

# HEALTH CARE AND THE BUILT ENVIRONMENT CONFERENCE

## REGULATORY IMPACT ON THE STATE OF HEALTHCARE

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# THE STATE OF HEALTHCARE

## - 2014

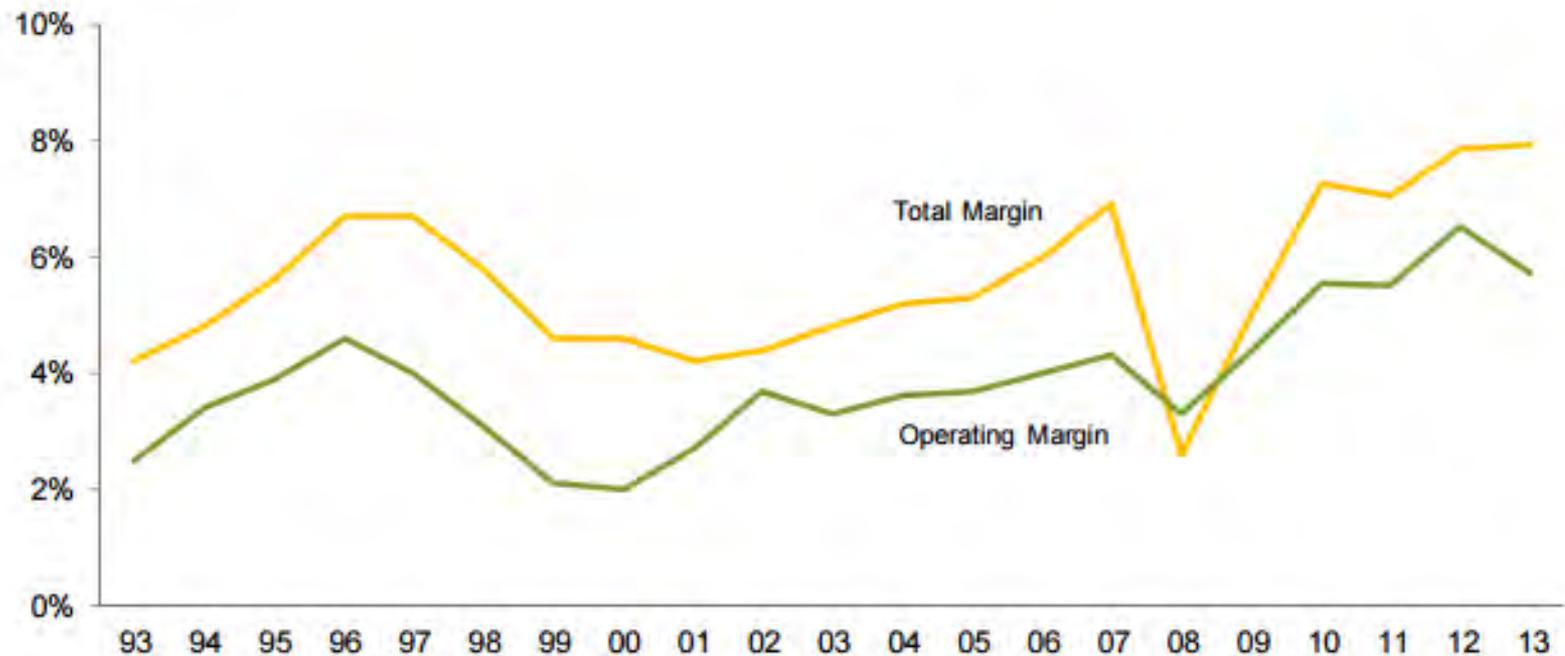
- National Health Expenditures up 5.3%
  - \$9,523 per person annually
  - 17.5% of GDP
- Out of Pocket spending grew 1.3%

# THE STATE OF HEALTHCARE PROJECTIONS FOR 2015 - 2025

- Health Spending to grow 5.8% annually
  - 4.9% per capita basis increase annually
  - Grow 1.3% faster than GDP annually
    - Will be 20.1% of GDP by 2025
- Increasing aging of population will significantly impact costs
  - 65 and older spend 2.8 times more than average working age person

# THE STATE OF HEALTHCARE

Chart 4.2: Aggregate Total Hospital Margins<sup>(1)</sup> and Operating Margins,<sup>(2)</sup> 1993 – 2013



Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2013, for community hospitals.

<sup>(1)</sup> Total Hospital Margin is calculated as the difference between total net revenue and total expenses divided by total net revenue.

<sup>(2)</sup> Operating Margin is calculated as the difference between operating revenue and total expenses divided by operating revenue.

# ACCREDITATION

- What is accreditation?
  - To give official authorization to or approval of
- What are the primary reasons healthcare organizations want to be recognized for conforming with set standards?

# ACCREDITATION

- Recognition of:
  - Quality patient care services
  - Commitment to patient safety
  - Continued improvement
- Being accredited sets the stage for how patient care is delivered in all healthcare environments

# ACCREDITATION

- Medicare and Medicaid reimbursement as provided by the Centers for Medicare and Medicaid Services (CMS)
  - Without accreditation healthcare organizations cannot receive federal reimbursements for services

# ACCREDITATION

- To Control Healthcare Costs CMS is:
  - Imposing Improved Patient Outcomes
  - Driving Down Revenues
- CMS Reducing Disparity of Surveys
  - Will Increase Citations
- These Changes Impact Operating Margins

# IMPACT OF CITATIONS ON 5% OPERATING MARGIN

- For every \$1 in gross revenue
  - \$0.95 is required to cover the expense of providing services
  - \$0.05 is left to fund additional expenditures
- Every \$1 of additional expenditure requires \$20.00 of gross revenue
- Example:
  - Citation made to require all penetrations of tack holes to be filled in any fire or smoke barrier throughout the hospital.
  - Hospital hires a contractor to go through facility at a cost of \$7,338.00
    - (1 person, 40 hours plus materials and tax)
  - Hospital needs to recover that money, so needs to bill **\$146,760.00**

# COMPARISON OF IMPACT ON VARIOUS OPERATING MARGINS

Operating Margin	Funding Increase	Required Revenue Generation
5%	\$50,000	\$1,000,000
4%	\$50,000	\$1,250,000
3%	\$50,000	\$1,670,000
2%	\$50,000	\$2,500,000

# FOCUS ON COMPLIANCE

- Physical environment as a priority
- Leadership must be aware
  - Physical environment fails clinical needs cannot be met
- Facilities staff must be fully educated
  - Operations and Maintenance of building systems

*“Our biggest need is a clearer focus on how we should value and use what we already have.”*

*Dallin H. Oaks*

# INTENDED AUDIENCE

- Hospital Leaders
- Clinicians
- Quality Coordinators
- Facility Managers

*“The successful warrior is the average man with laser-like focus.”*

*Bruce Lee*

# MISSION

- Provide a single authorized free resource addressing:
  - Frequently Identified Standards and Elements of Performance

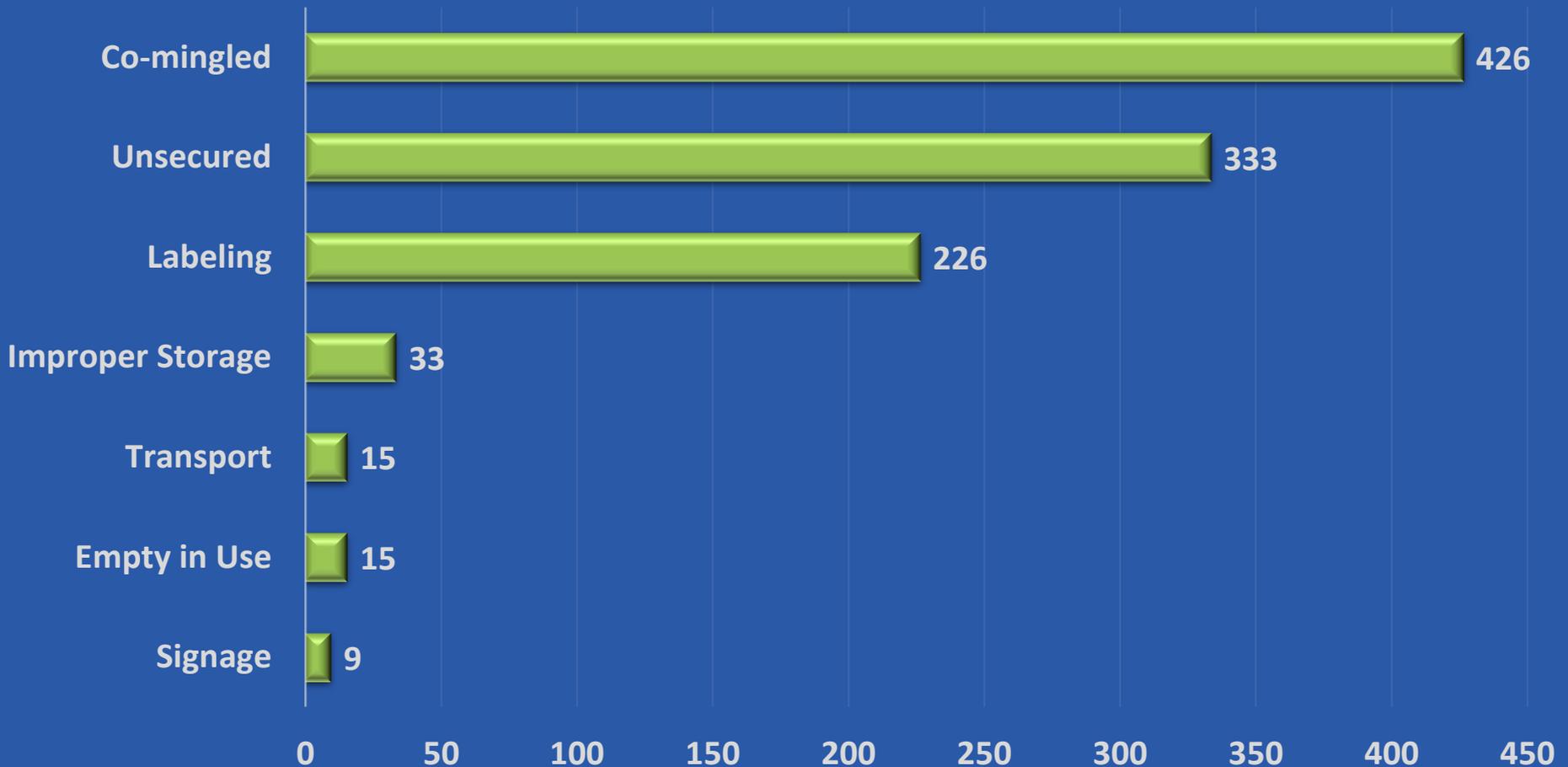


# EC.02.06.01 – BUILT ENVIRONMENT

Standard	EP's Evaluated (10% or greater of findings within the Standard)	Top Findings (Based on 3,108 findings)
<p>The hospital establishes and maintains a safe, functional environment.</p> <p>Dec/Jan 2015/16</p>	<p>EP 1 - Interior spaces meet the needs of the patient population and are safe and suitable to the care, treatment, and services provided.</p>	<p><b>Medical Gas Storage – Cylinder</b> 1,057 findings (34%) (EP 1)</p>
		<p><b>Safety Hazards</b> 540 findings (17) (EP 1)</p>
	<p>EP 13 - The hospital maintains ventilation, temperature, and humidity levels suitable for the care, treatment, and services provided.</p>	<p><b>Air Flow &amp; HVAC Issues</b> 289 findings (9%) (EP 13)</p>
		<p><b>OR Humidity</b> 233 findings (7%) (EP 13)</p>
		<p><b>Nurse Call – Pull Cord</b> 231 findings (7%) (EP 1)</p>

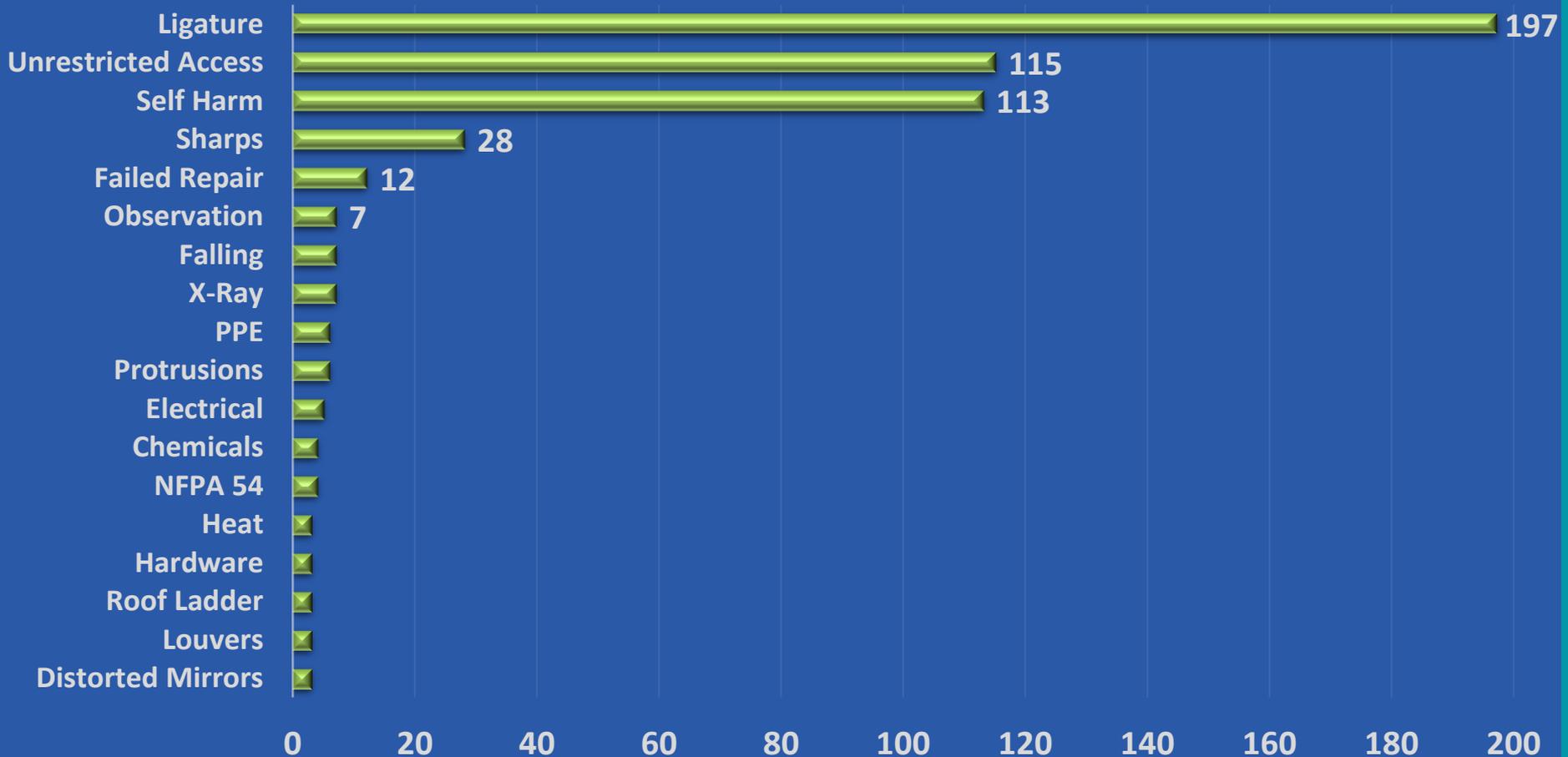
- Co-mingling - 40%
- Unsecured - 32%
- Labeling - 21%

## Medical Gas Cylinder Storage



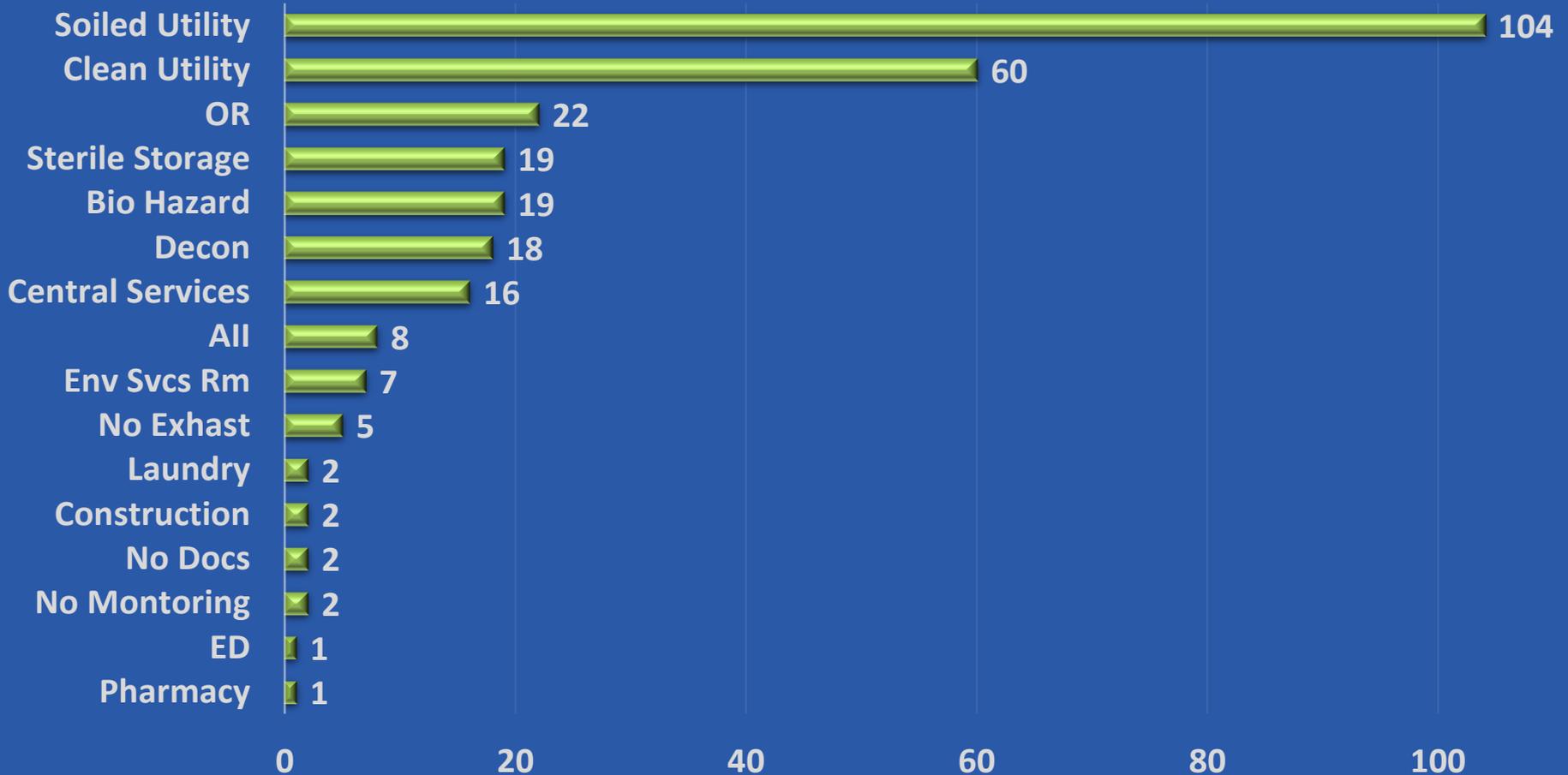
- Ligature - 36%      Unrestricted Access - 21%
- Self Harm - 21%

## Safety Hazards



- Solid Utility - 36%      Clean Utility - 21%
- OR/Sterile Storage - 21%

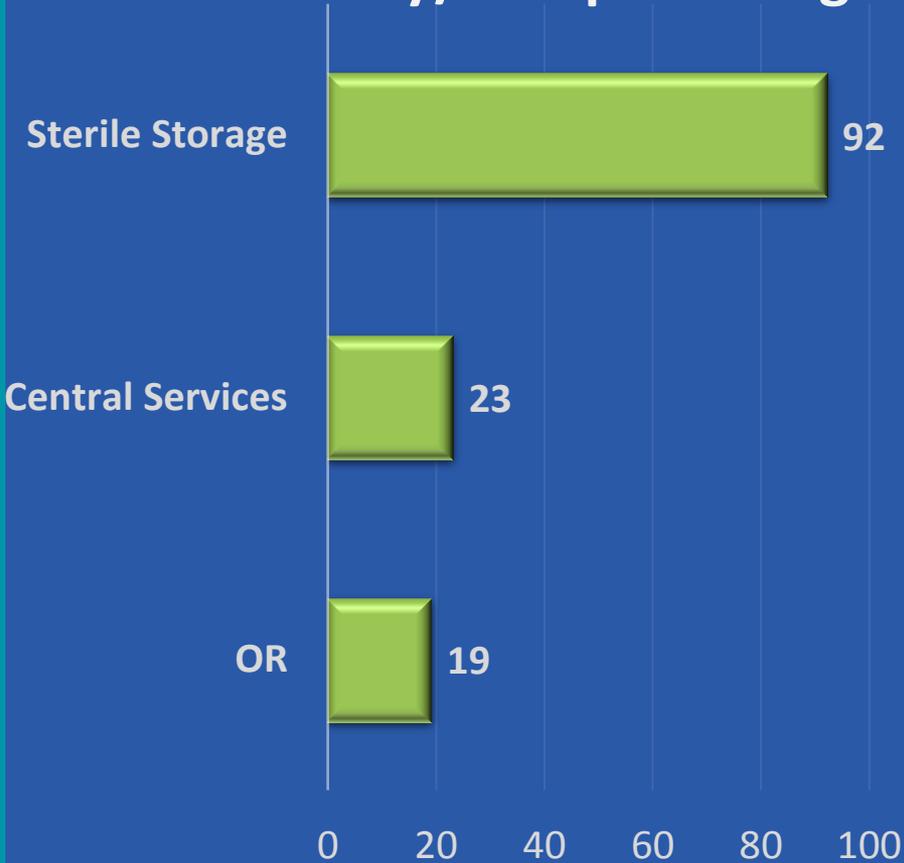
## Pressurization Issues



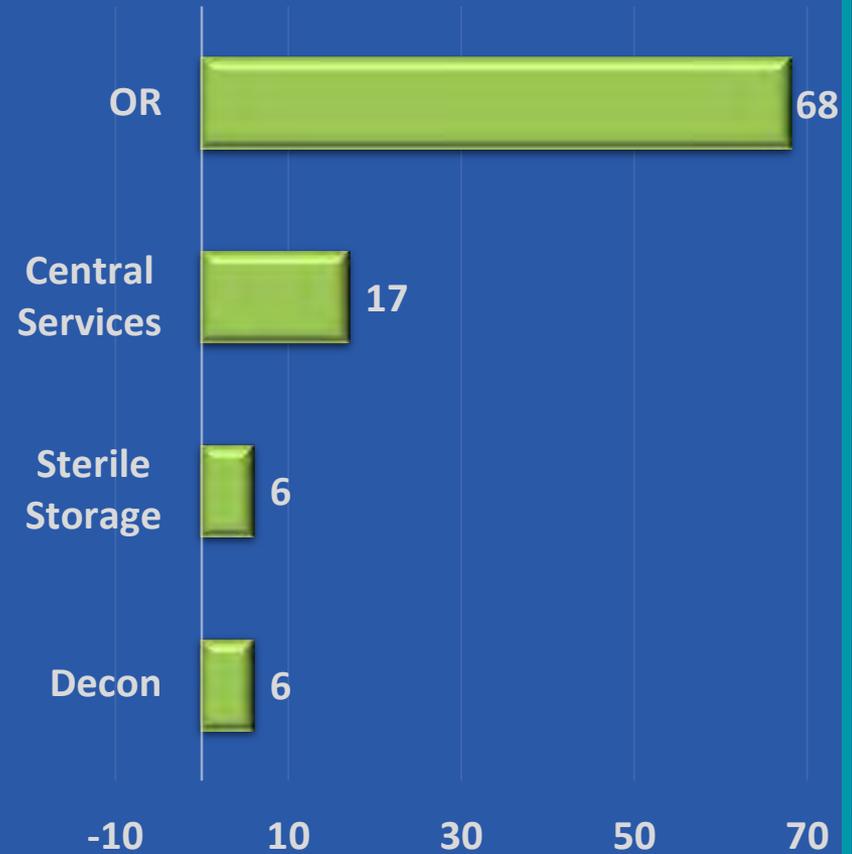
- Sterile Storage - 39%

- OR - 29%

### Non-monitored Humidity/Temp Findings

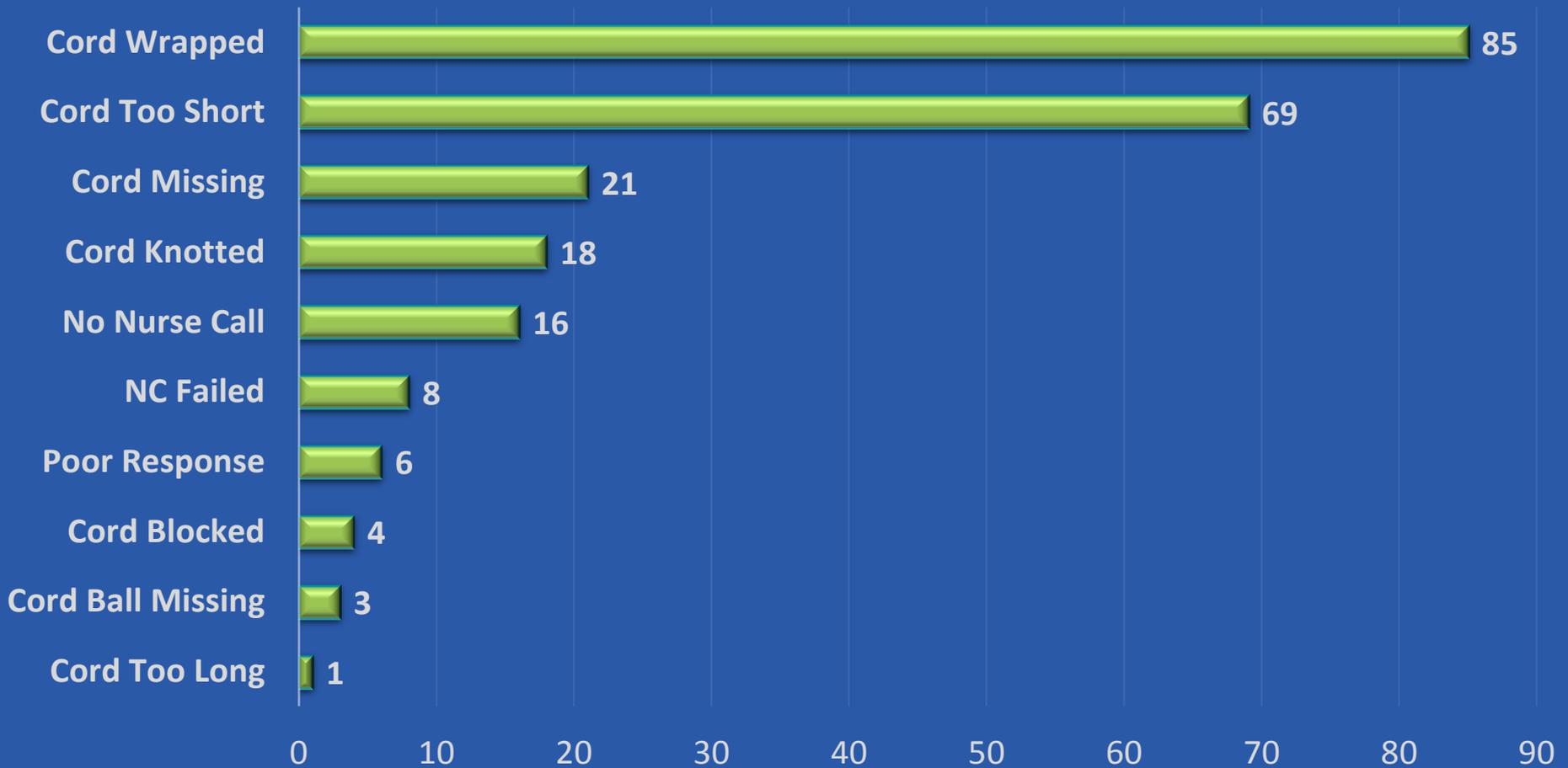


### Inappropriate Humidity/Temperature



- Cord Wrapped - 37%
- Cord Too Short - 30%

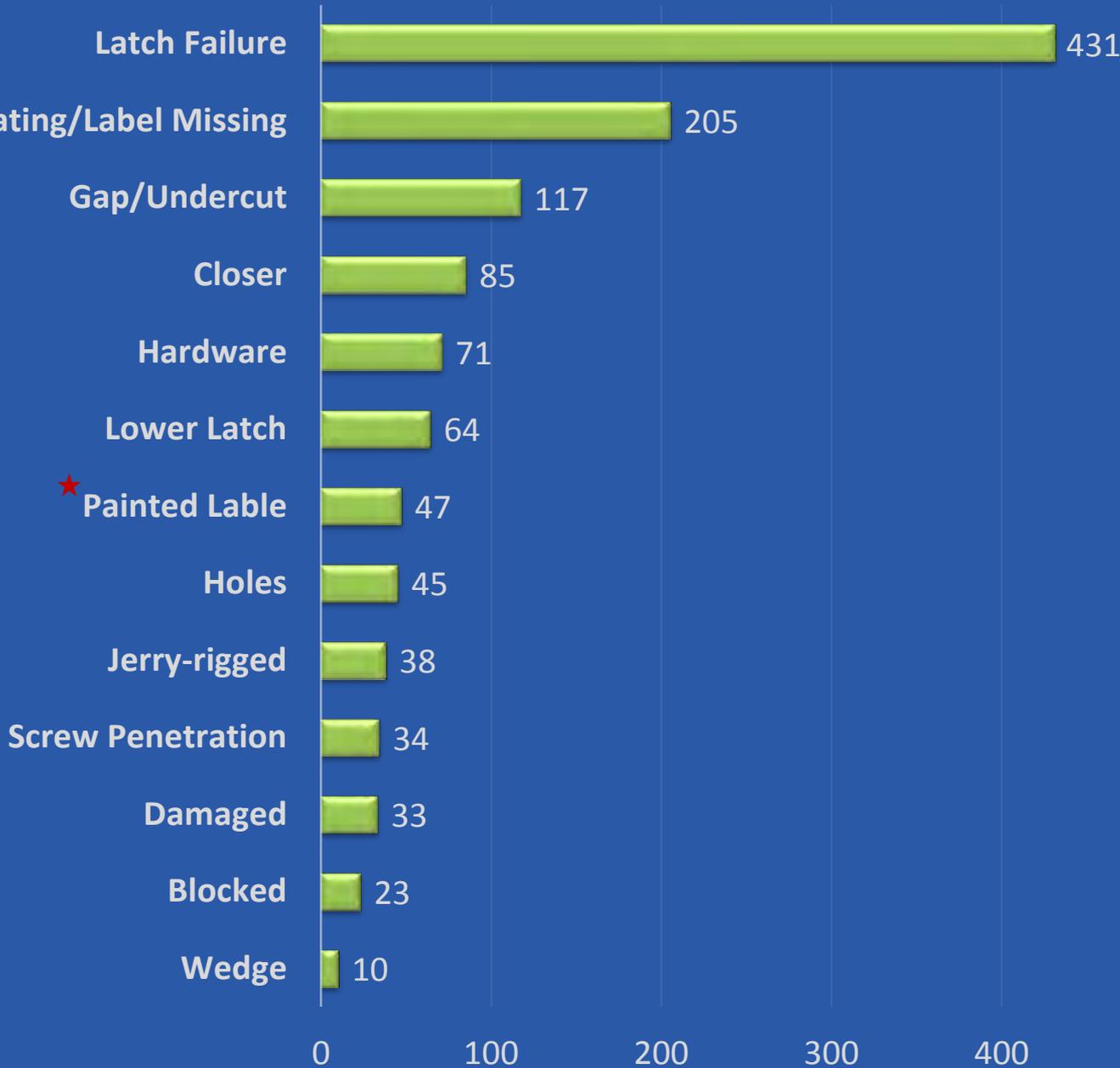
## Nurse Call Issues



# LS.02.01.10 – GENERAL REQUIREMENTS

Standard	EP's Evaluated (10% or greater of findings within the Standard)	Top Findings (Based on 2,354 findings)
<b>Building and fire protection features are designed and maintained to minimize the effects of fire, smoke, and heat.</b> Apr/May 2016	EP 4 - Openings in 2-hour fire-rated walls are fire rated for 1 1/2 hours.	<b>Fire Doors</b> 1,203 findings (51%) (EP's 4 & 5)
	EP 5 - Doors required to be fire rated have functioning hardware, including positive latching devices and self-closing or automatic-closing devices. Gaps between meeting edges of door pairs are no more than 1/8 inch wide, and undercuts are no larger than 3/4 inch.	
	EP 9 - The space around pipes, conduits, bus ducts, cables, wires, air ducts, or pneumatic tubes that penetrate fire-rated walls and floors are protected with an approved fire-rated material.	<b>Penetrations</b> 1,041 findings (44%) (EP's 4 & 9)

# Fire Doors

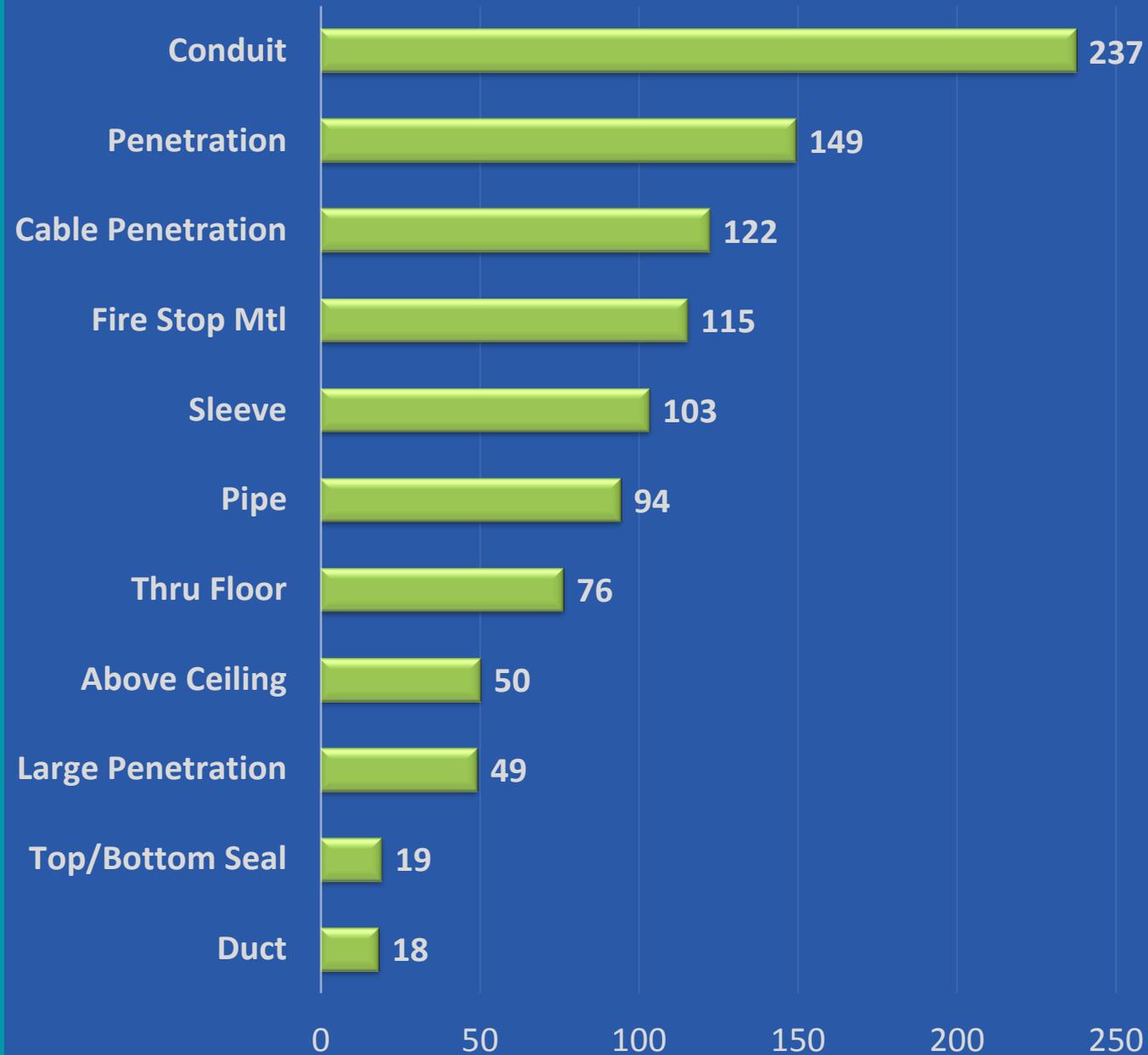


- Latch Failure  
36%

- Rating/Label  
Missing-  
Painted  
21%

- Gap/  
Undercut  
10%

# Penetrations



- Conduit  
23%

- Penetration  
14%

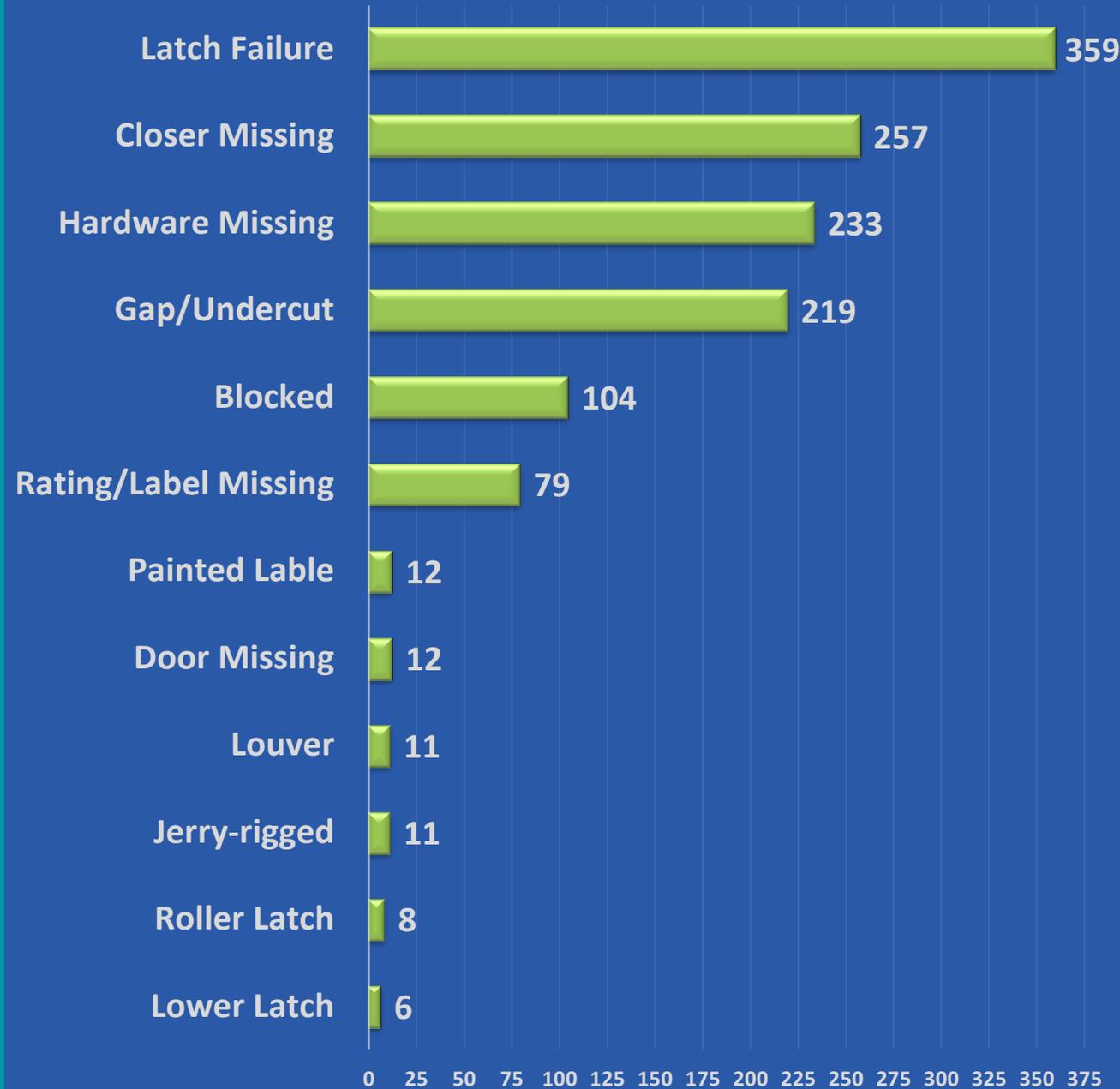
- Cable  
12%

- Fire Stop Mtl  
11%

# LS.02.01.30 – LS BUILDING FEATURES

Standard	EP's Evaluated (10% or greater of findings within the Standard)	Top Findings (Based on 2,488 findings)
<p>The hospital provides and maintains building features to protect individuals from the hazards of fire and smoke.</p> <p>Jun/Jul 2016</p>	<p>EP 2 - All hazardous areas are protected by walls and doors in accordance with NFPA 101-2000: 18/19.3.2.1.</p>	<p><b>Fire Doors</b> 1,311 findings (53%) (EP's 2 &amp; 11)</p>
	<p>EP 11 - Corridor doors are fitted with positive latching hardware, are arranged to restrict the movement of smoke, and are hinged so that they swing. The gap between meeting edges of door pairs is no wider than 1/8 inch, and undercuts are no larger than 1 inch. Roller latches are not acceptable.</p>	<p><b>Penetrations</b> 590 findings (24%) (EP's 2, 11 &amp; 18)</p>
	<p>EP 18 - Smoke barriers extend from the floor slab to the floor or roof slab above, through any concealed spaces (such as those above suspended ceilings and interstitial spaces), and extend continuously from exterior wall to exterior wall. All penetrations are properly sealed.</p>	<p><b>Suite and Hazardous Areas</b> 425 findings (17%) (EP's 2 &amp; 11)</p>

# Fire/Smoke Door Failures



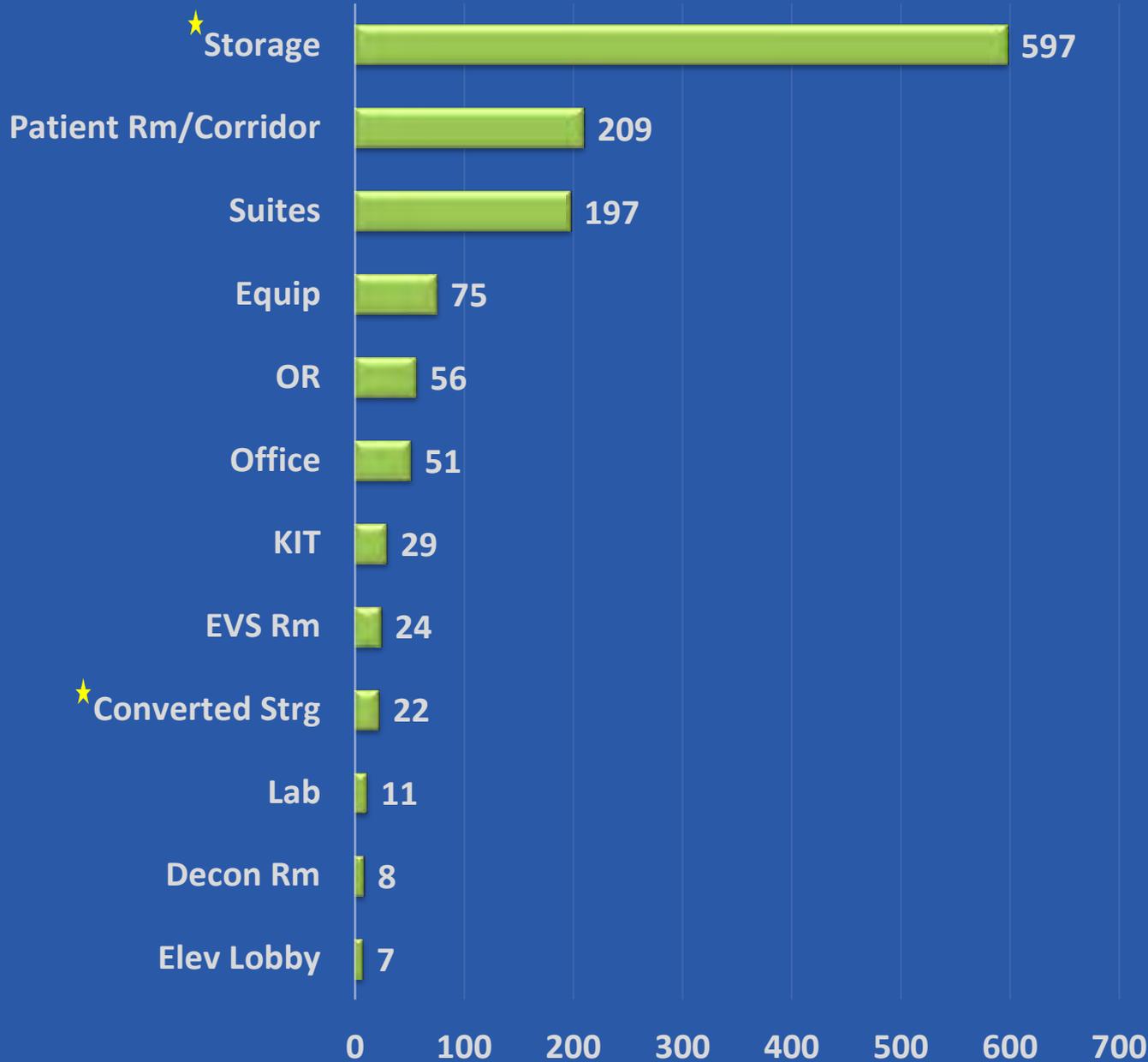
- Latch Failure  
27%

- Closure  
Missing  
20%

- Hardware  
Missing  
18%

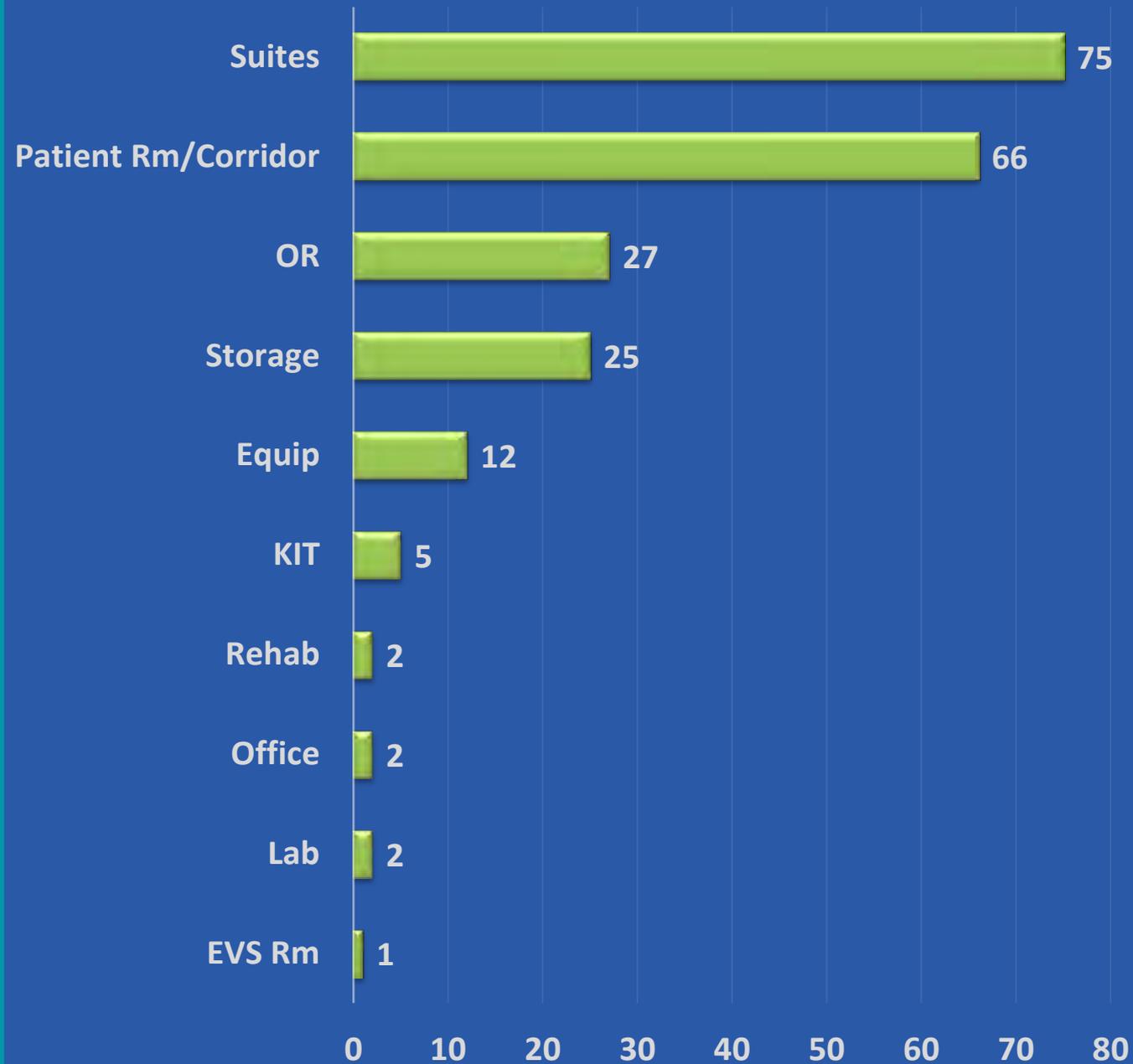
- Gap/Undercut  
17%

# Door Failure by Location



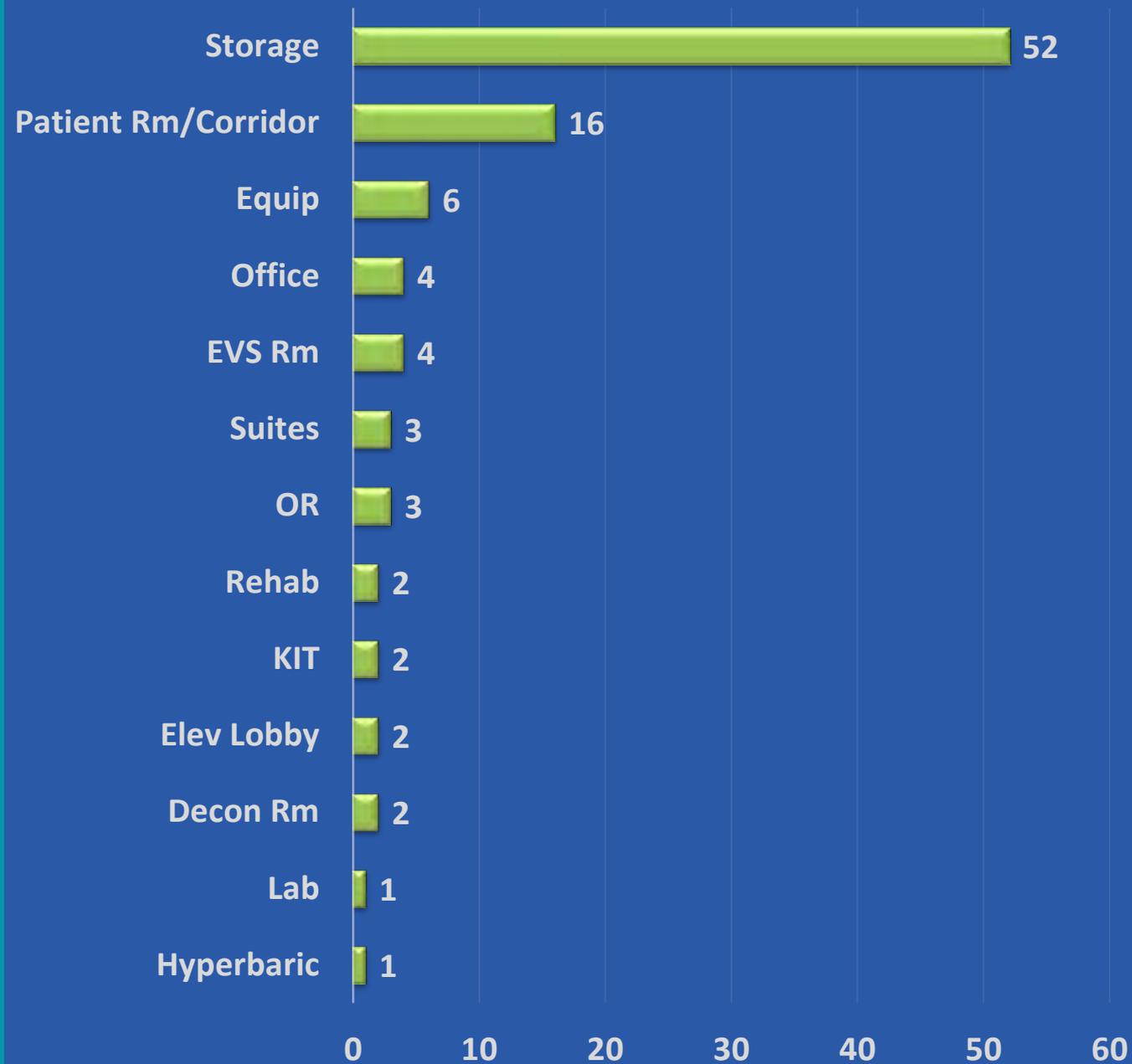
- Storage Rms  
48%
- Patient Room or Corridor  
16%
- Suites  
15%

# Fire/Smoke Door Gap Failures



- Suites  
34%
- Patient Room or Corridor  
30%
- OR's  
12%
- Storage  
11%

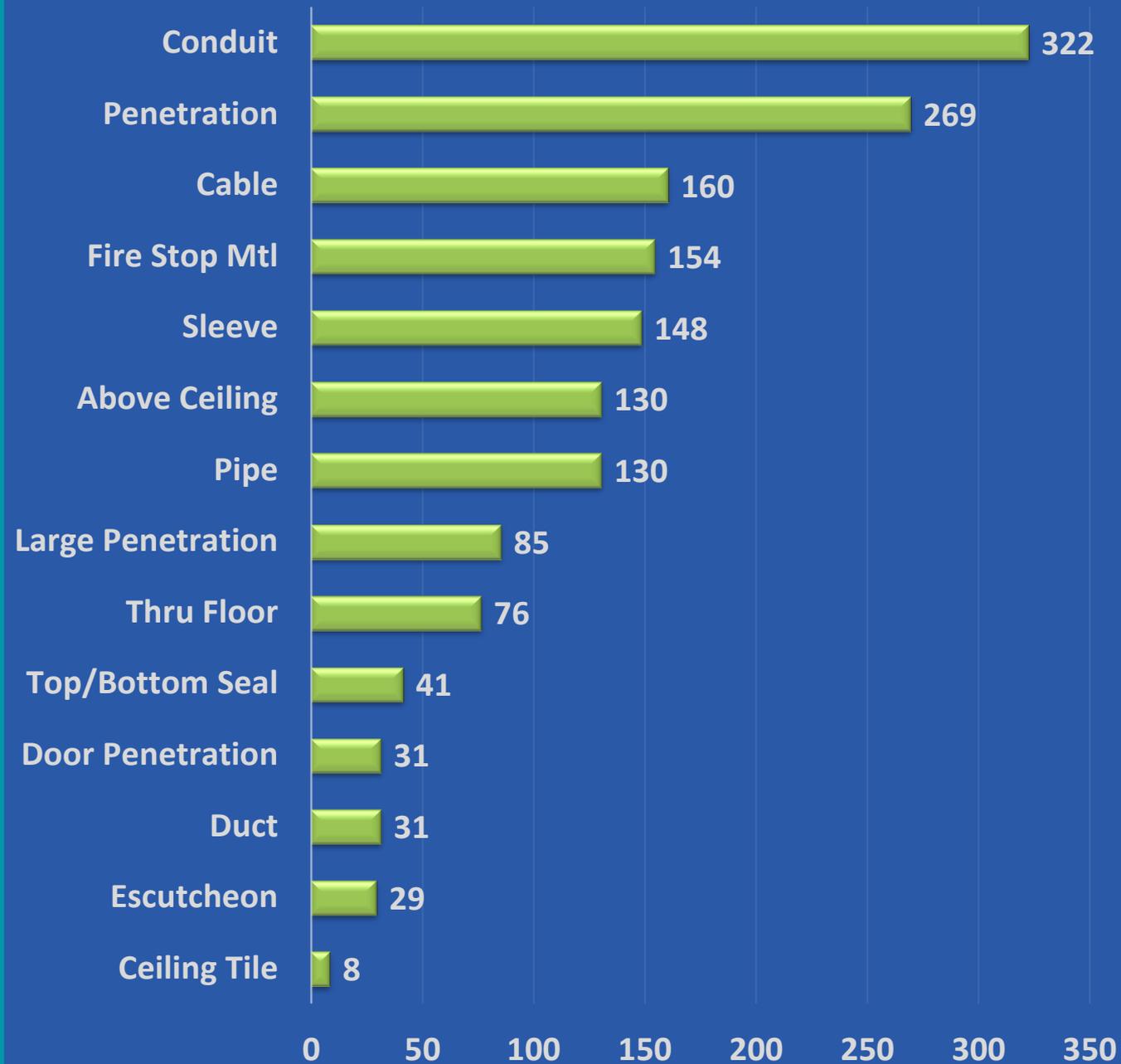
# Blocked Fire/Smoke Doors



- Storage Rms  
53%

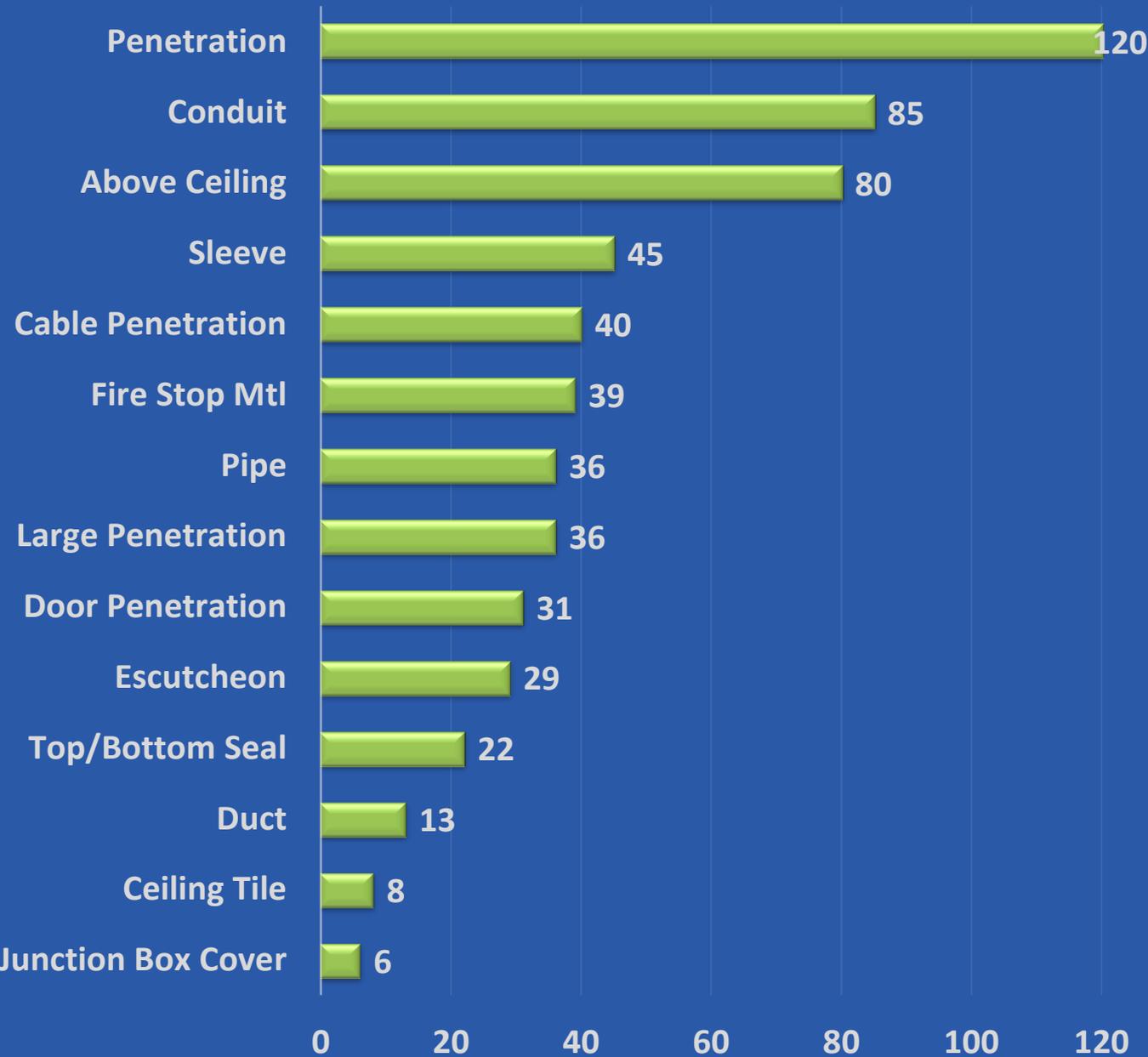
- Patient Room or Corridor  
16%

# Fire Doors LS.02.01.10 & 02.01.30



- Latch Failure  
34%
- Rating/Label  
14%
- Closer  
Missing  
14%
- Gap/Under  
Cut 13%
- Hardware  
12%

# Penetrations



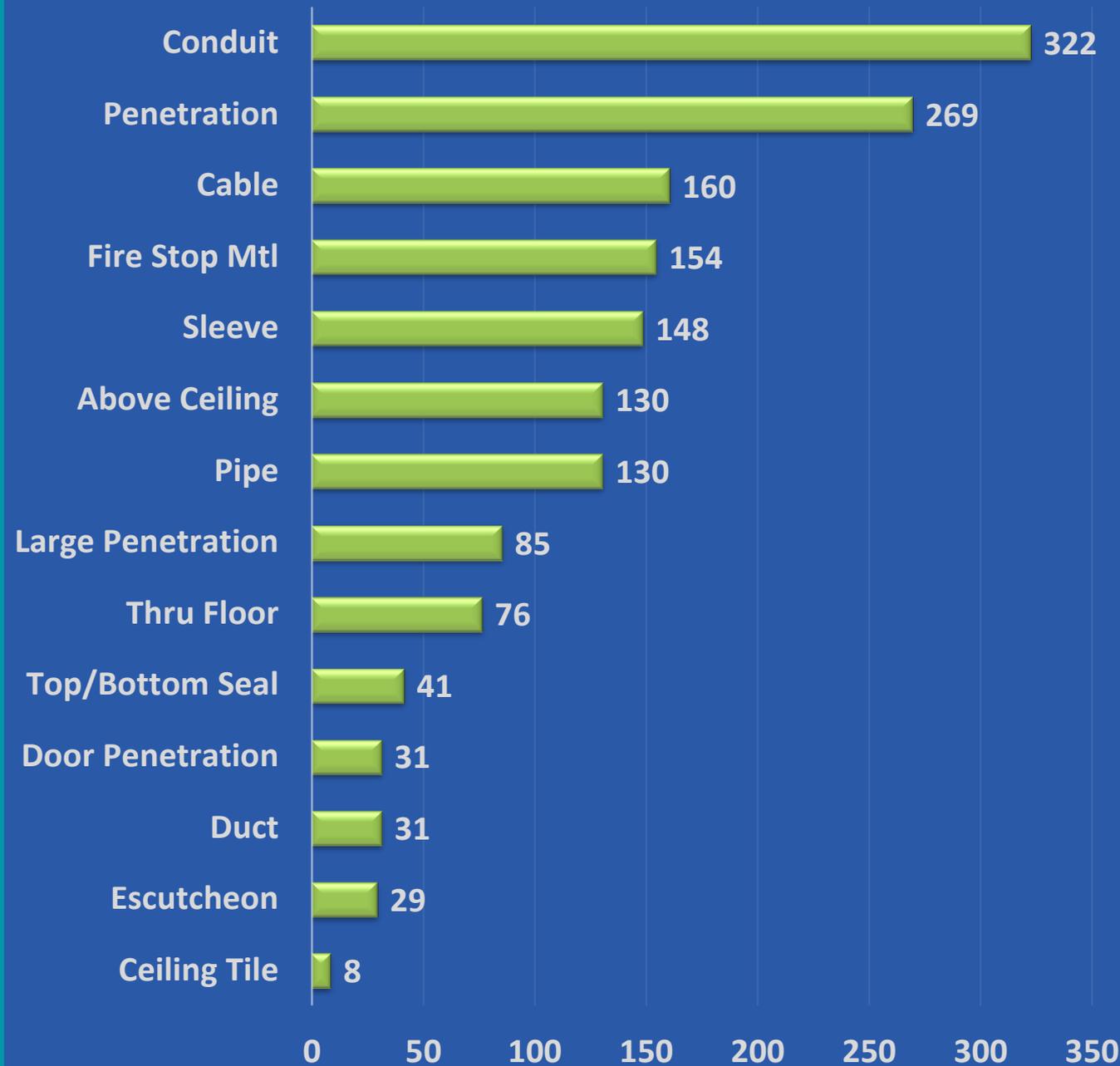
- Penetration  
20%

- Conduit  
14%

- Above  
Ceiling  
14%

- Cabling 7%

# Penetrations LS.02.01.10 & 02.01.30



- Conduit  
20%
- Penetration  
17%
- Cable  
10%
- Fire Stop  
10%
- Sleeve  
9%