



Construction industry embraces a new wave of healthcare facilities

By [Kim Slowey](#) | October 6, 2016 print



In many areas of the country, gone are the days when one had to spend hours in the car traveling to see a medical specialist or sit patiently all night in the emergency room waiting to connect with a doctor. Urgent care centers, walk-in clinics and medical specialty complexes are popping up nationwide, even in retail strip malls.

According to a [2016 hospital construction survey](#) by Health Facilities Management, construction of outpatient facilities has significantly increased across the board when compared to 2015. And that growth is expected to continue: 35% and 21% of respondents, respectively, said they had a medical office or an ambulatory care project in the works in the next three years. HFM's survey also found that construction of ambulatory surgery centers, imaging centers, immediate care facilities and health system-branded medical clinics and centers have taken off since last year. Retail healthcare clinic growth — such as that offered by CVS, Walgreens or Wal-Mart — is also expected to be robust. According to a December 2015 Accenture report, there should be more than 2,800 in-store clinics operational by the end of 2017, a [47% increase from 2014](#).

This boon for the construction industry, as well for patient convenience, said Cindy Juhas, chief strategy officer for [medical equipment company CME](#), is thanks to the [Affordable Care Act](#), which was signed into law in March 2010.

Access to patients is key

"Whoever controls the patients' lives will end up with the most money," Juhas said of the ACA. She added that there is an even bigger payoff for healthcare professionals if they can actually improve patient health. However, this requires more access to the patient, which is where smaller clinics and surgical centers enter into the picture. "You have to be where they are," she said. "Instead of building more hospitals, healthcare providers started expanding outreach facilities located where the patient is."

Millennials are contributing to this turn in healthcare delivery. "As millennials continue to grow up and get into the workforce, they want even more convenience," Juhas said, adding that this demographic values its time to such a degree that the market is even starting to respond with more home-based options, like DIY medical testing.

Smaller, accessible healthcare facilities are less expensive for patients as well. Barring an appointment at the family physician, the hospital emergency room has been the traditional healthcare delivery system of choice when a critical health issue arises. John Pellitteri, partner at New York-based accounting and consulting firm Grassi & Co. and head of the firm's healthcare services practice, said that this new wave of medical facilities provides an alternative to costly hospital treatment. "All of them are engaging the population, taking healthcare into the communities and seeing [patients with] chronic illnesses," he said, keeping patients "healthy and out of the hospitals."

Pharmacy chains offering healthcare services are also focused on giving customers a reason to come into the store, hoping that a blood pressure check or flu shot will lead to other types of purchases. "Their motive is a little different than lowering the cost of healthcare," Pellitteri said.

Building better, and faster

Speed is critical for patients and healthcare professionals alike, which means construction companies are having to step it up and deliver the facilities faster. The goal, said Robert Brewer, partner and head of Grassi's architecture and engineering practice, is a fast turnaround time so that the provider can start servicing patients. Lean construction and integrated project delivery methods, he said, have figured prominently into construction strategies, facilitating coordination between the owner, design professionals and contractors from the outset of the project. "They're working together to see how these buildings can be constructed as fast as possible," Brewer said.

Expedited equipment installation is part of the equation, according to Juhas. CME, which also sells and designs equipment solutions for its customers, has expanded across the U.S. in an effort to meet the needs of the industry. "The building industry is booming to try to get healthcare as local as possible, which is why we did what we did," she said. "The only way we could figure it out is to be everywhere."

Moving toward modular

In addition to being under the gun to get medical facilities up and running quickly, most systems are under strict budgetary pressures. This is where modular and off-site construction comes into play.

"What drives our clients to modular is the flexibility, time and financing we can bring with it," said John Lefkus, president and a principal owner of RAD Technology, a modular builder that specializes in

radiation, sterilization and oncology facilities. Paraphrasing iconic 20th-century American economist Theodore Levitt, Lefkus said that RAD's medical modular solutions have proven successful because "people don't want a drill or drill bits. They just want the hole. We figure out how to give clients a hole." And "the hole" is a facility that keeps pace with the ever-changing technological and government medical care reimbursement requirements. Even a deficiency in the space required per patient in an oncology treatment practice by the American Society for Healthcare Engineering's Facility Guidelines Institute, he said, can result in no reimbursement for the physicians and no discounts on expensive drugs.

Modular buildings, Lefkus said, have another advantage over conventionally built facilities. "It comes with an exit strategy," he said. Cancer treatment facilities, for example, often have a three-to-five year business plan, which does not line up with the typical 30-to-50-year building lifecycle plan. In the oncology field, he said, a technological or medical breakthrough can render a facility built around a \$25 million piece of equipment obsolete in an instant, so providers are starting to see the value in something that reflects the reality of the industry.

"So many facilities or therapies are slaves to existing technology," Lefkus said. With the healthcare industry in constant flux, he noted, modular medical facilities are flexible enough to meet the challenge. "It offers great opportunities."