

## The next generation of ambulatory healthcare facilities

**R**ising healthcare costs are driving the market more and more toward facilities that offer lower costs per procedure and a wider range of services. New healthcare facilities are also striving to reach both a growing older population and younger, more tech-oriented people who want the fastest, most efficient kind of healthcare delivery available. The rapidly expanding ambulatory healthcare sector is unique in how it serves both these demographics and is a model system for the future of healthcare.

To gain perspective on this prevailing treatment option, Crain's Custom recently spoke to H. Guy Leibler, president of Simone Healthcare Development. Leibler applies his real estate expertise to selecting sites for development and executing the planning, designing, building financing and operation of medical office buildings and new ambulatory care centers.



**Guy Leibler**  
President,  
Simone Healthcare  
Development

**Q Crain's: What are the major trends driving the growth of ambulatory healthcare facilities?**

**A Leibler:** The move to ambulatory care from hospital-based services began over 20 years ago but has accelerated in the last decade. Now that baby boomers are all 60 and over, a combination of cost, legislation and reimbursement are driving the changes in the battle to keep the cost of healthcare under 20% of GNP.

While ambulatory care is moving to a lower cost per procedure, there is a growing populace to serve. Due to an older population requiring multiple levels of service and young professionals who have little interest in finding their way to a hospital environment, the patient populations demand more avenues for ambulatory care. The latter group will be satisfied to receive care from an urgent care facility or in a medical office building and will utilize their mobile phones either to do research on the internet or make a telemedicine call.

**Q Crain's: Simone Development created care facilities for the Montefiore Health Development System and the Mount Sinai Health System. Can you tell us about these facilities? What features do they offer?**

**A Leibler:** In 2015 at its Hutchinson Metro Center in the Bronx, Simone Healthcare Development designed and built a 285,000 square foot ambulatory hospital for the Montefiore Health System. The facility is a 12-story building with 16 operating rooms, a state-of-the-art diagnostic center and several floors of clinical exam space for pre-op and post-op patient visits. With advances in technology and pharmaceuticals for pain and infection, an ambulatory care component is important because it allows procedures that do not require overnight stays to be performed at a lower cost without compromising care standards.

Earlier this year, Simone Healthcare Development opened a 100,000-square-foot multispecialty building in Greenlawn, NY for the Mount Sinai Health System. The new facility permitted the Mount Sinai Long Island Doctors Group to consolidate offices in the Huntington area and provide more coordinated and convenient services to their patient population. Next year, an ambulatory surgical center with radiation and medical oncology services will open in 20,000 square feet of the building. The feedback from both patients and physicians has been very positive with the Mount Sinai Health System evaluating other similar opportunities.

**Q Crain's: Simone Development recently repurposed a few buildings for healthcare use. What is the value in repurposing buildings?**

**A Leibler:** Existing buildings are often well located in the heart of town or at a prime location on a busy roadway. When considering a real estate acquisition, location is always important, but the standard increases when the use is for healthcare. Ease of access is very important to the patient and their care provider. The building in place also provides infrastructure that often requires fewer land-use approvals, meaning lower cost and shorter delivery-to-market time frame.

One of Simone Development's recent transformations is the Boyce Thompson Center in Yonkers, an innovative 85,000-square-foot-mixed-use center with office/medical space, retail stores, restaurants and banking. The historic 1920s-era main building has been restored to its original character and on the six-acre site a new 20,000-square-foot addition consonant with the historic architecture has been constructed to house the medical offices and ambulatory-care facility for Westmed Medical Group. On the northern end of the site is a new two-level freestanding building fully occupied by St. John's Riverside Hospital.

**Q Crain's: What will the development of ambulatory-care facilities mean for hospitals?**

**A Leibler:** The hospital of today and tomorrow is a center of care for the extremely ill and trauma patients requiring secondary, tertiary and quaternary care. As technology and pharmacology continue to improve and patients are directed to ambulatory care ranging from urgent care to surgery or other specialized centers of care, hospitals either will become smaller or fewer in number and may become more specialized for orthopedics, cancer, cardiac and geriatric care.

**Q Crain's: How far have ambulatory healthcare facilities come with the services they offer since they first came on the scene? And what is their growth potential as healthcare costs and deductibles go up?**

**A Leibler:** Ambulatory care will continue to increase as the healthcare industry matches patient services with the appropriate facilities. Until they become very ill or require a complicated medical procedure, most people may not visit a hospital for prolonged periods of time. For example, there is no need to visit a hospital emergency department for eight stitches to an index-finger cut while preparing dinner when an urgent-care center can provide the same service for a fraction of the cost—and usually involves a shorter waiting period. Baby boomers and millennials each will find a path to ambulatory care for their specific generational reasons, and telemedicine will provide another option in the delivery of care. ■

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