Realignment: An Excellent Value

With the Super Committee going down in flames, rural healthcare can breathe a little easier. Knowing that there will be some cuts in reimbursements, belts can be tightened and resourceful ways found to make ends meet, for necessity has always been the mother of invention. There is now time to renew NRHA's lobbying efforts in helping new members of Congress understand rural healthcare and their role in the nation's economy. The other major challenge is to restrain any further development in legislation and reform that is detrimental to rural healthcare. There won't be another Hill/Burton Act or Critical Access Hospital program coming out of Washington DC. The responsibility for the survival of rural healthcare in general, and your organization in particular, will in a large part rest upon the local leadership that can bring reform within their own organizations and generate support within their community.

With this pause between political storms, the effort on the home front needs to focus on addressing the other challenges of new regulations regarding meaningful use of electronic medical records, new coding procedures, new mandated levels of quality and accountability, bundling of payments, penalties for re-admissions, state healthcare insurance exchanges, drug shortages, legislated healthcare reform...and the elusive physician recruitment. But for many rural hospitals, the major question that will not go away is: **what do we do with our facility?**

At the recent NRHA CAH conference in Kansas City, Stroudwater Associates continued to bring forth data showing the positive impact a new facility has in increasing the overall performance of the hospital. The conference also emphasized that it is not just the visible architecture of the new facility that produces these results, but the thoughtful focus by leadership on the invisible architecture of culture and mission that the leadership of these hospitals must create. The *motivating force* in healthcare is that a healthy body can be more productive in society than one afflicted with illness. The same analogy holds true for your facility. The *constraining force* in healthcare is by what means and at what cost do we restore health to this body? This holds true for your facilities as well.

As a registered architect and healthcare planner for over 25 years, I have seen the impact new facilities can have upon an organization; the life they breathe into the staff to renew their sense of mission and the ability of better healthcare to elevate a community. I believe in **HELPING**: **H**ealthcare and **E**ducation **L**eads **P**rogress **I**nspiring **N**ew **G**rowth, and have witnessed the dynamic change that takes place in rural communities to affluent urban settings as the availability and quality of healthcare rises. The question again is, at what cost?

The need in rural healthcare is for the *individual transformation* of your organizations. This ranges from the physical facility and operational efficiencies to staff motivation and the image seen by the community. A new facility is not necessarily the best answer. **New technology and clinical care processes can be enhanced through a series of expansions and renovations in a realignment of your facility when a carefully thought out masterplan has been created.** Through a phased approach these projects can continuously improve the overall quality and performance of your hospital.

The secret flaw of new greenfield facilities (that nobody tells you about) is the space for the ancillary functions that support the continual operations of the hospital. One area often affected are the administrative and education spaces: where do all of these people work? Another area is support services: where do you store all of the stuff? As new facilities are designed the spotlight quickly focuses on the amount of square footage and the cost per square foot. Reconciling the project scope with the budget begins to trim away at those areas which seem less important than the diagnostic/treatment and patient care areas that generate income. To meet the square footage requirements some spaces continue to shrink to the minimally functional space available or are eliminated, while other areas are supersized.

A successful realignment of a facility increases those areas that generate income, optimizes those systems that consume resources and preserves those areas of the existing facility that can support the mission of the hospital. A successful masterplan establishes a pathway for expansion and the building blocks necessary for growth. The keys of a successful realignment seek to address the following three components:

Respecting Existing Investments

Identifying existing investments requires an integrated look at all of the operational services of the organization and how they efficiently perform through the physical nature of the facility. **This involves the spaces available, the people that use them and the equipment/technology that is used.** This is achieved through analyzing the seven major patterns of flow, or interactions, between these people, places and things:

- The flow of patients, family and public
- The flow of clinicians and staff
- The flow of medications
- The flow of processes within rooms, departments, facility and the site
- The flow of supplies
- The flow of equipment
- The flow of information

As this flow and movement within the facility is defined, two major circulation patterns should emerge: the path of the public and the path of the staff, and how are they separated? Is the patient on the gurney going from ER to radiology with a cracked skull passing by family members in a waiting room for ICU? The second key feature are the access points into the facility for the public, ER patients, out-patients, discharge patients, staff, supply chain and maintenance. Does the out-patient coming for physical therapy enter directly into PT or come in through the ER lobby and take elevators to somewhere in the basement? The third item evaluated is where has money been invested in recent years for the upgrading of departments and systems?

Often additions, renovations and upgrades are done on the availability of funds and space, and have not followed a master plan for sustainable growth. Many times these departments and the patterns of flow within the hospital begin to resemble an elflock rather than a symphony. From this assessment of existing conditions, a process of realignment can begin to establish major circulation patterns from the points of access from the site that harness the

flow of activities into the departments and down into individual rooms and spaces. The end result of this facility realignment should be *an increase in the operational efficiencies of every department and staff member.*

Consumption of Resources

As this process of discovery and assessment takes place (taking into account the age and condition of past building additions) the elephant standing in the middle of the room becomes more and more apparent. The age, condition and efficiency of the mechanical, plumbing, electrical and IT systems can represent a large investment in current operating and maintenance costs. These costs can be compounded by the condition of their distribution systems, such as deteriorating underground plumbing, or small rooftop units on a structure with low overhead clearances. Upgrading the mechanical/electrical equipment at the source can become impracticable due to the costs associated with the distribution systems and getting the new services from point A to point B. This work may involve:

- Repairing and upgrading existing conduits, pipes and ductwork in plenum spaces that are crowded or beneath the floor
- Removing existing systems and installing new systems side by side or in place thereof
- Interruption of staff and services in existing spaces because of the construction passing through
- Structural modifications due to the weight of new equipment or barriers of the existing building envelope
- Additional construction phases and/or longer duration of construction
- Upgrades to meet current code requirements

All of these conditions are costly in direct construction costs and indirectly in loss of staff productivity. They can be manageable in the renovation of a department or a floor, but when a facility is facing the challenges of a major transformation they move into the core of the discussions. The purpose of a realignment is to construct the essential elements of a new facility that generate income, provide state of the art equipment and technology in the mechanical/electrical systems to conserve resources, and preserving those portions of the existing facility that are not so 'environmentally sensitive' and can be backfed from the new systems. The same construction costs of a new facility apply to the new departments, central plant and building envelope; but the new construction square footage should be less with the realigned facility ending up with more useable space and realizing the same savings in maintenance and operating costs.

Investments to Increase Patient Outcomes

This is the heart of a realignment. Successful design comes from understanding all of the constraints that bear upon the design. The site layout, access points into the facility, public and staff circulation patterns, the pathways of flow and the location of areas with major mechanical/electrical infrastructure (central plant and departments such as surgery, radiology and dietary) will set the stage for the realignment: like the hub securing the spokes to the rim of the wheel, the strength of the wheel is determined by the tautness of the spokes.

Through discussions with the user groups the interdepartmental relationships of the five major divisions of the hospital are explored. Think of these divisions as *the fingers of the hand that cares for you*, the fingerprint is your staff:

- Administrative, those departments that touch all of the others, the thumb
- Diagnostic and treatment departments, the index finger
- Out-patient services that have immediate contact with the public, the longest finger
- In-patient services and departments, the ring finger
- Support services and departments, the little finger

Each of these major divisions must be analyzed with insight to maximize their connections to the core mechanical/electrical/IT infrastructure systems (the hub), their interactions with the patterns of flow (the spokes), and their access to and from the site (the rim of the wheel) to identify:

- Their relationship to the site and access points into the facility
- Their ability to expand on the site
- Their relationship to the two main circulation patterns
- The relationship of the other major divisions
- Their relationship to departments within their division and departments in other divisions
- Their interaction with the seven types of flow within their departments, division and facility
- Their access to the mechanical/electrical/IT infrastructure throughout the facility
- Their ability to generate income and increase patient outcomes

Through adherence to these design principles and by guiding the discussions with the staff and user groups to understand their processes, goals and current frustrations a successful realignment process can be started. The investment in changing the flow of the facility is also *an investment in changing the ways of the staff.* A realignment of the facility is in truth *a realignment of the business plan and practices of the hospital. The* government is seeking to increase the quality of care through the use of information and accountability, documenting the care given to the patient. The transformation of the physical facility with the integration of clinical processes and technology changes the ways the care giver interacts with the patient at the point of contact: this is the touch that heals. It is the blending of the facility, clinical processes, technology, the compassion of the caregiver and the divine coming together to serve the community.

Strategic Realignment

Having looked at the nuts and bolts of how a new facility can be grafted into an existing facility and produce a transformation that results in the overall better performance of the organization, I hope one salient thought has come to the surface. **Realignment in the facility begins with realignment in the thinking.** Strategic planning by nature comes up with Plan A, and has contingency plans to support it in overcoming seen and unforeseen obstacles. But to go to Plan B... "we really have not gone down that road... we looked at it briefly... the conventional wisdom is that a new facility is the way to go... that's what we hear in the conferences and see in the literature."

Plan B is a shift in the expectations of your stakeholders... but it is not a loss in potential. It is the locker room talk at halftime that reassesses the game to develop a better strategy, talks to the players to correct deficiencies and inspires them to bring out their best. Does the locker room talk win the game? No, it realigns the thinking so the second half can be played with the faith and strength needed to win the game. But the game must be played... Washington DC is not going away, the challenges in your community are not going away... and neither is your hospital! That is the vision that brings forth change, that is the necessity bearing down upon your world that realigns your thinking. A realignment of thinking is not easy, because that is who you are, what you have done, what you have become... and now we are going to Plan B? It is a shift... of expectations only... but not of reality! It is a shift of strategy... but not a forfeiture of values. It is a shift your community will notice in the media for a few months... but will experience for the next generation with satisfaction as the relationship with their healthcare providers grows and meets their daily needs.

What are some of the elements of a strategic realignment, beyond the obvious of setting a new course of action? Hind sight is better than foresight, and here are the words of those who have been through the process:

- "*Use caution in your confidence in your ability to come up with cash for funding*". This sounds like a step backwards with the difficulty in getting funding to begin with, but it is a progressive mindset that is able to use the financial limitations of the budget to harness the expectations of your staff. What is the best quality and value for your investment that can stair-step your organization to the next investment? The goal is solid progress forward.
- *"Exercise carefulness in developing your project with detail."* During the strategic planning sessions it is critical to validate the clinical viability of the program to perform as desired within the budget that is defined. Under-estimating construction costs is the result of a lack of information. A realistic design and conceptual plan needs to be a part of the strategic plan just as much as the financial feasibility study, and it is that plan which gives reality to the financial feasibility study through the construction cost estimate.
- *"Be prepared to continue to battle through to better financial states."* Expect an improvement in your organization and an increase in the value of your facility to the community. There is a bump in revenue, but a new facility does not change overnight the financial status of your community. It does give a community hope, a reason to stay, and an incentive to start or move a new business to your area. Making the investment is the right thing to do, even if the financial rewards may be delayed in coming.

Realignment is an excellent value. It assesses your history, your strengths and weaknesses, your vision and future. It brings the new out of the old, the innovative out of the traditional. A new site and facility may still be in your future someday, and a strong realignment of your hospital can give your organization, and your community, the help it needs now to grow into that future and be all you can be.

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