



# MA officials greenlight \$1B Boston Children's Hospital expansion

## AUTHOR

[Kim Slowey@kimslowey](mailto:Kim.Slowey@kimslowey)

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## Dive Brief:

- The Massachusetts Public Health Council voted unanimously on Oct. 20 to approve a controversial \$1 billion expansion of Boston Children's Hospital, according to The Boston Globe.
- The work will include an 11-story building and 71 new beds at the hospital's main campus, as well as a major renovation and new outpatient facility in Brookline, MA. The estimated date of completion is 2025.
- Opponents of the hospital's plans argued that the \$1 billion spend would only increase costs for the already-pricey care that Children's provides. However, the hospital, supported by the state Department of Health and the governor, said the majority of additional patients would come from out-of-state and not be a burden on Massachusetts taxpayers.

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## Dive Insight:

The initial public protests against the expansion came from an advocacy group trying to stop the destruction of a hospital garden, which will be razed to make way for the high-rise. However, cost concerns now have been thrust to the forefront of the argument, even though the council has made its approval contingent upon several conditions.

There are a few mega hospital projects underway, like the Mayo Clinic's \$6 billion, 20-year health district project in Rochester, MN, and the almost-\$2 billion Veterans Administration hospital in Aurora, CO. However, the real push is behind smaller neighborhood and outpatient facilities — part outreach and part business strategy — tied to the Affordable Care Act.

A 2016 hospital construction survey by Health Facilities Management found that construction of outpatient facilities experienced a major bump from 2015, with 21% of those surveyed responding they had an ambulatory care project planned sometime in the next three years. Retail pharmacies like CVS and Walgreens are also getting in on the act, and research and analytical firm Accenture said 2017 should see 2,800 of those in-store clinics operational.

Since the ACA will ultimately base reimbursements on the overall health of the patient, getting and staying close to that patient is key. Cindy Juhas, chief strategy officer for medical equipment company CME told Construction Dive earlier this month that major healthcare providers have overhauled their business plans and are taking their services directly to patients, reducing medical costs along the way. Like most other segments of the U.S. economy, millennials are also driving development of neighborhood care facilities, demanding the option of convenience.