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JUN 26 2008



**Chandler • Arizona**  
*Where Values Make The Difference*

**Memorandum**

**Memo: MC08-035**

**DATE:** JUNE 16, 2008

**TO:** MAYOR AND CITY COUNCIL

**FROM:** DAVE BIGOS, MAYOR AND COUNCIL ASSISTANT *DB*

**THRU:** W. MARK PENTZ, CITY MANAGER *WMP*  
NACHIE MARQUEZ, COMMUNICATIONS & PUBLIC AFFAIRS DIR. *NM*

**SUBJECT:** Resolution No. 4200

Attached is Resolution No. 4200, authorizing Catholic Healthcare West and the Chandler Regional Medical Center to submit a grant application to the Gila River Indian Community's State-Shared Revenue Program in the amount of \$1.5 million for a capital campaign to increase access to healthcare facilities and services in East Valley communities.

Also attached is the memo from David Covert, President and Chief Executive Officer, East Valley Service Area and Chandler Regional Medical Center; and Richard Frazier, Vice President, CHW Foundation – East Valley. The memo outlines their plan of submittal to the GILA community. Representatives of CHW will be at the June 23 Study Session to answer any questions you may have.

## **MEMORANDUM**

**DATE:** June 6, 2008

**TO:** MAYOR AND CITY COUNCIL

**THRU:** MARK PENTZ, CITY MANAGER

**FROM:** DAVID COVERT, PRESIDENT AND CHIEF EXECUTIVE OFFICER, EAST VALLEY SERVICE AREA AND CHANDLER REGIONAL MEDICAL CENTER  
RICHARD FRAZIER, VICE PRESIDENT, CHW FOUNDATION – EAST VALLEY

**SUBJECT:** Resolution No. 4200 Authorizing the CHW Foundation – East Valley to submit a Grant Application to the Gila River Indian Community's State-Shared Revenue Program in the Amount of \$1,500,000 for a Capital Campaign to Increase Access to Healthcare Facilities and Services in East Valley Communities

### **BACKGROUND:**

Since 1961, Chandler Regional Medical Center (CRMC) has provided quality health care to residents of Chandler, as well as neighboring communities, including Gilbert, Higley, Queen Creek, Ahwatukee, Sun Lakes, and the Gila River Indian Community – comprising a current service area of approximately 1.1 million people. In June 2006 CHW invested over \$153 million to build the 88-bed Mercy Gilbert Medical Center (MGMC) on the southeast corner of Val Vista Drive and the San Tan Freeway in Gilbert, Arizona. CRMC and MGMC are members of Catholic Healthcare West (CHW), the largest Catholic hospital system in the western United States.

The mission of Catholic Healthcare West embodies the delivery of compassionate, high quality, affordable health services; serving and advocating for those who are poor and disenfranchised; and partnering with others in our community to improve quality of life. Throughout Catholic Healthcare West's hospitals, medical facilities, and community outreach programs, our mission is integrated with the concept of physical restoration for the body and the healing of mind and spirit

The East Valley service area served by CRMC and MGMC continues to be one of the fastest growing regions across the nation and one with escalating demands for healthcare services. Maricopa and Pinal Counties are among the Top 10 counties for numerical growth and percentage growth respectively between 2000-2006.

Since July 1, 2007 through March 31, 2008, CRMC and MGMC supported nearly 79,500 emergency room visits, experienced 5,871 births, performed 12,000 surgeries and admitted more than 62,500 patients. These numbers do not include the many East Valley residents who were treated at our East Valley Urgent Care facilities or the outpatient visits. Currently, CRMC is operating at a 90% capacity rate and without expansion, it will be almost impossible to be able to keep pace with the health care demands of our growing community.

CHW continues its commitment to provide quality, affordable health care to the communities it serves by investing in a number of facilities and service enhancements. In 2004 an updated Masterplan explored multiple options of growth to meet the space needs for CRMC. To begin to meet the needs of this 2004 Masterplan, a five story Tower "C" is proposed just northeast of the existing facility. Currently, CRMC has 225 licensed beds. The new Tower C will include an additional 80 beds be added to the existing 209 Adult IP beds. On the main floor, CRMC will add 30 Emergency Department treatment spaces that will include support areas, an expanded nurse's

station and a larger waiting area. On the third floor, CRMC will add 20 additional Intensive Care Unit beds. In addition, a build-out of 30 Medical-Surgical beds on the fourth floor and 30 Medical-Surgical beds on the fifth floor is also included. Tower C expansion totals 120,000 square feet. As we continue to grow, the leadership and employees of CRMC and MGMC work closely as a team to provide high caliber healthcare programs that foster wellness of body, mind, and spirit to all the residents of the East Valley.

Consistent with this partnership, the CHW Foundation – East Valley (formerly the Chandler Regional Hospital Foundation) has expanded its role and mission to provide stewardship and philanthropic support to both hospitals. The Foundation was established in 1985 as a 501(c)(3) nonprofit organization so that individuals, businesses, and organizations could continue to participate in the hospital's mission of improving the health of the Southeast Valley. Funds from the Foundation support the expansion and improvement of existing programs and the development of new services needed by the community.

Community support of \$5 million dollars holds the key to building out and fully equipping the new Tower C at CRMC. The CHW Foundation – East Valley has committed to undertake this fundraising initiative, in partnership with local community leaders, to leverage capital investment from the community and ensure that the needed beds, equipment and services are provided sooner and that the entire East Valley community is better served. The Gila River Indian Community has identified health care as being a priority area for their State-Shared Revenue Program and has requested a proposal from the CHW Foundation – East Valley in support of this capital campaign.

**FINANCIAL IMPLICATIONS:**

The Foundation is requesting a \$1.5 Million grant from the Gila River Indian Community's state-shared revenue program, to be spread over a five-year period. Grant funds will be used toward costs of the capital campaign.

**PROPOSED MOTION:**

Move that the City Council pass and adopt Resolution No. 4200 authorizing the CHW Foundation – East Valley to submit a grant application to the Gila River Indian Community's State-Shared Revenue program for the amount of \$1.5 million for capital funding for the new Tower C at CRMC to improve access to healthcare facilities and services in East Valley communities.

Attachment: Resolution No. 4200.

RESOLUTION NO. 4200

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING THE CITY TO EXECUTE GRANT APPLICATION DOCUMENTS TO BE SUBMITTED TO THE GILA RIVER INDIAN COMMUNITY'S STATE-SHARED REVENUE PROGRAM IN THE AMOUNT OF \$1,500,000.00 ON BEHALF OF THE CHW FOUNDATION – EAST VALLEY FOR FUNDING TO INCREASE ACCESS TO HEALTHCARE FACILITIES AND SERVICES IN EAST VALLEY COMMUNITIES.

WHEREAS, explosive population growth in the East Valley has created a shortage of hospital beds and contributed to overcrowded emergency departments in existing medical facilities;

WHEREAS, the CHW Foundation – East Valley is a 501(c)(3) nonprofit organization that provides stewardship and philanthropic support for the Chandler Regional Medical Center (CRMC) and the Mercy Gilbert Medical Center (MGMC);

WHEREAS, the Gila River Indian Community is seeking funding proposals on behalf of hospitals and hospital foundations in nearby cities for projects relating to healthcare pursuant to its State-Shared Revenue Program (SSRP);

WHEREAS, the CHW Foundation – East Valley is eligible to apply for SSRP funding pursuant to an application submitted on its behalf by a city or town that has passed a resolution authorizing that application;

WHEREAS, on or about June, 2005, the City Council of the City of Chandler passed Resolution No. 3877 authorizing the Mayor to sign SSRP application documents on behalf of the CHW Foundation – East Valley seeking a grant of \$1,500,000.00 to fund the MGMC;

WHEREAS, the receipt of additional SSRP funds would enable the CHW Foundation – East Valley to increase critically needed bed capacity, medical services and equipment at the CRMC; and

WHEREAS, the CHW Foundation – East Valley has requested that the City execute application documents to be submitted on its behalf for SSRP funding in the amount of \$1,500,000.00 to expand the capacity of the CRMC.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, that the Mayor is authorized to sign the SSRP application documents on behalf of the CHW Foundation – East Valley for funding to expand the capacity of the CRMC, indicating that the Council is in support of this project to improve access to healthcare facilities and services both for residents of Chandler and of neighboring communities.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this  
\_\_\_\_ day of \_\_\_\_\_, 2008.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4200 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2008, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK