The Prognosis of Healthcare Technology

Much as Apple Inc. revolutionized how consumers purchased music through its iTunes technology, and Amazon Inc. changed the face of content and product delivery, health information technology is poised to change the face and function of healthcare delivery. The transformation, in fact, is already happening – and as it continues, requirements for healthcare real estate will also change.

Definitions and Explanations

Whether called health tech or health information technology (health IT), what the concept consists of are various technologies integrating electronic healthcare with exchanges among patients, providers, government agencies and insurers. The overall goal of health IT is more efficient healthcare delivery, decreased costs, fewer medical errors, increased administrative efficiencies, and better patient access to affordable healthcare.

Though the industry is at the beginning of using health IT effectively, the technologies have already brought about some shifts in the preconception of what, exactly, is considered to be healthcare real estate. While professional medical buildings still exist, technology allows for healthcare providers to access records from a laptop or tablet. This mobility means that providers can offer services just about anywhere, from a suite of rental offices to retail storefronts.

Challenges and Solutions

Health IT is already helping the industry meet and beat several challenges.

Healthcare Delivery

The U.S. faces huge challenges in delivering efficient and high-quality health services, as patient demand continues to outpace provider supply. Additionally, according to the latest data from Centers for Medicare and Medicaid Services (CMS), U.S. healthcare spending reached $3.0 trillion, or $9,523 per person.

To help cut costs and boost delivery, patients are starting to take care in their own hands, with the following health IT resources:

> Provider platforms and portals that offer secured information to patients such as upcoming appointments, test results, wellness advice and billing.

> Telemedicine platforms, such as Healthiest You, which allow patients with minor ailments (such as a cold or flu) to obtain diagnoses over the phone from registered nurses and qualified MDs. These healthcare providers can then contact the patient's pharmacy of choice with the correct antibiotic, cough medicine or ear drops.

> Wellness websites, including mayoclinic.com, that offer a complete breakdown of symptoms, treatments and when to call a doctor. Armed with this information, patients can determine if their condition is serious enough to warrant a visit to their healthcare providers.

When patients better understand their own symptoms and issues, they aren't taking up space in waiting areas for minor ailments. This also could lead to smaller provider offices, and boost provider mobility to satellite locations.

Health IT is attracting many players, from fast-growing start-ups, to entrants from other industries and potential partnerships of both. They will require certain types of real estate for their purposes.

Vulnerable Populations

Vulnerable populations are defined as groups most at-risk for experiencing negative health outcomes due to age, race/ethnicity, income, geography or chronic medical/behavioral conditions. Many times, they're unable to find the right entry points to get into the system. Sometimes, they simply don't have a way to visit a healthcare provider. And, because many are uninsured or underinsured, they often don't seek medical help until their conditions worsen to the point at which they end up in emergency rooms.

The good news for this population is that some managed Medicaid plans already rely on nurse call centers to help better manage and coordinate care of their populations. Additionally, Dan Gebremedhin, in writing for MobiHealth News, points out that health-tech start-ups are working hard to tackle the issue. These companies include:

> Lyra Health and Quartet Health, which are developing employer/payer screening to pinpoint behavioral health conditions.

> AbilTo, a company that is overseeing telehealth treatments for patients' medical and behavioral issues.

> Valera Health, which is personalizing behavioral health solutions for at-risk patients.

The idea with these technologies is to funnel vulnerable patients into the healthcare system for treatment and/or prevention before they end up in emergency rooms for simple diagnoses such as earaches or the flu – or more serious ailments that could have been preventable. This could help reduce ER waiting times and possibly allow for reconfiguration of space to make it more useful for triage and treatment.

Healthcare Staff Productivity

Medical care represents an increasing proportion of society's time and resources. Improving productivity in healthcare means improving outcomes. At this point, healthcare is moving from addressing point-in-time issues to collaborative and continuous health management. The idea here is that continuous management means fewer surprises.

Other ways in which technology is and/or can be used to help boost productivity include:

> Remote monitoring, in which information is gathered from the patient by way of a remote device. For example, sensor technology, used in the case of heart-attack patients, continuously collects physiological data and real-time status reports. It also alerts healthcare providers of impending patient problems.

> Telemedicine platforms, mentioned above, also improves productivity by keeping patients out of medical offices for simple ailments.

> Online access to providers can help decrease the time taken for administrative tasks. For example, if patients fill out medical forms online, nurses, physicians and physician assistants can access that information, before the patient even steps into the office.

> Centralized clearing houses that share information will eventually replace the current paper-process of accreditation and medical education, according to the Harvard Business Review. This could lead to smaller staffs, as less time is spent on non-patient-oriented tasks.

> Companies such as Athenahealth and Castlight Health are offering Software-As-Service (SaaS) solutions. One such solution offers healthcare providers easier access to data ranging from physician quality, to specialization, to adherence to evidence-based care. This can better match patients with the proper providers, meaning less guesswork and more efficiencies.

> A reduction in administrative work means smaller staffs and more collaboration. This, in turn, could lead to better space efficiency when it comes to treating patients.

Fast Changes, Flexible Real Estate

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Fast-growing start-ups will likely require modular workplaces that can easily be refitted to accommodate new roles and workstyles. These companies will also require more flexible lease terms from their landlords, due to fast growth and evolving needs.

Some health-tech players are even going the extra mile to create workplaces in which ideas can be developed more quickly. SAP, for example, opened its AppHaus in Heidelberg, where engineers develop products with client input.

Of the 38 Fortune 500 companies with a major stake in healthcare, 24 are new entrants, many from the retail, technology and communications sector. As more tech companies enter into healthcare, their real estate needs will focus on specialty spaces that allow for collaboration and testing. And as retailers enter the market, they will have to adapt their physical space to suit increasingly health and tech savvy consumers.

Health IT and tech companies are helping to drive the healthcare industry toward massive changes in areas such as cost, quality, delivery and productivity. Though there will always be a need for the professional medical buildings located near hospitals, technology is mandating changes as to how healthcare real estate will be used. As such, those involved with commercial and medical real estate will need to be nimble and flexible to better meet the needs of current participants, as well as new players entering the field.

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