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Conferences
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Attendee Comments

"The conversational format"

"Quality of speakers and current content"

"What I saw was very good (even though I was able to attend only part of the summit due to work conflicts)"

"Free form knowledge share and trending issues"

"The case study on CHOP"

"Learning about the future trends in health care"

"Networking"

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Mid-Atlantic 2018 - Post Summit Recap

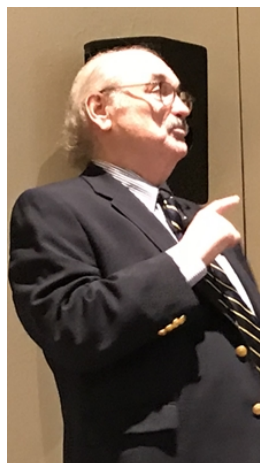


Takeaway Messages

June 20, 2018, Philadelphia, PA

Reported by **Theresa Walsh Giarrusso**, a freelance writer and contributing editor to The McMorrows Reports for Facilities Management and Design Insights, www.mcmorrowsreports.com.

What's Driving Healthcare – A Look at the Numbers



Alan Whitson, President of Corporate Realty, Design & Management Institute

Visits and Admission per 1,000 nationally

- U.S. Population 1990-2014: Increased by 27%
- ED visits: Increased by 23%
- Inpatient admissions: Down by 17%
- Outpatient visits: Increased by 80 percent
- U.S. Patient visits projected to increase 20 percent from 2015 to 2030

Population & Visits 2015 to 2030

- California most visits
- Arizona biggest percentage increase in visits
- Florida biggest increase in number of visits
- Ohio & New York population expected to decline while visits will increase

Key Stats for Pennsylvania

- Population 2018: 12.8 million
- Number of hospitals: 178
- Staffed beds: 35,655
- Total discharges: 1.49 million
- Patient days 6.9 million
- Gross patient revenues: \$186.6 billion
- PA visits increasing 1,260 percent faster than population

Insiders View of the Facility Guidelines Institute Changes for Hospital & Outpatient Care Facilities

- The Facilities Guidelines Institute is now offering the 2018 Guidelines in a digital format for the first time at www.fgiguidelines.org. You can get multiple seats to share with colleagues.
- The 2018 Guidelines Colloquium Recommendation was split the standard into 2 parts:
 1. Fundamental Requirements – Minimum/Baseline standards that can be adopted as code by AHJ's. Further divided into books addressing: Hospitals, Residential and Outpatient.
 2. Beyond Fundamentals – Emerging Practices that exceed basic requirements
- The minimum requirements are simple, but the appendix is huge. Be sure to check the appendix.
- A new chapter, General and Specialty Medical Services Facilities, allows owners and designers to address areas not covered specifically in the Guidelines. Think of it as an "a la carte"

"Interactive panels"

"Space & Culture Study information"

"Content was more than what I've typically gotten at healthcare design conferences (Trends in healthcare, real estate)"

"Loved the Space & Culture Case Study at CHOP"

"Moderators very good; Content/topics varied; Kept to schedule"

"Location"

"Varied content, lots of different voices/perspectives"

"Different professions collaborating on same issues"

"Jefferson Tower- provided great info; Medical Real Estate outlook- good info"

"Speaker caliber"

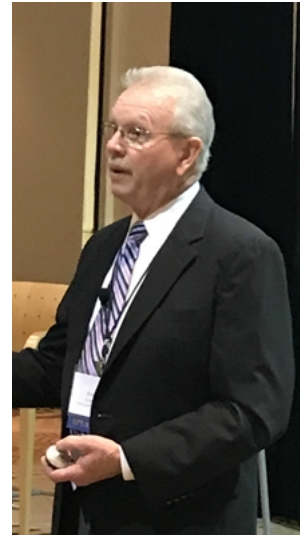
"Wonderful event. Well worth attending!"

"CHOP + Real Estate Outlook + Panel"

"Panel & Q and A segments were the most realistic"

approach – matching the acuity of the patients served to the Guidelines' requirements.

- Sign up for the Guidelines newsletter at www.fgiguilines.org. They do NOT share your contact information. The site offers white papers, articles, webinars and other resources to clarify the standards



Doug Erickson, CEO, Facility Guidelines Institute

Ask the Code, Compliance & Operations Experts



(left to right) **Alan R. Neuner**, CHFM, VP Facilities Operations, Geisinger; **Christopher J. Reitz**, AIA, CHFI, CLSS-HC, LEED AP, Director, Facilities Compliance, Thomas Jefferson University and Hospitals; **Lamont Moore**, Regulatory Compliance Manager, Temple University and Temple Hospital; **Kelly Mason**, Director, Healthcare Partnerships, Specified Technologies, Inc.; **Doug Erickson**, CEO, Facility Guidelines Institute

- Moore said a good building maintenance program is essential. You must be proactive and have a good barrier management system.
- Reitz said his team has a very robust ceiling program. Contractors must have a permit from him to work on site.
- Mason jumped in to say that barrier management is really the guts of the program. It's not acceptable to say "I didn't know I was supposed to get the permit." Sometimes he feels like a marriage counselor between IT and FM. He has to get them into a room to work it out.
- Neuner wants to know if companies are using BIM as a management tool for barrier management and compliance. "Has anyone implemented BIM for operations?" He says his team is starting down the path on BIM and is just "scratching the surface."

A question from the audience led to a debate about whether door regulations have gotten out of control and aren't really impacting the number of deaths in a hospital the way infection control does.

Moore said, "What is it that takes the most abuse in your hospital? It's your doors." He points out that your doors are your first line of defense against fires and you must keep them up to standard.

It's A Big Deal: The Jefferson Tower



"We found ourselves with a large group of leases coming up. Jefferson found itself going from two hospitals to 14. It's \$5 billion company with 30,000 employees. It exploded in last two to three years," explained Ronald E. Bowlan, SVP Facilities & Real Estate at Thomas Jefferson University.

Bowlan started working with Catherine A. Pullen, Corporate Managing Director at Savills Studley, to examine the population that would work there. They looked at job codes, where employees lived and currently worked. They looked at drive times across the Delaware River Valley and across two states.

Pullen explained they started with 32 buildings and reduced it to 13. They had seven RFPs and then they added in financial impact. That cut the candidates down to three buildings. The building at 1101 Market Street in Philadelphia seemed to meet all the criteria. It offered excellent branding and identity.

Thomas Jefferson's preliminary search parameter based on existing leases was 400,000 sq. ft. The building selected is 359,000 sq. ft. There are two blocks of space – 230,000 sq. ft. and a second of 120,000 sq. ft. When Aramark moves out in

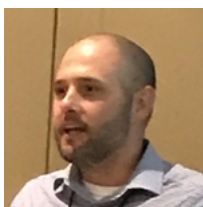
Ronald E. Bowlan, SVP Facilities & Real Estate, Thomas Jefferson University

Catherine A. Pullen, Corporate Managing Director, Savills Studley

2019, Jefferson will take the top 14 floors of the building's 32 floors. Expansion rights on the lower floors will handle the second block of space in 2025.

She said they have a contingency plan in case the current tenant couldn't move out in time. "We have flexibility for minor extensions. We also have penalties for the landlord in 1101 Market Street. We're not expecting that."

Tips, Tricks and Hidden Traps to Avoid: In-the-field Experts



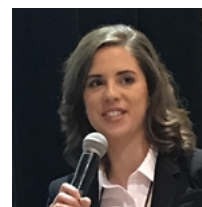
Uriah Parker, AD
Systems and Allegion



Allan Carr,
Cambridge Sound
Management



David Jamison,
Corian Design



Noreen Cioffi,
Draeger

Uriah Parker:

- **Trick:** Sliding doors can save space in outpatient facilities and potentially increase your revenue for exam space. You can have more exam rooms in the same footprint, because you don't have to account for the swing of the door.
- **Tip:** Not all sliding door manufacturers are equal. Look for one that specializes in medical and outpatient facilities. You need to consider the acoustics, latching and locking capabilities, smoke seals and soft closures and warranties.
- **Trap:** A sliding door system requires extra blocking in the wall. The contractor needs to review detail before rough opening. Talk to technical department, not salespeople when ordering.

Allan Carr:

- **Tip:** Sound masking is for the unintended listener. Masking goes where the listener is located, not where the speaker is.
- **Tip:** Sound masking can improve your HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) score and improve healing. If patients can get a full night's sleep, they can heal more quickly.
- **Trap:** Be careful on layout. Take advantage of vendor's in-house AIA architect liaison to help with layout and design.

David Jamison:

- **Tip:** Solid surfaces are an excellent choice for high traffic hallways and operating rooms. You can make solid surfaces seamless where no dirt, germs or bacteria can grow or be harbored.
- **Trick:** It's possible to use Corian as material for a renovation project. It can cover tile and be placed over existing plumbing features saving money and time.
- **Trap:** Choose a certified fabricator to insure the look you want. The distributor can help you find a qualified fabricator.

Noreen Cioffi:

- **Tip:** When creating rooms, account for future needs.
- **Trick:** Recognize your biomedical department in the hospital. They are stakeholders.
- **Trap:** Don't fall into thinking that all rooms are the same. You really need to be aware of the clinical needs of the room.

Forces Driving Healthcare Real Estate & Acquisitions



(left to right) **Michael Hargrave**, Principal, Revista; **Jeff Mason**, Manager Enterprise Real Estate, Nemour; **Katie Jacoby**, Executive VP/Strategy & Development, Anchor Health Properties

Size of Hospital/Inpatient Database: 5,522 properties totaling 1.6 billion sq. ft.; \$640 billion in value

MOB Database: 32,158 properties totaling 1.3 billion sq. ft.; \$372 billion in value

Value of MOBs and Hospitals Combined: Over \$1 trillion

MOB Owners by Type:

- Hospitals/Health Systems: 51 percent
- Private investors: 19 percent

- Providers: 14 percent
- REITs: 11 percent
- Other: 5 percent

Buyer Landscape is Changing:

- Hospital health system and investor/private ownership is up
- REIT ownership trending down

Top 5 Metro Areas for MOB Transaction Volume 2015 to Present

1. Los Angeles-Long Beach-Anaheim, Calif.
2. New York-Newark-Jersey City, N.Y., N.J., Pa.
3. Houston-The Woodlands-Sugar Land, Texas
4. Atlanta-Sandy Springs-Roswell, Ga.
5. Chicago-Naperville-Elgin, Ill., Ind., Wisc.

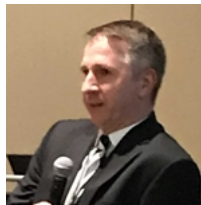
Philly MOB Rents Trending in Line with other Metro Areas in U.S.

- Philadelphia metro area: 30.2 million sq. ft. of space – 1.3 million sq. ft. of available space (4% vacancy rate) – \$21.28 per sq. ft. average rental rate
- Top 50 metros: 771.8 million sq. ft. of space – 41.7 sq. ft. of available space (5% vacancy rate) – \$21.28 per sq. ft. average rental rate.

Mason said Nemours is trying to gain more saturation in micro markets rather than major markets for its ambulatory care. He said they are competing with other tenants for their space. He said they strive for exposure and name recognition and good mix of tenants. "We will put a primary care next to retailers... we have to be cognizant of the mixture."

And how are people interacting with the retail component? Jacoby said, "We all want convenience and one-stop shop. It's all about convenience, time management and everything on demand. Millennials are increasingly coming into healthcare market . . . If you have your location there, that's a deciding factor. I can hit all these birds with one stone."

Secrets to Not Breaking Your Capital Budget



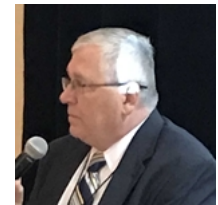
Jan Reinhardt,
Principal and Founder,
ADEPT Project
Delivery



Ray Brower, Vice
President, Callison
RTKL



John Haught, Project
Executive, LF Driscoll
Healthcare



Bart Miller, AVP
Jefferson Health New
Jersey

- Brower said, "When doing master planning you've got to provide as much management information as possible to the client. We need to be able to clarify what construction cost, IT, administration costs, etc. . . . "It really is providing as much financial information as possible." He added, "I think we need contractors involved much earlier in the process."
- Miller said there is always going to be battle about where are you going to put your money. With renovations there are always going to be things that haven't been maintained and guidelines that have changed.
- Reinhardt said, "Over the last 10 years, BIM has revolutionized our industry. Computers are actually helping us." He says that if companies have all the BIM information for their building they can eliminate a lot of risk with renovations. "Right now BIM is 10 to 15 years old. We have a digital twin available. Now the charge is to use this and maintain this. Capital projects going forward could benefit because we have the data!"
- Haught, who does a lot of work in New Jersey and Pennsylvania, says regulatory issues are controlling the construction. He says these could be expedited. He says land use attorneys and site civil engineers can help at the start of the project, and everyone needs to communicate.

Making Decisions at the crucial time – When and Why Projects Frequently go Astray



Tim Cole, Vice President
marketing, nora systems

- Transparency is more than ingredients in a product. Transparency needs to be on all aspects of the project.
- There's nothing wrong with demanding transparency.
- Users and specifiers must hold manufacturer partners accountable to create solutions to problems in today's construction and operational issues in healthcare.
- Save time and money by specifying exactly what needs to be done. It's easy to add to a specification, "Must be installed by a factory trained installer."

Space and Culture Case Study – CHOP: Roberts Center for Pediatric Research



Doug E. Carney, AIA,
LEED AP, MBA, Senior
Vice President for
Facilities, Real Estate
and Capital Program,
Children's Hospital of
Philadelphia



Terry D. Steelman,
FAIA, LEED AP,
Principal, Ballinger

- The (then) current lease at 3535 Market Street expired on May 31, 2017. They occupied 226,089 rentable square feet and leased 388 parking spots from the Science Center. Baseline growth projections anticipated the need for an initial requirement of 360,000 rentable square feet by 2017 and a total need of 480,000 rentable square feet by 2022. The space will be office-based clinical research and other hospital support and office functions plus parking for 350-500 cars.
- The existing space was state of the art in 1974, and the teams were still working that way. The scientists connected their offices with the higher education degrees they earned. They felt the walls and the amount of space was symbolic of their Ph.Ds and were reluctant to give them up. They also greatly valued privacy for their research.
- Carney and Steelman were able to create a test of change mockup space with six styles of office: Innovative, Thought Provoking, The Commons, Traditional, Creative, and Enclave. The business units were allowed to choose the space they wanted, but they had to stay in it. They were also given new technology in the space so they were working differently not just in different desks. Groups picked their initial style for a set number of days, then rotated through the various styles.
- During the test, the team was constantly observing and surveying the occupants with formal polls, as well as a question-of-the-day on a writable wall near the coffee station. The team also cross-referenced what the groups self-reported to see if it was true -- such as amount of time spent in the office. Time spent in the office determined where you were placed in the space, i.e., access to light, getting an office or even the investment of a sit-stand desk. The only complaints they get are from people who didn't participate in the mock up.