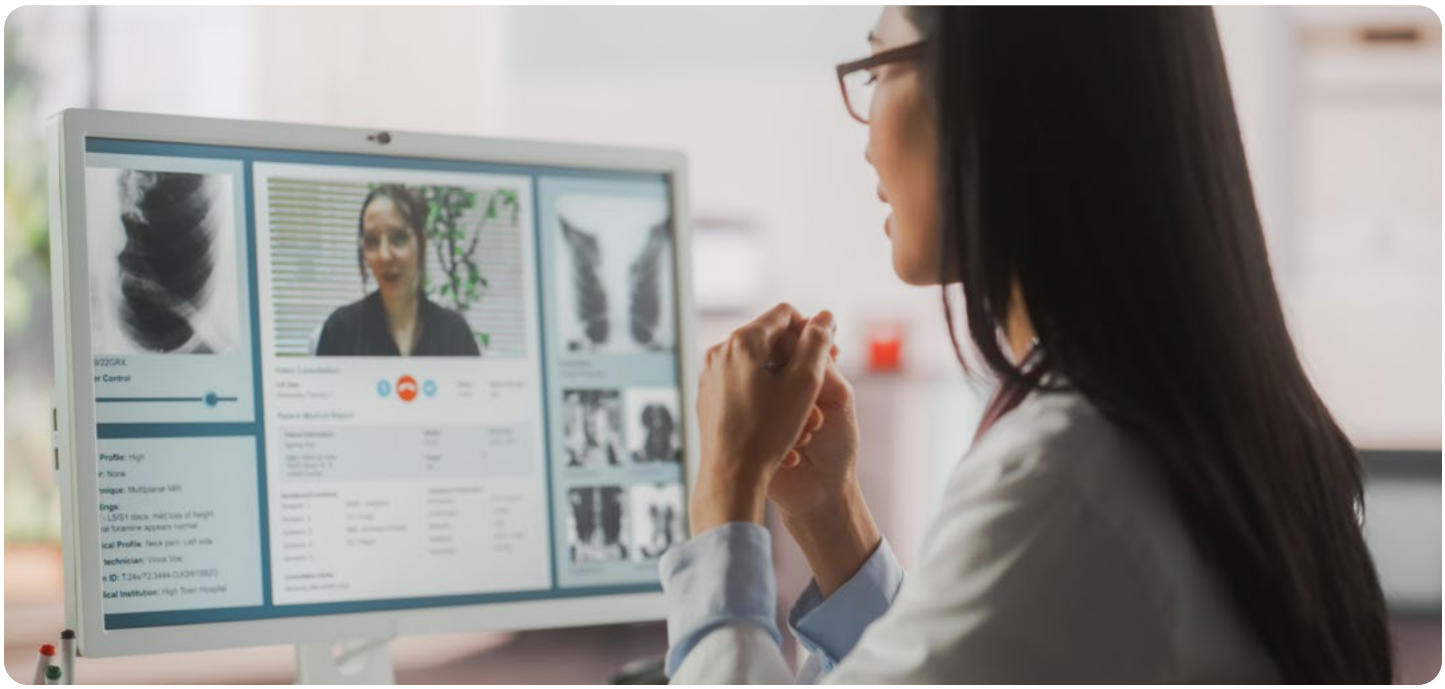
JSI HEALTH

Healthcare Facilities: Confronting the Cost and Capacity Crisis

With rising real estate costs, staffing shortages, and increasing patient demand, space optimization has become a top priority for healthcare systems. Every square foot is now expected to work harder—streamlining workflows, accommodating new technologies, and minimizing inefficiencies. When done well, space optimization not only improves daily operations and maximizes the value of existing facilities, it also builds resilience, enabling organizations to adapt to surges or emergencies without compromising quality of care.

Why Every Square Foot Matters

Today's facilities are being asked to do more than ever—support diverse generational needs, manage longer patient stays, and adapt to shifting care models. Without smarter use of space, organizations risk higher operating costs, longer patient wait times, and limited capacity.



Generational Shifts Reshaping Healthcare

Healthcare facilities now serve six generations, each with unique wellness needs and preferences that must be addressed through more inclusive environments and personalized services.

Silent Generation
1928-1945

Want traditional care delivery with in-person appointments and verbal instructions from physicians.

Millennials
1981–1996

Expect digital options and prioritize quick service, accessibility, and a collaborative approach to care.

Baby Boomers
1946–1964

Value practices with strong reputations and tend to stay loyal to trusted providers.

Generation Z
1997–2010

Proponents of holistic health and wearable devices and expect seamless digital integration with providers.

Generation X
1965–1980

Need flexible appointment options due to caregiving responsibilities for both children and aging parents.

Generation Alpha
2011–2025

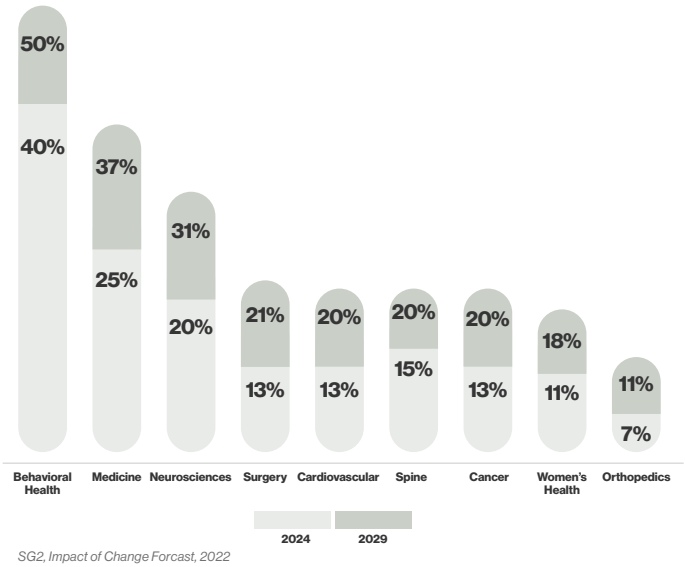
Expected to grow up with even greater reliance on AI-driven personalization and virtual care.

NRC Health, Next-generation Human Understanding, 2024

The Rise of Virtual Care

Virtual care expands access and improves efficiency, but health facilities must now adapt their spaces to accommodate hybrid care models and align their services with patient needs and gaps.

Virtual Visit Growth By Service Line Group



SG2, Impact of Change Forcast, 2022

What's At Stake

For patients

- **Delays and stress increase**
  Poorly designed layouts slow patient flow, increase wait times, and add stress during already vulnerable moments.
- **Quality of experience diminishes**
  Inefficient spaces can disrupt communication, delay critical interventions, and increase the likelihood of errors or infection spread.

Amount emergency department wait times at Indian Health Service (IHS) facilities dropped after optimizing hospital space.[1]

For caregivers

- **Fatigue builds**
  Extra steps, poor supply access, and workflow inefficiencies add unnecessary strain to already demanding shifts.
- **Morale declines**
  Frustration with space challenges and increased workloads fuels burnout and drives higher turnover.

Average length inpatient stays will increase by 2034.[2]

For organizations

- **Costs climb**
  Inefficient space use drives higher operating expenses and shrinks margins, while redesigns and retrofits strain budgets.
- **Productivity suffers**
  Disjointed workflows reduce throughput, lengthen patient stays, and slow care delivery.
- **Resilience weakens**
  Facilities become less able to adapt to surges, emergencies, or evolving care models.

Amount hospital expenses grew in 2024, significantly outpacing the overall inflation rate of 2.9%.[3]

1. ASPE, Office of Health Policy Research Report, January 2023.
2. Sg2, 2024 Impact of Change Report
3. American Hospital Association, 2025 Cost of Caring Report.

Design Thinking:

Inclusive design that considers multiple generations ensures that every patient can navigate and use spaces comfortably, helping facilities maximize the value of each area while enhancing the overall care experience.

Inclusive design for multigenerational support and access

- **Community and social spaces**
  Provide tech-enabled zones and worksurfaces to support productivity, a mix of private and communal areas to accommodate different social preferences, and varied seating options to ensure comfort and accessibility for all abilities.
- **Multipurpose and adaptable rooms**
  Create spaces that can be reconfigured for consultations, family meetings, and group education, with accessible seating and mobile furniture to support diverse patient needs.

Explore

Explore

Design Thinking:

Care delivery can evolve quickly, and health spaces must be able to keep pace. By building in flexibility, facilities can handle fluctuating needs for in-person and virtual visits without costly additions.

Adaptive environments for evolving care

- **Reconfigurable treatment areas**
  Built for adaptability, modular treatment areas can easily scale or reconfigure to meet shifting care demands, maximizing space, efficiency, and resource use without increasing footprint.
- **Tele-health-ready spaces**
  Dedicated pods and hybrid rooms equipped for virtual visits expand access while freeing traditional consult rooms for higher-demand, in-person care.

Explore

Explore

Design Thinking:

Every square foot counts. Smarter layouts and space-saving solutions help staff work more effectively while keeping operational costs in check.

Efficiency strategies that maximize footprint

- **Modular casework systems**
  Forge casework offers standardized yet flexible storage solutions that support rapid reconfiguration, enhanced organization, and less wasted square footage.
- **Space-saving layouts**
  Decentralized, compact work zones minimize walking distance, reduce fatigue, and create more usable care areas.

Explore

Explore