

## National | Phoenix | Healthcare Real Estate

Event Coverage

## Will IT Be the Next Big Healthcare Boom?

SCOTTSDALE, AZ—Site selection processes and MACRA are among the key drivers in the healthcare space and are changing the terms of physician reimbursement. Speakers at RealShare Healthcare Real Estate took a closer look.

By **Natalie Dolce**

SCOTTSDALE, AZ—Looking at a thirty thousand foot view of MACRA, it forces physicians to take risks for the patients that they see. So said **Jared Stark**, SVP of **Duke Realty**. “The important thing to know is that the way it is structured makes physicians accountable for the cost and care of care and the improvement of care.”

Stark was among speakers at RealShare Healthcare Real Estate on Thursday, where fellow panelists touched on the site selection processes and MACRA and how they are among a few key drivers in the healthcare space.

The regulations are complex, said panelist **Matt Gilbert**, VP of brokerage of healthcare at **Transwestern**. One good strategic option from hospitals is to invest further in physician practices to expand network and spread risk, he explained.

And the good news, according to **Jackie Lundblad**, VP of strategic planning at **Ensemble Real Estate**, is that there are a lot of new tools out there today about how to keep people healthy. “We are seeing a push to virtual primary care,” she said. “And looking ahead, we are going to see major shifts in how care is delivered.”



**Jim Croy**, SVP of **HCP MOB Inc.** predicted that the one- and two-doctor practices won't exist going forward. “The trend will continue that hospitals will continue to take MOB space and the spaces that have 2,300 square feet will start becoming vacant,” he said. “You will have a larger footprint tenant coming in the future.”

**Julie Johnson**, principal of **Avison Young**, agreed, noting that the private practice physicians in the small one- and two- practice groups have had a lot of pressure in the past six-plus years whether it is in the documentation they need to do or the electronic records/reimbursement adjustments. “They continue to be squeezed.”

But with economic strains comes opportunity, Johnson explained. “Hospitals are looking for a capital partner. The starting point is to help our clients understand how they are using their assets. A big question is how we are using our idle assets today. There is an opportunity for real estate strategy and in addition to that.”

Stark pointed out that, right now, IT is the proverbial hog of the trough.

Croy agreed and added that analytics will be huge going forward. “It is a very inexpensive way to come up with some great cures. The next big boom in healthcare will be related to IT.”

And because of MACRA, hospitals are taking on more risk and a lot of that risk is things they have a limited amount of control over...the patients have a lot of the control, panelists said. “What we are going to see long term is personalized medicine,” said Johnson. “Perhaps in 10 years, we might begin to see more personalized strategies for taking care of oneself.” Things like diet related therapies, supplements, vitamins were examples she pointed to. “We will see a significant change of how care is delivered over the next 10 years and as we move toward virtual care, we need to care for the patient in the most effective manner.”

Speakers agreed that alternative and or proactive care models are becoming more prevalent. But how are they changing in the face of healthcare? Croy said they haven’t yet because there isn’t a good reimbursement model. “Telemedicine is a great way to save money and save time, but a lot depends on doctors paying for it and if that happens, our MOBs might look like call centers as opposed to typical MOBs.”

Johnson pointed to Redirect Health as an example of a quasi-call center. “They set up all the paperwork prior to arriving... There doesn’t need to be a receptionist. So much of what they do is following up with their top 10% of highest acuity patients by the phone.”

Stark added that technology will start to drive scope and size of development. “We are on the cusp of really starting to get our feet under tele-health. How that impacts the real estate strategy remains to be seen.”

He added that Medicare is driving towards reducing costs, and to do that, you need to keep people from accessing care. “That means keep them healthy. When we look at the direction that Medicare is pushing us, it is clear that we have to find alternatives to get lower cost services.”

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**Natalie Dolce**, national executive editor of *GlobeSt.com*, is responsible for working with editorial staff, freelancers and senior management to help plan the overarching vision that encompasses *GlobeSt.com*, including short-term and long-term goals for the website, how content integrates through the company’s other product lines and the overall quality of content. Previously she served as editor of the West Coast region for *GlobeSt.com* and *Real Estate Forum*, and was responsible for coverage of news and information pertaining to that vital real estate region. Prior to moving out to the Southern California office, Natalie was Northeast bureau chief, covering New York City for *GlobeSt*. Dolce’s background includes a stint at *InStyle Magazine*, and as managing editor with *New York Press*, an alternative weekly New York City paper. In her career, she has also covered a variety of beats for *M magazine*, *Arthur Frommer’s Budget Travel*, *FashionLedge.com*, *Co-Ed magazine* and the *Daily Orange newspaper*. Dolce has also freelanced for a number of publications, including *MSNBC.com* and *Museums New York magazine*.