

# New Medical Office Building

## Using LEAN Design

Business Plan

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Medical Group  
Business Plan – Fellowship ACMPE

**Project Summary**

In the ever-changing healthcare environment, the balance between providing the highest quality of care at the lowest possible cost is critical. Healthcare organizations are challenged each day to provide this exceptional care while competing for patients, staff, and providers who all have choices of where to receive and provide care. Their organization is not any different than those throughout the country facing similar challenge. Their organization is a multi-specialty medical group practice and is part of a larger healthcare delivery system. As their organization continues to grow, they have reached a point where additional space is needed to add providers and to grow their ambulatory services. As they considered all of the factors previously mentioned their focus was on how to create an environment where they could design a new medical office building where the building itself creates an area where the patients are truly at the center of all that they do. The goal is to also develop a building that would help them recruit and retain the best providers and staff to provide care for their patients. After significant discussion it was determined the use of LEAN Six Sigma “LEAN” design was their best approach. This approach was completely unique to anything they had previously developed. The Medical Group plans to construct a new 60,000 square foot medical office building (MOB) that will provide multi-specialty space for approximately 35 to 40 providers. An overarching goal of the new facility is to differentiate the patient experience from others in the region through an ideal patient and provider experience. The plan is to design a new approach to the clinic visit and develop a care model that will provide a private, efficient, and exceptional patient experience. The goal is to leverage the expertise of the team to create a standardized clinical design that supports both

flexible and reliable care that can be easily replicated in subsequent expansions of other new facilities. This approach redesigns the traditional method of building design by first developing required changes in workflow, processes, and behaviors and then develop the building which will effectively serve as a model to facilitate exceptional care. While they have begun implementing LEAN principles in other parts of their organization, they had never designed and built a medical office building using LEAN principles. It is their goal to design and build a medical office building where the patients are truly at the center of their care and use people and technology to provide the highest quality of care at the lowest cost.

### **Executive Summary**

The organization is a not-for-profit 501(c)3 whose mission is to work with the communities in the twelve counties they serve to help every person attain optimal lifelong health and well-being. The organization will always be grounded by their community roots. The Medical Group is a multi-specialty group practice that was founded in 1910. As a not-for-profit health care organization, the system, its physicians, and employees are focused on improving the health and well-being of the communities it serves. The mission, vision, and values are the core principles on which the organization was founded and exists today.

### **Mission**

The organization works with the communities they serve to help each person attain optimal life-long health and well-being. They will do so by providing integrated, clinically advanced services that prevent, diagnose, and treat disease, within an environment of compassion, learning, and discovery.

**Market Opportunity**

The System has grown in clinical advancements, technology, and in geographical region in the last century, and now serves as a major regional referral center where more than 1,600 physicians send their patients. The group opened its first regional office in 1977 and today they have 35 regional offices located throughout the region to provide primary care, outreach specialty care, and testing to its patients close to where they live. Today, one of the longest established group practices in the country, they have more than 325 primary and specialty care physicians and 210 advance practice practitioners and have more than 1,500,000 patient visits each year in 22 communities in the counties they serve. The group’s commitment to its core values of patient centeredness, teamwork, and excellence the defining values upon which the organization was founded remains robust and unchanging.

**Management and Key Personal**

<b>President and CEO</b>
<b>President of Medical Group</b>
<b>Executive Vice President, Chief Information Officer</b>
<b>Chief Financial Officer</b>
<b>Executive Vice President for Medical Affairs</b>
<b>Chief of Staff to the Chief Executive Officer</b>
<b>Executive Vice President and Chief Operating Officer of the Medical Group</b>
<b>Executive Vice President and Human Resource Officer</b>

## **Competitors**

Within the market they plan on building this new medical office building, there is a competing healthcare system and a market they have both competed in for years. The competing health care system has a solid reputation within the market it serves and provides a multi-specialty approach like their organization. The competing system organization's geographic spread has a significantly smaller service area; however, the competing system also plans on opening another office within 2 miles of the medical group's new office. While this competing healthcare system is certainly competition for them, the focus continues to be to provide the highest quality of care along with providing exceptional access and service to their patients. They believe this state-of-the-art building will help them gain market share by providing specialty services closer to the patients and create a patient experience that is superior to their competitor. It is anticipated that by gaining market share it will have a significant positive impact on downstream revenue to the system.

## **Financial Information**

The organization has a very strong balance sheet with significant amount of days cash on hand, therefore the funding for this project will be supported by their investments. Due to the financial structure of the organization this new medical office building has a projected positive return of a modest \$500,000 over three years. This new medical office building is viewed as an investment in the medical group so positive cash flow is not directly tied to this new medical office building. The positive cash flow is associated with downstream revenue for services provided to their patients in other parts of the organization, but initial care will be provided in the new medical office building. The project has a capital investment of \$31.3 million dollars. The funding source of this project will come from capital funds that were identified in their strategic

plan along with additional sources of funds from other projects that came in under budget that will later be detailed in the Financial Statement section.

### **The Organizational Plan**

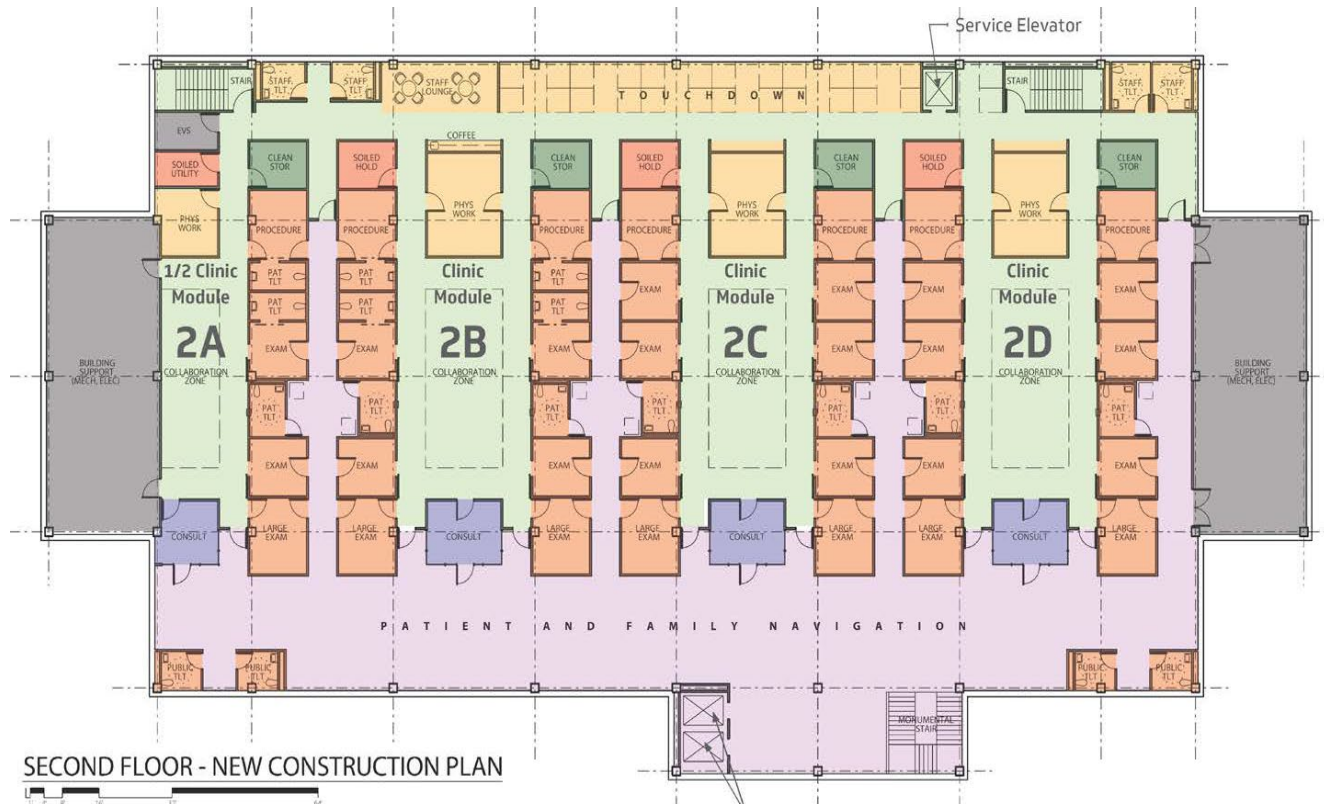
As healthcare services shift toward outpatient delivery systems, ambulatory environments of the future must find ways to effectively ensure collaboration and enhance interaction between providers, staff, and patients. A breakdown in communication amongst the care team can be a major cause of confusion and frustration that will ultimately lead to frustrated providers and staff, eventually resulting in a decline in patient satisfaction. The care models that exist today are often supported, if not encouraged, by the physical environment of care. When reconfigured to support a more collaborative care approach, the physical environment can be used to force essential communication and foster collegial interaction. For this medical group they have historically built medical offices buildings in what they consider a very traditional fashion with basic exam rooms, individual provider offices, nurse stations, laboratory draw stations, and space where clinical and clerical staff are physically distant. As they have embraced LEAN design principles they committed to developing a medical office building that is redesigned in a way that fosters patients centeredness, including confidentiality, and also puts the care team physically closer together to enhance communication and keep them closer to the patient. Are part of the designed they also wanted to create flexibility so various medical specialties can use the exam rooms on various days. They believe with the use of LEAN they can design a medical office building that addresses all these issues.

The plan is to construct a new medical office building in one of their key strategic areas. The anticipated 60,000 square foot building will provide a multi-specialty clinic space for approximately 35 providers. An overarching goal of the new facility is to differentiate the patient experience from others in the region through an ideal patient and provider experience. For

example, creating an on-stage and off-stage approach for patient privacy by using two doors leading into the exam room. One door will be used by the patient and one door will be used by the provider team to create privacy in the hallway from other patients and staff. They will also bring services to the patient in the exam room such as weight scales, lab draws, and schedulers, so the patient rarely has to leave the exam room. This design will also eliminate individual provider offices and create collaborative work zones, so the care teams are working closer together to create improved communication and efficiencies. The plan is to design a new approach to the clinic visit that is truly patient centered and efficient for staff and providers. The goal is to leverage the expertise of the team and technology to create a standardized module that supports flexible and highly reliable care delivery and can be easily replicated throughout the building along with subsequent expansions of other new facilities. This approach redesigns the traditional method of building design by first developing required changes in processes and behaviors and then developing the building which will effectively serve as a model to facilitate commitment to new methods of delivering care to patients. Below is an example of a standard clinic module using LEAN design. The mauve and orange areas represent areas that the patient will be in such as pause areas and exam rooms. The green and yellow areas represent staff and provider areas that patients will never see during their visit. As you can see this keeps the care team close to the exam room and each other for improved communication yet away from the patients for privacy and quietness. Due to the standardization of these modules this allows flexibility for various services to utilize the space. While difficult to see on the schematic drawing one of keys to providing flexibility of the use of supply charts that are specialty specific and can move from room to room with the specialty as opposed to stocking each room with the appropriate supplies. Another example is of LEAN is using tap-and-go technology so nurses and providers can more quickly access the electronic medical record by using their badge to log into the computer versus



having to type in their password. These are a few examples of how they used LEAN to design this new medical office building.



From an organizational perspective below is the SWOT:

Strengths

Integrated Healthcare Delivery System

Physician led organization

Organizational commitment to new design

Strong balance sheet

Stable leadership

Physician / Administrator dyad partnership structure

Continue revenue growth year over year

Strong Primary Care base

Weakness

Rural area consequently making provider recruitment a challenge

Population growth is stagnant

Payor mix is challenging

Opportunities

Gain market share from competing systems

Enhanced provider recruitment

Acquisition of physician practices and other hospitals

First to market with this new design

## Threats

Larger healthcare systems

Lack of population growth

Their strategy in building this new building is to once again design a new building where they keep the patient at the center of all they do and to help in the recruitment and retention of providers and staff to service that market. The following are key items they need to focus on in the development of this new medical office building.

- The team in the new MOB will work together to meet the overall needs of the patient and be cross trained to support each other.
- Build a patient-focused building that provides the right care in the right place at the lowest possible cost.
- Maximize the use of technology and their electronic medical record system to make the visit as efficient as possible for the patients and providers.
- Improve patient access and customer service.
- Minimize the amount of movement the patient must make during their visit.
- Strive to provide care in the most appropriate, lowest intensity setting.
- Develop flexible spaces to accommodate both growth and change, designing generic and multi-purpose uses that are adaptable to evolving standards of care.
- Develop standardized workflows and layouts including similarly designed exam rooms, offices, common spaces, pre-defined technology platform, and patient support space.

As they embarked on the development of the new medical office building, they identified key stake holder and decision makers. Below is a list of individuals and their responsibilities who are key in the development and success of this new building.

<b>Key Stakeholder</b>	<b>Responsibilities</b>
VP of Regional Operations	Responsible for entire project including oversight of design, operations, project budget, and receiving all appropriate approvals.
Regional Medical Director	Responsible for physician leadership and providing direction on the clinical aspects of the design.
Sr. Director	Responsible for implementing new workflows of the new building along with recruiting and training staff.
Construction Manager	Responsible for the entire construction project including FF&E (furniture, fixtures & equipment).

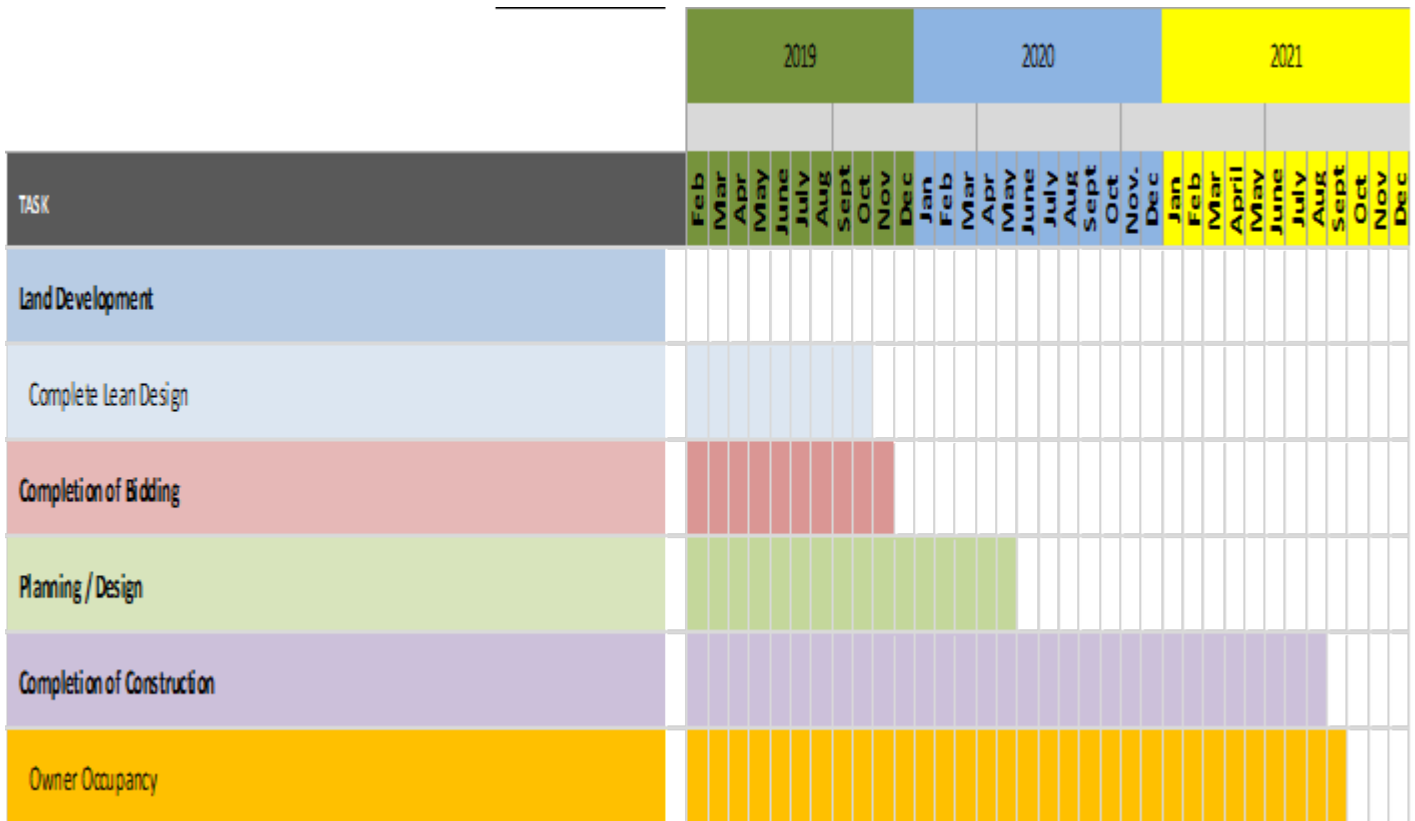
This new MOB will provide them several opportunities in the market that they are planning on building this new MOB. The development of this new building will allow them to expand and offer new services in the market that they were not previously able to provide due to space constraints. This new space will allow them to move existing specialty services from current MOBs, recruit additional providers to the new MOB, and finally with new space available in the old MOB they can now recruit both primary care and specialty providers. Their organization is not accredited by a regulatory body; therefore they are not required to obtain any regulatory body approvals.

From the project development standpoint:

- Acquisition of land was completed in 2018

- Lean design workflows with the operational teams began and completed in 2019
- Final building design and bidding completed by Summer 2020
- Construction is scheduled to begin in late Summer 2020
- Anticipate office to open and be operational Fall 2021

Below are the key milestones associated with this project.



There are some weakness and threats associated with the design and development that the group has had to work through. These were addressed during the planning and design phases, but as the project begins the teams will have to be reminded of the decision they made and why such old workflows will not get implemented in the new design.

### Weakness

- **Unknown approach for their organization** – as a result a site visit was conducted by the key stakeholder to visit another medical group who also used LEAN for their building design.
- **Lack of buy-in by some providers** – it was key that they include these providers in the design process and get their thoughts and concerns addressed in the very beginning of design. As a result of taking this step provider buy in improved significantly and they have become champions for the project.

### Threats

- **ROI due to total cost of construction with an unproven concept to their organization** – once financial analysis was completed by the Finance team it was determined that the amount of downstream revenue associated with this building created a significant amount of potential new revenue.
- **Unknown impact on provider satisfaction due to elimination of individual offices** – during design it was determined that in place of individual provider offices a private provider lounge will be built for the providers to utilize.

### Marketing Plan

The marketing strategy will have a focus on service line development, other specialty and ancillary services provided, and brand recognition. This will be accomplished by various forms of communication. Once construction is completed the organization will conduct a community open house which historically has worked extremely well in their markets. This will occur prior to the opening of the building and seeing patients. As part of the financial proforma there is \$30,000 dedicated to marketing this new medical office building. Currently their market share in

this region is 35%, however, their anticipated market share in five years is projected to grow to 41%. This will be accomplished by recruiting new physicians to this market in order to provide new medical services that they previously have been unable to provide due to lack of space. They will also recruit new physicians for existing services in order to meet market demand and provide enhanced access in comparison to their competition. The chart below on page 25 titled “Annual Downstream Growth” provides service line detail on where the 41% growth was identified. Below is the marketing plan and the market data that was critical to their understanding of the market prior to seeking capital approval.

**MOB Communications Plan**

<b>Audience</b>	<b>Tactic</b>	<b>Timing</b>	<b>Owner(s)</b>
<u>Staff</u> <i>Beam Signing</i> Fall 2020  <i>Staff Open House/Tours</i>	Friday Facts (internal communication document)  Workplace (internal tool like Facebook for employees)  Media Advisory (communication to all local news channels and newspapers)	Fall 2020  Summer 2021 Summer 2021	Corp. Comm. Corp. Comm. Corp. Comm.  Corp. Comm. Corp. Comm.
<u>Patients/Community/Media</u>  <i>Patients of departments relocating</i>  <i>Region Patient/Family Advisory Council</i>  <i>Community Open House &amp;</i>	Talking points for those answering phones  Tour  Media Notification	Fall 2021  Fall 2021	Corp. Comm./ Operations Director  Director

<i>Ribbon Cutting</i>	News Release Talking Points	Fall 2021	Corp. Comm. Corp. Comm. Corp. Comm./ Resource Dev.
<i>Video Tour</i>	Social Media	Fall 2021	Corp. Comm./ Director

With respect to key messages or talking points the following will be their approach with the local news stations and newspapers.

**Key Messages – New Medical Office Building**

- Why is there a need for the new building?**  
 In just the last 3 years they have seen a significant increase in the number of people they serve from this area. As the demand for services has grown in the community, they have had the opportunity to improve the way we provide services to their patients and to expand. To best meet the challenges of the future, they developed 2021- a strategic roadmap to Transform, Innovate and Inspire. This new space is part of 2021.
- Why are all the moves necessary?**  
 While our history of strong financial performance has enabled us to continually reinvest in health services for the communities they serve, they are mindful to keep our focus on the patient. This additional 60,000 of square feet of medical office space is patient-centric in its placement of new and relocated services, keeping frequently used services such as primary care and specialty services central to the communities they serve.



- **Which services will be moving to the new Medical Office Building location and when?**

The new 60,000 square foot Medical Office Building will relocate surgical and medical specialty services which provide hospital-based care. These services include General Surgery, Orthopedics, PT, GI, Pulmonary, Urology and ENT services.

- **How will these facilities be different?**

This new office buildings are designed with the patient in mind and offer maximum flexibility, encourage teamwork and optimize efficiency. This new, patient-focused space fosters collaboration among our ambulatory providers in attractive, comfortable surroundings. We'll be harnessing technology with registration kiosks; we'll redefine clinical workflow by providing all patient activity in the same exam room during the appointment, including scheduling follow-up appointments, referrals, tests or even scheduling surgery.

**Physical Therapy Opening Marketing Plan**

<b>Tactic</b>	<b>Responsible</b>	<b>Market</b>	<b>Timeline</b>
Open House event for high school athletic directors & coaches	Marketing/MSK	Service County	Fall 2021
Hand-delivered invitations from athletic trainers	Marketing/Physician Liaisons	Service County	Fall 2021
Direct mail to athletic propensity	Marketing	Service County	Fall 2021
Brochures/rack cards about new services	Marketing	Service County	Fall 2021

<b>Sizing the PCP Market (Physicians &amp; APPs)</b>				
<b>Specialty</b>	<b>Our Group</b>	<b>Competitor</b>	<b>Independents</b>	<b>Total</b>
Internal Medicine	6	9	17	32
Family Medicine	19	7	50	76
Pediatrics	2		22	24
<b>Total</b>	<b>27</b>	<b>16</b>	<b>89</b>	<b>132</b>

Current <u>County</u> Physician Complement				
Specialty	Our Group	Competitor	Independents	Total
Allergy			7	7
Bariatric surgery		2		2
Breast Surgery	1	1 <sup>1</sup>		2
Cardiology*	1	8 <sup>4</sup>		9
Dermatology		2	1	3
Endocrinology		1	1	2
ENT	1	3		4
General Surgery <sup>3</sup>	1	3		4
GI	1	1	3	5
Medical Oncology		3		3
Nephrology	1		1	2
Neurology		5	2 <sup>2</sup>	7
Neurosurgery	1	1	4 <sup>2</sup>	6
OBGYN (includes 5 midwives for "Others")		2	8	10
Ophthalmology			3	3
Orthopedics	5	9		14
Pain Management	1		2	3
Plastic Surgery		1	1	2
Pulmonology	1	1	1	3
Radiation Oncology			2	2
Rheumatology		1		1
Urology	1		2	3
Vascular*	1		3	4
<b>Total</b>	<b>16</b>	<b>44</b>	<b>41</b>	<b>101</b>

**Part III: Financial Documents**

**Source of Capital to Support MOB**

MOB funding per Strategic Plan	\$18.8M
Remaining funds from: Project #1	\$6.9M
Project #2	\$1.8M
Other Projects	<u>\$3.8M</u>
<b>Total Funding Sources</b>	<b>\$31.3M</b>

**Requesting Approval of Strategic Plan Capital**

Land Acquisition	\$3.5M
Construction and FF&E	<u>\$27.8 M</u>
Investment of new MOB	<b>\$31.3 M</b>

Medical Group, PC  
P&L Proforma Calc

	<b>Actual(Include Existing Office for baseline)</b>	<b>New MOB Impact</b>	<b>Projected Year 1</b>	<b>New MOB Impact</b>	<b>Projected Year 2</b>	<b>New MOB Impact</b>	<b>Projected Year 3</b>
<b>Operating Revenues:</b>							
Net Clinic Patient Service Revenue	9,711,389	7,315,221	17,026,610	2,273,722	19,300,332	1,134,939	20,435,271
Operating Revenues and Support	51,125	-	51,125	-	51,125	-	51,125
<b>Total Operating Revenues</b>	<b>9,762,514</b>	<b>7,315,221</b>	<b>17,077,735</b>	<b>2,273,722</b>	<b>19,351,457</b>	<b>1,134,939</b>	<b>20,486,396</b>
<b>Operating Expenses:</b>							
Non-Provider Salaries	2,796,317	923,988	3,720,305	-	3,720,305	-	3,720,305
Provider Salaries	4,502,084	5,394,608	9,896,692	(323,000)	9,573,692	-	9,573,692
<b>Total Salaries and Wages</b>	<b>7,298,401</b>	<b>6,318,596</b>	<b>13,616,997</b>	<b>(323,000)</b>	<b>13,293,997</b>	<b>-</b>	<b>13,293,997</b>
Non-Provider Benefits	754,916	294,578	1,049,494	-	1,049,494	-	1,049,494
Provider Benefits	558,575	598,450	1,157,025	(38,126)	1,118,899	-	1,118,899
<b>Total Employee Benefits</b>	<b>1,313,491</b>	<b>893,027</b>	<b>2,206,518</b>	<b>(38,126)</b>	<b>2,168,392</b>	<b>-</b>	<b>2,168,392</b>
<b>Other Operating Expenses:</b>							
Purchased Services	283,038	251,782	534,820	-	534,820	-	534,820
Supplies	261,922	197,296	459,218	61,324	520,542	30,610	551,152
Pharmaceuticals	517,861	806,748	1,324,609	240,293	1,564,902	120,044	1,684,946
Insurance	108,736	207,023	315,759	-	315,759	-	315,759
Other Expenses	1,161,261	153,300	1,314,561	(129,000)	1,185,561	-	1,185,561
Depreciation & Amortization	234,291	1,397,533	1,631,824	-	1,631,824	-	1,631,824
Interest Expense	220,934	-	220,934	-	220,934	-	220,934
<b>Total Other Operating Expenses</b>	<b>2,788,043</b>	<b>3,013,682</b>	<b>5,801,725</b>	<b>172,617</b>	<b>5,974,342</b>	<b>150,654</b>	<b>6,124,996</b>
<b>Total Operating Expenses</b>	<b>11,399,935</b>	<b>10,225,306</b>	<b>21,625,241</b>	<b>(188,509)</b>	<b>21,436,731</b>	<b>150,654</b>	<b>21,587,385</b>
<b>Net Operating Income (Loss) before Allocated Expenses</b>	<b>(1,637,421)</b>	<b>(2,910,085)</b>	<b>(4,547,506)</b>	<b>2,462,232</b>	<b>(2,085,274)</b>	<b>984,285</b>	<b>(1,100,989)</b>

Cash Impact Statement

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<i>Cash Invested:</i>										
Building	(31,337,000)	-	-	-	-	-	-	-	-	-
<b>Total Cash Invested</b>	<b>(31,337,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Cash from Operations:</i>										
Operating Margin	(2,910,085)	(447,853)	536,432	573,220	573,220	573,220	573,220	573,220	573,220	573,220
Depreciation	1,397,533	1,397,533	1,397,533	1,397,533	1,397,533	1,397,533	1,397,533	1,397,533	1,397,533	1,397,533
<b>Total Cash from Operations</b>	<b>(1,512,551)</b>	<b>949,680</b>	<b>1,933,965</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>
<b>Total Cash</b>	<b>(32,849,551)</b>	<b>949,680</b>	<b>1,933,965</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>	<b>1,970,753</b>
<i>Opening Balance</i>	-	(32,849,551)	(31,899,871)	(29,965,906)	(27,995,153)	(26,024,400)	(24,053,646)	(22,082,893)	(20,112,140)	(18,141,387)
<i>Increase (Decrease)</i>	(32,849,551)	949,680	1,933,965	1,970,753	1,970,753	1,970,753	1,970,753	1,970,753	1,970,753	1,970,753
<i>Closing Balance</i>	(32,849,551)	(31,899,871)	(29,965,906)	(27,995,153)	(26,024,400)	(24,053,646)	(22,082,893)	(20,112,140)	(18,141,387)	(16,170,634)

### Annual Downstream Growth Potential MOB Strategy

Specialty	Total Estimated Downstream Care (\$)	Downstream Capture (\$)	Downstream Capture (%)	Assumed Annual Market Capture Increase (%)	Annual Assumed Increase (\$)	5-Year Total Market Capture	5-Year Total Market Capture Increase	5-Year Total Market Capture Increase (\$)
Cardiovascular	\$ 22,953,000	\$ 7,214,210	31%	1.0%	\$ 229,530	36%	5%	
Dermatology	\$ 869,000	\$ 301,710	35%	2.0%	\$ 17,380	45%	10%	
ENT	\$ 4,324,000	\$ 431,220	10%	1.0%	\$ 43,240	15%	5%	
General Surgery	\$ 15,093,000	\$ 4,925,610	33%	1.0%	\$ 150,930	38%	5%	
GI	\$ 10,812,000	\$ 5,833,840	54%	2.0%	\$ 216,240	64%	10%	
Nephrology	\$ 1,487,000	\$ 772,530	52%	1.0%	\$ 14,870	57%	5%	
Neurosciences & Spine	\$ 7,674,000	\$ 789,670	10%	1.0%	\$ 76,740	15%	5%	
Ophthalmology	\$ 3,762,000	\$ 378,300	10%	2.0%	\$ 75,240	20%	10%	
Orthopedics	\$ 15,836,000	\$ 3,707,980	23%	2.0%	\$ 316,720	33%	10%	
Pain Management	\$ 1,442,000	\$ 104,760	7%	2.0%	\$ 28,840	17%	10%	
Pulmonology	\$ 5,465,000	\$ 3,250,320	59%	1.0%	\$ 54,650	64%	5%	
Urology	\$ 3,899,000	\$ 1,242,150	32%	2.0%	\$ 77,980	42%	10%	
Total Included in MOB	\$ 93,616,000	\$ 28,952,300	31%	1.4%	\$ 1,302,360	38%	7%	
All Others	\$ 77,503,000	\$ 31,263,010	40%	1.0%	\$ 775,030	45%	5%	
<b>TOTAL W/O Oncology</b>	<b>\$ 171,119,000</b>	<b>\$ 60,215,310</b>	<b>35.2%</b>	<b>1.2%</b>	<b>\$ 2,077,390</b>	<b>41.3%</b>	<b>6.1%</b>	<b>\$ 10,386,950</b>
Oncology	\$ 23,672,000	\$ 7,032,480	30%	2.0%	\$ 473,440	40%	10%	
<b>TOTAL With Oncology</b>	<b>\$ 194,791,000</b>	<b>\$ 67,247,790</b>	<b>34.5%</b>	<b>1.3%</b>	<b>\$ 2,550,830</b>	<b>41.1%</b>	<b>6.5%</b>	<b>\$ 12,754,150</b>

### **Innovative elements and expected business outcomes**

Lean Led Design (LLD) is driven by a single principle: space in which work is performed should be designed to support work that is intended to be completed there. When that does not occur, the results are process inefficiency, provider frustration, and lack of patient centeredness. Using LLD, the team analyzed existing practices with fresh eyes and challenged each other during the process. As they went through this process, they looked at their processes through a LEAN lens and it enabled the team to consider operational improvements and best practice scenarios that would help the schematic building design.

LLD is a workflow-based design approach that optimizes space, people, equipment, and technology. LLD principles enable designs that help reduce design cost, improve capacity, and provide operational efficiency while maintaining focus on an exceptional patient experience. The teams found wastes and workarounds in their daily activities in order to prevent their current work transitioning into future workflow designs. The process encouraged the team to define what an ideal work environment would look like for each group such as nurses, ancillary staff and providers. Team members were challenged to balance organizational financial resources and staffing resources with a realistic amount of change that needed to occur. Creating workflows that support excellence in patient outcomes and experiences was paramount in the decision making that considered what is best for the patient. The future implementation of best practices and evidenced based methods relied on the recommendations from this workflow design group. The initial conceptual layout of the project was most effectively accomplished with the involvement of the LLD team. This collaborative approach set the stage for cost savings by shortening the project design phase and minimizing future change orders. The members of the team were the subject matter experts of the future state and were best positioned to evaluate the design concept's ability to meet the needs of the new workflow. The System utilized the LLD



approach resulting in a standardized clinic module that will be used in the development of other freestanding medical office buildings. The standard clinic module designed through the LLD team sets new expectations for the level of communication and collaboration that will occur in their ambulatory care settings as well as for the design of patient flow and experience during a clinic visit.

The advantages of the standard clinic module design include:

***Design and construction cost savings:*** Accomplished through standardization of design, reduction in design timelines and minimization of the number of project change orders.

***Elimination of traditional office spaces and nurse's stations and replace with touchdown and collaboration areas:*** Innovative space design forces behavioral change away from siloed interactions in favor of open communication and ease of access between providers and clinic staff.

***Utilization of on-stage / off-stage approach to encourage care team interactions and heighten patient experience:*** Off-stage areas provide safe and private areas for care team interaction outside the view of patients and family while on-stage spaces ensure a positive patient experience.

***Standard modular design:*** Standardization of the clinic module allows for flexibility and adaptability of clinic space / exam room assignment in response to changes in patient volumes or specialty needs. Each module is designed with accessibility to the support functions frequently utilized by staff and providers to increase efficiency and facilitate effective workflows.

***Streamlined patient throughput:*** Redesign of traditional check-in and check-out processes to accomplish optimal patient preparation prior to arrival and the use of technology to provide patients choices at check-in.

***Enhanced wayfinding:*** Leveraging the use of technology with the design of patient and family navigation spaces to eliminate stress and confusion and ease patient travel throughout the facility.

This was a challenging process particularly in the beginning because it was very easy to fall back into current workflows and it was challenging for the teams to try and understand and envision future state. Once the team could begin to visualize what future state would look like it began to all come together. There were several lessons learned during our process such as the impact on ancillary services, technology opportunities, wayfinding, and the need for some of the spaces that were designed to be modified from the original intent of the space. One of the major steps the team took that helped to visualize the new design was building a mock collaboration space in an empty warehouse where all team members could do walkthroughs and provide feedback to the design team. This ended up being a critical step in the design process because it allowed the team to visualize the lay-out, particularly in the exam rooms providing insight on how standardization was going to be critical in the success of this new design. They are excited to begin construction on the new MOB and to see how all their hours of planning and design will come to life and begin providing care to their patients in a setting that they have never created prior to this.