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FOCUS ON: Expansion Planning

Best practices for expanding your facilities



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Commentary

Hospital expansion is inevitable. Human population increases coupled with lengthening life spans are helping drive the expansion of healthcare industries. Additionally, increasingly obsolete facilities are straining under the heightened demand for services from the aging baby boomer population. Consequently, a continued process of expansion and renovation is forecast for the healthcare industry and facilities throughout the next several years.

In a recent survey of 200 senior healthcare executives – by Bayer Consulting, White Plains, NY – over 69% said their institutions would undertake major expansions within the next three years. Of those surveyed with budgets of \$5M or more, 89% said the probability was high that their institutions would commence major capital facility expansion programs within the next three years.

In Houston alone, there are over \$2B in healthcare facility expansions planned over the next five years. Currently, all of the Texas Medical Center's major healthcare providers are either undergoing expansions or are planning for expansions within the next 36 months.

The parameters of medical center expansion

Healthcare expansion has four major drivers. The physical growth of healthcare facilities – either via renovations or additional buildings is only one aspect of the expansion trend. The other three main drivers supporting healthcare expansion are people, technology and strategy. Operationally, there is a shortage of doctors, nurses and support staff. Physical expansion must be paired

with the expansion of human talent and training.

As technology speeds into an age of continual improvements in medical treatments, the need for continual upgrades of facilities and equipment also grows. With advancing technology, trained technical staff and growing financial investments for cutting edge equipment are also essential. New equipment and technologies are changing the way healthcare is delivered, and are changing the way healthcare institutions function – hence, compelling on-going physical and operational change.

Building Commissioning: A Solid Strategy Provides Quality Assurance at Every Turn

1. Create a quality control strategy during the project concept phase

2. Conduct expert analysis of project's progress, risk profiles and quality adherence

3. Train the end users on the safety, construction phasing, logistics options, inspection protocols, and quality control procedures

4. Perform on-going inspections to verify compliance of building codes, drawings, specifications, schedules, and equipment manufacturers' recommended installation methods

5. Detect potential defects early by identifying poor craftsmanship issues, such as operational and installation errors and omissions that could result in leaks, mold or system failures

The fourth driver is strategy, which encompasses planning, tactical choices, process management and continual feedback loops. The remainder of this article details some best practices for strategic expansion.

Strategies for meeting the major challenges expanding hospitals face

Cost challenges:

Healthcare facilities today face many major challenges including shrinking operating margins. In response, most

healthcare providers have found ways to reinvent their business practices. Changes include: innovative cost-cutting measures such as improved staff efficiencies, modernization of facilities, and new, powerful technologies which not only improve patient care but in many cases reduce the length of hospital stay for a patient. The financing of a new facility can be a challenge that requires much due diligence and might not be feasible for hospitals that are not profitable.

Population and service challenges:

With the shift in population rendering many rural hospitals obsolete, remaining hospitals have had to make major changes in the way healthcare is delivered in order to remain viable. Many are now focusing on out patient ambulatory facilities, which allow for both improved efficiencies and greater use of existing resources. The trend toward ambulatory surgery centers has fueled the growing expansion programs for many healthcare institutions.

In addition, many hospitals continue to re-evaluate their services and have begun to reduce their emphasis on services offered by private practice doctors outside the hospital environment. Hospitals instead focus on services and procedures which continue to require the support services found in a fully accredited institution.

Operational challenges:

Expansion of a working hospital or healthcare facility brings a unique set of operational challenges; e.g. how does one expand a facility without interrupting existing operations and patient flow? When a facility is expanded, there is usually a need to upgrade the technological backbone of the existing facility to bring it up to date with the new expansion. Also, expanded facilities require new medical equipment. The selection of this equipment demands that the healthcare provider understand both current and future needs of the demographic area; otherwise, the

equipment will not be used effectively.

Healthcare facilities contemplating either the expansion of existing facilities or the development of new facilities should develop a strategy which recognizes challenges and applies best practices to the solutions.

Management professionals with substantive backgrounds in healthcare, strategic planning, architecture, engineering, construction and procurement, are needed to guide expansion projects. Commissioning, a total quality control strategy, should be implemented by an independent firm to oversee the design development, document review and construction process. Outsourcing commissioning ensures an objective, independent owner-advocate who evaluates, inspects and documents the design and construction process for both quality and performance.

For example, when building new operating rooms, plans must be in place to sustain current high levels of patient care and technical accuracy while transferring and adding equipment and personnel. Operating rooms are only one example, of course; the strategies for delivering best quality healthcare during expansion apply to every part of a hospital, from network communications, telemetry and data wiring, to procedure rooms and operating theatres.

A successful design and construction strategy will align the strategic planning of healthcare providers to the execution and delivery of their physical expansion needs.

The ultimate best practice for facility expansion is to know what you need and implement it with efficient excellence. Since the healthcare industry will continue to grow, hospital executives and planners should update their needs and plans proactively, creating facilities designed with the future in mind.