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Attendee Comments

- Broad sense of knowledge learned
- Broad spectrum
- Consistent, very high level of presenters and the content presented
- Content was great, well-organized.
- Convenient and relevant information

Corporate Realty, Design & Management Institute @ squarefootage.net

San Francisco - Post Summit Recap



Takeaway Messages

December 14, 2018 - San Francisco, CA

Reported by Rob Goszkowski, a freelance writer based in San Francisco. He has previously worked as Senior Copywriter for InVentiv Health and Communications Specialist at Redfin.

Arriving at the Crossroads: The Decision to Build or Not

"Strategic plans move at such a pace that you have to learn on the fly."

-Patrick Daniel, former UCSD Chief Administrative Officer, Facilities Planning & Management and Capital Committee Chair



Patrick Daniel, former UCSD Chief Administrative Officer, Facilities Planning & Management and Capital Committee Chair

- **"Do we need another MOB?"** While serving as a Chief Administrative Officer, Facilities Planning and Management at UC San Diego Health, Daniel posed the question to 21 individual departments. "Seven of 21 indicated a growth forecast that would support a free-standing MOB dedicated solely to their department," he said. "And they all made a great case for it, they were all serious."
- **"I have never seen such creativity in healthcare as forecasters** for certain departments they represent," Daniel said. "They'll find the literature to support the assessment and assume that every exam room will always be full."
- **Five steps to creating successful strategic plans:**
 1. Develop or update the strategic plan.
 2. Perform a financial analysis.
 3. Create a capital plan.
 4. Define the delivery plan by pinpointing the right programs at the right location.
 5. Program the building for right size at the right cost profiles.

- **Agility is of the utmost importance.** "Strategic plans move at such a pace that you have to learn on the fly," Daniel said. "You must keep your capital plan updated annually."
- **Know the pitfalls of leasing** versus new construction. "It's very difficult to convert a lease building to meet Office of Statewide Health Planning and Development (OSHPD) 3 Clinic Requirements."
- **"Stay ahead of the market"**—if you wait until the need is identified it's already too late," Daniel said. "And no matter what the plan is today, it will change tomorrow."

What's going on with FGI and the 2018 Guidelines?

- **The purpose of the FGI 2018 Guidelines** handbook is to specify the design standards for everything in MOB construction, from room size to lighting to ventilation with a consensus-based process. "We're saying, 'These are the design requirements per the state,'" Erickson said. "What you do in the rooms is between you and the state."

- Diversity of participants & perspectives- pace of presentations- covered lots of ground
- Diversity of topics; Hearing from clients; Topics and flow of speakers were great
- Focused
- Great breadth of perspective; Economic metrics behind decisions
- I enjoyed the variety of topics presented. It was very well rounded and informative.
- Insights into the future of the market makers
- Interesting, diverse presentations. Very applicable to content with good perspectives.
- Intimate setting
- Kaiser presentations
- Meeting the area's healthcare professionals, the two KP presentations on outpatient clinic design
- Networking and understanding the market trends
- Networking opportunities and good information
- Rapid-fire content - good use of a day
- Real life, practical information
- Short and intense- almost rushed but not rushed
- Speakers - quality presentations
- The opening with analytical data that covered national healthcare and California. The trends defined by those statistics were powerful and important in setting the stage.
- The panels and time of each presentation
- Process of improving healthcare for the future
- Quick pace and depth of topics
- Real-world experience of the presenters and that many of the speakers were non-architects or the architects were just one of a panel. It emphasized the team effort.
- Stats and future trends charts
- Variety
- Very engaging presenters!
- Very knowledgeable + expertise from a wide array of



Doug Erickson, CEO, Facility Guidelines Institute (FGI)

- **The publication's board took a hard look at the future** of healthcare after the 2014 edition. FGI assigned two tasks to a diverse group of healthcare futurists: envisioning the range of health care environments and trends that may emerge by 2026 and helping FGI lay out a roadmap of the steps needed to stay relevant over that time period. Ultimately, FGI split their standard into two parts for the 2018 edition:
 1. Fundamental requirements – Minimum/ baseline standards that can be adopted as code by authorities having jurisdiction.
 2. Beyond fundamentals – Emerging and/or best practices that exceed basic requirements.

- **FGI focused on primary care/outpatient facilities**, as the trend in healthcare delivery is continuing to move in that direction. Fundamental Requirements is further split into three sections: hospitals, residential healthcare and support facilities, and outpatient facilities.
- **New topics include telemedicine.** "There's an environmental impact when you design these rooms," Erickson said. "'Oh, we had this unused space, now it's our telemedicine room' is not the way to go about it." It must be more deliberate than that. "The legal eagles will tell you that you don't get a bye for using telemedicine," Erickson added. "You're bound by the same guidelines."
- **The 2018 Guidelines features expanded coverage** of emergency preparedness, design for accommodating patients of size, imaging room classification, mobile/transport medical unit revisions, and more.
- **New Guidelines editions will come out every three years** instead of four going forward.

OSHDP: The Best Practices in California Healthcare Facilities

"We can help you figure out problems because we've probably seen it."

-Gary Dunger, Business Process Manager, eServices, at OSHDP, FDD

- **"We are actually here to help."** The regulatory agency can seem like adversary due to the steep costs these agencies add to projects, but Dunger highlighted the fact that these costs all are aimed at improving safety.
- **There were 1,129 hospital buildings in earthquake zones** that needed to be brought into compliance in 2001, 86% of which were resolved by mid-2018. Seismic retrofitting should be completed on the remaining structures by 2020. Land, labor, and materials are also pricier in California than the other 48 contiguous states.
- **There are avoidable sources of even higher costs:** Poor initial planning, failure to impose adequate project management controls, and poor adherence to the original plan. "Know precisely what you want before you start," Dunger advised. "Participate in the development of the **Functional Program**."
- **"Be realistic about the time it takes to deliver** a California hospital project. OSHDP review time takes as long as it does, so be ready for it," Dunger said. In addition, be realistic about budgets. "It's going to cost more than you think."



Gary Dunger, Business Process Manager, eServices, at California Office of Statewide Health Planning and Development, Facilities Development Division

- **"The biggest thing we did this year was** change how we manage the Anticipated Date of Approval of Plans and the Average Number of Backchecks," Dunger explained. "We use data to extrapolate when plans will be approved and implemented mid-year. Today, when your project is accepted, we send an email that you will be approved on or before this date and have x average number of backchecks. We've been holding very true to that."
- **OSHDP wants to help move construction forward.** "We want to make your project successful," Dunger said. "We can help you figure out problems because we've probably seen it before."

Avoiding Compliance Pitfalls in Leased Medical Buildings, Whether You're Tenant or Owner

presenters; Nice to include the owners/developers/vendors and not just architects

- Well-spoken speakers
- Wide variety of informative topics & offered really practical discussions
- Networking is always fun but I'm here for the presentations of owners, regulators and designers. Everyone has a point of view and I'm interested in learning what it takes to be successful.



Left to Right:

Derek A. Ridgway, Partner, Hanson Bridgett

Armin Wolski, M.Sc., PE, Life Safety Code Consultant, Reax Engineering

Eric Stein, SVP/Regional Manager, Harsch Investments and Chair of BOMA Codes Committee

- **Areas of concern in leased buildings involve three parties:** the landlord, the tenant, and other tenants. Those three parties share key areas of concern including tenant spaces, common areas, and building systems. The lease document should provide clarity on who is responsible for what.
- **Don't count on landlords to cover upgrades.** "Every landlord says that if there's something that arises out of tenants use or occupancy, it's up to them to cover it," Ridgway said.
- **Bringing a leased space into compliance with the "American Disabilities Act (ADA)"** and who pays for that at the outset tends to be a significant issue," noted Ridgway. And that may only be the beginning.
- **"Leases are not compliant with what you need for medical office space,** like access to all parts of the building necessary for a medical practice, such as access above ceiling tiles," Ridgway said. The owner may not know where the fire control panel is or if it's even possible to access it. "Building owners don't want inspectors pointing out everything wrong with their property."
- **"The #1 item in my mind is** whether or not you're expecting any non-ambulatory people," Wolski said. "That determines the entire path of all requirements for the building."
- **Money is on the line** because healthcare providers that receive federal money must meet with The Centers for Medicare and Medicaid Services (CMS) Conditions of Participation. That includes obligations to building codes and various federal statutes with heavy potential penalties for non-compliance. Medical offices that are found to be in violation face triple damages plus a penalty of \$5,000 to \$10,000 for each false claim.

Future of California's Healthcare Real Estate Market



(Left) **Mike Conn**, Senior Vice President, Meridian

(Right) **Michael Monaldo**, VP/Facilities Development & Corporate Real Estate, John Muir Health

- **"We're busy with no signs of slowing down** in the next 18 months or so," Conn said. Beyond that is a little murky. "Too many things happening with trade wars and tariffs."
- **While previous speakers warned about leasing,** repurposing space is virtually unavoidable in the Bay Area where real estate parcels large and small are scarce and expensive. But it can still be successful. "We just did 100,000 square feet at an old factory building at the intersection of three cities, Berkley, Emeryville, and Oakland," Monaldo said. "It was marketed for tech companies, but we convinced the owner it could work."
- **Overall, the MOB and outpatient sectors** are moving away from campuses. Construction close to hospitals appears to be a diminishing priority since 2009.
- **"There's a phenomenal amount of private equity flowing** into our space," Monaldo noted, so there's ample support available for projects of this nature. The changing buyer landscape is driven by growth in private equity investment, which accounted for 30% of total volume in 2017 but nearly doubled to 59% in 2018. "I can get a 5% to 5.5% cap space versus 3.5% for a multi-unit residential building," Monaldo said. And investors are paying attention.
- **Creativity is key in a competitive market.** "The Bay Area is a dense place, so you have to get creative by acquiring multiple parcels and repurposing them, for example." Navigating entitlements is also critical, Monaldo added. "It's about speed to market."

Tips, Tricks of the Trade, and Traps to Avoid – In-the-field Experts



Left to Right:

Brandon Wray, Aridus Rapid Drying Concrete

Stacey Bennis, nora systems

Kim Dinardo, Cambridge Sound Management

Dave Blackwell, Camfil

Dan Lajeunesse, Tremco Roofing & Maintenance

Terry Whitehead, Delta Controls

Kim Dinardo, Cambridge Sound Management:

- **Tip:** By properly employing sound management systems you can handle two tasks with one system: paging as well as sound masking.
- **Trap:** Don't let the appearance of privacy guide speech privacy practices. Proper sound masking will keep sensitive conversation private better than a visual screen.

Dave Blackwell, Camfil:

- **Trap:** People are always hung up on the cost of the air filter. There's a 7:1 ratio: for every dollar spent on a filter a facility spends seven on the energy needed to run air through it. And that's the national average; it's much higher in California.
- **Tip:** In the long run, spending a little extra on your filter will save you thousands in energy costs. Keep energy costs in mind and always keep your filters fresh.

Dan Lajeunesse, Tremco Roofing & Maintenance:

- **Tip:** There are new roofing materials on the market that combine features such as flexibility, strength and resistance to UV rays. For example, Tremco has two new systems that use Ketone Ethylene Ester (KEE) for flexibility to accommodate building movement as well as resistance to fungus, algae, and fire.
- **Trap:** Putting off roofing projects. They may not be the most exciting features of your building, but they're one of the most important.

Terry Whitehead, Delta Controls:

- **Trick:** Having all building automation systems on one platform can reduce training costs and increase competency with those systems.
- **Tip:** Make sure you use a specialist with HVAC automation expertise to keep a building healthy.

Stacey Bennis, nora systems:

- **Tip:** Rubber floor coverings can help hospital staff avoid foot, leg, and back pain after long shifts.
- **Trick:** With rubber floor coverings, maintenance teams can clean up chemicals and turn over spaces in half the time.

Brandon Wray, Aridus Rapid Drying Concrete

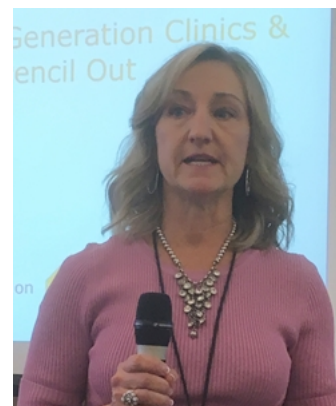
- **Tip:** Many concrete finishers will overwork the concrete surface to produce a very slick, smooth finish that is dark in color. This adds finishing time and cost to the concrete surface. This is not required and will create a surface that is dense and impermeable, making it difficult for flooring adhesives to adhere compared to a permeable surface.
- **Trick of Trade:** On smaller projects with a fast turnaround (less than 6 months), utilize a rapid drying concrete with high early strength to take 1-2 weeks out of the schedule.

Making Next Generation Clinics & MOB's Pencil Out Multi-Tenant Building Perspective

- **"Customer-driven design matters.** Patients are playing more of a role in selecting where they receive care these days," Jacobs said. "Patients want their concerns known and their voices heard so they feel cared about too."
- **"Processes can drive design attributes** to support customer expectations," Jacobs said. "It's almost like Disney—we're not just building a building, we're building an experience."
- **Cost efficiency will accompany** a focus on streamlining processes that drive efficient facilities. "How can we reduce exam room time?" Jacobs asked. "Number one is waiting time. A nurse comes in takes vitals and [the patient] waits. Over 50% of the time when they're in a clinic scenario they're

waiting so we have to provide a place for them to wait."

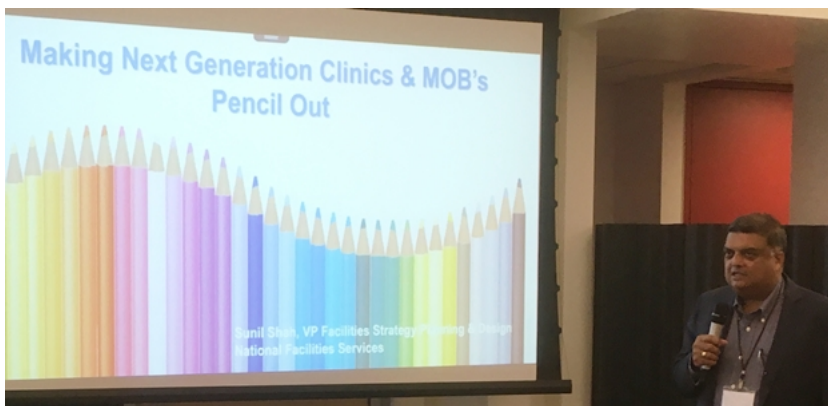
- **"Efficiency also means** making sure HCPs have what they need when they enter an exam room, digital or otherwise," Jacobs said. Increasing exam room capacity with level scheduling and having rooms scheduled all day will keep patients moving.



Debbie Jacobs, Director, Catalyst

- **Eliminating non-value-added** space enhances investment optimization. "There are better uses of the area outside of the exam room with that time spent waiting," Jacobs explained. "For example, patient education and counseling." Limiting specialty rooms, telemedicine, and maximizing flexibility keeps capacity potential high.
- **"Ultimately, it must be all about the patient,"** Jacobs concluded. "What is good for the patient is good for the bottom line" as increased reimbursement is tied to patient satisfaction scores.

Single Tenant Building Perspective



Sunil Shah, Vice President Facilities Planning and Design, National Facilities Service, Kaiser Permanente

- **Kaiser made a crucial mistake** putting out an RFP that asked "What does the MOB of the future look like?" "The day before the RFP was due, we realized we were asking the wrong question," Shah said. "It should have been, 'What does the future of care look like?'"
- **"We discovered unknown healthcare needs** of our community by following different personas." Then Kaiser mapped different patient journeys, from pre-appointment to registration to exam to post appointment and applied those needs to next generation MOB building blocks: community, design typologies, public square, outpatient clinical suite made up of a front porch, clinic module, exam room, an enclave, and ancillary support.
- **The HEALTH HUB Experience** Design, composed of these interconnected elements, was the result. The design organized the concepts into modules. The HEALTH HUB is scalable to different facility sizes and configurations in new and existing facilities in primary, specialty, and urgent care.
- **Results: Increase exam room throughput** by 10% to 15% ("Huge for us," Shah said, "millions."); reduced the overall building footprint by 7% to 10%; increased technology and equipment by 5%; and achieved a net savings of 1% to 2%.
- **Find the sweet spot for user experience.** "The buildings, operations, service model overlaid with tech creates a sweet spot of user experience," Shah said, but Kaiser's processes were wrong. "We'd purchase technology at a conference, which is then thrown over the fence to operations, who doesn't know how to implement it."
- **When asked "How do you roll this out** into existing buildings?" Shah quipped, "That's the challenge for you. Kaiser has 26,000 exam rooms and we can't afford to rebuild them. So much in the exam room gets used maybe once per day, once per week. There's too much space and inventory. And it is a challenge, but it's on our mind."

Connecting the Dots Between Owner, Design & Construction in Next Generation Medical Building



Mark Brna, Executive Director,
National Facilities Services, Facilities
Strategy Planning and Design, Kaiser
Permanente

- **"Change in the healthcare construction industry** is accelerated by technological developments in transportation, communication, even how we listen to music," Brna noted. "That impacts how we design, construct, and operate."
- **"Client demand signals are the real drivers** of change though. Affordability, speed, adaptability, sustainability, and durability—we've had them around as priorities for the last 150 years at Kaiser. What is that life cycle?"
- **"That cycle has brought us to three goals."** 1) To get faster, with a reduced time to market by six to nine months. 2) To get better via improved materials and flexibility as well as better energy performance. 3) To become cheaper by reducing design costs and construction costs by roughly 4% to 5%.
- **Innovation potential can be maximized** in healthcare construction by leveraging rapid innovation in the areas of standardization, modularity, 3D technology, programmatic procurement, and pre-fabrication and assembly.
- **"Integrated project deliveries have so much potential."** And integrated projects are uniquely distinguished by highly effective collaboration among the owner, the prime designer, and the prime constructor, commencing at early design and continuing through to project handover, Brna explained.

Leveraging the Brand without Breaking the Bank



Left to Right:

Mark Brna, Executive Director, National Facilities Services, Facilities Strategy Planning and Design, Kaiser Permanente

Charles Parks, Director/Senior Medical Planner, KMD Architects

Mark Krejchi, Ph.D., Healthcare Manager, Wilsonart

- **Keep your brand cohesive** across real world and digital geography in as many ways as possible. Pull colors that are used in physical signage and brick and mortar locations through to the online representation of the healthcare facility. Most of our interfaces are through the web, so be consistent with your brand idea all the way to the medical staff to the individuals at the front desk.
- **Keeping the brand aligned** so patients (customers) know what to expect is important.
- **Look inward to find the brand identity** of a healthcare practice. The identity of a healthcare practice—or any business—is dictated by the goals, function and, most importantly, the people it's composed of.
- **Stay true to the character of the business.** Wholesale changes are tricky to execute without the aid of professionals and can confuse patients and customers.

Latest Research: Seven California Hospital Projects Reveal 9 Indicators for a Successful Healthcare Project



Left to Right:

George Hurley, Healthcare Core Market Leader, DPR Construction

Michelle Malone, Executive Director of Facilities and Construction, Chinese Hospital

Lynn Welch, SitePlus



- **The key commonalities in the examined acute care medical facility projects** were their OSHPD oversight, large scale, and completion over a 10-year period. Differences included a range in cost from \$100 million to \$1 billion, a variety of customer types, different delivery methodologies, and inclusion of both existing and new facilities.
 - **The projects were studied** with interviews and examined for patterns, themes, and differentiators. The team also identified key topics and developed open-ended questions about what went well, what did not, and why.
 - **The team created 9 Key Indicators** for project success:
 1. Truly engaged owner
 2. Align the team with the project mission and vision
 3. Right team/right mix
 4. Co-locate (the Big Room)
 5. Act swiftly when necessary
 6. Invest in the team
 7. Share knowledge and continuously set higher goals
 8. Discipline of best practices/Lean construction methods
 9. Authorities having jurisdiction
-