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A picture of health

Healthcare facilities remain one of the most robust niches. **by Carol Katarsky**

Working with healthcare facilities isn't dissimilar to a physician's work: One must "diagnose" the functional problems, determine which products and services offer the best remedies, and convince the "patient" to agree to treatment. Fortunately for electrical distributors, there are plenty of energy-related ills waiting to be cured in the healthcare sector. And because most facilities still have healthy budgets in place, the selling cycle isn't painfully drawn out. But because of their different perspective on business, working with healthcare facilities can be a very different experience compared to most other industries.

Hospitals and many other healthcare facilities stay operational all day, every day. As much as any other industry, healthcare buyers are open to solutions that reduce energy costs.

Hospitals are some of the most energy-intensive facilities. Metering is used throughout these facilities for tenant billing, cost allocation, energy management, and green initiatives. "Hos-

pitals need to monitor not only energy consumption, but also the peak demand of their energy usage since they operate 24/7," noted Don Millstein, president and CEO, E-Mon. "Opportunities exist to shift energy loads to nonpeak times and therefore lower costs."

To demonstrate their worth to their customers, Millstein recommended distributors focus more on helping health-

care facilities create energy-efficiency plans.

"Electrical distributors can assist hospitals by selling electric meters—as well as gas, water, steam, and Btu where applicable—to identify areas of waste," he said. "With that information, they can design a plan for energy conservation measures that will have big paybacks. No longer will a distributor just sell product. With the metering data, an energy-efficiency plan has been built, and the distributor is selling a solution, meters, software, and energy-efficient products."

Like any business, healthcare facilities watch the bottom line—but they also have an inherent mission to care for people. Because of this, concerns like patient and staff comfort often play as

important a part in the buying decision as cost and safety considerations.

"Buyers at hospitals focus on three things: enhancing the patient/family experience, promoting the comfort and safety of the staff, and reducing energy costs and consumption. Distributors looking to work with these facilities have to keep those goals in mind to be successful," advised Tom Meyers, senior manager, corporate accounts, Lutron Electronics.

Perhaps the most appealing projects for healthcare facilities are those that combine all three elements. Meyers

noted that there are smaller projects that can be done quickly and still have an impact on energy consumption. These so-called "overnight renovations" can include dimmers, occupancy controls, and daylight sensors to make the best use of existing light. Better yet, these systems can be run by patients through a remote in their rooms.

The importance of finding ways to give some control to patients was further explained by Scott Jordan, marketing manager, installation systems and controls, Schneider Electric. "Creating a favorable patient experience is a priority

for hospital staff," he said. "With the addition of lighting controls, patients are empowered to control their environment without having to depend on hospital staff, leading to an improved patient experience, which often reduces stress and promotes quicker healing."

Meyers added that such savvy programs "help distributors identify selling opportunities and show that they're dialed in to hospitals' needs."

Of course, lighting solutions aren't only about creating ambiance; they're a huge part of a facility's annual expenses. Distributors are advised to emphasize

Q+A

A conversation with Madhu Gresla and Daniel Perschbacher of Pratt Design Studio. by Jan Niehaus

HEALTHCARE FACILITIES FROM A DESIGN POINT OF VIEW

Q: How important is energy efficiency to your healthcare clients?

Gresla: The energy demands of a healthcare facility are intensive. Increasing energy efficiency is a goal that progressive healthcare providers are actively pursuing. They are evaluating and implementing initiatives that conserve resources and provide a return on investment over time.

Q: What are some of these initiatives?

Perschbacher: Remotely controlled and reprogrammable light monitoring systems, occupancy sensors in private workspaces, LED lighting, and dimmable controls are prevalent in many healthcare facilities. At the Condell Medical Center Expansion, located in Libertyville, Ill., we incorporated solar shades and fritted glass at the three-story entry lobby/atrium to minimize heat gain and to achieve diffused lighting within the interior space.

Q: Are there significant differences between new and existing facilities?

Gresla: For both new and retrofitted buildings, healthcare leaders are considering lighting control systems that offer an opportunity for daylight harvesting. In new construction, the coordination and integration of lighting controls with the HVAC system can provide meaningful energy savings.

Perschbacher: For existing facilities, healthcare providers are finding that a program as simple as relamping with high-efficiency lamps is beneficial both from an operating cost as well as a sustainability perspective.

Gresla: Many healthcare providers are also evaluating strategies such as LCD screens and occupancy sensors for optimal

management of energy used for computers. These types of components, coupled with strategic initiatives aimed at long-term maintenance, can provide substantial energy savings over time.

Q: What has been the response to LEED among healthcare providers?

Perschbacher: Healthcare environments have unique functional requirements that make achieving LEED certification especially challenging, but many providers use the green building guidelines outlined by the LEED rating system as a general benchmark, even if they have no plans to pursue LEED certification.

Gresla: The publication of *LEED for Healthcare* is imminent. Because the sustainability principles and benchmarks will be aimed specifically toward the healthcare environment, the number of projects seeking LEED certification will likely increase.

Q: What lies ahead for healthcare leaders who are concerned about energy efficiency?

Gresla: Over time, the cumulative effect of implementing new sustainability initiatives while monitoring and updating existing integrated systems will result in not only improved energy efficiency, but also better healing environments.

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hard-dollar savings along with softer results like satisfied patients and staff.

"Energy costs associated with lighting can account for up to 25% of a typical hospital's energy bill," said Jordan. "Lights are often left on during nonoccupied periods, which generates unnecessary energy costs and wear on the system." Jordan advised distributors to consider a range of energy-saving options including automatic shut-off lights for areas that are noncritical and/or receive significant daylight.

Jordan also pointed out that lighting controls' ROI can be as short as two years, making them a very attractive solution that distributors can offer to buyers. "Many local utilities offer rebates for lighting controls such as occupancy sensors, making them a desirable investment for hospital administrators. Our hospital clients often incur the added benefits of increased productivity, enhanced patient experience, extended equipment life, and lower carbon footprint as a result of implementing lighting controls," he added.

GET IN THE GAME

Opportunities are alive and well in the healthcare market, but it is competitive. With so many other sectors underperforming, successful distributors are those that stand out by demonstrating

expertise and problem-solving abilities.

"Distributors should establish relationships with hospital staff across levels including sustainability/energy managers, facility managers, hospital administrators, and the CFO and COO," advised Jordan. "Often a distributor's best bet for getting in the door is simply offering real statistics on potential savings. For example, for most healthcare facilities, \$1 in energy savings is equal to \$20 in revenue."

Meyers encouraged distributors to include manufacturers in their efforts to build these relationships.

"Distributors need to learn from their manufacturing partners, especially those that are experienced in working with retrofits," he said, adding that retrofits and renovations are a prime selling opportunity for distributors because they're also the most cost-effective time to include other solutions or upgrades. "Be more proactive with renovations. For example, recommend dimmable fixtures to increase energy savings, improve the experience for patients, etc. Always look for ways to offer products that complement the three main decision drivers of healthcare organizations."

STATE OF THE MARKET

While the healthcare market isn't on fire, it's holding up better than most.

Healthcare facilities can't afford to delay maintenance—for both safety and competitive reasons—so budgets for repairs and even small renovations tend to stay steady even in tough times. And unlike other sectors that may see steep declines in activity—such as retail—consumers can delay only a certain amount of healthcare spending. Recessions don't hit hospitals and practices with nearly the same kind of fury.

According to a recent McGraw-Hill report, construction of new healthcare facilities continued to increase slightly, up 2% in May. As for future prospects, the American Institute of Architects consensus forecast shows healthcare construction spending to be mostly flat in 2010 with modest growth of 2.5% in 2011. The more optimistic panel members forecast 2011 growth of up to 9.3%.

Federal stimulus funds are also giving healthcare facilities a boost. "The stimulus upgrades for IT are helping," noted Meyers. "Hospitals are still upgrading existing facilities and building companion buildings, such as imaging facilities. This additional expansion provides opportunities for any distributor willing to pursue them." ■

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SELLING SOLUTIONS by Chris Miller



THE CHALLENGE:

A clean room in a surgical testing facility is expanding and is in need of an updated lighting design. Currently the room has clean-room-rated enclosed linear fluorescent fixtures, using 20,000-hour rated lamps. The maintenance on the fixture is time consuming and expensive: The downtime alone can cost the company thousands of dollars per hour just to replace lamps.

THE SOLUTION: LED LIGHTING

New LED lighting can help save costly downtime and increase luminous efficiency. By using this technology to light the clean room application, the lighting system will present 50,000 hours-plus of color-specific light output, and by using a more energy-efficient lighting fixture, the customer will enjoy an operational savings and possibly a local tax benefit.

THE RESULT:

The surgical facility has not experienced any unexpected downtime with the new system and has been able to meet the demand of its expanding client base. As a result, the client decided to benchmark other clean rooms in place around this design and would like to work with the distributor on future projects.

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