

The Business Journal

nals.com

PHOENIX

OCTOBER 13, 2006 \$2.00

State chamber appointment irks Governor's office

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The governor's office is upset with the appointment of a top Republican Party official as the chief executive and president of the Arizona Chamber of Commerce & Industry.

Earlier this month, the state chamber tapped Arizona Republican Party Executive Director Glenn Hamer as its new CEO. As state GOP director, Hamer has been very critical of Democratic Gov. Janet Napolitano during this year's election season. Hamer also is a former aide to state GOP

Chairman and ex-East Valley Congressman Matt Salmon and Republican Sen. Jon Kyl.

Hamer replaces Jim Apperson as CEO of the state chamber. Apperson, a Democrat, left the

See **APPOINTMENT**, Page 68

HEALTHY GROWTH

Phoenix Children's Hospital poised for \$400M expansion

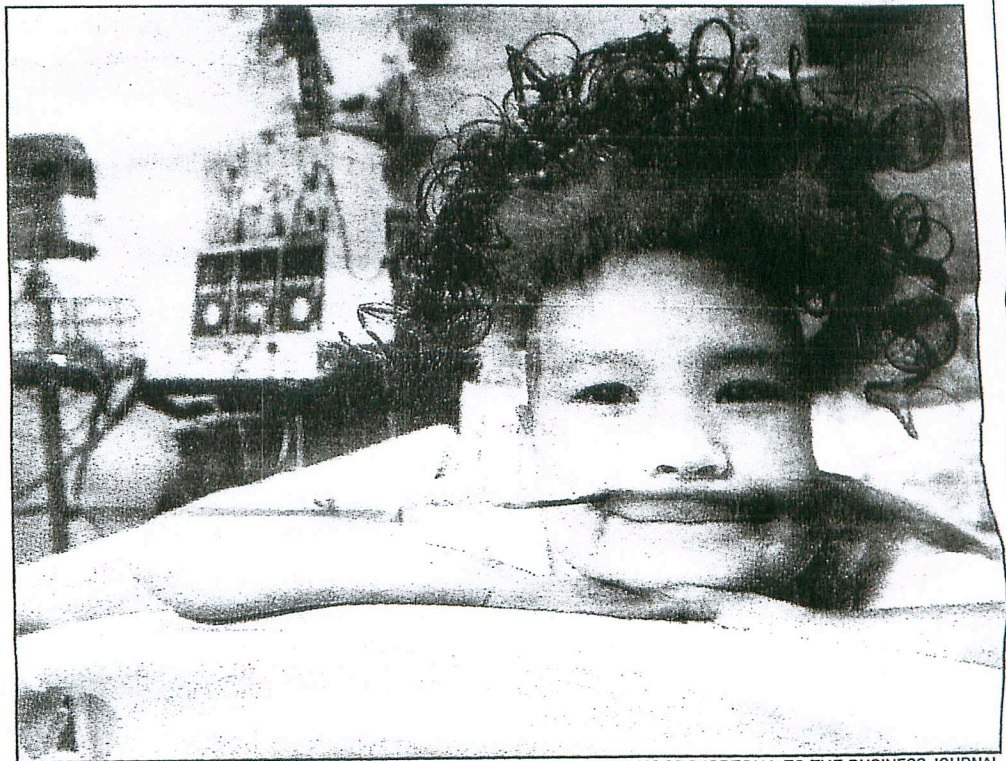
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Phoenix Children's Hospital is planning a \$400 million expansion to keep up with Arizona's population growth, part of which includes opening urgent care centers throughout the Valley.

"We're reaching a crisis in pediatrics," said Bob Leyer, president and chief executive of PCH.

In 2003, there were 900,000 children in the Phoenix metro area. That number is expected to grow to 1.5 million kids by 2030.



TIM KOORS/SPECIAL TO THE BUSINESS JOURNAL

Cancer patient Amber Moran, 5, shows off her wig at Phoenix Children's Hospital in Phoenix. The hospital is planning a \$400 million expansion.

See **HOSPITAL**, Page 64

Rio Salado College bond propels growth

BY ANGELA GONZALES

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With \$65 million in bond money, Rio Salado College is on a rapid expansion path.

The largest community college in the Maricopa Community Colleges 10-college system, Rio Salado just paid \$14.1 million for a building next to its

Phoenix headquarters, and is adding adult learning centers throughout the Valley and is taking its online nursing program national.

As part of its \$65 million bond package, Rio Salado plans to build a \$10 million adult learning service center in downtown Phoenix as well as similar centers in north central Phoe-

nix and the East Valley, said Linda Thor, president of Rio Salado.

The money comes from Proposition 401, which Maricopa County voters approved in 2004.

The college also is doubling the size of its lifelong learning center in

See **COLLEGE**, Page 65

MORE ON HEALTH CARE

• Health care Focus section, Pages 32-42

• University of Arizona Medical School debuts, Page 10

Phoenix Convention Center is already paying dividends

HOSPITAL: Expansion also would create Valley network of urgent care centers

Continued from Page 1

In 2004 alone, there were 60,500 new births in the Valley.

All 299 beds at the state's only freestanding children's hospital are staffed to capacity, he said. The expansion will grow the hospital to a total of 377 beds in a new patient tower by 2010.

Meyer's vision for 2030 is to have 513 beds on its campus at 20th Street and Thomas Road and 108 neonatal intensive care unit beds, which PCH operates at Banner Good Samaritan Medical Center.

PCH has narrowed the list of architects bidding on the project to the final four, which will be submitting their proposals next week.

By 2010, Meyer estimates the hospital will need 486 beds. By 2030, there will be a need in the Valley for 800 more pediatric beds, which means the hospital would have to hire 200 more doctors by then.

With physician staffing shortages, that could be a problem, said Garry Davis, president of Davis Appraisal Services Inc., a Scottsdale-based health care appraisal and consulting firm.

"We're not getting a lot of pediatric doctors," Davis said. "The scarcity of pediatric doctors is going to be one of the many things that are going to hurt the number of beds that can be available."

That means the medical schools are going to have to generate more doctors, he said. The University of Arizona and Arizona State University are collaborating on expanding UA's College of Medicine at the Phoenix Biomedical Campus downtown. But the school has only enough funding to accept 24 students during its first year in 2007.

The goal is to have 150 students accepted each year, said Judy Bernas, associate vice

president of UA.

Once the Phoenix medical school reaches that level, UA would be churning out 260 doctors a year, she said.

Midwestern University in Glendale is doing its part to add osteopathic doctors to the mix and A.T. Still University in Mesa is planning to open an osteopathic medical school.

That's a good thing, Meyer said, because 60 percent of medical school graduates stay in Arizona.

Meanwhile, Banner Health is working to build a \$305 million children's hospital on the campus of Banner Desert Medical Center in Mesa. That project is expected to be completed by the fourth quarter of 2008.

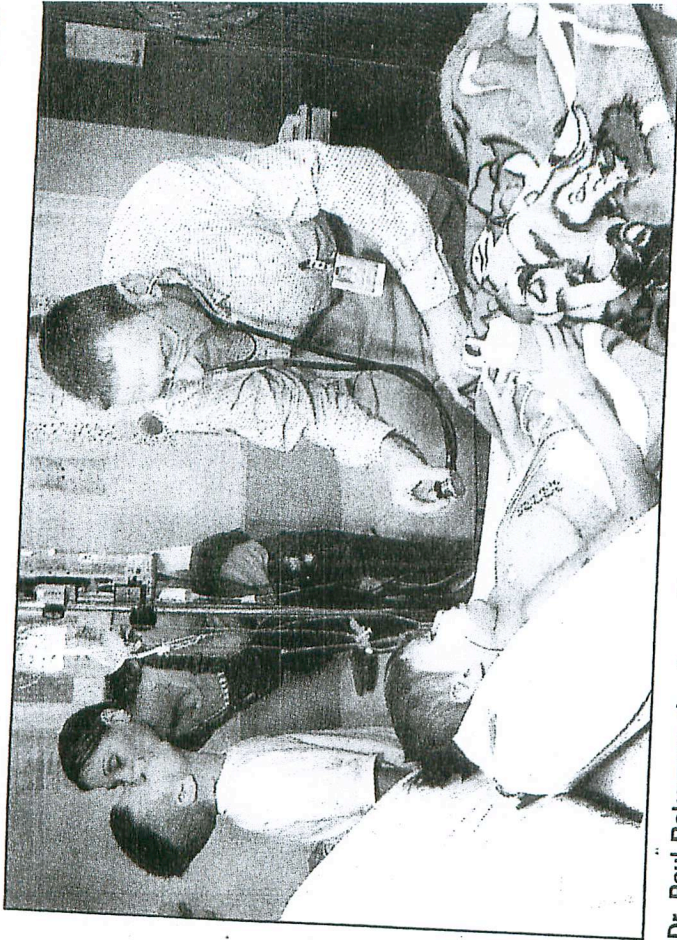
During busy times, it's not unusual for children to be sent out of the area or even out of state for care because pediatric beds are not available, Bruce Pearson, chief executive of Banner Desert Medical Center and Banner Children's Hospital, had said in a statement.

Even with the PCH and Banner's pediatric expansions, there still will be a need for more beds, Meyer said.

PCH recruited 200 nurses this year to keep up with the growing demand and 15 physicians, including its third cardiac surgeon. The children's hospital currently employs 106 physicians and 797 affiliated physicians send their patients to the hospital.

Meyer said it is getting easier to recruit top pediatric doctors nationally because PCH is a free-standing hospital and because of its growing emphasis on research. While PCH continues to operate its recently expanded neonatal intensive care unit at Banner Good Samaritan Medical Center, it moved into its own freestanding facility in 2002.

Today, Children's Oncology Group is conducting 87 clinical trials, which allow sick



Dr. Paul Bakerman checks on Phoenix Children's Hospital patient Sidney Murren, 5

children in Phoenix to get access to cutting-edge treatments, he said.

As part of its \$400 million expansion, PCH is adding urgent care centers throughout the Valley. It currently has three sites and is in discussions to add one near Mayo Hospital and has an option on land at 75th Avenue and Loop 101.

Meyer also signed a letter of intent last week to build an urgent care center in Avondale. He expects to break ground soon for another one at Southern Avenue and Higley Road in Mesa.

"About 70 percent of the growth of kids will be in the north and West Valley," Meyer said.

He expects to fund the hospital through a variety of sources, including internal opera-

tions, fundraising and outside financing. "The hospital is in a strong financial position, and funding for Phase I of this plan is already in place," he said.

While PCH's financial position was shaky in 2002 when it was losing money and only had 10 days worth of cash on hand, it has been profitable since 2003 and now has 240 to 260 days of cash on hand, Meyer said.

Investment bankers who were worried about the hospital's financial viability in 2002 are once again interested in lending money for the expansion, Meyer said. He made proposals to five investment banks and all five were interested, he said, adding that he is in final negotiations.

"It's an aggressive plan that meets the needs of the community," Meyer said.