

Creating Resilience

Five Healthcare Trends to Watch

VIEWPOINT

CBRE INSIGHTS
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Health systems face many significant challenges. CBRE Healthcare has identified five key trends impacting healthcare priorities, with strategic and tactical actions that real estate, facilities management and project management leaders can take in response.

01 Financial and operational excellence

02 Healthcare equity and population health

03 Shifts in the site of care

04 Workforce enablement

05 Technology advancements

1. Financial and Operational Excellence

Strategic Response

With ongoing financial pressures, we expect a move to value-based care and increased transparency, paired with improved quality and efficiency. This will require:

- Investing in innovation (e.g. changes in reimbursement models and incentives, AI-enhanced chronic care management) to improve quality and efficiency of care, including partnering with startups
- Heightened focus on preventive care
- Adapting to state government policies that encourage competition, such as easing of Certificate of Need requirements

Tactical Response

Given these market dynamics, real estate services leaders can play a central role in optimizing the economic impact of a health system's real estate portfolio and overall financial performance. A few key strategies include:

- Rationalize integrated care-delivery network and portfolio optimization
- Implement strategies to reduce the [Total Cost of Occupancy](#)
- Consolidate Facilities Management and third-party providers to achieve efficiency and savings
- Standardize service-delivery processes

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It is a tale of two cities with healthcare clearly facing significant economic challenges. However, the fundamentals of healthcare real estate are incredibly strong. This is illustrated by the highest medical office occupancy in more than a decade.

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Chris Bodnar

Vice Chair, Healthcare Capital Markets and Head of Healthcare Advisory, Americas, CBRE

2. Healthcare Equity and Population Health

For several years, health systems have taken on greater responsibility for their local community's overall health. Factors impacting community health are known as Social Determinants of Health (SDoH).¹ These SDoHs include:

Economic stability (financial security, employment, food security)

Education access and quality (early child development, higher education, jobs training)

Healthcare access and quality (available facilities, access to insurance)

Neighborhood and the built environment (housing, places of employment, food and drug stores, recreational areas, safe neighborhoods, clean water, clean air)

Social and community context (strong sense of community cohesion, acceptance, safety, free of discrimination)

Strategic Response

Strategies employed by health systems to improve healthcare equity and population health include:

- Removing barriers to care in underserved communities
- Devising epidemiological models to identify improvement actions for a specific community's health status
- Committing to a 50% carbon-reduction goal of the health system's footprint by 2030²
- Increasing community-based collaboration for safer neighborhoods to protect patients and employees
- Supporting affordable housing initiatives, educational resources and food banks

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A big focus at DaVita is on health equity and we strive for this through improved access to transplants, access to home dialysis and access to education about kidney care. We have also partnered with community organizations on this effort, including a \$1.4 million grant to Food is Medicine to help address food insecurity among people with medical nutrition needs.

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Peter Berkowitz

DaVita Group Vice President
of Real Estate, Development
& Facilities

¹Source: U.S. Department of Health & Human Services, [“Social Determinants of Health,”](#) 2024.

²U.S. Department of Health & Human Services, [“Health Sector Commitments to Emissions Reduction and Resilience,”](#) 2024.

Tactical Response

Healthcare real estate leaders can play an integral role in making a positive impact on the SDoHs and population health for their communities, using these strategies:

- Optimizing energy and sustainability initiatives
- Creating public safety and economic development partnerships
- Delivering community-based partnerships such as skilled-trades training programs
- Implementing community programs to improve water quality, affordable housing and access to nutritional food

Once considered nontraditional areas of service for a health system's real estate team, serving the broader community's needs reflects today's expectations of the overall health system.



3. Shifts in the Site of Care

The shift from inpatient to outpatient sites as the primary means for treating higher acuties of care is expected to continue throughout 2024. Continuing evolution will emphasize expanding access to integrated-care programs for the underserved, mental health services, geriatric services and the ongoing shift from primary care to urgent care.

Strategic Response

Health systems have embraced this continued shift in site-of-care guided by both economic and societal factors, leading to these strategies:

- Improving access to behavioral health services through the development of integrated-care programs and the expansion of mental health and substance abuse treatment centers
- Increasing focus on elder care by expanding geriatric services and partnering with long-term care providers
- Investing in urgent-care sites while continuing to provide primary care and expand specialty care

Tactical Response

The rapidly shifting makeup of a health system's service offerings has led real estate and facilities leaders to focus on these priorities:

- Renewing focus on portfolio optimization and improved space utilization
- Increasing flexibility and agility in deploying space through innovative approaches to facility design, space-sharing agreements, and flexible lease structures
- Delivering a multi-faceted portfolio strategy to address population health initiatives, mental health services and elder care.
- Engaging retail strategies reflecting consumer preference for convenient access to care

A significant aspect impacting site-of-care decisions is the outmigration of many people from the central business district. This is especially important given that many large healthcare campuses are in urban centers.

4. Workforce Enablement

The foundational mission of healthcare real estate, facilities management and project management leaders is to enable the health system to deliver the optimum level of care to its community. Workforce enablement is central to delivering this mission, providing healthcare workers a safe and flexible work environment.

Strategic Response

Attracting and retaining a highly skilled and motivated team of healthcare professionals requires employee engagement strategies that support a safe and flexible work environment characterized by these factors:

- Increased investments in training and development programs
- Offering flexible work arrangements (hours of work, place of work), when possible
- Supporting [workforce wellbeing](#)

Tactical Response

Healthcare real estate, facility management and project management leaders can contribute to workforce enablement by:

- Providing facilities and services with a focus on employee wellbeing and a supportive work environment
- Developing administrative offices to reflect an increased need for flexibility and collaboration
- Providing cross-function training to expand the Facilities Management team capabilities

A critical issue is workplace safety. [Recent studies](#) show a healthcare worker is more likely to be the victim of workplace violence compared with other employee groups.

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We have a no-violence zone. We post signs that indicate as such and outline the behaviors that are not supported on the campus. It is also stated that we support the right of our caregivers to press charges.

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Brian Lauer

Baylor Scott & White Health

5. Technology Advancements

The heightened role of artificial intelligence (AI), telemedicine, cybersecurity and technologies promoting personalized care are expected to dominate the healthcare landscape.

Strategic Response

Health systems are increasingly adopting and deploying technology to improve and optimize the delivery of care. Some that are top-of-mind include:

- Enhancing diagnostic protocols using advanced AI technology
- Compensating for workforce shortages by automating repetitive tasks, optimizing scheduling and boosting productivity
- Integrating telehealth into mainstream clinical care pathways
- Focusing on cybersecurity to mitigate risks of technology deployment

Tactical Response

Amid technology advancements, healthcare systems will benefit from these actions:

- Deploying [Smart FM](#) technology to supplement the facilities management workforce
- Applying AI to enhance predictive maintenance.
- Integrating data analytics, benchmarking and data insights across all real estate management service lines
- Offering enhanced patient experience technologies such as concierge services and wayfinding

The exciting prospect that technology portends for real estate management services is joined by the need to monitor industry advances, supported by a trusted team of service partners.



What's next?

This year, healthcare real estate professionals will face challenges, from continued inflation, changes in reimbursements, talent shortages, new compliance requirements, climate change and uncertainty surrounding the U.S. presidential election. As always, they will respond with an unwavering focus on delivering the best results for their community's needs.



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