



## Executive Summary

5th Arizona Hospital, Outpatient Facilities & Medical Office Buildings Summit

February 27, 2025

# Future of Healthcare Facilities

Tackling Aging Infrastructure & Supporting New Delivery Models

Planning, Real Estate, Design, Construction, and Operation of  
 Hospitals | Clinics | ASCs | MOBs | Retail | Telehealth  
 Home Health | Non-Clinical | Research Facilities

This Education and Networking Event is Presented by  
 Corporate Realty, Design & Management Institute  
 Association of Medical Facility Professionals – Arizona Chapter  
 National, Regional & Local Sponsors

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## Executive Summary:

- Healthcare 2024 and Beyond: Impact of Time, Age, Money, and Technology
- What's in the Cards for Healthcare Real Estate: 2025 to 2035
- Crisis Care Centers: Transforming Behavioral Health Treatment
- Using Cleanroom Technology to Improve Critical Environments in Healthcare
- Money Solutions from Camfil and Allegion
- Keys to Well Rounded Healthcare Services on Tribal Properties
- Designing for Security in an Era of Increased Violence
- Speed to Market: Desing, Engineering, Management and Economics of Modularity & Institutionalized Construction
- Eight Common Traps When Evaluating Technology for Healthcare Projects
- The Art of Big Healthcare Projects: Managing Scope, Schedule, Cost, Execution, Expectations & Ghosts

*This executive summary was written by Peter Madrid, MadridMedia, a full-service PR firm representing clients in the commercial real estate industry in Metro Phoenix.*

[ptmadrid1975@gmail.com](mailto:ptmadrid1975@gmail.com) | <https://madrid-media.com>

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## Healthcare 2040 and Beyond: Impact of Time, Age, Money, and Technology

*Tara Brown, AIA, NOMA, RScP, LMC, FFC, Health Principal, HDR*

*Jon Crane, FAIA, LEED AP, Senior VP, Director of Translational Health Sciences, HDR*

### **Tara Brown**

- By 2030 all Baby Boomers will be over the age of 65. We are aging as a population with immigration driving population growth.
- The challenge is that having declining birth rates is affecting the ability of the young age groups contribute to Social Security.
- Since 2015 we're seeing a significant trend in the shifting of the medical workforce. We need more skilled providers, including specialty services for those over 65. This demand is growing and provider demand is getting shorter.
- There is an increased disease burden as populations are getting sicker.
- For healthcare, autonomous vehicles is one of the options for how we transport patients to very large medical facilities. We need to highlight the patient experience, especially if parking is a long way from the door. That technology is already available.

### **Jon Crane**

- Chronic diseases are going up and mortality rates are going down. COVID was a big disruptor at that same. Heart disease has been dropping, but cancer took a spike up. The question is will they be flat between now and 2040 or will they decline or stay flat?
- There has been a shift from acute to chronic disease, and the need for mental health care
- There are new therapies and approaches; there will be more new therapies between now and 2040 than in all of history. Researchers were able to eliminate or reduce disease biomarkers with a single infusion of CART cells.
- What will be the impact of new therapies on survival rates? One new therapy is a three-cocktail drug for childhood leukemia. There are new cancer immunity therapies for melanoma. We are seeing significant changes.
- How will healthcare change? Technology is the biggest cost of healthcare. The cost of cancer medicine will double over the next 5 years. Science research and technology are driving up costs. As we provide technology we see an increase in costs.

## What's in the Cards for Healthcare Real Estate: 2025 to 2035

*Bettina R. Hunt, CCIM, CPM, Senior Vice President Leasing, American Healthcare REIT*

*Julie A. Johnson, CCIM, Executive Vice President, Colliers International*

*Sheila Schmidt, Managing Director, Strategy & Development, Meridian*

### **Bettina Hunt**

- The Phoenix healthcare real estate market is one with challenges yet many opportunities. There is no shortage of healthcare facilities.
- One trends we see is do we renovate, which is cost effective and delivers faster, or do we build new product?
- One constant has been that the Phoenix healthcare market is worth the investment for both landlords and tenants.

### **Julie Johnson**

- Physicians who are tenants want to own, putting their money in the core business. In Phoenix over half of the medical condos are owned or leased by medical practices. They want to own an investment and have an income source.
- The part that's not going away is we are getting older, and those 65 and older need more healthcare. That extrapolates into more medical buildings, because you can't do everything by telehealth.
- Those 65 and older go to the doctor 7 times a year. Still, the hospital is the hub. Surgi centers will increase with more and better technology. They are more cost effective.
- We will see a merging of medical and retail – “medial.” It will continue to grow. We saw that when the big box stores closed. Medical went in and leased them up. Parking, signage, in and out.
- Hospitals are doing more in the community. They are offering fresh food and fresh fruit in food deserts. They are doing housing. They are reaching out and helping in non-traditional ways.

### **Sheila Schmidt**

- How are healthcare real estate projects being capitalized? It's a market of uncertainty. This year has been particularly volatile. The pendulum is swinging between the equity and debt side.
- Getting financing for a medical office building was based on multi tenancy with 45 to 50 percent occupancy. It went all the way to 100 percent occupancy. It's based on debt ration rather than occupancy. This is providing opportunities to get strategic with our partners.
- A trend I'm really seeing is the focus on patient experience. It used to be go here for this and that, and other services. Hospital systems and large providers are being savvy in referring patterns. An example is multi-tenant facilities. A one stop shop. Oncology on one side of the campus supporting services on the other side.
- Another trend is taking an old abandoned hospital and converting it into a behavioral health hospital because there was a need for it. We see it as common practice. With some of the other service lines with higher acuity, you have strategic alliances with a system or systems. There is a trend with those providers being employed by the hospital or being independent.

## Crisis Care Centers: Transforming Behavioral Health Treatment

*Cassie Leavitt, Senior Vice President, Connections Health Solutions*

*Robyn Lindstrom, AIA, ACHA, EDAC, Senior Associate, Senior Medical Planner, Behavioral Health SME, Stantec*

### **Cassie Leavitt**

- Connections Health Solutions is one of the leaders in crisis care with 23-hour observation services. It's a commitment to safety, a secured environment, and therapeutic care.
- A clinical care culture makes it possible to see anyone who comes to your door. We offer walk-in services. We want to see you. Safety is our priority before they move forward and out into the community.
- Urgent care is 23-hour observation, crisis stabilization, receiving/intake, and first responder entrance. Want to see someone stay 3-5 days; quick, back into their lives. We don't want them sitting in a unit for a long amount of time.
- We have legislative support, grants, and funding. We have the standard Medicaid and Medicare and other types of funding. We serve the most diverse populations.
- A lesson and buy and build. As a provider, we partner with the industry. We work with real estate leaders and general contractors as a whole group to find best place to build. There needs to be more access for our services. That's why we also talk to neighbors. The stigma of a behavioral health facility is real.

### **Robyn Lindstrom**

- In healthcare design the focus is on behavioral and healthcare facilities. The built environment can help take the lead in those facilities.
- It's about a continuum of care. In 2020 Congress approved a suicide hotline, 988. With that came three-pronged approach: connect, get help, and find hope. Mobile crisis, get them; the facility, where are seeing emerging.
- An environment can be triggering for a lot of people. You're seeing behavioral health start to move into a space that is more conducive.
- You design to complement: CPEP unit, PES, EmPath, Crisis Care Centers.
- There are regulations: licensure at the state and municipal levels. You need to have quiet rooms, and calm rooms.
- The built environment is changing as well when it comes to construction types and occupancy. Get architects in the early discussions. What is the type of the building? Office isn't conducive. Look at law enforcement that comes in when someone in handcuffs walking in in crisis. How can we separate entrances and provide that dignity?
- What is next? We will start to see more and more the embracing of construction of crisis care. We will see it with residential and the supportive housing element.

## Using Cleanroom Technology to Improve Critical Environments in Healthcare

*Cliff Yahnke, PhD, Chief Science Officer, SLD Technologies*

- We Need to reduce healthcare harm. The U.S. healthcare system is being driven by changes in reimbursement. One in 20 get an infection when they go to a hospital. That is a huge cost to the system.
- How did it get into the body? Through a catheter, a ventilator. The cost of an infection is high.
- The built environment can help, it has a role. There are pervasive organisms: Norovirus, SARS. You're playing room roulette. You go into a room and risk acquiring an infection based on the prior occupant's status. More or less likely? By a factor of three, yes. Something is left behind.
- Clean room technology can be traditional or ceiling design. If you need clean room airflow to the OR, a large diffuser is good for pushing contaminants out.
- When it comes to performance, airflow is exactly what we think it is. Laminar flow sends it out. In the surgical field, air delivery is not making it better. The idea is to, reduce contamination.
- How do we remove contaminants from the rest of the room? We push out, but where does it go? How can it be reduced? A lot of operational considerations include a form of invisible (UV) light.
- It comes down to good science.

## Money Saving Solutions

*Gene Jones, Allegion Healthcare*

*Dave Blackwell, Camfil USA*

### **Gene Jones**

- A pivot from traditional swing doors provides the space-saving benefits of sliding door solutions. With swing doors, the nature of their swing path can prove problematic in space-restricted areas. When the door is open, it can become difficult for occupants to maneuver around or through the space.
- A benefit of sliding door systems is they eliminate the space needed for a swing path, freeing up clearance and allowing for fluid, open pathways. The AD System ExamSlide door saves up 30 square feet when compared to the swing door.
- In a case study at the Providence Health Gately Ryan building in Renton, Washington, sliding doors eliminated the traditional swing path, maximizing square footage which allowed for an extra exam room for every 11 that was planned.

### **Dave Blackwell**

- MERV vs. MERV-A. MERV stands for Minimum Efficiency Reporting Value. All filters are not created equal. MERV-A will tell you how the filter will perform day one and the day it's removed. The only way you can be assured it's the same throughout is if it is MERV-A. Many 13s on day one turned out to be 11s later on as particulate coats the fiber.
- Camfil tests all its filters and provides both MERV and MERV-A ratings.
- Total cost of ownership, or TCO: As air filters load up, it creates resistance to air flow, and that adds substantially to a facility's energy cost. Look at filters from a performance standpoint, and how they will work over the life of the filter. Don't judge filters on initial purchase price.

## Keys to Well Rounded Healthcare Services on Tribal Properties

*Daune Cardenas, Chief Executive Officer, Pascua Yaqui Development Corporation*

- The Pascua Yaqui Tribe spans Sonora, Mexico, to Fresno, California. Additionally, there is tribal land right in the middle of Tucson, Arizona, In trust.
- The tribe has diversified and expanded its economy with a construction company and training program for community members. It started from scratch and changed the way it did business.
- The construction component started as a subcontractor then shifted to building homes, then working on tribal medical facilities, integrating social services, mental health, alternative medicine, and a pharmacy.
- The newest healthcare facility is the Walupe Intene Kari Guadalupe Health Center in Phoenix. The funding source was the Pascua Yaqui Healthcare Corporation and new market tax credits. The construction phase allowed 550 days to substantial completion. The project team reached that goal 23 days ahead of schedule.
- With USDA and tribal ARPA funding, the PYDC Training Center was created. With trades in demand, it was badly needed. The Career Pivot Center features a heavy equipment training facility.
- Beneficiaries, training providers, and partners include PYT Workforce Development, the state of Arizona, the Workforce Training Academy, the Amity Foundation, and Tohono O'odham Community College.



## Designing for Security in an Era of Increased Violence

*Todd Larson, EdD, MSL, FABC, Consultant, HonorHealth; former Vice Chair, Arizona IAHS*

*Richard Slavin, Assistant Police Chief, Scottsdale Police Department*

*Darren Viner, Security Director, HonorHealth*

*Marcus Williams, CHSS, CPP, PSP, Senior Security Manager, Arizona Campus Operations, Mayo Clinic*

### **Todd Larson**

- When it comes to dealing violence in a hospital, partnerships with law enforcement are critical. When people don't know what to do, they call the police, or take them to the emergency room. It's important to take a tactical team approach in such situations.
- Law enforcement, and fire department officials, need to be involved with the design of hospitals. Sit down with them and ask about ER entrances, can two squad cars fit side by side. You want to have gorgeous, planters, but maybe that directly affects law enforcement vehicles.
- AI features can be considered. There are things in security now that can help with the modality of access control.
- Active shooters present a big problem for run-live-die. A real key is to have those conversations about access control.

### **Richard Slaven**

- There are so many great things in environmental design to protect people in healthcare facilities. As they build these concentric rings of security, the biggest thing that protects its personnel. The reality is not just the sharing of technology, but it's such an exciting time in law enforcement. With our schools, we have 5,000 camera feeds. That translates into optimum safety, in real time.
- Technological training scenarios include license plate readers; access to those things. When did someone arrive; how are they going to get in. Have we done training at your facility? Something happens when you establish that relationship with the police department because seconds count.
- Partnerships with our police department and federal and city officials is important. We can assist you with your plans for no cost. It's a shared mission. We've explored this boost in technology and public safety. There needs to be a desired willingness to share data; bridges to the many systems.

### **Darren Viner**

- Design as a safety issue came up with recent event in Pennsylvania when a gunman held the intensive care unit staff hostage before killing a police officer. That is the worst-case scenario. Detection technology is important; the ability to set up machines that control interior doors.

- Layering of security tech comes in three components: hire good people, give the medical staff proper training and proper tools, and have an overlay of AI with existing surveillance cameras, facial recognition.
- Partnerships are critical for us with the Scottsdale and Phoenix police departments to insure we have threat vulnerability assessment. Know where they are, come up with a plan, and deal with them.
- When you close down entrance points, people get upset. They might have to walk all around to get into the hospital in a nighttime shift change. The model is to go to two points of ingress. The parking structure can be ample for folks at those points of entry. Reduce the complaints of having to do that.

### **Marcus Williams**

- A weapon detection system at the entrance of a hospital can enhance overall safety, but not be as obtrusive; similar to a metal detector at the airport. That is how to use technology in everyday items.
- With new design elements, it's important that security is included as soon as possible. Access control, doors, cameras. Get the security staff get on board early.
- Technology and people make us safe; that's why training is critically important; being able to detect those behaviors before something takes place. Education is also important for all of our care members. When behavior escalates, know how to react before it's too late. Be proactive, not reactive.
- When it comes to best design practices, having a team of subject matter experts in risk assessment is crucial at the front end. This includes designers and developers.

## Speed to Market: Design, Engineering, Management, and Economics of Modularity & Industrialized Construction

*Kyle Allan, Project Executive, DPR Construction*

*Matt Gaskin, West Business Unit Leader, SurePods*

*Josh Mensinger, Vice President of Integrated Solutions, DIRTT*

*Nihar Topkar, PreConstruction Leader, Digital Building Components*

### **Kyle Allan**

- What does our workforce look like these days? Who is handling quality control, safety? How do we put projects together with an injury-free environment. There has to be a balance. We want prefab, but also customize for our clients.

### **Matt Gaskin**

- What we're seeing is strategizing in those early decisions. Do we go with prefab? New build? Having a great relationship with a general contractor is important. It makes it easy to navigate those design packages from top to bottom. Get with the engineering project management team. Find the right opportunities to make a healthcare project work.

### **Josh Mensinger**

- DIRTT is known for walls, medical headwalls, and prefab; you don't have to demolish the whole building. Prefab helps move to another location. How do you grow and move? AI will continue to push implementation with prefab. The rapid growth of technology in healthcare facilities is bringing about people pushing boundaries they didn't 10 years ago.

### **Nihar Topkar**

- The challenge for us the last 5 years for our client is we want it look different and stand out, that adds complexity to the prefab process. We want to achieve freedom in the framework. Being able to pick and choose the right team for the right project is important. Don't just push prefab to a client that doesn't need it. There are lots of conversations about form vs. function.

## Eight Common Traps When Evaluating Technology for Healthcare Projects

*Brian Weldy, CEO, Demand Inspired; Formerly VP of Engineering and Facility Management, HCA Healthcare*

- Why do technology choices matter in healthcare? They improve patient care, increase safety, compliance efficiency, boost financial resiliency, interconnect systems, provide healthcare operations, provide facility management, and provide clinical systems.
- Shiny objects syndrome – avoid the over-emphasis of cutting-edge features. Don't ignore the core problem the technology should solve.
- Ignoring integration hurdles. New tech often struggles with legacy systems.
- Not future proofing failure – there are hidden costs of scaling and updating technology.
- Staff adoption and training gaps – technology is only as good as its users. Poor adoption can be the lack of proper training.
- Security and compliance oversights – the importance of healthcare data security is crucial. There are regulatory challenges that come with non-compliant tech.
- Vendor promises vs. reality – grand claims vs. actual performance. There is the need for independent validation and testing.
- Lack of executive sponsorship – leadership support is important. Without executive buy-in, great ideas fail.
- Sticking to outdated organizational processes – new technology often clashes with rigid processes. Inefficient processes undermine the benefits of new technology.

## The Art of Big Projects: Managing Scope, Schedule, Cost, Execution, Expectations & Ghosts

*Steven Eiss, VP Construction & Real Estate Development, Northern Arizona Healthcare  
Robert Feldbauer, Chief Facilities & Real Estate Development Officer, Children's Health;  
National President-Elect, AMFP*

*Kurt Neubek, AIA, LEED AP, EDAC, Healthcare Director, Principal, Page  
Bill Smith, Senior Director, Construction Projects, Banner Health*

### **Steven Eiss**

- The biggest problem with a big project is figuring a really good way to create a culture. And keep that culture and momentum along time throughout the cycle of the project. Keep your partner's ability to grow their own people and prop them up.
- When confronted with a situation of two large projects at the same time, the first thing you have to do is be able to manage changes midstream. Try to be under the culture of the build before you got there. It's easy to look at decisions people make and critique them.
- Communities react in different ways. I spent years designing and leading the development of hospitals in dense city market, Pheonix. Now I spend time in a much more rural community setting. There are huge discrepancies to what healthcare means in a rural setting. Healthcare can be the fabric of some communities. It participates in the growth of the city. Working in smaller markets how much ownership by the community.
- Things I didn't know then that I know now? The biggest is learning under how long the project takes, its lifecycle: Scope. Schedule. Budget.

### **Robert Feldbauer**

- Big projects are so complex if there are two cultures, and two different ways of looking at things. You can have two national architecture firms and partner, even different culture. Two construction managers will have different cultures. Because of that complexity, you need to get everyone to the same place and have shared vision and shared goals.
- Everything has to filter down to the project level. If we have a busy market, we can't take 60 days to pay someone. We have to do everything at the project level and get both entities to work together.
- Get out in front of communities and let them know we support them. Among our design team, we try to sustain a friendly environment. Know the nurses and others. Make sure it remains a friendly environment. If you design LEED Gold for a whole campus, it resonates with staff and helps recruit people.
- Things I didn't know then that I know now? Know the systems. How do you get that information. Another lesson: invest in your people.

### **Kurt Neubek**

- Create a culture of onboarding with your client. They added you to the team, they're teaching you. Our job is to teach the new model. Share those industry best practices.

- Communicate. Who are the decision makers? Who are the decision breakers? Don't turn up late in a neighborhood and not know what is going on. Get them invested early. Many of our owners send flyers to the community, keeping them informed about a certain project.
- Things I didn't know then that I know now? In one word: people. I finished a project 5 years ago, and we cut a year off the schedule. How did we do that? We presented to the owner industry best practices. We trained the entire OAC side. Have fun and do it as a team. Remember, finish as friends.

### **Bill Smith**

- Have a creative vision and stay on track. Have milestone and goals still in the same scope, and direction. Keep track of the bigger picture.
- On the bigger jobs, set ground rules up front. Understand everyone's work. People who come in and want to be part of the party, sometimes they want to replan the party. Help them make the most of the situation, but also consider their thoughts and explain the consequences.
- Communities will have issues if you're building a drug and rehab facility. There will be fear about what you're bringing to neighborhood. Make sure there are concessions. Once we understand their concerns, they're easy to deal with.
- Things didn't know then that I know now? Try to add some fun. Embrace the change management process. What is the community thinking? Everything has to be documented, and made clear and concise. Have your processes in order. If things have to change, document them.

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Adolfson & Peterson  
Mark Mitchell  
480.756.1869  
mmitchell@a-p.com

HDR  
Laura Boler  
(623) 205-3601  
Laura.Boler@hdrinc.com

Stantec  
Robyn Linstrom  
(847) 975-4784  
robyn.linstrom@stantec.com

Allegion/AD Systems  
Gene Jones  
(615) 631-8650  
gene.jones@allegion.com

Page  
Kristen Howard  
(602) 692-8631  
khoward@pagethink.com

SurePods  
Jessica DuBose  
(602) 885-8945  
jessicad@digitalbuilding.com

Camfil  
Dave Blackwell  
(806) 773-8408  
dave.blackwell@camfil.com

SLD Technology  
Paul Andrewjeski  
(360) 335-7410  
PaulA@sldus.com

Tarkett  
Susan Jones  
(602) 615-9248  
Susan.Jones@tarkett.com