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Looking long-term Master-planning work keeps design firms busy

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Posted: October 18, 2010

While economic trends have not been kind to the construction industry, the move toward hospital and health system consolidation appears to be generating master-planning assignments for architectural firms at a time when there are few capital projects to work on.

However, cut-throat competition may leave some firms pondering whether it's worth the effort to submit a quote.

"I think there is a consensus that the single old-school community hospital of the past is going away and, if you're not part of a system, you won't be as strong," says Daniel White, an architect and vice president with RTKL Associates in Chicago. He cites as an example the recent signing of a memorandum of understanding that announced the merger intentions of two Chicago suburban hospitals—337-bed Central DuPage Hospital in Winfield, Ill., and 159-bed Delnor Hospital in Geneva, Ill.

"Even the best of the best are looking to grow their system and expand their depth of services and, typically, that's where these projects will spring from," White says.

Sheila Cahnman, group vice president and regional healthcare leader for the Chicago office of HOK architects, agrees.

"In 2009, everything was dead in the water, but master planning picked up in 2010 and we expect even more next year," she says. "As mergers happen, it's getting to be more complex. Every community hospital isn't going to have every center of excellence. But different centers of excellence are being put in different community hospitals—instead of sending everyone downtown."

Other multiple factors are at play that also spur more planning.

Uncertainty over reform

White says uncertainty over the new healthcare reform law is causing some organizations to delay construction projects until the effects of the Patient Protection and Affordable Care



At Wishard Health Services, the safety net hospital in Indianapolis, master planning began in 2006 for 1.2 million square feet of new construction. Work started this year.

Act are better understood. Meanwhile, however, baby boomers are entering the Medicare system and the uninsured are gaining coverage, so pent-up demand for new facilities continues to increase.

“They want to get some planning done, keep their powder dry and be ready to the pull the trigger,” White says. “They may not have the money to implement their master plan, but they want to have it in place so—when things turn around—they’re not wasting time.”

White says clients typically cast a broad net in their request for qualifications in the earliest stages of a project and then whittle down the number of candidates with a request for proposals among more specific firms.

Cahnman says the downturn in construction and a highly competitive environment for projects has caused some organizations to send out RFPs to as many as 22 architecture firms.

“That’s crazy, because then they have to go through all of them and then select maybe 10 to interview,” she says. “But, I guess if there’s not any construction happening, they have the time.”

Cahnman says that, while the ability to get financing may be improving, uncertainty over reform and a decrease in philanthropy are keeping things somewhat stagnant. “Once that clears up, there will be a lot of projects to do, because the demand was there before the slowdown,” she says.

White says RTKL recently received RFQs from the Mid-Illinois Medical District in Springfield, which is seeking to coordinate several projects funded by the federal stimulus program and from the city of Akron, Ohio, which is seeking to coordinate simultaneous projects by the Summa Health System, the University of Akron and the downtown business district “so they’re not tripping over themselves.”

“We get more RFPs right now for master planning than any other activity in the states,” White says. “The trend in construction is wait-and-see, unless it’s something already in the pipeline or a must-do project.”

According to White, his firm recently received a master plan RFP for a campus in Juneau, Alaska, and has just started a master plan for Medcenter One in Bismarck, N.D.

Also, he says they are finishing plans for Main Line Health in the Philadelphia area, and for 205-bed Lancaster (Pa.) Regional Medical Center. The company recently completed master plans for 240-bed Chambersburg (Pa.) Hospital; 789-bed Charleston (W.Va.) Area Medical Center; 381-bed St. Luke’s Hospital, Cedar Rapids, Iowa; and 690-bed University of Iowa Hospitals and Clinics, Iowa City, White says.

Looking abroad

He adds that RTKL lost its bid for work on master plans for two Banner Health campuses in Phoenix and 330-bed Tri-City Medical Center in Oceanside, Calif.

"Competition is the fiercest I've seen in my 28 years in the business," White says, which is leading many firms—including his own—to seek business in other countries.

According to White, RTKL also has received an RFQ for a master plan involving five facilities in Alberta, Canada, and its Washington office is working on a healthcare master plan for the Ministry of Defense in Saudi Arabia. Other requests have come from Chile, China, Thailand and the United Arab Emirates.

"There is also work in the United Kingdom, but we haven't gotten our fair share yet," White says.

He also notes that citing a trend in master planning depends on collecting anecdotes as there are no reporting requirements and most hospitals and systems don't announce what they're doing until they have to.

"Master planning is usually a very sensitive topic for institutions," he says. "They don't want their competition to know what they're doing."

Cahnman didn't disagree, but she notes that word travels fast about who receives RFQs, RFPs and, eventually, contracts.

"Usually, within a week or two, we can figure out who has been contacted," she says. "Everybody's out there contacting everybody."

Cahnman says that, in addition to a project in Turkey, her office has worked on master plans for Harris County (Texas) Hospital District, Trinity Health facilities in Muskegon, Mich., and Wishard Health Services in Indianapolis. On that \$754 million project, planning began in 2006 and work will continue through 2013 on 1.2 million square feet of new construction on a new 37-acre campus that will include a new teaching hospital for the Indiana University School of Medicine, an ambulatory-care center and a medical office building.

"The market is so competitive," Cahnman says. "Some architects are taking these as loss leaders to get new clients."

Before the Great Recession, Cahnman says, it wasn't unusual for master plans to be six-month projects for which architects would receive upward of \$500,000. Now, however, clients seek a much faster turnaround and are willing to pay only \$200,000 or even less.

Tom Harvey, a senior vice president with HKS in Dallas, says his company is working on a three-campus master plan for a Catholic healthcare system in Santiago, Chile, but adds that most of the projects they're seeing tend to be in the Southern U.S., "starting in the Mid-Atlantic region all the way across to California."

"I don't know if it's the economy picking up or clients saying they can't wait any longer," Harvey says, adding that the patient demand for all-private rooms is helping spur systems to get moving on some construction projects.

"When was the last time you checked into a hotel and asked for a semi-private room to save money?"

Harvey notes that while competition is heated, campus master planning is an assignment that "demands senior-level personnel" as it tends to blend architecture and consulting and ends up requiring a lot of "thinking time and conversation time" with clients.

"You're trying to help them navigate through uncharted waters of uncertainty," Harvey explains, so it's a project that requires five to six months of heavy thinking, and that's something many mid- and junior-level staffers "are not strong on."

"Anyone can come in and rearrange the dominos on the table to fit more in," he adds. What's needed, however, is developing a plan that has purpose and adds value.

One aspect of creating a new master plan is to redevelop orientation features and themes, Harvey says.

"Strong features erode with additions and way-finding features may be cut off," he says, adding that it's up to planners to recreate that sense of place.

"We use the term 'iconography' at times—things patients lock into their minds," Harvey explains, citing the rotunda at the University of Texas MD Anderson Cancer Center in Houston as an example. "People know where they are or know where they're going by referring to that rotunda."

Michael Hinchcliffe, an associate with the Payette architects in Boston, who says master plans account for 10% to 15% of his firm's annual workload, agrees with Harvey and says Payette uses daylight and connections with nature to re-establish way-finding and orientation.

"That's absolutely been a focus the last couple years—dealing with carbuncle additions that often break down an institution's identity," he says.

Hinchcliffe says much of Payette's current planning work is coming from Veterans Affairs Department facilities in the Northeast where such plans often act as a precursor to—or in lieu of—actual construction projects. Hinchcliffe explains that planning helps set the stage for major projects by scheduling a cascading series of initial or "enabling" projects beforehand.

Another common element of master plans—especially for consolidating institutions—Hinchcliffe says, is an assessment of existing facilities that is usually followed by shuffling services for patients requiring low acuity of care to older facilities and moving higher-acuity services to new facilities.

Payette created the master plan for the "Clinical Quadrangle" at 439-bed Penn State Milton S. Hershey Medical Center in Hershey, Pa., which involved the facility's entrance, cancer institute, children's hospital and parking garage.

And while much architectural and design work is done these days with the help of computer technology, Hinchcliffe says master planning “still relies on the eye of the architect.” So, he says Payette likes to keep the same team together from the beginning to the end of a master plan and likes to mix together junior- and senior-level staff on the project.

“We tend to create dynamic teams with a blend of experience levels for this type of work,” Hinchcliffe says. “It requires a unique set of skills and experience.”