospital construction, that we're spending beyond our means," Levine says.

Others, though, say hospitals don't build anything they can't afford; they're unable to raise prices since the lion's share of their revenue comes from government and insurance reimbursements, which are either decreed by the state or negotiated by companies who don't care about the wallpaper or the nice rocking chairs in the maternity ward. "People should understand that when you drive past a hospital and you see a construction crane, that doesn't necessarily mean healthcare costs are going up because of that," Yost says. "Hospitals that are doing construction are not raising their prices."

At OSU, hospital facilities planner Eric Kunz says the medical center is still in the midst of analyzing how to increase patient demand to generate more revenue, which will be needed to help pay for the \$1 billion construction plan. "We hope we attract patients because of the quality of our care," he says. "The fact that we have nice facilities adds to that."

Spokesmen for each of the Big Four say Central Ohio hospitals historically have been frugal about spending. The proof, Millen says, is in the cost to insure workers here. According to a December 2004 study of 4,000 health insurance plans by eHealthInsurance, Columbus is the third most affordable city in America to buy a family health insurance plan, the cheapest in the nation for single men and the ninth most affordable city for single women.

Jeff Caswell, associate dean at OSU's School of Public Health, says it's hard to evaluate the cost of care over time. "It certainly increases the price of a day in the hospital. What about the outcome for the patient? If the outcome is significantly better than 25 years ago, then it's not entirely fair to compare the price now to the price then, because you're not getting the same outcome."

So if one day you're recovering from heart surgery in a new or renovated hospital, try to find comfort in the complimentary movies, upgraded food and framed art. But you'll probably not enjoy them as much as that \$20,000 pacemaker. ■

*Alice Hohl is an associate editor for Columbus Monthly.*