

FACILITY PLANNING

Update

HEALTH STRATEGIES
& SOLUTIONS, INC.

February 2006

- Strategic Planning
- Leadership Advisory Services
- Business & Financial Planning
- Clinical Program Planning
- Physician Strategies
- Medical Staff Development
- Ambulatory Care Planning
- Facility Planning & Space Programming
- Demand Forecasting & Resource Development

Relocating Ambulatory Care Services: Is This the Right Strategy for Your Client?

The high rate of growth experienced in outpatient services mean that existing ambulatory facilities are becoming overcrowded and space constrained at many hospitals and health systems. When located deep within the medical campus, ambulatory services can also be fragmented, poorly configured, and hard for outpatients to find, especially when programs are operating in space originally designed for inpatient services. Outpatient services and clinics located in prime hospital space frequently become targets for relocation as health care organizations scramble to expand inpatient services.



Assessing the Impact of Ambulatory Care Center Development

A health care system in Ohio in the process of developing a master plan with its architectural partner was facing the prospect of spending millions of dollars on the main campus located on a constrained site with limited parking. Hospital management was considering the possible development of an off-campus ambulatory care center that would provide a more patient friendly setting for ambulatory patients and help decompress the main campus. But before moving ahead with what seemed like a logical solution, the system needed to understand the potential market opportunity, size, and financial feasibility of the ACC, and the potential impact it would have on volumes at the main campus.

[CLICK HERE](#)

to view our newsletter on
ambulatory surgery centers

HS&S helped the system address these issues so that the master planning process could move ahead and the system could determine what facility investments best met their needs. HS&S worked with the principals of the architectural firm and system management to:

- Identify an initial list of services to be provided at the new center based on existing programs and opportunities in the marketplace
- Develop market-based volume projections by service for a wide range of outpatient services including urgent care, imaging, cardiac diagnostic services,



ambulatory surgery, endoscopy, rehabilitation, pain management, physician visits by specialty, and other services

- Determine treatment capacity in terms of exam rooms, imaging rooms, treatment rooms, operating rooms, and other patient care capacities
- Estimate preliminary space requirements including administrative and support needs
- Assess the potential revenues and costs of the new center and opportunities to obtain capital funding through equity partnerships with physicians
- Assess potential erosion of volumes at the main campus as some patients seek care at the new site instead
- Identify opportunities to backfill available capacity with new service development at the main campus

This analysis enabled the system to determine the size, scope, and feasibility of developing an ambulatory care center. It also supported the identification of a master plan alternative for the main campus that maximized the use of the facility for more high-end inpatient services.

Evaluating Services for Relocation

Deciding which ambulatory services or clinics to move out of the hospital requires the consideration of many factors. HS&S developed an ambulatory care feasibility study for a medical center in the Midwest that confirmed the scope of services for a new ACC on the campus using several criteria including:

1. Need for proximity to other hospital services or facilities
2. Adequacy of existing space
3. Potential for volume/revenue growth
4. Opportunity to decompress/backfill existing capacity/space
5. Availability of staff and/or other scarce resources
6. Enhancement of functional adjacencies

Several clinics at the medical center operate in inadequately sized and configured space that has limited growth potential and few operational efficiencies. Being able to expand into more efficiently configured space would allow some of these clinics to recruit more physicians and see more patients. The relocation of some primary care clinics out of the hospital would enable the expansion of other specialty clinics that need to remain in the hospital but are space constrained as well. Opportunities also exist to bring together clinically related ambulatory specialties and services in one area to realize synergistic benefits from integrating multispecialty programs and better coordinate research and patient care. The demand and financial analysis HS&S completed confirmed the scope of services and feasibility of the project and allowed the medical center to move forward with its development.

Is a New Facility the Answer for Your Client?

Relocating ambulatory services and clinics to more accessible and patient-friendly outpatient settings may improve access, enhance patient satisfaction, maximize functional adjacencies, increase market share and revenues, and free up space within the hospital for expansion of inpatient or high tech services. It is also frequently easier, faster, less expensive, and more effective to develop new dedicated ambulatory facilities than rework aging hospital space poorly suited to outpatient care. This extraction strategy should be considered during a facility evaluation or master planning process.

To learn more about ambulatory care center development, call Tracy Johnson at (215) 636-3500, ext. 108, or send e-mail her at tjohnson@hss-inc.com. You can also visit our website at www.hss-inc.com



If you would like a free subscription to Strategies & Solutions, please [click here](#).

Copyright 2006 by [Health Strategies & Solutions, Inc.](#)

8 Penn Center

1628 John F. Kennedy Boulevard, Suite 200

Philadelphia, PA 19103

(215) 636-3500

www.hss-inc.com

Reproduction in whole or in part without written permission is prohibited.

**Competitive strategies.
Innovative solutions.
That's our business.**



Go [here](#) to leave this mailing list or [modify](#) your email profile.

We respect your right to privacy. [View](#) our policy.

