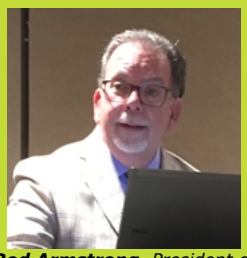

Rod Armstrong, *President of AMFP North Texas Chapter*

Alan Whitson, *Summit Emcee*

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North Texas 2019 Summit Recap

NORTH TEXAS HOSPITAL, OUTPATIENT FACILITIES & MEDICAL OFFICE BUILDINGS SUMMIT

Takeaway Messages

June 19, 2019 - Dallas, TX

*Reported by **Linda Stallard Johnson** (rightondeadline@gmail.com), a freelance writer and editor in the Dallas-Fort Worth area. She is a veteran of The Dallas Morning News and Houston Chronicle, and currently edits AIA Dallas' quarterly magazine.*

The Physician Shortage and How an Optimal Workspace Is Key to Physician Retention

Kurt Mosley, *Vice President of Strategic Alliances, Merritt Hawkins, nation's leading physician search and consulting firm*

- **The physician shortage will get worse** before it gets better. While the U.S. population both grows and ages, there are too few doctors to meet the need. In about 10 years, the entire country will be as old, on average, as Florida is today. However, "we didn't know we'd be living longer." As a result, forecasts have fallen far short on the demand for doctors.
- **Doctors also are aging and retiring**, and they're being replaced too slowly. "We have a 30% increase in medical students in America. We have only a 6% or 7% increase in residencies. You have to have a residency before you become a physician." International physicians and creative solutions such as Missouri's assistant physicians, who practice without a residency, are helping ease the bottleneck.
- **Medical facilities must adapt to demand.** Patients 65 and up account for 14% of the population, but 34% of inpatient procedures and 37% of diagnostic tests. Think about bariatrics, Botox and Boomers, Mosley advised, as weight loss and plastic surgery are big with this age group.
- **Millennials are driving new trends.** Many don't have a primary care physician, helping give rise to urgent care centers and drugstore clinics. But do they mean the end of the primary care office?
- **Health systems must rethink how to attract and retain doctors.** Doctors want efficiencies (scribes and glitch-free electronic health records), the openness to speak up about concerns, financial opportunity and an appealing space laid out well for patients and near specialists and labs.
- **Facilities have a huge impact on physician retention.** A doctor is an economic engine generating over $2 million in revenue a year, especially important for small towns. Remember that you oversee the facilities where that physician spends the day. You might lure a doctor with six weeks off to go surfing, but you might lose one by not assigning parking near the hospital operating room.

- *Networking & presentations*
- *Everything*
- *Size of conference- allowed great networking; Content*
- *Kudos on your conference. Well run and concise, interesting information. Just the right amount of content within the time allotted which gives me ideas for the future.*
- *Great size with respect to number of attendees and overall length of each session*
- *I liked that the summit was small and intimate, giving me an opportunity to network with a majority of the speakers and attendees. I also enjoyed the format of the panel discussions, very open and candid.*
- *Content and networking*
- *All of the conference was great*
- *The format*
- *Ray Pentecost*
- *Size (of event), (Ray) Pentecost & (Nick) Reddy*
- *The speakers were very engaging and the content was relevant and interesting.*
- *Discussion on future of healthcare technology*

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Hold On! Telehealth is Shaking Up Healthcare

Nick Reddy, *chief digital officer and senior vice president of information services, Baylor Scott & White Health*

- **The spread of technology is occurring** "faster than anything in mankind, more deeply and quickly" than the agricultural and industrial revolutions. "The world has changed, the economy has changed." In particular, watch where venture capitalists put their money in healthcare.
- **Artificial intelligence (AI) is the next big thing.** "In 1996, Bill Gates said the most underhyped thing that he'd ever seen was the Internet. Last year, Bill Gates said the most underhyped thing in the world is artificial intelligence."
- **AI applications are developing rapidly.** Reddy sees this in "digital pets" that combat loneliness in the elderly; faster, cheaper, more accurate X-ray readings than possible from radiologists; and an entrepreneur who is building a "doc-in-your-pocket" that shows how sick a person is. "He's done scans through the phone," Reddy said.
- **The future is now in business technology and strategies.** "Are you making the line go faster at Blockbuster or are you building Netflix?" It'd better be Netflix, and it better put the customers – patients and doctors – first. And pricing transparency will be key.
- **Healthcare systems are at risk for disruption.** Despite 7 million users of its platform and "more digital visits than we have physical visits," Baylor is working on "virtualizing" 40% of its business in the next five years. "Either we virtualize it or some kid out in California wearing skinny jeans and a white T-shirt will."

Healthcare Security: Guns, Guards, Gates & Technology

(Left) ***Steve Nibbelink,*** *Healthcare Segment Director, Vector Security Networks; IAHSS Foundation Board of Directors and Past President*
(Right) ***Robert Johnson Sr.,*** *Lieutenant, Dallas County Hospital District Police Department, Parkland Health & Hospital System*

- **Get your security personnel involved in designs early.** Security professionals can quickly spot problems, such as an underground garage for delivery trucks that could also attract a bomber. In addition to preventing costly retrofits that detract from the architectural feel, they can suggest solutions as simple as planting hedges to steer pedestrians along.
- **Sometimes security and life safety codes are at odds.** "As a police officer, I love to be able to shut down doors and lock and contain people in an area, but people have a right to egress, a right to get out in case of fire or emergencies," Johnson said.
- **Create a technology master plan.** "Do we have an understanding of the technology we want, how are we going to use that technology, who can view that technology, all these things that go back to the policy and procedure?" Nibbelink asked. "Does it protect the pharmacy and the narcotics, does it help protect the ICU or the pediatrics?" A technology master plan should involve "a lot of people in your institution, not just security."
- **Managing aggression starts at the curb.** Architects need to keep designs clear of obstacles that frustrate the person in pain or the frantic relative trying to enter the facility, Johnson said. That begins with the right amount of parking, climate-controlled elevators in the garages and easy wayfinding.

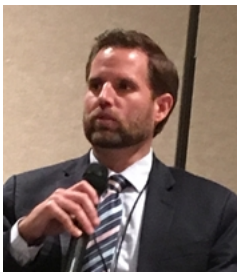
- **Get "down and dirty" talking about active shooters** with staff. Go over the physiological reactions and the "stupid things" people do in such situations. In hospitals, where many rooms don't lock or gun smoke might disarm magnetic locks, employees should have "go bags" with chains, locks and anything else that might thwart a shooter. Drill on "barricade, barricade, barricade," Johnson said.

Internet of Things: Maximize the Benefits While Minimizing Risks to Patients and Healthcare Facilities

Josh Carlson, *Schneider Electric cybersecurity services business leader for North America*

- **The Internet of Things (IoT) is exploding in buildings.** Thermostats, lights, HVAC system, not to mention medical devices, are all connected to your wireless carrier, just like your phone and your laptop. In turn, they are connected to a hardwired system. And all face cybersecurity risks.
- **Healthcare is seeing a huge adoption of IoT.** Insulin pumps, pacemakers, MRI machines, bone density machines as well as the conditions in a patient's room are churning out information. "But we're only seeing about 10% of the actual data being used today." This data is paving the way toward machine learning and artificial intelligence, which won't require a human to adjust lights, thermostats and other settings.
- **By next year, up to 20% of your information security budget** will go to securing your facility's IoT connections. The threats are external – ransomware, malware, ID theft — but also internal, from disgruntled employees or the worker who plugs an infected USB stick of family photos into a corporate laptop. A total shutdown can cost a 200-bed hospital $1 million every eight hours.
- **Network segmentation is key.** Put different types of users on different networks to reduce risks to your system — guests on one network, remote employees on another and a secure remote access point for outside vendors. Don't have one username and password for 30 people. Know who logs in, the amount of time spent in the session, and what that person is doing.
- **In RFPs, be specific on cybersecurity.** Include how you want the system and the connections managed. "Work with product manufacturers that are building cybersecurity features and capabilities into their products … because somebody - with a simplified wire transmitter and a Pringles can - sitting across the street can change insulin levels on that pump with four mouse clicks."

Texas Healthcare Real Estate Market: Who's Buying, Who's Selling, Who's Building and Why


(Left to Right)

Mervyn Alphonso, *Senior Vice President, Anchor Properties*
Nathan Beckey, *Director, Real Estate Facilities & Real Estate Division, Children's Health*
Sharon Carter, *Managing Director/Healthcare Real Estate Solutions, Ankura*

- **Numbers and trends matter in picking an MOB location.** "We look at the market demographics but also psychographics. Not just who you are, but what you are and what your lifestyle is," Carter said. "Will a location last five years, 15 years, 30 years? Hospitals are looking at it like a McDonald's and Burger King."
- **Consider what's popping up around a location.** Alphonso was involved in a building purchase that took place a year before a Costco went in nearby. "It amazes me how excited people were about the Costco... What that means is a submarket that adds value to the building," he said.

- **Plant a seed for growth and see if it flourishes.** Beckey said that Children's is using a time-share model for pediatric primary care and specialties. As a "seedling" grows from occupying an office a half-day a week to several days a week, "we take a harder look at full-time residence. We're doing that for a cardio in Tyler," he said.
- **Cater to the culture and needs of nearby families.** In some cultures, when one family member goes to the doctor, the children and grandparents also come along. "What we're seeing a lot of is multi-specialty care," Carter said. In Bedford, N.J., Alphonso's company built a 65,000-square-foot outpatient facility that has a playground for bored children and is near a regional mall so parents can take the kids off-site during long waits.

Avoiding Compliance Pitfalls in Clinics & MOBs and Their Impact on Reimbursements and Valuation



(Left to Right)
John Trabold III, *Managing Director, MAI - Real Estate Services, VMG Health*
Michael Walker, *Director/Real Estate Operations, Texas Health Resources, and Vice President, Association of Medical Facility Professionals*
Kevin Wood, *Attorney/Healthcare Practice Leader, Clark Hill Strasburger*

- **Competition for physician groups drives up compliance risks.** Hospital systems are so aggressive in luring doctor practices "that they will do it at almost any cost," Trabold said. Due diligence is a must to avoid illegal inducements or violations of anti-kickback and Stark laws. Otherwise, noncompliance fines can cost hundreds of millions of dollars.
- **"Put together the right team of individuals** to help you figure out due diligence," Walker said. The team will take a hard look to see if the asset you want to acquire is compliant as well as a good fit. Don't think you can rush into a deal, then worry about compliance later.
- **CMS reimbursements ride** on "the purpose for the space" in leases and documentation, Wood said. "Conditions of payments are very different for a physician clinic versus a hospital outpatient department that may have a surgery component, that may have a lab component."
- **Documentation is crucial.** As a new tenant, "I want language in that lease that covers us completely in terms of compliance and our CMS criteria," Walker said. If a life safety survey finds a leftover fire hazard or other issue that you didn't know about, "now we're in a very dark place in terms of managing that" for lack of paperwork.
- **Do you even have a lease?** That's tops on Trabold's list of common lease deficiencies. Others include expired leases or leases that one party didn't sign. Compliance hot buttons? Not paying market rates on rent and paying only on your 10-by-10-foot office but not the restrooms or other common areas.

Harnessing Technology to Change Physician-Patient Dynamics


(Left) ***Tod Moore,*** *RCDD, Principal/Worldwide Discipline Lead for Information & Communication Technology, Stantec - Seattle, WA*

(Right) ***Liz Schmitz,*** *Associate/Healthcare Planner, Stantec - Houston, TX*

- **Healthcare facilities must balance high-tech with human touch.** Technology improves how patients move through a clinic or hospital but, bottom line, "these are spaces for humans to heal in," Schmitz said. At check-in, for example, some patients prefer a kiosk but others "want to see a person behind a desk," Moore added.
- **Designers should strive to reduce a patient's stress.** Spaces should facilitate conversation between the provider and patient, Schmitz said. Make parking and wayfinding easy, especially with technology that alerts patients to open parking spots and even lets them reserve a space, Moore said.
- **Rethink the waiting room.** Go beyond providing Wi-Fi and give patients the freedom to wait where they want, Schmitz and Moore said. Phone apps and RFID pagers like those at restaurants can summon patients from, say, the building's coffee shop. In surgical waiting rooms, loved ones can get updates — "now they're in surgery, now they're in post-op, now you can see them," Moore said.
- **Here's the latest tech — and what's coming:** The technology is here for LED lighting that also disinfects. Next up: Li-Fi, using light to transmit data even faster. RTLS (Real-time Location Systems) will track patients, caregivers and assets. Paired with a tag on a caregiver's wrist or badge, the soap dispenser "will recognize that Nurse Johnson or Dr. Smith came up and washed their hands" before entering a patient's room, Moore said.
- **Technology can build profit and brand.** After a positive experience, a patient might post a review or pictures of a new baby at the hospital on social media. "This completes the circle because now the patient is the one creating that brand for a hospital," Schmitz said. With a good experience, patients may rate hospitals higher on the Hospital Consumer Assessment of Healthcare Providers and Systems survey, increasing reimbursements.
- **Work with a partner to manage the technology avalanche.** Consider hiring a technology program manager who knows technology, healthcare, and design and construction to prevent issues falling between the cracks of silos.

Innovations Reshaping the Face Of Healthcare

Ray Pentecost, *Professor of Practice, College of Architecture, Texas A&M University, Ronald L. Skaggs and Joseph G. Sprague Chair of Health Facilities Design, Director, Center for Health Systems & Design*

- **Platform is the new system.** The old healthcare model is doing "procedures to get paid to keep the doors open." Today, the push is keeping people healthy and out of the doctor's office. Healthcare must evolve into a platform like Amazon, Starbucks and Netflix. Platforms find a niche, identify an audience and build trust through interactions – on their way to selling far more.
- **Opportunity is in community health, not reimbursements.** Virtual care and telemedicine reach people, monitor them and track them. "Almost 96% of what happens in our medical industry doesn't need a hospital." Add in virtual visits, and only 0.13% of Kaiser Permanente's patient experiences are in the hospital. Of the 12,000 children that Israeli telemedicine firm Clalit handles each month, 18% are sent to the hospital and less than a third are admitted.
- **Your Fitbit is a window on the future.** Artificial intelligence and augmented medicine are now. A cardiologist got an email from a patient: "I'm in atrial fib. What do I do now?" The patient's phone not only recorded the data, it interpreted it. There are 100 billion connected devices, with each device having at least a dozen sensors, creating the trillion-sensor economy.
- **AI also affects the design of health facilities.** For designers, the competition may be a booth on a street corner. In a soundproof compartment on one side of China's Good Doctor, a patient tells the AI his symptoms; the other side dispenses medicine after a quick OK by a human doctor. Aditazz, a Silicon Valley company, is advancing parametric design. "Give the computer enough parameters, and it'll draw a building around it," then whip out a client's revisions within minutes.
- **The brain-computer interface is coming:** Big names — Elon Musk, Mark Zuckerberg, DARPA —are getting involved. In time, you may see a virtual map overlaying the actual streets as you drive or, at a conference, see a brief bio next to each person you encounter.