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ACA Planning Implications

Innovation Starts with a Good Question

Now that 2014 has arrived, many questions still remain regarding the effects of the Affordable Care Act (ACA) on Healthcare delivery. On one hand, many institutions see that the ACA provides an important new opportunity to compete and succeed. Institutions able to think boldly and improve the way they operate can come out ahead. On the other hand, we may be at a tipping point, with increasing number of organizations finding themselves weighed down by issues that out strip their ability to implement sufficiently robust counter measures to stay viable.

outpatient center

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Several questions are at the root of the current uncertainty which may become clearer this year.

- Will hospital physician and LTC providers' alignment in ACO's lower cost and improve quality?
- Will the ACA reduce levels of uncompensated care?
- Will "invincibles" signing up for coverage enable insurers to keep premiums in check?
- As our inpatient population shifts to more chronically ill patients and complex cases, will we need to reconfigure our acute care facilities?
- Will physicians' pay formulas be restructured based on continued emphasis of value over volume?

The recession and ACA legal challenges that casted uncertainty over healthcare delivery and hospital construction in 2013 largely have passed. Even with the remaining uncertainties, plans appear to be crystallizing and projects are moving forward. The ***Health Facilities Management*** (HFM) online survey[1], completed by nearly 500 hospital and health system executives nationwide in October and November 2013, shows a bigger focus on ambulatory care settings, along with patient throughput in both urgent care and emergency department settings. According to survey results, many of these projects that were being modified or scaled back are now moving ahead. For instance, the survey reveals some 21% of hospital renovation projects are going forward as planned, but 31% are moving forward with modifications.

21% of hospital renovation projects are going forward as planned.

Are you considering the ACA in planning discussions about potential changes needed to existing facilities or campus design? The survey points out those main questions are being discussed in C-suites today in regard to facilities and their ability to support strategic priorities:

Senior leaders throughout the country consider accessibility their number one priority. ***How are you expanding your brand into your community?***

value-based brand image

Secondly, ***will existing facilities enable us to effectively support the transition from volume-based care to value-based care?***

As care delivery moves to the clinically most cost-appropriate setting to maximize value, ***does the system offer sufficient outpatient facilities to meet the needs of our population and in convenient locations?***

As a result of these planning discussions, typical strategic facility responses focus on what we create versus eliminate, reduce versus raise:

[1]Vesely, Rebecca and Hoppszallern, Suzanna. "2014 Hospital Construction Survey." *Health Facilities Management*. 3 February 2014. *Construction Survey: Hospitals Eye Facilities in Light of Obamacare* Web. Date Month Year Accessed. 10 March 2014.

CREATE

Strong Business Case – Begin with a value brief to identify the ROI that sets the stage for visioning, modeling and simulation tools before design begins.

Service Delivery Model – Support a greater percentage of business based on outpatient care.

Value-based Brand Image – Founded on accessibility, convenience and quality.

Alignments – Hotels and Hospitals. New medical office buildings to house surgical and physician practices aligned near hospitals. Large Medical Office Buildings that house multiple specialties will provide convenient access for patients needing multiple treatments in a single location.

Consolidated Observation Units – Locate observation-status patients into single units instead of scattering them around the hospital. Some research shows that hospitals that have dedicated observation units have shorter patient lengths of stay.

Design Standards – Focus on standardization in room size, configuration and material selection can control costs and improve aesthetics.


consolidated observation units


patient satisfaction

ELIMINATE

Inflexibility – Continual change emphasizes the need for flexible facilities, providing efficient outpatient care today while accommodating growth into a hospital if need be in the future. Create a framework of plug and play infrastructure, allowing for continued function while adding future component services.

System Inefficiency – Add building Commissioning which is an audit to review performance of building energy systems. 84% of HFM survey respondents said they hire an independent third-party commissioning authority.

Noise – Adding acoustic treatments to reduce noise in the hospital can improve patient sleep, support the healing process and improved patient healing and satisfaction.

REDUCE

Cost of Care – Moody estimates that ACA health plans will pay hospitals 20-30% less than commercial plans adding pressure for cost effective care delivery. Even though the focus continues on reducing operating expenses in supply chain and services, there is a new realization that there is a need to look beyond continuous improvement models to strategic operational reorganizations to reduce costs.

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Energy – Clients are starting to ask more questions about making facilities more efficient. ROI is everyone's focus and becoming 25% more efficient can save millions of dollars on your budget. Life cycle analysis should balance first costs.

↑ RAISE

Patient Satisfaction – Is an important side to reimbursement today. Providers that focus on aspects of the built environment to support better patient outcomes are yielding higher survey scores.

Operational Processes – improved care processes and patient flow can increase infection control effectiveness. Also, in a recent trend, senior specific emergency departments designed to provide specialized care to elderly which can reduce readmissions are receiving high marks from patients.

IT – This department will need to ramp up to meet stage 2 and 3 requirements for meaningful use of EMR and ICD-10 coding systems compliance.

Culture of Care – Foster a organizational culture that confronts cost containment, consolidated IT challenges, continued process improvement to address quality.

Infrastructure – Hospitals are facing a brutal reality that their existing facilities will need to continue to provide services for many years to come. Maximizing efficiency of the existing hospital chasis will extend useful life of existing facility assets.

33% of respondents are using BIM in facilities operations.

Management of Existing Facilities – 33% of respondents are using BIM in facilities operations. BIM is a powerful tool in facility management. An area that offers a lot of opportunity.

The ACA continues to be modified, but patient care cannot wait for the final landing place. Our journey from volume to value will not happen with the flip of a switch. Good planning now can set an organization up for future success by aligning strategy, financial capacity and facility assets. ***What do you need to create or eliminate, reduce or raise to enhance your delivery model?***

culture of care

adaptive reuse of facilities

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