Potential Issues...Trends Impacting Hospitals Year 2015 Plus…

Issue No. 1 A Changing Consumer Base;

- A graying of the population
- A move from urban to suburban
- A need to protect, preserve and improve one's health
- A need to know more about our bodies...our problems...solutions
- A "fast foods" mentality
- An "instant gratification" attitude
- A "hospitality" orientation to services
- An "informed populace" with "real time" access to information via internet

Issue No. 2 A Changing Care Giver Philosophy and Attitude;

- Competition is forcing higher standards of quality
- The customer is always right
- The delivery system is an industry
- The business of caring requires professional management
- Image, perception and results are crucial to success
- Accountability is mandated and measurable
- All results are public and available "real time"
- All healthcare is a family and must link together to survive
- Public, private and proprietary need each other
- Care giving is a team effort
- Partnerships work when the team works effectively
- Affordable care has momentum and so does personal responsibility

Issue No. 3 Economic Forces Will Drive All Decisions;

- Capitation is the primary mode of DRG/SERVICE BUNDLING...it works
- Cost Controls...accountability will be mandated at all levels of service delivery
- Managed care means improved management practices
- Growing Networks and Systems change competitive dynamics
- Automation is mandatory, will accelerate (Medical Communications/EMR/IT)
- Socio/economic forces will shift family priorities
- Family investment in wellness will increase
- Human investments in awareness and prevention will increase
- Cost effective alternatives will be tested and shared
- The PR/AV and awareness programs will emphasize economics (Insurance)
- Consumers will "invest" in their health (Cost Conscious)
- Consumers will "save" for their health care (Health Savings Accounts)
- Consumers will look closer at the numbers (Every Penny Counts/Many Fixed $)
- Private insurance will need incentives to stay in the business...JVs with providers

Issue No. 4 Networks and Affiliations;

- The number of investor owned chains are dropping rapidly (more mergers and consolidations...monopolies now and growing)
- The number of multi-hospital systems increasing rapidly...survival
- The need to have public/private affiliations mandatory...survival
- Maximize market share...referrals and contracting with intermediaries
- Increase purchasing and exposure power
- Increase systems linkages and shared data (bulk purchasing power)
- Increased "shared services" and network "down sizing" to save $
- Commercialization of care promotes more interface with allied industry;
  - Hotels and housing
  - Restaurant and food service
  - Home Health and Hospice and Palliative Care
  - Pharmaceutical and Durable Medical Products
  - Post-Acute and Nursing Home
- Transportation, communication and access factors;
  - Mass transit and public transit
  - Air flight and EMS
  - Ambulance and urgent care units
  - Mobile, relocatable and portable technology (MRI, CATH, CT, Lithotripsy)
  - Phone, FAX, TV and Modem
  - Local Area Networks and Regional Area Networks
- Growing Telemedicine At All Levels
- Growing Robotics and Automated Interfaces (Increased Call Center Demand)

Issue No. 5 Doctor Diversity and Multi-Specialty Factors;

- Shift from too many doctors to not enough in primary care and family medicine
- Shift from "specialty" driven to "demand" driven
- Shift from solo practitioner to group and multi-specialty group
- Shift from self-employed to hospital and corporate employed
- Shift from independent to affiliated and linked
- Shift from traditional Medical Staff to Medical Partnership
- Shift from "me" to "we"
- Shift from "demand" to "justified need"
- Shift from urban to suburban and rural
- Shift from many physicians in clinical units to less physicians and more extenders (increased skills, advanced care partnerships and growth of scribes and NPA's)

Issue No. 6: Care Place Environments;

- Excess Capacity Will Be Eliminated
- Growing Free Standing Emergency and Health Park Programs
- Retrofit to Maximize Capital Assets
- Demolition and Replacement of Obsolete
- Consolidate multi-sites into one with decentralized support
- Smaller and more efficient care centers with shorter lengths of stay
- Image, efficiency, privacy and personal space mandatory
- Healthful and improved indoor air quality
- Smart buildings
- Area-wide linkages (CHNA's offer awareness opportunities)
- Buildings built or bought based on need and continuity of care
- Buildings without walls...accessible and friendly
- Buildings for family and friends
- Buildings for shorter term needs...shorter life expectancy
- Buildings for change and expandability or reduction in size

Issue No. 7: Alternatives To Traditional Hospitals;

- Down size the traditional hospital
- Add continuum of care components
- Campus based architecture with "greening of urban sites"
- Ambulatory care with customer convenience mandatory
- Inpatient care designed for staged recovery and discharge
- Increased observation times with relaxed licensing for short stay up to 48 hours
- Congregate care with financial incentives to develop;
  - Step down
  - Intermediate
  - Skilled
  - Memory Care and Pre-Alzheimer's
  - Protective and Alzheimer's plus Dementia Care
  - MR/MH/DD Consortia
  - Day and Respite Care
  - Urgent and Worried Care
- Critical and Telemetry Care For All Admitted Inpatients
- Retail and Commercial Based Healthcare Centers
- Home Health and Mobile Technology
- Freestanding and Urgent/Emergent Care Centers
- Rehabilitation and Occupational Medicine
- HMO/PPO/PHO Demand Hospital/MD Interface
- Hospital based Office Buildings
- Hospital based Hotel and Housing
- Cancer Care Centers With Palliative Care Linked
- Women's and Children's Care Centers

Issue No. 8: Capital Resources and Asset Management;

- CADD technology to add, reduce and manage space (Revit, Onuma and Trelligence - GPS and Google Earth)
- Inventory controls and accountability
- Space assignments...value and utilization
- Rental and/or accountable utilization
- Depreciation reduction and depreciation management
- Asset planning and maintenance
- Facility planning
- Construction management (new, renovate, retrofit)
- Annual budgeting
- Acquisition and sales
- Partnering and Networking
- Increased life expectancy
- Throw away building architecture
- Work place re-engineering
- Reliance on improved technology
- Mandatory space efficiency
- Architecture compatible with staff cross training and workplace change

Issue No. 9: Consolidation, Mergers and Closures

- Closure rate increasing (Sales To Larger Systems When Feasible)
- Corporate mergers demanding consolidation to meet profit margins
- Public closures mandated to manage excess capacity
- Obsolescence prevalent in rural areas
- Subsidy for capital asset and resource development gone
- Private and public funds decreasing
- Optimization of every square inch of space required
- Buildings replaced by alternative functional types;
    - Mobile units
    - Hotels and Hospitels
    - Home Health
    - Hospice
    - Congregate Care
    - Day Care
- Asset sharing and advanced resource management
- Emphasis on efficiency and optimum utilization
- Emphasis on cost accountability

Issue No. 10: Negotiations, Ethical Behavior and Partnerships

- Moving toward a "corporate" and proprietary model for public and private
- More out-sourcing for services by the public sector
- More contracting and consolidation by the public and private
- Legal factors demanding more trust in tandem with simplified agreements
- Survival based on negotiated arrangements
- Consumers and customers more aware of terms and costs
- Data and outcomes public knowledge
- Competition demanding "truth" and comparative measures
- Bidding and contracting inherent in managed care and capitation
- Monopolistic character of industry demanding one standard of care;
    - Same price for all
    - Quality maximized for all
    - Equality the American way
    - Just enough may be OK
    - Average may be OK

Issue No. 11: Prototypes, Standardization and Technology

- Cheaper to build and operate
- Easier to define and justify
- Reduce duplication and waste
- Systems require standards
- Standards are repetitive
- Originality will still be there...pay a price
- Lean and Process Change Accelerate in Pace

Issue No. 12: Leadership and Training

- Work smarter and encourage innovation
- Adopt new workplace standards and practices
- Partnerships for cross training and industry enhancement (healthcare is behind)
- Expanded community-based education and family training
- Expanded interactive technology